Role of perceived value in explaining trust and repurchase intention in e-shopping

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The main purpose of this paper is to develop a new model to investigate the effects of various dimensions of perceived value (monetary value, convenience value, emotional value and social value) and perceived sacrifices on customer satisfaction and explore the impacts of customer satisfaction on trust and repurchase intention. The paper investigates 635 samples of travel agents’ customers who participated in travel activities via the internet in Tehran (Iran). The male/female ratio of the sample was 64 and 36%, respectively. The questions used in this study were taken from the relevant literature, which contained 29 questions addressing all the variables. The findings suggest that customer satisfaction is most influenced by monetary value (0.28), convenience value (0.25), emotional value (0.23) and social value (0.20). The findings illustrate that perceived sacrifices has a negative impact on customer satisfaction (-0.17). Beside, this study shows that the most impacts of customer satisfaction are on trust (0.33) and repurchase intention (0.29). Trust also has an impact on repurchase intention (0.35). This paper gives very useful, practical marketing suggestions for person-based services

Key words: Monetary value, convenience value, emotional value, social value, perceived sacrifices, customer satisfaction, trust, repurchases intention.

INTRODUCTION

One of the most stunning aspects of the past few years has been the speed at which the internet market has expanded and matured. This rapid rate of internet adoption has resulted in an extraordinary pace of change in the marketing landscape and opened up a variety of opportunities for marketers (Pollack and Barry 1999). Today, everyone talks about the e-shopping revolution and the internet of the new knowledge-based economy. The web allows e-businesses to provide customers with increasingly accurate, timely, and inexpensive information. As a result, customers can immediately compare prices and choose the supplier with the lowest price. However, amount of information or internet presence and price alone do not rule the web (Reichheld and Schefter, 2000; Zeithaml et al., 2002). To be successful in a fierce competitive e- environment, e-companies need to insulate themselves by developing an appropriate differentiating strategy. A key component of such a strategy needs to focus on services and relationships that demonstrate a company’s appreciation to its customers (Smith, 2000).

E-companies must deliver superior service experiences to their customers, if they want to earn their businesses, their repeat patronage, and eventually their trust. It is well recognized though that the web represents a fundamentally different shopping environment than a traditional shopping channel (Hoffman and Novak, 1996). The proliferation of the web, with its enormous potential for doing business and gathering customer information, offers an alternative sales channel for a growing number of firms, and has stimulated extensive research on the incidents effect for customer satisfaction with internet shopping. The increase in business-to- customer trade has caused many firms to develop new online shopping strategies to attract, retain customers and satisfy their needs (Ranganathan and Ganapathy, 2002).

Perceived value of a service has been defined by McDougall and Levesque (2000) as the benefits
customers believe they receive relative to the costs associated with its consumption. Zeithaml and Bitner (2000) have suggested that it is an overall evaluation of a service’s utility, based on customers’ perceptions of what is received at what cost, and that working definition was adopted for the present study. Value includes not only quality, but also price. Rust and Oliver (1994) contend that a service may be of excellent quality but still be rated as poor value by customers if the price is too high. Hesket et al. (1997) argue that value is not necessarily equated with low prices because services with a perceived high value may in practice carry high or low prices (Chitty et al., 2007).

There has been a great body of studies focusing on the interrelationship between perceived value, satisfaction and behavioral intentions (Baker and Crompton, 2000; Cronin et al., 2000). However, in recent years, perceived value has been emphasized as the object of attention by researchers (Kashyap and Bojanic, 2000; Murphy et al., 2000; Petrick, 2004). Some studies argued that the measurement of satisfaction must be in conjunction with the measure of perceived value (Oh, 2000; Woodruff, 1997). Furthermore, perceived value involves the benefits received for the price paid (Zeithaml, 1988) and is a distinctive concept from satisfaction. Empirical research also reveal that the positive impact of perceived value on satisfaction. Hence, perceived value, and satisfaction have been shown to be good predictors of trust and future repurchase (Cronin et al., 2000; Petrick, 2004; Tam, 2000).

By understanding the relationships between repurchase intentions, trust and their determinants, travel agency’s managers would better know how to build up satisfaction and improve their marketing efforts to maximize their use of resources. Hence, the purpose of the study is to construct a more integrated model of travel agency consumption process by including perceived value into the “satisfaction –trust–repurchase intention” paradigm (Chen and Tsai, 2006).

