WHAT INFLUENCES ONLINE STOCK TRADERS' ONLINE LOYALTY INTENTION? THE MODERATING ROLE OF WEBSITE FAMILIARITY

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Abstract:

Intense competition in the e-business makes the e-retailers to think of ways to increase market share. This study emphasizes the need, and creates a framework for the online customer loyalty in online stock broking sphere. The objective of this study is to investigate the relationship between the dimensions of e-service quality and e-loyalty, with website familiarity as a moderating variable.The study employed a non-probability convenient sampling methodology. Only people who had traded in the stock market through stockbrokers were eligible to participate. Through a systematic self-administered questionnaire, 390 genuine individual consumers from Chennai, India were selected. SEM was used to test the model. The findings suggest that website familiarity moderates the association between the aspects of online service quality and online loyalty. The study's limitations and managerial implications were examined.

Key words: e-Servqual, e-loyalty, website familiarity

Introduction:

For a long time, Indians believed equities investing to be anunsure proposition, and many of our ancestors avoided it. Savings choices such as bank deposits and modest savings instruments were traditionally preferred since they provided strong, predictable, and low-risk returns. However, as interest rates decrease and technology advances, stock market trading has exploded in India, and it's the younger investors, notably millennial, who are driving the trend. Last year, the Bombay Stock Exchange reached sevencrore registered customers based on unique client code, according to latest statistics. The increase in registered users from sixcrore to sevencrore took only 139 days. Technology now plays a significant part in almost every facet of life, including investing. A big untapped retail market, favorable demographics, increased financial literacy, and deepening internet penetration have all benefited the fintech industry's rapid growth.Another aspect that boosted online stock trading was the advent of mobile trading or stock market applications, which allowed tiny new investors to enter the capital markets at minimal prices, with little experience, and from the comfort of their own homes. The study examines traders' experiences when doing online stock trading and correlates them with user experience qualities. The study's findings show that consumers will be more likely to

utilize website to carry out their stock trading over online in the future, if they have a considerably pleasant experience when doing so. The dimensions of what the stock traders thinks and expects is discussed in order to improve understanding of the trading expectations using website/online system as well as the creation of large-scale trading platformsto facilitate effective communication for the users. Part-time traders like to trade in a calm atmosphere since they need to concentrate owing to their restricted trading time. A calm setting encourages a positive attitude and, as a result, improved internal control. Their trading performance is also aided by the ease of use of their software. The majority of traders considered user friendliness beneficial and desirable. Researchers predict the number of part-time traders to continue to rise, as online stock broking platforms become more prevalent and the design of online stock broking platforms is highly encouraged. As a result, the goal of this study is to assess e-loyalty using e-service quality characteristics in the context of stock broking services from the perspective of a stock trader. By having an understanding of investor satisfaction levels with the dimensions of online service quality offered, online stock broking service providers could perform well in their service delivery aspects to better position them in the competitive segment. (HarounAlryalat, et.,al2006) studied the influence of online and conventional trading on effective market performance on the NASDAQ. Different features of trade execution, which is now the most widely utilized market hub, were investigated. This leads to a debate on (1) how orders execution happened and (2) how this affects effective market performance, the cost related to trading activities, and investor behavior. There is no doubting the fact that online trading gave investors ease and lower costs, as (NidhiWalia and RavinderKumar , 2007) noted in their study article. However, Indian investors lagging behind other countries in using technology in stock trading. The study's main results are that Indian investors are more cautious and conservative, that they do not change their service providing brokers for trading, but the net traders prefer online trading because of its transparency and total control of the terminal. The relationship between e-service quality characteristics, e-customer satisfaction, and e-customer loyalty at stock brokerage services is another possible subject considered in this research framework. The research is significant because of the financial benefits of satisfying and maintaining current consumers rather than seeking out new ones, which is critical in stock brokerage services. The study adds to the body of knowledge about stock brokerage services in India. The study's findings revealed the significance of e-service quality dimensions in stock broking services, and this attribute is a key predictor of client experience. To improve loyalty, stockbrokers or managers should focus on five elements of e-service quality proposed in the study. It increases client repurchase intent, which leads to higher revenues for businesses.

