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E-loyalty in e-commerce: A study at GIRISSIMA.COM

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Abstract

Few studies have been conducted on causal antecedents for electronic loyalty regarding the online fashion industry. In Portugal there is no systematic empirical research in this area. This study aims to examine e-satisfaction and e-trust that potentially impact e-loyalty. It also examines the impact of price, website design and selection of brands. A research study was performed at GIRISSIMA.COM and survey responses were 77. The findings show that e-satisfaction is the main driver of e-loyalty. E-trust, website design and price affect positively e-loyalty. Additionally, selection of brands was proved to impact e-loyalty through e-satisfaction and e-trust.

Keywords: E-loyalty, e-satisfaction, e-trust, price, website design, selection of brands

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Introduction

The arrival and pace of development of the Internet has had a profound and revolutionary impact on business leading to changes on competition policies in companies and financial interactions.

The globalization and intensive competition led to a decrease in effectiveness of offline business and companies are now more motivated to take part in e-business to enhance profitability and use different channels to market their products/services.

The e-commerce industry is growing and the use of these types of services is booming globally. According to the Southern Europe B2C E-commerce Report, the region including Spain, Italy, Turkey, Greece, Portugal, Croatia, Cyprus and Malta, realized a total e-commerce turnover of €40.8 billion in 2013¹. The online retail of goods already represents 2% of all retail in Southern Europe. In Portugal, 30% of the population has, at some time, shopped online².

The online fashion industry also faces its own set of challenges. Consumers are able to access instantaneous information and are able to compare and contrast competing products and services with minimal expenditure of personal time or effort (Srinivasan et al., 2002). This results in fierce price competition and vanishing brand loyalty.

To survive the hard e-commerce competition, companies must enhance e-loyalty. Scientific evidence has shown that customer e-loyalty has a direct impact on the profitability and survival of online companies (Reichheld and Schefer, 2000). Satisfaction and trust are both important factors to create commitment on customer loyalty (Kassim and Abdullah, 2010; Kim et al., 2009, b).

¹ <http://www.ecommerce-europe.eu/press/2014/e-commerce-in-southern-europe-to-reach-47.8-billion-in-2014>

² (<http://blog.domdigital.pt/post/62987413041/ecommerce-portugal>)

Research on causal antecedents for e-loyalty is relatively limited regarding the online fashion industry and critical success factors in this field of business (Rowley, 2009).

As part of this masters research, the project was to work at GIRISSIMA.COM. While there, I realized there was no internal research conducted to understand customer behavior when shopping at GIRISSIMA.COM. Given this, the purpose of this research is to develop a model to understand customer behavior and to examine factors on e-loyalty for GIRISSIMA.COM. In addition, one of the expected purposes of this research is to provide advice to GIRISSIMA.COM on how they could better get/retain customers.

Literature Review and Hypothesis Formulation

E-Loyalty

Researchers recognized that customer loyalty is a key path for companies to stay competitive, profitable and to grow in order to survive (Anderson and Srinivasan, 2003). Reichheld and Scheffer (2000) claim that building superior customer loyalty is no longer one of the many ways to boost profits; it is essential for survival.

According to Srinivasan et al. (2002), e-loyalty is defined as the customer's favorable attitude towards the e-retailer that results in repeated buying behavior. Hence, e-loyalty is about a customer's interest and intention to repurchase from the provider in the future (Islam et al. 2012). Moreover, e-loyalty refers to a customer's intention to recommend it to others and say positive things about a certain company (Zeithaml et al. 1996).

The more positive the customers experience is with a certain retailer, the more likely and willing they are to buy again and to spread good word of mouth (Islam et al. 2012). Other reasons why loyal customers are more profitable than occasional ones are that those customers tend to buy more frequently than new customers, are more tolerant and

understandable when anything goes wrong, and are more willing to pay premium prices (Zeithaml et al. 1996).

Given the criticalness to create customer loyalty, the literature identified different antecedent affecting loyalty in an online context including satisfaction, trust, and functional dimensions of offer.

E-Satisfaction

Customer satisfaction is a critical aspect for the success of any business, whether we refer to a traditional or an online retailer. Anderson and Srinivasan (2003) defined customer satisfaction as “the contentment of the customer with respect to his or her prior purchasing experience with a given electronic commerce firm”. In addition, Chang et al. (2009) argue that customer satisfaction is about arousing positive feelings in the customer, after having used a service.

Studies identified e-satisfaction as one of the main drivers for e-loyalty in the online industry (Ribbink et al., 2004) meaning, if a customer is satisfied with an online company, there is a great chance that the consumer also becomes loyal. According to Chang et al. (2009) satisfied customers are more likely to return for repeat purchases from an e-commerce company. Thus, if a customer is satisfied they have less intention to switch the online company (Kim et al. 2009, a). Satisfied customers are more willing to recommend that service to others and spread positive word of mouth. They are also less likely to search for alternatives and switch to competitors (Andersen and Srinivasan, 2003).

