

AN INVESTIGATION FOR CONSUMER VALUE IN ONLINE RETAILING USING REPERTORY GRID ANALYSIS

MURAT DEMIR





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USING REPERTORY GRID ANALYSIS**

MURAT DEMIR
(06231023)

**A dissertation submitted to Glyndwr University in
accordance with the requirements of the degree of
Master of Business Administration**

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I declare that the work in this dissertation was carried out in accordance with the Regulations of Glyndŵr University. The work is original except where indicated by special reference in the text a no part of the dissertation has been submitted for any other degree.

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STUDENT NUMBER: 06231023

STUDENT NAME: MURAT DEMIR

SIGNED: _____

DATE: 29/08/2013

ABSTRACT -

Online retailing has been significantly growing in recent years and it is estimated as 'future of shopping style.' This rapid growth in e-retailing suggests that, e-commerce might become increasingly popular and electronic market will be more competitive. In electronic commerce environment, alternative suppliers are just a few-click away encouraging consumers to compare competing products, services and prices. Online retailers challenge to survive and growth in electronic commerce environment.

Consumer value is one of the main drivers of success in electronic market. Among all the competitors, online retailers must offer value for online shoppers to encourage them. Because online consumers choose the online retailers which offered best value for them.

This research explores the customer value in online retailing by using the repertory grid technique. This study investigate the factors that consumer relate as value in their previous shopping experiences. Findings of the study are based on empirical results from construct elicitation interviews and rating of repertory grid analysis. Repertory grid analysis enables to investigate consumer value form consumer perspective without influence of researchers on respondents. Recommendations and implications are also provided.

DEDICATION AND ACKNOWLEDGE -

First I dedicate this thesis to my parents who have presented me the opportunity of education in the UK. This will change my future life and I always be grateful to my parents, with this and previous opportunities they have provided for me.

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Table of Contents

1 INTRODUCTION.....	1
1.1 Introduction	1
1.2 Online Retailing	1
1.3 Customer Value	2
1.4 Research Purpose, Objectives and Questions	3
1.5 Roadmap of the Research.....	4
2 LITERATURE REVIEW.....	5
2.1 Introduction	5
2.2 Definition of Customer Value	5
2.3 Online Shopping Values	9
2.3.1 Utilitarian Value.....	9
2.3.2 Experiential Value	10
2.4 Customer Satisfaction	10
2.4.1 Relationship between Customer Satisfaction and Customer Value	12
2.5 Consumer Satisfaction and Loyalty	13
2.5.1 Definition of Consumer Loyalty	13
2.5.2 Relationship between Customer Satisfaction and Customer Loyalty	19
2.5.3 Summary of Literature Review	20
3 METHODOLOGY.....	21
3.1 Introduction	21
3.2 Research Philosophy	21
3.2.1 Research Approach	23
3.2.2 Research Methods.....	24
3.2.2.1 Quantitative Research	25
3.2.2.2 Qualitative Research	26
3.2.2.3 Mixed Methods.....	28

3.3 Repertory Grid Analysis.....	28
3.4 Research Ethics	31
4 ANALYSIS OF DATA.....	33
4.1 Introduction	33
4.2 Participants Characteristics	33
4.3 Summary of Responses	34
4.3.1 Elements.....	34
4.3.2 Constructs	34
4.4 Analysing Constructs in Grids.....	36
4.4.1 Grids: Structure.....	36
4.4.2 Analysing Grids.....	37
4.4.3 Content Analysis of Elements	42
4.5 Value Attached to Constructs	47
4.6 Summary.....	51
5 CONCLUSIONS AND RECOMMENDATIONS.....	52
5.1 Introduction	52
5.2 Conclusions.....	52
5.3 Recommendations	54
5.4 Limitations	56
5.5 Opportunities for Future Research	57
5.6 Learning	57
6 REFERENCES.....	59

List of Figures

Figure 1: Customer Value Hierarchy Model (Woodruff, 1997)	12
Figure 2: The Relationship between Customer Value and Customer Satisfaction (Woodruff, 1997).....	13
Figure 3 : Multidimensional scaling of elements' distance data (ALSCAL)	42
Figure 4 : Derived stimulus configuration from ALSCAL Procedure (Multidimensional scaling of matrix data).....	535
Figure 5: Component plot in rotated space for 9 category distances matrix	54
Figure 6: Derived stimulus configuration from ALSCAL Procedure with average perceived value for each category	50

List of Tables

Table 1: Typologies of value (from Holbrook, 2005)	6
Table 2: Classification of Customer Value Concepts (Woodruff, 1997).....	7
Table 3: Meaning of Loyalty	8
Table 4: Shopping Values (Lee & Overby, 2004).....	9
Table 5: Meaning of Satisfaction	11
Table 6: Meaning of Customer Satisfaction	14
Table 7: Consumer Loyalty Phases (Oliver, 1999)	15
Table 8: Demographic characteristics of the sample	33
Table 9: Elements emerging from the interviews	34
Table 10: Constructs mentioned by research participants	35
Table 11: Constructs mentioned by the different research participants.....	36
Table 12: An example of a repertory grid response (Interviewee 1).....	37
Table 13: Grid of absolute differences (perceived distances) between constructs (Interview 1)	38
Table 14: Eigenvalues for unrotated components (45 elements' grid analysis).....	39
Table 15: Principal component loading of the different elements (Varimax Rotation)	40
Table 16: Principal component loading of the different elements (Varimax Rotation) Rearranged in declining order of loaded	41
Table 17: Summarizing emerging categories, definitions and constituting constructs .	43
Table 18: Inter-category distances matrix.....	44
Table 19: Total variance explained by principal component extraction model.....	45
Table 20 : Rotated component matrix of the 9 category distances matrix	46
Table 21: Summary of research participants' attributed importance to the different emergent constructs	50
Table 22: Summary of research participants' attributed importance to emergent constructs aggregated in categories	50
Table 23: NOVA summary: Research participants' attributed importance to the different emergent constructs aggregated in categories.....	50

1 INTRODUCTION

1.1 Introduction

This chapter sets out context of research, development of online retailing, the importance of customer value, research objectives and research questions. This chapter starts by development of online retailing.

1.2 Online Retailing

The emergence of online retailing has been one of the most significant developments in business in recent history, and, perhaps one of the most profound changes to entrepreneurship and consumerism in contemporary times. With the advent of the Internet and the subsequent introduction of digital technologies, retailers have increasingly utilized online platforms to sell goods and services. At the same time, the widespread availability of Internet connectivity and the smartphone revolution have turned consumers into virtual citizens who increasingly do their shopping online.

E-commerce has disrupted the traditional brick and mortar retail business model and is changing both supply and demand dynamics. The conflation of time and space afforded by online retailing has given retailers an unparalleled operational flexibility in terms of supply management, purchase orders and product internalization, making distant geographic markets and supply resources highly accessible. The selling of products has become truly global. On the demand side, the convenience of online shopping, now supported by easier cross-border transfers of goods, has made e-commerce an attractive alternative to physical shopping.

In the UK, for example, internet sales have increased by 14 per cent between 2011 and 2012, with the consumer population spending an average of 466.1 million pounds a week on online purchases. (Office for National Statistics, 2012)

Such growth has generated a corresponding increase in online retailers, which have doubled in the last five years, from 6,700 in 2008 to 14,400 in 2012 (Annasley, 2013).

Conversely, traditional retailing's fortunes have markedly waned, macroeconomic factors depressing consumer spending aggravated by the rise of online retailing.

The most high profile example of how the internet is causing major problems for bricks and mortar retailers is the continued success of amazon.com.

Amazon, the world's biggest online retailer, changed the way consumers shopped. Its online retailing consumer conveniences (such as one-click shopping and user reviews) transformed the bookselling industry and e-commerce in general, paving the way for mainstream consumer adoption of e-commerce and causing the demise of prominent brick and mortar bookstore chains.

Having successfully diversified from books to a wide range of consumer goods, including web hosting for third-party online retailers, Amazon is now considered the biggest threat to a number of traditional retail sectors such as consumer electronics, toys, groceries, apparel, etc.

E-commerce's rapid growth is predicted to severely impact traditional retailing, which continues to lose customers to their online counterparts. The Centre for Retail Research (2012) claims that one in five bricks and mortar stores will close in the next five years, with 22 % of high-street retailers closed within the period.

As industries continue to migrate to digital channels and digitization penetrates every discipline in the world today, online retailing is poised to become the actual consumer shopping mechanism of the near future. With exponential growth comes a raft of challenges facing the online retailing industry.

Online retailers will rival for market share in an increasingly competitive environment characterized by downward pressure on prices, variety and uniqueness of merchandise, customer service and quality of the online shopping experience.

1.3 Customer Value

It has been noted that the key to successful business growth in the current highly competitive environment is the expert delivery of customer value. Whether offline or online, current enterprises face manifold challenges to sustainability that can be effectively addressed by an emphasis on customer-centricity.

Customer-centricity has been defined as a business' value-creation efforts in order to retain loyal customers and attract new customers. Heightening the customer experience, rewarding loyalty, delivering personalized service are some of the dimensions of customer-centricity businesses should address. The main objective is to

increase perceived customer value in order to increase customer patronage and individual customer yield.

Value embodies the key objective as a science. Value features as one of the key research priorities at the Marketing Science Institute in the past two decades (Marketing Science Institute, 2010). The American Marketing Association has revised its definition of marketing to cover the concept of customer value and subsequently there have been important discussions in the literature over the centrality of customer value (American Marketing Association, 2006).

Kotler (1991) defines marketing as a transaction between two parties in which each side gives up something of value in return for something of greater value. This is a fundamental concept that informs the discipline of marketing. (Hoolbrook, 1994).

Value is based upon customer perceptions and understanding consumer value in one area has an important role in strategic marketing. Value determinations and provides consumers and retention of consumer relationship, is becoming more necessary as emerging technologies transform market (Roberts, 2010).

“...customers who are satisfied with a firm’s goods and services that offer them value, *ceteris paribus*, remain loyal to that firm and place their future purchases with that firm’ (Lindgreen & Wynstra, 2005: 732). And ‘delivering superior customer value to high-value customers will increase the value of an organization’ (Woodruff, 1997: 140).

Consumer value is the one of the major drivers of success in e-commerce. Online consumers increasingly discriminate on the basis of which e-commerce provider delivers the best value for them (Woodruff, 1997).

Consumer value drives the behaviour of the most consumers and is also key factor of consumer buying behaviour (Fang & Liang, 2004).

1.4 Research Purpose, Objectives and Questions

This research aimed at exploring customer value in online retailing concept. Better understanding of consumer value concerning in online retail concept allows us to make assumptions for online retailers in order to survive and makes profit in electronic commerce world.

Objective of this research:

1. to investigate the factors create value for online shoppers
2. to investigate the most preferred attributes for online retailers
3. to make recommendations for online retailers

The approach that was used in this research is based on Theory of Construct Psychology and repertory grid technique developed by Kelly (1955). Using repertory grid techniques provides to determine constructs by online shopper. Repertory grid technique will let us better understanding the expectations of consumers in the field of online shopping.

The question this report will address:

‘What are the factors that consumers relate as value in their experience of online purchasing?’

1.5 Roadmap of the Research

The following chapters explain the main parts of the project:

Chapter 1: This section contains the context of the research and it shows wider picture about online development of online retailing, importance of customer value and the research questions that guide this research.

Chapter 2: presents extant literature review that related with this study; customer value and its relationship between customer satisfaction and loyalty are presented.

Chapter 3: This chapter deliberates what approaches and methodology be used to collect reliable secondary data. It will systemically discussed research approaches and how the date will be gathered. It also presents research ethics.

Chapter 4: in this chapter, the data gathered from interviewees will be analysed and outputs of data analysis will be discussed.

Chapter 5: By focusing the results of data analysis, key conclusions from the findings will be drawn on the outcome reflecting the factors that online consumer relate as value in their online shopping experience. Recommendations for practitioners and opportunities for future research will be drawn.

2 LITERATURE REVIEW

2.1 Introduction

This chapter focuses on current literature reviews on customer value and its relationship between customer satisfaction and customer value. The main reason to conduct this literature review is to search for previous studies that have been done on customer value. It enables to researcher to discuss different authors article and direct own research.

In this research, literature review was conducted in three stages. The first stage looks at customer value and online customer value. The second stage looks at customer satisfaction and its relationship with customer value. The final stage looks at customer loyalty, online customer loyalty and its relationship with customer satisfaction.

2.2 Definition of Customer Value

Dictionary meaning of the value is that '*value is the regard something is held to deserve, the importance, worth or usefulness of something*' (Oxford Dictionary, 2010:1963). This is perhaps the most common concept about the meaning of the value. Nonetheless, the terms of value appears in different context. For instance, in competitive strategy theory, organizations create and deliver superior customer value to high-value customers intended to increase the value of an organization. *High-value consumers* and *value of an organization*, refer the value from perspective of an organization, whereas, *customer value* takes the perspective of a consumer of the organization (Woodruff, 1997). In the perspective of an organization, *High-value consumers* quantifies the pecuniary worth of individual customers to the organization, while, *value of organization* quantifies an organization's worth to the owners. Nevertheless, in the perspective of organization's customers, *customer value* taking into account what they want and believe that they receive from purchasing and using product of sellers (ibid, 2).

Holbrook (2005), looks at value as an outcome of a preferential judgement and notes that values are those norms that guide such judgement. Holbrook (2005), proposed trade-off in his definition of value as an ‘interactive, relativistic,[comparative, personal and situational] preference experience.’ In this definition:

- *Interactive*: relates to value as involving a relationship between some subject (a consumer) and some object (a product)
- *Relativistic*: relates to value reflecting a comparison of one object with another. Value differs between one person and the next, and it depends on the situation which the evaluation occurs;
- *Preference*: relates to value as comprising terms like like/dislike; favourable/unfavourable; good/bad; positive/negative or approach/avoid (Holbrook, 2005).

Other important point of Holbrook value analysis is that how the ‘*interactive, relativistic and preference*’ of value is related consumption experience (involving fantasies, feelings, fun and other aspects of customer satisfaction from product usage), rather than attach to the object (Holbrook, 2005). Holbrook (2005), propose relevant typology of value based on three dimensions: motivation (extrinsic or intrinsic), orientation (self or other-oriented) and action orientation (active-passive).

