



IBIMA
Publishing

mobile

Journal of Electronic Banking Systems

*Vol. 2010 (2010), Article ID
592297, 352 mobile pages*

DOI : 10.5171/2010.592297

www.ibimapublishing.com

Copyright © 2010 Beh Yin Yee and T.M. Faziharudean. This is an open access article distributed under the Creative Commons Attribution License unported 3.0, which permits unrestricted use, distribution, and reproduction in any medium, provided that original work is properly cited.

Title

**Factors Affecting Customer
Loyalty of Using Internet
Banking in Malaysia**

Authors

Beh Yin Yee

T.M. Faziharudean

University of Malaya, Malaysia

Abstract

Internet banking (IB) has become one of the widely used banking services among Malaysian retail banking customers in recent years.

Despite its attractiveness, customer loyalty towards Internet banking website has become an issue due to stiff competition among the banks in Malaysia. As the development and validation of

a customer loyalty model in Internet banking website context in Malaysia had not been addressed by past studies, this study attempts to develop a model based on the usage of Information System

(IS), with the purpose to investigate factors influencing customer loyalty towards Internet banking websites. A questionnaire survey was conducted with the sample consisting of Internet banking

users in Malaysia. Factors that influence customer loyalty towards Internet banking website in Malaysia have been investigated and tested. The study also attempts to identify the most essential factors

among those investigated:
service quality, perceived
value, trust, habit and
reputation of the bank.

Based on the findings, trust,
habit and reputation are found

to have a significant influence on customer loyalty towards individual Internet banking websites in Malaysia. As compared to trust or habit factors, reputation is the strongest influence. The results

also indicated that service quality and perceived value are not significantly related to customer loyalty. Service quality is found to be an important factor in influencing the adoption of the technology,

but did not have a significant influence in retention of customers. The findings have provided an insight to the internet banking providers on the areas to be focused on in retaining their customers.

Keywords: *Internet banking, banking website, customer loyalty, reputation*

1. Introduction

Internet banking (IB) refers to the banking services provided via a secure website operated by the bank provider, thus

facilitating the use of the Internet as a remote delivery channel. Internet banking allows bank customers with appropriate access to manage their finances with minimal inconvenience as it provides a

fast and convenient way to undertake various banking transactions via the Internet banking website from home, office or elsewhere, 24 hours a day, 7 days a week. In Malaysia, Internet banking services have

been operational since the year 2000. Currently, only banking institutions licensed under the Banking and Financial Institution Act 1989 (BAFIA) and the Islamic Banking Act 1983 are allowed to offer

Internet banking services here. Table 1 provides a list of banks in Malaysia that now offer an Internet banking service.

In 2002 about 25,000 Maybank customers and 10,000 HSBC customers subscribed to Internet banking in Malaysia (Yu, 2002; Bernama, 2002). By 2008 there were over 4.5 million registered Internet

banking customers in Malaysia in, which accounts for 85.5% of the total adult Internet user population. Internet banking has a yearly growth rate of 40.6% compared to the previous year that shows it is

both growing popularity and rapidly becoming one of the most popular services utilized by Malaysian retail banking customers. Internet banking providers are working ceaselessly to add to or

improve their Internet banking services in order to make their bank a better choice prospective customer and to retain existing ones.

See table 1 in full PDF

Malaysia is expected to see further global growth and expansion in Internet banking (Ayny, 2008). Despite Internet

banking's attractiveness, website loyalty among Internet banking consumers has become an issue as there are many competing Internet banking website offerings in the Malaysian market. This is of

concern to banks because customer loyalty is important in that it has a positive effect on long-term profitability (Ribbink et al., 2004). According to Reichheld et al. (2000) and Reichheld and

Schefter (2000) the high costs of acquiring new e-customers can lead to unprofitable relationships with new customers for up to three years. As a consequence, it is crucial for online companies to

create and maintain a loyal customer base, and to monitor the profitability of each customer segment (Reinartz and Kumar, 2002).

Furthermore, new channels for online communication offer a

host of new and promising opportunities for customer retention, while at the same time intensifying competition (Vatanasombut et al., 2004). However, few companies seem to succeed in creating e-loyalty,

and little is known about the mechanisms involved in generating customer loyalty on the Internet (Ribbink et al., 2004). In the online environment the cost of obtaining and retaining a

customer is usually higher than through traditional channels (Reichheld and Schefter, 2000) and the customer's loyalty is relatively lower, as customers are more interested in conveniences and ease of use

when using Internet banking (Turban et al., 2000). While there is a rich body of literature on online financial services and their adoption, little is known about how to keep customers loyal to an

online bank (Floh and Treiblmaier, 2006), This applies to Malaysia as well as to other countries and therefore suggests a crucial need for research into which factors are responsible for keeping

customers loyal in Internet banking environment.

Given that relevant research on loyalty in the Internet banking context is limited, the purpose of this study is to investigate

the level of customer loyalty to Internet banking websites in Malaysia with the following research questions being addressed:

1. What factors determine the loyalty of existing customers towards Internet banking services among the consumers in Malaysia?

2. Which factors are essential in forming loyalty among Malaysian consumers in the Internet banking environment?

2. Literature Review

Previous studies that have investigated the issues of customer retention and customer loyalty, including e-

services, have related the issues to the following factors:

Service Quality

Service quality has become an issue that businesses have

focused up on with e-services that enable electronic communication, information gathering, transaction processing and data interchange between online vendors and customers across

time and space (Featherman and Pavlou, 2002). In online environments, service quality is defined as the extent to which a website facilitates efficient and effective shopping, purchasing, and

delivery of product and services (Zeithaml et al., 2002). Santos (2003) described e-service quality in terms of overall customer evaluations and judgments regarding the excellence and the quality of e-

service delivery in the virtual marketplace.

A study by Parasuraman et al. (2005) on the Internet service quality of online shopping websites resulted in the

development of a service quality scale, the e-SQ scale, consisting of seven dimensions: efficiency, system availability, fulfilment, privacy, responsiveness, compensation and contact. It is slightly

different from the e-SQ scale developed by Zeithaml et al. (2001) which has 11 dimensions: reliability, responsibility, access, flexibility, and ease of navigation, efficiency,

assurance, security, price
knowledge, site aesthetics and
customization /
personalization.

Furthermore, a study by
Ribbink et al. (2004) in an e-
commerce context (online

book and CD stores) the service quality dimensions consisted of: ease of use, e-scape, responsiveness and customization. Cristobal et al. (2007) further developed a service quality scale which

consists of multidimensional constructs of web design, customer service, assurance and order management.

