

CONSUMER LOYALTY IN THE ONLINE ENVIRONMENT

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## Thesis Abstract

Selçuk Kıran, “Consumer Loyalty In The Online Environment”

The importance of consumer loyalty to the web sites has long been known. Researchers have introduced some models to explain the antecedents of and the factors that affect e-loyalty. Within the scope of this study, the research of Srinivasan, Anderson, and Ponnnavolu’s (2002) is chosen and modified by adding C (Cost Reduction) as a variable. The of this thesis was to examine the relation between e-loyalty and its antecedents.

For this purpose, the data has been collected via an online survey from 328 participants, and has been tested through descriptive, reliability, correlation, cluster analyses, and ANOVA analyses aiming to reach findings.

Results of this study show the antecedents of e-loyalty and describes the relations between site types and subtypes of loyalty and the antecedents of e-loyalty seperately. Generally, overall loyalty tendency of the people has been found to be low, however their tendency to be emotionally loyal to a web site is higher than to be rational loyal as expected. Consumers show different loyalty tendencies which can be summarized in three groups, “Loyal Friends”, “Rational Advocates”, “Independent Switchers”. On the other hand, differences based on the web site types have also been analyzed.

## Tez Özeti

Selçuk Kıran, “Internet Ortamında Müşteri Sadakati”

Müşteri sadakatinin önemi uzun süreden beri bilinen bir konudur. Araştırmacılar, e-sadakatin ön şartlarıyla ilgili bazı modeller geliştirmişlerdir. Bu çalışmada, bu modellerden Srinivasan, Anderson, Ponnayolu'nun 8C (2002) modelini seçilmiş, Türkçe'ye çevrilmiş ve uyarlamalar yapılmıştır. Ayrıca modele yeni bir değişken (Masraf Azaltması) eklenmiştir. Bunun yapılmasındaki amaç, e-sadakat ve ön şartları arasındaki ilişkiyi gözlemlemektir.

Bu amaç için 328 kişinin katılımıyla gerçekleştirilen anket çalışmasından derlenen veriler, tanımlayıcı, güvenilirlik, korelasyon, kümeleme analizleri ve ANOVA analizleri kullanılarak test edilmiş ve sonuçlara ulaşmak amacıyla kullanılmıştır.

Bu çalışmanın sonuçları e-sadakatin gereklerini tanımlamış, site tipleriyle sadakatin alttipleri ve e-sadakat gerekleri arasındaki ilişkileri ortaya koymuştur. Genel olarak tüketicilerin sadakat eğilimleri düşük bulunmuştur, aynı zamanda duygusal olarak bağlanma eğilimlerinin mantıksal olarak bağlanma eğilimlerinden de fazla olduğu gözlemlenmiştir. Tüketiciler 3 ayrı grupta toparlanabilecek sadakat eğilimleri göstermişler, bunlar “Sadık Dostlar”, “Rasyonel Savunucular” ve “Bağımsız Yer Değiştiriciler” olarak belirlenmiştir. Diğer yandan, web sitesi tipleriyle ilgili farklılıklar da analiz edilmiştir.

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In Memory of my beloved father...

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## CHAPTER I

### INTRODUCTION

In the last decade, e-commerce and e-shopping made great development which increased the volume of internet sales. In the following table, the development of the internet sales can be seen ([www.census.org](http://www.census.org), 05/26/2011)

Table 1 - Historical U.S. Electronic Shopping and Mail-Order Houses E-commerce Sales by Merchandise Line1: 1999-2009

Year	Total Electronic Shopping and Mail-Order Houses (NAICS 45411, in million dollars)	Increase (%)
2009	112,791	4.05%
2008	108,404	6.95%
2007	101,362	21.35%
2006	83,526	24.66%
2005	67,001	27.01%
2004	52,751	26.13%
2003	41,822	24.10%
2002	33,701	30.30%
2001	25,865	21.90%
2000	21,219	82.61%
1999	11,620	n/a

As seen in Table 1, at the beginning, the increase ratio of e-shopping was somehow more steep (nearly 20%), but in the last years, it is more saturated and

growth ratio came down to 4-5%. That means, if there will be no revolution in technology or marketing, internet market is coming to a saturation point and from now on, it will grow more like traditional markets.

When market growth slows down then loyalty becomes more important. On the other hand, according to TUIK (08/18/2010) 90.9% of Turkish companies and 41.6% of Turkish households are using internet. Mainly, Turkish citizens are using internet for social reasons; 72.8% are checking e-mails, 64.2 % are chatting or writing to forums and newsgroups, 58.8 % are reading newspapers and magazines, 55.7 % are searching some products or services, and 51.2 % are downloading films, music, and games.

Nearly 15 % of these users have somehow made an e-commerce attempt. 9% of them have bought services or products through internet in the last 3 months, 3.6 % in the last 3 – 12 months, and 2.5 % more than one year ago. Nearly 85 % of these users didn't ever buy anything from the web. It is very clear that these ratios will increase rapidly and the internet sales volume in Turkey will rise.

Therefore to determine the antecedents of e-loyalty and loyalty factors in internet becomes more critical. There are some studies in the literature which specifically focused to this point. Among the various models aiming to study e-loyalty, the generally accepted 8C's Model of Srinivasan, Anderson, and Ponnnavolu (2002) has been used in this study. In this context, the main objectives of this study are:

- Building an e-loyalty scale based on Srinivasan et al.'s (2002) 8 C's model
- Measuring respondents' e-loyalty level with respect to rational and emotional factors

- Assessing loyalty level for different types of web sites

This thesis is composed of following chapters:

- Chapter 1 includes the introduction as an overview of the study.
- Chapter 2 reviews the literature on satisfaction and loyalty in the internet with respect to selected websites.
- Chapter 3 introduces the model and the hypotheses of the study.
- Chapter 4 presents the methodology of the study including preparation of the questionnaire and the data analysis approach.
- Chapter 5 presents the findings and results of the analyses.
- Chapter 6 covers the discussion of findings, implications, and limitations of the study.

## CHAPTER II

### LITERATURE REVIEW

In the e-commerce literature, analyzing consumer satisfaction and loyalty has been and still is an important subject. In this study, the relevant literature about this topic is examined under the following subtitles:

- **Service Quality and E-Service Quality:** Since e-service quality is seen as one of the most important antecedents of e-loyalty, it has a recognized place in the literature.
- **Overview of Traditional Loyalty Literature:** In order to understand e-loyalty, it is first necessary to have a general view of the definition of loyalty as found in the traditional marketing literature.
- **Relationship between e-satisfaction and e-loyalty:** The importance of e-loyalty and its arguable relationship with e-satisfaction is discussed in this part.
- **Seminal e-loyalty model of Srinivasan, Anderson, and Ponnayolu (2002):** Since this model is the major model adopted in this study and since it is one of the most important e-loyalty models in the literature, special attention has been shown to this study.

## Service Quality and E-Service Quality

Researchers found solid arguments that service quality is essential in fulfilling customer needs and this can bring customer loyalty and retention both in online and offline markets (Imrie, Durden, and Cadogan, 2000). In other words, it is directly accepted to be a natural antecedent of e-loyalty. With the introduction of the Internet, a variety of online services are provided by electronic businesses, so online service quality has attracted attention as an important determinant of user satisfaction and loyalty.

On the other hand, Yang (2001) and Zeithaml (2002) found out that there are many companies with online presence and low prices, so service makes difference and has become indispensable for improving customer satisfaction and creating customer loyalty.

Service quality has many definitions. For example, Zeithaml (1987) defined it as the consumer's judgment about an entity's excellence or superiority. Parasuraman (1988) named it to be a "type of attitude" and built his SERVQUAL framework which is one of the most popular models of criteria for Service Quality. The major parameters of this model and their descriptions are shown in Table 2.

Table 2 - SERVQUAL Model

Parameter	Description
Tangibles	Physical facilities and their appearance, equipment
Reliability	Ability to reproduce the same level of promised service every time and accurately
Responsiveness	The speed with which the service provider responds to customer requirements, queries, complaints, etc.
Competence	The technical expertise of the provider in delivering the service
Courtesy	The attitude of the service provider and the manner adopted by the server
Communication	The clarity and comprehensibility of the information given to the customer
Access	The ease of reaching the service provider, physically or electronically
Credibility	The trustworthiness of the service provider
Security	The physical safety of the customer, or privacy of customer-related information
Understanding	How well the provider of the service understands the customer's needs

This model has been criticized by marketing researchers because of the complexity of its parameters (Babakus and Boller, 1992; Carman, 1990; Cronin and Taylor, 1992). After the invention of the internet, Service Quality models were somehow adapted to this new age and e-service quality models were created. Most widely ones are listed in Table 3.

Table 3 – E-Service Quality Models

<i>Model Name</i>	<i>Properties</i>	
WebQUAL (Lociacono, Watson, and Goodhue, 2000)	Information fit to task	Interaction
	Trust	Response time
	Design	Intuitiveness
	Visual appeal	Innovativeness
	Flow	Integrated communication
	Business process	Substitutability
SITEQUAL (Yoo and Donthu, 2001)	Ease of use	Aesthetic design
	Processing speed	Interactive responsiveness
.comQ/eTailQ (Wolfenbarger and Gilly, 2002, 2003)	Web site design	Reliability
	Customer service	Privacy
Li, Tan, and Xie (2002)	Tangibles	Assurance
	Reliability	Quality of information
	Responsiveness	Empathy
	Integration of communication	
e-SERVQUAL (Zeithaml, Parasuraman, and Malhotra 2000, 2002); E-S-QUAL and E-RecS-QUAL (Parasuraman, Zeithaml, and Malhotra 2005)	<i>Core</i>	<i>Recovery</i>
	Efficiency	Compensation
	System availability	Contact
	Fulfillment	
	Privacy	

Many criticisms have been directed toward these models in the literature. For example, WebQUAL is criticized mostly that, it is aiming webmasters to help them developing better Websites (Zeithaml et al., 2002; Parasuraman et al., 2005). On the

other hand, SITEQUAL has less parameter but that's why it cannot capture all aspects of the purchasing process (Parasuraman et al., 2005). Another major criticism is that, both have primarily focused on the interaction of the consumer and the web site (Collier and Bienstock, 2006). eTailQ had similar problems as SITEQUAL and additionally, its dimensionality is questioned (Zeithaml et al., 2002; Parasuraman et al., 2005).

As founders of the traditional service quality model, Zeithaml, Parasuraman and Malhotra created and extended a series of electronic Service Quality Models (2000, 2002, and 2005). First, they produced the e-SERVQUAL model which can be seen in Figure 1.

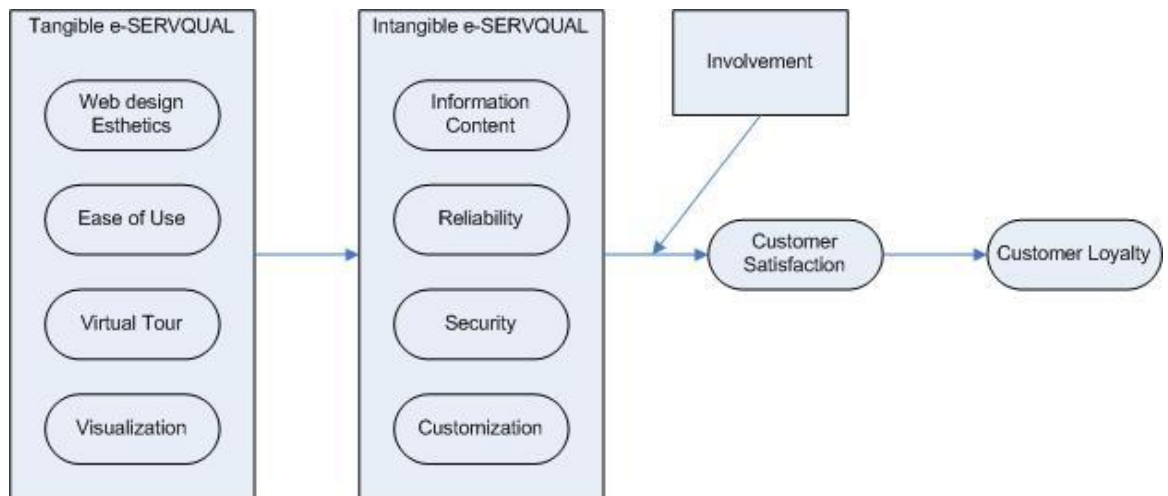


Figure 1 – e-SERVQUAL (Zeithaml et al., 2000)

Then they refined their model using four parameters: efficiency, system availability, fulfillment, and privacy; resulting in the E-S-QUAL model. These studies measure Web site interactivity conveniently from their point of view. E-

service quality is just treated as how a consumer interacts with a Web site, which is absolutely not the case. E-service quality relates to customers' perceptions of the outcome of the service, and should also include recovery perceptions if a problem occurs (Collier and Bienstock, 2006). These recovery dimensions are responsiveness, compensation, and contact. Recovery measures by online service quality are very important, since consumers can switch to another e-retailer very easily (Collier and Bienstock, 2006). Handling questions, concerns and frustrations of the customer are necessary to the customer's perception of e-service quality. This forms the basis of recovery which has a direct influence on factors such as trust; repurchase intention, commitment, and word of mouth (Blodgett, Hill, and Tax, 1997; Goodwin and Ross, 1992; Mohr and Bitner, 1995). However, customers who go through problems but get high-quality service during the recovery period can be even more satisfied than customers who do not face any problems. This is called the "recovery paradox" (Hart et al., 1990).

