

# WHAT DRIVES CONSUMERS' E-LOYALTY TO AIRLINES WEB SITE? CONCEPTUAL FRAMEWORK AND MANAGERIAL IMPLICATIONS

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## Abstract

*This study proposes a revised technology acceptance model that integrates expectation confirmation theory to measure continuance intentions of online shopping for airlines web sites. The sample respondent 465 online users in Saudi Arabia. A structural equation model confirms model fit. Perceived usefulness, enjoyment, social pressure, and loyalty incentives are determinants of online flight booking continuance in Saudi Arabia. This research moves beyond online booking intentions and includes factors affecting online booking continuance. The research model explains 53% of the intention to continue booking using airlines web sites.*

*Keywords: Online booking, technology acceptance, continuance online shopping, Saudi Arabia, TAM, ECT, enjoyment, airlines, e-ticketing.*

## 1 INTRODUCTION

As the Internet continues to redefine the rules of doing business by eliminating transaction inefficiencies, reducing costs, and lowering barriers to entry, more and more online firms are turning to customer relationship management as a means of ensuring their survival in the Internet economy (Bhattacharjee, 2001). E-commerce and e-shopping create opportunities for businesses to reach to consumers globally and directly, and in turn, business and social science research now focuses specifically on cross-national and cross-cultural Internet marketing (Griffith *et al.* 2006). The airline industry is no exception to the e-commerce phenomenon (Shchiglik and Barnes, 2004). Many airlines have established their own Web sites in order to detour travel agent intermediaries, becoming increasingly focused on online communication, information and transactions.

The low cost of e-commerce gives both businesses and consumers a new and powerful channel for information and communication. In 1991, the Internet had less than 3 million users worldwide and no e-

commerce applications; by 1999, about 250 million users appeared online, and 63 million of them engaged in online transactions, which produced a total value of US \$110 billion (Coppel 2000), increased to US\$128.1bn in 2007 and were projected to reach US\$165.9bn by 2009 (US Census Bureau 2009). Online purchase in Business-to-consumer (B2C) in particular continues to rise, as adoption and penetration levels of Internet technology continuously increase. In United States, Business-to-consumer online sales grew by 120% between 1998 and 1999 (Shop.org and Boston Consulting Group, 2000) with steady penetration at 71% of the population and 120% growth (World Internet Users and Population Stats, 2009). According to a U.K. payment association, the number of consumers who shop online has increased by more than 157%, from 11 million in 2001 to more than 28 million in 2006 (cited in Al-maghrabi, Dennis, and Halliday, 2011). Additionally, By 2007, European Internet penetration stood at 43% of the population with a 231% usage growth year on year (World Internet Users and Population Stats, 2009). E-commerce transactions also are growing in the Middle East (19.5 million Internet users) and in the Gulf States. In Saudi Arabia, online transactions have increased by 100%, from \$278 million in 2002 to \$556 million in 2005 (Al Riyadh 2006). It is found that according to the World Internet Users and Population Stats (2009), 22.7% of the Saudi population are using the internet. In addition, a national survey that was conducted by the Arab Advisors Group in 2007 claimed that 14.3% of the Saudi population have used e-commerce and they spent \$3.28 billion in e-commerce transactions only in 2007 (Arab Advisors Group ,2007).

According to the International Air Transport Association (IATA) in 2007, Airlines are issuing around 300 million paper tickets per year that cost \$10 per ticket to process (Arab News Newspaper, 2007). Comparing the paper ticket cost to the e-ticket, one e-ticket process would cost \$1, which mean great saving of \$9 per e-ticket transaction (Arab News Newspaper, 2007). Additionally, in unpublished report by the biggest airlines in the Gulf States in 2003, 72% of its customer stated they would be interested in booking online. In 2007, 1.3 million passengers booked domestic flights and half a million booked international flight according to the unpublished report issued by the same airline. As a result of online airline services, a recent study in 2008 found that traditional travel agencies continued to lose ground in favour of online services, which is a trend that is also encouraging direct bookings with airlines, hotels, and other carriers (Alwahaishi *et al.*, 2009). In the airlines industry alone, about 161 million trips were booked online in 2008 (Alwahaishi *et al.*, 2009). The proportion of trips booked through travel agents, online and off line, has fallen to 24% (Berlin, 2009).

