Online Relationship Quality: Does It Increase Repurchase Intention from Private Shopping Sites?

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Abstract
Private shopping sites became popular in most of the countries in recent years. Turkey was also affected from this trend and the number of private shopping sites increased rapidly. But nowadays some of them began to close up and had to stop their operations. So, to find ways for keeping and maintaining the relationships with their customers gained more importance. This study, tries to understand how online relationship quality affects repurchase intentions of online consumers from private shopping sites. Besides, the study covers the effect of online service quality on online relationship quality. A model was proposed to test the hypothesized relationships and the model was applied to 250 online consumers who bought a product from a private shopping site in the last 12 months. The results showed that the online relationship quality positively affects repurchase intention from private shopping sites. Moreover, online service quality has a positive and strong effect on online relationship quality.

Keywords: Private Shopping Sites; Online Service Quality; Online Relationship Quality; Repurchase Intention; Structural Equation Modeling

JEL Classification: M31

Introduction
Online retailing is the new channel for consumers nearly in all countries for shopping. It became the biggest rival of traditional channels. Today, more and more businesses are adapting to this way of shopping in order to interact with their customers and take place in the competition. The big rise of online retailing provided a lot of opportunities for companies. As a consequence, the popularity of online retailing is also growing rapidly among customers in all sectors (Rafiq et al., 2013). Those new developments in the online marketing era inspired new ways of shopping in electronic channels. One of those are the private shopping sites which provide discounted offers for various items and has a big contribution to online retailing also in Turkey.

This way of shopping became popular both for entrepreneurs and consumers, but there are many challenges for the seller part. Since there is an intense competition between online
retailers, they should be concerned with encouraging the customers to purchase from their websites, but more importantly they should encourage them to repurchase, which is critical for their continuous success. Since gaining new customers is always more expensive than retaining the existing ones and also repurchase intention is considered to have a more direct effect on profit (Zhang et al., 2011).

Attracting customers to shop online and also to repurchase in this highly competitive environment is not easy. E-businesses with experience in using electronic channels are beginning to realize that the key determinants of success and failure are not solely web site presence and low price (Lee and Lin, 2005). So, the online retailer has to consider many factors. Service quality and relationship quality are both important factors for creating effective relations with customers. This study, tries to investigate the effects of online service quality and online relationship quality on online repurchase intention from private shopping sites in Turkey.

1. CONCEPTUAL BACKGROUND AND RESEARCH HYPOTHESES

The model as illustrated in Figure 1 intended to explain the consumers repurchase intentions in online private shopping sites. The key factor; online relationship quality is thought to affect repurchase intention from a private shopping site. Website service quality or online service quality is included to the model as antecedent of online relationship quality. A set of hypotheses developed based on a review of the related literature as discussed in the following section.

**Figure 1. Research Model**

1.1. **Online Service Quality**

Service quality is a widely studied construct for years by many researchers both in the offline and online context (Parasuraman et al., 1985; Parasuraman et al., 1988; Woodside, Frey and Dely, 1989; Bolton and Drew, 1991; Cronin and Taylor, 1992; Cai and Jun, 2003; Parasuraman et al., 2005; Lee and Lin, 2005; Sousa and Voss, 2012; Zhang et al., 2014). Cronin and Taylor (1992) argued that “service quality is an elusive and abstract construct that is difficult to define and measure”. SERVQUAL scale which was developed by Parasuraman et al. (1988) was widely used in order to measure service quality perceptions of people. It was tested several times in different service settings. But, today the dimensions of this scale are not directly related to online shopping and it became insufficient for measuring online service quality.

Online service quality is defined as “the extent to which a web site facilitates efficient and effective shopping, purchasing, and delivery of products and services” by Parasuraman et al. (2005). During the last 15 years, this time, studies began for adapting and developing scales to
measure the online service quality perceptions of consumers. Zeithaml et al. (2000) pioneered the researches on online service quality and developed e-SERVQUAL as an updated version of the traditional SERVQUAL for measuring electronic service quality. After their study, many other researchers developed and presented various models for measuring online service quality (Zhang et al., 2014). Another scale was developed by Loiacono et al. (2002) entitled WebQual. In 2003 Wolfinbarger and Gilly developed a scale called eTailQ for measuring the e-retailers quality through a study. Then Parasuraman et al. (2005) suggested another measurement tool for e-service quality called E-S-QUAL, they extended and refined the SERVQUAL scale for online settings (Su et al., 2008). Based on customers’ experiences perspective and their evaluations each research and scale had its own dimensions.

