E-LOYALTY
Companies Secret Weapon on the Web

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Abstract

Rapid growth of e-retailing reflects the compelling advantages that it offers over conventional brick-and-mortar stores, including greater flexibility, enhanced market outreach, lower cost structures, faster transactions, broader product lines, greater convenience, and customization. However, e-retailing also comes with its own set of challenges. The purpose of this thesis was to gain deeper understanding of how to create loyal customer on website. To reach this purpose a qualitative, case study approach was used to investigate two websites. The empirical data have been collected through personal and telephonic interviews. In order to discuss the findings different theories were used as well. In findings and conclusion, we have found that e-loyalty has an impact on two customer-related outcomes: word-of-mouth promotion and willingness to pay more. The companies who are providing online services must first identify the means to increase the overall Interactivity of their website and then begin to consider towards customer loyalty. In the end recommendation for the management has been discussed.
Table of Contents

1. Introduction and Background................................................. 01
   1.1 Background........................................................................... 01
   1.2 Problem Discussion............................................................. 04
   1.3 Purpose................................................................................ 05
   1.4 Delimitation......................................................................... 05

2. Literature Review.............................................................. 06
   2.1 Customer Retention on Website............................................ 06
   2.1.1 Web Experience............................................................... 06
   2.1.2 Factors Influencing Consumer Perceptions of Website Effectiveness 07
   2.1.3 Key Quality Factors which Influencing in Website Design (KQF’s) 10
   2.2 Customer Loyalty................................................................. 14
   2.2.1 Benefits of Customer Loyalty............................................ 14
   2.2.2 Factors Influencing Customer e-loyalty............................ 16

3. Conceptual Framework.................................................... 20

4. Methodology................................................................. 25
   4.1 Research Purpose............................................................... 25
   4.2 Research Approach............................................................ 25
   4.3 Research Strategy............................................................... 26
   4.4 Sample Selection................................................................. 27
   4.5 Data Collection Methods..................................................... 29
   4.6 Data Analysis..................................................................... 30
   4.7 Validity and Reliability........................................................ 31

5. Data Presentation.......................................................... 32
   5.1 Scandinavian Airline System (SAS)....................................... 32
   5.1.1 Research Question 1: Scandinavian Airline System (SAS)........ 33
   5.1.2 Research Question 2: Scandinavian Airline System (SAS)........ 36
   5.2 Nordea Bank........................................................................ 42
   5.2.1 Research Question 1: Nordea Bank.................................... 36
   5.2.2 Research Question 2: Nordea Bank.................................... 43

6. Data Analysis............................................................... 45
   6.1 Within-Case Analysis.......................................................... 45
   6.1.1 Research Question 1: Scandinavian Airline System (SAS)........ 45
   6.1.2 Research Question 1: Nordea Bank.................................... 49
   6.1.3 Research Question 2: Scandinavian Airline System (SAS)........ 53
   6.1.4 Research Question 2: Nordea Bank .................................... 55
6.2 Cross-Case Analysis: ................................................................. 58
6.2.1 Cross-Case Analysis: Research Question 1.......................... 58
6.2.2 Cross-Case Analysis: Research Question 2.......................... 62

7. Conclusions & Recommendations........................................... 64

7.1 Conclusions:............................................................................ 64
7.1.1 Conclusion: Research Question 1......................................... 64
7.1.2 Conclusion: Research Question 2......................................... 65
7.2 Recommendations.................................................................... 65
7.2.1 Recommendations: Research Question 1............................ 65
7.2.2 Recommendations: Research Question 2............................ 66
7.3 Recommendations for Management........................................ 66
7.4 Recommendations for Future Research................................. 66

References: .................................................................................. 68

Appendix:

Interview Guide............................................................................. 72
1 Introduction

Customer’s loyalty is becoming an area of great interest for companies. The rapid development of technology and internet has diverted company’s direction to retain e-loyalty. Customer loyalty has a direct impact on the revenue and profitability of a company. The website interface plays an imperative role in customer e-loyalty. An interactive and content full website creates added value and highly motivate customer repeated visits (Thelwall, 2000). In first chapter, we will briefly discuss the concept of customer e-loyalty and importance of website design in Business to Consumer (B2C) context and why customer e-loyalty and effective website design is essential for company’s long-term profitability.

1.1 Background

These days’ businesses are facing fierce and too aggressive competition in both domestic and global markets. In order to enhance their chances of survival and growth in this uncertain environment organizations are forced to restructure themselves. The restructuring efforts have included the emergence of the "new paradigm" which is commonly referred to as relationship marketing (RM). RM provides the basis for the new paradigm argument which views marketing as an integrative activity involving personnel from across the organizations, with emphasis on building and maintaining relationships over time. Personal relationships, interactions and social exchange are the most important core elements of relationship marketing (Zineldin, 2000).

Customer’s retention over their life will contribute to enhance the firm’s profitability. This implies that companies have to learn their customers' needs and expectations, which are ever changing and often unpredictable. Offering increased value which companies are able to derive from their learning can enhance customer relationships. In transaction marketing, most or all of the firm's customer contacts are associated to the product itself. Therefore, when a competitor introduces a similar product in the market then price usually becomes an issue and customer can easily switch for lower price or better terms because in transaction marketing the price sensitivity of customers is often high. However a firm pursuing a relationship marketing strategy, on the other hand create more value for its customers than that which is provided by the core product alone. Such a firm develops over time more and tighter ties with its customers. Such ties may, for example, be technological, knowledge-related or information-related, or social in nature. If they are well handled they provide customers with added value, something that is not provided by the core product itself. Thus, relationship marketing makes customers less price sensitive (Grönroos, 1997).

In RM the customer interface is broader, and the firm has opportunities to provide its customers with added value of various types. When several firms can provide a similar technical quality for a product, then relationship marketing plays a critical role for companies to gain a competitive edge (Grönroos, 1997). The role of traditional RM is changing because technology has significant impact of customer choices, satisfaction and repurchases. The marketplace has never been static, and the need to anticipate and respond to change has been a basic prerequisite for survival since business first began. However, it can fairly be said that marketing management today faces a greater number of challenges of a more complex nature and from a wider number of sources. The impact of technology on marketing relationships is one of the most serious challenges. A company that does not learn and adapt to changing technology can face painful competition and may fall victim to competitors that switched
their strategies to the more technologically-based relationships and advanced products and services (Zineldin, 2000).

Relationships can be improved by many ways through Electronic media. Electronic media is an easy source for both customers and suppliers to interact with each other. Through electronic media customers can share their experience with other customers more easily. They can easily compare prices, delivery times and other term and conditions of their suppliers in the market. Advent of electronic media has entirely changed the shape of executives, salesperson and work force into computers, cell phones and fax machines. They have no fixed place of habitation and you don’t need to know where they are when you call them (Gummesson, 2000).

It is the need of time that firms have to innovative and market oriented in order to increase their ability to produce goods and services on controlling costs. The communication and computer networks between companies helped them to remain competitive and profitable. The rapid growth in technology has made the business environment to be more competitive then ever. The arrival of internet has made the world a global village. The rapid growth in technology will penalize the slowing moving and constant organizations therefore the companies that can get information and ideas quickly will gain significant competitive advantages over others (Zineldin, 2000).

Many companies are enjoying tremendous benefits from the effective use of Information Technology (IT) as strategic tool to build relationships with their customers like Benetton, IKEA, McDonald's, NORTEL, Procter & Gamble, etc. These organizations believe that the interactivity of IT and marketing will make it even easier to build relationships with consumers. In fact, the level of relationship building they are achieving would have been almost impossible to create without the effective use of IT. These examples demonstrate that everything companies do to build consumer loyalty is affected by IT. IT can play an effective role for companies to reach their global consumers. Website is an active, reasonably cheap mode of communication for companies to manage efficiently both information distribution and information retrieval. Therefore, IT can perform a major role to conduct better marketing practices, strengthen customer relations and cost effective production instead just to act as supporting factor (Zineldin, 2000).

Customer loyalty is strongly associated with the customer's willingness to continue in a relationship, however customers switching behavior has a direct and strong affect on loyalty. Customer loyalty can be understand in different ways depending upon the nature of the product or service which is being offered to a customer, for example, a bank customer is typically loyal as long as he holds an account with bank and switch when he change his account. On the other hand, the owner of a Mercedes can only show his loyalty to its brand when he make a same purchase next time. Furthermore, a customer can demonstrate his loyalty to a brand by showing his commitment and by providing a positive word-of-mouth to friends. With connection to the loyalty, it is a general rule that service quality and customer satisfaction has strong affect on customer retention (Rowley, 2003).

The concept of e-loyalty extends the traditional loyalty concept to online consumer behavior. Customer loyalty has a direct impact on the revenue and profitability of a company. The e-loyalty of customers will be negatively related to customers search for alternatives and positively related to their word-of-mouth, behavior and willingness to pay more. Research has identified eight factors that potentially affect e-loyalty. These 8Cs contains customization,
contact interactivity, cultivation, care, community, choice, convenience, and character, although all these factors have less or more effect on e-loyalty, however convenience is thought to have more influence on e-loyalty (Srinivasan et al., 2002).

In order to gain long-term customer retention in competitive markets, suppliers have to think about customer added values instead of just focusing on basic products and satisfaction. Suppliers have to find out new ways of establishing ties of loyalty that will greatly help them to face competition. Now days, it has been a very common understanding that the cost of acquiring a new customer is very much higher than the costs of customer retention because customer retention leads to a greater long-term profitability. The advent of internet has makes it possible to customize goods and services as per the specific needs of customer and to record the customer preferences, for example Amazon.com has utilize this technique in their website which remembers the caller's last visit and preferences. This technical facility is highly appreciated by their valuable customers (Clarke, 2001). This rapid growth of e-shopping reflects the compelling advantages that it offers over conventional brick-and-mortar stores, including greater flexibility, enhanced market outreach, lower cost structures, faster transactions, broader product lines, greater convenience, and customization. According to the U.S. Census Bureau’s Monthly Retail Trade Survey, Internet retail sales for 2000 were $25.8 billion, or 49% higher than 1999 sales of $17.3 billion. Beside all these advantages, e-shopping also comes up with its own set of challenges; competing businesses in the world of electronic commerce are only a few mouse clicks away. As a result, consumers are able to compare and contrast competing products and services with minimal expenditure of personal time and effort (Srinivasan et al., 2002).

Internet is a new and creative business tool of new era. It has changed the shape of traditional way of doing business and has gained a great deal of attention in the media. With the advent of the WWW and user-friendly web browsers, companies are making the leap online. Many companies have set up their Internet presence. Companies are quickly moving to use the Internet as a way of segmenting markets, targeting customers, frequent customer feedback, global customer access, round the clock shopping facility and many other things which were beyond the reach of ordinary promotional tools. All these business functions are being carried out with efficiency and at a reasonable cost. The potential applications of the Internet are being expanded every day, and companies which are the first to exploit these opportunities will have a tremendous advantage over their traditional-oriented competitors (Ainscough, 1996).

The website interface plays imperative role in customer retention and satisfaction. An interactive and content full website creates added value and highly motivate customer repeated visits. Therefore, website design needs to be viewed primarily as a business task rather then a technical job. The website design needs to be appropriate to the needs of the company and should focus on supporting business goals. Business managers need to focus on quality control over a website designed by themselves or even from an external Web design consultants because it is commonly seen that level of websites are substandard. Websites must be considered as strategic business tool. In order to consider accessibility measures, website must be registered with search engines, so that customer can easily access them. In fact creating an effective website needs to be taken seriously in the face of all the competition already on the Internet and it is first and foremost a marketing task and should not be left to computing professionals exclusively (Thelwall, 2000).
1.2 Problem Discussion

Relationship marketing is very important to retain a customer for a long time. This can increase company’s profitability over the years as customers become loyal to a company who offers value added offering to their customers according to their need and choice. The basic idea behind relationship marketing is to create customer loyalty. A customer becomes more loyal to an organization when it feels that it can best meet his or her requirement in a competitive environment. A loyal customer at the same time working as an agent of a company by telling his or her friends about the services or products of a company (Clarke, 2001).

The companies who treat their customers like assets and do everything possible to retain these assets and design pricing policies, product lines and different incentives, are able to enhance customer loyalty. Loyalty continues to play a vital role in profits and growth of a company. The cost of acquiring a new customer is higher than to retain existing customer. Loyal customers purchase more than a new customer and pay more premium price and do not search for alternatives and stand against the negative information spread by the competitors. Their tolerance for waiting is much higher than the new customers when a service is temporarily unavailable, especially with respect to online services which are inaccessible due to technical problems (Oliver, 1996).

Customer loyalty is the heart of relationship marketing. If an organisation is not able to keep customers and build long-term relationships it will continue to operate with discrete one off transactions. Discussions of customer retention seem to be dominated by loyalty programmes and customer discounts. But research shows that what really makes a customer to repurchase is high-quality customer service and well-managed, formal and informal communications (McIlroy & Barnett, 2000). Customers do not remain with an organisation just because of the discounts offered or the loyalty programme that is available. The service provided must also meet the expectations of the customer. An organisation building customer retention should enable customers to receive what they want, when they want it (just-in-time), and a perfect delivery each and every time with the desired levels of service that appeal to the consumer (Grönroos, 1997).

Since the Internet has been commercialized it has created an intense competitive environment among organizations and forcing them to extend traditional marketing practices and focus on developing long-term relationships with customers to ensure their retention and loyalty (Papadopoulou et al, 2001). Electronic commerce is rapidly emerging as a completely new method to conduct business and to interact with customers, suppliers and competitors. E-commerce covers many aspects of buying-selling relationships. It also covers many operations within the production processes (Fowzy & Yousaf 2003).

Acquiring customers via the web is costly and, since the competition is just a mouse click away, customer e-loyalty appears essential in an economic as well as a competitive sense. A better understanding of e-loyalty, its background and its consequences is in progress (Srinivasan et al., 2002). The growth of "Business to Consumer" (B2C) e-commerce has magnified the importance of building a loyal visitor base to an e-commerce website (e-loyalty) (Porter, 2001).

Despite the importance of e-loyalty to business success in online consumer marketing, little theoretical research has been done so far in this field. Most of the research has been confined
to practitioner-oriented suggestions on how to build loyalty to commercial websites. The
customer loyalty in cyberspace is as an evolution from the traditional product driven,
marketer controlled concept towards a distribution driven, consumer controlled, and
technology-facilitated concept. E-loyalty is all about quality customer support, on-time
delivery, compelling product presentations, convenient and reasonably priced shipping and
handling, and clear and trustworthy privacy policies (Reichfeld & Scheffer, 2000).

A unique factor in e-loyalty is the critical role of the first impression created by a website as
well as its ease of use, easy navigation, fast page loads, server reliability, quick shopping and
checkout processes, and a personalized interface. The convenience and site design are among
the major factors that determine customer satisfaction, which in turn influence the decision to
repatronize a site. A website has to be designed for a targeted customer segment, which
means that the content of the site has to match the preferences of its targeted customer group.
A company while developing a website should consider offering language-changing options
since a website can be accessed from all over the world. In addition, it is advisable to change
the content of a site to suit local conditions. This concept is successfully implemented by
Amazon and Stepstone, which is a European online career portal. Local adaptation should be
based on a complete understanding of a customer group’s culture. For example, people of
different countries perceive colours differently or people with a different reading direction
(such as Arabic or Chinese) do not look at the same spots on the screen as people in Western
countries do (Szymanski and Hise, 2000).

Internet provides organizations a powerful tool to profile its existing customer base and to
create and retain stronger relationships and also to find new customers, suppliers and
distributors. However, using an effective mix of physical elements with the information
technology is a vital aspect for developing an organization’s competitive position in the
competitive marketplace. The fast changing marketing environment has put great influence on
relationship marketing. The importance of building and keeping a close relationship between
companies, customers, and other business parties has increased with the help of information
technology. The use of Internet has enabled organizations to obtain customer information in
their database marketing processes to enhance relations with the customer. Relationship
marketing and integrated marketing communications should guide both Web site design and
customer conversion. As the focus shifts towards interactive relationships, customer loyalty
and customer retention increases (Zineldin, 2000).

1.3 Purpose

From the problem discussion above, the purpose of this study is to gain a deeper
understanding of how to create customer e-loyalty on website.

1.4 Delimitation

There was limited time to do this thesis and there were many aspects to discuss but an attempt
was made to narrow down the topic. The study only focuses on company’s perspective in e-
loyalty rather than the customer’s perspective. The aim of this research was to gain deeper
understanding about how to create e-loyalty from company’s perspective; a customer
perspective has not been touched.
2 Literature Review

This chapter contains data based on our research questions. First, we describe the background of e-loyalty, its benefits and customer web experience followed by the studies done on the website design and the factors that influence the customer e-loyalty.

2.1 Customer Retention on Website

The question of customer retention is particularly important in the electronic business; the environment for it differs somewhat from the offline world. The internet economy presents companies with new threats as well as new and different opportunities (Hagel & Rayport, 1997). Companies must understand the specific environment of the electronic marketplace in order to achieve the objective of customer retention, where the barriers to customers switching are lower compared with the traditional economy and vendors are more vulnerable to customer defection. These lower switching barriers result from the ease of switching over to competitors where there is lack of relationships between customers and suppliers. The benefits of retaining an online customer are high but on the other hand the cost of acquiring is also high. Second, the ease of extending existing services and product lines into new ones enables web business to take advantage of cross-selling opportunities to loyal customers. Third benefit from loyal customers is referrals that are very important these referrals occurs at a higher rate in the internet economy than in the traditional business because they can be made easily and effortlessly, often with a single mouse click (Bernd & Lihotzky, 2003).