Despite impressive online purchasing growth rates, compelling evidence indicates that many consumers who search different online retail sites abandon their purchase. This trend and the proliferation of business-to-consumer e-shopping activities require that online businesses understand which factors encourage consumers to complete their e-shopping. Such continuance is critical, because acquiring new customers may cost as much as five times more than retaining existing ones (Crego and Schiffman 1995). According to Smith and Merchant, 2001, E-commerce websites depend on customers browsing their sites, purchasing their products, and, more significantly, becoming repeat customers.

Online customer retention is particularly difficult. Modern customers demand that their needs be met immediately, perfectly, and for free, and they are empowered with more information to make decisions. They also have various online and offline options from which to choose, and they experiment or rotate purchases among multiple firms.

## 2 THEORETICAL BACKGROUND AND PROPOSED MODEL

The TAM (Davis 1989) represents an adaptation of the theory of reasoned action (TRA), tailored to users' acceptance of information systems. It helps explain determinants of computer acceptance and can explicate user behaviours across a broad range of computing technologies and populations; it also is parsimonious and theoretically justified (Davis *et al.* 1989). The major determinants are perceived usefulness and ease of use. Perceived usefulness significantly influences attitude formation (Agarwal and Prasad 1999; Dishaw and Strong 1999; Gefen and Keil 1998; Igbaria *et al.* 1996; Moon and Kim 2001; Taylor and Todd 1995; Venkatesh and Davis 2000), but evidence regarding perceived ease of use remains inconsistent. Furthermore, other researchers (e.g., Bhattacharjee 2001a; Ma and Liu 2004; van der Heijden *et al.* 2003) indicate that the effect of ease of use on acceptance is subject to a certain threshold. That is, with more experience, the impact of ease of use on intention declines. Since our research focuses on continuance intentions, we assume all participants already have e-shopping experience, which implies that other factors may be more important than ease of use.

Expectation confirmation theory (ECT) in turn helps predict consumer behaviour before, during, and after a purchase, in terms of both product and service repurchases (Anderson and Sullivan 1993; Dabholkar *et al.* 2000; Oliver 1980, 1993; Patterson *et al.* 1997; Spreng *et al.* 1996). According to ECT, consumers define their repurchase intentions by determining whether the product or service meets their initial expectations. Shoppers' comparisons of perceived usefulness versus their original expectation of usefulness influence their continuance intentions (Oliver 1980; Bhattacharjee 2001b). If use meets the initial expectation and leaves the consumer satisfied, the consumer experiences positive intentions to repurchase (Oliver 1980; Anderson and Sullivan 1993).

However, ECT ignores potential changes in initial expectations following the consumption experience and the effect of these expectation changes on subsequent cognitive processes (Bhattacharjee 2001b). Pre-purchase expectations typically are based on media or others' opinions, whereas post-purchase expectations derive from usage experience, which appears more realistic (Fazio and Zanna 1981). Following such experience, expectations may increase if consumers believe the product or service is useful or contains new benefits that were not part their initial expectation. Therefore, the research model focuses only on post-acceptance variables and the model assumes e-shopping retailers target users and improves their loyalty to the site. Hence, the post-expectation in the original ECT is represented by perceived usefulness.

Commercial websites seek to provide useful product information in order to attract potential online shoppers (Totty, 2001). Keeney (1999) pointed out that measuring only actual purchases may be too narrow a scope when assessing the online shopping activity of consumers. He contended that gathering product information is a second aspect of the online shopping activity. In airlines industry, Internet allows consumers to rapidly obtain transparent and updated information about the flights they want to buy, find a range of services and detailed information about flight schedules and airline ticket prices, and make it easier for customers to compare and contrast alternative flight. This research employs a combination of both the purchase and the product (flight) information search activities in order to get a more complete picture of continuance online flight booking.

