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2008

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### Recommended Citation

Kim, Misuk; Yoo, Chul Woo; Rhee, Cheul; and Choe, Young Chan, "The Mediating Role of Trust in the Relationship Between Online Shopping Experience and Consumer's Shopping Values" (2008). *AMCIS 2008 Proceedings*. 114.  
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# The Mediating Role of Trust in the Relationship between Online Shopping Experience and Consumer's Shopping Values

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## ABSTRACT

A structural equation model is proposed and examined through a survey research. Data were collected from a survey of 121 subjects. The PLS (Partial Least Square) method was applied to estimate the research models. One model included the trust variable as a mediator and the other excluded it. The comparison of  $R^2$  verified that the first model had a better fit.

The results of the study show the level of experience has a significant impact on both utilitarian and hedonic shopping values in the case of the model without the mediator. However, experience has an insignificant or a partially significant effect on utilitarian and hedonic shopping values when trust mediates experience and shopping values. This study verifies a mediating role of trust in the relationship between experience and shopping values. Finally, the implications and limitations are further discussed.

## Keywords

Experience, Trust, Shopping value, Mediator.

## INTRODUCTION

When consumers purchase product or service, they wish to gain full information related to all the process of the purchase (Choe, Hwang, Kim and Moon, 2007). However they can't obtain right and sufficient information whenever and wherever they want. Then consumers may rely on their previous experiences (Jarvenpaa and Todd, 1996-1997). In the context of e-commerce, the tendency will be greater than offline trade since there exists information asymmetry which works as a generator of perceived risk. In the perspective of risk mitigator, a number of studies have been conducted on the role of experience toward purchase behavior in online shopping sites (e.g. Jarvenpaa and Todd, 1996-1997; Novak, Hoffman and Duhachek, 2003). The findings verify that experienced online consumers may expose different degrees of their risk perceptions. Consequently, the role of past experiences is emphasized for consumers to reduce the level of perceived risk and boost their confidence. The reason why previous experience is associated with trust is that trust is built up by the accumulation of positive experience (Lewicki, McAllister and Bies, 1998). Trust is a kind of function between experience and a vendor. Therefore, consumers initially rely on their own decision-making criteria but when they have the benefit of experience, knowledge from the experience plays a bigger role than other factors (Novak et al. 2003).

With regard to influences on online consumer purchase behavior, shopping value may have just as significant a relationship as the experience factor because it has a greater impact on evaluation or consideration conducted in the context of purchase behavior by consumers (Hirschman and Holbrook, 1982; Babin, Darden and Griffin, 1994; Hammond, McWilliam and Narholz, 1998). Studies on the relationship between the degree of experience and shopping values show that shopping values emphasized by consumers change with the level of experience (Brucks, 1985; Rao and Monroe, 1988; Hammond et al., 1998). Taken together, the formation of trust on online trade by increasing the level of purchase experience will drive consumers to have prior consideration on shopping value. Previous studies have been made focusing on identifying the relationship between experience and trust, trust and e-loyalty, and shopping value and e-loyalty respectively without stress on the importance of the role of trust among them (Hammond et al., 1998; Lewicki et al., 1998).

The main goal of this study is to investigate the role of trust as a mediator between shopping experience and shopping value. This study will prove the mediating role of trust by comparing the value of  $R^2$  in PLS-graph between models with and without the trust variable as a mediator. Finally useful marketing strategies will be suggested using the findings.

## THEORETICAL MODEL

### Experience and Shopping Value

Prior experience has been found to be an important determinant of behavior (Ajzen, 1991; Bagozzi, 1981). Especially it has been suggested that knowledge gained from past behavior will help to shape shopping intention (Fishbein and Ajzen, 1973) partly because experience makes knowledge more accessible in memory and also because past experience may make low probability events more salient ensuring that they are accounted for in the formation of intentions (Ajzen, 1980). This is also implicated in the context of the Internet. Experience related to precursors of online shopping predicts online shopping or intent to shop online. Researchers have found that previous practice affects online shopping adoption or intent to adopt (Grazioli and Jarvenpaa, 2000). Experience in this study is related to knowledge accumulated over time (Walczuch and Lundgren, 2004). This knowledge is built through active participation of the consumer in the online buying process. A measure of experience is constructed by how many times consumers purchase something from a particular e-retailer (Hammond et al., 1998; Walczuch and Lundgren, 2004).