LITERATURE REVIEW

Customer satisfaction has been extensively studied for the last four decades. Seminal articles, particularly, Oliver’s (1997) on customer satisfaction laid the foundation for numerous studies on the construct. Relatively more recently, studies have enunciated the constructs of trust and repurchase intention (Kennedy et al., 2001; Singh and Sirdeshmukh, 2000) and their linkages to satisfaction (Lambert-Pandraud et al., 2005; Tsai et al., 2006; Yi and La, 2004). Thematically, these constructs and their interrelationships have been prominently featured in the customer behavior literature, as one would expect. Still, our understanding of the mediating roles between customer satisfaction and repurchase intention, which is also central for online shopping behavior, is much more limited. More specifically, a number of potential mediating variables that are evident in the literature should be addressed. The literature is uncertain regarding potential mediating constructs between satisfaction and repurchase intention in different online contexts (Lin and Wang, 2006).

Following Oliver (1980, 1981), a number of studies have confirmed the importance of customer satisfaction on firm profits. Scholars have critically examined these constructs in terms of their impact on customer profitability and firm performance. Although numerous academic studies offer a positive portrait of the effects of satisfaction on firm performance, many important research topics are not yet studied in the context of online retailing (Evanschitzky et al., 2004; Hsu, 2008; Jiang and Rosenbloom, 2005; Kim et al., 2006). While the importance of these concepts for business has been recognized and established, a full understanding of the relationship between customer satisfaction and repurchase intention in online environments is still essential. Prior research has mainly focused on the relationship between customer satisfaction and repurchase intention, but particularly, there may be several mediators linking to the relationship in online repurchase situations (Järvenpää et al., 2000; Wu and Chang, 2007). Although customer satisfaction has been regarded as an antecedent of repurchase, Yi and La (2004) assert that such traditional beliefs need to be challenged as counter arguments arise that higher customer satisfaction does not necessarily result in higher repurchase. Evidence is also supported by (Jones and Sasser, 1995). Yi and La (2004) also suggest that investigating new paradigm of post-purchase satisfaction is necessary since the link between customer satisfaction and repurchase intention seems to be more complex than expected (Anderson and Srinivasan, 2003).

One recent research outlined by Seiders et al. (2005) confirms that the relationship between two parties is contingent on the mediating effects of several variables. Their study focused mainly on consumers’ purchasing situation and their income in a retail context, but consumers’ psychological judgments may also play a crucial role in building the relationship between satisfaction and repurchase. Taking into account findings from prior research, an evaluation of the determinants of the customer satisfaction-repurchase relationship on the internet is necessary to further our understanding in this context (Ha et al., 2010). Figure 1 gives a hypothesized model.

Perceived sacrifices and customer satisfaction

Customer satisfaction is defined as a judgment that a product or service feature, or the product or service itself, provides a pleasurable level of consumption related fulfillment including the level of under or over fulfillment
Figure 1. Hypothesized model.

(Oliver, 1997). Satisfaction is thus a function of relative level of expectation and perceived performance. Expectations are formed on the basis of past experience with the same or similar situations, statements made by friends or other associates (Kotler and Clarke, 1987). Customer satisfaction is a complete evaluation of the accumulated purchase and consumption experience, which reflects a comparison between the sacrifice experienced and the perceived rewards (Chitty et al., 2007).

Customer satisfaction is also defined as either an overall judgment of satisfaction or given an attribute-specific definition. The latter is based on the assumption that satisfaction is the outcome of service quality (Cronin and Taylor, 1992). According to Sharma et al. (1999), there is a tendency towards measuring customer satisfaction at the general level when adopting the cumulative view of satisfaction. Satisfaction ratings are the means to strategic ends, such as customer retention, and directly affect profits (Oliver, 1997).

Customer satisfaction has a significant effect on future purchase intentions (Mc Alexander et al., 1994) and on the formation of customer loyalty. Therefore, we further propose that: customer satisfaction is crucial to the survival of any business organization. Customer satisfaction has been a popular topic in marketing for more than 30 years without the emergence of a consensual definition of the concept. An important debate in the customer satisfaction literature has been whether customer satisfaction is to be understood at the transactional or a cumulative level (Boulding et al., 1993). The cumulative satisfaction approach assumes that satisfaction is determined by satisfying or dissatisfying encounters with a product or service over time while the transactional approach emphasizes encounter satisfaction, that is, satisfaction with a product or service in a single transaction (Churchill and Suprenant, 1982). In the services marketing literature, customer satisfaction is described as a judgement made on the basis of a specific service encounter (Bolton and Drew, 1991; Cronin and Taylor, 1992). This concurs with Oliver’s (1981) view that satisfaction is an emotional reaction which influences attitude and is consumption specific. From this perspective, Cronin and Taylor (1994) propose that the domain of customer satisfaction should be limited to transaction-specific judgements and service quality to long-term attitudes.

