

# Understanding the determinants of Brand Loyalty towards E-commerce Websites

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**Abstract**— The ultimate purpose of this research paper is to understand the brand loyalty of e-commerce website customers. This study examined the extent to which customers connect certain factors to prove their brand loyalty. In order to understand this further, an online survey was conducted with collecting data from 140 respondents through convenience sampling method. The entire sample size represents the effectiveness of brands in creating brand loyalty. The results of the analysis were that, trust and positive attitude are the most important variable which determines consumers brand loyalty.

**Keywords** — Brand Loyalty, Trust, Commitment, Purchases, Positive Attitude, Reliability.

## I. INTRODUCTION

In today's world it is very important to understand the factors which contribute towards the brand loyalty patterns. Brand Loyalty happens when a consumer gets committed to a specific brand for purchasing products. A company will not be able to build brand loyalty among its customers in an overnight. It will always be an ongoing process till the company exists in the market. It is beyond selling of products. Loyalty can be connected to emotion which a consumer develops with a particular brand. Nowadays, every company is striving hard to gain loyalty of its customers. This is mainly because few years back the amount of competition in all the sectors were less compared to the present era. The number of options available in the market for a similar product type are endless and therefore customers have 'n' number of options to switch from brand to brand. Companies therefore are finding, ways to create brand commitment among their customers. Evolution of marketing has different facets to it. Interesting concepts like branding, brand loyalty, commitment for the brand which have become very important nowadays, were there a few years back? The answer would be no, the way everyone looking at the concept of marketing might be different today but no one thought about the concept of branding. So, this concept of branding came from the studies from Copeland's work in 1923 [1]. Brand loyalty is a buyer's inclination to purchase a specific brand in a product classification. It happens at the point when customers see that the brand offers the desired product attributes, at the desired price. This perspicacity may convert into 'visit again' tendency which transforms further in to Loyalty. Brand Loyalty is along these lines identified with a customer's inclination and connection to a brand. It might happen due to a long history of utilizing a product and trust that has created as a result of the long use [2].

Brand Loyalty is not only for products but also it holds equal importance for services as well. Now a day's goods and services are not only sold in traditional brick and motor stores but also in online platforms. Such online platforms are known as e-commerce sites were buyers and sellers meet to exchange the products for money. As the trends in the traditional scenario are changing, it becomes important to study if brand loyalty exists among customers who use e-commerce sites. There are few variables which can be studied in order to understand the brand loyalty towards the e-commerce websites. These variables need not be same for every customer but by studying a large number of customers, it will be easier to determine the most influencing factor for building brand loyalty among the customers. This research is to study the brand loyalty patterns of customers who purchase online. Since there is a large number of online sites were customers can browse through their favourite products, it becomes very crucial to learn about the factors which influence the buying behavior and hence the brand loyalty factors. In order to understand this, primary data was collected and analysed.

### A. Research Questions

- What are the factors that influence brand loyalty towards e-commerce websites?
- Which factors have a greater degree of influence on brand loyalty?

### B. Research Objectives

- To explore the factors that determine brand loyalty among e-commerce website customers.
- To understand the degree of brand loyalty influence among e-commerce website customers.

## II. LITERATURE REVIEW

To understand the brand loyalty patterns that exist with the e-commerce customers, first and foremost we need to understand what exactly brand loyalty means. Is it possible for e-commerce website to incorporate brand loyalty for their customers? The answer for this question could be learnt from this study but before that author would like to see the different concepts that run hand in hand with the brand loyalty.

### A) *Brand loyalty*

The idea of brand loyalty has been perceived as a vital construct in the marketing field from past few decades [3]. The marketing field previously looked into brand loyalty on a scholarly dimension through Copeland's work in 1923[4] and came to a conclusion that the concept of brand loyalty is all about the behavioral aspect of the consumers. Many companies in the world started changing their marketing strategies in different dimension I.E. they started focusing more on emotional dimension as they started giving much preference to concepts like relationship with customer and creating value to the customers [5]. Not only this there are several other components which derives brand loyalty, because of this reason till date many authors and researchers are not able to come for a conclusion that which components will measure the brand loyalty accurately [6].

### B) *Brand Commitment*

Few researchers believe that the “commitment” factor that exists in customer towards a brand is a very important factor to brand loyalty; besides commitment several other factors like “values, desired quality, trust” also considerable factors for brand loyalty [7]. Few others argued that it is the “Brand experience” which consumers get when he/she is associated with a particular brand makes him loyal to towards the brand [8]. Nevertheless, there exists a lot of confusion; both marketers as well as researches feel it difficult to take in consideration to know the brand loyalty that a customer shows towards a particular brand. Another important aspect we need to consider in determining the brand loyalty is concept of customer satisfaction. Customer satisfaction is achieved by meeting the perceive differences which every customer tend to have towards any product. This perceived difference among different product varieties can be achieved by branding and because of this there will be many order winning attributes like better cash flows, long term earnings, higher market share [9]. Another important factor we need to consider is the brand performance; it actually speaks about the virtual measurement of a brand’s attainment in the market place.