		Motivation			
Orientation	Action	Extrinsic (experience is a means to an end - utilitarian, instrumental and banalistic)		Intrinsic (experience is an end in itself – self-justifying , autotelic)	
Self-oriented (how user responds to experience)	Active (results from direct manipulation of experience)	Efficiency	(O/I ratio,	Play (Fun and Leisure)	
	Reactive (results from distanced admiration or appreciation of object/experience)	Excellence (Quality)		Aesthetics (Beauty)	
Other-oriented (how experience affects others)	Active	Status (Impression)		Ethics (Justice, Virtue and Morality)	
	Reactive	Esteem (Possessions)		Spirituality (Sacredness)	

Table 1: Typologies of value (from Holbrook, 2005)

Nonetheless, customer value concepts also differ as to the different circumstances within which customer think about value (Woodruff, 1997). To illustrate this observation, consider two characteristics of consumer value captured by the classification (Table 2).

Nature of information is...

<i>Information describes...</i>	<i>Nature of information is...</i>	
	Snapshot	Longitudinal
Customer determined performance	Short term customer focused performance information	Long term customer focused performance change information
Performance causes	Information on determinants of Short-term customer-focused performance	Information on determinants of long term changes on customer-focused performance

Table 2: Classification of Customer Value Concepts (Woodruff, 1997).

In Table 2, the columns show that consumers may consider value at different times, such as when make buying decision or when experiencing product performance. By purchase, it is meant choosing or selecting between similar products and evaluate which one is preferred (Woodruff, 1997).

The rows in Figure 1 show the perception of customers about value. Customer may imagine what value they want before purchase or after purchase in use situation. Customers evaluate value in the form of preferred attributes, attributes performance and results from using a product in use situation. In addition, before purchase customer may predict received value, but during use they actually experienced received value (Woodruff, 1997).

In consumer marketing literature, definition of customer value has been made by many authors.

Author	Definition of Customer Value	Comments
Zeithaml (1988)	<i>'the consumer's overall assessment of the utility of a product based on what is received and what is given'</i> (ibid:14)	Relates value with the price; a) <i>'Value is the low price'</i> (ibid: 13) b) <i>'Value is the quality I get for the price I pay'</i> (ibid: 13) c) <i>'Value is what I get for the price'</i>
(Butz & Goodstein, 1996)	<i>'By customer value, we mean the emotional bond established between a customer and producer after the customer has used a salient product or service produced by that supplier and found the product to provide an added value'</i> (ibid:63)	Differentiate customer value into three levels: a) The expected level: <i>'The basic level is the level that is normal or modal to that business industry'</i> At this level the company provides those goods and services that customers have to expect (ibid: 67-68) b) The desired level: <i>'features that add value for the customer but simply are not expected because of company and industry standards'</i> (ibid: 68) c) The unanticipated level: <i>'the third and ultimate level of customer value. Organizations find way to add value that is beyond the customer's expectation or even desires'</i> at least on a conscious level (ibid: 69).
(Gale, 1994)	<i>'Customer value is market perceived quality adjusted for the relative price of your product'</i> (ibid:xix)	
Kotler and Armstrong (2011)	<i>'customer's evaluation of the difference between all the benefits and all the costs of marketing offering relative to those of competing offers'</i> (ibid:36)	<i>'customers often do not judge values and costs accurately or objectively'. They act on perceived value'</i> (ibid:36) the authors also describe how value means different benefits and different costs to different customer/customer groups.
Woodruff (1997)	<i>'Customer value is a customer's perceived preference for an evaluation of those product attributes, attribute performances, and consequences arising from use that facilitate (or block) achieving the customer's goals and purposes in use situations'</i> (ibid:142)	<i>'Incorporates both desired and received value emphasises that value stems from customers' learned perceptions, preferences and evaluations. Anchored in a conceptual framework provided by a means-end type of model. (ibid:142)</i>

Table 3: Meaning of Loyalty

Between above definitions some areas stand out. Firstly, customer value is related using product and customer value is perceived by customers rather than provided by seller (Zeithaml, 1988; Woodruff 1997 ; Kotler and Armstrong 2011).

Secondly, definitions indicate differences in the way that they are structured, relying on other terms that are often left without definition, as is the case of utility, worth, benefits and quality. This lack of clarity renders comparison of concept difficult, for instance is benefit part of the product/service or us that experience of customer as a result of using product in use situation.

2.3 Online Shopping Values

The growth of internet commerce in both business-business and business-consumer market has affected retailers in recent years. Lee & Overby (2004) propose in their study that, despite dramatic increase number of visitor who come a retailer website, only small amount of those visitor actually make purchase. Woodruff(1997) proffer that online shoppers choose retailers who offer the best value for them – value defined by consumers.

The researchers have conceptualized value in different terms such as price-benefit or price-quality/utility/benefit, functional and non-functional value types are mostly appropriated with consumer shopping behaviour (Lee & Overby, 2004). For the shopping context, functional value relate to tangible attributes such as quality, price and merchandise. Non-functional value relates nontangible attributes such as reputation, social and emotional needs.

Utilitarian and experiential values are employed within the online shopping values (Lee & Overby, 2004).Utilitarian value reflects task-related worth and experiential value reflects shopping experience.

Online Shopping Values	
Utilitarian Value	Experiential Value
Price Savings	Entertainment
Service Excellence	Visual
Time Savings	Escape
Merchandise Selection	Interaction

Table 4: Shopping Values (Lee & Overby, 2004)

2.3.1 Utilitarian Value

Utilitarian value (Table 4) is identified as a cumulative assessment of functional attributes dimensions that include price savings, service excellence, time savings and merchandise selection(Lee & Overby, 2004)

Utilitarian value is thematic for task-specific use of online shopping values such as considering the price service product before actual purchase.

Price savings is the economic value dimension. Consumers derive value from offered products and services for the right price. For instance online shoppers can search among many retailers to find the best product or service with the best price. Service excellence represents quality judgement after and during online shopping. Merchandise selection involves the range of products regardless of shelf space. Time savings becomes an effective shopping value for time pressured consumers. Studies have found that time savings is one of the priority motivations for online shopping values (Lee & Overby, 2004).

2.3.2 Experiential Value

Experiential value is identified as an overall assessment of benefits derived from entertainment, escapism, the visual appeal and interactivity involved in online shopping. Experiential value dimensions are the motivations of in-store shopping values and account for effective motivations of online shopping (Lee & Overby, 2004).

Consumers on the internet may research various websites for entertainment and fun. Additionally, many websites may create visual charm for online shoppers. Escape value may refer to online shoppers non-traditional experiences. Finally, the interaction value refers to benefits received by interacting with marketers and other consumers. Increasing interactivity on the internet provide online shoppers exchange product information, reviews and ideas with free of charge (Lee & Overby, 2004).

2.4 Customer Satisfaction

Dictionary meaning of satisfaction is that *'fulfilment of one's wishes, expectations. Or needs, or the pleasure derived from this'* (Oxford Dictionary, 2010). The literature on customer satisfaction emanates from Cardozo's classic study (1995), which extends customer satisfaction beyond mere product evaluation. Satisfaction can also revolve around the experience of acquiring the product, including all the features related to the product, such as product bundling (Cardozo, 1995) .

Consumer Satisfaction Literature:

Author	Definition
Oliver (1997)	<i>'The consumer's fulfillment response. It is a judgment that a product or service feature, or the product service itself, provided (or is providing) pleasurable level if consumption-related fulfillment, including levels of under or over fulfillment.'</i> (ibid: 13)
(Halstead, et al., 1994)	<i>'A transaction on-specific affective response resulting from the customer's comparison of product performance to some repurchase standard'</i> (ibid: 122)
(Fornel, 1992)	<i>'An overall post-purchase evaluation'</i> (ibid: 11)

Table 5: Meaning of Satisfaction

The varying definitions concerning customer satisfaction all carry the following aspects:

- Consumer satisfaction is a response, which can either be emotional or cognitive;
- The response relates to a specific component, be it customer experience, product, expectations
- The response relates to a specific time frame, whether it is post-consumption, post-selection or cumulative use (Giese & Cote, 2000) .

Giese and Cote prescribed the parameters marketing researchers should consider when measuring customer satisfaction. The affective response and its corresponding intensity must be contextualized, determined at a specific point as well as duration in time and must be directed toward targeted aspects of how the product or service was acquired or consumed (Giese & Cote, 2000)

Oliver (1999), defines satisfaction as the fulfillment of some customer need or desire, leading to a feeling of contentedness. This positive feeling can be measured against a benchmark of pleasure or displeasure. Oliver characterizes it as “pleasurable fulfillment”. The constant achievement of this pleasurable standard over a certain period of time in relation to a particular product or service, leads to loyalty.

2.4.1 Relationship between Customer Satisfaction and Customer Value

Customer value hierarchy model was investigated by (Woodruff, 1997), with incorporating customer desired/received value and customer satisfaction. This hierarchy model suggests a strong relationship between customer satisfaction and customer value.

Consumer satisfaction is the consumer's evaluation about products/services based on use experiences. Consumer value hierarchy shows that, consumers establish value based on use and present experiences. Based on consumer value hierarchy, the desired value is incorporated with specific and measurable dimensions, such as, product attributes, attribute performance, result of goals in use situation. Desired value guides customers when they generate perceptions of how well or poor product performance in use situation (Woodruff, 1997).

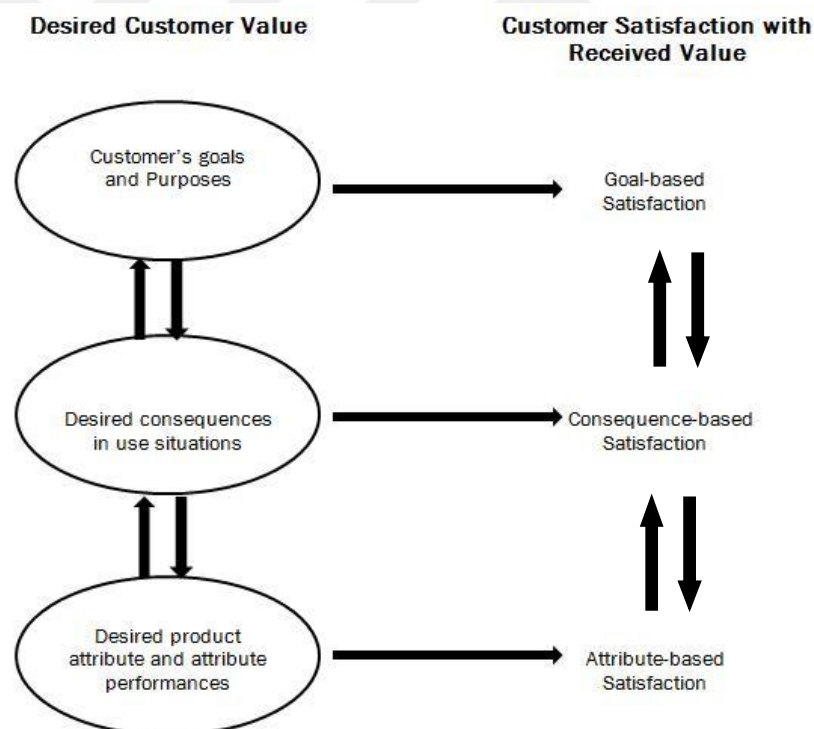


Figure 1: Customer Value Hierarchy Model (Woodruff, 1997)

The hierarchy model suggests that customers learn to think about products based on specific features and aspects of performance at the bottom of the model. When buying and using a product, consumers create desires and choices based on certain features and their ability to simplify gaining desired experiences, reflecting value in use and possession value, for the next level of hierarchy model. Customers also learn to desire

certain consequences according to their ability to aid them achieve their goals and purposes (the highest level) (Woodruff, 1997) .

Consumers use their own goals and purposes to add importance to consequences emerging from experiences in owning and using products/services at the top of the model .The consumer value hierarchy suggests that, consumer's goal, purposes, satisfaction and product attributes change depends on their usage purposes. Customer desired value leads to consumer satisfaction feelings at the each level of customer value hierarchy. In this way, consumer feels satisfied more or less with product attributes performance, use consequences and goal and purpose achievement. As a result of this, different kind of overall satisfaction level may arise (Woodruff, 1997).

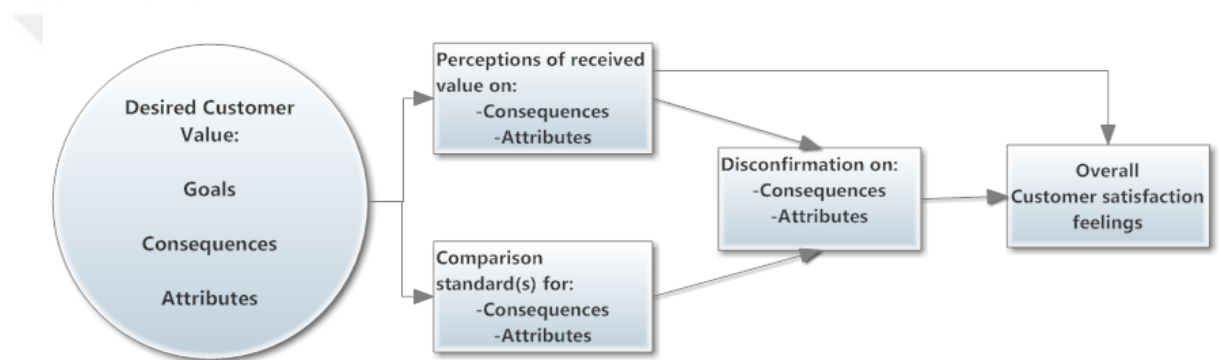


Figure 2: The Relationship between Customer Value and Customer Satisfaction (Woodruff, 1997).

Figure 2 shows the strong relationship between customer value and customer satisfaction, created by (Woodruff, 1997). Figure 2 suggests how desired and received value fit into a disconfirmation-type satisfaction model.

