

STUDY OF INFLUENTIAL FACTORS OF CUSTOMERS E-LOYALTY TOWARDS ONLINE STORES

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Abstract

The rapid development of information & communication technology and infrastructure the e-sellers go to retain customer through creating e-loyalty. Customer loyalty is become an area of interest for business organization because has a direct impact in revenue generation and profitability of the organization. This paper investigates the customer loyalty in an online shopping context. Researchers identify nine factors that have direct relation in building e-trust, e-satisfaction and e-commitments which proceed to customer e-loyalty. Data collected from 300 online customers. As a result, it is determined that e-trust, e-satisfaction and e-commitment have a positive effect on e-loyalty.

Keywords: E-commerce; E-loyalty, online shopping, B2C.

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Introduction

From 1991 when there is one website to more than two billion in 2017. Currently, more than 460 million Indian are using internet rank second largest user behind China. While only 26% population accessed the internet and it is expected to reach more than 699 million by 2019 (Dart Consulting, 2014). Furthermore, it is found men are dominated with 71 percent to women's 29 percent internet users in the country.

The growth rate of online shopping is increasing due to increasing number of smart phone and internet facility. E-retailers attract the customer by discount hours, discount days and many more promotional strategies. In the last few years, it has been noticed customers have limited time and unlimited choice. They would stick to the trusted merchant who meets their demand.

The e-loyalty refers to deeply held intension & commitment to repurchase a favorite product consistently from an e-tailor in the future. Sreenivasan et al, (2002) define e-loyalty is as the customer's favorable or positive attitude towards the e-retailer' brand that reflect in their repeat buying behavior. E-loyalty refers to positive attitudes or feelings of customer to re-purchase a specific products or service from an e-merchant.

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Fig: Customer buying behavior process

The following stages of the customer buyer behaviors process was introduced by John Dewey in 1910.

- **Problem/Need Recognition** – Firstly recognize what the actual problem or need is arise and identify the product which is required to satisfy the need.
- **Information Search** - The consumer searches availability of product from e-retailers as per requirement would satisfy the need..
- **Evaluation of Alternatives** - The consumer evaluates the searched multiple alternatives of the products and try to find out which product would be appropriate for need.
- **Purchase Decision** - After the consumer has evaluated all the available choices. He purchase the suitable product or drop the purchasing idea
- **Post Purchase Behavior** - After the purchase the product consumer may experience post purchase dissonance feeling that buying another product would have been better. Addressing post purchase dissonance spreads good word for the product and increases the chance of frequent repurchase.

LITERATURE REVIEW

Ghane Soheila et.al (2011) in their article entitled “E-trust, E-service quality and E-Loyalty: The case of Iran E-banking” published in “Journal of Theoretical and Applied Information Technology” investigates the impacts of e-trust, e-satisfaction and e-service quality on customer e-loyalty in e-banking services. The results indicate that although e-trust, e-satisfaction and service quality have direct effect on e-loyalty while e-satisfaction and e-trust playing as mediating role are more significant.

Eid Mustafa I. (2011) in his article entitled “Determinants of E-commerce customer satisfaction, trust and loyalty in Saudi Arabia” published in “Journal of Electronic Commerce Research” identified the factors which influence the Saudi consumers trust, satisfaction, and loyalty towards B2C e-commerce. The findings of the study shows B2C e-commerce customer loyalty in Saudi Arabia is strongly influenced by customer satisfaction but weakly influenced by customer trust.

Chen Yue-Yang et. al (2011) in their article entitled “A quality-centered view of customer e-satisfaction and e-loyalty in online shopping”, published in “Advances in information sciences and service sciences (AISS)” aim of the study was to examine the relationships among product quality, information quality, system quality, e-Service quality, e-Satisfaction, and e-Loyalty. The results showed that the four antecedents had significant positive effects on online customer’s e-Satisfaction, in turn, customer’s e-Satisfaction was also found to have a positive impact on customer’s e-Loyalty.

Pratminingsih Sri Astuti et.al (2013) in their article entitled “Factors influencing customer loyalty toward online shopping” published in “*International Journal of Trade, Economics and Finance*” investigate the influence of trust, satisfaction and commitment on customer loyalty toward online shopping. The study revealed that satisfaction, trust and commitment have significant impact on student loyalty toward online shopping. Satisfaction has positive relationship with trust, commitment, and loyalty. Trust also has positive relationship with commitment and loyalty, and commitment has impact on loyalty.

