



Exploring the Factors Driving Brand Loyalty Among Millennial e-commerce Consumers in Chile's Fashion Industry

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Declaration

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Exploring the Factors Driving Brand Loyalty Among Millennial E-Commerce Consumers in Chile's Fashion Industry

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Abstract

The appearance of e-commerce on the global stage has had a profound effect on market functioning and consumer behaviour. In Chile, this phenomenon is particularly observable among millennial consumers, who constitute a considerable proportion of the online fashion market, according to Statista (2024). Therefore, this dissertation aims to examine the factors influencing brand loyalty among this specific consumer group in the context of the evolving digital landscape.

Existing literature on brand loyalty identifies several critical drivers in brand loyalty, the variables identified by Lau *et al.* (2006), Khraim (2011), Parmar (2014), Alhedhaif *et al.* (2016) and Yee & Mansori (2016) as influencing brand loyalty, include brand name and image, product quality, price, promotions, design features, customer satisfaction and store environment. According to the new trends, one new variable was added to the equation: sustainability. All of these are positioned in The customer journey and experience model by Lemon & Verhoef, 2016, Kuehnl *et al.*, 2019 and Massi *et al.*, 2023, to facilitate a deeper understanding of the current complex consumer journey and its role in fostering brand loyalty. However, as the focus is on the digital context, the store environment must be evaluated with variables that align with this context. According to Constantinides (2004), Dholakia *et al.* (2005), and Wolfinbarger and Gilly (2003), the variables that influence the e-store environment are website design and usability, website performance and reliability, website security and trustworthiness, website customer service and support, website content quality, and website convenience features.

This research project seeks to address the existing gap in understanding the distinctive dynamics of emerging markets, with a particular focus on the role of digital platforms in Chile. The rationale for this study is based on its potential to provide actionable insights for fashion e-commerce businesses operating in Chile. Giving them the possibility to develop strategies to enhance customer engagement and retention.

In order to provide a robust foundation for the research, a descriptive quantitative approach is employed, utilising surveys to collect data from millennial consumers in Santiago, Chile. The statistical software package SPSS is employed for the purpose of data analysis, with the objective of testing hypotheses and identifying significant relationships between the independent variables and brand loyalty. The findings indicate that brand name/image, customer satisfaction, and design features play a significant role in influencing brand loyalty. The online store environment was found to have an insignificant influence on brand loyalty. Nevertheless, the correlation between sustainability and ethical practices and brand loyalty was

found to be weak, indicating the necessity for further investigation. A closer examination revealed that the age groups with the weakest correlation with this variable were the youngest. Interestingly, the oldest age group of millennials demonstrated the strongest positive relationship between sustainability and brand loyalty, which challenges the findings of previous literature on the subject.

The importance of these findings lies in their contribution to both academia and practical applications. For businesses operating in the fashion e-commerce sector, the results offer significant insights into the key drivers of brand loyalty, which can be used to develop targeted strategies to build long-lasting relationships with their customers.

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Chapter One: Introduction

1.1 Context and Background of the study

To contextualise the situation, it must be noted that the Chilean e-commerce market has experienced rapid growth over the past years, driven by two major factors: increasing internet penetration, according to Statista (2024), which makes Chile one of the best-connected countries in Latin America, and a growing propensity among millennials to make purchases online. According to the Cámara de Comercio de Santiago (2020), online retail sales in Chile have increased significantly, with fashion being one of the leading categories.

The rapid growth of the e-commerce industry has had a significant impact on the fashion retail sector, especially in terms of market structure and consumer behaviour. The rise of online shopping platforms has given consumers a wider range of choices and easy access to them. In Chile, this market trend can be seen particularly among the millennial generation, who represent a vast portion of the market due to their strong skills in the digital domain and their notable purchasing power.

In light of this transition towards e-commerce, fashion brands are re-evaluating their marketing and customer engagement strategies with the aim of fostering brand loyalty in the digital domain.

Over time, brand loyalty has been a key area of focus for marketers, with extensive research conducted to identify the factors influencing it in offline commerce. Previous researchers have identified several factors influencing brand loyalty; however, these studies primarily focus on developed markets and not emerging markets such as Chile and the newly evolved concept of online commerce.