2.1.1 Web Experience

In the 1990s, the introduction of the World Wide Web on the Internet represents a turning point in electronic commerce, as it provides businesses with a cheaper way to carry out their activities, requires a minimal infrastructure investment and enables more diverse business activities. The advances in information technology and more recently, the Internet, offer a wide range of opportunities for companies to find new ways of contacting their businesses in order to cope with increased competition more efficiently and effectively (Kalakota & Whinston, 1997). Organisations are deploying their information systems in order to, among other applications, co-ordinate their transactions with their customers and other business partners. World Wide Web is defined as “A friendly graphical user interface (GUI) to the technologies and protocols that underpin communication between computers on the Internet”. (Watson, 1999).

The current active and confused business environment has forced companies that are competing in global markets to change their traditional methods of conducting business into online business. Recent developments in e-commerce offer the most exciting business opportunities in the marketplace. Organisations must re-evaluate every aspect of their strategy and quickly move to a working mode where the business on internet is essential for their success. As the Internet develops it is possible that e-mail will take over from traditional telephony as the common method of communications. Furthermore, the Internet provides an extraordinary infrastructure for moving information and data (Fowzy & Yousaf 2003).

The Web provides new opportunities and challenges to maintain and build long term customer relationships. Some experts believe that the Web is more conducive to relationship marketing than other targeted media, such as direct mail. A firm must understand the users
experience to establish relationships with online customers (Nielsen, 1999). The Web can be viewed as a space to advertise also Web users can be viewed as consumers. Since the home page represents the "first look" at the Web site, it plays a vital role in gaining and holding consumers' attention. Capturing a customer attention is an increasingly important in rapidly changing media environment (Singh & Dalal, 1999).

Web has been viewing as a relationship marketing tool. Marketing is becoming more communication dependent due to the increase in interactivity, and that communication is the primary integrative element in building and managing relationships. By emphasizing communication, sharing information, gathering feedback, listening, and responding to customers and other shareholders becomes increasingly important. The more focus on interactive relationships will have positive affect on brand value and customer retention. (Duncan and Moriarty, 1998). A company can convert visitors into purchasers or customers by ensuring that it is easy for the consumer to establish a dialogue with the company. The company must respond quickly to consumer inquiries and in a professional manner and ordering should be simple and secure for consumers. Converting purchasers into repeat customers can be influenced by frequently updating the Web site. Also, companies should update customers on their order status and should have the ability to update and exploit the transaction database. A company should monitor customer satisfaction. Gathering and responding to customer feedback are critical communication activities when attempting to convert a purchaser to a repeat customer, thus establishing an online relationship (Berthon et al., 1996).

Web experience can be defined as the consumer's total impression about the online company resulting from his/her exposure to a combination of virtual marketing tools "...under the marketer's direct control, likely to influence the buying behavior of the online consumer" Constantinides, (2002, p. 60). The Web experience includes elements like searching, browsing, finding, selecting, comparing and evaluating information as well as interacting and transacting with the online firm. The Online customer is impressed with the overall image of a web site and these elements attract customer toward website. Web experience is important not only for marketing of products and services but also for the information sites like online newspaper (McKinsey, 1999).

The consumer experience on a web is very important for dot.com-type firms but also for multi-channel vendors. To have a good dynamic website is very crucial for traditional firms expanding their business on Internet. The quality of web site is very crucial in online experience, if the design and type of web site is poor then this can create problem for company not only online business but also for traditional business (Constantinides, 2004). According to a research about 50% of internet users who have negative online experience have left online orders while 50% have shifted towards traditional buying (Nua Internet Surveys, 2002). The core meaning of delivering the Web experience is the corporate Web site. The successful websites always take care about their customers and keep their customer guide through the purchase process. Therefore Web sites should be developed in a way that it attracts a customer to purchase online and not for information purpose only (Constantinides, 2004).

### 2.1.2 Factors Influencing Consumer Perceptions of Website Effectiveness

Simeon (1999) developed a comprehensive model for website effectiveness assessment. He proposed this model arguing that an effective website must accomplish four principal
objectives; (1) attracting, (2) informing, (3) positioning; and (4) delivering (APID). Therefore, websites could be evaluated in terms of their contributions to these aims. Simeon recognized that each AIPD component is multi-dimensional and he attempted to identify dimensions of each AIPD factors and determine their relative importance. Yang et al., (2003), they used this APID model as basis and appended few variables in it which they thought to be important for commercial websites which are as follows:

**Security and Privacy**

Security and privacy is biggest user concern in e-commerce. Security and privacy is directly associated with trust which is an essential competitive advantage in the e-commerce. The reports of lack of privacy and security, badly affect e-commerce, therefore it is the basic responsibility of e-marketers to ensure the security and privacy concern of customers in order to establish trust. However, sometimes the company efforts to ensure the security and protection of privacy make customers difficult to access websites. Consumers have to apply for a password to ensure security and even company have to upgrade their browser to a 128-bit for sophisticated encryption technology. As a result of these cumbersome procedures it has proved to be a winning strategy for e-tailor companies. These security and privacy strategies provide a winning combination (Yang et al., 2003).

**Downloading time**

Consumes wants to download their desired information within couple of seconds, peoples don’t have time to wait for website to download its pages slowly. Everybody is conscious to maximize the output of his valuable time, therefore downtime is thought to one of the most important elements of an effective commercial website. Downloading time is a psychological factor as well as a technical factor, therefore any website which is free from technical faults and is quick and easy for users to navigate will be preferred by consumers and strongly attract more return visits and referrals. On the other hand, long download times increase frustration, and result in consumer dissatisfaction (Yang et al., 2003).

**Virtual branding**

Any new channel of product or services on internet needs high level of ‘Virtual Branding’ because consumers usually don’t buy from unknown or new websites because of perceived risk for example, initial fears of being cheated, misuse of credit card numbers, or non-delivery of goods purchased on the internet because it is practically very hard to cope the internet frauds. Sometimes consumers don’t want to change their shopping experience from offline to online. Because of these reasons, it is usually hard to bring people to have online experience, in such a situation a strong virtual brand greatly influence online shopping experience and gain customer trust and confidence. Therefore, a strong brand name should be developed by creating positive images about a company and its product and services. In online environment, consumers are found to be brand conscious when they purchase online because a strong brand gives consumers confidence to carryout their online transaction. For example consumer prefers to do online shopping on Amazon.com as compare to other unknown or small company (Yang et al., 2003).
Banner advertisements

Banner advertisements are good tool of marketing communication, the use of banner advertisements can have a significant impact on the number of hits a website receives and may even translate into actual purchases on the Web. However, the average price of banner advertisements has reduced in recent years due to their perceived ineffectiveness but many companies are enjoying outstanding benefits form banner advertisements like CDNow. These small advertisement efforts converted visitors into paying customers. There are different opinions in favor or against the use of banner advertisements, however E-marketers must evaluate the cost effectiveness of the various methods of attracting customers and budget their promotional expenditures accordingly. Regardless of how customer acquisition is accomplished, it is obvious that the first order of business in e-commerce is to bring current and potential customers to the Web site (Yang et al., 2003).

Ease of access

Ease of use is one of the major elements of information delivery. An effective commercial web site must provide content, information, range of search capabilities and availability, information about the company and its products and services because the core objects of website visitors is to get concise information. Many empirical studies have proved user-friendliness as one of the most important criteria influencing their use of a Web site; it includes factors such as the interface and aesthetic features, global site understandability. Therefore, visitors must be able to easily move through the site and obtain the content they seek easily and enjoyably. However, this may be difficult to achieve, particularly when a Web site matures, since new features and functions are constantly added to the Web site. In spite of this website information should be brief and clear otherwise it may confuse consumers can be can result in customer defection (Yang et al., 2003).

Ease of navigation

For effective marketing communications, accessibility or reach has always been a major focus to access the target audience. There are a variety of methods to attract interested parties to an organization's web site. URL and web addresses are good ways to access well-known companies with an established brand; it also creates a competitive advantage. When online consumers do not directly navigate to the firm's URL they can still be directed there through the use of affiliates, non-competing e-commerce firms who act as partners by directing visitors to their site to a separate e-commerce site, typically for a fee or commission should a purchase take place. Jupiter Communications has reported that 25 percent of Internet retail sales are outcome of affiliates programs with search engines. In third quarter of 1998 almost US$80 million of sales for dozens of CNET's affiliates was reported (Yang et al., 2003).

Graphical interface preferred

The use of graphical interface is getting popular because of its ease of use by simply pointing and clicking, which makes it easier for consumers to navigate a site and find what they want. It make consumers more interactive with website and create competitive advantage for example that the more interactive a Web site is compared to its competitors, the more likely that site would be included in Lycos' "top five percent site hits" therefore, individuals will be more motivated to revisit a Web site because of its interactivity. There are different opinions in favor or against the use graphics, although the use of graphics makes the website more
attractive but it also slow the processing speed. There is a new trend in website design used by e-businesses, they offer an option to the user as to whether they want to browse their Web site with or without graphics to make the site more interactive and animated, it greatly enhance the interactivity level for those who want to see graphics or want to see simple website (Yang et al., 2003).

**Positioning capability**

Positioning strategies has always been used to set the competitive position of the company in the market, these positioning strategies has been become more important in e-commerce because the customer can switch just with a click of mouse. Discounted prices, convenience and unique merchandise are some of the market positioning strategies adopted by most e-marketers. For example, Virtual Vineyards, a Web-based company that markets wines has adopted a different market positioning strategy by offering that its wine is made of vineyards which are not easily obtainable. Therefore, the positioning capability of a Web site reflects that what special or value added benefits are company going to offer their valuable customers (Yang et al., 2003).

**Use of cookies**

Now day’s e-marketers want to get the maximum output of web technologies to ensure their high profits. The concept of database marketing or data mining is getting very popular. Cookies are used to track consumer’s preferences to gain better marketing position. Cookies track the consumer’s total number of visits on a particular link which expresses the customer interest to particular product. Database marketing can enhance the company’s segmentation capability. The effective use of cookies helps e-marketers to collect accurate information about their customer’s interest, likeness at a cheap rate (Yang et al., 2003).

2.1.3 Key Quality Factors which highly Influencing in Website Design (KQF’s)

Cox and Dale (2002), have identified Key Quality Factors (KQF’s) in 2002, and they thought that it highly influence the website design.

**Clarity of purpose and Contents**

First, companies should decide that what is the scope and of product or services they are going to offer on their website. Companies some time just make their website because they just need their internet presence but the purpose of website was not clearly defined, such websites creates bad image and results in customer dissatisfaction. Clarity of purpose and contents should be clearly mention in website’s homepage and well as their “mission statement”, therefore customer can understand that this website only gives information about company or this website offers complete e-shopping facility. It is has been seen that sometime websites frustrated customers by offering confused or misleading information. First, website offer verity of products and services and guide customer for order processing and after collecting and processing whole information from customer, the website says thanks to customer for visiting their website and refer him to contact head office for further details to complete his shopping. Such websites have lacks of clarity of purpose and creates bad customer experience. On the other hand if the information clearly and logically organized it results in customer revisits, positive word-of-mouth and customer loyalty (Cox & Dale, 2002).
Consistency, menus and site maps

Consistency, menus and site maps are the essential elements of a good website design. The consistency of menus and bars means that all web pages should have similar look in fonts, size of text and contents. Menus are necessary for users to guide about the whole website data flow so they can easily navigate. Some researchers found that there should be a hope page on every page to guide user to go back and some prefer that there should be a menus on left side to move within website. In the same way, the use of site maps is a good method to guide user to easily browse within the website. However web designer can use any of the web technique to make their website effective but the basic goal to use all these features is to help out users in easily navigation (Cox & Dale, 2002).

Pages, text and clicks

The pages on a website should ideally be summarized and short. Companies should avoid to use unnecessary details, however in order to provide more details a separate link is suitable instead to provide all details under main page. The use of headings and paragraphs in website is as important as in any book, magazine or in newspaper. There should be a button at the bottom of the every page to provide option for user to return to the top of the page. For effective and efficient online transaction the process of order processing should be flexible. In order to do so, check out buttons can make the process easy for customer to checkout the necessary columns and precede order. Amazon.com has been praised for their easy "one click" order processing (Cox & Dale, 2002).

Communication and feedback

Communication and feedback can play effective role to make e-commerce successful and especially feedback is important for interaction with customers on the Internet. Websites should be designed by using sophisticated web tools, for example it should advise the user of an error in their input, or highlight in red color if any of the data is missing or could not mismatching information. This kind of facilities create added value in websites and create competitive advantage (Cox & Dale, 2002).

Search

Search facility significantly enhanced the level of accessibility and navigation. In some cases customer could not found the desired information on website, here the search plays an effective role to facilitate customer to find out what they want. Sometime users assumed that the search would cover the entire site and got confused when the search only covered a particular area, therefore it is necessary to make it clear next to the search button. Furthermore, it can be make clear by giving a drop down lists, so the customer can easily understand the range of this particular search (Cox & Dale, 2002).

Fill-in forms

In any case, if the registration is necessary for customer than for the sake of customers ease, instructions should be given to fill out the form for registration or order proceeding. Furthermore layout of such forms for personal detail entry should be self-explanatory. In addition illustration can be made for further guidance (Cox & Dale, 2002).
Selection

The selection of items be immediately accessible from the home page so the customer can easily find them, this selection should be done through sorting items or through pick list buttons. It is observed that if a product or service is being offered on the second or third page, 50 per cent customers do not like to it and do not revisit such site (Cox & Dale, 2002).

Product / service information and availability

It is importance that the availability of products should be presented on real-time, so that if the item is available than customer can proceed with order or in case of non-availability in stocks customer can choose an alternative. Such websites which don’t provide availability of information on real-time and send an email after some days by excusing that the product is not available in stock, it creates bad corporate image and frustrate customer (Cox & Dale, 2002).

Delivery Information

It is highly recommended that the information for delivery of products should ideally be available with actual product itself (i.e. shipping cost and expected delivery times). The purpose is to aware the customer about the price which he have to bear when the product will reached at his door, because sometimes the extra cost of the product is even higher than the core product itself, in such cases customer usually do not proceed with purchase. Furthermore the delivery time is also important and should be given along with product price, because if customer wants to make a purchase for charismas and delivery could not be made before that than customer might leave it (Cox & Dale, 2002).

Policies, charges, terms and conditions

Due to the nature of global reach of websites, e-business needs to review their business policies, charges, terms and conditions in an international context. All terms and condition should be clearly stated like, canceling orders, returning goods, taxes and refunds. It should be stated clearly, if the delivery is restricted to some particular countries or cities in order to avoid frustration later on. Therefore, quality certification is necessary for e-businesses to ensure a common standard. Clicksure is a company which provides certification for websites and guide companies to form their policies on canceling orders, returning goods, refunds etc. (Cox & Dale, 2002).

Reliability

Lack of reliability to make transaction online is one of main barrier to customers shopping on-line. It is recommended that companies should offer a secure payment method on-line in order to increase trust. The risk of online frauds and miss use of credit card numbers reduce customer trust and before making online transaction customer also want to that the company is physically exists or not, therefore Clicksure has point out that it is a legal requirement that Web sites contain a physical address for the company so that customers can contact the company or check that its physical existence. The Internet is an open source for every one, and it has become a new arena for fraud, therefore customers want to verify that the internet company is bona fide or not (Cox & Dale, 2002).
**Customer service**

In every business, customer service plays a significant role in delivering service quality. In online environment, there is not face-to-face interaction, so companies should offer a telephone service to create interaction with customers. Few sites offer a call-u-back service and calls customer on their gives telephone number within a certain time limit to answer their queries. Some websites offers an e-mail address to answer query. Such customer services create added values for customer and result in customer satisfaction, trust and loyalty (Cox & Dale, 2002).

**Frequently asked questions (FAQ)**

The availability of FAQ’s in a sophisticated way to helps the customer to search their desired information on website without putting any query and without wasting any time. FAQ’s can be organized by, topic wise, by table or by index form. FAQ should be given separately and should be easily accessible from home page (Cox & Dale, 2002).

**Customer relationships**

The success of the websites lies with customer repurchases, therefore customer relationship creates strong ties with customer and it can be done in a number of ways (Cox & Dale, 2002).

- **Customer Recognition**

  E-business trends to use customer transaction history to forecast sales. Companies use the customer history, shopping interest and other info to understand their customer well. The ID’s or emails of customer are used to facilitate customer in next purchase and customer don’t need to enter whole information again. Furthermore, based on customer history companies offers a variety of relent new products to customers (Cox & Dale, 2002).

- **Customer feedback platforms**

  There is an increasing need of customer feedback platforms where customers interact with e-business as well as with other customers. This type of interaction builds a web-community where customers can share their experience and get help from each other. The added value makes a customer loyalty to that particular Web site. Amazon.com has potentially used this website feature to create customer satisfaction, revisits and loyalty (Cox & Dale, 2002).

- **Frequent buyer incentives**

  It is a very commonly used strategy to keep customers back for repeat purchases. Such inventive schemes create competitive advantages. Such incentives can be offered in terms of discounts, free delivery etc. (Cox & Dale, 2002).
• **Extra services**

The concept of extra services is very much similar to the frequent buyer incentives but it is different in its nature, for example some websites offer a currency conversion rate of product (Cox & Dale, 2002).

### 2.2 Customer Loyalty

Building and maintaining brand loyalty has been a central theme of marketing theory and practice in establishing sustainable competitive advantage. In traditional consumer marketing, the advantages enjoyed by a brand with strong customer loyalty include ability to maintain premium pricing, greater bargaining power with channels of distribution, reduced selling costs, a strong barrier to potential new entries into the product/service category, and synergistic advantages of brand extensions to related product/service categories (Reichfeld, 1996). The development of "Business to Consumer" (B2C) e-commerce has magnified the importance of building a loyal visitor base to an e-commerce website (e-loyalty). Most B2C e-business models have relied initially on an intensive effort to generate a large enough customer base and to achieve maximum profitability “lifetime revenue potential” from each loyal customer (Porter, 2001).