### 3 RESEARCH OBJECTIVE

Researchers are confronted with a multitude of models, and find that they can “pick and choose” constructs, or choose a “favoured” model, largely ignoring the contributions from alternative models (Venkatesh *et al.* 2003). Theoretical explanations of e-shopping intentions consider several factors. Rogers’ theory of innovation (1995) suggests that consumers re-evaluate acceptance decisions during a final confirmation stage and then decide to continue or discontinue. The decision to continue may be an extension of acceptance behaviour that co-varies with acceptance (e.g. Bhattecherjee 2001a; Davis *et al.* 1989; Karahanna *et al.* 1999). The TAM, as expanded by Davis *et al.* (1992) and Gefen (2003), and the ECT (Oliver 1980; Bhattacharjee 2001a) have been widely used in research in the industrialized world, but they are less commonly applied to developing countries. Given the complementary nature of TAM and ECT, our research aims to propose a model of continuance intentions for flight booking (Figure 2). This adapts different constructs from the modified TAM and ECT, and considers variance of continuance intentions in the context of online airlines web sites.

### 4 PROPOSED HYPOTHESES

#### 4.1 Site Quality

Initial trust forms quickly on the basis of available information (Meyerson *et al.* 1996). If consumers perceive a Web site as high quality, they trust it and will depend on that vendor (McKnight *et al.* 2002a). Site information quality and a good interface design enhance consumer trust (Fung and Lee 1999). Web site quality may help predict behaviour indirectly (Business Wire 1999; Carl 1995; Meltzer 1999). Perceptions of Web site quality affect trust and perceptions of usefulness. In addition, it is suggested that customers may see a well-designed Web site, one that is user friendly and pleasant to use, as evidence of the company’s trustworthiness, (Hampton-Sosa and Koufaris 2005). Similarly, Consumers are likely to experience greater enjoyment and have more fun completing a given task at an e-store that establishes high quality in terms of information-related as well as marketing-related attributes (Ha and Stoel, 2009). On the basis of previous research, we therefore predict:

H1: Perceived site quality relates positively to (a) perceived usefulness, (b) customer trust in online shopping, and (c) enjoyment

#### 4.2 Trust

Trust refers to an expectation that others will not behave opportunistically (Gefen 2003). Trust therefore implies a belief that the vendor will provide what has been promised (Ganesan 1994). If the Web Site (retailer or airline) cannot be trusted to behave in accordance with the consumers’ confident beliefs, then there is no reason why consumers should expect to gain any utility or benefit from using the interface (Pavlou 2003; Gefen 2004; Chiu 2009). A lack of trust prevents buyers from engaging in online shopping (Hoffman *et al.* 1999). When consumers initially trust their online retailers (airlines) and have a perception that online shopping is beneficial, they will eventually come to believe that online shopping is useful (Gefen *et al.* 2003). In turn, perceived usefulness should occur only for an e-vendor that can be trusted (Festinger 1975). Thus:

H2. Perceived trust relates positively to perceived usefulness.

### 4.3 Perceived Usefulness

According to Burke (1997), perceived usefulness is the primary prerequisite for mass market technology acceptance, which depends on consumers' expectations about how technology can improve and simplify their lives (Peterson *et al.* 1997). In a robust TAM, perceived usefulness predicts IT use and intention to use (Adams *et al.* 1992), including e-commerce adoption (Gefen and Straub 2000).

Previous literatures (e.g. Bhattacharjee 2001a,b) showed that the lack of any significant effect of loyalty incentives on continuance intention was particularly interesting; since it runs contradict the common logic that incentives drive behaviour and a common business practice for many online firms. However, loyalty incentives by itself may not motivate behaviours that are less useful, they could still motivate behaviours that contribute positively to consumers' utility (Bhattacharjee 2001a; Koppius *et al.* 2005). In other words, loyalty incentives alone are inadequate to motivate consumers' continuance of B2C services, but consumers would be motivated by incentives if the service in question was perceived as being useful. If this is true, then we expect a significant interaction effect between loyalty incentives and perceived usefulness on continuance intention. Therefore:

H3a. Perceived usefulness relates positively to loyalty incentives.

H3b. Perceived usefulness relates positively to increased customer continuance intentions.

### 4.4 Social Pressure

Ajzen, (1985) uses the term "subjective norms" to refer to the person's perception of the social pressures that put on him or her to perform the behaviour in question. Social pressure can affect the behaviour of individuals in varying degrees in different societies depending on the culture. In a collectivist culture, potential consumers of e-shopping are likely to look among their opinion leaders, with initial experience for evaluative information and cues, within their social environment to increase their familiarity with the e-shopping site (Venkatesh and Davis 2000). According to Venkatesh *et al.* (2003), social influences result from subject norms, which relate to individual consumers' perceptions of the beliefs of other consumers. Shim, Eastlick *et al.* (2001) consider social pressure only marginally significant for e-shopping intentions, whereas Foucault *et al.* (2005) confirm a significant link between talking about e-shopping with friends and intention to e-shop. Thus,

H4. Perceived social pressure relate positively to increased customer continuance intentions.

