

Derivation of a Customer Loyalty Factors Based on Customers' Changing Habits in E-Commerce Platform

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2 Derivation of a Customer Loyalty Factors Based on Customers' Changing Habits in E-Commerce Platform

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Abstract. The electronic commerce (E-commerce) is a field that involved online enterprises which able to accurately predict the future needs from customers and had influenced on important economic included the social implications. The e-commerce also needed to deal with customer loyalty while dealing with customers' changing consumption habits in brought out for adapting to the new situation while needed to modify their online business activities which because of the changing shopping attitudes. Thus, the online shopping must provide trending and satisfied experienced in order to keep the customers be loyal with e-commerce services. Based on this situation, the customer loyalty is compulsory to be maintaining regarding the fast changing technological evolutions trends which become the reason of customer changing habits. As mostly found based on literature review searching techniques, literature sources still lack in this area where the specific focus are more on data privacy and less focus on the perceived usefulness based on customers changing habits in enhancing the customers loyalty. Then, the guidelines which can deal with customers' changing habits in maintaining the customer loyalty of the e-commerce business are needed. This paper is aims to develop a model which contains the factors for dealing the customers' changing habits on e-commerce while parallel with the electronic loyalty (e-loyalty) in maintaining the customers' loyalty attitudes. Those factors were been figured out by the analysis of literature review method and later be significantly implemented for the enhancement of knowledge regarding a new contribution on customer loyalty field for e-commerce platforms.

Keywords: Customer loyalty · Customer changing habits · E-commerce

1 Introduction

E-commerce is a field which involved online enterprises which able to accurately predict the future needs of the customers and can fulfill the personalized customers' services [1]. E-commerce also brought huge benefits in term of reducing the cost of logistics delivery, improve the efficiency of logistics delivery, and meet the diversified with high

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quality delivery needs of customers based on e-commerce system. Not limited on that section, e-commerce also had influenced on important economic and social implications [2]. This context refers to customers in changing their consumption habits and brought out to businesses in adapting to the new situation while needed to modify their business strategies and marketing. It is important to business in following the customers changing habits in order to achieve customer loyalty.

Customer loyalty is the effects which come from a good relationship value between customers and business [3]. Furthermore, high customers repurchase intention in e-commerce business come from higher customer loyalty and that is why the customer loyalty becomes an important aims in customer marketing community as significantly related with the company's long-tem viability [3, 4]. The revolution of modern and high technology achievement already brought customer loyalty to a new level of domain which much more familiar as e-loyalty. E-loyalty is electronic loyalty and become a useful measurement for e-commerce success because of loyal customers tends to repurchase through e-commerce system [5]. Moreover, e-loyalty influenced customer intention in displaying the repeated purchase behaviour which be driven from a positive attitude towards the business element [6].

Traditionally, retail business and shopping experience are widely important all around the globe. At that time, customers prefer to visit business premise in experiencing the shopping feels. Nowadays, the evolution of shopping experience through internet technology is shifting to an online environment, and entrepreneurs in both the e-commerce and brick-and-mortar spaces did affecting consumer expectations and loyalty in order to effectively target all customers towards the business. Recently, customers prefer to stay at home while doing shopping and also love to have unlimited shopping experiences anywhere even during office time. As online business able to gain more share when able to provide what customers demand to, e-commerce should be aware of the trends in consumers' online purchasing habits in order to gain the loyalty values from customers. Loyalty values only able to be achieved when the e-commerce site successfully provided the elements of satisfaction and trust among customers [5, 7, 8].

This paper consists of six (6) sections. Section 1 for Introduction of the study, Sect. 2 for Background of the Problem, Sect. 3 for the Literature Review, Sect. 4 for the Methodology, Sect. 5 for Model Development, and the last part is the Sect. 6 for Conclusion regarding the study issues which been describes on this paper.

