E-LOYALTY IN MARKETING: IMPLICATIONS FOR E-CUSTOMER FOCUS

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ABSTRACT
One of the challenges that are facing the companies today is the loyalty of the customer; how to keep the customer loyal to the company, and how to attract a new one, customer loyalty has a direct impact on revenue and profitability of the company. Loyalty has many variables or drivers, the main are; the customer satisfaction and trust. These two variables must be satisfied, in order to keep the customer loyal to the company. Managing customer trust, satisfaction and loyalty attitudes of e-commerce services is very important for the long-term growth of businesses. This paper makes a conceptual attempt to find loyalty and satisfaction of customers in organized e-commerce sites. Three fundamental aspects of loyalty were discussed, which are; concept, factors that may help in improving e-loyalty, and the identified problems that are facing e- loyalty. Finally, discussion and conclusion were included.


INTRODUCTION
The internet has become a place for competition and an increasingly number of organization has realized the importance of being available online. Customer loyalty is a main driver of organization to become successful and profitable in the online environment. The internet is a vast new market across the world, confusingly diverse, due to many virtual facades represented by websites. As a lot of e-business appears and disappears at an unprecedented speed, therefore, the outlines of this
market become unclear, as the vendors and customers change. Internet-based organizations are therefore, seeking to establish bases and rules in Customer Relationship Management (CRM). Perhaps the most important of these bases and rules is e-loyalty. Hence, succeed in customer loyalty is a challenge for companies operating online. Therefore, the interest for e-loyalty has increased; also we have to understand what influences the customer to become loyal. Hansen and Jonsson (2013) argued that there are many factors to create customer loyalty. Studies identified satisfaction and trust as two important factors in the process to achieve customer loyalty in both the physical and digital worlds. Customer satisfaction is important and it is consider as a great driver for customer loyalty in the digital world. Therefore, dissatisfied customers will search for alternatives, such as competitors and hence they are more motivated to switch to another provider. In the same context, the other factor of loyalty is trust; you cannot gain the loyalty of the customers, unless you gain their trust (Reichheld and Schefter, 2000). Although, the two factors (satisfaction and trust) are more comprehensive framework for loyalty drivers, but, Srinivasan et al. (2002, p.42) offered eight factors that may have some impact on e-loyalty, which are; customization, contact interactivity, cultivation, care, community, choice, convenience, and character. This study attempts to discuss three aspects of e-loyalty: the concept of e-loyalty, its basic problems, and tools for improvement.

CONCEPT OF E-LOYALTY

In modern marketing, the most sustainable and intelligent way of making money is through customer loyalty, which can be done when the customer is satisfied when buying from the company and then repeat the purchase until he becomes a loyal customer. Today, e-customers shop in the digital world in the same way they shop in the physical market place. The e-money today is faster trading online than what happens in the market place. This makes e-loyalty the smart way to make e-money. E-loyalty is the loyalty that is achieved in the online environments and e-commerce (Anderson and Srinivasan, 2003). It represents the transition from the traditional brand loyalty to loyalty on internet (Ilsever et al., 2007). According to Srinivasan and his colleagues (2002), the customer loyalty is a product of the repeat purchasing behavior. This certainly can be on the market place or in the market space. The growing importance of e-loyalty is attracting researchers for further in-depth research. One of the important issues in this area is the definition of electronic loyalty, which is related to the characteristics of fast-moving and changing e-commerce and e-business.

Loyalty is one of the concepts that are difficult to define, and this is because we are talking about the characteristics of individuals and not about the characteristics of things. These characteristics are not fixed, fast-changing and easy to violate. In few words, customer loyalty refers to repeat purchase
behavior of the same product or article. It should be emphasized that Reichheld (2001) is the first to refer to what can be called “the economics of loyalty,” and the possibility to express loyalty in a quantitative way through the so-called “loyalty effect”. He argued that increasing customer loyalty by 5% can result in 25-95% increase in profits. In the same context, Reichheld and Schefter (2000, p.107) in their study about e-loyalty, they described it as, a secret weapon on the web. Moreover, they concluded that “you cannot generate superior long-term profits unless you achieve superior customer loyalty.” Additionally, to gain customer loyalty, companies have to deliver a great experience for the customer.