Service quality was found to be an important predictor for many constructs in the literature. One of them is relationship quality. In the literature, the relationship between service quality and relationship quality was explored several times (Keating et al., 2010; Chu et al., 2012). Since the increase in the number of private shopping websites gave the consumers the opportunity to enjoy various online services, the relationship between service quality and relationship quality worth considering. So, online service quality became an important part of relationship marketing and this had led companies to shift their focus on online services in order to establish long term relationships with their customers (Jin et al., 2011). Online service quality is expected to be a positive predictor of online relationship quality in this study.

**H1:** Consumers’ perception of online service quality has a positive effect on online relationship quality.

### 1.2. Online Relationship Quality

Building strong and long lasting relationships with consumers is an important issue in marketing. Especially in the holistic marketing concept, which is the newest approach to marketing, relationship marketing is one of the key components. In relationship marketing, the important thing is not only building relationships, but also maintaining and enhancing the relationships are required (Rao, 2011). Since, customers in such relationships are more willing to purchase more, to pay more and become more emotionally attached (Rafiq et al., 2013).

One of the important results of relationship marketing research is relationship quality. The relationship quality approach is one of the most promising approaches in the literature (Hennig-Thurau et al., 2002). According to Zhang et al. (2011), even relationship quality concept had been tested in various contexts, the definitions regarding to this term remained different. Hennig-Thurau et al. (2002; 234) defined the relationship quality as a “metaconstruct that is composed of several factors which reflect the overall nature of relationship between companies and consumers”. More specifically the relationship quality construct mostly focuses on the relationship’s general nature, and it is an overall assessment of the relationship’s strength (Palmatier et al., 2006; Jin et al., 2011).
When the previous interactions between the company and the customer was favorable, then the relationship between them is considered to have a good quality. Good relationship is a result of the buyers’ satisfaction and the trust to the relationship with the company (Shahrokh et al., 2013). In the literature, researchers list some key components of relationship quality. Although the components of relationship quality mostly vary from one study to another, several researchers agree on the key components of this multidimensional construct in the traditional setting (Palmatier et al., 2006; Brun et al., 2014). They are summarized as; satisfaction with the service provider’s performance, commitment to the relationship with the service firm and trust in the service provider (Hennig-Thurau et al, 2002). So, relationship quality construct is reflected as the combination of satisfaction, trust and commitment (Palmatier et al., 2006).

With the rise of the Internet, it became an important part for building relationship. It enabled more interaction with the customers. So, building strong relationship with the customers is an important part for the success of online service providers because there is an increasing number of websites that the customers could make choices from. From this point of view, companies operating online should give more importance to e-service to establish long term relationships with their customers and to increase repeat purchases (Jin et al., 2011). So, similar with the traditional setting, satisfaction, trust and commitment could be behaved as the most important and prevalent components also for the online context (Brun et al., 2014).

Relationship quality was found to be a significant predictor for repurchase behavior both in the traditional and online context (Kim and Cha, 2002; Keating et al., 2010; Zhang et al., 2011; Shahrokh et al., 2013). Online relationship quality is expected to be a positive predictor of repurchase intention in this study.

H2: Consumers' perception of online relationship quality has a positive effect on repurchase intention from private shopping sites.

2. RESEARCH METHODOLOGY
2.1. Sample and Data Collection

The data were collected through a web-based survey. This way of research was conducted because web-based survey was the most appropriate way for reaching the customers that used the online private shopping sites for buying products. More specifically, the sample frame of this study was comprised of the customers who used an online private shopping site operating in Turkey at least one or two times to perform online shopping in the last 12 months. The survey was conducted at the beginning of January in 2015. The participants of the survey were told that the survey was held for academic purposes.
2.2. Measures

All the constructs of the model were measured using multiple items validated scales obtained from the past literature. Except the demographic and private shopping sites usage pattern variables all of the items were assessed using a five-point Likert scale ranging from “strongly disagree” to “strongly agree” (1=strongly disagree, 2=disagree, 3=neither agree nor disagree, 4=agree, 5=strongly agree). Based on Parasuraman et al. (2005) E-S-Qual scale, 22 items were used to measure the service quality of the private shopping site. Online relationship quality was measured using 17 items, which were adapted from Brun et al. (2014) and Rafiq et al. (2013). Similarly a repurchase intention scale was adapted from the scale of Tsai and Huang (2007). All of the constructs used in this study were adapted from existing scales and translated to Turkish.

3. ANALYSIS AND RESULTS

A two stage analytical approach was used in order to analyze the data. At first, confirmatory factor analysis was conducted to assess the measurement model. Second, for testing the effects, structural model was examined.