In the 21st century, marketers striving to defend or capture market share with the help of a loyal customer base. Customer loyalty has been universally recognized as a valuable asset in competitive markets. Investments in loyalty management are especially important if consumers face low switching costs, because they are not locked in by a contract. The concept of customer loyalty has passed through several industries in the past decade. Membership to customer loyalty initiatives provides members with rewards and additional value, making it popular among consumers. This has led to an increased competition among the companies within the same retailing industry to attract the same set of customers and as a result consumers often fall in loyalty programs of multiple companies within the same industry (Srivastava et al, 2000).

Customer loyalty is defined as "a deeply held commitment to rebuy or repatronize a preferred product/service consistently in the future, thereby causing repetitive same-brand or same brand-set purchasing, despite situational influences and marketing efforts having the potential to cause switching behaviour" (Oliver 1999, p. 34). This general definition can also be applied to e-loyalty as well but there is a briefer and specific definition of e-loyalty that is "the customer's favourable attitude toward an electronic business, resulting in repeat purchasing behaviour" (Srinivasan et. al 2003). Customer loyalty is considered important because of its positive effect on long-term profitability. This is crucial for online companies to create loyal customers because it has positive effect on long term profitability on the other hand acquiring new customer can be more expensive and company has to spend much on new customer (Reichheld et al. 2000).

#### 2.2.1 Benefits of Customer Loyalty

The first step to understand the benefit of customer retention in business is to calculate the profit earned from customers and then identify the difference between the mature and new customers that affect the cash flows. Following are some of the benefits of customer retention.
**Acquisition Cost**

To attract a customer every business invests money in different styles like, advertising directed to new customers, commissions on sale to new customers, sales force overhead and so. The example of a credit card company best fits in this situation where to get a response of 2 to 3 percent, a credit card company has to mail out fifty thousand customers or more to receive just one thousand applications. If we calculate the cost of acquiring a new customer it includes, credit evaluation, card issuance, and cost of putting a new bank account into the bank’s data processing system, it reaches from $50 to $100 (Reichheld, 1996).

We all know that existing customers are always worth more than new customers. They spend more and are more responsive to offers. A significant part of marketing should be spent on both to retaining and developing best customers. Because a company understands more about their existing customers than the new one (Reichheld, 1996).

**Referrals**

An important benefit of long term customer retention is that satisfied customers recommend the products to others. The customers who show up on the recommendation is more profitable and stay longer with the business than the customer who respond to advertising or price promotions. Since, people often associate themselves with the people; the results are good that referred customers will fit well with the products and services of the company. Those businesses who give rewards for good growth to advertising, brilliant marketing campaigns and sales people, their chances of profit are very high due to referrals (Reichheld, 1996).

**Price Premium**

It has been observed that old customers pay more prices than the new ones. This is sometimes the result of trial discounts that is only available to the new customers. Almost all business use special introductory prices and special offers to new customers, but sometime they also use it for old customers, who think that they deserve more than new customers. A retailer offers a coupon to all customers but finds that mature customers are less likely to use it. The customers who have been in strong relation with a business and are acquainted with full product line will almost get greater value from business relationship. So old customers are less price sensitive than new customers and they have developed their trust on company so they pay more than new customers (Reichheld, 1996).

**Operating Costs**

As customer is more familiar with the business, they become more efficient. They do not hesitate to put their request to the company for the services it does not provide. Familiarity with business takes the burden off from the employees of a company for information about the product. For example in a chartered accountant firm, where auditors give much time to new client than the old clients. All this is due to understanding a new client’s balance sheet, tax status, income profiles and risk management. While in this process client is in great touch with its consultant that develop a relationship and learning between client and consultant. The operating cost is higher when this relationship starts but when this relationship is established that result in lower operating cost. The cost and benefit are obvious in this situation but also the cost penalties when an employee is left the company and a new employee has to gain all client knowledge (Reichheld, 1996).
Revenue Growth

The advantage of retention of a customer in a business is that customer spending increase over time. The customer is full aware of all products in a store. If a customer is satisfied with the services he will develop trust and that will result in revenue growth. For example, in auto services, where a customer may come for wheel alignment or oil change can move on to more expensive items like tune-ups and tires if they like the services. According to estimate, average annual revenue per customer in auto service triples between the first five years. A credit card company can accelerate its loyal customer lifecycle and also the profit by offering rewards points and discount in prices to encourage the card holder to use their credit cards more often (Reichheld, 1996).

2.2.2 Factors Influencing Customer e-loyalty

According to Kuttner (1998, p. 20), “The Internet is a nearly perfect market because information is instant and buyers can compare the offerings of sellers worldwide. The result is fierce price competition and vanishing brand loyalty.” Given the reduction in information irregularity between sellers and buyers, there is a growing interest in understanding the bases of customer loyalty in online environments. From a seller’s perspective, customer loyalty has been recognized as a key path to profitability. The high cost of acquiring customers renders many customer relationships unprofitable during early transactions (Reichheld & Sasser, 1990). In order to acquire the benefits of loyal customer base, e-retailers need to develop a thorough understanding of the background of e-loyalty, that is, customer loyalty to a business that sells online. Such an understanding can help e-retailers gain a competitive advantage by devising strategies to increase e-loyalty. The following are the actionable factors that impact e-loyalty and investigate the nature of their impact. These eight e-business factors that appeared to impact e-loyalty: (1) customization, (2) contact interactivity, (3) cultivation, (4) care, (5) community, (6) choice, (7) convenience, and (8) character. For shortness, we refer to these factors as the 8Cs. Each is briefly discussed below.

Customization

Customization is the ability of an e-retailer to fit products, services, and the transactional environment to individual customers. Customization offers great potential for e-retailers as “the web has clearly entered the phase where its value proposition is as contingent upon its abilities to permit customization as it is upon the variety of content it offers” (Schrage (1999, p. 20). Many e-retailers have already begun to incorporate some degree of customization into their practices. In the current study, customization is operationally defined as the extent to which an e-retailer’s web site can recognize a customer and then adapt the choice of products, services, and shopping experience for that customer. There are multiple reasons why customization is expected to affect e-loyalty. Customization increases the probability that customers will find something that they wish to buy. In addition, customization can signal high quality and lead to a better real match between customer and product (Ostrom & Iacabucci, 1995). Finally, individuals are able to complete their transactions more efficiently when the site is customized. A large product selection can, in fact, irritate consumers and drive them to use simplistic decision rules to narrow down the alternatives (Kahn, 1998). If the company is able to accurately modify or narrow choices for individual customers, it can minimize the time customers spend browsing through an entire product range to find precisely what they want. These advantages of customization make it appealing for customers to visit the site again in the future.
**Contact interactivity**

Contact interactivity is the interaction between e-retailer and a customer through its web site. Several researchers have highlighted the significance of interactivity to customer loyalty in electronic commerce. Lack of interactivity is a problem for a majority of web sites. They are often hard to navigate, provide insufficient product information, and answer inquiries via e-mail only after a delay of a day or two. Contact interactivity is operationally defined as the availability and effectiveness of customer support tools on a website, and the degree to which two-way communication with customers is facilitated. Contact interactivity is expected to have a major impact on customer loyalty for multiple reasons. Interactivity increases the amount of information that can be presented to a customer (Berthon et al, 1998). Interactive web site enables a customer to speed up search process that can quickly locate a desired product or service, thereby replacing dependence on detailed customer memory. By replacing a consumer’s need for reliance on memory with an interactive search process, an e-retailer may be able to increase the perceived value that the consumer places on a business transaction. For instance, a customer in a bookstore is generally limited to reading the dust cover to understand a book’s content. However, the customer of an online bookseller cannot only read the dust cover but also read reviews written in leading periodicals as well as the opinions of other customers. The online customer can also receive recommendations regarding other books bought by people with similar reading tastes and preferences. This tailored information helps the customer choose the exact products desired. Interactivity helps build more refined knowledge on the part of the seller regarding the customer’s tastes and preferences so that the customer has the incentive to return and gain from, and add to, this knowledge repository. Therefore, contact interactivity is expected to be positively related to e-loyalty and helps the navigational process to increase the freedom of choice and the level of control experienced by the customer (Alba et al., 1997).

**Cultivation**

Cultivation is the extent to which an e-retailer provides relevant information and incentives to its customers in order to extend the breath and depth of their purchases over time. As noted by Berger (1998), companies need to use their databases effectively to cultivate consumers. By proactively offering desired information, a company is inviting a customer to come back. It is relatively straightforward and inexpensive for an e-retailer to not only recognize a customer but also reach out to that customer (such as through email promotions) and persuade him or her along the route to purchase. Cultivation is operationally defined as the frequency of desired information and cross-selling offers that an e-retailer provides to customers. By actively cross selling its products, a firm can provide customers with useful information that would be bulky to obtain otherwise. For example, Amazon.com reaches out to its customers with offers on books related to their past purchases. Online men’s apparel retailer Paul Frederick updates its customers by email whenever there is a discount sale on items of clothing that are similar to items previously purchased by them. An additional benefit of such cycles of stimuli and responses is that the retailer’s knowledge base regarding the customer is continuously enhanced, lessening the customer’s incentive to defect to another seller who has to build such knowledge from scratch. Further, with such initiatives, an e-retailer can proactively diminish the likelihood of additional search by customers (Berger, 1998).
Care

Customer Care refers to the attention that an e-retailer pays to all its customers to make a long term relationships. Customer care is an attention that the e-retailer pays on the status of order that there is no breakdown in services and if it occurs then try to resolve it quickly. “In the physical world, if I make a customer unhappy, they’ll tell five friends, on the Internet they’ll tell 5,000” (Poleretzky, 1999, p. 76). In addition, an online customer can easily switch over to competitors. Therefore, e-retailer should take good care of their customers. Care is operationally defined as the extent to which an e-retailer keeps its customers up to date about the different products and services that are offered and also the status of order in order to provide maximum desired services. Failure in services affects future business because they weaken customer-company bonds and lower perceptions of service quality (Bolton & Drew, 1992). The breakdowns in service put negative impact on customers’ repeat purchase behaviour. Therefore, it is expected that the level of care that a company exercises to minimize disruptions in customer service will lead to higher e-loyalty (Kelley et al., 1993).

Community

A virtual community is a list of online customers that is organized and maintained by the e-retailer for the exchange of information and opinion about the product and services. For example, customers of an online e-bookstore that supports a community can, before buying a particular book, access the opinions of other customers who have purchased it. Moreover, after reading the book themselves, they can add to this collection of opinions. Many businesses including booksellers, information providers, auction house, flower vendors, and household appliance sellers, have formed virtual communities of customers because they recognize that these communities have the potential to increase customer loyalty (Donlon, 1999). Virtual community is operationally defined as the extent to which customers are provided with the opportunity and ability to share opinions among themselves through comment links, buying circles, and chat rooms sponsored by the e-retailer. There are several reasons why a community could potentially affect customer loyalty. By facilitating this informational exchange among customers through the community, an e-retailer can increase e-loyalty among its customers. In particular, some customers may remain loyal because they value the input of other community members, and others may be loyal because they enjoy the process of providing such input to the community. Communities also affect e-loyalty through their effect on social relationships that customers build among themselves, usually based on a shared interest (Oliva, 1998). For example, a retailer of recycled paper products can host a community that is focused on protecting the environment. Members of this community can be loyal because they value the social interaction and because the retailer’s way of doing business is aligned with their own values. Therefore the level of e-loyalty will increase with the development of virtual communities. (Srinivasan et al., 2002).

Choice

An e-retailer can offer wider range of product and services within given category than the traditional retailer. For example, a store in a market is constrained by the availability and cost of floor space, whereas its online counterpart does not have such limitations. E-retailers can also form alliances with other virtual suppliers to provide customers with greater choice. To illustrate, an e-retailer may keep only a limited variety of a given product category in inventory but can form alliances with other suppliers and manufacturers that can ship products to customers of the e-retailer from their own. However, the customer has a perfect
access to the entire range of products carried by the alliance from the e-retailer’s website. Many consumers do not want to deal with multiple vendors when shopping (Srinivasan et al., 2002). Consumer search costs associated with shopping across retailers increase with the number of competing alternatives. In contrast, an increase in the number of available alternatives at a single e-retailer can greatly reduce the opportunity costs of time and the real costs of inconvenience and search expended in virtual store shopping. The e-retailer that offers greater choice of products can emerge as one-stop shopping, thereby creating e-loyalty. (Bergen, 1996)

Convenience

Convenience refers to the simplicity of a web site. Accessibility of information and simplicity of the transaction processes are important to make successful completion of transactions. The quality of the website is particularly important because it represents the central interface with the marketplace (Palmer & Griffith, 1998). More than 30% of the consumers are lost and leave web site without purchasing because they are unable to find their way in web site. Convenient website provide a quick response time, fast and easy completion of transaction. Consumer expectance is high in online environment and they need fast completion of their transaction. If a customer is frustrated while browsing a website then it will never visit website again (Schaffer, 2002). The key to successful website and e-retailing business is to enabling consumer to search information easily (Sinioukov, 1999). There are many factors that make a website inconvenient for example in some cases information is not accessible because it is in wrong place. Finally needed information my be absent from the web site. A good website will minimize the mistakes that a customer makes while browsing and also will increase the satisfaction of a consumer while shopping online. These things will really increase the customer e-loyalty (Cameron, 1999).

Character

Character of a web site is a first impression in the mind of a consumer. A dynamic and Creative website design can help an e-retailer to build a positive reputation and characterization for itself in the minds of consumers. The website represents a medium that is potentially far more comprehensive and effective than a television or newspaper communication (Budman, 1998). Character can be defined as an overall image of a web site that includes different inputs such as text, style, graphics, colours, logos, and slogans or themes on the website. To enhance the recognition of a website unique characters or personalities can be used. Character is particularly important because web sites can be rather impersonal and boring because there is no person-to-person interaction between user and e-retailer (Srinivasan et al., 2002). The graphic symbols, images and colours attract the customers towards online shopping. This type of coded stimuli can positively impact customer attitudes towards a website. For example, Tiffany, the well-known jewellery retailer, has invested substantially in digital imaging technology to ensure that all images of jewellery on its web site are presented using high quality graphics. The overall impact of the website reinforces Tiffany’s reputation as a prestigious, high-quality retailer (Neil, 1998). Therefore, character of a web site has positive impact on customer and that leads to increase in customer e-loyalty (Srinivasan et al., 2002).
3 Conceptual Framework

According to Miles and Huberman (1994, p.18) “The conceptual framework explains, either graphically or in narrative form, the main things to be studied.” In our previous chapters presented we have described background and problem discussion about our research purpose; how to create customer’s e-loyalty on website? In chapter two literatures has been reviewed within the area of our research. In this chapter we will take concepts from literature review to build our conceptual framework. Based on literature review we have formulated two research questions which are as follows:

RQ 1. How can effective website design be described?
RQ 2. How can the factors influencing customer’s e-loyalty on website be described?

RQ 1. How can effective website design be described?

A successful website always uses integrated approach bridging the content factors with human factors; user interface. As consumer is becoming experienced in internet knowledge, this would be impractical to ignore them in building a website. Number of researchers has considered user interface factors as predictors of the effectiveness of a website. (Srinivasan, 2002). According to Yang et al., (2003) and Cox & Dale (2002), we have list down the factors that highly influence the effective website design.

Security and Privacy

Security and privacy is biggest user concern in e-commerce. Online transaction must be secure and customer’s personal information e.g. credit card numbers, shopping history, e-mail addresses should not be passed to any third party without the due consent of the customer (Yang et al., 2003).

Downloading time

Customers don’t have time to waste for slow downloading information from a web site. Slow downloading creates frustration and dissatisfaction and reduce revisits rate (Yang et al., 2003).

Virtual branding

Virtual branding is an ability of a website to gain recognition and establish its presence in the minds of customers. Any new channel of product or services on internet needs high level of ‘Virtual Branding’ because consumers usually don’t buy from unknown or new websites. Customer feels safer to buy from Amazon.com as compare to any other new online book seller (Yang et al., 2003).

Banner advertisements

Banner advertisements are small images which appear on a website as a source of marketing. Banner advertisements have significant impact on internet marketing. It is a cheap source to bring potential customers to the website (Yang et al., 2003).
Ease of access

Ease of access refers to the customer concern about quick access to the desire information from a website, i.e. easy product search, fast downloading, easy order processing etc. (Yang et al., 2003).

Ease of Navigation

Ease of navigation means that a website should be easy to find on net and easy to use. Therefore, website registration with a search engine like Google or Yahoo is highly recommended. Furthermore, website contents should be formulated user friendly to search desired information quickly (Yang et al., 2003).

Graphical interface preferred (Interactive Website)

The interest of customer about graphical interface is increasing. Website should be interactive by using graphics. For example, in order processing, customer want that all input information should be available from checkbox, simply pointing and clicking, which makes it easier for consumers to proceed (Yang et al., 2003).

Positioning capability

The positioning capability of a website refers to the key factors that formulate the company’s market positioning strategy. Companies use many marketing tact’s to market their product and services, for example some e-marketers offer discounted price or limited free service (Yang et al., 2003).

Use of cookies

Consumer preference tracking is one of the greatest features offered by cookies. The cookies greatly help e-marketers in effective segmentation. For example cookies tracks that which website link or which product is highly visited by consumers. Cookies greatly help e-markets to collect data about their consumer’s interest, preferences and market their products in a more effective manner (Yang et al., 2003).

Clarity of purpose and Contents

For customer’s better understanding, the scope and purpose of website should be defined clearly. It should be mention on websites home page that this website only offers product information or it offers complete order processing, because sometime website gets a detailed input from customer and instead of order processing it refers customer to buy item from agent (Cox & Dale, 2002).