2 Background of the Problem

E-Commerce is a field that attracts many researchers to explore and provide solutions in enhancing the way e-commerce is executed or for the better customer experience. Many researchers mostly focus on customer life cycle elements in the context of e-commerce [3]. The evolution of current technology has changed the customer life cycle model and it is needed to be revised. This is parallel with the participation in e-commerce which experienced a remarkable advance, going from 13 to 35 percent of the online population between 2007 and 2016 [2]. The evolution of e-commerce brought the dependable situation towards customers' habits. The customers' changing habits is refers to attitudes and behaviour of customers and also influenced by online service [9]. From here, proven

that the online services from e-commerce activities is needed to achieve the customer level of loyalty in order for them to keep using online services or change their habits in never use directly to start and keep using e-commerce services such as customers started to view e-commerce site through mobile. The customers' habit also related with the frequent level regarding the customers shopping online activities [10]. Then, the online shopping must provide trending and satisfied experienced in order to keep the customers be loyal with e-commerce services.

The second issues which exists in e-commerce research domain is customer lifestyles, demands, and trends brought the changing taste among customers especially related with their culture [11]. The evolution of e-commerce has revolutionized the manner in which business could conduct services or systems with customers by eliminating barriers such as out-dated online shopping style. Such example, nowadays customers prefer to do e-commerce shopping anytime and anywhere. This situation brought e-commerce to start move their entire platform to responsive website which suitable with mobile view and also through mobile e-commerce applications.

The next issues which highlighted the existing problem regarding this study is the customer loyalty literature still not updated on explaining the electronic loyalty (e-loyalty) regarding the fast changing technological evolutions trends which brought the customer changing habits. As mostly found based on literature review searching techniques, literature in this area more focus on privacy on data and less focus on the perceived usefulness based on customers changing habits in enhancing customers loyalty [5, 7, 12]. These three problems which exist in the background of study brought out a suggestion in doing research regarding developing a model for e-loyalty towards e-commerce domain based on customers changing habits.

In order to develop the model, the main research question been asked which is "How to produce the e-loyalty model in e-commerce based on customer changing habits?" This research question need to be answer in order to achieve the objective of this study which is to develop a model for e-commerce on e-loyalty based on customer changing habits. The next section is briefly going through the literature review process in figure out the context of e-commerce, e-loyalty, and customer changing habits in maintaining the customer loyalty.

3 Literature Review

The electronic commerce or most familiar with the modern word e-commerce is involved with the ability of e-commerce enterprises in accurately predict the future needs of customers and can fulfill personalized services to customers [1]. This special customer services will bring the sense of loyalty among customers. In addition, the cross-border on e-commerce influenced did developed very rapidly [13]. This situation brought a meaning of e-commerce is an important field to be study especially in providing excellent service to customer. This study focus on how e-loyalty performs towards current e-commerce trends based on customer changing habits. This chapter is cover up literature review techniques which consists of the specific related main topics such as e-commerce, business-to-consumer (B2C), Customer satisfaction in customer loyalty, loyalty in e-commerce (e-loyalty), and customers changing habits.

The Fig. 1 is representing the literature review searching method in figuring the existing problems regarding this study domain.