1.2 Statement of the Research Problem

There is currently a wealth of literature on brand loyalty but relatively little on the digital market. Furthermore, the existing literature is largely oriented towards developed markets. In light of the rapid evolution of consumer behaviour, it is essential to ensure that information on this topic is kept up to date. The present investigation aims to address this gap by identifying and analysing the core factors influencing brand loyalty.

1.3 Rationale of the Study

Given the existence of this new market structure, the aim of this study is to examine the factors that shape brand loyalty in this current context, a topic of great relevance and interest. In particular, the research seeks to understand the motivation behind a millennial's mind developing loyalty to their favourite online fashion store.

The rationale for this study is to provide actionable insights for fashion e-commerce businesses operating in Chile. By understanding what makes millennial consumers loyal to a brand, fashion e-commerce businesses can tailor their strategies to enhance customer engagement and retention, which is the basis of every business, according to the findings by Joelle (2016), who pointed out that it is more cost-effective to retain existing customers than to acquire new ones. The value of this study lies in its potential to deliver tangible insights that can be used to improve the performance of Chilean fashion businesses.

1.4 Research Objectives

The research has three main objectives:

- 1.4.1 To identify and analyse the factors influencing brand loyalty among millennials in Chile across the customer journey.
- 1.4.2 To analyse the influence of e-commerce factors on brand loyalty from the perspective of the e-store environment.
- 1.4.3 To explore the importance of sustainability in building brand loyalty.

1.5 Research Question

This dissertation will explore factors contributing to brand loyalty among millennial consumers in the fashion e-commerce sector in Chile. The question is as follows:

"What specific factors contribute to the development of brand loyalty among millennial e-commerce consumers in the fashion industry in Chile?"

1.6 Research Hypothesis

The study is based on one central hypothesis: to determine the influence of specific factors on brand loyalty. Thirteen hypotheses will be tested, each designed to measure the impact of an independent variable (Brand name and image, product quality, price, promotions, design, customer satisfaction, e-store environment and sustainability) on brand loyalty.

1.7 Scope of the Study

This study concerns the factors that influence brand loyalty among millennial consumers in Chile, with a particular focus on the fashion e-commerce sector. The study population comprises men and women between the ages of 28 and 43.

1.8 Research Design

The research is organised into seven principal chapters.

Chapter One: Introduction

This chapter provides a comprehensive introduction to the research, including a detailed account of the study's background, a clear statement of the research problem, a rationale for the study, a precise formulation of the research objectives, a research question, a research hypothesis, a definition of the study's scope, and a description of the research design.

Chapter 2: Literature Review

This chapter reviews the relevant academic literature on brand loyalty. It outlines the key theoretical frameworks, identifies gaps in the existing research, and discusses the applicability of these frameworks in the Chilean context.

Chapter 3: Research Question and Objectives

This chapter articulates the central research question and the specific objectives that inform the study.

Chapter 4: Research Methodology

This chapter describes the research methodology process in each of the stages according to Saunders' research onion, going from the chosen research philosophy to the data collection technique, sampling method employed and finalising with the limitations of the study and ethical considerations.

Chapter 5: Analysis and Findings

The data obtained through the research process is analysed in this chapter. It includes the findings, statistical analysis and hypothesis testing, providing an in-depth analysis of the main topic.

Chapter 6: Discussion

The implications of the findings are discussed in this chapter. It offers a critical evaluation of the study, identifying the contributions to the field and giving recommendations for future research.

Chapter 7: Conclusion

The final chapter provides a summary of the principal findings, conclusion, and recommendations for the research.

Chapter Two: Literature Review

This chapter examines the available literature related to brand loyalty as a concept, going deeper into some models and frameworks useful to study the different perspectives of this subject. Additionally, it explores the e-commerce fashion industry in Chile, millennials as consumers and their shopping behaviour, and other factors in the new context of online commerce that can determine brand loyalty in the fashion industry.

2.1 Overview of the fashion e-commerce industry in Chile

The revenue in the apparel industry in Chile reaches 7.6 billion dollars and is projected to grow annually by 3.32% (CAGR 2024-2028) (Statista, 2024). Even though it is not the largest market in the South American region, one of the biggest competitors, Falabella, comes from Chile.

