The Impact of Customer Satisfaction and Loyalty on E-Marketing: Moderating Effect of Perceived Value

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Abstract
The paper discusses the various components that impacts customer satisfaction, loyalty, e-marketing and perceived value has the moderating effect. Online platforms continues been important because of the reach and the diversity of the customers meaning e-marketing should target the unique market. It includes developing products and services in addition to procedures and processes that reflect the wants of the customers. For example, the studies have shown the design of the website, customer engagement, and skills integrated into the entire processes are important. Factors such as security, ease of navigation, conflict resolution and effective feedback systems are example of frameworks that creates a positive reputation about a form, which increase the satisfaction of the users. Recommendations have also been provided for the ways and strategies that businesses have to operate to create customer loyalty and sustain such loyalty.

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In marketing regime, customer loyalty is seen as the most important issues that affect way business is conducted and performed. Managers and researchers have used many antecedents for explaining customer loyalty. The literature also provides numerous measures for evaluating loyalty (Jain et al. 2018; Momotaz & Hasan, 2018). The common perspective of loyalty and customer satisfaction is based on repurchase intention and customer commitment (Pandey & Chawla, 2018). Word of mouth and willingness to pay are defined as the direct variables that are consequences of loyalty (Pandey & Chawla, 2016; Jain et al. 2018). Loyal customers provide numerous advantages to an organization including recommendation to others, higher share of wallet, and higher customer retention rates.

Customer satisfaction and perceived value are linked to companies’ financial performance, recommend intention, repurchase and retention. Researchers perceives marketing as a framework that embraces the conception of the value notion in that customer ways the benefits received from the firm the offers the products and services and the consumer is ready to acquire the product foregoing other benefits (Ahmad, Rahman & Khan, 2017; Momotaz & Hasan, 2018). The goal of any establishment is customer satisfaction, which creates numerous benefits to an establishment (Pandey & Chawla, 2016; Potdar et al. 2018). Loyal customers provide numerous advantages to an organization including recommendation to others, higher share of wallet, and higher customer retention rates.

Companies continuously want to understand the behavior of their customers and have employed numbers measuring metrics. Example of these metrics includes Net Promoter Score and satisfaction (Khadim et al. 2018; Momotaz & Hasan, 2018). The customers through such mechanisms can be satisfied and can persuade others to acquire from a specific brand or company (Ahmad, Rahman & Khan, 2017; Jain et al. 2018). However, when customers value a competitor’s products and services, it means a company could continue loosing (Ting et al., 2016; Potdar et al. 2018). The integral component is the word of mouth communication in that information can be spread from one customer to the next (Fan, Kim & Lee, 2016). Some of the information shared includes services, products, brands and other information specific to a company or a brand. Managers continuously use the word of mouth strategic approach, which contributes to the likelihood of purchase, value ratings and changes in consumer judgments.

Perceived value is the merits or worth that a customer ascribes to a service or product. In most instances, the customers are unaware of variables tied to a service or product such as pricing and the solution to the consumers is the emotional appeal of the product or service (Ahmad, Rahman & Khan, 2017; Momotaz & Hasan, 2018). Consumer’s perceived value refers to the price that a consumer is ready to pay for products or services (Pandey & Chawla, 2018; Potdar et al. 2018). Customers focus on the final outcome of the product or project such as the need to meet certain satisfaction is the role of marketers. Perceived utility is also important because it refers to the values and benefits consumer receives from the use of service and product. Consumers demand services and products that offer and are useful to the customer and unsatisfied customer may not have a positive view of the product and service (Khadim et al. 2018; Jain et al. 2018). Perceived value also communicates expectations about the service and products. Therefore, perceived value is the persuasion or consumer behavior to acquire a product or service and is satisfied with the pricing. The expectation of the consumers is fulfilling inherent needs and wants.

Literature Review
The section discusses numerous studies that have been performed around customer satisfaction, loyalty, e-
marketing/online engagement, and perceived effect. The studies focus on mechanisms and frameworks that can be employed in meeting the needs and expectations of the customers. The purpose is to determine the view of the authors towards numerous processes such as training and developing the employees, design and credibility of websites, customer engagement and how the customers perceive the services and impact of these perceptions on perceived value. Information has been collected from different researchers/authors from different geographical and educational backgrounds but the focus is on marketing and customer satisfactions and related antecedents.

