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Factors Influencing Saudi Consumers Loyalty Toward B2C E-Commerce

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ABSTRACT

Previous research found that e-retailers experience difficulty to maintain customer loyalty despite of the recent rapid growth in Business to Customer e-commerce applications. Developing and managing customer loyalty and customer retention is very important for the long-term growth of a firm. Numerous studies have empirically examined consumer's loyalty and attitudes in various countries toward the Business to Customer e-commerce. Nevertheless, empirical research on the e-commerce consumer loyalty in the developing Arab countries, are generally limited. Thus, the main objective of this paper is to identify the key factors that influence the extent to which Saudi consumers are loyal towards Business to Customer e-commerce. Next, we draw on extant literatures about hypothesized relationships between e-commerce consumer loyalty and its antecedents to build a conceptual framework on Saudi consumer's loyalty. Then, a survey was conducted among Saudi e-commerce customers in the Eastern Province of Saudi Arabia using a structured self-administered questionnaire. The study found that amongst other factors, customer trust and satisfaction influence consumer's loyalty towards B2C e-commerce in Saudi Arabia. The findings assist firms to understand what key factors/areas in e-commerce applications they ought to focus on in order to improve customer loyalty thereby improving revenue.

Key Words

E-commerce, customer trust, customer satisfaction, customer loyalty, e-retailer

INTRODUCTION

Developing and managing customer loyalty (e.g. customer retention) is very strongly related to the profitability and the long-term growth of a firm (Reichheld, 1995). Small increases in customer retention rates can dramatically increase profit (Huffmire, 2001). Loyal customers visit their favorite web sites twice as often as non-loyal customers, and loyal customers spend more money (Dialscore.com, 2000); according to analysts, 35 to 40 percent of e-commerce web site sales revenue comes from repeat visitors (Rosen, 2001). As such, it is not surprising that E-Commerce customer loyalty has been found to be a critical asset in e-retailers. Reichheld and Schefter (2000) found that the high cost of acquiring new e-customer could lead to unprofitable customer relationships for up to three years. Consequently, it is very useful to determine the key antecedents or factors that influence customer loyalty.

Previous research found that e-retailers experience difficulty to maintain customer loyalty despite of the recent rapid growth in Business to Customer E-commerce (Hoffman and Novak, 2000). Although there are certainly challenges shared by both traditional retailers and e-retailers, e-retailers face higher competition due to the fact that on the internet a competitor is only a click away. Furthermore, research on the browsing habits of web users indicates that individuals move quickly from page to page, and from site to site. Attracting and retaining the attention of online shoppers who skim virtual shelves is not an easy task. Without a strong incentive for shoppers to visit a site and without an anchor to keep customers on a site, e-retailers may struggle in an increasingly competitive e-market. The study generally focuses on the empirical examination of e-loyalty toward B2C e-commerce. The study has two objectives related to e-loyalty. First, to examine empirically the degree of influence that indirect and direct antecedents of customer loyalty have. Second objective is to determine whether the customer satisfaction and trust are direct antecedents of customer loyalty towards B2C E-Commerce.

Acknowledging the importance of customer e-retention, numerous articles have examined empirically consumer's loyalty and attitudes in various countries towards the B2C e-commerce. Nevertheless, empirical research on the e-loyalty in the developing Arab countries, are limited. Thus, it was imperative to examine what makes online consumers in Saudi Arabia loyal toward B2C e-commerce. Consequently, the main objective of this paper is to identify the key factors that influence the extent to which Saudi customers are loyal towards B2C e-commerce. In addition, the study determines whether user interface quality, product/service information quality, privacy, and security are indirect antecedents of customer loyalty toward B2C e-commerce. Also, we identify the demographic characteristics that may influence Saudi consumers' decision toward the adoption of B2C e-commerce. Understanding the factors that influence e-commerce

customer loyalty assist firms' managers to work on the right areas in the business which contribute most to increasing customer's retention.