Consistency, menus and site maps

All website contents and layout should be form in a similar technical way and it should be looks consistent, for example buttons, fonts and colors used in home page should be similar as used in subsequent pages (Cox & Dale, 2002).
Pages, text and clicks

Text used in pages should be concise and meaningful. Pages should be small enough to retain customer attention. Unnecessary text loose readers attention (Cox & Dale, 2002).

Communication, feedback and error handling

In order to create customer added value, any mistake made in order processing should be highlighted by system by making the mistake in a red color; therefore the customers can correct it (Cox & Dale, 2002).

Easy Search & Selection

Search option is used to help out the customers to find their desire or specific information in website. Therefore, search option should be effective and cover all necessary topics. Selection of products should be easily accessible on website. Easy selection of products should be done through sorting items or through pick list buttons (Cox & Dale, 2002).

Illustration for fill-in forms

Illustration should be given to “Fill-in-forms” for the ease of customers. This is a good way to get information from customer for example customer registration, order processing etc. or any other are used to get Instructions should be given to fill the form for registration or order proceeding (Cox & Dale, 2002).

Product availability / service information and availability

The availability of products should be available on real-time, so that if the product is available than customer can proceed with order or else can choose an alternative. Some companies gets an order and reply customer after some days that the product could not delivered due to shortage in stock, it creates bad impression (Cox & Dale, 2002).

Delivery information

Delivery information must be given along with product cost e.g. insurance cost, shipping cost, any other hidden cost etc. Furthermore, it should be mentioned clearly that the delivery is free or not (Cox & Dale, 2002).

Policies, charges, terms and conditions

All terms and condition should be clearly stated like, canceling orders, returning goods, taxes and refunds. Due to the nature of Global reach of website, it should be stated if the delivery is restricted to some particular places (Cox & Dale, 2002).

Reliability / Physical existence of a company

Reliability refers to the customer trust on online shopping. Companies must offer a secure payment method to ensure reliability and reduce risk factor, before online transaction customer also want to know that, Is the company really exists or not? (Cox & Dale, 2002).
Added Value Services / Customer service

Customer service refers to establish a trusted and loyal relation of customer with company. Customer services establish strong ties with customers and create added values like some websites offer call-u-back facility and some offer email-back facility to answer customer queries (Cox & Dale, 2002).

Frequently asked questions (FAQ)

Frequently asked questions (FAQ) are such question which are commonly asked by customers and based on every day common queries. For the ease of customer such question are collected, sorted and mention in website. These questions usually cover all basic information about company and it products. However specific query can be handed by email (Cox & Dale, 2002).

Customer relationships

For many Web sites, the key to success is the number of customers that use the site and keep returning to make purchases. To achieve this, Web sites must form relationships with their customers and this can be done in a number of ways (Cox & Dale, 2002).

- **Reorganization.**
  Customer ID or email are recorded in database to facilitate customer in next time, customer don’t need to enter whole detail again (Cox & Dale, 2002).

- **Customer feedback platforms.**
  This is a platform which enables customers to interact with each other and share their views (Cox & Dale, 2002).

- **Frequent buyer incentives.**
  Incentive should be offered to frequent buyers in order to motivate them and encourage more sales (Cox & Dale, 2002).

- **Customer confidence**
  Create a good customer experience by making them feel safe (Cox & Dale, 2002).

RQ 2. How can the factors influencing customer’s e-loyalty on website be described?

We are going to study the factors that influence a customer’s e-loyalty on web site. The research purpose of this thesis is to identify those actionable factors that impact e-loyalty and investigate the nature of their impact. Following are the 8 e-business factors that have impact on e-loyalty. (Srinivasan et al, 2002).

Customization

The extent to which an e-retailer’s web site can recognize a customer and then vary the choice of products, services, and shopping experience for that customer (Srinivasan et al, 2002).
**Contact (Interactivity)**

Availability and effectiveness of customer support tools on a website, and the degree to which two-way communication with customers is facilitated (Srinivasan et al, 2002).

**Cultivation**

The frequency of desired information and cross-selling offers that an e-retailer provides to customers (Srinivasan et al, 2002).

**Care**

The extent to which an e-retailer keeps its customers up to date about the different products and services that are offered and also the status of their order (Srinivasan et al, 2002).

**Community**

The extent to which customers are provided with the opportunity and ability to share opinions among themselves through comment links, buying circles, and chat rooms sponsored by the e-retailer (Srinivasan et al, 2002).

**Choice**

The extent to which an e-retailer can offer wider range of product and services within given category than the traditional retailer (Srinivasan et al, 2002).

**Convenience**

Refers to the simplicity of a web site. Accessibility of information and simplicity of the transaction processes to make successful completion of transactions (Srinivasan et al, 2002).

**Character**

An overall image of a web site that includes different inputs such as text, style, graphics, colours, logos, and slogans or themes on the website (Srinivasan et al, 2002).
4 Methodology

The aim of this chapter is to present and justify research methods used in this thesis. In this chapter we will present and describe how the data was collected. The presentation of the chosen methodology includes discussions concerning the research approach, research strategy and research methods. Finally, the chapter discusses the quality of research.

4.1 Research Purpose

A research can be done in many ways and most types of research can be classified according to how much the researcher knows about the problem before starting the investigation. According to Yin (1994), there are three ways of research available when dealing with a research problem: exploratory, descriptive, or explanatory.

Exploratory research is designed to identify the real nature of research problem and formulation of hypothesis for later tests. Exploratory study gives valuable insight of the problem and result drawn from this study is in firm grasp of essential characters. Exploratory research also provides suggestive ideas through reviewing information from the problem area (Chisnall, 1997).

Descriptive research is often used when a problem is well structured and there is no intention to investigate cause/effect relations. In this stage the purpose is to provide a description of various phenomenons connected to situations or events that occur in order to develop empirical generalizations. These generalizations may lead to theory development in the long run. Descriptive research is recommended in order to describe a few aspects of a clearly structured problem (Chisnall, 1997).

Explanatory research develops theory that can be used to explain the empirical generalizations. Explanatory study is done when the focus is on cause-effect relationships, explaining which causes produced which effects. Explanatory research approach must be used when it is necessary to show that one variable causes or determines the value of the other variables. A high level of flexibility characterizes an exploratory case study and it is suitable when a problem is difficult to demarcate (Chisnall, 1997).

Based on above definitions, as our research purpose is well structured and we are not investigating the cause/effect relations so in this research we are primarily descriptive.

4.2 Research Approach

The choice of research approach is not only dependant on researcher’s epistemological position and pre knowledge, but should also be influenced by the research questions we set out to illuminate (Yin, 1994). There are two choices of research approaches are available, either the qualitative or the quantitative approach. A qualitative research approach provides a deeper understanding of the phenomenon under investigation. Moreover, qualitative data are characterised by the richness and fullness based on your opportunity to explore a subject. The nature of qualitative data has implications for both its collection and its analysis. The aim of a qualitative study is primarily to understand, not to explain (Denscombe, 1998). Denscombe (1998) differentiate between qualitative and quantitative research by describing their distinctive features. More specifically he explains that qualitative research implies an
emphasis on processes and meanings that are not measured in terms of quantity amount, intensity or frequency. *Quantitative* researchers measures and analyze casual relationships between variables, not processes. Denscombe (1998) further states that quantitative research methods are used within natural science, the meanings are often derived from numbers and the aim is usually explanatory, to permit generalizations and to enable predictions about the future.

Taking our research problem and research questions into consideration, we find it suitable in this case to use the qualitative research approach. Additionally, our subject under investigation concerns with How to create customer e-loyalty on website and as a result qualitative research approach provides a more rich insight together with a better understanding of human behaviour.

### 4.3 Research Strategy

In this section with the view to do qualitative research as a general research approach, the focus now turns to the research strategies available to collect the data. Yin (1994) states five primary research strategies in the social sciences. These include experiments, surveys, archival analysis, histories, and case studies. According to Yin (1994) the selection of these strategies depends upon three distinct conditions:

1. *The type of research question posed*: This study asks primarily how and why research questions.
2. *The extent of control an investigator has over actual behavioural events*: This researcher has none; his job is to observe and interview.
3. *The degree of focus on contemporary as opposed to behaviour events*: This study focuses on the how and why of a contemporary event.

These different conditions and their relevant situation can be found in figure 3.2.1

<table>
<thead>
<tr>
<th>Strategy</th>
<th>Form of Research Question</th>
<th>Requires control over behavioural event?</th>
<th>Focuses on Contemporary events?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Experiments</td>
<td>How, Why</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Survey</td>
<td>Who, what, where, How many, how much</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>History</td>
<td>Who, what, where, How many, how much</td>
<td>No</td>
<td>Yes/No</td>
</tr>
<tr>
<td>Archival Analysis</td>
<td>How, Why</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Case study</td>
<td>How, Why</td>
<td>No</td>
<td>Yes</td>
</tr>
</tbody>
</table>

*Table 4.3.1 Relevant situation for different research strategies*

*Source: Yin, 1994, P.6*

Several research strategies can be used in qualitative research. In this study the research questions are constructed to provide a deeper meaning of customer’s loyalty on web sites, therefore we have chosen to conduct a case study. Case studies represent investigations in
which the interest is focused on detailed, in-depth descriptions and analysis of individual cases. Moreover, case studies offer an important advantage because one can gain a holistic view of a process, since detailed observations enable the researcher to study many different aspects and how they relate to each other in the total environment (Denscombe, 1998). Case studies can also be performed and include more than one case, which according to Yin (1994) is called a multiple case study. Multiple case studies have an advantage of providing evidence that is considered to be more compelling and more robust but they are also time consuming and expensive. For our thesis, we will use multiple-case sampling, because multiple cases studies have advantage of providing evidence that is considered to be more compelling and more robust (Yin, 1994).

The case study is best option when answering ‘how’ and ‘why’ questions, when the researchers have little or no control over behavioural events and when the events under investigation are contemporary (Yin, 1994). To reach the purpose of our research case study is considered the most suitable research strategy; since it will enable us gain a deeper understanding of how to create customer e-loyalty on website, which is a contemporary event that we have no control over. Moreover our study is also based on present occurrence so case study is preferred in examining contemporary events.

4.4 Sample Selection

When conducting research, it is often impossible or too much expensive to collect data from all the potential units of analysis included in the research problem. Hence, samples are chosen to represent the relevant attributes of the whole population. Because the samples are not perfectly representative of the population from which they are drawn, the researcher cannot be certain that the conclusions will be generalized to the entire population (Graziano & Raulin, 1997).

We wanted to have companies that are different in business to get more variety in our sample selection. We searched for companies that offer online services and have good interactive website. Due to shortage of time and also for our convenience we choose a bank, Nordea, which offer online banking, and a travel company SAS (Scandinavian Airline System) that has established a good online business. Nordea is doing online business and along with the traditional business. In our research we only touched its online business because our purpose was ‘how to create customer e-loyalty on web site’ we did not touch traditional business. The person who was contacted was Product Manager and has complete knowledge about website and online business.

On the other hand SAS has developed a good dynamic website that offers online services. The person was contacted in SAS was the Director of Marketing who has vast knowledge about online business. The reason for taking these two different companies’ websites is that they have implemented online business and due to the difference in the nature of their online business, we will get in depth information about how they make their customers loyal to their website, since our research is in b2c context these two web sites really suits us doing our research. We can make comparison for both of websites and find out difference and similarities.
4.5 Data Collection

We now will turn to data collection methods, which according to Denscombe (1998) is the tactics to reach our goal. The author further states that research methods are tools, including techniques of data gathering, techniques of analysis and techniques of writing. There are two generic classification of data on which research design depends:

1) **Primary Data:**
   - Observation
   - Experimentation
   - Questionnaires
   - Interviews

2) **Secondary Data:**
   - Research reports
   - Books
   - Articles
   - Trade publications

According to Yin (1994) data can be collected using six different sources: documents, archival records, Interviews, direct observation, participant observation, and physical artifacts. Denscombe (1998) and Yin (1994) agree that qualitative researchers should try to use as many different sources as possible in qualitative researchers. Yin (1994) further states that no single source has complete advantage of all other sources.
Table 4.5.1: Source of Evidence

<table>
<thead>
<tr>
<th>Source of Evidence</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Documentation</td>
<td>The different types of documents are for example, statistics, registrations, official publications, letters, diaries, newspaper, journals, branch literature, and brochures. Documents are mostly used for collecting secondary data.</td>
</tr>
<tr>
<td>Archival Records</td>
<td>These can be, for example, service records, organizational records, maps and charts, survey data, and personal records. Archival records are often used in computerized form, also for collecting secondary data.</td>
</tr>
<tr>
<td>Interviews</td>
<td>The interviews mostly take the form of an open-ended nature, in which an investigator can ask key respondents for the facts of a matter as well as for the respondents’ opinions about events. The interview can also take the form of a focused interview, in which a respondent is interviewed for a short period of time, an hour for example. Moreover, the interview can entail more structured questions, along the lines of a formal survey.</td>
</tr>
<tr>
<td>Direct Observation</td>
<td>This can involve observations of meetings, sidewalk activities, factory work, classrooms, and the like. Observational evidence is often useful in providing additional information about the topic being studied. To increase the reliability of observational evidence, a common procedure is to have more than a single observer making an observation, whether of the formal or the casual variety.</td>
</tr>
<tr>
<td>Participant-Observation</td>
<td>Participant-observation is a special mode of observation in which the investigator is not merely a passive observer, instead, the investigator may take a variety of roles within a case study situation and may actually participate in the events being studied.</td>
</tr>
<tr>
<td>Physical Artifacts</td>
<td>A final source of evidence is a physical or cultural artifact – a technological device, a tool or instrument, a work of art, or some other physical evidence. Such artifacts may be collected or observed as part of a field visit and have been used extensively in anthropological research.</td>
</tr>
</tbody>
</table>

Yin 1994, P. 85

In this research, we used two sources of data collections documentation and Interview. First we observed websites as a mean to augment evidence from this source. This observation provided us an overview of the present situation of our selected samples. Second we have performed face to face Interview and telephonic Interview. Face to face Interview was held with the Product Manager of Nordea. The Product Manager had good command over English language and vast knowledge about online business and website design. Telephonic Interview was performed with the Director of Marketing in SAS. The Director of Marketing had good knowledge about website design and online business and also good command over English language. To obtain the answer of our research questions an interview guide (see appendix A) was constructed in English and interview was also conducted in English in order to avoid any chance of misinterpretations and translations errors. Besides our research questions, we provided our respondents an opportunity to speak freely about the topic to get more information. As referred by Yin (1994), a recording device was used throughout the interview to accurately register the data. Use of recording device helps in double-checking data and it also reduces the possibility of missed information. In the end of the interview, it was made sure that no questions according to the interview guide were left out. Also interview guide was send in advance to the interviewee, so that they would have sufficient time to prepare for
the Interview and gather necessary information. Finally websites of companies will act as a source of documentation. That will further strengthen our study. As according to Yin (1994) documentation helps in corroborate information from other sources. Also use of multiple source of evidence is this study’s data collection is called triangulation and is a desired pattern for dealing with case studies, in order to converging evidence and establish the occurrence of an event, it also makes the study more reliable (Yin, 1994).

4.6 Data Analysis

“Data analysis consists of examining, categorizing, tabulating or otherwise recombining the evidence to address the initial propositions of a study” (Yin 1994, p.102). The ultimate goal of analyzing data is to treat the evidence fairly, to produce compelling analytical conclusions and to rule out alternative interpretations. According to (Yin, 1994) there are two strategies to choose between two general analytical strategies: relying on theoretical propositions or developing a case description.

Relying on theoretical propositions is the most common strategy for a case study. The result of this is that the collection of data is based on research questions taken from previous studies. The findings of the study will then be compared with the results/findings from previous studies. This method is useful in answering the “how” and “why” questions.

Developing a case description is less preferable and it should only be used when little previous research has been done in problem area. As our research area is not new one and lot of research has been done before so in this research we are relying on theoretical propositions.

Data analysis consists of three concurrent flows of activities. These three are data reduction, data display, and conclusion drawing and verification. Data reduction should not be considered to be separate from analysis, but a part of it. This reduction of the data helps to sharpen, sort, focus, discard, and organize the data in a way that allows for final conclusions to be drawn and verified (Miles & Huberman, 1994).

Data reduction refers to “the process of selecting, focusing, simplifying, abstracting, and transforming the raw data” (p.21). This reduction helps in sharpening, sorting, focusing, discarding and organizing data so that final conclusions can be drawn (Miles & Huberman, 1994).

Data display refers to “An organized assembly of information that permits conclusions, drawing and action taking”.(p.21). As the data collected can be boring and overloaded humans’ information-processing capabilities, displays should be used to organize the information in an immediately accessible form e.g schedules, graphs, etc. (Miles & Huberman, 1994).

Conclusion drawing/verification is the final analytical activity for the qualitative research. Analysts start to decide what things mean from the beginning of data collection. They do this by noting regularities, patterns, explanations, possible configurations, causal flows, and propositions. However, Miles and Huberman (1994) also add that competent researcher should hold such conclusions lightly, while maintaining both openness and degree of scepticism. The research followed these three steps for data analysis.
Our data analysis is based on these three steps. We will use the within-case analysis and the cross-case analysis mentioned by Miles and Huberman. (1994). The data will first be reduced through a within-case analysis where the cases will be compared with the theory and frame of reference. The data will then be further reduced by being displayed through a cross-case analysis where the cases will be compared with one another to find similarities and differences. And finally we will draw our conclusion.

4.7 Validity and Reliability

Reliability and validity are crucial aspects of research practice and importance of these criteria should be fully recognized by all who are engaged in survey work of any kind. These terms are not always readily distinguished; some degree of overlap seems almost inevitable and they are, in any case, interconnected (Chisnall, 1997).