### 4.5 Enjoyment

Enjoyment in using a website significantly affects intentions to use (Davis *et al.* 1992; Igbaria *et al.* 1995; Teo *et al.* 1999; Venkatesh *et al.* 2002). Koufaris (2002) and van der Heijden (2003) indicated that shopping enjoyment has positive impacts on continuance intentions. Furthermore, Hirschman and Holbrook (1982) suggested that positive consumption, related to emotions in a hedonic context, is likely to lead to very high levels of commitment and repurchase intention. Davis *et al.*'s (1989) findings support the idea that enjoyment has a significant impact on customer behaviour on the web, such as increasing customer intention to return (Koufaris *et al.* 2001; Koufaris 2002; Bart *et al.* 2005; Cyr *et al.* 2006; Chiu 2009). Thus:

H5. Perceived enjoyment relates positively to increased customer continuance intentions.

### 4.6 Loyalty Incentives

Incentives provided by firms can enhance consumers' utilities, thereby aligning their goals with that of the firms and motivating them to behave in the firms' best interest. As online firms (B2C) are realizing

the importance and difficulties of retaining customers, many are actively instituting customer loyalty programs, such as frequent flyer miles (e.g., Alfursan with Saudi Airlines), loyalty points (Sainsbury Nectar-redeemable toward future purchases), and incentives (e.g., discount at purchase), to motivate continued use of their services. The agency theory (Eisenhardt, 1989), provides theoretical support for a positive association between loyalty incentives and continuance intentions. Thus:

H6. Loyalty incentives relate positively to increased customer continuance intentions.

## 5 METHODOLOGY

The methodology used in this research is useful in indicating the potential generalizability of the study findings' across different cultures and contexts. This research is theory oriented and is concerned with assessing the correspondence between relationships discernible across cases and a broad theoretically based interpretation of social phenomenon. According to Ragin (1987) and Creswell (2003), investigators who use such approach focus their interest on testing hypothesis and propositions derived from theory to determine whether the predictive generalization of the theory hold. This is achieved by conducting a comprehensive analysis that includes Exploratory Factor Analysis (EFA), Structural Equation Modelling (SEM) and invariance analysis for the data collected for the purpose of examining research model generalizability.

Even though Saudi Arabia has two international airlines, Saudi Arabian Airlines the national carrier and Nasair a private airlines (see Table 1), the population of interest in this study is Internet users in Saudi Arabia over 18 years old who have previous experience of making online shopping, flight reservation and purchasing e-tickets locally within Saudi Arabia or internationally. An online survey is used to validate the conceptual model and the proposed research hypotheses. Since Saudi Arabia is a big country with multiple traditions and subcultures, the developed online survey is suitable for targeting online shoppers and collecting data from large geographical areas. Compared with traditional surveys, online surveys offer lower costs, faster responses, and less data entry effort.

Saudi Airlines <http://www.saudiairlines.com>

Saudi Airlines is the national airline of Saudi Arabia, with its HQ based in Jeddah. It operates domestic and international scheduled flights to over 70 destinations in the Middle East, Africa, Asia, Europe and North America. Saudi Arabian Airlines is a member of the Arab Air Carriers Organization and IATA.



Nasair... [www.flynas.com](http://www.flynas.com) A Story of Distinction

Nasair is the new airline with affordable fares, easy to purchase and with the youngest fleet in Saudi Arabia. When customers are seeking the best value in travel within the region they can choose a low fare and select the services and options appropriate to their travel needs.

Since Nasair was launched on February 17, 2007 the company has grown rapidly, today the airline operates to more than 30 Domestic & international destinations, with over 450 flights per week.