The paper first describes the research questions of the study. Next, we draw on extant literature about hypothesized relationships between e-commerce customer loyalty and its antecedents to build a conceptual framework (research model) for Saudi customer loyalty. This is followed by the research methodology and the data analysis and findings. The paper concludes with discussing the key findings, limitations, and suggesting further research directions.

RESEARCH QUESTIONS

In particular, the main research question of this study is "what factors make consumers in Saudi Arabia loyal toward B2C e-commerce?" The study also attempts to answer the following specific research questions:

1. Do Saudi customers perceive user interface and product/service information quality as key factors influencing electronic information satisfaction and trust?

2. Do Saudi customers perceive privacy and security as key factors influencing electronic information satisfaction and trust?

3. Do Saudi customers perceive customer satisfaction and trust as key factors influencing E-Commerce customer loyalty?

4. What are the distinctive demographic characteristics of Saudi E-Commerce consumers?

LITERATURE REVIEW

A comprehensive review of the most important contributions to academic literature concerning the causal relationships between e-loyalty and its antecedents is reported here.

E-Commerce Service User Interface Quality

Gummerus, Liljander, Pura and Van Riel (2004) define the user interface as the channel through which consumers are in contact with the e-service provider. Park and Kim (2003) found hat the quality of the user interface affected the customer satisfaction directly, since it provides physical evidence of the service provider's competence as well as facilitating effortless use of the service. Also, Gummerus, Liljander, Pura and Van Riel (2004) suggested that the quality of user interface is expected to affect trust directly. Similarly, Roy, Dewit, and Aubert (2001) discovered that the ease of navigation, interface design, and user guidance affect consumer establishment of trust. Srinivansan, Anderson, and Pannavolu (2002) found that interactivity aspect of e-commerce applications to be strongly related to e-loyalty. This is sensible since that e-loyalty will increase as a result of customer satisfaction which can be improved as a result of better user interface of the e-commerce application. The perceived user interface quality construct is defined as Saudi consumers' perception of user interface quality. Thus, we hypothesize:

H1a: Increase in the perceived user interface quality will have a direct positive effect on the electronic customer satisfaction.

H1b: Increase in the perceived user interface quality will have a direct positive effect on the electronic customer trust.

E-Commerce Service Information Quality

Product/service information quality is defined as the customer perception of the quality of information about product/service that is provided by a Web site (Park and Kim, 2003). Web site content quality has been argued to be an antecedent of an online customer's trust in an Internet vendor (McKnight, Choudhury, and Kacmar, 2002). In addition, Park and Kim (2003) found that the information quality affected the customer satisfaction directly. The perceived information quality construct is defined as Saudi consumers' perception of quality of information about product/service that is provided by a Web site. Thus, we hypothesize:

H2a: Increase in the perceived product/service information quality will have a direct positive effect on the electronic customer satisfaction.

H2b: Increase in the perceived product/service information quality will have a direct positive effect on the electronic customer trust.

E-Commerce Service Security

Kolsaker and Payne (2002) maintain that security reflects perceptions regarding the reliability of the payment methods used and the mechanisms of data transmission and storage. The lack of security as perceived by e-commerce consumers is another main obstacle to the development of e-commerce (Dong-Her, 2004). Flavia´n and Guinalý´u (2006) demonstrated that trust in the internet is particularly influenced by the security perceived by consumers regarding the handling of their private data. Web sites may increase consumer's electronic trust by decreasing perceived environmental risk or by raising security (Warrington, Abgrab, and Caldwell, 2000). The perceived security of the e-commerce web site

construct is defined as Saudi consumers' perception of security of an electronic commerce transaction. Thus, we hypothesize:

H3a: As the perception of security risk decreases, the electronic customer satisfaction is expected to increase.

H3b: As the perception of security risk decreases, the electronic customer trust is expected to increase.

