THE ROLE OF LOYALTY DIMENSIONS IN CUSTOMER ORIENTATION PROCESS FOR NEW ENTERPRISES IN TOURISM INDUSTRIES OF IRAN

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ABSTRACT

Many of tourism companies use internet websites as an important tool for marketing and sale of products or offering their services. To offer tourism services through internet successfully, it must be highly reliable and safe. The aim of this research is to study on effective factors on trust, satisfaction and loyalty of customers. In this research one structural equation modeling method has been used that investigate on relationship between external variables (efficiency and usability of transportation and transfer of products, security and transaction costs) and mediator and effective variables (trust and satisfaction) and also loyalty which are as a dependent variable. The results show that efficiency and high capability for transportation, transfer, expenses and security has a positive effect on the rate of trust in customers, which on the other hand, has affected loyalty of the customer as well. These results and findings show that satisfaction of the customers affects their trust which will have a significant role in formation of loyalty in customers and continuity of online shopping of tourism products and services.

Keywords: Trust, Satisfaction, Loyalty, Electronic Services, Tourism Industry

1. Introduction

Information of Communication Technology (ICT) and tourism industry are two important stimuli and the main bases of evolving and modern universal economics. Tourism industry and ICT prepare strategic opportunities and powerful tools for economical development, transportation and distribution of capital and wealth and cause justice formation around the world. It has been mentioned that quick development of internet has prepared field for wide exchange of data (data market), electronic commerce and online markets and thus the internet has been more complicated in all of these fields. Internet-based transactions entered new domains of tourism industry that cause more efficient working of commercial operations and methods. Development and dynamism of tourism industry can be known somehow due to internet and ICT. Wide health network of data and new communications in worldwide level has caused the tourism industry to enter a developing and very dynamic and evolving process which has caused evolution and development in online and also direct and open management and marketing. Online method in tourism industry is an ideal method because make data marketing and electronic transactions possible (Bulaalis, 2003).

Nowadays, there are 1.46 billion internet users around the world that 305.5% were added to this number since 2000. According to the report of National Internet Development Agency (NIDAK) in 2009, 06.5% of internet users were people who attended to purchase internet products or services during past years. 66.5% of total transactions for tools are allocated to internet-based transactions that 33.5% will belong to direct or non-internet-based markets, 30.6% of internet-based transactions are allocated to offer of reservation services and travel tours and 69.4% is allocated to free, direct or internet-based transactions. The companies do not have much news on number of users and their personal information, because the users do not trust security of

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electronic commerce. Users of internet can access to important computerized files, because generally, internet has been designed with the aim of search and for commerce. In electronic commerce, two parties of transaction or agreement are not in direct communication and cannot have physical relations (Han & Suh, 2003).

Kim and Shin (2009) have done modeling trust roles by using mental principles and rules, prepared some suggestions for marketing directors of airline company in the field of strategic plans and their applications which are effective in advancement of efficiency or function. Furthermore, during specific researches, satisfaction and loyalty of customers and its effect on their motivation for shopping were studied (Lim, Kim, 2005&2006). A few researches were done in the field of trusting electronic commerce of tourism industry considering other concepts which are important in satisfaction of customers. In addition, the research was restricted considering the trust experienced by customers of online tourism services and products. Therefore, the aim of this research is study on factors effective on trust and that if rate of trust and satisfaction is effective on loyalty or not. One modeling method of structural equation has been used for study on relation between external variables (ability and efficiency for internet searching, security and transaction costs) and trust, satisfaction and loyalty.

2. THEORETICAL FRAMEWORK
This research emphasizes on effects of role of trust and satisfaction of the passengers (customers) on their loyalty to online shopping of tourism products and services. This paper will be done based on a research fulfilled by (Myung-Ja Kim a, Namho Chung b, Choong-Ki Lee b, 2011). This research was done in the country of Korea and statistical sample of it are passengers who attend to purchase travel tickets through internet. This research takes action toward direct study on effects of trust and satisfaction variables on loyalty and indirectly study on variables of transport, security and transfer expenses, which two factors of trust and satisfaction will be as the independent variables and the factor of loyalty will be as the dependent variable. Questionnaire of the above research has been prepared and drawn up by Korean researchers and distributed between passengers who purchased their tickets through internet. The results indicated that all hypothesis have been confirmed unless the third hypothesis which has not been confirmed. According to the explanations mentioned hereinabove, the model that the researcher in above research is looking for study and analysis is as follows:

![Fig 1: Proposed Research Model](image)

