Dimensions of Repatronage intention and M-commerce

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Abstract: *Searching for alternatives is much easier online and Customers may easily switch between retailers. It is important to foster customer trust to encourage repurchase intentions. Mobile commerce account for increasing growth in overall ecommerce revenues and the mobile shopping channel has emerged as an influential medium for connecting customers with retailers. This study analyses the impact of the consumer's repurchase intention in the context of m-commerce. The attributes included the motivational and behavioural factors. The secondary data from the literature were used to explore the relationship between these factors and mobile shopping repatronage intention. The managerial implications for the retailers to design the personalized mobile marketing strategy to retain existing customers are also discussed.*

Keywords: *mobile shopping, repurchase, consumer intention*

I. Introduction

Mobile Commerce is a term to describe any commercial activity on a mobile device such as a mobile phone (iPhone, Android, Blackberry) or a tablet (iPad, Galaxy Tab, Surface). This includes all steps of the customer journey; reach, attract, choose, convert and retain. Hence mobile commerce is probably best described as shopping that takes advantage of unique properties of mobile devices. It is also called as m-commerce.(Sushila Madan et al, 2016)

There are significantly more users accessing the web from a tablet or smartphone than a desktop, doing more e-commerce than ever before. In holiday shopping season, a third of all online purchases came from smartphone users. With the highly competitive nature of the eCommerce industry, the customers will not hesitate to buy from the competitors if even the slightest headache arises.

The Statistical report from OuterBox Solutions, Inc., shows that 40% of users will go to the competitor after a bad mobile experience, yet an alarming 84% have experienced difficulty completing a mobile transaction. That is an extremely high number, and it shows just how great the opportunity is for companies to capitalize on consumer conversion just by creating mobile responsive and user-friendly websites. E-Commerce dollars now comprise 10% of ALL retail revenue. 80% of shoppers used a mobile phone inside of a physical store to either look up product reviews, compare prices or find alternative store locations and an estimated 10 Billion Mobile Connected Devices are currently in use.

Among smartphone users in China, 45.6% shopped via a mobile device in June 2015, compared with 38.9% a year earlier. And Chinese shoppers doubled their time spent on mobile shopping, according to a recent report from Google China, a subsidiary of Google Inc. A typical Chinese mobile user spends about 30 minutes on mobile shopping every day, according to research firm TNS Global.

Eois McRae et al (2013) have demonstrated that consumers have stronger emotional responses to their site visits/branded app use when the visit is conducted on a mobile platform than other platforms. The consumers had believed that brand messages were more trustworthy when received on mobile devices than on other personal communication devices. Dr. John Akpesiri Olotewo and Dr. Samson Oluwaseun Fadiya, (2015) have studied the impact of mobile marketing in consumer market. They have stated that Mobile marketing has gained immense popularity in the contemporary business world because of its convenience in sending promotional messages to individual customers.

II. Determinants of Mobile Shopping Behaviour

Personality factors: Kiseol Yang (2010), have explained the Determinantsof US consumer mobile shopping services adoption. He had used the UTAUT model where the core critical determinants of intention to use new technology services are performance expectancy, effort expectancy, social influence, and facilitating conditions are employed to determine drivers that accelerate US consumers' mobile shopping services adoption behavior.

Behavioural Intentions: Sonia San-Martín, 1 and María A.Ramón-Jerónimo (2015) have proposed the model which is the extension of the TAM (Davis, 1989) that used the Theory of Reasoned Action (TRA) (Fishbein and Ajzen 1975; Ajzen and Fishbein 1980), which suggests that subjects' behavioral intentions merge two types of factors: attitudinal (of a personal nature, perceived control) and behavioral (based on social influence, and referred to as subjective norm). Subjective Norm is also significant in predicting the consumers' intention to

adopt m-shopping. The emphasis should be concentrated on selecting social networks which have the greatest media impact on consumer, e.g., 'Facebook', 'Friendster' and etc. Practitioners can also consider conducting seminars by inviting opinion leaders, celebrities or experts in mobile phone.

Perceived Risk is insignificant with the consumers' intention to adopt m-shopping. During the process of payment in transactions, practitioners should implement transparency management. Further attention should also be given in developing better security features to reduce transaction risk such as the risk of misuse of credit card information. All of these will be useful in improving consumer's belief in the system security. (Choy Har Wong et al, 2012).

III. Mobile Shopping Motivation

Kiseol Yang (2010),have implied in the shopping motivations as push factors of mobile shopping in their study to determine the shopping service adoption.