E-Commerce Service Privacy

Perceived privacy is defined as consumers' ability to control presence of other people in the environment during a market transaction or consumption behavior and the dissemination of information related to or provided during such transactions or behaviors to those who were not present (Goodwin, 1991). Flavia´n and Guinalý´u (2006) demonstrated that trust in the internet is particularly influenced by the privacy perceived by consumers regarding the handling of their private data. Privacy is a critical factor in acquiring potential electronic customers and retaining existing electronic customers (Park and Kim, 2003). Thus, privacy can also be a critical factor in customer satisfaction of e-commerce web sites. The perceived privacy is defined as Saudi consumers' perception of ability to control presence of other people in the environment. Thus, we hypothesize:

H4a: As the perception of privacy risk decreases, the electronic customer satisfaction is expected to increase.

H4b: As the perception of privacy risk decreases, the electronic customer trust is expected to increase.

E-Commerce Service Customer Trust

E-Commerce customer trust can be defined as a set of beliefs held by an e-commerce consumer concerning certain characteristics of the e-supplier, as well as the possible behavior of the e-supplier in the future (Coulter and Coulter, 2002). The empirical study of Gummerus, Lilijander, Pura, and Riel (2004) reveled that trust is the strongest predicator customer satisfaction. Similarly, Lee and Lin (2005) suggested that trust encourages electronic customer purchasing and affects customer attitudes toward purchasing from e-retailers. Thus, loyalty underlines the ongoing process of continuing and maintaining a valued and important relationship that has been created by trust (Chaudhuri and Holbrook, 2001). The perceived e-customer trust is defined as Saudi consumers' willingness to rely on an exchange partner in whom one has confidence. Thus, we hypothesize:

H5: The greater the electronic customer trust, the greater the electronic satisfaction.

E-Commerce Service Customer Satisfaction

Customer satisfaction is how satisfied is a customer with the supplied product/service. It is closely related to interpersonal trust (Geyskens, Steenkamp, Scheer, and Kumar, 1996) and is considered an antecedent of trust (Garbarino and Johnson, 1999; Selnes, 1998). A positive effect of satisfaction on trust can be expected in the online business environment as well, though empirical research in this domain is scarce. A positive effect of customer satisfaction on trust with respect to the service provider has been demonstrated for the book e-retailing industry (Pavlou, 2003). In line with earlier research (Zins, 2001), it is expected that a higher level of customer satisfaction will lead to greater loyalty. However, the impact of satisfaction on customer loyalty is rather complex. Fisher (2001) believes that customer satisfaction accounts for only part of why people change product or service providers. Other studies have shown that customer satisfaction is a leading factor in determining loyalty (Anderson and Fornell, and Lehmann 1994). Anderson and Srinivasan (2003) found that both trust and perceived value, as developed by the company, significantly accentuate the impact of e-satisfaction on e-loyalty. Thus, there are conflicting reports on the relationship between customer satisfaction and loyalty, making it imperative to address this relationship issue in more empirical studies. The present study, however predicts that customer satisfaction will correlate positively with customer loyalty. The perceived e-customer satisfaction is defined as Saudi consumers' satisfaction with the provided e-commerce applications. Thus, we hypothesize:

H6: The greater the electronic customer satisfaction, the greater the electronic trust.

E-Commerce Service Customer Loyalty

Generally, loyalty has been defined as repeat purchasing frequency or relative volume of same-brand purchasing. Oliver (1997) defines customer loyalty as a deeply held commitment to re-buy 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. In e-commerce, loyal customers are considered extremely valuable. Today, e-retailers are seeking information on how to build customer loyalty. Loyal customers not only require more information themselves, but they serve as an information source for other customers. Building customer loyalty is one of the biggest challenges for B2C electronic-commerce. Several antecedents of customer loyalty have been proposed. In line with previous research (Zins 2001) it is expected that a higher level of customer satisfaction will lead to greater loyalty. However, the impact of satisfaction on customer loyalty is rather complex. Fisher (2001) believes that customer satisfaction accounts for only part of why people change product or