Perceived Value

Delivering superior customer value is an essential strategy for firms to gain competitive advantage and long term success (Parasuraman, 1997; Woodruff, 1997). Various researchers have defined

perceived value as the customer's overall assessment of the benefits they receive relative to the sacrifice they make (Dodds et al., 1991; Slater, 1997; Woodruff, 1997). According to Parasuraman and

Grewal (2000), there are four distinct types of perceived value in their proposed expanded model of customer loyalty: (1) acquisition value, (2) transaction value, (3) in-use value, and (4) redemption

value. Perceived value is implied as a dynamic construct and may change its central component(s) over time. For instance, acquisition and transaction value may be dominant during and

immediately after a purchase, while in-use and redemption value may emerge only during later stages of using the product/service. According to Lin and Wang (2006), in their study on the determinants of

customer loyalty in mobile commerce contexts, the benefit components of perceived value include intrinsic attributes (ie how a purchase makes one feel), extrinsic attributes (ie reputation of the

product/service), perceived quality and other relevant high level abstractions. The 'sacrifice' components of perceived value include: monetary prices and non-

monetary costs (eg time, energy, effort).

Trust

Based on previous research, trust has been defined as: (1) a

set of specific beliefs dealing primarily with the integrity, benevolence, and ability of another party (Doney and Cannon, 1997; Gefen and Silver, 1999); (2) a general belief that another party can be

trusted (Gefen, 2000; Hosmer, 1995; Moorman et al., 1992), sometimes also called trusting intentions (McKnight et al., 1998) or the willingness of a party to be vulnerable to the actions of another (Mayer et al.,

1995); (3) affect reflected in “feelings” of confidence and security in the caring response of the other party (Rempel et al., 1985). Some researchers have combined the first two conceptualizations into one

construct (Doney and Cannon, 1997). Other researchers have split the first two conceptualizations, declaring the specific beliefs as antecedents of the general belief (Jarvenpaa and

Tractinsky, 1999; Mayer and Davis, 1999; Mayer et al. 1995).

Despite the existence of different definition of trust in previous literature, Gefen et al. (2003) adopted the

conceptualization of trust as a set of specific beliefs which includes integrity, benevolence, ability and predictability to be applied in e-commerce, and specifically in the online shopping context. The

definition is aligned with the past literature where it has been most widely used in studies related to ongoing economic relationships that deal with buyer-seller and business interactions (Crosby

et al. 1990; Doney and Cannon 1997; Ganesan 1994; Gefen 2002; Jarvenpaa et al. 2000). Lin and Wang (2006) who conducted their study in an m-commerce context have adopted the same view by

defining trust as a set of specific beliefs dealing primarily with the integrity (trustee honesty and promise keeping), benevolence (trustee caring and motivation to act in the truster's interest),

competence (ability of trustee to do what the truster's needs) and predictability (trustee's behavioral consistency) of a particular m-vendor. The definition of trust as a specific set of beliefs is adopted in this

study as the Internet banking website context is a part of e-commerce which deals with buyer-seller and business transactions.

Habit

The role of habit in predicting behavior has been verified in previous studies (Gefen, 2003, Ouellette & Wood, 1998; Trafimow, 2000). Most

habitual behavior arises and proceeds efficiently, effortlessly, and unconsciously (Aarts et al., 1998) and habit can predict customers future behavior (Bamberg, Ajzen, & Schmidt, 2003). Gefen (2003)

defined habit is what an individual usually does when there is a behavioral preference in the present. Habitual behavior leads to the continuation of the same type of behavior (Aarts et al., 1998;

Gefen, 2003). This is aligned with Ouellette and Wood (1998) who stated that once a behavior has become a habit or well-practised behavior, it becomes automatic and is carried out without conscious

decision. This implies that habit is guided by automated cognitive processes, rather than by elaborate decision making processes. In Internet banking, the acquire skill to use a particular website resulting

in habit. It will discourage switching to use other websites that require new skill and familiarity.

Reputation

Herbig and Milewicz (1993) have defined reputation as an estimation of the consistency over time of an attribute of an entity. An organization can

therefore have numerous reputations (ie price, product quality and innovativeness reputations) and/or global reputation. According to Casalo et al. (2008), reputation must be understood as referring not

only to the website, but also the entire organization. The website is simply the main communication channel between consumer and organization. Thus, this study considers a holistic perspective

of reputation, not limited to online services that the banks are offering to their customers.

Customer Loyalty

Many studies have acknowledged the importance

of loyalty in the electronic context and have analyzed this aspect in detail (Lynch et al., 2001; Reichheld et al., 2000; Srinivasan et al., 2002; Reichheld and Schefter, 2000). Customer loyalty has been

defined as a deeply held
commitment to re-purchase or
re-patronize a preferred
product/service consistently in
the future, thereby causing
repetitive same-brand or same
brand-set purchasing, despite

situational influences and marketing efforts having the potential to cause switching behavior (Oliver, 1999). Subsequently Ribbink et al. (2004) stated that this general

definition applies to online loyalty as well.

Ranaweera et al. (2003) explained that loyalty consists of both behavioral and attitudinal dimensions - more

specifically: purchase intentions (Boulding et al., 1993), word of mouth (Gremler et al., 2001) and commitment (Moorman et al., 1992) dimensions. Purchase intentions were defined as the

propensity to purchase a product or service at some point in the future (Ranaweera et al., 2003). Customer commitment refers to the strength of relational ties and to the desire to maintain a

relationship (Bansal et al., 2003). Word of mouth is defined as oral, person to person communication between a communicator and a receiver whom the receiver perceives as non-commercial

with respect to a brand,
product or service (Arndt,
1967).

The relationships between the
previously described factors
with respect to customer

loyalty are further expanded upon in the following paragraphs.

Relationship between Service Quality and Customer Loyalty

Zahorik and Rust (1992) argued that modeling perceived quality as an influencing factor of customer loyalty will provide significant diagnostic ability to any framework that includes

customer loyalty as a dependent construct. Previous research has also confirmed that a relationship between perceived quality and customer loyalty both exists and is positive (Anderson and

Sullivan, 1993; Cronin and Taylor, 1992; Harrison-Walker, 2001). According to Zeithaml et al. (1996), the existence of a relationship between service quality and customer retention at a higher level indicates that

service quality has an impact on individual consumer behavior, where superior service quality leads to favorable behavioral intentions (ie customer loyalty), while unfavorable behavioral

intentions are a consequence of inferior service quality. Ruyter and Wetzels (1998) further posited the importance of determining the nature and strength of the relationship between perceived service

quality and loyalty for a firm and/or different industry levels.

However, according to Manhaimer (2007), consumer loyalty is not significantly

influenced by perceived product quality in retail industry for product with low levels of involvement, and the purchase decision is influenced by other factors. This study concluded that perceived

product quality is not a predicting factor of customer loyalty; it is possible for consumers to be loyal to different products with different qualities according to their needs and economic

ability. Nevertheless, the author also stated that high perceived quality may lead to loyalty if it involves high product involvement. Meanwhile, Cristobal et al. (2007) rejected the hypothesis

that higher levels of perceived quality in web site services foster higher levels of web site loyalty as the findings show that perceived service quality does not has a significant effect on loyalty.

