

# Examining the Value, Satisfaction, and Loyalty Relationship Under Online Framework Using PLS–ANN

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## INTRODUCTION

The digital era has revolutionized the way of conducting businesses by converting brick-and-mortar firms into brick-and-click or pure-click firms. This has forced the firms to restructure their corporate strategies, which now consider customer-retailer interaction in online framework. With abundant options available for online shoppers in each domain, the e-tailers are facing a fierce market competition to gain a major market share in the economy. The dynamicity of markets resulting from these technological advancements poses a question on the loyalty of customers towards these e-commerce websites. Online retailers have shown interest in studying the variables influencing the e-loyalty among browsers. This has motivated extant researches to focus on exploring greater insights into the website loyalty frameworks. According to a report, customers who express continuance intention to shop from a website spend 67% more than new customers, and 60% will recommend the website to his family and friends in return of their loyalty (Statista, 2018). Thus, even though the topic of loyalty in online framework is less explored, recent researchers are finding this field of study attractive.

Loyalty may be defined as “the preferential, attitudinal and behavioral response toward one or more object category expressed over a period of time by a consumer” (Hirschman, 1970). Researchers have explained loyalty in both attitudinal and behavioral measures (Hill & Alexander, 2017). The attitudinal loyalty is represented by a preference desire towards an object, whereas the behavioral measures concentrate on the proportion of time the customer purchase same object in the present of other objects in same category. The advent of internet technologies has shifted the loyalty concept towards online framework. Website loyalty may be defined as the attitude of a consumer towards a website and his willingness to make a revisit as well as recommend that website to his family and friends (Kabadayi & Gupta, 2005). The success of an e-business can be judged on the basis of its stable customer base, which in this digital world can be attained with the help of a user friendly and well-built website, that makes the shopping experience of customers smooth and enjoyable. The advancements in the information and communication technology (ICT) has showered the online customers with many blessings such as in-depth knowledge regarding the retailer and his offerings, information about the suppliers, comparing prices from various sites, availing discounts and various incentives available for membership holders, and many more ad-

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vantages. All these benefits inculcate uncertainty in shopper behavior and pose a challenge for marketers to create a loyal group of customers (Veloutsou & McAlonan, 2012).

Previous studies have evaluated loyalty in terms of the level of satisfaction achieved by the shopper while using the website (Anderson & Srinivasan, 2003; Anderson & Swaminathan, 2011). A desirable customer experience while using the website leads to its success, which eventually results in formation of a favorable attitude towards that platform in the presence of other alternatives (Ayo, Oni, Adewoye, & Eweoya, 2016). However, a delighted customer may show intent to make a revisit as well as suggest the site to his family or friends or peers, which leads to a loyalty intention. Moreover, a purchaser will stick to a site only if he perceives it to be beneficial in return of his investments, and is thought to create value for customers, which may be either monetary or non-monetary (Kumar Roy, M. Lassar, & T. Butaney, 2014). Thus, this study considers two antecedents of website loyalty namely customer satisfaction and customer value.

Customer value is defined as “the ratio of the customer’s outcome/input to that of the service provider’s outcome/input” (Patterson & Spreng, 1997). The concept is based on equity theory which considers that the customers should be offered fair and right product/service in return to his cost inputs. Customer value mainly focuses on the importance of an object (here website) and the extra benefits provided by it. The literature mentions two types of value i.e. transactional value and emotional value (Sweeney & Soutar, 2001). The transactional value concentrates on the price related issues. For example in the online framework, e-firms strategize many incentive appraisal programs so as to attract customers and generate traffic towards their site. On the other hand, emotional value takes care of the cognitive issues such as time or stress or feelings of the customers. Online firms achieve this task by practicing good business ethics and indulging corporate social responsibility (CSR) programs (Loureiro, Sardinha, & Reijnders, 2012).

Customer satisfaction is a vital concept in consumer related studies and has been vastly covered by previous researches (Quester et al., 2007; Söderlund, 1998). Satisfaction may be defined in two terms namely transaction related and overall satisfaction. The transaction related customer satisfaction is defined as “an emotional response by the customers to the most recent transactional experience with an organization” (Cardozo, 1965). On the other hand, overall satisfaction is defined as “a cumulative sum of the satisfaction associated with the specific products and various facets of the firm” (Cardozo, 1965). In online context, it may be defined as the optimistic feelings aroused in reaction to the aggregate experience during his browsing sessions. Many researchers have noticed that a satisfied customer embraces the success of an e-commerce website, which in turn leads to the popularity of the owner (Brown & Jayakody, 2008; Tandon, Sharma, & Aggarwal, 2019). Delighted customers convey positive messages regarding the website, however, negative messages by unhappy customers tend to diffuse faster and hamper the sales of the firm (Arbore & Busacca, 2009). Thus, it is important to incorporate customer satisfaction in the website loyalty framework.

Website service quality (WSQ) is asserted to be a combination of technical and customer-oriented dimensions of key features of an e-commerce website. The technical concept takes care of the system quality and content quality measures of the retailers, whereas customer-oriented concept involves the service quality measures (Wang & Tang, 2003). The web page of the company acts as the first contact point of the customers with the vendors. This page plays a key role in attracting the customers and its design motivates its usage by a large population. The concept of website quality is well known among researchers and included the variables such as trust, interactivity, ease of understanding, visual appeal, and consistency. The WSQ variable considered here makes use of the information system (IS) success factors which were defined to find the variables that improve the effectiveness of the systems (DeLone & McLean, 1992). Along with these factors, the construct also incorporates the items that customers look

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