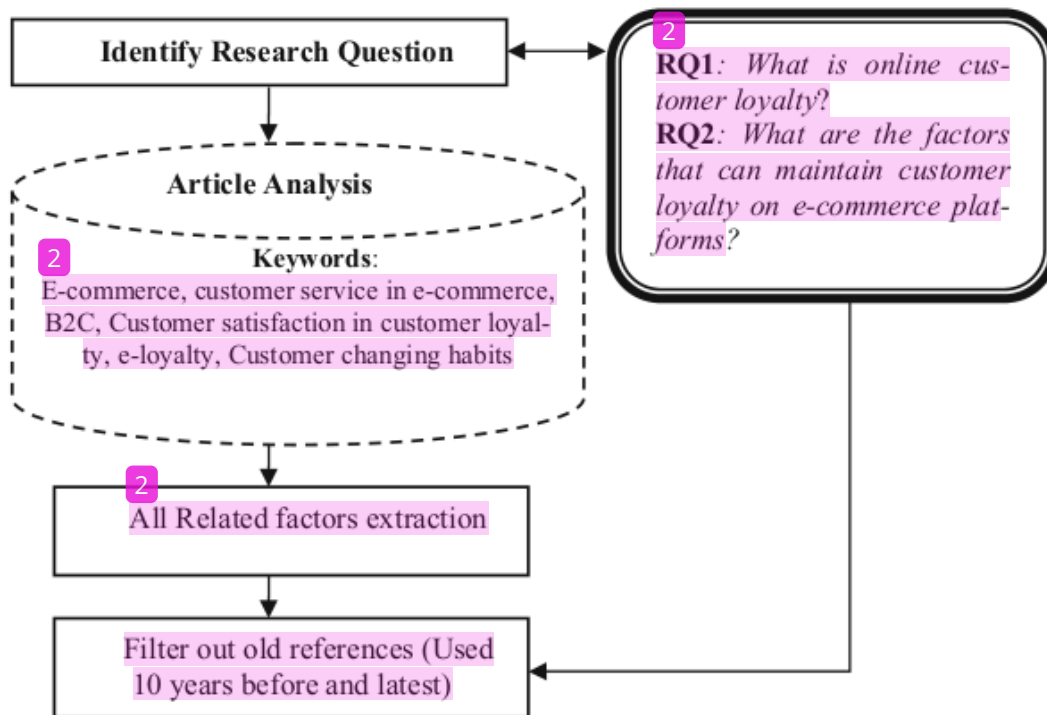


Fig. 1. The literature review searching articles procedure.

3.1 E-commerce

E-commerce in simple words is online shopping area of study and it is had significant economic and social implications where customers keep changing their consumption habits and online businesses need to prepare based on their business strategies [2]. E-commerce markets is the market platform which on the way of expanding the involvement of advantages from foreign countries while involved consumers and suppliers relationship through online networks [2, 13]. Furthermore, the e-commerce has revolutionized the manner in which online businesses able to conduct businesses with customers by eliminating spatial and temporal barriers around the world [11]. As related, e-commerce had been study widely by researchers in education and economical studies nowadays because it is bring a big positive evolution effects in daily life for entrepreneurs and customers.

3.2 Customer Service in E-commerce

Through Internet, e-commerce enterprises able to reach more customers and keep interacting with them at any time or place while easily compare any available offers [14]. This is refers to the customer service through e-commerce and the customer service

itself be tested first on customers before it is used widely. Furthermore, information technology plays a critical role in developing a quality customers informedness through e-commerce because it having a big influenced on purchase intentions among customers [15]. In addition, e-commerce brought the virtual space nature of Internet businesses and the easiness of online switching information among customers [16]. Moreover, resources and attention have been investigates in order to explore how businesses can attract more customers to their online stores, and convert a potential customer's initial online encounter into a buying relationship through customer and e-commerce relations [17]. Thus, the customer service becomes a significant field as a middle medium between customers and e-commerce.

Additionally, customer service examines the interactional dynamics relations between customers and service representatives of the business as manage to keep service complaints mostly from becoming overt [18]. Nowadays, customer services become one of competition elements among businesses out there included e-commerce business in order to predict the next customer move regarding the business service [19]. The customer service performance is a key to success as approximately 40% of customers who had experienced the poor level of customer service do stop becoming the related business customer anymore [20]. Here is proven the customer service is an important medium between businesses included e-commerce towards customers needs and demands.

3.3 Business-to-Consumer (B2C)

The business-to-consumer or mostly known as B2C is the area of business which benefited customer in improving the quality of their online purchase decisions [21]. The world wide B2C e-commerce market seems has never stopped growing in the last decade and it reaches the total markets sales up to 2.304 trillion dollars in 2017 [22]. This situation brought the opportunity in research field in order to keep been study in this research domain while it is a significant field to be investigating. Some researchers did studied in term of relationship satisfaction, relationship commitment and consumer loyalty in the domain of B2C [3]. Even though scholars start from the study on B2C perspective and successfully prove the relationship value is the major factor which affects the customer loyalty [3], the current situation on existed a lot of latest technology did brought a new domain area regarding this studies.