Validity

Validity refers to how well a specific research method measures what it claims to measure. For example a thermometer is designed to measure temperature and a barometer is designed to measure atmospheric pressure. It is generally more difficult to resolve validity than reliability (Chisnall, 1997).

To increase the validity we sent e-mail in advance containing the issues that we were going to discuss and as far as possible to avoid misunderstandings. We also used multiple source of evidence to increase validity e.g Interview and documentation. We studied website as documentation before conducting Interview. We increased validity of the research by selecting a person for interview who had complete knowledge about the issue and good command over English language. The choice of selecting multiple case studies has also increased the validity of this research.

Reliability

Reliability refers to the stability and consistency of results derived from research: to the probability that the same results could be obtained if the measures used in the research were replicated. Essentially, reliability is concerned with the consistency, accuracy and predictability of specific research findings. Also the role of reliability is to minimize the errors and biases in a study. Two things can increase reliability: the use of case study protocol and the development of a case study database (Chisnall, 1997).

To increase reliability we prepared our Interview guide that reflects our frame of reference and same interview guide was used taking both Interviews. Open ended questions were asked in interview and later on data was organized from tape recorder after listening carefully. We took notes during interview, moreover we also used tape recorder to organize the data in increase reliability. The reliability was influenced by the perception of people over the time and it becomes difficult for another researcher to get the same result even if the same sample was used.
5 Data Presentation

In this chapter, we will present the empirical data from the SAS and Nordea bank. The first case is SAS followed by Nordea Bank. This chapter is divided into two sections, where company’s introduction is given first. Afterwards each company’s data is described according to the research questions posed in chapter three. Data is collected using the interview with the company’s and information available at the company’s website.

5.1 Scandinavian Airlines System (SAS)

SAS AB is the Nordic region’s largest listed airline and travel group and the fourth largest airline group in the Europe, in terms of number of passengers and operating revenue. The SAS Group offers air transport and related services from its base in Northern Europe. The SAS Group's main mission is to serve Northern Europe with air travel. SAS values are based on consideration of its customers and employees, reliability, value creation through professional approach and innovation, and honesty to all stakeholders. SAS is formed by DDL, DNL and SILA in 1946 but present SAS consortium is made by DDL, DNL and ABA in 1951, however SAS grounds starts from 1918 when Det Danske Luftfartselskab A/S (DLL), SAS Danish parent company was formed (Scandinavian.net).

SAS Group (DDL, DNL and ABA) is a member airline of Star Alliance which was launched on 14 May 1997 as the first truly global airline alliance offering its customers convenient worldwide. Presently, Star Alliance has 15 members are: Air Canada, Air New Zealand, ANA, Asiana Airlines, Austrian, BMI, LOT Polish Airlines, Lufthansa, Scandinavian Airlines, Singapore Airlines, Spanair, Thai Airways International, United, US Airways and VARIG Brazilian Airlines (Scandinavian.net).

Furthermore, SAS get into a strategic alliance with Lufthansa since 1996. The cooperation is based on a joint venture involving the two airlines routes between Scandinavia and Germany, as well as joint market activities. This alliance has enhanced the productivity of both airlines between especially Scandinavia and Germany worldwide exclusively. Since 2000, SAS have also joined tri-lateral joint venture, European Cooperation Agreement (ECA) together with Lufthansa and UK-based British Midland International (BMI). They have combined their routes within & outside EEA (Scandinavian.net).

SAS (Group) also holds airline supporting business which includes, SAS Technical Services, SAS Ground Services and SAS Cargo Services. Beside this SAS owns Airline related business which includes, SAS trading, SAS flight academy, Jetpak, European Aeronautical Group and SAS media. The Group also includes hotel operations with Rezidor SAS Hospitality (Scandinavian.net).

RQ. 1 How can effective website design be described?

5.1.1 Scandinavian Airlines System (SAS)

The telephonic interview at SAS was conducted with the Director of Direct channels in Stockholm office. Director SAS Direct Channel is also responsible for keeping privacy policy
at SAS website. In our telephonic Interview with her she provided us information about customer loyalty.

**Security and Privacy**

The SAS respondent stated that SAS is very conscious about data privacy and offer a very high security against loss, misuse and unauthorized access of customer’s personal data and payment details. For the sake of safe data processing and data transfer between customer web browsers and SAS web server, SAS has used 128 b Secure Sockets Layer (SSL) to encrypt card details. However, as per SAS privacy policy, SAS reserve the rights to use customer’s data within Scandinavian Airlines System (Denmark-Norway-Sweden and any subsidiary, in which Scandinavian Airlines System Denmark-Norway-Sweden owns).

**Downloading time**

The SAS respondent stated that SAS website is customer oriented and customer care is biggest concern for them. SAS uses small images to attract customer which are also effective in fast downloading.

**Virtual branding**

SAS website enjoys a high level of virtual branding. SAS brands are singes of trust and great reorganization. SAS owns a broad range of brand portfolio which is highly consistent. Their website is highly interactive, good in appearance and effective in use which results in customer revisits.

**Banner advertisements**

SAS uses banner advertisements in their different web pages like, home page, travel info, euro bonus, corporate travel, hotel, cargo, e-post etc. These banner advertisement images are small in size, fancy in look and nice in color scheme. Although SAS use banner advertisement but this advertisement is limited to refer the visitor to the other group website of SAS.

**Ease of access**

The respondent stated that SAS website is very well organized and easy to access. All basic information regarding customer flight schedules and destinations, Check-in, Hotels & car rentals, Flight status, timetable flight info, info visa SMS, prices, e-tickets, Youth and Group ticket, Fly & stay information, SAS email services and privacy policy are very easily accessible from their home page. This ease of access has been admired by customers.

**Ease of Navigation**

The respondent stated that SAS website http://www.sas.se is very easy to navigate, it can be accessed by using direct URL Link or by using any search engine. For the sake of investors, customer and general visitors who want to know about SAS Groups, SAS has created another website http://www.scandinavian.net which is also accessible from http://www.sas.se referral link or from using any search engine.
Graphical interface preferred (Interactive Website)

The respondent stated that SAS website is *highly interactive* and retains customer attention by offering variety of offers and by getting input in different stages. Customer is guided and facilitated throughout the website by offering verity of interactivity. For customer ticket booking the field of “Leaving from” destination and “Going to” destination are supported by pull down menus with broad range of countries and cities to travel and same way is adopted in “Date” selection. The same interactive environment has been adopted in whole website.

Positioning capability

The airline industry getting highly competitive, therefore SAS has taken various step’s to gain *competitive position*. Right now airline industry focusing on pricing strategy, SAS website offers variety of packages like, business fares, pleasure fare, family packages, student offers, bonus point for frequent travelers, efficiency of cabin crews, easy process of ticket booking, personal care, special meal for business category, free win at airports for business class, special services, easy security clearance etc.

Use of cookies

SAS use cookies to enhance customer experience of download times and logging in. However customer can enable or disable cookies by using their web browsers setting. SAS specifically use persistent cookies to enhance customer experience of download times and to detect JavaScript ability. The use of cookies is especially effective where internet speed is a matter. SAS is planning to use cookies for better segmentation in coming years. SAS collect information about website visiting customer; this information includes the customer profile as well as the information on how customer uses their website. Some technical information is collected using cookies. As per organization policy, SAS never allow a third party to use their customer’s personal data for marketing and communication purposes. SAS use customer’s data to fulfill their business process needs like handling and administration of reservations, payment and ticket delivery, which will include use of customer’s data for the following purposes: accounting, billing and audit, ticketing, credit or other payment card verification, immigration and customs control, security, administrative and legal purposes, operation of frequent flyer programs, system testing, maintenance and development, customer relations etc.

Clarity of purpose and Contents

The SAS *vision* is clearly defined in their home page [http://www.sas.se](http://www.sas.se). It is a big airline consortium of Scandinavian airlines which is consists of DDL, DNL and ABA. All customers can get the complete information regarding domestic and international travel from this website. SAS has created another website [http://www.scandinavian.net](http://www.scandinavian.net) which is dedicated for investors, customer, general visitors and students. It contains the history of SAS, it corporate vision, annual reports and lot of other information about SAS Group.

Consistency, menus and site maps

SAS website is well *consistent*, all menus and submenus presents a similar look. *Pages and text* are also well managed. Separate and sub links are given for further details. The site map help and guides the customer in all available menus.
Pages, text and clicks

Texts used in home page and sub pages are concise and meaningful. Pages are given briefly and customer doesn’t have to go up and down again and again to find the relevant information. All the basic information regarding booking, check in, travel info, hotels, fly & stay etc. are given on left hand side in separate frame.

Communication, feedback & Error handling

Customer communication and feedback are nicely handed in SAS website. Customer can access them by using phone of email. Most of the queries are answered using email. Furthermore, website is efficient enough in error handling, it guide customer whenever the customer makes a mistake in ticketing, and this feature has enrich the customer web experience.

Easy Search & Selection

The Search facility is comprehensive and effectively managed, Selection of tickets, new offers and packages are easily accessible.

Illustration for Fill-in forms

Instructions for ticket buying or all other related matters like, online bookings, fares, restrictions for special fares, reconfirmation, seat reservation, special meals, check-in deadline, passport, visas, customs regulations, infants and children, baggage etc. are given appropriately to guide customers.

Product availability / service information and availability

SAS website basically deals in online ticketing, therefore the information regarding their products (tickets) are available real time and online. It never happens that once a customer bought a ticket and similar ticket is issued to someone else. Furthermore, the information of SAS website comprises necessary information regarding SAS policies, terms and conditions for their customers. For example membership and membership cards, Euro Bonus terms & conditions, Business travel, Earning points, Exchanging points and Procedure for disputes etc.

Delivery information

Delivery information regarding ticket delivery to customer is one of the major business tasks of SAS. Within EU, ticket delivery is not a matter, however out EU, ticket delivery depends upon the availability of SAS travel agent or some other available source. However e-ticket easily solves this issue. E-tickets are directly sent in customers given email address and it is based on the credit card number of the customer.

Policies, charges, terms and conditions

All terms and conditions are clearly define by SAS on their website regarding all basic issues such as online bookings, fares, restrictions for special fares, reconfirmation, seat reservation, special meals, check-in deadline, passport, visas, customs regulations, infants and children, baggage, canceling orders, returning goods, taxes, refunds etc. are given appropriately to
guide customers. It is customer’s responsibility to review these terms and condition before buying ticket from website.

**Reliability / Physical existence of a company**

SAS holds the benefits of the excellent *reliability* in online environment. SAS offline presence strongly helps the online environment. Customer all around the world feels secure to buy tickets from SAS. The Company information given on internet is comprehensive and sufficient enough to encourage a new customer to become buyer. Furthermore, e-tickets and other e-commerce oriented services provide an extra plus for customer.

**Added Value Services / Customer services**

SAS offers a comprehensive range of “*Added Value Services*” on your website to gain competitive edge. For example, flights info via SMS, customer profile, point system for frequent customers, web check in, online flight info, hotel or car booking through SAS own channels, Group travel, youth travels, leisure travel, special meal for business class, special services etc. These value added services, makes SAS different from others.

**Frequently asked questions (FAQ)**

SAS, *FAQ’s* are comprehensive and covers all daily customer queries, for example, Booking ticket, Youth tickets, Payment & security, Wireless services, Comments & claims, Technical requirements, E-ticket, Pleasure tickets, Euro bonus, Fly & stay, Travel pass, SAS Corporate card, At the airport and in air facilities etc.

**Customer relationships**

Excellent Customer relationships are on the high priority of SAS. Therefore, they have taken various steps for customer satisfaction. Availability of different travel packages e.g. Euro bonus, Youth ticket etc. is one of the examples.

**RQ 2. How can the factors influencing customer’s e-loyalty on website be described?**

**5.1.2 Scandinavian Airline System (www.sas.se)**

**Customization**

SAS is the biggest Airline Company in Nordic region. It has to take extra care of our customers than others. About a customer loyalty, Director Channels says that when a customer visits our web site he can be located through cookies which shows that how many times a customer enters our web site. SAS customize its services to their customers according to their needs by offering benefits and cost savings schemes to its customers through email the more a customer pays the more benefits it will get. So it becomes easy for us to target that customer and customize our services to that specific customer. Moreover we do independent customer research survey with the help of this we can understand about the loyalty of a customer. There are many aspects to create or turn a customer into loyal customer like what
price we offer and product as compare to other airline companies. Customer really wants the value for their money. In this way we create loyal customers.

**Contact Interactivity**

SAS provides search option facility to its customers to find any relevant information. A customer does not lost while browsing website. SAS also provide email facility and very quick to any inquiry made by customers to make them feel like they are special. If any problem with travel related activity occurs a customer can contact our customer service department which will solve problem with the help of customer profile that is maintained on our website.

**Cultivation**

SAS has introduced bonus points system for their customers that they earn when booking a ticket or any activity on our web site. The more frequent flyer a customer is the more he gets bonus points. SAS send email to its customers about bonus points earned by customer and its promotional activities to make a customer loyal and satisfy.

**Choice**

As a frequent flyer, SAS give value to their customers and have learned that customers expect high quality services and freedom of choice in services. We do everything we can to satisfy these preferences. SAS has formed alliance with hotels and car rental companies to give their customer one stop shopping and facilitate their travel.

**Care**

To increase loyalty SAS uses customer personal data that he or she submit on SAS web site, customer data is treated with great care and respect while making a reservation, payments and tickets delivery. Obviously the loyal customer enhances the profitability and is treated like asset. SAS uses customer’s e-mail address to send news and other marketing information and communication on a regular basis. SAS also has mailing server and customer information department who sends emails to customers about any benefit offered by SAS.

**Community**

SAS gets customer feedback through email and beside this it also conduct independent customer survey about the customer’s desires. SAS has not provided any chat rooms facility where customers can share their opinions.

**Convenience**

A customer remains loyal to website when he or she looks at safety of bookings a ticket online and also functionality of web site as well as timely up gradation of web site. The navigability of website and downloading speed of pages are very good. Director Channels admits that SAS web site is little bit complex due to the integration with other companies but we have planned to make changes in our website in this year. Because SAS web site has too many contents that make a website visitor confuse a little bit.
Character

We attract customer with our branding strategy that is mainly prepared in our marketing department. If a customer pays more he or she will definitely get more benefits. We continuously strive to improve and keep this information interesting and relevant for our customers. The graphics provided on web site are really attractive and navigability and downloading of web pages are good.

5.2 Nordea Bank (www.nordea.se)

Nordea is the leading financial services group in the Nordic and Baltic Sea region and operates through three business areas: Retail Banking, Corporate and Institutional Banking and Asset Management & Life. The Nordea Group has almost 11 million customers and 1,198 bank branches. The Nordea Group is a world leader in Internet banking, with 4.0 million e-customers. The Nordea share is listed in Stockholm, Helsinki and Copenhagen. (Nordea.com)

In year 2004, Nordea receives global e-banking award from Banker magazine motivated by the facts that Nordea's e-banking services are the most widely used in the world with most transactions and steady growth of e-banking customers. Nordea takes yet another step towards simplifying its legal structure and to become a European Company. The parent company, Nordea AB (publ), was granted a bank charter and thus changed its name to Nordea Bank AB (publ) as of 30 January 2004. In 2004, Nordea net interest income increased by 4% to EUR 3,510m supported by increasing volumes in most segments. (Nordea.com)

Nordea is a largest financial services group in the region with approximately EUR 262 billion in total assets. The bank enjoys significant positions in Nordic banking markets: 40 per cent in Finland, 25 per cent in Denmark, 20 per cent in Sweden and 15 per cent in Norway. The bank also holds an important position in Nordic insurance markets. Life insurance: Finland 35%, Denmark 10%, Norway 9% and Sweden 2%. Nordea has largest customer base of any financial services group in the region, including 9.6 million personal customers, 930,000 corporate customers and 1000 large corporate customers. Nordea is a leading asset manager in the Nordic financial market with EUR 126 billion (including private banking) under management. The bank holds he most comprehensive distribution network in the region including 1,198 bank branch offices and leading telephone banking and Internet services. (Nordea.com)

Internet customers can make secure online purchases using e-payment. Nordea currently has more than 2,000 e-payment agreements with vendors who accept e-payment, and over 700 of them are represented in the electronic marketplace Solo Market, accessible from Nordea's local web sites in Denmark, Finland, Norway and Sweden (nordea.dk, nordea.fi, nordea.no and nordea.se). This means online buyers gain convenient access to a wide range of goods and services and besides the Internet, access is possible also using WAP and GPRS phones. Net customers are an ideal target group for companies engaged in electronic commerce. They are sufficiently numerous, with up-to-the-minute attitudes and expectations; they have purchasing power and are familiar with online operations. When companies accept e-payments, they eliminate invoicing and credit risks, and thus achieve significant savings. This is particularly important in cases of large numbers of small transactions. (Nordea.com)
**RQ. 1 How can effective website design be described?**

### 5.2.1 Nordea Bank

The telephonic interview at Nordea was conducted with Product Manager of Nordea in Stockholm office. He is working in net banking department.

**Security and Privacy**

The Bank website is content full, informative and very well designed. The security and privacy of customer is ranked high above everything. For bank, the secure online payment is everything. The whole business process is built around secure payments in all channels. In order to prevent the unauthorized handling of customer online transaction, two different level of security codes are offered for example customer first use its personal code to login and then every time use solo code to do transaction. This customer online security is highly appreciated. Furthermore, customer data is always kept confidential and no information is provided to any third party.

**Downloading time**

The down loading speed of bank’s website is very good. The customers are satisfied with easy access. The broadband connections have made the downloading speed to be easier than before.

