INVESTIGATING E-SERVICESCAPE, TRUST, E-WOM, AND CUSTOMER LOYALTY

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Old Spice cleverly used a handsome actor to play the Old Spice Man character for a Super Bowl commercial in 2010. After the game, this Old Spice commercial was viewed more than 13 million times on YouTube, a social media video-sharing site. This viral marketing campaign, also known as electronic word-of-mouth (E-WOM), propelled the Old Spice brand into the forefront of consumers' minds, increased brand awareness, and inspired people to share the video links with their family, friends, and co-workers.

The rapid growth of E-WOM is an indication of consumers' increased willingness to convey marketing messages to others. However, despite this development, marketing academics and practitioners do not fully understand this powerful form of marketing. This dissertation enriches our understanding of E-WOM and how e-servicescape may lead to E-WOM. To that end, stimulus-organism-response theory and the network co-production model of E-WOM are applied to investigate the relationships between e-servicescape, trust, E-WOM intentions, customer loyalty, and purchase intentions. Two forms of E-WOM were examined, namely emails and social network postings. E-servicescape is defined as the online environmental factors of a marketer's website. E-servicescape is composed of three main dimensions, including aesthetic appeal, financial security, and layout and functionality.

This study used cross-sectional customer data from a single e-tailer. Structural equation modeling was used to analyze the responses. Customer reviews was added as an additional sub-dimension of e-servicescape. The findings suggest e-servicescape positively impacts trust, which in turn positively influences E-WOM and customer loyalty. Moreover, two groups of customers

were compared using multi-group analysis, where one group of users received emails and the other group received social network postings from the same e-tailer. Overall, the results indicated emails had a stronger impact on e-servicescape, E-WOM, and customer loyalty. Social networking site postings had slightly greater influence on trust, and two sub-dimensions of e-servicescape, i.e., interactivity and ease of payment.

These findings contribute to the marketing research on E-WOM theory and electronic commerce shopping behavior. In particular, the sub-dimension of customer reviews is added to e-servicescape. This study yields practical implications for marketers in understanding consumers' perceptions of websites and how to better design sites. In addition, these findings add to knowledge on how to engender consumers' trust and customer loyalty online. Finally, this research provides suggestions for firms wanting to create marketing campaigns that will lead to E-WOM.

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By

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CHAPTER 1

INTRODUCTION

To promote the Old Spice brand, a short, a 30-second commercial was aired during the

Super Bowl in 2010. Handsome actor Isaiah Mustafa played the Old Spice Man; his character

cheekily assured women that he was "the man your man could smell like." After the game, this

Old Spice commercial was uploaded on the social media video-sharing site YouTube and was

viewed more than 13 million times. To further extend the life of this marketing campaign theme,

the company later posted messages on Facebook and Twitter inviting users to ask the Old Spice

Man questions about manliness. In almost real time, short video vignettes featuring the Old Spice

Man's responses to users' queries were posted. Over the course of two days, more than 180

video responses were posted. More importantly, these video clips were viewed over 23 million

times in 36 hours. This viral marketing campaign, also known as electronic word-of-mouth (E-

WOM), propelled the Old Spice brand into the forefront of consumers' minds, increased brand

awareness, and inspired people to share the video links with others.

Overview of E-WOM

E-WOM is defined as "forwarding actions through email, instant messaging or other

communication media that are of high 'addressability'" (Ho and Dempsey 2010, p. 1000). E-

WOM communication is traditional word-of-mouth (WOM) behavior evolved and adapted to

electronic media, where individuals often convey messages in a one-to-many ratio. E-WOM

differs from WOM in a few ways, including the convenience, asynchronous nature of electronic

communication, potential for anonymity between the message sender and receiver, and lack of

geographic boundaries. Aside from these differences, E-WOM is similar to traditional WOM in

that it is a powerful form of marketing, it has more influence on consumers when compared to typical marketing avenues (Arndt 1967; Bansal and Voyer 2000), and consumers perceive it to be more credible and trustworthy (Brown and Reingen 1987; Day 1971; Murray 1991; Nyilasy 2004).

Coined by Rayport (1996), the phrase viral marketing originally described the act of attaching an advertisement in an email. Considered the original pioneer of viral marketing, Hotmail grew from 500,000 users to over 12,000,000 users in less than a year by simply attaching a small advertisement in the footer section of each email sent using the Hotmail service (Altoft 2008). Now, viral marketing is best defined as "electronic word-of-mouth whereby some form of marketing message related to a company, brand, or product is transmitted in an exponentially growing way" (Kaplan and Haenlein 2011).

Many marketing academics and practitioners use the terms E-WOM and viral marketing interchangeably. Due to the potential nature of E-WOM message to spread like a virus, it is also referred to as viral marketing. Viral marketing is also known as "word of mouse" (Goldenberg, Libai, and Muller 2001), viral communication (Welker 2002), buzz marketing (Notarantonio and Quigley 2009; Thomas 2004), viral stealth marketing (Swanepoel, Lye, and Rugimbana 2009), stealth marketing (Kaikati and Kaikati 2004), and word-of-mouth marketing (Kozinets et al. 2010).

E-WOM marketing has two crucial parts. The first is the growth rate, whereby each receiver of the electronic communication shares it with more than one other person. This reproduction rate is greater than one, which results in a potentially exponential growth rate. The second important component of viral marketing is the electronic media for sharing the message. This is commonly known as social media and includes blogs, microblogs, social networking

sites, content communities, and collaborative projects (Kaplan and Haenlein 2011). In essence, consumers act as advertising agents for the organization by spreading the message through E-WOM.

Technological advances have revolutionized the speed, convenience, and near-constant connectivity of individuals to their social networks. Being virtually connected nearly 24/7 substantially increases the opportunities for users to participate in E-WOM behavior, both on the forwarding and receiving ends. The ubiquity of mobile devices, including smart phones, tablets, and netbooks, has led researchers to use the phrase mobile marketing, which is defined as any type of marketing communication that uses mobile communication to promote marketing offerings (Pousttchi and Wiedemann 2006). The convenience of electronic communications paves the way for individuals to both easily receive and spread messages, which in turn leads to the viral effect. These E-WOM communications may be positive, as in the case of the Old Spice Man messages, or negative, which can be detrimental to the organization and the brand. In addition to investigating E-WOM about a company, this dissertation also explores e-servicescape and how consumers' perceptions of the e-tailer.

Overview of E-Servicescape, Trust, Purchase Intentions, and Loyalty

E-servicescape is defined as the online environmental factors of a marketer's website (Harris and Goode 2010). E-servicescape may also be known as online servicescape and online environment. There are three dimensions of e-servicescape, namely aesthetic appeal, layout and functionality, and financial security. The first two dimensions were directly translated from Bitner's (1992) research on brick-and-mortar stores' servicescape. The final dimension, financial security, is critical in gaining consumers' trust, which in turn potentially increases purchase

intentions. Aesthetic appeal is comprised of three sub-dimensions, including entertainment value, originality of design, and visual appeal. Four sub-dimensions are part of layout and functionality, namely customization, interactivity, relevance of information, and usability. Financial security is composed of two sub-dimensions, including ease of payment and perceived security.

The original e-servicescape definition and scale did not include customer reviews. However, individuals are increasingly relying on customer reviews to make purchase decisions, with 77% of consumers reading reviews for electronic devices (Consumer Electronics 2013). Even more telling, 78% of Americans agree that online customer reviews influence their purchases (Purchase Decisions 2013). As a result of this growing trend, the present research includes customer reviews as a part of e-servicescape in the layout and functionality dimension. Aside from e-servicescape, this research also examines consumers' trust, and how trust is linked with E-WOM behavior, purchase intentions, and customer loyalty.

Trust plays a significant role in determining consumers' actions regarding companies (Gefen and Straub 2004; Pavlou 2003). Trust in companies websites and online retailers is a key factor in the customer's sense of satisfaction from online transactions (Chen and Barnes 2007; Gefen and Straub 2004; Pavlou 2003). If customers trust e-tailers, they believe that e-vendors will treat them fairly and not behave opportunistically (Gefen, Karahanna, and Straub 2003; Shih 2004). Hence, online trust is an important determinant of success in the e-marketplace. Trust is the belief that an individual can rely on a promise made by another (Pavlou 2003).

In the context of e-commerce, trust includes the online consumers' beliefs and expectations about trust-related characteristics of the online seller (McKnight, Choudhury, and Kacmar 2002). The level of trust is positively related to the attitude towards the store, and inversely related to the perception of the risks involved in buying from that store (Jarvenpaa,

Tractinsky, and Saarinen 1999). It is also suggested that a high level of trust by buyers stimulates favorable attitudes and behavior (Shergill and Chen 2005; van der Heijden, Verhagen, and Creemers 2003). A lack of trust in online companies is a primary reason why many consumers do not purchase online. Trust has been conceptualized as a set of distinct beliefs consisting of the integrity, benevolence, and ability of a given company (Gefen, Karahanna, and Straub 2003).

Overview of Email and Social Networking Sites

While some may say that email as a form of electronic communication is passé, email currently reaches three times more people than Facebook and Twitter combined, approximately 3.6 billion individuals (Lee 2014). Before abandoning email and jumping on the next bandwagon, marketers should carefully consider how consumers use email, both for the information that applies to them personally and as a way to share E-WOM. Previously, researchers have investigated individuals' forwarding behaviors in the context of emails as the electronic medium. The message source, content, and potential receivers' characteristics are factors in determining the propensity to pass along the email communication to others (Chiu et al. 2007). An individual's level of involvement, relational commitment, strength of social interaction tie, message forwarding self-efficacy, and affection outcome expectation are related to email-forwarding intentions (Huang, Lin, and Lin 2009). With constant evolutions in technology and electronic media, consumers also use other ways to share information, including social networking sites.

The omnipresent mobile devices and 24/7 connectivity make it easier for people to reach others and quickly post information on social networking sites, such as Facebook. Social networking sites differ from traditional media in that the content is both user-generated and user-

centered, which allows people to establish and maintain online interactions (Boyd and Ellison 2007). While individuals enjoy being connected online and reading about others' experiences, opinions, and conversations, we like sharing our own thoughts, opinions, and likes/dislikes even more. Researchers found that the human brain gets more neurochemically activated when an individual is asked to disclose their own thoughts and feelings than when sharing another person's thoughts (Tamir and Mitchell 2012). As we pass along E-WOM on Facebook, we inherently embed our own meanings in the message, even when the content originated from a marketer. Receivers of referral E-WOM through social networking sites are more likely to use the invitation to become a new member of the social networking site (Trusov, Bucklin, and Pauwels 2009). In this case, the E-WOM serves to generate hype about the social networking site and acquire new customers.

Theoretical Framework and Research Questions

Though the literature includes investigations on e-servicescape, viral marketing, emails, social networking sites, there is a gap in the marketing literature, namely how consumers' perceptions of an e-tailer's website are related to trust, E-WOM, purchase intentions, and customer loyalty. Although studies have explored online servicescape (Harris and Goode 2010), microblogs and e-servicescape (Tran, Strutton, and Taylor 2012), and online servicescape and flow (Lee and Jeong 2012), the extant research does not address how e-servicescape is associated with trust, E-WOM, purchase intentions, and loyalty. In particular, potential E-WOM in the context of emails and social networking postings originating from a marketer is examined. Towards these ends, this dissertation aims to address the following research questions:

1. Do a retailer's emails and social network postings influence customers' perceptions of the retailer's website differently?

2. Do customer reviews play a role in customers' perceptions of the retailer's website?

3. How are customers' perceptions of the retailer's website related to trust? In turn, how is trust related to E-WOM intentions, purchase intentions, and customer loyalty?

One paradigm for this dissertation is stimulus-organism-response theory (Mehrabian and Russell 1974). This model describes how the environment is the stimulus that affects the organism. Then the organism responds with approach or avoidance behavior (see Figure 1). For the purposes of this research, the e-tailer's online servicescape is the stimulus, the organism's internal reaction is trust, and the behavioral responses include E-WOM, customer loyalty, and purchase intentions.

The network co-production model of E-WOM activity (Kozinets et al. 2010) serves as additional theoretical support for this research. Marketing has progressed from a transaction-based perspective to a more relationship-based view, where consumers play a major role in their networks (Vargo and Lusch 2004). The original communication is from the marketer, in the form of seeding. The seeded consumers then forward the communication to multiple others, often embedding their own message and meanings in the process. As co-producers in the network, users play an active part in the multi-directional flow of information among consumers (see Figure 2).

Academic and Managerial Contributions

The present research builds on current literature on E-WOM and e-servicescape. The findings contribute to the research stream on viral marketing and add to the understanding of E-WOM effects on consumer behavior. In addition, this dissertation incorporates online servicescape with E-WOM and loyalty. Integrating the e-servicescape concept with SOR theory and the network co-production model of E-WOM enhances both academics' and practitioners'

understanding of the relationship between online servicescape and E-WOM. On the managerial side, these findings have important implications for marketing communication tactics, guiding organizations in crafting messages to encourage buzz marketing.

Given the technological advances in recent years, the pervasiveness connectedness via mobile devices and increased tendencies to share E-WOM, this research study is particularly timely. Individuals can conveniently pass along messages using various electronic media, with a quick post, text, email, chat, tweet, and more at the touch of a button. Aside from these consumer trends, another reason for this research study is that companies are continually seeking less expensive ways to reach potential customers, which include E-WOM through the Internet (Whitman 2006). However, E-WOM behavior is not entirely understood, and there is much interest in discovering how commercial messages are diffused from one consumer to another through E-WOM.

Overview of Research Design

The present research uses survey methodology to investigate the relationships between e-servicescape, trust, purchase intentions, customer loyalty, and E-WOM intentions. Customers of an almost-exclusively online and catalog retailer were invited to complete the online survey questionnaire. Structural equation modeling was used to analyze the responses. In addition, two different groups of customers were compared using multi-group analysis, where one group of users received emails from a marketer and the other group received social network postings from the same marketer. The same survey questionnaire was administered to both groups, with some scale items adapted for the particular E-WOM communication (i.e., email versus social network

posting). Most of the variables were measured using previously validated scales from the

marketing literature. A few scale items were developed specifically for this study.

The remainder of this dissertation is organized as follows. Chapter 2 reviews the relevant

literature, theoretical background, research model, and hypotheses development. Chapter 3

explains the methodology used to test the research model. Chapter 4 includes the statistical

results. Finally, the major findings, implications, limitations, and suggestions for further research

are discussed in Chapter 5.

CHAPTER 2

LITERATURE REVIEW, THEORETICAL BACKGROUND,

AND HYPOTHESES DEVELOPMENT

Overview

In this chapter, the theoretical background and relevant literature are reviewed. First, the

existing stream of literature on servicescape and online servicescape are discussed in detail.

Second, the literature on traditional word-of-mouth (WOM) and E-WOM is reviewed. Next, the

literature on trust, customer loyalty, and purchase intentions are considered. The final section of

this chapter includes the research theoretical framework and development of the research model

and hypotheses.

Literature Review

Servicescape

Servicescape describes the physical environment of the service factory and how it affects

the customer experience, as well as employees' experiences (Booms and Bitner 1982).

Servicescape elements include factors that impact the performance, delivery, and consumption of

market offerings (Zeithaml, Bitner, and Gremler 2009). Perceptions of the servicescape impact

individuals' approach/avoidance behaviors (Hui and Bateson 1991). For example, consider two

restaurants with identical food quality. The first is a small, mom-and-pop restaurant. The other is

part of a national, well-known franchise chain. While the food tastes the same, the customer

experience in the family-owned restaurant may earn higher ratings on the perception scale. These

more positive perceptions are attributed to the service environment, which includes friendliness

of employees, furnishings, and wall décor. The servicescape concept has been used to understand

how consumers perceive the service environment, and how this perception impacts their opinions, beliefs, and physiological responses (Bitner 1992).

Servicescape for brick-and-mortar stores consists of three dimensions: ambient conditions; spatial layout and functionality; and signs, symbols, and artifacts (Bitner 1992). Researchers have investigated how ambient conditions influence human perceptions of the environment, as well as their responses to the environment (Baker, Berry, and Parasuraman 1988; Donovan et al. 1994; Sherman, Mathur, and Smith 1997; Spangenberg, Grohmann, and Sprott 2005; Wineman 1982). For physical stores, ambient conditions affect the five senses. Examples of environmental ambient conditions include scent, sound, lighting, and temperature.

Spatial layout and functionality, the second dimension of servicescape, are chief components of the physical surroundings. Spatial layout is the arrangement of the furniture, machines, and equipment, as well as the space between them. The size and shape of fixtures and furnishings are also part of spatial layout. Functionality is how these items perform in the process of fulfilling specific consumer needs. Researchers have explored how spatial layout and functionality influence employees (Sundstrom and Sundstrom 1986; Wineman 1982) and customers (Baker, Grewal, and Parasuraman 1994; Groeppel-Klein and Bartmann 2008; Kim and Jin 2001; Park, Iyer, and Smith 1989).

The final dimension of servicescape is about signs, symbols, and artifacts. These items convey explicit or implicit signals, and sometimes both, about the service factory (Bitner 1992; Davis 1984). Explicit signals include signs communicating names, behavioral expectations and rules, and directions for customers. While inherently more complex than explicit signals, implicit signals are still important communicators of quality, experience, and expectations. For example, the quality of artwork, furniture, and décor are all part of consumers' general impressions and

evaluations of the physical environment. Specific cues can be used to convey prestige, professionalism, and status, such as high-end furniture, awards, diplomas, certificates, color, and placement (Davis 1984; Peters 1978; Sundstrom and Sundstrom 1986). It can be difficult to dissect the meanings of implicit signals since the symbolic connotations can be highly related to each individual's personal, cultural, or socioeconomic background.

Consumers' perceptions of servicescape are holistic in nature, and the cues are interactively related in the formation of these perceptions. The perceptions affect beliefs and emotions, which in turn influence behavior. A person's response to the physical store environment mediates behaviors (Bitner 1992), such as purchase, repeat visits, and WOM communications. The cognitive and affective responses are interdependent, and one may impact the other. Overall, positive sensations of the store design influenced consumers' willingness to stay longer and increased purchase intentions (Fiore, Yah, and Yoh 2000; Mattila and Wirtz 2001; Yalch and Spangenberg 1990).

Expanding the Servicescape Framework

The original servicescape dimensions, namely 1) ambient conditions; 2) spatial layout and functionality; and 3) signs, symbols, and artifacts, only addressed the environmental components of the physical store setting. An expanded framework for servicescape was proposed, which included the physical, social, socially-symbolic, and natural dimensions. All of the original servicescape dimensions from Bitner (1992) are part of the physical dimension. This dimension encompasses cleanliness, sound, visual, scent, space, symbols, and signs (Rosenbaum and Massiah 2011).

The social dimension is related to the employees, other customers, and social density (Edvardsson, Enquist, and Johnston 2010). Individuals shop to fulfill utilitarian needs, as well as social and psychological needs (Bagozzi 1975). We shop for the social aspect of the experience, and social interactions with other customers and store employees (Rosenbaum and Montoya 2007). Aside from the social dealings with other consumers, the number of customers in the store space influences decisions and behaviors. Known as social density, this crowding, or lack of crowding, in stores may be beneficial or detrimental to the business. For store environments where social interactions increase the enjoyment level of the consumption experience, high social density is desirable and leads to positive customer responses (Eroglu, Machleit, and Barr 2005; McGrath, Sherry, and Heisley 1993; Turley and Milliman 2000). On the other hand, too much crowding influences consumers' decision to avoid stores with high social density (Harrell, Hutt, and Anderson 1980).

