

An investigation on important factors influencing customer repurchase: A case study of Airline agencies

Naser Azad^a Mohammadreza Rahimi Shamsabadi^{b*}

^aDepartment of Management, Islamic Azad University, South Tehran Branch, Tehran, Iran

^bDepartment of Management, Islamic Azad University, Arak Branch, Arak, Iran

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ABSTRACT

During the past few years, there has been an increase trend on purchasing via internet, which indicates a steady growth on this internet service. There are different advantages on e-purchase services such as availability of usage, fast and reliable services, etc. The purpose of this survey is to investigate on different influencing factors on customer's fidelity on purchasing air ticket from different agencies located in Tehran, Iran. The Cronbach Alpha validates our results. The proposed conceptual model of this paper is estimated using multi-variable regression model and the results indicate that direct factors influence customer satisfaction, significantly. The results indicate that while customer perception does not have any relationship with repurchase but it has direct relationship with customer's perception and trust.

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1. Introduction

Information technology (IT) is rapidly changing our world and internet, e-commerce and web based services are among the most important items we see these days (Thuy & Hau, 2010). The fast growth of internet has also changes our lives and many business units disappear from the market simply because they are not able to match themselves with the rapid changes of IT market (Dixon & Marston, 2005). These days, it is more difficult to make a clear distinction between different services and the life cycle of many products are getting shorter and shorter. IT provides better opportunities to provide better strategies for business units (Chiou et al., 2009).

We need to have competitive advantages in e-commerce more than we do in traditional economy since there is a rapid change on business cycles. During the past few years, there have been tremendous efforts on measuring the impact of e-service on e-repurchase. Ha et al. (2008) introduced a new understanding of satisfaction model in e-re-purchase situation. They explained that trust as a

* Corresponding author. Tel: +989123509871
E-mail addresses: rahimi4262@yahoo.com (M. Rahimi Shamsabadi)

psychological state consisting the intention to accept vulnerability based on positive expectations of the intentions or behaviors of another. They argued that satisfaction-positive attitude-repurchase attitude hierarchy is that satisfaction is the basis for an attitude towards involving in a repeated behavior. In addition, customer satisfaction is a vital component of post-purchase attitude. Kim et al. (2009) investigated the role of retail quality, e-satisfaction and e-trust in online loyalty facilities. They explained e-satisfaction as a cumulative construct, which is based on total satisfaction on each purchase and consumption experience with a good or service over time. Satisfied customers possibly use more service, possess stronger repurchase intention, and are often eager to recommend the product or service to their acquaintances.

Customization refers to the degree in which a technology, good or service is created or selected to adapt with user preferences. Customization involves initiation, proposal, selection, and production (Teng, 2010). Bai et al. (2007) investigated the effects of website quality on customer satisfaction and purchase intentions for a real-world case study of Chinese online visitors. Bigne et al. (2010) studied how motivation, opportunity and ability could drive online airline ticket purchases. Chien-Ta Ho and Oh (2009) presented an empirical study of the implementation of e-security seals in e-commerce. Hong and Cho (2011) studied the effect of consumer trust on attitudinal loyalty and purchase intentions in B2C e-marketplaces.

They studied the impact of intermediary trust vs. seller trust. Caruana and Ewing (2009) studied on how corporate, quality and value influence online loyalty. Forgasa et al. (2012) performed a comprehensive study on online drivers and offline influences associated with loyalty to airline websites. Chang and Wen (2008) investigated the factors impacting customer interface quality, satisfaction and switching costs on e-loyalty using internet experience as a moderator. Naoui and (2010) investigated the impact of relationship quality on client's loyalty in an application in the parapharmaceutical industry. Customer satisfaction in e-commerce means customer's satisfaction from purchasing a product on digital market (Ding et al., 2010; Zhang et al., 2011). The proposed study of this paper investigate the following seven hypothesis,

1. E-commerce customer satisfaction has direct influence on customer's perception (Licata & Chakraborty, 2009).
2. E-commerce customer satisfaction has direct influence on customer's trust (Palvia, 2009).
3. E-commerce customer satisfaction has direct influence on customer's positive attitude (McCole et al., 2010).
4. Customer's perception has direct influence on e-commerce customer repurchase (Hsu, 2008).
5. Trust has direct influence on e-commerce customer repurchase (Lee et al., 2008).
6. Positive perception has direct influence on e-commerce customer repurchase (Sanchez-Franco & Rondan-Cataluña, 2009).
7. E-commerce customer satisfaction has direct influence on repurchase (Jones & Farquhar, 2007; Hernández et al., 2009; Ramanathan, 2010).