Some literatures attempt to associate the level of consumer experiences with shopping values (Rao and Monroe, 1988; Titus and Everett, 1995; Hammond et al., 1998). Shopping value refers to an aspect to influence evaluation or consideration conducted in the context of consumer purchase behavior. Many researchers divide shopping values into utilitarian and hedonic aspects. The utilitarian aspect is regarded as goal-oriented and relates to usefulness, value, and cleverness of the behavior as perceived by the consumer. On the other hand, the hedonic aspect results from esthetic/emotional feelings and relates to pleasure, fun or playfulness experienced or anticipated from the behavior (Hirschman and Holbrook 1982; Hirschman and Solomon, 1984). Integrating the degree of consumer experiences with shopping values, researchers claim that shopping experience influences the aspect of the shopping values emphasized by consumers. Rao and Monroe (1988) empirically prove that people with high product familiarity utilize utilitarian (intrinsic) cues while people with low familiarity utilize image-related (extrinsic) cues. Moreover Hammond et al. (1998) created a matrix to explain the relationship between web values and the degree of experience of the Internet. Table 1 summarizes the fact that highly experienced users emphasize a utilitarian dimension rather than a hedonic dimension while less experienced users emphasize hedonic rather than utilitarian.

	Entertainment value	Information value
Experienced user	Low	High
Novice user	High	Low

**Table 1. Hammond et al, 1998**

Utilitarian shopping value is largely associated with the logical and rational purchase strategies of consumers learned from experience and information searches (Hirschman and Holbrook 1982, Babin et al., 1994). Experienced users gain familiarity and knowledge from their prior experiences and the outcomes of experience help the extraction and comprehension of relevant information and play important factors in determining what sorts of activities consumers are involved in (Titus and Everett, 1995; Hammond et al. 1998). Gefen, Karahanna and Straub (2003) also implicitly addressed that direct experiences with online purchases lead to more informed and confident assessment of the online exchanges, resulting in increasing utilitarian dimensions of consumer value. The ground of this consequence seems to be that with experience consumers overcome concerns on online transactions and focus their attention on their utilitarian purpose of shopping-acquisition of particular product or service (O'Curry and Strahilevitz, 2001). Hence we posit the following hypothesis.

- H1a. Experience positively influences utilitarian shopping value of shoppers.

Although Hammond et al. (1998) asserted that experienced users consider entertainment value at a lower level, their empirical test proved that experienced users did not perceive entertainment value as less than those with only a little experience. This means that once consumers repeatedly experience positive emotions such as pleasure and arousal from previous shopping activities, consumers' hedonic values like fun or entertainment is increased or at least maintained at the same level as at the first stage of shopping experience. This output may result from repetition or familiarity with the process of purchasing. When consumers first interact with an online shopping, they generally feel intimidated and stressed, and consequently the level of their playfulness and enjoyment is low (Thompson, Higgins and Howell, 1994). As they attain some level of familiarity with online trades over time, they are more likely to explore the process and interact with it. That is to say, repetition or familiarity with online vendors or their site reduces perceived risk which prevents users from enjoying pleasure or fun during shopping (Hirschman and Holbrook 1982; Babin et al., 1994; Heijden et al., 2003). This is in line with

the findings that development of computer experience over time has been shown to be effective in reducing computer anxiety and there was a strong correlation between computer experience and users' hedonic value (Webster and Martocchio, 1992). Therefore, positive repeated experience will be related to hedonic shopping value in the context of online shopping.

- H1b. Experience positively influences hedonic shopping value of shoppers.

### **Shopping Value and E-Loyalty**

Studies in cognition and decision-making show that when consumers are faced with a choice of tasks, it is thought that they search for reasons and arguments to justify their choice (Dhar and Wertenbroch, 2000). Those decision situations that foster justification and rationale for the choices made are more likely to see their utilitarian aspects emphasized. Consumers faced with a goal-directed decision that requires action and effort to accomplish need more justification and reasoning to substantiate their decision.