At the beginning, expectations of the customers were not well formed in e-service quality (Zeithaml, Parasuraman, and Malhotra, 2002). After including recovery, this problem has been solved. Collier and Bienstock (2006) mentioned additionally that online retailers should handle the interactive, procedural, and distributive nature of service problems to satisfy customers' expectations. On the other hand, if majority of the consumers are dissatisfied with recovery attempts, then, this dissatisfaction affects intentions to reuse company's web site (Holloway & Beatty, 2003).

There are some other studies that have approached the topic from a different perspective such as the work of Mentzer, Flint, and Hult (2001). They made a research in logistics service quality and defined quality perceptions as order

placement (process) and order receipt (outcome). The order placement (process) dimensions included personal contact, order release, ordering procedures, and information quality. The order receipt dimensions included order accuracy, order condition, and order quality. By establishing these dimensions, it is considered that online customers require information quality and ease of order during the order placement, along with order condition and accuracy in the outcome of online transactions.

### Overview of Traditional Loyalty Literature

One of the earliest studies about loyalty is the work of Brown (1952) in which he analyzed loyalty in four groups: (i) undivided loyalty, (ii) divided loyalty, (iii) unstable loyalty, and (iv) no loyalty, with respect to the purchase patterns of customers. Consequently, Lipstein (1959) and Kuehn (1962) set loyalty as a function of product repurchases probability. Day (1969) and Jacoby & Chestnut (1978) claimed that although customer may seem to be loyal, this might be because they actually have no other choice. For example, maybe he or she lacks convenient transportation to travel to another store and/or the preferred brand is not carried by the nearby store. Therefore, Engel, Kollat and Blackwell (1982) added preferential and attitudinal responses to the classical “behavioral response toward one or more brands in a product category expressed over a period of time by a consumer” definition.

In following studies, Assael (1992) and Keller (1993) defined loyalty as “a favorable attitude toward a brand resulting in consistent purchase of the brand over

time”. Gremler (1995) suggested, both attitudinal and behavioral dimensions should be combined by measuring loyalty.

Over their buying lifetimes, customers’ loyalty to a given seller may be worth up to 10 times as much as the average customer (Health, 1997; Newell, 1997). Furthermore, increasing the percentage of loyal customers by as little as 5% can increase the profitability by as much as 30% to 85% depending upon the industry (Reichheld and Sasser, 1990). It is estimated that this ratio would be even higher in the web environment (Reichheld & Schefter, 2000). Not only is the cost of retaining existing customers less than that of acquiring new ones, but also existing customers cost less to maintain than newly acquired ones (Lam, Shankar, Erramilli & Murthy, 2004; Reichheld, 1996), and customer retention has a powerful impact on the performance of service firms and is considered by many service firms as an important source of competitive advantage (Lam et al., 2004), so what drives to loyalty becomes more important. Srinivasan et al. (2002, p.41) summarized this as: “From a seller's perspective, customer loyalty has been recognized as a key path to profitability.”

### Relationship between e-Satisfaction and e-Loyalty

In 1998, Kuttner claimed that, it’s very easy to compare and buy products through Internet worldwide and so perfect competition is possible. Compared to offline markets, brand loyalty vanishes and perfect liberal markets rule. Early views in the literature about brand loyalty in the online environment focused on repeated purchases as the most important measure of e-loyalty (Anderson & Srinivasan,

2006). Therefore, it is crucial to examine the link between e-satisfaction and e-loyalty.

Establishing the relationship between satisfaction and repurchase behavior has been elusive for many firms (Mittel and Kamakura, 2001). It's almost intuitive to bond satisfaction to loyalty and several researchers (Cronin & Taylor, 1992; Newman & Werbel, 1973; Woodside, Frey, and Daley, 1989) have attempted to confirm this relationship in their research. Despite the intuitive appeal, however, the strength of the relationship between satisfaction and loyalty has been found to vary significantly under different conditions. For example, Jones and Sasser (1995) discovered that the strength of the relationship between satisfaction and loyalty depends upon the competitive structure of the industry. In a later study, Oliver (1999) found that satisfaction leads to loyalty, but true loyalty can only be achieved when other factors such as an embedded social network are present. Since switching the shop is one click away in e-commerce settings, it is vital that companies understand how to build customer loyalty in online markets (Anderson & Srinivasan, 2003).

Customer satisfaction does not end up necessarily in higher repurchase and loyalty (Jones & Sasser, 1995; Stewart, 1997) but a dissatisfied customer is more likely to resist attempts by his or her current retailer to develop a closer relationship and more likely to take steps to reduce dependence on that retailer. Moreover, he or she may redefine the relationship. The relationship between customer satisfaction and loyalty is much more complex than expected (Anderson & Srinivasan, 2003; Hennig-Thurau & Klee, 1997; Söderlund, 2002).

The relationship between e-satisfaction and e-loyalty has been shown in Anderson and Srinivasan's (2003) framework as shown in Figure 2.

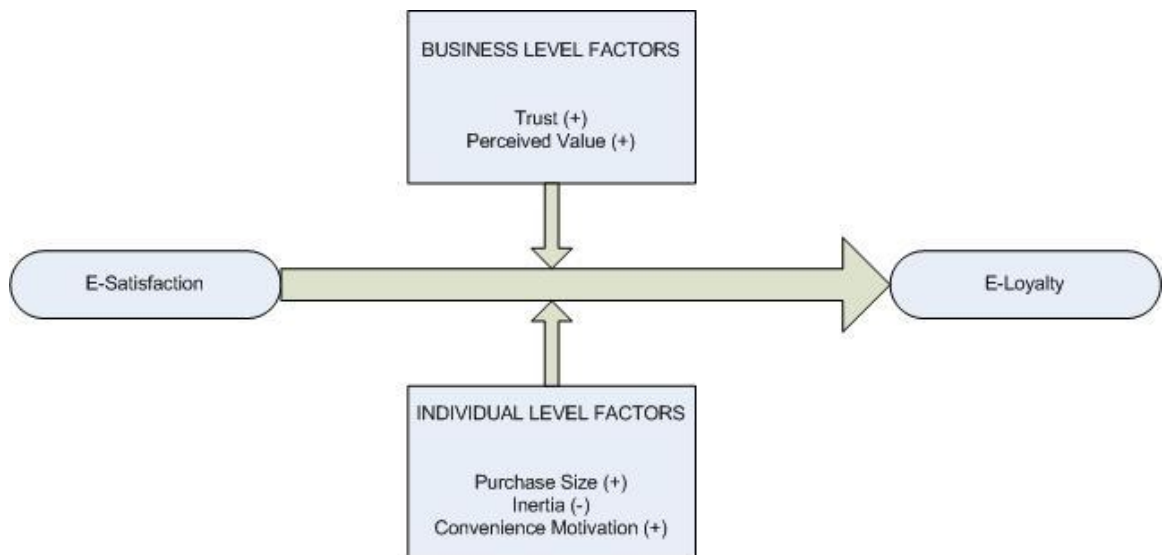


Figure 2 - E-Satisfaction and E-Loyalty: A Contingency Framework (Anderson & Srinivasan, 2003)

Here, the relationship between e-satisfaction and e-loyalty has been analyzed. In this model, there are some individual customer parameters and business level factors which either magnify or reduce the impact of e-satisfaction on e-loyalty of customers. It is necessary to take a closer look at these parameters.

As seen in Figure 2, “inertia” is one of the important individual level factors affecting the relationship between e-satisfaction and e-loyalty. This effect is expected to be negative. Campbell (1997) proposes inertia as a condition where “repeat purchases occur on the basis of situational cues rather than on strong partner commitment”. As one study claims, 40% - 60% of customers are loyal to their stores

out of habit (Beatty and Smith, 1987). Similarly, notable proportions of customers are more likely to visit their devoted e-commerce web sites. This is again because of their habits rather than conscious determination. When a customer has a high level of inertia, influence of e-satisfaction on e-loyalty is likely to be lower. On the other hand, when the inertia of a customer is low, the impact of e-satisfaction on e-loyalty is likely to be higher.

Another important individual level factor affecting the e-satisfaction – e-loyalty chain is convenience motivation. This time, the expected effect is positive. Jarvenpaa and Todd (1997) found out that convenience was comprehended as one of the major benefits of shopping over Internet. Donthu and Garcia (1999) also observed that Internet shoppers were more convenience seeking than non-Internet shoppers. According to Burke (1997), Internet shoppers appreciate shopping while doing other activities like exercising, cooking, etc. A survey conducted by Visa showed that 60% of Internet shoppers conducted their transactions in their pajamas (Romani, 1999). Customers driven by the need for convenience are more likely to exhibit higher levels of loyalty. So, the relationship between e-satisfaction and e-loyalty is expected to be stronger for customers with a high convenience orientation relative to customers with low convenience orientation.

Purchase size is also shown as an important individual level factor affecting the relationship between e-satisfaction and e-loyalty in the model in Figure 2. Researchers have discovered a positive relationship between purchase size (amount of money spent by the customer) and loyalty. Kuehn (1962) and Day (1969) have seen that heavy purchasers are more brand loyal than light purchasers. Since consumers' need for safety is higher for those who spend more money than consumers' who spend less, these consumers don't prefer switching from one shop to

another. Kim, Scott, and Crompton (1997) have also found that involvement is proportional to loyalty. Thus, the relationship between e-satisfaction and e-loyalty is stronger for consumers who are heavy spenders than for consumers who spend less, because high-spending customers are more involved in their decision making.

In addition to the above-cited individual level variables, the influence of e-satisfaction on e-loyalty can also be affected by business level variables such as trust and perceived value offered by the e-business as seen in Figure 2.

Morgan and Hunt (1994) define trust as the “confidence in the exchange partner’s reliability and integrity.” Meanwhile, Doney and Cannon (1997) define trust as “the perceived credibility and benevolence of a target.” Many electronic commerce customers do not rely the online businesses they are dealing with to keep their purchase and personal data confidential (Wang, Lee, & Wang, 1998). For example, providing credit card information to “nowhere” is a potential risk for certain customers (Shannon, 1998). According to Singh and Sirdeshmukh (2000), “trust is a crucial variable that determines outcomes at different points in the process and serves as a glue that holds the relationship together”. Customers who do not trust an e-commerce site; will be not loyal to that site. Therefore, it seems obvious that e-satisfaction is likely to result in stronger e-loyalty when customers have a higher level of trust in the e-business.

The other business level factor, perceived value, is actually a very broad concept. Zeithaml (1988) defines value as “the consumer’s overall assessment of the utility of a product based on perceptions of what is received and what is given.” Bakos (1991) claims, the search costs in electronic marketplaces are lower, resulting in more competitive prices to the consumer. The importance of perceived value in

electronic commerce stems from the fact that it is easy to compare prices as well as product features online. According to Bakos (1991), the search and switch costs in electronic marketplaces are lower, resulting in more competitive prices to the consumer. According to Parasuraman and Grewal (2000), perceived value is a function of “a ‘get’ component—i.e., the benefits a buyer derives from a seller’s offering—and a ‘give’ component—i.e., the buyer’s monetary and non-monetary costs in acquiring the offering.” Plenty of researchers have concluded that a significant number of electronic commerce customers are motivated by low prices (Goldberg, 1998; McCune, 1999; Tanaka, 1999) so this can also be viewed as a component of perceived value.

Researchers have also established a positive relationship between perceived value and intention to purchase/repurchase (Dodds, Monroe, & Grewal, 1991; Parasuraman & Grewal, 2000). When the perceived value is low, customers will be more inclined to switch to competing businesses in order to increase perceived value, thus contributing to a decline in loyalty. Even satisfied customers are unlikely to patronize an e-business, if they feel that they are not getting the best value for their money, instead, they will try to find out other sellers with better values. The relationship between e-satisfaction and e-loyalty appears strongest when the customers feel that their current e-business vendor provides higher overall value than that offered by competitors.

At the end, showing to customers that you care about them and want to help them without thinking of the short-run profit consequences help create and/or strengthen the kind of relationship that brings customer loyalty (Anderson and Srinivasan, 2003).

## Seminal Loyalty Model of Srinivasan, Anderson, and Ponnaveolu (2002)

Srinivasan et al. (2002) described the antecedents and consequences of e-loyalty as seen in Figure 3.