2.5 Consumer Satisfaction and Loyalty

2.5.1 Definition of Consumer Loyalty

Meaning of consumer loyalty in some research papers:

Author	Meaning of customer loyalty
Lutz (1986)	<i>'Customer loyalty is the continuity of buying behaviour for a company's services or products.</i>
Blackman & Crompton (1991)	<i>Customer loyalty is measured in two aspects: customers' behavioural and customers' attitude. Behavioural loyalty is the customer's actual consumption behaviour, while attitudinal loyalty mainly considers the physiological level.</i>

Oliver (1997)	<i>'Although consumers may be impacted by their surrounding environment or may switch their preference brand due to the brand's competitors in the same industry, their commitments to the preference in the future remained unchanged'</i>
Oliver (1999)	<i>'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 behaviour.'</i>
Peltier& Westfall(2000)	<i>'Reflecting and measuring customer loyalty can be made from someone aspects such as customer's attitude, intention, possibility, cognitive behaviour.'</i>

Table 6: Meaning of Customer Satisfaction

For the affective assessment of loyalty three decision-making phases must point to a focal brand preference;

- The brand attribute ratings (beliefs) must be preferable to competitive offerings,
- This 'information' must coincide with an affective preference (attitude)
- The consumer must have a higher intention (conation) to buy brand compared with that alternatives (Oliver, 1999).

Oliver (1999), created a framework relying on cognition-affect-conation patterns but his differs in that he argues that consumers become loyal at each attitudinal phase relating to different elements of attitude development structure. Oliver (1999) proposes than consumers can become in a cognitive sense first, then later in affective sense, still later in a conative manner and finally in a behavioural manner which is describes as 'action inertia'.

Consumer Loyalty Phases	
Cognitive Loyalty	The brand attribute information available to the consumer indicates that one brand is preferable to its alternatives. This stage is referred cognitive loyalty or loyalty based on brand belief only. Cognition can be prior knowledge or on recent experience-based information. Because of this ' <i>information</i> ' loyalty at this phase directly towards to brand.
Affective Loyalty	At the second phase of loyalty development, attitude toward the brand has developed on the basis of cumulatively satisfying usage occasions. At this phase, it would be desirable, if consumers were loyal based on their satisfaction level.
Conative Loyalty	At this phase of loyalty, consumers are becoming committed to the brand reflected in their preference and repurchase of the brand over alternatives. Consumers desire to repurchase brand because of good intention. This desire may be anticipated but unaware action.

Action Loyalty	Last phase of loyalty, intentions of consumers are converted to action and it is referred to as ' <i>action control</i> '. In action control, there are two constructs which are 'readiness to act' and 'overcoming obstacles'. Readiness to act, implies that the consumer holds a deep commitment to rebuy product/brand/service in the future, whereas 'overcoming obstacles' means 'repeat buying despite situational influences and marketing efforts having the potential to cause switching behaviour'. If the engagement of these two constructs is repeated <i>action inertia</i> develops, thus simplifying repurchase.
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Table 7: Consumer Loyalty Phases (Oliver, 1999)

For the summarising consumer loyalty phases, Cognitive loyalty focuses performance aspects of the brand, whereas affective loyalty focuses likeableness of the brand. When consumers tend to repurchase brand, conative loyalty is experienced. Action loyalty is commitment to repurchase brand.

Online Customer Loyalty

Consumer loyalty is one of the major drivers of success in e-commerce. When the consumers are loyal, they minimize time spent on searching and evaluating alternatives. Loyalty is won through the delivery of consistently superior customer experiences. The internet is the powerful tool for comparing products and services, but the basis of building loyalty is still same. Whatever is changing in the market, companies must change products and services with the same speed, if they want to keep customer loyal. Building loyalty for customers is not only way to boost profits, it is essential for survival (Frederick & Schefter, 2000).

Online loyalty is an economic necessity amongst e-commerce firms. Acquiring new consumers on the internet is too expensive. Even if those consumers revisit and make repurchase, firms' profitability will remain unreliable. Online loyalty is also competitive a necessity (Frederick & Schefter, 2000). Offering value for online consumers and making them loyal is challenging. Without effective of loyalty, even the best-designed e-business model will collapse (Frederick & Schefter, 2000).

Although the common idea that online consumers are fickle by nature, the web is very adhesive place either business-to-business or business-to-consumers spheres. Recent online consumers tend to become loyal; thereby correct usages of Web technologies enhance loyalty for firms. If e-marketers do not implement strategies to earn the loyalty of their most profitable consumers and acquiring new consumers, it is likely that they will only manage to attract more price sensitive (lesser profitable) consumers (Frederick & Schefter, 2000).

Firms must focus on the right consumers to make them loyal (Frederick & Schefter, 2000). Indeed, consumers must remain loyal to a particular online retailer for at least

two or three years to an e-marketer's initial acquisition investment. Any company following the strategy of acquiring new consumers regardless of their potential consumption may face disappointing return on investment (Frederick & Scheffer, 2000).

To gain the loyalty of consumers, firms must first gain consumer's trust. Indeed, trust is a more important element in consumers' loyalty than price (Frederick & Scheffer, 2000). Online consumers cannot see and touch the product in physical space of store. Online consumers need believe the promises and images offered by the e-retailer, suggesting why, and online consumers typically prefer the website that they know, have experienced and trust (Frederick & Scheffer, 2000).

(Srinivasan, et al., 2002) determined eight factors that impact e-loyalty based on online consumer interviews. These eight factors are customization, contact, interactivity, cultivation, care, community, choice, convenience and character.

Eight factors impact on e-loyalty based on online consumer interviews (Srinivasan, et al., 2002), comprising:

- customization
- contact
- interactivity
- cultivation
- care
- community
- choice
- convenience
- character

Customization

Customization is identified as the ability of an online retailer's to adapt products, services and the transactional environment to individual consumers. Customization is the extent to which an e-retailer can recognize consumer needs and tailor the choice of products, services and shopping experiences of that consumer (Srinivasan, et al., 2002).

In many ways, customization affects online loyalty. Customization helps consumers find products/services they wish to purchase. Customization reduces frustration for consumers while they are navigating websites. In addition, customization lead to a better match between consumers and products/services (Srinivasan, et al., 2002).

Customized websites enable individuals to complete their transaction more effectively. Large product selection may annoy consumers and lead them to use simplistic decision rules to narrow down the alternatives. Providing narrow choices for consumers minimize the time of consumption and aids the consumer locate what they wish to purchase. These benefits make consumers to revisit an e-retailer's website again (Srinivasan, et al., 2002).

Contact Interactivity

Contact interactivity is defined as the availability and effectiveness of consumer support tools on a website and which two way communication with consumers facilitated. Contact interactivity refers to the dynamic nature of the engagement that occurs between online retailers and its consumers through the website. A website with the lack of contact interactivity, difficult to navigate and late for answering inquiry via e-mail (Srini S. Srinivasan, 2002).

Contact interactivity is likely has major impact on online loyalty with the multiple reasons. Interactivity enables to find desired product or service quickly and thus replacing dependence on detailed consumer memory. By guiding consumers to find desired product or services, online retailers may able to increase consumer perceived value. Interactivity aids to build more stored knowledge on the seller's side regarding consumer's tastes and preferences. By this way, it is expected that contact creativity positively related with online loyalty.(Srinivasan, et al., 2002).

Cultivation

Cultivation refers to the extent that e-retailers provide relative information and encouraging to their consumers in order to sustain their purchases over the time (Srinivasan, et al., 2002).

Cultivation is defined as the cross-selling offers that online retailers provide for their consumers. By actively cross-selling offers, online retailers can provide relevant information regarding of consumer's tastes and desires and encouraging consumers to revisit website (Srinivasan, et al., 2002) .

Care

In terms of antecedents of e-loyalty, care is to inform consumers about the availability of desired product and status of orders and the level of the effort that spent for minimizing disruptions in providing desired services. Service failures affect future business because they impoverish consumer-company relationship and lower perception of service-quality. The negative impacts of service quality affect consumer's

repurchase behaviour. Therefore, it is expected that, the level of care that firms spent to avoid disruptions on services will lead to higher e-loyalty (Srinivasan, et al., 2002).

On the internet market, online consumers have virtually instant access to competitors, and share their experiences with other consumers in short time period. Therefore, e-retailers need to ensure good care for their consumers (Srinivasan, et al., 2002).

Community

Virtual community can be identified as the online entity included existing and potential consumers that is organized by e-retailers to enable the exchange of opinions and information about offered products and services (Srinivasan, et al., 2002).

Before purchasing product or service, many consumers turn to other consumer's advice and information regarding desired product and service. By facilitating exchange information and experience amongst community, e-retailers can increase e-loyalty amongst their consumers. Some consumers remain loyal because of other consumers experience or, some consumers may be loyal because they enjoy the process of exchanging information inside the community (Srinivasan, et al., 2002).

Choice

Compared with traditional retailers, e-retailers are able to offer wider range of product categories and greater variety of products within any given category. Online retailers do not have limitations as traditional retailers have such as cost of floor space. Also, online retailers can corporate with virtual suppliers to provide customers with the greater choice (Srinivasan, et al., 2002).

Increasing number of available alternatives at a single e-retailer can reduce the costs of time and search expended in virtual store shopping. The e-retailer that offers greater choice for their consumers can be first destination for one-stop shopping, thus, caused e-loyalty (Srinivasan, et al., 2002).

Convenience

Convenience refers to the simplicity of the transaction process of the website. Accessibility of information and simplicity of the transaction process are important antecedents that show quality of the website. The quality of website is important for e-retailers, because, it represent only interface with the marketplace (Srinivasan, et al., 2002).

Providing consumers to search for information easily and making the information accessible and clear is the key factor for to creating successful e-retailers. Because

many consumers leave online retailer before purchase, because, they are unable to find desired products or services (Srinivasan, et al., 2002).

A convenient website provides quick response time, enables fast completion of transaction and minimizes consumer effort. As the nature of online shopping, online consumers prefer online retailers fast and effective processing of their transactions. If consumer experienced difficulties while their transactions, they are less likely to come back. Also, convenient and logical website provides consumer more satisfied shopping experience and reduces the possible mistakes made by consumers. These outcomes will presumably increase online loyalty (Srinivasan, et al., 2002).

Character

Definition of character for online retailers refers the image or personality of the website such as graphics, text, style, colours, logos or the themes of the website. Character of the website is important because websites can be impersonal and boring the deal with the lack of person-to-person interaction or website can use unique characters or personalities to improve recognition and revisit. Creative website design can aid e-retailers to create positive reputation for itself in the minds of consumers (Srinivasan, et al., 2002).

2.5.2 Relationship between Customer Satisfaction and Customer Loyalty

Although the loyal consumers most typically satisfied, satisfaction can not be translated into loyalty (Oliver, 1999). Satisfaction is a necessary step for loyalty to commerce (Oliver, 1999). However, satisfaction becomes less significant as loyalty begins to build as a result if other mechanisms such as personal determinism and social bonding at the institutional and personal levels. Loyalty is combination of perceived product superiority, personal fortitude, social bonding and their synergistic effects (Oliver, 1999).

Oliver (1999) illustrates six different models of how satisfaction and loyalty can be linked each other.

1. Satisfaction and loyalty are two constructs for essentially the same concept, or that each concept can be used interchangeably with the other.
2. Satisfaction is a prerequisite for loyalty. There can be no loyalty without satisfaction.
3. Satisfaction is a necessary element of loyalty but is just one of many enabling components.
4. 'Ultimate loyalty' involves two equal component, satisfaction and loyalty.

5. Satisfaction affects loyalty but is only to a very small extent.
6. Satisfaction triggers a process that leads to loyalty, but is wholly independent of loyalty. This implies that dissatisfaction with a product may not necessarily affect loyalty (Oliver, 1999).

2.5.3 Summary of Literature Review

The review of literature provides us with the understanding of importance of value and its relationship between satisfaction and loyalty in marketing literature. Two major issues have been considered in literature review process. Two major issues have been considered in the literature review process.

Firstly; value plays a crucial role at the heart of all marketing activity and therefore it needs clear attention for consumer marketing researcher (Holbrook, 1994). Therefore, the examination of customer value determination has become a focal point in the marketing literature. However, to date, most studies have examined customer value within the context of 'off-line' shopping. In this study, Author investigates customer value within the context of 'on-line' shopping.

Secondly; in this study, author investigates consumer value regarding of their previous online shopping experiences. Because, online shoppers chose retailers who offer the best value, value defined by customers (Woodruff, 1997). Many authors have investigated customer value with quantitative and qualitative approach. These widely used approaches do not cover research questions in terms of validity and reliability. Questionnaires, which use questions with prearranged are usually assessed for limiting the interviewee's choice and giving no chance for open discussion (Hankinson, 2004). The interviews can deal in some part of this problem and can give the interviewees more opportunity to express their personal ideas, but interview cannot resolve the problem of interviewer's bias and incapability to access the underlying reality (Rogers & Ryals, 2006). The repertory grid techniques avoid such problems. Since the process of element and construct elicitation, influence of interviewer on interviewees is minimized. During the process, interviewee is asked for five online retailers and questioned ten possible triads between these retailers to stimulate his/her thinking. Respondent is neither asked any questions (as in the type of interview), nor offered any options (as in the type of questionnaires).

3 METHODOLOGY

3.1 Introduction

This chapter is also divided in three parts. In first part, author discusses research approaches and research methods and explains what research approaches and methods fit in this study.

In second part, the information is provided about repertory grid analysis and how data is derived from respondents.

In the final parts, author provides research ethics for this study.

3.2 Research Philosophy

Good research begins with a thorough understanding of the critical role of methodology in furthering knowledge. Thus, it is important to launch any inquiry with a deep appreciation and understanding of the nature of knowledge.

Researchers should recognize that knowledge and its acquisition are multi-dimensional, and that in the social sciences, there are no absolute truths. Any investigation can only arrive at a “partial” understanding of knowledge (Matthews and Ross, 2010).

In research, it is important to understand the various ontological and epistemological positions that inform the investigation process.

Ontology is the “the science or study of being”. (Matthews and Ross, 2010:29) It is the philosophical assumption of the nature of reality, or the social world. There are two basic ontological positions, objectivism and constructivism or relativism. Relativism has a sub-position called critical realism. A third ontological position is termed nominalism.

Objectivism maintains that knowledge is independent and external of one’s own existence and apprehension. The social world is a distinct entity that can be observed objectively. One can obtain an accurate reflection of reality by certain methods, such as

observation and experimentation. This reality is bound by certain forces, the measurements of which can be standardized. This reality can yield patterns that can be generalized. In short, there is a physical reality whose “truths” can be arrived at by different parties. “This approach values the objectivity and independence of the researcher and identifies the characteristics of the social world in terms of entities which are ordered and predictable and can be identified and recorded without affecting the entities themselves. “ (Matthews and Ross, 2010:25).

