

**WEBSITE SERVICE QUALITY, PERCEIVED VALUE, TRUST, CONVENIENCE
AND CUSTOMER LOYALTY OF ONLINE SHOPPING**

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ABSTRAK

Pertumbuhan urus niaga atas talian telah meningkat dengan begitu memberangsangkan termasuklah dari segi jumlah jualan dan kesan nilai tambahan yang diperolehi selari arus perkembangan penggunaan Internet. Seterusnya, ia telah menjadi satu saluran biasa yang diguna pakai dalam melakukan pertukaran dan penyampaian maklumat berkaitan perniagaan, produk dan perkhidmatan bagi pasaran global. Meskipun kaedah urus niaga dan transaksi atas talian ini telah mula memikat atau memenangi hati pengguna Malaysia, namun terdapat beberapa faktor utama yang telah mempengaruhi kesanggupan dan keinginan untuk membeli barang atas talian namun masih tidak diketahui. Oleh yang demikian, objektif kajian ini adalah untuk mengenal pasti hubungan antara kesetiaan pelanggan dengan pembolehubah bebas yang lain seperti kualiti perkhidmatan laman web sosial, nilai yang diterima, kebolehpercayaan dan kemudahan dalam urus niaga membeli-belah atas talian. Seramai 200 orang pensyarah akademik Politeknik Sultan Abdul Halim Mu'adzam Shah telah memberi maklum balas kepada kajian ini, seterusnya data- data yang telah dikumpul, dianalisa dengan menggunakan kaedah *Statistical Package software for Social Science (SPSS)* versi 20.0 bagi menganalisis data yang telah dikumpul. Statistik deskriptif, analisis faktor dan korelasi telah digunakan ke atas kajian ini. Keputusan kajian telah menunjukkan dengan jelas bahawa pembolehubah bebas (kualiti perkhidmatan laman web, nilai yang diterima, kebolehpercayaan dan kemudahan) urusniaga atas talian mempunyai kesan positif ke atas pembolehubah bersandar (kesetiaan pelanggan dalam membeli-belah atas talian). Cadangan bagi penyelidikan di masa hadapan adalah dengan meneruskan kajian yang berkaitan kesetiaan pelanggan ke atas urus niaga atas talian dan diperluaskan ke negara-negara lain dalam menentukan

corak tingkahlaku pembelian pengguna. Selanjutnya, bagi penyelidikan akan datang penekanan perlu difokuskan kepada perbezaan tingkah laku pengguna dalam pemilihan produk , laman web yang dikunjungi dan juga industri.

ABSTRACT

As the Internet has matured, there has been a huge growth in the volume and value of online transaction. Furthermore, it becomes a common channel for delivering and trading of information, products and services at global marketplace. Even though this method of business exchange or transaction has started to win the hearts of Malaysian users, the main elements influencing the willingness and retentions to purchase online are still unknown. Thus the objectives of this study is to identify the relationship between customer loyalty with other independent variables such as website service quality, perceived value, trust and convenience in online shopping transactions. A total of 200 academic lecturers in Politeknik Sultan Abdul Halim Mu'adzam Shah were responding to this study. Further, Statistical Package software for Social Science (SPSS) Version 20.0 was used to analyze the collected data. Descriptive statistic, factor analysis and correlation were applied to this study. The results of this study were clearly shown that the independent variables (website service quality, perceived value, trust and convenience) had positive impact on dependent variable (customer loyalty in online shopping). It is suggested for future research to conduct this type of research and to be extended to any other countries in order to determine consumer pattern in online shopping behavior. Moreover, future research also should focus on differentiation of consumer's behavior in term of products, websites also the industries.

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LIST OF ABBREVIATIONS

SERVQUAL	Service Quality
TAM	Acceptance Model
TCA	Transaction Cost Analysis
TRA	Theory of Reasoned Action
TPB	Theory of Planned Behavior

CHAPTER 1

INTRODUCTION

1.0 Background Of The Study

In recent years, the internet has providing a frictionless business environment whereby it enabled numerous organizations to transform the challenges of the past into the opportunities of the future and react as an effective medium in order to create a stronger relationship with the customers. Resulting from the commercialization of the Internet in the USA, most Asian countries have begun promoting the use of the internet and venture into online retailing. The process start with set up state run Internet service providers (ISP), executing the system and implement the procedures in order to develop more effective and achieve the requirements and expectations of online shoppers.

Through the internet, barriers in communication processes such as geography, time zones and location within customers and employees would be reduce, thus enabling smoothness in business environment. Thus, it would permit the organization to improve their customer services and feedback system (Yu, 2006).

Additionally, internet is a systematic medium that allows user's arbitrary connections in an open environment, created more challenges and opportunities but less expensive to venture into global market. Moreover, internets simplify business operations by reducing their dependability on the other channel parties through electronically transactions (Yu, 2006). As a result it enables each

organization to reduce the quantity of barriers in communication process within customers and employees which created by cultural, social and knowledge also reducing the total cost paid by customers.

Online shopping or electronic retailing via the internet emerge since 1994 (Chua *et al.*,2006). UCLA Center for Communication Policy (2001) identify that online shopping is the third most popular internet activity than seeking out entertainment information and news. The new concept of retailing have captured the interest of many retailers and merchants because the recognition of online shopping as an alternative channel alongside traditional offline retail channels such as physical retail stores (Chua *et al.*,2006). That is because the growth of worldwide internet commerce has been increasingly due to the demand of customers who technologically savvy and informed about products and services.

Similarly to traditional shopping behavior, online shopping behavior involves five stages which started with identifying potential buyer's problem or a need for some products or services. Then, they move to the second stage whereby acquired for related information in order to satisfy their needs. Next, they continue the stages by evaluating the alternatives and preferred the greatest fits with their instinct.

Lastly, a transaction conducted and after - sales services should be provided in order to retain their attentions (Liang and Lai 2000). However, it is not necessarily guarantee the competitive advantages as conducting businesses through the internet. Thus, in order to create an effectiveness of online shopping rather than offline shopping, each managers and site developers should focusing

on the quality of website content, which can induce usefulness, enjoyment and maximize continued shopping. Previous analysis also indicates that potential buyers of online shopping will only purchase if their needs and requirements exceed the expectations.

According to the Finance Ministry in its Economic Report of 2013/2014, Malaysia is among the top three in Asia on the average amount spent online in the past 12 months. This, in turn, is being pushed by travel services, especially airline tickets and hotel bookings, which lead in terms of products and services purchased online. Moreover, electronic payments via online banking or credit cards have made easier purchases over the Internet. Thus, in order not to lose out on this growing number of online consumers, firms that do not have websites or offer online buying, will have to transform their traditional business to online business.

Despite the data statistics, Malaysians were increasingly spending more time surfing the Internet than using other media such as watching television, listening to the radio and reading newspapers, whereas the more prevalent use of the Internet was for social networking. The penetration rate of social networks is 91 per cent; one out of every three minutes spent online is on social networking, an estimated 11.8 million Malaysians have Facebook accounts and more than 80 per cent of Malaysians on the Internet access Facebook.

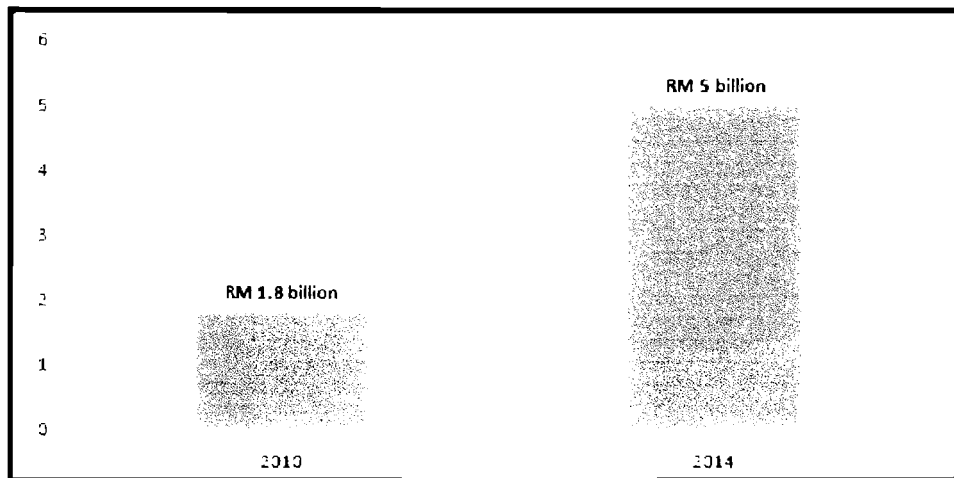


Figure 1.1 *Malaysia e - commerce market size*

Sources: www.malysiacrunch.com

Figure 1.1 shows that the increasing amount of Malaysia's online shopping in 2010 with market size from RM 1.8 billion, and then estimated to increase RM 5 billion in 2014. The figure shows that 70% of the total online shopping spent around RM 4, 000 and above per monthly which came from the middle income and above groups.

Table 1.1
Top ten online shopping sites in Malaysia 2013

Online Shopping Site	Detail
1. Lelong.my	Popular local auction and online shopping
2. eBay Malaysia	Buy or sell practically anything on eBay, the world's online market place
3. Lazada.com.my	Largest selection of the world's most popular brands at best prices
4. Zalora.com.my	Online shopping for shoes and fashion
5. Superbuy Malaysia	Backed by Maybank2u to shop luxury & quality products online at affordable cost
6. Rakuten Online Shopping	Increasingly popular Japan based online storefronts marketplace
7. Fashion Valet (Malaysia)	Online shopping website for fashion clothes, headbands and other fashion accessories for women
8. LuvClothez Fashion	Malaysia & Singapore online shopping fashion boutique store
9. eGarden	Virtual shopping mall for latest fashion, clothes and boutique
10. Zodomo.com	Biggest online shoes store in Malaysia. Over 500+ shoes & free delivery

Sources: Alexa.com, Google.com, Bing.com and Yahoo.com

Table 1.1 listed top ten online shopping sites in Malaysia for the year 2013. The list is based on the web rankings of online shopping related keywords provided by Alexa.com, Google.com, Bing.com and Yahoo.com. Based on their data statistics,

the selection of these favorite sites also supported with other criteria such as unique design, user friendly, popularity (positive and negative comments) and hassle free payment and delivery. In other words, online shopping sites have filled the gap for many who simply don't enjoy the whole shopping experience and would like to make their purchases quickly and effortlessly.

In the business to consumer (B2C) e-commerce cycle activity compared to physical stores, online stores offered many advantages in terms of convenient and time saving and no more traveling and waiting in lines is needed. Further, it open in all time and can be accessible anytime and anywhere with free and rich information about ideas, products and services. Thus, the emergence of the internet has created opportunities for firms to stay competition by providing customers with a convenient, faster and cheaper way to make purchases. According to Hoffman and Novak (1996), they indicated that interactivity is the key distinguishing feature between marketing communication on the Internet and traditional mass media.

Additionally, these online consumers have more bargaining power and control than consumers of physical stores because the Internet offers more interactivities between consumers and product/service providers as well as greater availability of information about products and services. The Internet shifted the balance of power in favor of consumers as it became very easy for them to make shopping comparisons and evaluate alternatives without being pressured by salespeople (Geissler and Zinkhan 1998). Moreover, it would reduce transaction costs and

providing benefit for consumers and vendors as well as e-commerce has become an irreplaceable marketing channel in business transactions.

During the previous years, Chen (2009) analyze that online shopping intentions has been as the vital research agendas in e-commerce. There are multiple disciplines related to online shopping which includes management science, marketing, information systems, psychology and social psychology and others (Cheung *et al.*, 2005; Hoffman and Novak, 1996; Gefen *et al.*, 2003; Koufaris, 2002; Pavlou, 2003, 2006; Zhou *et al* 2007). Despite the success stories and statistics of online merchants elsewhere, Geissler and Zinkhan (1998) noted that the internet offered an extraordinary situation whereas it can shift the balance of power in favor of customers without being pressured by sales force as it became more comfortable for them to make shopping comparisons and decisions through the availability variety website.

Customer loyalty or repurchasing is a vital to the profitability and achievement of online stores while in reality, customers increasingly use the internet to gain the information but not for purchasing products or services. Rosenberg and Czepiel (1983) also mention that to serve potential buyers or new customers is the most important strategy and costly rather than entertained loyalty or existing customers. Despite the phenomenal growth of Malaysia online retailing, a clear understanding of the facilitators of online purchase intention of consumers is still lacking due largely to little research done within the Malaysian context. Thus, as a practitioners and researcher also those who are involved in online businesses, it is

very important and necessarily to determine on how the website service quality, perceived value, trust, convenience and customer loyalty of online shopping.

Table 1.2
Samples of journal review regarding online shopping research analysis

Article/ Journal	Journal, Author & year	Variable(s)	Unit of analysis/ Population	Analysis/Findings
1. The moderating effect of customer perceived value on online shopping behavior	Hsin Hsin Chang and Hsin-Wei Wang Online Information Review Vol. 35 No. 3, 2011 pp. 333-359	DV - online shopping behaviour IV - e-service quality, customer perceived value, and customer satisfaction on customer loyalty	Actual shoppers Browsers Online buyers in Taiwan	E-service quality and customer perceived value influence customer satisfaction, and then influence customer loyalty. In addition this study found that customers with a high perceived value have a stronger relationship between satisfaction and customer loyalty than customers with a low perceived value
2. What drives consumers' continuance intention to e-shopping?	Talal Al-Maghrabi Charles Dennis International Journal of Retail & Distribution Management Vol. 39 No. 12, 2011 pp. 899-926	DV - perceived usefulness, customer Enjoyment, customer continuance. IV - Site quality, trust, social pressure	465 participants including undergraduate and postgraduate students and professionals. Internet users in Saudi Arabia.	Both male and female groups are equivalent. The structural weights are also largely equivalent, but the regression paths from perceived usefulness to continuous intention are not invariant between men and women. Few differences between men's and women's e-shopping behavior identify whereas there are cultural and legal restrictions on women's activities such as driving.

Article/ journal	Journal, Author & year	Variable(s)	Unit of analysis/ Population	Analysis/Findings
3. Risk, trust, and consumer online purchasing behaviour: Abstract a Chilean perspective	Constanza Bianchi and Lynda Andrews International Marketing Review Vol. 29 No. 3, 2012 pp. 253-276	DV - consumer attitudes and intentions towards purchasing online IV - perceived online risk, consumer propensity to trust, trust in online vendors, trust in third party assurances , cultural environment of trust	Chilean consumers' online purchase behaviour Santiago university	Perceived risk online had an inverse relationship with consumers' attitude and that attitude has a positive influence on intentions to continue purchasing of the trust factors examined, trust in third party assurances and a cultural environment of trust have the strongest positive influence on intentions to continue purchasing online, whereas trust in online vendors and a propensity to trust were both insignificant.
4. Analyzing key determinant of online repurchase intentions	Chai Har Lee Uchenna Cyril Eze Nelson Oly Ndubisi Griffith Asia Pacific Journal of Marketing and Logistics Vol. 23 No. 2, 2011 pp. 200-221	DV - Online repurchase intentions IV - Perceived value Perceived ease of use Perceived usefulness Firm's reputation Privacy Trust Reliability Functionality	102 online purchaser in Malaysia Online purchaser in Malaysia	Data collected were analyzed using regression model to determine the significance of the relationship between the dependent and independent variables. The emerging results provide significant evidence in support of the eight hypotheses proposed.

Article/ Journal	Journal, Author & year	Variable(s)	Unit of analysis/ Population	Analysis/Findings
5. Role of web site design quality in satisfaction and word of mouth generation	Young Ha Hyunjoo Im Journal of Service Management Vol. 23 No. 1, 2012 pp. 79-96	DV - satisfaction and WOM intention IV - arousal, emotions, pleasure, Perceived quality of information	Young female consumers Midwestern University	Web site design quality showed positive direct effects on pleasure, arousal, and perceived information quality and indirect effects on satisfaction and WOM intention. Pleasant shopping experience increased positive perceptions and satisfaction. The results also showed that satisfaction mediated the relationship between emotional and cognitive responses and positive WOM intention.
6. Why consumers hesitate to shop online An experimental choice analysis of grocery shopping and the role of delivery fees	Yan Huang and Harmen Oppewal	DV - delivery charge IV - cost, convenient, enjoyment and risk	Shoppers at the local Tesco and Sainsbury Stores Shoppers in Southern England	Four situational factors affect consumers' shopping channel preference. It was further established that, though of influence, delivery charges are not the most important factor. Fifteen minutes difference in travel time to the grocery store had a greater impact on the relative preference to shop online or in-store than a delivery fee of £5.

