An Assessment Of Online Shopping Practice And Customer Loyalty In Selected Online Shopping Stores In Lagos State, Nigeria

Ojeanor, O. A
Department of Business Administration and Marketing, Faculty of Management Sciences, Delta State University, Asaba Campus, Nigeria.

Olannye Dubi Funaya
School of Media and Communication
Pan-Atlantic University, Lagos.
olannyeap@gmail.com

pp 105-117

ABSTRACT

Advances in Internet technologies have been increasing greatly and receiving much attention by most firms in the world today, towards marketing cost reduction and to have competitive edge. The major objective of the study is to examine the impact of online shopping practice on customer loyalty. A cross-sectional survey research design method was used. Stratified random sampling technique was employed for the sample selection. The sample size of 220 staff from selected online shopping stores in Lagos State, Nigeria was used. The statistical techniques used are the descriptive statistics, correlation and multiple regression analysis. The findings showed that trying to offer personalization in e-commerce and privacy in online shopping have positive effect on customer loyalty. It was concluded that online personalization can aid firms to build and sustain strong customer relationships. Privacy in online shopping seems a critical successful factor for e-commerce. Security is a privacy policy to secure private information from being used by other party which may be internal or external to the organizations. The study therefore recommended that companies should make available the technology for executing machine interactivity in online shopping environments that have the potential to provide customers with greater opportunities to access and compare product offerings.

Keywords: Online Shopping Practice, Privacy in Online Shopping, Online Personalized Services, Avatar-Mediated Communication, Customer Loyalty

1.0 Introduction

Over the years, advances in Internet technologies have grown tremendously. The internet has become a channel that is increasing in popularity in almost every facet of the globe and is used for numerous activities by customers, governments and businesses. Not surprisingly, the application of these online technologies which has grown along with them is that of online shopping. Internet shopping is one of the most commonly used means for convenient shopping in Lagos State. It is in fact, a popular means of shopping in the Internet community (Bourlakis, Papagiannidis, and Fox, 2008). Online shopping is increasing day by day in Lagos State, whether it's for clothes, electronics, or, even, pets. A lot of websites are opening daily just to cater for this rising demand for comfort and convenience. Online shopping is fast becoming a means of making all purchases, whether you're at home or in the office, or in a different country. This is particularly true for developed countries, where every store has its own website that you can buy online from.

Tricks of the trade like cash on delivery and sometimes special discounts on online purchases seem to influence customers very easily. This trend to shop online from the comfort of your own couch has recently been taken up in the Lagos State as well, especially in other parts of Nigeria. Lagos State seems to have adopted the trend much faster, with multiple fashion, furniture and food websites, along with venturing into the more commonly known companies, such as Bubbles Online, Adibba, Mystore, Pinky Bolar, Regal Buyer, Payport, Konga etc. One advantage of internet shopping is that it provides the consumers with detailed information and multiple choices towards comparing products and price. It has been observed that online shopping practice provides more satisfaction to the contemporary consumers that are seeking convenience as well as speed (Yu and Wu, 2007). Nowadays, the term Internet is a business tool for firms and individuals. Internet became a new channel between firms and their customers. Today, the Internet is a public and self-sustaining medium accessible to very many of people globally (Janacek and Muchhala, 2004).

The growth of internet utilization is motivating some innovations in the behavior of consumer purchasing process and it has become a significant communication means in the globe (CasalÃ, FlaviÃ¡n, and GuinalÃu, 2007). Some firms in Lagos State also are using the internet to describe and communicate the information and actually to present their products as well as taking feedback of

their performance and get better their turnover and also customer`s satisfaction. A lot of firms in Nigeria have begun to use the Internet to reduce marketing costs, and consequently decreasing the prices of their products and services to keep a future competitive market. In the world level of online shopping market, customers mostly prefer purchasing books followed by clothing/accessories/shoes, airline ticket/reservations and electronic equipment (Nielsen, 2010). Online shopping is mostly utilized by the younger generation, so the goods that are sold online are also highly centred towards this brand of people. In order to bring in the elder people to be part of the online shopping community, more goods targeted towards them should also be made available online. Like any other business activity, the online market has also got the high potential and emerging markets, which could bring in huge margins for the e-commerce industry in the years to come.

The technology available for executing machine conversation in online shopping environments has the potential to provide customers with greater opportunities to access and compare product offerings (Alba, John, Barton, Chris, Richard, Alan and Stacey, 1997). Such abilities are particularly vital given that online stores cannot offer physical contact with products, do not allow face-to-face interaction with a salesperson, and may offer a very large number of alternatives due to their virtually infinite "shelfspace," i.e., the lack of physical constraints with respect to product display. Customers' loyalty is undoubtedly vital because it contribute to the benefits of every online shop in Lagos State. Customer loyalty is customers' intention to repurchase a product or services. Zeithaml, and Bitner, (2003) argues that previous studies viewed customer loyalty as being either behavioral or attitudinal. Customer satisfaction is a vital antecedent for customer loyalty. Kotler, (2010) opined that satisfied customers tend to have higher usage of services, and possess stronger repurchase intention. According to Fallon, (2012), the foundation of marketing is to stress the potential customer to purchase and share good reference about a particular product or service.

Consumers most times do not purchase products that differ from their personal traits (Park, Kyung, and John, 2010). Time and complete awareness about the desired product affects a customer's final purchase decision along with other vital factors such as culture, security, perceived, social values, money, risks etc. Consumers want products to align with their social class, and some customers are feeling encouraged that products will either improve or

detract from their quality of life and their societal relationships (Fallon, 2012). The main objective of the study is to examine online shopping and its effect on customer loyalty in online shopping stores in Nigeria.