2.1 Relationship between Trust and Online Application of Transportation (Assessment), Security and Transaction Costs
Among variables related to trust, efficiency of supporting and speed which online webpage can be searched and assessed through it, are necessary criteria for efficiency of searching. Although ability and efficiency of searching has been recognized as the preparation for satisfaction (of customers), Yoon (2002) stated that efficiency of searching will have a positive relation with trust and satisfaction. Pie et al (2007) explained that efficiency of searching can influence on trust of users and customers. Therefore, this hypothesis has been

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*d Myung-Ja Kim a, Namho Chung b, Choong-Ki Lee b, (2011).*
formed in this research that effective and efficient searching can be in relation with trust and satisfaction of customers in electronic commerce of tourism industry which can be mentioned as follows:

**Hypothesis 1:** Effective and efficient (online) searching has a positive effect on trust.
**Hypothesis 2:** Effective and efficient searching will have a positive effect on satisfaction.

Yousatrai, Pallister and Foxall (2003) stated that identification of the roles of security, privacy and trust, will be related to trust and reliance on electronic banking. Also, the results their research indicate importance of security as a different concept in relation between trust of customers and security. Furthermore, Chelloppar and Pavlov (2002) confirmed that security has a positive relation with trust. Therefore, in this research it has been assumed that security will be in relation with trust and satisfaction in electronic commerce of tourism that can be explained as follows:

**Hypothesis 3:** Security has a positive effect on trust.
**Hypothesis 4:** Security has a positive effect on satisfaction.

Mcknight, Choudhurg, Kacmar (2002) created the model for trust of customer to the internet distributors or sellers and evaluated it. They came to this conclusion that trust is a partial necessary and strategic method for electronic sellers or businessmen because they can influence on motivations for shopping in customers, and when customers get in contact with the sellers who are not familiar with through internet.

Rabinovich Bunduchi et al (2007) studied on transactional expenses in internet companies and explained the role and effects of transactional expenses so important. Another research fulfilled by Yu and Teo in 2005, proves that transactional expenses has a positive relation with trust and interest of customers in online shopping. Lim and Kim (2006) performed an investigation on online priority and satisfaction variables which was related to tourism internet commerce and found out that transactional expense is a very important factor in tourism electronic commerce. Therefore, theory of this research was that there is a relation between transactional expense and trust and satisfaction (of customers) in tourism electronic commerce. This hypothesis can be explained as follows:

**Hypothesis 5:** Expenses for transaction has a positive effect on trust.
**Hypothesis 6:** Expenses for transaction has a positive effect on satisfaction.

### 2.2 Relations between Trust, Satisfaction and Loyalty

Thanasankit Corbitt and Yi (2003) proved that the online users, in case of reaching to a proper trust to the electronic commerce will have much motivation for shopping, that in this direction cases like market-orientation, site quality, technical assurance and website searching become important.

Bai et al (2008) proved that quality of website will affect satisfaction of the customers, and satisfaction of the user will overshadow his motivation for shopping. Other researchers believe that guests of Chinese hotels do not care the names of hotels or cheapness of them, but they search for and assess online security, because they deal with online services. In addition, Hanis and Goode (2004) stated that trust has a positive relation with satisfaction and this relation is so powerful. According to the previous results, this research offers this hypothesis:

**Hypothesis 7:** Satisfaction has a positive effect on trust.

Kim et al (2004) recognized numerous factors that can affect loyalty of customers to the internet and determine that if loyalty to online environments can affect loyalty and continuity of motivation of users to purchase or not. Also, they proved that providing requirements of customers is another important factor which is effective in loyalty of the user. Consequently, it seems that there is a positive relation between trust and loyalty in tourism electronic commerce. Furthermore, satisfaction has a direct relation with loyalty. According to the results of previous research, two theories are formed in this research:

**Hypothesis 8:** Trust has a positive effect on loyalty
**Hypothesis 9:** Satisfaction has a positive effect on loyalty

Considering the above-mentioned hypothesis according to the previous findings, one conceptual model has been presented in this research. According to this model, it can be said that efficiency of searching, security and transactional expenses have positive effects on trust and satisfaction that on the other hand will affect loyalty as well. Also, this model shows that satisfaction has a positive effect on trust.
3. DESCRIPTION OF RESEARCH VARIABLES

3.1 Expense of Transaction
Websites related to tourism requires more information about the customer, also their products and services should be more investigated so that better decisions regarding shopping would be made which requires fewer searches in comparison to books or CDs. Therefore, the expenses depend on integrate attempt and activity in direction to transact between parties who take part in shopping and sale activities that are assessed by the above-mentioned factors. 1. "Online shopping is an economical transaction", 2. "In comparison with direct shopping, it is possible to save money through online shopping", 3. "Electronic commerce is followed by more discount", 4. "Online sale is a correct choice, when costs and other expenses are considered", 5. "Considering expenses of electronic commerce, I receive desired quality and services Myung-Ja Kim a, Namho, Chung b, Choong-Ki Lee b, 2011).