service providers. Other studies have shown that customer satisfaction is a leading factor in determining loyalty (Anderson, Fornell, and Lehmann 1994). Thus, there are conflicting reports on the relationship between customer satisfaction and loyalty, making it imperative to address this relationship issue in more empirical studies. The present study, however predicts that customer satisfaction will correlate positively with customer loyalty. Next to the satisfaction, customer trust has been brought forward as a precondition for patronage behavior (Pavlou, 2003) and the development of long-term customer relationships (Papadopoulou, Andreou, Kanellis and Martakos, 2001). The perceived e-customer loyalty is defined as Saudi consumers' willingness to visit e-commerce sites more frequently and keep purchasing. Thus, we hypothesize:

H7: Increase in the electronic customer satisfaction will have a direct positive effect on the electronic customer loyalty.

H8: Increase in the electronic customer trust will have a direct positive effect on the electronic customer loyalty.

Demographic Differences in B2C E-Commerce Adoption

Many studies have been concerned with identifying the characteristics of E-customers. Factors investigated in this respect have included demographics (Verchopoulos, Siomkos, and Doukidis, 2001), psychographics (Sin and Tse, 2002), and attitudes (George, 2002). For example, Verchopoulos, Siomkos, and Doukidis (2001) found that adopters of Internet shopping in Greece have generally been young, highly, educated, high-income earning males who have previously used it. Sin and Tse (2002) found that adopters in Hong Kong have similar demographic profiles, in addition to being more time-conscious, self-confident, and heavier user of the Internet. In case of Saudi Arabia, Abdul-Muhmin and AL-Abdali (2004) found that adoption of B2C EC is higher among older, highly educated, high-income respondents.

Saudi Arabia is one of the most important markets in the developing Arab world with respect to the foreign e-retailers, even though the Internet user penetration in this country is currently 6.8% of the population or 1.6 million Internet users (Abdul-Muhmin and AL-Abdali, 2004). An additional reason for selecting Saudi Arabia is that a high level of cultural and social homogeneity prevails there. Almost 100 per cent of the Saudi population; 20 million according to 2006 statistic, speak Arabic which is a member of the western branch of the Semitic Family of languages. It is the religious and literary Language of Islam. In addition, almost all of the inhabitants are Muslim. The combination of common language and common religion has led to a common sense of heritage and cultural unity among the Saudis. Next, the research model and Hypotheses will be described.

Research Model and Hypotheses

This section discusses the conceptual research model and related hypotheses based on the research questions and the literature review. The research model depicted in Figure 1 shows two key mediating variables influencing Saudi e-commerce consumers' loyalty towards B2C E-Commerce; E-customer satisfaction and E-customer trust. Moreover, in order to gain insights into the factors influencing e-loyalty, we distinguish between four different antecedents. Figure 1 shows the conceptual research model/framework. The conceptual framework might be thought of as a relational model, which depicts the hypothesized relationships. In the proposed research model, Saudi consumers' loyalty toward B2C E-Commerce is hypothesized and personalized to be influenced by the Saudi Consumer experiences with E-trust and E-satisfaction of B2C E-Commerce. The nature of these experiences in turn is affected by the perceived user interface quality, the perceived product/service information quality, the perceived security, and the perceived privacy. Thus, the perceived user interface quality, product and service information quality, security, privacy, E-customer satisfaction, E-customer trust, and E-loyalty are treated as latent variables with multiple-scale measures.