E-Trust

Online trust is considered an important factor to build and maintain strong relationship between the company and their customer (Reichheld and Schefter, 2000). According to Jin et al. (2008), e-trust is defined as “the customer’s belief or confidence about the

credibility and benevolence, meaning that customers can rely on the promises and information providing by the e-business and they are less likely to think that the e-sellers will take advantages of their vulnerability”. Trust requirement is more complex in the virtual environment because online transactions are more impersonal, anonymous and automated than offline.

A large volume of research has been conducted in order to examine the relationship between e-trust and e-loyalty in e-commerce. The establishment of trust is important because has the ability to maintain and create long-term relationships with customers and consequently make them loyal (Ribbink et al., 2004; Kassim and Abdullah, 2010). According to Reichheld and Schefter (2000) e-trust is a pre-requisite to achieve loyalty and retaining customers, since an online transaction often is perceived to higher risk of losing personal information. Meaning if customers do not trust online they will not purchase. Hence, a company to gain customer loyalty must first gain their trust.

Price

According to Reichheld and Schefter (2000) being in a competitive price range is more important for e-businesses in order to develop and maintaining customer loyalty. According to Karlsson et al. (2005) for most customers the difference between traditional sales channels and online channels is that prices are expected to be generally lower on the Internet. If the markets online are more efficient due to lower transaction costs and the elimination of intermediaries then one might expect lower prices (Verma and Varma, 2003).

Although price appears to affect e-loyalty in an unclear way, it plays a role in customers' decisions to be loyal (Chiang and Dholakia, 2003). According to Chung and Shin (2008) price was found to impact e-loyalty on e-retailing. Online customers probably may focus more on price even if the product has a higher quality. However,

price may have opposite effects on the role of customers making decisions and may facilitate or debilitate possibility of purchase (Lichtenstein et al., 1993).

In a study focusing on the relationship among e-retailing attributes, e- satisfaction and e-loyalty Chung and Shin (2008) suggested that if price was very cheap and attractive, it might be strongly related to e-satisfaction. Furthermore, price perception directly influences customer satisfaction, switching behavior and switching recommendation to others (Varki and Colgate, 2001).

Valvi and West (2013) examined eleven different independent variables and found that price notably influence e-trust development. Furthermore, when customers feel that online website is genuine and not fraudulent, they trust it for future purchases. A low-price from a website can lead to customers' e-trust, independently of convenience or service quality offered (Valvi and West, 2013).

Website design

The Website design provides the interface between customer and e-retailers (Kim and Lee, 2002). The quality of a website design incorporates everything that influences the customer experience when using the webpage ranging from visually appealing online page to accessibility of information (Wolfenbarger and Gilly, 2003). A web design should be attractive in order to encourage consumers to search the site and building long-term relationships.

A range of studies has been conducted in order to examine the relationship between website design and customer e-loyalty. Wolfenbarger and Gilly (2003) reported that website design factors strongly affects consumer perceptions of their buying experience and are strong predictors of customer quality judgments and loyalty for online retailers.

Furthermore, in a study focusing on the antecedent role of e-retail quality on e-satisfaction, Guo et al. (2012) have observed that website design was the most

significant determinant of e-satisfaction. This finding suggests that a good website design may reduce the customers' cost of searching and the time required for information processing, thus leading to a higher level of e-satisfaction.

In addition, the design is also important for customer's first impression and can influence the development of trust (Kassim & Abdullah, 2010). It is connected to the first impression that a visitor experience when visiting a site and it is important to attract customers and make them want to stay and interact with it (Constantinides, 2004).

Selection of brands

Customers may have special needs, in which the variety of products offered through e-retailing may have unique features such as high quality or rarely or never found on offline market (Szymanski and Hise, 2000). Schaupp and Bélanger (2005) reported that improving product quality has a positive effect in enhancing consumer satisfaction. Online retailers who have offered a wide variety of products and selections are often the key to keep customers coming back and seem to be more successful. Moreover, a study conducted by Liu et al. (2008) indicated that wider merchandise variety and low price have positive effects on customer satisfaction in the online shopping.

In addition, consumers prefer to interact with one retailer than several ones. The more the number of retailers, the greater will be the costs of search (Bergen et al., 1996). On the other hand when broader alternative is offered, time and costs may be reduced when searching in virtual store shopping. Thus, according to Bergen et al. (1996), an "e-retailer that offers greater choice of products can emerge as one-stop shopping, thereby creating e-loyalty."

Conceptual model and research hypotheses

For this study previous research was analyzed in different context to develop hypotheses of different factors and antecedents on e-loyalty. However few studies have examined

the online fashion industry. Because e-satisfaction and e-trust factors are considered to have a crucial role in the e-loyalty development process online, with benefits of e-commerce for both consumers and businesses, the study aimed to test the relationship between these factors and e-loyalty. In order to complement previous research, this study also aims to investigate three functional dimensions for GIRISSIMA.COM that include price, website design, and selection of brands in the online fashion industry that potentially affect e-satisfaction and e-trust and the impact on e-loyalty.