Pratminingsih Sri Astuti et.al (2013) in their article entitled “Factors influencing customer loyalty toward online shopping” published in “International Journal of Trade, Economics and Finance” that organizational factors have a significant effect on E-trust and technological factors have a significant effect on E-satisfaction. E-trust and E-satisfaction lead to E-loyalty in E-commerce.

Ziaullah Muhammad et.al (2014) in their article entitled “E-loyalty: The influence of product quality and delivery services on e-trust and e-satisfaction in China” published in “International Journal of Advancements in Research & Technology” examine the relations among product quality and delivery services, e-trust, e-satisfaction and e-loyalty in China. Structural Equation Modeling (SEM) technique was used to test the hypotheses of the causal model. The study reveals that product quality and delivery services (i.e. product variety, quality, availability, reliable delivery, package safety and timely delivery) directly influence e-satisfaction and e-trust. Thus trust has both direct and indirect (through e-satisfaction) impact on e-loyalty.

Consequently, both e-trust and e-satisfaction are significant determinants of e-tailing customer's loyalty.

Winnie Poh-Ming Wong (2014) in his article entitled “The Impact of Trustworthiness and Customer e-Loyalty and e-Satisfaction” published in “ International Journal of Academic Research in Business and Social Science” purpose of this study attempts to identify the impact of trustworthiness on customer e-loyalty and customer e-satisfaction in Malaysia context. This study also reveals the impact of trustworthiness on customer e-loyalty and customer e-satisfaction among Malaysian Internet users. He found in his study the trustworthiness is positively related to customer e-loyalty and e-satisfaction.

Kaur Manpreet (2015) in her article entitled “Influential factors of service quality affecting E-loyalty in E-retailing” published in “International journal of advance research in computer science and management studies” reveals that the independent variable i.e. Service quality dimensions, i.e. Responsiveness, information, design and fulfillment are found to deliver a strong and positive association with customer loyalty but other dimensions i.e. Security, dependability, efficiency and simplicity of use are found to have an insignificant and negative association with customer loyalty.

Romadhoni Buyung et. al (2015) in their article entitled “Relationship between E-service quality, E-satisfaction, E-trust, E-commitment in building customer E-loyalty: A literature review” published in “International Journal of Business and Management Invention” explain the relationship model of e-service quality, e-satisfaction, e-trust, e-commitment and customer e-loyalty. The study shows that e-service quality, e-satisfaction, e-trust and e-commitment play a key role in building the e-loyalty of the online customer.

Imprasittichai Chonlakarn (2017) in his article “The determinants of E-loyalty on mobile banking in Thailand” published in “Proceedings of the International Conference on E-commerce, E-business and E-technology” study the determinants of E-Loyalty model on mobile banking in Thailand. The key variables in the study are trust, satisfaction, service quality, and word of

mouth. Satisfaction, service quality, trust and word of mouth play a significant relationship with E-loyalty, and the most influential factor is satisfaction.

Objectives of the Study

- To study the demographic profile of the online shoppers.
- To examine the key determinants that influences customer loyalty of online shopping.
- To study impacts of e-satisfaction, e-trust, and e-commitments on customers e-loyalty.

Research Methodology

Research process starts with selecting the research problem by analyzing of available literatures, formulating aim of the study, development of research design and developing hypotheses, data collection analysis and interpretation of data. Descriptive research design was used. The data were collected from primary sources viz. structured questionnaire and interviews. The sample size of 300 respondents who are shopping through online mode in Lucknow city while secondary data were collected from available research journals, news papers, publications of government agencies, magazines and websites. Convenience sampling technique was used. The statistical tools were used Chronbach Alpha, Likert Scale, arithmetic mean and standard deviation to test the hypothesis, reliability of data and relationship among variables.

Data Analysis

Table-1 GENDER PROFILE

	Frequency	Percentage	Cumulative Percentage
Male	187	62.33	62.33
Female	113	37.27	100
Total	300	100	

The table-1 shows that there are 62.33.5% customers are male and 37. 27 % are female respondents.