Table 1.2 shows several samples of journal review regarding online shopping.

The authors are using different independent variables and dependent variables

based on their research analysis.

1.1 Problem Statement

Online transaction via the internet is one of the most hastily increasing forms of integrated marketing communications tool and shopping decision (Grunert and Ramus, 2005). The development of global internet business has been mainly due to the demand of customers who technologically savvy and informed about ideas, products and services. Thus, the competition has increased rampantly among internet companies.

Traditionally, consumers have gone to stores to examine first-hand and then buy products they want however the distinguishing feature of online shopping is that consumers need not (and, of course, some may not be able to) go to a store, but make their preferences on the basis of what they see on the internet.

Moreover, according to Ribbink *et al.*,(2004) customer loyalty towards online shopping is very important part because it would provide long term profitability and positive effect to the organizations. Although the numbers of online transaction are increasing, not everyone prefers to online shopping. The situation become more important as internet commerce becomes more competitive due to understand the antecedents of customer acceptance of online shopping.

Despite its attractiveness, it is vital for online companies to monitor the effectiveness of each segment as well as to create a loyal customer support (Reinartz and Kumar, 2002). Reichheld and Schefter (2000) identify that the customer's loyalty is relatively lower even though the cost of obtaining and

retaining a customer in online atmosphere is usually higher than through the traditional medium (Turban, Lee, King & Chung, 2000).

Further, the expectation, satisfaction and loyalty of online customers increase as they are set by their experience with online retailers across the network. According to Brown (2004) online retailer needs to explore the strategies and opportunities that would help to increase volume of sales in this fierce competition in market and exceed the online customer expectations. In addition, it shows that the website that perform best in customer experience have a significant advantage in motivating online sales towards customer. Thus each business should enhance and attract online customers by knowing their need and want also their shopping patterns in order to retain them as loyalty customers.

A number of studies also documented that there are increasing demand from online people and each of them is potential online customers for a company which were offering online information, products and services via internet. Thus, customer's attention towards online shopping would heat up as online retail competition. In addition, previous studies also emphasized the issues of the most excellent retailer performance based on their experiences on the web.

Additionally, customers are more demanding on the quality of service and value they purchase in the market. Thus, it was quite difficult for organization to achieve maximum profitability. It is very essential for online retailers to recognize and know more detail about their online customers as online shopping is the new medium of shopping with new demands of customer (Hasslinger, 2007). In the

other words, online users are the key to success in internet commerce as in their hands they know what they wish for, how and where to spend money on.

Previous literature review shows that there have been many studies, both empirical and theoretical, of factors identify by consumers as impulse internet shopping. In the former category, Goldsmith and Goldsmith (2002) found that experienced internet shoppers place more trust in and have a better feeling about online service than non-shoppers, that is, those who have not previously used it for this purpose. Likewise, internet shoppers, having considered the risks and understood them, are less risk-averse than non-shoppers (Donthu, 1999). Gaining the trust of online consumers becomes more and more important, and merchants have to identify methods of trust formation within the online service (Papadopoulou et al., 2001).

Moreover, previous studies have emphasized the issue of the consumer purchase process Butler and Peppard, (1998); Walczuch and Lundgren, (2004); Kim *et al.*, (2008). Particularly, consumers' attitudes and beliefs regarding convenience and security concerns during the online purchase process would effects their attention to purchase online (Limayem *et al.*, 2000). Shanker *et al.* (2003) has also contended that service provided during and following the purchase is essential to customer loyalty.

There are several factors stated in the success stories whereas online customer behavior or online shopping depend on education level, convenience time, payment, privacy, security aspects, information comparisons, website visibility,

website interface, network accessibility and online shops credibility (Na Wang 1, 2008). By the way, personal psychological behavior, culture and social also affected the consumer decision in online shopping.

A business owner's ability to identify customer experience and turn it to customer care will determine the measure of successful. More than ever, online businesses need to recognize online shopping factors in order to maximize customer loyalty and keep up with competition that is always only one click away. As a conclusion, they need to find a way on how to retain their existing customers rather than getting new which is costly and lead to unprofitable customer relationships for up to three years (Reichheld *et al.* 2000).

1.2 Research Objectives

The objectives of this study are:

- i. To examine the relationship between website service quality and customer loyalty of online shopping.
- ii. To examine the relationship between perceived value and customer loyalty of online shopping.
- iii. To investigate the relationship between trust and customer loyalty of online shopping.
- iv. To investigate the relationship between convenience and customer loyalty of online shopping.

- v. To examine whether website service quality, perceived value, trust and convenience will influence customer loyalty of online shopping.

1.3 Research Questions

The research questions of this study are:

- i. Does website service quality have a relationship with customer loyalty of online shopping?
- ii. Does perceived value have a relationship with customer loyalty of online shopping?
- iii. What is the relationship between trust and customer loyalty of online shopping?
- iv. What is the relationship between convenience and customer loyalty of online shopping?
- v. Does website service quality, perceived value, trust and convenience will influence customer loyalty of online shopping.

1.4 Significant Of The Study

Previous years, traditional marketing approach involves interpersonal communication whereas customers need to find out their own suppliers or intermediaries in order to get the ideas, products or services with the best prices. However, firms had realized that it is easier and less expensive to venture into global market or internationalize their activities via the internet. Distance is no

longer a major concern whereas businesses can be done across continents at the click of a mouse and there is 24/7 connection with people.

Accordingly, the study is designed to provide the opportunities and strengthen strategy especially for marketing practitioner who involve in online business. Thus, marketing practitioner need to adjust a strategic marketing plan and offering in-depth overview of how customer experience, perform and exploit their satisfaction towards idea, services and products that offered in online transaction process.

By analyzing customer in a different background, this study also can provide the marketers a better understanding about customer needs and wants in order to satisfy their fulfillment. Anderson and Sullivan (1993); Boulding *et al.*, ; (1993); stated online market, which will entail further sales, as well as boost an image so that can increase customer satisfaction whereas will effect customer loyalty. According to Anderson and Sullivan, (1993); Boulding *et al.*, (1993) fulfill customer satisfaction yield greater customer loyalty, which in turn create for future revenue Fornell, (1992); Bolton, (1998). Therefore, new customer can be gained.

Furthermore, the findings of the survey indicate that there is relevant information that can be used to develop precise marketing strategies in order to compete in the global market. It also can be foundation for other researcher in online marketplace or online business to investigate other factors that would influence customer loyalty in online shopping and the ability of business to grow. The knowledge and

findings of this research hopefully would be useful as source information for the future research regarding the issues.

1.5 Definition Of Term

1.5.1 Online shopping

As a global medium, the Internet is speedily gaining interest and popularity as the most revolutionary tool for marketing. For instances, customer just need surf the internet to order an amazing variety of ideas, products or services. Online shopping (also called internet buying or online buying behavior) means the purchasing process via the internet either idea, products or services.

1.5.2 Customer

A customer sometimes known as a buyer, client or purchaser is the recipient of information, product, service or idea obtained from vendor, seller or supplier for a monetary and other valuable consideration. In recent years, customers are becoming more educated and very sensitive with the quality of the services they purchase. Furthermore, customer will stick with the firm as a company provided additional service as main output in order to build a long term relationship with customers. In fact, there are three categories of customer groups which are existing customers, potential customers and former customers.

1.5.3 Loyalty

Loyalty can be define as both factors between behavioral and attitudinal dimensions (Ranaweera *et al.*2003), full responsibility (Moorman *et al.*, 1992), word of mouth (Gremler *et al.*, 2001) and repurchase behavior (Boulding *et*

al.,1993). In other words, loyalty would provide a long term relationship either in business to business with greatest competitive advantage (Cox and Dale, 2002), between business and its customers (Gummesson, 1999; Heiens and Pleshko, 1996). Kam *et al.* (2004) suggested each company to motivate their customer to repeat usage or purchasing of the company's products or services and keep their customer with greatest promotions.

1.5.4 Shopping

According to the theory of shopping, Alba *et al.* (1997) mentioned that it is condition during the transaction. While Beatty and Ferrell (1998) have provided commentaries about shopping enjoyment as the pleasure that individual obtains from buying decision process. It means that, there are differences between hedonic and utilitarian shoppers based on the concept of shopping enjoyment. For instances, hedonic shoppers feel like entertainment and fun in shopping while utilitarian shoppers treat shopping as work process (Babin *et al.*, 1994).

1.6 Organization Of Remaining Chapter

The main purpose of this study is to examine whether website service quality, perceived value, trust and convenience will influence customer loyalty of online shopping. Further, it consists of five chapters in which each will be discussed in depth later.

The **First chapter** focuses on the background of the study, problem statement, research objectives, research questions, significant of the study, definitions of

terms and organization of remaining chapters. The first chapter aims to provide readers with an overall illustration and understanding of what the research is about.

The **Second chapter** is dedicated to Literature Review. Literature Review consists of previous researches in the same area which support the ideas and views of the current research. By providing Literature Review from other authors or subject matter experts, it will strengthen the objectives of this research and provides further proof on the importance of the subjects being presented.

Chapter Three explaining in detail the research method implemented by the researcher. Among others, this chapter will include explanations on data collection method as well as the analysis method which will be conducted to analyze the data gathered.

Chapter Four focusing on the research outcomes or results after analysis have been performed on the data collected from respondents. This research was conducted using the Quantitative Method hence; the results are presented in the form of statistical analysis.

The **Final chapter**, which is chapter five, delves in further discussion on the findings and a summary of these findings, as well as suggestions an improvement for future researches.

CHAPTER 2

LITERATURE REVIEW

2.0 Review of Related Literature

(Freeman *et al.*, 1999) mentioned that technology predictable to allow superior use of communication and virtual reality also more likely to improve shopping experience between online customers and marketers. The purchasing stages of online shopping are similar to traditional shopping approach whereas it consists of five steps (Liang and Lai, 2000). However, conventional retail form is differ with online shopping atmosphere and consumer acceptance (Degeratu *et al.*, 2000; Lynch and Ariely, 2000; Ranganathan and Ganapathy, 2002). In order words, online shopping or purchasing via internet is related to customer psychological state (Li and Zhang, 2002).

2.1 Dependent Variable: Customer Loyalty

The development of the internet has meant essential changes for retail stores for selling idea, product or service in a market. E-commerce via internet means directly transaction activities through the computer, modem and internet it can be classified as a kind of transmitting and exchanging information technology. Further, with huge amount of alternatives without limitations customer can easily

access many shopping websites and purchase ideas, products, or services easier and less expensive (Yuan Gao, 2005, p. 10).

Keating *et al* (2003), Reichheld and Aspinall (1993) stress that loyalty is the critical reason for achieving company objectives and profitability over time. Despite the statistics and success stories, it shows that each company needs to reinforce the ties established with customers and spending high expenses in order to attract the new market segments. Therefore, to increase margin profitability in business, retaining customers become more attractiveness strategy than capturing new customers (Hsu, 2007).

Moreover, loyalty can be describe as a deeply held commitment to re-used or re-buy a preferred product or service consistently in the future, therefore causing repetitive same brand or same brand-set purchasing, although marketing strategy and situational influences having the potential to cause switching behavior. Meanwhile, each manager also believes that higher purchase intention is produced by loyalty growth (Andreassen, 1999).

Additionally, loyalty also can be described as customer intention by making repurchase from the same organization again (Edvardsson, B., Johnson, M.D., Gustafsson, A., and Strandvik, T. 2000), consequently from the conviction that the value available from other alternatives is less than the value received from one seller (Hallowell, 1996). In order to attain company profitability and success yearly, the key factor that need to considered is loyalty (Flavian, C., Guinaliu, M., & Gurrea, R. 2006; Keating, B., Rugimbana, R., and Quazi, A. 2003), while

several authors have proposed that loyalty also favors higher intensity in lower price sensibility (Lynch and Ariely, 2000), bigger incomes and stability (Knox and Denison, 2000) and positive word of mouth (WOM) (Hallowell, 1996).

Meanwhile, according to Heskett *et al.* (1994) customer's loyalty is an individual commitment and willingness to suggest an online service provider to other parties. Consequently, in order to attract new users' referrals each organization need to increase more than customer expectations with minimal costs charged (Reinhold, 1996). Flavian *et al.* (2006) analyze that if the customer's refuses another website and intention to buy from a website it is similar to online loyalty or e-loyalty. E-loyalty or online repurchase intentions is similar with making repeat order or attention to revisit the site (Cyr *et al.*, 2007). Furthermore, e-loyalty can be described as perceived loyalty which was opposite to actual action and make re ordering purchases towards an online service provider. In the hand, customer loyalty means feeling or union of attachment regarding people, products or services of an organization (Jones and Sasser, 1995).

Maintaining customer loyalty is obviously a key goal for business achievements. In other words, loyal customers can be described as reliable revenue stream and a sustained profit. Based on anecdotal evidence and cite empirical, loyalty involved both a long-term attitude and a long-term behavioral trends (Terblanche and Boshoff, 2006), in turn reinforced by multiple experiences ultimately. Consequently, these multiple experiences need to be satisfactory because customer satisfaction becomes most important to lead to the positive

predisposition of long-term loyalty. Further, Gustafsson, A., Johnson, M., and Roos, I. (2005) note three drivers of customer loyalty including economic decision making, benefits and reviewing costs and calculative commitment rationally.

A strong desire by the customer for a product and availability of several product vendors to choose the product based on his preferences will motivate customer loyalty (Dick and Basu, 1994; Otim and Grover, 2006). According to Rowley (2005), customer loyalties are divided into four categories which are related to different behavior. Firstly, Captive Continue means customer's intention to adapt or purchase a product or service because they have no choice. Secondly, is Convenience seeker whereas these types of customers often associated with low involvement and focusing to routine actions. Means, they will engage in a regular repeat purchase transactions associated within the brand. Thirdly, Contented where previous and existing engagement with the brand is an opportunity for the brand owner to build the relationship with the customer as the group evaluate products based on their merits. Fourth, customer barely considers other brand which means Committed. Through supportive customer-to customer communications, company should prepare to add value to the brand.

According to Jiang and Rosenblom (2005) customer loyalty is very similar to repurchase intentions. Meanwhile, several researchers also indicate the importance of loyal customers. For instances, loyalty customer will react differ to actual customer as performing more effort in searching the information, buy more

frequently, willing to pass the positive information regarding the company and image and refusing competitors' promotions (Jiang and Rosenblom, 2005).

Customer loyalty or repurchasing via internet is a vital factor to achieve profitability of online stores and successfulness. Mainspring and Bain & Company (2000) identify that if the average routine of customer shop four times at an online store website, then the store would gain the profits. Last but not least, customer loyalty had driven by customer satisfaction and it is a composite of a number of qualities. In addition, it also involves a high commitment of the customer such as sustained investment in an ongoing relationship with a company brand. According to Prus and Randall (1995) customer loyalty is reflected by a combination of attitudes which are willingness to recommend the company to others, commitment and repurchase actions, also purchasing more different products or services from the same company.

2.2 Independent Variables

2.2.1 Website Service Quality

Oxford Advanced Learner's Dictionary (2000) described quality as the standard of something when it is compared to other things like it. Previously, Parasuraman *et al.* (1985; 1988a) noted that service quality (SERVQUAL) could be measured based on ten phases such as safety, trustworthiness, courtesy, communication, reliability, responsiveness, accessibility, capability, tangibility, and fulfill customer satisfaction. Later on, these measures had reduced to five which are

reliability, assurance, tangibility, responsiveness and empathy (Parasuraman *et al.*, 1988a, b).

In the other hands, Parasuraman *et al.* (1988) also found that superiority or gap between practical service and customer expectation. However, according to online environment scenario, website service quality means the efficient shopping framework, transaction and delivery of products, services or ideas also the extent to which a website facilitates effectiveness (Zeithamal *et al.*, 2002).

2.2.2 Perceived Value

Each organization needs to captured competitiveness and effectiveness by providing greater customer value as a tactical strategy in businesses (Parasuraman 1997; Woodruff, 1997). In addition, the terms means the differences between costs of an offerings and prospective customers' evaluation of all the benefits received. While, Kotler's identify that perceived value equivalence as perceived net benefits According to other authors such as Slater (1997), Woodruff (1997), Fornell *et al.* (1996), Zeithaml (1988), Dodds *et al.* (1991), perceived value means the customer's advantages of the overall assessment they receive as their sacrifice. Furthermore, Bolton and Drew (1991) realized that perceived quality is a less measure of customers' evaluation of a service than perceived value.