3.2 Loyalty
The customer is the only profitable resource of companies in present and future, but, anyway, a good customer who makes more profit is always possible to get lost. Because, the competition to achieve a good customers is so high. Nowadays, increase in multilateral information of customers regarding market and access to information has caused less loyalty of customers to the companies. So, today the visitor are looking for ways and information through which they would make faithful customers for themselves, because it cause decrement in marketing and operational expenses and increase in profits, that the organization and companies are determined to make firm connections with their customers by taking advantages from marketing strategies. Juncture marketing with its ability in making the customers faithful through better understanding of their needs and offering of services according to needs and establishment of long-term connections can be lead to decrease in expenses (Shammout,2007,83). Customers with long-term loyalty rarely tend to other companies, while customers with short-term loyalty easily end their connection and if find better products will go for them (Bigneacaniz etal,2008).

3.3 Security
This concept is one of the most complicated issues that customers who intend for online shopping are faced with, especially while purchasing products through risky websites. Chellappa and Pavlov (2002) stated that such variables like protection, identification and credit should be precondition for security that will affect security of customers. Because most of people do not know that it is possible that information pertaining to them would be collected, registered and probably misused in the future, will be informed of the way of using them. In addition, customers are doubtful regarding offer of sensitive and important information in websites. Therefore, in fact, security is to hide personal and financial information that the customer thinks it might be registered and stolen via electronic commerce.

3.4 Efficiency of Transportation
Concept of efficiency of transportation (products) in online shops has been less studied. According to the idea of Yoon (2002), this concept includes technical specialty for designing websites, general operational efficiency, effectiveness of aiding, speed of online transfer and transportation. Taylor and England (2006) stated that this concept includes the following cases:

(1) Transportation Process: transmissible messages, images and photos or animations;
(2) Visual connections; (3) visual plans including broad communications; (4) decomposable lists so that all options will not be visible immediately (5), methods and items of searching, identification of contents and subjects existing in websites.
This variable is assessed by 5 items:
Searching processes, effective aiding functions, advanced online technology, general operational ability and efficiency, quick transfer of messages and images (Myung-Ja Kim a, Namho Chung b, Choong-Ki Lee b, 2011).

3.5 Trust
Trust can be explained as feeling of being safe and tending toward something or someone. Chen (2006) classifies trust into two methods:
1. Description of trust is as a faith, assurance, belief or expectation toward other group
2. Description of trust as the behavioral motivation or trustful action that can be with harmfulness and doubt too.
Trust based on organization indicates a belief that the person has toward impersonal structures and situations and feels safe and comfortable during it. To move trust of customers to the electronic commerce and granting of their positive expectations, it is attempted in electronic commerce to move trust believes of them. This can affect intuitions of the customer and attract him/her to the electronic commerce. Fame and truthfulness are considered as the main factors in electronic commerce. Therefore, we should emphasis on reliable believes. Trust based on organization, on the other hand, indicates trusting systems and establishments (Shomaila, 2003).

3.6 Satisfaction
Satisfaction of the customer is a result which is gained from comparison of expected action of the customer before shopping with the paid expenses (Beerli & et al, 2004).

Kim (2006) believes that since electronic commerce is along with technological advancement, so online environment will be effective in formation of a positive relation with satisfaction. Also, Cyr (2008) performed a research in the field of satisfaction in hotel industry during which three parts of design have been assessed: information, transportation, visual design and evaluation of relations between trust and satisfaction together with loyalty that are formed in different cultures. Therefore, considering satisfaction it can be said that satisfaction and trust are in relation with each other and also will be effective in loyalty model (Myung-Ja Kim a, Namho Chung b, Choong-Ki Lee b, 2011).

4. METHODOLOGY (Material and Methods)
Collection of Sample and Data:
Sample includes 225 internet users who attend to purchase ticket through internet and work field in 2011 was in Tehran.
A questionnaire with closed questions was used for this study. The used questionnaire is a standard questionnaire which was experimentally given to a group including 21 users having experiences in the field of purchasing ticket through internet. Furthermore, Licrete 5-choice standard was used which was variable between 1 (lack of tense agreement) up to 5 (full agreement). In the following table demographical variables of this research have been demonstrated.

| Table 1: Demographical plan of the participators |
| Sex | Quantity |
| Male | 90 persons |
| Female | 135 persons |

| Education | Quantity |
| Associate of Science | 45 persons |
| Bachelor of Science | 60 persons |
| Master of Science | 120 persons |

| Table 2: Results of Alpha Cronbach coefficient test |
| Variable | Alpha Cronbach |
| Loyalty | 0.927 |
| Trust | 0.931 |
| Satisfaction | 0.924 |
| Security | 0.940 |
| Transportation | 0.935 |

5. RESULTS AND DISCUSSION
In modern and developed societies, most of people follow online shopping and some apply electronic commerce in the best form. The companies benefits from internet as an important instrument for marketing and also a method to sell their products and services. Although increasing numbers of internet users, some of people do not tend to offer their personal information and sharing them in websites, because they do not trust security of electronic commerce.