Chen and Hu (2010) states that cultivating and retaining customer loyalty continues being an important component for coffee outlet marketers because of the increasing competitive environment. The authors wanted to develop a test and develop a model that increases the relational benefits enhancing perceived value to win customer loyalty. The authors collected data from 949 respondents using a self administered questionnaire survey from coffee outlets. The findings of the study showed that relational benefits have an effect on customer loyalty and perceived value. Furthermore, relational benefits have a wider impact on loyalty from the perceived value. The authors also found out that perceived value influenced positively the customer loyalty. The authors recommend that establishments have to understand the customer’s perceptions and formulate competitive strategies that meet the expectations of the consumers. The area of the focus would be the relational benefits. The research article shows that relational benefits such as special treatments, social and confidence are some of the factors influencing the behaviors of the consumers. Focusing on these variables among others makes organizations to implement measures that resonates with the wants and needs of consumers.

Chen and Chen (2010) examined visitor experience of heritage tourism with a focus on investigating the relations between quality of the experiences, behavioral intentions, satisfaction and perceived value. The researchers coiled data from 447 respondents who were required to complete a survey at four sites in Taiwan. The authors analyzed the data through structural equation modeling technique. The authors found out a direct effect of quality of experience on satisfaction and perceived value. The authors also found out the indirect effects impacted the behavioral intentions of the consumers when mediated by satisfaction and perceived value. The authors were able to craft a systematic approach that starts with experience quality, followed by perceived value, followed by satisfaction and ends with behavioral intentions. These phases and stages are important in understanding the behaviors of consumers and the reasons behind the consumers’ decisions to acquire products and services. The stages can inform the businesses and organizations on the right mechanisms to influence the future of organization in strategic obligations.

Kassim & Asiah (2010) investigated the relationship between loyalty, trust, satisfaction and perceived service quality in ecommerce settings in two cultures, Qatari and Malaysian, at the level of construct dimensions. A survey approach was employed in collecting the data used in completing the study. Twenty items were collected and using the dimensionality of the perceived service quality, varimax rotation and oblique rotation was employed. The hypotheses were then tested using linear model of univariate analysis and structural equations modeling of variance. The authors found out that perceived service quality had an impact on customer satisfaction. A satisfied customer had a major impact on trust while these two variables had an impact on word of mouth. The outcome of the word of mouth is re-purchasing intentions and repeat visits. However, trust does not influence directly purchase decisions. The authors did not find any relationship of trust on loyalty, satisfaction on loyalty, perceived service quality on satisfaction among the Malaysian and Qatari customers. The cultural backgrounds of the respondents are similar meaning it influences the actions of these individuals. The authors recommend improving positive perception from the customers, the ecommerce companies have to increase customer loyalty through improving the security of their website, the attractiveness and the ease of use.

Liu, Guo & Lee, (2011) states that the cost of attracting new customers is comparatively higher compared to retaining older customers meaning that keeping customers’ loyalty is important in furthering the objectives and requirements of an organization. The authors explored the relationship between switching barriers and quality in influencing customer loyalty. The relationship quality includes both trust and satisfaction. A survey methodological approach was employed and the means of distribution was through mobile phone in Taiwan. The number of returned questionnaires, which were valid, was 311. The data was analyzed through structural equation modeling and the results showed that switching barriers, trust and satisfaction have positive impact on loyalty. Service quality and playfulness impacted positively on satisfaction while intimacy band service quality affects trust. The recommendations from the researched pointed to the importance of playfulness is addition to quality in improving customer loyalty. The organizations are also supposed to build switching barriers and relationship quality in reducing the possibility of engaging customer loyalty and defection. The analysis shows that high quality is not enough rather other variables have to be integrated in achieving customer loyalty.

Chiu et al. (2014) observes repeat purchasing or customer loyalty is critical for the success and survival of any store. The authors employ a prospect theory and means-end chain theory in investigating the repeat purchase intention of online buyers with a focus on the online stores. The authors hypothesized that hedonic value and utilitarian value affected repeat purchase intention positively. In addition, the authors hypothesized that perceived risk affected negatively the repeat purchase intention and sometimes moderate the effects of hedonic
values and utilitarian values on repeat purchase intention. Utilitarian value incorporates numerous variables include convenience, monetary savings, product information and product offerings. The data used for the analysis was collected from 782 Yahoo!Kimo customers. The results of data analysis indicated that both the hedonic value and utilitarian value had a positive impact on repeat purchase intention. In addition, perceived risk reduces the utilitarian value meaning that improving the security of the platform is important.

