Consumer Attitude and Loyalty in Online Shopping Environments: A Study of Facets Driving Shoppers Towards E-Stores

Chandra Sekhar Patro, Department of Management Studies, Gayatri Vidya Parishad College of Engineering (Autonomous), Visakhapatnam, India

ABSTRACT

In the online shopping environment, loyal customers are considered extremely valuable. Loyalty is generally attributed to satisfaction with the quality of service offered by the e-marketers’ to their customers. The application of technology-based service has grown rapidly in the recent years, but the current understanding of customer retention and attitude in such contexts remains limited. The present article empirically investigates the roles of e-store facets, consumer attitude and loyalty in online shopping environments. The results posit that the e-store facets such as ease of use, credibility, price benefit, security and service quality positively influence online consumer loyalty via online consumer purchase attitude, whereas functionality and innovativeness do not have much influence on consumer attitude and loyalty. The findings afford not only practical implications for e-marketers but also directions for future research on online customer attitude and loyalty.

KEYWORDS

Attitude, Consumers, Credibility, E-Stores, Functionality, Innovativeness, Loyalty, Security, Service Quality

INTRODUCTION

As a noteworthy share of the population is going online, the internet is increasingly influencing the retail sales. E-commerce revenues continue to climb up around the globe and the consumers are changing their consuming behaviors at the same time. The online shopping involves a web-based environment, without any face-to-face contact between consumers and physical products. Online consumers inherently shop high level of uncertainty, compared to traditional consumers. They are both shoppers for products and users of web-based technologies in the purchasing process (Wu, 2013). This rapid growth of e-retailing reflects the compelling advantages that it offers over conventional brick-and-mortar stores, including greater flexibility, enhanced market outreach, lower cost structures, faster transactions, broader product lines, greater convenience, and customization (Rao & Patro, 2016b). However, online retailing also comes with its own set of challenges.

In order to remain competitive, the online marketers need to adopt effective strategies to satisfy their customers’ needs and wants. But the shoppers’ behaviour in a virtual environment often seems to be a complex, as their expectations change with the change in time and technological advancements. Moreover, in a virtual environment where next web store is just a mouse click away, it becomes extensively difficult to understand the consumers’ behaviour and take effective measures to attract them to make purchases online and from the same store (Jain & Sareen, 2015). Thus, researchers

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and managers have often acknowledged that the source of competitive advantage is closely related to the long-term relationships between customers and the e-retailers. Liaw (2013) suggested that the key growth point of online retail would shift from the motivating new customers to purchase online to retain existing customers to make repeat purchases. A loyal customer often seems to be satisfied but vice versa is not true. This indicates that there exists certain other factor also that may influence customers’ loyalty. Trust is seen to be one such critical factor in online shopping environment that has impact on customers’ loyalty or long-term buyer-customer relationship (Lee, Huang, & Hsu, 2007). To sum up, the loyally of online customer has emerged out to be one of the essential factor for online business survival and growth. Therefore, the prime aim of this study is to identify and discuss the factors that help e-retailers to win customers loyalty towards them.

From a seller’s perspective, consumer loyalty is considered important because of its positive effect on long-term profitability. According to Reichheld and Schefter (2000), the high costs of acquiring new e-customers can lead to unprofitable customer relationships for up to three years. As a consequence, it is crucial for the online marketers to create a loyal customer base, as well as to monitor the profitability of each segment. However, few e-retailers seem to succeed in creating loyalty, and little is known about the mechanisms involved in generating customer loyalty on the internet (Patro, 2016). Only during later transactions, when the cost of serving loyal customers falls, do relationships generate profits. With millions of websites clamouring for attention, e-retailers have a tenuous hold at best on a large number of ‘eyeballs’. In order to reap the benefits of loyal customer base, e-retailers need to develop a thorough understanding of the antecedents of online loyalty, that is, consumer loyalty to a business that sells online. Such an understanding can help e-retailers gain a competitive advantage by devising strategies to increase e-loyalty (Srinivasan, Anderson, & Ponnavolu, 2002).

A rising number and different retailers are exploiting and crafting the trade prospects on the Internet in the meadow of web shopping. Fierce competitions among e-retailers have forced them to gain the competitive edge in the turf of online marketing (Rao & Patro, 2016a). With this emerging field of shopping, the interest of marketers is also increasing in studying what actually motivates the consumers’ attitude to shop online and enhance the consumer loyalty. Therefore, to gain customers loyalty, their behavioural intentions need to be addressed and understand. So, the research question is: Does the e-store facets such as functionality, innovativeness, ease of use, credibility, price benefit, security and service quality have impact on online consumers purchase attitude and consumer loyalty in the online shopping environments?

**LITERATURE REVIEW AND RESEARCH HYPOTHESES**

The study focuses on online consumer purchase attitude and loyalty in the online shopping environments. The facets considered for the study are functionality, innovativeness, ease of use, credibility, price benefit, security and service quality. The literature related to the above aspects is discussed in the paper.

**Consumer Attitude**

Attitude is defined as a negative or a positive evaluation of behaviour (Ajzen & Fishbein, 1980; Davis, 1989). It refers to feelings of joy, pleasure, happiness, disgust, dislike or hatred towards a given behaviour (Triandis, 1979). Ajzen (1985) assumes that attitude and beliefs co-determine intentions. As for information systems, some researchers have also showed that intention to use an information system is influenced by the user’s attitude towards behaviour of use (Venkatesh & Davis, 2000). Karahanna and Straub (1999) maintain that attitudes dominate intention to use information technology. Then, a positive intention of using internet to fulfil a transaction is formed by consumers with positive attitudes towards use of internet. According to Khristianto, Kertahadi and Suyadi (2012), customer satisfaction is commonly viewed as a result of comparison between the consumption expectation and experience; and customer satisfaction is achieved when the final deliverable expectation (Lin
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