The socially-symbolic dimension of servicescape refers to how businesses may intentionally use signs, symbols, and artifacts with symbolic significance to impact consumer behavior (Rosenbaum 2005). In particular, organizations may employ these signals to attract certain ethnic consumers. Firms are limited in the creation of symbolic meanings of signs and artifacts due to the nature of how meaning is created, embedded, and evolved by social groups (Durkheim 1912). However, businesses may employ the known symbols of an ethnic group (Berger and Luckmann 1966) to draw in consumers (Rosenbaum 2005). These displayed artifacts, embedded with significance, provide tangible cues about the other customers of the establishment. This serves as part of the "welcoming servicescape" for group members (Rosenbaum and Massiah 2011, p. 478).

Finally, the last dimension of the expanded servicescape framework is the natural dimension, which is about the innate connection between humans and other living systems (Wilson 1984). The natural part of servicescape may affect consumers' approach/avoidance behaviors, health, and well-being (Rosenbaum 2009). Attention restoration theory, which posits that humans can concentrate better after time spent in nature, supports this research (Kaplan and Kaplan 1989). While it may appear as if all natural environments may offer the benefits of restoration and relaxation, this is not the case. Specifically, there are three important stimuli in naturally restorative settings, which include being away, fascination, and compatibility (Han 2007). Being away is about escapism, and getting away from one's daily environment. It may be a temporary reprieve from life's stresses, but the break is restorative. Fascination is about the environment holding the individual's attention, and he or she wants to be there because of this fascination (Kaplan 1995). The last stimulus of the natural dimension is compatibility, which refers to how a person feels as if they belong, and they can interact without feeling socially inept, inferior, or embarrassed (Kaplan 1995).

E-Servicescape

Online shopping continues to grow, and for the first time, the number of consumers shopping online for holiday gifts has surpassed brick-and-mortar stores (Deloitte 2013). Consumers like browsing and purchasing online for the convenience, greater variety, potentially lower prices, and the ability to easily compare market offerings and prices. In addition, some shoppers prefer for goods to be delivered directly to their home. For the holiday season of 2013, 47% of shoppers anticipated purchasing gifts online (Deloitte 2013) as compared to 35% from 2010 (Deloitte 2010). Furthermore, smartphone ownership has increased to 61% and 68% of

these technologically-connected consumers use their mobile devices for holiday shopping (Deloitte 2013). With the rising popularity of online shopping, e-tailers must consider the importance of consumers' perceptions of their websites, and work to continually improve their sites' functionality and service. With this in mind, Harris and Goode (2010) translated the concept of servicescape for physical stores to e-commerce stores. The researchers named this *e-servicescape* (also known as *online servicescape*) and defined it as "the online environment factors that exist during service delivery" (Harris and Goode 2010, p. 231). Scale items were developed and validated to measure e-servicescape (Harris and Goode 2010).

Online servicescape consists of three dimensions, aesthetic appeal, layout and functionality, and financial security. The first dimension, aesthetic appeal, is derived directly from the ambient conditions dimension of servicescape for brick-and-mortar stores (Harris and Goode 2010). For e-commerce businesses, sight and sound are the senses used to attract individuals. Aesthetic appeal is composed of three sub-dimensions: entertainment value, originality of design, and visual appeal. Compared to the physical store environment, online consumers are not able to use tactile senses to observe products. Therefore, quality photographs must be provided to influence users (Kim and Lennon 2008; Lin 2007). Visual appeal speaks directly to the sight sense, and interesting graphics, fonts, and photographs entice consumers to spend more time viewing the website. Entertainment value and originality of design may appeal to both sound and sight. For all three sub-dimensions of aesthetic appeal, if the content is fresh, new, and pleasing, consumers will be drawn to the website and more likely to visit often. Current technology for websites does not address the touch, smell, and taste senses.

The second dimension of online servicescape, layout and functionality, is related to spatial layout and functionality from servicescape for physical stores (Harris and Goode 2010).

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Similar to how furnishings and the spatial layout of stores influence consumers' perceptions, a website's layout also impacts individuals' evaluations of the both website and business. Layout includes the structure, organization, and arrangement of websites. Customers prefer online stores which are arranged in a convenient manner that is easy to understand and navigate. Moreover, the website, and all associated links, must perform as expected, which is the functionality aspect of this dimension. The website design must be functional, and this is an influential attribute of user evaluations and behaviors (Donnelly 2000; Mandel and Johnson 2002; Menon and Kahn 2002).

As originally conceived by Harris and Goode (2010), layout and functionality has four sub-dimensions: customization/personalization, interactivity, relevance of information and usability. Customization is the modification of the website to meet each individual's needs and wants. Some websites feature tools to allow consumers to personalize the website according to their preferences (Grewal, Mullikin, and Munger 2003). While some researchers argue that the possibility of erroneously personalizing for consumers is more harmful than the benefit of customization (Frels and Kannan 2001), others believe that e-tailers' customization of websites indicates customer focus, which leads to increased visits and more purchases (Parsons, Zeisser, and Waitman 1998). Creating a website that emphasizes customization is a direct extension of the marketing concept, and helps firms to better serve consumers' needs and wants and puts customers at the center of the business. Users' website evaluations are strongly linked to customization and personalization (Huizingh 2002; Menon and Kahn 2002). With advances in technology, customizing websites is easier and more economically feasible for companies (Shapiro and Varian 1999).

Interactivity is the two-way transfer of information between the user and the central point of communication, which is usually a continuous process. When consumers perceive higher levels of interactivity for a website, their online shopping experience is enhanced (Chen and Chang 2003; Fiore and Jin 2003; Srinivasan, Anderson, and Ponnavolu 2002). Perceptions of website interactivity is a main element of consumers' responses and behavioral outcomes for online shopping (Fiore and Jin 2003; Li, Daugherty, and Biocca 2001). The level of interactivity impacts attitudes toward the e-tailer, the likelihood of revisiting the website, and purchase intentions (Gehrke and Turban 1999; Hartnett 2000; Li, Daugherty, and Biocca 2001; Shih 1998).

Relevance of information refers to how pertinent and connected the content is to users. This particular website attribute is another essential component of consumers' website evaluations (Bauer, Grether, and Leach 2002; Zeithaml, Parasuraman, and Malhotra 2002). Material included on any webpage within the site must be closely related and applicable, and also serves to attract potential customers through search engines (Griffin 2007). Relevance is the basis for deciding on content, and consumers rate websites based on their information needs (Montoya-Weiss, Voss, and Grewal 2003).

Usability refers to ease of navigation and maneuverability of the website, and is cited as the most influential way in which users assess websites (Donnelly 2000). The e-tailer's navigational tools are positively associated with shoppers' exploratory behaviors while on the website (Richard 2005). Consumers' website evaluations emphasize navigation and usability (Evans and King 1999; Hoque and Lohse 1999). Users lose interest and patience when website load time is too long, links on pages no longer exist, and flash technology requires long wait times (Meyers 2014). The main navigation needs to be clear, readily available, and easy to read

(Meyers 2014). Moreover, the website should feature a keyword search function allowing consumers to quickly find information. This search button should be prominently displayed (Meyers 2014). The average key business metrics improved 83% after website redesign to enhance usability (Nielsen 2008). Considering this high return on investment, organizations should focus on website usability to attract and retain customers.

Online shopping offers many advantages, such as convenience, 24/7 availability, and the ability to shop in the comfort and privacy of your home. However, financial security is a potential deal breaker when it comes down to completing the online transaction. Online financial security includes users' perceptions of the website's security and safety measures and the actual payment processes. Financial security has two sub-dimensions: perceived security and ease of payment. Researchers have found that security is necessary in the online exchange process (Montoya-Weiss, Voss, and Grewal 2003; Schiffman, Sherman, and Long 2003; Szymanski and Hise 2000). Website security is a strong factor for satisfactory experiences with online businesses (Montoya-Weiss, Voss, and Grewal 2003; Szymanski and Hise 2000). Aside from online security, consumers desire ease during the payment procedure. Ease of payment includes efficiency during the payment process, perceived ease of use for payment facilities, and not requiring many details during this part of the transaction. This is another important aspect of website evaluations (Chen and Chang 2003). Financial security is closely linked to another construct of interest for this dissertation, namely trust.

All the dimensions and sub-dimensions of online servicescape impact atmospheric responsiveness. Atmospheric responsiveness is consumers' tendency to make patronage decisions based on the store's qualities (McKechnie 1974). For e-commerce businesses, researchers have found that specific online cues influence the relationship between the e-tailer's

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online atmosphere and consumer purchase decision and other behaviors (Eroglu, Machleit, and Davis 2001; Fiore and Kim 2007). Aside from purchases, an e-tailer's atmosphere influences shoppers' amount of time spent browsing and likelihood to revisit the website in the future.

The online store environment impacts consumers' attitudes, satisfaction level, and approach/avoidance behavior regarding the e-tailer; affective responses mediate this relationship (Eroglu, Machelit, and Davis 2003). The more agreeable the website environment, the more consumers were aroused, which led to approach responses toward the e-tailer. Researchers found that website quality and positive affect explained purchase intentions and customer loyalty (Lynch, Kent, and Srinivasan 2001).

Harris and Goode's (2010) conceptualization and scale development for e-servicescape encompassed many crucial factors in the online service delivery environment. However, with the consistent evolution of technology and consumers' expectations, more is expected of online servicescape. In particular, in this information age where consumers want access to more details, and information from non-marketing sources, customer reviews are essential for e-tailers. While customer reviews have been investigated in different contexts (Berger, Sorensen, and Rasmussen 2010; Chatterjee 2001; Chen and Xie 2004; Park, Lee, and Han 2007), researchers have not studied product reviews as part of e-servicescape. The present research intends to fill this gap and include customer reviews as part of online servicescape.

Customer Reviews

Consumers shopping online face the challenge of not being able to smell, touch, or try on the products, which are major disadvantages when compared to purchasing from brick-and-mortar stores. An e-tailer can provide potential customers with two categories of product-related

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information. The first category of information is marketer-driven, including traditional communication methods such as advertisements. In addition, seller-created content about products is offered on the website. The second category of information is consumer-created (Chatterjee 2001; Chen and Xie 2004; Park, Lee, and Han 2007). These customer reviews, which include experiences, evaluations, and opinions, originate from users who have purchased and consumed the product (Park, Lee, and Han 2007). When consumers read product reviews from other consumers, the information provided is helpful in the decision-making process. Customer reviews are an important factor in online sales (Chen and Xie 2005). Many online shoppers consider reviews as an essential part of their decision-making process.

Considered an independent and unbiased source of information, the importance and popularity of customer reviews has grown (Chen and Xie 2004; Hennig-Thurau and Walsh 2004). Moreover, it is considered a form of E-WOM communication. Like traditional WOM, customer reviews (as E-WOM) are perceived to be more credible than marketer-driven messages through traditional channels. Seventy-nine percent of consumers trust online reviews as much as personal recommendations (Anderson 2013). Research has shown that the quality of customer reviews has a positive effect on shoppers' purchase intentions (Park, Lee, and Han 2007). Information usefulness and source credibility influence the adoption of online opinions (Cheung, Lee, and Rabjohn 2008). Beyond web shopping, customer reviews even influence shoppers in physical stores. Many shoppers use their smartphones to access customer reviews during their in-store shopping experience before making their final purchase decision (Charlton 2010). Customer reviews differ from traditional WOM in three ways. First, customer reviews have the potential to reach many others. Without geographical boundaries, customer reviews may reach individuals in all parts of the world (Chatterjee 2001). In contrast, the reach of traditional WOM

is limited to a person's social circle. Online retailers have the power to decide which customer reviews will be displayed on their website. In addition, firms also control the format, design, and number of reviews shown to consumers. Businesses may choose to publicize only advantageous review information to potential customers. Lastly, customer reviews vary from traditional WOM in the issue of credibility. While the information is still WOM, which is more trustworthy than the e-tailer information, customer reviews originate from individuals that are strangers. Compared to traditional WOM from a family member, friend, or neighbor, customer reviews are from total strangers. Duan, Gu, and Whinston (2008) found that people trust online reviews from strangers. For college students, the weak social tie strength of online reviews is more influential in the selection of professors (Steffes and Burgee 2009). Some users may doubt the authenticity of online product reviews.

Despite the potential concerns regarding how genuine the reviews are, consumers are more likely to trust customer reviews than seller-created product information (Dellarocas 2003). Worldwide, 70% of consumers trust online consumer reviews (Nielsen Global 2012). E-tailers' product information may not provide details about the negative aspects of the merchandise, and mainly focus on the positive characteristics. Furthermore, professional photographs of goods sold online may not accurately portray products. On the other hand, customers offer frank reviews of goods, often including the strengths and weaknesses. Another advantage of customer reviews is how consumers provide additional usage situations for the market offering. This leads users to trust customer reviews more than seller-created information.

Customer reviews vary from a simple, numeric rating system to more complex questions about specific features, design, value, ease of use, etc. Many e-tailers incorporate both, with a numeric rating for overall impression and various other questions regarding the market offering.

Often, e-tailers provide an average overall rating of all customer reviews, which is practical for consumers who want quick information. In addition, some websites offer the opportunity for customers to write general comments in a text-box format.

E-commerce sites with many reviews even allow users to rate the review itself as "helpful" or "not helpful". Amazon uses this feature, and even ranks the reviews as "most helpful." Amazon created algorithms to prioritize the most helpful customer reviews and bump this information to the top of the page. Interestingly, consumers find comfort in seeing that a large number of reviews is available (Park and Lee 2008). In addition, researchers found that purchasing intentions grow with an increase in the number of reviews (Park, Lee, and Han 2007). On the other hand, Davis and Khazanchi (2008) found that the sheer volume of customer reviews does not impact sales. Time constraints usually prevent potential customers from reading every single review, especially when products have several hundred reviews on popular e-tailers' sites. This system of indicating the level of helpfulness is particularly useful and well-received for users who do not want to sift through hundreds of customer reviews.

With consumer-generated information, businesses face both positive and negative comments from users. For books written by established writers, online sales increased from 32% to 52% with good online reviews (Berger, Sorensen, and Rasmussen 2012). As expected, bad reviews for books by these same authors resulted in 15% decreased sales. However, companies should not always fear negative customer reviews. The same researchers found that undesirable reviews for unknown authors increased sales by an average of 45%. This is likely due to more heightened awareness, which indicates bad reviews can actually aid in product sales (Berger, Sorensen, and Rasmussen 2012). Depending on the particular details of the situation, negative customer reviews may actually prove to be advantageous to e-tailers. Moreover, adverse

comments may serve as practical information for companies to improve their market offerings and level of service.

Trust

For online shopping, trust in the e-tailer is a crucial element in customers' satisfaction from their purchases on e-commerce businesses (Chen and Barnes 2007; Gefen and Straub 2004; Pavlou 2003). For some, general trust in the Internet as a medium for shopping is an issue (McCole, Ramsey, and Williams 2010) and previous research has shown that individuals are more likely to purchase online if they have more trust in the Internet and more experience using the Internet (Corbitt, Thanasankit, and Yi 2003). Moreover, perceived quality of a website is related to trust, which is associated with purchase intentions (Everard and Galletta 2006).

Purchase decisions online involve uncertainty and dependency, which makes trust even more essential for e-tailers when compared to brick-and-mortar stores. Uncertainty stems from not knowing how the transaction will be executed, if the company will treat the customer fairly, and if the customer's identity and personal information will be kept private and confidential. Online shoppers put faith in e-commerce firms and depend on the companies to be fair and prioritize this information. E-tailers must work to overcome the risks consumers face in purchasing online, including anonymity, distance, and lack of physical interactions (Cazier, Shao, and St. Louis 2006). In physical stores, sales people may use facial expressions, gestures, and body language to convey trust. This is a clear disadvantage for e-tailers in gaining consumers' trust (Grabner-Kräuter and Kaluscha 2003).

Trust is difficult to define, mainly because it is a context-dependent concept. For the purposes of this research, trust is defined as the belief that one can rely on a promise made by

another (Pavlou 2003). For online businesses, earning consumers' trust means understanding their expectations for trust and their beliefs regarding the e-tailers' trust-related characteristics (McKnight and Chervany 2002). E-commerce firms must convince consumers to believe that they will treat consumers fairly (Gefen, Karahanna, and Straub 2003; Shih 2004). Attitude towards the store and trust have been positively linked (Jarvenpaa, Tractinsky, and Saarinen 1999; van der Heijden, Verhagen, and Creemers 2003). Consumers' perceptions of risk is an obstacle for online shopping (Forsythe and Shi 2003).

Researchers have also found that increased trust means less perceived risk in purchasing from the e-tailer (Jarvenpaa, Tractinsky, and Vitale 2000; McKnight, Choudhury, and Kacmar 2002). Lack of trust in e-commerce businesses is often cited as the main reason why consumers hesitate to buy online. Greater trust from shoppers promotes more positive attitudes toward the e-tailer and leads to purchase behavior (Shergill and Chen 2005).

Gefen, Karahanna, and Straub (2003) conceptualized trust as a set of distinct beliefs regarding the ability, benevolence, and integrity of a firm. Ability is related to the competencies and characteristics of the business. This ability refers to the firm's influence and authority in a specific domain (Mayer, Davis, and Schoorman 1995). Benevolence is the consumer's belief that the seller is interested in the consumer's welfare, and does not intend to behave opportunistically. Benevolence also involves the consumer's belief that the firm is willing to work towards mutually satisfying exchange relationships rather them simply seeking to maximize profits (Mayer, Davis, and Schoorman 1995). Finally, integrity describes the principles of the company. Integrity includes the belief that the firm will keep consumers' information confidential. Moreover, integrity is about honesty, following expected rules of conduct, and keeping promises. The e-tailer's integrity has been found to be a major positive factor of consumer trust in online

shopping (Lee and Turban 2001). Fundamental questions consumers have about an e-tailer's integrity include sincerity of the organization and fulfillment of promises (Mayer, Davis, and Schoorman 1995). At first glance, it may appear that benevolence and integrity overlap. However, benevolence is more about general concern for customers versus integrity, which refers to the company's standards for maintaining consumer confidentiality and keeping promises.

Trust is often linked with customer loyalty. If a customer has a high level of trust in an organization and believes the firm will be fair and just, the likelihood of loyalty grows (Flavián and Guinalíu 2006). Trust in an e-tailer directly impacts loyalty (Kim, Jin, and Swinney 2009; Ribbink et al. 2004). In the world of e-commerce, loyalty is defined as a customer's favorable attitude and commitment toward the e-tailer and includes repeat purchases (Srinivasan, Anderson, and Ponnavolu 2002). Dedicated customers will forgo seeking price deals and willingly pay premium prices. Moreover, loyal patrons are committed, and reduce the potential costs associated with acquiring new customers (Markey and Hopton 2000).