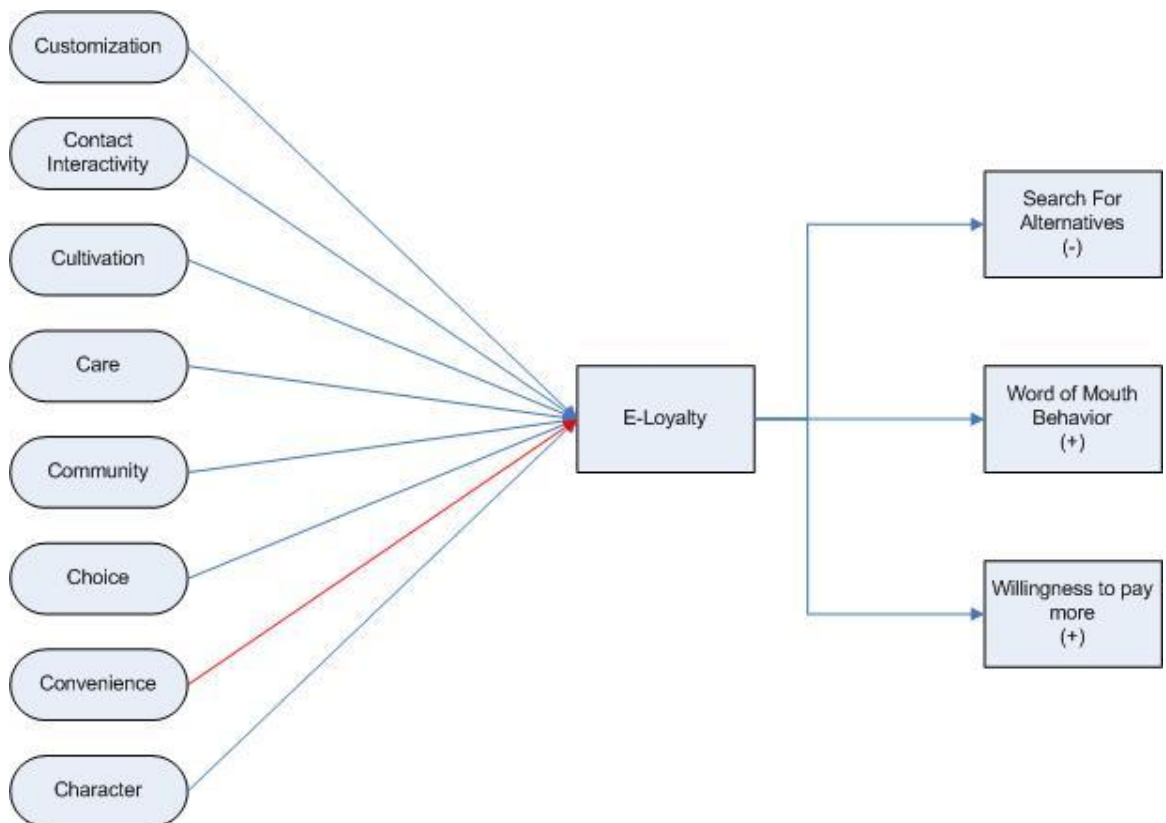


Figure 3 - Customer loyalty in e-commerce: an exploration of its antecedents and consequences (Srinivasan et al., 2002)

Srinivasan et al. (2002) implied that e-loyalty is the result of 8 factors (8 C's), customization, contact interactivity, cultivation, care, community, choice, convenience, and character. These parameters are each explained in detail in Table 4. Each antecedent is first presented as defined by Srinivasan et al. (2002).

Consequently, other studies mentioning important issues about each of these antecedents are also shown.

Table 4 – Antecedents of e-Loyalty (8 C's)

<i>Antecedent</i>	<i>Explanation</i>
Customization	<p>“Customization is the ability of an e-retailer to tailor products, services, and the transactional environment to individual customers” (Srinivasan et al., 2002).</p> <p>A NetSmart Research’s Survey showed that 83% of Web users feel frustrated or confused when navigating sites (Lidsky, 1999). By personalizing the tools, an internet site can reduce this frustration. Customization also creates the perception of increased number of opportunities by taking into consideration on what the customer really desires (Shostak, 1987).</p> <p>In addition, customization can be a sign of advanced quality and bring a perfect match between customer and product (Ostrom &amp; Iacobucci, 1995). Individuals like customized sites and can more efficiently finish their transactions with help of customization. More alternatives for products can irritate customers and they narrow down alternatives by very simple elimination methods (Kahn, 1998). If the company does this process for their customers, customers more likely come back to the site in the future.</p>
Contact Interactivity	<p>“Contact interactivity refers to the dynamic nature of the engagement that occurs between an e-retailer and its customers through its web site” (Srinivasan et al., 2002).</p> <p>If contact interactivity is missing then sites are hard to navigate, they don’t have enough product information, and answer inquiries after an important delay.</p> <p>According to Alba et al. (1997), interactivity makes search process so easy that customer does not have to remember complex details. Another reason that drives contact interactivity to have a major impact on e-loyalty is that interactivity dramatically increases the amount of information that can be presented to a customer (Deighton, 1996; Watson, Akselsen, &amp; Pitt, 1998). For example, a customer shopping book by traditional methods can get an idea for the book only by reading the cover. However, if he/she shops online can read comments, reviews, etc.</p> <p>Finally, it also increases the freedom of choice and the level of control practiced by the customer (Hoffman &amp; Novak, 1996).</p>

Cultivation	<p>“Cultivation is the extent to which an e-retailer provides relevant information and incentives to its customers in order to extend the breadth and depth of their purchases over time” (Srinivasan et al. 2002).</p> <p>Berger (1998) implies that, companies need to have good designed and useful databases to cultivate their customers effectively. It is inexpensive, almost costless to contact customers (e.g. via e-mail) and attract them so that they come back. For example, Amazon offers some books or other items promotions via e-mail similar to his/her old orders.</p>
Care	<p>“Care refers to the attention that an e-retailer pays to all the pre- and post purchase customer interface activities designed to facilitate both immediate transactions and long-term customer relationships” (Srinivasan et al. 2002).</p> <p>Customer care is actually the insurance that there is no breakdown in service. According to Poleretzky (1999, p. 76), “In the physical world, if I make a customer unhappy, they’ll tell five friends, on the Internet they’ll tell 5,000.” Additionally, customers can switch to competitors very easily in the internet media.</p>
Community	<p>“A virtual community can be described as an online social entity comprised of existing and potential customers that is organized and maintained by an e-retailer to facilitate the exchange of opinions and information regarding offered products and services” (Srinivasan et al. 2002). For example customers who buy books from the same online bookstore can write comments and reviews for the books. They also can discuss about the books and other things through comment links, buying circles, chat rooms, and forums (virtual communities) provided by the web site.</p> <p>Hagel &amp; Armstrong (1997) imply that online communities affect word-of-mouth dramatically. Frank (1997) found that customer loyalty increases with the ability of information exchange capability.</p> <p>Bhattacharya, Rao, &amp; Glynn (1995, p. 47) went further and claimed that identification is “the perception of belonging to a group with the result that a person identifies with that group.” For example, Harley Davidson customers call themselves as hogs and act always together, so they prevent themselves riding other motorcycles.</p>
Choice	<p>“Compared with a conventional retailer, an e-retailer is typically able to offer a wider range of product categories and a greater variety of products within any given category” (Srinivasan et al. 2002).</p> <p>Customers don’t like to search products in multiple web sites. They prefer to find all alternatives in the same web site. So, many alternatives of the product in the same store gives the customer the</p>

	opportunity selecting the item which he/she wants, so he/she doesn't switch to the competitor (Bergen, Dutta, & Shugan, 1996).
Convenience	<p>“Convenience refers to the extent to which a customer feels that the web site is simple, intuitive and user friendly” (Srinivasan et al., 2002).</p> <p>Customers shouldn't try hard to get information from the web site, accessibility of information and simplicity of transaction processes should be aimed.</p> <p>Quality of the web site is important because it is the only interface with the marketplace (Palmer &amp; Griffith, 1998). If the customer can't navigate through the web site then he/she leaves the web site without purchasing anything. Almost 30% of the cases have this reason (Schaffer, 2000).</p>
Character	<p>“Creative website design can help an e-retailer build a positive reputation and characterization for itself in the minds of consumers” (Srinivasan et al. 2002).</p> <p>In this context, web site should have a character, an image. Character can be summarized as an overall image that the e-retailer shows to consumers through the use of inputs such as text, style, graphics, colors, logos, and slogans or themes on the website.</p> <p>For example, Tiffany (jewelry retailer) uses only high-quality pictures on its web site. Web site with high quality graphics reinforces Tiffany's reputation as a prestigious, high-quality retailer (Neil, 1998).</p>

In the same model, the consequences of e-loyalty are also shown as described in Table 5.

Table 5 - Consequences of e-Loyalty

<i>Consequence</i>	<i>Explanation</i>
Search for Alternatives	According to Sambandam & Lord (1995), e-loyalty reduces the cost for searching alternatives. In other words, customers who feel belonging to a web site don't tend searching for alternatives.
Word of Mouth Behavior	As noted by Dick & Basu (1994) and Hagel & Armstrong (1997), loyal customers are more likely to provide positive word-of-mouth.
Willingness to pay	According to Reichheld and Sasser (1990), loyal customers are willing to pay more to the same product. They stay within their

more	web site, even if prices of the products increase and become more than competitor web sites.
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This literature review shows that e-loyalty and its antecedents is still a rich topic to research and many studies are needed before solid arguments are built about this issue. This study aims to contribute to the literature by:

- Adopting one of the most important e-loyalty models in the literature and testing it in another context with slight modifications, and
- Discovering whether e-loyalty and its antecedents differ for different types of websites which is an unattempted issue in the literature.

## CHAPTER III

### THEORETICAL MODEL

In this part of the study, a theoretical model aiming to measure online consumer loyalty is proposed. For this purpose, mainly, Srinivasan, Anderson and Ponnnavolu's (2002) 8C's model of e-loyalty has been adapted and expanded with one variable resulting in a 9C's model. The model can be seen in Figure 4.

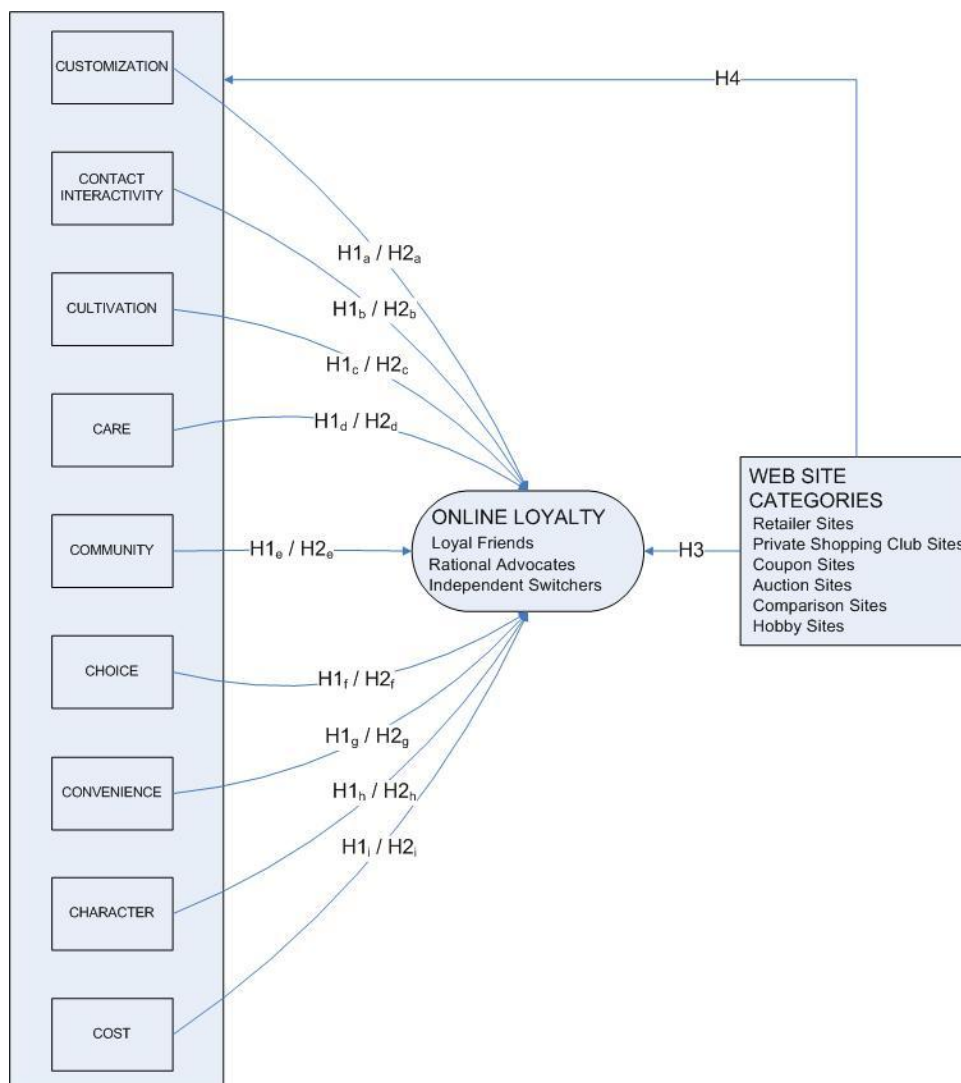


Figure 4 – Theoretical Model

These 9C's which are the antecedents of e-loyalty can be briefly explained as follows:

1. Customization: Customization is the ability of an e-retailer to tailor products, services, and the transactional environment to individual customers.
2. Contact Interactivity: Contact interactivity refers to the dynamic nature of the engagement that occurs between an e-retailer and its customers through its web site.
3. Cultivation: Cultivation is the extent to which an e-retailer provides relevant information and incentives to its customers in order to extend the breadth and depth of their purchases over time.
4. Care: Care refers to the attention that an e-retailer pays to all the pre-purchase and post-purchase customer interface activities designed to facilitate both immediate transactions and long-term customer relationships.
5. Community: A virtual community can be described as an online social entity comprised of existing and potential customers that is organized and maintained by an e-retailer to facilitate the exchange of opinions and information regarding offered products and services.
6. Choice: Compared with a conventional retailer, an e-retailer is typically able to offer a wider range of product categories and a greater variety of products within any given category.
7. Convenience: Convenience refers to the extent to which a customer feels that the web site is simple, intuitive, and user friendly.