RESEARCH METHODOLOGY

A survey was conducted among Saudi E-customers in the Eastern Province of Saudi Arabia using a structured self-administered questionnaire instrument for data collection. In line with the conceptual framework, the questionnaire consisted of three parts. The first part was about general questions pertaining to Saudi E-customer's usage of B2C E-commerce. The second part is seeking Saudi E-customer's opinion on the perceived influence of six constructs above mentioned on E-loyalty toward B2C E-commerce. Finally, the third part consisted of responding Saudi E-customers' demographic characteristics, including age, gender, educational level, monthly income, and job title of the person who completed the questionnaire

Saudi consumer's experiences with B2C E-Commerce's service were measured using a set of 31 scale items adapted from relevant previous studies. All of the scale items were measured using a five-point Likert-type category-scaling format. For example, a five-point Likert-type scale, ranging from 1 = Strongly Disagree to 5 = Strongly Agree, with four items was used to measure Saudi consumer's perception of user interface quality. While, a five-point Likert-type scale (1 = Essential, 3 = Quite Important, and 5 = Not Important At All) with four items was used to measure the importance of personal information's security to Saudi consumers.
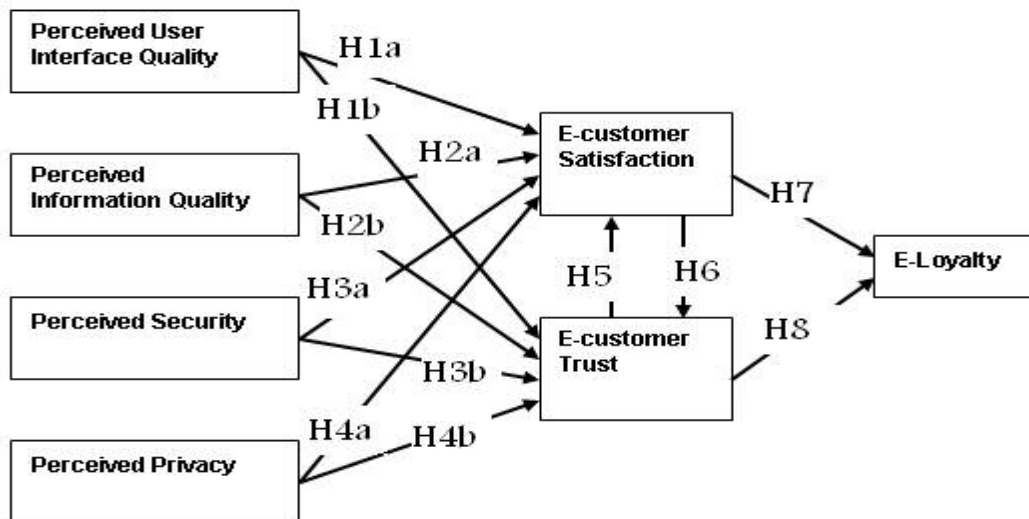
Figure 1. Research Model

Although there have been some changes in the Saudi environment in the sense that the kingdom now has a population census, it is still virtually impossible to draw probability samples for the majority of studies, including the present study. Consequently, most studies conducted in the Saudi environment have usually had to rely on convenience (non-probability) sampling procedure samples (Tuncalp, 1988; Yavas and Alpay, 1986; Abdul-Muhmin, 1998). The use of a convenience sample was necessitated by the problems of sampling prevalent in the Saudi environment. Such problems have been extensively documented in the literature (Tuncalp, 1988; Yavas, Cavusgil and Tuncalp, 1987). The present study has tried to alleviate the external validity problems inherent in such samples by including an area-sampling component in the basic convenience sampling procedure. It is important to note that the unit of analysis is the individual Saudi consumer who has experience with using B2C E-Commerce's service. The structured self-administered questionnaires were distributed in Dammam-Dhahran-Khobar metropolis. Of 200 structured self-administered questionnaires distributed using the drop-off/pick-up method, 174 usable questionnaires were picked-up, resulting in a response rate of 87 per cent. This high response rate reflects the considerable effort devoted to the data collection.