Table 1: Background of Airlines in Saudi Arabia

## 5.1 Measures

The measures of the various constructs come from previous literature, adapted to the context of online shopping if necessary. All online survey items use 1–7 Likert scales, on which 1 indicates strongly disagree and 7 is strongly agree. Both Arabic and English language versions were available. The Arabic questionnaire employed Brislin's (1986) back-translation method to ensure that the questionnaires have the same meaning in both languages.

### 5.1.1 Data analysis

Survey respondents were people who were actively engaged in Internet and online shopping activities in Saudi Arabia. The sample consists of 465 participants in Saudi Arabia, 68.6% (319) of whom are women and 31.4% (146) of whom are men. One of the most important issues in the airline industry is to develop and maintain passenger loyalty. This could be done through different means such as frequent flyer programs (FFP), miles rewards, deals or special offers, and holiday packages. In addition to the FFP programs offered by Saudi Airlines, consumers in Saudi Arabia are aware and members of many FFP programs. As indicated in Figure 1, British Airways represent the biggest threats to airlines in Saudi Arabia with 23% of respondents are member of BA Executive Club, followed by Emirates Skywards 18% and then Air France 12%.

The Cronbach's alphas are all greater than 0.7 (Bagozzi and Yi 1988). The squared multiple correlation cut-off point is 0.7, and the average variance extracted cut off-point is 0.5 or higher (Hair *et al.* 2006). We thus confirm the convergent reliability and discriminant validity.

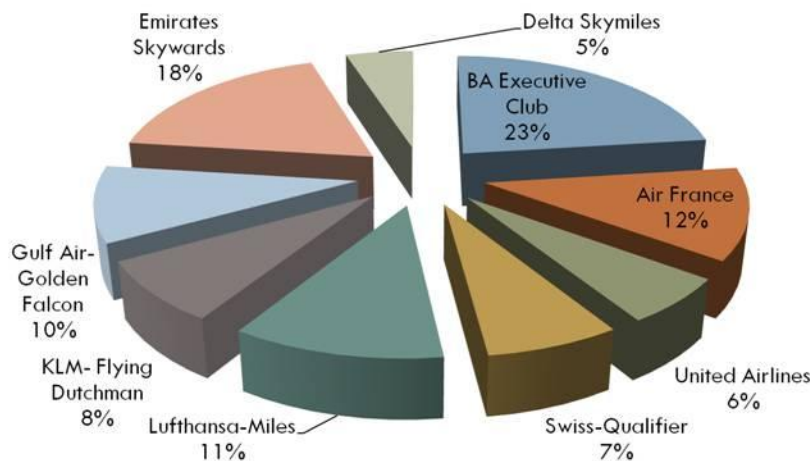


Figure 1: Loyalty Program with Saudi Travellers among Non-Saudi Airlines

## 6 STRUCTURAL EQUATION MODEL

As the first step in testing the proposed model, which operationalizes the hypotheses and the factors involved in continuance e-shopping intentions in Saudi Arabia, we estimate the goodness-of-fit indices (Figure 2). Bentler and Bonett (1980) suggest the Chi-square/Degrees-of-freedom (CMIN/DF) ratio as an appropriate measure of model fit, which should not exceed 5 (Bentler and Bonett 1980).

As illustrated in Table 2, all paths are statistically significant, with critical ratios greater than 1.96 and thus indicate acceptable results (Hair *et al.* 2006). As illustrated in Table 2, the goodness-of-fit indices of the proposed model of continuance intentions fit the data reasonably well, as confirmed by the chi-square CMIN=1084.687, df=308, CMIN/DF=3.452, RMR=0.480, CFI=0.941, and RMSEA=0.074.

Paths			Standardized Regression Weights <i>S.R. W (B)</i>	Standard Error S.E.	Critical Ratio C.R.	P Value	Hypotheses
Trust	<---	SQ	.709	.042	16.037	***	Supported
PU	<---	SQ	.435	.053	7.911	***	Supported
PU	<---	Trust	.357	.056	6.547	***	Supported
Enj	<---	SQ	.658	.044	12.698	***	Supported
LI	<---	PU	.424	.065	8.417	***	Supported
CIU	<---	SP	.205	.045	4.889	***	Supported
CIU	<---	Enj	.492	.067	8.769	***	Supported
CIU	<---	PU	.269	.049	5.774	***	Supported

Paths			Standardized Regression Weights <i>S.R. W (B)</i>	Standard Error S.E.	Critical Ratio C.R.	P Value	Hypotheses
CIU	<---	LI	.097	.036	2.187	.029	Supported