Loyal Customer stands in contrast to another type of customer that is a transactional customer. A loyal customer is the goal of a company’s long-term relationship policy, while the company’s single-transaction policy generates transient customers who are one-time buyers and single transaction customers. The one transaction approach is based on the company’s quest to achieve the highest gains from the customer even if the customer does not return to deal with the company in another deal. While long-term relationships reflect the company’s commitment to achieving balanced benefits and benefits for the company and customer. These relationships make the customer tends to deal with the company time after time to become a loyal customer. Customer loyalty (loyalty to the mark) to the company achieves the advantage of the long life value of the customer as well as it represents one of the obstacles to entry into the market (Hollensen, 2011, p.111)

Although, there are difficulties in defining loyalty, but there are many definitions were introduced by scholars, some of them are tabulated in table (1). Here some of them as, Winnie (2014) offered a definition for loyalty as the perceived loyalty of an e-consumer towards a website and their intention to visit the same website to repeat purchase. Moreover, Kotler et al. (2017) defined loyalty as the measure of customer re-entry and willingness to participate in the performance of the company’s activities. On the same context, customer loyalty can be defined as “the chance of a customer returning, providing positive word of mouth as well as providing references and publicity for the business” (Islam et al., 2012, p.215).

Anderson and Srinivasan (2003) argued that without customer loyalty, even the best-designed e-business model will soon fall apart. On the other hand, Loyalty equal trust, because price does not rule the web, but trust is the most important rule as argued by (Reichheld and Schefter, 2000). This trust is the foundation of the company’s long-term relationships and lifetime value policy in relation to loyal customers. Robinete et al. (2001) put loyalty in the form of profit parity, considering that customer loyalty is the basis for success, and the most important for profit. It should be emphasized that specialists in customer loyalty, believe that this loyalty continues from loyalty of physical
companies to digital companies. Loyalty can also arise with the company’s e-business even without a physical activity. Amazon.com, for example, has gained control of the on-line book’s business by creating a reliable and trusted web site.

Table 1: shows some selective definitions of e-loyalty

<table>
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<tr>
<th>Author</th>
<th>Definition</th>
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<tr>
<td>Bhaskar and Kumar, 2015</td>
<td>An uninterrupted sequence many purchases of the same brand.</td>
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<tr>
<td>Oliver, 2015</td>
<td>A deeply held commitment to re-buy or re-patronize a preferred product/service consistently in the future.</td>
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<tr>
<td>Winnie, 2014</td>
<td>The perceived loyalty of an e-consumer towards a website and their intention to visit the same website to repeat purchase.</td>
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<tr>
<td>Lee, 2009 In: Asgari et al., 2014</td>
<td>The willingness to observe and to revisit a website or to make a transaction in the future.</td>
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<tr>
<td>Jacoby and Chestnut, 1978 In: Saeed, et al., 2013</td>
<td>Prejudiced behavioral reaction articulated in due course by some decision making unit regarding one or more brands out of a group of brands and is a function of psychological processes.</td>
</tr>
<tr>
<td>Islam et al., 2012</td>
<td>The chance of a customer returning, providing positive word of mouth as well as providing references and publicity for the business.</td>
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<tr>
<td>Ilsever et al., 2007</td>
<td>Perceived loyalty towards an online website, with intent to revisit the site, or to make a purchase from it in the future.</td>
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<td>Kotler et al., 2017</td>
<td>The measure of customer re-entry and willingness to participate in the performance of the company's activities.</td>
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<tr>
<td>Anderson and Srinivasan, 2003</td>
<td>Consumer’s favorable attitude towards an electronic business, resulting in repeat purchasing behavior.</td>
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<td>Harrell, 2002</td>
<td>A measure of the degree of repurchase of a particular trade mark by the customer.</td>
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<tr>
<td>Srinivasan et al., 2002</td>
<td>A customer’s favorable attitude toward the e-retailer that results in repeat buying behavior.</td>
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<tr>
<td>Assael, 1992 In: Srinivasan et al., 2002</td>
<td>A favorable attitude toward a brand resulting in consistent purchase of the brand over time.</td>
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<tr>
<td>Engel and Blackwell, 1982 In: Srinivasan et al., 2002</td>
<td>The preferential, attitudinal and behavioral response toward one or more brands in a product category expressed over a period of time by a consumer.</td>
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These definitions reveal that there are many definitional elements of e-loyalty: the willingness to observe and to revisit a website, repeated purchase times, favorable attitude toward a brand, providing positive word of mouth about the company’s website and brand.

What valence to the loyal customer, is the occasional customer, based on a single transaction? If loyalty is the goal of a company’s long-term relationship policy, therefore, the occasional customer is what the company should look for him, on the basis of company’s deal-based policy.
The occasional customer can become a satisfied customer, according to the suitability of the company's website, and the appropriate service that offered for him to be a loyal customer. Also, he could be dissatisfied with the website and the company; therefore, he will never come again.