➢ Utilitarian shopping motivation reflects shopping activity as work (Babin et al., 1994) and it is the motivation for convenience and time savings (Jarvenpaa and Todd, 1997; Teo, 2001). Utilitarian shopping motivation emphasizes that consumer shopping behavior is guided by the functional features of the products/services as well as financial desires (Kim, 2006).

➢ Hedonic shopping motivation. In contrast to utilitarian shopping motivation, hedonic shopping motivation emphasizes the consumer's emotional feelings and psychological sensations (Westbrook and Black, 1985; Arnold and Reynolds, 2003; Kim, 2006) and shopping for entertainment purposes (Mathwick et al., 2001; Kim, 2002).

➢ Social shopping focuses on the aspect of social influences of important others and interpersonal relationships with others during a shopping trip (Arnold and Reynolds, 2003; Kim, 2006).

➢ Value shopping refers to the consumer shopping process of focusing on bargain hunting as well as discount seeking behavior (Arnold and Reynolds, 2003) and is described as consumers' desire for inexpensive shopping opportunities (Wagner, 2007).

➢ Gratification shopping is significant in the mobile shopping channel. Since mobile phone is an extremely personalized device that users carry most of the time, retailers can send personalized and individual messages or promotions.

IV. Mobile Brand Interaction

Kae Ahanonu, et al(2013) have studied about the brands, and how brands in south Asia can go beyond traditional advertising and deeply engage with consumers via mobile to generate brand loyalty among them. The mobile platform allows an always-on connectivity with consumers and can be highly localized and personalized, quickly making this one of the most effective channels that businesses can use to achieve brand engagement.

V. Online repatronage Intention (ORI)

Repurchase intention refers to the individual's judgement about buying again a designated service from the same company, taking into account his or her current situation and likely circumstances (Lacey and Morgan, 2009). Some studies have concentrated on determining the basic antecedent variables to repurchase intention (Hocutt, 1998; Zahorik and Rust, 1992).

However, repurchase is extremely desirable given the comparatively high cost of acquiring new customers and the economic value of loyal customers (Reichheld & Schefter, 2000). Acquiring new customers – searching for them and initiating transactions – may cost up to five times as much as retaining existing ones (Parthasarathy & Bhattacherjee, 1998). Increasing the number of loyal customers by as little as 5% can increase profitability by 30–85%, depending upon the industry (Reichheld & Schefter, 2000).

ORI can be defined as the probability in which an online shopper would continue purchase at an online retail store again (Jones et al., 2006; Oliver, 1999) Based on the consumer's experience with the online store in the past he would like to continue using the web site to purchase products or he will continue to purchase products from the web site in the future. (Reynolds et al. 2012) and Chiu et al. (2009).

Trust and Repurchase intention

Identifying the main drivers of online customer repurchase is important , given the fickle nature of customer behavior, the growth in global web-stores, the increasing product and service availability and the relatively low switching costs that all these promote. Trust, in a broad sense, is the confidence a person has in his/her favorable expectations of what other web sites will do, based, in many cases, on previous experiences (Gefen, 2000). Thus, trusting beliefs reflect consumers' confidence that the web site has a positive orientation toward its consumers' updated expectations. Trust weakens or strengthens by experience (Yoon, 2002). Trust

serves as an antecedent to satisfaction (Kennedy et al, 2001, Grewal et al., 1999), such a trust is depended on consumers' prior experiences or satisfaction judgments (Ha and Perks, 2005).

Yoon (2002) addressed that the level of trust has been conceptualized to be contingent upon the consumers' perceived level of interaction between company which provides information and consumers who receive it. In online consumer literature, Ha and Perks (2005) show that web site trust goes beyond consumer's satisfaction with the functional performance of the product. Consistent with the importance of online trust, Grewal et al. (2004) emphasize the role of post-purchase trust on the Internet. Furthermore, the absence of trust may be unable to retail those customers who are satisfied (Ranaweera and Prabhu, 2003). This suggests that online trust built by prior experience plays a significant role in better understanding the linkage between customer satisfactions and repurchase intention. The buyer's overall satisfaction with the buying experience is proposed to have a positive impact on his/her trust of the manufacturer. Prior research has shown that constructs of trust and satisfaction are positively correlated (Crosby et al., 1990; Yoon, 2002.)

Satisfaction and repurchase intention

Satisfaction, which is an emotive response to service attributes and service information (Spreng et al., 1996), is perhaps the basis for customer retention. It may further be viewed as a summary psychological state resulting when a customer's surroundings exceed her expectations and dispel her preconceived negative feelings about the consumption experience (Alam and Khalifa, 2009). When satisfaction is achieved, the consumer's loyalty is strengthened and she is more likely to re-patronize the store (Law et al., 2004; Hicks et al., 2005). Gregory M. Kellar et al (2011) had explained theimportance of buyer seller relationship to motivate the consumer's intention to repurchase.