3.1. Sample Profile

The questionnaire was completed online by 250 respondents. Table 1 shows the respondents’ demographic profiles. Out of the 250 respondents 55.2% were female and 44.8% were male. The ratio of women using the Internet for shopping purposes increased after the private shopping sites emerged in Turkey. Because those sites mostly sell outfit, women are more interested in shopping from the private shopping sites. The respondents were well-educated, with about 53.2% holding a college degree or MS/PhD. The ages of the respondents ranged from 18 to over 50 years. Most of the respondents were between the ages 26-33 (33.2%), followed by 34-41 (31.6%).

<table>
<thead>
<tr>
<th>Measure</th>
<th>Items</th>
<th>Frequency</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td>Female</td>
<td>138</td>
<td>55.2</td>
</tr>
<tr>
<td></td>
<td>Male</td>
<td>112</td>
<td>44.8</td>
</tr>
<tr>
<td>Age</td>
<td>18-25</td>
<td>77</td>
<td>30.8</td>
</tr>
<tr>
<td></td>
<td>26-33</td>
<td>83</td>
<td>33.2</td>
</tr>
<tr>
<td></td>
<td>34-41</td>
<td>79</td>
<td>31.6</td>
</tr>
<tr>
<td></td>
<td>42-49</td>
<td>8</td>
<td>3.2</td>
</tr>
<tr>
<td></td>
<td>&gt;50</td>
<td>3</td>
<td>1.2</td>
</tr>
</tbody>
</table>
The sample covered a broad collection of online private shopping sites, with the four most frequently visited shopping sites being (1) Markafoni (44.4%; n = 111); (2) Trendyol (25.6%; n = 64); (3) Morhipo (12%; n = 30); and (4) Limango (10%; n = 25).

3.2. Measurement Model

First of all the reliabilities and construct validities of the measures were checked by using confirmatory factor analysis (CFA). The purpose of testing the CFA model was to reach acceptable levels of convergent and discriminant validities of the constructs. These two types of validity are often used to assess construct validity (Broekhuizen, 2006).

The items of each construct which have 0.6 and above standardized regression weight values, were examined in order to improve the model. Items that have loadings which are lower than 0.6 were dropped from the model. Seven items (three items from efficiency, two items from system availability, one item from fulfillment, and one item from privacy) from website service quality construct, six items (five items from trust and one item from satisfaction) from online relationship quality construct and one item from repurchase intention were deleted. After this process, it was seen that there were high correlations between the efficiency and system availability dimensions of E-S-qual, so these dimensions were combined to form one dimension according to Kline’s (2005) suggestion. The problem was solved after this process and the model was re-examined. The final model’s fit were assessed on a number of fit indices and the CFA model showed an acceptable fit to the data: $\chi^2/df$ ratio=2.37; GFI= 0.815; IFI=0.938; CFI=0.937; NFI=0.897; RMSEA=0.074.

For testing the convergent validity, each item in the model should have significant factor loadings, the reliabilities of each construct should exceed the recommended level 0.70 and lastly the average variances extracted (AVE) for each construct should exceed the threshold value which is 0.50. (Hair et al., 2010). All of the factor loadings were significant and all were greater than 0.70. the reliabilities of each construct were all greater than 0.70 and AVEs for each construct were greater than 0.50. Table 2 shows the number of items, composite reliabilities and AVE values in the final measurement model.
<table>
<thead>
<tr>
<th>Construct</th>
<th>Number of Items</th>
<th>Composite Reliability</th>
<th>AVE (Average variance extracted)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Efficiency and System Availability</td>
<td>7</td>
<td>0.945</td>
<td>0.712</td>
</tr>
<tr>
<td>Fulfillment</td>
<td>6</td>
<td>0.940</td>
<td>0.722</td>
</tr>
<tr>
<td>Privacy</td>
<td>2</td>
<td>0.895</td>
<td>0.810</td>
</tr>
<tr>
<td>Trust</td>
<td>5</td>
<td>0.936</td>
<td>0.745</td>
</tr>
<tr>
<td>Satisfaction</td>
<td>3</td>
<td>0.902</td>
<td>0.754</td>
</tr>
<tr>
<td>Affective Commitment</td>
<td>3</td>
<td>0.921</td>
<td>0.795</td>
</tr>
<tr>
<td>Repurchase Intention</td>
<td>3</td>
<td>0.916</td>
<td>0.783</td>
</tr>
</tbody>
</table>