Related research suggests that the utilitarian aspects of decisions are likely to be emphasized when consumers feel they will have a higher probability of future success in acquiring a particular product (O'Curry and Strahilevitz, 2001). Higher utilitarian value implies past success at product or information acquisition, and is likely to affect shoppers' assessment of the probability of acquiring the same or similar products in the future. Shoppers are likely to emphasize the utilitarian value of the shopping experience. As a result, utilitarian value is likely to be more strongly related to shopping outcomes such as purchase intentions than hedonic value. In this research, e-loyalty which includes revisiting intention, word of mouth and assent on other's purchase will be adopted as retail-related outcomes because e-loyalty refers to the customer's favorable attitude towards an electronic business, resulting in repeat visiting and buying behavior (Srinivasan, Anderson and Ponnayolu, 2002).

- H2a. Utilitarian shopping value of shoppers positively influences e-loyalty.

Many researchers suggest hedonic shopping value should also be emphasized because hedonic value influences consumers' purchase behavior. For example, Dawson, Bloch and Ridgway (1990) claim hedonic value significantly influences repurchase intention in the context of offline market. In the case of online shopping, consumers consider the hedonic value very important. Therefore, it is inferred that hedonic shopping value has positive relationship on e-loyalty (Novak et al., 2003)

- H2b. Hedonic shopping value of shoppers positively influences e-loyalty.

### **The Mediating Role of Trust in the Experience-Shopping Value Relationship**

Hammond et al. (1998) tried to present that the degree of shopping experience changes the aspect of the shopping values emphasized by individual. Other researchers also support their assertion. Hirschman and Holbrook (1982) and Babin et al. (1994) described that experience and utilitarian shopping value have a correlation by mentioning that consumers usually rely on their experiences and they utilize them for consumers' logical and rational purchase strategies. With a regard to the relationship between experience and hedonic shopping value, researchers claimed that experienced shoppers will enjoy pleasure and fun because knowledge and familiarity from repeated purchases reduce perceived risk and uncertainty as well (Hirschman and Holbrook 1982; Babin et al., 1994; Heijden et al., 2003).

Looking closely at the stream of experience and shopping value, we can find that there exists trust to connect the two variables. Trust is defined as willingness to rely on a partner in whom one has confidence based on belief in that party's credibility and benevolence in an environment characterized by uncertainty (McKnight and Chervany, 2002). Consequently trust plays a role to reduce the level of uncertainty through interactive communication and activities and crucial in many buyer-seller relationships, especially those containing an element of risk (Reichheld and Scheffer, 2000; Pavlou, Liang and Xue, 2007).

Therefore we posit that a study should be conducted on the role of trust between experience and shopping value to more closely scrutinize the flow of experience to shopping value. In other words, trust is proposed to mediate experience and shopping value. To support this proposition, firstly we adopt Sirdeshmukh, Singh and Sabol (2002) study that associated trust and consumer's value in the aspect of experience, trust and utilitarian shopping value. Trust creates values by providing relational benefits derived from interacting with a trustful provider, helping consumers to form consistent and reliable expectations of the provider. In other words, if consumers perceive a higher level of risk, they will not only carry out a higher level of purchase decisions, but also spend more time and effort searching for information. Taken together, it is inferred that a high level of trust derived from repeated experiences can reduce the overall cost and time of navigating online shopping sites by decreasing the degree of exchange uncertainty. This efficient and rational consumer behavior is related to utilitarian

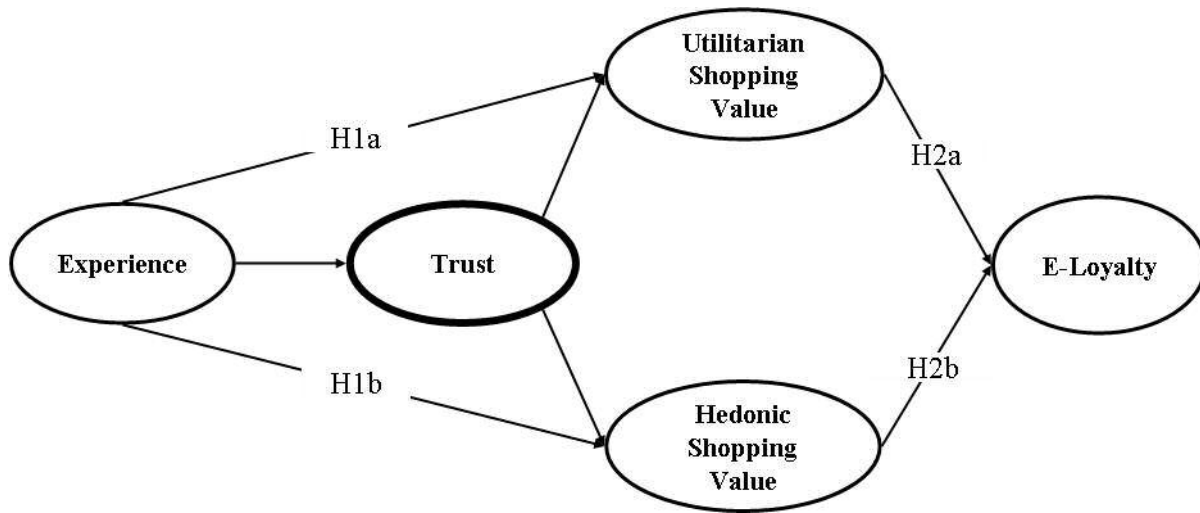
consumer behavior (Hoffman and Novak, 1996). Based on these facts, we posit that utilitarian value is indirectly influenced by experience in a flow where trust plays a mediating role between them.

