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Repurchase intention in B2C e-commerce—A relationship quality perspective ☆

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ABSTRACT

Information systems professionals must pay attention to online customer retention. Drawing on the relationship marketing literature, we formulated and tested a model to explain B2C user repurchase intention from the perspective of relationship quality. The model was empirically tested through a survey conducted in Northern Ireland. Results showed that online relationship quality and perceived website usability positively impacted customer repurchase intention. Moreover, online relationship quality was positively influenced by perceived vendor expertise in order fulfillment, perceived vendor reputation, and perceived website usability, whereas distrust in vendor behavior negatively influenced online relationship quality. Implications of these findings are discussed.

1. Introduction

In general, online buying behavior can be understood in two stages: the first stage is primarily concerned with encouraging people to purchase online and the second is to encourage them to repurchase, which is critical if the e-commerce vendor is to succeed. It costs more time and effort to acquire new customers than to retain existing ones. Indeed, customer retention is often seen as a means to gaining competitive advantage [24]. However, only about 1% of online visitors return to carry out repeated purchases [10]. It is therefore important to delve into the drivers of online customer repurchase behavior [20].

Repurchase intention is a manifestation of customer loyalty. Although the literature identifies other dimensions of customer loyalty [12], repurchase behavior has a more direct effect on the vendor's profit. Careful scrutiny of the literature indicates that it is only relatively recently that studies have considered online customer repurchase behavior [14]. Indeed, few studies have examined repurchase intention through a relationship quality lens though relationship quality is regarded as an important factor in the relationship marketing literature. We therefore decided to examine antecedents of relationship quality and understand how it relates to customer repurchase behavior in an online context.

Much of the relationship marketing literature looks at ways of sustaining buyer–seller relationships in traditional business situations. It focuses on buyer satisfaction and trust in the vendor by considering these two factors as key dimensions of relationship quality. It asserts that both are indispensable in maintaining a good buyer-seller relationship. Satisfaction reflects a state resulting from the buyer's evaluation of the vendor's past performance, while trust reflects the buyer's confidence in the vendor's future performance. Thus a buyer-seller relationship is of high quality only if both the vendor's past and future performance are perceived to be favorable. It is posited that the relationship quality construct may play a significant role in retaining buyers and increasing buyer loyalty in business context [19].

We focused on the relationship quality in online customer's repurchase intention in the B2C context (the online relationship quality) and examined several key antecedents of online relationship quality: vendor characteristics (perceived website usability, perceived expertise in order fulfillment and perceived reputation) and vendor behavior factor (distrust in vendor behavior). We therefore posed two questions: (1) to what extent

does online relationship quality influence customers' online repurchase intention; and (2) what factors influence online relationship quality?

2. Conceptual background

Recently, we have seen an explosive growth of relationship marketing research in the traditional business context [11]. The area has considered all activities that establish, develop, and maintain relational exchange in order to generate long-term customer relationships. Sanchez-Franco et al. [22] investigated relationship quality between customers and service providers and found that it positively influenced loyalty towards the service provider. Lages et al. [16] developed a scale (RELQUAL) to measure relationship quality in the export market. Similarly, Rauyruen and Miller [21] studied relationship quality in the B2B context and found that it positively influenced business customer loyalty. Most prior studies were performed in the traditional marketing context. We focused on the impact of online relationship quality on repurchase intention in a B2C e-commerce context.

Although earlier research in relationship marketing investigated and tested relationship quality in various contexts, the definitions and conceptualization remained subtly different. Johnson et al.'s conceptualization of relationship quality focused on trust, commitment, and relationship stability [13], but it has been considered to also include satisfaction, commitment, and service quality. However, despite inconsistencies, most of the literature agrees that satisfaction and trust are the key sub-constructs of relationship quality. Prior work has argued that a good relationship is developed only when buyers feel satisfied and have trust in their relationship with the vendor. Extending this definition, we view online relationship quality as a second-order construct composed of a customer's trust on and satisfaction with an online vendor.