From the discussion above, this has led to the development of the proposed conceptual framework as indicated in Figure 1 and following hypotheses are suggested.

Primary Factors
H1. E-satisfaction will positively and directly affect e-loyalty
H2. E-trust will positively and directly affect e-loyalty

Secondary Factors
H3a. Price will positively and directly affect e-loyalty
H3b. Customer service will positively and directly affect e-loyalty
H3c. Website design will positively and directly affect e-loyalty
H3d. Selection of brands will positively and directly affect e-loyalty
H4a. Price will positively and directly affect e-satisfaction
H4b. Customer service will positively and directly affect e-satisfaction
H4c. Website design will positively and directly affect e-satisfaction
H4d. Selection of brands will positively and directly affect e-satisfaction
H5a. Price will positively and directly affect e-trust
H5b. Customer service will positively and directly affect e-trust
H5c. Website design will positively and directly affect e-trust
H5d. Selection of brands will positively and directly affect e-trust

Table 1: Hypothesis tested

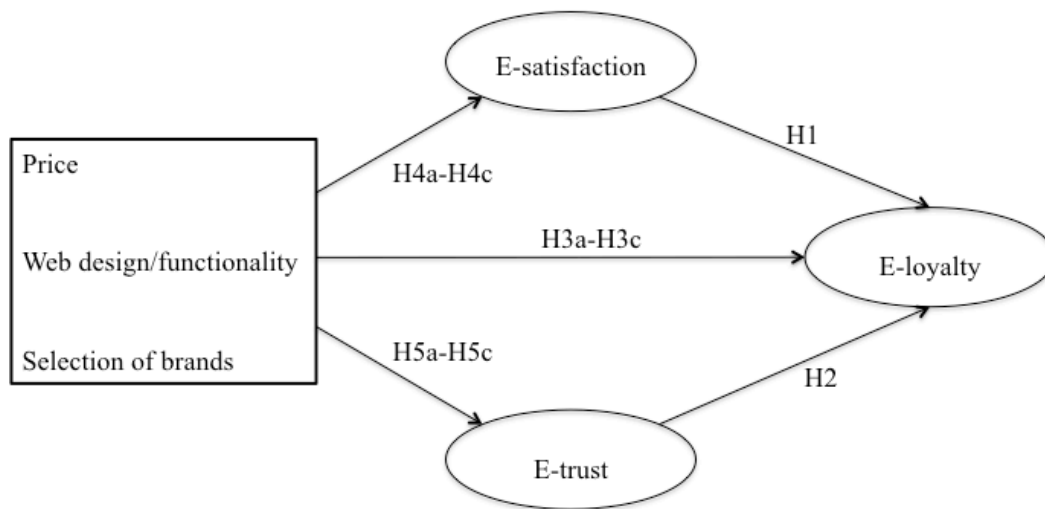


Figure 1: Proposed Model

Methodology

This section describes how the survey was conducted as well as how the hypotheses were tested.

According to Collins and Hussey (2009) a research can be classified based on its purpose, process, logic and outcome. Regarding the purpose of this study, it can be classified as exploratory and descriptive. The first one helps the researchers to have a better understanding of the problem. Saunders et al. (2009) advise that when conducting exploratory research, the investigator should be willing to change direction of the study as a result of revelation of new data and new insights. Additionally, it tends to challenge new problems on which little or no previous research has been done. Thus, an exploratory research was chosen since there are few studies that have been done in e-commerce in the fashion industry, more specifically at GIRISSIMA.COM. Furthermore, a descriptive research was done since according to Neuman (2003) this type of research is more connected to data gathering.

According to the research process, it can be classified as quantitative, since it is based on methods of data collection through a survey in order to obtain empirical data from

individuals and then use statistical methods to analyze the data. Thus, it is possible to assess their perceptions and behavior, and test the hypotheses mentioned.

Concerning logic, this study is based on deductive research, in which a conceptual and theoretical structure is developed and then tested by empirical observations moving from the general to the particular. In this study researchers have already proven theory and the purpose is to investigate it and end up with a result section.

According to Yin (2009), there are five different research strategies – experiment, survey, case study, history and archival research – in this study survey was the chosen strategy. According to Neuman (2003) it is often associated with descriptive or exploratory researches, which were the designs for this study.

The survey consisted of two sections, in which the first part was related to the demographic profile and the second part related to the antecedents of e-loyalty. In this second section each question was answered by a Likert scale (Saunders et al., 2009) with five ratings, in which 1 is “strongly disagree” and 5 “strongly agree”. These questions were coded before sending out the questionnaire to facilitate data processing in SPSS.