Relationship between Perceived Value and Customer Loyalty

Past literature showed that perceived value contributed to customer loyalty (Dodds et al., 1991; Grewal et al., 1998; Voss

et al., 1998). Chen and Dubinsky (2003) established a conceptual framework of perceived value in a B2C e-commerce setting for elaborating the relationship between perceived value and

key determinants. The model supports the definite importance of perceived value in determining a consumer's online purchase intention (an aspect of customer loyalty).
Anderson and Srinivasan

(2003) also suggested that when perceived value was low customers would be more inclined to switch to competing products in order to increase perceived value, thus a decline in loyalty. However, an

investigation of perceived value as a predictor of customer loyalty in the golf traveller market by Petrick and Backman (2002) found it not to be predictive. Furthermore, a finding from the study by Omar

et al. (2007) showed that perceived value was not a predictor of customer store loyalty in a retail market context.

Relationship between Trust and Customer Loyalty

Trust is expected to affect customers' willingness to purchase online; online customers generally stay away

from electronic vendors whom they do not trust (Jarvenpaa and Tractinsky, 1999; Reichheld and Scheffer, 2000). Conversely, Chiou (2004) found that perceived trust had direct and positive impacts

upon the loyalty of customers. This was supported by a study by Corbitt et al. (2003) on online firms which demonstrated there is a strong positive effect of trust on loyalty. Moreover, Ribbink et

al. (2004) investigated the role of customer evaluations of electronic service and e-trust in explaining customer loyalty to online retailers. The findings showed that e-trust directly and positively affects e-loyalty.

Additionally, Lee and Turban (2001) predicted that lack of trust is frequently cited as a reason for not purchasing from online merchants. Although most of the literature showed a positive impact of trust on

loyalty, Finn and Kayande (1997) found that in an online environment, trust is not considered as a major contributor to loyalty.

Relationship between Habit and Customer Loyalty

About 40–60% of customers' repeat purchase from the same store through force of habit (Beatty and Smith, 1987).

Trafimow (2000) and Verplanken et al. (1998) highlighted that habit can directly affect behavioral intentions more than do attitude and social norms. Gefen (2003) found that habit

alone can explain a large proportion of the variance in the continued use of a website. The finding suggested that customers' intentions of repeat purchases on a specific website (one they have habitually used

in the past), will increase, due directly to the reinforcement of the habit of visiting that specific website. In the research done by Lin and Wang (2006), they claimed that customers visit websites out of

habit, rather than through a conscious evaluation of the perceived benefits and costs entailed. When habit is well-entrenched, people tend to ignore external information or rational strategy. Such an effect

is a central element in Triandis' (1971) theory of attitude and attitude change, in which behavioral intentions are the product of attitude, social norms and affect caused by habit. They concluded that

habitual prior preferences in the use of specific m-commerce systems directly and strongly increased a consumer's intention to continue using the same systems.

*Relationship between
Reputation and Customer*

Loyalty

A more positive reputation
tends to develop sales and

market share (Shapiro, 1982) and to establish greater customer loyalty (Andreassen and Lindestad, 1998; Robertson, 1993). When comparing on- and offline exchange, Standifird et al. (1999) argued that the

reputation of online suppliers are significantly more important to online consumers than any offline context (even catalog shopping). Eastlick and Feinberg (1999) argued that the behavioral intentions of

catalog shopping customers (ie customer loyalty) as compared to “conventional” brick-and-mortar shoppers are more influenced by the reputation of the organization, since such a medium of exchange requires

consumers to purchase without immediate delivery or tangible exchange. Resnick and Zeckhauser (2002) further suggested that the best-known service companies with good reputations such as eBay and

Google are the ones with
healthiest profits and a loyal
client base.

3. Research Methodology

Research Model

Based on the literature review, a conceptual model was developed which consisted of the determinants of customer

loyalty as the independent variables (IV), and of customers' loyalty behavior as the dependent variable (DV). The model focused on the factors influencing customer loyalty which consists of the

relationship of service quality, perceived value, trust, habit and reputation with respect to customer loyalty towards Internet banking websites. The model is summarized in Figure 1. (view in full pdf)

Research Hypotheses

As discussed in the literature review, service quality is described as the overall customer evaluations and judgments regarding the

excellence and the quality of e-service delivery in the virtual marketplace (Santos, 2003) and is related to web design, customer service, assurance and order management dimensions (Cristobal et al.,

2007). Dean (2002) in his study on the contribution of service quality of call centres to customer loyalty to the providing organization in Australia has found that perceived service quality is

positively related to customer loyalty. Meanwhile, Wolfinbarger and Gilly (2002) showed that perceived quality is the second most important predictor of loyalty and intention to repeat a purchase.

Flavian et al. (2006) suggested aspects such as how user-friendly the web site is (a part of the service quality) are determinants of web site loyalty levels. As a

consequence, the first hypothesis is stated as follows:

H1: Service quality has a positive influence on customer loyalty towards Internet banking websites.

Referring to the literature review, perceived value is related to the overall evaluation of the customer on the differences between the benefits they received and the sacrifice they make (Woodruff,

1997). In the study conducted by Lin and Wang (2006) on m-commerce, perceived value is a significant predictor of customer loyalty. To discourage

customers from switching to competitors, a company must continuously work at enhancing perceived value in order to obtain higher customer loyalty. The significant relationship

between perceived value and loyalty is also supported by other researchers such as Hsu (2007) and Anderson and Srinivasan (2003) as mentioned in the previous

section. Therefore, a second hypothesis is proposed:

H2: Perceived value has a positive influence on customer loyalty towards Internet banking websites.

Trust, as previously discussed, refers to the consumer beliefs about certain characteristics of the supplier (primarily regarding integrity, benevolence, competence and predictability) (Gefen et al.,

2003). As described in the literature review, it shows that there is an effect of trust on customer loyalty. Lin and Wang (2006) also proved that trust has a positive effect on customer loyalty in m-

commerce. Customers who cannot trust an m-vendor will not be loyal to that m-vendor, even though they are satisfied with the product/services provided. When investigating e-loyalty within an e-services

context, Cyr et al. (2007) showed that higher levels of trust will result in higher loyalty towards e-services website. Lastly, Floh and Treiblmaier (2006) investigated the importance of

antecedents of online loyalty such as trust, quality of the Web site, quality of the service and overall satisfaction in the online banking environment. They found out that trust can be seen as a major antecedent

of customer loyalty. In light of the above research, the third hypothesis is proposed as below:

H3: Customer trust has a positive influence on

*customer loyalty towards
Internet banking websites.*

Habit is what one usually does,
that is it is a behavioral
preference in the present and
leads to the perpetuation of the

same type of behavior (Aarts et al., 1998; Gefen, 2003). Based on the literature described in Section 2, past studies by researchers such as Lin and Wang (2006) and Gefen (2003) have highlighted that habit

directly influences loyalty. As an addition to the existing literatures in this study, Liao et al (2006) described that habitual activity with a web site will positively affect a user's intention to continue

using that web site. That author also verified that a consumer's habits were a major predictor of loyalty. Following the statement mentioned above, the forth

hypothesis is presented as below:

H4: Customer habit has a positive influence on customer loyalty towards Internet banking websites.