2.2.3 Trust

It can be defined as a proven competency that would bring dramatic result. In order words, trust is to rely upon or place confidence in someone or something and to expect confidently. Furthermore, customers will trust and have confidence level towards the organizations that accomplish their needs and wants also treat in

certain way. According to Rabinovich, E *et al.* (2004), trust is related to confidence level which means a willingness to rely on an exchange. Godwin J. *et al.* (2010) also stated that trust related to integrity and confidence level towards the exchange partner's reliability. Moreover, the trustworthiness in the internet industry on firms are governed by employees' communication skill via email or phone, firms' reputations and generally based on the experiences between customer and firms during online transaction process.

2.2.4 Convenience

According to Webster's Dictionary, convenience can be described as "anything that relevant to individual comfort or saves work; handy or helpful device, useful, service, article and etc. Based on the marketing literature, Copeland (1923) introduced the concept of convenience as those that influence the customer purchases immediately and frequently at easily accessible store while Bucklin (1963) apply the convenience construct within the domain of the "convenience" classification of goods or services, which relates to low involvement and risk in purchasing process (Brown, 1989). Furthermore, Seiders *et al.* (2007) and Berry *et al.* (2002) have extensively revised service convenience as customers' effort and time perceptions towards the usage or buying a service.

2.3 Relationship between Website Service Quality and Customer loyalty

Parasuraman *et al.* (1985; 1988a) had measured service quality (SERVQUAL) in the following ten phase such as accessibility, communication, capability, courtesy, trustworthiness, reliability, responsiveness, safety, tangibility and understanding with customers. Later, these measured had reduced to five for instances assurance, empathy tangibility, reliability and responsiveness (Parasuraman *et al.*, 1988a, b). Thus, in electronic commerce, service quality measures have been applied in order to assess the quality of search engines and factors associated with website success. However, consumers' perceptions of online service quality remain largely unexplored. There are indications that electronic commerce service issues go beyond product price and maybe the reason for consumers' preference for the channel.

An increasing online competition and maturation of Internet technology have bolstered the expansion of Website factor, beyond extensive product offerings, customer convenience, ease of navigation, and security which affect online marketing success. Interactivity of a website offers facilitated communications, customization of presented information, image manipulation and entertainment for the customer. Furthermore, the interactive natures of Website have been credited with increasing the desire to browse and purchase online (Gehrke and Turban, 1999; Hartnett, 2000; Li *et al.*, 2001).

Collier and Bienstock (2006) noted that through the internet accessibility it would impulse the interaction between website providers and customer. Santos (2003)

described e-service quality as a general customer judgments and evaluations towards e-service transaction, quality and credibility in the virtual marketplace. Furthermore, it is important to measure website accessibility by assessing the quality of search engines and related factors that are associated (Yang *et al.* 2007).

Through a study by Ribbink, D., Van Riel, A.C.R., Liljander, V. and Streukens, S (2004) in an e-commerce context, the service quality dimensions consisted of customization, responsiveness, ease of use and escape while Cristobal *et al.*, (2007) developed a service quality rating which consists of assurance, order management, and multidimensional constructs of web design customer service. In the other hand, to measure the effectiveness of SERVQUAL online the website provider would focus on four dimensions of SERVQUAL for instances assurance, responsiveness, empathy and reliability (Yang *et al.*, 2008).

According to Anderson and Sullivan (1993) there are positive significant link between perceived quality and customer loyalty. For instance, in 1989-1990 they conducted the survey which involved 22,300 customers of a variety of major products and services in Sweden. As a result, they found the elasticity of loyalty with respect to satisfaction to be lower for firms that provide high satisfaction. Means, the reputation effect insulting firms which consistently provide high satisfaction.

Next, Cronin and Taylor (1992) had investigated the measurement and conceptualization between service quality, purchase intentions and customer satisfaction. Through the research, the researcher makes a comparison between

the significance of relationships with service quality, customer satisfaction, and purchase intentions towards operational perceived service quality. The result indicate that the performance-based measure of service quality would increase as service quality construct, customer satisfaction will create a significant effect towards purchase intentions while service quality impulse on purchase decisions. Therefore, the linkage suggested that service quality had incremental value on customer loyalty.

In addition, Devaraj *et al.*, (2002) mentioned that there are three established frameworks which related to customer satisfaction towards the online channel such as Transaction Cost Analysis (TCA), SERVQUAL and Technology Acceptance Model (TAM). Through the analysis, perceived usefulness and perceived ease of use which are TAM components shows that it is important to increase the accessibility of online channel and motivate customer attitudes. Meanwhile, to observe the link between customer loyalty and website service quality, Oliveira (2007) had developed structural equation modeling. Thus, the researcher found the importance of e-service settings as strong relationship between the items.

Next, Lai *et al.*, (2007) stated that customer loyalty will increase if the website is responsive, meanwhile e-loyalty will increase if they motivated to the website service quality. Further, Kim *et al.*, (2009) found the relationships between online features which are customer centered with positive relationship towards online shoppers'. Despite the statistics and success stories, retail websites with fewer

customized centered web facilities gain lower annual web sales and market shares comparing with retail websites which fully customized centered web facilities (Kim *et al.*, 2007, 2009). As a result, it shows that customer will react and repurchase in future if they perceived ease of use, which is related to loyalty value.

Further, Ruyter and Wetzels (1998) also identify the positive relationship between service quality and loyalty. Both researchers had agreed that it is importance to determine the nature and strength of service quality relationship towards loyalty effects on a firm and industry. As alluded to earlier, measuring an effectiveness of website service quality is a strategic decision in attracting customer retention as assessing the quality of search engines and customer data security.

In summary, website service quality had a significant link towards shopping website's ability as respond to their customer's needs, satisfaction and provides a secure shopping environment. Based on the literature, the study proposed the following hypothesis:

H₁ : There is a significant relationship between website service quality and customer loyalty in online shopping.

2.4 Relationship between Perceived Value and Customer loyalty

Several studies indicate the impact of culture on consumer reactions, consumer expectations to service experience and subsequent consumer behaviors (Furrer,

O., Liu, B. and Sudharshan, D. 2000; Herbig and Genestre, 1996; Malhotra, N.K., Ulgado, F.M., Agarwal, J., Shainesh, G. and Wu, L. 2005; Voss, C.A., Roth, A.V., Roth, Rosenzweig, E.D., Blackmon, K. and Chase, R.B. 2004; Winsted, 1997; Zhang, J., Beatty, S.E. and Walsh, G. 2008) review several empirical studies and identify consistent results showing that service users from different countries and cultural backgrounds record different expectations, react differently to service encounters, and show different behavioral intentions. Sultan and Simpson (2000) show that nationality influences expectations and perceived performance.

Lin and Wang (2006) noted that a significant predictor of customer loyalty is perceived value. For instances, through the research both researcher are focusing on customer loyalty factors in mobile commerce contexts. A questionnaire was constructed and data were collected from 255 users of m-commerce systems in Taiwan. Through the analysis they found that, to retain the customer as a loyalty brand, each company must enhancing perceived value and provide an extraordinary comparing to other competitors in the same industries.

Anderson and Srinivasan (2003) investigate the impact of satisfaction on loyalty in the context of electronic commerce. The result shows that the perceived value of a Web site moderates the impact of e-satisfaction on e-loyalty. The sample of 5000 consumers was drawn from a large list of e-retailing customers maintained by an online marketing research firm. An e-mail invitation was sent to each of the 5000 potential respondents. A summary of survey results was also offered for

those respondents who choose to request it. The respondents, representatives of online customers across numerous e-retailers, were requested to respond to the questionnaire based upon their latest online purchase.

In order to explore the relationship between perceived value and influencing factors, Chen and Dubinsky (2003) had created a conceptual model of perceived value in a business-to-consumer e-commerce. Key precursors of perceived customer value included in the model are valence of online-shopping experience, perceived product quality, and risk, also product price. Relationships among these variables and their relationship to on-line shoppers' value perceptions are explored. The finding supports the definite importance of perceived value in determining a consumer's online purchase intention (customer loyalty).

According to Moliner *et al.*, (2007) perceived value plays a dominant role in marketing activities and it is the main element in creating a relationship marketing. In addition, Hume (2008) found that a perceived value has a significant link with satisfaction result. Further, in order to fulfill their interest and creating a positive assumption, consumer will consider as what they need to spent before receiving the advantages (Ha and Janda, 2008). Thus, Hume (2008) indicates that most important element of repurchase intention is perceived value. Means, customers will draw back to the brand or the organizations if the online transactions are more valuable and worth it.

Oliver and DeSarbo (1988) examine perceived value as a based platform of equity theory whereas the service provider's outcome in reality should minus with the

ratio of the consumer's input in virtually. The results indicate that customer will analyzed the cost of offering as right, fair and deserved (Bolton and Lemon, 1999). Perceived cost is combination between non monetary sacrifices as stress experienced by consumers, time and energy consumption, and monetary payments. As a result, the customer will evaluate their sacrifices and relative rewards regarding the value of offering in online shopping. Wildt and Chang (1994) define that customer perceived value are the major contributor to purchase intention. Through the observation in Taiwan, the studies showed that generating overall customer satisfaction and loyalty intention toward an ISP is essential part as perceived value.

Chua *et al.*, (2009) found the continued actions only if the receiver perceived value from the usage. For instances, customers will repurchase the order as the first shopping task of product acquisition is accomplished in an efficient manner with satisfaction. Similarly, (Guenzi *et al.*, 2009; Hsu 2007) found the positive relationship between perceived value and customer loyalty intentions. Hence, the following hypothesis:

H₂ : There is a significant relationship between perceived value and customer loyalty in online shopping.

2.5 Relationship between Trust and Customer loyalty

According to marketing and management perspectives, trust is strongly associated with individual attitudes toward products, services, and purchasing behaviors (Wahab, S., Mohd Noor, N.A and Ali, J. 2009). Chiu *et al.*, (2009) viewed trust as a set of specific beliefs related to the competence, benevolence, and integrity of another party. According to Chiu *et al.*, (2009) believability of the trustee's effort to fulfill its obligations as expected by the trustor is competence capability. Further, according to benevolence situation the trustee will not oppress the trustor while integrity is related to confident level that the trustee will be honest and will honor its commitments (Chiu *et al.*, 2009; Ndubisi, 2011). Thus, if there is no believability, the customers are unwilling to deal with a vendor as well as reducing the percentage of their contributing in online shopping sales volume.

Berry and Parasuraman (1991) suggested that previous study of trust is the cornerstone for a successful strategy and lasting relationship with the customer as it largely determines the customer's future behavior and loyalty towards the business. Most researchers have proved the significant relationship between trust and electronic commerce adoption. For instances, pass empirical study found that trust significantly important on online purchasing intention (Chen and Barner, 2007), web site loyalty (Flavian and Guinaliu, 2006) and behavior intention to adopt online information service (Chen and Corkindale, 2008).

The consumer's mentioned that they have higher perceived of usable website design on the e-retail platform, the higher their trust towards the website, which

will eventually affect their attitudes towards their like hood to held commitment for certain products or services provides online and positive online usage behavior. However, there are other important factors than trust specifically on the quality of information displayed on the website that influence the customer loyalty in online shopping. In other words, consumers may stay with a company's products through the quality information that they get from websites.

In order to ensure that the customers remain using online shopping, service provider must equip with trust element. The management must start thinking about developing brand loyalty, positive word of mouth (WOM) through technological trust among the customer to support the CRM performance and e-services adoption (Wahab *et al.*, 2009).

Previous studies by Chiou (2004) stated that trust has direct and positive impact on the loyalty of customers. The studies developed and empirically tested a model examining the antecedents of customer loyalty toward Internet Service Provider (ISP). In order to identify the reliability and validity of the measurement model, Confirmatory factor Analysis (CFA) was developed meanwhile to measure the causal model, the structural equation modeling techniques was adapted.

Besides that, Corbitt, B.J., Thanasankit, T. and Yi, H. (2003) had been done the study on online firm and found there is strong positive effect of trust on loyalty. This research indentifies a number of key factors related to trust in the business to commerce context and proposes a framework based on a series of underpinning relationships among these factors. Through the findings, it suggest that people are

more likely to purchase from the web if they perceived a higher degree of trust in e-commerce and have more experience in using the web. There is because customer's trust levels are likely to be influenced by site quality, the level of perceived market orientation, user's web experience and technical trustworthiness. As a result, people with a higher level of perceived site quality seem to have a higher level of perceived market orientation and trustworthiness towards e-commerce. Furthermore, people with a higher level of trust in e-commerce are more likely to participate in e-commerce format.

Ribbink *et al.*, (2004) studied on the role of customer evaluations of electronic service and e-trust in explaining customer loyalty to online retailers. He found that e-trust directly and positively affects e-loyalty. In e-commerce, loyal customers are considered extremely valuable while loyalty is generally attributed to satisfaction with the quality of service. Since online transactions involve many uncertainties for the customer, trust is a condition for exchanged. Trust in the electronic medium called "e-trust" which is believed to increase online customer loyalty, but empirical confirmations are scarce. The study empirically investigates the roles of service quality, satisfaction and trust in an e-commerce context.

Moreover, Lee and Turban (2001) investigated four main antecedent influences on consumer trust in Internet shopping, a major form of business-to-consumer e-commerce; trustworthiness of the internet merchant, trustworthiness of the internet as a shopping medium, infrastructural (context) factors (e.g., security, third-party certification) and other factors (e.g. company sizes, demographic

variables). The antecedent variables are moderated by the individual consumer's degree of trust propensity, which reflects personality traits, culture and experience. In certain cases, the main reason that influence customer for not dealing directly with online merchants is because no believability or trust. The findings indicate that merchant integrity is a major positive determinant of customer trust in Internet shopping and that its effect is moderated by the individual consumer's. Based on discussion above, the study proposed the following hypothesis.

H₃ : There is a significant relationship between trust and customer loyalty in online shopping.

2.6 Relationship between Convenience and Customer Loyalty

According to Webster's Dictionary, convenience can be described as "anything that relevant to individual comfort or saves work; handy or helpful device, useful, service, article and etc. Based on the marketing literature, Copeland (1923) introduced the concept of convenience as those that influence the consumer purchases immediately and frequently at easily accessible store while Bucklin (1963) apply the convenience construct within the domain of the "convenience" classification of goods or services, which relates to low involvement and risk in purchasing process (Brown, 1989). Furthermore, Seiders *et al.* (2007) and Berry *et al.* (2002), have extensively revised service convenience as consumers' effort and time perceptions towards the usage or buying a service.

Convenience characteristic includes the approaching and ease of contacting the seller or service provider. Approachability can be defined as the location of particular stores in relation to the buyer within the opening hours. Convenience is a great reason for customers to shop online (Heim, G.R & Field J.M. 2007). In addition, Chang, H.H *et al* (2009) supported the statement that convenience is the most important factors and valuable especially to online shoppers. Ease of contacting service providers, means having access to company assistants available online or via phone in case of any urgent queries.

According Aylott and Mitchell (1998); Cassill *et al.*, (1997) convenience are more focusing on psychological cost and non - monetary costs such as effort, time, and stress. According Berry *et al.*'s (2002) shopping convenience can be defined as consumer perceptions regarding the relative time and effort expended in either purchasing or using a product or service. Compared with in-store shopping, online shopping offers greater opportunities whereas making shopping possible from anywhere at any time. Furthermore, it was particularly attractive for large order buyers and provides consumers with the advantages of saving time by making visits to physical stores as well as the process of packing and selecting products redundant.

In the context of online services, convenience translates into anything that increases comfort while reducing the expenditure of time and effort on the part of the customer. The wide arrays of studies have described convenience as the single most salient advantage associated with online system (Berry *et al.*, 2002). In fact,

an automated website is accessible 24 hours a day and seven days a week, without the need for human operators to keep it functioning.

Several authors mentioned that service convenience perceptions impact on overall consumer assessment of the service, including satisfaction with the services as well as perceived quality (Berry *et al.*, 2002). Yang *et al.* (2004) also mentioned that convenience is one of customers' major motives of using internet or any online service. Further literature also indicated that convenience as one of the most service quality leading to satisfaction because easy accessibility with no limited time to access the website, create a ease feeling.