The survey was created on Qualtrics platform and translated into English and Spanish. A personalized newsletter with an embedded link was sent by GIRISSIMA.COM to all the subscribers in their database inviting them to participate in the research. It was guaranteed to the respondents that their responses would remain confidential. To increase the response rate, respondents who fully completed the online survey were able to get one free shipping voucher. This newsletter was sent to 6900 subscribers that generated 81 final responses of which 77 were fully usable, in which 46.8% were females and 53.2% males, with an average age between 26 and 45 years old. The survey was launched on 8th November 2014 and closed on 22nd November 2014.

After data collection, it was analyzed in SPSS (Statistical Package for the Social Sciences) version 22.0 and analysis to the data was conducted. Following the analysis, a reliability and validity test was also conducted. The last step was to understand if the hypotheses were supported or not.

Results

This section will present and analyze the results from the survey. The first part respects to a descriptive analysis whereas the second part concerns a reliability and validity test of the research. Finally, a hypothesis test is conducted to determine if the formulated hypotheses are supported or not.

The number of respondents participating in the investigation was 81. An initial screening question was asked to understand if they shopped online or not. Those that answered never were 4.9% and later removed from the research.

After removing the respondents that never shop clothing online the usable respondents in the sample were 77 men and women. This means that a total of more than 95.1% percent of the sample shop fashion online representing 53.2% males and 46.8% females that answered to the questionnaire. 15.6% of respondents were between 18 and 25 years old, 33.8% people between 26 and 35 years old, 28.6% between 36 and 45 years old, 16.9% between 36 and 45 years old and only 5.2% with 56 years old or more. The question about how often the respondents shop clothing online displayed that most of respondents do it about once a month (65.4%). The second most common was weekly with 21.0% of respondents. Ultimately, 7.4% respondents answered that they shop clothing online about every six week and 1.2% about once a year or less. From these respondents, it was possible to observe that the main reason for them to visit GIRISSIMA.COM was due to the brand selection (35.1%) followed by 19,5% that enjoy to stay up to date with fashion trends.

Also, it was asked to the respondents to rate GIRISSIMA.COM according to the importance of some features, from “Poor” to “Outstanding”. 40.3% rated customer service and selection of brands as “very good” and 45.5% rated ease of product return and 42.9% rated product discounts as “outstanding”.

The next step was to do a Reliability Analysis in order to determine the consistency of outcomes observed from the assessment process through Cronbach’s alpha reliability technique (Hair et al. 2003). This type of analysis determines the degree to which multiple measures of the same scale agree with one another. Therefore, this tool was used in order to ensure that the questions were good and the study had high reliability. According to Hair et al (2010), the level of accepted reliability is when the Cronbach’s alpha is more than 0.6 and when the alpha is more than 0.7, the scale is highly reliable. If the alpha is below this value the question was deleted. However, all variables had a good alpha and no question was deleted. The variable e-loyalty had a Cronbach’s alpha of 0.837, meaning that the items included in this scale have a good internal consistency. Thus, it was reliable to create a composite measure of the items that measure this topic - the variable e-loyalty - in other words, it was computed the mean of this dimension. Similarly, the Cronbach’s alpha of e-satisfaction was found to be more than 0.7 presenting a value of 0.781.

The next step was to do a validity test through a correlation analysis; this is, quantifying the linear relationship between two or more variables. The used instrument was the Pearson coefficient that measures the strength and defines the direction of the relationship and it can range from -1 (strong negative relationship between variables) to +1 (strong positive relationship between variables). Additionally, if the correlation coefficient is close to zero the variables are unrelated (Ghauri and Gronhaug, 2005). This analysis was used in this study to measure its quality and to see how strong two

variables are related to each other. The result showed good construct validity and all variables showed a positive correlation with e-loyalty, at a level of significance of 0.01, which is very high. The most positive correlation was between e-loyalty and e-satisfaction with a value at 0,744.

The next step was to determine if the formulated hypotheses were supported or not and for this, a multivariate linear regression analysis was done. This tool is used to predict the value of one or more responses from a set of predictors and to estimate the linear association between the predictors and responses. Given this, this tool was used to test the association of price, website design and selection of brands with the dependent variables (e-loyalty, e-satisfaction and e-trust). A stepwise backward method was used to retain the independent variables that were significant in the final model ($p < 0.05$). The backward model starts with all candidate variables in the model, in this case the independent ones – price, website design and selection of brands – and at each step, the variable that is the least significant is removed. This process continues until no non-significant variables remain. Additionally, a linear regression was conducted to model the relationship between e-loyalty as a dependent variable and e-satisfaction and e-trust as independent. This tool is used to measure the influence that the independent variable has on the dependent one. This influence is measured by Beta, β , which ranges between -1 to +1, and the closer to 1 the greater effect the independent variable has on the dependent variable. Moreover, the R-square value is also presented in this study in order to understand how the independent variables explain the variance in the dependent variable. In addition to prove that the hypotheses are supported, there is significant value that testifies if the result is reliable. Therefore, in order to the result be consistent this level of significance must be below 0.05 (Hair et al., 2011; Neuman, 2003) otherwise the hypothesis is not supported.