Two categories of factors are usually considered to be antecedents of relationship quality: salesperson characteristics (qualities such as domain expertise) and behavior. However, in the B2C e-commerce context, it is the website, that represents the vendor, not a salesperson. To build an online relationship quality in B2C e-commerce, a well-designed, highly usable website becomes the equivalent of a competent salesperson. Hence, we included website usability as a major factor influencing online relationship quality.

In the online context, fulfilling an order is completed by the online vendor either through the website (if the product is digital) or by offline means. Vendor expertise in fulfilling the order is critical in both instances. We therefore included this expertise as part of our model.

In the traditional business context, salespeople promote relationship quality by demonstrating certain behaviors including relational selling behavior, service recovery, relationship investment, social support, communication and relationship management. We focused on customer's distrust in vendor behavior (e.g., promising to do something but not doing it); this can severely damage a vendor's relationship quality with its customers. Distrust is, of course, an important and distinct factor that can influences online customer's behavior [6]. Most prior research has focused only on positive factors, such as trust, familiarity, service level, perceived usefulness, and perceived ease of use. By including this important yet ignored negative factor, we hoped to help develop a more comprehensive understanding of the effect of online relationship quality and how to avoid destroying it.
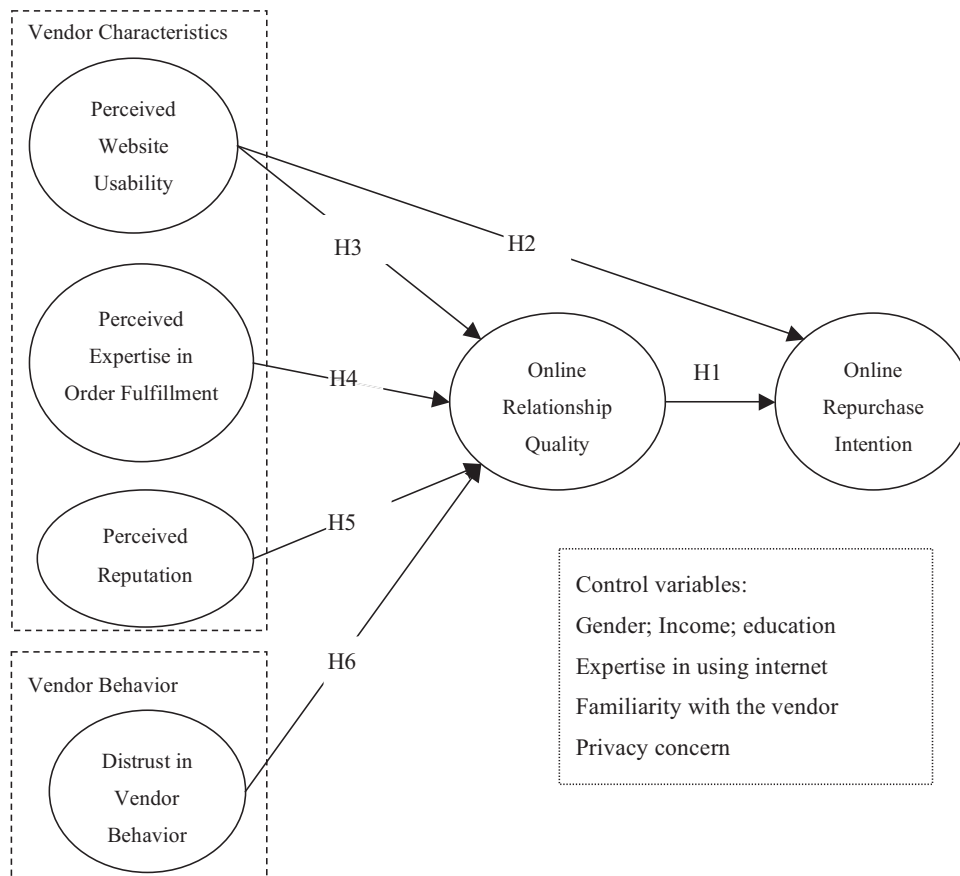

Fig. 1. Research model.