In the context of online shopping, trust has been investigated by many researchers. When Internet stores were relatively new, the concern was gaining consumers' trust in the Internet as a medium (Cheung and Lee 2000; Corbitt, Thanasankit, and Yi 2003; Hoffman, Novak, and Peralta 1999; Siau and Shen 2003). Over time, research on trust has evolved and the relationship between specific e-tailers and trust has been studied (Harris and Goode 2010; Lee and Turban 2001; McKnight, Choudhury, and Kacmar 2002; Tran, Strutton, and Taylor 2012; van der Heijden, Verhagen, and Creemers 2003). The research involving trust and e-commerce businesses used consumer-selected websites to measure perceptions of the various e-tailers' sites and trust. Research has not been conducted on customers and their perceptions of the same e-

tailer. This study seeks to fill this gap in the literature and investigates customers' perceptions of the same e-tailer in regards to e-servicescape and trust.

Traditional Word of Mouth

Word of mouth (WOM) is the influence of people's conversations on consumer behavior, including attitudes, perceptions, and purchase decisions. Current studies on WOM communications stem from research on the role of interpersonal influence on consumer decision making (Katz and Lazarsfeld 1955). WOM activity is defined as "informal communications directed at other consumers about the ownership, usage, or characteristics of particular goods and services and/or their sellers" (Westbrook 1987, p. 261). Similarly, Arndt (1967, p. 291) defined WOM communications as "oral, person-to-person communication between a perceived non-commercial communication and a receiver concerning a brand, a product, or a service offered for sale".

WOM is a powerful marketing tool, and some believe it is the most effective method of reaching consumers (Keller 2007). Many consumers view WOM as a more trustworthy, authentic, and easily accessible source of information, especially when compared to company-sponsored advertising (Borgida and Nisbett 1977; Brown and Reingen 1987; Day 1971; Murray 1991; Silverman 1997). Approximately 67% of consumer product sales in the U.S. directly stem from WOM information among family, friends, and co-workers (Rosen 2009). WOM also influences customer loyalty more than marketing-controlled campaigns (Bansal and Voyer 2000; Buttle 1998; Chung and Darke 2006; Day 1971; Park and Lee 2009; Sheth 1971).

Furthermore, when compared to traditional marketing efforts, WOM communications have more impact (Bickart and Schindler 2001; Brooks 1957; Engel, Kegerreis, and Blackwell

1969; Katz and Lazarsfeld 1955; Notarantonio and Quigley 2009) and generate more responses (Trusov, Bucklin, and Pauwels 2009). Organizations may also promote WOM activity to bolster their marketing efforts, which is cost-effective and can result in new customers (Kumar, Petersen, and Leone 2007). Aside from gaining additional customers, firms benefit when the customer lifetime value increases for individuals who engage in WOM activity (Lee, Lee, and Feick 2006).

WOM communications shape people's attitudes and subsequent consumption behaviors. WOM activity is powerful and effective in the information search stage of the consumer decision making process, selection of business for patronage, and the post-consumption stage (Gilly et al. 1998; Murray 1991). Consumers are more likely to depend on WOM information to make purchase decisions about services (Murray 1991; Zeithaml and Berry 1993). Product and movie ticket sales revenue have grown due to WOM communications (Bayus 1985; Chevalier and Mayzlin 2006; Liu 2006). In addition, WOM communications promote diffusion of new products and technological innovations (Arndt 1967; Brown and Reingen 1987; Childers 1986; Czepiel 1974; Herr, Kardes, and Kim 1991; Mahajan, Muller, and Bass 1990).

People are part of interpersonal networks, where individuals seek information and dispense information to influence other consumers (Brooks 1957). Personal sources have been found to play an influential role in impacting product choice (Katz and Lazarsfeld 1955; Price and Feick 1984). Compared to non-opinion leaders, individuals who are opinion leaders are more influential and engage in more WOM activity (Engel, Blackwell, and Miniard 1990; Rogers 1995). Due to this, marketing practitioners have focused on opinion leaders for generating WOM information. Despite this orientation towards opinion leaders, researchers have found that non-

opinion leaders also share WOM communications. Satisfied customers tend to generate positive WOM (Bitner 1990). Dissatisfied individuals generate negative WOM (Richins 1983).

Previous research has shown that there are four different categories of motivations for individuals to engage in WOM (Dichter 1966). The first is involvement in the product, which is when the consumer feels passionately about the market offering and wants to share information with others. Another motivation for dispensing WOM is self-involvement. An individual may be motivated to tell other consumers about a product or service when he or she desires attention and wants to show that that he or she is updated and aware of the latest information. Other-involvement is another motivation for initiating WOM conversations, where a person wants to help others by sharing WOM about an experience. Finally, message-involvement is when consumers talk about the advertising message from the company, even when they have not bought and used the product or service (Dichter 1966). Other- and product-involvement focus on the actual product or service. Self-involvement is a combination of both the product and the desire for self-promotion. Message-involvement emphasizes the marketer's message, which is related to the product or service on some level. While the four motivations vary, the common theme is the market offering, but to different extents.

As for the consumers who pay attention to and listen to others' WOM communications, they are evaluating both the messenger and information. The listener is trying to determine the sharer's empathy, which involves deciding if the recommender is sincerely interested in him or her and his or her well-being. Furthermore, the individual is trying to assess the speaker's honesty. Aside from empathy, the listener is also evaluating the recommender's credibility. The WOM sharer's experience and knowledge about the product or service should be convincing before the listener is willing to put stock in the WOM advice.

Researchers have shown that individual differences affect one's likelihood to engage in WOM activity. Innovators, the first consumers to adopt new products, disseminate more WOM messages than non-innovators (Engel, Kegerreis, and Blackwell 1969). Personality has also been studied in the context of WOM communications. The personality trait of openness to experience has been linked to receivers of WOM messages (Mowen, Park, and Zablah 2007). In addition, the personality characteristic of need for materialistic resources was associated with both disseminating and listening to WOM information. As expected, the trait of susceptibility to influence was positively associated with receiving WOM messages (Mowen, Park, and Zablah 2007).

Feick and Price (1987) described *market mavens* as individuals with a tendency to provide general shopping and marketplace information to other consumers. Market mavens gather and disseminate WOM information about different brands, products, and stores, and frequently share this knowledge. In the WOM process, market mavens may initiate the conversation, or simply respond to others' requests regarding products, stores, or services. Their influence on others and wide range of general knowledge about products and services make market mavens particularly appealing to marketers.

Electronic Word of Mouth

Several definitions of electronic word of mouth (E-WOM) have been considered for the present research. Petrescu and Korgaonkar (2011, p. 219) defined it as "electronic consumer-to-consumer communication regarding a brand or product." This particular definition is too broad for this research. E-WOM has also been defined as "any positive or negative statement made by potential, actual, or former customers about a product or company, which is made available to a

multitude of people and institutions via the Internet" (Hennig-Thurau et al. 2004, p. 39).

Compared to the first definition of E-WOM, this definition explicitly states the types of

consumers involved in E-WOM. However, for the research at hand, this E-WOM definition is

too vague and insufficient. Another definition (Ho and Dempsey 2010, p. 1000) describes E-

WOM activities as "forwarding actions through email, instant messaging or other

communication media that are of high 'addressability'." Compared to the other definitions of E-

WOM, this definition is appropriately specific and refers to the exact methods of electronic

communication available for customers of a specific e-tailer to engage in E-WOM activity,

namely email and social networking sites. This is the definition of E-WOM adopted for the

present research.

E-WOM parallels traditional WOM in some ways. Consumers use information from E-

WOM communications to make purchase decisions, similar to traditional WOM conversations

(De Bruyn and Lilien 2008; Godes and Mayzlin 2004). For some E-WOM, there is an

interpersonal aspect to the communication. For example, in social networking sites, instant

messages, text messages, and e-mails, there is a relationship between the sender and receiver of

the information. In addition, the concept of the interpersonal network of consumers (Brooks

1957) is also extended from WOM to E-WOM communications for some cases of E-WOM

activity.

Despite these similarities, differences exist between traditional WOM and E-WOM. To

start with, E-WOM communications can be easily and quickly passed along from one individual

to another person or from one person to many people. With consumers' constant connectivity, E-

WOM is even more influential. Fifty-six percent of American adults own smart phones (Smith

2013). With smart phone usage on the rise, individuals can conveniently disseminate and access

E-WOM messages. Any consumer with an interest and Wi-Fi connectivity has the opportunity to easily express their opinions and thoughts to many others.

Any communication may be rapidly spread to many individuals, like a virus; hence, electronic marketing is also commonly known as viral marketing. E-WOM is also called word of mouse (Goldenberg, Libai, and Muller 2001), viral communication (Welker 2002), buzz marketing (Notarantonio and Quigley 2009; Thomas 2004), viral stealth marketing (Swanepoel, Lye, and Rugimbana 2009), stealth marketing (Kaikati and Kaikati 2004), and word-of-mouth marketing (Kozinets et al. 2010). Since E-WOM occurs via electronic communications rather than in the face-to-face context, there are no geographical boundaries. Part of the viral nature of E-WOM communications is due to this lack of geographical limitations.

Another distinctive characteristic of online communications is the asynchronicity (Henderson and Gilding 2004; Hung and Li 2007), which makes it easier for consumers to obtain information at their convenience (Sun et al. 2006). Another advantage of E-WOM communications is that most of it is archived and available in the future (Hennig-Thurau et al. 2004; Herr, Kardes, and Kim 1991; Hung and Li 2007). Consumers can quickly access and easily read information from others, regardless of geography or time issues.

Often times, E-WOM information is more candid because people are more willing to be honest and forthcoming online (Roed 2003), which in turn makes it more influential than traditional WOM in the absence of face-to-face human pressure (Huang, Hsiao and Chen 2012; Phelps et al. 2004). Trust is positively related to intention to exchange EWOM communications in online communities (Chu and Kim 2011; Jarvenpaa, Knoll, and Leidner 1998; Ridings, Gefen, Arinze, and 2002). Furthermore, users are more likely to believe E-WOM messages when both the positive and negative are presented. Furthermore, consumers can easily find opinions of

strangers online. This rarely happens in traditional WOM, which makes E-WOM

communications substantially more powerful.

Firms can use the viral nature of E-WOM to their advantage. Rather than spend money

on television commercials, organizations should focus on promotional strategies via electronic

media, such as E-WOM and blogs (Whitman 2006). Emphasizing viral marketing campaigns is

less expensive and potentially more effective when it reaches more people (Ferguson 2008).

Similar to how WOM communications exert more influence on consumers than traditional,

company-sponsored advertising (Arndt 1967; Dichter 1966; Haywood 1989; Whyte 1954), E-

WOM communications have a stronger impact on consumer behavior, including purchase

decisions (De Bruyn and Lilien 2008). Moreover, consumers seek and prefer other users'

evaluations and recommendations rather than company-generated information (De Bruyn and

Lilien 2008). Consumers perceive brand-related information from other consumers on social

media sites to be more valuable than marketer-generated messages (Mangold and Faulds 2009).

Therefore, organizations endeavor to recruit individuals to become promoters of their brand,

product, or service and disseminate the marketing communications. The consumer is an active

co-producer in the marketing process (Vargo and Lusch 2004), and this can be used by

companies to their advantage.

Interactive Electronic Word of Mouth Campaigns

Marketers use the interactive opportunities of electronic communications to aid their viral

marketing campaign efforts (Lombard and Snyder-Duch 2001). Employing interactivity as part

of viral marketing gives companies the chance to better understand consumers, which can lead to

more strategic marketing to gain customers in the target market segments (Pavlou and Stewart

2000). Consumers also benefit from interactive campaigns because they can express their thoughts and opinions. There is also the potential for consumers to be active co-producers when new product ideas are presented for sweepstakes and contests (Vargo and Lusch 2004); involving consumers in the product development process generates excitement and publicity for the company (Okazaki 2009).

Motivations to Engage in Electronic Word of Mouth

Consumers' motivations to engage in E-WOM are similar to the four motivations of WOM (Dichter 1966). Ho and Dempsey (2010) investigated the motivational factors of Internet users' incentives to forward online content. They based their study on the theory of fundamental interpersonal relations orientation (FIRO) (Schutz 1966), which posits that individuals have three interpersonal needs. People seek affection, control, and inclusion when part of a group community. Affection, also known as altruism, is the care and concern for others and their well-being. Control is defined by personal growth, competence, and influence over others. Inclusion refers to the need to belong and need for individuation (or uniqueness). Individuation and affection were shown to be motivational factors for forwarding online information (Ho and Dempsey 2010). The need for control and rate of Internet content consumption were also associated with forwarding online content (Ho and Dempsey 2010).

Email Marketing and Electronic Word of Mouth

Email marketing has been recognized as a communication method that allows for building relationships with customers (Jackson and DeCormier 1999). With the availability of advanced technology to collect data about consumers, emails to customers can be easily

personalized, targeted, and tracked. Expenses for email marketing campaigns are low, and allow

organizations to reach many individuals (SMBmarketer.com Announces 2010). Customers'

response rates to emails are high, which makes it even more attractive to marketers (Di Ianni

2000; Rosenspan 2000). Furthermore, technological innovations, such as graphics, audio, and

video email, allow companies to create improved emails and possibly enhance consumers'

receptiveness to messages.

With continual developments in software applications and mobile devices, consumers are

using additional methods for communication. This leads some to believe that email is now an

outdated form of electronic communication. Despite some anecdotes about email being passé,

email reaches about 3.6 billion people, which is three times more than Facebook and Twitter

combined (Lee 2014). How consumers access their emails and respond to emails has progressed,

and marketers must heed these changes. About 50% of individuals only interact with email on

mobile devices, which includes smart phones and tablets (Yesmail Study 2014). This type of

interaction has the advantage of the mobility of electronic devices making it convenient for

consumers to read and pass along emails. A disadvantage is that companies must consider how to

develop emails that are attractive and viewable on a variety of screen sizes. With the

advancements in technology and Wi-Fi connectivity, consumers can effortlessly access, read,

and forward emails (from marketers) to their friends, family, and co-workers. This highlights the

importance of email marketing, and how it can lead to E-WOM.

Researchers have studied emails, both in the context of email marketing and E-WOM.

Email frequency of exposure, demographic characteristics of consumers, message content,

advertising value, and attitude towards email advertising were investigated for Indian consumers

(ul Haq 2009). Consumers are not receptive towards unsolicited emails (Mehta and Sivadas

1995), and both academics and practitioners have expressed concern regarding *permission marketing.* This means the individual must give consent or request the email communications. Kent and Brandal (2003) suggest that firms must consider the response rate, as well as the range of different consumer responses, to successfully engage individuals using email marketing. An admediary, a third party that facilitates email communication between sellers and potential customers, enhances value for both the business and consumer by increasing benefits (Gopal, Tripathi, and Walter 2006).

Based on consumer responses and motivations for passing along emails, Phelps et al. (2004) identified viral mavens, which are consumers who receive and forward many email messages. Opportunities are available for companies to capitalize on infrequent senders, especially those who receive few emails, but forward a high percentage of received emails (Phelps et al. 2004). This is a desirable target market for businesses hoping to generate E-WOM.

Factors associated with forwarding intentions of emails include message involvement, social interaction tie, affection outcome expectation, and perceived self-efficacy of message passing (Huang, Lin, and Lin 2009). Using communication, consumer value, personality, WOM, and source credibility theories, Chiu et al. (2007) found that message source, utilitarian and hedonic content of the message, and sender personality traits impacted E-WOM behavioral intentions. Gender plays a role in evaluating promotional email messages; females are more concerned with privacy issues when compared to males (Phillip and Suri 2004). Pavlov, Melville, and Plice (2008) argued that spam, i.e., unwanted commercial emails, should be analyzed as part of the entire email marketing infrastructure. Attitude towards a firm's email campaign is positively related to purchase intentions (Cases et al. 2010). Firms should consider

more customized emails with better price personalization for customers to decrease competition based solely on price, which leads to profit growth (Chen and Sudhir 2004).

Social Networking Sites

E-WOM may be disseminated in a variety of ways, including social networking sites. Social networking sites are any websites that allow users to create profiles on the website and form relationships with other users of the same website. Social connections are often displayed on these sites, and some offer additional services. Some social networking sites allow groups, organizations, and even companies to create profiles. The connections and interactions available through social networking sites are appealing to individuals (Boyd and Ellison 2007). Examples of social networking sites include Facebook, LinkedIn, and Pinterest. As of June 2014, Facebook is the most popular social networking site with approximately 900 million unique visitors each month (The Top 2014).

In recent years, the popularity of social networking sites has grown substantially. Seventy-three percent of online adults use social networking sites (Social Networking 2013). With the ubiquity of mobile devices and Wi-Fi connectivity, it is even more convenient to connect on social networking sites. Almost 40% of mobile phone users access social networking sites via smart phones (Social Networking 2013). Some individuals use social networking sites to keep in touch with current, real-life friends online. Others utilize social networking sites to make new friends who may share similar interests and activities. Some consumers even connect on social networking sites due to companies and organizations; users look for other customers' opinions and insights on brands, products, and services.

Previous research on social networking sites varies in theoretical frameworks and methodologies. Using Third-Person Effect Theory from the communications discipline, Zhang and Daugherty (2009) investigated how young consumers ego-defensiveness may be used to marketers' advantage in stimulating E-WOM on social networking sites. EWOM through Twitter, a microblog form of social networking, influences brand awareness and image, which companies should monitor and use to their advantage (Jansen et al. 2009). Rather than targeting opinion leaders of online discussion groups on social networks, companies should strategize with contests and sweepstakes aimed towards all members of these online groups (Steyer, Garcia-Bardidia, and Quester 2006). Instead of simply using the push strategy, marketers should embrace social network users as co-creators of value (Vargo and Lusch 2004), empower consumers by listening to them and creating special programs (Miller and Lammas 2010), and avoiding messages that infringe on the socialization aspect of these sites and abuse consumers' trust (Angel and Sexsmith 2011).

Trusov, Bucklin, and Pauwels (2009) found that E-WOM referrals for joining a social networking site were more effective than traditional marketing efforts to recruit new individuals; this referral effect of E-WOM may be particularly useful in the customer acquisition process. Companies should view opinion leaders as knowledgeable helpers in the viral marketing process, rather than direct agents. Potential influencers will reject blatant attempts to persuade users to promote the brand or market offering, which defeats the purpose of attempting to engender E-WOM (Subramani and Rajagopalan 2003). Firms must tread carefully in their efforts to encourage E-WOM behavior.

Much research has been conducted on both emails and social networking sites as methods for E-WOM. Some studies investigated the phenomena of interest using general consumers and

self-reported perceptions (Huang, Lin, and Lin 2009; Mowen, Park, and Zablah 2007; Phelps et al. 2004; Tran, Strutton, and Taylor 2012; Zhang and Daugherty 2009). Few studies have used customer data pertaining to one e-tailer to study E-WOM (Cases et al. 2010; Trusov, Bucklin, and Pauwels 2009). However, there is still a gap in the literature regarding e-servicescape, emails, and social networking sites. This dissertation will investigate these relationships using customer data for one specific e-tailer, which will have both theoretical and managerial contributions.

Customer Loyalty

Oliver defined customer loyalty as "a deeply held commitment to rebuy or re-patronize a preferred product/service consistently in the future, thereby causing repetitive same-brand or same brand-set purchasing, despite situational influences and marketing efforts having the potential to cause switching behavior" (1997, p. 392). Loyalty is both a positive attitude towards the organization and commitment to re-purchasing in the future (Chan and Chu 2007). Simply satisfying customers is not enough to retain them as customers, or build loyalty. Despite expressing satisfaction with their vehicles, less than half of consumers purchase the same make or model for their next automobile (Reichheld 1996). High levels of satisfaction do not imply customers' commitment to re-purchase.