The first hypothesis measured if e-satisfaction has a direct and positive impact on e-loyalty. The result showed a statistical significance of 0.000, thus it is possible to rely on this result, since according to Hair et al. (2011) the significant level should be less than 0.05. The hypothesis got a Beta of 0.744, indicating that e-satisfaction has a strong and positive relationship with the dependent variable e-loyalty and when e-satisfaction increases e-loyalty will also increase. The R-square was 0.554, which means that e-satisfaction can explain 55.4% of the variance of e-loyalty. Thus, the first hypothesis was supported.

The second hypothesis measured the influence of e-trust on e-loyalty. This hypothesis got a statistical significance of 0.000, which falls within the accepted level of significance and it is possible to rely on this result. The Beta is 0.660 showing a positive relationship between the independent variable e-trust and the dependent variable e-loyalty. The R-square was 0.436, which means that e-trust explains 43.6% of the variance of e-loyalty. This proves that e-trust has a positive impact on e-loyalty and the hypothesis was supported.

With e-loyalty as the dependent variable and price, web design and selection of brands as independent variables the, R-square value was 0.218. This means that 21.8 percent of the variance in e-loyalty can be explained by these factors.

	Standardized Beta Coefficients (β)	Level of significance	Hypothesis
H3a: Price will positively and directly affect e-loyalty	0.308 positive relationship between the independent variable price and the dependent variable e-loyalty	0.007 which falls within the reliable level of significance meaning that the result is trustworthy	Supported
H3b: Website layout/functionality will positively and directly affect e-loyalty	0.256, which shows the relationship is positive when e-loyalty is the dependent variable	0.023, which is less than 0.05 and thus the hypothesis is reliable.	Supported
H3c: Selection of brands will positively and directly affect e-loyalty	0.041*	0.747, which is above 0.05. Thus it was not possible to rely on this result	Not Supported

*Excluded Beta coefficient in backward analysis.

With e-satisfaction as the dependent variable and price, web design and selection of brands as independent variables, the R-square value was 0.215. This means that 21.5

percent of the variance in e-satisfaction can be explained by these factors.

	Standardized Beta Coefficients (β)	Level of significance	Hypothesis
H4a: Price will positively affect e-satisfaction	0.291, which shows the positive correlation between the two variables with e-satisfaction as the dependent variable	0.015, since is less than 0.05 it is possible to accept it	Supported
H4b: Website layout/functionality will positively affect e-satisfaction	0.148*	0.218, which is above 0.05 and it was not possible to determine that web design has a positive effect on e-satisfaction	Not Supported
H4c: Selection of brands will positively affect e-satisfaction	0.170	0.036, thus this result was evaluated as credible	Supported

*Excluded Beta coefficient in backward analysis.

With e-trust as the dependent variable and price, web design and selection of brands as independent variables, the R-square value was 0.257. This means that 25.7 percent of the variance in e-trust can be explained by these factors.

	Standardized Beta Coefficients (β)	Level of significance	Hypothesis
H5a: Price will positively and directly affect e-trust	0.054*	0.468, thus it was not possible to rely on the result	Not Supported
H5b: Website layout/functionality will positively and directly affect e-trust	0.245	0.035, which is less than 0.05 and the result was judge as consistent	Supported
H5c: Selection of brands will positively and directly affect e-trust	0.340, which means that there is a positive relationship between these variables with e-trust as the dependent variable	0.004, which is less than 0.05 and it is possible to rely on this result	Supported

*Excluded Beta coefficient in backward analysis.

Given these results, a new research model was purposed:

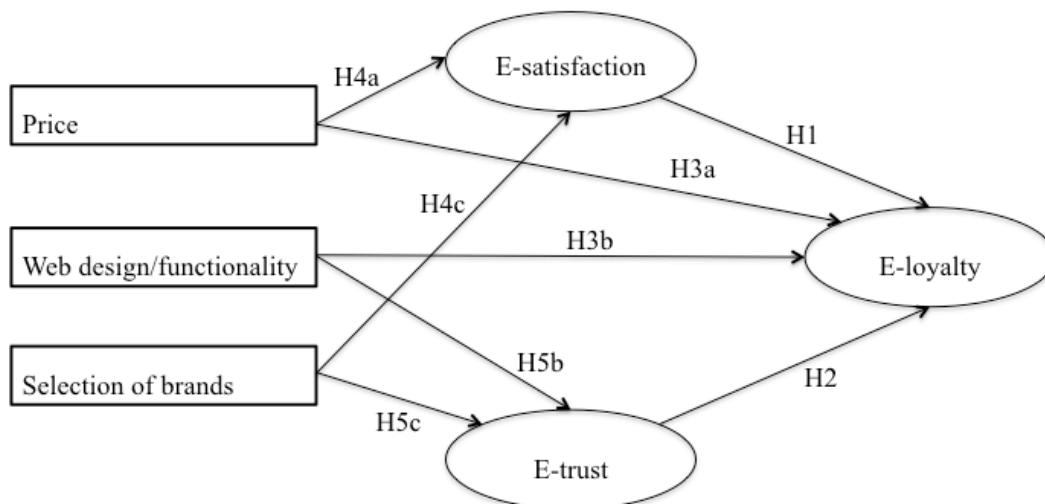


Figure 2: Modified Model

Discussion

The majority of the results of the data analysis are consistent with organizational support theory. However, it was still possible to find some differences since the results of some relationships were not as expected.