Table 2: Regression Weights

Confirmatory Factor Analysis CFA (Goodness-of-fit measure)	Acceptable Values	Value
Chi-Square CMIN	NA	1084.687
Degree of freedom	NA	308
CMIN/DF	Chi square/ df $\leq 5$ (Bentler and Bonnett, 1989)	3.452
Root mean square residual (RMR)	No established thresholds (the smaller the better) (Hair <i>et al.</i> , 2006)	0.480
Comparative fit index (CFI)	$\geq 0.90$ (the higher the better) (Hair <i>et al.</i> , 2006)	0.941
(RMSEA)	$\geq 0.90$ (Hair <i>et al.</i> , 2006)	0.074

Table 3: Goodness-of-Fit Indices

Next, we examine the regression weights (path significance) of each relationship in our research model and the variance explained ( $R^2$  value) by each path. The hypothesized associations are significant, see Table 3. Perceived enjoyment is the strongest predictor of continuance intention ( $B = 0.492$ ), followed by perceived usefulness ( $B = 0.269$ ), social pressure ( $B = 0.205$ ), and then loyalty incentives ( $B = 0.097$ ). The model explains 53% of the variance in continuance intentions (Figure 2).

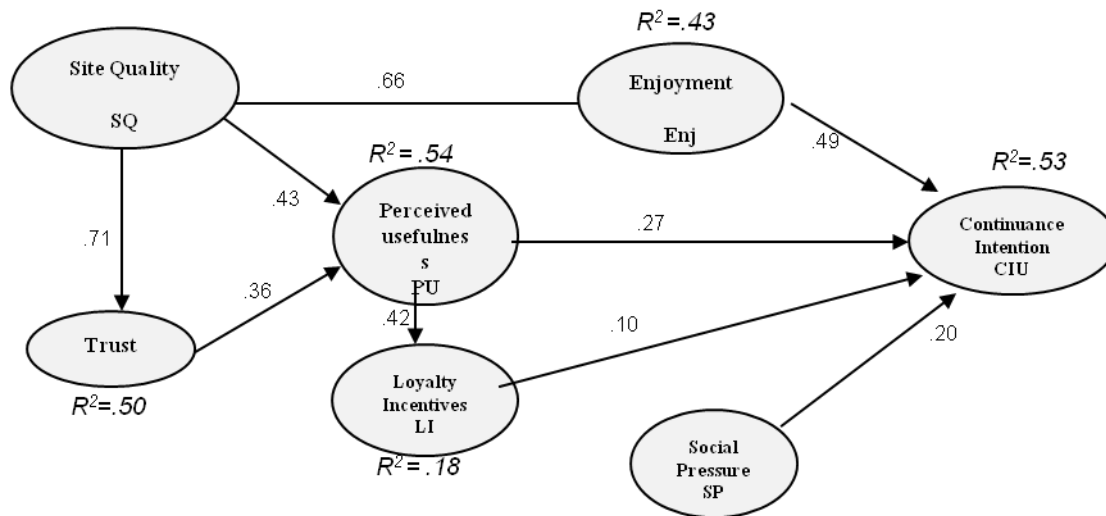


Figure 2: Model of consumers' continuance e-loyalty Intention to Online Airlines Web Site

## 7 DISCUSSION

This research attempts to provide a validated conceptual model that integrates different factors and clarifies the theoretical problems of continuance e-shopping of flight booking intentions in Saudi Arabia. The findings validate the hypotheses and confirm that perceived enjoyment, perceived usefulness, social pressure and loyalty incentives are the main determinants of continuance intentions of flight booking in Saudi Arabia, explaining 53% of continuance e-shopping intentions. However, enjoyment is more influential ( $\beta = 0.49$ ), followed by perceived usefulness ( $\beta = 0.27$ ), social pressure ( $\beta = 0.20$ ), and then loyalty incentives ( $\beta = 0.10$ ). These findings are consistent with previous research (e.g., Bhattacharjee 2001a; Childers 2001; Davis *et al.* 1989; Venkatesh *et al.* 2003, Al-maghrabi and Dennis, 2009; 2010). E-customers who start purchasing with utilitarian orientations might subsequently pursue hedonic outcomes, particularly after being exposed to website features that encourage recreational purchasing activity (Bigné *et al.*, 2010). In the same context, social pressure ( $\beta = 0.20$ ), such as (blogs, facebook, twitter), is another critical factor that confirms its importance as a marketing communications driver in customer continuance intention (Poynter, 2008). Thus, when consumers are exposed to a pleasant or stimulating experience during their online purchasing process, they will engage in more unplanned purchasing and seek out more products and categories (Perea *et al.*, 2004). The research findings confirm that the ability to attract and keep customers is driven by the pure enjoyment (hedonic), usefulness (functionality and utilitarian) of the flight booking service, and social pressure from social media feedback.