1.1 Statement of the Problem

Despite the fact that the internet has become the most profitable and convenient way to buy products and services, most of the online customers still prefer purchasing through offline after using the online information as a base. They prefer to act like the Window Shoppers. Although many companies are realizing the significance of leveraging on the Internet to conduct their operations, firms are finding it challenging to keep up with fast dynamic markets and the consumer situation that are the hallmark of the Internet. Although there are individuals who are ready to convert towards online shopping, there are still many people who are not. Majority of Nigerians especially young people use the internet for non-shopping activities such as seeking for information, entertainment, playing games and communication with others. There are some setbacks which have contributed to the unwillingness of customers, because they are afraid that their personal information will be stolen by others.

Despite the potential in customers, It seems there is still lack of desired understanding towards online shopping in Nigeria. In Nigeria, however, despite the potential growth in online stores, a clear understanding of the facilitators of online purchase intention of consumers is still lacking due largely to little research done within the Nigerian context. From the preceding introduction, it is apparent that the fast technological progress is changing consumer shopping habits. Research on online consumer behavior is becoming more prominent in literature and prior studies have set the foundation into the indicators that influence online consumers, however, it is still not clear what drives consumers to shop online.

1.2   Objectives of the Study

The main objective of the study is to examine the effect online shopping practice on customer loyalty. The specific objectives are to:
i.   determine the influence of privacy in online shopping on customer loyalty
ii.   ascertain the effect of online personalized services on customer loyalty
iii.   examine the effect of avatar-mediated communication on customer loyalty.

2.0 Literature Review
2.1 Conceptual Review
2.1.1 Online Shopping Practice

As Internet usage is rising, so is online shopping practice specifically in those nations whose marketing infrastructures are well developed. Customers can shop at any time and have access to goods not available in their locality. However, customers are now able to access the Internet, not only from their personal computers, but also from advanced electronic devices such as Smartphone's. Qualities of e-shopping service include system quality, information quality, service quality, delivery quality, post-purchase quality and product quality (Ahn, Seewon, and Ingoo, 2004). System quality explains the measures of web sites as information processing systems and taps engineering-oriented performance features such as operational efficiency and appearance (Ahn et al. 2004). Online shopping practice is a form of E-commerce whereby customers directly purchase goods and services from a seller over the internet. Online shopping practice is done via an online shop or Internet shop, e-shop, e-store etc. All the goods in online stores are described via text, with photos and with multimedia files. A lot of online shopping stores provide links for extra information about their products. They often make available, instructions, manufacture specification, safety procedures and exhibitions (Tech target, 2007-2012). Benefits of E-commerce have grown very fast because of the many benefits linked with purchasing online as the lower transaction and search cost as compared to other types of shopping. Online shopping practice enables consumers to buy faster, more varieties and can order goods and services with comparative lowest price (Cuneyt and Gautam, 2004).

The online shopping stores and Websites were sponsored by many e-retailers that utilized information generated in order to explore more marketing opportunities (Dignum, 2002).   The popularity of online shopping has skyrocketed due to the easy connection to the vast pool of web and proliferation of technology among consumers of new generations. Rony, Farijul, Shamim and Abdur (2015) opined that online shopping is the process of conducting buying and selling activities of goods and services from merchants via using the modern technological devices such as internet, mobile, credit and debit cards etc. Actually it is a kind of electronic commerce which allows customers all over the world to directly purchase products from a seller online using a web browser. Mobile commerce explains purchasing from an online retailer's mobile optimized online sites or apps. Nowadays, internet is not only for platform in

networking, however, it is also a channel to bond together for most firms with its customers (Delafrooz, Pain, Haron, Sidin, and Khatibi,2009).

E-commerce is also known as online shopping. It connotes running the whole process of business activities electronically using the internet (Chaffey, Ellis-Chadwick, Mayer, and Johnston, 2006). Online Shopping is a process where customers go through when they decide to purchase via the internet. For online shopping retailer, in order to conduct the achievement of business e-commerce, it is important to setup customer needs and wants (Chaffey et al., 2006). Online shopping behavior has to do with the steps of purchasing goods and services through the Internet. The process involves five steps similar to those related with traditional shopping behavior (Liang and Lai 2000). In the online shopping practice when actual and potential customers recognize a need for some service, they go to the Internet and search for need-related information. However, rather than searching actively, at times potential and actual customers are attracted by information about goods or services associated with the felt need. They then evaluate varieties and choose the one that best fits their criteria for meeting the felt need. Finally, a transaction is carried out and post-sales services are provided. Online shopping attitude concerns the customer psychological position in terms of making purchases online.

An issue of particular interest to both marketing practitioners and academics is in ascertaining whether there are systematic differences in customer's choice behavior between online and regular offline stores, and if there are differences, in understanding the purpose for these differences. Put in another way, will the same customer exhibit different choice purchasing behavior online and offline, and if so, why? Identifying and understanding these differences is important for formulating marketing strategies, especially for online marketers. These questions are addressed first by proposing a general conceptual framework to articulate how various indicators affect online and offline choices.

After determining a need, an online customer browses through web pages in the online search stage. To maximize information gathering efficiency, and to narrow down information overload, online customers may use virtual carts to organize their consideration set. Online customers also search and shop online for freedom, control or fun (Wolfinbarger and Gilly 2001). In the online

shopping practice, consideration arises as a customer places an item(s) of interest into their cart. Hence, customers may use their cart to aid taper options to a consideration set to be evaluated further. Online customers may go follow the steps in the sequence for various purposes (Li and Chatterjee 2006). For example, customers may not need product information, and thus skip to purchasing. Customers may also change their mind and turn back to information search, or abort an intended transaction at any point. Finally, the aborted purchase may be done in a bricks-and-mortar store, also explored here.