On the other end, relativism or constructivism maintains reality cannot be divorced from individuals and their particular sense-making. Reality is a “construction” of the one beholding it. Individuals give meaning to the world and are constantly constructing their realities. However, these constructions can be studied, too, albeit with a vastly different approach. For a research to be “valid”, it must be subject to a range of viewpoints, including that of the social researcher himself. “The social researcher, as part of the social world herself, brings her own meanings and understandings to her study”. (Matthews and Ross, 2010:46).

A sub-category of this position has been called critical realism. This position maintains the existence of an objective social world that can be measured but offers that there “hidden” patterns and structures behind this reality. “While the mechanisms and structures themselves are not observable, their impact can be observed in the way people behave”. (Matthew and Ross, 2010:26).

Epistemology, the “theory” and justification” for what can be considered knowledge, (ibid: 26) defines “what can be known” and “what criteria such knowledge must satisfy in order to be called knowledge rather than beliefs”.

Epistemological positions are generally categorized as positivism, interpretivism and realism.

In positivism, knowledge can be observed by the senses, and can be measured and recorded. Positivism normally involves testing a hypothesis, which tries to relate theory to observed phenomena, or deduction.

Positivism is usually associated with quantitative data, often using large data sets and statistical analysis. The aim of researchers is to discover the relationships between cause and effect (Matthew and Ross, 2010:26)

Critical realism, meanwhile, seeks to uncover the hidden mechanisms, the “power structures and dominant ideologies” that result in “inequality” or “injustice”, and can be a catalyst or window for instituting change in the social world.

Interpretivism extends the understanding of reality by focusing on how individuals interpret the social world. Reality is constructed through the meanings people give it. "The social researcher enters the social world in order to grasp the socially constructed meanings and then reconstructs them in social scientific language. At one level, these latter accounts are regarded as redescriptions of everyday accounts; at another level they are developed into theories." (Blaikie, 1993:96). Because it begins by particular exploration of individual experiences, interpretivism uses induction as its knowledge-gathering process, observing particularities to build a theory or generalization.

Exploring how consumers perceive customer value requires an interpretivist approach. Because of the concept of the value, different individuals have varying definitions. Indeed, valuation is a highly subjective process, depending on individual standards. What one person holds as of value may be of little value to another person. One customer's perception of the value of a purchase may be different from another person's with the utility he/she relates or the satisfaction he derives from using the product. Therefore, an interpretivist approach is better at capturing the individual meanings of customer value than a positivist approach.

3.2.1 Research Approach

There are two basic methodologies to knowledge building, the opposing methods of deduction and induction. One may think of them, says Lancaster, as two alternative methods of thinking (Matthew and Ross, 2010)

Deduction starts with theory and goes to particulars. It is concerned with testing hypotheses through empirical observation. In many ways it is a confirmatory process, the validation or rejection of a hypothesis. It hinges on the appropriate operationalization of abstract concepts into measurable elements (tested for validity and accuracy) then the testing of the theory through empirical observation. This process leads either to a falsification or discarding of the theory or the recognition of an explanation to observed phenomena (Matthew and Ross, 2010).

The deductive approach is normally utilized for positivist or critical realist epistemological positions because these positions aim to investigate causal relationships which studied through hypothesis testing.

In contrast, the inductive approach builds theory from the ground up, starting from particulars and working toward a generalization or theory. Inductive research,

according to Lancaster, begins with description or observation and moves toward explanation. By observing particulars, patterns are detected and hypothesis is formed, leading to a theory or generalization.

The inductive approach is often used for qualitative research that seeks to describe and explore. Its open-ended nature allows it to more freely describe phenomena and thus look for patterns, in contrast to deduction which is rigidly focused on testing hypothesis through empirical observation, a process which has a narrower scope.

The richness of the construct “customer value” for different people makes the inductive method the better approach to knowledge for this research. The study is interested in exploring individual standards of customer value and by the interpretivist philosophy, these standards cannot be general and uniform, they are particular to each person. Thus, the researcher would be better served by looking first at the particulars of each experience to build up a general theory, or relatively uniform definition of customer value.

3.2.2 Research Methods

The philosophical debate that continues between advocates for quantitative and qualitative research paradigms centres on which design best captures and measures what can be taken for knowledge. According to Lancaster (2004), the argument is essentially about “what constitutes scientific as opposed to non-scientific research”. The difference can be seen in how data is handled and interpreted in each paradigm, which then draws on its ontological and epistemological foundations.

Matthews and Ross (2010), define quantitative methods as primarily concerned with “gathering and working with data that is structured and can be represented numerically”. By extension, it is data that can be statistically measured.

In contrast, qualitative data, they state, is primarily concerned with “stories and accounts, including subjective understandings, feelings, opinions and beliefs”. “Data gathered is in the expressions and words of the participants themselves” (Ross & Mathews, 2010)

These are two distinct domains of data gathering, with sharp definitions, that draw from their own research philosophies and ways of regarding the world and knowledge.

3.2.2.1 Quantitative research

Because quantitative research deals with numbers, its proponents in the social sciences regard their approach as “scientific research”, at par with research in hard-nosed scientific fields such as physics, medicine and engineering. Denscombe (2009), explains that this perception is borne out of certain characteristics of numerical data.

Numerical data is precise (measurements consist of exact amounts), statistically enabled (can be subjected to mathematical analysis), rigorous (can be tested and validated), repeatable (can be checked and verified), comparable (can be evaluated against similar research), objective and value-neutral (standardised procedures eliminate researcher bias) (Bryman, 2003).

The discreteness and integrity of each data set or item, therefore, practically rules out any form of subjectivity, or personal interpretation of the data, proponents argue. As such, quantitative data is ideal for assessing cause and effect relationships, especially since it allows researchers to isolate variables (Onwuegbuzie & Johnson, 2004).

Apart from seeking facts and causes of social phenomena, quantitative research is also better suited at handling multiple case studies. Since it can accommodate the study of large numbers of people (which can be counted or “quantified”), the results of quantitative research can be generalized (Lancaster, 2004).

According to Johnson and Onwuegbuzie (2004), quantitative research is highly useful in certain circumstances: a.) when testing or validating already constructed theories about how a particular phenomenon occurred; b.) when testing hypotheses that are constructed before the data has been collected.

This is so because testing theory involves the process of deduction, the attempt to explain causal relationships between variables and thus formulate a testable proposition (hypothesis) about the relationship of two or more variables. (Saunders, 2006) When variables can be identified readily and then measured (or “operationalized”) because they are discrete or standardised, having a relatively large sample size will ensure that results can be replicated over random samples of sufficient size.

Generalizable outcomes are ideal to those who lean toward ‘scientific’ research because they allow for quantitative predictions, can be verified and consist of reliable, “hard” and replicable data, not to mention that the safety in the numbers makes it the research method of choice of those in power (meaning, the people who decide on

research funding), such as administrators and politicians (Onwuegbuzie & Johnson, 2004).

The main argument, thus, for quantitative research is that it is “objective” with rigorously controlled measurements and processes, thereby “removing” the researcher from any personal involvement and bias. Lancaster (2004), states that quantitative research promotes the “outside perspective” and assumes a “stable reality” which for some quarters equates it with being “scientific”. Studies using large sets of data and statistical analysis, such as surveys, explanatory research and experiments normally fall under quantitative research (Lancaster, 2004).

Quantitative research involves use of statistical methods, both parametric and non-parametric. Parametric statistical tests include descriptive and inferential statistics. Descriptive statistics analyses the qualities of one variable at a time (univariate) while inferential statistics can consider the properties of two or more variables at a time (bivariate or multivariate) (Walliman, 2010).

3.2.2.2 Qualitative Research

While critics argue that the explanatory, descriptive nature of qualitative research necessarily involves researcher bias and therefore cannot be scientific, its advocates maintain that it provides a deeper and richer understanding of social phenomena. In organisational research, for example, Bryman points to the emphasis on subjects’ interpretations and the detailed delineation of the context of the studied phenomena as providing a truer picture of the dynamics. He points out that the researcher could have very well arrived at a vastly different conclusion without this “detailed knowledge of the varied interpretations of life” and the “background context” to the story (Bryman, 1989).

Bryman (2003), thus defines qualitative research as “an approach to the study of the social world which seeks to describe and analyse the culture and behaviour of humans and their groups from the point of view of those being studied.” (Bryman, 2003).

The focus is narrower in scope than quantitative research but deeper. What is arrived at is a “holistic” perspective that is rich in explanation and vivid description and attempts a contextualized understanding of particular phenomena.

(Onwuegbuzie & Johnson, 2004) Characterizes qualitative research as useful for studying in-depth a limited number of cases, providing an understanding of people’s personal experiences and is ideal for describing complex phenomena.

It is also better suited for the study of dynamic processes, those that occur in sequence or change over time and because they are based on participants' categories of meaning, can be used to examine research objects' "constructs" or sense-making (Bryman, 1989)

Words, texts and images comprise the elements of qualitative research. According to (Denscombe, 2010), these kinds of data "allow the researcher to probe the intricate and sometimes messy nature of the social world". He adds that the "understanding" of social phenomena attempted by qualitative research is not the same as the explanatory attempt of quantitative research at cause and effect. Qualitative understanding is based on an understanding from people's point of view, because how the human actors endow their social world with meaning is personal and individualistic and can only be studied by methods that attempt to see the world from the subjects' vantage point (Denscombe, 2010)

Thus, qualitative researchers are interested in motivation, constructions of reality, perceptions and experiences of life.

Qualitative research is focused on building theory, or pursuing an inductive approach to analysing data. It starts from the ground up, as in grounded theory, where data formation starts without a clear theory and builds to one in the process of data gathering. (Saunders et al., 2006)

Descriptive studies attempt to give an 'accurate profile of persons, events or situations'. Case studies revolve around context and are very useful in answering research questions asking "why?" Ethnography is an anthropological approach in which the researcher often immerses himself in the social world inhabited by the subjects and closely observes their behaviour over time. (Saunders, et al., 2006)

Methods of data gathering include participant observation, interviews and data collected from documents (Bryman, 2003). Participant observation is the "fairly prolonged immersion of the researcher in the context that is to be studied" and entails "first-hand observation of individuals as they go about their normal work activities" (Bryman, 2003). Interviews are usually unstructured to "elicit respondents' ways of thinking about the issues" (Bryman, 2003). Examination of documents is also an important function of qualitative research. Documentary sources such as budgets, internal correspondence, newspaper articles and contracts "provide information on issues that cannot be readily addressed by other methods or can contribute a "different level of analysis" from other methods, such as the gap between official policy and practice (Bryman, 2003).

While qualitative research produces deep insights into single cases and complex phenomena, its subjectivity raises questions among its critics as to the external validity of the research. Onwuegbuzie (2004), acknowledge that the results are “more easily influenced by the researcher’s personal biases and idiosyncrasies”.

Further, the narrow scope may prove irrelevant to the general population and it is more difficult to test hypothesis or theories as no measurable standards are generally not as available as in quantitative research.

Another criticism is the issue of “relativism”, which laments the lack of a “universal system of analysis” with qualitative research’s reliance on personal interpretation. There is thus therefore no adequate metrics for comparison to other data, making evaluation “relative” to the standards set by the data (Denscombe, 2010).

3.2.2.3 Mixed Methods

Researchers point to the role of mixed methods approach as a balancing act between qualitative and quantitative approaches, “to draw from the strengths and minimise the weaknesses” of each approach. (Johnson and Onwuegbuzie: 15) It enriches this particular research because it both seeks to describe richly and attempts to objectively measure such descriptions within a quantitative framework.

Johnson and Onwuegbuzie argue: “Mixed methods research also is an attempt to legitimate the use of multiple approaches in answering research questions, rather than restricting or constraining researchers’ choices (i.e., it rejects dogmatism). It is an expansive and creative form of research, not a limiting form of research. It is inclusive, pluralistic, and complementary, and it suggests that researchers take an eclectic approach to method selection and the thinking about and conduct of research.” (ibid: 17)

3.3 Repertory Grid Analysis

Repertory Grid based on the Theory of Personal Constructs and is a method of collecting and analysing data about how individuals view and shape their worlds employing construct psychology. The Theory of Personal Constructs is an attempt to understand and interpret what leads emotions. Basic of repertory grid technique helps researches understand the construct system of research participants. A construct system is the set of qualities or dimensions that people use in their efforts to make

sense of the world around them. These construct systems are highly individual in nature and may guide people behaviour (Rogers & Ryals, 2007)

Repertory Grid Technique includes two concepts, 'elements and constructs'. The elements are the objects of people mind to which they relate their concepts and values. The constructs differentiate how people identify the elements in their individual world (Rogers & Ryals, 2007).

The process of repertory grid technique resembles as semi-structure interview which are asked two of the elements are similar as opposed a third. The characteristic that respondents use to differentiate between the elements is the construct. Participants are then asked to rate elements on scale and which one element they prefer. This process repeated through a number of iterations involving different combinations of triads until the participant finds no more construct options (Rogers & Ryals, 2007).

Seven steps to completing repertory grid:

1. Choose the topic for grid; Specific topic should be chosen for repertory grid. In this study online retailers will be chosen.
2. Select Elements; product or services may be chosen for research. Author will asked to respondents 5 online retailers that they have shopped before.
3. Select constructs by triple group; the interviewer chooses three elements randomly and ask to interviewee for 'what do two of these elements similar as opposed to third? Author will choose three elements among the online retailers that respondents have used before and ask which two are similar and which one is different? Respondents will be asked opposite of the constructs, for example comparing amazon and Argos online retailer, offline and online shop for Argos and only online shop for Amazon can be construct. For the 5 online retailers, researcher can ask 10 possible triads. The formula for calculation is $X! / [Y! (X-Y)!]$. (X represents element number and Y represents triads. $X! = X*(X-1)*(X-2)*....$)
4. Create the Grid Framework; a simple grid will be created with the elements at the top and the poles of the constructs will be placed both side of the grid. Author will create a grid with the 5 online retailers that researcher said and ideal retailers for consumer perspective at the top of the grid. Constructs will be placed both side of the grid.