Accessibility includes the ease of contacting and approaching the service provider or seller while approachability is described as the location of particular stores in relation to the buyer and the stores opening hours. Heim G.R & Field J.M (2007) found that convenience was the number one reason for customers to shop online. In a similar survey Chang, H.H *et al.* (2009) discovered that convenience was the said to be the single most important benefit of online shopping.

Moreover, majority number of customers realized that internet is very useful and attractiveness whereas they can do everything just from one sites itself. For instances, most of them use the internet to look for products that may not be readily available offline or in the stores. Thus, in order to influence their potential customers, the online sites should provide the types of products and services and have the information ready for the customers. As such companies that offer a

wide variety of products and services are able to draw a bigger a crowd online with efficiency.

Despite the statistics and success stories, online shopping would offer more interaction and conversation between customers and suppliers. Further, online customers have more authority and higher bargaining power as well as greater availability of information about products and services rather than physical stores. According to Geissler and Zinkhan (1998), online shoppers would perceive ease of use in online ordering, make a shopping comparison and evaluate alternatives without being interrupted by sales force. In addition, the cost of online transaction is lower than physical store and providing advantages for both customers and suppliers.

As summary, there is no more travelling and waiting in lines is needed as well as online stores are convenient and time saving. Moreover, there are scattered information regarding ideas, products and services available in online platform. In addition, online suppliers also offering online tools which would help customers to make a compare and purchase decisions among various brands. According to Hoffman and Novak (1996) the key differentiate feature between online communication and traditional mass media approach is a direct interaction via internet. Hence, the following hypothesis:

H₄ : There is a significant relationship between convenience and customer loyalty in online shopping.

CHAPTER 3

RESEARCH METHODOLOGY

3.0 Introduction

This chapter illustrates the research methodology on how the study was executed. The objective of this chapter is to collect data for analysis that derive to findings of the problem statement. In doing so, the process of the research encompasses the research design, population and samples, instrumentation, data collection procedure and data analysis. Statistical Package for Social Science (SPSS) version 20.0 software was used to conduct the analysis of study.

3.1 Research Model/ Theoretical Framework

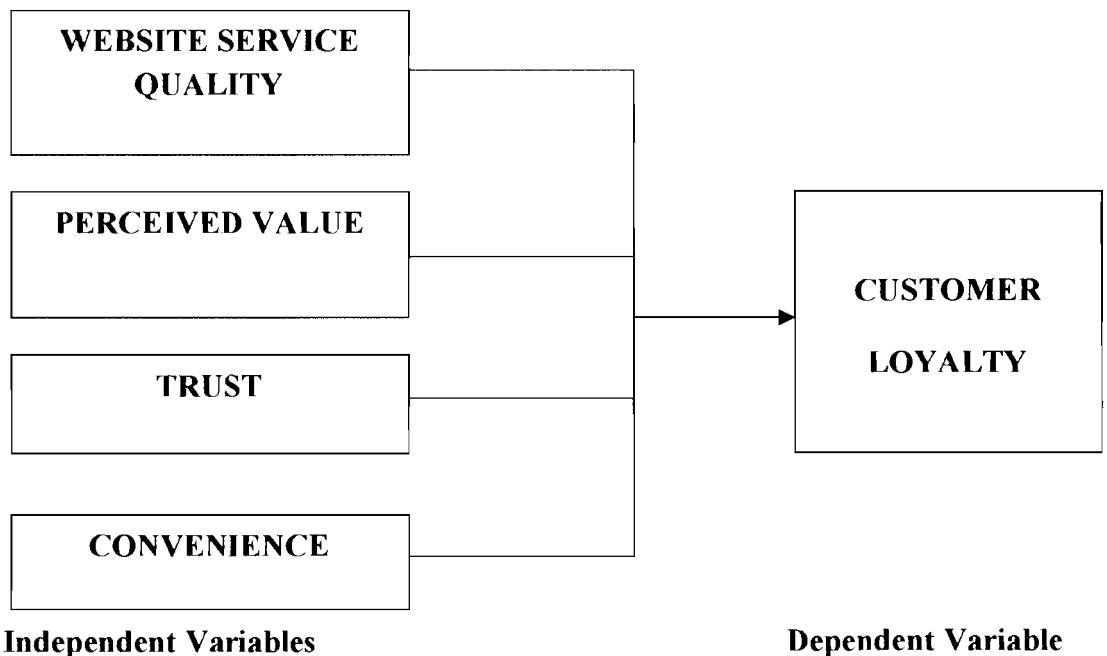


Figure 3.1 *Theoretical framework*

Figure 3.1 indicate dependent variable as a customer loyalty. Meanwhile, the independent variables which are hypothesized to be related to dependent variables are website service quality, perceived value, trust and convenience.

3.2 Hypotheses

It can be defined as a logically conjectured relationship between two or more variables expressed in the form of testable statement. Relationships are conjectured on the basis of the network of associations established in theoretical framework formulated for the research study. By testing the hypotheses and conforming the conjectured relationships, it is expected that solutions can be found to overcome the problem arise. (Uma Sekaran, 2000).

3.2.1 Hypotheses 1

The alternative hypotheses (H_1) have been formulated as follow:

H_1 : There is a significant relationship between website service quality and customer loyalty of online shopping.

3.2.2 Hypotheses 2

The alternative hypotheses (H_2) have been formulated as follow:

H_2 : There is a significant relationship between perceived value and customer loyalty of online shopping.

3.2.3 Hypotheses 3

The alternative hypotheses (H₃) have been formulated as follow:

H₃ : There is a significant relationship between trust and customer loyalty of online shopping.

3.2.4 Hypotheses 4

The alternative hypotheses (H₄) have been formulated as follow:

H₄ : There is a significant relationship between convenience and customer loyalty of online shopping.

3.2.5 Hypotheses 5

The alternative hypotheses (H₅) have been formulated as follow:

H₅ : Website service quality, perceived value, trust and convenience will influence customer loyalty of online shopping.

3.3 Research Design

Research design refers to the strategy or plan of investigation devised to enable a researcher to answer the question as economically, validity and reliably as possible. In addition, it is also illustrated as a way to collect and assemble the relevant data so that the precise information can be obtained or adequate hypotheses can be tested appropriately.

Thus, the researcher would determine the amount of control over the research environment also guides the decisions as to what or who's respondents, how to observe and analyze the data, and what types of statistical techniques to use. In addition, the study was cross-sectional design which means data had collected at one point of time only.

3.3.1 Type of Study

This survey is conducted by adopting a correlation study because the researcher is interested in defining the important variables that linked with the problem. (Sekaran *et al.*, 2010). Present study was carried out in the natural setting with minimal interference where theoretical framework developed from extend literature, data was collected accordingly and was analyzed to get the final result.

3.3.2 The Quantitative Analytical Approach

Through the field of study, researcher only utilized quantitative method whereby the information and the fundamental knowledge obtained from grounded theory. The study is conducted to test the hypotheses to clarify the relationships between customer loyalty and four predictors which were website service quality, perceived value, trust and convenience.

There are several method of collecting primary data such as observations, interviews and questionnaires. Questionnaires are most trendy whereas it can cover in a big amount of people or organization and quite low expenses (Zikmund, 2000). As a result, the researcher was used questionnaire in order to collect the data.

3.3.3 Sources of Data

There are two sources of data used in the study which are primary and secondary data. The information obtained firsthand by the researcher on the variables for the purposes of the study is called primary data (Sekaran, 2003). The information was taken from the questionnaire and distributed to the respondents.

The secondary data is the source of data that gathered by the researcher that already exist. The researcher uses secondary data such as previous studies by other scholars as the literature review for this study.

3.3.4 Unit of Analysis

Sekaran (2003) stated that unit of analysis refers to the data collected during subsequent data analysis change. The research is to seek the result regarding customer loyalty of online shopping pattern. Therefore the research was done within Politeknik Sultan Abdul Halim Mu'adzam Shah academic lecturers which were a group unit of analysis. The individuals represent various group levels and categories such as lecturers, senior lecturers, programme coordinator and head of departments.

3.3.5 Population and Sampling Design

Population is defined as the entire group of people, events and things that the researcher needs to investigate. Each member of the population is known as element. The total number of elements in the population is known as population size and it is denoted by "N". The population in this study involved Politeknik

Sultan Abdul Halim Mu'adzam Shah academic lecturers which comes from seven department such as Department of Civil Engineering, Department of Electrical Engineering, Department of Mechanical Engineering, Department of Information Technology and Communication, Department of Mathematics, Science and Computer, Department of General Studies and last Department Of Commerce. The total population of this category was 400.

Further, according to Uma Sekaran (2003) sample can be described as a subset of the population while, each member of the sample is known as subject. The total number of subjects in the sample is known as sample size and it is denoted by "n". The researcher used Krejcie and Morgan's (1970) table to determined sample size. This scientific guideline provides certain sample size based on certain population size. Accordingly, Krejcie and Morgan's table suggested that when the population 400, so the targeted sample size should be 196.

Table 3.1
POLIMAS employment statistic

CATEGORY	NUMBER OF EMPLOYEE
Administration Staff	48
Academic Lecturer (DH 29, DH 31/32, DH 33/34, DH 41/42, DH 43/44, DH 47/48, DH 51/52, DH 53/54)	400
Academic Support Management	11
Academic Support	108
Total	567

Sources : POLIMAS Administration Department (December 2013 Statistics)

Table 3.1 indicates the employment statistics for December 2013 of Politeknik Sultan Abdul Halim Mu'adzam Shah. There are four different categories with different numbers of employees. The higher groups of employees consists of lecturers from seven department with total around 400 people, while the lowest group is coming from academic support management with total around 11 people.

3.4 Measurement/ Instrumentation

3.4.1 Validation of Instruments

The questionnaire consists of 3 sections. The section contains of part A, B, and C and it must be answer by respondent. The questionnaire will collect on the spot after the respondents finish answering the questionnaires.

The questionnaire consists of close-ended questions, adding with nominal and interval scales. Close-ended questions offer extra advantages rather than other methods in terms of less time to answer and create easiness for respondents to answer. Nominal scale used for the demographic questions while interval scale used to measure questions in section B and section C. The measurement scale for section B and section C are based on a Likert Scale of 1 to 5, whereas 1=strongly disagree, 2= disagree, 3= neither agree or disagree, 4= agree and 5= strongly agree. A sample of questionnaire used in this study is presented as **Appendix 1**.

The questionnaire in the Section A, consists of Respondents Profile section concerning personal background. It consists of gender, age, race, educational levels, and working experiences.

Meanwhile, section B which is Dependent Variable consists of five questions regarding Customer Loyalty which adapted from Lin and Wang (2006).

Next, in section C which is Independent Variable also key determinants towards online shopping behaviour covered Website Service Quality, Perceived Value, Trust and Convenience.

Furthermore, each factor under Independent Variables contains five questions. For instances, Website Service Quality, which is adapted from Cristobal *et al.*, (2007), two questions are regarding website design, while other three questions are to measure customer service dimension, assurance dimension and order management dimension. In addition, Perceived Value or Perceived Net Benefits consists of five questions adapted from Levesque & Mc Dougall (1996). According Trust questionnaire, it was adapted from Lin and Wang (2006), and for the last Convenience section are adapted from Churchill (1979) and Gerbing and Anderson (1988).

Consequently, the purpose of using Likert Scale is to generate statistical measurement of respondents' attitudes and views. The good evaluation of Likert scale is whenever respondents can indicate their level of agreement through a statement when answering a Likert Scale questionnaire items. Most of the researcher assumes that the bigger scale is the better. The use of Likert Scale has been applied successfully in various of studies in order to measure purchase intention or customer loyalty (Lee and Green, 1991; Kalwani and Silk, 1982).

Table 3.2
Summary of the Questionnaire

Source	Variable	Question No	Section No
Lin and Wang (2006)	Customer Loyalty	1 to 5	Section B
Cristobal <i>et al.</i> , (2007),	Factor : 1 Website Service Quality	1 to 5	Section C
Levesque & Mc Dougall (1996).	Factor : 2 Perceived Value	1 to 5	Section C
Lin and Wang (2006)	Factor : 3 Trust	1 to 5	Section C
Churchill (1979), Gerbing and Anderson 1988	Factor : 4 Convenience	1 to 5	Section C

Table 3.2 indicates the questionnaire that adopted and combined from many similar researches, used to collect required data in order to support or reject the hypotheses.

3.5 Data Collection and Administration

The data collection procedure involved Main Survey by way of simple random sampling. 250 questionnaires were administered through personal distribution and then after two weeks the questionnaires was collected from the respondents of various departments and brought back for analysis. Even though sample size was 196, the researcher distributed more which were 250 because it may cause low percentages rate of respondent. The objectives of this study were briefly explained to the respondents before the questionnaires were distributed. The researcher also explained to the respondents that information provided in the questionnaire would be used only for the purpose of this study and shall be kept anonymous.

A total of 250 questionnaires were distributed to Politeknik Sultan Abdul Halim Mu'adzam Shah academic lecturers which consist of seven departments such as Department of Civil Engineering, Department of Electrical Engineering, Department of Mechanical Engineering, Department of Information Technology and Communication, Department of Mathematics, Science and Computer, Department of General Studies and last Department Of Commerce.

Table 3.3
Data collection instruments responses

Respondents	Frequency	Percentage
Total population	400	
Distributed	250	100%
Received	200	80%
Rejected	-	
Accepted	200	80%

3.6 Sampling Design

Sampling design means that the researcher chooses an appropriate number of elements from the whole population of unit of analysis. Sekaran (2003) explained that the sampling design is important to generalize the total population.

3.6.1 Probability Sampling: Simple Random Sampling

The researcher had adapted simple random sampling on this study because the sample size has known. Sekaran (2009) stated that, there are two categories of sampling method which are probability sampling and non-probability sampling. The probability sampling can be described as the elements of the population that

have known opportunity or probability of being selected as sample subjects. In probability sampling it consists of simple random sampling, cluster sampling stratified random sampling, systematic sampling, area sampling and double sampling.

3.7 Data Analysis Technique

Present study was analyzed raw data material that obtained from respondents by using statistical method which is Statistical Package for the Social Science 20.0 (SPSS 20.0) version. All the data that had been collected from a representative sample was analyze using statistical techniques such as mean, standard deviation, correlation and multiple regressions.

3.7.1 Test of Normality

In the statistical tests, test of normality is considered as a prerequisite because normal data is an underlying assumption in parametric testing. It can be done in two ways, either graphically and numerically. The main focus of research is to observe and explain the normal data used in this research. The researcher prefers to use numerically.

3.7.2 Descriptive Statistic

Descriptive statistic is to explore the data collected and particularly useful if one just wants to make general observation about the data collected. The purpose of testing mean and standard deviation is to measure central tendency and dispersion.

Standard deviation and variance in statistic will give more information about the division of each variable. According to Sekaran (2003), the frequency analysis is to summarize the whole question asked. It is a display of the frequency occurrence of each score value and can be represented in tabular form or in graphical form. According Sekaran and Bougie (2009), it will help the researcher to know the reaction of the respondents toward each item in questionnaire.

3.7.3 Hypotheses Testing

To test the interrelationships between research variables, multiple regression analysis is utilized. Further analysis included correlation testing to determine the associations between each response in each respective variable.

3.7.4 Inferential Statistic: Pearson Correlation

According to Sekaran (2003), correlation analysis is to measures between two or more variables on their relationship either in positive or negative correlation. It is also to measure the interrelationship between two variables which are mutually inclusive of dependent and independent variable.

It is good provider of information by Pearson Correlation matrix to the nature, direction and significance of the vicariate relationship. In theory, they could be a great positive relationship between two variables shown by 1.0 in the value and symbolically by r . The scales which have been outlined by David (1971) which can be used to interpret the relationship between two variables are in below:

Table 3.4
Pearson correlation

Scales	Relationship
0.80 and above	Very strong relationship
0.50 – 0.79	Strong relationship
0.30 – 0.49	Moderate relationship
0.10 – 0.29	Low relationship
0.01 – 0.09	Very low relationship

3.7.5 Multiple Regressions

Multiple regressions are defined as an expansion of bi-variety correlation. Regression's result is the equation that symbolized the dependent variable has prediction to several independent variables. This method will used when they have relationship between independent variables and dependent variables. Independent variables can be constant or categorical.

3.8 Summary

The chapter covered details on the research methodology. The development of the questionnaire also has been discussed together with the purpose, objective and also literature reviews. It consists of research design, quantitative analytical approach, population and sample, data collection and administration, sampling design, data analysis technique and multiple regressions. The next chapter will discussed the findings of study.