Table-2 AGE GROUP

	Frequency	Percentage	Cumulative Percentage
Upto 20 Years	51	17	17
20-35 Years	229	76.33	93.33
35-50 Years	14	4.60	97.93
Above 50 Years	6	2	100.0
Total	300	100.0	

The table-2 shows that there are 76.33% customers are from age group 20-35 years which means online shopping mostly done by young generation customers.

Table-3 OCCUPATIONAL STATUS

	Frequency	Percentage	Cumulative Percentage
Self employed	62	20.66	20.66
Employees	134	44.66	65.32
Students	45	15	80.32
Housewife	59	19.66	100.0
Total	300	100.0	

The table-3 shows that 44.66 % respondents are employees (including both government and private).

Table-4 INCOME LEVEL (Monthly)

	Frequency	Percentage	Cumulative Percentage
Upto 10000 Rupees	34	11.33	11.33
10000-20000 Rupees	65	21.67	33
20000-30000 Rupees	117	39	72
30000 above Rupees	84	28	100.0
Total	191	100.0	

The table-4 shows that 72% respondents whose monthly incomes were upto Rs 30000.

Table-5 EDUCATION LEVEL

	Frequency	Percentage	Cumulative Percentage
Upto XII	98	32.66	32.66
Undergraduate	115	38.33	70.99
Post Graduate	53	17.67	88.67
Above Post graduate	34	11.33	100.0
Total	300	100.0	

The table-5 shows that 70.99.3% respondents are upto graduates.

Table-6 WEBSITE FOR PURCHASE

	Frequency	Percentage	Cumulative Percentage
Amazon.com	127	42.33	42.33
Flipkart	85	28.33	70.66
Mantra.com	67	22.34	93
Snapdeal	21	7	100.0
Total	300	100.0	

The table-6 shows that Amazon.com and Flipkart constitute more than 70% market share in online selling.

Table-7 AMOUNT (Per shopping)

	Frequency	Percentage	Cumulative Percentage
Less Than 1000 Rupees	76	25.33	25.33
1000-2000 Rupees	92	30.67	56
2000-3000 Rupees	83	27.67	83.67
Above 3000 Rupees	49	16.33	100.0
Total	300	100.0	

The table-7 shows that 83% customer purchase per shopping upto Rs 3000.

Table-8 State your opinion regarding repeat purchase online.

Determinants	Mean	Standard Deviation
1. Original product	2.86	.317
2. Full range of products	3.84	.412
3. Reasonable price	3.72	.234
4. 24*7 shopping	2.34	.568
5. Easy Return Policy	2.12	.751
6. Heavy Discount	3.11	.432
7. Payment facilities	2.19	.981
8. Flexible home delivery	2.56	.431
9. Solution of problem	2.07	.659

Cronbach's Alpha	No of Items
.723	9

Table-9

The influence of e-satisfactions, e-trust and e-commitment on e loyalty			
Hypothesis	Path	Coefficient (t value)	Results
H1	E-satisfactions→E-loyalty	0.44 (6.45)	Supported
H2	E-Trust → E-loyalty	0.25 (3.7)	Supported
H3	E-trust→E-loyalty	0.34 (4.6)	Supported
H4	E-commitment→E-satisfaction	0.54 (14.6)	Supported
H5	E-commitment→ E-trust	0.76 (24.8)	Supported

Conclusion, Limitation and Future research Directions

This paper examine the important factors of customers e-loyalty viz customer e-satisfaction, e-trust and e- commitment on e-loyalty in lucknow city. A theoretical model was developed and tested the key factors validity through statistical tools. The key factors are original product,

products range, reasonable price, 24*7 shopping, heavy discount, payment facility which help in repeat purchase and created e-satisfaction, e-trust and e commitment on e loyalty.. All three factors were found a positive impact on e-loyalty. The findings of the study provide meaningful implications for both domestic and international e-retailers in terms of highlighting the key areas to focus and develop their strategies. The sample has taken in lucknow city only which may not be true representative of the all e-shoppers in India and the sample size was also its limitation. Therefore, to increase hypothesis factors validity and generalization of the study the future research should attempt a larger sample size with more responses from others cities.

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