Perceived sacrifice refers to the loss derived from the product or service due to the increment of its perceived short-term and long-term costs. According to the study of Mazumdar (1993), customers are becoming more value-oriented and are not simply influenced by high quality or lower price. Rather, they tend to make a reasonable trade-off between the perceived benefits and perceived sacrifices in the process of obtaining and consuming products or services. Wang et al. (2004) have noted that perceived sacrifice has a direct and negative effect on customer satisfaction.

\( H_3 \): There is a significant negative relationship between perceived sacrifices and customer satisfaction.

Monetary and convenience value

Monetary value is derived from task fulfilment. It is also derived from monetary benefit or superiority compared with the alternatives (Sheth et al., 1991). Convenience
value refers to ease and speed of achieving a task effectively and conveniently (Mathwick et al., 2001; Anderson and Srinivasan, 2003).

Monetary and convenience value should have a strong influence on value perceptions of task fulfillment-oriented, information based services, for example, online shopping services, because they give instant convenient access to services that may be good value for money compared to alternatives. According to earlier research, Wang et al. (2004) defined functional value as "utility derived from the perceived quality and expected performance of the product or service" has a direct effect on satisfaction. Therefore, it is expected that monetary value and convenience value affect customer satisfaction positively.

$H_2$: There is a significant positive relationship between monetary value and customer satisfaction.

$H_3$: There is a significant positive relationship between convenience value and customer satisfaction.

**Emotional value**

Emotional value refers to the utility derived from the affective states that a product or service generates. Emotional value is acquired when a product/service arouses feelings or affective states (Sheth et al., 1991; Sweeney and Soutar, 2001). Play or fun gained by using the service for its own sake is related also to emotional value (Holbrook, 1994). Enjoyment and fun seeking have been reported as customers' motives to use services (Leung and Wei, 2000). In addition, use of technology often raises positive feelings, regardless of the service used (Brief and Aldag, 1977).

Previous research has found a direct relationship between emotional value and customer satisfaction (Liljander and Strandvik, 1997). Semeijn et al. (2005) distinguished the importance of emotions in online services. Further, emotional value has been found to be especially important for satisfied customers, and help build further close emotional links with the wanted customers (Butz and Goodstein, 1996). Wang et al. (2004) also have found that emotional value has a direct and positive effect on customer satisfaction.

$H_4$: There is a significant positive relationship between emotional value and customer satisfaction.

**Social value**

Sweeney and Soutar (2001) define social value as "the utility derived from the product's ability to enhance social self-concept". Thus, social value derives mostly from product or service use shared with others (Sheth et al., 1991). Social value relates to social approval and the enhancement of self-image among other individuals (Bearden and Netemeyer, 1999).

Support for the importance of social reputation in the form of esteem can be found in several researchers' work (Bhat et al., 1998; Holbrook, 1994; Sweeney and Soutar, 2001). Gratification theories also talk about fashion, status and sociability that relate to similar aspects as social value indicating that use of online services may be a way to express personality, status, and image in a public context (Leung and Wei, 2000). Social value has been suggested to be positively related to customer satisfaction (Hennig-Thurau et al., 2002; Wang et al., 2004). Further, in the online context, social value is expected to enhance customer satisfaction (Hsieh et al., 2005).

$H_5$: There is a significant positive relationship between social value and customer satisfaction.

**Trust**

Trust is one of the most widely examined and accepted concepts in relationship marketing (Ganesan, 1994; Mohr and Spekman, 1994). Anderson and Weitz (1992) define trust as "one party’s belief that its needs will be fulfilled in the future by actions taken by the other party." According to Moorman et al. (1993), trust is "a willingness to rely on an exchange partner in whom it has confidence." Finally, Morgan and Hunt (1994) conceptualise trust as existing "when one party has confidence in an exchange partner's reliability and integrity" (Lee and Lin, 2005).