In order to reveal the financial importance of e-loyalty, Zemek and Connellan (2001) pointed out to a study prepared by an online business company with about two million customers. Where customers were found to be divided into three categories: customers at risk (12.3%), satisfied customers (54.9%), and loyal customers (32.8%). And that the average returns for each of these categories in $ are: (50), (150), and (200), respectively. Assuming that the company can change the ratio by 2% of its customers at risk to satisfied customer, this will improve annual revenues by $ 4 million. On the other hand, if it can change its customers’ loyalty by 2% from customer at risk to loyal, this will result in an additional return of $ 8 million. This information illustrates the great importance represented by loyalty (physical or electronic). The question that needs to be asked is: How can e-loyalty be formed and developed? In order to answer, we point out that e-loyalty is based on the customer relationship in the company, which consists of three basic stages:

- Visit and shopping on the internet stage; this includes the sub-stages of awareness, knowledge, and pre-purchase intent.

- Purchasing Stage; this is the first attempt in which the customer deals with the products, services and the way the company works. At this stage, the customer's desire to buy appears strong and the purchase decision is taken.

- Post-purchase stage; it includes two sub-phases: post-purchase behavior where repeat purchases achieve a strong relationship between the customer and the product and brand. Finally, the loyal e-customer phase is the company's award for success in relationship with its e-customers. As it appears that the above stages are hierarchical, and consist of series successive steps. Therefore, whenever it is successful with the customer, it can reach the peak, which represents the loyalty. Any failure at any stage can represent a break in the customer relationship or a return to start point again.

The importance of loyalty comes from the yielding results during or after the purchase process;

1. During the purchase phase: loyalty can be achieved through a lower cost of service provided to a loyal customer, than occasional customers (loyal customers are served at a lower cost of 30%). Therefore, the loyal customers are better than salesmen in turning potential customers into regular customers, they also pay higher prices for the same product, and repeat the purchase from the company (Taylor and Terhune, 2002; Reinartz and Kumar, 2002).
ii. After the purchase process: The loyal customers are marketing the company to their families’ members, friends and colleagues. They offer complaints (each complaint is a source of subsequent development), and the necessary suggestions, and interactions with the company to improve its products and services. Moreover, they represent the basis for successful loyalty marketing programs, and finally, loyal customers are the most profitable for the company (Reinartz and Kumar, 2002).

There is no doubt that the growing and increasing importance of e-loyalty is what explains the tendency of companies to adopt loyalty marketing programs. In a study by the Carston Marketing Group in 1999, some customers spend 46% more on purchases with loyalty marketing companies (Zemek and Connellan, 2001).

IMPROVING E-LOYALTY

E-loyalty, like other tasks, can be built, maintained and improved to serve the goals of e-businesses. There is an organic relationship between customer loyalty and customer relationship management. This relationship is based on the fact that customer relationship management (CRM) seeks to achieve three functions: attracting new customers, maintaining existing customers and turning them into loyal customers, and ultimately turning customers into profitable customers (Ranchhod, 2004).

Maintaining customers means that the company deals with the customer in a long-term relationship rather than a single transaction. Therefore, the function of maintaining customers means the process of creating and developing continuous relationships with customers and then turns them into loyal customers. This conversion process can take place in the marketplace or market space. In this case, e-loyalty is a long-term relationship with the company’s site; its services interact with it, follow up its electronic offerings and prefer the company to its competitors. Arguably, maintaining customers and making them loyal, is more important than attracting new customers. Therefore, the interest in improving e-loyalty is a goal of e-marketing to maintain customers and manage their relationships to reach loyalty. Taylor and Terhune (2002) pointed out some factors that may help in improving e-loyalty, which are as follows:

- Using the third party loyalty program: This can be achieved by adopting customer retention programs; that are loyal to the company's business on the internet, and give the active members points according to their purchases on the internet, or by participating in company activities (Gifts provided by the company according to the number of points or what equivalent points deduction when purchasing products or services of the company).
- Linking with the site cluster: With the emergence of mini-markets (individual market segments or small market segments), we are expected to see more companies based on addresses of hundreds or thousands of web sites, which helps to build loyalty from a wide range of customers.

- Integration between the online digital services and offline physical services: Making loyalty between the company's channels combined and integrated.

- Self-service implementation: which are the most popular and important e-business applications, to achieve cost-effectiveness, in the service of large numbers of messages, and requests on the web site?

- Customer Care Robot Software: This software is widely used in corporate sites. It belongs to the customer self-service market. This software is called Shopbot, which is an intelligent program designed to perform customer shopping tasks. It functions as an integrated way of systematic search, access to information, leading the customers to new related fields, comparison of offers, products or prices, and even negotiation with others software (Zikmund and d'Amico, 2001).