Tammo H.A. Bijmolt et al (2014) had studied about the satisfaction and the complaining behaviour of the consumers. He had identified the highest repurchase intentions arose among consumers who complained and expressed satisfaction with the complaint handling, in support of the service recovery paradox in an online setting.Consumers who complained and were satisfied with the response have higher intentions to repurchase online than customers with no complaints and Satisfaction with the service response increases intentions to repurchase online among complainants.

An online consumer undergoes experiences during the purchase process, whether positive, neutral, or negative, which cause the consumer to feel satisfied or dissatisfied. Dissatisfied consumers might complain about the online service failure (Lee and Cude, 2011), and their dissatisfaction likely affects repurchase intentions (Fang et al., 2011; Rao et al., 2011).

Liane Nagengasta et al (2014) had discussed about the New Insights in the Moderating Effect of Switching Costs (SC) on the Satisfaction–Repurchase Behavior Link. He had identified that Switching costs are an important factor when analyzing the relation-ship between customer satisfaction and repurchase behaviour and indicated that SC significantly contribute to a better under-standing of this relationship, as they directly affect repurchase behavior—that is, they increase customer spending.

Chinho Lin (2014) had focused to identify Factors affecting online repurchase intention. He had investigated the effects of online shopping experience and habit in relation to adjusted expectations for enhancing online repurchase intention. He identified from his research data collected from 240 Taiwanese online shoppers who had experienced online shopping at least four times, that online shopping experience can be considered a key driver for customer satisfaction whereas online shopping habit acts as a moderator of both customer satisfaction and adjusted expectations. His findings confirmed that customer satisfaction is a vital driver of adjusted expectations and online repurchase intention.
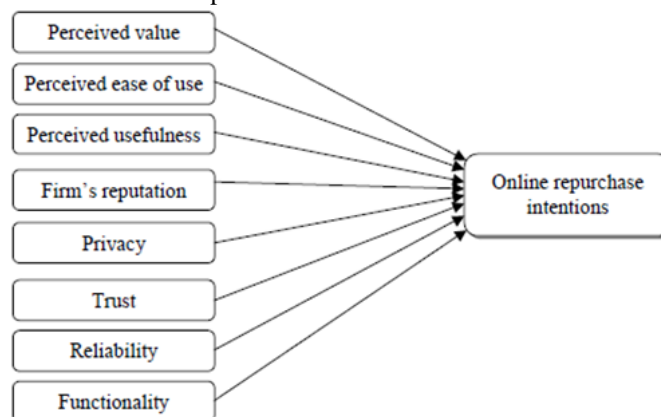

Figure 1. Conceptual framework of key determinants of online repurchase intentions in Malaysia (Fang et al (2016)).

Yunfan Lu et al (2012) had conducted a study to analyse the effects of dissatisfaction on customer repurchase decisions in e-commerce. He explained from his study that negative emotion is an important mediator between dissatisfaction and repurchase intention. Different coping behaviors have different impacts on repurchase intention. The study have identified that customers will deal with negative emotions by psychological distancing, complaining behavior, and seeking social support.

Few studies have analyzed the specific coping behaviors triggered by negative emotions in e-commerce. It is inadequate when companies only pay attention to customers' complaining behaviors [Stewart 1998]. Psychological distancing and seeking social support are also very important coping behaviors. Specifically, psychological distancing is a customer's avoidance behavior, a behavior that is difficult to be perceived. Thus psychological distancing should be attached more importance [Beaudry & Pinsonneault 2010].

Perceived value and repatronage:

Perceived value is considered as a critical motivator of customer repurchase intention. Jiaming Fang et al (2016) have studied about the role of shopping motives on perceived value, and repurchase decision-making in online shopping. His study confirmed that online shoppers' perceived value is an important precursor of repeat purchase behaviour.
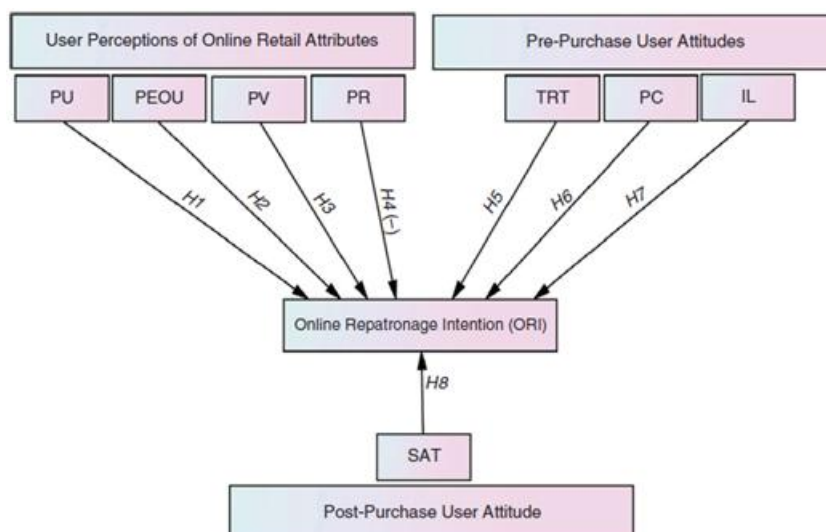