5. Ask the respondents to complete the grid using the chosen linkage system. It could be tick or cross. Also it could be a ranking of elements against each construct.
6. Interpret the Grid; columns are compared in order to search for similarity and contrasts in the elements, the interviewer can see how the respondents would profile a particular element. By comparing rows, the researcher is able to indicate related and unrelated constructs. In this study, author will compare grid in order to identify the related constructs for customer perceived value from online retailers and their satisfaction level based on this constructs.
7. Aggregate the individual grids; Repertory grid technique is used to evaluate the constructs of groups in marketing research and organizational behaviour. This study involves an evaluation of the constructs that respondents expressed in order to evaluate customer perceived value (Rogers & Ryals, 2007)

There are number of reasons why the repertory grid techniques preferred for this study. In this study, the researcher seeks to identify that 'what are the factors that consumers relate as value in their experience of online purchasing'. The abstraction of repertory grid technique means that 'the interviewer is more likely to get beneath the interviewee's view of that what answers should be, to a clearer understanding of how they use their past experience to make judgments (Rogers & Ryals, 2007).

Nonetheless, repertory grid analysis allows a highly individualized approach to each respondents and lets to take into consideration the mental, emotional and personality characteristics of interviewee's (Smith, 1980). Other widely used methods (questionnaire and interviews) are usually criticized problems related to the issues of validity and reliability. A questionnaire which use questions with predetermined attributes are usually criticized for limiting respondent's choice and not give chance for open discussion (Hankinson, 2004). An Interview can partly deal with this issue and gives the respondents more opportunity to express their personal thoughts, but an interview cannot resolve the issue of interviewer's bias and inability to access the underlying reality (Rogers & Ryals, 2006)

The way that questions are prepared by the interviewer may affect the answer of the respondents. The repertory grid technique avoids such problems, since the beginning

of the construct and element elicitation minimizes influence of interviewer on interviewees. In this study, after deciding elements (five online retailers they have used before) with interviewees, researcher asks respondents ten possible triads to stimulate respondent's thinking for the classic process of construct elicitation. During this process researcher never ask any questions (as in the interview) or never offer any answer options (as in the questionnaires). The only question is repeatedly asked 'which two of these elements different as opposed to third' and 'in which way this element is different as opposed to other two?' Thus, influence of interviewer on interviewee is minimized.

The repertory technique allows to combine the flexibility of interview with open-ended questions with the structure of predetermine questionnaire.

3.4 Research Ethics

The Economic and Social Research Council has laid down a set of principles for ethical research, that researchers should always bear in mind to ensure their work fully meets with the standards of research ethics (Ross & Mathews, 2010)

All researchers and research participants, notably research subjects, must be "fully informed" about why the research is being undertaken, how it is undertaken and what are its possible uses. There should likewise exist an absolute transparency with regards to potential conflicts of interest with some of the researcher's external activities or personal associations or affiliations, and full disclosure of funding sources. Research participants also must be fully aware of what participation in the research entails and they also should be informed of possible risks (Ross & Mathews, 2010).

Ethical research must always follow the principle of confidentiality of information given by subjects. Participants' anonymity must always be respected. Participants to a research project must undertake the project voluntarily, without coercion of any sort. Researchers must always ensure that no harm comes to research subjects and participants (Ross & Mathews, 2010)

Critical to ethical research is the principle of "informed consent", the requirement that participants must be "fully informed" about a research project before they take part in it. "Fully informed", according to Oliver, can be broadly defined as disclosing to the participant "any information which a participant might conceivably need in order to make a decision about whether or not to participate" (Oliver, 2000)

The researcher should inform participants of how the research will benefit them, the reasons why the researcher is undertaking the study, and what participating in the

research would mean practically for participants (such as the amount of time they have to give to participating to the research). Participants should always be aware that their involvement is purely voluntary and they can choose to end their participation at any point in the research (Ross & Mathews, 2010).

Protection from harm includes physical harm, psychological harm and other possible dire consequences arising from participation in the project, such as the possibility that highly personal information disclosed by the participant may be accessed by third parties (Ross & Mathews, 2010).



4 ANALYSIS OF DATA

4.1 Introduction

This chapter sets out the results obtained from a qualitative and statistical treatment of the data collected from the 10 repertory grid interview participants who completed the face-to-face exercise administered for a three week period starting on xx July 2013. This chapter starts by describing to aspects of the data analysis:

- a. A qualitative approach involved in the reduction of the number of constructs emerging from the interviews that distinguish between the different e-commerce sites and relevant experiences;
- b. A quantitative approach involved in the agglomeration of the different constructs above, using multidimensional scaling methods associated with repertory grid analysis.

This chapter ends by testing out the different hypotheses and summarizes the patterns observed in a model.

4.2 Participants Characteristics

Table 8 sets out a summary of the characteristics of the research participants showing that over 60% of the participants were female, typically aged between 24 and 29 years.

Interviewee number	Gender	Age	Occupation
1	female	27	waitress
2	female	24	master student
3	female	28	master student
4	female	29	supervisor(coffee shop)
5	male	24	student
6	female	29	master student
7	female	24	designer
8	male	24	master student
9	male	24	master student
10	male	29	head chef

Table 8: Demographic characteristics of the sample

4.3 Summary of Responses

4.3.1 Elements

During the ten interviews, a total of 25 different e-commerce sites were mentioned by research participants. Of these, two (Amazon.com and eBay.com) featured in every interview as set out in Table 9.

Site	Interviewee										Total
	1	2	3	4	5	6	7	8	9	10	
Amazon	1	1	1	1	1	1	1	1	1	1	10
eBay	1	1	1	1	1	1	1	1	1	1	10
Argos		1		1	1	1					4
Alibaba		1						1			2
Mercado Libre			1							1	2
Zara					1				1		2
Ann Summers								1			1
Asos									1		1
Best Buy										1	1
Debenhams			1								1
Dell								1			1
Grouponia	1										1
Gumtree						1					1
H&M							1				1
House of Fraser			1								1
Ikea				1							1
MMS									1		1
Mojibo	1										1
Sainsbury's						1					1
Sideshops				1							1
Target										1	1
Tesco		1									1
Very							1				1
Wacom	1										1
Waitrose							1				1
Watches2U					1						1

Table 9: Elements emerging from the interviews

4.3.2 Constructs

In the course of the interviews, the ten research participants each mentioned ten constructs on which the different e-commerce sites were differentiated. Of the 100 mentioned constructs, 45 were unique (while the remaining 55 were repeated constructs). Table 10 summarizes the incidence of the 45 different constructs, while Table 4 shows how the different constructs featured across the different interviews.

	Frequency	Valid Percent
exclusively online	8	8.0
limited product choice	8	8.0
non-trustworthy	7	7.0
corporate seller	6	6.0
online customer service	6	6.0
difficult navigation	5	5.0
no delivery options	4	4.0
3rd party source	3	3.0
free delivery	3	3.0
limited geographic scope of service	3	3.0
limited payment options	3	3.0
no bidding options	3	3.0
no customer reviews	3	3.0
expensive	2	2.0
no free returns	2	2.0
no product offers	2	2.0
no seasonal offers	2	2.0
non-personal offers	2	2.0
worldwide sources	2	2.0
bad categorization	1	1.0
bad customer service	1	1.0
company as a seller	1	1.0
country based offers	1	1.0
customer needs registration	1	1.0
delayed delivery	1	1.0
exclusively service retail	1	1.0
generalized customer service	1	1.0
limited brand choice	1	1.0
limited product review	1	1.0
manufacturer warranty	1	1.0
more than just day-to-day products	1	1.0
multinational presence	1	1.0
neutral image	1	1.0
no additional payments	1	1.0
no customer privacy	1	1.0
no delivery time commitment	1	1.0
no loyalty programme	1	1.0
no price comparisons	1	1.0
no quality guarantee	1	1.0
no same day refund	1	1.0
non-innovative products	1	1.0
not popular	1	1.0
not product specific	1	1.0
product/item non-comparison	1	1.0
simple search options	1	1.0
Total	100	100.0

Table 10: Constructs mentioned by research participants

Construct	Interviewee										Total
	1	2	3	4	5	6	7	8	9	10	
exclusively online		1		1	1	1	1	1	1	1	8
limited product choice		1	1	1	1		1	1	1	1	8
non-trustworthy		1	1		1	1	1		1	1	7
corporate seller		1	1	1	1		1	1			6
online customer service		1	1		1		1	1	1		6
difficult navigation	1		1		1		1			1	5
no delivery options		1			1	1				1	4
3rd party source								1	1	1	3
free delivery				1			1		1		3
limited geographic scope of service			1	1						1	3
limited payment options			1							1	3
no bidding options	1				1	1					3
no customer reviews						1	1			1	3
expensive		1						1			2
no free returns	1				1						2
no product offers				1	1						2
no seasonal offers				1		1					2
non-personal offers	1	1									2
worldwide sources		1						1			2
bad categorization	1										1
bad customer service						1					1
company as a seller										1	1
country based offers	1										1
customer needs registration									1		1
delayed delivery							1				1
exclusively service retail						1					1
generalized customer service	1										1
limited brand choice									1		1
limited product review			1								1
manufacturer warranty	1										1
more than just day-to-day products							1				1
multinational presence				1							1
neutral image		1									1
no additional payments				1							1
no customer privacy								1			1
no delivery time commitment			1								1
no loyalty programme			1								1
no price comparisons						1					1
no quality guarantee								1			1
no same day refund									1		1
non-innovative products								1			1
not popular									1		1
not product specific				1							1
product/item non-comparison	1										1
simple search options						1					1

Table 11: Constructs mentioned by the different research participants

4.4 Analysing Constructs in Grids

Two approaches were adopted in analysing the resulting repertory grids: individual grid (or analysing each grid separately) and multiple grid approaches.

4.4.1 Grids: Structure

Because this study involved purely emerging approaches in eliciting interviewee contribution (vis-à-vis elements and constructs), each grid resulting from every repertory interview was unique. Each grid was composed of five elements freely mentioned by the research participant (e-commerce sites experienced) and ten constructs freely mentioned by the participant (characteristics on which e-commerce websites would be differentiated). A further question relating to the perceived

importance of each construct meant that respondents would attribute a score on a scale from 1 to 5 (where 1 = not important at all and 5 = very important). An example of a repertory grid is set out in Table 12.

Construct_1	Elements						Construct_-1 (Opposing pole)	Importance
	Amazon	eBay	Grouponia	Mojibo	Wacom	IDEAL		
country based offers(*)	0	0	0	0	1	1	non-country based offers	5
non-personal offers	1	0	1	1	0	1	personal offers	3
difficult navigation	0	0	0	0	1	1	easy navigation	5
bad categorization	1	1	1	0	0	1	good categorization	4
no free returns	0	0	0	1	0	1	free returns	5
no bidding options	0	1	0	0	0	0	bidding options	2
limited payment options	1	0	1	0	0	1	many payment options	3
generalized customer service	0	0	0	0	1	1	individualized customer service	5
product/item non-comparison	1	0	1	0	0	1	product/item comparisons	5
manufacturer warranty	0	0	0	0	1	1	manufacturer + retailer warranty	5

* 0 = construct not a "property" of the e-commerce website
1 = construct a "property" of the e-commerce website

Table 12: An example of a repertory grid response (Interviewee 1)

4.4.2 Analysing Grids

In analysing individual grids, this study involved the calculation of absolute differences between pairs of constructs for each grid. These absolute differences measure the perceptual distances between the constructs mentioned by interviewees (Jankowicz 2004). For instance, for the grid in Table 12, "non-personal offers" is most distant from "no-bidding options", followed by "country based offers", "difficult navigation", "generalized customer service" and "manufacturer warranty". By contrast, "non-personal offers" is nearest to "limited payment options" and "product/item comparison". A grid of distances resulting from this mathematical treatment of the grid set out in Table 12 is set out in Table 13

Because each interviewee provided an own set of (ten) constructs, a standardized comparative approach across all ten grids was not possible. Instead, an aggregate approach involving the averaging of distances between the different constructs across all ten grids was undertaken. This meant that all forty five distances emerging from each interview grid were set as distances between two variables (representing the two elements measured) and pivoted in one table that set out the average distances across all pairs. The resulting 45 x 45 grid was subject to principal component extraction

using Idiogrid™ software¹. An initial assessment of Eigenvalues suggested that the first five principal components (that had an Eigenvalue larger than 1.0) accounted for 61.7% of the variation within the grid (see 14)². A Varimax rotation procedure on the extracted principal components, with the loading solution set out in 15 and 16.

An attempted interpretation of these principal components could not yield a reliable output for two key reasons. Firstly, the contrasts in the loadings of eight elements (of all 45, or 17.8% of elements) could not offer one clear interpretation, with loadings featuring on more than one principal component. Secondly, the loadings of elements on specific principal components could not offer one overarching interpretation.