Research framework and hypotheses development

The intensity to which someone understands an entity, according to Gefen et al. (2003), is described as familiarity. Product familiarity, thus according Wu et al. (2008), is defined as a customer's familiarity with a given product category. Consumers who are more familiar with e-retailers and how they collect and safeguard personal data have a better understanding of these businesses (Slyke et al., 2006). Furthermore, as customers are more familiar with a product, they are more likely to seek out fresh information in order to keep their knowledge of that product category up to date (Johnson and Russo 1984). When it comes to making a purchasing choice, consumers with a lot of product knowledge are more inclined to consider a variety of factors.In this study, familiarity is defined as a customer's comprehension of a product or a shopping website because of visiting the site and browsing for items. Furthermore, familiarity refers to a person's level of comprehension and expertise about a product or a website, and this research divides it into two categories: product familiarity and website familiarity. With a greater understanding of websites and items, the perceived risk of making a purchase can be reduced. As a result, the researchers hypothesized that increasing familiarity and lowering perceived risk would increase purchase intent and so online customer loyalty. Figure 1 depicts the conceptual framework employed in this investigation.
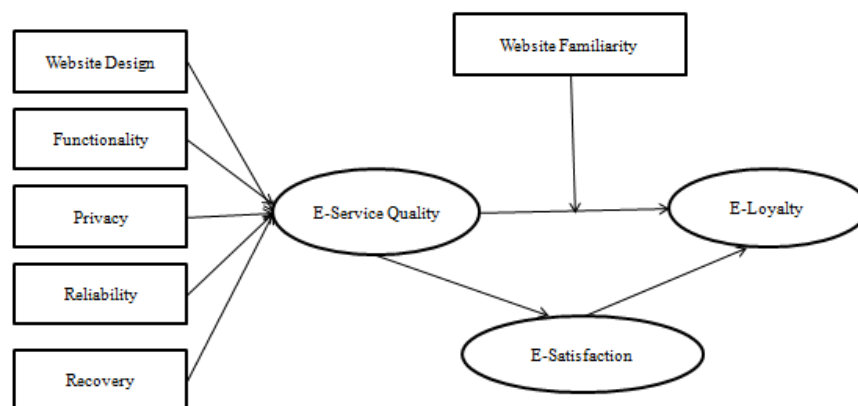

Figure 1- Researchers own research model

Hypotheses development

Intentions are empowered, actions are initiated, and goals are achieved when self-regulatory systems are in place (Bagozzi 1992). This research claims that online service quality creates impact in the satisfaction and loyalty of the customers, adding to it,website

familiarity plays a major role in strengthening the relationship based on the authors appraisal, affective response, and behavior paradigm. "E-service quality, customer e-satisfaction, customer e-loyalty, and website familiarity as a moderator" are the four components that make up the research model. The spectacular expansion of e tailing highlighted the significance of assessing and regulating e-service quality.

E-Servqual, E-satisfaction and E-loyalty

E-service quality is defined as "the amount to which a webpage supports efficient and productive shopping, buying, and delivery of items and businesses" and is associated with Internet-based offerings (Zeithaml, Parasuraman, and Malhotra 2005, 363). E-satisfaction is considered to be the most important aspects related to an individual's attitudes/feelings is more connected to e-loyalty not only in offline business setting but also in e-environment business setting according to the researchers (Li et al. 2015, 589). Online customer satisfaction is anaggregate examination of the relationship between a website user and an e-tailer (Jeon and Jeong 2017). Purchase and post purchase experiences of the customer when exceeding their expectations determines the happiness of the customer and customer electronic satisfaction to the fullest.

The repurchase intention in the minds of the customer from the initial service provider rather that switching to a new service provider is termed as loyalty. (Oliver 2014). Electronic loyalty, which exists in online environments, was born because of technological advancements. E-loyalty is defined as "a commitment to return to a website on a regular basis due to a fondness for buying on that e-commerce platform rather than moving to other e-commerce platforms. (Chou, Chen, and Lin 2015). In essence, individuals grow an interest in returning to a website and make a transaction from same e-tailer, and perhaps to encourage other clients to do the same in a state.