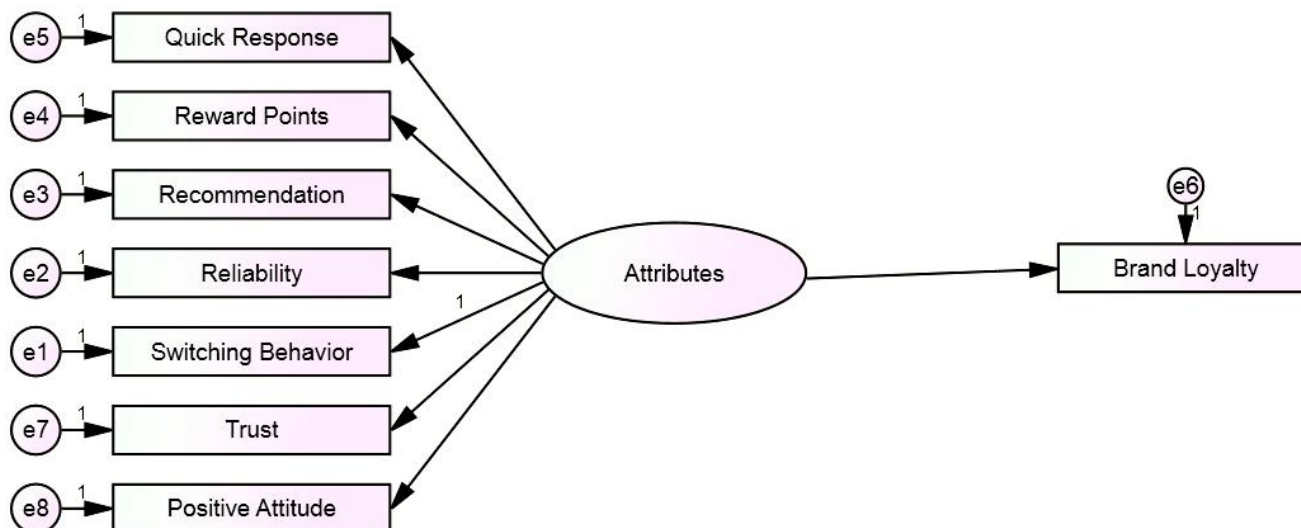
### C) *Market Share*

Author believed that, “market share” is the resultant of brands inclusive performance, as Brand accomplishment is materialized with prominent market share [10]. We come across few customers who prefer a brand irrespective of the product. For example, who like “Apple” brand, tend to be devoted to that brand irrespective of superior products available in the markets this exhibits the brand loyalty towards the Apple brand. Here what we need to understand is, though there are products available in the market the consumers tend to be devoted to only those brands which reflects their personality [11]. So after knowing roughly what brand loyalty is and how it works, now the question arises about the factors in that affect the brand loyalty in depth, [12] came up with five main components like “price, product, quality, service quality, innovation and image” [13]. Different researches come up with different variables but by in large all variables equally contribute to the brand loyalty [14]. Researcher’s approach in this article is that all these components acts as variables for even service industry also. Since the e-commerce business come under service industry, all these variables hold good in determining the brand loyalty patterns in the e-commerce sector.

## III. RESEARCH METHODS

The brand loyalty patterns of e-commerce website customers can be studied by conducting a survey among online shoppers. Nowadays there is a mushrooming growth of several online e-commerce websites where customers can purchase various products but one major challenge which customers face is trust. The author used primary mode of data to collect relevant information from the sample group. The sample group for the study included students, working professionals and households who have used online platform for their purchases. As the nature of this research is to understand the loyalty behaviors, the author used qualitative research method to study the consumer perceptions. The questionnaire was structured into three major parts which includes demography, consumer buying behavior and Brand loyalty. The sample size used in this study was 140 respondents from Pune, Maharashtra within which most of them were from Christ Institute of management this segment included both students and faculties members in the campus. The author used simple random sampling as respondents who have an experience with online purchase can only be selected as sample group.

Fig: I Conceptual Model



In the above diagram Brand loyalty (e6) is taken as the dependent variable, this is because brand loyalty depends on other factors and it cannot be determined in the absence of other independent variables. The independent variables in this study are quick response (e5), reward points (e4), recommendation (e3), reliability (e2), switching behaviour (e1), trust (e7) and positive attitude (e8). The degree of influence of each of these factors will be determined by means of data analysis. In order to understand further, the obtained data was analysed in IBM AMOS.

IV. DATA ANALYSIS

TABLE I  
DEMOGRAPHIC INFORMATION OF RESPONDENTS

Sl. No	Classification	Categories	Frequencies	Percent
1	Gender	Male	74	52.9
		Female	66	47.1
		<b>Total</b>	<b>140</b>	<b>100</b>
2	Age	Less than 20	6	4.3
		20-25	91	65
		25-35	27	19.3
		Above 35	16	11.4
		<b>Total</b>	<b>140</b>	<b>100</b>
3	Occupation	Working Professional	46	32.9
		Student	78	55.7
		Self Employed	11	7.9
		Others	5	3.6
		<b>Total</b>	<b>140</b>	<b>100</b>
4	Frequency	Weekly	10	7.1
		Monthly	58	41.4
		Very Less Often	72	51.4
		<b>Total</b>	<b>140</b>	<b>100</b>
5	Reason	Convenience and Easy Shopping	50	35.7
		Attractive Discounts	42	30
		More varieties of products	25	17.9
		Pricing Factors	23	16.4
		<b>Total</b>	<b>140</b>	<b>100</b>

The above table represents that among the 140 respondents 52.9% are male and 47.1% are female. The number of male respondents is more in number than female respondents.