- H3a. Trust has a mediating role between experience and utilitarian shopping values.

Secondly on the flow of experience to hedonic value, trust also seems to work as a crucial factor. Repetition or familiarity through past shopping activities lesson perceived uncertainty and consumers are exposed to such an environment to enjoy more pleasure or fun during a shopping process (Hirschman and Holbrook 1982; Babin et al., 1994; Heijden et al., 2003). That is to say, consumers’ hedonic shopping value will increase as consumers repeat their purchases, accumulating knowledge and familiarity on shopping activities when trust is built to abate uncertainty and complexity (Jones and George, 1998). Therefore we can infer that the experience influences hedonic value when trust works as a mediator between them.

- H3b. Trust has the mediating role between experience and hedonic shopping value.

**RESEARCH MODEL**



**Figure 1. Research Model**

Through the proposed model Figure 1, we examine the hypotheses that consumer trust is a mediating variable between purchase experience and shopping value as well as between shopping value and e-loyalty. This model includes the five hypotheses stated above. Based on the relationship between experience and shopping value, trust is introduced as a mediator and e-loyalty as a dependent variable.

In this study, it was decided to collect data through a survey to verify the study model hypotheses proposed in Table 2. In order to draw up adequate survey questions, we carried out literature review and constructed the survey questions listed in Table 2. Each question is measured based on a 7-point scale.

Construct	Items	Description	Literature
Trust	TR1	Truthfulness of site	Novak et al.(2000)
	TR2	Concern of customer	
	TR3	Provision of good products and services	
	TR4	Trust for site	
Utilitarian Value	UV1	Product informativeness	Hoffman and Novak (1996)
	UV2	Convenience in shopping	
	UV3	Time-saving	
Hedonic Value	HV1	Enjoyable shopping	
	HV2	New and varied experience	

	HV3	See and hear entertainment	
	HV4	Immersed in shopping	
E-loyalty	EL1	Revisit intention	Srinivasan et al. (2002)
	EL2	Word of mouth	
	EL 3	Assent on other's purchase	

Table 2. Questionnaire Design

## RESULT ANALYSIS

### Data Collection and Method

To conduct an empirical analysis, 150 copies of the survey were distributed targeting subjects who have purchase experiences through online sites, of which 130 were retrieved. Respondents were required to answer for a particular online shopping mall through which they purchase goods most frequently. Except for those that could not be used, 121 final samples were used for the analysis. Of the responders, 47.9% were male (58 people) and 52.1% were female (63people). Average age of the responders was 31.5 and most of them graduated as undergraduate or graduates. The annual rate of purchasing goods through online shopping sites is in the following order: 2~4 times (37.7%), 5~7 times (20.2%), below once (14.9%), 8~10 times (13.2%) and over 11 times (14%).

To perform our analysis we used a Partial least Square and Structural Equation Modeling tool (PLS-graph). PLS is a structural equation modeling technique that can analyze structural equation models (SEM) involving multiple-item constructs. PLS is a very useful analysis tool under conditions of non-normality and relatively small to medium sample sizes,  $s$  in the current study (Chin, 1998).