Constructs	country based offers	non-personal offers	difficult navigation	bad categorization	no free returns	no bidding options	limited payment options	generalized customer service	product/item non-comparison	manufacturer warranty
country based offers	-									
non-personal offers	4	-								
difficult navigation	0	4	-							
bad categorization	4	2	4	-						
no free returns	2	2	2	4	-					
no bidding options	3	5	3	3	3	-				
limited payment options	3	1	3	1	3	4	-			
generalized customer service	0	4	0	4	2	3	3	-		
product/item non-comparison	3	1	3	1	3	4	0	3	-	
manufacturer warranty	0	4	0	4	2	3	3	0	3	-

"Bold" indicates maximum distance/difference

"Italic" indicates minimum distance/difference

Table 13: Grid of absolute differences (perceived distances) between constructs (Interview 1)

¹ Product available for free download at www.idiogrid.com

² A total of 1614 cells in the 45 x 45 grid had missing values, which in turn were replaced by the grid's mean distance standing at 2.48

	Eigenvalue	% Variance	Cumulative %	Scree
PC_1	4.49	26.31	26.31	*****
PC_2	2.28	13.36	39.67	****
PC_3	1.42	8.30	47.97	***
PC_4	1.22	7.15	55.11	**
PC_5	1.12	6.55	61.66	**
PC_6	0.94	5.51	67.17	**
PC_7	0.75	4.41	71.58	**
PC_8	0.73	4.30	75.88	**
PC_9	0.58	3.40	79.28	**
PC_10	0.56	3.29	82.57	**
PC_11	0.45	2.66	85.22	**
PC_12	0.41	2.42	87.65	*
PC_13	0.31	1.83	89.48	*
PC_14	0.28	1.63	91.11	*
PC_15	0.26	1.52	92.63	*
PC_16	0.21	1.24	93.86	*
PC_17	0.19	1.13	95.00	*
PC_18	0.17	0.99	95.99	*
PC_19	0.14	0.82	96.81	*
PC_20	0.11	0.66	97.47	*
PC_21	0.11	0.65	98.12	*
PC_22	0.08	0.49	98.61	*
PC_23	0.06	0.36	98.97	*
PC_24	0.05	0.30	99.27	*
PC_25	0.03	0.18	99.45	*
PC_26	0.02	0.14	99.59	*
PC_27	0.02	0.10	99.69	*
PC_28	0.02	0.09	99.78	*
PC_29	0.01	0.08	99.86	*
PC_30	0.01	0.06	99.92	*
PC_31	0.01	0.03	99.96	*
PC_32	0.00	0.02	99.98	*
PC_33	0.00	0.02	99.99	*
PC_34	0.00	0.00	100.00	*
PC_35	0.00	0.00	100.00	*
PC_36	0.00	0.00	100.00	*
PC_37	0.00	0.00	100.00	*
PC_38	0.00	0.00	100.00	*
PC_39	0.00	0.00	100.00	*
PC_40	0.00	0.00	100.00	*
PC_41	0.00	0.00	100.00	*
PC_42	0.00	0.00	100.00	*
PC_43	0.00	0.00	100.00	*
PC_44	0.00	0.00	100.00	*

Table 14: Eigenvalues for unrotated components (45 elements' grid analysis)

Element	Element name	PC_1	PC_2	PC_3	PC_4	PC_5
C_01	3rd party source	0.07	-0.17	0.01	-0.19	-0.22
C_02	bad categorization	-0.01	0.00	0.03	-0.25	0.00
C_03	bad customer service	-0.04	-0.10	0.03	-0.06	-0.05
C_04	company as a seller	-0.02	-0.01	0.02	-0.02	0.01
C_05	corporate seller	-0.28	-0.48	0.00	0.14	-0.36
C_06	country based offers	-0.02	-0.01	0.02	-0.02	0.01
C_07	customer needs registration	0.47	0.16	-0.11	-0.03	0.07
C_08	delayed delivery	-0.07	-0.09	0.02	0.03	-0.02
C_09	difficult navigation	0.09	0.25	-0.26	0.40	0.10
C_10	exclusively online	0.39	0.32	-0.10	-0.22	0.31
C_11	exclusively service retail	-0.04	-0.01	0.06	-0.02	0.00
C_12	expensive	-0.44	-0.76	0.20	-0.06	-0.02
C_13	free delivery	-0.65	-0.48	0.25	-0.13	0.17
C_14	generalized customer service	-0.01	-0.01	0.01	0.54	0.03
C_15	limited brand choice	-0.02	-0.01	0.02	-0.02	0.01
C_16	limited geographic scope of service	-0.07	-0.23	0.43	-0.18	-0.70
C_17	limited payment options	-0.01	-0.18	0.02	-0.33	-0.18
C_18	limited product choice	-0.99	-0.70	-0.17	0.03	0.44
C_19	limited product review	-0.02	0.01	0.04	-0.02	0.01
C_20	manufacturer warranty	-0.01	-0.01	0.03	0.61	0.03
C_21	more than just day-to-day products	-0.02	-0.01	0.02	-0.02	0.01
C_22	multinational presence	0.04	0.12	-0.18	0.03	0.41
C_23	neutral image	0.25	0.34	-0.36	-0.05	0.02
C_24	no additional payments	-0.17	-0.04	-0.01	0.02	0.16
C_25	no bidding options	-0.11	-0.09	0.13	0.08	0.05
C_26	no customer privacy	-0.04	-0.08	-0.01	-0.01	0.02
C_27	no customer reviews	-0.15	-0.04	0.36	-0.18	-0.48
C_28	no delivery options	-0.07	-0.22	0.05	-0.13	0.03
C_29	no delivery time commitment	-0.08	0.02	-0.01	-0.01	-0.05
C_30	no free returns	0.07	0.03	-0.06	0.12	0.04
C_31	no loyalty programme	0.10	0.41	-0.53	0.53	0.22
C_32	no price comparisons	-0.10	-0.07	0.07	-0.01	-0.02
C_33	no product offers	0.11	-0.33	0.08	0.09	0.00
C_34	no quality guarantee	0.19	0.49	0.36	-0.16	-0.15
C_35	no same day refund	0.70	0.38	-0.12	-0.02	-0.19
C_36	no seasonal offers	0.28	0.23	-0.02	-0.05	0.03
C_37	non-innovative products	0.05	0.18	0.14	-0.05	0.02
C_38	non-personal offers	0.05	0.10	-0.11	-0.09	0.00
C_39	non-trustworthy	0.17	0.48	-0.79	0.18	0.17
C_40	not popular	-0.28	-0.18	0.08	-0.01	-0.03
C_41	not product specific	-0.02	-0.01	0.02	-0.02	0.01
C_42	online customer service	0.89	0.84	0.14	-0.04	0.30
C_43	product/item non-comparison	0.00	-0.01	-0.04	-0.35	-0.18
C_44	simple search options	-0.15	0.00	0.22	-0.02	-0.03
C_45	worldwide sources	-0.02	-0.02	0.02	-0.02	0.01

Table 15: Principal component loading of the different elements (Varimax Rotation)

Element	Element name	PC_1	PC_2	PC_3	PC_4	PC_5
C_42	online customer service	0.89	0.84	0.14	-0.04	0.30
C_35	no same day refund	0.70	0.38	-0.12	-0.02	-0.19
C_07	customer needs registration	0.47	0.16	-0.11	-0.03	0.07
C_10	exclusively online	0.39	0.32	-0.10	-0.22	0.31
C_36	no seasonal offers	0.28	0.23	-0.02	-0.05	0.03
C_29	no delivery time commitment	-0.08	0.02	-0.01	-0.01	-0.05
C_32	no price comparisons	-0.10	-0.07	0.07	-0.01	-0.02
C_25	no bidding options	-0.11	-0.09	0.13	0.08	0.05
C_44	simple search options	-0.15	0.00	0.22	-0.02	-0.03
C_24	no additional payments	-0.17	-0.04	-0.01	0.02	0.16
C_40	not popular	-0.28	-0.18	0.08	-0.01	-0.03
C_13	free delivery	-0.65	-0.48	0.25	-0.13	0.17
C_18	limited product choice	-0.99	-0.70	-0.17	0.03	0.44
C_23	neutral image	0.25	0.34	-0.36	-0.05	0.02
C_34	no quality guarantee	0.19	0.49	0.36	-0.16	-0.15
C_37	non-innovative products	0.05	0.18	0.14	-0.05	0.02
C_26	no customer privacy	-0.04	-0.08	-0.01	-0.01	0.02
C_08	delayed delivery	-0.07	-0.09	0.02	0.03	-0.02
C_28	no delivery options	-0.07	-0.22	0.05	-0.13	0.03
C_33	no product offers	0.11	-0.33	0.08	0.09	0.00
C_05	corporate seller	-0.28	-0.48	0.00	0.14	-0.36
C_12	expensive	-0.44	-0.76	0.20	-0.06	-0.02
C_11	exclusively service retail	-0.04	-0.01	0.06	-0.02	0.00
C_19	limited product review	-0.02	0.01	0.04	-0.02	0.01
C_38	non-personal offers	0.05	0.10	-0.11	-0.09	0.00
C_22	multinational presence	0.04	0.12	-0.18	0.03	0.41
C_31	no loyalty programme	0.10	0.41	-0.53	0.53	0.22
C_39	non-trustworthy	0.17	0.48	-0.79	0.18	0.17
C_20	manufacturer warranty	-0.01	-0.01	0.03	0.61	0.03
C_14	generalized customer service	-0.01	-0.01	0.01	0.54	0.03
C_09	difficult navigation	0.09	0.25	-0.26	0.40	0.10
C_30	no free returns	0.07	0.03	-0.06	0.12	0.04
C_03	bad customer service	-0.04	-0.10	0.03	-0.06	-0.05
C_01	3rd party source	0.07	-0.17	0.01	-0.19	-0.22
C_02	bad categorization	-0.01	0.00	0.03	-0.25	0.00
C_17	limited payment options	-0.01	-0.18	0.02	-0.33	-0.18
C_43	product/item non-comparison	0.00	-0.01	-0.04	-0.35	-0.18
C_04	company as a seller	-0.02	-0.01	0.02	-0.02	0.01
C_06	country based offers	-0.02	-0.01	0.02	-0.02	0.01
C_15	limited brand choice	-0.02	-0.01	0.02	-0.02	0.01
C_21	more than just day-to-day products	-0.02	-0.01	0.02	-0.02	0.01
C_41	not product specific	-0.02	-0.01	0.02	-0.02	0.01
C_45	worldwide sources	-0.02	-0.02	0.02	-0.02	0.01
C_27	no customer reviews	-0.15	-0.04	0.36	-0.18	-0.48
C_16	limited geographic scope of service	-0.07	-0.23	0.43	-0.18	-0.70

Table 16: Principal component loading of the different elements (Varimax Rotation) Rearranged in declining order of loaded

As a further attempt to simplify the forty five elements, a multidimensional scaling analysis was attempted using ALSCAL algorithm supported by SPSS™ software. ALSCAL procedure uses dissimilarity data (distances as generated above) which are transformed into Euclidean distances to map the different constructs on two dimensional space. A map, set out in Figure 3 resulted after 34 iterations (with the process stopping as S-stress improvement became lower than 0.001).

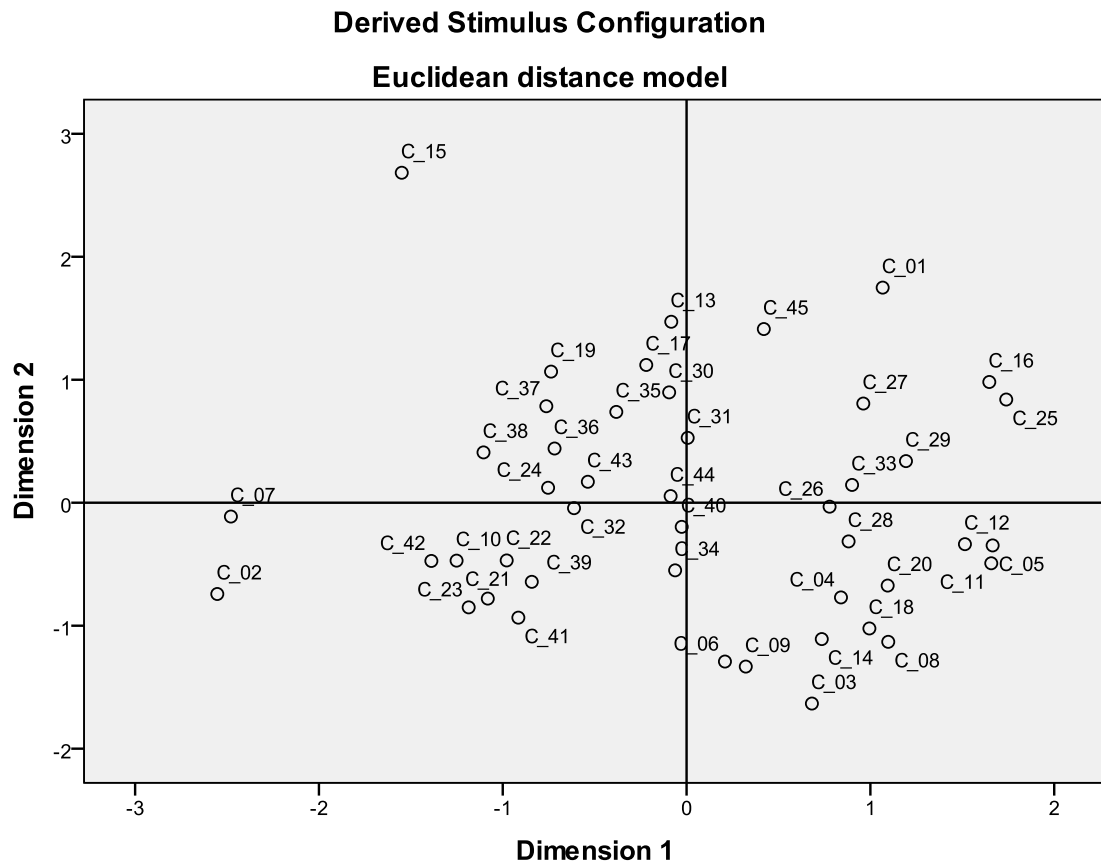


Figure 3 : Multidimensional scaling of elements' distance data (ALSCAL)

Although a number of constructs in Figure 3 can be seen to position themselves as clusters, a valid interpretation is still challenging. This inability to interpret element loadings from the statistical results obtained as well as clear clustering from the multidimensional scaling procedure above, led to a content analysis of the elements emerging from the interviews.

4.4.3 Content Analysis of Elements

The 45 constructs in the previous section were subject to an iterative categorization process where each construct was allocated to a category, following Jankowicz (2004). The iterations involved a stepwise categorization and reliability assessment through the collaboration of a colleague intended to assess inter-coder agreement³ at each stage.

³ Miles and Huberman (1994) and Jankowicz (2004) define inter-coder agreement or reliability as the proportion of constructs allocated on the same categories by both coders over the total number of constructs to be categorized.