Customer loyalty can lead to profitably for firms (Hayes 2000) and loyal customers are important assets for organizations. Increased loyalty means additional purchases, and loyal customers are less likely to switch based on competitive prices (Bowen and Shoemaker 1998). Keeping current customers is less expensive than acquiring new ones (Hayes 2008). The cost of new online customer acquisition could mean an unprofitable customer relationship for up to

three years (Reichheld, Markey, and Hopton 2000). Firms may also capitalize on loyal customers by convincing them to buy more and boosting revenue. Furthermore, companies can motivate loyal customers to engage in WOM (Keiningham et al. 2008) and E-WOM.

Trust in e-tailers positively affects loyalty and trust can be encouraged by providing a reliable, secure, and reassuring website (Ribbink et al. 2004). Process value and satisfaction are significantly related to loyalty for online shoppers, but shopping enjoyment and outcome value were not associated with loyalty (Shun and Yunjie 2006). Anderson and Srinivasan (2003) assessed convenience motivation, purchase amount, and inertia as moderators of the online satisfaction and loyalty relationship. For online vendors, trust and satisfaction are both positively related to loyalty; antecedents of trust and satisfaction are reliability and website design (Kim, Jin, and Swinney 2009).

Purchase Intentions

Simply put, purchase intention is the likelihood that an individual will buy a market offering (Morrison 1979). Generally, purchase intentions result from perceptions of need and want, perceptions of the marketing offering, interactions or observations regarding the product or service, and/or perceptions of the company. E-tailers face the challenge of gaining consumers' trust before they actually convert to customers. Buying online requires individuals to share detailed information, which triggers privacy and security concerns.

Prior online purchasing experience, trust, and impulse purchase orientation influence stated purchase intentions (Thamizhvanan and Xavier 2013). Trust and risk play crucial roles when it comes to online transactions (Pavlou 2003). Trust in the e-vendor is a prerequisite for consumers to buy from the e-vendor (McCole 2002). Perceived website quality impacts trust,

which in turn influences intent to buy from that website (Everard and Galletta 2006). Van der

Heijden, Verhagen, and Creemers (2003) studied purchase intentions from both trust and

technology perspectives and found that perceived risk and perceived ease of use influenced the

attitude towards online purchase intentions. As previously mentioned, trust is composed of

ability, benevolence, and integrity. Compared to benevolence and integrity, the ability

component of trust impacted online buying intentions more (Schlosser, White, and Lloyd 2006).

Satisfaction with the website, trust in the website, and awareness of the website impacted

individuals' online purchase intentions (Yoon 2002).

Many researchers have investigated customer loyalty and purchase intentions, both in the

context of brick-and-mortar and online stores. However, the relationships between online

servicescape, trust, E-WOM (in the form of emails and social network postings), customer

loyalty, and purchase intentions have been not studied. Toward this end, the present research

integrates these constructs into a comprehensive model. This is an understudied area, particularly

in the context of a single e-tailer with customer data. This dissertation intends to fill this gap and

investigate these relationships.

<div align="center">Theoretical Framework</div>

Commitment-Trust Theory of Relationship Marketing

The commitment-trust theory of relationship marketing is based on relationship

commitment and trust as the key mediating variables (Morgan and Hunt 1994). The antecedents

of the model include shared values, communication, opportunistic behavior, relationship

benefits, relationship termination costs, and legalities. The outcome factors are financial

performance, cooperation, functional conflict, decision-making uncertainty, propensity to leave,

and acquiescence. This theory is believed to be "the foundations of a marketing relationship that can lead to customer retention" (Veloutsou, Saren, and Tzokas 2002). Commitment-trust theory of relationship marketing has been applied to both business-to-business and business-to-consumer contexts (Delgado-Ballester and Munuera-Aleman 2001); Doney and Cannon 1997; Gounaris 2005; Mukherjee and Nath 2007). Although the present study incorporates trust as part of the research model, the commitment-trust theory of relationship marketing encompasses additional antecedent and outcome variables that are not part of the investigation. Therefore, this theory is not suitable to support this research.

Socialization Theory

Another theoretical perspective considered for this study is socialization theory. This theory suggests that the processes by which young individuals acquire skills, knowledge, and attitudes are relevant to how they function as consumers in the marketplace (Ward 1974). This theory is related to Piaget's theory of intellectual development, also known as the cognitive development approach to socialization. As individuals grow up and mature, the consumer socialization process happens in a social context, which includes the family, peers, media, and information from marketers (John 1999; Moschis 1981). When parents negotiate their children's purchase requests, allocate weekly allowances, and take their children on shopping trips, they are creating opportunities for consumer socialization for their children (Ward, Wackman, and Wartella 1977). Peers also influence individuals, starting early in life. Mass media and advertisements present information about goods, services, and the material value of these goods and services (Martin and Gentry 1997; Robertson, Rossiter, and Gleason 1979). Socialization Theory was evaluated as an alternative theoretical basis; however, it was deemed ill-fitting. This

dissertation investigates E-WOM intentions in a popular social networking site but does not account for the social aspect of the relationships.

Stimulus-Organism-Response (SOR) Theory

Originally developed in the environmental psychology discipline, stimulus-organism-response (SOR) theory posits that the environment is the stimulus, which influences the organism and the organism's internal reactions, which then leads to behavioral responses (Mehrabian and Russell 1974) (see Figure 1). The organism's internal reactions include both affective and cognitive elements. These emotions and cognitive beliefs mediate the approach (or avoidance) responses toward the environment (Mehrabian and Russell 1974). Researchers have applied SOR theory as the theoretical framework for understanding servicescape (Bitner 1992; Chebat and Michon 2003; Donovan and Rossiter 1982) and online servicescape (Ha and Lennon 2010; Kim, Fiore, and Lee 2007; Richard et al. 2009) to explain consumer behavior in the store environment. The stimulus is the physical evidence of a brick-and-mortar store. Customers react internally to the various stimuli, which then directly affects their behavioral responses. Similarly for e-servicescape, the stimuli are the website environment and service factors. Kim and Lennon (2013) investigated reputation and website quality as the stimuli, cognition and emotion as the organism, and purchase intentions as the response and found that reputation influenced individuals' emotions. The SOR model has also been used to research website characteristics, consumers' emotional responses, and buying behavior (Mummalaneni 2005). This research is grounded in the SOR theoretical framework, where e-servicescape is the stimulus, trust is the customer's internal reaction, and response behaviors include purchase intentions, loyalty, and E-WOM intentions.