Regarding e-satisfaction, the data analysis showed that this variable positively and directly influences e-loyalty, which is consistent with previous research (Anderson and Srinivasan, 2003; Balabanis et al., 2006). In fact, the result suggests that e-satisfaction is a strong predictor of e-loyalty in online fashion industry, where 74,4% percent of e-loyalty can be predicted based on e-satisfaction. Thus, if a company succeeds to induce positive emotions in the customers by keeping them satisfied with the received products and meet or exceed customer's expectations, they will tend to repeat their purchase and talk about it in a positive way to other people. Moreover if customers are satisfied is less likely that they will switch or search for other alternatives (Ribbink et al., 2004), increasing the likelihood of a long-term relationship with the firm. The result indicates that e-satisfaction is the most important contributor to e-loyalty in this industry.

E-trust was also proved to be a strong predictor of e-loyalty, which is consistent to Reichheld and Schefter (2000) who state "to gain the loyalty of customers, you must first gain their trust". The effect can be explained by the fact that online transaction is often perceived to be associated with a higher risk, which means that trusting the online business is essential to retain customers and make them loyal (Ribbink et al., 2004). Furthermore, trust is associated with privacy and security; consequently if customers trust an online store, they will be more likely to share their private information. By sharing this information companies can build a strong relationship with clients by offering tailored products and services according to their individual preferences, which in turn increases trust and intensifies e-loyalty.

Considering website design, the result of the analysis met the theoretical background and, as expected, e-loyalty is directly and positively associated with website layout (Wolfenbarger and Gilly, 2003). If firms do not have an effective website layout, consumers may have difficulties in finding what they want or find the transaction process too complex. On the other hand, if products are easily located with organized information and the order process is simple, customers will be drawn back to the website. In fact, Constantinides (2004) claimed that web design is a way to capture customer attention and interest in the first place. This means that website improvements can create meaningful gains in customer retention. Therefore, the more attractive, convenient and friendly an online fashion website is, the more loyal customers will be created. Furthermore, the results found that there is a positive relationship between trust and web design (Kassim and Abdullah, 2010) as trust may be built based on the website itself. This may happen since if the customer perceived the website as user-friendly and they experience the buying process as fun and enjoying they will be more likely to trust, enhancing customer purchase intentions. However the association between web design and e-satisfaction was not supported, previous research (Guo et al., 2012) has shown the opposite and should therefore not be ignored. A possible explanation for this may be that, it is not enough for an online provider to focus on a well organized, structured and enjoyable website for a customer to become satisfied.

Similarly, the results suggest that selection of brands also plays a positive impact on e-trust. If GIRISSIMA.COM is willing to respond to customer's needs in terms of product selection by having the item that the client is searching for and it is of high quality, which could be evaluated by the firm, then trust that the customer put on the online store may increase. As expected, results also revealed that product selection is an important predictor of e-satisfaction, which is consistent with previous research (Liu et

al., 2008). In fact, it makes sense since if consumers perceive online stores to offer superior product ranges it appears reasonable to expect that e-satisfaction would be more optimistic. First, if brand selection is wider, the probability of consumers' needs are met will increase. Second, a broader product selection may include higher quality products that may be more attractive to costumers. This, in turn, can improve e-satisfaction since if consumers have higher quality options the cost of failed products are more limited since the probability of product returns or unsuccessful products is lower. Ultimately, these findings indicate that selection of brands is not decisive direct to e-loyalty but may be indirect. This means, for a customer to become loyal it is not enough to provide customers a wide product assortment. Even though product selection was not supported to influence e-loyalty, previous research has been shown the opposite (Bergen et al., 1996). For that reason, brand selection should not be neglected even if it is not supported in this study.

Price was also found to have a positive and direct impact on both e-satisfaction and e-loyalty, which goes in line with previous studies (Chung and Shin, 2008; Varki, and Colgate, 2001). Actually, it makes sense since price is considered a key factor when choosing the store and it is also essential to generate repeated sales. If consumers perceive the price as fair and attractive, it can improve not only e-satisfaction but also e-loyalty. However it is important to bear in mind that "price does not rule the web" as Reichheld and Schefter (2000) claimed.