Discriminant validity was assessed by having the square roots of AVE of each construct greater than the correlation of any specific construct with any of the other constructs. Table 3 shows the correlations between variables. The square root of AVE for each construct that are located on the diagonal were higher than the correlations between it and the other constructs. The AVE exceeded all combinations of shared variances for each comparison. So, it could be assessed that all constructs showed discriminant validity.
Table 3. Correlation between Constructs

<table>
<thead>
<tr>
<th></th>
<th>Privacy</th>
<th>Efficiency and System Availability</th>
<th>Trust</th>
<th>Fulfillment</th>
<th>Affective Commitment</th>
<th>Repurchase Intention</th>
<th>Satisfaction</th>
</tr>
</thead>
<tbody>
<tr>
<td>Privacy</td>
<td>0.900</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Efficiency and System Availability</td>
<td>0.732</td>
<td>0.844</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trust</td>
<td>0.841</td>
<td>0.837</td>
<td>0.863</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fulfillment</td>
<td>0.724</td>
<td>0.828</td>
<td>0.848</td>
<td>0.849</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Affective Commitment</td>
<td>0.720</td>
<td>0.689</td>
<td>0.691</td>
<td>0.666</td>
<td>0.892</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Repurchase Intention</td>
<td>0.809</td>
<td>0.760</td>
<td>0.831</td>
<td>0.809</td>
<td>0.755</td>
<td>0.885</td>
<td></td>
</tr>
<tr>
<td>Satisfaction</td>
<td>0.713</td>
<td>0.796</td>
<td>0.862</td>
<td>0.800</td>
<td>0.846</td>
<td>0.797</td>
<td>0.868</td>
</tr>
</tbody>
</table>

3.3. Structural Model

After testing the validity, in order to test the hypotheses of the proposed model, structural equation modeling was used. The overall fit of the hypothesized model was fair: \( \chi^2 = 928.621, p<0.000, \chi^2/df \) ratio =2.558; IFI=0.927; TLI=0.917; CFI=0.926; RMSEA=0.079. The proposed model explains 79.9% of the variance of the repurchase intention.

The structural regression coefficients presented in the model were statistically significant. The path from online service quality to online relationship quality (H1) was significantly supported. Also the path from online relationship quality to repurchase intention (H2) was significantly supported. According to the standardized regression coefficients, online service quality perceptions of online consumers had a positive and strong effect on their online relationship quality perceptions about private shopping sites. The online consumers’ relationship quality perceptions about private shopping sites had a positive and strong effect on their repurchase intentions from those sites (see Table 4 and Figure 2).
Table 4. Standardized Regression Coefficients

<table>
<thead>
<tr>
<th>Hypotheses</th>
<th>Standardized Loadings</th>
</tr>
</thead>
<tbody>
<tr>
<td>H₁ Online Service Quality → Online Relationship Quality</td>
<td>0.98 Supported</td>
</tr>
<tr>
<td>H₂ Online Relationship Quality → Repurchase Intention</td>
<td>0.894 Supported</td>
</tr>
</tbody>
</table>

Figure 2. Model Path Estimates and Standardized Loadings
Model Fit: $\chi^2=928.621$, $p<0.000$, $\chi^2/df$ ratio = 2.558; IFI=0.927; TLI=0.917; CFI=0.926; RMSEA=0.079

4. CONCLUSIONS

In Turkey, the penetration rate of internet users who shop from the Internet is still not so high. According to the research of Turkish Statistical Institute, the penetration rate was 30.8% in 2014. This means that 30.8% of Internet users in Turkey, aged 16-74, bought goods or services over the Internet. The rate was 24.1% in the previous year (TUİK, 2014). So, it could be argued that there is also a rapid growth. E-commerce became popular in Turkey because of discounted prices rather than convenience (Özmen, 2011). This feature of Internet shopping in Turkey paved the way for private shopping sites. Private shopping sites became popular in the last seven years in Turkey. At first, the working principle of those sites were different. In order to become a member to one of the private shopping sites, a person needs to be invited by another person. But today membership is free. So, this feature lead to high tendency to use private shopping sites among online consumers.

While there was rapid growth in the number of private shopping sites at the beginning, today most of those sites began to close up for many reasons. One of the main reason is that people do not anymore think the discounted offer is only available in one of those private sites. They know that even if they miss the offer they can find it in another private shopping site. So the high growth rate of private shopping sites made a dramatic change in the perceptions of
consumers. Also, at first those sites make the shipments of the products they sold from their suppliers in longer time periods. But, again after the increase in their number, the competition between them lead those sites to ship the products more quickly. So, the private shopping logic slowly changed to an ordinary e-commerce site.