2.1.2 Privacy in Online Shopping

According to Bélanger, Janine and Wanda, (2002) privacy in ecommerce can be viewed as the willingness to share personal information online that allows for a transaction regarding a purchase to be made. For easing customer's minds about the issue of privacy, many websites have privacy policies in place (McGinity, 2000). There are also certain independent companies that can verify, audit and then certify privacy policies for online shopping, such as TRUSTe (Ranganathan and Ganapathy, 2002). Still, there are many users that have apprehensions regarding the misuse of their personal information (Brown and Muchira 2004). A survey by IBM Multinational Consumer Privacy revealed that about 80% of respondents based in the US felt like they had lost control over the personal information they had given to companies. 78% had refused to give their personal information, the reason cited was that it was inappropriate in the circumstance, and 54% people decided to not go ahead with the purchase as opposed to letting their personal information be collected during the transaction (Bélanger et al. 2002).

According to Vellido, Lisboa and Meehan (2000), out of the nine factors they found that relate to consumer opinions regarding online shopping, consumer risk perception was often highlighted. It defined the users who had actually brought something online and those who had not. According to Flavián and Guinalíu (2006) security online is defined as the belief of the consumer that his financial data will be protected and not made available, it will not be stored and it will not be used by unauthorized people. The security of online transactions is still a leading issue when it comes to online shopping, even today (Park and Kim, 2003; Elliot and Fowell, 2000; Liao and Cheung, 2001; Szymanski and Hise, 2000). According to Smith, Milberg and Burke, (1996) there are four factors of online privacy:

1. Unauthorized use of personal information by a secondary party

2. Improper access of any information that is digitally stored

3. Collection of personal information of any individual

4. Errors in the personal information that has already been collected.

A customer's specific privacy focus may differ due to conditions or circumstances. Smith, et al. (1996) listed four indicators of privacy concerns for company's practices: collection of private information, unauthorized secondary use of personal information, errors in personal information, and improper access to personal information. For online marketing, the areas of concern are captured as the gathering of personal information, the control over the use of personal data, and the awareness of privacy practices and uses of personal information (Malhotra, Kim, and Agarwal, 2004). Brown and Muchira (2004) discovered three indicators of consumer concern in online purchasing behavior: unauthorized secondary use, errors in private information, and the invasion of privacy. Security concern is also one of the key points that internet users were not purchased over the ecommerce website (Flaviaan andGuinaliu,2006). Recently, as many third party firms provide security software and maintenance to the e-commerce website to secure those websites from hacker's victim, online sales representatives try to provide protective service to their consumers in order to reduce risk perception from the customer.

2.1.3 Online Personalized Services

Marketing and advertizing use personalization in an attempt to interact in different levels and ways with the consumers, as all the collected data can be used to offer better services. The use of transactional, demographic and behavioral data makes it a better way to offer personalized services to various customer groups. Online personalized services impact on customers' reactions by making personalization a reliable means that will lead customers into purchasing more often. Retaining a customer is much more profitable for a firm than finding a new one and keeping a customer happy by satisfying his need enhances his intentions to purchase again (Liao, Palvia, and Lin, 2006; Giannakos, Pateli, and Pappas, 2011). Personalization is based on customer's personal information. Hence, the more information a firm gather about the customer, the better services it can offer. The aim of every firm using such systems is not just to fulfill customer's needs but also to create needs that the same organization will fulfill in time. Therefore, the organization needs to know as much

as possible for their customers. Nevertheless, at this point privacy concerns start to influence customers in a significant way, resulting in negative relation between privacy and purchase behavior (Castaneda, and Montoro, 2007).

Personalization is viewed as the ability to provide services directed to consumers based on knowledge about their preferences and behavior and the use of technology and consumer information to direct electronic commerce interactions between a firm and each specific consumer (Adomavicius, and Tuzhilin, 2005). Nowadays, personalization has a significant role for online shops when they plan their techniques regarding the services that they offer. It is vital to create a customer relationship that will give them the room to communicate with the consumers directly and personally. Adolphs, and Winkelmann, (2000) observed that trying to offer personalization in e-commerce connotes dealing with three problems: identifying a customer, collecting information about the consumer, and processing data to create a service which will be customized for a certain consumer (e.g. recommender systems). Hence, ecommerce beyond e-shops, consist of recommendation systems and comparison agents. The broad field of personalization has been widely researched (Adolphs, and Winkelmann, 2000; Bodapati, 2008). It has concentrated, among others, on recommender systems (Bo, and Benbasat, 2007). Most recommendation tools ask too much information from the consumer. Although these tools seem like the best solution to the problems of too much information and too many alternatives, they are not widely accepted from consumers (Murray, and Haubl, 2008). Particularly, these tools will first ask a number of questions in order to understand the consumers' needs and preferences and eventually provide the appropriate recommendation.

However, collecting and using customers' information has a shortcoming; it may be seen as an invasion to the consumers' privacy. Salomann, Dous, Kolbe and Brenner, (2005), explained the significance of privacy and security aspects in the field of customer relationship management (CRM). Data from the customers can be gathered either by directly asking them (explicitly) or by inferring information about them without their consent (implicitly) (Cranor, Guduru, and Arjula, 2006). When customers are asked for their personal data it is very likely to share them with the firms in order to gain access to its service, although, many firms do not ask them and consumers realize the privacy violation only when the first personalized emails arrive (Sheehan, 2002).