Limitations

This study has some limitations that should be considered when interpreting its findings. First, the sample size presents a challenge since data was collected only from GIRISSIMA.COM's subscribers' database, in which the response rate was 1.17%, who represents a portion of the online commerce in fashion industry. Therefore, if the study

included a larger online shopping population, confidence in the model would be higher and validity and generalization of the study would be improved (Ribbink et al. 2004). Second, GIRISSIMA.COM does not represent a powerful player in the fashion industry and is relatively small when compared to other fashion e-commerce. Theoretically, larger businesses are likely to experience higher levels of loyalty (Ehrenberg et al., 1990) therefore it is important to assess whether the model in this study may be applied to customers of larger and more generalist e-commerce for further research.

Conclusion

Building superior customer loyalty is essential to the profitability and survival of the online environment. Therefore, managers should have the required knowledge and skills to take advantage of this factor. This study generated a better understanding about which predictors affect e-loyalty, directly and indirectly, as the variables not only affect e-loyalty, but also influence each other. Overall, the conclusions of this study agree with previous research in which a set of hypothesis was created and according to the survey result eight hypothesis were accepted. E-satisfaction was found to be the one with more impact on e-loyalty, where the more satisfied customers feel, the more loyal they become. In addition, e-trust also has a positive influence on e-loyalty, which means that the more credible the company is, the more loyal customers will be. Similarly, price and web design also have a positive and direct effect on e-loyalty. These two factors also influence e-loyalty in an indirect way since price is positively correlated with e-satisfaction and web design with e-trust. Moreover, brand selection has a positive impact on e-satisfaction and e-trust, which means that influences e-loyalty indirectly.

This study has provided useful results, particularly for GIRISSIMA.COM, in which managers can get valuable insight in how to create e-loyalty.

Implications

Nowadays, e-commerce companies, namely GIRISSIMA.COM, have become more and more interested in detecting, understanding and retaining their profitable customers since they are facing strong competition. In particular, there is a strong interest in understanding the behavioral dimensions in order to determine the impact they have on e-loyalty and consequently, increase customer retention. This study showed that e-loyalty is directly influenced by e-satisfaction, e-trust, price and web design. However, the strongest predictor of e-loyalty is e-satisfaction. Thus managers should prioritize it and focus on its main drivers in order to understand what affects e-satisfaction and consequently increases e-loyalty in the fashion industry. In order to succeed, managers should focus on measuring and monitoring customer satisfaction along with key retention drivers, which allow the company to evaluate and correct operating deficiencies, improving customer satisfaction and ultimately loyalty. Such measure can be done by understanding which of the customers are repeating versus one-time shoppers; identifying the factors that are important to customers through customer research; understand what the company is doing well; and how can they leverage their best attributes to ensure customers' satisfaction, to turn every shopper into a loyal shopper and to attract more loyal customers. Furthermore, it is also essential to focus on e-trust as it has a great influence on e-loyalty. In an online business, providing credit card and personal information represents a higher perceived risk and therefore managers should fight against consumer's reluctance to purchase products due to lack of trust. For example, incorporate a platform with feedback ratings, customer reviews and shopping experiences to foster communication with the visitors of the site and instill trust in the process based on communicating openly and honestly. Another strategy include building a strong database to gather information from the customers in order to learn

more about them – who are the most profitable and least profitable customers, what they desire, and what changes or offerings would be most likely to make them truly loyal. That way, relationship between customers and the company will increase and trust can be built up by providing reliably good products and services that suit the customer's unique needs. For example by delivering personal offers for the most profitable loyal members, such as birthday discount shopping days.

The study also points out that in order to enhance e-loyalty some effort should be put on improving price and web design and functionality. Managers should be aware that it is important to provide customers a fair but not necessarily the lowest price. Data from a loyalty program can help formulate pricing structures in order to, for example, understand which customer segments buy significantly more or less. To help with differentiation, reducing the prices of key products may be an effective strategy to attract new customers. Moreover, first impressions are important in any type of business, especially for online stores, thus it is crucial to take the time to create a captivating and appealingly website design. In addition, eliminating complexity from the customer's life also creates loyalty and for that reason managers should invest on website functionality. For example, by allowing customers to request notification when a “sold out” item becomes available or reminder e-mails based on customer requests can save the customer time and effort.

Besides, there are also indirect significant factors for a manager to take into account when creating loyalty. Brand selection is a main driver for e-satisfaction and e-trust. Companies can improve not only satisfaction but also trust by offering a broader variety of products since with more choices available there will be a higher chance of meeting customers' needs and expectations. Also knowing what customers buy more frequently helps to choose which lines to stock and which lines to expand on.

To sum up managers can increase loyalty direct or indirectly by improving different elements. There is no single element responsible for the impact on e-loyalty; instead, it is the combination of all variables that will lead to effective outcomes. This is also something that managers must pay attention in decision-making. By making a small change in one factor, although it might be perceived as insignificant, it would still change and influence a lot more than the expected. Managers can use this study and adapt their online strategies depending on their goal.

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Appendices

Appendix 1: Online Survey

GIRISSIMA.COM

English ▾

How often do you shop clothing online? Please select one option.

- Weekly
- About once a month
- About every six month
- About once a year or less
- Never

Why not? Please select all the appropriate.