- Collaborative Filtering: Companies usually collect customer information, as part of their loyalty enhancement programs, use collaborative filtering to generate continuous feedback about customers, and their preferences, and what they like and dislike to better respond to, and provide content that is relevant to them. In the same context, Agostini et al., (2017) argued that, companies that are able to listen to customer needs accumulate deep knowledge of their markets: this allows them to provide not only a product but also a good service, both during and after sales, so it is expected that they will be compensated by customer loyalty and greater satisfaction.

- Variable customer’s content: One of the basic tasks of working on the web is the need to continuously update information, and make the information and offers of the company more personalized, because they are the best in getting customer satisfaction.

- Focus on implementation, not just marketing: Companies that shop on the web are more in need of faster and easier steps to complete the transactions; this is what satisfies the customer.

**PROBLEMS OF E-LOYALTY**

E-loyalty is necessary, but it faces many problems, that make its marketing program a difficult issue, especially as websites increases and reproduce in an unprecedented way. With this proliferation, the customer is growing more curious, to see more sites, like the butterfly's tendency to move from site to site, and from page to page within the same site. There are many problems that have become the focus of e-business interests and programs of customer loyalty. We can identify these problems as follows:
- The disadvantages of online shopping: Although, the internet has advantages; it has its own disadvantages of shopping on the web too. If the internet offers the possibility of shopping from home with more choices, and buying with less pressure from the salesmen, the internet shopper carries the delivery fee, with a greater opportunity to forget the product, or financial loss when customer doing transaction on the web, because of the multitude of offers and variety to the extent of confusing the customer.

- The problem of measuring e-loyalty: Many efforts made to study the effect of loyalty have yielded good results. America On-Line (AOL) has been able to measure customer loyalty, and purchase patterns, and uses the information as a guide in strategy, marketing, and website design decisions. It has also developed new software that will make it easier, to use its site, and solve some application problems, to enhance customer-friendly service. Dell computer has been able to measure customer experience, and behavior as a cornerstone of its e-business strategy, and customer loyalty building programs (Reichheld and Schefter, 2000). However, many companies are still facing difficulties in measuring e-loyalty. Therefore, many companies still lack set of metrics, which measure the experience, and loyalty of their customers. Some have also criticized many of the statistical methods used in this area, such as the recency, frequency, and monetary value model (RFM), based on the use of statistical methods of measurement, and prediction, although RFM is a poor way to measure loyalty (Reinartz and Kumar, 2002).

- Internet globalization: The internet is a global network, and corporates websites is reaching a wide range of customers here and there, all over the time. This may give the site the power of spread and distribute, but it loses the chance of reaching the target customers. The main focus of loyalty is clearly on the right customer, and the mere focus on the internet makes loyalty harder (Reichheld and Schefter, 2000).

- Lack of Attention or Lack of interactivity is a problem of a majority of web sites: Due to the previous problem in the wide spread of the internet, companies face the problem of lack of attention required for loyalty. Today, attention is scarce. This is because no one can produce more than 24 hours of attention every day. Human ability to pay attention is limited, and because of the internet, people are sinking in a lot of information and connections, and don’t know which one they give attention (Tapscott, 2000). While, loyal customers demand more and more care and attention. In the same context, Srinivasan et al., (2002) argued that, contact interactivity is the customer’s availability and effectiveness support tools on the website, and the degree to which the communication with customers is facilitated in two ways.
- The gap between information and emotional: The web site despite of all its colors and beauty, and facilities in use, remains in the customers’ point of view carries information-based technology, while loyalty must has the human touch. In short, the internet is informational, while what is required in loyalty is emotional touch. This is what the web site has not yet achieved as a major tool of persuasion. The integration of computerization and humanization is therefore, required (Raisch, 2001). Also, the integration between the rational and emotional is required, and between the digital technology and its main software engine and loyalty-the outcome of emotional relationships with the best customers (Robinete et al., 2001).

- Mismanagement of customer loyalty: The reliance on loyal customers carries the risk of not getting new customers, who represent the source of new loyalty. Also, inability to distinguish the suitable customers over others carries the risk of losing the best opportunities for profitability. In both cases, the mismanagement problem arises (Reinartz and Kumar, 2002). The nature of wide, varied, and rapid work on the internet increases the problem of customer loyalty management. This problem must face:

  i. There is no one convenient way to deal with customers in attracting, or maintaining loyalty.

  ii. The need to balance between what is, special or private for the company, and what is common or general on the internet.

  iii. To balance the humanization of the company's business, and its site and between its technological site and the automated responsive software.

  iv. Balance between what is, necessary for short-term profitability and what is necessary for the customer's needs, then his loyalty and lifetime value that is the company's long-term profitability source.