DATA ANALYSIS

The current research extensively utilized Statistical Package for the Social Sciences (SPSS) for Windows in data entering, cleaning, and analysis. In order to ensure the measures are valid, the Principle Component Factoring Analysis is used (Straub, 1989). The confirmatory factor analysis for independence produced seven distinct factors: user interface quality, product/service information quality, privacy perception, security perception, E-trust, E-satisfaction, and E-Loyalty. To validate the appropriateness of the factor analysis, the Kaiser-Meyer-Olkin measure in Table 1, of sampling adequacy showed an acceptable sampling adequacy. Therefore, it is strongly believed that seven distinct factors that Factor Analysis constructed have a content validity. After the examination of the rotated factor matrix of the first run, two scale items were deleted. It was found that no more additional items were necessary to be removed from this analysis. The highest loading for this analysis was 0.847 and the lowest was 0.459 with no cross-construct loadings, indicating good discriminate validity. These loadings were high enough to indicate the very important variables to form critical factors affecting e-loyalty toward B2C E-Commerce.

Constructs	Kaiser-Meyer-Olkin Measure	Cronbach's alpha (?)
User Interface Quality	.62	.4561
Product/Service Information Quality	.579	.5421
Security	.60	.6628
Privacy	.71	.6081
E-Customer Trust	.575	.5852
E-Customer Satisfaction	.64	.5011
E-Customer Loyalty	.70	.6415

Table 1. Measure of Sampling Adequacy & Reliability

The internal consistency analysis, a commonly used technique, was employed in this research to measure the reliability of each derived construct from the Factor Analysis (Black, 1999). Using the SPSS reliability analysis program, an internal consistency analysis was performed separately for the items of each construct. Table 1 illustrates the values of alpha computed for each construct. In this research, the estimated reliability coefficients range from 0.6628 for Perceived Security to 0.460 for User Interface Quality, thus providing evidence that the scale measures developed are judged somewhat reliable and deserved further refinement in future research. The Stepwise Regression analysis method is used to prove the truth of the previously made research hypothesis on the basis of testing the significance of generated values of the **β** coefficients, see Table 4. The used stepwise regression adopts a combination of forward and backward procedures. Coakes and Steed (1999) advise that the stepwise regression analysis requires that the ratio of cases of the dependent variable to the number of independent variables must be five times or more, to be satisfied. This ratio is satisfied since the sample size is 174, which is more than five times the number of independent variables that are six variables. The other assumptions of the stepwise regression analysis of outliers, multi co-linearity and singularity, and normality are assessed automatically through the regression analysis procedures.

FINDINGS

Based on the collected data, simple descriptive statistics are used to summarize and describe respondents' profile. Table 2 presents descriptive statistics in terms of frequencies and percentage were used to assess Saudi e-commerce consumers' responses to each statement related to the frequent applications and reasons for using B2C E-Commerce for their personal transactions. It is found that 67% of the total sample size (174) has used B2C E-Commerce for E-Banking Services, see Table 3. This is not contrary to what is happening is Saudi Arabia where Internet has given birth to E-banking that is considered as a new and increasingly popular way of banking for most consumers in the twenty-first century.

The results of a stepwise regression analysis for testing the hypotheses H1 to H8 are shown in Table 4. Table 4 shows that the constructs: UIQ and IQ are positively related with the ECS. The parameter estimate for the **β** coefficients associated with UIQ and IQ ($\beta1=0.397$ and $\beta2=0.397$) are significant. All parameter estimates for the **β** coefficients associated with the predictor constructs are significant at $p < .05$. The constructs: PS and PP are negatively and weakly related with the ECS. The parameter estimate for the **β** coefficients associated with PS and PP ($\beta3=-0.03$ and $\beta4=-0.081$) are significant. The negative relationship means that decrease in security and privacy risk (PS and PP) in using e-commerce applications will increase each of the ECS and ET levels. However, since the values of the **β** coefficients associated with PS and PP ($\beta3=-0.03$ and $\beta4=-0.081$) are very low, then the hypotheses H3a and H4a are not supported.