8. Character: Creative website design can help an e-retailer build a positive reputation and characterization for itself in the minds of consumers.

9. Cost Reduction: Reduction of costs for consumers can be very effective for becoming loyal to a web site.

Additionally, this study aims to make an original contribution to the literature by measuring e-loyalty with an emotional component in addition to the rational motives offered in Srinivasan et al.'s (2002) scale. This idea is based on the expectation that consumers may not necessarily be loyal to a site because of fully rational motives such as being satisfied from it or not being offered with a better alternative from competitors. The bond between the company and the customer can also be emotional. Therefore, 5 items representing this emotional bond have been added to the 9-item e-loyalty scale constructed from Srinivasan et al.'s (2002) study.

In this study, e-loyalty has also been assessed with a comparative approach to see whether there are differences in the loyalty antecedents or levels directed by consumers toward different types of Web sites. For this purpose, six most visited site types have been selected as follows:

1. Retailer Sites: Large scale internet stores where many products could be obtained at one single point of purchase (amazon, hepsiburada, ideefixe, etc).

2. Private Shopping Clubs: An online private shopping club is a members-only shopping club, where members can buy goods at high discounts (markafoni, limango, trendyol, etc).

3. Coupon Sites: Sites that offer advantageous discounts daily (grupanya, yakala.co, ekozone, sehifirsati, grupfoni, etc).

4. Auction Sites: Sites where you buy products by joining auctions (ebay, gittigidiyor, etc).

5. Comparison Sites: Sites where you can compare many products or services in terms of price and features (enucuz.com, akakce.com, etc).

6. Hobbies & Special Interest Sites: Products or services related to a special area of interest which can not be found elsewhere (hobby collection sites, car models sites, interesting toys sites, etc).

Based on this framework, the following hypotheses have been created and tested:

Hypothesis 1<sub>a</sub>: Customization of the web site has a positive influence on e-loyalty.

Hypothesis 1<sub>b</sub>: Contact interactivity has a positive influence on e-loyalty.

Hypothesis 1<sub>c</sub>: Cultivation has a positive influence on e-loyalty.

Hypothesis 1<sub>d</sub>: Care has a positive influence on e-loyalty.

Hypothesis 1<sub>e</sub>: Community has a positive influence on e-loyalty.

Hypothesis 1<sub>f</sub>: Choice has a positive influence on e-loyalty.

Hypothesis 1<sub>g</sub>: Convenience has a positive influence on e-loyalty.

Hypothesis 1<sub>h</sub>: Character has a positive influence on e-loyalty.

Hypothesis 1<sub>i</sub>: Cost reduction has a positive influence on e-loyalty.

Research Question: What are the consumer segments based on their loyalty levels towards online web sites?

Based on the research question, the following hypotheses are generated (H2<sub>a</sub> – H2<sub>i</sub>)

Hypothesis 2<sub>a</sub>: There is a difference between consumer segments with different loyalty tendencies with respect to the importance they give to “customization” of the web site.

Hypothesis 2<sub>b</sub>: There is a difference between consumer segments with different loyalty tendencies with respect to the importance they give to “contact interactivity” of the web site.

Hypothesis 2<sub>c</sub>: There is a difference between consumer segments with different loyalty tendencies with respect to the importance they give to “cultivation” of the customer.

Hypothesis 2<sub>d</sub>: There is a difference between consumer segments with different loyalty tendencies with respect to the importance they give to “care” of the customer.

Hypothesis 2<sub>e</sub>: There is a difference between consumer segments with different loyalty tendencies with respect to the importance they give to “community” of the web site.

Hypothesis 2<sub>f</sub>: There is a difference between consumer segments with different loyalty tendencies with respect to the importance they give to “choice” opportunities of the web site.

Hypothesis 2<sub>g</sub>: There is a difference between consumer segments with different loyalty tendencies with respect to the importance they give to “convenience” of the web site.

Hypothesis 2<sub>h</sub>: There is a difference between consumer segments with different loyalty tendencies with respect to the importance they give to “character” of the web site.

Hypothesis 2<sub>i</sub>: There is a difference between consumer segments with different loyalty tendencies with respect to the importance they give to “cost reduction” of the web site.

Hypothesis 3<sub>a</sub>: E-loyalty differs for consumers with different usage levels of retailer sites.

Hypothesis 3<sub>b</sub>: E-loyalty differs for consumers with different usage levels of private shopping club sites.

Hypothesis 3<sub>c</sub>: E-loyalty differs for consumers with different usage levels of coupon sites.

Hypothesis 3<sub>d</sub>: E-loyalty differs for consumers with different usage levels of auction sites.

Hypothesis 3<sub>e</sub>: E-loyalty differs for consumers with different usage levels of comparison sites.

Hypothesis 3<sub>f</sub>: E-loyalty differs for consumers with different usage levels of special interest or hobby sites.

Hypothesis 4<sub>a</sub>: Importance given to antecedents of e-loyalty differs for consumers with different usage levels of retailer sites.

Hypothesis 4<sub>b</sub>: Importance given to antecedents of e-loyalty differs for consumers with different usage levels of private shopping club sites.

Hypothesis 4<sub>c</sub>: Importance given to antecedents of e-loyalty differs for consumers with different usage levels of coupon sites.

Hypothesis 4<sub>d</sub>: Importance given to antecedents of e-loyalty differs for consumers with different usage levels of auction sites.

Hypothesis 4<sub>e</sub>: Importance given to antecedents of e-loyalty differs for consumers with different usage levels of comparison sites.

Hypothesis 4<sub>f</sub>: Importance given to antecedents of e-loyalty differs for consumers with different usage levels of special interest or hobby sites.

## CHAPTER IV

### RESEARCH METHODOLOGY

This chapter describes the technical details of the research designed for this study. Important issues such as preparation of the questionnaire, the method and procedure of data collection; components of the questionnaire, sampling practices and data analysis approach will be covered in this part. Our research constraints will also be clearly stated in this chapter.

#### Preparation of the Questionnaire

After an extensive literature review of e-loyalty, a few models have been compared and we decided to adapt and use most widely-accepted Srinivasan et al.'s (2002) 8C's scale. The items in this scale have been translated and kept in draft form before finalization. Additionally, since the e-loyalty scale of Srinivasan et al. (2002) consists of only rational loyalty motives, 5 items representing the emotional bond between companies and consumers have been added to the 9-item e-loyalty scale resulting in a 14-item loyalty scale.

Then, most visited web sites have been determined and brief descriptions for these web sites have been prepared, so that respondents can be asked about their usage frequency of these sites.

After the preparation of this draft form, the translated version of the 8C's scale, the 14-item loyalty scale and the e-store descriptions have been checked by the thesis steering committee in a joint meeting. In this meeting, it has been decided which items will stay, which will be modified and which will be removed. At this meeting the quality of the translation has also been evaluated. If necessary, some modifications and rewordings were done.

With the guidance of the expert opinions, final version of the survey has been constructed.

#### Components of the Questionnaire

The questionnaire consists of 4 pages including the cover page where an introductory note is addressed to the participants. It has 4 parts as follows:

Part 1 – The first part of the study includes 6 questions about visiting frequencies of different types of web sites measured with a 3-point ordinal scale with the following intervals: “very frequently”, “sometimes”, and “never”.

Table 6 - Major Types of Sites

<i>MAJOR TYPES OF SITES</i>
Large-scale internet shops where you can buy many products from a single point of purchase (amazon, hepsiburada, ideefixe, etc.)
Private Shopping Clubs where you can buy a limited number of exclusive products with great discounts, only if you are a member (markafoni, limango, trendyol, etc.)
Coupon sites, where you can find daily advantageous discount opportunities (grupanya, yakala.co, ekozone, sehifirsati, grupfoni, etc.)

Auction sites, where you can buy and sell products (ebay, gittigidiyor, etc.)
Comparison sites, where you can compare many products and services with respect to their prices and properties (enucuz.com, akakce.com, etc.)
Hobby sites, where you can find special interest products and /or services (hobby sites, collection sites, car model sites, interesting toys sites, etc.)

Part 2 – The second part of the study includes 40 questions about e-loyalty factors to a web site measured with a 5-point interval scale with the following intervals: “very effective”, “effective”, “neither effective nor ineffective”, “ineffective”, and “very ineffective”.

Table 7 - Antecedents of e-loyalty

Customization	This website makes purchase recommendations that match my needs.
	This website enables me to order products that are tailor-made for me.
	The advertisements and promotions that this website sends to me are tailored to my situation.
	This website makes me feel that I am a unique customer.
	I believe that this website is customized to my needs.
Contact Interactivity	This website enables me to view the merchandise from different angles
	This website has a search tool that enables me to locate products.
	This website has a tool that makes product comparisons easy.
	I feel that this is a very engaging website.
	I believe that this website is very quick and efficient by giving customers information and answering their questions
Cultivation	I receive reminders about making purchases from this website.
	This website sends me information that is relevant to my

	purchases.
	I feel that this website appreciates my business.
	I feel that this website makes an effort to increase its share of my business.
	This website does proactively cultivate its relationship with me.
Care	I haven't experienced problems with billing with respect to my earlier purchases at this website.
	The goods that I purchased have been delivered on time.
	I feel that this website is responsive to any problems that I encounter.
	The return policies laid out in this website are customer friendly.
	I believe that this web site takes good care of its customers during the whole shopping process.
Community	Customers share experiences about the website/product online with other customers of the website on the website.
	The customer community supported by this website is reliable for gathering product information.
	Customers of this website benefit from their experiences and know-how.
	Customers share a common bond with other members of the customer community sponsored by the website.
	Customers of this website are strongly affiliated with one another.
Choice	This website provides a "one-stop shop" for my shopping.
	This website does satisfy a majority of my online shopping needs.
	The choice of products at this website is not limited.
	This website carries a wide selection of products to choose from.
Convenience	A first-time buyer can make a purchase from this website without much help.
	It doesn't take a long time to shop at this website.
	This website is a user-friendly site.

	This website is very convenient to use.
Character	This website design is attractive to me.
	For me, shopping at this website is fun.
	This website feels inviting to me.
	I feel comfortable shopping at this website.
Cost Reduction	Website offers proper prices compared to its competitors.
	Website's delivery, cargo and refund costs are lower
	Site makes promotions which bring price advantages

Part 3 – The third part of the study includes 14 questions about rational and emotional loyalty to a web site measured with a 5-point Likert scale with the following intervals: “strongly agree”, “agree”, “neither agree nor disagree”, “disagree”, and “strongly disagree”.

Table 8 - E-loyalty Questions

If I can meet my needs from this site, I won't think of using another website.
As long as service quality doesn't change, this web site will always be my first choice.
<i>If I discover another website doing the same business as this website, I would absolutely check that website.*</i>
<i>If I find another website offering the same product or service with better conditions (terms of delivery, transport, etc.), I can desist this website.*</i>
Even if I can find the goods or services bought from this site, cheaper in another website, I won't think of changing my choice.
<i>I would take into account and analyze what other customers and users say about this website.*</i>
<i>By asking other people who shop in similar websites, I would search alternatives.*</i>
I would initiate others to use this website.
I would give positive feedback to others about this website.

I would visit this website from time to time even though I do not need something in particular.
I think, I have developed an emotional bond to this website.
I think, to be a customer of this site makes me privileged.
Shopping at this website makes me tipsy.
If this website shuts down, I would feel a big lack.

*\* Reversely stated items*

Part 4 – The fourth part of the study includes 7 questions about demographics, internet usage history and frequency.