Kim, Chung, and Lee (2011) reviewed the OECDs 2008 statistics that indicated that 80.6% of the total population had internet in their homes. The data further indicated that more than two thirds of these populations engaged in online shopping. In addition, tourism companies continuously use Internet sites as sales and marketing vehicles for their services and products. To be effective and reliable, the ecommerce platform should be trustworthy. The study also examined the factors that influenced loyalty, satisfaction and trust. The authors employed a structural equation modeling framework to investigate the relationship among mediating variables such as satisfaction and trusts, and exogenous variables such as transaction cost, perceived security and navigation functionality while loyalty been an dependent variable. The authors collected data from 340 respondents by an Internet research firm. The findings indicated the importance of perceived security and navigation functionality in advancing trust. However, the researchers found out there was no impact of transaction cost on trust. Furthermore, satisfaction influenced positively trust, which also influenced customer loyalty. Trust influences customer loyalty ion shopping for tourism services and products. It means that there is a clear chain of interactions across numerous facets that impacts customers’ loyalty and perception.

Wang et al. (2011) acknowledges the weakness of e-tailing and the potential of system failures and understanding service failure and recovery is important in understanding customer loyalty. The authors analyzed the relationship of service recovery justice and service failure severity and perceived switching costs with customer loyalty. Furthermore, the authors analyzed the moderating relationship of perceived switching costs and service recovery justice on linking between customer loyalty and failure severities. The authors collected data from 221 respondents and the partial least square (PLS) approach was employed. The authors found out that perceived switching costs, procedural justice and service failure severity have a significant relationship with customer loyalty. In addition, interactional justice can be used to mitigate the negative relationships associated with customer loyalty and service failure severity. Interactional justice is important and it is the degree to which the individuals affected by the use of online platform are treated especially by respect and dignity.

Yen (2010) carried out a study to verify the relationship between customer loyalty and switching costs in ecommerce. The study employed an empirical research strategy in which 425 online shopping customers were targeted in USA. After analyzing the data, the authors found out the switching costs influenced customer loyalty. In addition, perceived risks also affect the relationship of customer loyalty band switching costs. Customers experiencing low perceived risks reports switching costs, which also positively affects customer loyalty. In instances in which the perceived risk is higher; the relationship of switching costs and customer loyalty is negative or weak. The practical implications is that practitioners should understand the relationship among various factors including customer loyalty, perceived risks and switching costs for their customers. Generally, high perceived risks means that the customers would not be comfortable with the online system and tend towards seeking alternative systems that is more secure. The framework affects the loyalty framework in that improving security and engaging the customers in a positive way translates to improved perception about the service provision.

Hong and Cho (2011) observed that the e-marketplace is made of numerous stakeholders and processes including the market infrastructure, intermediary activities and persons involved in the transaction. Consumers ready purchase products and services from unknown sellers within an e-marketplace despite the potential of various risks because the consumers trust the institutional mechanisms in place. Consumer’s trust can affect the way they make online purchases. Trust is an important component in e-marketplace and the authors aimed to understand the significance of trust. The authors collected data from 222 active e-marketplace shoppers in Korea using a questionnaire survey. The results indicated that consumer trust in an intermediary had a major impact upon both purchase intentions and attitudinal loyalty while consumer trust in sellers was minimal. The authors also found out integrity, benevolence and trustworthiness had a major impact on consumer trust in e-market places. In addition, attitudinal loyalty was important in influencing the behaviors and actions of the consumers. It means that the trust that consumers have on the intermediaries reflects on their behaviors to acquire. It also means that lack of trust of the system limits the capacity of the customers to fulfilling transactional objectives.