Murray and Haubl, (2009) stated that no matter the great usefulness of any recommendation instrument, their ease of use seems to be more significant for the consumer. Research has centered on making recommendation agents more useful in an attempt to offer more specific and personalized services, because it is clear that the more useful a technology is the more likely is to be adopted. Close, and Kukar-Kinney, (2010) stated that enjoyment is related to many forms of shopping practice, while the experience of the online shopping procedure is explained by the customers' beliefs and how it influences the way they feel about it. Some customers may buy when they are in a bad mood as they enjoy the steps and the outcome, while others may be thrilled when they discover products that will make them feel popular.

2.1.4 Avatar-Mediated Communication

Avatar means a representation of an entity. For example, an avatar is seen as a pictorial representation of a human in a chat environment (Bahorsky, Graber, and Mason 1998) or as a representation of the user as an animated character in virtual worlds (Loos, 2003). There are also technology oriented perspectives to explaining avatars. For example, the computer trade press explains that avatars are graphic personifications of computers that run on computers (Halfhill 1996). For the purpose of this study, avatars are viewed as general graphic representations that are personified by medium of computer technology. The theory of social response indicates that consumers tend to respond to computer technology as though it is a social entity (Moon, 2003).

Avatars can be seen as a digital representation of the individual they are representing and are commonplace in several different online networks (Bailenson, Yee, Merget, and Schroeder, 2006). While some use the term avatar to connote only images that are representing a marketer in real time (Blascovich and Bailenson, 2011), others have used the term more generically to consist of any visual representation of a marketer (Nowak, Hamilton, and Hammond, 2009; Nowak and Rauh, 2008). Whenever computer technology demonstrates humanlike behaviors, such as language production, taking turns in interaction, and reciprocal responding, the user is more apt to personify the technology (Moon 2000). This tendency to treat a computer as a social entity occurs whether the representation of the computer is the screen, a voice, or an agent (Moon, 2000). Thus, when customers are confronted with software program, they have a

tendency to utilize a "social response to (these) communication technologies," or what Morkes, Kernal, and Nass (1999) call the SRCT approach.

The conversation caused participants to create an emotional relationship to and attribute marketer's characteristics to the computer, even though the customers were fully aware that the computer did not possess a personality (Morkes, et al 1999). More recent proves indicates that customers respond to computers as they do to people in terms of psychosocial phenomena, such as personality, politeness, and flattery (Moon, 2003). Simply having an avatar pictured during the human–computer conversation will make the conversation feel more interactive and reciprocal. Thus, adding an avatar to a decision support system on an online store Web site will enhance the effectiveness of the Web site. This forecast is in agreement with recent evidence that relationships are more likely to develop if the computer technology is represented using human forms (Trogemann 2003). Customers pay more attention to visual information presented in any domain and are very sensitive to communication cues provided by body movement. These communication cues include attractiveness, facial expression, gestures, and body movement (Argyle, 1988). This is true with online conversation as well, where the sensitivity to bodily cues have been automatically applied to avatars by marketers who draw inferences about the "intentions" and "mental states" of computers when facial or body displays (even simplified simulations of these cues) are provided (Reeves and Nass, 1996; Takeuchi and Naito, 1995).

Uncertainty reduction theory predicts that communication between individuals should lead to a reduction in uncertainty (Affifi and Burgoon, 2000). Further, uncertainty is reduced when customers feel they have information important to the judgments they need to make for a given interaction (Infante, Rancer, and Womack, 1997). Essentially, the less information consumers have during a conversation, the more heavily they rely more on the information available to them, such as avatars, to limit uncertainty and form expectations. It is also vital to understand how avatar-mediated communications can influence purchase behavior. First, there is a long history of prove that personal communication is more effective than mass-media communication (Williams 1977). Second, there is a long history of prove that personal communication is more adaptive, broad and satisfying than other forms of communication (Allen et al. 2002). Both research streams aid to explain the effectiveness of face-to-face conversations with sales agents.

2.1.5 Customer Loyalty

It is very significant that customers are satisfied with the products and services provided by the specific website as satisfied customers are likely to be loyal and make repetitive purchases which will enhance profitability of that particular e-commerce firm (Reibstein, 2002). Customer satisfaction is when products and services meet the expectation of the consumers (Kotler, Cunningham, and Turner, 2001). In Rodgers, Negash, and Suk, (2005) study, the objective was to examine the moderating influence of online experience on antecedents to online satisfaction and on relationship between on-line satisfaction and loyalty" by asking 836 respondents; both high and low online experiences. The antecedent dimensions of online satisfaction were divided into 3 major factors as following:

1) Information Quality-In formativeness and Entertainment
2) System Quality - Interactivity and Access
3) Service Quality-Tangibility, Reliability, Responsiveness, Assurance and Empathy

The key for retaining the customer is customer satisfaction. Customer satisfaction can be viewed as a consumer's feeling of pleasure or disappointment resulting from comparing a product's perceived performance (or outcome) in relation to his/her expectation (Kotler,2010). Anderson and Srinivasan (2003) stated that satisfaction is the contentment of the consumer with respect to his/her prior buying experience with a particular service firm. Satisfaction in online marketing is customer judgment of their internet experience as compared to their experience with traditional offline service provider or retail stores (Tan,Tung, and Xu,2009). Kotler (2010) stated that as customer satisfaction reflects the extent of a customer's positive feeling about a service provider, it is significant for service providers to understand customers' perception of their services. According to Anderson and Sullivian (2003); Bowen and Chen, (2001) a high level of customer satisfaction will decrease the perceived need to switch service provider, thereby enhancing customer repurchase and ultimately increasing profitability of the organization. A high level of satisfaction provides the consumer with repeated positive reinforcement that will create commitment and loyalty.

