

ONLINE BRAND ATTRIBUTES AND CUSTOMER LOYALTY INTENTION

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UNIVERSITI MALAYSIA SABAH

SCHOOL OF BUSINESS AND ECONOMICS

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ONLINE BRAND ATTRIBUTES AND CUSTOMER LOYALTY INTENTION

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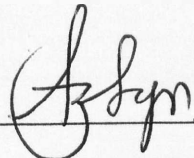
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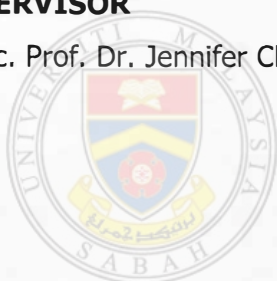
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ABSTRAK

*Peyelidikan ini bertujuan untuk menentukan pengaruh atribut jenama Online Ke atas niat kesetiaan pelanggan di antara syarikat-syarikat minyak di Sabah. 100 sampel pelanggan telah dikenalpasti untuk kajian ini namun hanya 90 soalan kajiselidik yang dapat dikutip dan hanya 84 yang boleh digunapakai untuk tujuan analisis. 100 respon yang diperolehi tersebut dianalisis dengan menggunakan analisi regresi. Sememangnya menunjukkan bahawa terdapat hubungan yang signifikan antara atribut jenama online ke atas niat kesetiaan pelanggan. Antara pembolehubah yang mempunyai hubungan signifikan adalah personalisasi dan kebolehpercayaan. Peyelidikan ini menyokong konseptualisasi yang menyatakan bahawa kebolehpercayaan merupakan attribute jenama online yang penting ke atas niat kesetiaan pelanggan. Selain daripada itu, personalisasi dapat menggalakkan pengguna menentukan keutaman/kelebihan yang mereka kehendaki. Peyelidikan ini juga dapat membantu organisasi untuk mengenalpasti dan memahami atribut jenama online dan signifikasinya terhadap niat kesetiaan pelanggan. Ia juga dapat membantu pengurusan dalam strategi jenamaan. Namun demikian, terdapat **limitasi** dalam peyelidikan ini, antaranya adalah terdapat kesukaran dalam mendekati **sejumlah** pengguna disebabkan lokasi yang berjauhan. Oleh itu, komunikasi diantara peyelidik hanya dapat dilaksanakan melalui emel. Selain itu, saiz sampel yang dikenalpasti adalah kecil dan sukar untuk membuat kesimpulan.*

ABSTRACT

ONLINE BRAND ATTRIBUTES AND CUSTOMER LOYALTY INTENTION

The purpose of this study was to determine the influence of online brand attributes on customers loyalty intention among oil and gas industry in Sabah. A sample of 100 customers had been targeted; however only 90 questionnaires managed to be collected and 84 usable (completed questionnaires) were analyzed. The response of 100 questionnaire were analyzed using regression revealed that the variances of online attributes have significant effect to customer loyalty intention. Among all the independent variables, two variables (Personalization and Reliability) showed significant influence on customer loyalty intention. This study strongly support the conceptualization of reliability as an important online attribute in building customer loyalty intention. Besides that, personalization has the advantages of encouraging preferences through empowering users to define what they want. This research also will assist organization to identity and understand the online brand attributes and their significance that may influence the customer loyalty intention and the better the management will be able to develop the branding strategy. However, there is a limitation of access to large internet users due to distance. Thus, the communication between the researcher and respondent had to be dependent via email. Besides, the sampling and sample size is relatively small and limits to generalize.

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CHAPTER 1

INTRODUCTION

1.1 Introduction

This chapter discussed an overview of this research study on online brand attributes and customer loyalty intention. This chapter identified the problem statement, research objectives, scope and significance of the study.

1.1.1 Overview

According to Song and Zinkhan (2008) the media landscape has changed considerably since the development of the internet and online brand have become an important tool for advertisers. Christodoulies and Leslie de Chernatony (2004) stressed that today brand is growing both online and offline. Matti Mantymaki (2009) explained that the number of hours spent in second life per quarter since 2006 has risen constantly and reaching 112 million hours in Q4 2008. Moreover, the users of second Life spent more than 100 million on virtual goods and services during Q4 2008.

Ward and Lee (2000) argued that brand become an important tool because they save customer time by reducing their search cost. As a result, Bhattacharjee (2001b); Gefen (2002); Reichheld et al. (2000) claimed that online brand managed to attract and retain existing customers or users. Based on Churchill & Suprenant (1982); Liver (1997); Oliver (1999) research, maintaining customer loyalty has been discussed voluminously in consumer behavior literature and the important of customer loyalty also been discussed in field of e-commerce Anderson & Srinivasan (2003);

Bhattacharjee (2001a); Chiang & Chen (2008); Cyr et al. (2007). However, studies focusing particularly on customer loyalty in online brand attributes have thus far been relatively scarce.

On the other hand, Mundroff and Bryant (2002) explained that business to consumer online shopping gained considerable appeal during the past few years. According to Hoffman et al., (1996), the internet provides an efficient channel for advertising, marketing, selling, and direct distribution of goods and services and as support channel for customer feedback. Bednash and Simon (1995) ; Forcht and Wex (1996) ; Herbig and Hale (1997) ; Thomas (1998) argued that due to the unique features offered by internet, it could replace the traditional media in decade. Ind and Riandino (2001) asserted that this might change the way in which branding and brand management are conducted.

