

## The Study on the Customer Value and Loyalty for E-Shopping

<sup>1</sup>Pin-Fenn Chou\*, <sup>2</sup>Ying-Chun Wang

<sup>1</sup>Department of Business Administration, Far East University, Tainan City, Taiwan, R.O.C.  
Department of Airline and Transport Service Management, National Kaohsiung University of Hospitality and Tourism, Kaohsiung City, Taiwan, R.O.C.

### Abstract

Nowaday, consumers always can use the convenience of internet, which provide their to search or purchase products. This study aims to explore the relationships between consumers' value, satisfaction, and loyalty, which through the behavior of consumers' purchase e-product. This study adopt the questionnaire to interview the e-buyer. The results shown that the consumers' value had a significant and positive effect to satisfaction and loyalty, separately. In addition, the satisfaction also had a significant positive effect to loyalty.

**Keywords:** consumer value, satisfactory, loyalty, e-shopping

### Motivation

Internet shopping, or named e-shopping, is a retail business of virtual services, that is also a new shopping channel. Due to rapid protrusions, and they may be have majority of potential buyers, which are make a attraction for sellers to joined the competition in this market. A numbers of sellers, the kinds of goods sold had difference by different sellers. Thus, that making the consumers have more choices for e-shopping websites, but also caused the online sellers of the

competition are very intensely.

A diversified competitive environment in today's business society, the consumers are can to master the adequate choose for the e-products. The intention of the future repurchase, the customers will depend on the consumer value after e-shopping and the perception the satisfaction. For the evaluation of e-shopping products, are also to produce the effect of word of mouth spread.

Thus, the aims of this study is

following:

1. To understand the consumers' percept of value, satisfaction, and loyalty on e-shopping.
2. To provide and discuss the cause relationships on value, satisfaction, and loyalty.

### **Literatures and Research Hypotheses Assumption**

Value, is a balance which that between the perceived quality and price (Cronin et al., 2000). Value is an interactive, relative, and preferred experience; and is a relative concept on each other things (Holbrook, 1994). Monroe (1990) argues that the definition of value is the mutual arrived relationship, which that between the perceived benefits and sacrifice of the consumers.

The consumer value after customers shopping, that will affect their satisfaction with the use of the product, also will also affect their shopping intention in the future. Hartline and Jounes (1996) study pointed that, in the hotel industry, the customers perceived value for services of hotels will positively affects the word of mouth recommendation. Thus, if the customers perceived more satisfied, which usually may maintain long loyalty, that is a key to keeping customers (Kotler, 1991). Heskett et al

(1994) present that, the business hopes to can enhance customer satisfaction, and to promote the customer's purchase products willingness, finally, lead to buy and to improve customers' loyalty.

Loyalty, it is a drives, for consumer behavior to buy to increase business performance (Bloemer et al., 1999). de Ruyter et al. (1998) argues that the definition of customer loyalty, are consumers to encourage or recommend to others to consume services, or provide the promise to consumes the services by the service provider. Loyalty, can be seen as a behavior of re-purchase for a customer (Morgan and Hunt, 1994). Selnes (1998) defines customer loyalty as a continuous purchase behavior, which are for customer buy the products and services with the same company.

In addition, Ranaweera and Prabhu (2003) study is also found that customer satisfaction will positively affect customer intentions. Baloglu et al. (2003) the study to explores the relationship between the passengers' satisfaction and behavioral intentions, the study confirms that passenger satisfaction also has a positively impact on behavioral intentions.

Based on the above literature review, this study inference the hypotheses were following :

H1: The customers' perception value has a positively and significantly on satisfaction.

H2: The customers' perception value has a positively and significantly on loyalty.

H3: The customers' perception satisfaction has a positively and significantly on loyalty.

### **Research Empirical Analysis**

After the questionnaires were collected, the data through statistical analysis, present the consumers go shopping e-products on website that always

perception, the item of "the lower price" is the most of agree for e-buyer. This means that the consumers think of that their percept the highest value is lower of the price of the product on the website (Table 1).

In addition, the most of agree item in satisfaction is "shopping is pleasant on the web". This is an important factor for consumers consider to e-purchase on this website. In loyalty, " I will re-buy the product again on this website" item present it had the highest score in loyalty concept, and it also is the most of agree item for the consumers.