2. Methodology

In this survey, we have distributed 350 questionnaires among all travel agencies in the city of Tehran, Iran. The Kaiser-Meyer-Olkin measure of sampling adequacy is equal to 0.946 and the Bartlett's test is 2720 and these two figures highly confirm our results. Finally, Cronbach's Alpha is calculated as 0.942, which is a highly reliable number for our survey. Logistics plays a very important role in ensuring customer loyalty. The factors, which are associated with logistics are experienced by customers after making payments, and are often grouped as one of the post-purchase factors (Ramanathan, 2010).

The logistic platform for e-commerce fulfillment consists of logistics structure (e.g., direct distribution or via distribution centers), logistics processes (e.g., order-handling, storing, packing and transportation), and systems for information and reporting (Ramanathan, 2010). According to Bigne et al. (2010) the following factors influences customers for purchasing an airline ticket.

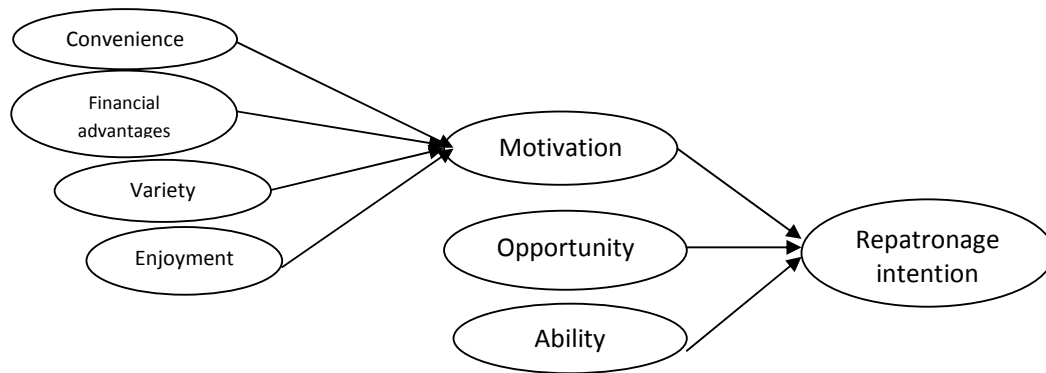


Fig. 1. Important factors influencing customer to purchase an airline ticket

The research conceptual model of this is depicted in Fig. 2 as follows,

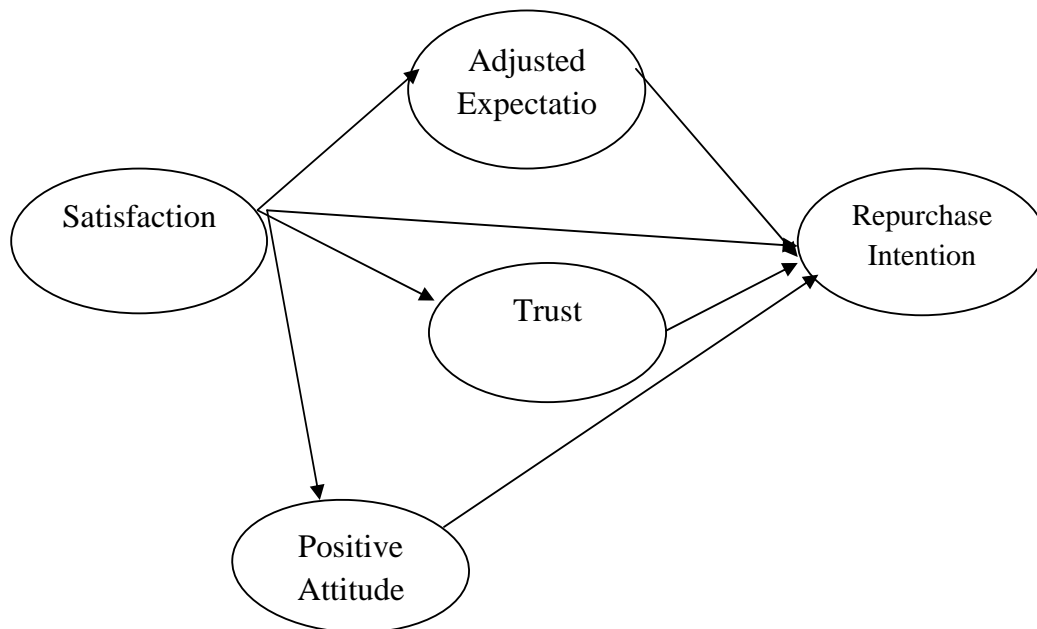


Fig. 2. The framework of the proposed model

3. Results

The proposed study of this paper has used conceptual framework for analyzing the information. Fig. 3 shows details of the implementation of our LISREL model along with statistical t-students.