The fashion industry has changed over the years, and there is currently a split in sales channels. Online sales have become an essential part of this industry; therefore, it is crucial to define the scope of the fashion e-commerce industry in Chile and what part is vital for this research. Statista (2024) has pointed out that the e-commerce fashion market is a sector of online retailing that focuses on selling clothing, shoes, and accessories through digital channels. This industry has experienced fast growth in recent years driven by the increasing use of mobile devices for online shopping and consumer expectations demanding faster and more reliable delivery.

As Arreaza (2022) indicated, in 2017, Chile had the highest internet penetration in Latin America. By 2019, e-commerce was already a solid platform growing fast compared with other countries in the region. According to Statista (2024), in 2019, the split between offline and online sales was 88.9% and 11.1%, respectively. By 2020, the pandemic was a catalyst, boosting online sales and changing the split with an online share rising to 18.5%, getting to the peak in 2021 with 19.4%

As stated by ECDB (2024), Chile is the 32nd most significant market for e-commerce, with a predicted revenue of US\$10,103.2 million by 2024, and it has contributed to a worldwide growth rate of 10.4%. The revenue compound annual growth rate expected is 8.6% for the 2024-2028 period. In the e-commerce realm, electronics are the most sold category with 26.1% of the total online sales, followed by fashion with 22.8% and in third place is hobby and leisure with 18.9%.

The most significant player in the Chilean e-commerce sector is Falabella.com, which had a revenue of US\$1,187.7 million in 2023. It is followed by Ripley.cl, Paris.cl, Lider. cl, and Easy.cl. These top five online stores accounted for 60% of the top online stores' net sales (Statista, 2021).

The situation for the forthcoming years is promising and equally challenging. New trends are coming, and according to Statista (2024), Chilean consumers are increasingly demanding sustainable and locally produced apparel, driven by a growing awareness of environmental and social responsibility.

2.2 Millennials in e-commerce

According to the Pew Research Center (2019), the millennial generation comprises people born between 1981 and 1996. Currently, they hold the title of the most powerful spending generation, with 1.8 billion millennials out there with an income of approximately 2.5 trillion dollars, and it is expected to exceed 4 trillion dollars by 2030 as noted by Khoros (2023).

In a recent publication, Wani (2021) posited that millennials are characterised as confident, fashion-conscious, fashion-oriented, socially connected and relate themselves to the fashion brands they wear.

Research by Ordun (2015) says changes in consumption expenditure can be better understood by taking a generation approach; therefore, understanding millennials' behaviour in the e-commerce environment is crucial to interpreting how they become loyal to a brand.

According to Melovic *et al.* (2021), e-business adoption caused changes in how consumers go through the decision-making process. The introduction of e-commerce has enabled consumers to compare products in an easier way than before, compare prices, gain more information, share their buying experiences and purchase in less time than the traditional way, only a few minutes, and they already have what they wanted. Also, they add that most of the online purchases are made by millennials because they are the first age group that has fully grown up with internet-based technologies. As Eastman *et al.* (2014) said, many studies suggest millennials have different values, characteristics, and behaviours than earlier generations.

2.3 Brand Loyalty as a concept

According to Jacoby (1975), brand loyalty is the term that explains the consumer tendency to be biased toward a brand, resulting in consistent purchase behaviour over time. Oliver (1997) defined brand loyalty as “a deeply held commitment to rebuy or re-patronise a preferred product or service consistently in the future, despite situational influences and marketing efforts having the potential to cause switching behaviour”.

Why do companies try to build brand loyalty among their consumers? Brand loyalty is the aim of every company because having a loyal customer base can help generate predictable sales and profit streams, and it is less costly to retain customers than attract new ones, as Aaker (1996) posited. According to a study by Joelle (2016), researchers and marketing practitioners agreed that retaining existing customers is more cost-effective than acquiring new ones. Furthermore, having a loyal customer base of only 5% can lead to a substantial increase in a firm's profit, approx. 94%. Therefore, retaining customers is crucial for long-term success and financial growth.

Literature about the topic strongly supports the idea that brand loyalty is a powerful force that significantly impacts a company's success and survival. When customers remain loyal to a brand, it leads to positive outcomes for the business.

Following this definition, companies must understand how to build brand loyalty among their consumers. There is extensive literature and theories about how to make it in offline commerce. However, the purpose of this research is to delve into the realm of online commerce and how brand loyalty works among these new consumers.