FIGURE 1
Stimulus-Organism-Response Model

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┌─────────────┐              ┌─────────────┐              ┌─────────────┐
│  Stimulus   │─────────────▶│  Organism   │─────────────▶│  Response   │
└─────────────┘              └─────────────┘              └─────────────┘
```
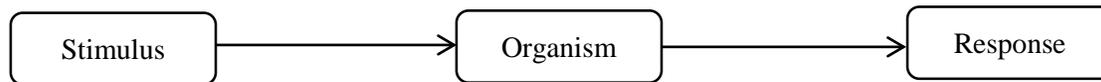
Organic Inter-Consumer Influence Model (OIIM)

One of the earliest models depicting WOM behavior, the organic inter-consumer influence model (OIIM) shows how consumers interact with other consumers and share information about their experiences (Kozinets et al. 2010). Individuals participate in these conversations without any direct influence from marketers. Generally, people engage in these interactions because of their desire to share their personal experiences, help others by warning them about mediocre products or services, and/or to show their status (Arndt 1967; Engel, Kegerreis, and Blackwell 1969; Gatignon and Robertson 1986). While the OIIM demonstrates the flow of information between consumers, the theoretical framework is not appropriate for the present research because it does not include influence from marketers.

Linear Marketer Influence Model (LMIM)

Another model describing WOM behavior is the linear marketer influence model (LMIM) (Kozinets et al. 2010), which stresses the importance of recruiting individuals with influential power (Feick and Price 1987; King and Summers 1976). As the opinion leaders of their social networks, these consumers forward favorable information about specific brands, stores, products, and services to many other consumers (Balter 2005). The WOM information originated from marketers in the form of advertising and promotional material. The linear aspect

of this model stems from consumers' one-way dissemination of WOM communications. Due to

this linearity of information flow, the LMIM is not suitable for this research study.

Network Co-Production Model (NCPM)

E-WOM involves consumers as active co-producers of information (Vargo and Lusch

2004). When an individual passes along a message from a marketer, he or she embeds inherent

value and meaning in the message during the E-WOM process. The network co-production

model (NCPM) depicts the multi-directional flow of information, starting with the seeding from

the marketer as the direct influence (see Figure 2).

FIGURE 2
Network Co-Production Model
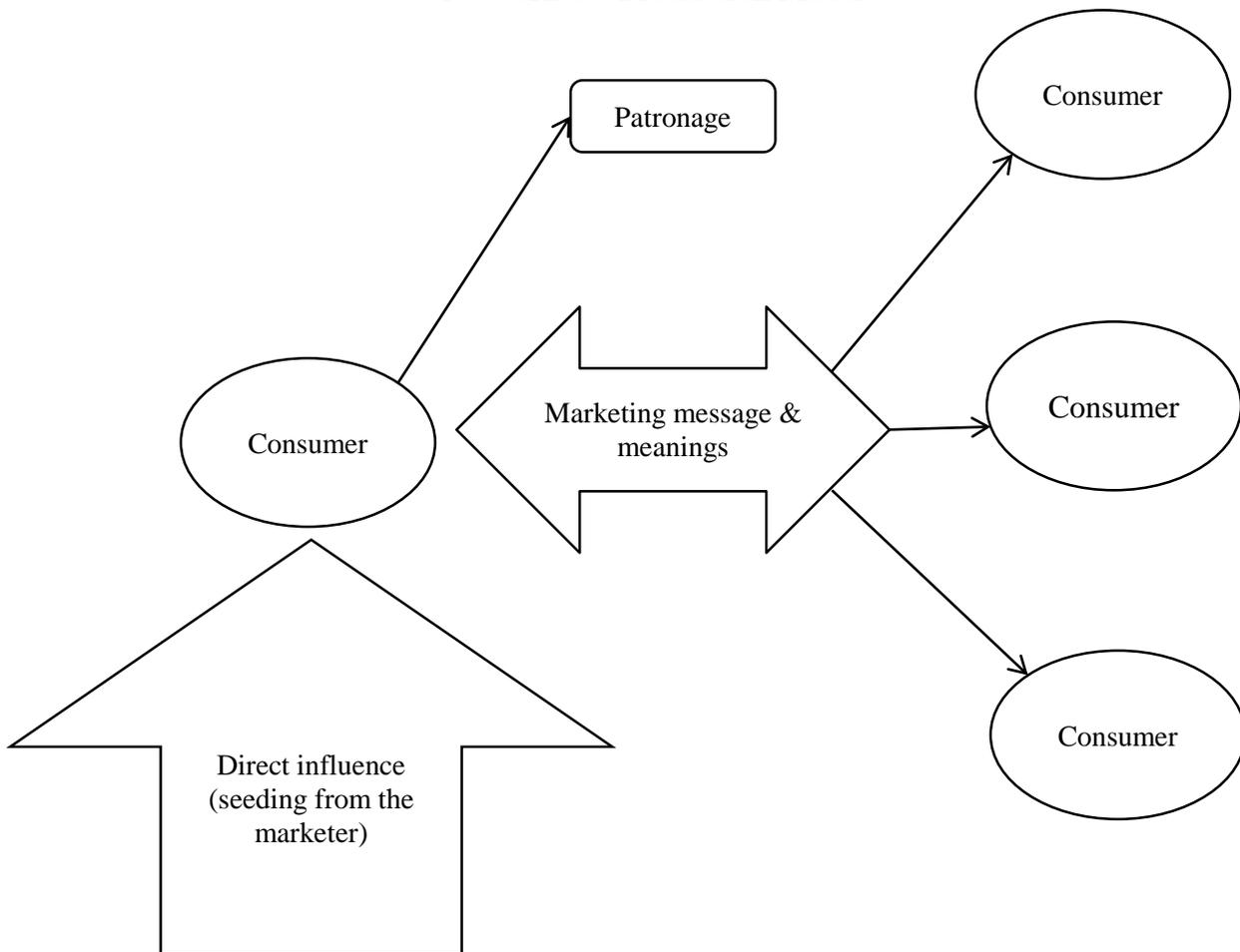
This seeding is conveyed to a select group of consumers. The role of consumers in networks, groups, and communities has grown significantly (Cova and Cova 2002; Muniz and O'Guinn 2001). The individuals then forward the seeded message to other consumers in their networks, adding their own value in the process. The receivers of E-WOM communications may respond to the sender and add their own meaning. Marketers recognize the potential value of consumers as effective co-producers, and are attempting to manage the E-WOM process (Brown, Broderick, and Lee 2007). Marketers are using different strategies and metrics to directly influence individuals and better understand the power of E-WOM. Due to both the interactive nature of the E-WOM activity depicted in the NCPM and the seeding from the marketer as direct influence, this theoretical model is deemed appropriate to support the present research.

Model and Hypotheses Development

As described in the previous sections, website characteristics can influence the customer, with e-servicescape as the stimulus and the customer's internal reaction of trust as the organism of SOR theory. In turn, the trust likely influences behavioral responses, including E-WOM intentions, customer loyalty, and purchase intentions behavior. These relationships are encapsulated in the research model shown in Figure 3. Thus, it is hypothesized that:

> H1 (a-j): E-servicescape is positively related to the website's (a) visual appeal, (b) entertainment value, (c) originality of design, (d) customer reviews, (e) customization, (f) interactivity, (g) relevance of information, (h) usability, (i) ease of payment, and (j) perceived security.

> H2: E-servicescape is positively related to consumer trust in the website.

> H3: Trust is positively related to the likelihood of engaging in E-WOM behavior.

> H4: Trust is positively related to customer loyalty.

> H5: Trust is positively related to purchase intentions.

FIGURE 3
Research Model
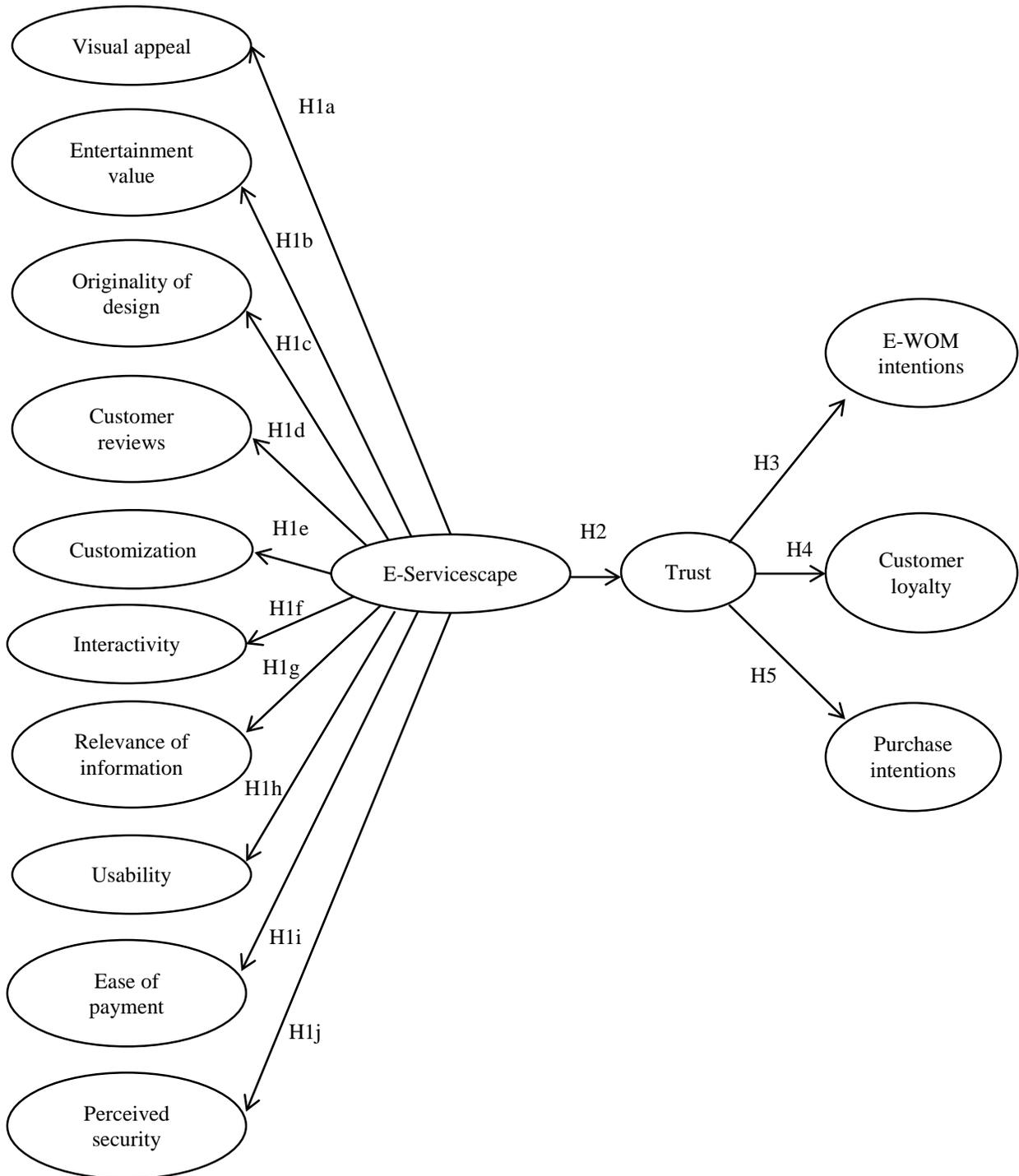
In addition to SOR theory, the research model is also supported by the network co-production model. For this research study, the direct seeding from the marketer happens in two forms of electronic communication: email and social network posting. The e-tailer intends for customers to make purchases. Besides patronage from the original receiver of the electronic message, the e-tailer also hopes he or she will forward the communication to other consumers and embed their own meaning and value in the E-WOM process. There is potential for multi-directional flows of information when consumers generate conversations about the e-tailer. There is also the likelihood of consumers reading online customer reviews, which is another form of E-WOM, which is another part of the multi-directional flow of information.

As described in previous sections, emails are still an important tool in the marketer's toolbox. Although some are quick to abandon it as an outdated form of electronic communication, companies should still use emails as a part of their direct marketing program. Many consumers currently use email (Lee 2014) and want to receive emails from e-tailers. As a form of direct marketing, email campaigns are inexpensive and useful for acquiring new customers and reminding current customers of the market offerings. When consumers provide information to companies and agree to receive emails, companies can capitalize on opportunities to make marketing campaigns more efficient and effective through customization (Godin 1999). In addition, emails reach more consumers than social network postings, including Facebook (Lee 2014). Based on this rationale, it is hypothesized that:

> H6 (a-j): Compared to social network postings recipients, email recipients will have more positive perceptions of e-servicescape, including the website's (a) visual appeal, (b) entertainment value, (c) originality of design, (d) customer reviews, (e) customization, (f) interactivity, (g) relevance of information, (h) usability, (i) ease of payment, and (j) perceived security.

> H7: Compared to social network postings recipients, email recipients will have greater trust in the website.

H8: Compared to social network postings recipients, email recipients will be more likely to engage in E-WOM behavior.

H9: Compared to social network postings recipients, email recipients will have higher customer loyalty.

H10: Compared to social network postings recipients, email recipients will have higher purchase intentions.

CHAPTER 3

METHODOLOGY

Overview

This study uses cross-sectional customer data from a single apparel retailer, The Territory

Ahead, to investigate hypothesized relationships between online servicescape, trust, E-WOM

intentions, loyalty, and purchase intentions. Precedence has been established for the use of

single-firm data in prior research studies (Cases et al. 2010; Harris 1990; Mahajan et al. 1984;

Newman et al. 2010; Spreitzer 1996). Originally, the clothing company started as a catalog

retailer. For a period of time, the company operated a handful of brick-and-mortar stores on the

Pacific coast. These store locations were closed in 2012. Currently, the firm offers both men's

and women's clothing, shoes, and accessories through direct mail catalogs and a retail website.

The retailer caters to consumers who desire high quality, durable, and casual apparel and

accessories. The majority of the company's sales are realized via its website, making this e-tailer

an appropriate firm for testing the hypothesized relationships. Since the company does not have

many brick-and-mortar stores, there is little chance of customers' confounding the physical store

servicescape with the e-servicescape.

Sampling Procedure

The data were collected through a nationwide survey offered online through Qualtrics.

For two weeks, customers of the e-tailer were invited to complete the survey in exchange for a

20% discount off their next purchase. The company offered access to the survey questionnaire

link via both email and Facebook posting. The questionnaire was identical for both groups of

respondents, with the exception of E-WOM scale items adapted for the particular form of communication (i.e., email or Facebook posting).

For the constructs of interest, the survey questionnaire was programmed to rule out the possibility of missing values. To decrease the chance of question order bias, questions were randomized within each block. Each block of questions focused on a construct, or sub-dimension of a construct. The demographic and open-ended questions were optional, and some respondents chose not to complete these questions.

About 10,000 customers were invited to participate in the survey via emails and Facebook postings. One thousand one hundred forty-two customers started the survey, and 613 respondents completed the entire survey, with a completion rate of almost 54%. The high incompletion rate is likely due to the length of the questionnaire. The overall response rate for completed surveys was 6%. Fifty-three percent of respondents accessed the survey link from a Facebook posting and 47% through an email link. Forty-nine percent of the respondents were female. Approximately 75% were between the ages of 50 and 69 years and the mean age was 56 years. Sixty-six percent of the respondents were married. Eighty-one percent earned college degrees, pursued some graduate education, or completed graduate degrees. Forty-three percent of respondents reported total annual household incomes of $100,000 or greater and the mean household income was nearly $133,000. The mean annual expenditure on apparel and accessories was a little over $2,000. Sixty-nine percent reside in small households of one to two people. The complete demographic statistics of the sample are provided in Table 1.

TABLE 1
Demographic Profile of Respondents

Measure	Value	Frequency	Frequency %
Communication method	Email	288	47%
	Social network site	325	53%

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Measure	Value	Frequency	Frequency %
Gender	Female	302	49%
	Male	306	50%
	Did not provide	5	1%
Age	30 or under	9	1%
	31-39	10	2%
	40-49	109	18%
	50-59	292	48%
	60-69	168	27%
	70 or over	14	2%
	Did not provide	11	2%
Race	American Indian	4	1%
	Asian	4	1%
	Black or African American	5	1%
	Hispanic or Latino	11	2%
	Indian	3	0%
	Mixed race	9	1%
	Native Hawaiian or Pacific Islander	2	0%
	White or Caucasian	499	81%
	Did not provide	76	12%
Highest level of education	Some high school or less	3	0%
	High school graduate	21	3%
	Some college education	98	16%
	College graduate	169	28%
	Some graduate education	59	10%
	Graduate degree	263	43%
Income	under $50,000	47	8%
	$50,000-99,999	109	18%
	$100,000-199,999	193	31%
	$200,000-299,999	60	10%
	$300,000 or over	15	2%
	Did not provide	189	31%
Marital status	Single	63	10%
	Married	407	66%
	Living with a partner	28	5%
	Separated	2	0%
	Widowed	16	3%
	Divorced	47	8%
	Did not provide	50	8%
Household size	1	102	17%
	2	318	52%
	3	94	15%
	4	70	11%

Measure	Value	Frequency	Frequency %
	5	16	3%
	6	6	1%
	7 or more	2	0%
	Did not provide	5	1%

Potential non-response bias was assessed by comparing early and late respondents using the linear extrapolation method (Armstrong and Overton 1977). This method is based on the assumption that late respondents are similar to non-respondents, as compared to early respondents. During the two weeks of data collection, customers were contacted twice via email and Facebook posting. Individuals who completed the survey during the first week after the initial contact were the wave one respondents. Wave two respondents completed the questionnaire during the second week, after the reminder email and Facebook posting. First, demographic variables were compared for both waves. The chi-square tests indicated no statistically significant differences. Regarding demographic variables, the early and late respondents are similar. The details are provided in Table 2.

TABLE 2
Comparison of Early and Late Respondents on Demographic Variables

Variable	Chi-square	*df*	p-value
Age	8.074	5	0.152
Education	4.814	5	0.439
Gender	4.258	3	0.128
Household size	5.369	6	0.497
Income	3.491	4	0.479
Marital status	6.677	6	0.352
Race	11.524	8	0.174

The next step was to compare the two waves of respondents on key constructs. For the purposes of assessing potential non-response bias, each sub-dimension of online servicescape was considered as a key construct (i.e., visual appeal, customization, perceived security, etc.). No statistically significant differences were detected. For the key constructs, early and late

respondents are similar. The analysis of variance results are presented in Table 3. Based on the

wave analysis, non-response bias was not a concern for this study.

TABLE 3
Comparison of Early and Late Respondents on Key Constructs

Construct	F	df (between groups)	df (within groups)	p-value
Entertainment Value	1.024	1	611	0.312
Originality of Design	0.167	1	611	0.683
Visual Appeal	2.496	1	611	0.115
Customer Reviews	0.709	1	611	0.592
Customization	1.570	1	611	0.211
Interactivity	0.860	1	611	0.264
Relevance of Information	1.704	1	611	0.192
Usability	0.036	1	611	0.849
Ease of Payment	0.541	1	611	0.462
Perceived Security	0.277	1	611	0.599
Trust	2.026	1	611	0.155
E-WOM Intentions	2.321	1	611	0.267
Customer Loyalty	1.821	1	611	0.178
Purchase Intentions	0.006	1	611	0.941

Measures

Most constructs were measured with items adapted from previously developed and

validated scales. For online servicescape, measurement items were adapted from Harris and

Goode (2010). As mentioned previously, e-servicescape has three dimensions: aesthetic appeal,

layout and functionality, and financial security.

Aesthetic Appeal

Aesthetic appeal was assessed through three sub-dimensions, including entertainment

value, originality of design, and visual appeal. A sample survey measure for entertainment value

included "it is fun shopping on _____'s (e-tailer) website even when I do not make a purchase."

For originality of design, a sample item was "the design of this website is fresh and original." An

example of a measure for visual appeal was "the way _____'s (e-tailer) website displays products is attractive." In total, 11 scale items were used to measure the aesthetic appeal dimension (presented in Table 4).

TABLE 4
Items for Aesthetic Appeal Dimension of E-Servicescape

Sub-dimension	Item
Entertainment Value	I find this website entertaining
	The enthusiasm displayed on this website lifts my spirits
	It is fun shopping on _____'s (e-tailer) website even when I do not make a purchase
Originality	The _____'s (e-tailer) website features a traditional design*
	The design of this website is pretty much like the design of other websites I shop from*
	The design of the _____'s (e-tailer) website is fresh and original
	The _____'s (e-tailer) website is unadventurous*
Visual Appeal	This website is aesthetically appealing
	The way _____'s (e-tailer) website displays products is attractive
	I like the look of _____'s (e-tailer) website
	The _____'s (e-tailer) website does not use visually appealing graphics*

*Reverse-coded item.

Layout and Functionality

Layout and functionality featured four sub-dimensions from the original scale: customization/personalization, interactivity, relevance of information, and usability (Harris and Goode 2010). A sample survey item for customization included "the services of this website are often personalized to my needs." For interactivity, five items were used to measure this sub-dimension, such as "this website does not let me view merchandise in different ways." To measure relevance of information, an item included was "all relevant information is easily available on this website." A sample scale item for usability was "_____'s (e-tailer) website offers quality keyword search functionality." As a fifth sub-dimension of layout and functionality, two scale items measuring customer reviews were developed specifically for this study. Consumers appreciate the user-generated reviews, and increasingly rely on this

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information to make purchase decisions (Purchase Decisions 2013). Thus, it was deemed

important to create the sub-dimension customer reviews for the e-servicescape scale. The two

items for customer reviews were "I like to read customer reviews on _____'s (e-tailer) website"

and "customer reviews are helpful when I make purchase decisions on _____'s (e-tailer)

website." A total of 19 items were included to measure layout and functionality. All

measurement items for this dimension of online servicescape are provided in Table 5.

<div align="center">

TABLE 5
Items for Layout and Functionality Dimension of E-Servicescape
</div>

Sub-dimension	Item
Customer Reviews	Customer reviews are helpful when I make purchase decisions on _____'s (e-tailer) website
	I like to read customer reviews on _____'s (e-tailer) website
Customization	This website is laid out to satisfy my needs
	The services of this website are often personalized to my needs
	This website treats me like an individual
	_____'s (e-tailer) website does not make purchase recommendations that match my needs*
Interactivity	This website helps me compare products
	The _____ (e-tailer) website helps me compare prices
	This website does not let me view merchandise in different ways*
	This website has a search tool which helps me find exactly what I want
	The _____ (e-tailer) website does not engage me*
Relevance of Information	All relevant information is easily available on this website
	Technical details about the items can be easily accessed easily when browsing this website
	Each page on the website clearly indicates what one can expect to find
Usability	Finding the exact items I want on _____'s (e-tailer) website is difficult*
	_____'s (e-tailer) website is difficult to use*
	The navigational aids on this website are useful
	There are convenient ways to maneuver among various pages (shirts to pants) on this website
	_____'s (e-tailer) website offers quality keyword search functionality

*Reverse-coded item.

Financial Security

Financial security was composed of two dimensions: ease of payment and perceived

security (Harris and Goode 2010). Seven items were included to measure financial security. To

measure customers' perceived ease of payment, measures such as "_____'s (e-tailer) online payment process is reasonable" were included. A sample item for the perceived security sub-dimension was "the security systems of this website appear rigorous." The items are listed in Table 6.

TABLE 6
Items for Financial Security Dimension of E-Servicescape

Sub-dimension	Item
Ease of Payment	On _____'s (e-tailer) website, paying for items involves entering too many details*
	Payment procedures take a long time to complete on this website*
	_____'s (e-tailer) online payment process is reasonable
	Paying for goods is straightforward on this website
Perceived Security	The security systems of this website appear rigorous
	Overall, _____'s (e-tailer) website appears to be security conscious
	I have no security concerns when I purchase apparel and accessories from this website

*Reverse-coded item.

Trust

To measure trust, five items were adapted from Harris and Goode's scale (2010). Sample items for trust were "overall, I feel that I can trust this website" and "few limits exist on how far this company will go to solve my website services problems." A five-point Likert-type scale was used for the items, where 1 indicated "strongly disagree" and 5 indicated "strongly agree." The scale items for trust are presented in Table 7.

TABLE 7
Items for Trust

Item
_____'s (e-tailer) website seems genuinely committed to my satisfaction
Overall, I trust this website
In terms of usability, I know what to expect from _____'s (e-tailer) website
If _____ (e-tailer) makes a claim about its product, it is probably true
Few limits exist on how far _____ will go to solve my website service problems

Electronic Word of Mouth

For E-WOM intentions, items were adapted from other research studies (Okazaki 2009; Verhoef, Franses, and Hoekstra 2002). A sample measure for E-WOM included "were I to receive an interesting email from this company, I would forward it to my friends and family." All three E-WOM measures were adapted to reflect the specific form of electronic communication for respondents, email or Facebook posting. Again, a five-point Likert-type scale was used, where 1 indicated "never" and 5 indicated "always." E-WOM measurement items are included in the following table.

TABLE 8
Items for E-WOM

Item
I would make recommendations to my friends and family about signing up for (emails/Facebook updates) from _____ (e-tailer)
If someone asks me for advice about _____'s (e-tailer) website, I will encourage them to sign up for (emails/Facebook updates) from _____ (e-tailer)