3.4 Customer Satisfaction in Customer Loyalty

The customer loyalty intention is reflecting on favourable attitudes toward the business which is the result of the individual's beliefs that the quantity of value received from consuming dealing with the business is greater than the value of stop involving with the business dealings [23]. Nowadays there are two different sections regarding customer loyalty which are online and offline shopping context [24]. This study is dealings with online shopping context of customer loyalty since the area of research is e-commerce. The customer loyalty become the significant topic in this research study as following the same path with the successful firms which realized the importance of customer loyalty and did investing important resources toward customer retentiveness [25]. Gladly, customer loyalty is able to be created. Moreover, maintaining the existing customers and

enhancing the customer loyalty are thus crucial tasks for business providers in achieving competitive benefits among customer loyalty and it is a significant aims in the business marketing community [4]. Furthermore, the customer loyalty is a key component for a business in long-term ability to work successfully [4].

3.5 Loyalty in E-commerce (E-loyalty)

The fast growth of e-commerce has led to the proliferation of multiple e-tailers, creating immense competition in an increasingly saturated online market space through e-loyalty commitment from customer towards the online market business [6]. E-loyalty is refers to electronic loyalty which play vital roles in customer's tie with the online business by formation from E-trust and E-satisfaction elements [7]. In other words, E-loyalty is stated as the customer's favourable attitude regarding the e-business system while giving the effects on the repeating buying behaviour [5]. As been discussed by previous studies, the relationship among E-trust, E-satisfaction and E-Loyalty is a significant issue in online shopping and E-commerce. There are also several models regarding e-loyalty which been published by previous studies.

3.6 Customers Changing Habits

Customers habits is refers to attitudes and behavior of customers and also influenced by online service [9]. From here, proven that the online services from e-commerce activities is needed to achieve the customer level of loyalty in order for them to keep using online services or change their habits in never use experience towards keeps using the e-commerce services. The customers' habit also related with the frequent level regarding the customers shopping online activities [10]. Then, the online shopping must provide trending and satisfied experienced in order to keep the customers be loyal with e-commerce services.

4 Methodology

As the ultimate goal of this study is to find the factors of e-loyalty in e-commerce area of study based on customer changing habits. In order to fulfill the ultimate goal, a series of methodology in searching strategy is needed. The searching strategy is a scientific approach of a procedure which shown how articles resources of information regarding this study domain be arranged and conducted. The searching strategy which been implemented in this study is going through the automatic search using several journals searching platforms such as Google Scholar, Mendeley Search, and the institution available database access such as Science Direct. The automatic search is based on the keywords used which related to the domain of study. The following Fig. 2 is shown the defined keywords which been studied for investigating this research. Each of the defined keywords is controlling the information which been used in literature review process.

After applied the searching strategy concept and all the related articles been saved, time to filter out all the articles based on inclusion and exclusion criteria did started. This action helps the researcher to narrow down the study space as there are thousands

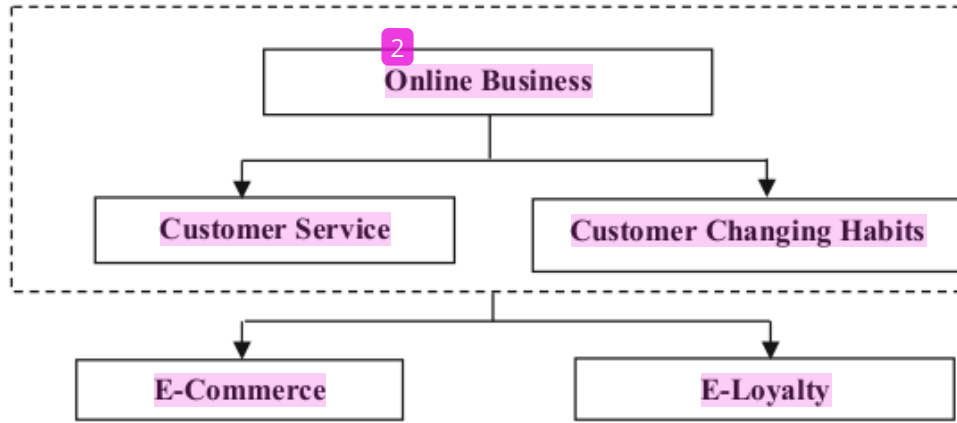


Fig. 2. The defined searching keywords.