Over the decades, the concept of brand loyalty has evolved significantly, directly affecting consumer behaviour, market dynamics, and theoretical advancements. At its conception, brand loyalty was primarily understood through repetitive purchase behaviour, as Jacoby and Chestnut (1978) pointed out. They proposed to measure brand loyalty based on behavioural loyalty, emphasising repeat purchase behaviours as the primary indicator of loyalty. One of the limitations of this model is that it overlooks attitudinal and emotional aspects of loyalty.

Nevertheless, as marketing science progressed, many researchers integrated the importance of emotional and cognitive dimensions in defining the notion. As a result of evolution, many theories came later, giving the concept a much broader and more complex meaning, like the model raised by Chaudhuri and Holbrook in the 2000s, which highlighted the emotional side of brand loyalty, proposing a relationship between brand trust and brand affect, and their impact on brand loyalty and performance.

As time went by, the concept kept evolving, and almost 20 years later, “The Customer Journey and Experience Model” (Lemon & Verhoef, 2016; Kuehnl *et al.*, 2019; Massi *et al.*, 2023) was born in response to the new trends trying to explain brand loyalty as a much more holistic process. As Morales (2021) states, brand loyalty is a multifaceted concept. Therefore, a more sophisticated model is required to explain the concept. “The Customer Journey and Experience Model” is a more elaborated approach that emphasises customer-centric marketing and the customer's holistic experience across various touchpoints. It underscores the importance of creating a positive customer experience throughout the entire journey, from initial awareness to post-purchase interactions. This model represents the current understanding of loyalty as an ongoing relationship built through consistent and positive brand interactions. Ultimately, it provides a more holistic view than Jacoby and Chestnut's purely cognitive-behavioural approach. Also, it takes account of both emotional and practical dimensions, unlike Chaudhuri and Holbrook's model, which only emphasises emotional attachment and trust.

2.4 Jacoby and Chestnut's Brand Loyalty Model (1978)

Jacoby and Chestnut (1978) were the pioneers in the brand loyalty field, providing a framework to understand the concept. The authors defined brand loyalty as a “biased behavioural response expressed over time, by some decision-making unit, concerning one or more alternative brands out of a set of such brands, and as a function of psychological processes”. This groundbreaking definition highlighted the importance of 2 dimensions: behaviour and the underlying psychological commitment to the brand.

This model describes Brand loyalty as a multidimensional concept integrating three main elements: behavioural loyalty, attitudinal loyalty, and cognitive loyalty.

- 2.4.1 Behavioural Loyalty means the repeated purchase behaviour of consumers over time. It is one of the observable conducts that can indicate loyalty, but it is insufficient to describe true loyalty.
- 2.4.2 Attitudinal Loyalty is a consumer's positive emotional attachment and favourability towards a brand. This concept reflects psychological commitment and shows a preference for a brand over others.
- 2.4.3 Cognitive Loyalty refers to the consumer's belief that a certain brand is superior to others.

Brand loyalty emerges when these three dimensions are aligned, according to the findings of Jacoby and Chestnut (1978). If the consumer repeats several purchases, it is defined as behavioural loyalty, but this can't be called brand loyalty by itself; it must be accompanied by a positive feeling towards a brand (attitudinal loyalty) and a firm belief that the brand is superior to others (cognitive loyalty)

At the time, this multi-dimensional model provided a robust theoretical foundation for understanding the complexity of brand loyalty. One of its main strengths was acknowledging that while repetitive purchase behaviour is a tangible outcome of brand loyalty, it must be complemented by other factors.

The framework contributed with a comprehensive and holistic approach having a considerable impact on subsequent research and models in the field of brand loyalty, as evidenced by the contributions of Dick & Basu (1994) and Oliver (1999).

However, despite its pioneering nature, Jacoby and Chestnut's model presents several limitations, and it has been widely criticised for its lack of adaptability to the modern marketing environment, according to Latif *et al.* (2014). The complexity of an empirical measurement makes this model outdated to the current market landscape; there is a subjective nature in attitudinal loyalty that makes it difficult to quantify and compare across different consumer groups. While behavioural loyalty can be quantified by analysing observable purchase patterns, attitudinal and cognitive loyalty require utilising more sophisticated and often subjective assessment methods, which can be resource-intensive.