Figure 2. Model of online repurchase intention. (Sajad Rezaei (2014))

Chai Har Lee et al (2011) developed a Conceptual framework of key determinants of online repurchase intentions illustrates eight independent variables namely perceived value, perceived ease of use, perceived usefulness, firm reputation, privacy, trust, reliability and functionality.

In his study, Sajad Rezaei (2014) developed a model to explain the impact of perceived usefulness (PU), perceived ease of use (PEOU), perceived value (PV), trust (TRT), perceived risk (PR), privacy concern (PC), internet literacy (IL), satisfaction (SAT) on online repatronage intention (ORI) among Malaysian experienced online shoppers.

E-loyalty and Repatronage

E-loyalty can be seen as an extension of traditional brand loyalty (Gommans et al. 2001; Luarn and Lin 2003). Currently, the notion of brand loyalty includes online loyalty also known as e-loyalty or website loyalty (Valvi and Fragkos 2012). E-loyalty is ''customer's favourable attitude towards the e-retailer that results in repeat buying behaviour'' (Srinivasan et al. 2002, p. 42). The intention to purchase and repurchase online has received much research attention, for a variety of shopping environments, including mobile stores (Lin and Wang, 2006) and online auctions (Yen and Lu, 2008). A significant amount of attention has been given to store interface design methods that enhance online loyalty and repurchase intention (Chang and Chen, 2008) and satisfaction (Flavia'n et al., 2006). (Sandeep Arya and Sandeep Srivastava, 2015).

Price value and repatronage

Consumers' attitude towards online shopping websites is largely dependent on pricing and service attributes. Information about product launches, promotions and service offering has an impact on their inclination to purchase products online. Sapna Rakesh & Arpita Khare (2012) attempted to explore orientation

of online shoppers with respect to brand, quality consciousness, and discount and price consciousness. As there is a huge crowd of the online players trying to establish themselves as low-price destination, new players need to focus on quality, variety or safety concerns, which are not being considered by online shopping websites. The focus on discounts may not be a sustainable model in retaining consumers. Promotions may not be necessarily viewed by consumers as an important attribute while purchasing products or services online.

Social media and repurchase intention

In today's environment mobile has become inherently social with consumers spending hours at a time on social sites such as Facebook, Twitter and Instagram. These platforms provide a simple and effective means by which brands can interact with their users in a personalized and localized fashion. Usability and information quality, visual appeal and image, interactivity, and web innovativeness had indirect influences on commitment and repurchase loyalty, mediated by value equity of social co-creation. (Ju-Young M. Kang, 2014).To increase customers' value equity, apparel e-retailers need to create attractive and worthwhile social co-creation platforms as well as high-quality products/services with low prices.

VI.   Conclusion

81% of the conversions from mobile search happen within five hours of the search. Conversion depends upon the consumer being found on mobile devices, providing a great user experience and being prepared to service the potential volume. The top five tasks for which smartphones are used are making a phone call (83%), checking email (74%), searches (67%), taking pictures (62%), and accessing social media (57%). Each of these tasks can be used by businesses to further their mobile marketing objectives. For example, with such a high percentage of users opting to check emails on mobile devices, retailers can have an audience to capture for email newsletters. Increased marketing efforts during these fertile times will expose the business to more people and yield greater benefits. (Brett relander Consultant Specializing in Social Media & Mobile Marketing June 10, 2014.)

If consumers find difficulty getting or facilitating mobile shopping services in achieving their shopping goals, it would make them frustrated with the services. Thus, retailers and mobile marketers should examine the functionality and usability of mobile shopping services from the customers' perspective and design the shopping services that are easy to access and navigate.

Mobile shopping services would be favourable when the service provides optimized shopping experiences by integrating the retailers' regular website and the services (Budiu, 2009). Positive attitudes toward the service provider will be further created when the hedonic performance satisfies consumer expectation, which improves the repurchase intention of the consumers. (Fiore et al., 2005).