Measure	Item	Frequency	Percent %
Age	Less than 25	104	59.8
	25-40	63	36.2
	Greater than 40	7	4
Gender	Male	165	94.8
	Female	9	5.2
Educational Level	High School	6	3.4
	College graduate	141	81
	Postgraduate	27	15.5
Monthly Income	Less than SR1000	86	49.4
	SR1001-10000	50	28.7
	SR10001-20000	32	18.7
	More than SR20000	6	3.4
Occupation	Student	113	64.9
	Employee	59	33.9
	Professor	1	0.6
	Doctor or Pharmacist	1	0.6

Table 2. Descriptive Statistics of Respondents Profile

The construct UIQ is positively and weakly related with the ET. The parameter estimate for the **β** coefficient associated with UIQ ($\beta1=0.010$) is significant, but because the value of $\beta1$ is very low, then the hypothesis H1b is not supported. The construct IQ is positively related with the ET. The parameter estimate for the **β** coefficient associated with UIQ ($\beta1=0.247$) is significant. The constructs: PS and PP are negatively related with the ET. The parameter estimate for the **β** coefficients associated with PS and PP ($\beta3=-0.170$ and $\beta4=-0.135$) are significant. The negative relationship means that decrease in security or privacy risk (PS and PP) in using e-commerce applications will increase each of the ECS and ET levels.

Consumer's Use of E-Commerce web site		Frequency	Percent
E-Banking Services	Yes	118	67.8
	No	56	32.2
Trading of Stocks	Yes	75	43.1
	No	99	56.9
Booking of Airline Tickets	Yes	85	48.9
	No	89	51.1
Purchases of Books/Music CDs/PCs	Yes	65	37.4
	No	109	62.6
Participation in E-Auctions	Yes	7	4.0
	No	167	96.0
Educational Resources	Yes	78	44.8
	No	96	55.2

Table 3. Consumer's Use of E-Commerce web site

The construct ECS is positively related with the ET. The parameter estimate for the **β** coefficient associated with ECS (**β1=0.21**) is significant. The construct ET is positively related with the ECS. The parameter estimate for the **β** coefficient associated with ET (**β1=0.217**) is significant. The constructs: ECS and ET are positively related with the EL. The parameter estimate for the **β** coefficients associated with ECS and ET (**β1=0.125**and **β2=0.121**) are significant. The resulting t-values from the regression analysis indicate that the dependent variable e-loyalty is influenced by e-customer trust and e-customer satisfaction. This shows that e-customer trust and e-commerce customer satisfaction are direct antecedents of consumer's e-loyalty toward B2C E-Commerce. This finding is in support of the findings of a recent study by Flavia´n and Guinalý´u (2006). Their study examined the close relationship between the trust in a Web site and the degree of loyalty to it. Flavia´n and Guinalý´u (2006) suggested that greater levels of trust would lead to improve consumer loyalty of an e-commerce web site.

Model	R^2	β	t-vale	Sig.	Results
E-Customer Satisfaction (ECS) = ? + β1 UIQ + β2 IQ + β3 PS + β4 PP + e	.156		6.985	.00	
UIQ (User interface quality)		.397			H1a Supported
IQ (Information quality)		.397			H2a Supported
PS (Perceived Security)		-.030			H3a Not Supported
PP (Perceived Privacy)		-.081			H4a Not Supported
E-Trust (ET) = ? + β1 UIQ + β2 IQ + β3 PS + β4 PP + e	.153		8.091	.00	
UIQ (User interface quality)		.010			H1b Not Supported
IQ (Information quality)		.247			H2b Supported
PS (Perceived Security)		-.170			H3b Supported
PP (Perceived Privacy)		-.135			H4b Supported
E-Customer Satisfaction (ECS) = ? + β1 ET + e	.04		11.747	.00	
ET (E-Trust)		.21			H5 Supported
E-Trust (ET)= ? + β1 ECS + e	.04		9.228	.00	
ECS (E-Customer Satisfaction)		.217			H6 Supported
E-Loyalty (EL)= ? + β1 ECS + β2 ET + e	.03		7.022	.00	
ECS (E-Customer Satisfaction)		.125			H7 Supported
ET (E-Trust)		.121			H8 Supported