Website familiarity refers to a person's understanding of a website's functioning, services, and values. Website familiarity indicates a website's range of product and service experiences in terms of acquired items, services, and consumption settings (Casalo', Flavian', and Guinalu' 2008). It's worth noting that the phrases website familiarity and brand familiarity are interchangeable in the e-commerce market (cf. Ha and Perks 2005). The e-website, tailer's in fact, is fundamentally its brand. Ha and Perks (2005), for example, suggested that a consumer's prior collected knowledge of a website represented his or her "brand familiarity" with the website.

The moderating effects of Website Familiarity

Many researchers have found that e-customer satisfaction and or e-service quality plays a major role in the determination of e-loyalty and purchase intention in the minds of the customer (Cristobal, 2007). But when some other variable like Website familiarity is included in the study could entirely change the above researched relationship. There is a

growing interest among various academicians and researchers to study the impact of the variable Familiarity in recent decades. It is found from the Systematic review of literature that, very few authors discussed about the role of the variable, Website Familiarity in mediating and moderating the relationship between online service quality and online loyalty in various industry settings.(Luhmann,2000) said, an individual gain knowledge through the advertisements of the company, their own experience with the product/service or even from word of mouth. Familiarity can also lessen the degree of the complexity, the "Wh" factors of the customers such as what and where related to information largely depend on the familiarity of the online retailers website and this in turn makes the customer to purchase more and a repeated customer (Riley et al., 2009). The research finding of (Desai and Hoyer 2000) found that, the familiarity with the website will have a firm impact of the decision making process of the customer. Number of studies conducted in the context of retailing proved that, if the shopping websites are familiar in terms of navigation, web design, payment and delivery mechanism the customer prefer to shop through the website. (Johnson, Bellman, and Lohse 2003). Therefore, it can be concluded that, website familiarity can be used to alter the shopping decisions made by the customers. If the customers are more familiarized with the websites, their satisfaction level will be more compared to the customers who are not familiar with or least familiar with. The relationship between the two variables, usability and loyalty was studied by Casal'o, Flavi'an, and Guinal'ıu(2008) and found that, Website familiarity moderates the relationship directly when familiarity level is high, indirectly through customer satisfaction if it is low. Therefore, in the E-broking service context also the website familiarity could amplify the relationship between online service quality and online loyalty. Due to the related reduction in complexity of the website because of the familiarity and creation of trust with the service provider , most studies have confirmed that consumers are most likely to purchase well-known products on the Internet and are most likely to shop from well-known retailers (Lee and Tan, 2003; Riley et al., 2009). Therefore, In connection with the above arguments, the following hypotheses can be formulated

H1as: The positive association between e-service quality and consumer e-loyaltyis moderated by website familiarity, with the relationship being higher when website familiarity is high.

Method:

Sample and Procedures:

The study employed a non-probability convenient sampling strategy. Only people who had traded in the stock market through stockbrokers were eligible to participate. Through a systematic self-administered questionnaire, 390 genuine individual consumers from Chennai, India were selected.

Measures

For this study, 5-point Likert scales were used, with 1 indicating significant disagreement and 5 indicating strong agreement. Based on their recent online stock trading experience, participants were asked to score their level of agreement with. In 2014 (Barrera, Garca, & Moreno), "Design, functionality, privacy, reliability, and recovery' were recognized as five aspects to evaluate electronic service quality based on the research. There are 23 questions on the survey instrument. Three questions derived from Lin and Wang are used to assess loyalty (2006).Items linked to website familiarity were adapted from (Kaya et al., 2019). The study field was e-tailing, and the number of items under website familiarity was five.

Results

Table 1: Model Fit indices

Model	Chi-square	CMIN/DF	P-Value	GFI	AGFI	CFI	RMSEA
Study model	871.613	1.535	0.000	0.852	0.817	0.950	0.037

The table illustrates that the measurement model produced acceptable and adequate fit indices, which were superior to the alternatives examined. The difference in chi-square was big enough, therefore the change was substantial. According to the preceding table, the CMIN value is 1.535, which is less than 5, indicating perfect fit. It is a good fit when the Goodness of Fit Index (GFI) value (0.852) and the Adjusted Goodness of Fit Index (AGFI) value (0.817) are both greater than 0.8. The value of the Comparative Fit Index (CFI) (0.950) shows that it is completely fit, and the Root Mean Square Residuals (RMR) and Root Mean Square Error of Approximation (RMSEA) values are both 0.037, which is less than 0.08, indicating that it is properly fit.