The model factorial paths of site quality and trust are strong antecedents of perceived usefulness on the regression weights (site quality  $\beta = .435$ ,  $\text{cr} = 7.911$ ; trust  $\beta = .357$ ,  $\text{cr} = 6.547$ ). Therefore, site quality is now considered a critical factor in attracting customers' attention to explain the airlines' web site value and build loyalty. Moreover, the findings match the collectivist culture of Saudi Arabia, where people tend to trust only those within their in-group (Yamagishi and Yamagishi 1994).

## 8 CONCLUSION AND CONTRIBUTIONS

This study was motivated by prior research indicating that many consumers who search different online airline sites abandon their purchase intentions. In order to study the important little-researched area of continuance e-shopping of flight booking, we adapted the TAM and ECT. By integrating these and deriving our own model, we have contributed to an understanding of the factors that encourage consumers to continue their e-shopping intention. A key conclusion from this study is from a theoretical standpoint, these results contribute to existing literature in several ways. First, we enhance e-shopping literature by providing insights into the factors that seem to affect online shopping of flight booking continuance intentions in Saudi Arabia. Thus, the research has added to the limited literature on online continuance intention by testing the proposed model on a context that has never been tested. We also posit that enjoyment, social pressure, loyalty incentives, and perceived usefulness have direct and indirect effects on continuance intention. For example, if a new customer is more likely to judge a website by its appeal, reflecting its quality and trustworthiness rather than its usability, then airlines need to increase the appeal of their sites. Furthermore, airlines should emphasise their trustworthiness by, for example, marketing their robust security and policies measures, adding a Frequently Asked Questions section and including statements such as “secure servers” (Gehrke and Turban 1999). Bigné *et al.* (2010) indicated that e-customers who start purchasing with utilitarian orientations might subsequently pursue hedonic outcomes, particularly after being exposed to website features that encourage recreational purchasing activity. For example, lists of the cheapest flights together with pictures of the destinations might reflect the airline web site quality and increase the utilitarian perceived benefits in addition to enhance the pleasurable experience of making the purchases.

Continuance intention to use a technology such as online flight booking is not only determined by social pressure, but also by users’ needs to build relationships with others inside the online social communities (Schau and Gilly 2003). According to Wilska (2003 p.459), the customer’s relation to technology would impact consumers’ lifestyles. To have a significant effect on online flight booking continuance intentions, any e-flight booking environment should encourage a shopping experience that is useful and enjoyable. Customers’ involvements in the flight booking process are likely to be perceived as more enjoyable. For example, Nike online shoppers (www.nike.com) can customize shoes, colours, styles, and even select a name or message.

Second, the results support previous research that perceived usefulness reflects the utilitarian aspects of e-shopping, whereas perceived enjoyment reflects its hedonic aspects. In our study, enjoyment has the strongest effect on e-shopping continuance intentions, confirming that enjoyment in an e-shopping environment is important and the effect is direct. For instance, if an individual “feels good” about an online activity, the individual is more likely to engage in it and shape intention to revisit e-shopping. Usefulness is an important criterion for consumers when they select online stores and can increase their satisfaction. Consumers may continue using a useful e-commerce service, even if they are dissatisfied with it (Bhattacharjee 2001a).

Third, few prior studies use SEM as their methodological approach in Saudi Arabia. This study addresses this knowledge gap for a unique culture.