1.2 Problem Statement

According to Ind and Riandino (2001) ; Philips (2001) ; Lindstrom (2001) ; Merrilees and Fry (2002) and Stuart and Jones (2004), much has been written by past researcher on the impact of the internet revolution on corporate brands and Merrilees and Fry (2002) argued that there is still lack of solid evidence on what drives value online. Claycomb (1997) asserted that this understanding is vital to organization because favorable brand image of company may influence consumer patronage and decision making while unfavorable images adversely influence such decision and behaviors.

Branding has emerged as a top management priority and become one of the most intangible assets that firms have. Past academics researchers have explored a number different brand related topic during the past few years. Important topics such as brand positioning, brand integration, brand equity management, brand growth and brand management.

Flores (2004) ; Christodoulides and de Chernatony (2004) ; Dou and Krishnamurthy (2007); Holland and Baker (2001), asserted that online brand provide various functionalities. Consumers can read product or brand information, watch TV commercial, customize virtual products, download music, chat with other visitors, or have direct dialogue with the organization behind the brand. Online brand provide brand with a platform to foster relationship with potential and actual customers, based on continue dialogue.

Gould and Silberzahn (1996) argued that it's difficult in getting customer to shop online and it is estimated that businesses worldwide lost approximately \$ 6.1 billion due to failed purchase attempts. Clauser (2001) explained that one possible reason why consumers may not be using and buying online is due to lack of company understanding of what constitute customer to have loyalty intention in the online context. Thus, in order to provide a better understanding to the practitioner, this study aims to examine which aspects of online brand attribute should be emphasized in online branding in order to achieve a Customer loyalty Intention.

Perhaps a better understanding of what aspect are important online may help a company to recognize whether the current online brand attributes delivered are in fact consistent and effective in relation to customer loyalty intention. Furthermore, in term of practical contribution, it provides strategic direction and positioning the corporate brand in an online context.

1.3 Research Objectives

The objectives of this study are:-

- 1) To identify key online brand attributes that affect customer loyalty intention of Petronas, Shell and Esso.
- 2) To examine the relationship between brand attributes (ease of use, security, personalization, customer care, reliability and online community) and customer loyalty intention.
- 3) To observe the significant perceptions on ease of use, security, personalization, customer care, reliability, online community and customer loyalty intention variables among the brand users of three majors Oil and Gas brand in Sabah namely Petronas, Shell and Esso.

1.4 Scope Of Study

The research aims to identify the key online brand attributes that affect customer loyalty intention and to examine the relationship between independent variables (online brand attribute) and dependent variable (customer loyalty intention). This study focused on three majors Oil and Gas brand in Sabah namely Petronas, Shell and Esso.

1.5 Significant of Study

According to Moring and Kristensen (2001), the fast innovation, increased service levels and diminishing brand loyalty characterizing today's marketplaces have led to corporate branding becoming a strategic marketing tool. Olines (1995) explained that organizations must decide whether to build the product brands or corporate identity.

Stuart and Jones (2004) ; de Chernatony and Chrisoudolides (2004) explained that a clear understanding of the customers is crucial. Therefore, this study would provide a basis of understanding what causes individual to perceive customer loyalty intention. Therefore, the significance of this research is to assist organization to identity and understand the online brand attributes and their significance that may influence the customer loyalty intention and the better the management will be able to develop the branding strategy.

Besides, the input on different perception between each online brand attributes are also significant to the management, in term of indentifying the key contributors for the influence. From the finding, management could plan a different approach for each indentified online brand attributes that has significant relationship with customer loyalty intention.

This research also will assist organization to plan their branding strategy especially on capitalizing the online brand attribute to maximize income for the organization. In other hand, the inception of online branding has been pushed to show value. With the advance in technology, many innovative ideas have shown tremendous improvements in the promotion and advertising areas. Therefore, this study can bring about significant value to the organization in applying modern technology and advancement through online branding.

This study also would facilitate the upper management on the influential factors that could improve customer loyalty intention in the context of online brand attributes. Lastly, this study would also be able to provide input for the literature review that can be explored and studied by future references.

1.6 Summary

Chapter 1 discussed an overview introduction of the background of the study. This chapter identified the problem statement, construct problem statement, objectives, scope and significance of the study.



CHAPTER 2

LITERATURE REVIEW

2.1 Introduction

This chapter outlines reviews from previous research studies on online brand attributes and customer loyalty intention. The literature review in this study will discuss on online brand attributes as an independent variable and customer loyalty intention as dependent variables. Each variable was conceptualized for its definition based on the related previous literature reviews.

2.2 Definition of Concept

2.2.1 Online Branding

Olins (1996) clarified that the word brand has altered in meaning in the last 10 years. Traditionally, the brand was part of "identity", which the organization presents itself through experiences and perceptions to all of its audiences. Besides, it may be thought of as the methods in which the organization communicates, symbolizes and differentiates itself to all its audiences.

Ibeh et al., (2005); Merisavo and Raulas; (2004); Murphy et al., (2003); Simmons (2007) defined online branding more generally (e-branding, digital branding, internet branding, or i-branding as it has variously been labeled) as "a brand that has an online presence". Chaffey (2008) defined online branding as how online channels are used to support brands, which in essence are the sum of characteristics of products, services or organization as perceived and experienced by a user, customer or other stakeholder.