

*Full Length Research Paper*

# Determinants of firms marketing strategies on consumers' loyalty intention toward online stores

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Accepted 29 June, 2011

**In order to expand virtual retailing market, it is important to consider consumer-level opinion toward online stores and its relation to market-level measures of performance, such as marketing strategies, channel brand impression and customer online store loyalty intention. In this research, three online stores are selected as the research targets. A questionnaire survey is conducted to verify the determinant effects of firms marketing strategies and channel brand impression on loyalty intention toward online stores among consumers using second-order structural equation modeling (SEM) methods. The findings of this study suggest that online stores to the following: first, intensify emotional appeal in their advertising strategy; second, sell international brand products in the context of a brand alliance strategy; and third, develop channel brand impression helpful to the online store loyalty intention of consumers.**

**Key words:** Pricing, brand impression, online store, structural equation modeling.

## INTRODUCTION

It is evident that online stores are capable of exploiting market opportunities, and their rapid growth has led to more and more firms participating in online business activities as companies look to virtual markets to enhance their operations in this new competitive environment. Under the circumstances, the role of marketing and branding in a virtual economy characterized by digitization is attracting managers' attention. Understanding consumer behavior and demand and creating effective marketing strategies and distinct brands for online stores are key factors when developing electronic commerce (Tsao and Chang, 2010). Rowley (2004) indicated that the challenges for marketing and branding in a virtual market place include the trend towards organizational value propositions, the opportunity to link and develop brand positions and increasing globalization. While the establishment of and the key success factors behind electronic commerce have been the focus of Internet studies worldwide, the examination of emerging markets, such as Taiwanese online stores, is a worthwhile pursuit.

Regarding online shopping, Settles (1995) claimed that one of the most important elements of a web site's value to customers was the provision of pre-purchase sales information (for example, pricing, advertising and

products categories). However, the attractiveness and appeal of a web site are not the same for all customers. Furthermore, product brand names become more important online in some categories than in others, depending on the extent of information available to consumers. Therefore, having more information on non-price attributes can reduce price sensitivity for differentiated products (Degeratu et al., 2000).

Based on foregoing discussion, the research integrates perspectives and examines the determinants of firms marketing strategies (low price/relational and emotional ads/sales of international brands) (Albers-Miller and Stafford, 1999; Yoo et al., 2000; Kim et al., 2003; Washburn et al., 2004; Munnukka, 2008; Mortimer, 2008) and channel branding issues (brand awareness/perceived quality/brand image) (Yoo et al., 2000; Pappu et al., 2005; Oubiña et al., 2006) on consumers' loyalty intention (brand loyalty/purchase intention) (Zeithaml, 1988; Dodds et al., 1991; Cobb-Walgren et al., 1995) for online stores as a whole. The objective of this study is to evaluate the effect of online store's marketing factors, online store brand impression on consumers' online store loyalty intention and then examine their importance in allowing virtual retailers to develop a branding position