CHAPTER 4

FINDINGS

4.0 Introduction

The chapter were discussed the research findings from the survey. There were 250 questionnaires distributed to Politeknik Sultan Abdul Halim Mu'adzam Shah academic lecturers. However, only 200 (80%) respondents answered the questionnaire and were submitted back to the researcher after 14 days of survey. In order to compile the result, the data was analyzed by using two statistical tools. The first is the descriptive statistics which analysis findings of the frequency. The second tool is the inferential statistic which is used to perform regression and correlation to determine the hypothesis. The result of the data analysis is explained in the following categories:

- Normality test
- Demographic analysis of respondents.
- Descriptive analysis of respondents.
- Hypothesis testing

Further, on the basis of the results of this study, several findings can be summarized. The summary of the findings was elaborated in the respective results.

4.1 Test of Normality

In the Table 4.1, the two tests for normality are run. The Shapiro-Wilk test was selected among other normality tests since it is more appropriate for small sample sizes (<50 samples) and it can also be used for large samples size until 2000, or else the Kolmogorov-Smirnov test will be applied. In this case, the sample sizes have only 200; the Shapiro-Wilk test is used. As the Sig. value was 0.000 ($p < 0.05$) under the Shapiro-Wilk column was lower than 0.05, so it is not assume normality. The normality value is when $p > 0.05$.

In practice, the conclusion about the validity of, for instance, the normality assumption is implicit than explicit. The reason is because insufficient evidence exists to reject normality, so normality will be considered right. In this situation, Schucany and Ng (2006) mentioned about a “logical problem”. In particularly, small to moderate sample sizes does not guarantee matching of the sample with the population distribution. This is supported by Altman (1991) showed that even sample sizes of 50 taken from a normal distribution may look non-normal. Usually normality test may need a large sample sizes.

According to Rochon et al. (2012), from a formal perspective, a sample is a set of fixed “realizations”. It is not a random variable which could be supposed to follow some distribution. The result of test cannot alter this basic fact; it can only select samples which appear to be drawn from a normal distribution. If, the underlying population is exponential, the test selects samples are not representative of the underlying population.

Vice versa, if the underlying distribution is normal, the test will filter out samples that do not appear normal with probability test. Therefore, researcher does not need to be strict to follow the results of the normality test. In addition, if the sample size is small, both tests usually are less powerful than what it should be.

Table 4.1
Normality test

	Kolmogorov-Smirnov ^a			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
loyalty	.304	200	.000	.760	200	.000
quality	.242	200	.000	.791	200	.000
value	.150	200	.000	.892	200	.000
trust	.236	200	.000	.835	200	.000
convenience	.227	200	.000	.799	200	.000

a. Lilliefors Significance Correction

4.2 Respondent Profile

Table 4.2 shows the respondent profile analysis in order to understand more on the respondent demographic factors. According to the analysis data, it consists of 124 (62%) female lectures and 76 (38%) of male lecturers. From the frequency analysis 46 (23%) from the respondents are aging between 25 - 30 years old, 32 (16%) between 31 - 35 years old, 85 (42.5%) between 36 - 40 years old and 37 (18.5%) consists 40 years old and above.

Malaysian has many races and most of the polytechnic are diverse in ethnicity, based on the analysis 130 (65%) of the respondents are Malays, 23 (11.5%) are Indians, 36 (18%) are Chinese and 11 (5.5%) are others ethnicity such as Siamese

and Bumiputras. Further, based on their educational level analysis, there are 126 (63%) of the respondents obtained degree qualifications, 73 (36.5%) are master holders while only 1 (0.5%) of the respondent had obtain his PhD qualification. This is normal scenario in polytechnic since doctorate qualification is not compulsory to their lecturers.

From 200 respondent only 1 (0.5%) had less than 3 years working experiences, 12 (6%) from the respondents had working experiences between 3 - 4 years, 29 (14.5%) had working experiences between 4 - 5 years while majority of respondents which consists of 158 (79%) are the group with working experiences more than 6 years. Due to their working experiences and types of qualifications, the income levels are different based on their categories whereas 11 (5.5%) of the respondents are paid between RM 1,501 to RM 3,000, 47 (23.5%) are paid between RM 3,001 to RM 4,500, 109 (54.5%) are paid between RM 4,501 to RM 6,000 while only 33 (16.5%) are paid more than RM 6,000.

Table 4.2
Demographic profile

Item	Categories	Frequency	Percent
Gender	Male	76	38.0
	Female	124	62.0
	Total	200	100.0
Age	25-30 years old	46	23.0
	31-35 years old	32	16.0
	36-40 years old	85	42.5
	40 years old and above	37	18.5
	Total	200	100.0

	Malay	130	65.0
	Indian	23	11.5
Race	Chinese	36	18.0
	Others	11	5.5
	Total	200	100.0
	Degree	126	63.0
Education Level	Masters	73	36.5
	PhD	1	0.5
	Total	200	100.0
	Less than 3 years	1	.50
	Between 3-4 years	12	6.0
Working Experience	Between 4-5 years	29	14.5
	More than 5 years	158	79.0
	Total	200	100.0
	RM 1,501 - RM 3,000	11	5.5
	RM 3,001 - RM 4,500	47	23.5
Income Level	RM 4,501 - RM 6,000	109	54.5
	RM 6,001 and above	33	16.5
	Total	200	100.0

4.3 Descriptive Statistics

Descriptive statistics is a pattern and general trends in a data set. Table 4.3 shows descriptive statistics for all variables. The result shows that mean for quality is 4.4925. This variable is the highest mean while the least mean is trust with 4.3600. For standard deviation, it shows that high standard deviation is trust; 0.57842 while lowest standard deviation is convenience with 0.35962.

Table 4.3
Descriptive statistics

Variables	N	Mean	Std Deviation
Loyalty	200	4.6450	0.45215
Quality	200	4.4925	0.46613
Value	200	4.5550	0.36003
Trust	200	4.3600	0.57842
Convenience	200	4.6390	0.35962
Valid N (listwise)	200		

4.4 Reliability Test

Table 4.4 illustrated Cronbach's Alpha for the instruments analysis. According to the Reliability Test for dependent variable which is customer loyalty, the result shows Cronbach's Alpha at 0.749 with 5 items of reliability coefficient. Thus, the result indicate more than 0.6 at the range of excellent and considered as having high reliability further, in conclusion can be accepted in this study. For independent variable which is website service quality consist of 5 items of reliability coefficient and Cronbach's Alpha stated 0.716. To sum up, Bougie and Sekaran (2010) noticed that the result is accepted. Moreover, for perceived value analysis, the result shows that the reliability coefficient have consist 5 items and Cronbach's Alpha is good and can be accepted at 0.734. Further, trust which consist of 5 items are reliability coefficient and the results shows that Cronbach's Alpha is 0.634 which is also can be accepted because it greater than 0.6. Last but not least, convenience consists of 5 items and Cronbach's Alpha is 0.731. In short, the result shows that the entire variables are verified and reliable.

Table 4.4
Cronbach's alpha for each variables

Variables	Item counts	Cronbach Alpha
Loyalty	5	0.749
Quality	5	0.716
Valuc	5	0.734
Trust	5	0.634
Convenience	5	0.731

4.5 Hypotheses Testing

4.5.1 Correlation Analysis

Hypothesis 1

H₁ : There is a significant relationship between website service quality and customer loyalty of online shopping.

A bivariate Pearson's correlation coefficient was computed to assess the relationship between website service quality and customer loyalty. Table 4.5 shows that there was a positive significant relationship between website service quality and customer loyalty with $r = 0.440$ and $p = 0.000$; $p < 0.01$. Thus the H_1 is accepted. Overall, there was a moderate positive relationship between website service quality and customer loyalty (44.0%). It means that when website service quality increase, customer loyalty will increase.

Hypothesis 2

H₂ : There is a significant relationship between perceived value and customer loyalty of online shopping.

A bivariate Pearson's correlation coefficient was computed to assess the relationship between perceived value and customer loyalty. Table 4.5 shows that there was a positive significant relationship between perceived value and customer loyalty with $r = 0.597$ and $p = 0.000$; $p < 0.01$. Thus the H₂ is accepted. Overall, there was a strong positive relationship between perceived value and customer loyalty (59.7%). As conclusion, it means that when perceived value increase, customer loyalty will increase.

Hypothesis 3

H₃ : There is a significant relationship between trust and customer loyalty of online shopping.

A bivariate Pearson's correlation coefficient was computed to assess the relationship between trust and customer loyalty. Table 4.5 shows that there was a positive significant relationship between trust and customer loyalty with $r = 0.286$ and $p = 0.000$; $p < 0.01$. Thus the H₃ is accepted. Overall, there was a low positive relationship between trust and customer loyalty (28.6%). As conclusion, it was found that when trust increase, customer loyalty will increase.

Hypothesis 4

H₄ : There is a significant relationship between convenience and customer loyalty of online shopping.

A bivariate Pearson's correlation coefficient was computed to assess the relationship between convenience and customer loyalty. Table 4.5 shows that there was a positive significant relationship between convenience and customer loyalty with $r = 0.479$ and $p = 0.000$; $p < 0.01$. Overall, there was a moderate positive relationship between convenience and customer loyalty (47.9%). Thus the H4 is accepted. As conclusion, it was found that when convenience increases, customer loyalty will increase.

Table 4.5
Correlation analysis

		Correlations				
		Quality	Value	Trust	Convenience	Loyalty
Quality	Pearson	1	.501**	.327**	.433**	.440**
	Correlation					
	Sig. (2-tailed)		.000	.000	.000	.000
	N	200	200	200	200	200
Value	Pearson	.501**	1	.445**	.563**	.597**
	Correlation					
	Sig. (2-tailed)	.000		.000	.000	.000
	N	200	200	200	200	200
Trust	Pearson	.327**	.445**	1	.379**	.286**
	Correlation					
	Sig. (2-tailed)	.000	.000		.000	.000
	N	200	200	200	200	200
Convenience	Pearson	.433**	.563**	.379**	1	.479**
	Correlation					
	Sig. (2-tailed)	.000	.000	.000		.000
	N	200	200	200	200	200
Loyalty	Pearson	.440**	.597**	.286**	.479**	1
	Correlation					
	Sig. (2-tailed)	.000	.000	.000	.000	
	N	200	200	200	200	200

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

4.5.2 Multiple Regression Analysis between Independent Variables and Dependent Variables

Hypothesis 5

The hypothesis for this analysis:

H5 : Website service quality, perceived value, trust and convenience will influence customer loyalty of online shopping.

Multiple regression analysis was used to evaluate the effects of independent variables (website service quality, perceived value, trust and convenience) on dependent variable (customer loyalty). As depicted in Table 4.6, the regression results revealed the R square value of 0.403. This indicates that 40.3% of variance that explained the DV (customer loyalty) was accounted for by the IVs (website service quality, perceived value, trust and convenience) where the F value = 32.970 at $p < 0.01$. Further, of the four dimensions (IVs), only three dimensions; website service quality ($\beta = 0.156$, $p < 0.01$), perceived value ($\beta = 0.428$, $p < 0.01$), and convenience ($\beta = 0.179$, $p < 0.01$) were significant predictors of customer loyalty. Thus, it can be concluded that all the independent variables (website service quality, perceived value, trust and convenience) have 40.3% and significant influences on the customer loyalty. Thus, H5 is accepted.

Table 4.6
Model Summary

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.635 ^a	.403	.391	.35279

a. Predictors: (Constant), convenience_mean, trust_mean, quality_mean, value_mean

Table 4.7
ANOVA^b

ANOVA^b						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	16.414	4	4.103	32.970	.000 ^a
	Residual	24.270	195	.124		
	Total	40.684	199			

a. Predictors: (Constant), convenience_mean, trust_mean, quality_mean, value_mean

b. Dependent Variable: loyalty_mean

Table 4.8
Coefficients^a

Coefficients^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.550	.368		1.497	.136
	quality_mean	.151	.064	.156	2.367	.019
	value_mean	.538	.093	.428	5.808	.000
	trust_mean	-.018	.049	-.023	-3.369	.712
	convenience_mean	.225	.087	.179	2.587	.010

a. Dependent Variable: loyalty_mean

4.6 Hypotheses Summary

Table 4.9 represents the results of the hypotheses testing conducted in this study. A Bivariate Pearson's correlation analysis indicated that website service quality, perceived value, trust and convenience have shown a positive significant difference towards the customer loyalty. A multiple regression analysis indicates that website service quality, perceived value, trust and convenience will significant influence on customer loyalty at 40.3%.

Table 4.9
Hypotheses Summary

Hypotheses	Result
<u>Hypotheses 1</u>	
<i>H₁ : There is significant relationship between website service quality and customer loyalty of online shopping.</i>	Accepted
<u>Hypotheses 2</u>	
<i>H₂ : There is significant relationship between perceived value and customer loyalty of online shopping.</i>	Accepted
<u>Hypotheses 3</u>	
<i>H₃ : There is significant relationship between trust and customer loyalty of online shopping.</i>	Accepted
<u>Hypotheses 4</u>	
<i>H₄ : There is significant relationship between convenience and customer loyalty of online shopping.</i>	Accepted
<u>Hypotheses 5</u>	
<i>H₅ : Website service quality, perceived value, trust and convenience will influence customer loyalty of online shopping.</i>	Accepted

CHAPTER 5

DISCUSSION, RECOMMENDATION AND CONCLUSION

5.0 Introduction

This chapter elaborates and discuss about the recapitulation of the findings, discussion of the hypothesis and recommendation to the related parties and future study. At the end of the chapter, implication and conclusion are also highlighted.

5.1 Recapitulation of the Findings

This research purpose is to examine the relationship between website service quality, perceived value, trust, convenience and customer loyalty of online shopping. Questionnaires were distributed to 250 of academic lecturers in Politeknik Sultan Abdul Halim Mu'adzam Shah and only 200 of them were responding to the study. The dependent variable for this study is customer loyalty whereas the independent variables are website service quality, perceived value, trust and convenience. All the data have been analyzed using SPSS version 20.0 and Descriptive Statistic, Person Correlation and Multiple Regressions were applied to this study. Majority of the respondents are female comprises of 62.0% and 38.0% from male respondents. The composition of the highest age group is from 36 - 40 years which is 42.5% while the lowest is from 31 - 35 years which is only 16.0%. Majority of the respondents are Malay which is 65.0% whereas

63.0% are degree holder. The data shows that most of the respondents have working experience more than 5 years with 79.0%. The composition of the highest income level group is from RM 4,501- RM 6,000 which is 54.5%. Besides that, the results of descriptive statistic show that the highest mean is website service quality with 4.4925 and for standard deviation the highest is trust with 0.57842. The result of correlation analysis indicated that website service quality, perceived value, trust and convenience are positively associated with customer loyalty. Furthermore, result of multiple regressions shows website service quality, perceived value, trust and convenience will significant influence customer loyalty in online shopping. As a conclusion, all of the objectives are reached.

5.2 Discussion

Grunet and Ramus (2005) had stated that one of the greater types of shopping nowadays is online shopping or electronic retailing via the internet. Despite the statistics and success stories of many online merchants elsewhere, most of the companies have realized that business over the internet is cheaper and easier in the international market and global venture. Thus, in this new digital economy and integrated marketing communications for a business, it is not yet another option for having an online business store. In principle, the business must maintain superior business ethics as a measure to maintain customer loyalty and customer behavior in the repurchase.

According to Rosenberg and Czepiel (1983), give preferential dealing to potential buyers or first time customers is important from an existing customer. Contextually, in order to realize the attitude and consumer purchase patterns, resources and time must be spend for each online business. By ensuring confidential of data provided by customers in their website, it is important for an online business to build trust and excellent reputation and be passed on to their loyal customers. The higher the perception of the customer, the more likely to repurchased, consequently online seller should be clear in this regard to targeted customers.

Based on Malaysia business scenario, it is important for online businesses to identify the expectations of users and also provide practical, consistent and simple to use the system in order to make customer enjoy in experience of online purchasing. Accordingly, customers should have a better choice of good services provided at affordable prices to meet the rising consumer demand in online shopping. Firm should be offer the superb quality of service in maintaining the relationship with consumers to fulfill their needs. As such, it will increase the customer satisfaction in online shopping while in the same time will decrease customer's switch behaviors.

5.2.1 The relationship between website service quality and customer loyalty of online shopping.

The first objective of the research is to examine the relationship between website service quality and customer loyalty of online shopping. The hypothesis is:

H₁ : There is a significant relationship between website service quality and customer loyalty of online shopping.