For the purpose of this study, we define trust as "a psychological state comprising the intention to accept vulnerability, based on positive expectations of the intentions, or behaviors of another" (Rousseau et al., 1998). Trust, in a broad sense, is the confidence a person has in his/her favorable expectations of what other web sites will do, based, in many cases, on previous experiences (Gefen, 2000). Thus, trusting beliefs reflect consumers' confidence that the web site has a positive orientation toward its consumers' updated expectations. Trust weakens or strengthens by experience (Yoon, 2002). Although researchers show that trust serves as an antecedent to satisfaction (Grewal et al., 1999), such a trust is depended on consumers' prior experiences or satisfaction judgments (Ha and Perks, 2005).

From the relationship marketing perspective, Yoon (2002) addressed that the level of trust has been conceptualized to be contingent upon the consumers' perceived level of interaction between company which provides information and consumers who receive it. In online consumer literature, Ha and Perks (2005) show that web site trust goes beyond consumer’s satisfaction with the functional performance of the product.

Consistent with the importance of online trust, Grewal et al. (2004) emphasize the role of post-purchase trust on the Internet. Furthermore, the absence of trust may be unable to retain those customers who are satisfied.
(Ranaweera and Prabhu, 2003). This suggests that trust may act as a moderator to satisfaction in strengthening further behaviors. In line with this observation, we expect that online trust built by prior experience plays a significant role in better understanding the linkage between customer satisfaction and repurchase intention.

The buyer’s overall satisfaction with the buying experience is proposed to have a positive impact on his/her trust of the manufacturer. Prior research has shown that constructs of trust and satisfaction are positively correlated (Crosby et al., 1990; Yoon, 2002), but the causal ordering of the two has not been assessed. However, evidence outlined by Kennedy et al. (2001) shows that customer satisfaction is an antecedent of trust of the manufacturer. Trust has been linked to a variety of outcomes. Henning-Thurau and Klee (1997) theorize that trust will play important roles in repurchasing decision. Such arguments are supported by the empirical findings of Bart et al. (2005) who find a strong relationship between online trust and behavioral intent. Behavioral intent may include willingness to navigate further activities, such as revisiting to the same site, engaging in interactivity with the web site, and repurchasing from the site. So trust influences the willingness to buy in a particular web site (Järvenpää et al., 2000; Ha et al., 2010).

H₆: There is a significant positive relationship between customer satisfaction and trust.

H₇: There is a significant positive relationship between trust and repurchase intention.

**Repurchase intention**

Repurchase intention refers to the individual’s judgement about buying again a designated service from the same company, taking into account his or her current situation and likely circumstances (Lacey and Morgan, 2009). Some studies have concentrated on determining the basic antecedent variables to repurchase intention (Hocutt, 1998; Zahorik and Rust, 1992). Other studies, such as Grayson and Ambler (1999), Liljander and Strandvik (1995), and Price et al. (1995) have considered the single incident, critical encounters and longitudinal interactions or relationships between these variables. Still others have considered the predictive validity of repurchase intention for subsequent repurchase behavior (Bemmaor, 1995; Mittal and Kamakura, 2001). Despite the fact that research in this area largely relies on stochastic and deterministic approaches to customer retention analysis (Ehrenberg, 1988; Lilien et al., 1982), few comprehensive, empirically tested, structural models of the customer retention process are evident in marketing literature. In the marketing literature, there is wide agreement on the crucial role of repurchase as the key behavioral outcome for relationship marketing success (Crosby and Stephens, 1987; Reichheld, 1996).

This study defines online customer satisfaction as “the perceived degree of contentment with regard to a customer’s prior purchase experience with a given electronic commerce firm” (Anderson and Srinivasan, 2003). Repurchase intentions represent the customer’s self-reported likelihood of engaging in further repurchase behavior (Seiders et al., 2005). Several prior studies have confirmed that there is a significant positive relationship between customer satisfaction and repurchase intentions (Mittal and Kamakura, 2001; Yu and Dean, 2001). Other studies, however, have questioned this relationship (Seiders et al., 2005; Yi and La, 2004). Despite these divergent perspectives, there is considerable support for obtaining a better understanding of variables that may potentially affect the relationship between satisfaction and repurchase intention (Ha and Perks, 2005; Magi, 2003; Yi and La, 2004).