The literature review discussed that reputation relates to consistency over time of an attribute of an organization such as reputation in term of price, product quality, innovativeness, or global

reputation (Herbig and Milewicz, 1993). In the study conducted by Casalo et al. (2008), a more favourable website reputation led to a greater degree of loyalty. Goode and Harris (2007) also

described that favorable interpretations of the online reputation of an online supplier are directly and positively associated with the behavioral intentions of consumers such as loyalty. It

showed that online consumers are tend to be extremely cautious, distrust “new” online suppliers and use perceptions of “reputation” as proxies for trustworthiness. Other literature previously

mentioned also supports the relationship between reputation and loyalty. As a consequence, the fifth hypothesis is stated as follows:

H5: Reputation has a positive influence on

*customer loyalty towards
Internet banking websites.*

*Questionnaire Design and
Construct Measurement*

A Structured questionnaire was developed to obtain the responses from Internet banking users about their opinions on various research variables. The questionnaire of this study consists of seven

variables: *service quality* (17 items), *perceived value* (3 items), *trust* (5 items), *habit* (4 items), *reputation* (4 items) and *customer loyalty* (5 items). The seven variables mentioned above are used in current

research with the measurement items are totally adapted based on the previous researches. The measurement items are then rephrased so that all items can be applied to Internet banking context.

In order to measure Internet banking users' perceptions of service quality, this study adapted 17 questionnaire items from the Perceived e-Service Quality (PeSQ) scale which was developed for a

study done by Cristobal et al. (2007). These 17 measurement items are grouped into four dimensions: (1) web design, which is related to the design of the web site (eg content layout, content updating and

user-friendliness); (2) customer service, which is related to service performance, customer sensitivity (willingness to help customers), personalised service and fast response to

complaints; (3) assurance, which is related to security, privacy and reliability elements; (4) order management, which relates to the possibility of modifying and/or postponing the

purchasing process at any given moment and with no obligation, and of obtaining information on product availability at the moment of purchase. Then, perceived value, trust and habit are

adapted from Lin and Wang (2006), with each consisting of 3, 5 and 4 items measurement respectively. Lastly, to measure customer assessment of Internet banking website provider reputation in

determining their choices of Internet banking website, this study adapted a past study from Casalo et al. (2008) which consists of 4 items measurement. As for customer loyalty, the construct is

operationalized into a total of 5 items which are adapted from the research of Lin and Wang (2006). All items were measured by seven-point Likert scales ranging from strongly disagree (=1) to

strongly agree (=7) and respondents were asked to indicate their level of agreement with respect to each item. Respondents were also required to indicate their usage of Internet banking websites

and provide demographic information.

Sampling

The sampling procedure that was adopted in this study for

data collection was a convenience sampling method through questionnaire survey with a pre-planned sample size of 350 respondents. The target sample in this study was experienced Internet banking

users. The questionnaire survey was distributed in Klang Valley, which is the most populous, urbanized and industrialized region in Malaysia with a total population of 6.7 million in

2005 (Dali, 2008). Overall, from the total of 350 questionnaires distributed during a one month data collection period, there were only 289 valid questionnaires received that could be used for

further analysis, with a response rate of 82.57%. This response rate is still adequate when compare to other similar studies which have involved sample sizes of 461 (Cristobal et al., 2007), 335 (Casalo et al.,

2008), 255 (Lin and Wang, 2006).

4. Data Analysis and Findings

Pre-Analysis Data Screening

The regression assumption test indicated that linearity and homoscedasticity are ensured and multicollinearity, auto-correlation and multivariate outliers do not exist. Therefore,

the data used in this study is fit for further statistical analysis.

Reliability and Validity Test

All items shows strong internal consistency its constructs

indicated by values of Cronbach's alpha higher than 0.70 as suggested by Hair et al. (1998). This suggests that the items concerned adequately measure a single construct for each tested variable (service

quality, perceived value, trust, habit, reputation and customer loyalty). Reliability measurements for each construct are shown in Table 2. **See table 2 in full PDF online**

For construct validity in term of the discriminant validity test, correlation analysis between the variables was performed. The result shows that correlations are low, with values no higher than 0.8, as

proposed by Bagozzi (1994). This indicates that the constructs are distinct from one another and is deemed to be at an acceptable level of discrimination. Consequently content validity is also

established. Table 3 shows the analysis of correlation between the variables.

For construct validity in term of convergent validity, confirmatory factor analysis was performed. KMO and

Bartlett's test, as well as factor loadings for each measurement item, were examined. Based on Table 4, all measurement items of each construct are significant at level 0.01, as suggested by Sanzo et al.

(2003) and the KMO index is more than 0.6, as suggested by Pallant (2001). Moreover, based on Table 5, most of the individual factor loadings are more than 0.50, as recommended by Sanzo et al.

(2003), except for item SQ16, for which it is 0.488. However, SQ16 factor loading is close to 0.50 and the KMO and Bartlett's test showed satisfying result. Therefore item SQ16 is deemed as a valid

item within the Service Quality variable. Overall, these results confirm that the measurement items of the same construct are highly correlated. In conclusion, based on the discriminant and convergent

validity test, construct validity has been achieved in this study.

In general, the measurement scales used in this study are broadly valid and reliable, which permits further

assessment of the relationships between the independent variables (service quality, perceived value, trust, habit, reputation) and the dependent variable (customer loyalty).

See table 3,4 &5 in full PDF

Descriptive Statistics

Characteristics of Respondents

Table 6 presents descriptive profiles of the sample (N=289),

including two major items in this study: (1) demographic profiles (gender, age group, race, education level, income level, marital status) and (2) Internet banking usage profiles (list of Internet banking used,

frequency of usage, last time used, last Internet banking website used). It showed that there were slightly more of male respondents (54%) than female (46%). The majority of the respondents belongs to the

age group between 26 years old and 30 years old (61.9%) and are of Chinese ethnicity (74.4%). Respondents who possess a bachelor degree or professional certificate are in the majority (70.9%).

Moreover, 40.5% of the respondents are from the group with incomes between RM3,001 and RM5,000 and more than 67% of the respondents were single. Furthermore, a majority of the

respondents (76.5%) is using the Maybank2u.com Internet banking website which was the first Internet banking website to be introduced in Malaysia by Maybank. The most frequently last used Internet banking

website was also

Maybank2u.com with 60.6% of last users. Most of the respondents use an Internet banking website more than five times per month (43.4%) and 77.5% of the respondents

had used an Internet banking website either a week ago or less.