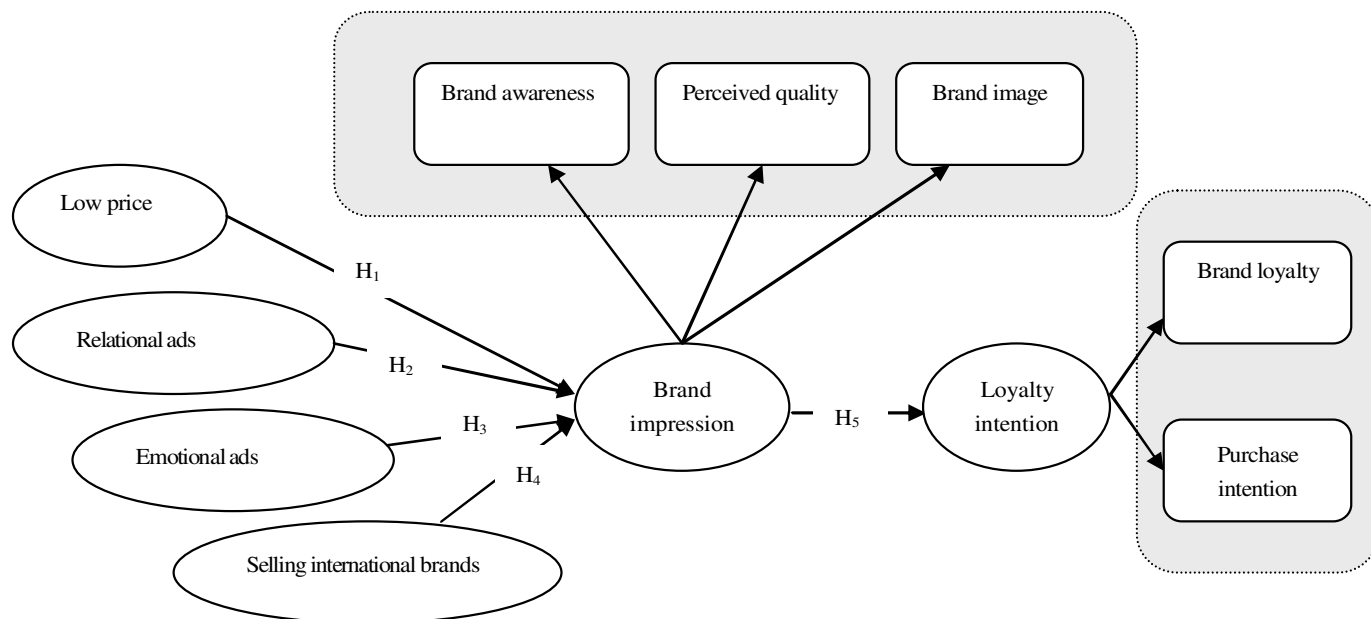


Figure 1. Conceptual framework.

and marketing strategies in the digital commercial marketplace. Accordingly, the study develops a questionnaire that builds from the following conceptual framework (Figure 1).

## LITERATURE REVIEW

The study outlines a literature review including the marketing strategies, brand impression, consumers' loyalty intention of former researchers and creates the theory base of the study.

### Review of marketing strategies

Scholars have identified marketing activities (for example, price, promotion, advertising appeals and product trial, etc.) as major sources of effects on the brand equity or brand impression (Smith et al., 1998; Yoo et al., 2000; Orth and Marchi, 2007). Next, four marketing strategies including price, advertising appeals, brand alliance strategy are chosen in the study to introduce their effects on brand impression in consumer perceptions, as further discussed.

### Price

For products purchase, consumers use price as an important indicator of product quality or benefits (Shih, 2010). The various approaches taken to explain the pricing strategy of the firm provide different emphasis on

the issue of product position and marketing performance, such as the effect of price on perceived value (Dodds et al., 1991; Munnukka, 2008) and perceived quality (Zeithaml, 1988; Sivakumar, 1996; Shih, 2011). Understanding the role of price and determining its effect on consumer's decision have been the focus of brand choice research (Sivakumar, 1996). For example, Merrilees et al. (2007) indicated that in comparing the brand attitude influences, pricing policy (high or low pricing) is important for brand differentiation and can positively influence consumer repeat purchasing in the future. Most online stores define their product by using a low-pricing strategy, as compared to real stores, or by offering superior product combinations or discounts. This study thus used price as one factor in the research analysis to examine its effect on brand impression in regard to consumer perception. Building upon this concept and by reviewing price theory, this study constructs hypothesis 1:

H<sub>1</sub>: Perceived low price stimulus of online store products/services relates positively to the online store brand impression of consumers.

### Advertising appeals

Scholars have indicated that a positive relationship occurs between brand advertising and consumer brand preferences (Woodside and Wilson, 1985). In the advertising field, emotional appeals and non-emotional appeals are the two major discussion factors, in that consumers buy products for either rational or emotional reasons (Albers-Miller et al., 1999). For maximum

effectiveness, the type of appeal needs to match the product type. For instance, a rational appeal (that is, objective, informational advertising) is more effective for a utilitarian product, whereas an emotional approach (that is, subjective, matching a product's attributes to the consumer's self-concept) is suitable for value-expressive or experiential products (Mortimer, 2008). Rational advertising generally shows a product's quality, economy, value or performance, while emotional advertising attempts to stir up either negative or positive emotions to motivate a purchase (Albers-Miller et al., 1999). Online stores promote their products using rational, informational appeals or emotional appeals. This study thus used both these advertising appeals as two factors in the research analysis and examined their effect on consumer perception of the brand impression of online stores. Building upon this concept and by reviewing ads theory, hypotheses 2 and 3 are framed as follows:

H<sub>2</sub>: Rational ads for online stores products/services relate positively to the online store brand impression among consumers.