### Measurement Assessment

#### Internal Consistency

	Loading	p Value	Mean	S.D.	Alpha	C.R.	AVE
TR1	0.886	p<0.01	4.35	1.16	0.909	0.936	0.785
TR2	0.873	p<0.01	4.34	1.10			
TR3	0.878	p<0.01	4.29	1.15			
TR4	0.907	p<0.01	4.66	1.09			
UV1	0.752	p<0.01	5.01	1.42	0.734	0.851	0.656
UV2	0.863	p<0.01	4.81	1.28			
UV3	0.811	p<0.01	4.74	1.28			
HV1	0.851	p<0.01	3.62	1.70	0.886	0.922	0.748
HV2	0.850	p<0.01	3.80	1.49			
HV3	0.857	p<0.01	3.03	1.61			
HV4	0.899	p<0.01	3.02	1.50			
EL1	0.916	p<0.01	4.96	1.13	0.925	0.953	0.871
EL2	0.935	p<0.01	4.47	1.21			
EL 3	0.949	p<0.01	4.71	1.15			

Table 3. Convergent Validity and Internal Consistency

We performed our validation by constructing a PLS model. In order to perform our validation, internal consistency (reliability) was examined through Cronbach's  $\alpha$ . Table 3 shows its value for each measurement variable. The internal consistency (reliability) statistics for all constructs in the model are above 0.734. The result of Cronbach's  $\alpha$  reliability verified that reliability of measurement is valid.

**Convergent Validity and Discriminant Validity**

We conducted composite reliability (CR) to verify convergent validity and discriminant validity. Values greater than 0.70 in CR imply that a construct retains both its internal consistency and convergent validity (Werts, Lin and Joreskog, 1974).

The factor loading and Average Variance Extracted (AVE) were also examined to determine the convergent validity. The AVE measures the percentage of variance captured by a construct by showing the ratio of the sum of the variable captured by the construct and measurement variance. The criteria for the acceptable level of convergent validity is individual item factor loading greater than 0.60 and an AVE greater than 0.50 (Gefen, Straub and Boudreau, 2000). Table 3 summarizes the factor loadings, CR and AVE of the group. All factor loadings, CR and AVE in this measurement model turned out to be acceptable.

	TR	UV	HV	EL
TR1	0.886	0.426	0.335	0.595
TR2	0.873	0.523	0.290	0.605
TR3	0.878	0.498	0.304	0.587
TR4	0.907	0.570	0.287	0.602
UV1	0.392	0.752	0.248	0.485
UV2	0.485	0.863	0.323	0.574
UV3	0.505	0.811	0.268	0.520
HV1	0.180	0.307	0.851	0.283
HV2	0.309	0.354	0.850	0.367
HV3	0.363	0.296	0.857	0.342
HV4	0.304	0.240	0.899	0.310
EL1	0.667	0.627	0.318	0.916
EL2	0.568	0.573	0.374	0.935
EL 3	0.650	0.619	0.375	0.948

**Table 4. Cross-loading Table**

To verify discriminant validity, the cross-loading analysis and AVE square root analysis were conducted. As can be seen in the cross-loading table in Table 4, all loading of construct of latent variable was over 0.7 and all factors loading was significant at confidence level 0.01. Furthermore, as for the other construct, the loading was below 0.7. This shows that measurement has discriminant validity.

If the AVE square root value is higher than the other correlations of verticals and horizontal, it proves that discriminant validity of measurement of this study has been ensured. As can be seen in Table 5, all correlations among latent variables and AVE square root value have been found.