Category	Definition	Pole 1	Code	Opposing pole	Total Constructs	Sum %
Spending & rewards	Perceived control on spending and availability of bargaining opportunity vs lack of control on spending and bargaining opportunity	expensive limited payment options no bidding options no price comparisons no product offers no seasonal offers no loyalty programme exclusively service retail limited brand choice limited product choice more than just day-to-day products not product specific non-innovative products		12 cheaper than most retailers 17 many payment options 25 bidding options 32 price comparison 33 individualized product offers 36 seasonal offers 31 loyalty programme	7	15.6%
Choice	Wide choice of offers available to consumer - including types of products or services, sources and brands vs no or narrow choices			11 service and product retail 15 wide brand choice 18 wide product choice 21 day-to-day products only 41 product specific 37 innovative products	6	13.3%
Assurance and safety	High level of safety and security perceived by buyer emerging from independent product review s. seller warranties, returns and refunds vs no or poor level of safety and security.	limited product review manufacturer warranty no customer review s no free returns no quality guarantee no same day refund		19 wide product review 20 manufacturer + retailer warranty 27 customer review s 30 free returns 34 quality guaranteed 35 same day refund	6	13.3%
Personalized service	Perceived exclusivity and availability of customer assistance and service vs no exclusivity or no availability of customer assistance	bad customer service generalized customer service exclusively online non-personal offers online customer service delayed delivery		3 good customer service 14 individualized customer service 10 offline and online shopping 38 personal offers 42 face-to-face customer service	5	11.1%
Delivery	All aspects of delivery including options, speed and charges vs no options, delays and free delivery	free delivery no additional payments no delivery options no delivery time commitment		8 same day delivery 13 delivery charges 24 additional payments for distance 28 delivery options 29 committed to delivery time	5	11.1%
Ease	Buyers' perceived ease of navigation involved in searching and choosing desired products or services vs difficult navigation	bad categorization customer needs registration difficult navigation product/item non-comparison simple search options		2 good categorization 7 no need for registration 9 easy navigation 43 product/item comparisons 44 detailed search options	5	11.1%
Reputation and trustworthiness	Site's reputation, image and perceived trustworthiness vs no reputation, unknown image or lack of trustworthiness	neutral image no customer privacy non-trustworthy not popular		23 good image 26 customer privacy 39 trustworthy 40 popular	4	8.9%
Geography	Wide geographic dimension of service availability vs narrow geographic scope	limited geographic scope of service multinational presence country based offers worldwide sources		16 global scope of service 22 national presence 6 non-country based offers 45 one country source	4	8.9%
Source	Source of merchandise and services sold on the site - includes notions of independent sellers or one corporate seller serving customers	3rd party source company as a seller corporate seller		1 own products 4 independent seller 5 many individual sellers	3	6.7%
					45	100%

Table 17: Summarizing emerging categories, definitions and constituting constructs

Initially, the 45 constructs were categorized in nine different categories, achieving a 75.6% inter-coder agreement. This subsequently climbed to 95.6% following two iterations, exceeding the commonly accepted minimum of 90% (Jankowicz 2004; Miles and Huberman 1994). A summary of the emerging categories, definitions and construing constructs is set out in Table 17.

A matrix of the average distances between the different categories was created using the inter-construct distances data (see section 0 and Table 13). This 9x9 matrix is set out in Table 18.

	Spending & rewards	Choice	Assurance and safety	Personalized service	Delivery	Ease	Reputation and trustworthiness	Geography	Source
Spending & rewards	1.143	2.636	2.750	3.143	2.375	1.833	3.000	2.700	2.778
Choice	3.000	0.471	3.000	4.444	1.500	3.500	3.125	3.000	3.125
Assurance and safety	2.778	4.125	0.200	2.222	3.250	2.375	2.857	2.000	2.333
Personalized service	3.300	2.786	2.571	0.556	2.833	2.333	2.300	3.111	3.538
Delivery	2.400	2.455	1.333	4.000	0.333	3.000	2.833	3.333	2.500
Ease	2.875	2.000	3.000	2.300	2.800	0.667	2.500	3.000	3.200
Reputation and trustworthiness	2.750	2.833	3.000	1.500	2.500	1.000	0.417	4.000	4.000
Geography	0.000	3.833	--	2.500	2.000	--	4.500	0.625	2.000
Source	0.500	3.571	2.500	5.000	1.500	2.000	2.333	2.400	0.667

Table 18: Inter-category distances matrix

Because each category is composed of different constructs, the distances between the same categories could never equate to 0.000 as these include distances between the different constructs constituting the same category. However, the lowest distances in the entire matrix take a diagonal pattern (i.e. distances within the same category) are evidence of the reliability between coders and the meaning research participants attributed to the different categories of constructs.

The matrix data in Table 18 was subject to two SPSS™ analytic approaches:

A multidimensional scaling involving an ALSCAL approach;

Principal component extraction and factor analysis to group the different categories into factors.

Figure 4 sets out the output from the ALSCAL procedure (8 iterations before convergence reached when S-stress improvement became less than 0.001) showing how research participants see reputation and trustworthiness, as well as ease of navigation as close properties of an e-commerce web site. Participants also see delivery of products purchased, sources of these products and features that enable buyers to control their spending (or indeed offer bargaining opportunities) as closely related. The geographic scope of an ecommerce site as well as features assurance and safety are also seen by research participants as closely related.

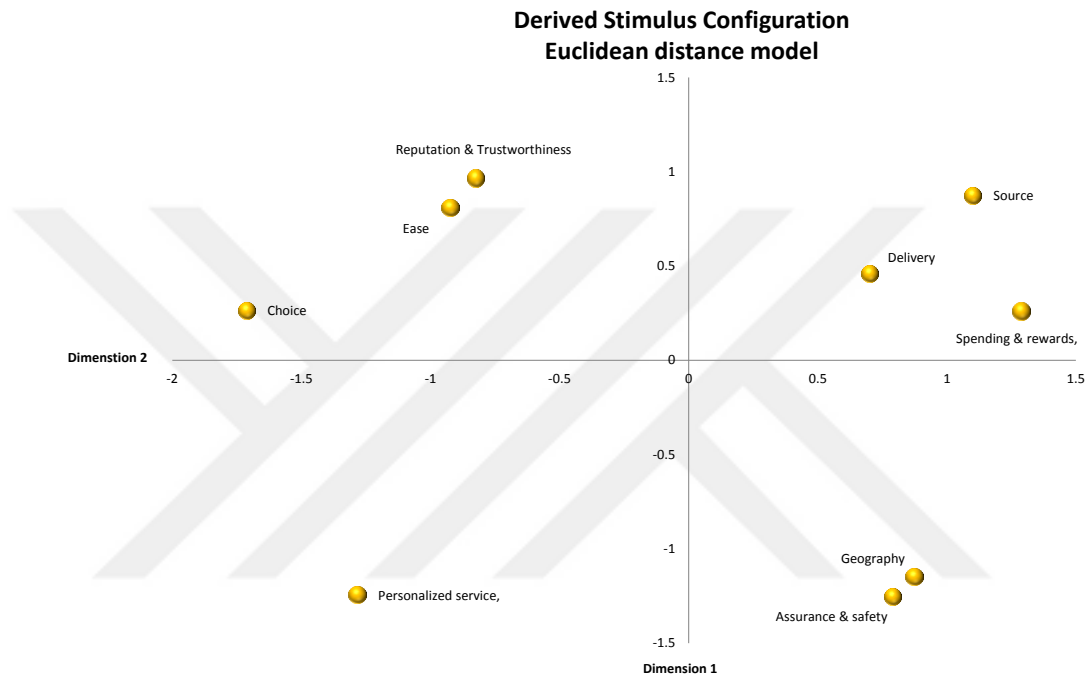


Figure 4 : Derived stimulus configuration from ALSCAL Procedure (Multidimensional scaling of matrix data)

At a further level of interpretation, principal component extraction of the inter-category differences followed by Varimax rotation and Kaiser normalization suggested three key dimensions on which these categories could be differentiated. This model accounts for 84.5% of the variation within the nine categories (Table 19) and explained by three dimensions (Table 20).

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	3.625	40.272	40.272	3.625	40.272	40.272	2.663	29.585	29.585
2	2.324	25.817	66.090	2.324	25.817	66.090	2.487	27.631	57.216
3	1.652	18.359	84.448	1.652	18.359	84.448	2.451	27.232	84.448
4	.904	10.044	94.493						
5	.224	2.487	96.980						
6	.180	2.001	98.981						
7	.092	1.019	100.000						
8	1.093E-16	1.214E-15	100.000						
9	-1.587E-16	-1.764E-15	100.000						

Extraction Method: Principal Component Analysis.

Table 19: Total variance explained by principal component extraction model

Rotated Component Matrix ^a			
	Component		
	1	2	3
Spending & rewards	.938	.113	.165
Source	.843	.468	-.137
Personalized service	-.796	.078	.541
Geography	.307	.846	-.186
Assurance and safety	-.082	.828	-.202
Choice	-.201	-.705	-.575
Ease	-.021	-.151	.893
Reputation and trustworthiness	-.144	-.425	.750
Delivery	.525	-.383	-.588

Extraction Method: Principal Component Analysis.
Rotation Method: Varimax with Kaiser Normalization.

a. Rotation converged in 8 iterations.

Table 20 : Rotated component matrix of the 9 category distances matrix

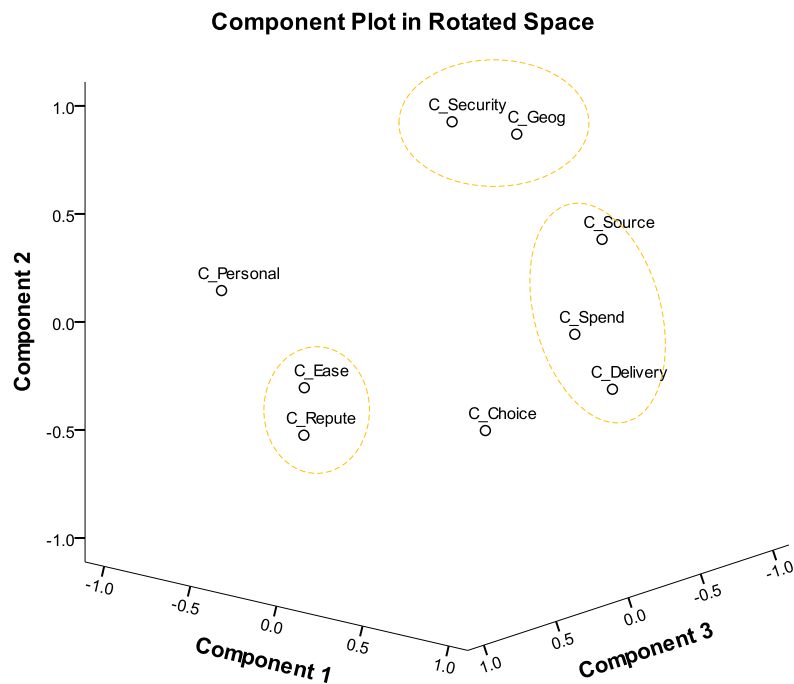


Figure 5: Component plot in rotated space for 9 category distances matrix

The above analysis suggests that research participants see sources of products as well as an ecommerce's web site features for the buyer to control spending and exploit bargaining opportunities as closely held dimensions in distinguishing between the different ecommerce web sites experienced. *"Comparing items and products in a*

website give better ideas about better product and better price, participant 1", and "*When I compare product prices, I can find cheaper options for me, participant 4*". Geographic scope of the e-commerce's web site as well as the assurance and safety in buying perceived by research participants is a further way on which people distinguish between the different ecommerce web sites "*the website that I used operate only in Latin America, participant 9*" and "*When I compared Amazon, ebay and Sideshops, Sideshops only operate in the USA, Participant 5*". In a similar fashion, research participants see reputation and trustworthiness of an ecommerce web site as well as the ease of navigation offered as closely held dimensions. "*With some websites, it is really difficult to find something, participant 6*" and "*if I do not trust a website, I never buy from there, participant 8*".

Although the delivery options offered by ecommerce web sites are seen as close to the sources of products as well as an ecommerce's web site features for controlling spending and exploit bargaining opportunities, participants also hold delivery options as inversely related to ease of navigation, reputation and trustworthiness categories. "*sometimes you need product urgently and they can do same day delivery and you can go and collect your product from their street shop, participant 10*". The provision of personalized approaches by an ecommerce web site is also linked somewhat closely to ease of navigation and a sites reputation and trustworthiness, albeit inversely related to spending and rewards as well as product sources. The availability of a wide choice of products is also held as inversely related to an ecommerce's geographic scope, assurance and safety, ease of navigation as well as reputation and trustworthiness.

4.5 Value Attached to Constructs

A final step in this investigation involved the assessment of the perceived importance (value) of the different emergent constructs contributed by research participants – collected in this study as a score on a Likert type scaling⁴ for each construct contributed by participants. A summary of the different levels of importance across the different constructs is set out in Table 21, showing that fifteen different attributes featured a maximum level of importance.

By contrast, two attributes featured as the least important attributes: "company as seller" and "no customer privacy", with both constructs featuring the lowest importance score. An analysis of means (ANOVA) suggests that variation in the participants'

⁴ Five point Likert type scales where 1 = not important at all and 5 = very important

perceived level of importance for the different constructs is significant ($p < 0.05$, $F = 2.216$). Using the same approach, the mean importance score was calculated for the aggregating categories, summarized in Table 22.

While the mean importance score was high (mean = 4.07), this analysis shows that delivery, assurance and safety as well as ease of navigation feature as the more important characteristics as perceived by research participants, whereas sources of products sold over the ecommerce website remain as the least important aspect. The observed differences in responses are significant ($p < 0.05$, $F = 3.389$).

A perceptual map based on the category Euclidean distances and the category's average perceived importance is set out Figure 6. This map shows that any of the two distinguishing dimensions between the different construct categories could not be attribute to a specific direction in value as a variable. Neither can any quadrant within the perceptual map be attributed to represent specific levels of value.