2.1.6 Privacy in Online Shopping and Customer Loyalty

Online marketers try to provide information of internet security and centered on potential risks to internet customer who used credit card to buy online, payment scams are major treat to electronic merchants (Liu et al., 2005). Security was a critical successful indicator for e-commerce. Retail e-commerce would fail if Internet users feel on lacking a great extent of company (Kesh et al., 2002). Security is a privacy policy to secure such personal information from being used by other party which include internal or external to the company (Flaviaan et al., 2006). Privacy concerns when shopping online, like the perception of losing control, are related with anxiety which means less shopping enjoyment for the customer (Hwang, and Kim, 2007).

We therefore propose that:

Ha1: There is a significant relationship between privacy in online shopping and customer loyalty.

2.1.7 Online Personalized Services and Customer Loyalty

Online personalized environments may impact positively on customer's experience and increase his loyalty (Zhou, Dai, and Zhang, 2007). Online personalization can aid firms to build strong relations with their consumers that will last for a long time. Personalization's goal is to identify and satisfy a special consumer need. Studies have tried to understand how consumers evaluate their privacy and how they decide to trade it for tangible or intangible benefits (Tsai, Egelman, Cranor, Acquisti, 2011). Such gains are those offered through personalization and recommendation tools. Shopping enjoyment, and by extent enjoyment when receiving personalized services, plays a significant role in customer's behavior towards online shopping (Ha, and Stoel, 2009).

Therefore, we hypothesize that:

Ha2: Online personalized services and customer loyalty has a significant relationship.

2.1.8 Avatar-Mediated Communicationand Customer Loyalty

Regardless of the specific definition applied, research has shown that the presence of an avatar, in an online shopping forum can enhance consumer satisfaction and affect customer behavior (Holzwarth, Janiszewski, and Neumann, 2006). Previous studies exhibit that the visual information provided by a user's avatar can have a vital impact on the attributions connected with that specific user (Bailenson et al., 2005; Nowak and Rauh, 2008; Seyama and Nagayama, 2007). In addition to this,

customers tend to feel comfortable about the completeness and confidence in the accuracy of their visual attributions (Ambady, Hallahan, and Rosenthal, 1995).

Therefore, we propose that:

Ha3: Avatar-mediated communication and customer loyalty has a significant relationship.

3.0 Theoretical Review

Transaction Cost Theory (TCT)

Williamson (1985) explains that a transaction is a process by which a product or service is moved across a technologically separable interface. In classical economic theory, it is assumed that information is symmetric in the market. Since both customers and marketers are assumed to have the same amount of information, the transaction can be executed without cost. In reality, however, markets are often inefficient. In order to carry out a transaction, customers must conduct activities such as searching for information, negotiating terms and monitoring the continuous process to ensure a favorable deal. The costs involved with such transaction-related activities are called transaction costs (Liang and Hung, 2002).

TCT can discuss the different challenges of economic firms (Rindfleisch and Heide, 1997). Its basic principle is that customer would like to conduct transactions in the most efficient way (Williamson, 1985). That is, the lower the transaction costs, the more likely individuals are to conduct the transaction. Transaction costs are determined by several constructs, including uncertainty and asset specificity. Since information

in the market is always asymmetric, the outcomes of a transaction may not follow, or may even be contrary to expectations, leading to uncertainty. Transactions are encouraged through reducing uncertainty, as one form of lowering the transaction costs. Asset specificity has to do with the lack of transferability of the assets from one transaction to the other. Since assets with a high amount of specificity represent sunk costs that have low value outside of a specific exchange relationship (Rindfleisch and Heide, 1997), higher asset specificity is associated with lower transaction costs for the exchange relationship to which the specificity applies, and higher transaction costs for other exchange relationships. Liang and Huang (1998) applied TCT to examined customers' intention to shop online. In addition to the modeling structure presented in Figure 4, they further assumed that e-shopping intention is also directly affected by uncertainty and asset specificity. Teo and Yu (2005) contend that purchasing frequency is also a predictor of transaction costs, with trust replacing asset specificity.

4.0 Methodology

A survey research design method was adopted because it deals mainly with opinions and is widely used in management, or social science research, due to the complex relationship that exist between variables. The population was made up of 490 staff of selected online shopping stores. The required sample unit of staffs that was captured was determined by using Yamane's (1968) sample size determination formula. A total number of 220 respondents were selected from the online shopping stores in Lagos State. The sampling technique employed in this study was the stratified random sampling technique.

5.0 Results

Table 1: Correlation Matrix and   Descriptive Statistics among the Variables of Online Shopping Practice and Customer loyalty

Variables	1	2	3	4
1. Privacy in Online Shopping	1			
2. Online Personalized Services	.548[**]	1		
3. Avatar-Mediated Communication	.424[**]	.577[**]	1	
4. Customer Loyalty	.516[**]	.517[**]	.460[**]	1
Mean	17.279	17.000	16.957	17.072
Standard Deviation	1.7827	1.8650	1.9838	1.9780
Cronbach's Alpha Coefficient	0.734	0.745	0.729	0.744

** Correlation is significant at the 0.01 level (2 tailed)

The correlation analysis as exhibited in table 1 indicated that privacy in online shopping exhibited significant positive correlation with online personalized services (r = .548**, P < .01). Likewise, there is a positive correlation between privacy in online shopping and avatar-mediated communication (r = .424**, P < .01). Similarly, privacy in online shopping was positively correlated with customer loyalty (r = .516** P < .01). Online personalized services which is the second variable exhibited positive and significant correlation with avatar-mediated communication (r = .577**, P < .01), and also with customer loyalty (r = .517**P < .01). Avatar-mediated communication which is the third variable has positive correlation with customer loyalty (r = .460** P < .01).