H<sub>3</sub>: Emotional ads for online stores products/services relate positively to the online store brand impression among consumers.

### **Brand alliance**

Two brands whose associations interact to form a new brand combination comprise a brand alliance (Washburn et al., 2004; Shih, 2010). Different types of brand alliances include such partnerships as: joint promotions where partner brands are presented as complementing one another; and dual branding in which stores share the same space (Kim et al., 2003). Corporate image serves as an important factor influencing the perception of quality, consumers' evaluation of satisfaction, credibility, purchase intentions (de Ruyter and Wetzels, 2000) and corporate loyalty (Souiden et al., 2006; Shih, 2011). Brand cooperation between virtual retailers and international brands represents a corporate brand alliance. Virtual retailers with strong brand equity help increase the output of international brand suppliers; similarly, suppliers with high brand equity help increase brand recognition and products sales of online store retailers. This research submitted hypothesis for the development of questionnaire items, in order to explore the relationships between the selling of international brands and the consumers' brand impression toward online stores. This study thus constructs hypothesis 4:

H<sub>4</sub>: Selling international brands through online stores, positively affects online store brand impression among consumers.

### **Review of brand issues**

The study next conducts literature reviews to explore

channel brand impression, consumer loyalty intention and the effects of branding issues on consumers' loyalty intention as a whole.

### **Channel brand impression**

Scholars have indicated that brand equity, in regard to consumer perceptions, is a global impression of the value associated with a brand (Anselmsson et al., 2007). In academia, brand equity has been considered in many contexts, including: brand awareness, brand associations, perceived quality and brand loyalty (Aaker, 1991), brand knowledge and brand image (Keller, 1993), brand preference based on attribute levels measured objectively (Cobb-Walgreen et al., 1995; Yoo et al., 2000; Pappu et al., 2005), and overall brand impression (Jevons et al., 2005; Shih, 2011).

On the other hand, based on the concept of consumer based brand equity, retailers have recognized the power of branding and are increasingly focusing on brand building (Feuer, 2005). Concerning channel brand, equity is considered by retailers as a means to develop a powerful competitive tool, to provide an establishment with an image, to obtain greater margins that result in higher profits (Oubiña et al., 2006). Retailer brand equity can be defined in the following dimensions (Pappu and Quester, 2006): (1) brand awareness - the consumer's ability to recognize or recall a retailer; (2) retailer associations - anything linked to the consumer's memory of the retailer; (3) perceived retailer quality - the consumer's judgment about a retailer's overall excellence; and (4) retailer loyalty - the tendency to be loyal to or as a primary choice to a retailer.

Due to brand loyalty usually being connected with purchase intention, this requires greater consideration as dependent variables in the research model which is discussed further. Regarding channel brand impression, this research was built on the distinctions between online store brand awareness, perceived online store quality and online store brand image. These three factors are closely linked, and investigating their relationships under different online store conditions will provide marketers useful information to be used in formatting their online store branding positions.

### **Loyalty intention**

In scholarly research constructs, brand loyalty either has attitudinal (Yoo and Donthu, 2000) or behavioral elements (Aaker, 1991), or both (Pappu et al., 2006). On the other hand, in the academic world, purchase intention is a measure of the willingness to buy a product (Grewal et al., 1998) and has also been operationalized as the probability that a consumer will buy a product or service (Dodds et al., 1991; Devlin et al., 2007; Shih, 2011). Variables such as considering buying a brand, and

expecting and recommending to buy a brand measure purchase intention (Zeithaml, 1988; Teng et al., 2007). In the study, attitudinal brand loyalty and purchasing intention are identified as two output indicators of the conceptual framework for measuring the consumer loyalty intention of online stores.

### ***Effects of channel brand impression on consumer loyalty intention***

Regarding the relationship of brand impression and loyalty intention, the study results of Lee et al. (2008) revealed significant effects of general brand impressions (brand awareness/brand image) on loyalty intention (brand loyalty/purchase intention). Cobb-Walgren et al. (1995) and Shih (2010, 2011) also indicated that superior brand impression of products or firms lead to higher consumer preferences and loyalty intentions. Therefore, firms possessing good brand impressions usually have good consumer loyalty intention (Pappu et al., 2005; Shih, 2011). Accordingly, the study will examine the determinate effects of brand impression (brand awareness/brand image/perceived quality) on loyalty intention (brand loyalty/purchase intention) from a consumer-based viewpoint, and in relation to Taiwanese online stores. To verify the relationship between brand impression and loyalty intention, hypothesis 5 is submitted thus:

H<sub>5</sub>: The channel brand impression of the online store relates positively to the online store loyalty intention among consumers.