The findings had shown a positive significant relationship between website service quality and customer loyalty of online shopping. This means when website service quality is good, customer loyalty of online shopping will increase. The finding was consistent by past research by Anderson and Sullivan (1993) indicated that perceive quality and customer loyalty has positive relationship. Several past studies also had initiated that service quality has positive relationship with customer loyalty (Devaraj et al., 2002; Kim et al., 2009; Lai et al., 2007; Oliveira, 2007; Ruyter and Wetzels, 1998)

5.2.2 The relationship between perceived value and customer loyalty of online shopping.

The second objective is to examine the relationship between perceived value and customer loyalty of online shopping. The hypothesis is:

H₂ : There is a significant relationship between perceived value and customer loyalty of online shopping.

The result shows there is a positive significant relationship between perceived value and customer loyalty of online shopping. With high level of purchased

value offered, it will support the level of customer loyalty in future. Perceived value is the necessary consequence and most important aspect for marketing actions (Moliner et al. 2007). According to Ha and Janda (2008), perceptions of customer may possibly cognitive include the benefits their get and sacrifice on something to giving up in order to obtain the services. Hume (2008) furthermore mentions that perceived value is the mainly significant to intention of repurchase.

5.2.3 The relationship between trust and customer loyalty of online shopping.

The third objective is to investigate the relationship between trust and customer loyalty of online shopping. The hypothesis is:

H₃ : There is a significant relationship between trust and customer loyalty of online shopping.

The finding shows that there is a positive significant relationship between trust and customer loyalty of online shopping. This finding was consistent with past research by Chen and Barner (2007) declared trust is most important in intention to online purchase. According to Chiou (2004) stated that trust and customer loyalty has direct and positive impact each other. As well that, Corbitt, B.J., Thanasankit, T. and Yi, H. (2003) had been done the study on online firm and found there is strong positive relationship of trust to loyalty. Therefore, trust is a significant factor influencing loyalty in online shopping because those with highly trust appeared to have a greater loyalty to purchase in online shopping.

5.2.4 The relationship between convenience and customer loyalty of online shopping.

The fourth objective is to investigate the relationship between convenience and customer loyalty in online shopping. The hypothesis is:

H₄ : There is a significant relationship between convenience and customer loyalty of online shopping.

The result of this study indicated that there is a positive significant relationship between convenience and customer loyalty of online shopping. Convenience is one of customers' major motives of using internet or any online service. According to Heim G.R & Field J.M (2007) found that convenience was the number one reason for customers to shop online. In a similar survey Chang, H H et al. (2009) discovered that convenience was the said to be the single most important benefit of online shopping.

5.2.5 Website service quality, perceived value, trust and convenience will influence customer loyalty of online shopping.

The fifth objective of this study is to investigate whether website service quality, perceived value, trust and convenience will influence customer loyalty of online shopping. The hypothesis is:

H₅ : Website service quality, perceived value, trust and convenience will influence customer loyalty of online shopping.

The result of this hypothesis shows that website service quality, perceived value, trust and convenience have significant influence on customer loyalty of online shopping at 40.3%. Several past studies had indicated that service quality influences organizational outcome such as improving customer relations, enhance corporate image and promote customer loyalty (Caruana, 2002; Ehigie, 2006; Newman, 2001; Szymigin and Carrigan, 2001). Furthermore, service quality and customer satisfaction were found to be related to customer loyalty through repurchase intentions (Levesque and Mc. Dougall, 1996; Newman, 2001; Caruana, 2002). According to Moliner *et al.*, (2007) perceived value plays a dominant role in marketing activities and it is the main element in creating a relationship marketing. If the receiver perceived value then it is more likely to undertake continued usage (Chua *et al.*, 2009). For instances, customers will be more likely to react stronger repeat purchasing as they accomplished the shopping task of product acquisition in an efficient manner and satisfaction. Copeland (1923) introduced the concept of convenience as those that influence the consumer purchases immediately and frequently at easily accessible store. Furthermore, Chang, H.H *et al* (2009) supported the statement that convenience is the most important factors and valuable especially to online shoppers.

5.3 Recommendation and Suggestion for Future Research

There have several limitations should be measured in this study. First, the selected respondents for the survey were conducted within the government servant such as a group of academic lecturers from Politeknik Sultan Abdul Halim Mu'adzam Shah which was located in Malaysia. Conversely, each country has its differences in culture and also it leads to different consumer trends. As results, this study cannot be generalized to other countries. It is possible for future research to conduct this type of research and to be conducted to the other countries to determine consumer pattern behavior in online shopping. Secondly, the study was regard as universal online shopping motives rather than focusing lying on a particular type. It is possible that the desire of consumers shopping will change based on different categories of products, websites and company. Therefore, future study should address on these deviations. Thirdly, the variable on the company's reputation is not emphasized in this study. It also is important to create the long term relationships with buyers. It is valuable to observe the basis of information regarding the effects of these variables on consumer loyalty in online shopping. Finally, this research is the cross-sectional study in which the user's perception will change from time to time. Therefore, it is necessary to be measured by future research in order to know the differences. Nevertheless, regardless of these limitations, the researcher have highly believe the result of this study have managerial implications for managers either in retail online or bricks and mortar stores.

5.4 Research Contribution

5.4.1 Managerial and Practical Implication

Based on this research results and findings, there are several implications have identifies. As such, each managers and site developers should focus on the website service quality and informative content, which reflect usefulness and enjoyment. Managers also should not underestimate the power of the technology and the internet, including a young population. By improving usefulness and enjoyment of their websites, managers would work to maximize continued shopping. This is important, because customers who fail to return reduce the firm's customer base and most often its revenues and may require substantial expenditures to attract them back from competitors.

Khalifa (2004); Lindgreen and Wynstra, (2005) mentioned that customer perceived value is a cornerstone of marketing and a part of competitive strategy while Roberts, (2000); Payne *et al.*, (2001) stated as a retention of customers and relationship management. Perceived value has its root in equity theory, which represents the trade-off between the qualities, or advantages which the customer receives, and the costs of energy, expenditure, time and mental transaction that the customer incurs by evaluating, obtaining and using a product (Oliver and DeSarbo, 1988; Kotler, 2000; Komulainen *et al.*, 2007). Thus, it presents a more difficult challenge for e-commerce firms in order to build a long-term relationship. In other words, customers are believed to choose certain products based on their superior value compared to competing products. Even if a customer

has previously been fulfilled by a particular website, they still are likely to switch to competing businesses which offer higher customer perceived value. In summary, online retailers should pay attention to the delivery of dependable services for consumers and understand the role of customer perceived value on online shopping behavior.

Moreover, managers are advised to enhance the web site security, content and design quality, and add a dual language feature, in order to retain consumers and build long-term trustworthy relationships. Thus, customers must not be anxious in relation to losing their credit card privacy and their financial information. For instances, each online retailer should adapting SSL protocol to ensure their website security for the payment information by using credit card. Further, to increase customer loyalty of online shopping behavior, each online retailer should grant the insurance in the items purchase to the customer and to ensure that the product will be delivered to the customer. Next, to accomplish business success in the marketplace, each online retailer should acquire certain certificate from governmental organizations and authorities which provide permit to sell merchandise through online and also to guarantee the potential buyers that the online seller is representing the trade with authorization, thus the customers will buy their products with no worry and feel more secure and in no doubt about the delivery orders as request.

5.5 Conclusion

This research is endeavoring in order to examine the relationships between website service quality, perceived value, trust, convenience and customer loyalty of online shopping. A total of 200 academic lecturers in Politeknik Sultan Abdul Halim Mu'adzam Shah were responding to this study and Statistical Package software for Social Science (SPSS) Version 20.0 used to analyze the collected data. It is clearly proven in the result that the independent variables such as website service quality, perceived value, trust and convenience had positive impact on dependent variable which was customer loyalty of online shopping. Thus, by having understandable to objective of this research, the marketers will have a better understanding about customer needs and wants in order to satisfy their fulfillment. The results showed that the information provided will be used to enhance a better marketing strategy in order to compete in the global market of the world.

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ANOTHER SOURCES :

Sources: Alexa.com, Google.com, Bing.com and Yahoo.com

APPENDICES

Appendix 1 :



UUM
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**WEBSITE SERVICE QUALITY, PERCEIVED VALUE, TRUST,
CONVENIENCE AND CUSTOMER LOYALTY OF ONLINE SHOPPING**

Dear Respondents,

*I am currently pursuing my Master of Science (Management) at Othman Yeop Abdullah , Graduate School of Business, Universiti Utara Malaysia. The study that I am conducting is the partial fulfillment towards the completion of my postgraduate degree. The title that I want to explore is “ **ANALYZE THE FACTORS DETERMINANT OF CUSTOMER LOYALTY IN ONLINE SHOPPING** ”.*

I would appreciate if you could spare some time and thought in completing the survey questionnaires. I hope that you would co-operate in completing the questionnaire with the best of your ability.

This questionnaire consists of four sections. Section one consists of questions about your demographic profile and followed by section two about your awareness of customer loyalty, section three about website service quality, perceived value, trust and convenience.

Your response will be treated as confidential and used for research purposes only. There is no right or wrong answer. Thank you for your willingness to participate in this study.

Yours sincerely,

Noorashikin Binti Harun @ Che Ani

Matric No : 811068

Email : ckinharun@yahoo.com

SECTION A: Respondent Profiles.

This section intends to get information the respondents' demographic background.

[Tick the box which answers is best describing you]

1. Gender

Male

Female

2. Age

25 - 30 years old

36 - 40years old

31 - 35 years old

More than 40 years old

3. Race

Malay

Chinese

Indian

Others

4. Educational Level

Degree

PhD

Master

5. Working Experiences

Less than 3 years

Between 3 - 4 years

Between 4 - 5 years

More than 5 years

6. Monthly Income

RM 1, 501 - RM 3, 000

RM 3, 001 - RM 4, 500

RM 4, 501 - RM 6, 000

RM 6, 001 - and above

SECTION B: Customer Loyalty

This section intent to get the respondents feedback about the topic study.

Please base your answers on the one shopping website that you most frequently use.

[Using the following scale, please cycle the number that represents your most appropriate answer.]

Customer Loyalty

		Strongly disagree 1	Disagree 2	Neither agree or disagree 3	Agree 4	Strongly agree 5
1	My preference for this online shopping website would not willingly change.	1	2	3	4	5
2	It would be difficult to change my beliefs about this online shopping website.	1	2	3	4	5
3	Even if close friends recommended another website, my preference for this online shopping website would not change.	1	2	3	4	5
4	I will buy from this online shopping website the next time I purchase product/ service.	1	2	3	4	5
5	I intend to keep purchasing products/ services from this online shopping website.	1	2	3	4	5

SECTION C: Factors Determinant Customer Loyalty Of Online Shopping

This section intent to get the respondents feedback about the topic stu

Please base your answers on the one shopping website that you most frequently use

[Using the following scale, please cycle the number that represents your most appropriate answer.]

Factor 1: Website Service Quality

		Strongly disagree 1	Disagree 2	Neither agree or disagree 3	Agree 4	Strongly agree 5
1	The online shopping website information is regularly updated.	1	2	3	4	5
2	The online shopping website provides full information on product features and services offered.	1	2	3	4	5
3	When a customer has a complaint or grievance, it is dealt with rapidly and effectively.	1	2	3	4	5
4	The confidentiality of customer data is ensured.	1	2	3	4	5
5	Customer has the option to modify or defer at anytime the transaction process without commitment.	1	2	3	4	5

Factor 2: Perceived Value

		Strongly disagree 1	Disagree 2	Neither agree or disagree 3	Agree 4	Strongly agree 5
1	Products' service is considered to be a good deal buy.	1	2	3	4	5
2	Product/ service charges are acceptable.	1	2	3	4	5
3	The company provides more free services.	1	2	3	4	5
4	The company offers attractive product/ service costs.	1	2	3	4	5
5	The company charges me fairly for similar products' services.	1	2	3	4	5

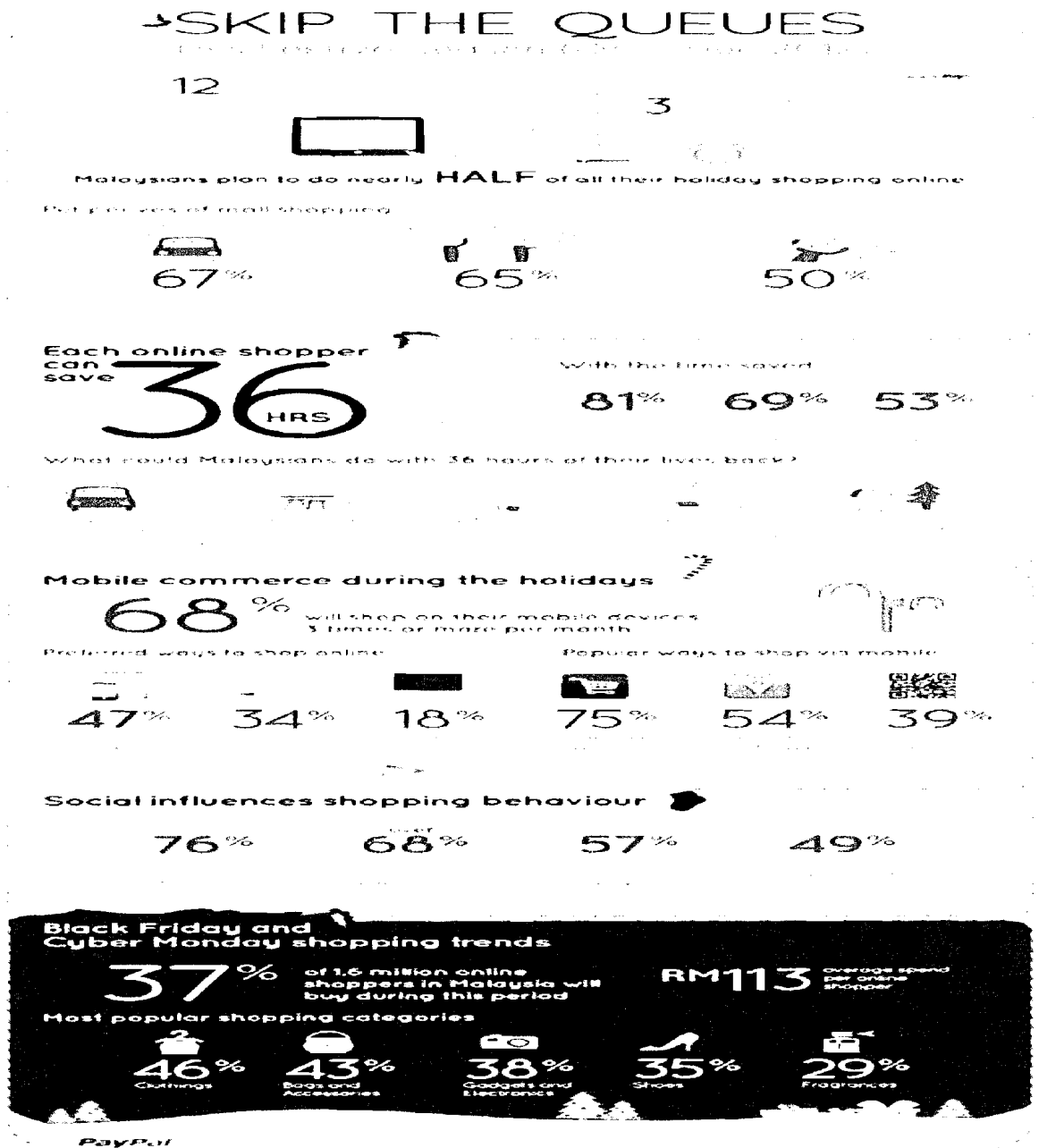
Factor 3: Trust

		Strongly disagree 1	Disagree 2	Neither agree or disagree 3	Agree 4	Strongly agree 5
1	Based on my experience in the past, I know it cares about customers.	1	2	3	4	5
2	Based on my experience in the past, I know it is honest.	1	2	3	4	5
3	Based on my experience in the past, I know it is not opportunistic.	1	2	3	4	5
4	Based on my experience in the past, I know it is predictable.	1	2	3	4	5
5	Based on my experience in the past, I know it knows its market.	1	2	3	4	5

Factor 4: Convenience

		Strongly disagree 1	Disagree 2	Neither agree or disagree 3	Agree 4	Strongly agree 5
1	I could shop anytime I wanted.	1	2	3	4	5
2	I could order products/ services wherever I am.	1	2	3	4	5
3	The website provides sufficient information so that I can identify different products/ services within the same categories.	1	2	3	4	5
4	Payment methods are flexible.	1	2	3	4	5
5	Product/ service delivery is timely.	1	2	3	4	5

Appendix 2 : Percentage of consumer behavior towards buying and selling online transaction



The info graphic show consumer behavior towards buying and selling online transaction in Malaysia based on PayPal's study.