of articles out there. Given that this study focuses on customer loyalty on e-commerce platforms, then this study are concentrating on articles from reputable Journals, Conferences, and Book Chapters. All these articles must be in English language. Table 1 shows the criteria for this review.

Table 1. The inclusion and exclusion criteria

Inclusion criteria	Exclusion criteria
Must be in full text	Uncompleted studies
Published in the selected database	Not in English
English version of references	Duplicated studies
Domain of <i>online business, customer service, customer changing habits, e-commerce, and e-loyalty</i>	Remove un-related domain

5 Model Development

This section proposed an initial model regarding this study based on the theories which are suitable on the research area. There are several theories which been discuss in literature review previously that will be used in the development of this research model. In short, the model which been developed is based on the components of customer changing habits, e-commerce, and e-loyalty in maintaining the customer loyalty in online business.

5.1 Derivation of Factors

As mentioned in the literature review, there are two marketing models which become the model design theories for e-loyalty because of its suitable and having the most related characteristics with this study domain. The following is the two models design theories for e-loyalty which is referred in this study:

- 2
- i. The customer loyalty formation model in E-commerce [7]
- ii. The E-loyalty model from e-commerce customers by [5]

Table 2 is representing the selected factors for e-loyalty dimension from the selected model while included the definitions.

Table 2. Dealing e-loyalty dimension and its factors' definitions

No.	Factor	Source	Definition
1	Perceived usefulness	[5]	Refers to the degree to which a customer believes that using a particular system such as e-commerce would enhance their shopping experience
2	Loyalty intention	[23]	Refers to stated performance and purchase intention of the customer and related with customer's behavioural loyalty such as repeat purchase

Next, there is another two models for another related dimension which is e-commerce design theories that been referred in this study. In short, this study will select and combine several elements from the related models of e-loyalty and e-commerce for implement it based on customers changing habits elements. As aims for this study is focusing on the elements of loyalty from customers towards e-commerce business, the factors of usefulness and loyalty intention is selected as e-loyalty factors among online customers. This e-loyalty elements is having influenced on controlling and managing the customer changing habits factors by parallel with the factors of e-commerce in gaining the customer loyalty situation of outcome. The following Table 3 is showing where the selected factors for e-commerce constructs are came from included the definitions.

Table 3. Dealing e-commerce dimension and its factors' definitions

No.	Factor	Source	Definition
1	E-satisfaction	[5, 7]	Refers to the contentment of a consumer with respect to the prior purchasing experiences with a given retail-oriented e-commerce site
2	E-trust	[7]	Refers to the information that customers get from the e-commerce site that make them feel confident in doing online business