Table 2: Multi Regression Analysis for Components of Online Shopping Practice and Customer loyalty

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	T	Sig.
1	(Constant)	3.674	1.233		2.979	.003
	privacy in online shopping	.336	.075	.303	4.501	.000
	online personalized services	.254	.079	.240	3.214	.002
	avatar-mediated communication	.193	.069	.193	2.800	.006

a. Dependent Variable: customer loyalty

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.608[a]	.369	.360	1.5824

a. Predictors: (Constant), avatar-mediated communication, privacy in online shopping, online personalized services

5.1 Discussion

The study is focused on the effect of online shopping practice on customer loyalty. The results of the correlation analysis involving all the dimensions of online shopping practice exhibited positive correlation coefficient values among the indicators. This showed that they were all appropriate indicators of online shopping practice. The results from the multiple regression analysis showed the effect of online shopping practice on customer loyalty. Table 2 showed that privacy in online shopping which is the first variable has positive effect on customer loyalty (ß = .303, P<0.01). It was reported that online personalized services which is the second variable has positive effect on customer loyalty (ß = .240, P<0.01). It was also reported that avatar-mediated communication which is the last variable has positive effect on customer loyalty (ß = .193, P<0.01).From the model summary, online shopping practice explains 36% of the variability of customer loyalty. The result provided support for the Ha1 test result (r=.002 <0.05) which indicated that there is a significant relationship between privacy in online shopping and customer loyalty. This further supports the findings of Kesh et al., (2002) that retail e-commerce would not succeed if online customers feel on lacking a great degree of confidence. The implication of the finding is that online shops would have a high level of customers' patronage when the customers feel secured by a great degree of confidence.

The findings also showed that online personalized services is found to have significant positive effect on customer loyalty (ß =.240, P< 0.01). The findings provided support for the result of Ha2(r=.000 <0.05) which stated that online personalized services and customer loyalty has a significant relationship. These findings are consistent with Adolphs, and Winkelmann, (2000) assertion that trying to offer internet personalized services in e-commerce connotes dealing with three issues: identifying a customer, collecting information about the customer, and processing data to establish a service which will be customized for a certain customer.The implication of this finding is that when companies offer online personalized services it will help them to serve customers better, which tend to create customer loyalty.

Furthermore, the result of the regression analysis showed that avatar-mediated communication has positive effect on customer loyalty (ß =.193, P < 0.01). This finding is consistent with the result of

Ha3 test (r=.006 <0.05) which showed that avatar-mediated communication and customer loyalty has a significant relationship. This finding is in support with the view of Holzwarth, et al (2006) that the presence of an avatar, in an online shopping arena can enhance consumer satisfaction and affect customer behavior. The implication of this finding is that when online shops adds an avatar to their decision support system on a retail Web site it will enhance the effectiveness of the Web site, which helps to build consumers' confidence on the products offered. The general form of the equation to predict $CL = \beta_o + \beta_2 POS + \beta_3 OPS + \beta_4 AC + \varepsilon$….$CL= 3.674+ (0.336 \times POS) + (0.254 \times OPS) + (0.193 \times AC)$

6.0   Conclusion

Online personalized services affect customers' reactions, making personalization a capable means that will lead consumers into purchasing more often. Personalization is centred on customer's personal information. Online personalization can aid firms to build strong relations with their consumers that will last for a long time. Personalization is based on consumer's personal information. Privacy in online shopping was a critical successful indicator for e-commerce. Security is a privacy policy to secure personal information from being used by other party which consists of internal or external to the organizations. Online marketing practitioners try to create secure service to their consumers in order to limit risk perception from the consumers. Simply having an avatar pictured during the human–computer conversation will make the conversation feel more conversational and reciprocal. Thus, adding an avatar to a decision support system on an online shop Web site will enhance the effectiveness of the Web site.

7.0   Recommendations

On the basis of the findings of the study and the conclusion, the study recommends as follows:
The implications for developers' marketers are to understand specific consumer decision making on buying online, it can greatly contribute to enhance explanations and forecasting in the online shopping context. Managers of online shops should understand consumers' attitudes and behaviors, so that they can draw up sound policy to secure consumers' interest and control the market.

 Online shopping is mostly done by the younger generation, in order to bring in the elder people to shop online, products and services targeted towards them should also be made available online at all times.

Companies should make available the technology for implementing machine conversation in online shopping environments that have the capability to provide customers with unequivocal opportunities to locate and compare product offerings.

References

Adolphs, C and Winkelmann, A., (2000). Personalization research in ecommerce - a state of the art review (2000 - 2008), Journal of Electronic Commerce Research, II, 326-341.

Adomavicius, G., and Tuzhilin., A., (2005). Personalization techniques: A process-oriented perspective, communications of the ACM, 48, 83-90.

Affifi, W., A., and Burgoon, J.,K., (2000). The Impact of violations on uncertainty and the consequences for attractiveness, Human Communication Research, 26, 203-233.

Ahn, T., Seewon, R., and Ingoo, H., (2004). The impact of the online and offline features on the user acceptance of internet shopping malls. Electronic Commerce Research and Applications, 3(4), 405-420.

Alba, J, John, L., Barton, W., Chris, J., Richard., L., Alan, S., and Stacey, W., (1997). Interactive home shopping: Consumer, retailer, and manufacturer incentives to participate in electronic marketplaces, Journal of Marketing, 61, 38- 53.

Allen, Mike, Raymond W. Preiss, Barbara Mae Gayle, and Nancy A. Burrell (2002). Interpersonal communication research: Advances through Meta-Analysis. Mahwah, NJ: Lawrence Erlbaum Associates.