To better understand the linkage between customers satisfaction and repurchase intention, researchers have looked at several potential mediators. For example, Seiders et al. (2005) looked at customer involvement and several demographic characteristics, whereas Bloemer and Ruyter (1998) looked at elaboration. The elaboration process seems to be a useful way of understanding post-purchase satisfaction since this approach involves cognitive, affective, and behavioral states which impact intentions (Foxall et al., 1998).

H₈: There is a significant positive relationship between customer satisfaction and repurchase intention.

**METHODOLOGY**

**Sampling and data collection procedures**

Eight hundred customers from twenty travel agents in Tehran (Iran) took part in this study in the summer of 2011. We chose online travel services because customers in these types of services had direct contact with firms. The main criteria for selecting participants for the sample were:

1) A minimum of six months’ experience shopping on the internet;
2) At least one travel-related purchase within that period.

In total, 800 questionnaires were distributed for this study. The questionnaires were not transmitted via the internet (WWW) or e-mail, but delivered by travel agents to their clients directly, so that we could trace and encourage the return of questionnaires by telephone calls to improve the return rate of effective questionnaires. After deducting the ineffective questionnaires 635 effective questionnaires were returned from the travel agents, respectively. There are 29 questions for the measuring variables of the questionnaire and the number of returned samples conforms to the suggested value.

**Questionnaire**

Items for social value (3 items) and emotional value (5 items) were adapted from Sheth et al. (1991) and Sweeney and Soutar (2001, 2003). For customer satisfaction, three items were adapted from
### Table 1. Correlation matrix and square roots of average variance extracted (AVE).

<table>
<thead>
<tr>
<th>Construct</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>8</th>
</tr>
</thead>
<tbody>
<tr>
<td>Repurchase intention</td>
<td>0.981</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Monetary value</td>
<td>0.882</td>
<td>0.98</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Emotional value</td>
<td>0.841</td>
<td>0.937</td>
<td>0.987</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Perceived sacrifices</td>
<td>0.794</td>
<td>-0.859</td>
<td>0.761</td>
<td>0.921</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Convenience value</td>
<td>0.843</td>
<td>0.829</td>
<td>0.985</td>
<td>0.933</td>
<td>0.948</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Customer satisfaction</td>
<td>0.89</td>
<td>0.967</td>
<td>0.98</td>
<td>0.844</td>
<td>0.965</td>
<td>0.955</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trust</td>
<td>0.83</td>
<td>0.928</td>
<td>0.953</td>
<td>0.967</td>
<td>0.891</td>
<td>0.911</td>
<td>0.95</td>
<td></td>
</tr>
<tr>
<td>Social value</td>
<td>0.922</td>
<td>0.952</td>
<td>0.855</td>
<td>0.927</td>
<td>0.984</td>
<td>0.971</td>
<td>0.92</td>
<td>0.971</td>
</tr>
</tbody>
</table>

### Table 2. Path analysis results.

<table>
<thead>
<tr>
<th>Hypotheses</th>
<th>Path from</th>
<th>Path to</th>
<th>Path coefficient</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Perceived sacrifices</td>
<td>Customer satisfaction</td>
<td>-0.17</td>
<td>Supported</td>
</tr>
<tr>
<td>2</td>
<td>Monetary value</td>
<td>Customer satisfaction</td>
<td>0.28</td>
<td>Supported</td>
</tr>
<tr>
<td>3</td>
<td>Convenience value</td>
<td>Customer satisfaction</td>
<td>0.25</td>
<td>Supported</td>
</tr>
<tr>
<td>4</td>
<td>Emotional value</td>
<td>Customer satisfaction</td>
<td>0.23</td>
<td>Supported</td>
</tr>
<tr>
<td>5</td>
<td>Social value</td>
<td>Customer satisfaction</td>
<td>0.2</td>
<td>Supported</td>
</tr>
<tr>
<td>6</td>
<td>Customer satisfaction</td>
<td>Trust</td>
<td>0.33</td>
<td>Supported</td>
</tr>
<tr>
<td>7</td>
<td>Trust</td>
<td>Repurchase intention</td>
<td>0.35</td>
<td>Supported</td>
</tr>
<tr>
<td>8</td>
<td>Customer satisfaction</td>
<td>Repurchase intention</td>
<td>0.29</td>
<td>Supported</td>
</tr>
</tbody>
</table>

Wang and Lo (2002). Items for perceived sacrifices (6 items) were adapted from Wang et al. (2004). Trust was measured through five items drawn from Morgan and Hunt (1994) and Lau and Lee (1999). Monetary value (2 items) was adapted from Chen and Dubinsky (2003), Dodds and Monroe (1991) and Sweeney and Soutar (2001). Convenience value was adapted from Anderson and Srinivasan (2003) and Mathwick et al. (2001). Finally, repurchase intention was measured via two items adapted from Lacey and Morgan (2009).