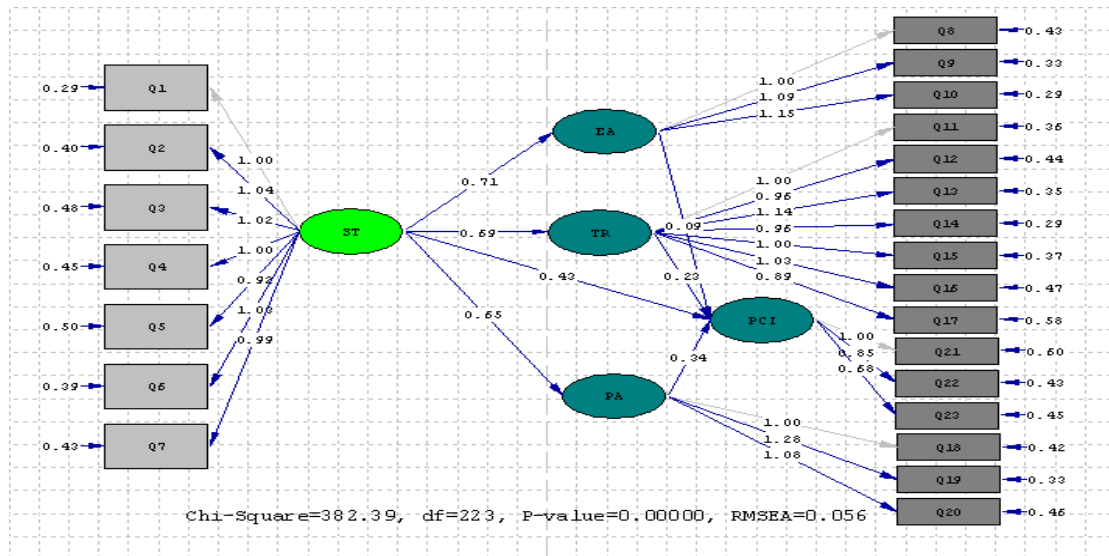


Fig. 3. The results of Eigen values

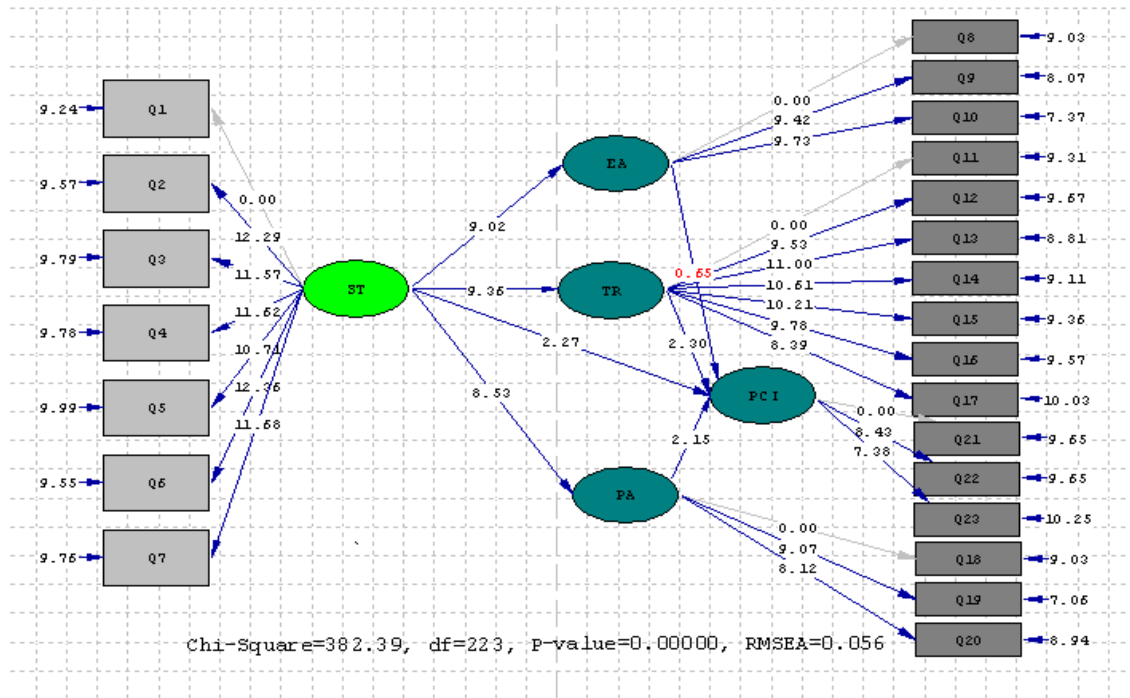


Fig. 4. t-students for difference questions

Table 1 shows details of our Eigenvalues and t-students for two variables of satisfaction and perceptual expectations. As we can observe all values are almost above 1, which represent meaningful relationships.

Table 1

The summary of statistical observations for satisfaction and perceptual expectations

Variable	Satisfaction							Perceptual expectations		
Question	1	2	3	4	5	6	7	8	9	10
Parameter	$\lambda_{\chi_{11}}$	$\lambda_{\chi_{12}}$	$\lambda_{\chi_{13}}$	$\lambda_{\chi_{14}}$	$\lambda_{\chi_{15}}$	$\lambda_{\chi_{16}}$	$\lambda_{\chi_{17}}$	$\lambda_{Y_{11}}$	$\lambda_{Y_{12}}$	$\lambda_{Y_{13}}$
Value	1.00	1.04	1.02	1.00	0.92	1.03	0.99	1.00	1.09	1.15
t-student	-	12.29	11.57	11.62	10.71	12.36	11.68	-	9.73	9.73

Table 2 shows details of our Eigenvalues and t-students for three variables of trust, positive attitudes and repurchase. As we can observe all values are almost above 1, which represent meaningful relationships.

Table 2

The summary of statistical observations for trust, positive attitudes and repurchase

Variable	Trust							Positive attitudes			Repurchase		
Question	11	12	13	14	15	16	17	18	19	20	21	22	23
Parameter	$\lambda_{Y_{21}}$	$\lambda_{Y_{22}}$	$\lambda_{Y_{23}}$	$\lambda_{Y_{24}}$	$\lambda_{Y_{25}}$	$\lambda_{Y_{26}}$	$\lambda_{Y_{27}}$	$\lambda_{Y_{31}}$	$\lambda_{Y_{32}}$	$\lambda_{Y_{33}}$	$\lambda_{Y_{41}}$	$\lambda_{Y_{42}}$	$\lambda_{Y_{43}}$
Value	1.00	0.96	1.14	0.96	1.00	1.03	0.89	1.00	1.28	1.08	1.00	0.85	0.68
t-student	-	9.53	11.00	10.61	10.21	9.78	8.39	-	9.07	8.12	-	8.34	7.38

The Chi-square for the regression model is 382.39, mean root square of estimated error (RMSEA) is 0.056, goodness of fitness index as well as adjusted goodness of fitness index are calculated as .87 and 0.84, respectively. These results indicate that the regression model represent good fitness of the data. Statistical t-students for seven hypotheses are 9.02, 9.36, 8.53, 0.65, 2.30, 2.15 and 2.27, respectively. As we can observe, except the fourth hypothesis, all null hypotheses are rejected. In other words, customer's perception does not have any relationship with repurchasing product.

4. Conclusion

In this paper, we have investigated different influencing factors on customer's fidelity on purchasing air ticket from different agencies located in Tehran, Iran. The Cronbach Alpha validates our results. The proposed conceptual model of this paper was estimated using multi-variable regression model and the results indicated that direct factors influence customer satisfaction, significantly. The results also explained that while customer perception did not have any relationship with repurchase but it had direct relationship with customer's perception and trust.

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