**Virtual branding**

The respondent stated that Nordea Bank is a niche brand in both offline and online markets; therefore the banks website possesses a high level of virtual branding, even the new customers feel themselves to be secure while doing transaction through Bank website. This is just because of this high virtual branding of the website. Bank’s website is getting popular day by day and has almost 4.0 million e-customers; it shows a high increasing graph of online users.

**Banner advertisements**

Being the market leader in both offline and online banking, bank currently does not use any banners or pop ups for internet marketing. Bank offers the “net bank” solution to customers and advice customers to visit bank’s website on a regular basis to get new offers. However bank use small amount of banners within their own website to promote their products. Bank’s credit cards, home loans, solo banking is one of the few examples of banners used at their website.

**Ease of access**

The banks website is easy to access. The basic information like, user login, help, contact us, press releases, customer support, is given on home page to guide customer.
Ease of Navigation

The bank’s website http://www.nordea.se is easy to navigate. It can be accessed by using direct URL Link or by using any search engine. Easy navigation and user-friendly environment has helped the bank website to gain a good position in the market. The website http://www.nordea.se only covers the products or services available in Sweden. However, if the customer wants to know more about Nordea than customer can visit http://www.nordea.com, this website works as central website for all Nordic countries and specific country links can be obtained from here. Investors, corporate clients, stakeholders and general customers are target segment of this website.

Graphical interface preferred (Interactive Website)

The bank’s website is highly interactive, therefore an internet transaction can easily be done by just using mouse and clicking on different pull down options. This simplicity in transaction processing is highly appreciated by customers.

Positioning capability

Nordea hold excellent positioning strategies, in order to position in the market, Nordea has a wide range of products and services for their general and corporate customers. For example, visa cards, master card, solo cards, e-statement, and broad range of other services. In order to make the website convenient for customers, the customer can access website in four different languages, e.g. Danish, Suomi, Swedish and Norwegian.

Use of cookies

Nordea has established strong traditional grounds for customer information and customer segmentation. In order to enhance these relations the bank is using cookies since July 2003 to collect data for customer preferences. Cookies track the information of customer visit to a particular website link and also track its number of visits. In near future Nordea is planning to use cookies on broader range to use cookies for better customer segmentation. Bank also uses cookies to enhance customer web experience. However beside all these, Bank relies on traditional data mining (DM) methods for their marketing.

Clarity of purpose and Contents

Nordea website is full of contents, the purpose and of vision of bank is very clear from its home page which worth a lot for all investors, customers, shareholders and visitors.

Consistency, menus and site maps

In order to facilitate new and current customers, the bank has used easy to use, nice clean and consistent website design because fancy design tends to scare away new and none experienced internet users. As for as, the site map is concern it is not available at http://www.nordea.se and customer feels difficulty to find particular information and gets confused. However comprehensive sitemap is available at http://www.nordea.com which includes all kind of information.
Pages, text and clicks

As based upon the nature of bank’s business the frequency of new customers are very high, therefore website is made simple and web pages and text is kept small and content full. The font’s type and font size is used similar.

Communication, feedback & Error handling

Effective error handling is one of the core features of an ideal website, therefore it is necessary that a website must guide and assist a customer whenever he/she make a mistake. In Nordea Bank’s case, their website is efficient enough to guide customers in error highlighting and corrections.

Figure: 1: An example of effective error handling at Nordea website
Source:  http://www.nordea.se, 2005-03-02
**Easy Search & Selection**

The bank offers effective *selection* options for customer ease. The range of variety products and services are easily accessible from homepage. In transaction menu the selection of bank name, currency etc. is available for customer ease. All the contents are very well designed and well arranged. However the “Search” function is not available at website and customer could not find anyway how to search particular or desired information.

**Illustration for Fill-in forms**

Illustrations are given appropriately at different places where input from customer is required or where customers need to enter their particulars e.g. credit card information, new account opening information, transaction through solo card or transaction through credit card etc.

**Product availability / service information and availability**

Major products offered by Bank are available online and real time like credit cards, solo card etc. It never happens that once an order for credit card is accepted and could not delivered just because of un-availability of cards.

**Delivery information**

*Delivery information* and terms and condition are given along with the core products, however major products delivery is free of charge, like credit cards, solo cards etc.

**Policies, charges, terms and conditions**

Nordea offers a variety of *products and services* e.g. solo card, credit card, different loans schemes (including student and home loans), export finance, project finance, pensions and cash management etc. For all such services the terms and condition and availability of these services are explain along with product.

**Reliability / Physical existence of a company**

Nordea website enjoys a high level of *reliability in virtual market* place. This high level of reliability gives confidence to public to become a Nordea customer because they don’t worry about the bank’s physical presence. In order to become a customer in Nordea Bank, customer don't need to be a citizen in any of Nordic countries, but customer need to have some kind of connection to one of the countries. In Sweden, customer also needs to visit one of Nordea branches to become a customer (for identification and money laudering issues).

**Added Value Services / Customer services**

Currently banks offers a good range of “*Added Value Services*” the example of such services include e-invoice, e-salary, direct payment (e-payment) for instance. In order to get benefits from these services customer must have to request for “internet banking services” which offer a secure method of internet banking.
Frequently asked questions (FAQ)

The FAQ’s given by bank generally covers all kind of customer queries like, bank opening information, credit card info, home loans, solo card, e-banking etc. Many general questions are also covered under “Hjälp”.

Customer relationships

Customer is everything for Nordea, therefore Nordea has adopted strong customer relations management (CRM) policies. Customer queries are handed by many ways e.g. telephone, emails etc.

RQ 2. How can the factors influencing customer’s e-loyalty on website be described?

5.2.2 Nordea Bank

Nordea has developed a dynamic website which offers global Internet banking. Nordea offers electronic services which include portal, online trading, research material, market information, financial data, quantitative financial tools etc. In our telephonic interview with Product Manager of Nordea Bank he says, the online situation is still that website is not the key deciding factors for most of customers. The most important for loyalty is the personal commitment from customers and to some extent, the terms offered for loans etc.

Customization

Nordea cannot customize its products to every customer because it has thousands of customers and it is difficult to customize products but it offers the products on website generally for every customer.

Contact Interactivity

We aim to give high quality services to our customers as compared to our competitors to make them loyal to us. We are simply focused on taking Nordea to its new ambition level. Browsing the web site by customers, we do not know who the visitor is because the information provided about different products is general to everyone. To know the customer is loyal to our web site, when a customer login to the internet banking regularly, in that environment we know who the customer is, and then we are able to target that customer with our variety of products and with personalisation more precisely.

Cultivation

Nordea does not send reminder about new products because whatever we introduce is put on web site for everyone. Customers are not specifically sent email or reminders through website. A customer do not re-purchase bank’s products. It’s not the same as other products, if a customer gets a visa card he does not need to get another one a year later. The main thing for Nordea is that customer buys more products from us. So by targeting a right customer with the right offer at the right time, he or she will hopefully increase his or her spending with us that will increase revenue of the bank.
**Care**

Although Nordea takes care about its customers by handling enquiries offline and online but if any problem encountered by a customer in his account cannot be handled on website, a customer has to interact with advisor personally for the solutions.

**Community**

Nordea gets customer feedback through email and phone. Moreover, words of mouth are helpful in making new customers and keeps old customer more loyal. For the bank’s customers, loyalty is built from personal relationship with the customers and not from website. However, since customers spends more and more time on the Internet, the importance of the web site increases in this respect. More over with the help of online banking, a customer saves his time and so ours. Customer satisfaction has increased in the most attractive customer segments, and on an overall level Nordea has more satisfied customers than ever before.

**Choice**

Nordea has alliance with Visa card and Master card companies to give more choice to consumers. As a bank Nordea offers many financial products to its customers e,g different schemes of loans credit cards and e-card etc. The choice of a product is not limited on this website.

**Convenience**

Nordea provide search options facility to find things more easily, If the customer has the log-on tools (i.e. pin-code and one-time codes), he or she can easily log on and purchase products. Many products displayed on open pages have direct links to the purchase area in the secure environment.

**Character**

Product manager explained that a customer is attracted with the commitment of advisor and also the quality of services offered to him. Nordea use website for advertisement of different products but we mainly attract customer by maintaining a clear and concise brand communication for Nordea, and by always presenting the URL in offline material (where applicable). In banking all products are virtual products except cards because a customer cannot touch an account,
6. Data Analysis

In this section we will analyse the data collected from our sample companies. The data will be analysed within each case by comparing to the previous research used in our conceptual framework. The data will then be analysed across the two cases.

RQ. 1 How can effective website design be described?

6.1 Within Case Analysis

6.1.1 Within Case Analysis - SAS

Security and Privacy

Security and privacy is biggest user concern in e-commerce. Online transaction must be secure and customer’s personal information e.g. credit card numbers, shopping history, e-mail addresses should not be passed to any third party without the due consent of the customer (Yang et al., 2003). In order to make the secure data processing and data transfer between customer web browsers and SAS web server, SAS has used 128 b Secure Sockets Layer (SSL) to encrypt user credit card details. SSL prevent the unauthorized handling of customer data from others. Therefore, SAS Security and privacy policies fit with the theory.

Downloading time

Customers don’t have time to waste for slow downloading information from a web site. Slow downloading creates frustration and dissatisfaction and reduce revisits rate (Yang et al., 2003). SAS website is customer oriented and customer care is biggest concern for them, therefore they have used small images to attract customer which are also effective in fast downloading. When customer comes at SAS website to buy ticket it just take almost 20 seconds to search the available seats in given criteria. It is a reasonable time for website to process data and it fits with theory.

Virtual branding

Virtual branding is an ability of a website to gain recognition and establish its presence in the minds of customers (Yang et al., 2003). SAS website enjoys a high level of virtual branding, their brands are singes of trust and great reorganization. SAS owns a broad range of brand portfolio, which is highly consistent. SAS has a strong offline presence which greatly supports it online environment, therefore, their website enjoy high level of virtual branding which fits with the theory.

Banner advertisements

Banner advertisements have significant impact on internet marketing. It is a cheap source to bring potential customers to the website (Yang et al., 2003). SAS is using banner advertisements in their different web pages e.g. home page, travel info, euro bonus, corporate
travel, hotel, cargo, e-post etc. Their banner advertisement images are small in size, fancy in look and nice in color scheme, therefore it fits with the theory.

Ease of access

Ease of access refers to the customer concern about quick access to the desire information from a website, i.e. easy product search, fast downloading, easy order processing etc. (Yang et al., 2003). SAS website is enjoying a high volume of traffic and it is just because of its ease of access and ease of use. All basic information regarding customer flight schedules, selection of times and prices, Check-in, hotels & car rentals, Flight status, info visa SMS, e-tickets etc. are easily available from their home page. This ease of access has result in customer re-visits, it fits with the theory.

Ease of Navigation

Ease of navigation means that a website should be easy to find on net and easy to use (Yang et al. 2003). SAS website http://www.sas.se is very easy to navigate and can be accessed by using direct URL Link or by using any search engine. If investors, customer, general visitors and students want to know more about SAS Group they are referred to another website http://www.scandinavian.net. All SAS navigation links are usually found operation and working. This ease of navigation is strongly fits with the theory.

Graphical interface preferred (Interactive Website)

The interest of customer about graphical interface is increasing. Website should be interactive by using graphics (Yang et al., 2003). SAS offers a highly interactive website by offering variety of offers and by getting input in different stages. Customer is guided and facilitated throughout the website by offering verity of interactivity like in ticket booking the field of “Leaving from” destination and “Going to” destination is supported by pull down menus with broad range of countries and cities to travel. This interactive environment is highly convenient, and result in customer re-visits. It fits with the theory.

Positioning capability

The positioning capability of a website refers to the key factors that formulate the company’s market positioning strategy (Yang et al., 2003). SAS has gained a stable position in airline industry by using effective web offering. Presently airline industry is focusing on pricing strategy, therefore SAS has offered variety of packages on their website e.g. business fares, pleasure fare, family packages, student offers, bonus point for frequent travelers, easy process of ticket booking etc. It fits with the theory.

Use of cookies

Consumer preference tracking is one of the greatest features offered by cookies. The cookies greatly help e-marketers in effective segmentation (Yang et al., 2003). The use of cookies greatly helps the companies to understand their customers. SAS use cookies to enhance customer experience of download times and logging in, however customer can enable or disable cookies by using their web browsers setting. SAS specifically use persistent cookies to enhance customer experience of download times and to detect JavaScript ability. In future
SAS is planning to use cookies for better segmentation. SAS only use the customer data for their own business purposes. Therefore it fit with the theory.

**Clarity of purpose and Contents**

For customer’s better understanding, the scope and purpose of website should be defined clearly (Cox & Dale, 2002). The purpose of SAS website is clearly defined at their home page that it is a big airline consortium of Scandinavian airlines which is consists of DDL, DNL and ABA Customers can get the relevant info of SAS from their home page under the link of “About SAS Group” which is comprehensively arranged. It fits with the theory.

**Consistency, menus and site maps**

All website contents and layout should be form in a similar technical way and it should be looks consistent (Cox & Dale 2002). SAS website is highly consistent, same color schemes, fonts and size are used in all pages, and even the banners are given in a similar size. It shows the high professional approach of SAS Group about their website concern. The sitemap presents a brief look of all the information available on the website, it is designed professionally. It fits with the theory.

**Pages, text and clicks**

Text used in pages should be concise and meaningful. Pages should be small enough to retain customer attention (Cox & Dale, 2002). SAS website holds brief and meaningful flow of pages which guide customer in an attractive manner and customer doesn’t need to go up and down again to browse information. It fits with the theory.

**Communication, feedback and error handling**

In order to create customer added value, any mistake made in order processing should be highlight by system by making the mistake in a red color; therefore the customers can correct it (Cox & Dale, 2002). SAS is conscious about customer communication and feedback. Therefore customer can access them by using phone of email. Most of the queries are answered using email. In SAS case, website is efficient enough in error handling, it guides customer if he makes any mistake in ticketing. It fits with the theory.

**Easy Search & Selection**

Search option is used to help out the customers to find their desire or specific information in website. Therefore, search option should be effective and cover all necessary topics (Cox & Dale 2002). Search help out the customers to find their desire information on website. In SAS case the Search facility is comprehensive and effectively managed. The Selection of tickets, new offers and packages are easily accessible. It fits with the theory.

**Illustration for Fill-in forms**

Illustration should be given to “Fill-in-forms” for the ease of customers (Cox & Dale (2002). Instructions should be given to fill the form for registration or order proceeding” and in SAS case the instructions are given appropriately for ticket buying, fares, restrictions for special
fares, reconfirmation, seat reservation, special meals, check-in deadline, passport, visas, customs regulations etc. Therefore it fits with the theory.

**Product availability / service information and availability**

The availability of products should be available on real-time, so that if the product is available than customer can proceed with order or else can choose an alternative (Cox & Dale, 2002). The availability of SAS products (tickets) is available on real time and online as it is the core business of SAS, it never happens that a ticket bought by one customer is issued to another customer; this is one of the great benefits of real-time processing. Therefore it strongly fits with the theory.

**Delivery information**

Delivery information must be given along with product cost e.g. insurance cost, shipping cost, any other hidden cost etc. Furthermore, it should be mentioned clearly that the delivery is free or not (Cox & Dale, 2002). In SAS case the delivery of products (tickets) are free of cost within Sweden. However e-tickets are directly send in customer email account which highly convenient and fast source of delivery. In addition, E-tickets are based on the credit card number of the customer; therefore it is more reliable to prevent authorized handling. It fits with the theory.

**Policies, charges, terms and conditions**

All terms and condition should be clearly stated like, canceling orders, returning goods, taxes and refunds (Cox & Dale, 2002). All policies, charges, terms and conditions are clearly given at SAS website about all basic issues like, online bookings, fares, restrictions for special fares, reconfirmation, seat reservation, baggage, canceling orders, returning goods, taxes, refunds etc. These terms and conditions efficiently guide customers. Therefore, it fits with the theory.

**Reliability / Physical existence of a company**

Reliability refers to the customer trust on online shopping (Cox & Dale, 2002). The offline presence of SAS strongly helps it online presence and customers all around the world feels secure to buy tickets from SAS. Therefore, SAS enjoys a high level reliability in online environment, which fits with the theory.

**Added Value Services / Customer services**

Customer service refers to establish a trusted and loyal relation of customer with company (Cox & Dale, 2002). Added Values plays vital role for any organization to gain competitive advantage. Presently, airline industry is getting a tough competition as a result SAS offers a variety of Added values to gain competitive edge. For example, flights info via SMS, customer profile, point system for frequent customers, web check in, online flight info, hotel or car booking through SAS own channels, Group travel, youth travels, leisure travel and packages etc. It fits with the theory.
Frequently asked questions (FAQ)

Frequently asked questions (FAQ) are such questions which are commonly asked by customers and based on everyday common queries (Cox & Dale, 2002). The FAQ’s given on SAS website are comprehensive and cover all day to day customer queries like, booking ticket, youth tickets, payment & security, wireless services, comments & claims, technical requirements, e-ticket etc. It fits with the theory.

Customer relationships

For many websites, the key to success is the number of customers that use the site and keep returning to make purchases (Cox & Dale, 2002). It fits in SAS case because excellent customer relationships are on the high priority of SAS and they have proved it by getting themselves closer with customer by many ways, e.g. travel packages, Euro bonus, youth ticket etc.

RQ. 1  How can effective website design be described?

6.1.2 Within Case Analysis – Nordea Bank

Security and Privacy

Security and privacy is biggest user concern in e-commerce. Online transaction must be secure and customer’s personal information e.g. credit card numbers, shopping history, e-mail addresses should not be passed to any third party without the due consent of the customer (Yang et al., 2003). The Bank’s website is highly secured for online transactions and security and privacy of customer is ranked high above everything. Being a bank, the secure online payment is everything for them and whole business process is built around secure payments. The customer online transaction is protected through different levels of security checks therefore it fits with the recommendation of Yang et al. (2003).