	TR	UV	HV	EL
TR	0.886	0.572	0.342	0.674
UV	0.572	0.810	0.348	0.650
HV	0.342	0.348	0.865	0.381
EL	0.674	0.650	0.381	0.933

**Table 5. Discriminant Validity**

Research Model Assessment

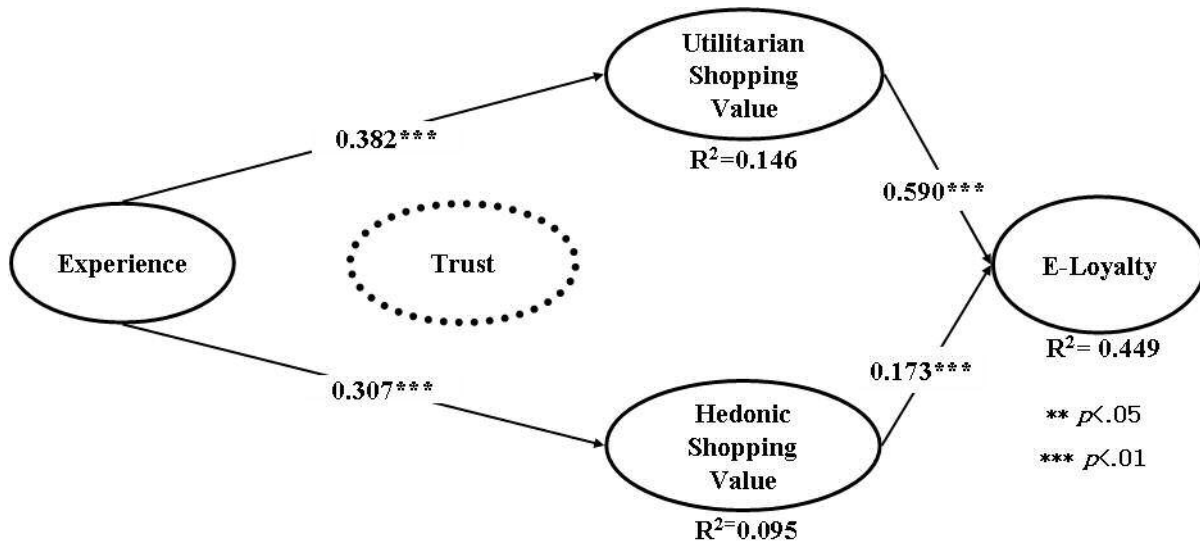


Figure 2. Data analysis result of a model without a mediator

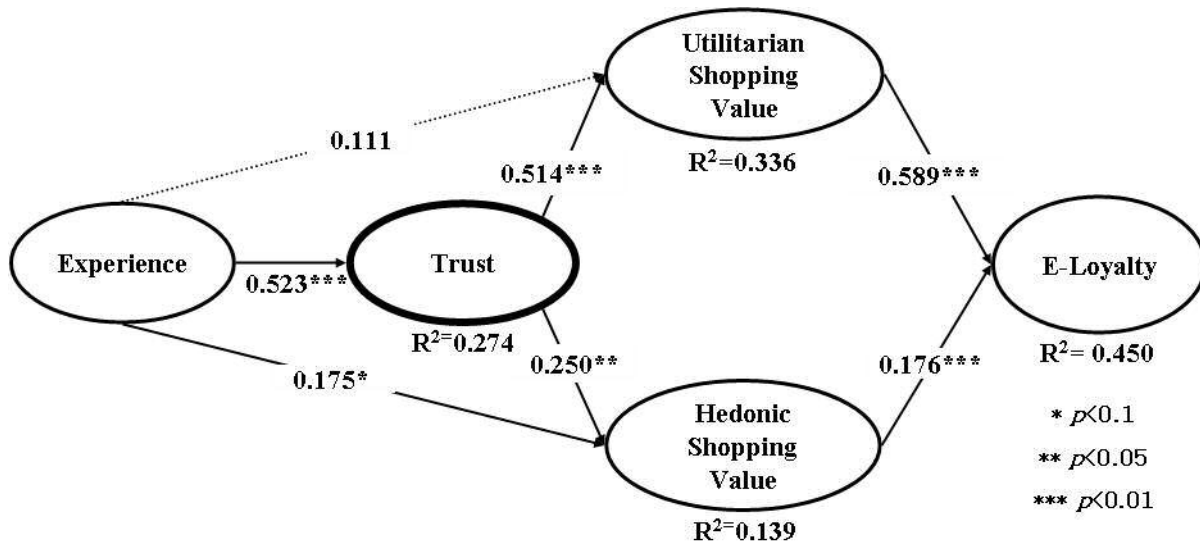


Figure 3. Data analysis result of a model with a mediator

Testing Hypotheses H1 and H2

This study was conducted to examine the hypotheses that trust plays a mediating role between experience and shopping value as well as determining that there are positive relationships between experience, shopping value, and e-loyalty.

Firstly, Figure 2 is the result of analysis of the study model using PLS based on hypotheses constructed in this study, which represents path coefficient and R<sup>2</sup> value according to each group. Experience had a significant influence on both utilitarian value and hedonic value at confidence level of 0.01. This result supports H1a and H1b.