**Measurement model**

The composite reliability for internal consistency was first demonstrated. The values for all constructs were above 0.70, with a minimum of 0.915 (Appendix). In addition, the standardized factor loadings for all items were above the suggested cut-off of 0.60 (Hatcher, 1994) (with a minimum of 0.814), and all were significant with strong evidence of convergent validity. The average variance extracted (AVE) of each construct in the model was more than 0.50, which meets the criterion that a construct’s AVE should be at least higher than 50% (to guarantee that more valid variance is explained than error) (Fornell and Larcker, 1981). The constructs should also show high discriminant validity. According to Fornell and Larcker (1981), this can be demonstrated by the fact that the square root of AVE of each construct should be generally higher than the correlations between it and any other constructs in the model (Table 1). This demonstrated that the constructs are both conceptually and empirically distinct from each other.

**Structural model building: Hypotheses testing**

The hypothesized research model was tested using the structural model. The overall fit statistics suggest that the model has adequate model fit \(X^2= 423.92, \text{df} = 193, \chi^2/\text{df} = 2.21, \text{GFI} = 0.93, \text{AGFI} = 0.90, \text{CFI} = 0.91, \text{RMSEA} = 0.044\). The model fit indexes all exceed their respective common acceptance levels, indicating that the displayed fitted the data well.

The statistical significance of all the structural parameter estimates was examined to determine the validity of the hypothesized paths. Table 2 lists the structural parameter estimates and the hypothesis testing results.

**RESULTS**

The analytical results showed that perceived sacrifices negatively affects customer satisfaction \(\beta = -0.17, p <0.05\) thus, \(H_1\) is supported. From \(H_2\), monetary value shows a strong positive relationship with customer satisfaction \(\beta = 0.28, p <0.01\) thus, \(H_2\) is supported. Convenience value has a strong positive effect on customer satisfaction \(\beta = 0.25, p <0.01\) therefore, \(H_3\) was supported. From \(H_4\), emotional value shows a positive relationship with customer satisfaction \(\beta = 0.23, p <0.01\) thus, \(H_4\) is supported. Social value has a strong positive effect on customer satisfaction \(\beta = 0.20, p <0.05\) therefore, \(H_5\) was supported. The results also showed that customer satisfaction positively affects trust \(\beta = 0.33, p <0.05\) providing support for \(H_6\). From \(H_7\), trust shows a positive relationship with repurchase intention \(\beta = 0.35, p <0.01\) Thus, \(H_7\) is supported. Finally, customer satisfaction was found to significantly affect repurchase intention; therefore, \(H_8\) is supported \(\beta=0.29, p<0.01\). Figure 2 depicts the structural model.
DISCUSSION

Based on the model described in this study, all dimensions of perceived value were found to have a significant effect on customer satisfaction. For researchers, the present findings are a first step towards an in-depth understanding of the operationalisation and key dimensions of perceived value and their differentiated effects on customer satisfaction. It is true that superior perceived value is very important for the successful competition of firms in customer-centred era, which has been explored and examined conceptually and empirically by many studies. However, which dimensions or elements of perceived value most focus are unsolved questions that are in urgent need to be explored. Therefore, on the basis of the present findings, researchers will be able to explore other dimensions of perceived value and other factors that influence customer satisfaction.

Customers in Iran are becoming more mature and thus prefer functional value (monetary value and convenience value) rather than emotional value, social value, and perceived sacrifice when they make their behavioral decisions.

As expected, perceived sacrifice, as a key dimension of perceived value, did play a significant negative role in the customer satisfaction programs of firms. Although the effect of perceived sacrifice is relatively small in the current Iranian online market, the situation might be different in other markets. The current situation might not apply in future. Firms will thus have to be more careful about the changing role of perceived sacrifices in travel agents if they expect to compete successfully and achieve sustainable competitive advantages by creating and delivering superior perceived value in Iran’s market.