Constantinides (2006) said that the model fails to adapt to changing market dynamics and consumer behaviour nowadays. It is crucial to recognise that modern consumers are influenced by a broader range of factors, including social media, peer reviews, and rapidly evolving market trends, which the model fails to account for. As Aaker (1991) and Keller (2001) explained, focusing on individual psychological processes may overlook broader societal trends and influences shaping consumer behaviour.

Despite the limitations of this model, it remains a major contribution to the study of brand loyalty. Still offers valuable insights to guide research in the field.

2.5 The customer journey and experience model

The business landscape has evolved. Therefore, a more sophisticated tool is needed to understand how brand loyalty works. Nowadays, the customer experience is a wholesome of elements that the customer shares with the brand; this phenomenon has been denominated in the customer journey. According to Lemon and Verhoef (2016), the customer journey is the

process a customer goes through across all stages and touchpoints, culminating in their purchasing decision and post-purchase experiences with a product or service. The customer journey aims to understand and map out a customer's entire process, including their thoughts, emotions, and behaviours, to enhance their overall experience and build long-term loyalty.

The conceptualisation and development of the customer journey model have been significantly advanced by the contributions of several researchers. It is worth noting that Lemon and Verhoef (2016) provided a comprehensive framework for understanding customer experiences across all touchpoints. Furthermore, Kuehnl *et al.* (2019) provided a more detailed and refined model, focusing on effective customer journey design and its impact on brand loyalty. In a more recent study, Massi *et al.* (2023) conducted a systematic literature review exploring the relationship between the customer journey and brand loyalty. Their findings highlight the importance of effectively managing each customer journey stage to enhance customer satisfaction and loyalty. In the end, this new framework emphasises the importance of understanding and managing the entire customer journey to foster brand loyalty and represents the transition towards a customer-centric approach in marketing, where the objective is to create seamless and positive experiences across all points of contact between a brand and its customers.

The model considers all the interactions that the consumer has with the brand from the beginning to the end. Each of the contact points represents an opportunity to increase or improve customer satisfaction and loyalty towards the brand. The key components of the model are:

1. Touchpoint interaction: To ensure a positive and successful experience, every interaction point between the consumer and the brand must be thoughtfully managed.
2. Customer Feedback: Customer insights and feedback are a keystone in the brand strategy. By incorporating them, the brand continuously improves and is able to adapt itself to the ever-changing consumer needs.
3. Experience consistency: The experience must be uniform and constructive across all the channels and interactions.

The customer-centric approach is one of the main strengths of this model. By understanding the entire consumer journey, the brand is able to identify any potential pain points and address them to ensure each interaction contributes positively to the overall perception of the brand, as posited by Verhoef *et al.* (2015).

However, being able to ensure consistency at every touch point of the journey is a tough job due to the immense scale of the task. Being able to coordinate all these elements represents a big challenge, especially for large companies with multiple channels and customer segments. In addition, the model's excessive concentration in the journey may ignore other relevant factors influencing brand loyalty, such as brand identity, social influences, and the competitive dynamics of the market. As Aaker (1991) highlighted, brand equity and identity are critical components in the mission of building brand loyalty.

While the model can be criticised for failing to account for certain factors that may influence brand loyalty, significant progress has been made in the field compared to older models such as Jacoby and Chestnut.

2.6 Factors influencing Brand loyalty

The customer journey and experience model (Lemon & Verhoef, 2016; Kuehnl *et al.*, 2019; Massi *et al.*, 2023) proposed a modern and comprehensive approach that helps to understand what factors influence brand loyalty among consumers. There are three essential components in this journey:

1. Pre-purchase stage: This stage encompasses awareness, consideration, and decision-making processes.
2. Purchase stage: The actual buying process, including usability, transaction processes, and customer service.
3. Post-purchase stage: This phase includes post-purchase support, ongoing engagement, and loyalty programs.

The stages in question contain elements that are of significant importance in explaining and measuring brand loyalty. Lau *et al.* (2006), Khraim (2011), Parmar (2014), Alhedhaif *et al.* (2016), Yee & Mansori (2016) have discussed these elements and specified seven critical factors considered in the customer journey to build brand loyalty: Brand name and image, product quality, price, promotions, design, customer satisfaction and store environment.