Downloading time

Customers don’t have time to waste for slow downloading information from a website. Slow downloading creates frustration and dissatisfaction and reduce revisit rate (Yang et al., 2003). Nordea has used simple graphics on website; therefore the download speed of bank’s website is very good. Furthermore, the availability of broadband connections in Sweden has made the downloading speed easier. The customers are satisfied with easy access. It fits with the theory.

Virtual branding

Virtual branding is an ability of a website to gain recognition and establish its presence in the minds of customers (Yang et al., 2003). The offline presence of Nordea is very strong in banking sector therefore; the Bank’s offline presence has strongly enhanced the ability of online presence. As result, the bank’s website has become a niche brand in online environment and possesses a high level of virtual branding. New customers feel themselves secure while doing transaction through Bank’s website. Due to this high virtual branding, the website is getting popular day by day and has almost 4.0 million e-customers. It fits with the theory.
Banner advertisements

Banner advertisements have significant impact on internet marketing. It is a cheap source to bring potential customers to the website (Yang et al., 2003). Nordea is market leader in both offline and online banking, therefore bank does not use any banners advertisements. However Nordea use small amount of banners within their own website to promote their own products for example, Bank credit cards, home loans, solo banking etc. Bank is using “net bank” solutions for their corporate clients. As a whole bank does not using banner advertisements or any other internet referral program for their internet marketing, therefore it does not fit with the theory.

Ease of access

Ease of access refers to the customer concern about quick access to the desire information from a website, i.e. easy product search, fast downloading, easy order processing etc. (Yang et al., 2003). The banks website is simple in use and easy to access. The necessary information like, user login, help, contact us, press releases, customer support etc., is given at home page to guide customer, therefore customer can find every thing easily. It fits with the theory.

Ease of Navigation

Ease of navigation means that a website should be easy to find on net and easy to use (Yang et al. 2003). The banks website is easy to navigate. It can be accessed by using direct URL Link or by using any search engine. Easy navigation and user friendly environment has helped the bank website to gain a good position in the market therefore it fits with the theory.

Graphical interface preferred (Interactive Website)

The interest of customer about graphical interface is increasing. Website should be interactive by using graphics (Yang et al., 2003). The bank website is interactive and supports customer in making an online transaction. Any transaction can be done easily with the help of mouse and clicking on different pull down options. It fits with the theory.

Positioning capability

The positioning capability of a website refers to the key factors that formulate the company’s market positioning strategy (Yang et al., 2003). The positioning capability of Nordea is excellent. Bank has a broad range of products and services for their general and corporate customers. For example visa cards, master card, solo cards, e-statement, and broad range of other services. Bank also offers its website in four different languages, e.g. Danish, Suomi, Swedish and Norwegian. This broad range of product and services has enabled the website to gain a competitive edge therefore it fits with the theory.

Use of cookies

Consumer preference tracking is one of the greatest features offered by cookies. The cookies greatly help e-marketers in effective segmentation (Yang et al., 2003). Nordea is using cookies to enhance customer web experience since July 2003. At present, bank is focusing to use cookies to collect data for customer preferences that which part of the website customer
visits and how frequently it is. Furthermore, in near future bank also thinking to use cookies for better segmentation, therefore it fit with the theory.

**Clarity of purpose and Contents**

For customer’s better understanding, the scope and purpose of website should be defined clearly (Cox & Dale, 2002). Nordea website is *content full, the purpose* and of vision of bank is very clear from its home page which is equally worthy for all stakeholders and visitors. It fit with the theory.

**Consistency, menus and site maps**

All website contents and layout should be form in a similar technical way and it should be looks consistent (Cox & Dale, 2002). The Bank’s website is simple and menus and site map consistent. The colors used in website are attractive and simple. For the sake of customer ease the website design is simple, nice clean. However site map is available at [http://www.nordea.se](http://www.nordea.se) and customer founds no way to go, anyway comprehensive sitemap is available at [http://www.nordea.com](http://www.nordea.com) which includes all kind of information, but customer does not go the second link just for sitemap, therefore it does not fit with the recommendation of Cox & Dale (2002).

**Pages, text and clicks**

Text used in pages should be concise and meaningful. Pages should be small enough to retain customer attention (Cox & Dale, 2002). The frequency of new customers are very high in bank business, therefore bank’s website is made simple and web *pages, text* and fonts are kept small and meaningful. It fit with the theory.

**Communication, feedback and error handling**

In order to create customer added value, any mistake made in order processing should be highlight by system by making the mistake in a red color; therefore the customers can correct it (Cox & Dale, 2002). Effective communication, feedback and error handling is one of the core features of an ideal website. For customer convenience, it is necessary that a website must guide and assist a customer whenever customer makes a mistake; in Bank’s case their website is efficient enough to guide customers in error highlighting and corrections. It fit with the theory.

**Easy Search & Selection**

Search option is used to help out the customers to find their desire or specific information in website. Therefore, search option should be effective and cover all necessary topics (Cox & Dale 2002). The selection options at bank’s website works effectively. There are broad range of products and services offered by bank, which are easily accessible from homepage. In transaction menu the selection of bank and currency is available for customer ease. On the other hand the “Search” function is not available at website and customer could not find anyway how to search desired information. Therefore it does not fit with the theory.
Illustration for fill-in forms

Illustration should be given to “Fill-in-forms” for the ease of customers Cox & Dale (2002). In bank website necessary instructions and illustrations are given appropriately at different places where input from customer is required. For example, new account opening information, transaction through solo card or transaction through credit card etc. It fit with the theory.

Product availability / service information and availability

The availability of products should be available on real-time, so that if the product is available than customer can proceed with order or else can choose an alternative (Cox & Dale, 2002). Major Bank products e.g. credit card, solo cards are available online and real time and cases of un-availability are never in seen. It fit with the theory.

Delivery information

Delivery information must be given along with product cost e.g. insurance cost, shipping cost, any other hidden cost etc. Furthermore, it should be mentioned clearly that the delivery is free or not (Cox & Dale, 2002). The Delivery information and terms are given along with the core products. However major products delivery is free of charge, like credit cards, solo cards etc. It fit with the theory.

Policies, charges, terms and conditions

All terms and condition should be clearly stated like, canceling orders, returning goods, taxes and refunds (Cox & Dale, 2002). For whole range of banks products and services, the bank has mention the terms and condition and availability of these services are explained along with product, for example, solo card, credit card, different loans schemes (including student and home loans), export finance, project finance, pensions and cash management etc. It fit with the theory.

Reliability / Physical existence of a company

Reliability refers to the customer trust on online shopping (Cox & Dale, 2002). Nordea website enjoys a high level of reliability in virtual market place. This high level of reliability gives confidence to public to become a Nordea customer because they don’t worry about the bank’s physical presence. Bank’s offline presence strongly helps the online environment. It fit with the theory.

Added Value Services / Customer services

Customer service refers to establish a trusted and loyal relation of customer with company (Cox & Dale, 2002). The need of customer satisfaction is necessary to gain competitive advantage. Therefore “Added Value Services” plays an effective role to gain customer satisfaction which results in high profitability. Nordea offers a variety of added value services for example, e-invoice, e-salary, direct payment etc. It fit with the theory.
Frequently asked questions (FAQ)

Frequently asked questions (FAQ) are such question which are commonly asked by customers and based on every day common queries (Cox & Dale, 2002). The FAQ’s given by bank are quite comprehensive and covers all kind of customer queries like, bank opening information, credit card info, home loans, solo card, e-banking etc. Lot of general questions is also answered under the title of “Hjälp”. It fit with the theory.

Customer relationships

For many websites, the key to success is the number of customers that use the site and keep returning to make purchases (Cox & Dale, 2002). For successful websites, the key to success is the number of customers that use the site and keep returning to make purchases therefore customer is everything for Nordea, therefore Nordea has adopted strong customer relations management (CRM) policies. Customer queries are handed with care, it fit with the theory.

RQ 2. How can the factors influencing customer’s e-loyalty on website be described?

6.1.3 Within Case Analysis - SAS

Customer loyalty is defined as "a deeply held commitment to re-buy or repatronize a preferred product/service consistently in the future, thereby causing repetitive same-brand or same brand-set purchasing, despite situational influences and marketing efforts having the potential to cause switching behaviour" (Oliver 1999, p. 34). This general definition can also be applied to e-loyalty as well but there is a briefer and specific definition of e-loyalty that is "the customer's favourable attitude toward an electronic business, resulting in repeat purchasing behaviour" (Srinivasan et al. 2003).

SAS is the biggest Airline Company in Nordic region. It has to take extra care of our customers than others. About a customer loyalty, Director Channels says that when a customer visits our web site he can be located through cookies which shows that how many times a customer enters into our web site and is a loyal customer. Moreover we conduct independent customer research survey with the help of this we can understand about the loyalty of a customer. SAS statement fully support the theory as they conducted research surveys and use cookies to find loyal customers.

Customization

The extent to which an e-retailer’s website can recognize a customer and then tailor the product, services for that customer (Srinivasan et al, 2002). SAS customize its services to their customers according to their needs by offering benefits and cost savings schemes to its customers through email. The more a customer pays the more benefits he/she will get. SAS support the theory as it customized its services to according to the needs of customers. A customer thinks that he/she is a special one when he/she receives email about promotion and advertisements about services.
**Contact Interactivity**

Availability and effectiveness of customer support tools on a website, and the degree to which two-way communication with customers is facilitated (Srinivasan et al, 2002). SAS provides email and search options facility to its customers to find any relevant information. A customer may not lose while browsing website. SAS fully support the theory as they have provided the facility of search options that prevents a customer from distracting website and losing attention.

**Cultivation**

The frequency of desired information and cross-selling offers that an e-retailer provides to customers and also incentives to extend the breadth and depth of their purchase over time (Srinivasan et al, 2002). SAS has introduced bonus points system for their customers that they earn when booking a ticket or any activity on their web site. The more frequent flyer a customer is the more he gets bonus points. SAS send email to its customers about bonus points earned by customer and its promotional activities to make a customer loyal and make them feel that they are special. SAS fully support theory as they have depart of customer relations who handles all inquiries of their customers and send email about promotional activities and any special offer on different occasions.

**Care**

Customer Care refers to the attention that an e-retailer pays to all its customers to make a long term relationships. The extent to which an e-retailer keeps its customers up to date about the different products and services that are offered and also the status of their order (Srinivasan et al, 2002). To increase loyalty SAS uses customer personal data that he or she submit on SAS web site, customer data is treated with great care and respect while making a reservation, payments and tickets delivery. If any problem occurs regarding bookings, delivery of tickets etc a customer can contact with customer services department, who take quick action to solve the problem. SAS supports the theory by giving extra care to their customers as they have established customer services department to handle all kind of inquiries.

**Community**

The extent to which customers are provided with the opportunity and ability to share opinions among themselves through comment links, buying circles, and chat rooms sponsored by the e-retailer (Srinivasan et al, 2002). SAS uses customer’s e-mail address to send news and other marketing information and communication on a regular basis. SAS also use email, phone and customer survey to get feed back from their customers. SAS statement partially support the theory as they do not provide any facility on their web site that can interconnect customers with each other to share opinions.

**Choice**

The extent to which an e-retailer can offer wider range of product and services within given category than the traditional retailer and form alliances with other virtual suppliers to provide customer with great choice. (Srinivasan et al, 2002). SAS has made alliance with some hotels and car rental companies to give a customer a one stop shopping so that a customer does not have to move to another web site to do this task. SAS provide this facility with some
discounted rates to give their customer more choice while selecting services. SAS fully support the theory as they have given their customers choice of services on their website to make them more satisfied.

Convenience

Refers to the simplicity of a web site. Accessibility of information and simplicity of the transaction processes to make successful completion of transactions (Srinivasan et al, 2002). Director Channels admits that SAS web site is little bit complex due to the fact that there are too much content on website and also integration with other companies have made it little bit complex but we have planned to make changes in our website in this year. But she also says that navigation and functionality of website is good. A customer remains loyal to website when he or she looks at safety of booking a ticket online and also functionality of web site as well as timely up gradation of web site. SAS website partially supports theory as they have good navigability of their website but on the other hand it contains too many contents that can make a visitor little confuse while browsing website.

Character

An overall image of a web site that includes different inputs such as text, style, graphics, colours, logos, and slogans or themes on the website (Srinivasan et al, 2002). SAS attracts customer with branding strategy that is mainly prepared in our marketing department. If a customer pays more he or she will definitely get more benefits. SAS distinguish its offers on price offered and product features as well as added value in their services as compare to other airline companies. Customer really wants the value for their money. SAS statement fully supports the theory as they attract customers on price and value added services to customers. Moreover the links on websites target relevant webpage correctly. The navigation consistent is guaranteed by good graphics configuration.

RQ 2. How can the factors influencing customer’s e-loyalty on website be described?

6.1.4 Within Case Analysis – Nordea Bank

Customer loyalty is defined as "a deeply held commitment to re-buy or repatronize 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, p. 34). This general definition can also be applied to e-loyalty as well but there is a briefer and specific definition of e-loyalty that is "the customer's favorable attitude toward an electronic business, resulting in repeat purchasing behavior" (Srinivasan et. al 2003).

Product manager of Nordea describes customer e-loyalty, for a bank, the situation is (still) that websites are not the key deciding factor for most customers. Much more important for loyalty is the personal commitment from advisors and, to some extent, the terms offered for loans and benefits etc. In case of Nordea we find that their view about customer e-loyalty does not support the theory because the website environment is different in case of bank but it’s the commitment of advisor who with his efforts makes a customer loyal.
**Customization**

The extent to which an e-retailer’s website can recognize a customer and then tailor the product, services for that customer (Srinivasan et al, 2002). In case of Nordea, a bank cannot customize its products to every customer because it has thousands of customers and it is difficult to customize products but it tries to offers the products on website generally for every customer on easy terms. Nordea statement does not support the theory because of thousand of customers and the nature of business.

**Contact Interactivity**

Availability and effectiveness of customer support tools on a website, and the degree to which two-way communication with customers is facilitated (Srinivasan et al, 2002). In case of Nordea On open pages, where we don't know who the visitor is, we present interesting information about our products in general. When our customers log in to the net bank regularly, and in that environment we know who the customer is, and thus we're able to target content more precisely. Nordea fully support theory as they have provided email and search options facility on their web site which their customer uses for information purpose.

**Cultivation**

The frequency of desired information and cross-selling offers that an e-retailer provides to customers and also incentives to extend the breadth and depth of their purchase over time.(Srinivasan et al, 2002). Product manager of Nordea says most bank products you don't re-purchase. If you get a Visa card, you don't need to get another one a year later. The thing for us is to make customers buy more products from us. So by targeting the right customer with the right offer at the right time, he or she will hopefully increase his or hers spending with us. Nordea does not fully support the theory because the products of a bank are a general for everyone and advertised on web pages and in an offline way as well. Due to the fact that banks have thousands of customers so it is difficult for bank to communicate with everyone.

**Care**

Customer Care refers to the attention that an e-retailer pays to all its customers to make a long term relationships. The extent to which an e-retailer keeps its customers up to date about the different products and services that are offered and also the status of their order (Srinivasan et al, 2002). Product manager says, customer loyalty for the major part of bank customers, is built from the personal relationship with the advisor, and not from the website. Banks products are "virtual products" except cards so you can't "touch" an account. Although Nordea takes care about its customers by handling enquiries offline and online but if any problem encountered by a customer in his account cannot be handled on website, a customer has to interact with advisor personally for the solutions.

**Community**

The extent to which customers are provided with the opportunity and ability to share opinions among themselves through comment links, buying circles, and chat rooms sponsored by the e-retailer (Srinivasan et al, 2002). Nordea gets customer feed back through email and phone. Moreover words of mouth are helpful in making new customers and keeps old customer more loyal. Product manager statement partially support the theory because banks provides facility
of email and phone to get feedback but does not provide facility on web which can interconnect customers with each other.

**Choice**

The extent to which an e-retailer can offer a wider range of products and services within a given category than the traditional retailer and form alliances with other virtual suppliers to provide customers with great choice. (Srinivasan et al., 2002). As a bank Nordea offers many financial products to its customers, e.g., different schemes of loans, credit cards, and e-card, etc. The choice of a product is not limited on this website. Product manager views fully support the theory. Bank offers products with an alliance of Visa Card and Master Card Company. Nordea supports the theory by having alliances with other companies to offer a wide range of products.

**Convenience**

Refers to the simplicity of a website. Accessibility of information and simplicity of transaction processes to make successful completion of transactions (Srinivasan et al., 2002). Product manager of Nordea says the contents of our website provide guidelines to customers to make a transaction without any difficulty. The link between pages is well labelled, and page download speed is very fast. Nordea has also provided the facility of search options to locate the product or information more easily and efficiently. Nordea statement fully supports the theory as they are providing a website that is easy to navigate and convenient to use.

**Character**

An overall image of a website that includes different inputs such as text, style, graphics, colours, logos, and slogans or themes on the website (Srinivasan et al., 2002). Product manager explained that a customer is attracted with the commitment of advisors and also the quality of services offered to him. Nordea use the website for advertisement of different products but mainly attract customers by maintaining a clear and concise brand communication for Nordea and by always presenting the URL in offline material (where applicable). Nordea supports theory as they have developed strategies on online and offline with different offers to attract customers.