During researches related to the process of electronic commerce in tourism industry, trust in online purchasing of tourism products and services have been less studied. Therefore, the aim of this research is to prepare a theoretic model of electronic commerce that has combined matters of trust and satisfactions and assessed...
structures or concepts which will be effective on loyalty that on the other hand, it will be effective on motivation for purchasing. Results of this research show that all relations between concepts indicate positive coefficients and this model of research will be generally adoptable. This model shows that the customers would purchase tourism products or services online, if they would trust websites. Measures for efficiency of internet searching process include operational efficiency, quick transfer of messages and images and modern technology, and also have a positive effect on reliability and trust on websites. Relation between these two structures has been studied in previous researches, though importance of this relation has been different in various researches. Yoon (2002) proved that efficiency of searching and assessment in internet will not affect rate of trust to websites and internet users do not care the efficiency of websites so much. On the other hand, Chen (2006) believes that efficiency of websites generally affect trust of customers which in fact provides relative effective and positive support, i.e. high efficiency of websites can increase trust of customers. Also, in this research it has proved that high efficiency, transfer and transportation (through internet) will have a positive effect on rate of satisfaction too.

The results show that efficiency of transportation process in the field of online shopping and sale of tourism products or services will affect trust and satisfaction of customers that subsequently will affect motivation for shopping in customers as well. Having trust and satisfaction which is provided by preserving privacy and personal information and non-risky payments will have a positive effect on trust. Also, security is effective on satisfaction as well.

Results of our research are accordant to these reports. Despite the fact that security has a positive relation with trust and satisfaction, it is surprising to see it proved that security has more relation and coordination with trust than with satisfaction. Security that is relative to the privacy, payments and personal information, will have significant and much effect on trust when customers purchase online tourism products and services.

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Mean</th>
<th>Std. Deviation</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loyalty</td>
<td>225</td>
<td>1.50</td>
<td>4.75</td>
<td>3.05</td>
<td>0.6852</td>
<td>1.056</td>
</tr>
<tr>
<td>Satisfaction</td>
<td>225</td>
<td>2.50</td>
<td>5</td>
<td>3.7833</td>
<td>0.4950</td>
<td>0.551</td>
</tr>
<tr>
<td>Trust</td>
<td>225</td>
<td>2.33</td>
<td>4.67</td>
<td>3.3333</td>
<td>0.3545</td>
<td>0.283</td>
</tr>
<tr>
<td>Security</td>
<td>225</td>
<td>2.50</td>
<td>5</td>
<td>3.6833</td>
<td>0.04418</td>
<td>0.436</td>
</tr>
<tr>
<td>Transportation</td>
<td>225</td>
<td>2.40</td>
<td>5</td>
<td>3.5733</td>
<td>0.05275</td>
<td>0.628</td>
</tr>
<tr>
<td>Shopping cost</td>
<td>225</td>
<td>2.50</td>
<td>5</td>
<td>3.9200</td>
<td>0.5205</td>
<td>0.610</td>
</tr>
</tbody>
</table>

Expenses of transactions is merely done while saving money in online form. Positive relation was observed both with satisfaction and trust. Considering the satisfaction, results of this research are proportional to other researches. The matter which is important is that although it is possible that the customer do not trust online purchasing, so the measures can increase level of satisfaction. If the customer would want to purchase online products and services, final satisfaction will affect expenses of transaction and trust will be effective.

Satisfaction has a positive effect on loyalty. Although positive effect of satisfaction on trust, it should be said that relation between trust and satisfaction have been mostly different in various researches. In previous researches this issue was determined that if trust and satisfaction are related to each other or not. In other words, it is not clear yet that if customers are satisfied with online shopping and trust it or increase in their trust has been due to satisfaction with online shopping.

The results show that, when customers are intended to online shopping, satisfaction will affect their trust which is very important in online shopping. Trust and satisfaction have positive effects on loyalty that on the other hand, they affect behavioral motivations of the customers in relation with online purchasing of tourism products and services.