Monetary value refers to good value for money and an acceptable price level. In general online service users are price sensitive. Price may be one of the most relevant factors when customers assess the value of the online services. This is important information for service providers who are constantly confronted with public opinion that online services are generally highly priced. It is a matter of price perception compared to other alternatives and those customers who perceive the online services to be affordable and good value for money when they need the information may also be willing to pay for the service in the right context.

Convenience value is a major attractor of online technologies in general depicting the ease of getting the information compared to other alternatives, which was also supported in this study. In essence, the time saved and convenience gained by searching for online services can be very critical and valuable to the customer. Information can be gained easily and instantly in online context.

Emotional value had a strong influence on customer satisfaction followed closely by social value. Thus, building satisfied customer with communication that emphasizes the fun, emotional aspects of using a service in certain situations, helps customers to differentiate the service providers and remember how to order the services next time when the need arises. Emotional value relates to positive feelings and fun. However, in travel agent context emotions can also mean avoiding negative feelings and solving problem.

Social value has a significant effect on customer satisfaction. Recently, Nysveen et al. (2005) concluded that social aspects influence the intention to use services more significantly in experiential online services. Therefore, social value may be of more significant importance in online that emphasize social interaction within a group, especially in a business-to-customer context.

Perceived value does play an important role in affecting
the level of satisfaction customers satisfied, however, the quality in practice is of little use and its induced and future behavioral intentions of customers. If a product with high quality cannot make cost is wasteful. Travel agents’ managers could be able to device more effective marketing strategies to meet customers’ actual needs.

The issues allowing better understanding of customer’s value perception and the role of perceived value in the relationship between perceived value and satisfaction should be addressed and warrant future study. We believe this study extends the existing literature on the link of customer satisfaction-repurchase intention.

We investigated the theoretical linkage between customer satisfaction and repurchase intention with a representative database. Although recent research shows that online demographic characteristics play a significant role in revisit duration and thus an indicator of future earnings (Danaher et al., 2006), the current study reveals that consumers’ psychological variables enhance the relationship between customer satisfaction and repurchase intention.

This study extends current knowledge related to the interrelationship between satisfaction and trust in online repurchase environments. Business to customer marketing literature indicates that improving satisfaction between two parties might strengthen their partnership, increase competitiveness and information exchanges, and improve trust (Abdul-Muhmin, 2005; Geyskens et al., 1999). Our results thus indicate that trust in post-satisfaction situations can play a significant role in bridging a gap between consumer judgment and behavioral intention.

These results need to be interpreted within the limitations of the study since it is only recently that the understanding of the operationalization and key dimensions of perceived value and their impacts on customer satisfaction became the priority of both managers and researchers. A potential limitation of this study was the problem of common method variance, because all of the endogenous and exogenous variables were collected from the same respondents. Although this method of data collection is commonly used in most related studies, Harman’s (1967) one-factor test was used in this study.

Some studies have shown that marketing programs can have different effects on different customer behaviors. It would therefore be interesting to conduct further research to examine the differentiated effects of each dimension of perceived value on customer satisfaction. Furthermore, the relative importance of each dimension of perceived value might change over time, because customer satisfaction can also be affected by a firm’s capability to meet unknown and known customer demands and expectations, which implies that the continuously changing importance of each dimension of perceived value may be due to the fact that the improved customer satisfaction may also play a certain role in affecting the perception process of perceived value by customers. A longitudinal study to explore the dynamics of perceived value and its relationship with customer satisfaction would therefore be useful. Replicating and extending this study in other regions and countries and other products and services would test the generalisability of the present findings and would provide a basis for an external validation of the framework developed in this paper. Although the present measurement model shows good reliability and validity, there is still a long way to go in establishing well-developed scales of complex constructs such as perceived value and customer behavior. Furthermore, future research is needed to examine cross-cultural differences and cross-industry differences in the dimensions of perceived value and their effects on customer satisfaction so that scholars can more precisely understand the effects of culture and other specific factors on customer satisfaction and the relationship between each dimension of perceived value and customer satisfaction (Wang et al., 2004).