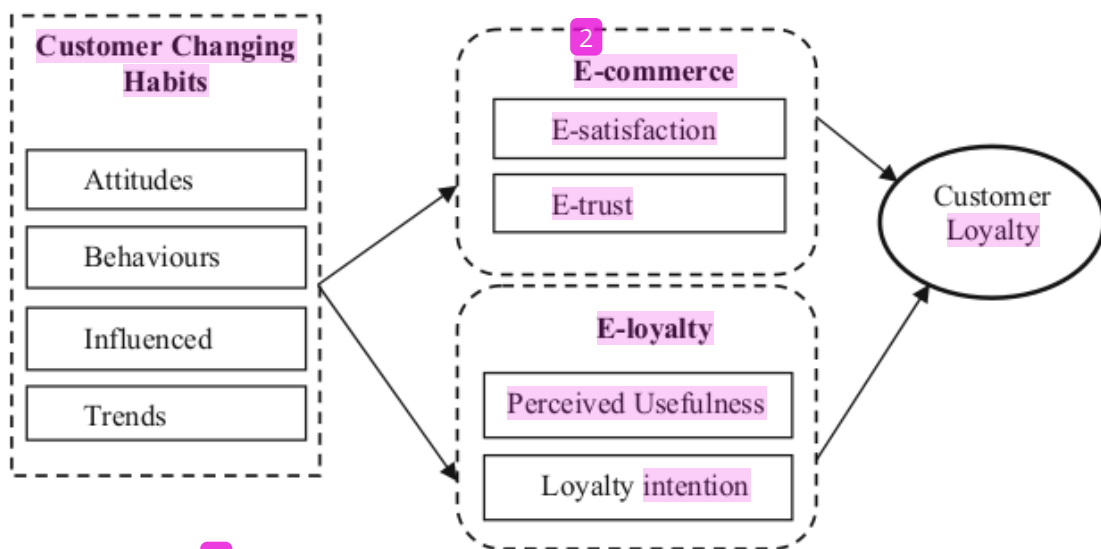
The next following Table 4 is presenting where the selected factors for customers changing habits are came from included the definitions.

In order to be in depth on loyalty intention, the loyalty intention model is selected as it is show influenced of loyalty intention from customers. There also several elements which will be selected from customer loyalty satisfaction and loyalty relationship model

2 **Table 4.** Dealing customer changing habits dimension and its factors' definitions

No.	Factor	Source	Definition
1	Attitudes	[9]	Refers to a construct which related to characterize a person
2	Behaviours		Refers to the actions and mannerisms made by people, systems or artificial entities
3	Influenced	[10]	Refers to the capacity to have an effect on something
4	Trends		Refers to the current direction in which something is developing or changing and be followed by crowd

as both of the models consist of loyalty elements from system and customers. Based on the identified dimensions and factors, the initial model in maintain the customer loyalty for online business is proposed in Fig. 3.



2 **Fig. 3.** The customer loyalty model in e-commerce business.

Table 5 below is presenting the reviewing on factor's relationship which stated in the Fig. 3 proposed model.

2
Table 5. Reviewing on factor's relationship based on proposed model

Dimension	Factor	Reviewed factor's relationship
Customer changing habits	Attitudes	All the four factors from customer changing habits dimension are having the positive influence on e-commerce and e-loyalty dimensions which included the factors of e-satisfaction, e-trust, perceived usefulness, and loyalty intention
	Behaviours	
	Influenced	
	Trends	
E-commerce	E-satisfaction	The factors from the dimension of e-commerce which are e-satisfaction and e-trust have positive influence on customer loyalty
	E-trust	
E-loyalty	Perceived usefulness	The factors from the dimension of e-loyalty which are perceived usefulness and loyalty intention have positive influence on customer loyalty
	Loyalty intention	

6 Conclusion

This study provides an overview of the customer changing habits influenced on customer loyalty for e-commerce platform. In order to understand the customer loyalty concept on the term of two related dimensions which are e-commerce and e-loyalty, this study went through the literature review process. This paper is focused on literature review process which consists of searching strategy to find out all the factors in maintaining the customer loyalty while dealing with the customers changing habits. The literature review approach used to filter out all the unrelated articles and sort the entire related one to list out the factors which existed on both groups' sets which are in e-commerce and e-loyalty. The comparison table has been used in the extraction process of all the related factors. As a result of the extraction, eight factors been analyzed as the factors in maintaining the customer loyalty while dealing with the customers changing habits. The first four factors are under customers changing habits dimension of study which consists of attitudes, behaviours, influenced, and trends factor. Another two factors are fall under e-commerce dimension which consists of e-satisfaction and e-trust factor. While the last two factors are under e-loyalty dimension; the factors are usefulness and loyalty intention. For the next related work, the suggested model in dealing the customers changing habits for maintaining the customer loyalty is going on the validation process. The next stage involved with data collections and analysis to validate the proposed model.

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