Ong, Nguyen & Syed (2017) examined the relationship between a consumer-based virtual brand personality (CBVBP) with brand loyalty and customer satisfaction. The focus of the paper is online banking. The authors employed a survey method in collecting data from 219 online banking users in Malaysia. Both hierarchical and multiple regression analyses were employed to test hypotheses in determining the direct and mediating effects of brand loyalty, customer satisfaction and CBVBP. The factors comprising CBVBP include competence, sophistication and excitement. These three factors are in helping online bankers to position, communicate and strategize their online banking sites to compete against others in the industry. The authors confirmed a positive
relationship between brand loyalty, customer satisfaction and CBVBP. The authors recommend the importance of measuring the virtual brand personality traits in order for the online banking services to be competitive.

Sharma and Lijuan (2015) investigated the service quality of e-commerce websites and their contribution towards electronic business promotion. An online survey commissioned by Nepal Telecom in Nepal was performed to complete the requirements of the study. After analyzing the data, the authors found out that online service quality and information quality were the key determinants for sustainability and satisfaction of e-commerce technology. The authors recognize the importance of online service quality in influence management practices such as sharing information, strategies and business policies and organization leaders. Understanding the variables and factors, which impact e-commerce websites are important in influencing the actions of these individuals in making the right decisions for an organization. The authors also observe that e-commerce is an alternative approach to reach consumers provided the quality of content and service is comparatively higher.

Al-Debei, Akroush & Ashouri (2015) examined the consumer attitudes toward online shopping. The authors started with introducing an integrated model which includes electronic world of mouth, perceived web quality, perceived benefits, and trust along with the relationships influencing consumer attitudes. A structured and self administered data was collected from 273 online shippers and numerous strategies such as confirmatory and exploratory factor analyses. The analyses were used to assess the composite reliability, validity, unidimensionality and research constructs. Structural path model was employed in testing the hypotheses relations of the defined research model. The authors found out that consumer attitudes were influenced by perceived benefits and trust. Trust is a composition of electronic word of mouth and perceived web quality. The variation in online shopping was attributed to trust and perceived benefits. The authors conclude through indicating the importance of perceived benefits and trust as the key drivers towards advancing online engagement and e-commerce in markets like Jordan. The researchers also presents that managers and executives can benefit from implementing e-marketing strategies because such organizations can acquire new customers and maintain the demands of these customers. In addition, through e-marketing the customers can engage with the management/organization easily, which may improve the perceived value system.

Liao et al. (2017) adopted a regret theory and expectancy confirmation theory in investigating the effects of external reference points such as word of mouth in repurchase behaviors and also exploring how customers’ search effort influences regret and satisfactions. The authors collected data from 268 customers to test their hypothesis. The customers employed a partial least squares analysis. The authors found out that alternative attractiveness, search effort and conformation of expectation are indicators of regret, which also influences purchase intention and satisfaction. Search effort and conformation of expectation also advanced a positive effect on satisfaction, which positively influenced repurchase intention. The authors also found out that prior loyalty negatively moderated the relationship between repurchase intention and satisfaction. Consumers have expectations went they navigate and search online, which impacts the perceived outcomes.

Awad and Soliman (2017) studied the impact of Egyptian hotels’ websites marketing on achieving customer e-loyalty and customer e-satisfaction through focusing on e-satisfaction success factors. The e-satisfaction success factors include intention to revisit, perceptions and expectations for hotel facilities and services, service quality, system safety, system convenience and website information quality. The authors used questionnaire to data from the respondents while the entire focus of the study was on five star hotels. A high percentage of the customers were dissatisfied about the hotel’s website because of numerous issues including content, navigation among other variables. Awad and Soliman (2017) recommends enhancement of quality of the marketing websites through improving the brand image, increasing the number of customers, e-loyalty, e-satisfaction, and sustaining hotel-customer relationship. The outcome of these numerous activities translates to increase in profitability.

Leung, Xue & Bai (2015) reviewed the progress of published Internet marketing research within the commonly tourism journals and provision of suggestions on future research directions. The authors collected data from 331 Internet marketing related articles that were published between 1996 and 2013. The authors used content analysis to collect the data and grouped the data into themes and employed correspondence analyses to examine different areas over time. The authors identified five category and 27 subcategory classifications resulting in the construction of two-dimensional perceptual map. The authors found out that the tourism fields experienced various stages including introduction, growth and maturity stages. The authors employed three strategies stating with customer perspectives, business perspective, and then to both customer and business perspectives. The authors concluded that the changing operational and technological advancement meant that the marketing strategies and tourism industry had to change.