The seven factors influencing brand loyalty intersect with various stages of the customer journey as outlined in the Customer Journey and Experience Model. Brand name and image primarily impact the pre-purchase stage by shaping consumer awareness and initial trust. Product quality affects both the purchase and post-purchase stages, driving satisfaction and repeat purchases. Price and promotions influence decision-making during the purchase stage, where competitive pricing and attractive deals encourage conversions. Design, encompassing both product and website aesthetics, plays a crucial role in the pre-purchase and purchase stages

by enhancing user experience and appeal. Store environment, redefined for e-commerce as the online store environment, alongside customer satisfaction, spans the entire journey by ensuring a seamless, secure, and supportive shopping experience, thereby fostering long-term loyalty.

The seven factors identified by the authors are described as follows:

2.6.1 Brand name and image

Aaker (1991) proposed the term brand equity, describing it as the set of assets related to a brand's name and symbol that can add value to a product or service. In his work, Aaker (1991) discusses how strong and recognisable brand names with positive brand images can contribute to building consumer trust and loyalty.

Kotler *et al.* (2019) discuss brand image, saying it influences customer perceptions and loyalty. He explained that a positive brand image strengthens customer satisfaction and loyalty by creating favourable associations and emotional connections.

Khraim (2011) mentioned that developing a high-impact brand name is essential because this name sets the basis for building the brand's image. The name is one of the elements which will attract customers to purchase the product and influence repeated purchasing behaviour.

Creating a strong name and a narrative that describes the brand and projects an image is a keystone for companies nowadays. The name will be the first contact with the customer, and first impressions are sometimes the only impression.

2.6.2 Product Quality

The International Organization for Standardization (2015) defines quality as “the degree to which a set of inherent characteristics of an object fulfils requirements”. When a product exceeds expectations and overfulfil the requirements, it leads to satisfaction and trust, which are fundamental to building brand loyalty.

A company that delivers consistent product quality can build trust and reliability. Morgan and Hunt (1994) emphasise that trust is a key to developing long-term customer relationships.

The quality of the product and the perceived quality from the customer are key components; quality enhances the perceived value of a product, enabling the company to build a relationship with the consumer. When customers perceive that they are getting high quality for their money, they feel they are making a smart investment, which helps to develop loyalty. As Dodds *et al.* (1991) pointed out, the concept of perceived quality has a significant impact on consumer decision-making and brand loyalty.

2.6.3 Price

Every marketer knows well that price is the variable that will construct how the brand is positioned in the market and how the product is seen by the customer, and it will also give profit to the company.

Price is one of the most important variables in the Marketing mix; according to Kotler *et al.* (2019), price has a massive impact on consumer behaviour and brand loyalty; he explained that price perception affects customer satisfaction and loyalty, whilst a fair perception of the price can enhance loyalty, an unfair perception of the price can be fatal for the relationship with the customer destroying any possibility of loyalty to the brand.

Price perception is everything; Monroe (2003) goes deeper into the topic, explaining concepts such as price sensitivity, reference prices and perceived fairness to all, which companies must pay attention to because they play a crucial role in determining consumer loyalty.

2.6.4 Promotions

The American Marketing Association (AMA) (2024) states that promotion is the communication link between sellers and buyers to influence, inform and persuade a potential buyer's decision.

Promotion is another key element from the marketing mix, another component that sets the basis for the product/brand. Kotler *et al.* (2019) defined promotion as the activities used to communicate the product's value and persuade the target market to buy it. He emphasised that the role of promotion is to inform, persuade and remind the consumers about the product. These described activities hugely influence the creation of brand awareness and also reinforce brand loyalty.

Keller (1998) examined how integrated marketing communications can enhance and foster brand loyalty and how the use of effective promotion can create strong brand associations and encourage repeat purchases.

Some research has gone beyond analysing every aspect of promotion and the relationship with brand equity. Buil *et al.* (2013) decomposed all the elements of promotion and described the impact on brand equity. Advertising can have a positive effect on brand equity, contributing to brand awareness and strengthening brand associations; the more creative and consistent the advertising for a brand is, the stronger its brand image. On the other hand, the effect of sales promotions can be more complex and sometimes not beneficial for the brand. Monetary

promotions like discounts can lead to a lower perception of quality, eroding the brand equity. In contrast, non-monetary promotions such as free samples can add value and enhance brand equity. Bearing that in mind, companies need to create a balanced approach that combines both advertising and appropriate sales promotions to build a sustainable source of brand equity.