### **MATERIALS AND METHODS**

This study surveys consumer attitudes toward online stores chosen from Taiwan online store industry. The research consist two stages. First, a survey instrument containing scaled measures taken from marketing, branding, and consumer behavior literature, was completed, together with respondents' demographic information. Second, three local online store channels: Yahoo!Kimo, PChome and PayEasy, were chosen as survey targets. Preventing respondents from missing questions and reducing the probability of misunderstanding, research assistants stopped passers-by in specific sites and talked about the survey with the respondents (to qualify for the survey, the respondents must have had online shopping experiences). Incentive gifts were used to encourage potential respondents' involvement and to increase the response rate. The data were collected over a period of three months (June to August). Data analysis methods used in this research include factor, reliability, and second-order structure equation modeling (SEM) methods.

### **RESULTS**

The data source and analysis results of the survey are discussed. More than 200 questionnaires were administered

for each specific site (three shopping sites in Taipei County) for a total of 600 questionnaires, with 436 valid questionnaires returned (respondents with online shopping experiences) for this analysis. Based on the questionnaires, 31% of respondents are male, 69% of respondents are female. About 58% of the respondents are between 21 and 30 years old, and 58% have a university degree. Further, 21% of respondents have personal incomes between NT\$ 30,000 and NT\$ 50,000 per month.

### **Factor identification and analyses**

To verify the relationships among the factors, the study performs factor analysis and reliability analysis using SPSS statistical package (Norusis and SPSS, 1999). The principal-axis method is used for factor extraction, with factor interpretation carried out by Variamax rotation. Each item in the survey (Tables 1 and 2) was rated in terms of five agreement categories (1 = strongly disagree, 2 = disagree, 3 = average, 4 = agree, 5 = strongly agree) so as to detail customer attitude toward marketing stimulus, channel brand impression and loyalty intention to each of the three online stores. Table 2 shows the factor analysis and reliability analysis of brand impression items. Factors include brand awareness, perceived quality, brand image, brand loyalty and purchase intention. Table 1 shows all factor loadings of variables exceed 0.5, while  $\alpha$  values for the item to total correlation exceed 0.5.

Prior to the analysis, the research standardizes the factor analysis and variables for the brand issue data. Table 2 lists the confirmatory factor analysis for questions concerning consumers' perceptions of full model. Six factors: low price, relational ads, emotional ads, and provide international brands for sale, brand impression and loyalty intention, were produced using CFA analysis. With the exception of selling international brands, which have lower factor loadings, all factor loadings of variables exceed 0.6, while the CR (composite reliability) values exceed 0.7 and AVE (average variance extracted) values exceeded 0.7. The six factors of online store's marketing strategies, channel brand impression and loyalty intention appear to be appropriate for next second-order SEM analysis.

### **The effects of firms marketing strategies, channel brand impression on consumers' loyalty intention**

The LISREL 8.80 statistical package is used in the study (Joreskog and Sorbom, 2007). Bentler (1995) suggests that the CFI index value be at least 0.95 for confirmed models. Browne and Cudek (1993) and Han et al. (2007) suggest that RMSEA values less than 0.08 imply an adequate model fit and values less than 0.05 imply a