Table 9 – Demographics and Internet Usage

Age	18 – 25
	26 – 35
	36 – 45
	46 - 55
	56 and above
Gender	Female
	Male
Marital Status	Single
	Married
Education Level	Elementary School Graduate
	High School Graduate
	Undergraduate Student
	Undergraduate
	Graduate (master, PhD) Student
	Graduate (master, PhD)

Personal Income (monthly)	Under 500 TL
	501 – 1000 TL
	1001 – 2000 TL
	2001 – 3500 TL
	3501 – 5000 TL
	5000 TL and above
Internet Usage History	3 years and below
	3 – 6 years
	6 – 9 years
	9 years and above
Internet Usage Frequency	Very often (Everyday)
	Frequently (almost every day)
	Sometimes (1-2 times per week)
	Seldom (1-2 times per month)

### The Method and Procedure of Data Collection

The questionnaire has been prepared via Google Documents and distributed through mailing lists and Facebook to almost 2500 people. To be a participant of this survey, respondents were expected to have minimum one online shopping experience. This limited participation and lowered response rates; however, this condition was necessary because of the topic of the study.

## Sampling

In this study, the young and early adult segment of Turkey has been aimed. Therefore, an exact population list could not be used for the study. Instead of probability sampling methods, the non-probability sampling approach specifically convenience sampling has been employed. Convenience sampling is the method of choosing items arbitrarily and in an unstructured manner (Churchill, 1995). Sample size for collected data is 338 and as a result of the data editing process, 328 valid responses have been collected (10 incomplete responses have been eliminated). The demographic profile of the respondent group is as follows:

Table 10 – Demographic Profile of the Sample

	18-25	26-35	36-45	46-55	56-	Missing
AGE	67 (20.5%)	161 (49.2%)	57 (17.4%)	22 (6.7%)	20 (6.1%)	1
	Female	Male				
GENDER	167 (51.2%)	159 (48.8%)				2
	Single	Married				
MARITAL STATUS	199 (61.2%)	126 (38.8%)				3
	Elementary & High School Graduate	Undergraduate Student	Undergraduate	Graduate (master, PhD) Student	Graduate (master, PhD)	Missing
EDUCATION	9 (2.8%)	45 (13.8%)	111 (33.9%)	63 (19.3%)	99 (30.3%)	1
	1000 TL and below	1001–2000 TL	2001–3500 TL	3501-5000 TL	5000 TL and above	
INCOME	57 (17.7%)	67 (20.8%)	88 (27.3%)	51 (15.8%)	59 (18.3%)	6

This group’s internet usage history and frequency are as follows:

Table 11 - Internet Usage History and Frequency

	3 years and below	3 – 6 years	6 – 9 years	9 years and above	Missing
INTERNET USAGE HISTORY	1 (0.3%)	24 (7.4%)	55 (16.9%)	246 (75.5%)	2
	Seldom (1-2 times per month)	Sometimes (1-2 times per week)	Frequently (almost every day)	Very often (Everyday)	
INTERNET USAGE FREQUENCY	0 (0%)	1 (0.3%)	25 (7.6%)	302 (92.1%)	0

The profile of the sample of this study is quite similar to the profile portrayed in a survey conducted by IAB Turkey (Interactive Advertising Bureau). Since requirement of our survey is to have minimum one transaction through internet, we left out the age group 12 – 17. The participants at the age group 18-35’s share (69.7%) are almost same as the results in IAB survey for the ages 12 - 34 (75%). In our population male and female numbers are almost equal (49% - 51%), however, the results for Turkey is that male internet users are more than female users (57% - 43%). From the education side, our population is more educated with respect to the internet users in Turkey.

Table 12 - IAB Turkey Results

	12-17	18-24	25-34	35-44	45-54	55-
AGE	22%	26%	27%	15%	8%	4%
	Female	Male				
GENDER	43%	57%				
	Elementary School Graduate	Mid School	High School	Undergraduate		
EDUCATION	30%	25%	30%	15%		

#### Data Analysis Approach

For data analysis, SPSS 19.0 has been used and the following analyses have been made.

- Descriptives and frequencies have been used to draw the general profile of the respondents.
- Reliability analyses have been conducted for multi-item scales to test their internal consistency.
- Correlation analyses have been used to investigate the relationship between antecedents of e-loyalty (9 C's) and e-loyalty.

- Cluster analysis has been used to segment consumers into different groups with respect to their loyalty tendencies.
- One-way ANOVA analysis has been used to determine differences between different loyalty segments and the importance they attach to various antecedents of e-loyalty (9 C's).
- One-way ANOVA analysis has been used to determine differences between consumers with different usage levels of various websites in terms of their e-loyalty levels.

## CHAPTER V

### ANALYSES AND FINDINGS

In this section, all of the analyses and findings are shown.

#### Frequencies and Descriptives

In this section frequencies and descriptions are presented to draw the general profile of the data. In Table 13, usage frequencies of various web sites among the correspondents have been shown.

Site Type	Never	Sometimes	Very Frequently
Retailer Sites	31 (9.5%)	221 (67.8%)	74 (22.7%)
Private Shopping Club	149 (45.7%)	118 (36.2%)	59 (18.1%)
Coupon Sites	138 (42.6%)	139 (42.9%)	47 (14.5%)
Auction Sites	141 (43.5%)	147 (45.4%)	36 (11.1%)
Comparison Sites	157 (49.2%)	114 (35.7%)	48 (15%)
Hobby Sites	150 (46.9%)	141 (44.1%)	29 (9.1%)

Table 13 - Usage Frequencies of Various Web Sites

As seen in Table 13 retailer sites have more visitors than all the others, other web sites don't differ from each other so much. In Table 14, means of the antecedents of e-loyalty have been shown.

Table 14 - Descriptives for Antecedents of e-loyalty (9 C's)

Antecedent of e-loyalty	Mean (over 5)	Std. Deviation
Care Average	4.53	.67
Cost Reduction Average	4.45	.75
Contact Interactivity Average	4.22	.65
Convenience Average	4.21	.74
Choice Average	3.75	.87
Character Average	3.46	.91
Community Average	3.42	.72
Customization Average	3.38	.86
Cultivation Average	2.85	.85

Here, care and cost reduction have the highest average, meaning that these two antecedents are the most important C's for the respondents. After these two factors, contact interactivity and convenience are following. Choice, character, community, and customization are establishing the third group with very small importance. For the participants, cultivation has no special meaning with the average below 3.

Especially first 4 C's are very important for our survey group they want to surf in an interactive and convenient site, with low costs and they want to be treated carefully. Actually, except cost reduction, all of these C's are the result of the critical problem of the internet. Since all of the shops are virtual, you can't find a salesman whom you can trust. In the next table (Table 15), means of the overall loyalty and loyalty subtypes in the internet media are shown.

Table 15 - Descriptives for overall loyalty and two subtypes of e-loyalty

	Mean (over 5)	Std. Deviation
Emotional Loyalty Average	3.01	.83
Rational Loyalty Average	2.77	.42
Overall Loyalty Average	2.86	.46

Here, emotional loyalty pulls the mean upwards; meanwhile rational loyalty takes it downwards. In summary, we can say that people don't feel themselves much loyal to brands or shops in the electronic media, which seems acceptable because switching between competitors is so easy and painless. As expected, e-loyalty is generally low because everybody is just one click away from the competitor's site.

### Reliability Analysis

In this section reliability analysis has been made to see if the scales for the antecedents of e-loyalty are consistent.

Table 16 - Cronbach's Alpha

Name of Scale	Cronbach's Alpha	Number of Items
Cultivation	0,807	5
Cost Reduction	0,854	3
Convenience	0,881	4
Contact Interactivity	0,800	5
Community	0,761	5
Choice	0,844	4
Customization	0,793	5
Character	0,855	4
Care	0,919	5

In Table 16, all antecedents with number of their items are listed. The Cronbach's Alpha with a value greater than 0.70 indicates that the items are consistent in building the scales proving that all of the scales for the antecedents are consistent in themselves (Churchill, 1995).

### Hypothesis 1 (a to i)

In this section, all parts of Hypothesis 1 are tested. Correlations have been run between the 9 C's and the averages of the loyalty scales. The composite table can be seen in Table 17.

Table 17 - Correlation Table between the 9 C's and Loyalty Averages

		Rational Loyalty Average	Emotional Loyalty Average	Loyalty Average
Customization Average	Pearson Correlation	.172	.340	.319
	Sig. (2-tailed)	.002	.000	.000
Contact Interactivity Average	Pearson Correlation	-.020	.208	.122
	Sig. (2-tailed)	.723	.000	.028
Cultivation Average	Pearson Correlation	.161	.369	.331
	Sig. (2-tailed)	.003	.000	.000
Care Average	Pearson Correlation	-.009	.144	.087
	Sig. (2-tailed)	.877	.009	.117
Community Average	Pearson Correlation	-.012	.201	.122
	Sig. (2-tailed)	.827	.000	.027
Choice Average	Pearson Correlation	.189	.301	.304
	Sig. (2-tailed)	.001	.000	.000
Convenience Average	Pearson Correlation	.050	.142	.120
	Sig. (2-tailed)	.364	.010	.030
Character Average	Pearson Correlation	.147	.440	.367
	Sig. (2-tailed)	.008	.000	.000
Cost Reduction Average	Pearson Correlation	-.052	.190	.091
	Sig. (2-tailed)	.347	.001	.100

In Table 17, significant correlations are italicized. So, it can be said that customization, cultivation, and choice are strongly correlated with all loyalty averages because their emotional, rational, and overall loyalties have a significance value less than 0.05. The other factors (contact interactivity, care, community, convenience, character, and cost reduction) can be considered as partially correlated because they are correlated with one or two of the loyalty averages but not all three. At the end, H1<sub>a</sub> to H1<sub>i</sub> are accepted. The results here show here again that people have tendencies to have emotional loyalty but if they think rationally, they don't see a lot of reason to be bonded to a web site because switching cost, etc. are very low.

#### Hypothesis 2 (a to i)

Hypothesis 2 is based on segmenting of the sample according to their loyalty tendencies and conducting difference analyses on these segments. Therefore, initially, a cluster analysis has been conducted.

#### Cluster Analysis of Internet Shoppers

The cluster analysis is performed to discover alternative loyalty tendencies in the sample. The sample of Internet shoppers is clustered into three segments by using 14 items of the e-loyalty scale as the base for segmentation.

A K-means cluster analysis has been run to segment shoppers into three groups according to the differences in the emphasis they put on types of e-loyalty

and e-loyalty itself. The non-hierarchical K-means method of clustering has been preferred instead of a hierarchical approach since the latter method computes all cluster combinations of all sizes and, thus, is not suitable to be used for large sample sizes. The K-means method of clustering starts with random initial cluster centers and basically minimizes within cluster distances and maximizes between cluster distances until the optimum point is reached and the final cluster centers are determined. This method is much more applicable to large sample sizes. In this study, the method has been employed for clustering customers into three groups. At the 22<sup>nd</sup> iteration (Table 18), K-means cluster analysis has generated three segments.

Table 18 - Iteration History

Iteration	Change in Cluster Centers		
	Cluster 1	Cluster 2	Cluster 3
1	4.147	4.891	4.733
2	.171	1.374	1.261
3	.277	1.067	.977
4	.287	.669	.523
5	.300	.472	.449
6	.220	.286	.301
7	.239	.295	.323
8	.250	.273	.373
9	.099	.243	.316
10	.120	.107	.210
11	.096	.143	.244
12	.087	.095	.222
13	.063	.041	.193
14	.025	.022	.093
15	.000	.025	.061
16	.000	.026	.066
17	.030	.000	.085
18	.000	.028	.070
19	.032	.060	.159
20	.023	.056	.157
21	.000	.036	.080
22	.000	.000	.000

Two-group, three-group and four-group clusters were attempted. Since the three-group clustering produced the most meaningful differences with a very reasonable distribution of the sample (Table 19), this attempt was selected for interpretation and further analysis.

Table 19 - Number of Shoppers in each Cluster

Cluster	Loyal Friends	139
	Rational Advocates	119
	Independent Switchers	53
Valid		311
Missing		17

The final cluster centers which represent the mean importance of each decision making criterion over five for each cluster is shown Table 20.