### 6.2 Cross-Case Analysis

*In this section, we will present cross-case analysis of both companies regarding factors influencing customer e-loyalty on the web. The table 6.3 shows the variables and their effects in two companies.*

#### 6.2.1 Cross-Case Analysis:

**RQ. 1 How can effective website design be described?**

<table>
<thead>
<tr>
<th>Factors Influencing Website Design</th>
<th>SAS</th>
<th>Nordea</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Security and Privacy</strong></td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Table 6.2: Factors Influence Website Design</td>
<td></td>
<td></td>
</tr>
<tr>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td><strong>Downloading time</strong></td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td><strong>Virtual branding</strong></td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td><strong>Banner advertisements</strong></td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td><strong>Ease of access</strong></td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td><strong>Ease of Navigation</strong></td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td><strong>Graphical interface preferred (Interactive Website)</strong></td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td><strong>Positioning capability</strong></td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td><strong>Use of cookies</strong></td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td><strong>Clarity of purpose and Contents</strong></td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td><strong>Consistency, menus and site maps</strong></td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td><strong>Pages, text and clicks</strong></td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td><strong>Communication, feedback &amp; Error handling</strong></td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td><strong>Easy Search &amp; Selection</strong></td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td><strong>Illustration for Fill-in forms</strong></td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td><strong>Product availability / service information and availability</strong></td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td><strong>Delivery information</strong></td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td><strong>Policies, charges, terms and conditions</strong></td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td><strong>Reliability / Physical existence of a company</strong></td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td><strong>Added Value Services / Customer services</strong></td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td><strong>Frequently asked questions (FAQ)</strong></td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td><strong>Customer relationships</strong></td>
<td>Yes</td>
<td>Yes</td>
</tr>
</tbody>
</table>

**Security and Privacy**

Security and privacy of customer’s data is biggest concern for both SAS and Nordea. In order to make the secure data processing both organizations offer different security levels. The
security offered by SAS by using 128 b Secure Sockets Layer (SSL) to encrypt user credit card details is highly remarkable. The security offered by Nordea to prevent the unauthorized handling of customer online transaction, the bank offers two different levels of security codes by using solo card is also significant. It fits with the recommendation of Yang et al. (2003).

**Downloading time**

The downloading speeds of both website are is very good, because they have used simple images; furthermore, the availability of broadband connections in Sweden has made the downloading speed easier. It fits with the recommendation of Yang et al. (2003).

**Virtual branding**

The offline presence of both SAS and Nordea is very strong in real life, therefore their offline strongly supports their online presence as result both website possesses a high level of virtual branding and specially Nordea has almost 4.0 million e-customers which is especially noteworthy. It fits with the recommendation of Yang et al. (2003).

**Banner advertisements**

Both organizations are market leader, therefore are not focusing on banners advertisements, even they don’t have any referral programs for their internet marketing. However both organizations partially used banner advertisements within their own relevant websites. However, it does not fit with the recommendation of Yang et al. (2003).

**Ease of access**

Both websites are enjoying a high volume of traffic just because of their ease of access and ease of use. All basic information is given on homepages. It fits with Yang et al., (2003) recommendations.

**Ease of Navigation**

The both websites are easy in navigation. It can be accessed by using direct URL Link or by using any search engine. Easy navigation and user friendly environment has helped the both websites to gain a good position in the market. It fits with the recommendation of Yang et al. (2003).

**Graphical interface preferred (Interactive Website)**

The both websites offers highly interactive interface which strongly help out the customer in making an online transaction. Any transaction can be done easily with the help of mouse and clicking on different pull down options. It fits with the recommendation of Yang et al. (2003).

**Positioning capability**

Both websites have gained stable position in their respective markets by offering variety of product line and by offering different packages. It fits with the recommendation of Yang et al., (2003).
Use of cookies

The use of cookies is common in both websites. They use cookies to enhance customer web experiences and collect data for customer preferences. Therefore it fit with the recommendation of Yang et al., (2003).

Clarity of purpose and Contents

The websites are content full and purpose of the organization is very clear from their home page. There is lot of information available for stakeholders and visitors. It fit with the recommendation of Cox & Dale (2002).

Consistency, menus and site maps

The both websites are highly consistent, same color schemes, fonts and size are used in almost all pages. The sitemap given in SAS website is nicely maintained and full of information which fits with the recommendation of Cox & Dale, (2002). However Nordea website does not offer any sitemap which does not fits with the recommendation of Cox & Dale, (2002).

Pages, text and clicks

The Both websites are simple and pages, text and fonts are nicely arranged to attract customers. It fits with the recommendation of Cox & Dale, (2002).

Communication, feedback & error handling

Both organizations are conscious about customer communication and feedback. The customer can access them by using phone of email. Most of the queries are answered using email. The both websites are efficient enough to guide customers in error highlighting. It fit with the recommendation of Cox & Dale (2002).

Easy Search & Selection

In SAS case the Search facility is comprehensive and effectively managed. The Selection of tickets, new offers and packages are easily accessible. . It fits with the recommendation of Cox & Dale (2002). On the other hand, in Nordea case the “Search” function is not available at website and customer could not find anyway how to search desired information. Therefore it does not fit with the recommendation of Cox & Dale (2002).

Illustration for Fill-in forms

In both websites the necessary instructions and illustrations are given appropriately at different to guide customer. It fits with the recommendation of Cox & Dale (2002).

Product availability / service information and availability

In both website the products information and availability is given online e.g. credit cards or tickets etc. It fit with the recommendation of Cox & Dale (2002).
**Delivery information**

The Delivery information and terms are given along with the core products. However major products delivery is free of charge, like credit cards, solo cards etc. in banks case and e-tickets in SAS case. It fit with the recommendation of Cox & Dale (2002).

**Policies, charges, terms and conditions**

All policies, charges and terms and conditions are clearly given at both sites for example online bookings, fares, restrictions for special fares, reconfirmation, seat reservation, baggage, canceling orders etc. It fits with the recommendation of Cox & Dale (2002).

**Reliability / Physical existence of a company**

The both SAS and Nordea have strong presence in real life therefore their offline presence strongly help out their online presence. This high level of reliability gives confidence to public to become a customer of both organizations it fit with the recommendation of Cox & Dale (2002).

**Added Value Services / Customer services**

Added Values plays vital role for any organization to gain competitive advantage. Presently, both websites are getting a tough competition in their respective markets. However both website offers a variety of Added values services which make them different from their competitors. It fits with the recommendation of Cox & Dale (2002).

**Frequently asked questions (FAQ)**

The FAQ’s given by both website are quite comprehensive and covers all kind of customer queries. It fits with the recommendation of Cox & Dale (2002).

**Customer relationships**

For successful websites, the key to success is the number of customers that use the site and keep returning to make purchases therefore customer is everything for both organizations. Therefore they have adopted strong customer relationships. The customer queries are handed with care, it fit with the recommendation of Cox & Dale (2002).

### 6.2.2. Cross-Case Analysis:

**RQ 2. How can the factors influencing customer’s e-loyalty on website be described?**

<table>
<thead>
<tr>
<th>Factors Influencing Customer’s e-loyalty on web</th>
<th>SAS</th>
<th>Nordea</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customization</td>
<td>Yes</td>
<td>No</td>
</tr>
</tbody>
</table>
Table 6.3: Factors influencing customer’s e-loyalty on website.

<table>
<thead>
<tr>
<th>Contact Interactivity</th>
<th>Yes</th>
<th>Yes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cultivation</td>
<td>Yes</td>
<td>Yes/No</td>
</tr>
<tr>
<td>Care</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Community</td>
<td>Yes/No</td>
<td>Yes/No</td>
</tr>
<tr>
<td>Choice</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Convenience</td>
<td>Yes/No</td>
<td>Yes</td>
</tr>
<tr>
<td>Character</td>
<td>Yes</td>
<td>Yes</td>
</tr>
</tbody>
</table>

**Customization**

Nordea statement does not support the theory because of thousand of customers and the nature of business. While SAS customize its services to their customers according to their needs by offering benefits and cost savings schemes to its customers through email.

**Contact Interactivity**

Nordea fully support theory as they have provided email and search options facility on their web site which their customer uses for information purpose. On the other hand SAS also support the theory as they have provided the facility of search options that prevents a customer from distracting website and losing attention.

**Cultivation**

Nordea does not fully support the theory because the products of a bank are a general for everyone and advertised on web pages and in an offline way as well. Due to the fact that banks have thousands of customers so it is difficult for bank to communicate with everyone. SAS fully support theory as they have depart of customer relations who handles all inquiries of their customers and send email about promotional activities and any special offer on different occasions.

**Care**

Although Nordea takes care about its customers by handling enquiries offline and online but with little difference because if any problem encountered by a customer in his account cannot be handled on website a customer has to interact with advisor personally to solutions. SAS supports the theory by giving extra care to their customers as they have established customer services department to handle all kind of inquiries.
Community

Nordea partially support the theory because banks provides facility of email and phone to get feed back but does not provide facility on web which can interconnect customers with each other. SAS partially support the theory as the do not provide any facility on their web site that can interconnect customers with each other to share opinions.

Choice

In case of Nordea it fully supports the theory. Bank offers their own products as well as products with the alliance of Visa Card and Master Card Company. SAS also fully support the theory as they have given their customers choice of services like booking of hotel and car rental on their website to make their customers satisfied.

Convenience

Nordea fully support the theory as they are providing web site that is easy to navigate and convenient to use. SAS website partially supports theory as they have good navigability of their website but on the other hand it contains too many contents that can make a visitor little confuse while browsing website.

Character

Nordea support theory as they have developed strategies on online and offline with different offers to attract customers. SAS statement fully supports the theory as they attract customers on price and value added services to customers. Moreover the links on websites target relevant webpage correctly. The navigation consistent is guaranteed by good graphics configuration.
7. Conclusions and Recommendations

In this final chapter, we are going to answer our research questions and get conclusions based on the theory and analyzed data. We ended up with recommendations for management and future research.

7.1 Conclusions

7.1.1 RQ 1. How can effective website design be described?

From the analysis of data presented above, we found that effective website design is vital for e-commerce companies and success entirely build on well structured website interface because customers are supposed to interact first with website then with companies. Both sample website are well design and holds good interface. In e-commerce the biggest user concern is security and privacy. Online secure transaction is ranked above from everything. Both sample websites have taken sound security measures to prevent unauthorized handling, specially 128 b Secure Sockets Layer (SSL) used by SAS to encrypt user credit card details and multi-level codes and solo codes used by Nordea Bank are really noteworthy. It makes their websites highly trustable. The offline presence of both companies are very strong, therefore, both websites enjoys a high level of virtual branding. Banner advertisements can play effective role in internet marketing but it has been used by both websites. However small amount of banners are used to refer customer within the group to promote other group product portfolio, like SAS use banners to promote their car rental and hotel segment. Both sample website are highly interactive and user friendly. Customer is facilitated by option to take input from system in different stages, which make a transaction quite flexible. These websites has adopted good positioning strategies to position themselves in the market by offering variety of packages on their websites like in SAS case they offers tickets for business fares, pleasure fare, family packages, student offers, bonus point for frequent travelers and many more. Nordea also offers fully internet based consumer and corporate solutions which it distinguish from others, as a result Nordea is becoming a central hub among Government organizations and companies. Cookies greatly help e-marketers in effective segmentation although both websites use cookies to track consumer preferences however the current use of cookies is its basic like cookies are being used to increase download times and quick login, however consumer buying interest need to be focused. The both sample websites are highly consistent and used same color schemes and fonts size in almost all pages. The sitemap given in SAS website is nicely maintained and full of information and customer can easily switch to his desired link, however Nordea website does not offer any sitemap. The importance of added values is imperative in any organization to gain competitive advantage, presently both websites facing a tough competition. In order to gain competitive edge SAS offers a variety of added values like, flights info via SMS, customer profile, point system for frequent customers, web check in, online flight info, hotel or car booking through SAS own channels, group travel, youth travels, leisure travel and many other packages. In the same way Nordea offers a variety of added value services e.g. e-invoice, e-salary, direct payments etc. As a whole, both website are well structured and nicely maintained and offers a good customer experience.
7.1.2 RQ 2. How can the factors influencing customer’s e-loyalty on website be described?

In our research, we have found that Nordea and SAS both have relied on an intensive effort to generate a large customer base and to achieve maximum profitability from each loyal customer. Since the emergence of B2C e-commerce it has highlighted the importance of building a loyal customer on websites.

The purpose of our study was to gain deeper understanding of the customer loyalty on website. In our study we have found that the data collected from our sample companies had many similarities with the literature but there were also some differences and new things in comparison with previous studies. In our view both companies knew the importance of customer loyalty on website and its benefits, but their strategies to make a loyal customer were different. That is due to the difference of the nature of their business. Nordea and SAS has different approaches regarding customer loyalty on website. Nordea see loyalty as the more personal interactivity with the advisor while on the other hand SAS view their loyal customers who make purchase online and come back again. Nordea offers many products online and offline but in some cases personal interaction with the advisor is necessary due to the high level of security and safety. Nordea performs many of the 8c’s factors offline as compare to online because of the requirement of their business. Sas has been practicing the 8c’s factors successfully, but there are some of complexities in their website that makes a customers little bit of confusing.

Our research has identified eight factors that potentially affect e-loyalty. All Of the 8Cs factors considered, customization, contact interactivity, cultivation, care, community, choice, convenience, and character, all but convenience, were found to have a significant impact on e-loyalty. E-loyalty demonstrated the highest elasticity with respect to customization, character and care. Equally important, e-loyalty was found to have a positive impact on positive word-of-mouth and willingness to pay more.

7.2 Recommendations

7.2.1 RQ. 1 How can effective website design be described?

1. The website should be available in multi-languages, especially in English as being an international language. In bank’s case, there is no link in English and non-Swedish customers could not perform any online transaction.

2. None of the both companies use any internet marketing tool to promote their product or services on internet for example Banner advertisements (Referral programs from other websites), emails regarding new updates, email regarding new offerings, special discounts for Charismas, New Year, summer discounts or event based discount etc.

3. Cookies should be use more effectively to enhance internet marketing by knowing customer buying interest and it will greatly help in better segmentation.

4. Customer relations should be improved by enhancing feedback and by creating customer communities therefore they can share their experience.
5. Common mistakes should be handled carefully and logically, like in SAS case, under the English link, the information of E-ticket, Youth/Student Travel and Group Travel is given in Swedish, which does not look logical.

6. In order to enhance the website effectiveness detailed “website audit” and “website competitive review” is highly recommended.

7.2.2 RQ 2. How can the factors influencing customer’s e-loyalty on website be described?

From the first research question we can conclude that most of the e-loyalty factors on website are used by companies according to their nature of business. In the eight important factors influencing e-loyalty, the similarities is the major part between two websites, some factors may be different but it is depending on their situation and concern.

For the bank in the case, it uses most of e-loyalty factors that are explained by theory but there way of using these factors is different. Bank does not use its website to cover all e-loyalty factors but also use offline methods because of the nature of its business where interaction between customer and advisor is essential. SAS used almost all e-loyalty factors except community and convenience which partially support the theory. But overall the effort to use e-loyalty factors to make a customer e-loyal to their websites is good. There are several variables unique to e-retailing that have not been evaluated in the existing customer loyalty literature. The present research has identified eight factors that potentially affect e-loyalty. Of the 8Cs considered, customization, contact interactivity, cultivation, care, community, choice, convenience, and character, all but convenience, were found to have a significant impact on e-loyalty. E-loyalty demonstrated the highest elasticity with respect to cultivation, choice and care factors. Equally important, e-loyalty was found to have a positive impact on positive word-of-mouth and willingness to pay more.

7.3 Recommendations for Management

From a managerial perspective, we think there are some issues that could be useful, if a company wants to create e-loyalty of customer to its website, it should focus on 8Cs factors. Strong and good response service system will help to build a good interactive commutation relationship between both sides and make customer feel like home, building the trust and loyalty. E-retailers can establish early warning systems based on continuously measuring customer perceptions for the 8Cs, so that management can take appropriate remedial action when any of these factors is perceived as falling below.

7.4 Recommendations for Future Research

With the Internet and other telecommunications innovations drawing us ever closer to the economist’s concept of a perfect market, many products and services will be increasingly perceived more like commodities. Consequently, electronic markets will lead to intense price competition resulting in lower profit margins. To compete successfully, e-retailers will need to develop and maintain customer loyalty. Toward this task, e-retailers must first thoroughly understand the background and the consequences of e-loyalty. They must skilfully design the 8Cs to fit their specific offerings and their customers’ demographic and psychographic
profiles, and also systematically manage the subsequent behavioural outcomes of loyalty. We hope that our findings will contribute to the accomplishment of these crucial tasks.
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INTERVIEW GUIDE

Section 1: How can effective website design be described?

1. What makes a website attractive for customers?
2. Is “downloading speed” does matter?
3. What advertisement tool does your company use for Internet marketing, e.g. banners, pop ups, any other referral program etc.?
4. What is your company’s concern about “positioning strategies”?
5. Do you use data mining / Database Marketing for your company (e.g. some companies use cookies to track customer’s preferences)?
6. Is your website is efficient enough to guide customer, if he makes an error in doing online transaction?
7. As the nature of website is global, Is the delivery of your products or services is restricted/limited to any city or country, if yes, have you mention it in your website?
8. What is your company’s concern about “online secure payment”?
9. How do you define effective website design as general?
10. Do you offer any “Added Value Services” on your website to gain competitive edge?

Section 2: How can the factors influencing customer’s e-loyalty on website be described?

1) How do you think that a customer is loyal to your website (e-loyalty)?
2) Does your website customize products to a specific customer?
3) How do you attempt to convert a Web site visitor into a purchaser?
4) Does your website send reminders to online customers about making new purchases?
5) Does your website responsive to any problem that occurs to your online customers? (i.e return goods, order status, delivery of products)?
6) How do you get customer feedback and opinion about products? (mail, community, chat rooms)
7) Do you have any alliance with any company to extend the range of your products?
8) Does your website provide any facility that enables your online customers to make purchases easier?
9) How do you attempt to attract a customer to your website? (i.e logos, colours, pictures).