Descriptive Analysis of Research Variables

Table 7 shows some descriptive results for the

research variables used in this study. The table shows minimum, maximum, mean and standard deviation for the research variables of service quality, perceived value, trust, habit, reputation and customer

loyalty. The results shown below are the summation of all the items belong to each variable from the seven-point Likert scale. The mean scores of service quality is 5.29 ($=90.24/17$) in a seven-point

Likert scale that shows the respondents have slightly positive evaluations of the service quality of Internet banking website. Respondents also had slightly higher perceptions of the value of

Internet banking websites as indicated by the average means score of 5.14 for the perceived value variable ($=15.43/3$).

Besides that, the average means score for trust is 5.21

($=26.03/5$), for habit it is 5.23 ($=20.90/4$) and for reputation, 5.31 ($=21.23/4$). These scores mean that respondents tend to: trust Internet banking websites, agree that habit does influence their Internet

banking choice, as does the Internet banking website/provider's (positive) reputation. Lastly, for the customer loyalty variable, the means score is 4.89 (=24.43/5). Thus, the result

suggests that the respondents tend to be only slightly loyal to the Internet banking website, if at all.

See table 6 & 7 in full PDF

Multiple Regression Analysis

In order to examine the factors influencing customer loyalty towards Internet banking websites in Malaysia, multiple regression analysis was

performed. Table 8 and Table 9 show that the regression coefficient is significant ($F(5, 283) = 50.95, p < 0.01$). There is a correlation between the 5 independent variables (reputation, habit,

perceived value, trust and service quality) with the dependent variable, customer loyalty ($R = .069$). Reputation, habit, perceived value, trust and service quality explain 47% of the variance in

customer loyalty ($R^2 = 0.47$) and 46.4% of the variance of customer loyalty of the population (Adjusted $R^2 = 0.464$).

Table 10 shows that trust, habit and reputation correlate positively and significantly with customer loyalty, but not service quality and perceived value are not so correlated. Trust was found as a

significant, positive predictor of customer loyalty ($\beta = 0.28$, $p < 0.01$). Habit ($\beta = 0.25$, $p < 0.01$) and reputation ($\beta = 0.35$, $p < 0.01$) also is a significant, positive predictor on customer loyalty. However,

service quality ($\beta = -0.07$, $p > 0.01$) and perceived value ($\beta = 0.04$, $p > 0.05$) was found not significantly predicting customer loyalty. Besides that, findings show that reputation coefficients ($\beta = 0.35$) is the

highest, follow by trust ($\beta = 0.28$) and habit ($\beta = 0.25$). This indicates that reputation is more predictive of customer loyalty than trust and habit.

See table 8 & 9 in full PDF

Based on the findings, service quality and perceived value are not predictors of customer loyalty towards Internet

banking websites in Malaysia, thus, **H1** and **H2** are rejected. Rejection of H1 is supported by past studies by Kouthouris and Alexandris (2005) in the sports tourism industry, Manhaimer (2007) in the retail industry

and Cristobal et al. (2007) in an online usage context where higher level of service quality apparently do not foster customer loyalty. Furthermore, findings by Omar et al. (2007) on perceived value do not

appear to foster customer loyalty in a retail market context, and by Petrick and Backman (2002) on perceived value not being the prediction of loyalty in the golf traveller

market, support the rejection of H2.

On the other hand, trust, habit and reputation have a significant, positive influence on customer loyalty. Thus, **H3,**

H4 and H5 are supported in this study, with Beta values of 0.28 for Trust, 0.25 for Habit and 0.35 for Reputation against Customer Loyalty. The empirical findings of this study are in line with the evidence

offered by Lin and Wang (2006) and Casalo et al. (2008). Major findings from these two studies have indicated that trust, habit and reputation play an important role in building customer loyalty in an Internet

banking website context in
Malaysia.

Additionally, when compared,
independent variables of trust,
habit and reputation have a
highly significant, positive

influence on customer loyalty towards Internet banking website. These are followed in significance by trust and habit accordingly. Although trust and habit are still necessary for customer loyalty to Internet

banking websites, the results have shown that reputation has become an essential factor for ensuring customer loyalty in Malaysia.

5. Conclusion

Research Conclusion and Implications

The analysis finds that hypotheses three to five are supported, while hypotheses one and two are rejected at the

significance level of 0.01.

Among the five independent variables, reputation is the best predictor of customer loyalty towards an Internet banking website. Results of the hypotheses testing are

summarized in Table 11. All these results lead to the achievement of the stated research questions and consequently lead to a number of conclusions and managerial

implications which are as follows.

See table 10 & 11 in full PDF

Firstly, service quality and perceived value is not a predictor of customer loyalty towards Internet banking websites in Malaysia; customers tend not to be loyal although the Internet banking

providers provide high quality services and have gained high customer perceived value.

Although it is not consistent with most of the previous studies in the Western

countries, there are few publications that support the negative findings which were produced by this study, as shown in Table 11. From a managerial perspective, Internet banking providers in

Malaysia heed to realize that providing good Internet banking services alone does not guarantee customer retention. Service quality is not a major factor to differentiate competitive offerings. Based on

comments by some of the respondents, good service quality is a must and is expected to be offered by each Internet banking provider in the first place. This perception will result in the bonding

relationship between service quality and loyalty is not so strong in Malaysia. However, for the Internet banking provider, they should not totally ignore these two factors as they are the fundamental

attributes to be incorporated into Internet banking services to strategize the Internet banking business and increase user retention. It should be noted that service quality and perceived value are

fundamental attributes for retention the users of the Internet banking that Internet banking providers must facilitate. However for customer retention strategy, Internet banking providers in

Malaysia should look for other factors that can help to create loyalty in order to sustain competitive advantage in long run.

Secondly, consumers who place a high degree of trust in an Internet banking provider are more likely to become a loyal customer to that particular Internet banking website. Customers who do not trust

their Internet banking provider will not use and remain loyal to that Internet banking website. This finding is consistent with prior studies as shown in Table 11. From a managerial standpoint, Internet banking

website providers should create a trust relationship with the customers by being honest, sincere and keeping their promises to their customers. Moreover, it is important to emphasize on customers'

welfare. The ability to meet customer needs and consistency in delivering services can also create trust in customer towards the Internet banking website provider. In conclusion, Internet banking

website providers must try to establish an image which includes integrity, benevolence, competence and predictability in order to keep their customers loyal.