Utilitarian and hedonic shopping value influence e-loyalty significantly at confidence level of 0.01 and 0.05, respectively. This finding supports H2a and H2b as well. E-loyalty is explained as 44.9% by two shopping variables but they are not equal in strength. The data highlights that the main contribution to e-loyalty is due to utilitarian value (0.590) rather than hedonic value (0.173).



However, in spite of a significant impact of experience on shopping value, utilitarian aspect is found to be explained as 14.6% while hedonic aspect is 9.5%. It suggests that experience factor doesn't provide a substantial explanation for the perceptions of shopping value and other variables must need to be found to describe shopping value.

#### Testing the Mediating Role of Trust

In general, mediation hypotheses are tested using a statistical technique suggested by Baron and Kenny (1986). To claim that a given variable may function as a mediator (M), the following conditions must hold in order to establish mediation: (1) a significant relationship exists between the independent variable (X) and the dependent variable (Y); (2) a significant relationship exists between X and M; and (3) in the presence of a significant relationship between M and Y, the previous significant relationship between X and Y is no longer significant or the strength of the relationship is significantly decreased.

Moreover, if all of the significant variance of that relationship is accounted for by the direct effect from M to Y, the relationship between X and Y is fully mediated. That is, the influence of X on Y is adequately captured as an indirect influence through M and the observed association between X and Y is accurately captured by tracing the pathways from Y back to M and from M back to X. However, a partially mediated relationship refers to the state if the direct effect of the mediator M accounts for a significant amount of variance in Y, but path coefficient from X to Y remains significant. Finally, if path coefficient from M to Y is insignificant when path coefficient from X to Y is present in the model, then no mediation is evident (Little, Bovaird and Card, 2007). The proposed mediation hypotheses in this study were tested using the criteria mentioned above in the context of PLS-graph analysis where  $R^2$  was used to verify the effect of a mediator (Burton-Jones and Hubona, 2006).

According to the theory mentioned above, Figure 3 shows there is a significant mediated effect in the model. Firstly, the relationship between experience and utilitarian value is fully mediated. While the relationship between experience and utilitarian value is not strongly related ( $t=1.32$ ), path coefficient between trust and utilitarian value ( $t=6.23$ ) as well as experience and trust ( $t=8.34$ ) remains significant at confidence level of 0.01; on the other hand, a partially mediated relationship is found between experience and hedonic value. Experience and trust significantly influences hedonic value at confidence of 0.1 ( $t=1.70$ ) and 0.05 ( $t=2.55$ ), respectively. That is, path coefficient from experience and hedonic value not only remains significant, but also the direct effect of the mediator explains a significant amount of variance in hedonic value. That is, path coefficient from experience and hedonic value not only remains significant, but also the direct effect of the mediator explains a significant amount of variance in hedonic value. The results are summarized in Table 6.

	t-value			Mediation Effect
	Exerience→Shopping Value	Trust→Shopping Value	Experience→Trust	
Utilitarian Shopping Value	1.32	6.23***	8.34***	Fully Mediated
Hedonic Shopping Value	1.71*	2.55**		Partially Mediated

\*  $p<0.1$  \*\*  $p<0.05$  \*\*\*  $P<0.01$

**Table 6. Summary of Results**

Furthermore, the comparison of the results of a model without a mediator and the one with a mediator provides a clearer insight into the understating of the mediating role of trust. Table 7 shows the change in  $R^2$  resulting from introducing a mediator. In the case of utilitarian value, introducing the mediator (trust) dramatically increases the  $R^2$  from 0.146 to 0.336 by 130.1%, while the  $R^2$  in the case of hedonic value is increased by the mediating effect of trust from 0.095 to 0.139 by 46.3%. The overall findings, therefore, provide a strong support to the study's hypothesis H3a and H3b.

Shopping value	$R^2$		Increase in $R^2$ by introducing mediator (%)
	Without mediator	With a mediator	
Utilitarian	0.146	0.336	130.1
Hedonic	0.095	0.139	46.3

**Table 7. Comparison of  $R^2$**

However, although trust had a significant relationship with both utilitarian and hedonic value, the power that trust exercises on two variables is different. The value of path coefficient from trust to utilitarian value roughly doubles that from trust to hedonic value. This suggests that as trust increases, consumers' utilitarian value responds more sensitively than hedonic value. Also, the explained variance in hedonic value is quite low ( $R^2 = 0.139$ ). Therefore, some relationships may reflect greater statistical significance than practical, significance (Burton-Jones and Hubona, 2006).