It is considered that consumers who shopped from private shopping sites are not so much loyal anymore and do not consider to repurchase from the same site because of the reasons listed above. So, this paper tried to investigate the key factors that affect the repurchase intentions of consumers from private shopping sites. Online relationship quality was found to be a predictor of repurchase intention in the literature (Kim and Cha, 2002; Keating et al., 2010; Zhang et al., 2011; Shahrokh et al., 2013). Besides, service quality had a direct effect on relationship quality. Because of the current situation of private shopping sites, it is thought that relationship quality and service quality are important factors affecting repurchase intention.

The research of this study has many key findings. First of all, online service quality and online relationship quality are taken as multidimensional constructs. Online service quality is comprised of efficiency and system availability, privacy, and fulfillment. In the same manner, online relationship quality is comprised of trust, satisfaction and affective commitment. The results of this study showed that both online service quality and online relationship quality are well-reflected by those dimensions. On the other hand, results of the study showed that online service quality had a direct and strong effect on online relationship quality. Besides, compatible with the findings of previous researches, it was found that, online relationship quality was found to be a key motivator for repurchase intentions of consumers from private shopping sites. The results supported the hypothesized relationships of the research model. If the private shopping sites take action to build strong relationships with their customers and increase the perceptions of their service quality, the intentions of the customers for repurchasing will increase strongly.

5. MANAGERIAL IMPLICATIONS

This study posed some implications for the management. First of all, it showed that the online private shopping vendors should try to adopt a relationship-oriented approach while conducting their business since online relationship quality was found to be a strong predictor of repurchase intention. On the other hand, online service quality perceptions of consumers about private shopping sites was found to positively influence their online relationship quality perceptions regarding to those sites.

Those findings show that building strong relations with the consumers is the key for success. Especially trust construct which is the strongest dimension in online relationship quality in this study should be considered carefully. If the consumers of an online private shopping site: thinks that his/her transactions are carried out in a timely manner and without error; also is sure that the website keeps its promises and commitment; and thinks that the information given about the products are reliable than s/he will consider to visit the website again and make purchases.
again. Especially the consumers are paying attention not to lose time while shopping. This finding is consistent with the above mentioned transformation of private shopping sites in Turkey. While they were more patient for waiting the product they bought from a private shopping site in the past, now the story is not the same. Because there are so many rival sites, delivery time became an important competitive power for private shopping sites.

On the other hand, if the consumers have a satisfactory relationship with the online private shopping site, than they are more willing to repurchase from this site. Satisfaction from the information provided by the site, satisfaction from the experience with the site and satisfaction with the design of the site are all important facts. So, private shopping sites should not only focus their efforts on reducing the prices, they should also take into account the user experience for satisfying the consumers. They could work to improve the consumers’ experience by providing satisfactory information and improving the websites’ functions and design.

In addition to all these findings, since online service quality is found to be a very strong predictor of online relationship quality in this study, special attention should be given to this construct. From the online service quality perspective, when the dimensions of this factor are taken into consideration; “efficiency and system availability”, fulfillment, and privacy effect the online relationship quality perceptions of consumers. Especially consumers of online private shopping sites in Turkey value the fulfillment and the efficiency and system availability dimensions most. Quick delivery process, sending the right items ordered and keeping the products displayed in stock are important for the consumers. Besides they pay attention to the website being well organized. Those findings are also consistent with the factors referred above in online relationship quality. So, private shopping site vendors could support online relationship quality perceptions of their consumers with high service quality.

These findings give the private shopping web site vendors a new aspect to focus their efforts on relationship quality and service quality in their online platforms. Also, they could gain an approach on how and where to invest their marketing resources different from regular e-commerce sites in Turkey.

6. LIMITATIONS AND DIRECTIONS FOR FUTURE RESEARCH

The current study contributes both to literature and practice with its findings, but it is also subject to some limitations. These limitations could be addressed in future research. First of all, the findings of this study are limited because of sampling. The sample frame of this study was customers who used an online private shopping site operating in Turkey at least one or two times to shop in the last 12 months. They were invited to perform the online survey by e-mailing. So, the generalizability of this study is limited. Second, the majority of the respondents (92%) in this study shopped from four market leaders in private shopping in Turkey which are Markafoni, Trendyol, Limango and Morhipo respectively. So, future research could be replicated by also considering the other private shopping sites users more comprehensively.
Third, online relationship quality is taken as a major predictor of repurchase intention in this study. While the model explains 79.9% of the variance of the repurchase intention, there is still a 20.1% unexplained part. This means that the factors affecting repurchase intention from private shopping sites are not limited with only online relationship quality. So, including different factors to the model will be a worthwhile future research attempt.
REFERENCES