- I do not want to share my credit card details online
- I do not want to pay shipping fees
- I do not trust online shopping
- I have to see and feel the product
- Other (please specify)

How much have you spent (in euros) on clothing in the past 3 months? Please select one option.

- Less than 99
- 100 - 249
- 250 - 499
- 500 - 999
- 1,000 - 4,999
- More than 5,000

From which of the following websites have you purchased clothing in the past 12 months? Please select all that are appropriate.

- Atterley Rode
- Net-a-Porter
- GIRISSIMA.COM
- Farfetch
- ASOS
- MyWardrobe
- Other (please specify)

Note: If the individual answered "never" in the first question, the next question will be "why not" and then jumps to "what do you like most about GIRISSIMA.COM". If the individual did not answered "never" it will not be asked "why not".

Why do you visit GIRISSIMA.COM? Please select all the appropriate.

- To shop
- To stay up to date with fashion trends
- For the pricing
- For the product/brand selection
- To be inspired
- For the discounts
- Other (please specify)

According to the presented scale, rate the importance of the following features when buying clothing online.

	Poor	Fair	Good	Very good	Outstanding
Advice on how to wear, mix and match	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
News, trends and editorial information	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Personal shopping advice	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Shipping costs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Product Price	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Product Discounts	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Customer Service	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Website layout and design	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ease of product returns	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Selection of brands	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Level of detail in product information	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

According to the presented scale, rate GIRISSIMA.COM in the following features when buying clothing online.

	Poor	Fair	Good	Very good	Outstanding
Advice on how to wear, mix and match	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
News, trends and editorial information	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Personal shopping advice	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Shipping costs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Product Price	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Product Discounts	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Customer Service	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Website layout and design	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ease of product returns	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Selection of brands	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Level of detail in product information	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Read the statements below and rate GIRISSIMA.COM according to your experience.

	Strongly Disagree	Disagree	Neither Agree nor Disagree	Agree	Strongly Agree
I will recommend GIRISSIMA.COM to other people	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I intend to continue buying at GIRISSIMA.COM	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I am satisfied with GIRISSIMA.COM's services	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The products I have received matched my expectations	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I trust what GIRISSIMA.COM says about its products	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
It is easy to get in contact with GIRISSIMA	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The online company is prompt in replying to requests	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I feel secure with giving my credit card or paypal details to buy at GIRISSIMA.COM	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
This online company is trustworthy	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

What do you like the most about GIRISSIMA.COM?

In which areas can GIRISSIMA.COM improve?

What is your age?

- Less than 17
- 18 - 25
- 26 - 35
- 36 - 45
- 46 - 55
- 56 - 65
- 66 +

What is your gender?

- Female
- Male

What is your main country of residence?

Appendix 2: Pearson Correlation Analysis

Pearson Correlation

		E-loyalty	E-satisfaction	Trust	Product Discounts	Website design/functionality	Selection of brands
E-loyalty	Pearson Correlation	1					
	Sig. (2-tailed)						
E-satisfaction	Pearson Correlation	,744**	1				
	Sig. (2-tailed)	0					
E-trust	Pearson Correlation	,660**	,770**	1			
	Sig. (2-tailed)	0	0				
Product Discounts	Pearson Correlation	,402**	,409**	,291*	1		
	Sig. (2-tailed)	0	0	0,01			
Website design/functionality	Pearson Correlation	,369**	,336**	,410**	,365**	1	
	Sig. (2-tailed)	0,001	0,003	0	0,001		
Selection of brands	Pearson Correlation	,296**	,386**	,459**	,471**	,483**	1
	Sig. (2-tailed)	0,009	0,001	0	0	0	
		N	N	N	N	N	N
		77	77	77	77	77	77

** Correlation is significant at the 0.01 level (2-tailed).

* Correlation is significant at the 0.05 level (2-tailed).

Appendix 3: Hypothesis Test

Hypothesis Test

	Standardized Beta Coefficients (β)	Level of significance	Hypothesis
H1: E-satisfaction will positively and directly affect e-loyalty	0.744	0.000	Supported
H2: E-trust will positively and directly affect e-loyalty	0.660	0.000	Supported
H3a: Price will positively and directly affect e-loyalty	0.308	0.007	Supported
H3b: Website design will positively and directly affect e-loyalty	0.256	0.023	Supported
H3c: Selection of brands will positively and directly affect e-loyalty	0.041*	0.747	Not Supported
H4a: Price will positively and directly affect e-satisfaction	0.291	0.015	Supported
H4b: Website design will positively and directly affect e-satisfaction	0.148*	0.218	Not Supported
H4c: Selection of brands will positively and directly affect e-satisfaction	0.170	0.036	Supported
H5a: Price will positively and directly affect e-trust	0.054*	0.468	Not Supported
H5b: Website design will positively and directly affect e-trust	0.245	0.035	Supported
H5c: Selection of brands will positively and directly affect e-trust	0.340	0.004	Supported

*Excluded Beta coefficient in backward analysis.