Thirdly, consumer habit is contributing towards loyalty to Internet banking websites in Malaysia. Customers that are used to a particular Internet banking website are unlikely to switch to another site. This is

due to the fact that when they switch to another Internet banking website, they have to learn how to use the new site, which means a high switching cost. Therefore, customers will tend to stay loyal to the current

Internet banking website, even though superior Internet banking websites are available. As for the managerial implications, customer loyalty can be enhanced by developing a habit among particular bank

consumers to use the bank
Internet banking website. As
repeated use of Internet
banking website increases, the
habit of using it is developed
within the customer. In order
to encourage customers to

repeatedly use the same Internet banking website, Internet banking website providers should attract customers to their Internet banking website through promotions, contests and

coupons. Once customers begin using the website and becoming familiar with it, they may continue of using it if it has become a habit. This will reduce switching behavior to the rival websites and

consequently build customer loyalty.

Finally, the reputation of the Internet banking website or provider has influence on customer loyalty towards

Internet banking website. In fact, reputation is the most important factor in Malaysia in retaining customer Internet banking website use, with a greater importance than both trust and habit factors. From a

managerial standpoint it is important that Internet banking website providers consider reputation as the most critical factor in encouraging loyalty among Malaysian customers towards

their Internet banking websites. Continuous effort to build, increase or maintain the website or provider reputation is a must to ensure customer loyalty. This can be done via campaigns or advertising

highlighting the positive aspects of both website and provider. Besides that, Internet banking website providers can also increase their reputation by gathering reputable awards such as brand awards. For

example, Maybank was awarded “Best Brands - Banking Online” in “The Brand Laureate Awards 2008” and “Reader’s Digest Trusted Brands - Bank - Gold Award” in 2008.

Limitations and Recommendations

Despite being able to demonstrate the relationship between the independent and dependent variables, this study

is subject to some limitations. A major limitation is that the results of this study are based on analysis using cross-sectional data due to the time and cost constraint. Therefore, the effects between research

variables in the research model cannot be examined thoroughly. A longitudinal study approach is suggested for future research projects.

Secondly, the sample could not generalize of the actual population of Malaysia; the study was limited to Klang Valley using a convenience sampling method where the sample consisted mainly of

postgraduate students and white-collar workers that limit the generalization of this study.

In addition, the current study did not include all possible variables which affect

customer loyalty towards Internet banking websites. The model serves as a basic overview of the loyalty concept that emphasizes the direct effect of the variables on customer loyalty. It needs to be

further enhanced with other possible independent variables which significantly influence customer loyalty. Therefore, for future research, the model should be enhanced by searching for additional

variables that can improve the ability accurately to predict customer loyalty towards Internet banking websites in Malaysia. Such additional variables that should be considered may include

mediator variables (ie customer satisfaction) or moderator variables (ie customer characteristics and customer involvement).

8. References

Aarts, H., Verplanken, B. and van Knippenberg, A. (1998), 'Predicting Behavior from Actions in the Past: Repeated Decision Making or a Matter of Habit?', *Journal of Applied*

Social Psychology, 28(15),
1355–1374.

Anderson, E.W. and Sullivan,
M.W. (1993), 'The Antecedents
and Consequences of Customer

Satisfaction for Firms', *Mark Sci*, 12(2), 125.

Anderson, R.E. and Srinivasan, S.S. (2003), 'E-satisfaction and E-loyalty: A Contingency

Framework', *Psychology & Marketing*, 20(2), 123–138.

Andreassen, T. W. and
Lindestad, B. (1998), 'The
Effect of Corporate Image in
the Formation of Customer

Loyalty', *Journal of Service Research*, 1(1), 82–92.

Arndt, J. (1967), *Word of Mouth Advertising: A Review of the Literature*, Advertising Research Foundation, NY

Ayny (2008), 'Malaysia to see further increase in online banking adoption' [Online], [Retrieved February 18, 2009], www.ecommerce-journal.com/news?page=727

Bagozzi, R. P. (1994), Structural equation model in marketing research, Oxford: Blackwell Publishers.

Bamberg, S., Ajzen, I. and Schmidt, P. (2003), 'Choice of travel mode in the theory of planned behavior: The roles of past behavior, habit, and reasoned action', *Basic and*

Applied Social Psychology,
25(3), 175–188.

Bansal, H., Irving, G. and Taylor,
S. (2003), ‘Three Component
Model of Customer
Commitment to Service

Providers', *Journal of the Academy of Marketing Science*.

Beatty, S.E. and Smith, S.M.
(1987), 'External search effort:
an investigation across several
product categories', *Journal of*

Consumer Research, 14(1), 83–95.

Bernama (2002), More HSBC Customers to Use E-Banking Facility, New Strait Times.

Boulding, W., Kalra, A., Staelin, R. and Zeithaml, V. (1993), 'A Dynamic Process Model of Service Quality', *Journal of Marketing Research*, 7-27.

Casalo, L., Flavian, C, Guinaliu,
M. (2008), 'The Role of
Perceived Usability,
Reputation, Satisfaction and
Consumer Familiarity on the
Website Loyalty Formation

Process', Computers in Human Behavior, 24(2), 325-345.

Chen, Z. and Dubinsky, A.J.
(2003), 'A Conceptual Model of Perceived Customer Value in E-Commerce: A Preliminary

Investigation', *Psychology and Marketing*, 20(4), 323-347.

Chiou, J.S. (2004), 'The antecedents of consumers' loyalty toward Internet service

providers', *Information & Management*, 41(6), 685–695.

Coakes, S.J. and Steed, L.
(2007), *SPSS 14.0 for Windows: Analysis without*

Anguish, Australia: John Wiley
& Sons Ltd.

Corbitt, B.J., Thanasankit, T.
and Yi, H. (2003), 'Trust and e-
commerce: a study of
consumer perceptions',

*Electronic Commerce Research
& Applications, 2(3), 203-15.*

Cristobal, E., Flavian, C. and
Guinaliu, M. (2007), 'Perceived
E-Service Quality (PeSQ):
Measurement Validation and

Effects on Consumer Satisfaction and Web Site Loyalty', *Managing Service Quality*, 17(3), 317-340.

Cronin, J.J. and Taylor, S.A. (1992), 'Measuring service

quality: a reexamination and
extention', *J Mark*, 56, 55–68.

Crosby, L A., Evans. K. R, and
Cowles, D. (1990),
'Relationship Quality in
Services Selling: An

Interpersonal Influence
Perspective', *Journal of
Marketing*, 54(7), 68-81.

Cyr, D., Hassanein, K., Head, M.
and Ivanov, A. (2007), 'The
Role of Social Presence in

Establishing Loyalty in e-Service Environments', *Interacting with Computers*, 19(1), 43-56.

Dali, M.M (2008), 'Urban Development and the Social

Construction of the
Metropolitan Klang Valley',
[Online], [Retrieved February
18, 2009],

www.economicdevelopment.org.nz/mdpitems/presentations/

Dean, A.M. (2002), 'Service Quality in Call Centres: Implications for Customer Loyalty', *Managing Service Quality*, 12(6), 414-423.

Dodds, W.B., Monroe, K.B. and Grewal, D. (1991), 'Effects of price, brand, and store information on buyers product evaluations', *Journal of Marketing Research*, 28(3), 307-319.