Table 20 - Final Cluster Centers

Loyalty Scale	Loyal Friends	Rational Advocates	Independent Switchers
If I can meet my needs from this site, I won't think of using another website.	3,88	3,09	2,91
As long as service quality doesn't change, this web site will always be my first choice.	4,17	3,61	3,13
<i>If I discover another website doing the same business as this website, I would absolutely check that website.*</i>	1,94	1,62	2,42
<i>If I find another website offering the same product or service with better conditions (terms of delivery, transport, etc.), I can desist this website.*</i>	1,76	1,48	2,28
Even if I can find the goods or services bought from this site, cheaper in another website, I won't think of changing my choice.	2,69	1,78	2,42
<i>I would take into account and analyze what other customers and users say about this website.*</i>	1,86	1,88	2,64
<i>By asking other people who shop in similar websites, I would search</i>	2,02	1,92	3,57

<i>alternatives.*</i>			
I would initiate others to use this website.	4,07	3,60	2,47
I would give positive feedback to others about this website.	4,25	3,89	3,13
I would visit this website from time to time even though I do not need something in particular.	4,12	3,38	2,92
I think, I have developed an emotional bond to this website.	3,47	1,64	2,34
I think, to be a customer of this site makes me privileged.	3,24	1,71	2,17
Shopping at this website makes me tipsy.	3,93	2,80	3,02
If this website shuts down, I would feel a big lack.	3,77	2,27	2,98

\* *Reversely stated items*

As a result, we can see that “Loyal Friends” don’t even think to switch their loyal web site. They don’t look around for other sites; don’t check competitors and they are not even curious about the possibility if there is a better web site.

Independent Switchers are people who compare opportunities rationally and decide from where to buy. They don’t have high loyalty tendency. Rational Advocates have same properties like independent switchers except one point. If rational advocates find a site interesting and can benefit from the it, they forward it to their connections, on the other hand Independent Switchers are somehow more selfish, they don’t share the site.

In Table 21, significance of the variables differentiating the clusters has been shown with respect to the loyalty items.

Table 21 - Loyalty Scales Significance with respect to the clusters

Loyalty Scale	F	Sig.
If I can meet my needs from this site, I won’t think of using another website.	24,351	0.00
As long as service quality doesn’t change, this web site will always be my first choice.	25,643	0.00

<i>If I discover another website doing the same business as this website, I would absolutely check that website.*</i>	19,071	0.00
<i>If I find another website offering the same product or service with better conditions (terms of delivery, transport, etc.), I can desist this website.*</i>	19,749	0.00
Even if I can find the goods or services bought from this site, cheaper in another website, I won't think of changing my choice.	23,129	0.00
<i>I would take into account and analyze what other customers and users say about this website.*</i>	25,088	0.00
<i>By asking other people who shop in similar websites, I would search alternatives.*</i>	86,003	0.00
I would initiate others to use this website.	83,611	0.00
I would give positive feedback to others about this website.	52,446	0.00
I would visit this website from time to time even though I do not need something in particular.	34,225	0.00
I think, I have developed an emotional bond to this website.	152,647	0.00
I think, to be a customer of this site makes me privileged.	97,204	0.00
Shopping at this website makes me tipsy.	53,75	0.00
If this website shuts down, I would feel a big lack.	66,182	0.00

In this table, all items are significant, meaning that, all of them have differentiating power for the clusters. The higher F is, the higher is the differentiation power. Here, clusters are very significantly differentiated from each other by feeling emotionally bonded to the web site. Not to tend to search an alternative, initiating other users use this web site, and feeling privileged by being a customer of this website are other strong significant factors by building these clusters.

Analysis of these three cluster shows that there are distinctly three different (Table 22) consumer segments because of having the significance factor below 0.05. These three clusters can be named as “Loyal Friends”, “Rational Advocates”, and “Independent Switchers”.

#### Cluster 1 - Loyal Friends:

Comparatively, this is the most loyal segment out of these three groups. They have a tendency to stick to a Web site as long as it satisfies their needs and doesn't change

its service quality. Also, they are called "friends" because this is the only segment that shows a positive tendency to show emotional loyalty to a site.

#### Cluster 2 - Rational Advocates:

This segment does not have such a high and committed loyalty but they say they will stay with a Web site as long as service quality levels do not change. However, they also show a tendency to continuously evaluate other Web sites for better prices or according to other people's recommendations at the same time. In short, they act according to their own good which is why they are called "utilitarian". However, they are also called "advocates" because they tend to give positive feedback to their social environment about web sites they like.

#### Cluster 3 - Independent Switchers:

This group has the lowest loyalty tendency both emotionally and rationally. In fact, they show a high tendency to switch to alternatives easily. Furthermore, they are called "independent" because they neither value what others say about web sites nor do they advocate any web site to their environment. They intentionally resist this kind of interaction. In table 20 it can be seen that, only Loyal Friends don't think using other web sites, other two groups can switch to the competitors very easy. These loyal friends also feel emotionally bonded to their favorite websites.

After forming these segments, it is now possible to test their differences in terms of 9C's. ANOVA analyses have been conducted for this purpose and the findings are presented in Table 22.

Table 22 – The differences among loyalty groups for the antecedents of e-loyalty

<i>Name of Scale</i>	<i>Cluster</i>	<i>N</i>	<i>Mean</i>	<i>F</i>	<i>Sig.</i>
Customization Average	Loyal Friends	139	3.59	8.62	.000
	Rational Advocates	119	3.20		
	Independent Switchers	53	3.16		
Contact Interactivity Average	Loyal Friends	139	4.34	10.47	.000
	Rational Advocates	119	4.22		
	Independent Switchers	53	3.87		
Cultivation Average	Loyal Friends	139	3.11	12.85	.000
	Rational Advocates	119	2.64		
	Independent Switchers	53	2.65		
Care Average	Loyal Friends	139	4.6	10.62	.000
	Rational Advocates	119	4.59		
	Independent Switchers	53	4.13		
Community Average	Loyal Friends	139	3.58	15.77	.000
	Rational Advocates	119	3.41		
	Independent Switchers	53	2.96		
Choice Average	Loyal Friends	139	4.01	13.57	.000
	Rational Advocates	119	3.65		
	Independent Switchers	53	3.35		
Convenience Average	Loyal Friends	139	4.34	18.62	.000
	Rational Advocates	119	4.27		
	Independent Switchers	53	3.67		
Character Average	Loyal Friends	139	3.82	22.71	.000
	Rational Advocates	119	3.23		
	Independent Switchers	53	3.07		
Cost Reduction Average	Loyal Friends	139	4.55	14.65	.000
	Rational Advocates	119	4.54		
	Independent Switchers	53	3.97		

For loyal customers, customization is important; meanwhile for the other two groups it doesn't make much sense. Rational Advocates see contact interactivity important like Loyal Customers, on the other hand it's not so vital for Internet Switchers, and the same view is valid for the factors, care, convenience, and cost reduction. Somehow, we have the same picture like the Descriptives for Antecedents of e-loyalty (9 C's) Analysis (Table 14). The antecedents with higher average are important for Loyal Customers, and Rational Advocates. Antecedents with lower average are important only to Loyal Customers. Only the Choice parameter is in the middle, and therefore all three segments give different levels of importance to that point. Cultivation, again, has no meaning for all of the segments.

### Hypothesis 3 (a to f)

To test Hypothesis 3, ANOVA analyses have been conducted so that consumers with different usage levels for various web sites are differentiated according to their loyalty averages. Table 23 describes the results of the ANOVA analyses that have been conducted in order to see whether consumers, using various types of websites at different levels also differ in terms of their loyalty averages.

Table 23 - ANOVA between loyalty averages and site types

Loyalty Type	Website Type		N	Mean	F	Sig.
Rational Loyalty Average	Hobbies	Non users	150	2,7466	1,504	,224
		Light users	141	2,7611		
		Heavy users	29	2,8942		
	Comparison	Non users	157	2,8235	2,601	,076
		Light users	114	2,7076		
		Heavy users	48	2,7488		
	Private Shopping	Non users	149	2,8002	,916	,401
		Light users	118	2,7631		
		Heavy users	59	2,7149		
	Coupon Sites	Non users	138	2,7724	,202	,818

		Light users	139	2,7715		
		Heavy users	47	2,7296		
	Auction	Non users	141	2,7802	,146	,864
		Light users	147	2,7533		
		Heavy users	36	2,7635		
	Retailer	Non users	31	2,7773	,450	,638
		Light users	221	2,7521		
		Heavy users	74	2,8052		
Loyalty Average	<i>Hobbies</i>	Non users	150	2,8452	3,341	,037
		Light users	141	2,8223		
		Heavy users	29	3,0614		
	Comparison	Non users	157	2,8941	1,105	,333
		Light users	114	2,8106		
		Heavy users	48	2,8678		
	Private Shopping	Non users	149	2,8162	1,347	,261
		Light users	118	2,8810		
		Heavy users	59	2,9226		
	Coupon Sites	Non users	138	2,7889	2,397	,093
		Light users	139	2,8884		
		Heavy users	47	2,9303		
	Auction	Non users	141	2,8791	,612	,543
		Light users	147	2,8243		
		Heavy users	36	2,8892		
	Retailer	Non users	31	2,8853	2,551	,080
		Light users	221	2,8183		
		Heavy users	74	2,9557		
Emotional Loyalty Average	<i>Hobbies</i>	Non users	150	3,0237	3,424	,034
		Light users	141	2,9333		
		Heavy users	29	3,3655		
	Comparison	Non users	157	3,0226	,190	,827
		Light users	114	2,9965		
		Heavy users	48	3,0833		
	<i>Private Shopping</i>	Non users	149	2,8473	7,232	,001
		Light users	118	3,0932		
		Heavy users	59	3,2966		
	<i>Coupon Sites</i>	Non users	138	2,8188	7,434	,001
		Light users	139	3,1011		
		Heavy users	47	3,2915		
	Auction	Non users	141	3,0582	,886	,413
		Light users	147	2,9524		

		Heavy users	36	3,1167		
	<i>Retailer</i>	Non users	31	3,0806	3,541	,030
		Light users	221	2,9387		
		Heavy users	74	3,2270		

It is very obvious, that for rational subtype of loyalty, there are no dependencies on the web sites. Hobby sites visitors have stronger loyalty tendency than the others. This is understandable because people are loyal to their hobbies more than web sites and there are just a few web sites for specific hobbies. So there is no competition and you can't jump to another website with the same functions and services.

On the other hand, rational loyalty failed in every type of web site. This shows that loyalty is emotionally possible. If you stay stucked to your supplier in the internet, where you can jump to the competitor very easily, that means, you are somehow emotionally bonded to your favorite web site.

Another point is that auction sites and comparison sites don't affect the loyalty subtypes. These sites are somehow a bundle which brings sites or users together. Meanwhile same users and same sites can come together in the competitor. Therefore these sites don't have any dependency on the loyalty subtypes and overall loyalty average.

And finally, Hobby sites, coupon sites, private shopping club sites, and retailer sites visitors have emotional loyalty. So as a result H3<sub>a</sub>, H3<sub>b</sub>, H3<sub>c</sub>, H3<sub>f</sub> are accepted, and H3<sub>d</sub> and H3<sub>e</sub> are rejected.

#### Hypothesis 4 (a to f)

To test Hypothesis 4, ANOVA analyses have been conducted so that consumers with different usage levels for various web sites are differentiated according to their antecedents of e-loyalty. Table 24 describes the results of the ANOVA analyses that have been conducted in order to see whether consumers, using various types of websites at different levels also differ in terms of their antecedents of e-loyalty averages.

Table 24 - ANOVA between antecedents of e-loyalty averages and site types

Website Type	Antecedent		N	Mean	F	Sig.
Private Shopping	Customization Average	Non users	149	3.0185	28.601	.000
		Light users	118	3.6559		
		Heavy users	59	3.7441		
	Contact Interactivity Average	Non users	149	4.1124	3.877	.022
		Light users	118	4.2733		
		Heavy users	59	4.3593		
	Cultivation Average	Non users	149	2.5671	19.487	.000
		Light users	118	3.0000		
		Heavy users	59	3.2746		
	Care Average	Non users	149	4.4488	3.027	.050
		Light users	118	4.5339		
		Heavy users	59	4.7017		
	Community Average	Non users	149	3.3503	1.889	.153
		Light users	118	3.4199		
		Heavy users	59	3.5661		
	Choice Average	Non users	149	3.6454	2.176	.115
		Light users	118	3.8220		
		Heavy users	59	3.8828		
	Convenience Average	Non users	149	4.1706	2.221	.110
		Light users	118	4.1582		
		Heavy users	59	4.3884		
	Character Average	Non users	149	3.2282	11.426	.000
		Light users	118	3.5438		
		Heavy users	59	3.8489		
	Cost Reduction Average	Non users	149	4.2438	11.970	.000
		Light users	118	4.5508		
		Heavy users	59	4.7458		