Table 1 Consumers percept the value, satisfaction, and loyalty for e-shopping

Items	Average	Ranking
<b>go shopping e-products on website that always percept</b>		
<i>Consumer Value</i>		
the lower price	5.16	1
value for money	5.10	2
more valuable	5.02	3
<i>Satisfaction</i>		
satisfied for shopping on the web	5.29	2
shopping is pleasant on the web	5.32	1
I like to go shopping on the web	5.26	3
<i>Loyalty</i>		
I will recommend this e-shopping website to others.	5.10	2
I will words of mouth to others about this e-shopping website.	5.03	3
I will encourage others to e-purchase the products of the website.	4.90	4
I will re-buy the product again on this website.	5.37	1

For the model, this study test the reliability and validity of the concepts are verified. In reliability of the model, the Cronbach's  $\alpha$  value concept in the model is 0.80, the satisfaction is 0.76, and the loyalty is 0.84, they are all reached to the acceptable level ( $\alpha > 0.7$ ). Moreover, in the validity of this model, the CR value of consumer is 0.71, the satisfaction is 0.76, and the loyalty CR is 0.87. The CR value of each concept are all greater than 0.7, and also expressed reached to acceptable level (Bagozzi and Yi, 1988).

Further, this study to proceed the path analysis to verify whether supported the hypotheses. Each of indicators, there are  $\chi^2_{/df} = 4.84, = 32$ , CFI=0.97, GFI=0.96, AGFI=0.93, RMR=0.05, RMSEA=0.07. After the model tested, the results show that CFI, GFI, AGFI coefficient is higher than the acceptable value, RMR value less than 0.5, and RMSEA value of less than 0.8, they are also reached an acceptable value, and also argue this model is get the best fit.

For the research hypotheses empirical results, in the whole model, according to the loading value of each hypotheses path, it shown the most efficiency is the path of value on satisfaction ( $\beta = 0.64$ ); following are the path of value on loyalty ( $\beta = 0.61$ ) and satisfaction on loyalty ( $\beta = 0.20$ ).

The hypotheses of the model, the value on satisfaction and loyalty, respectively, that were effect of positively and significantly, and satisfaction for loyalty also obtained a positively and significantly.

### **Conclusion**

For the research hypothesis, presented are all supported by empirical in this study. The implications means that customer awareness of consumer value is an important factor for e-loyalty. Especially, the value of consumption will affect the customer's satisfaction with e-shopping, because the value has the most of impact on satisfaction.

E-shopping is not only the improvement of service quality, also be taken seriously the consumer shopping products for the perception. In the past, many studies stressed that the industry in order to improve customer re-care, most of the attention to the improvement of service quality, but cannot ignore the value of customer consumption is also a important key factor of loyalty. The managers must to understand the customer's percept consumer value, in order to obtain the intention of customers re-consumption.

### **Reference**

1. Bagozzi, R. P. & Yi, Y. (1988). On

- the evaluation of structural equation models. *Journal of the Academy of Marketing Science*, 16(1), 79-94 .
2. Baloglu, S., Pekcan, A., Chen, S. L., & Santos, J. (2003). The relationship between destination performance, overall satisfaction, and behavioral intention for distance segments. *Journal of Quality Assurance in Hospitality & Tourism*, 4(3/4), 149-165.
  3. Cronin, J. J., Jr., Brady, M. K., & Hult, G. T. M. (2000) Assessing the effects of quality, value, and customer satisfaction on consumer behavioral intentions in service environments. *Journal of Retailing*, 76(2), 193-218.
  4. Hartline, M. D. & Jones, K. C. (1996) Employee performance cues in a hotel service environment: Influence on perceived service quality, value, and word-of-mouth intentions. *Journal of Business Research*, 35(3), 207-215.
  5. Heskett, J. L., Jones, T. O., Loveman, G. W., Sasser, W. E. Jr. & Schlesinger, L. A. (1994) Putting the service-profit chain to work. *Harvard Business Review*, 72(2), 164-74.
  6. Holbrook, M. B. (1994). The nature of customer value in Rust. R. T., & Oliver, R. L. *Service Quality, New Directions in Theory and Practice*. Sage Publications, London, 21-71.
  7. Kotler, P. (1991). *Marketing management: analysis, planning, implementation and control* 7th ed. NJ, Prentice-Hall, Englewood Cliffs.
  8. *Industry Management*, 9(5), 436-453 .
  9. Monroe, K. B. (1990). *Pricing: Making profitable decision*. New York, McGraw-Hill.
  10. Morgan, R. M. & Hunt, S. D. (1994). The commitment-trust theory of relationship marketing. *Journal of Marketing*, 58(3), 20-38.
  11. Ranaweera, C. & Prabhu, O. (2003). The influence of satisfaction, trust and switching barriers on customer retention in continuous purchasing setting. *International Journal of Service Industry Management*, 14(3/4), 374-395.
  12. Ruyter, de K., Wetzels, M., & Bloemer, J. (1998). On the relationship between perceived service quality, service loyalty and switching costs. *International Journal of Service Selnes, F.* (1993). An examination of the effect of product performance on brand reputation, satisfaction and loyalty. *European Journal of Marketing*, 27(9), 19-35.