Doney, P. and Cannon, J.
(1997), 'An Examination of the
Nature of Trust in the Buyer-
Seller Relationship', *Journal of
Marketing*, 61(2), 35-51.

Eastlick, M. and Feinberg, R.
(1999), 'Shopping motives for
mail catalogue shopping',
Journal of Business Research,
45, 281-90

Featherman, M. and Pavlou, P. (2002), 'Predicting E-Services Adoption: A Perceived Risk Facet', Eighth Americas Conference on Information Systems, 1034–1046.

Finn, A. and Kayande, U.
(1997), 'Reliability Assessment
and Optimization of Marketing
Measurement', *Journal of
Marketing Research*, 34(2),
262-275.

Flavian, C., Guinaliu, M. and Gurrea, R. (2006), 'The Role Played by Perceived Usability, Satisfaction and Consumer Trust on Web Site Loyalty', *Information & Management: The International Journal of*

*Information Systems
Applications, 43(1), 1-14.*

Floh, A. and Treiblmaier, H.
(2006), 'What Keeps the E-
Banking Customer Loyal? A
Multigroup Analysis of the

Moderating Role of Consumer Characteristics on E-Loyalty in the Financial Service Industry', *Journal of Electronic Commerce Research*, 7(2), 97-110.

Ganesan, S. (1994),
‘Determinants of Long-Term
Orientation in Buyer–Seller
Relationships”, *Journal of
Marketing*, 58(2), pp. 1–19.

Gefen, D. (2000), 'E-Commerce: The Role of Familiarity and Trust', *Omega*, 28(6), 725-737.

Gefen, D. (2002), 'Nurturing Clients' Trust to Encourage Engagement Success During

the Customization of ERP Systems', *Qmega*, 30(4), 287-299.

Gefen, D. (2003), 'TAM or Just Plain Habit: A Look at Experienced Online Shoppers',

Journal of End User Computing,
15(3), 1–13.

Gefen, D., Karahanna, E. and
Straub, D.W. (2003), 'Trust and
TAM in Online Shopping: An

Integrated Model', *MIS Quarterly*, 27(1), 51–90.

Gefen, D. and Silver, M. (1999), 'Lessons Learned from the Successful Adoption of an ERP System', Proceedings of the

Proceedings of the 5th
International Conference of the
Decision Sciences Institute.
Athens, Greece, 1054-1057.

Gremler, D.D., Gwinner, K.P.
and Brown, S.W. (2001),

‘Generating Positive Word-of-Mouth Communication through Customer-Employee Relationships’, *International Journal of Service Industry Management*, 12(1), 44-59.

Grewal, D., Monroe, K.B. and
Krishnan, R. (1998), 'The
Effects of Price Comparison
Advertising on Buyers'
Perceptions of Acquisition
Value, Transaction Value, and

Behavioral Intentions', *Journal of Marketing*, 62(2), 46–59.

Goode, M.M.H. and Harris. L.C. (2007), 'Online Behavioural Intentions: An Empirical Investigation of Antecedents

and Moderators', *European Journal of Marketing*, 41(5/6), 512-536.

Hair, J.F., Anderson, R.E.,
Tatham, R.L., Black, W.C.
(1998), *Multivariate Data*

Analysis with Readings, Upper
Saddle River, NJ: Prentice-Hall.

Harrison-Walker L.J. (2001),
‘The Measurement of Word-of-
Mouth Communication and an
Investigation of Service Quality

and Customer Commitment as Potential Antecedents”, *Journal of Service Research*, 4, 60–75.

Hosmer. L, T. (1995), ‘Trust: the Connecting Link Between Organizational Theory and

Philosophical Ethics', *Academy of Management Review*, 20(2), 379-403.

Hsu, C. (2007), The Relationship among Service Quality, Perceived Value,

Customer Satisfaction and Behavioral Intentions: An Empirical Study of Online Shopping, MBA Thesis, National Cheng Kung University.

Internet Banking Info [Online],
[Retrieved February 6, 2009],
[http://www.bankinginfo.com.
my](http://www.bankinginfo.com.my)

Jarvenpaa, S.L. and Tractinsky,
N. (1999), 'Consumer Trust in

an Internet Store: A Cross-Cultural Validation', *Journal of Computer Mediated Communication*, 5(2), 1-35.

Jarvenpaa. S. L., Tractinsky. N. and Vitale, M. (2000),

‘Consumer Trust in an Internet Store’, *Information Technology and Management*, 1, 45-71.

Lee, M.K.O. and Turban, E. (2001), ‘A Trust Model for Consumer Internet Shopping’,

*International Journal of
Electronic Commerce*, 6(1), 75-
91.

Liao, C., Palvia, P. and Lin, H.
(2006), 'The Roles of Habit and
Web Site Quality in E-

Commerce', *International Journal of Information Management*, 26(6), 469-483.

Lin, H. and Wang, Y. (2006), 'An Examination of the Determinants of Customer

Loyalty in Mobile Commerce Contexts', *Information & Management*, 43(3), 271-282.

List of Licensed Banking Institutions in Malaysia, [Online], [Retrieved February

4, 2009],

<http://www.bnm.gov.my>

Lynch, P., Kent, R., Srinivasan, S. (2001), 'The Global Internet Shopper: Evidence from Shopping Tasks in Twelve Countries', *Journal of*

Advertising Research, 41, 15–23.

Manhaimer, E. (2007), 'Does the Perceived Quality of the Product Influence the Customer Loyalty', [Online],

[Retrieved February, 12, 2009],
[http://ezinearticles.com/?Does
-the-Perceived-Quality-of-the-
Product-Influence-the-
Customer-Loyalty&id=433624](http://ezinearticles.com/?Does-the-Perceived-Quality-of-the-Product-Influence-the-Customer-Loyalty&id=433624)
)

Mayer. R, C., Davis. J. H. and Schoorman. F. D. (1995), 'An Integration Model of Organizational Trust', *Academy of Management Review*, 20(3), 709-734.

Mayer, R.C. and Davis, J.H.
(1999), 'The Effect of the
Performance Appraisal System
on Trust in Management: A
Field Quasi-Experiment',
Journal of Applied Psychology,
84(1), 123–136.

McKnight, D. H., Cummings, L. L. and Chervany, N. L. (1998), 'Initial Trust Formation in New Organizational Relationships', *Academy of Management Review*, 20(3), 472-490.

Moorman, C., Zaltman, G. and
Deshpande, R. (1992),
'Relationships between
Providers and Users of
Marketing Research: The
Dynamic of Trust within and
between Organisations',

Journal of Market Research,
314-329

Oliver, R.L. (1999), 'Whence customer loyalty?', *Journal of Marketing*, 63(4), 33-44.