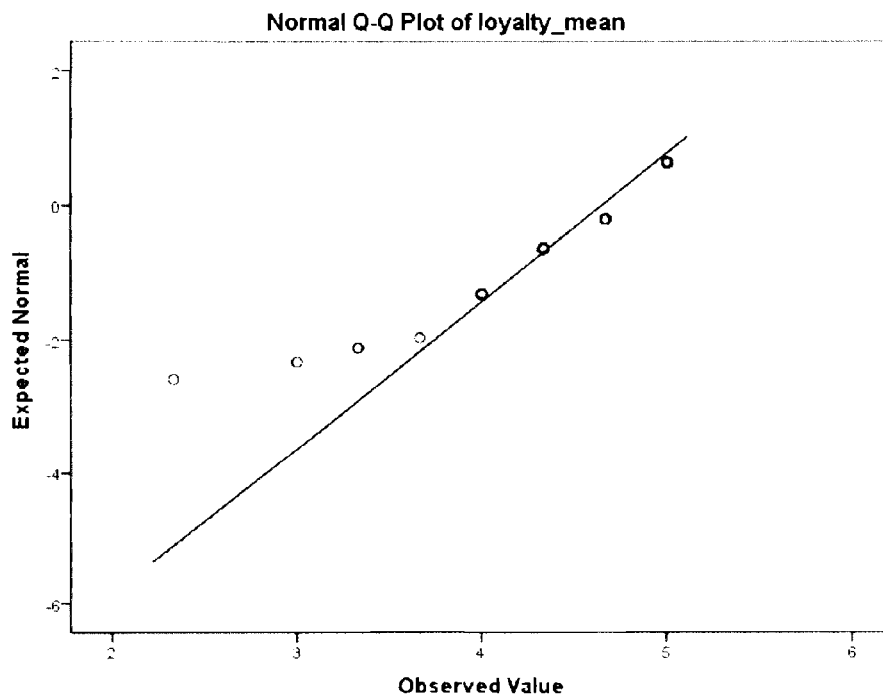
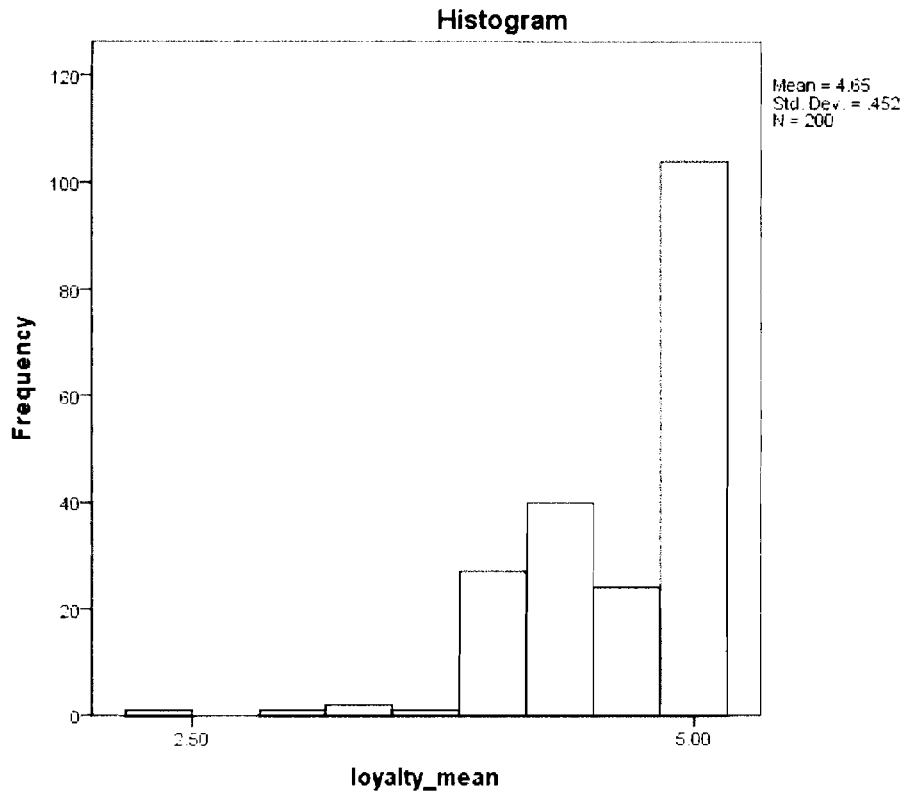
Appendix 3: SPSS Output on normality test, reliability test, descriptive statistics, correlation and multiple regression analysis

Normality test

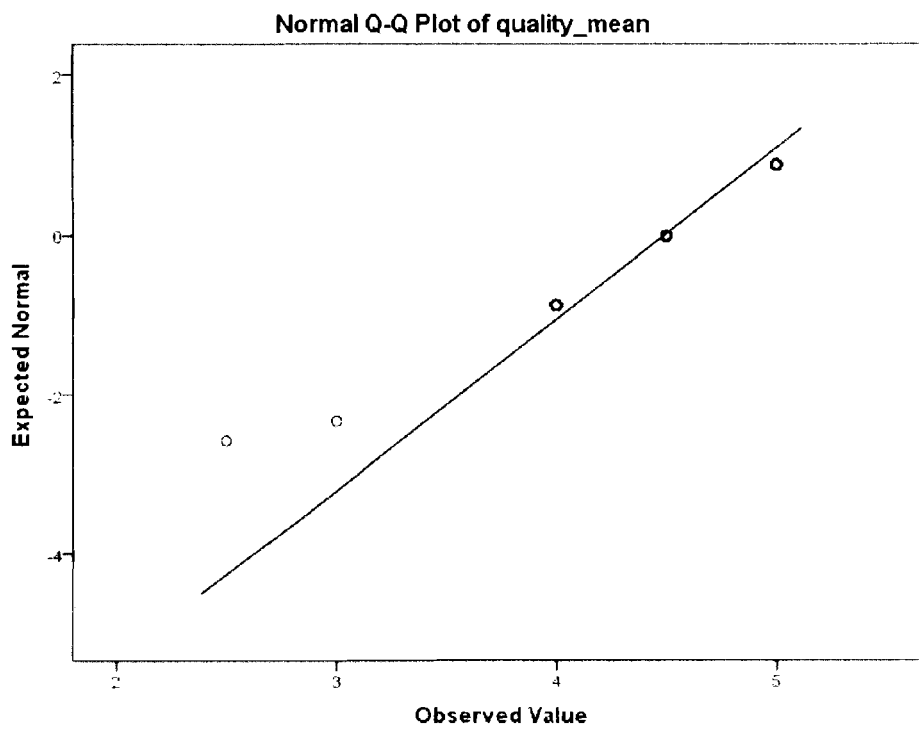
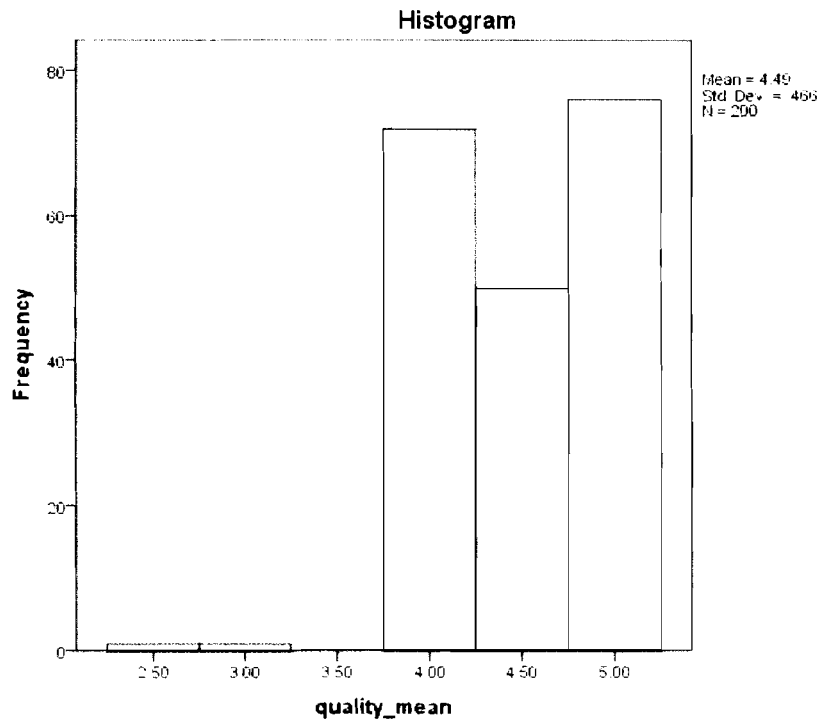
Descriptives			Statistic	Std. Error
loyalty	Mean		4.6450	.03197
	95% Confidence Interval for Mean	Lower Bound	4.5820	
		Upper Bound	4.7080	
	5% Trimmed Mean		4.6852	
	Median		5.0000	
	Variance		.204	
	Std. Deviation		.45215	
	Minimum		2.33	
	Maximum		5.00	
	Range		2.67	
	Interquartile Range		.67	
	Skewness		-1.431	.172
	Kurtosis		3.077	.342
	quality	Mean		4.4925
95% Confidence Interval for Mean		Lower Bound	4.4275	
		Upper Bound	4.5575	
5% Trimmed Mean			4.5056	
Median			4.5000	
Variance			.217	
Std. Deviation			.46613	
Minimum			2.50	
Maximum			5.00	
Range			2.50	
Interquartile Range			1.00	
Skewness			-.496	.172
Kurtosis			.245	.342
Value		Mean		4.5550
	95% Confidence Interval for Mean	Lower Bound	4.5048	
		Upper Bound	4.6052	
	5% Trimmed Mean		4.5733	
	Median		4.6000	
	Variance		.130	
	Std. Deviation		.36003	
	Minimum		3.00	

	Maximum		5.00	
	Range		2.00	
	Interquartile Range		.40	
	Skewness		-.891	.172
	Kurtosis		1.981	.342
Trust	Mean		4.3600	.04090
	95% Confidence Interval for Mean	Lower Bound	4.2793	
		Upper Bound	4.4407	
	5% Trimmed Mean		4.3889	
	Median		4.2500	
	Variance		.335	
	Std. Deviation		.57842	
	Minimum		2.00	
	Maximum		5.00	
	Range		3.00	
	Interquartile Range		1.00	
	Skewness		-.459	.172
	Kurtosis		.004	.342
convenience	Mean		4.6390	.02543
	95% Confidence Interval for Mean	Lower Bound	4.5889	
		Upper Bound	4.6891	
	5% Trimmed Mean		4.6689	
	Median		4.6000	
	Variance		.129	
	Std. Deviation		.35962	
	Minimum		2.40	
	Maximum		5.00	
	Range		2.60	
	Interquartile Range		.40	
	Skewness		-2.040	.172
	Kurtosis		8.351	.342

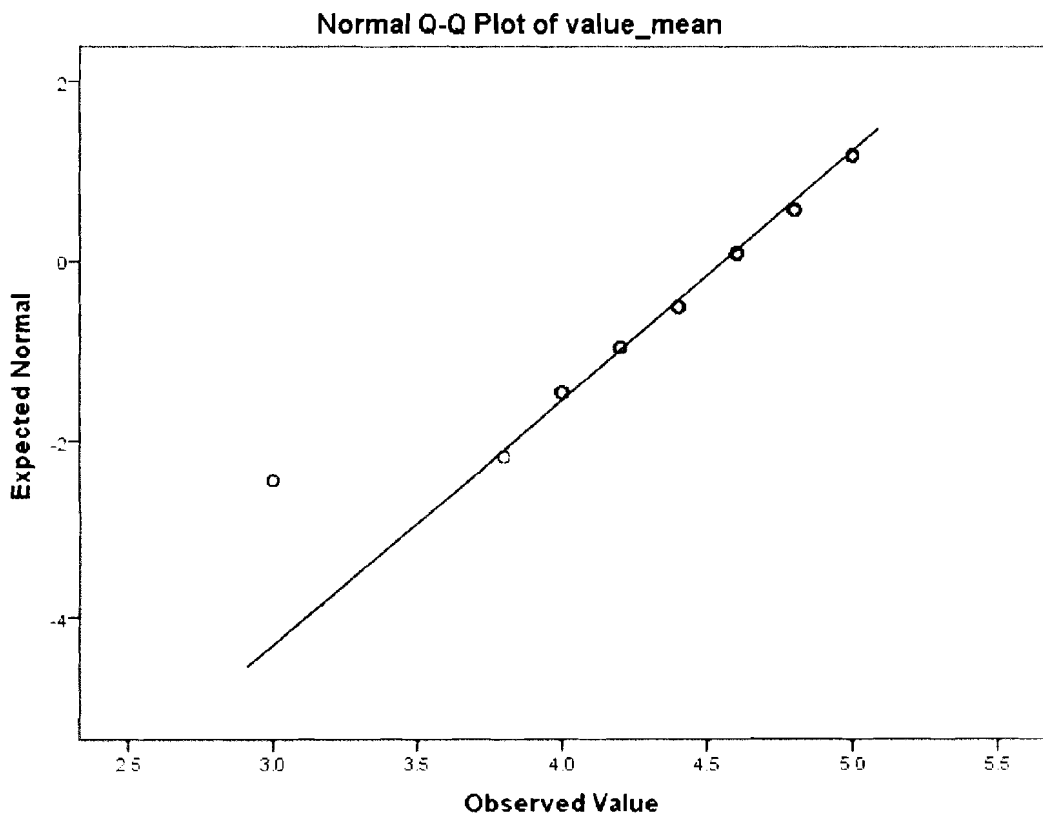
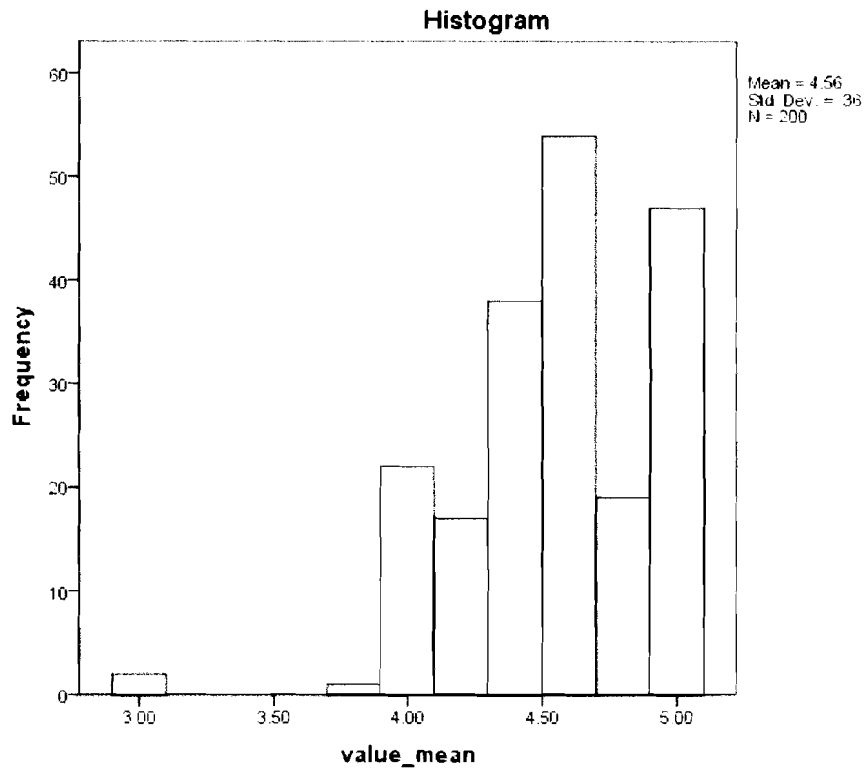
Loyalty