Hobbies	Customization Average	Non users	150	3.2867	6.723	.001
		Light users	141	3.3660		
		Heavy users	29	3.9086		
	Contact Interactivity Average	Non users	150	4.2300	4.326	.014
		Light users	141	4.1631		
		Heavy users	29	4.5345		
	Cultivation Average	Non users	150	2.7993	1.503	.224
		Light users	141	2.8567		
		Heavy users	29	3.0966		
	Care Average	Non users	150	4.5594	.793	.453
		Light users	141	4.4950		
		Heavy users	29	4.6466		
	Community Average	Non users	150	3.3560	3.569	.029
		Light users	141	3.4259		
		Heavy users	29	3.7414		
	Choice Average	Non users	150	3.7667	4.688	.010
		Light users	141	3.6578		
		Heavy users	29	4.1897		
	Convenience Average	Non users	150	4.2306	2.452	.088
		Light users	141	4.1466		
		Heavy users	29	4.4655		
	Character Average	Non users	150	3.4406	1.202	.302
		Light users	141	3.4356		
		Heavy users	29	3.7069		
	Cost Reduction Average	Non users	150	4.4467	1.270	.282
		Light users	141	4.4184		
		Heavy users	29	4.6552		
Comparison	Customization Average	Non users	157	3.2892	3.410	.034
		Light users	114	3.4061		
		Heavy users	48	3.6510		
	Contact Interactivity Average	Non users	157	4.1213	3.391	.035
		Light users	114	4.3000		
		Heavy users	48	4.3281		
	Cultivation Average	Non users	157	2.7898	1.017	.363
		Light users	114	2.8868		
		Heavy users	48	2.9750		
	Care Average	Non users	157	4.5182	.632	.532
		Light users	114	4.4905		
		Heavy users	48	4.6208		
	Community Average	Non users	157	3.3236	4.315	.014
		Light users	114	3.4469		

		Heavy users	48	3.6667		
	Choice Average	Non users	157	3.6688	2.839	.060
		Light users	114	3.7456		
		Heavy users	48	4.0104		
	Convenience Average	Non users	157	4.1667	1.488	.227
		Light users	114	4.1915		
		Heavy users	48	4.3750		
	Character Average	Non users	157	3.4591	2.445	.088
		Light users	114	3.3721		
		Heavy users	48	3.7083		
	Cost Reduction Average	Non users	157	4.3270	4.649	.010
		Light users	114	4.4883		
		Heavy users	48	4.6875		
Coupon	Customization Average	Non users	138	3.0551	24.784	.000
		Light users	139	3.4917		
		Heavy users	47	3.9553		
	Contact Interactivity Average	Non users	138	4.1087	3.456	.033
		Light users	139	4.2766		
		Heavy users	47	4.3436		
	Cultivation Average	Non users	138	2.6326	14.328	.000
		Light users	139	2.8777		
		Heavy users	47	3.3660		
	Care Average	Non users	138	4.4179	3.799	.023
		Light users	139	4.5755		
		Heavy users	47	4.7021		
	Community Average	Non users	138	3.3761	.845	.430
		Light users	139	3.4079		
		Heavy users	47	3.5351		
	Choice Average	Non users	138	3.6159	2.816	.061
		Light users	139	3.8399		
		Heavy users	47	3.8670		
	Convenience Average	Non users	138	4.1274	2.825	.061
		Light users	139	4.2032		
		Heavy users	47	4.4238		
	Character Average	Non users	138	3.2711	5.796	.003
		Light users	139	3.5324		
		Heavy users	47	3.7411		
	Cost Reduction Average	Non users	138	4.2729	8.841	.000
		Light users	139	4.5012		

		Heavy users	47	4.7730		
Auction	Customization Average	Non users	141	3.3986	.138	.871
		Light users	147	3.3527		
		Heavy users	36	3.4167		
	Contact Interactivity Average	Non users	141	4.2170	.338	.714
		Light users	147	4.2327		
		Heavy users	36	4.1333		
	Cultivation Average	Non users	141	2.8851	.820	.441
		Light users	147	2.7966		
		Heavy users	36	2.9778		
	Care Average	Non users	141	4.4678	1.249	.288
		Light users	147	4.5898		
		Heavy users	36	4.4833		
	Community Average	Non users	141	3.3965	1.466	.232
		Light users	147	3.3881		
		Heavy users	36	3.6111		
	Choice Average	Non users	141	3.7234	.243	.785
		Light users	147	3.7636		
		Heavy users	36	3.8333		
	Convenience Average	Non users	141	4.1921	.666	.515
		Light users	147	4.2494		
		Heavy users	36	4.0972		
	Character Average	Non users	141	3.5213	.581	.560
		Light users	147	3.4150		
		Heavy users	36	3.4028		
	Cost Reduction Average	Non users	141	4.4586	.287	.751
		Light users	147	4.4127		
		Heavy users	36	4.5093		
Retailer	Customization Average	Non users	31	3.2065	1.630	.198
		Light users	221	3.3579		
		Heavy users	74	3.5155		
	Contact Interactivity Average	Non users	31	3.9355	4.212	.016
		Light users	221	4.2140		
		Heavy users	74	4.3338		
	Cultivation Average	Non users	31	2.7677	.787	.456
		Light users	221	2.8267		
		Heavy users	74	2.9541		
	Care Average	Non users	31	3.9952	14.394	.000
		Light users	221	4.5308		

		Heavy users	74	4.7392		
	Community Average	Non users	31	3.2694	1.166	.313
		Light users	221	3.4102		
		Heavy users	74	3.5020		
	Choice Average	Non users	31	3.4355	5.329	.005
		Light users	221	3.7164		
		Heavy users	74	3.9989		
	Convenience Average	Non users	31	3.9032	3.017	.050
		Light users	221	4.2353		
		Heavy users	74	4.2601		
	Character Average	Non users	31	3.2742	.959	.384
		Light users	221	3.4615		
		Heavy users	74	3.5405		
	Cost Reduction Average	Non users	31	3.9892	7.757	.001
		Light users	221	4.4570		
		Heavy users	74	4.6081		

Retailers give importance to some antecedents of e-loyalty. For them, customization, cultivation, community, and character don't mean anything critical but all the other factors are found to be very important from retailers point of view. Importance given to antecedents of e-loyalty differs for consumers with different usage levels of retailer sites. So Hypothesis 4<sub>a</sub> is partially accepted.

Private Shoppers give importance to some antecedents of e-loyalty. For them, community, choice and convenience don't mean anything critical but all the other factors are found to be very important from private shoppers point of view. Importance given to antecedents of e-loyalty differs for consumers with different usage levels of retailer sites. So Hypothesis 4<sub>b</sub> is partially accepted.

Coupon Site users behave same as Private Shoppers. The reason may be that they are introduced to market nearly at the same time. From internet userspoint of view, they don't differ much. So Hypothesis 4<sub>c</sub> is also partially accepted.

Auction sites users don't give any importance to any of the antecedents of e-loyalty as they didn't give any importance to subtypes of e-loyalty. So Hypothesis 4<sub>d</sub> is rejected.

Comparison users give importance to some antecedents of e-loyalty. This may seem against our expectations since we would expect that comparison sites should behave like auction sites. For them, cultivation, care, character, choice and convenience don't mean anything critical but all the other factors are found to be very important from comparison sites users point of view. Importance given to antecedents of e-loyalty differs for consumers with different usage levels of comparison sites. So Hypothesis 4<sub>e</sub> is partially accepted.

Hobby Shoppers give importance to some antecedents of e-loyalty. For them, cultivation, care, character, cost reduction and convenience don't mean anything critical but all the other factors are found to be very important from hobby shoppers point of view. What interesting here is, that cost reduction has no influence on the customer and the reason for this is that hobby shoppers don't have many alternatives. Importance given to antecedents of e-loyalty differs for consumers with different usage levels of hobby sites. So Hypothesis 4<sub>f</sub> is partially accepted.

## CHAPTER VI

### CONCLUSION AND IMPLICATIONS

#### Discussion

This research provides an intense insight for the antecedents of e-loyalty, subtypes of e-loyalty, and position of the consumer with respect to his/her segment.

In this study, an extensive survey of e-satisfaction, e-loyalty, e-service quality, e-recovery quality studies in the literature have been done. After this research, loyalty theories have been analyzed in details and hypotheses have been built and a questionnaire was generated and delivered to individuals in both online and printed forms.

At the end of the data gathering process descriptive, reliability, correlation, cluster analyses, and ANOVA analyses were performed by using SPSS with 328 respondents' data.

Demographic profile is mainly composed of the respondents who are between the ages of 18 and 35 with higher education level, are experienced Internet users and single. All of the respondents should have minimum one online shopping experience.

With help of statistical tests, first it is proved that the new 9C loyalty scale is internally consistent and can be used to test the hypotheses of the study. This was important since the scale was a modified version of the well-known Srinivasan et al.'s (2002) 8C's model and translated to Turkish.

With the help of correlation tests it was accepted that antecedents of e-loyalty (our 9C's) generally have a positive influence on e-loyalty. Here, the 9C's consist of 8C's (Customization, Contact Interactivity, Cultivation, Care, Community, Choice, Convenience, Character) from Srinivasan et al. (2002) with minor modifications and the new C (Cost Reduction) which was introduced to the model in the context of this study.

Another important contribution of the study was the cluster of consumers according to different loyalty tendencies. The cluster analysis divided the respondents into 3 groups, "Loyal Friends", "Rational Advocates", and "Independent Switchers". Loyal Friends are loyal customers who feel an emotional bond to their web sites they even don't think to switch to the competitor's web site. They don't look around for other sites; don't check competitors and they are not even curious about the possibility if there is a better web site. Independent Switchers are people who compare opportunities rationally and decide from where to buy. They don't have loyalty tendency. Rational Advocates have same properties like independent switchers except one point. If rational advocates find a site interesting and can benefit from it, they forward it to their connections, on the other hand Independent Switchers do not have tendency to share this sort of information.

On the other hand, by analyzing the antecedents it has been found that 4 C's from the 9C model are more strongly influencing the behavior of consumers. These are care, cost reduction, contact interactivity, and convenience. Shortly it can be said that, customer wants a slight, easy, cheap and not time consuming shopping action. As mentioned in the Literature Survey, the process can have problems but these problems should be solved by the web site very quickly. Additionally, loyalty does not necessarily happen when the customer has no problem with the web site.

Actually, it is strengthened when the customer faces a problem but it is sold effectively by the web site.

Results show that loyalty in online environment is still not very easy to achieve because internet is another further step from the traditional market to the liberal free market. It is very easy for the customers to switch to the competitors if they don't have emotional reasons not to leave their web site. Therefore, a rational customer gives his/her decision after analyzing all of the possibilities and the aim is maximizing his/her utility.

#### Implications for Researchers and for Future Research

There are many implication opportunities for the researchers in this area. One of it is to improve loyalty antecedents and with modifications continue on improving the model. Since online shopping in Turkey is still at the beginning phase, people still have some questions in their minds. Soon, there will two – three times more online shoppers and loyalty factors will be tested more easily.

TUIK says that one half of the internet surfers in Turkey suffer from security problems. Researchers can improve the model by introducing a new parameter related with security. In the following years, security impact on loyalty will be a hot topic.

Generally, our defined clusters can be tested deeper in specific site types and researchers can examine the relationships between demographics and antecedents and consequences of e-loyalty.

## Managerial Implications

Loyalty antecedents can be tested among the customers and by analyzing the results, the antecedents of e-loyalty can be improved, especially the scales. The aim will be increasing the loyalty.

By determining their customers' clusters, cluster-based promotions and marketing can be done with the following clues. Loyal friends need emotional support to get more bonded to the site. If rational advocates like a site, they praise the site to their friend. Independent switchers don't tend to be loyal, they look to the opportunities and make rational decisions, therefore they should be treated as "they come and go and come again".

## Limitations

The main limitation of the study was that respondents have been asked their overall loyalty with respect to many types of sites. Many of the researchs were made by taking just one type of web site into consideration. This can also be overcome by more focused studies applying the 9C's model in more specific contexts in the future.

## APPENDIX A: QUESTIONNAIRE

### PART 1 – Information about the Questionnaire

Dear Participant,

This questionnaire is presented as part of the graduation thesis of Boğaziçi Üniversitesi Management and Information Systems graduation student Selçuk Kıran, within the context of “Consumer Loyalty in the Online Environment”. Any identity information will not be necessary in order to respond the questions. Participants should have at least one online shopping experience.

Your support to our study has great importance on the success of the project. Thank you for your time and contribution.

For your questions and opinions:

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### PART 2 – Consumer Attitude and Behavior toward Web Site Types

1. Specify your usage level of the following web sites.

	Frequently	Sometimes	Never
Large-scale internet shops where you can buy many products from a single point of purchase (amazon, hepsiburada, ideefixe, etc.)			
Private Shopping Clubs where you can buy a limited number of exclusive products with great discounts, only if you are a member (markafoni, limango, trendyol, etc.)			
Coupon sites, where you can find daily advantageous discount			

opportunities (grupanya, yakala.co, ekozone, sehirsati, grupfoni, etc.)			
Auction sites, where you can buy and sell products (ebay, gittigidiyor, etc.)			
Comparison sites, where you can compare many products and services with respect to their prices and properties (enucuz.com, akakce.com, etc.)			
Hobby sites, where you can find special interest products and /or services (hobby sites, collection sites, car model sites, interesting toys sites, etc.)			

PART 3 – Consumer Attitude and Behavior toward Antecedents of E-loyalty

2. Specify the importance of the following factors by determining your loyalty level to the web site.

	Very Effective	Effective	Neither Effective Nor Ineffective	Ineffective	Very Ineffective
This website makes purchase recommendations that match my needs.					
This website enables me to order products that are tailor-made for me.					
The advertisements and promotions that this website sends to me are tailored to my situation.					