Omar, N.A., Musa, R. and Nazri, M.A. (2007), 'Program Perceived Value and Program Satisfaction Influences on Store Loyalty', *International Journal of Business*, 9(3), [Online], [Retrieved February 12, 2009],

<http://www.gamaijb.mmugm.ac.id/>

Ouellette, J. A., & Wood, W.
(1998), 'Habit and Intention in
Everyday Life: The Multiple
Processes by Which Past

Behavior Predicts Future Behavior', *Psychological Bulletin*, 124(1), 54–74.

Pallant, J. (2001), *SPSS Survival Manual*, Chicago: Open University Press.

Parasuraman, A. (1997),
'Reflections on Gaining
Competitive Advantage
through Customer Value',
*Journal of the Academy of
Marketing Science*, 25(2), 154-
161

Parasuraman, A. and Grewal, D.
(2000), 'The Impact of
Technology on the Quality-
Value-Loyalty Chain: A
Research Agenda', *Journal of*

*the Academy of Marketing
Science, 28(1), 168–174.*

Parasuraman, A., Zeithaml, V.A.
and Malhotra, A. (2005), 'E-S-
Qual: A Multiple-Item Scale for
Assessing Electronic Service

Quality', *Journal of Service Research*, 7(3), 213-233.

Petrick, J.F. and Backman, S.J. (2002), 'An Examination of the Construct of Perceived Value for the Prediction of Golf

Travelers' Intentions to Revisit', *Journal of Travel Research*, 41(1), 38-45

Ranaweera, C. and Neely, N. (2003), 'Some Moderating Effects on the Service Quality-

Customer Retention Link',
*International Journal of
Operations and Production
Management*, 23(2), 230-248.
Reichheld, F.F., Markey, R.G. Jr
and Hopton, C. (2000), 'E-
Customer Loyalty - Applying

the Traditional Rules of
Business for Online Success',
European Business Journal,
12(4), 173-179

Reichheld, F.F. and Schefter, P.
(2000), 'E-Loyalty: Your Secret
Weapon on the Web', *Harvard*

Business Review, 78(4), 105-113.

Reinartz, W.J. and Kumar, V. (2002), 'The Mismanagement of Customer Loyalty', *Harvard Business Review*, 80(7), 86-94.

Rempel, J. K., Holmes, J. G. and Zanna. M. P. (1985), 'Trust in Close Relationships', *Journal of Personality and Social Psychology*, 49(1), 95-112.

Resnick, P., & Zeckhauser, R.
(2002), 'Trust among strangers
in Internet transactions:
Empirical analysis of eBay's
Reputation System', *Advances
in Applied Microeconomics*, 11,
127-157.

Ribbink, D., van Riel, A.C.R.,
Liljander, V. and Streukens, S.
(2004), 'Comfort Your Online
Customer: Quality, Trust and
Loyalty on the Internet',
Managing Service Quality,
14(6), 446-456.

Robertson, T. S. (1993), 'How to Reduce Market Penetration Cycle Times', *Sloan Management Review*, 35(1), 87-96.

Ruyter, K. and Wetzels, M.
(1998), 'On the Relationship
between Perceived Service
Quality, Service Loyalty and
Switching Costs', *International
Journal of Service Industry
Management*, 9(5), 436-453.

Santos, J. (2003), 'E-Service Quality: A Model of Virtual Service Quality Dimensions', *Management Service Quality*, 13(3), 233-246.

Sanzo, M. J., Santos, M. L.,
Vazquez, R., & Alvarez, L. I.
(2003), 'The Effect of Market
Orientation on Buyer–Seller
Relationship Satisfaction',
*Industrial Marketing
Management*, 32(4), 327–345.

Shapiro, C. (1982), 'Consumer Information, Product Quality, and Seller Reputation', *The Bell Journal of Economics*, 13, 20–35.

Slater, S.F. (1997), 'Developing a Customer Value-Based

Theory of the Firm', *Journal of the Academy of Marketing Science*, 25(2), 162-167.

Srinivasan, S.S., Anderson, R.E. and Ponnnavolu, K. (2002), 'Customer Loyalty in E-Commerce: An Exploration of

Its Antecedents and
Consequences', *Journal of
Retailing*, 78(1), 41-51.

Standifird, S.S., Weinstein, M.
and Meyer, A.D. (1999),
'Establishing Reputation on the

Warsaw Stock Exchange:
International Brokers as
Legitimizing Agents', Academy
of Management Proceedings,
Chicago, IL.

Trafimow, D. (2000), 'Habit as Both a Direct Cause of Intention to Use a Condom and as a Moderator of the Attitude-Intention and Subjective Norm-Intention Relations', *Psychology and Health*, 15(3), 383–393.

Triandis, H. C. (1971). Attitude and Attitude Change. New York, NY: Wiley.

Turban, E., King, D., Lee, J. and Viehland, D. (2004), Electronic Commerce 2004: A Managerial

Perspective, Upper Saddle
River: Prentice Hall.

Vatanasombut, B., Stylianou,
A.C. and Igarria, M. (2004),
'How to Retain Online

Customers', *Communications of the ACM*, 47(6), 65-69.

Verplanken, B., Aarts, H., van Knippenberg, A., and Moonen, A. (1998), 'Habit versus Planned Behavior: A Field Experiment', *British Journal of*

Social Psychology, 37(1), 111–128.

Voss, G.B., Parasuraman, A. and Grewal, D. (1998), 'The Roles of Price, Performance, and Expectations in Determining

Satisfaction in Service Exchanges', *Journal of Marketing*, 62(4), 46–61.

Wolfenbarger, M. and Gilly, M.C. (2002), 'COMQ: Dimensionalizing, Measuring

and Predicting Quality of the E-Tailing Experience', MSI working paper series, no. 02-100, Marketing Science Institute, Boston, MA.

Woodruff, R.B. (1997),
'Customer Value: The Next
Source for Competitive
Advantage', *Journal of the
Academy of Marketing Science*,
25(2), 139-153.

Yu, W. (2002), Maybank
Targets Consumers, New Strait
Times.

Zahorik, A.J and Rust, RT, ed.
(1992), Modeling the Impact of

Service Quality on Profitability: A Review, JAI Press.

Zeithaml, V.A., Berry, L.L and
Parasuraman, A. (1996), 'The
Behavioral Consequences of

Service Quality', *Journal of Marketing*, 60(2), 31-46.

Zeithaml, V.A., Parasuraman, A. and Malhotra, A. (2002), 'Service Quality Delivery through Web Sites: A Critical

Review of Extant Knowledge',
*Journal of the Academy of
Marketing Science*, 30(4), 362-
375.

Zeithaml, V.A., Parasuraman, A.
and Malhotra, A. (2001), 'A

Conceptual Framework for
Understanding E-Service
Quality: Implications for Future
Research and Managerial
Practice', working paper,
report no. 00-115, Marketing

Science Institute, Cambridge,
MA