**Table 1.** Factor analysis and reliability analysis of brand impression and loyalty intention.

Factor name and question item	Factor loadings	Eigenvalue	Item-total correlation	Cronbach's $\alpha$
<b>Brand awareness (BA, KMO:0.78<sup>***</sup>)</b>				
I can specify the features and advantages of the Yahoo!Kimo online store.	0.71		0.59	
I consider the products and service level of Yahoo!Kimo online store as high.	0.77	2.46	0.63	0.78
I can recall the logo or slogan of the Yahoo!Kimo online store.	0.73		0.55	
I consider the Yahoo!Kimo online store worthy of a visit and a purchase depends on its overall features.	0.68		0.61	
<b>Perceived quality (PQ, KMO:0.85<sup>***</sup>)</b>				
Product information provided by the Yahoo!Kimo online store is reliable.	0.71		0.64	
The Yahoo!Kimo online store is the lead brand in overall online stores.	0.74		0.67	
I am satisfied with the overall service quality of the Yahoo!Kimo online store.	0.67	3.45	0.61	0.85
Products provided by the Yahoo!Kimo online store have a quality guarantee and are reliable.	0.73		0.66	
The product photos and information provided by the Yahoo!Kimo online store appear to be complete.	0.68		0.62	
The post-purchase service provided by the Yahoo!Kimo online store is complete and can save my time and energy.	0.68		0.63	
<b>Brand image (BI, KMO:0.81<sup>***</sup>)</b>				
The Yahoo!Kimo online store is attractive and has a strong personality.	0.81		0.73	
Purchasing products and services at the Yahoo!Kimo online store expresses my personal style.	0.87	2.79	0.77	0.85
The products and service of the Yahoo!Kimo online store are fashionable.	0.75		0.68	
Purchasing products and service at the Yahoo!Kimo online store is a symbol of social class.	0.66		0.61	
<b>Brand loyalty (BL, KMO: 0.72<sup>***</sup>)</b>				
I often buy at the Yahoo!Kimo online store.	0.82	2.33	0.73	0.85
When purchasing products, I prefer the Yahoo!Kimo online store.	0.89		0.78	
I was satisfied with my last consuming experience at the Yahoo!Kimo online store.	0.74		0.67	
<b>Purchase intention (PI, KMO: 0.69<sup>***</sup>)</b>				
I will continue to purchase products at the Yahoo!Kimo online store.	0.65		0.59	
I still purchase products at the Yahoo!Kimo online store even if the products are sold on other channels.	0.86	2.18	0.71	0.81
I recommend the Yahoo!Kimo online store to other consumers.	0.79		0.68	

Extraction method: Principal Axis Factoring. <sup>\*\*\*</sup>  $p$  value is significant at the 0.000 level; Questionnaire items have three versions: for the Yahoo!Kimo, PChome and PayEasy online stores.

**Table 2.** Confirmatory factor analysis for full model.

Factor name and question item	$\lambda$	$\delta/\varepsilon$	CR	AVE
<b>Low price (LP)</b>				
Products prices of the Yahoo!Kimo online store are lower in relation to channel cost than those of real retail stores.	0.87	0.24		
Products prices of the Yahoo!Kimo online store are lower in relation to channel safety than those of real retail stores.	0.88	0.22	0.90	0.86
Products prices of the Yahoo!Kimo online store are lower in relation to channel impressions than those of real retail stores.	0.83	0.31		
<b>Relational ads (RA)</b>				
The Yahoo!Kimo online store carefully explains the function of products/services which increases my desire on the Yahoo!Kimo online store.	0.89	0.21		
The Yahoo!Kimo online store emphasizes the quality and efficiency of products which increases my desire on the Yahoo!Kimo online store.	0.85	0.29	0.84	0.80
The Yahoo!Kimo online store emphasizes the cost and benefit analysis of products which increases my desire on the Yahoo!Kimo online store.	0.66	0.56		
<b>Emotional ads (EA)</b>				
The Yahoo!Kimo online store finds endorsers who I like and who increase my desire on the Yahoo!Kimo online store.	0.66	0.56		
The Yahoo!Kimo online store designs stories for products/services which increase my desire on the Yahoo!Kimo online store.	0.84	0.30		
The Yahoo!Kimo online store creates special feelings and emotions for products and services which increase my desire on the Yahoo!Kimo online store.	0.73	0.46	0.79	0.71
The products/services advertising of the Yahoo!Kimo online store has pleasing music which increases my desire on the Yahoo!Kimo online store.	0.55	0.69		
<b>Sales of international brands (SIL)</b>				
The Yahoo!Kimo online store sells international brands which increases my overall evaluation of the Yahoo!Kimo online store.	0.80	0.35		
The Yahoo!Kimo online store sells international brands which increases my reliance on the Yahoo!Kimo online store.	0.81	0.34	0.90	0.83
Yahoo!Kimo online store sell international brands which increase my channel quality evaluation on the Yahoo!Kimo online store.	0.83	0.31		
Yahoo!Kimo online store sell international brands which increase my channel brand image on the Yahoo!Kimo online store.	0.86	0.25		
<b>Brand impression (BIM)</b>				
Brand awareness of the Yahoo!Kimo online store.	0.91 <sup>F</sup>	0.18		
Perceived quality of the Yahoo!Kimo online store.	0.66	0.57	0.79	0.75
Brand image of the Yahoo!Kimo online store.	0.67	0.55		
<b>Loyalty Intention (LI)</b>				
Brand loyalty toward the Yahoo!Kimo online store.	0.85 <sup>F</sup>	0.33	0.86	0.87
Purchase intention toward the Yahoo!Kimo online store.	0.92	0.16		

<sup>F</sup> Denotes a path constrained to 1 and fix variables for model identification; Questionnaire items have three versions: for the Yahoo!Kimo, PChome and PayEasy online stores.