Yang et al. (2017) stated that retaining customers was an integral component for multichannel customers. The authors identified the factors that influence consumer repurchase intention using modern and online based system such as mobile phones. The authors collected data from 317 consumers who acquired products and services from a famous e-retailer in China. The authors found that channel integration was a positive and string component in influencing service quality perceptions in both mobile and online environments. The wider
outcomes were influencing cumulative satisfaction and transaction specific satisfaction. Furthermore, transaction specific had a major influence on cumulative satisfaction, which also influenced positively the repurchase intention. It means that utilizing more than one framework in approaching and engaging with the customers is important in creating lasting and positive relationships.

In summary, the authors and researchers have presented different views around customer satisfaction, loyalty, e-marketing/online engagement and perceived value. It is evident that customer satisfaction is important and satisfaction can be achieved through various means. The means include effective engagement, listening to the requirements of the customers, developing the communication channels to reflect the needs of the customers, which contributes to loyalty. A loyal customer increases the chances of repurchase and also word of mouth communication. The expectations of the customers have to be made and start with selling the idea, which is via the online means. The customers should be able to see the value of the processes and ensure the processes impact positively the production and related functions that affects the business and consumer behavior.

**Recommendations**

Customers continue to understand the significance of e-marketing and online activities and improving the security of the website would be important. The customers tend towards avoiding risks and security is important in e-commerce and online business transactions and related actions (Pandey & Chawla, 2016). The online based companies and activities have to focus on the security of the customers and the platform. Cybersecurity continues being a major problem in the society and online platforms meaning guaranteeing the security of personal information and data is important (Pandey & Chawla, 2018; Potdar et al. 2018). Customers sometimes use the online platform systems to acquire products and services, and such information can be stolen from the website database. The website can also be a transit point of virus and other intrusion software, which can affect the loyalty of the consumers. The perceived value goes beyond the price an individual has to pay (Ahmad, Rahman & Khan, 2017). For example, a product or service can be cheaper but the long term effects can be expensive such as abuse of personal information (Ting et al., 2016). To ensure the customers appreciate the perceived value and encourage towards customer satisfaction and loyalty, it is important for businesses and organization to secure their site (Khadim et al. 2018). The security can incorporate various phases such as authorization and storage of the provide information. Authorization might include the use of login details while storage is ensuring the details the customers have provided when financial and personal details are stored safely. Such assurances means the customers can have a better trust on the website and company and can continue acquiring products and services from the platform.

The society continues to embrace the importance of website and each organization has to develop and maintain a website to increase the number of consumers. Website encourages customers to seek information and even sometimes launch complaints and dissatisfaction (Ahmad, Rahman & Khan, 2017; Potdar et al. 2018). The increase in addition means that creatively and user friendly websites would impact positively to the experience of the customers. The design and development of the website should ensure all things are all right including the eye trail, the design of the page, the graphics, the imagery, the color palette, the icons and logos (Pandey & Chawla, 2018). Combination of these various elements results in production of a powerful emotional impact on the customers or visitors to the website (Ting et al., 2016). The perception and expectations of the customers starts from entering the website till the actual activity such as purchase or seeking further information (Kamboj & Rahman, 2016). A well designed website creates some confidence to the customer, which might also influence trust. Furthermore, the customer can relate with the website, which can impact the loyalty and related consumer behaviors.

Improving the ease of use and navigation functionality is important for any website. The usability should be good and geared towards improving site ranking. The website or e-marketing platform should be well organized and contain updated information (Kamboj & Rahman, 2016; Khadim et al. 2018). When a customer visits a website and realizes it is well organized and user friendly, the visitor can continue perusing and going through the numerous pages (Ahmad, Rahman & Khan, 2017; Jain et al. 2018). The visitors have already developed ideas and thinking about a website meaning that creating a website that resonates with the customers including creating a memorable URL, making the website mobile compatible and connecting to social media (Ting et al., 2016; Potdar et al. 2018). It means that the marketing platform should consider the expectations of the customers such as transferring and sharing some information, which also furthers navigation functionality (Pandey & Chawla, 2016). E-marketing focuses on electronic technology meaning that a visitor might want to visit more platforms but when they realize a platform is well organized, the can relate with the services and products presented.