REFERENCES


## Appendix

<table>
<thead>
<tr>
<th>Constructs and items</th>
<th>Factor loadings</th>
<th>t-value</th>
<th>AVE</th>
<th>α</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Perceived sacrifices</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>The services of this site would be economical</td>
<td>0.821</td>
<td>50.22</td>
<td>0.812</td>
<td>0.962</td>
</tr>
<tr>
<td>The services of this site are reasonably priced</td>
<td>0.896</td>
<td>36.128</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The services of this site offer value for money based on previous experiences</td>
<td>0.973</td>
<td>63.039</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The services of this site are a good product for the price deducted by discounts</td>
<td>0.965</td>
<td>93.513</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The services of this site are value for money compared with that of major competitors</td>
<td>0.832</td>
<td>29.773</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The choice of transacting with this site are a right decision when price and other expenses are considered</td>
<td>0.871</td>
<td>43.357</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Emotional value</strong></td>
<td></td>
<td></td>
<td></td>
<td>0.893</td>
</tr>
<tr>
<td>The service of this site is the one that I would enjoy</td>
<td>0.842</td>
<td>87.112</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The service of this site make me want to purchase and use it</td>
<td>0.954</td>
<td>50.219</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The service of this site is the one that I would feel relaxed about using it</td>
<td>0.913</td>
<td>91.563</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The service of this site would make me feel good</td>
<td>0.829</td>
<td>31.829</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The service of this site would give me pleasure</td>
<td>0.964</td>
<td>58.441</td>
<td></td>
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</tr>
<tr>
<td><strong>Social value</strong></td>
<td></td>
<td></td>
<td>0.759</td>
<td>0.953</td>
</tr>
<tr>
<td>The service of this site would improve the way I am perceived</td>
<td>0.897</td>
<td>95.28</td>
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<tr>
<td>The services of this site would help me make a good impression on other people</td>
<td>0.851</td>
<td>74.966</td>
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</tr>
<tr>
<td>The services of this site would give its owners the social approval</td>
<td>0.973</td>
<td>48.211</td>
<td></td>
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</tr>
<tr>
<td><strong>Satisfaction</strong></td>
<td></td>
<td></td>
<td>0.871</td>
<td>0.93</td>
</tr>
<tr>
<td>How satisfied are you with your travel agency?</td>
<td>0.941</td>
<td>62.754</td>
<td></td>
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<tr>
<td>How well does your travel agency match your expectations?</td>
<td>0.854</td>
<td>39.492</td>
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<tr>
<td>Imagine a perfect travel agency. How close to this ideal is your travel agency?</td>
<td>0.917</td>
<td>98.185</td>
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</tr>
<tr>
<td><strong>Trust</strong></td>
<td></td>
<td></td>
<td>0.864</td>
<td>0.971</td>
</tr>
<tr>
<td>This site appears to be more trustworthy than other sites I have visite</td>
<td>0.962</td>
<td>76.25</td>
<td></td>
<td></td>
</tr>
<tr>
<td>The site represents a company or organization that will deliver on promises made</td>
<td>0.814</td>
<td>57.812</td>
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</tr>
<tr>
<td>My overall trust in this site is good</td>
<td>0.973</td>
<td>69.233</td>
<td></td>
<td></td>
</tr>
<tr>
<td>My overall believability of the information on this site is beneficial</td>
<td>0.955</td>
<td>90.324</td>
<td></td>
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</tr>
<tr>
<td>My overall confidence in the recommendations on this site is good</td>
<td>0.88</td>
<td>72.555</td>
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<tr>
<td><strong>Convenience value</strong></td>
<td></td>
<td></td>
<td>0.797</td>
<td>0.942</td>
</tr>
<tr>
<td>I value the ease of using this site</td>
<td>0.925</td>
<td>93.681</td>
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<tr>
<td>Using this site is an efficient way to manage my time</td>
<td>0.847</td>
<td>67.922</td>
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</tr>
<tr>
<td>I value the convenience of using this site</td>
<td>0.92</td>
<td>35.497</td>
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</tr>
<tr>
<td><strong>Monetary value</strong></td>
<td></td>
<td></td>
<td>0.844</td>
<td>0.915</td>
</tr>
<tr>
<td>The price of this site is acceptable</td>
<td>0.934</td>
<td>98.216</td>
<td></td>
<td></td>
</tr>
<tr>
<td>This site is good value for money</td>
<td>0.966</td>
<td>84.111</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Repurchase intentions</strong></td>
<td></td>
<td></td>
<td>0.926</td>
<td>0.984</td>
</tr>
<tr>
<td>I will definitely use this site in the near future</td>
<td>0.87</td>
<td>94.288</td>
<td></td>
<td></td>
</tr>
<tr>
<td>I strongly recommend that others use this site</td>
<td>0.933</td>
<td>83.85</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>