- The problem of channels conflict: The internet today seems to be the most powerful channel for marketing, distribution, and customer relationships, which in itself means colliding with many channels, that have been effective in the life of the company and its past works. Some company members may still believe that conflict is a source of strength, and advantage to the company. Such a conflict may be reflected on the company's customers in general and particularly loyal customers. The distribution channel represents one of the factors of customer care and loyalty.

- The nature of web site visitors: Companies can register visitors to the site, but many visitors who do not buy usually do not leave any trace or comments that help the company to develop its web site on one hand, and adopting programs to attract, retain, and then gain their loyalty on the other hand.
DISCUSSION

Loyalty in general, focused on repeat purchase behavior for a certain product or a service, from a certain company. This behavior is based on many factors, which have an impact on the loyalty of a customer toward a certain product or a service, such as satisfaction and trust. Satisfaction and trust what are so called the antecedents of e-loyalty (Hansen and Jonsson, 2013), but in our study we will refer it as drivers of e-loyalty. Loyalty of customers is directly affected by satisfaction and trust in an online. In the same context, Ilsever, et al. (2007) stated that the repeated satisfaction with purchases eventually leads to customer loyalty (as cited in Devaraj et al., 2002, p. 185), also, they concluded that “a key finding is that a relationship between satisfaction and loyalty exists.” Srinivasan et al., (2002) pointed out in their discussion that the eight factors (customization, contact interactivity, cultivation, care, community, choice, convenience, and character) have a significant impact on e-loyalty. Also, they stated in their study, that the appearance of the storefront and the positive presentation of service personnel will increase the loyalty of customers. These in align with our point of focusing on implementation, and improving the characters of selling personnel. Reichheld and Schefter (2000) concluded that by encouraging repeat purchases among a core of profitable customers, companies can initiate a spiral of economic advantages. These supports the third party loyalty program in retention the customers, as a way of improving the e-loyalty. Hansen and Jonsson (2013) concluded their discussion that, if a company succeed in create loyal customer it can imply it can result in their own survival, but in particular it can increase a company’s profitability, which is obvious that the company will remain under threat, if it is not succeed in building customer’s loyalty basement. Moreover (Winnie, 2014; Hansen and Jonsson, 2013; Pratminingsih et al., 2013; Saeed et al., 2013), they concluded that e-satisfaction, e-trust and responsiveness directly and positively affect e-loyalty, which are in align with our study that satisfaction and trust of the customers are the drivers of e-loyalty. On the same context, (Floh and Treiblmaier, 2006; Asgari, et al., 2014) Concluded their study about e-bank, that loyalty of e-banking customers is directly affected by satisfaction and trust in an online bank, which in turn are determined by web site quality and service quality. Moreover, a study by El Said and Galal-Edeen (2009) concluded that trust is an important factor in an e-commerce. These conclusions are in aligning with our study, regarding satisfaction and trust as a drivers for e-loyalty.

No doubt, e-loyalty is necessary, but it faces many problems that make its marketing program a difficult issue. Although, the internet have an advantages, but still it has its own disadvantages of shopping on the web too. The internet shopper carries the delivery fee, with a greater opportunity to lose the product and financial loss due to transaction on the web. Many authors concluded this
problem, (Eid, 2011; Hansen and Jonsson, 2013; Asgari et al., 2014; Bhaskar and Kumar, 2015) that the security can be improved by increase safety around fraud and financial loss when customer doing transactions on their site, and also the use of credit cards, they label this matter as “Red alert on e-commerce.”

The interactivity aspects of e-commerce applications are strongly related to e-commerce customer loyalty that was the conclusions by both (Srinivasan et al., 2002; Eid, 2011). The gap is between informational and emotional aspects, the company's effective web site achieves high tech, while electronic loyalty achieves human touch. In short, the internet is informational, while what is required in e-loyalty as an emotional touch. The integration of computerization (rational) and humanization (emotional) is therefore the most important requirement (Raisch, 2001; Robinete et al., 2001). To build superior customer, loyalty is very essential to the profitability and survival of the online environment. Therefore, executives should have the knowledge and skills to better utilize this factor. Finally, with the intense electronic competition and the growing number of corporate websites, customer loyalty to the company will remain a sustainable competitive advantage for the company to achieve excellence in its online services.
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