The results from <Figure 2 and 3 & Table 6 and 7> are presented in Table 8.

	Path	Support
H1a	Experience → Utilitarian shopping value	Support
H1b	Experience → Hedonic shopping value	Support
H2a	Utilitarian shopping value → E-loyalty	Support
H2b	Hedonic shopping value → E-loyalty	Support
H3a	Experience → Trust → Utilitarian shopping value	Support
H3b	Experience → Trust → Hedonic shopping value	Partially Support

**Table 8. Result of Hypothesis Test**

## DISCUSSION

This study was conducted to examine the factors that influence e-loyalty of online shoppers in the point of experience and shopping value. Based on literature review, we posited trust as a mediator in the relationship of experience and shopping value. We also examined the significant effect of shopping value to e-loyalty through PLS-graph analysis.

Results provide several key findings that were validated with the two different models. Above all, we found the mediated effect in the model where trust linked experience and shopping value. In the case of utilitarian shopping value, trust worked as a full mediator. The significance between experience and utilitarian value disappeared when trust worked as a mediator between them. On the other hand, a partially mediated effect existed among experience and hedonic value in the existence of trust. Hedonic value was directly linked with the mediator ( $p < 0.05$ ) and experience ( $p < 0.1$ ). Secondly, we verified a direct effect between shopping value and e-loyalty. Utilitarian and hedonic shopping value significantly influences e-loyalty at confidence level of 0.01. However, the value of path coefficient from utilitarian value to e-loyalty (0.565) is much bigger than hedonic value (0.176) in the mediated model. This result, therefore, proposes that e-loyalty will be more sensitive to utilitarian value than hedonic value.

The main theoretical contribution of this research is that this research provides the integrated and systematic aspect with a regard to experience, shopping value, and e-loyalty. We substantiated the mediating role of trust in the relationship between experience and shopping value in e-commerce literature (Hammond et al., 1998; Sirdeshmukh et al., 2002). Particularly we identified the relationship between trust and hedonic value. This proposes that according to the flow theory, consumers who are in a flow state tend to enjoy their online experience more within the interactive environment (Hoffman and Novak, 1996). Therefore, interaction with a vendor built through previous experiences will create trust which consequently influences hedonic value. Secondly, the main path is found from experience to e-loyalty via trust and utilitarian value. The values of path coefficient between the variables with utilitarian value are greater than those with hedonic value, suggesting that the variables interact with utilitarian value more sensitively. In other words, more experiences reduce uncertainty and perceived risk through building trust so that consumers feel more confident and better able to achieve their intrinsic goals in online shopping.

Suggestions in a practical dimension are as follows. First, since shopping value is not directly influenced by experience but by trust mediating experience and shopping value in the context of B2C e-commerce, it is essential to help consumers to have more satisfied experiences to increase the level of trust. Consequently, commercial websites should try to mitigate uncertainty by enhancing their trustworthiness, providing informative content, clearly describing their products and, providing a sense of social presence (Pavlou et al, 2007). Second, marketers should make an effort to provide more convenient and efficient shopping circumstances with useful and reliable information to meet the needs and values of experienced consumers. Also, various plans like time-saving services should be employed to increase the rate of repurchase and revisit. In addition, tactics such as sales promotion or price discounts should be utilized for consumers to make real and active purchases. Such strategies will encourage people to have more purchase experiences that would stimulate utilitarian value at a higher rate.

This paper, however, has several limitations. Since we simplified the model, only trust factor was infused as a single mediator in this study. Experience is also associated with perceived risk and uncertainty and trust has strong relationship with other variables such as interactivity (Teo, Oh, Liu and Wei, 2003) and information asymmetry and fear of seller opportunism (Pavlou et al., 2007). Therefore future studies are recommended to include those variables as well as covariates like sex and age. Because of these limitations, future research could experiment with an extended model with essential variables like perceived risk and attitude to examine the relationship among variables and their mediated effect, if any. Furthermore since there might be a difference in decision making on e-shopping between men and women, it will be worth the test to identify the significant difference by checking out the interaction effect of sex in the model.

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