

Chapter 2

The Affective Domain of E-Commerce

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ABSTRACT

The purpose of this chapter is to examine customer perceptions in the affective domain that directly or indirectly influence the shopping process and purchasing decision between the online customer and online shopping sites. This chapter investigates the effects of nine different perceptions as perceived benefit, perceived control, perceived customer services, perceived customization, perceived risk, perceived security, perceived self-efficiency, perceived privacy, and perceived value on the trust, satisfaction, and loyalty of online customers. Revealing the effects of these relationships on online customer trust, satisfaction and loyalty is important for online shopping sites to maintain their existence in the long-run, be able to compete with others, and increase their profitability.

INTRODUCTION

Trade is an initiative that has existed among people since the ancient times. With the prevalent usage and centralization of the internet in our lives at the end of the twentieth century, it emerged as a new format that is known as “Electronic Commerce”. In the digitalizing world, electronic commerce can also be defined as the digitalized state of commerce. Costs of accessing customers have decreased because the internet provides opportunities for the consumer to be able to access information about products or services. The price difference that was caused by reduced costs has led customers towards online shopping and increased the trade volume (Bourlakis, Papagiannidis, & Fox, 2008). Electronic commerce (e-commerce) was accepted by a wide proportion of the public and started to spread (Erbaşlar & Dokur, 2008; Xiong, Hou, Dong, & Nyberg, 2012). Sales made to consumers from e-commerce businesses worldwide have reached 3.3 trillions of dollars (Orendorff, 2017). This situation has brought along changes in shopping behaviors and habits for both vendors and customers in a digitalized world.. This development revealed a different structure to those in markets where producers and consumers are found together, and e-commerce establishments started to interact with online customers all over the world.

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The prevalence of e-commerce turned all people in the world into potential customers for vendors (Butler & Peppard, 1998; Civan & Bal, 2002). Now, consumers have become e-customers and been turned towards online shopping sites to meet most of their needs for goods and products. In this new form of shopping and trade, it was observed that the purchasing behaviors, shopping habits and general behaviors of consumers are influenced by various factors. This is why a need arose for reevaluation of the effects of some affective factors such as perception, motivation, learning, attitude and beliefs on this process. Additionally, the relationships between e-commerce businesses and online customers resulted in changes in and redefining of selling and purchasing behaviors. Customer satisfaction, trust and loyalty, which are among the main elements between the seller and buyer in trade, have become affected more by some affective characteristics of customers. The purchasing decisions of customers during the process of shopping from online shopping sites are affected more by affective factors (Akbar & James, 2014), and this influences customer satisfaction, trust and loyalty.

Considering the perspective of online shopping sites, having an organization in terms of e-commerce and increasing the satisfaction, trust and attachment of customers who prefer online shopping have become a key factor in terms of the purchasing behaviors of customers, profit margin and long-term growth goals. This is why it has become important to investigate the relationships between customer perceptions and customer satisfaction, trust and loyalty, as well as their effects on the purchasing decisions of customers (Srinivasan, Anderson, & Ponnayolu, 2002; Park & Kim, 2003; Flavia 'n, Guinaliu, & Gurrea, 2006; Cyr, Hassanein; Head, & Ivanov, 2007; Kim, Ferrin, & Raghav, 2008).

In the following parts of this chapter, firstly the findings of studies which investigated customer perceptions, satisfaction, trust and loyalty and the relevant literature are presented. Secondly, online customer trust, satisfaction and loyalty are discussed in terms of e-commerce. The third part presents the customer perceptions that affect the trust, satisfaction and loyalty levels of online customers the most, and the relationships of the determined perceptions with customer satisfaction, trust and loyalty are separately presented.

BACKGROUND

The relationships between online customer perceptions and customer satisfaction, trust and loyalty and the effects of these on customers' purchasing decisions have been prevalently researched in recent years (Bilgihan, 2016; Ozkara, Ozmen, & Kim, 2017; Kim, & Peterson, 2017; Pee, Jiang, & Klein, 2018). This section discusses the results of previous studies on relationships among online customer perceptions, customer satisfaction, trust and loyalty and the effects of these on the purchasing decisions of consumers. While presenting the aforementioned literature, firstly studies that demonstrated the relationships among customer loyalty, customer satisfaction and customer trust are included. Then, the section presents the findings of studies that investigated the effects of customer perceptions separately on customer satisfaction, customer loyalty and customer trust. Finally, findings on the comprehensive relationships between online customer perceptions and customer loyalty, satisfaction and trust are provided.

Considering the findings of studies which investigated the relationships among online customer loyalty, satisfaction and trust, it is seen that customer satisfaction and trust affect loyalty directly or through mediating variables. Akbar and James (2014) asserted that customers' online purchasing behaviors, what they understand from the concept of a product and what they have learned through their lives are associated with their attitudes and beliefs. They concluded that perceptions, satisfaction and

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