If I receive an interesting (email/Facebook posting) from _____ (e-tailer), I would forward/repost it to/for my friends and family

Purchase Intentions

For purchase intentions, three measures were developed specifically for this study. Previously validated scales for purchase intentions were also considered. However, given that the e-tailer's products represent a variety of categories, the scales from the literature were deemed inappropriate for the questionnaire. A sample item for purchase intentions was "I expect to do more business with this website during the new few months." Again, a five-point Likert-type scale was used, anchored by 1 for "strongly disagree" and 5 for "strongly agree." Purchase intentions measurement items are provided in Table 9.

TABLE 9
Items for Purchase Intentions

Item
_____'s (e-tailer) website is my first choice for apparel
I expect to do more business with _____'s (e-tailer) website during the next few months
I intend to purchase fewer goods from _____'s (e-tailer) website during the next few months*

Customer Loyalty

Three items were included to measure customer loyalty (Beatty et al. 1996). A sample item for customer loyalty was "I am loyal to _____ (e-tailer's name)." One loyalty item was reversed, namely "I don't think I'll shop again at _____ (e-tailer's name)." Similar to the other questionnaire statements, customers responded to these items based on a five-point Likert-type scale, where 1 indicated "strongly disagree" and 5 indicated "strongly agree." Scale items for loyalty are presented in Table 10. Any negatively-phrased scales were reverse coded prior to statistical analyses to maintain content consistency.

TABLE 10
Items for Loyalty

Item
I am loyal to _____ (e-tailer)
I don't think I'll shop at _____ (e-tailer) again*
I prefer _____'s (e-tailer) clothing and accessories over other apparel alternatives
*Reverse-coded item.

Survey Instrument

The survey questionnaire included 80 statements. As a reminder for respondents to consider this e-tailer specifically while completing the online survey, many scale items were adapted to reflect the e-tailer's name in the statement. Moreover, some scale items were adapted to improve the wording and make it easier for respondents to read and comprehend.

Aside from the constructs of interest for this current research study, the senior management team of the e-tailer requested the addition of specific survey items for the company's market research team to analyze. For this purpose, measurement items for perceived value, quality, style, fit, fashion orientation, and shopping orientation were added to the survey. There were also optional, open-ended questions regarding customers' perceptions of the current quality versus past quality, opinions on customer reviews, fit and sizing of the apparel items, and favorite words to describe the e-tailer's brand. There was one question about membership in social networking communities. The final items were demographic questions, which were also optional (age, annual family household income, marital status, racial or ethnic identification, highest level of education, and number of people in the household). After the demographic questions, respondents were thanked for their participation, and asked to forward the survey link to any family and friends that they believe would be interested in providing feedback and receiving the 20% discount.

CHAPTER 4

EMPIRICAL ANALYSIS AND RESULTS

Overview

To test the hypotheses and assess the fit of the proposed model to the data, reliability and validity were first assessed for the measurement scales (Churchill 1979; Gerbing and Anderson 1988). The next step was to assess the proposed model for fit and test the hypotheses using structural equation modeling. The final step was to split the data into groups, based on the form of electronic communication, and compare the two groups employing multi-group analysis. A detailed description of the data analysis and results follows.

Measurement Validation

The initial step in the data analysis was to assess construct reliability and validity for the measurement scales via the two-step procedure proposed by Gerbing and Anderson (1988). Exploratory factor analysis (EFA) was conducted using SPSS. Two separate EFAs were conducted: 1) one for online servicescape, as a second-order construct and 2) for the endogenous variables, including trust, E-WOM intentions, purchase intentions, and loyalty.

For online servicescape, the measurement items for two sub-dimensions of layout and functionality, namely customization and relevance of information, loaded together on a single factor. As shown in Table 4, there is overlap in the items. When information presented by the e-tailer is germane to that particular customer, the customer's perception of the website's level of customization increases. The Cronbach's alpha for this combined sub-dimension is .907 and the factor loadings indicate that these measures together form a distinct sub-dimension from the same domain. This sub-dimension was termed "relevance and customization."

Interactivity, originality, and usability had items with low factor loadings (less than .5).

With the exception of originality, all sub-dimensions of online servicescape had acceptable

reliability, with Cronbach's alpha values that ranged from .737 to .909. The Cronbach's alpha for

originality was .649, which is less than the recommended value of .7 (Hair et al. 2006; Nunnally

1978). The complete results of this initial EFA are presented in Table 11.

TABLE 11
Measurement Model Evaluation: Initial EFA for E-Servicescape

Construct	Item	Loading	Mean	SD
Relevance and Customization (RC)	All relevant information is easily available on this website	0.792	3.870	0.857
Cronbach's alpha = 0.907 Mean = 3.616	Technical details about the items can be easily accessed easily when browsing this website	0.780	3.780	0.889
SD = 0.690 Percentage of variance = 34	Each page on the website clearly indicates what one can expect to find	0.706	3.960	0.787
	The services of this website are often personalized to my needs	0.568	3.230	0.876
	This website is laid out to satisfy my needs	0.557	3.830	0.819
	_____'s (e-tailer) website does not make purchase recommendations that match my needs*	0.546	3.330	0.871
	This website treats me like an individual	0.538	3.310	0.925
Entertainment Value (E)	I find this website entertaining	0.822	3.200	0.990
Cronbach's alpha = 0.876 Mean = 3.341	The enthusiasm displayed on this website lifts my spirits	0.805	3.170	0.993
SD = 0.831 Percentage of variance = 9	It is fun shopping on _____'s (e-tailer) website even when I do not make a purchase	0.755	3.480	1.015
Ease of Payment (EP) Cronbach's alpha = 0.849	On _____'s (e-tailer) website, paying for items involves entering too many details*	0.809	3.760	0.930
Mean = 3.916 SD = 0.720	Payment procedures take a long time to complete on this website*	0.803	3.842	0.909
Percentage of variance = 6	_____'s (e-tailer) online payment process is reasonable	0.725	3.980	0.838
	Paying for goods is straightforward on this website	0.721	4.080	0.783
Visual Appeal (V)	This website is aesthetically appealing	0.885	4.13	0.904
Cronbach's alpha = 0.823 Mean = 4.136	The way _____'s (e-tailer) website displays products is attractive	0.877	4.15	0.9
SD = 0.857	I like the look of _____'s (e-tailer) website	0.869	4.13	0.91

Construct	Item	Loading	Mean	SD
Percentage of variance = 5	The _____'s (e-tailer) website does not use visually appealing graphics*	0.652	4.082	1.076
Interactivity (I)	This website helps me compare products	0.836	3.28	0.89
Cronbach's alpha = 0.775	The _____ (e-tailer) website helps me compare prices	0.826	3.11	0.894
Mean = 3.416 SD = 0.692	This website does not let me view merchandise in different ways*	0.492	3.66	0.905
Percentage of variance = 4	This website has a search tool which helps me find exactly what I want	0.442	3.61	0.853
	The _____ (e-tailer) website does not engage me*	0.441	3.734	0.929
Usability (U) Cronbach's alpha = 0.793	Finding the exact items I want on _____'s (e-tailer) website is difficult*	0.746	4.042	0.976
Mean = 4.058	_____'s (e-tailer) website is difficult to use*	0.706	4.333	0.798
SD = 0.714	The navigational aids on this website are useful	0.588	3.8	0.875
Percentage of variance = 4	There are convenient ways to maneuver among various pages (shirts to pants) on this website	0.438	3.88	0.827
	_____'s (e-tailer) website offers quality keyword search functionality	0.328	3.65	0.803
Customer Reviews (CREV) Cronbach's alpha = 0.909	Customer reviews are helpful when I make purchase decisions on _____'s (e-tailer) website	0.932	3.88	1.151
Mean = 3.873 SD = 1.114 Percentage of variance = 3	I like to read customer reviews on _____'s (e-tailer) website	0.929	3.86	1.177
Perceived Security (PS)	The security systems of this website appear rigorous	0.786	3.52	0.937
Cronbach's alpha = .737 Mean = 3.810	Overall, _____'s (e-tailer) website appears to be security conscious	0.738	3.93	0.751
SD = .692 Percentage of variance=3	I have no security concerns when I purchase apparel and accessories from this website	0.712	3.98	0.867
Originality (O) Cronbach's alpha = .649	The _____'s (e-tailer) website features a traditional design*	0.862	2.736	0.907
Mean = 2.820 SD = 2.820	The design of this website is pretty much like the design of other websites I shop from*	0.708	2.904	1.036
Percentage of variance = 2	The design of the _____'s (e-tailer) website is fresh and original	0.552	3.52	0.924
	The _____'s (e-tailer) website is unadventurous*	0.454	3.522	1.033

*Reverse-coded item.

SD = Standard deviation.

Total variance explained = 70%.

Recommended procedures for scale purification normally call for refinement of the

survey items, and additional data collection as needed following the EFA. Due to the

collaborative nature of this study with the e-tailer's customer data, collecting additional data was

not possible after the EFA. Accordingly, confirmatory factor analysis (CFA) was conducted

using all items within each sub-dimension that were examined using EFA to determine the

average variance extracted (AVE) and composite reliabilities (CR).

Next, the initial EFA for trust, E-WOM, loyalty, and purchase intentions was conducted.

The scale items for trust and E-WOM loaded as distinct factors, with high reliability (Cronbach's

alpha values of .864 and .901, respectively). All factor loadings for this EFA exceeded 0.5, as

recommended by Hair et al. (2006). Measures for loyalty and purchase intentions loaded together

on a single factor, with loadings that ranged from .518 to .742. Upon closer examination of the

scale items, it was evident that the measures of both loyalty and purchase intentions load on the

same factor, indicating that they form a distinct joint construct. This makes sense. If a customer

intends to do more business with a company in the near future, this customer is loyal to that firm.

The Cronbach's alpha for the combined loyalty and purchase intentions constructs was .793,

which is above the recommended level of .7 (Nunnally 1978). The detailed statistics for this EFA

are provided in Table 12.

TABLE 12
Measurement Model Evaluation: Initial EFA for Trust, E-WOM Intentions, Customer
Loyalty, and Purchase Intentions

Construct	Item	Loading	Mean	SD
Trust (T)	_____'s (e-tailer) website seems genuinely committed to my satisfaction	0.824	3.930	0.818
Cronbach's alpha = 0.864	Overall, I trust this website	0.807	4.120	0.746
Mean = 3.862	In terms of usability, I know what to expect from _____'s (e-tailer) website	0.775	4.090	0.733
SD = 0.616	If _____ (e-tailer) makes a claim about its product, it is probably true	0.723	3.860	0.798
Percentage of variance = 24	Few limits exist on how far _____ (e-tailer) will go to solve my website service problems	0.666	3.310	0.731
Customer Loyalty & Purchase Intentions (CL)	I prefer _____'s (e-tailer) clothing and accessories over other apparel alternatives	0.742	3.610	0.966

Construct	Item	Loading	Mean	SD
Cronbach's alpha = 0.793	I am loyal to _____ (e-tailer)	0.740	3.780	1.005
	_____'s (e-tailer) website is my first choice for apparel	0.739	3.150	1.147
Mean = 3.685 SD = 0.721 Percentage of variance = 18	I expect to do more business with _____'s (e-tailer) website during the next few months	0.604	3.550	1.016
	I don't think I'll shop at _____ (e-tailer) again*	0.595	4.506	1.008
	I intend to purchase fewer goods from _____'s (e-tailer) website during the next few months*	0.518	3.517	1.022
Electronic Word-of-Mouth Intentions (E-WOM)	I would make recommendations to my friends and family about signing up for (emails/Facebook postings) from _____ (e-tailer)	0.916	2.280	1.330
Cronbach's alpha = 0.901 Mean = 2.172 SD = 1.205	If someone asks me for advice about _____'s (e-tailer) website, I will encourage them to sign up for (emails/Facebook postings) from _____ (e-tailer)	0.904	2.360	1.428
Percentage of variance = 21	If I receive an interesting (email/Facebook posting) from _____ (e-tailer), I would forward/repost it to/for my friends and family	0.875	1.880	1.189

*Reverse-coded item.
SD = Standard deviation.
Total variance explained = 63%.

Next, the CFA was performed using LISREL 8.80. Separate CFAs were conducted for all endogenous and exogenous constructs, where CR and AVE values were examined. Reliability was assessed by checking item and construct reliability (Peter 1981). For e-servicescape, all CR values exceeded the threshold of .60 (Bagozzi and Yi 1988). All item loadings were significant ($p < .05$). The CFA for e-servicescape indicated a good fit between the model and the data ($\chi^2 = 2,422$, $df = 1,084$, RMSEA = .048, SRMR = .04, NNFI = .98, CFI = .98, and IFI = .97) (Hu and Bentler 1999). Three sub-dimensions of online servicescape had AVE values below the recommended minimum of .50 (Bagozzi and Yi 1988), namely interactivity (I), originality (O), and usability (U). Discriminant validity is indicated when the AVE of a construct is more than its squared correlations with other constructs (Fornell and Larcker 1981). There was a lack of discriminant validity between the following constructs: interactivity (I) and usability (U); interactivity (I) and customer reviews (CREV); interactivity (I) and customization (C); usability

(U) and ease of payment (EP); usability (U) and relevance of information (R); usability (U) and customization (C); originality (O) and customization (C); originality (O) and customer reviews (CREV) ; originality (O) and entertainment value (E); and originality (O) and visual appeal (V). There is significant multi-collinearity between these sub-dimensions of e-servicescape. The complete details of this first CFA iteration for online servicescape are shown in Table 13.

TABLE 13
First Iteration, Correlations and Discriminant Validity for E-Servicescape

	CR	E	EP	V	I	PS	U	CREV	R	C	O
E	0.879	(0.707)	0.167	0.236	0.254	0.217	0.356	0.007	0.268	0.235	0.630
EP	0.851	0.409	(0.587)	0.151	0.227	0.289	0.462	0.040	0.301	0.320	0.174
V	0.874	0.486	0.388	(0.660)	0.133	0.131	0.276	0.023	0.000	0.235	0.316
I	0.796	0.504	0.476	0.365	(0.496)	0.198	0.504	0.573	0.456	0.573	0.272
PS	0.813	0.466	0.538	0.362	0.445	(0.542)	0.347	0.053	0.297	0.288	0.196
U	0.795	0.597	0.680	0.525	0.710	0.589	(0.439)	0.116	0.575	0.627	0.370
CREV	0.909	0.084	0.201	0.153	0.757	0.231	0.340	(0.834)	0.624	0.053	0.010
R	0.723	0.518	0.549	0.459	0.675	0.545	0.758	0.790	(0.887)	0.624	0.247
C	0.622	0.485	0.566	0.485	0.757	0.537	0.792	0.230	0.790	(0.868)	0.487
O	0.606	0.794	0.417	0.562	0.522	0.443	0.608	0.102	0.497	0.698	(0.310)

[a]Diagonal elements in parentheses are average variance extracted (AVE) values.
[b]Values above the diagonal are squared phi correlation values.
[c]Values below the diagonal are phi correlation values.
[d]CR = Composite reliability.

Given the multi-collinearity, it was important to carefully review the measures. For originality (O), the items emphasize the design and look of the website. For example, the reversed statement "the _____'s (e-tailer) website features a traditional design" had the lowest lambda loading of .243. This particular scale item directly overlaps with the domain of visual appeal. Another measure for originality states "the design of the _____'s (e-tailer) website is fresh and original." Newness of a website is often linked with entertainment value, as humans are variety seekers and we want to see differences in websites with each visit. Subsequently, our perception of entertainment value is greater when there is novelty. As a result, it was decided that

originality was not a unique sub-dimension and it was removed from further consideration. The revised CFA for online servicescape is shown in Table 14.

TABLE 14
Second Iteration, Correlations and Discriminant Validity for E-Servicescape

	CR	E	EP	V	I	PS	U	CREV	R	C
E	0.879	(0.708)	0.168	0.237	0.255	0.218	0.358	0.007	0.269	0.493
EP	0.851	0.410	(0.587)	0.151	0.227	0.291	0.461	0.040	0.301	0.267
V	0.874	0.487	0.388	(0.660)	0.133	0.131	0.276	0.024	0.212	0.235
I	0.816	0.505	0.476	0.365	(0.562)	0.198	0.504	0.037	0.454	0.572
PS	0.771	0.467	0.539	0.362	0.445	(0.543)	0.347	0.053	0.297	0.288
U	0.795	0.598	0.679	0.525	0.710	0.589	(0.438)	0.115	0.575	0.627
CREV	0.909	0.084	0.199	0.154	0.192	0.230	0.339	(0.834)	0.024	0.052
R	0.887	0.519	0.549	0.460	0.674	0.545	0.758	*0.155	(0.723)	0.623
C	0.868	0.702	0.517	0.485	0.756	0.537	0.792	0.229	0.789	(0.622)

[a]Diagonal elements in parentheses are average variance extracted (AVE) values.
[b]Values above the diagonal are squared phi correlation values.
[c]Values below the diagonal are phi correlation values.
[d]CR = Composite reliability.

The AVE for usability (U) was still below .5, and this indicated a lack of difference between usability and the following sub-dimensions: ease of payment (EP), interactivity (I), relevance of information (R), and customization (C). Following further scrutiny of the measures for usability, it was apparent that usability was too similar to other sub-dimensions of e-servicescape. A measure of usability that was interconnected with both ease of payment and interactivity is "the navigational aids on this website are useful." While the statement is not directly inquiring about payment, if navigational aids are useful for both the shopping and payment process, these sub-dimensions overlap. Similarly, navigational aids allow for more customer interactivity. A reversed item for usability was "finding the exact items I want on _____'s (e-tailer) website is difficult." If a customer cannot easily locate products, it is likely that this customer would believe there is little relevance in the information presented on the website. When examining usability and customization, the usability measure "there are convenient ways

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to maneuver among various pages (shirts to pants) on this website" was of particular concern. Maneuverability within the e-tailer's website coincides with customization, in the sense that increased personalization of a website makes it more straightforward for a customer to view different merchandise pages online. Based on these considerations, usability was deleted from additional analyses due to these overlaps. The details for this iteration without usability are shown in Table 15.

TABLE 15
Third Iteration, Correlations and Discriminant Validity for E-Servicescape

	CR	E	EP	V	I	PS	CREV	R	C
E	0.879	(0.707)	0.168	0.237	0.249	0.218	0.007	0.268	0.491
EP	0.851	0.410	(0.587)	0.151	0.220	0.291	0.040	0.300	0.265
V	0.874	0.487	0.388	(0.660)	0.130	0.131	0.023	0.211	0.234
I	0.822	0.499	0.469	0.360	(0.497)	0.193	0.036	0.444	0.561
PS	0.771	0.467	0.539	0.362	0.439	(0.543)	0.053	0.296	0.286
CREV	0.909	0.084	0.200	0.153	0.191	0.230	(0.834)	0.024	0.052
R	0.887	0.518	0.548	0.459	0.666	0.544	0.155	(0.723)	0.619
C	0.868	0.701	0.515	0.484	0.749	0.535	0.229	0.787	(0.622)

[a]Diagonal elements in parentheses are average variance extracted (AVE) values.
[b]Values above the diagonal are squared phi correlation values.
[c]Values below the diagonal are phi correlation values.
[d]CR = Composite reliability.

The CFA results continually indicated that relevance of information (R) and customization (C) do not differ, where the AVE for customization was .622 and the squared correlation between the two was .619. A closer look at the lambda loadings revealed that one item for customization had a low lambda loading of only .323. This item was reverse-coded and stated "_____'s (e-tailer) website does not make purchase recommendations that match my needs." It has been noted that reverse-coded items often result in unexpected factor structures and low loading values (Netemeyer, Bearden, and Sharma 2003). The original item from Harris and Goode's (2010) scale was not reversed. The decision was made to remove this scale item for the following analyses (see Table 16 for the detailed results).

TABLE 16
Fourth Iteration, Correlations and Discriminant Validity for E-Servicescape

	CR	E	EP	V	I	PS	CREV	R	C
E	0.879	(0.708)	0.168	0.237	0.249	0.218	0.043	0.268	0.518
EP	0.851	0.410	(0.587)	0.151	0.220	0.291	0.040	0.300	0.278
V	0.874	0.487	0.388	(0.659)	0.130	0.131	0.022	0.211	0.268
I	0.797	0.499	0.469	0.360	(0.498)	0.193	0.037	0.648	0.548
PS	0.771	0.467	0.539	0.362	0.439	(0.542)	0.053	0.296	0.294
CREV	0.909	0.208	0.200	0.149	0.192	0.230	(0.833)	0.024	0.051
R	0.887	0.518	0.548	0.459	0.805	0.544	0.155	(0.723)	0.619
C	0.833	0.720	0.527	0.518	0.740	0.542	0.225	0.787	(0.625)