Table 2: Correlation Co-efficients

	DES_T	FUN_T	PRI_T	REL_T	REC_T	Eserv_Qual	Eloyal_T	Esat-	Web_Fam
DES_T	1								
FUN_T	-0.047	1							
PRI_T	0.054	-0.042	1			s			

REL_T	0.048	-.106*	.226**	1				
REC_T	0.04	.224**	-0.058	0	1			
Eserv_Qual	.512**	.410**	.461**	.387**	.475**	1		
Eloyal_T	-0.02	.320**	0.085	-0.036	.507**	.366**	1	
Esat-T	0.431	-.106*	.226**	.367**	226**	.441**	.326**	1
Web_familiarity	0.022	0.001	0.025	0.002	-0.016	0.033	.461**	.566**	1
** At the 0.01 level, correlation is significant (2-tailed).								
* At the 0.05 level, correlation is significant (2-tailed).								

The inter-correlations of the variables in the measurement model are shown in Table 2. According to the findings, the fiver dimensions of e-service quality have significant positive relationships with the research variables. Furthermore, we discover a positive link between consumer e-satisfaction and e-service quality (r=.441**, p<.001). Also, website familiarity (r=.566**, p<.001) and e-loyalty (r=.326**, p<.001) have a favorable association with client e-satisfaction. As a result, our findings support convergent and discriminant validity. These (Cronbach's alpha, composite reliability and average variance retrieved), were all well above suggested standards

Moderating effect of Website Familiarity

R	R-sq	MSE	F	p
.6878	.4504	.7278	372.8759	0.0000

	COEFF	SE	t	P	LLCI	ULCI
Eserv_Qual	.8642	.1305	5.9321	.0000	.7256	1.2381
Web_famil	.4686	.1245	4.1052	.0001	.2452	.6878
Int_1	.556	.0312	-2.5427	.0145	.0931	.0181

Direct effect						
Low	.6845	.0280	24.9727	.0000	.6434	.7532
Medium	.6605	.0242	26.8550	.0000	.6101	.6782
High	.6211	.0356	17.7856	.0000	.5456	.6587

Indirect Effect		se	LLCI	ULCI
Low	.9016	.0984	.7157	1.0856
Medium	.8764	.0945	.7214	1.0771
High	.8783	.0861	.6875	1.0312

The proposed hypothesis between E-servqual and E-loyalty with Website familiarity as moderators suggest that,stronger the Website familiarity stronger the relationship between E-service quality and e-loyalty. The significance of moderation is tested using Process Macro for SPSS developed by (Hayes 2015). The moderator variable used in the study is in continuous scale to increase the flexibility. The author (MacCallum et al. 2002) suggests this. The results were displayed above. The variables were mean centered before carrying out the analysis. The results of the analysis throw some interesting effects about the variables used in the study. The hypothesis is supported by the data, since the proposed relationship holds true, that is the interaction between the two variables online service quality and familiarity influenced online loyalty level. In other words, the relationship between online service quality and online loyalty become stronger when the familiarity level increases. The value of interaction between the variables used in the study is 0.556, as shown in Table2. This value is important, and it corresponds to the hypothesis.

Discussion

Toufaily et al. (2013) and Blut et al. (2015) conducted meta-analyses and concluded that consumer e-loyalty cannot be reached just via satisfaction; additional characteristics should be studied. When website familiarity is high, our findings show that e-service quality has a significant impact on e-loyalty. The study's findings can help managers enhance e-service quality, which leads to increased e-loyalty

Limitations of the Study

The findings were limited to stock brokerage services in Chennai, India, limiting their applicability. To increase generalizability, the current study may need to be replicated in other stock broking markets with a bigger sample size.

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