**Table 3.** Effects of marketing factors on online store brand impression and loyalty intention.

Latent Variable	LP model (Model 1)		RA model (Model 2)		EA model (Model 3)		SIL model (Model 4)		Full model (Model 5)	
	Standardized loading		Standardized loading		Standardized loading		Standardized loading		Standardized loading	
	<i>BIM</i>	<i>LI</i>	<i>BIM</i>	<i>LI</i>	<i>BIM</i>	<i>LI</i>	<i>BIM</i>	<i>LI</i>	<i>BIM</i>	<i>LI</i>
Low price ( <i>LP</i> )	0.24**									0.02
Relational ads ( <i>RA</i> )			0.27**							0.12
Emotional ads ( <i>EA</i> )					0.27**					0.16*
Sales of international brands ( <i>SIL</i> )							0.28**			0.18*
Brand impression ( <i>BIM</i> )		0.87***		0.86***		0.87***		0.87***		0.86***
<i>Errors correlate SIL item 1</i>							0.20			0.19
<i>SIL item 2</i>										
<i>Model standards and Fits</i> ←→										
Chi-Square/df < 3	31.71/18=1.76		25.63/18=1.42		78.13/25=3.12		71.97/24=2.99		355.42/140=2.54	
GFI > 0.9; AGFI > 0.9; CFI > 0.95	0.98/0.96/0.99		0.99/0.97/0.99		0.96/0.93/0.98		0.96/0.93/0.98		0.92/0.89/0.97	
NFI > 0.9; NNFI > 0.9; CN > 200	0.99/0.99/463		0.99/0.99/580		0.97/0.97/239		0.98/0.98/256		0.96/0.97/225	
RMSEA < 0.05; RMR < 0.05	0.042/0.024		0.031/0.023		0.070/0.046		0.068/0.033		0.059/0.038	

*BIM*: Brand impression of online store, *LI*: Loyalty intention toward online store.  
 Significance at the 95% confidence level. \* if  $p < 0.05$ ; \*\* if  $p < 0.01$ ; \*\*\* if  $p < 0.001$ .

reasonable. The standardized RMR values were also good at less than 0.03 (except for model 3 having a higher value, which was still less than 0.05), and appear to be good fitting models overall. In Table 3, this study examined hypotheses using an SEM analysis, in terms of: a low price (*LP*) model, a relational ads (*RA*) model, an emotional ads (*EA*) model, a brand alliance (*SIL*) model and a combination model for online store brand impression and loyalty intention. The path analyses are submitted thus:

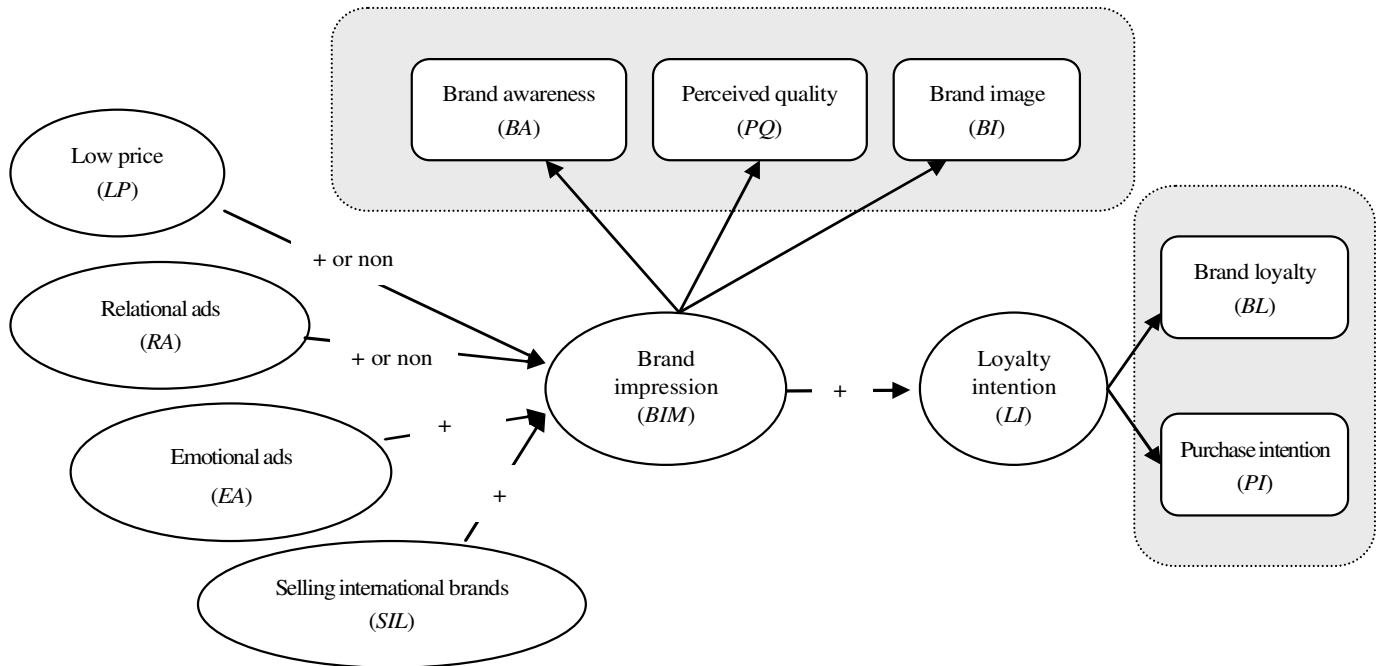
(1) Positive effects of marketing strategies on brand impression: The results of model 1 (low price model), model 2 (relational ads model), model 3 (emotional ads model) and model 4 (brand alliance model: selling international brands) suggest that an online store's low pricing information (*LP*), relational ads (*RA*), emotional

ads (*EA*) and sales of international brands (*SIL*) in consumer perception, has a positive relationship to online store brand impressions (*BIM*,  $LP \rightarrow BIM = 0.24$ ;  $RA \rightarrow BIM = 0.27$ ;  $EA \rightarrow BIM = 0.27$ ;  $SIL \rightarrow BIM = 0.28$ ).

(2) Channel brand impression plays an important role on consumer loyalty intention: In terms of models 1 to 5, brand impression (*BIM*) relates positively to consumer loyalty intention (model 1:  $BIM \rightarrow LI$  is 0.87; model 2:  $BIM \rightarrow LI$  is 0.86; model 3:  $BIM \rightarrow LI$  is 0.87; model 4:  $BIM \rightarrow LI$  is 0.86; model 5:  $BIM \rightarrow LI = 0.86$ ). Therefore, developing distinct channel brand impression of online stores is important to lead consumer loyalty intention toward online stores.

(3) Rational ads and sales of international brands appear comparative importance: While considering all discussing factors including low price (*LP*), relational ads (*RA*), emotional ads (*EA*) and

brand alliance (sales of international brands, *SIL*), the study verifies the integrative effects of marketing stimuli on brand impression, as shown in model 5 (combination model). The model's path coefficients of low price/relational ads were decreased from 0.24/0.27 to 0.02/0.12 (models 1 and 5, models 2 and 5), and those of emotional ads/selling international brands were decreased from 0.27/0.28 to 0.16/0.18 (models 3 and 5, models 4 and 5) after combining marketing stimuli. Emotional advertising and brand alliance (sales of international brands) still obtained a positive support for online store brand impression, but low price/relational ads appears to have no effect on an online store brand impression in the consumers' perceptions. To sum up, in the online store loyalty intention models, the results of the SEM analysis support  $H_1$ ,  $H_2$ ,  $H_3$ ,  $H_4$ , and  $H_5$  (models 1 to 4), or non support  $H_1$  and  $H_2$  (in model 5). The



**Figure 2.** Models test combination results of consumers' online store loyalty intention. +: positively support; + or non: positively or non support.

model 5). The results of the hypotheses examination are listed in Figure 2. In the competitive internet environment and electronic commerce, varied marketing strategies are vital in order to attract consumers. In the research findings, emotional ads and sales of international brands were verified by most consumers as important to them, while low price and relational ads had little or no influence on online channel brand impression. Online stores have generally adopted low price and relational ads for their products and services as these days, consumers view low price and relational ads as basic requirements which have fewer determinate effect on online store brand impression in comparison to those of emotional ads and sales of international brands.