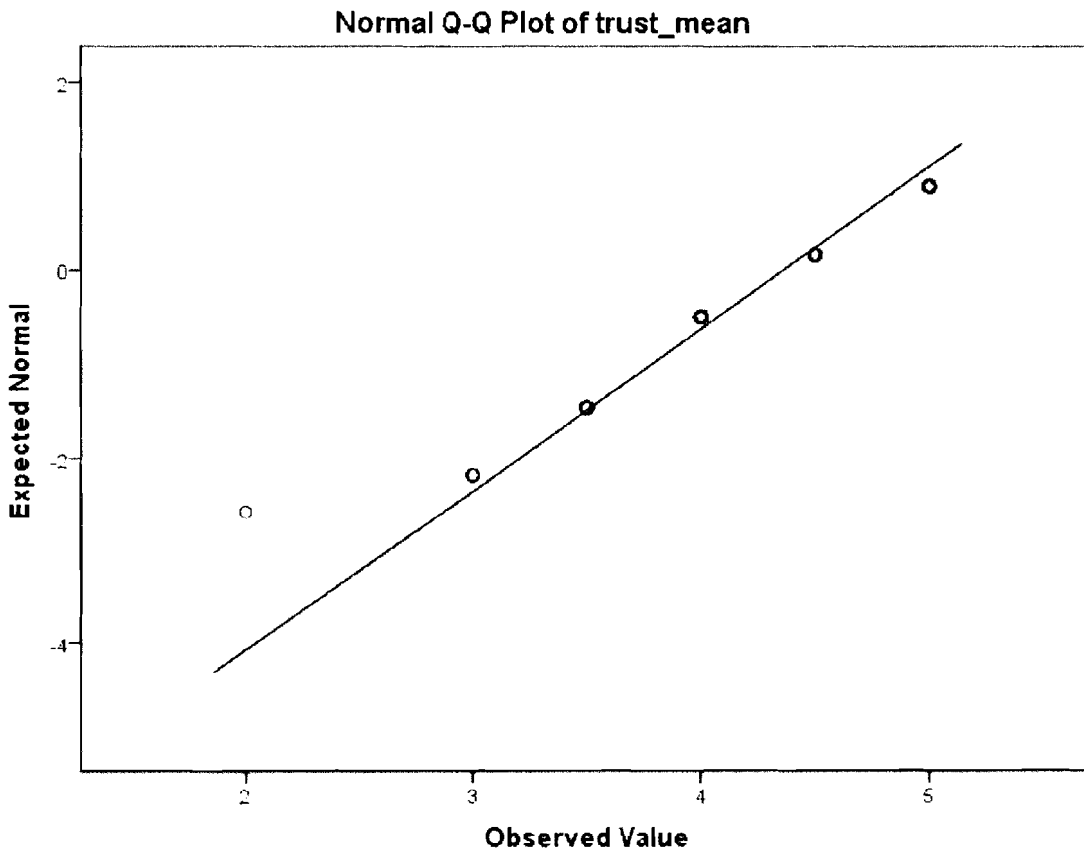
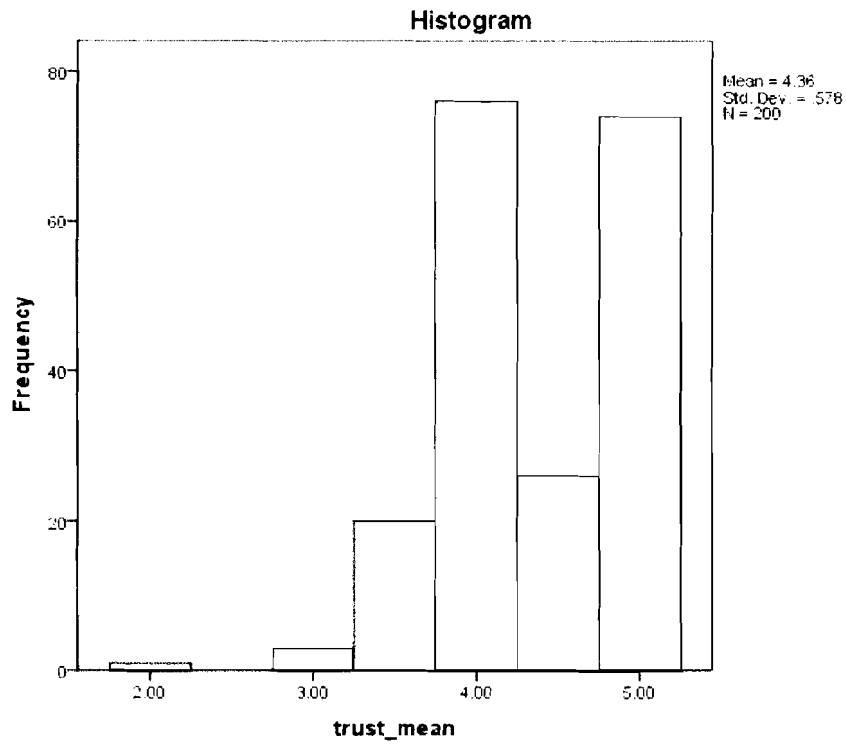
Quality



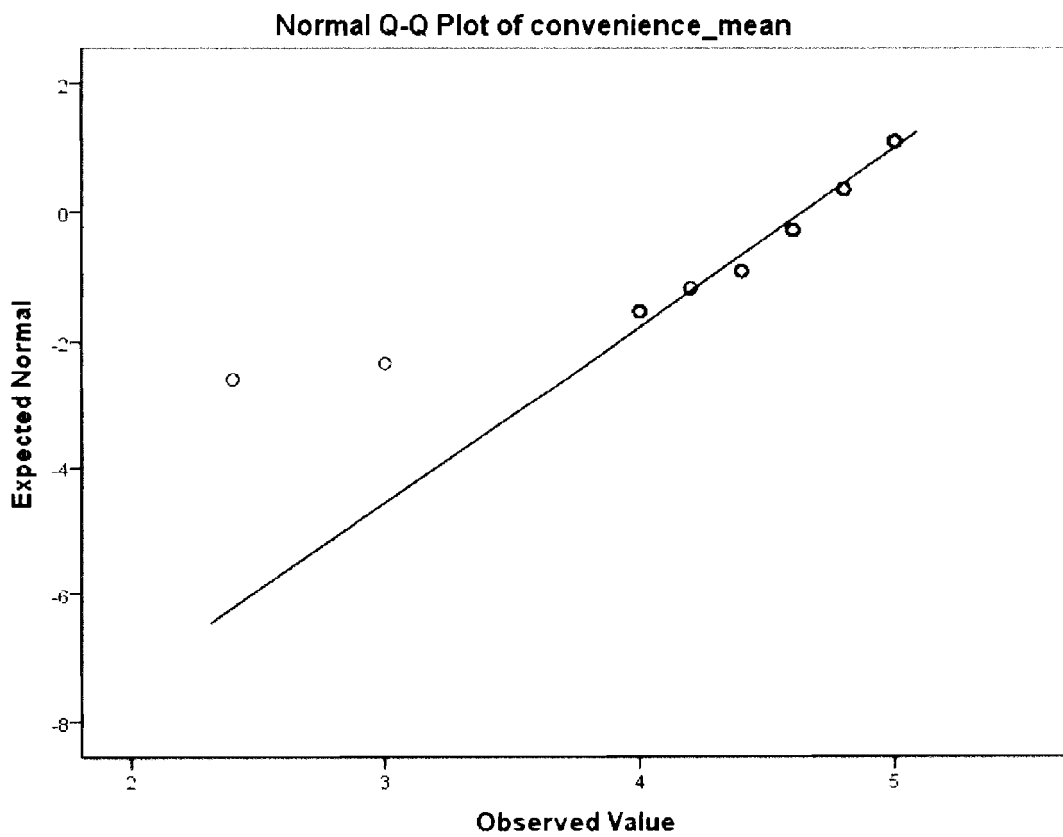
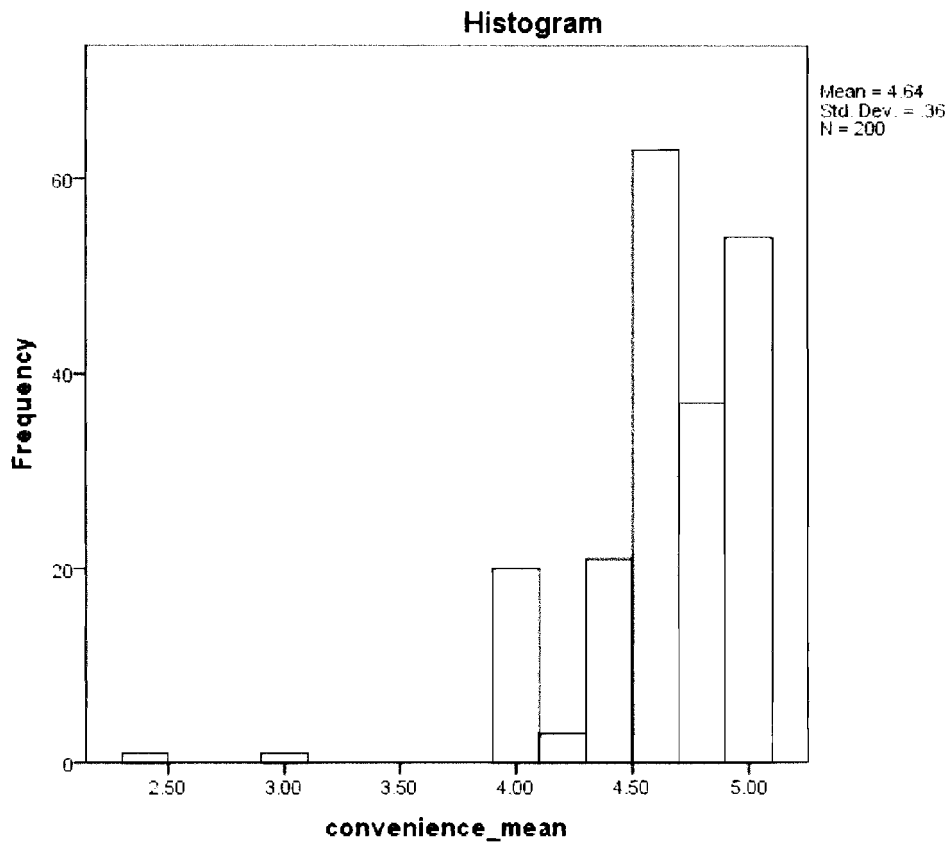
Perceived Value



Trust



Convenience



Reliability

Loyalty

Scale: ALL VARIABLES

Case Processing Summary

		N	%
Cases	Valid	200	100.0
	Excluded ^a	0	.0
	Total	200	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.749	5

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
My Preference for this online shopping website would not willingly change	18.56	2.178	.582	.678
It would be difficult to change my beliefs about this online shopping website	18.63	2.246	.553	.690
Even if close friends recommended another website, my preference for this website would not change	18.52	2.321	.547	.693
I will buy from this online shopping website the next time i purchase product/services	18.60	2.452	.440	.730
I intend to keep purchasing product/services from this online shopping website	18.55	2.410	.448	.728

Quality

Reliability

Scale: ALL VARIABLES

Case Processing Summary

		N	%
Cases	Valid	200	100.0
	Excluded ^a	0	.0
	Total	200	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.716	5

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
The online shopping website information is regularly update	18.17	2.283	.477	.667
The online shopping website provide full information on product features and services offered	18.22	2.296	.498	.659
When a customer has a complaint or grievence, it is dealt with rapidly and effective	18.20	2.201	.506	.655
The confidentiality of customer data is ensured	18.15	2.393	.400	.697
Customer has the option to modify or defer at anytime the transaction process without commitment	18.01	2.311	.488	.663

Value

Reliability

Scale: ALL VARIABLES

Case Processing Summary

		N	%
Cases	Valid	200	100.0
	Excluded ^a	0	.0
	Total	200	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.734	5

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Product/services is considered to be a good deal	18.33	2.143	.531	.674
Product/services charge are acceptable	18.30	2.121	.544	.669
The company provide more free services	18.19	2.315	.423	.715
The company offers attractive product/service costs	18.15	2.219	.493	.689
The company charges me fairly for similar product/services	18.13	2.261	.488	.691

Trust

Reliability

Scale: ALL VARIABLES

Case Processing Summary

		N	%
Cases	Valid	200	100.0
	Excluded ^a	0	.0
	Total	200	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.634	5

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Based on my experience in the past, i know it cares about customer	18.12	2.056	.419	.571
Based on my experience in the past, i know it is honest	17.92	2.285	.498	.528
Based on my experience in the past, i know it is not opportunistic	17.90	2.432	.373	.588
Based on my experience in the past, i know it is predictable	17.82	2.591	.345	.601
Based on my experience in the past, i know it known its market	17.76	2.626	.323	.610

Convenience

Reliability

Scale: ALL VARIABLES

Case Processing Summary

		N	%
Cases	Valid	200	100.0
	Excluded ^a	0	.0
	Total	200	100.0

a. Listwise deletion based on all variables in the procedure.

Reliability Statistics

Cronbach's Alpha	N of Items
.731	5

Item-Total Statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
I could shop anytime i wanted	18.59	2.193	.500	.682
I could order product/services wherever i am	18.60	2.172	.531	.670
The website provide sufficient information so that i can identify different product/services within the same categories	18.58	2.144	.509	.679
Payment method are flexible	18.53	2.220	.473	.693
Product/services delivery timely	18.49	2.311	.446	.702

Descriptive Statistic

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
loyalty_mean	200	2.33	5.00	4.6450	.45215
quality_mean	200	2.50	5.00	4.4925	.46613
value_mean	200	3.00	5.00	4.5550	.36003
trust_mean	200	2.00	5.00	4.3600	.57842
convenience_mean	200	2.40	5.00	4.6390	.35962
Valid N (listwise)	200				

Correlation

Correlations

		quality_mea n	value_mea n	trust_mea n	convenience _mean	loyalty_mea n
quality_mean	Pearson	1	.501**	.327**	.433**	.440**
	Correlation					
	Sig. (2-tailed)		.000	.000	.000	.000
	N	200	200	200	200	200
value_mean	Pearson	.501**	1	.445**	.563**	.597**
	Correlation					
	Sig. (2-tailed)	.000		.000	.000	.000
	N	200	200	200	200	200
trust_mean	Pearson	.327**	.445**	1	.379**	.286**
	Correlation					
	Sig. (2-tailed)	.000	.000		.000	.000
	N	200	200	200	200	200
convenience_me an	Pearson	.433**	.563**	.379**	1	.479**
	Correlation					
	Sig. (2-tailed)	.000	.000	.000		.000
	N	200	200	200	200	200
loyalty_mean	Pearson	.440**	.597**	.286**	.479**	1
	Correlation					
	Sig. (2-tailed)	.000	.000	.000	.000	
	N	200	200	200	200	200

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

Multiple regression analysis

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.635 ^a	.403	.391	.35279

a. Predictors: (Constant), convenience_mean, trust_mean, quality_mean, value_mean

ANOVA ^b						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	16.414	4	4.103	32.970	.000 ^a
	Residual	24.270	195	.124		
	Total	40.684	199			

a. Predictors: (Constant), convenience_mean, trust_mean, quality_mean, value_mean
b. Dependent Variable: loyalty_mean

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.550	.368		1.497	.136
	quality_mean	.151	.064	.156	2.367	.019
	value_mean	.538	.093	.428	5.808	.000
	trust_mean	-.018	.049	-.023	-.369	.712
	convenience_mean	.225	.087	.179	2.587	.010

a. Dependent Variable: loyalty_mean



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23 February 2014

TO WHOM IT MAY CONCERN

Dear Sir/Madam

DATA COLLECTION

COURSE : **Dissertation**
COURSE CODE : **BPMZ 69912**
LECTURER : **Dr. Norazuwa Bt. Mat**

This is to certify that the following is a postgraduate student from the OYA Graduate School of Business, Universiti Utara Malaysia. She is pursuing the above mentioned course which requires her to undertake an academic study and prepare an assignment. The details are as follows:

NO.	NAME	MATRIC NO.
1.	NOORASHIKIN BT HARUN @ CHE ANI	811068

In this regard, I hope that you could kindly provide assistance and cooperation for her to successfully complete the assignment given. All the information gathered will be strictly used for academic purposes only.

Your cooperation and assistance is very much appreciated.

Thank you.

"SCHOLARSHIP, VIRTUE, SERVICE"

Yours faithfully

ABDUL SHAKUR BIN ABDULLAH

Assistant Registrar

for Dean

Othman Yeop Abdullah Graduate School of Business

c.c - Student's File (811068)