## 9 RESEARCH LIMITATIONS

Typical of most survey research, this study suffers some limitations. First, the novelty associated with using an online survey indicates that empirical data may lead to novelty effect bias. Second, the survey may suffer a non-response bias, but there is no systematic way to determine the response rate in an online survey. Although the survey attracted a large sample of participants and covers all three main commercial geographical regions in Saudi Arabia, it may still suffer from the biases that are inherent to survey

studies. Conversely, this survey can claim to be more realistic than typical laboratory experiments, as it addresses real online consumers and real shopping issues, outweighing the disadvantages of the method.

The adoption of online revisit intention might also be influenced by the product or service itself (Klein 2003). Since this study has focused specifically on online flight booking, it is not known to what extent our research results may be extended to other specific products or services. Without referring to the nature of the product, participants in this research have used their Internet shopping preferences to answer the questionnaires. Certain products or services on a website may be relatively simple, low-touch products that require relatively less trust, have some unique features (e.g., web-based, graphics-rich, interactive interface), purpose (e.g., learning new concepts), or more complex high-touch products for which trust issues are expected to be more dominant. Such related differences may alter some of the path effects reported in our study. Therefore, future research needs to assess the generalizability of the model for the purchase of relatively simple low-touch or for more complex high-touch products, including applicability to other related online industries, such as airlines, financial services and retailing industries.

Finally, e-commerce and online shopping future research should be consistent with latest technological developments such as the social interactions which made possible by Web 2.0 technology. Literature is beginning to emerge in the field of social networking and its impact upon consumer attitudes, behaviours and acceptance of marketing communications messages (Algesheimer and Dholakia 2006; Dholakia *et al.* 2004; Flavián and Guinalú 2005; Hennig-Thurau *et al.* 2004; Poynter, 2008). Our proposed framework suggests that functional role (as embedded in the proposed antecedents, e.g. usefulness, site quality) and playfulness and experiential role (as embedded in the proposed antecedents, e.g. enjoyment, social pressure) of a website plays an important, thus, future research must incorporate factors such as the role of virtual interaction, animations, virtual communities, the ability to incorporate user-generated content and the ease of one-to-many communication interfaces.

## 10 MANAGERIAL IMPLICATIONS

This study provides managers with useful and important information to encourage shoppers to complete their online flight booking, and we suggest that this should feed into website planning and marketing strategies. The findings of this research indicate that 66.1% of participants book their travel and purchase their flight ticket online. Thus, managers and site developers should focus on the quality and informative content, which reflect usefulness and enjoyment. Managers also should not underestimate the power of the technology and the Internet because customers who fail to return reduce the firm's customer base and its revenues, and may well require substantial expenditure to attract them back from competitors. Managers are advised to enhance website security, content and design quality, and add a dual language feature, in order to retain consumers and build long term, trusting relationships. Additionally, a company can differentiate itself by creating a unique customer experience such as superior customer service and in turn, brand the experience. Karl Cluck of Razorfish, recommends that "online marketers must enhance the user's online experience in order to entice potential customers to buy" (Business Wire, 2000).

Airlines websites' can build positive word of mouth to enhance the perceptions of friends and family members of current customers regarding the website's usefulness, site quality, interactivity, and enjoyment, thus increasing perceptions of the firm's trustworthiness. Therefore, managers should communicate the product benefits and values and spread positive word of mouth and recommend the product. Peer pressure would engage and encourage consumers to book their flights online, leading to more intention to revisit the airlines website. Social networks such as Facebook and Twitter could enhance the perceptions of family, friends, potential and actual customers of the airlines websites' usefulness, enjoyment and trustworthiness.

Based on the current research findings, understanding the utilitarian and hedonic roles of e-shopping would enable marketing managers to increase the scope of e-shopping. For example, interactive activities such as an inside look at an airplane in a 360° view can provide enjoyment in addition to facilitating product evaluation. Amazon's technique ('users who bought this item were interested in this item as well') is probably the most famous example using customer profiles. Thus, given the current research findings, airlines' web sites and e-retailers should ensure that they are providing sufficient hedonic value to online flight booking before attempting to focus on other aspects of their website development. Additionally, the findings reveal that the significance of loyalty incentives on continuance intention is only valid through its interaction with usefulness. As indicated in Figure 1, managers need to be aware that airlines customers in Saudi Arabia are exposed to other airlines loyalty programs. Therefore, providing loyalty incentive with less valuable product might lead to onetime visit or purchase and short relationship.

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