6. CONCLUSION

Since the computed Alpha Cronbach (Alpha=0.94) is more than 70%, permanence of the research questionnaire is reasonable. Meanwhile, permanence of any of research variables was gained in reasonable level. The result of Freedman Test indicates that considering that computed significant level is less than 5% (Sig≤0.05), therefore comments of respondents of statistical sample regarding research variables have not been the same. In other words, the respondents of statistical sample understood meaning and concept of variables and questions of the questionnaire very well and responded to them.

As it is seen, analysis of data and testing the hypothesis was lead to confirmation of the hypothesis.
1. The test related to existence of correlation between effective and efficient (online) search and trust indicates that considering that significant level of computed statistics is less than 0.05, hypothesis of zero is rejected and there is a correlation between these two variables. Coefficient of this correlation for 225 data is 0.796.

2. The test relation to existence of correlation between security and trust indicates that considering that significant level of computed statistics is less than 0.05, hypothesis of zero is rejected and there is a correlation between these two variables. Coefficient of this correlation for 225 data is 0.76.

3. The test relation to existence of correlation between transaction and trust indicates that considering that significant level of computed statistics is less than 0.05, hypothesis of zero is rejected and there is a correlation between these two variables. Coefficient of this correlation for 225 data is 0.774.

4. The test relation to existence of correlation between effective and efficient search and satisfaction indicates that considering that significant level of computed statistics is less than 0.05, hypothesis of zero is rejected and there is a correlation between these two variables. Coefficient of this correlation for 225 data is 0.702.

5. The test relation to existence of correlation between security and satisfaction indicates that considering that significant level of computed statistics is less than 0.05, hypothesis of zero is rejected and there is a correlation between these two variables. Coefficient of this correlation for 225 data is 0.68.

6. The test relation to existence of correlation between transaction cost and satisfaction in tourism industry indicates that considering that significant level of computed statistics is less than 0.05, hypothesis of zero is rejected and there is a correlation between these two variables. Coefficient of this correlation for 225 data is 0.844.

7. The test relation to existence of correlation between satisfaction and trust in tourism industry indicates that considering that significant level of computed statistics is less than 0.05, hypothesis of zero is rejected and there is a correlation between these two variables. Coefficient of this correlation for 225 data is 0.82.

8. The test relation to existence of correlation between trust and loyalty in tourism industry indicates that considering that significant level of computed statistics is less than 0.05, hypothesis of zero is rejected and there is a correlation between these two variables. Coefficient of this correlation for 225 data is 0.863.

9. The test relation to existence of correlation between satisfaction and loyalty in tourism industry indicates that considering that significant level of computed statistics is less than 0.05, hypothesis of zero is rejected and there is a correlation between these two variables. Coefficient of this correlation for 225 data is 0.881.

The figure (2) shows the structural equations. Hypothesis set of $H_1$, $H_2$ and $H_3$ indicates that if efficiency and profitability of (internet) searching affects security, transaction cost and trust or not. Profitability and efficiency of searching ($H_1$) has a positive effect on trust and security will be effective on trust as well. Therefore, $H_1$ and $H_2$ are proved. Transaction cost ($H_3$) has a positive effect on trust therefore, hypothesis ($H_3$) is accepted too.

![Fig 2: The Estimated Structural Model.](image-url)

Hypotheses $H_4$, $H_5$, and $H_6$ assess that whether efficiency and ability for searching, security and transactional cost are effective on satisfaction or not. Efficiency and ability for internet-based searching has a positive effect on satisfaction of customers and security has a positive effect on satisfaction as well. Also, transaction cost has a positive effect on satisfaction. Also, transaction cost has a positive effect on satisfaction. Therefore, hypothesis of $H_4$, $H_5$ and $H_6$ are proved.
Hypothesis $H_7$ shows that satisfaction is relevant to trust. Satisfaction has a positive effect on trust, therefore, $H_7$ is proved. Also, according to Hypothesis 8, trust is relevant to loyalty. The result indicates that trust has a positive effect on loyalty. Therefore, $H_8$ is proved. Finally, satisfaction will have a positive effect on loyalty and subsequently, $H_4$ is proved.

Other studies have been done on indirect effect so that it would be determined if efficiency and effective capability for searching, security and transaction cost will be effective on trust and loyalty influenced by satisfaction or not and it can be said that efficiency of internet-based searching has a positive and indirect effect on trust. Security and transaction cost show indirect effect on trust. Also, efficiency of searching has positive and indirect effect on loyalty. Security and transaction cost indicate important indirect effect on loyalty. Finally satisfaction has an indirect and important effect on loyalty.

REFERENCES