Importance of Attribute							
Emergent Construct	Mean	N	Std. Deviation	Minimum	Maximum	Kurtosis	Skewness
3rd party source	3.67	3	.577	3	4	.	-1.732
bad categorization	4.00	1	.	4	4	.	.
bad customer service	5.00	1	.	5	5	.	.
company as a seller	1.00	1	.	1	1	.	.
corporate seller	3.00	6	1.414	1	5	-.300	.000
country based offers	5.00	1	.	5	5	.	.
customer needs registration	5.00	1	.	5	5	.	.
delayed delivery	5.00	1	.	5	5	.	.
difficult navigation	4.60	5	.548	4	5	-3.333	-.609
exclusively online	4.00	8	.535	3	5	3.500	.000
exclusively service retail	4.00	1	.	4	4	.	.
expensive	4.50	2	.707	4	5	.	.
free delivery	5.00	3	.000	5	5	.	.
generalized customer service	5.00	1	.	5	5	.	.
limited brand choice	4.00	1	.	4	4	.	.
limited geographic scope of service	4.00	3	1.000	3	5	.	.000
limited payment options	4.00	3	1.000	3	5	.	.000
limited product choice	3.63	8	1.188	2	5	-1.229	-.394
limited product review	3.00	1	.	3	3	.	.
manufacturer warranty	5.00	1	.	5	5	.	.
more than just day-to-day products	2.00	1	.	2	2	.	.
multinational presence	4.00	1	.	4	4	.	.
neutral image	3.00	1	.	3	3	.	.
no additional payments	5.00	1	.	5	5	.	.
no bidding options	2.67	3	2.082	1	5	.	1.293
no customer privacy	1.00	1	.	1	1	.	.
no customer reviews	4.67	3	.577	4	5	.	-1.732
no delivery options	4.50	4	1.000	3	5	4.000	-2.000
no delivery time commitment	5.00	1	.	5	5	.	.
no free returns	5.00	2	.000	5	5	.	.
no loyalty programme	3.00	1	.	3	3	.	.
no price comparisons	4.00	1	.	4	4	.	.
no product offers	5.00	2	.000	5	5	.	.
no quality guarantee	4.00	1	.	4	4	.	.
no same day refund	5.00	1	.	5	5	.	.
no seasonal offers	4.50	2	.707	4	5	.	.
non-innovative products	4.00	1	.	4	4	.	.
non-personal offers	3.50	2	.707	3	4	.	.
non-trustworthy	5.00	7	.000	5	5	.	.
not popular	5.00	1	.	5	5	.	.
not product specific	3.00	1	.	3	3	.	.
online customer service	4.67	6	.516	4	5	-1.875	-.968
product/item non-comparison	5.00	1	.	5	5	.	.
simple search options	4.00	1	.	4	4	.	.
worldwide sources	2.00	2	1.414	1	3	.	.
Total	4.07	100	1.121	1	5	.901	-1.236

Table 21: Summary of research participants' attributed importance to the different emergent constructs

Importance of Attribute									
Category	Mean	N	Std. Deviation	Minimum	Maximum	Kurtosis	Skewness		
Spending and rewards	3.93	14	1.269	1	5	.729	-1.165		
Choice	3.54	13	1.050	2	5	-.936	-.374		
Assurance and safety	4.56	9	.726	3	5	1.467	-1.501		
Personalized service	4.28	18	.669	3	5	-.564	-.382		
Delivery	4.80	10	.632	3	5	10.000	-3.162		
Ease	4.56	9	.527	4	5	-2.571	-.271		
Reputation and trustworthiness	4.40	10	1.350	1	5	4.765	-2.277		
Geography	3.57	7	1.397	1	5	1.007	-.974		
Source	3.00	10	1.333	1	5	-.748	-.352		
Total	4.07	100	1.121	1	5	.901	-1.236		

Table 22: Summary of research participants' attributed importance to emergent constructs aggregated in categories

ANOVA Table							
			Sum of Squares	df	Mean Square	F	Sig.
Importance of Attribute * Category	Between Groups	(Combined)	28.581	8	3.573	3.389	.002
	Within Groups		95.929	91	1.054		
	Total		124.510	99			

Table 23: NOVA summary: Research participants' attributed importance to the different emergent constructs aggregated in categories

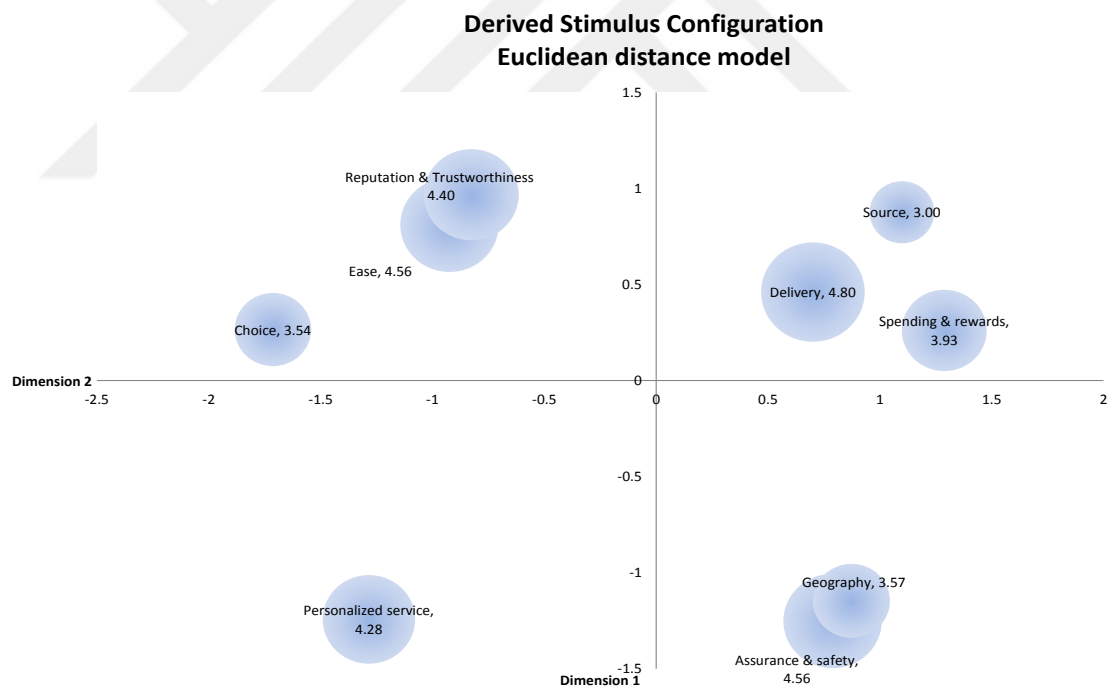


Figure 6: Derived stimulus configuration from ALSCAL Procedure with average perceived value for each category

4.6 Summary

This chapter described how the qualitative data captured through repertory grid approach was transformed into quantitative variables that enabled subsequent statistical treatment. It showed how different emerging constructs were simplified into a series of nine categories which research participants use to distinguish between ecommerce websites. An appraisal of the perceived importance (and value) of each category is set out, showing how delivery of products purchased from ecommerce websites, assured and safe transactions as well as ease of navigation are key characteristics on which research participants judge their experience in buying from ecommerce websites. By contrast, sources of merchandise offered by ecommerce websites is considered as the least important among the emerging categories, although used by research participants as a differentiator between ecommerce websites.

5 CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter is conducted to sets out below topics;

- Conclusions derived from data analysis,
- Recommendations to practitioners,
- Limitations of the study,
- Opportunities for future research.

This chapter start with conclusions derived from data analysis and follows with recommendations, limitations and opportunities.

5.2 Conclusions

With the development of the usage of the internet and digital technologies, online retailing is the one of the most significant developments in business in recent years. Online retailers increasingly utilized online platforms to sell their products and services, whereas, online shoppers also utilize online platforms to purchase wide range of products and services. At the same time, online platforms enable consumers to compare products/services from different retailers in terms of price, quality etc.

In an electronic commerce environment, alternative suppliers are just a few clicks away encouraging consumer to compare competing products, services and prices. Despite the rapid growth in e-market, e- commerce will be more competitive. Online retailers will challenge in growth and survive.

Customer value is one of the most important factors of success in electronic market. Among all the competitors, online consumers most likely to choose online retailers which offered best value for them.

The literature review provides us that customer value has been investigated many authors with qualitative and quantitative approaches. To achieve the research objectives, repertory grid approach is used in this study to minimize researcher's influence on respondents.

To investigate the factors that consumer relates as value, researcher used qualitative data captured through repertory grid analysis and transformed into quantitative variables to enable to obtain statistical results.

One of the major purposes of this study is to investigate customer value from customer perspective without influence of researcher on participants. Using repertory grid analysis provides us to achieve this objective.

The other objective of study is to investigate most preferred online retailers' attributes. Results of analysis set out forty-five different attributes that customers describe to differentiate online retailer from each other. Each forty-five attributes have different level of importance for online customers. Table 21 shows fifteen attributes are featured with the maximum level of importance between forty-five attributes. The attributes with the maximum level of importance also provide us the most preferred online retailers' attributes.

The other objective of this study is to investigate the factors create value for online shoppers. The literature review shows that researchers have conceptualized value in terms of price-quality/utility/benefit. Online shopping values are classified as utilitarian (price savings, service excellence, time savings, and merchandise selection) and experiential value (entertainment, visual, escape, interaction) (Lee & Overby, 2004). Results of analysis show that 'delivery', 'assurance and safety' and 'ease of navigation' are featured more important attributes for online consumers, whereas, 'company as a seller', 'no customer privacy' and 'source of products' are featured the least important attributes among others. Comparing online shopping values and findings from analysis provide that more important online retailers' attributes can be classified under utilitarian value such as:

- Price savings: 'delivery'
- Service Excellence: 'assurance and safety'
- Time Savings: 'delivery' and 'ease of navigation'
- Merchandise Selection: 'ease of navigation'

Nonetheless, while the data collection, researcher asks only the importance level of construct to research participants part from semi structured interview. A questions such as *'why this attributes important for respondents?'* enable us to relate findings with experiential online shopping values. However 'interaction' under the experiential value refers customer interaction with each other while online shopping values. Thus, 'assurance and safety' can be related with 'interaction' experiential value.

Analysis of literature review shows that customer value is related using product and services and customer value is perceived by customers rather than provided by retailers (Zeithaml, 1988; Woodruff 1997; Kotler and Armstrong 2011). This shows two points where the literature review and research findings fit together. First, research findings analyse consumer value in their previous experience and in literature review relate customer value with using product and services. Secondly, with the same retailers and same constructs, participants ranked with different numbers. It shows that value is perceived by consumer rather than provided by seller.

5.3 Recommendations

In electronic commerce, start-up a business is not difficult, however, survive and growth are the biggest challenges for online retailers. Online retailers should acquire new customers and keep existing customers loyal with website for success in e-commerce.

Result of analysis sets out that 'ease of navigation', 'delivery', 'assurance and safety' are more important attributes than others attributes. These three attributes include different constructs which are identified by interviewees, as it is shown Table 17.

The constructs that identified by interviewees and summarized under the 'assurance and safety' follows:

- Product Review
- Manufacture Warranty
- Customer Review
- Quality Guarantee
- Same Day Refund

Lack of physical experience is the biggest challenges for online shoppers. Unless retailers have off-line shops, online shoppers are not able to physically test desired

products. This may cause disappointment for online shoppers and not satisfied consumers for online retailers in terms of product quality and size. 'Product review' and 'customer review' give information and other customer's review to online shoppers about product before they purchase it.

In some terms, online shoppers are not happy with the products and they may want to refund. Under these conditions 'same day refund' is important attributes for online shoppers.

Ease of reach to the products/services one of the factors that encourages consumers for online shopping. The constructs that identified by respondents and classified under the 'ease of navigation' follows:

- Product categorization
- Registration
- Website Navigation
- Product Comparison
- Detailed Search Options

The advantage of not to have physical store provides online retailers to sell wide range of products. It may bring some difficulties for online shoppers to find desired products. 'Product categorization', 'website navigation' and 'detailed search options' enable consumers to easily reach the desired products.

'Product comparison' provide online shoppers to distinguish different brand's products and different products of same brands in terms of quality, price etc. 'Product comparison' aid online consumers to choose the best options in order to meet their wishes.

Delivery is the one of the basis of online retailing. 'Delivery' provides to operate in different geographical places without open a physical store. Respondents identified following constructs based on their experiences;

- Same Day Delivery
- Free Delivery
- Additional Payment

- Delivery Options (Time)
- Commitment Time for Delivery

Between above constructs two factors for delivery stand out; time and cost.

'Same day delivery', 'delivery options' and 'commitment time for delivery' show the importance of time for 'delivery'. For the daily products and some urgent needs of other products 'same day delivery' is an important factor for online shoppers. Nonetheless, availability of online shoppers at the delivery times makes 'delivery options (time)' and 'commitment time for delivery' important for online shoppers.

To sum up, start up a business in e-market is not difficult, however, growth and survive in e-market biggest challenges for online retailers. The above attributes set out online consumer desire from online retailers. Online retailers should consider these attributes in order to achieve customer satisfaction.

Amazon and ebay are two world-wide online retailers. During the interviews each participant noted that they have shopped from amazon. Regarding of participants nationality, I can say that amazon and ebay most preferred online retailers. Amazon and ebay differentiate from other online retailers in terms of wide product range, independent retailers, product comparisons, and website navigation and delivery options. However, research participant notes that product comparisons, website navigation and delivery options are more important attributes for online retailers. In order to compete with amazon and ebay, online consumers should develop these attributes.

5.4 Limitations

The repertory grid interviews related to emerging constructs only, requiring the analysis of forty five different constructs from the analysts' point of view to condense down to a manageable handful of categories. Although a level of inter-rater reliability was obtained (indicating repeatable interpretation of constructs into categories), the interpretation of interviewee contributed constructs remains entirely within the researchers' domain without any opportunity for interviewees to corroborate or validate the researchers' own interpretations. This limitation also meant that enhanced quantitative approaches in analysing grids separately and cumulatively could not be employed, limiting the interpretational power of the method.

The repertory grid method employed required interviewees to attribute a property (construct) as a common factor between different elements, rather than as a pole to

rank or rate different elements. This approach also limited the potential quantitative approaches that could have enabled better statistical mapping of the different constructs as contributed by research participants.

The sample is composed of persons aged between 24 and 29 years. This is clearly a narrow segment in terms of ages of e-commerce consumers, whose ages range much wider. Equally, the small number of participants, which is customary in repertory grid methods (Alexander et al. 2010; Hair et al. 2009; Jankowicz 2004; Smith 1980) does not allow the findings established in a quantitative approach to be generalized to the population of ecommerce users, unless further research is undertaken in the area.

The participants of this study are chosen from four different nationalities (5 Colombian, 3 Turkish, 1 Pakistan, and 1 Uzbekistan). This is a narrow geographic segmentation of online shoppers. Online retailers, such as Amazon and ebay, operate different part of the world; data derived from respondents may not be valid.

5.5 Opportunities for Future Research

Repertory grid technique is used for this study. With this approach, researchers are not able to validate interpretation of interviewees. For the future studies, use of qualitative approach enables to discover experience more deeply. Nonetheless, use of quantitative approaches provides to prioritize the characteristics of experiences.

Participants of this study are chosen in the UK, between 24-29 years old and four different nationalities. Nonetheless, ten respondents are chosen for this study. The data derived from participants are not able to generalise worldwide. For the future studies, participants may be chosen from different age group, different countries and more different nationalities. Wider age and country segmentation with more participants provide more valid data for researcher.

5.6 Learning

Every single job is a project and time is a restrict factor for project management. The first and most important thing that I learn from this project is 'time management'. Even though a time table was given before starting the dissertation, following the timetable and complete dissertation by given time are the biggest challenges that I have experienced during my dissertation.

I used repertory grid technique for my dissertation which is not used before in Glyndwr University. With repertory grid techniques, I used semi-structured interview to collect data from participants and quantitative approaches to analyse data.

For the data analysis process, I used SPSS and IdioGrid software to convert data into meaningful for my dissertation.

During the literature review, I have searched journal, books and search agent websites in order to collect data. I have gained depth knowledge about consumer value and online retailing.



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