Customer satisfactions and loyalty is influenced by the approach and engagement of an organization. An organization that values its customers provides quality services and engagement (Pandey & Chawla, 2016; Jain et al. 2018). The services offered include contact and communication, updating information, responding to the customer’s request religiously, and ensuring customer complaints are addressed efficiently (Pandey & Chawla,
The importance of effective engagement. Security of the website and other privacy requirements have to be considered to ensure a customer is satisfied. It means that various components and factors have to be considered to achieve such requirements such as bringing together an efficient payment system with communication system (Pandey & Chawla, 2018; Jain et al. 2018). In addition, responding to consumers’ messages and complaints with provision of supportive assistance when a problem occurs beyond the internal environment of an organization (Ahmad, Rahman & Khan, 2017; Khadim et al. 2018). It means the services have to go beyond the normal duties and support the customer when possible to within the spirit of the services: for example, a company may be using a third party to transport a product and when the customer complaints that they have not received the product, the company should follow up with the third party (Kamboj & Rahman, 2016). These numerous services and engagement increases the satisfaction of the customer, which increases repeat purchases.

Companies should understand and appreciate the importance of interactional justice. Interactional justice refers to the degree in which people affected by decision are treated respectfully, and fairly. Interactional justice is divided into two parts, which are interpersonal treatment and informational justice (Pandey & Chawla, 2016). Interpersonal treatment refers to the treatment of people with respect, dignity and politeness by third parties (Kamboj & Rahman, 2016; Potdar et al. 2018). Informational justice refers to the explanations or conveying information about the reasons behind taking a given decision or the reason why some actions took a given framework (Pandey & Chawla, 2018). High standards of interactional justice have to be maintained in e-marketing to improve customer satisfactions. Customers go through numerous phases such as becoming angry because of poor quality services and products. The e-marketer should be aware of the situation and implement measures to counter the negative experiences of the customer (Ahmad, Rahman & Khan, 2017). The e-marketer should not start abusing the customer rather explains to the customer in a polite way the reasons behind the problem and how the problem can be solved (Ting et al., 2016; Khadim et al. 2018). A customer who is treated respectable can be motivated to acquire more products and become a loyal customer. Addressing a negative interaction resulting in satisfactions makes the customer believe that the company goes to any length to address the customers’ complaints (Pandey & Chawla, 2016). Therefore, interactional justice focuses on two fronts, which are treating the customer fairly and addressing the needs of the customer through providing appropriate information (Momotaz & Hasan, 2018). The outcome is a more satisfied and loyal customer.

Conclusion
In conclusion, perceived value is an important aspect in marketing and consumer behavior because it determines whether a customer will make repeat purchases or change their minds when it comes to products and services. Customer service has a major impact on customer trust. In obtaining trust and satisfactions, the online stores should consider numerous components that affect the business. It includes provision of after sales support, interactional justice, privacy and security measures among other strategic actions. In addition, customer satisfaction can be supported through trust, satisfaction, and loyalty such as attitudinal and behavioral. However, the important one is trusts and the perception of the entire service. Loyalty can be achieved through numerous means including the quality of the product and service, customer care quality, and sometimes pricing to influence the perceived value. The prices do not have a major impact compared to the processes and procedure. Since the customer might have numerous options to acquire a product or service, the quality of the service and engagement is paramount. To improve the perceived value and also service quality, the e-marketers should consider the condition and nature of their websites. Variables such as service completion, security/privacy, website design, and accountability are some of the variables impacting efficiency. The ease of use and website navigation is also important in impacting the customer’s decision making. The aim of any business to create favorable conditions such as word of mouth meaning a satisfied customer is better placed to advocate for a product and service.

The recommendations to the business include training and developing the customers to be able to solve the customers’ complaints and concerns. The website should be designed when and meet the expectations or desirability of the customers. Ensuring the website is attractive and also ensuring the staff appreciative the importance of effective engagement. Security of the website and other privacy requirements have to be considered to ensure a customer is satisfied. It means that various components and factors have to be considered in developing the website and e-marketing engagement such as use of complementary social media and telephone to engage with the customers. Therefore, the online stores should utilize various devices and channels
to reach and engage with the customers.

References