Bahorsky, R., Jeffrey, G., and Steve, M., (1998). Official internet dictionary: A comprehensive reference for professionals reviews. Portland: ABS Consulting.

Bailenson, J. N., Yee, N., Merget, D., & Schroeder, R. (2006). The effect of behavioral realism and form realism of real-time avatar faces on verbal disclosure, nonverbal disclosure, emotion recognition, and co-presence in dyadic interaction. Presence: Tele operators and Virtual Environments, 15, 359-372.

Bélanger, F, Janine H, and Wanda S (2002). Trustworthiness in electronic commerce: The role of privacy, security, and site attributes. Journal of Strategic Information Systems 11, 245-270.

Blascovich, J., & Bailenson, J. (2011). Infinite reality: Avatars, Eternal Life, New Worlds, and the Dawn of the Virtual Revolution. New York: Harper Collins.

Bo,X and Benbasat,I (2007). E-commerce product recommendation agents: Use, characteristics, and impact, MIS Quarterly, 31: 137-209,

Bodapati, A.V. (2008). Recommendation systems with purchase data, Journal of Marketing Research, 45, 77-93.

Bourlakis, M., Papagiannidis, S. and Fox, H, (2008). E-consumer behaviour: Past, present and future trajectories of an evolving retail revolution, International Journal of E-Business Research, 4(3), 64-67.

Brown, M. and R. Muchira (2004). Investigating the relationship between internet privacy concerns and online purchase behavior. Journal of Electronic Commerce Research 5(1) 62-70.

Casalã, L., Flaviãn, C., & Guinalãu, M. (2007). The impact of participation in virtual brand communities on consumer trust and loyalty: The case of free software. Online Information Review, 31(6), 775-792.

Castaneda,C., and F. Montoro,(2007). The effect of internet in general privacy concern on customer behavior, Electronic Commerce Research, 7: 117-141.

Chaffey, D. Ellis-Chadwick, F. Mayer, R. and Johnston, K. (2006). Internet marketing, strategy, implementation and practice, 3rd Pearson Education Limited, England.

Close,A.G and Kukar-Kinney,M., (2010). Beyond buying: Motivations behind consumers' online shopping cart use, Journal of Business Research, 63, 986-992.

Cranor,I Guduru,P and Arjula, M (2006). User interfaces for privacy agents, ACM Transansactions Computer-Human Interaction, 13, 135-178.

Cuneyt, K. and Gautam, B. (2004). The impacts of quickness, price, payment risk, and delivery issues on on-line shopping, Journal of Socio-Economics, 33, 241–251.

Delafrooz ,N. Pain, H.L. Haron, S.A. Sidin, S.N. And Khatibi, A. (2009). Factors affectings' attitude toward online shopping, African Journal of Business Management, 3(5), 200-209.

Dignum, F. (2002). E-commerce in production some experiences

Elliot, S. and Fowell, S. (2000), Expectations versus reality: A snapshot of consumer experiences with Internet retailing, International Journal of Information Management,20(5), 323-336.

Fallon, M., (2012). Like to loyalty. A study on whether or not social media promotions lead to a lifetime of consumer brand loyalty.

Flaviaan, C. and Guinaliu, M. (2006). Consumer trust, perceived security and privacy policy: three basic elements of loyalty to a website, Industrial Management & DataSystems, 106(5), 601.

Giannakos, M. N. Pateli, A. G. and Pappas, I. O. (2011). Identifying the direct effect of experience and the moderating effect of satisfaction in the Greek online market, " International Journal of E-Services and Mobile Applications, 2, 39-58.

Ha,S and Stoel, L (2009). Consumer e-shopping acceptance: Antecedents in a technology acceptance model, Journal of Business Research, 62, 565-571.

Halfhill, Tom R. (1996). Agents and Avatars,Byte, 21 (February), 69–72.

Holzwarth, M., Janiszewski, C., & Neumann, M.M. (2006). The influence of avatars on online consumer shopping behavior. Journal of Marketing, 70, 19-36.

Hwang,Y and Kim, 1. D (2007). Customer self-service systems: The effects of perceived Web quality with service contents on enjoyment, anxiety, and e-trust, Decision Support Systems, 43,746-760.

Infante, D. Rancer, A and Womack, D (1997) Building communication theory, (3 ed.) Prospect Heights, Illinois: Waveland Press, Inc.

Kesh, S., Ramanujan, S. and Nerur, S. (2002). A framework for analyzing ecommerce security, Information Management & Computer Security, 10 (4), 149-458

Koyuncu, Cuneyt and Gautam Bhattacharya (2004). The impacts of quickness, price, payment risk,

and delivery issues on on-line shopping. Journal of Socio-Economics, 33, 241-251.

Li, S., & Chatterjee, P. (2006). Reducing shopping cart abandonment at retail websites. Working Paper

Liang, T and Hung, J (2002). Effect of store design on consumer purchases: An empirical study of on-line bookstores. Information & Management, 39, 431-444

Liang, T., and Lai, H. (2000). Electronic store design and consumer choice: An empirical study,. Proceedings of the 33rd Hawaii International Conference on System Sciences.

Liao, C. Palvia, P and Lin, H. N. (2006). The roles of habit and web site quality in e-commerce, International Journal of Information Management, 26, 469-483.

Liao, Z. and Cheung, M. T., (2001). Internet-based e-shopping and consumer attitudes: An empirical study, Information and Management, 38 (5): 299–306.

Liu, C. Marchenwka, J.T. Lu, J. and Yu, C. (2005). Beyond concern – a privacy-trust behavioral intention model of electronic commerce, Information and Management,42(1), 289.