## DISCUSSION AND CONCLUSION

This study explores marketing strategies and brand issues in the Taiwan online store industry. Study findings indicated that consumers not only perceived a particular marketing stimulus but also differentiated between the channel brand impression and the online stores represented. In academia, scholars have indicated that in managing online stores, the core aspects, such as product offering (price, products information, product quality; Chen and Dubinsky, 2003; Lepkowska-White, 2004), effective website (Seock and Norton, 2007), consumer privacy (Joines et al., 2003), service quality (Rajamma and Paswan, 2007), marketing efforts, benefit/cost and

purchase experience should be emphasized. In addition, online shopping can be predicted by information motivations, interactive control motivations, and socialization motivations, and the type of advertising has an important influence on consumer online shopping motivations (Joines et al., 2003). Therefore, a firm's strategies on the online market, with regard to marketing stimulus and brand equity conditions, were essential for the outcome of the channel loyalty intention of the consumer. Online store retailers must constantly monitor consumer perceptions of their firms' reliability and equity.

Further, online store retailers are capable of exploiting market opportunities rapidly and efficiently. This study has provided important explanations as to how online store retailers from a developing market context build marketing strategies and brand position for their operations. Regarding the operations of online stores, as latecomers on the global stage, emerging market online stores have accelerated the pace of their entry into the virtual marketplace. Investment strategies by Taiwanese online store retailers have succeeded in operations in which they have strong technology, marketing and innovation ties. In our study, besides providing competitive products and services, Taiwan online store retailers strengthen overall marketing strategies and channel brand impression and improve internal and external competences for surviving in native virtual markets. In the case of Taiwan virtual industry, while a retailer in developing countries or emerging markets considers online stores market, the managerial implications of the findings



are offered as follows:

(1) Marketing stimuli online consumer concerns:

(a) Low pricing myth: The transparency, efficiency and comparable features of online information encouraged online store retailers to lower prices or to integrate more value-added products or services in order to win consumer commitment. However, the low correlation and low influence power of low pricing as compared to other marketing and branding factors showed that even though consumers care about and love low-priced products and services, channel brand was more important to them. (b) Rational ads myth: Online store marketers often carefully introduce product functions, emphasizing quality, efficiency and benefit/cost analysis. In this study, rational ads for products and services were important but had little effect on consumer online store brand impression as consumers could easily search information on products or services online and then make their decision after an information comparative analysis of the various online and real channels. (c) Emotional ads manipulation: In this study, emotional ads had a significant positive effect on online store brand impression. Emotional ads (for example, endorser, story, and music etc) which allowed consumers to gain additional knowledge of history, product use technology and knowledge, or enjoy the pleasant online browsing atmosphere helped lead to a higher online store brand impression. (d) Brand alliance (sales of international brands): despite offering famous private brands, online store schedule international and national branding centers to satisfy consumer demand. Online store retailers may define and make their offers in terms of varied marketing strategies and distinct market segmentation.

(2) Learning and defining distinguished online channel brand impression:

(a) Online store brand awareness: For a business to remain sustainable in the vast online world, increasing online brand awareness and maintaining brand loyalty are crucial. In addition to TV ads, online store retailers can evoke consumer memory through word of mouth, electronic mail marketing, member marketing activities and customer relationship management (CRM). (b) Perceived online store quality: Perceived online store qualities, including reliability, service quality, product guarantees, information completeness, timing and energy efficiency, are all important for consumers' online loyalty intention. (c) Online store brand image: Formulating a distinct brand image for an online store is a challenge for virtual retailers. Clearly, long term brand image establishment is more important than short term marketing stimulus, and online store retailers who established a distinct market position and vivid channel brands obtain the loyalty intention of consumers.

## LIMITATIONS AND FUTURE RESEARCH

One limitation of this research is that it is based on only

436 respondents. However, it does consist of respondents who are involved in the decision of the online shopping experiences. Further, the targeting online stores are all famous and large, which operations models are much different to small and personal online stores. Future research could enlarge the sample size or choose other types online stores or product categories or add other discussing factors to verify or enlarge the conceptual framework and generalize the model.

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