This website makes me feel that I am a unique customer.					
I believe that this website is customized to my needs.					
This website enables me to view the merchandise from different angles					
This website has a search tool that enables me to locate products.					
This website has a tool that makes product comparisons easy.					
I feel that this is a very engaging website.					
I believe that this website is very quick and efficient by giving customers information and answering their questions					
I receive reminders about making purchases from this website.					
This website sends me information that is relevant to my purchases.					
I feel that this website appreciates my business.					
I feel that this website makes an effort to increase its share of my business.					
This website does proactively cultivate its relationship with me.					
I haven't experienced problems with billing with respect to my earlier purchases at this website.					
The goods that I purchased					

have been delivered on time.					
I feel that this website is responsive to any problems that I encounter.					
The return policies laid out in this website are customer friendly.					
I believe that this web site takes good care of its customers during the whole shopping process.					
Customers share experiences about the website/product online with other customers of the website on the website.					
The customer community supported by this website is reliable for gathering product information.					
Customers of this website benefit from their experiences and know-how.					
Customers share a common bond with other members of the customer community sponsored by the website.					
Customers of this website are strongly affiliated with one another.					
This website provides a “one-stop shop” for my shopping.					
This website does satisfy a majority of my online shopping needs.					
The choice of products at this website is not limited.					

This website carries a wide selection of products to choose from.					
A first-time buyer can make a purchase from this website without much help.					
It doesn't take a long time to shop at this website.					
This website is a user-friendly site.					
This website is very convenient to use.					
This website design is attractive to me.					
For me, shopping at this website is fun.					
This website feels inviting to me.					
I feel comfortable shopping at this website.					
Website offers proper prices compared to its competitors.					
Website's delivery, cargo and refund costs are lower					
Site makes promotions which bring price advantages					

PART 4 – Consumer Attitude and Behavior to Emotional, Rational, and Overall E-loyalty

3. Thinking about one of your favorite web sites, imply your level of agreement for the following expressions.

	Strongly Agree	Agree	Neither Agree Nor Disagree	Disagree	Strongly Disagree
If I can meet my needs from this site, I won't think of using another website.					
As long as service quality doesn't change, this web site will always be my first choice.					
If I discover another website doing the same business as this website, I would absolutely check that website.					
If I find another website offering the same product or service with better conditions (terms of delivery, transport, etc.), I can desist this website.					
Even if I can find the goods or services bought from this site, cheaper in another website, I won't think of changing my choice.					
I would take into account and analyze what other customers and users say about this website.					
By asking other people who shop in similar websites, I would search alternatives.					
I would initiate others to use this website.					

I would give positive feedback to others about this website.					
I would visit this website from time to time even though I do not need something in particular.					
I think, I have developed an emotional bond to this website.					
I think, to be a customer of this site makes me privileged.					
Shopping at this website makes me tipsy.					
If this website shuts down, I would feel a big lack.					

PART 5 – Demographic Information and Internet Usage

4. Your Age:

	18 – 25
	26 – 35
	36 – 45
	46 – 55
	More than 56

5. Your Gender:

	Female
	Male

6. Your marital status:

	Single
	Married

7. Your education level:

	Elementary school graduate
	High school graduate
	University student
	Bachelor's degree
	Master's / PhD student
	Master's / PhD degree

8. What is your personal monthly income level?

	500 TL and less
	501 TL – 1000 TL
	1001 TL – 2000 TL
	2001 TL – 3500 TL
	3501 TL – 5000 TL
	More than 5000TL

9. How many years do you use the Internet?

	0 – 3 years
	3 – 6 years
	6 – 9 years
	More than 9 years

10. How frequently do you use the Internet?

	Very frequently (Everyday definitely)
	Frequently (Almost everyday)
	Sometimes (Once or twice a week)
	Rarely (Once or twice a month)

## APPENDIX B: ANKET

### 1. KISIM – Anket Yapanlarla İlgili Bilgi

Sayın Katılımcı;

Bu anket Boğaziçi Üniversitesi Yönetim Bilişim Sistemleri Yüksek Lisans Programı öğrencisi Selçuk Kıran'ın mezuniyet tezi kapsamında gerçekleştirilen "İnternet Sitelerinde Müşteri Bağlılığı" konulu araştırmanın bir parçasıdır. Anketi yanıtlamak için herhangi bir kimlik ve iletişim bilgisi istenmeyecektir. Ancak anketi yanıtlayacak olan kişilerin en az bir kez İnternet'ten alışveriş yapma deneyimi yaşamış olmaları gerekmektedir.

Çalışmamıza vereceğiniz destek projenin başarısı için büyük önem taşımaktadır. Katkınız ve zaman ayırdığınız için çok teşekkür ederiz.

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## 2. KISIM – Tüketicinin Belirli Web Sitesi Tiplerini Kullanma Sıklığı

11. Aşağıdaki web sitesi kategorilerini ne sıklıkta kullandığınızı belirtiniz.

	Sık Sık	Ara Sıra	Hiçbir Zaman
Tek noktadan birçok ürünün satın alınabildiği büyük ölçekli İnternet mağazaları (amazon, hepsiburada, ideefixe vb.)			
Sınırlı sayıdaki seçkin markalı ürünlerin birkaç günlüğüne sadece üyelere büyük indirimlerle satıldığı özel alışveriş kulüpleri (markafoni, limango, trendyol vs.)			
Günlük avantajlı indirim fırsatları sunan siteler (grupanya, yakala.co, ekozone, sehurfirsati, grupfoni)			
Tüketicilerin karşılıklı ürün alıp satabildikleri açık arttırma siteleri (ebay, gittigidiyor vb)			
Birçok ürün ya da hizmetin fiyat ve özellikleri açısından karşılaştırılabildiği siteler (enucuz.com, akakce.com)			
Özel bir ilgi alanı ile ilgili başka yerde kolay bulunamayacak ürün ya da hizmetleri içeren siteler (hobi, koleksiyon siteleri, araba maketleri sitesi, ilginç oyuncaklar sitesi vs.)			

## 3. KISIM – Tüketicinin Web Sitelerine Bağlılıklarında Etken Olan Faktörler

12. Aşağıdaki faktörlerden herbirinin bir Web sitesine bağlılığınızı belirlemede ne derece etkili olduğunu belirtiniz.

	Çok Etkili	Etkili	Kararsızım	Etkisiz	Çok Etkisiz
İhtiyaçlarıma uyan satınalma önerilerinde bulunması					
Bana özel yapılmış ürünler sipariş edebilmemi sağlaması					
Bana göre kişiselleştirilmiş reklam ve promosyonlar yollaması					
Bana kendimi farklı ve özel bir müşteri gibi hissettirmesi					
Web sitesinin ihtiyaçlarıma göre kişiselleştirilebilmesi					
Ürünleri görsel olarak farklı açılardan inceleyebilmemi sağlaması					
Aradığım ürünleri kolayca bulmamı sağlayan arama araçları içermesi					
Kolayca ürün karşılaştırması yapabileceğim araçlar içermesi					
Beni içine çeken bir site olması					
Müşterilere bilgi verme ve sorularını yanıtlama konusunda hızlı ve etkin olması					
Bu siteden alışveriş yapmam için hatırlatıcı mesajlar göndermesi					

Daha önceki alışverişlerime dayanarak beni ilgilendirebilecek bilgiler göndermesi					
Alışverişlerimin bu site için önemli olduğunu hissettirmesi					
Bu siteden daha fazla alışveriş yapmam için çaba sarfetmesi					
Benimle ilişkisini geliştirmek için gerekli değişiklikleri yapmaya hazırlıklı olması					
Alışverişlerimde ödeme ve faturalama işlemleri ile ilgili sorun yaşatmaması					
Aldığım ürünleri zamanında ulaştırması					
Site ile ilgili yaşadığım herhangi bir sorunla yakından ilgilenmesi					
Müşteri dostu ürün iade politikalarına sahip olması					
Müşterileri ile tüm satınalma süreci boyunca yakından ilgilenmesi					
Müşterilerin bu site ile ilgili olumlu/olumsuz görüş ve deneyimlerini, site içinde diğer müşterilerle paylaşabilmesi					
Sitenin müşteri topluluğunun buradaki ürünlerle ilgili bilgi paylaşımı konusunda					

güvenilir kaynak olması					
Sitenin müşterilerinin birbirlerinin bilgi ve deneyimlerinden fayda görmeleri					
Sitenin müşteri topluluğunun ortak ya da benzer özellikleri olan kişilerden oluşması					
Sitenin müşterilerinin ilişkilerini farklı mecralara da taşımaları					
Sitenin bana tek noktadan alışveriş yapma olanağı sağlaması					
Sitenin İnternet'ten satın alabileceğim ihtiyaçlarımın çoğunu karşılayabilmesi					
Sitedeki ürün çeşitlerinin sınırlı olmaması					
Sitenin seçim yapmayı kolaylaştıracak geniş bir marka yelpazesine sahip olması					
Siteye ilk kez gelen bir kullanıcının fazla yardıma ihtiyaç duymadan alışveriş yapabilmesi					
Sitede alışveriş yapmanın uzun sürmemesi					
Sitenin kullanıcı dostu olması					
Sitenin kullanımının kolay olması					

Sitenin tasarımının bana çekici gelmesi					
Bu sitede alışveriş yapmanın benim için eğlenceli olması					
Sitenin bana davetkar görünmesi					
Sitede alışveriş yaparken kendimi rahat hissedebilmem					
Sitenin rakiplerine kıyasla daha uygun fiyatlar önermesi					
Sitenin teslimat, kargo, iade vb maliyetlerinin düşük olması					
Sitenin fiyat avantajları sağlayan promosyonlar yapması					

#### 4. KISIM – Tüketicinin bir Siteye Duygusal, Mantıksal ve Genel Olarak Bağlılık Dereceleri

13. Aşağıdaki ifadelere katılma derecenizi, bağlı olduğunuz ve sık kullandığınız bir siteyi ya da siteleri düşünerek yanıtlayınız.

	Kesinlikle Katılıyorum	Katılıyorum	Kararsızım	Katılmıyorum	Kesinlikle Katılmıyorum
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İhtiyacımı bu siteden karşılayabiliyorsam başka bir site kullanmayı düşünmem.					
Bu site, hizmet kalitesi değişmediği sürece her zaman ilk tercihim olacaktır.					
Başka bir sitenin bu site ile aynı ya da benzer işi yaptığını keşfedersem, o siteyi de mutlaka incelerim.					
Aynı ürün ya da hizmeti daha iyi şartlarla (teslimat süresi, nakliyat vb.) sunan bir site bulursam bu siteden vazgeçebilirim.					
Bu siteden satın aldığım ürün ya da hizmeti daha uygun fiyata bulabilecek olsam da seçimimi değiştirmeyi düşünmem.					
Bu site ile ilgili diğer müşterilerin ve kullanıcıların neler söylediğini inceler, dikkate alırım.					
Benzer sitelerden alışveriş yapanlara ne derece memnun olduklarını sorarak alternatifleri araştırırım.					
Başkalarının da bu siteyi kullanmaları için önyak olurum.					
Bu site hakkında çevremdekilere olumlu geri bildirim veririm.					
Bu siteyi belirgin bir ihtiyacım olmasa bile zaman zaman ziyaret ederim.					
Bu siteye karşı duygusal bir bağ geliştirdiğimi düşünüyorum.					
Bu sitenin müşterisi olmanın ayrıcalıklı olduğunu düşünüyorum.					
Bu siteden alışveriş yapmak bana keyif veriyor.					
Bu site kapanırsa büyük bir eksiklik hissederim.					

## 5. KISIM – Demografik Bilgiler ve İnternet Kullanımı

14. Yaşınız?

	18 – 25
	26 – 35
	36 – 45
	46 – 55
	56 ve üstü

15. Cinsiyetiniz?

	Kadın
	Erkek

16. Medeni haliniz?

	Bekar
	Evli

17. Eğitim Durumunuz?

	İlköğretim mezunu
	Lise mezunu
	Lisans öğrencisi
	Lisans mezunu
	Lisansüstü (master, doktora) öğrencisi
	Lisansüstü (master, doktora) mezunu

18. Aylık kişisel net geliriniz?

	500 TL'den az
	501 TL – 1000 TL
	1001 TL – 2000 TL
	2001 TL – 3500 TL
	3501 TL – 5000 TL
	5000 TL'den fazla

19. Kaç yıldır internet kullanıyorsunuz?

	3 yıldan az
	3 – 6 yıl
	6 – 9 yıl
	9 yıldan fazla

20. İnternet'i hangi sıklıkta kullanıyorsunuz?

	Çok sık (Her gün mutlaka)
	Oldukça sık (Hemen hemen her gün)
	Bazen (Haftada 1 -2 kez)
	Nadiren (Ayda 1 – 2 kez)

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