Loos, P (2003). Avatar, in Lexikon electronic business, Thomas Schildhauer, ed. Munich: Oldenbourg, 16–19.

Malhotra, N., Kim, S. S., and Agarwal, J. (2004). Internet users' information privacy concerns (IUIPC): The construct, the scale, and a causal model. Information Systems Research, 15(4), 336-355.

McGinity, M. (2000). Surfing your turf. Communications of the ACM. 43 (4),19-21.

Moon ,Y., (2003). Don't blame the computer: When self- disclosure moderates the self-serving Bias, Journal of ConsumerPsychology, 13 (1–2), 125–37.

Moon, Y (2000). Intimate exchanges: Using computers to elicit self-disclosure from consumers, Journal of ConsumerResearch, 26 (March), 323–39.

Morkes, J., Hadyn, K., K., and Clifford, I., N., (1999). Effects of humor in task oriented human-computer interaction and computer-mediated communication: A direct test of SRCT Theory, Human-Computer Interaction, 14 (4b),395–435.

Murray,K., B and Haubl., G, (2009). Personalization without interrogation: Towards more effective interactions between consumers and feature based recommendation agents, Journal of Interactive Marketing, 23,138-146.

Murray,K.B and Haubl,G., (2008). Interactive consumer decision aids, In B. Wierenga (Ed.), Handbook of Marketing Decision Models. New York, NY: Springer Science + Business Media, 55-77.

Nielsen, A (2010). Global consumer report, Global trends in online shopping

Nowak, K. L., & Rauh, C. (2008). Examining the perception process of avatar anthropomorphism, credibility and androgyny in static and chat context. Computers inHuman Behavior, 24(4), 1473-1493.

Nowak, K. L., Hamilton, M. A., & Hammond, C. (2009). The effect of image features on judgments of homophily, credibility, and intention to use as avatars in future interactions. Media Psychology, 12(1), 50-76.

Park, C. H. and Kim, Y. G., (2003). Identifying key factors affecting consumer purchase behavior in an online shopping context. International Journal of Retail & Distribution Management, 31 (1),16-29.

Park,C., H., Kyung, J., & John, A., D., (2010). Got to get you into my life. Do brand personalities rub off on consumers?

Ranganathan, C., and Ganapathy, S., (2002). Key dimensions of business to consumer web sites. Information and Management 39 457-465.

Reeves B and Nass,C (1996). The media equation: How people treat computers, television, and new media like real people and places. Stanford, CA: CSLI Publications.

Reibstein, D. J (2002). What attracts customers to online stores, and what keeps them coming back?" Journal of the academy of MarketingScience, 30, 465-473.

Rindfleisch, A, and Jan B. H., (1997). Transaction cost analysis: Past, present, and future applications. Journal of Marketing, 61 (4), 30-54.

Rodgers,W., Negash, S., and Suk, K., (2005). The moderating effect of online experience on the antecedents and consequences of online

satisfaction, Psychology and Marketing, 22. 313-331.

Rony K. D,. Farijul I. Shamim, H, and Abdur, R., (2015) Impact of customers' attitude towards online shopping in the context of Bangladesh: A Case from Northern Region Bangladesh Research Publications Journal, 11(1), 70-78.

Salomann, H. Dous, M. Kolbe, L and Brenner,W (2005). Rejuvenating customer management: How to make knowledge for, from and about customers' work, European Management Journal, 23, 392-403.

Sheehan,K,M(2002). Towards a typology of internet users and online privacy concerns, the Information Society, 18, 21-32.

Smith, H. J., Milberg, S., and Burke, S. (1996). Information privacy: Measuring individuals' concerns about organizational practices. MIS Quarterly, 20(2), 167-196.

Szymanski, D. M. and Hise, R.T., (2000), E-satisfaction: An initial examination, Journal of Retailing, 76 (3), 309–322.

Takeuchi A and Naito,T (1995). Situated facial displays: Towards social interaction, presented at Chi '95 Mosaic of Creativity, ACM.

Tech target: http://searchcio.techtarget.com/definition/e-commerce

Teo, T., S., H., and Yuanyou, Y., (2005). Online buying behavior: A transaction cost economics perspective. Omega, 33 (5), 451-465.

Trogemann, G., (2003). Mit Hand und fuß: die bedeutung der nonverbalen kommunikation für die emotionalisierung von dialogführungssystemen, in Avatare-Digitale Sprecherfür Business und Marketing, Christian Lindner, ed. Berlin: Springer, 267–90.

Tsai, J. Y., Egelman, S. Cranor, 1. Acquisti, A. (2011). The effect of online privacy information on purchasing behavior: an experimental study, Information Systems Research, 22, 254-268.

Vellido, A., Lisboa, P.J.G. and Meehan, K., (2000). Quantitative characterization and prediction of online purchasing behavior: A latent variable approach, International Journal of Electronic Commerce, 4 (4): 83–104.

Williams, E., (1977), Experimental comparisons of face-to- face and mediated communications, Psychological Bulletin, 963–76.

Williamson, O., E., (1985). The Economic Institutions of Capitalism: Firms, Markets, Relational Contracting. NY: The Free Press.

Wolfinbarger, M., & Gilly, M. C. (2001). Shopping online for freedom, control and fun. California Management Review, 43 (2), 34–55.

Zeithaml, V.,A., and Bitner, M.,J., (2003). Service Marketing: Integrating Customer Focus Across the Firm,' 3rd Edition. New York: Irwin McGraw-Hill.

Zhou, L., Dai, L., and Zhang, D (2007). A critical survey of consumer factors in online shopping, Marketing Journal, 8, 41-62.