Table 4. Results of Hypothesis Testing

Also, our findings are in agreement with the findings of previous research, which proved: higher level of customer satisfaction will lead to greater loyalty (Anderson, Fornell, and Lehmann, 1994; Morgan and Hunt, 1994; Zins, 2001). The results of the stepwise regression analysis also indicate that the two variables: user interface quality and information quality are strong predicator of the E-customer satisfaction. The perceived security and privacy of e-commerce web sites are weak predictors for the E-customer satisfaction. This means that perceived security and privacy are more important for e-trust but not for e-satisfaction. On the other hand, the quality of user interface is found to be a weak predicator for the E-customer trust, and the information quality, and perceived security and privacy, are strong predicators for e-trust. This means that the quality of user interface of the e-commerce web site is not important for the E-customer trust, but more important for E-customer satisfaction. These results support the findings of previous research (Park and Kim, 2003; Pura and Van Riel, 2004; Flavia´n and Guinalý´u (2006). In addition, the regression analysis results also indicate that E-customer trust and E-customer satisfaction are related. In summary, the study findings have answered all the previously mentioned four research questions. However, although Saudi consumers may seem different from other international consumers, the findings show that Saudi consumers' attitude towards e-commerce is not unique. Lastly, the study findings have important practical implications on firms using e-commerce applications. The findings assist firms to understand what key factors/areas when developing e-commerce applications they ought to focus on in order to improve customer loyalty thereby improving revenue.

CONCLUSIONS

The paper attempted to examine what makes e-customers in Saudi Arabia loyal toward B2C e-commerce. A conceptual research model which hypothesizes the key factors influencing the extent to which Saudi customers are e-loyal towards B2C e-commerce is developed and statistically validated. The identified key affecting factors are: the user interface quality, product and service information quality, security perception, and privacy perception were found to have significant effects on Saudi E-consumer satisfaction and E-customer trust. Furthermore, we investigated whether E-customer satisfaction and E-customer trust play a significant mediating role on Saudi E-loyalty towards B2C E-commerce retailers. The information quality of e-commerce web site was validated to be important factor determining Saudi consumer's e-loyalty in terms of whether or not they will use B2C E-commerce applications. This emphasizes the importance of e-commerce service quality and user interface design in e-commerce application development. In addition, the lack of security as perceived by e-commerce consumers is another main obstacle to the development of B2C E-commerce in Saudi Arabia. It was found that Saudi e-commerce consumers might disclose their private information to web sites when reliability and credibility are recognized. This subsequently reduces consumers 'concerns of privacy and helps to build online trust toward e-commerce web sites.

Many studies have been concerned with identifying the characteristics of e-commerce customers. In this research, it was found that adoption of B2C E-Commerce was higher among older, highly educated, and high-income respondents. In addition, the study found that Saudi consumers' attitude towards e-commerce is not different from other international consumers. Although the research findings provide meaningful implications for e-retailers in terms of highlighting the key factors/areas to focus on in e-commerce applications, the current study is not without limitations.

LIMITATIONS AND SUGGESTIONS FOR FUTURE RESEARCH

The sample largely employed male students, which may not be representative of general population of B2C e-commerce consumers in Saudi Arabia. Also, the sample size is not large enough. Therefore, a more representative sample selection and larger sample size will increase the validity of the study. In addition, the present study has only covered the triangular cities of Dhahran, Khobar, and Dammam, which may limit the generalization of the study findings. However, since the Saudi population is culturally homogenous the findings may be generalized to Saudi Arabia and the Gulf region. The present study has explained what makes Saudi consumer's loyal towards B2C E-Commerce. Although attitudes of female in Saudi Arabia could not be included largely in this study, further studies should attempt to obtain more responses from female e-commerce consumers.

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