

# The fundamental reasons of e-consumers' loyalty to an online store

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## Abstract

Previous studies of online stores have concentrated on identifying various attribute and benefit dimensions important to customers and neglected delving into underlying motives of customers engaging in shopping online. The current study identified personal values as underlying motivations, which have received less attention but carry important meanings in explaining customers' loyal behavior. From the perspective of means-end chain theory, a hierarchical cognitive structural model consisting of personal values, attribute evaluations, and loyal behavior has been proposed. 353 questionnaire data were collected from the experienced online shoppers in South Korea and put into structural equation model to investigate the hierarchical effects of personal values, evaluations of online store attributes, and loyalty. The results show that three customers' values such as matured society, happiness, and esteem life are the underlying beliefs motivating and/or deterring customers to shop online. But their impacts were diverse. Even though esteem life value had a positive effect on attribute evaluations, values for matured life and happiness had negative influences on loyalty. In addition, the results also demonstrated that customers' favorable evaluation of product assortment eventually guides customers to be loyal to an online store.

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**Keywords:** Consumer behavior; Online shopping; Personal values; Means-end chain theory; Store loyalty

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## 1. Introduction

Consumer-based research orientation such as delving into relevant consumers' underlying beliefs and subsequent loyal behaviors will enhance the efficiency of identifying and developing system requirements and new business models of online shopping stores. This orientation has been neglected in the previous studies of e-customers' online shopping. Early researchers have noticed the great potential contribution of electronic commerce in business performance and attempted to identify factors related to the success of online shopping stores. These studies focused only on identifying important online store attributes and their psychometric properties [39,40,65,45,56]. The identified factors include system quality, information quality, on-time delivery, sale services, and external factors such as individual and organizational characteristics [8,56]. And recent research has focused on delving into the various

motives of individual's engaging in shopping online and these higher level constructs include emotions and shopping benefits related to purchasing goods and services online or offline [24,49,55,9,43,60]. These studies added to our understanding on what online store attributes and benefits consumers consider important in choosing an online store and how managers can build and maintain associations of online stores in establishing attribute- or benefit-based positioning strategy.

However, earlier investigations could not explicitly explain the fundamental reasons why these online store associations, i.e., online store attributes, are considered to be important, and subsequently used by customers in choosing online stores. Several studies in the context of off-line retailing have attempted to partially apply personal values as underlying motives which explain the reasons behind customers' purchase behavior [61,18,6,35]. The current study attempts to give deeper insights into the fundamental reasons behind the customers' online shopping behaviors. Accordingly, the current study approaches from the perspective of means-end chain theory, and attempts to

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introduce personal values as underlying motivations of an individual to evaluate online store features, which in turn foster customers' loyalty to an online store.

The current study approaches from the perspective of e-consumers and intends: (1) to introduce personal values as underlying beliefs to explain why customers positively or negatively evaluate certain online store attributes over others, and (2) in turn which online store attributes are important and relevant in explaining customers' online store loyalty. The following sections provide the literature review on a means-end chain theory as a research framework and on concepts including personal values, online store attributes, loyalty, and their hypothesized relationships among themselves. The empirical tests of hypotheses and discussion of the results will follow. And the current study will conclude by addressing theoretical and managerial implications.

## 2. The conceptual model

A theoretical model presented in Fig. 2 is proposed based on a framework of means-end chain theory, into which piecemeal studies on the relationships between personal values, online store attributes, and behavioral measures have been integrated [35,57,18]. The means-end chain theory assumes that beliefs, a link, or an association between two cognitions, form belief systems in human memory, and that such systems are hierarchical [20,21, p. 210]. A means-end chain is a chain of beliefs, where cognitions with an increasing degree of abstraction are linked to each other. These chains are used to describe consumers' perceptions of objects and behaviors. The generic means-end chain consists of personal values, consequences, and

attributes. The higher level of a means-end hierarchy contains abstract self knowledge about the consumer's life goals and values, and the lower level carries relatively concrete knowledge about product/service attributes and their functional, psychological, and social consequences. Personal values are enduring motivations and desired end-states of existence. Terminal values proposed by Rokeach are related to preferred end states such as socialization, happiness, and security [54]. Consequences are benefits that a consumer can gain by consuming a product with certain attributes. Attributes are features or aspects of products or services. They can be physical, such as color, or abstract such as quality.

An illustrative example is given as in Fig. 1, along with the core components of means-end chain hierarchy. A consumer in this example may choose a bottle of beer, i.e., Miller Lights, which carries characteristics such as less alcohol and filling (attributes) because this beer gives him/her benefits of avoiding getting drunk and having more time to socialize (consequences). These benefits are considered to be important to this consumer because he/she considers sense of belonging as one of life goals (personal values). In this example, less alcoholic contents (attributes) and subsequent benefits of socialization are means, and personal value for sense of belonging is the end that this consumer pursues in life. The means-end chain theory explains that personal values of this consumer guide his/her evaluations of relevant attributes and their benefits of a product or service, and then these evaluations initiate goal-directed purchase behavior. However, benefit dimensions are not included in the present study because they represent higher level concepts such as ease of use and usefulness in the context of online shopping. The current study

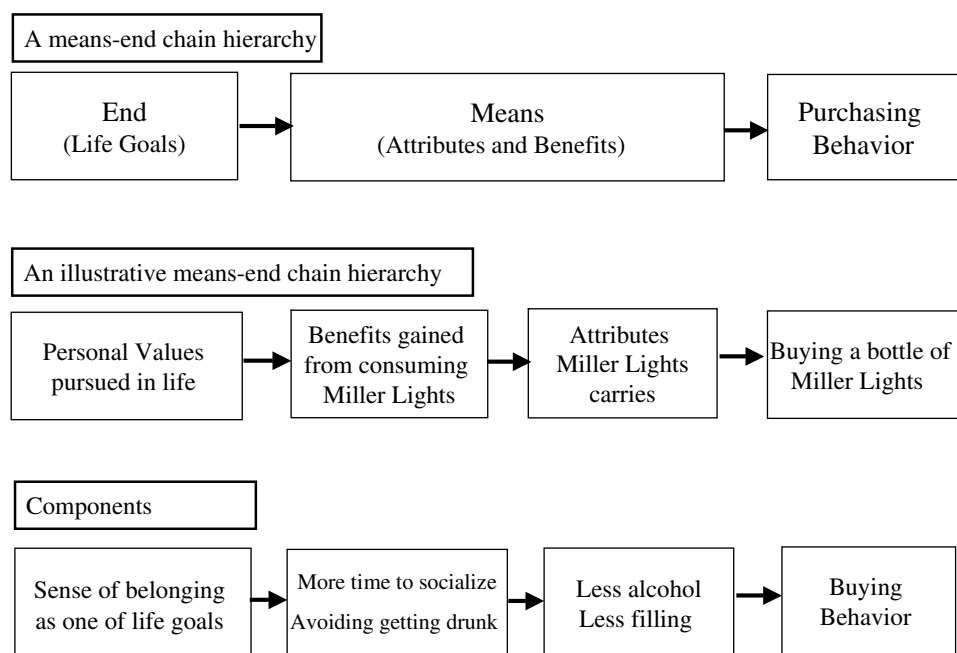


Fig. 1. An illustration of means-end chain model.

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