[a]Diagonal elements in parentheses are average variance extracted (AVE) values.

[b]Values above the diagonal are squared phi correlation values.

[c]Values below the diagonal are phi correlation values.

[d]CR = Composite reliability.

The removal of the reversed customization survey item did not impact the lack of discriminant validity between relevance of information (R) and customization (C). Further inspection of the two sub-dimensions exposed similarities. If a customer deems the information presented on the website to be germane to their needs, it is probable that the customer will also consider the website to be personalized for them. The commonality between relevance of information and customization became more apparent when the measures were compared. For example, "all relevant information is easily available on this website" is like "this website is laid out to satisfy my needs." For the former statement, a customer would respond to it with the mentality that the information is relevant to them personally. Hence, the customer would also believe the website layout is satisfactory to their needs. Moreover, recall that the EFA for online servicescape also resulted in these two sub-dimensions as a single factor. The decision was made to combine relevance of information and customization, which was termed *"relevance and customization"* (RC) in future analyses. This CFA iteration is presented in Table 17.

TABLE 17
Fifth Iteration, Correlations and Discriminant Validity for E-Servicescape

	CR	E	EP	V	I	PS	CREV	RC
E	0.879	(0.707)	0.167	0.236	0.249	0.217	0.008	0.410
EP	0.851	0.409	(0.587)	0.151	0.222	0.288	0.040	0.338
V	0.874	0.486	0.388	(0.660)	0.130	0.131	0.022	0.269
I	0.797	0.499	0.471	0.361	(0.498)	0.193	0.037	0.549
PS	0.772	0.466	0.537	0.362	0.439	(0.543)	0.053	0.339
CREV	0.909	0.087	0.200	0.148	0.192	0.231	(0.834)	0.039
RC	0.899	0.640	0.581	0.519	0.741	0.582	0.198	(0.599)

[a]Diagonal elements in parentheses are average variance extracted (AVE) values.

[b]Values above the diagonal are squared phi correlation values.

[c]Values below the diagonal are phi correlation values.

[d]CR = Composite reliability.

Interactivity (I) had an AVE value slightly below the recommended value of .5. Two of the items were reverse-coded, namely "this website does not let me view merchandise in different ways" and "the _____ (e-tailer) website does not engage me." These two survey statements had low lambda loadings, .424 and .318, respectively. Given that reverse-coded survey questions can be problematic, it was deemed appropriate to remove these two items from subsequent analyses. The revised CFA details for online servicescape are provided in Table 18.

TABLE 18
Sixth Iteration, Correlations and Discriminant Validity for E-Servicescape

	CR	E	EP	V	I	PS	CREV	RC
E	0.879	(0.707)	0.167	0.236	0.193	0.217	0.008	0.410
EP	0.851	0.409	(0.588)	0.151	0.172	0.288	0.044	0.338
V	0.874	0.486	0.388	(0.660)	0.104	0.131	0.022	0.269
I	0.779	0.439	0.415	0.323	(0.559)	0.193	0.039	0.549
PS	0.772	0.466	0.537	0.362	0.439	(0.543)	0.053	0.339
CREV	0.909	0.087	0.210	0.148	0.197	0.231	(0.834)	0.039
RC	0.899	0.640	0.581	0.519	0.741	0.582	0.198	(0.599)

[a]Diagonal elements in parentheses are average variance extracted (AVE) values.

[b]Values above the diagonal are squared phi correlation values.

[c]Values below the diagonal are phi correlation values.

[d]CR = Composite reliability.

Finally, an additional item for visual appeal was examined for possible removal. The item

had a loading of .32. The item was reverse-coded from the original e-servicescape scale (Harris

and Goode 2010) and stated "the _____'s (e-tailer) website does not use visually appealing

graphics." The following fit statistics indicated a good fit for the final measurement model: χ^2 =

1,629, *df* = 549, RMSEA = .05, SRMR = .04, NNFI = .98, CFI = .98, and IFI = .98 (Hu and

Bentler 1999). The χ^2 to degrees of freedom ratio was 2.97, which is less than 3 as recommended

(Hu and Bentler 1999). All completely standardized loadings were statistically significant (*p* <

.05) with *t*-values that ranged from 10.58 to 34.49. All loadings exceeded the .5 minimum

loading (Gerbing and Anderson 1988). Composite reliabilities ranged from .771 to .943 and

AVE values ranged from .534 to .846, all above recommended levels (Fornell and Larcker

1981). As an additional check, face validity of the measurement items was assessed a final time;

it was determined that the items were appropriate measures. The final CFA results for online

servicescape are shown in Table 19.

TABLE 19
Seventh Iteration, Correlations and Discriminant Validity for E-Servicescape

	CR	E	EP	V	I	PS	CREV	RC
E	0.879	(0.707)	0.167	0.233	0.249	0.217	0.008	0.408
EP	0.851	0.409	(0.587)	0.147	0.222	0.288	0.044	0.338
V	0.943	0.483	0.384	(0.846)	0.129	0.131	0.022	0.267
I	0.773	0.499	0.471	0.359	(0.534)	0.193	0.037	0.549
PS	0.771	0.466	0.537	0.362	0.439	(0.543)	0.053	0.339
CREV	0.909	0.087	0.209	0.147	0.192	0.231	(0.833)	0.039
RC	0.899	0.639	0.581	0.517	0.741	0.582	0.198	(0.599)

[a]Diagonal elements in parentheses are average variance extracted (AVE) values.
[b]Values above the diagonal are squared phi correlation values.
[c]Values below the diagonal are phi correlation values.
[d]CR = Composite reliability.

For the other CFA with trust (T), E-WOM, loyalty (L), and purchase intentions (PI), all

CR values ranged from .660 to .905. The CFA indicated a good fit between the model and the

study data: χ^2 = 1,908, *df* = 657, RMSEA = .056, SRMR = .042, NNFI = .98, CFI = .98, and IFI

= .98 (Hu and Bentler 1999). For trust and E-WOM, AVE values exceeded .5, the recommended

value (Fornell and Larcker 1981). With the exception of one purchase intentions item and one loyalty item, completely standardized lambda loadings were greater than .5 (Gerbing and Anderson 1988). There is a problem with discriminant validity for purchase intentions and loyalty, along with purchase intentions and trust. The details of the initial CFA for trust, E-WOM, loyalty, and purchase intentions are presented in Table 20.

TABLE 20
First Iteration, Correlations and Discriminant Validity for Mediator and Endogenous Variables (Trust, E-WOM Intentions, Customer Loyalty, and Purchase Intentions)

	CR	T	E-WOM	CL	PI
T	0.868	(0.575)	0.100	0.388	0.518
E-WOM	0.905	0.317	(0.761)	0.099	0.112
CL	0.699	0.623	0.314	(0.462)	0.882
PI	0.660	0.720	0.334	0.939	(0.404)

[a]Diagonal elements in parentheses are average variance extracted (AVE) values.

[b]Values above the diagonal are squared phi correlation values.

[c]Values below the diagonal are phi correlation values.

[d]CR = Composite reliability.

Recall that the initial EFA resulted in both loyalty (L) and purchase intentions (PI) loading as a single factor. It was deemed appropriate to combine these two constructs, which will be known as loyalty for further analyses. In Table 21, the results of this CFA iteration are shown.

TABLE 21
Second Iteration, Correlations and Discriminant Validity for Mediator and Endogenous Variables (Trust, E-WOM Intentions, and Customer Loyalty)

	CR	T	E-WOM	CL
T	0.868	(0.573)	0.100	0.460
E-WOM	0.905	0.317	(0.762)	0.108
CL	0.799	0.678	0.329	(0.416)

[a]Diagonal elements in parentheses are average variance extracted (AVE) values.

[b]Values above the diagonal are squared phi correlation values.

[c]Values below the diagonal are phi correlation values.

[d]CR = Composite reliability.

Note that the combined construct loyalty had a low AVE of only .416, which is less than the recommended minimum of .5 (Fornell and Larcker 1981). A closer look at the survey items showed the lowest lambda loadings for the two reverse-coded statements of this construct. The two items were "I don't think I'll shop again at _____ (e-tailer)" and "I intend to purchase fewer goods from _____'s (e-tailer) website during the next few months." The loadings were .348 and .418, respectively, which are below the minimum acceptable level of .5 (Gerbing and Anderson 1988). The decision was made to remove these items due to the low loadings, which is likely due to the reversed wording of the survey statements. With the deletion of these reverse-coded items from the CFA, loyalty is a discriminant construct from both trust and E-WOM intentions, with an AVE value of .545. The detailed results are provided in Table 22.

TABLE 22
Third Iteration, Correlations and Discriminant Validity for Mediator and Endogenous Variables (Trust, E-WOM Intentions, and Customer Loyalty)

	CR	T	E-WOM	CL
T	0.868	(0.575)	0.100	0.442
E-WOM	0.905	0.317	(0.761)	0.100
CL	0.825	0.665	0.317	(0.545)

[a]Diagonal elements in parentheses are average variance extracted (AVE) values.
[b]Values above the diagonal are squared phi correlation values.
[c]Values below the diagonal are phi correlation values.
[d]CR = Composite reliability.

Before finalizing the CFA, all lambda loadings were carefully examined. There were five items for trust, with one reverse-coded item. The statement "few limits exist on how far _____ (e-tailer) will go to solve my website service problems" had the lowest lambda loading of .521, while the other loadings ranged from .758 to .811 for this construct. It was decided that the removal of this item was necessary. Although the item did not have reversed wording, it was potentially confusing for respondents. CR values ranged from .825 to .905, which exceeded the minimum acceptable value (Fornell and Larcker 1981). AVE values are all above the

recommended .5 (Fornell and Larcker 1981). The CFA indicated a good fit between the model and the study data: $\chi^2 = 1{,}629$, $df = 549$, RMSEA = .057, SRMR = .049, NNFI = .98, CFI = .98, and IFI = .98 (Hu and Bentler 1999). The final CFA for trust, E-WOM intentions, and customer loyalty is presented in Table 23.

TABLE 23
Fourth Iteration, Correlations and Discriminant Validity for Mediator and Endogenous Variables (Trust, E-WOM Intentions, and Customer Loyalty)

	CR	T	E-WOM	CL
T	0.881	(0.651)	0.095	0.445
E-WOM	0.905	0.309	(0.761)	0.105
CL	0.825	0.667	0.324	(0.547)

[a]Diagonal elements in parentheses are average variance extracted (AVE) values.

[b]Values above the diagonal are squared phi correlation values.

[c]Values below the diagonal are phi correlation values.

[d]CR = Composite reliability.

After the CFA iterations and removal of reverse-coded and poorly-worded items, online servicescape had 24 measurements items. Trust, loyalty, and E-WOM had 11 items total. The final items for hypotheses testing for all variables are presented in Table 24.

TABLE 24
Final Measurement Items for All Variables

Construct	Item	Lambda Loading
Relevance & Customization (RC)	Technical details about the items can be easily accessed easily when browsing this website	0.802
Mean = 3.665	All relevant information is easily available on this website	0.792
SD = 0.699	Each page on the website clearly indicates what one can expect to find	0.803
	The services of this website are often personalized to my needs	0.723
	This website is laid out to satisfy my needs	0.793
	This website treats me like an individual	0.725
Entertainment Value (E)	I find this website entertaining	0.878
Mean = 3.341	The enthusiasm displayed on this website lifts my spirits	0.847
SD = 0.831	It is fun shopping on _____'s (e-tailer) website even when I do not make a purchase	0.796
Ease of Payment (EP)	On _____'s (e-tailer) website, paying for items involves entering too many details*	0.770
Mean = 3.916		

Construct	Item	Lambda Loading
SD = 0.720	Payment procedures take a long time to complete on this website*	0.758
	_____'s (e-tailer) online payment process is reasonable	0.746
	Paying for goods is straightforward on this website	0.791
Visual Appeal (V)	The way _____'s (e-tailer) website displays products is attractive	0.931
Mean = 4.136	I like the look of _____'s (e-tailer) website	0.904
SD = 0.857	This website is aesthetically appealing	0.923
Interactivity (I)	This website helps me compare products	0.817
Mean = 3.3333	The _____ (e-tailer) website helps me compare prices	0.597
SD = 0.728	This website has a search tool which helps me find exactly what I want	0.807
Customer Reviews (CREV)	Customer reviews are helpful when I make purchase decisions on _____'s (e-tailer) website	0.927
Mean = 3.873	I like to read customer reviews on _____'s (e-tailer) website	0.898
SD = 1.114		
Perceived Security (PS)	Overall, _____'s (e-tailer) website appears to be security conscious	0.899
Mean = 3.810	I have no security concerns when I purchase apparel and accessories from this website	0.762
SD = 0.692		
	The security systems of this website appear rigorous	0.589
Trust (T)	_____'s (e-tailer) website seems genuinely committed to my satisfaction	0.811
Mean = 4.000		
SD = 0.663	Overall, I trust this website	0.870
	In terms of usability, I know what to expect from _____'s (e-tailer) website	0.784
	If _____ (e-tailer) makes a claim about its product, it is probably true	0.758
Customer Loyalty & Purchase Intentions (CL)	I prefer _____'s (e-tailer) clothing and accessories over other apparel alternatives	0.780
Mean = 3.522	I am loyal to _____ (e-tailer)	0.770
SD = 0.831	_____'s (e-tailer) website is my first choice for apparel	0.813
	I expect to do more business with _____'s (e-tailer) website during the next few months	0.563
Electronic Word-of-Mouth Intentions (E-WOM)	I would make recommendations to my friends and family about signing up for (emails/Facebook updates) from _____ (e-tailer)	0.943
Mean = 2.172 SD = 1.205	If someone asks me for advice about _____'s (e-tailer) website, I will encourage them to sign up for (emails/Facebook updates) from _____ (e-tailer)	0.892
	If I receive an interesting (email/Facebook posting) from _____ (e-tailer), I would forward/repost it to/for my friends and family	0.774

*Reverse-coded item.

SD = Standard deviation.

p-value < .05 for all lambda loadings.

Testing for Common Method Bias

Since data were derived from customers' self-reported perceptions, there is potential for common method bias in this study. Before hypotheses testing, a common method factor model was tested (Podsakoff et al. 2003). The common method factor model included the 10 sub-dimensions of online servicescape and an additional same-source construct as an eleventh sub-dimension of online servicescape. The common method factor results were compared to the model without the additional, same-source factor. Based on the chi-square significance test, findings indicated no difference between the two models. It was determined that relationships tested in this research study were not affected by common method bias.

Hypotheses Testing

Hypotheses were tested in two stages. First, structural equation modeling with maximum likelihood estimation was used to test the hypothesized model using the entire data sample (n = 613). Relationships were first converted into a set of structural equations corresponding to the model presented in Figure 4. Recall that originality and usability were both removed due to overlap with other sub-dimensions, H1c and H1h respectively. Customization (H1e) was combined with relevance of information (H1g). Also, loyalty and purchase intentions represented a single construct, now H4. The structural model provided a good overall fit to the study data: χ^2 = 1,724, df = 550, RMSEA = .049, SRMR = .052, NNFI = .98, CFI = .96, and IFI = .97 (Hu and Bentler 1999). Detailed statistics from the hypotheses testing and model fit indices are provided in Table 25.

FIGURE 4
Revised Research Model
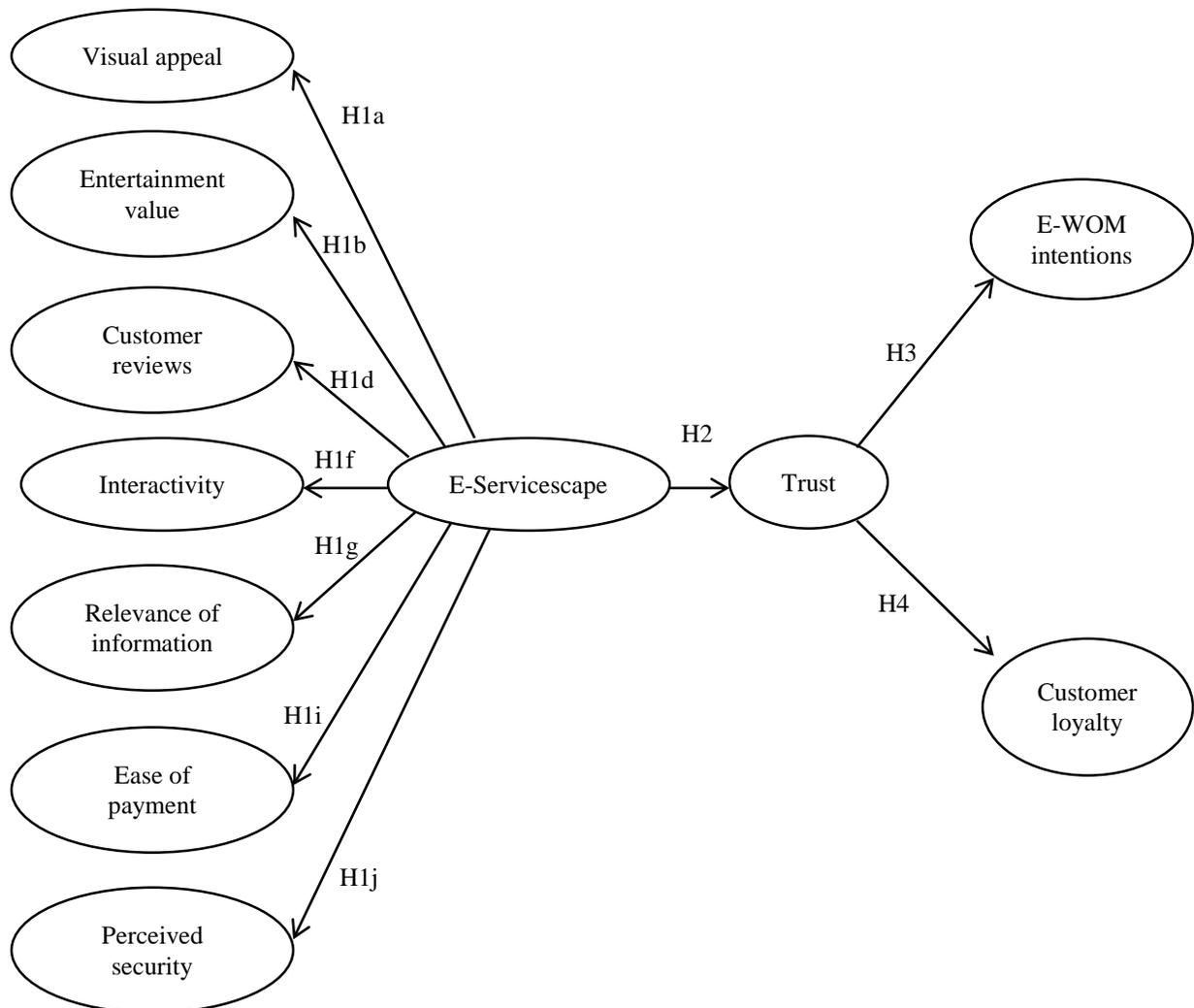
H1a to H1j were evaluated by examining the path coefficients between each sub-dimension of e-servicescape (i.e., visual appeal, entertainment value, ease of payment, etc.) and e-servicescape, where e-servicescape serves as a second-order construct. H2 was evaluated for e-servicescape toward trust, respectively. H3 and H4 were evaluated by examining the path estimates for trust toward E-WOM and loyalty, respectively.

Both H1a and H1b predicted e-servicescape would be positively associated with visual appeal and entertainment value, which are both sub-dimensions of aesthetic appeal. These hypotheses were supported (completely standardized path estimate = .549, t-value = 13.34, p-value < .05; completely standardized path estimate = .683, t-value = 16.15, p-value < .05, respectively). For the layout and functionality dimension, H1d, H1f, and H1g predicted online servicescape would be positively correlated with customer reviews, interactivity, and relevance of information. These three hypotheses were also supported (completely standardized path estimate = .235, t-value = 4.86, p-value < .05; completely standardized path estimate = .474, t-value = 13.99, p-value < .05; completely standardized path estimate = .619, t-value = 20.58, p-value < .05, respectively). H1i and H1j predicted e-servicescape would be positively related to ease of payment and perceived security; both of these are part of the financial security dimension of online servicescape. Both of these hypotheses were supported (completely standardized path estimate = .423, t-value = 14.90, p-value < .05; completely standardized path estimate = .482, t-value = 17.11, p-value < .05, respectively).

H2 posited that e-servicescape would be positively related to trust. This hypothesis was supported (completely standardized path estimate = .923, t-value = 22.74, p-value < .05). The R^2 value of .852 for trust was high, which indicates that these online servicescape sub-dimensions are robust predictors of trust in online retailers. H3 predicted that trust would be positively associated with E-WOM behavioral intentions. H3 was supported (completely standardized path estimate = .340, t-value = 8.00, p-value < .05). The R^2 value of .116 for E-WOM intentions was not as robust. This low R^2 value indicates that other important variables may help better explain E-WOM behaviors. Finally, H4 posited that trust would be positively correlated with customer loyalty, which was supported (completely standardized path estimate = .695, t-value = 15.63, p-

value $< .05$). The R^2 value .483 for loyalty was also high, which suggests that trust accounts for a large portion of customer loyalty. Trust is a significant and robust predictor of consumers' patronage behaviors. The research model with the completely standardized path estimates is presented in Figure 5.

FIGURE 5
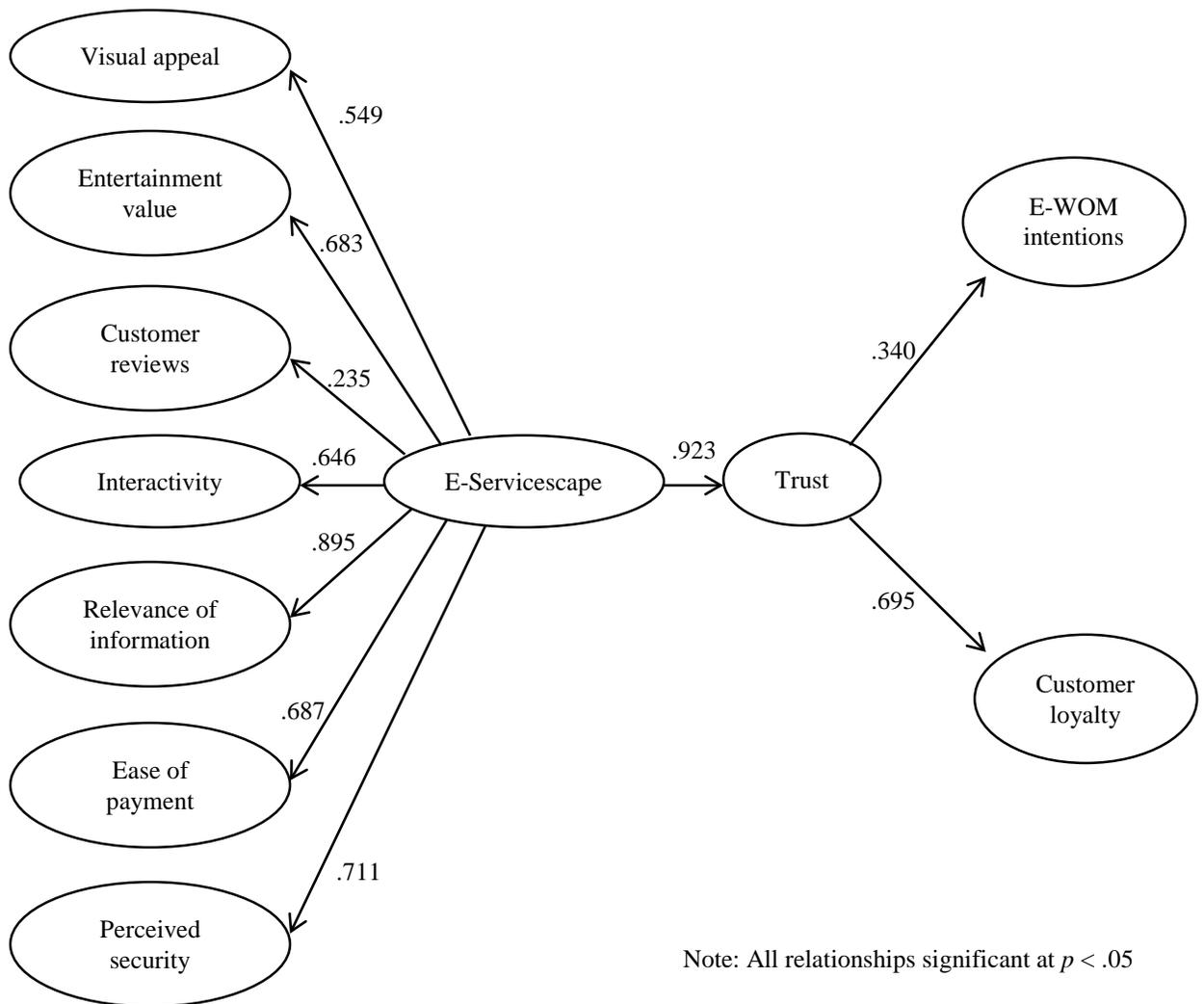**Research Model with Path Estimates for Full Sample**

Note: All relationships significant at $p < .05$

TABLE 25
Summary of Hypotheses Testing

	Hypothesis	Path estimate	*p*-value	*t*-value	Result
H1a	E-servicescape → Visual appeal	0.549	<.05	13.34	Supported
H1b	E-servicescape → Entertainment value	0.683	<.05	16.15	Supported
H1d	E-servicescape → Customer reviews	0.235	<.05	4.86	Supported
H1f	E-servicescape → Interactivity	0.646	<.05	13.99	Supported
H1g	E-servicescape → Relevance of information	0.895	<.05	20.58	Supported
H1i	E-servicescape → Ease of payment	0.687	<.05	14.90	Supported
H1j	E-servicescape → Perceived security	0.711	<.05	17.11	Supported
H2	E-servicescape → Trust	0.923	<.05	22.74	Supported
H3	Trust → E-WOM intentions	0.340	<.05	8.00	Supported
H4	Trust → Customer loyalty	0.695	<.05	15.63	Supported

Global Model Fit Diagnostics:

Chi square *(df)*	1723.963 (550)
p-value	0.000
RMSEA	0.049
SRMR	0.052
GFI	0.86
NNFI	0.98
CFI	0.96
IFI	0.98

Hypotheses Testing: Multi-Group Analysis

The final set of hypotheses predicted the effect of the electronic communication method on the relationships in the revised research model (see Figure 4). First, the total sample was divided into two sub-samples based on method of communication with the e-tailer (288 email receivers and 325 Facebook posting receivers) to analyze the effect. The research model (see Figure 4) was re-estimated individually for each sub-sample. The structural model provided a good overall fit to the data for the email group: $\chi^2 = 1{,}087$, $df = 550$, RMSEA = .058, SRMR = .066, NNFI = .98, CFI = .98, and IFI = .98 (Hu and Bentler 1999). The following fit statistics indicated a good fit for the Facebook postings sub-sample data and structural model: $\chi^2 = 1{,}232$, $df = 550$, RMSEA = .062, SRMR = .056, NNFI = .97, CFI = .97, and IFI = .97 (Hu and Bentler 1999).

Since different groups were being compared using the same model in this research study, the chi-square test was not appropriate. The degrees of freedom were identical, which would result in a denominator of zero when comparing the chi-square statistics. It was determined that the Bayesian Information Criterion (BIC) was the best method for evaluating the two groups. When compared to other statistics for assessing model fit, the BIC resolves the issue of overfitting models by including the number of parameters in the calculation. This penalty term for fitting the model is larger for the BIC, as compared to other criterion, which results in the BIC being more stringent (Kass and Raftery 1995). The BIC was calculated for each sub-sample with the following formula, where k is the number of parameters and n is the sample size for that particular group:

$$BIC = \chi^2 + k \cdot \ln(n)$$

The difference in the BIC values was examined. The difference was 162, which indicated a very strong difference between the two groups (Kass and Raftery 1995). The email group had the lower BIC, which suggested a better fit between the structural model and data for the email group as compared to the Facebook group (see Table 26 for details).