The respondents who are in the age group 20-25 are more with 65% who use online purchase more. 19.3% of the respondents are in the age group 25-35 who prefer online purchase from various e-commerce sites. 11.4% of the respondents are in the age group which are above 35 and respondents less than 20 only constitute 4.3% of the total respondents. The respondents who are students mostly prefer online purchase where it contributes 55.7% of the total. 32.9% are the working professionals and 7.9% for the self-employed and only 3.6% for the respondents who fall in another category.

The frequency of the purchase from e-commerce platform who prefer online buying very less often were 51.4% which takes more than half of the total respondents. The respondents who prefer monthly purchase were 41.4% and weekly purchase is very less with only 7.1%.

The reason for the purchase from e-commerce site are many where 35.7% of the respondents prefer online buying because of the convenience and easy shopping. 30% respondents prefer to purchase through e-commerce site because of the attractive discounts which they provide to the customers. The respondents who prefer online buying shopping other than above reasons were because of more varieties of products they offer were about 17.9% and because of pricing factors were 16.4% of the total respondents.

TABLE II  
RELIABILITY STATISTICS

No. of Items	Cronbach's Alpha
4	.771

The Cronbach's Alpha is 0.771 which is above the minimum limit which is 0.7, so the set of items when compared with Brand Loyalty are acceptable and it has a high level of internal consistency. The items include advertisement, price, discount and review. The independent variables are positive attitude, reward points, switching behavior, quick response, recommendation, reliability and trust. The dependent variable is the brand loyalty.

TABLE III  
MODEL SUMMARY

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.767 <sup>a</sup>	.589	.567	.44190

The R value for the set of data is 76.7, R square is 58.9 and Adjusted R square value is 56.7 and it shows that 58.9% of the loyalty can be measured by these variables.

TABLE IV  
ANOVA

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	36.936	7	5.277	27.021	.000 <sup>b</sup>
	Residual	25.776	132	.195		
	Total	62.712	139			

In the above table the significance is less than 0.5 and it means that the model is right. The dependent and independent variables are compared to check the significance.

TABLE V  
COEFFICIENTS

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1		.368	.138		2.655	.009
	Quick Response	.099	.051	.129	1.930	.056
	Reward Points	.021	.046	.030	.446	.656
	Recommendation	.065	.053	.086	1.224	.223
	Reliable	.146	.077	.165	1.899	.060
	Switching Behavior	-.070	.051	-.104	-1.362	.175
	Trust	.314	.072	.401	4.347	.000
Positive Attitude	.202	.069	.232	2.950	.004	

From the above table it is understood that quick response, reward points, recommendation, reliability and switching behavior are rejected as the value is above 0.05. Trust and positive attitude is accepted as the values are 0.00 and 0.004. Only when trust and positive attitude are there then only loyalty towards the brand can be achieved.

TABLE VI  
DESCRIPTIVE STATISTICS

	N	Mean	Std. Deviation
Quick Response	140	2.06	.880
Reward Points	140	2.40	.988
Recommendation	140	2.02	.885
Reliable	140	2.20	.761
Switching Behavior	140	2.31	1.004
Trust	140	2.20	.858
Positive Attitude	140	2.10	.771
Valid N (list wise)	140		

The above table shows the mean and standard deviation where the least standard deviation is better. Reliability and positive attitude are better which have values like 0.761 and 0.771. The highest value is for switching behavior which is not better.

### VI. CONCLUSION

This study was to understand the brand loyalty of customers towards e-commerce sites, this objective was satisfied after conducting this research. This also gave a clear insight on which factor has more weightage towards brand loyalty. In order to analyse this, factors such as quick response, reward points, recommendation, reliable, switching behaviour, trust and positive attitude were taken into consideration. From this it was found that two most important factors which develop brand loyalty in the minds of customer were trust and positive attitude. When a company launch their product and sell it in the market, they have to focus on building trust in the minds of targeted potential customers. This means that when an organisation creates marketing strategy for their products, they must ensure that it is developed keeping these factors in mind.

From the analysis it was found that brand loyalty is a dependent variable, which means that it relays on other independent variables. It strongly depends on the satisfaction which a customer derives from independent variables. Trust factor strongly determines brand loyalty. This means that customers who do online shopping only purchases goods when they trust their e-commerce website. This trust can be explained in many aspects such as customer query resolutions, security of online payments, on time delivery and quality of products sold. When these aspects are met, a customer tends to build trust and positive attitude towards the brand. As this survey was conducted among that segment which are frequent online buyers, it can be concluded that every online purchase is a result of trust which they develop over their experience with the brand.

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