TABLE 26
Comparing Two Groups Using BIC

	Chi-square	n	k	BIC	Difference
Email	1025	288	124	1727	162
Facebook	1172	325	124	1889	

n = Sub-sample size
k = Parameters
BIC = Bayesian Information Criterion

Findings suggested the electronic communication method affected the relationships. Completely standardized path estimates for each group were compared for all relationships. For the aesthetic appeal dimension of online servicescape, emails exercised stronger effects on

customers' perceptions of visual appeal and entertainment value (path estimates of .628 and .692, respectively) as compared to Facebook postings (.474 and .669 path estimates, respectively). Thus, H6a and H6b were supported.

Regarding the layout and functionality dimension of e-servicescape, communication method impacted the customer reviews and relevance of information sub-dimensions. Emails affected the relationships between customer reviews and relevance of information and e-servicescape (.254 and .895, respectively) more than social network postings (.212 and .862, respectively). H6d and H6g were also supported. H6f predicted that emails would have more influence on the relationship between interactivity and e-servicescape for the email group (.630) versus the Facebook group (.663); this hypothesis was not supported.

For the financial security dimension of online servicescape, emails had a stronger impact on perceived security (.752) as compared to social network postings (.677), providing support for H6j. Surprisingly, the results for the ease of payment sub-dimension did not support H6i, where communication method did not affect this relationship. The path estimates were close, with emails at .685 and Facebook postings at .689.

H7 predicted electronic communication method would influence the relationship between e-servicescape and trust, with the email sub-sample showing higher levels of trust. H7 was not supported. For the email group, the path estimate was .908 and .936 for the Facebook posting group. For the relationship between trust and E-WOM, the communication method was a significant factor. The path estimate was .501 for the email group and .315 for the Facebook group, providing support for H8. Finally, for H9, emails had a stronger effect on the trust and loyalty relationship, as compared to the social network postings (.728 and .671, respectively).

The details comparing the completely standardized path estimates and *t*-values for each sub-

sample are presented in Table 27.

TABLE 27
Summary of Hypotheses Testing, Multi-Group Analysis

	Path	Email Group		Facebook Group		
		Path estimate	*t*-value	Path estimate	*t*-value	Result
H6a	E-servicescape → Visual appeal	0.628	10.87	0.474	8.16	Supported
H6b	E-servicescape → Entertainment value	0.692	11.55	0.669	11.18	Supported
H6d	E-servicescape → Customer reviews	0.254	4.01	0.212	2.82	Supported
H6f	E-servicescape → Interactivity	0.630	9.87	0.663	9.94	Not supported
H6g	E-servicescape → Relevance of information	0.895	14.85	0.862	14.31	Supported
H6i	E-servicescape → Ease of payment	0.685	9.86	0.689	11.19	Not supported
H6j	E-servicescape → Perceived security	0.752	12.72	0.677	11.60	Supported
H7	E-servicescape → Trust	0.908	15.58	0.936	16.68	Not supported
H8	Trust → E-WOM intentions	0.501	8.10	0.315	5.35	Supported
H9	Trust → Customer loyalty	0.728	11.31	0.671	10.95	Supported

*p-value < .05 for all path estimates.

CHAPTER 5

DISCUSSION AND IMPLICATIONS

Discussion

The present research was aimed at addressing three main research questions pertaining to e-servicescape, trust, E-WOM, customer loyalty, and purchase intentions. More specifically, three goals were pursued. First, the role of customer reviews in e-servicescape was investigated. Second, the relationships between e-servicescape and trust, trust and E-WOM, and trust and customer loyalty were examined in an integrated research model. Third and finally, two types of electronic communication methods, i.e., emails and social network postings, were compared to better understand the relationships between the constructs of interest.

To answer the first question, customer reviews, as a sub-dimension in the layout and functionality dimension, was significantly related to e-servicescape. While the path estimate for customer reviews in relation to e-servicescape was lower than other sub-dimensions, this finding is still important. The low path estimate may be an artifact of the research design, with a particular e-tailer in a specific product category. Also, the target market for the e-tailer consists of Baby Boomers, which may diminish the value of customer reviews in their online purchase decisions involving apparel and accessories.

The second research objective was to test an integrated research model with e-servicescape, trust, E-WOM intentions, and purchase intentions. The results of this study supported the comprehensive model tested. E-servicescape was positively related to trust, which is consistent with previous research (Harris and Goode 2010; Tran, Strutton, and Taylor 2012). In addition, trust was positively associated with both E-WOM and customer loyalty. Another

part of the research model showed trust influencing E-WOM behavioral intentions. The findings of this study support this relationship.

Moreover, there is a difference in customers' perceptions when it comes to emails versus social network postings from the same e-tailer. For two groups of customers (email recipients and social network posting recipients), the overall research model was compared. Email recipients perceive the relevant online servicescape as more visually appealing, entertaining, and secure. In addition, customers receiving emails also valued customer reviews and found the information to be more relevant. Recipients of social network postings had higher perceptions of interactivity, ease of payment features, and trust in the e-tailer. Finally, the email receivers showed more customer loyalty and E-WOM behavioral intentions. The results of this research hold theoretical and managerial implications, which will be examined in the following sections of this chapter.

Theoretical Contributions

The present study adds to the understanding of online consumer behavior in the marketing literature by filling a gap that has not been previously investigated. This research applies stimulus-organism-response (SOR) Theory from environmental psychology to consumer research and empirically tests its application in the specific case of online servicescape as the stimulus. Moreover, the network co-production model (NCPM) of E-WOM is also part of the theoretical foundation for this research study. The study empirically tested an integrated model based on SOR theory and the NCPM in the context of consumer behavior online to enrich its foundations and identify how e-servicescape influences consumers' trust, E-WOM intentions, and customer loyalty.

With the e-servicescape of a website identified as the stimulus and the consumer's

internal reaction of trust identified as the organism of the SOR model, the study's findings

provide support for SOR theory. The response is the behavioral action of approaching or

avoiding the stimulus. In the present research, two specific responses of E-WOM and customer

loyalty were investigated. In support of SOR theory, the findings indicate that SOR theory is an

appropriate theoretical foundation for understanding two approach behaviors for online shoppers,

E-WOM intentions, and customer loyalty.

Trust has been recognized as a key mediator in the relationship between website quality

(Everard and Galleta 2006), website design (Kim, Jin, and Swinney 2009), and e-servicescape

(Harris and Goode 2010) with purchase intentions and customer loyalty (Ribbink et al. 2004;

Srinivasan, Anderson, and Ponnavolu 2002). The findings provide additional support for trust as

a mediator variable, which explains the associated behaviors of E-WOM intentions and customer

loyalty.

Moreover, the research findings provide a better understanding of the potential multi-

directional flow of information. In the network co-production model (NCPM) of E-WOM,

Kozinets et al. (2010) illustrate how a marketer's seeded message is sent directly to the first

consumer, and he or she then embeds meaning into the message and forwards the

communication to other consumers. The other consumers may respond directly to the shared E-

WOM communication, and this is one way in which the multi-directional flow of information

may happen. Another possibility for the multi-directional flow of information includes customer

reviews. The online reviews are provided by other consumers, who originally read marketer-

generated information in the process of making their purchase decisions. In this study, the multi-

directional flow of E-WOM information shown in the NCPM is captured with the customer

reviews as a sub-dimension of online servicescape. The results suggest that customer reviews are significant in users' perceptions of e-tailers' websites.

Managerial Contributions

As competition for online businesses continues to grow, e-tailers must consider how to use their resources effectively. These resources may be used to add additional features to boost website design, improve website quality to enhance the customer experience, and promote the offerings in efforts to acquire new customers and engage existing customers. This research involved applying theories to managerially-important questions to investigate online consumers' perceptions of e-servicescape, trust, E-WOM intentions, and customer loyalty, with both rigor and relevance, using customer data for a single e-tailer. Previously, research on consumers' website perceptions relied on consumers selecting their favorite website and responding to general survey questions and statements. The results of this research yield interesting insights for marketing practitioners.

The study's findings suggest that the online servicescape of an e-tailer has much power in determining consumers' level of trust in the e-tailer. Toward the goal of maximizing trust, organizations should carefully design elements of their websites to convey trustworthiness, dependability, and credibility. Online purchases are generally associated with higher levels of perceived risk (Urban, Sultan, and Qualls 2000), which makes trust-building a crucial part of the online transaction process. Other researchers have also found that users' perceptions of website design and quality are associated with trust (Everard and Galleta 2006; Kim, Jin, and Swinney 2009). Trust is a potential deal-breaker for converting online browsers to online purchasers, and companies must pay attention to factors of their website that highly influence consumers' trust

(Harris and Goode 2004; Jarvenpaa, Tractinsky, and Saarinen 1999; Pavlou 2003). Engendering online trust involves decreasing consumers' perceptions of risk as it pertains to the website quality and attributes (Forsythe and Shi 2003).

Previously, the conceptualization of e-servicescape did not include customer reviews. As consumers' expectations of websites continue to grow, customer reviews are a crucial element of the environmental factors of an e-tailer's website. For shoppers of exclusively e-commerce businesses, the problem of not being able to touch, smell, or try on the merchandise is particularly tricky in the decision-making process. Offering customer reviews helps e-tailers overcome these disadvantages. This consumer-created information influences online sales (Chen and Xie 2005), with 78% of American consumers agreeing that online reviews impact their purchase decisions (Purchase Decisions 2013).

The findings support customer reviews as a sub-dimension of e-servicescape. This discovery provides statistically rigorous evidence that customer reviews is an essential part of online servicescape. This finding adds to the body of knowledge on e-servicescape and online consumer behavior. In addition, the present research addresses the call by Duan, Gu, and Whinston (2008) for investigating consumer purchase behavior under the influence of E-WOM, with online customer reviews serving as the E-WOM in this study. E-businesses should focus on providing valuable information through online reviews to help customers make their purchase decisions. Customer reviews play an increasingly important role in the overall e-servicescape of an e-commerce business and the present research provides empirical support for adding customer reviews to the online servicescape concept.

Another practical contribution of the current study is the inclusion of E-WOM intentions and customer loyalty as potential behavioral outcomes of trust. The findings suggest that

customer loyalty follows trust in the e-tailer. When shoppers show commitment towards the online retailer, which is demonstrated in more positive attitudes toward the business and increased intentions to make repeat purchases (Srinivasan, Anderson, and Ponnavolu 2002), they willingly pay higher prices rather than search for price deals. Consumers' level of trust in online retailers directly affects customer loyalty (Kim, Jin, and Swinney 2009; Ribbink et al. 2004). This result suggests firms should focus on elements of e-servicescape that influence trust, which in turn affects customer loyalty. This helps e-tailers retain current customers, which is less costly than acquiring new ones (Hayes 2008).

In addition to customer loyalty, trust is also associated with E-WOM intentions. For the purposes of this study, E-WOM included specifically emails and social network postings via Facebook. The findings suggest trust impacts consumers' propensity to share forward or share the e-tailer's email or Facebook posting with friends, family, and co-workers. Since greater trust in the e-tailer is related to increased E-WOM behavioral intentions, companies should highlight their trustworthy qualities through website cues and communications to increase customers' trust and potentially stimulate E-WOM activity.

Additionally, the present research also compared two groups using the integrated research model. Consumers receiving emails were compared and contrasted with social network postings recipients for the same online retailer. Initially, it was hypothesized that the email recipient group would have higher perceptions of e-servicescape and trust, as well as greater E-WOM intentions and customer loyalty. Interestingly, the results suggested that social network postings receivers had higher perceptions of certain sub-dimensions of online servicescape, namely interactivity and ease of payment. For the interactivity sub-dimension, it is likely that consumers frequently check their social network profile and see friends' postings, as well as companies' postings. With

the ubiquitous nature of smart phones, mobile devices, and W-Fi connectivity, users are looking at social media websites more often. These frequent checks may cue consumers into e-tailers' postings on Facebook, and add to the perception of general interactivity level of the website.

Regarding the ease of payment sub-dimension, it is possible that social networking site users may be more likely to keep information conveniently saved using a customer profile on the e-tailer's website. The saved information makes subsequent purchases faster, easier, and more convenient for customers. The customer profile option is available to both email and social networking site customers. However, it is this researcher's speculation that a social networking user would be more confident and more likely to use the customer profile option. Thus, their perceptions of ease of payment would be higher, when compared to email receivers.

Compared to email recipients, social network postings receivers showed greater levels of trust. This is an interesting insight, given the previous discussion of the ease of payment sub-dimension. This finding is counter-intuitive to how email receivers have more E-WOM intentions and customer loyalty than social network postings recipients. Engendering trust is critical in the relationship between online servicescape and customer loyalty. E-tailers must emphasize website attributes to influence consumers' trust. However, perhaps trust is not as much of a deal-breaker for social networking site users as email users.

Given the many ways companies may communicate with consumers, these revelations provide firms with additional knowledge about how each method of electronic communication may affect customers' perceptions of online servicescape, trust, E-WOM intentions, and customer loyalty. Before abandoning emails to customers and jumping on the next bandwagon of electronic communication method, e-tailers should consider using each form of communication as a way of targeting consumers. In particular, seeding strategies may focus on well-connected

consumers within the social networks (Hinz et al. 2011). Organizations should implement programs to better understand different forms of social networking to enhance their seeding strategies in order to maximize E-WOM. For email receivers, e-commerce businesses may focus on the interactive nature of the website and highlight interaction opportunities in email messages. The emails may utilize technology to provide video of merchandise, inform users of contests requesting customer participation, and remind customers of interactive website tools, which potentially contribute to higher levels of perceived interactivity. Furthermore, e-tailers may emphasize the convenience of saving customer profile information for email recipients by making it easier and reminding users of the websites' simple payment process.

Overall, it is crucial for e-tailers to comprehend the close relationships of the dimensions and sub-dimensions of e-servicescape in the development of trust, E-WOM intentions, and customer loyalty. When consumers interact with companies' websites, they perceive that they are interacting with the company through the technological interface. They are assessing the e-tailers' performance during various factors of service delivery, which influences their trust. Consumers' level of trust potentially leads to customer loyalty and E-WOM behavior. The results of the present research can assist e-commerce businesses in understanding the role of specific dimensions and sub-dimensions of e-servicescape, as well as trust, in developing customer loyalty. Online companies can use the findings to help them in improving their websites, which can lead to building trust and enhanced customer relationships. In addition, companies may want to consider e-servicescape and trust when creating messages in efforts to engender E-WOM behavior from consumers.

Limitations and Future Research

Despite the theoretical and managerial contributions, the present research is subject to limitations. The data collection and analysis is, by design, restricted to customers of a single e-tailer. This group consisted of a self-selected set of consumers. With this limited sample, there are issues with representativeness and generalizability. Furthermore, the e-tailer of focus in this study offers only apparel and accessories, which are two very specific product categories. Again, this limits generalizability to some degree. While the results are relatively generalizable, it would be prudent to replicate and extend this study to additional e-businesses in other industries.

With an eye toward enhancing understanding of e-servicescape, trust, viral marketing, and customer loyalty, future research should examine additional factors of online servicescape, such as sound and possibly texture. Technology continues to improve, which means e-tailers have opportunities to enrich their websites and offer more information for consumers to make their purchase decisions. E-servicescape does not currently account for video clips describing products, product demonstrations, or potential uses for products. Depending on the product category, adding a sub-dimension about video clips to e-servicescape may help online retailers understand if this feature is useful for consumers. Also, the sub-dimension of customer reviews was measured with only two items which resulted in interval data. To build a true scale and assess reliability, future research should include three or more measures.

Another extension of this research would be to investigate this same integrated model in the business-to-business context. Many purchase decisions happen within industrial organizations, and collecting data from organizational buyers may be a fruitful avenue for research to better understand how online servicescape impacts trust, as well as firm-to-firm

loyalty. It would also be interesting to compare organizational buyers to end-use consumers using the research model.

Another potential avenue of research would be to gather data on customers' actual purchases and E-WOM behavior and integrate this into the research design. It would be interesting to explore this type of customer data and compare it to behavioral intentions. Additionally, this study did not consider message design, content, or frequency, which would potentially result in stimulating insights.

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