2.6.5 Design

Lau *et al.* (2006) studied the design features of a product/brand as one of the critical factors influencing brand loyalty. The researchers indicated that attributes such as style, aesthetics, and functionality are essential to enhancing customer experience, leading to a higher level of customer satisfaction and, therefore, developing brand loyalty. Design influences both the initial purchase decision and repeat purchases.

Design is critical when companies build a brand and establish brand loyalty. Keller (1998) mentioned how product design and packaging influence brand perceptions and loyalty. He highlights the importance of cohesive and appealing design in building strong brand equity.

Alhedhaif *et al.* (2016) said that every product feature should meet the customer's expectations and performance requirements to satisfy them and build a long-lasting relationship of loyalty from the consumer towards the brand.

2.6.6 Customer satisfaction

Kotler *et al.* (2019) have defined customer satisfaction as “a person’s feeling of pleasure or disappointment resulting from comparing a product’s perceived performance (or outcome) in relation to his or her expectations.”

When the customer is satisfied, it means the product has met their expectations; therefore, they trust in the brand and are more likely to speak to others about how satisfying the experience with that brand is. When the experience doesn’t meet the expectations, the probability of engaging with the customer is reduced. There will not be any intention of repurchasing; hence, there will be no brand loyalty.

Oliver (1997) outlined the direct link between customer satisfaction and brand loyalty, saying that satisfied customers are likelier to exhibit repeat purchase behaviour and advocate for the brand.

2.6.7 Store environment

A well-designed, attractive and comforting store environment can enhance the shopping experience, encouraging customers to return and fostering loyalty to the brand.

Lovelock and Wirtz (2010) pointed out that there are many attributes of the store, such as store location, store layout and in-store stimuli, that can affect brand loyalty to a certain degree: the store location and the number of branches open influence consumer shopping and mostly the purchasing patterns. If the customers have a pleasant experience accessing the store and being there, it is more likely that they will come back and, in the end, become loyal consumers of the brand.

“A well-designed servicescape can enhance the effectiveness and efficiency of the service encounter, leading to higher levels of customer satisfaction and repeat patronage” (Bitner, 1992)

Nevertheless, the store environment as a factor influencing brand loyalty is outdated in the current times when online commerce has become more relevant. What would the new store environment be like in this new context?

According to Constantinides (2004), Dholakia *et al.* (2005) and Wolfinbarger and Gilly (2003), there are key factors in the online store environment that can significantly impact customer satisfaction and loyalty:

2.6.7.1 Website design and usability

This refers to the aesthetic appeal; the website must be visually appealing and have consistent branding, attractive visuals, and a clean and understandable layout. It must also be easy to navigate, with a user-friendly interface facilitating access to products and information. Well-organised menus can enhance the shopping experience.

2.6.7.2 Performance and reliability

The website must have a fast response, and fast loading times are critical to keeping customers engaged. Moreover, the online store must provide the customer with technical reliability to ensure a smooth shopping experience.

2.6.7.3 Security and trustworthiness

The financial data from the customers must be protected, and the brand must ensure the responsible management of their personal data. The website privacy policies and terms of service must be transparent and clearly explained.

2.6.7.4 Customer service and support

An online store with open and available customer service enhances the overall shopping experience. Being able and willing to help customers when they are facing a problem is vital to creating a more engaging and satisfying experience.

2.6.7.5 Content quality

It is important for businesses to have high-quality images and product descriptions that can help customers make well-informed decisions. Customer reviews can help enhance the experience for new customers, building trust in the brand's products.

2.6.7.6 Convenience features

Adding extra features such as an easy checkout or efficient delivery and return process gives more value to the customer, giving them the feeling that they are being taken care of and everything on the website is there to help them.

2.7 New factors influencing brand loyalty: Sustainability

The awareness of environmental and social issues has been increasing in the past years, and sustainability has become one of the main concerns for consumers nowadays. Consumers have become aware of environmental issues and how businesses are partly responsible for this, which has led to a significant increase in customer demands regarding this topic.

Henninger (2016) has defined sustainability as the current practices that meet the needs of the present without thinking how they will affect future generations. Currently, sustainability in the fashion industry includes activities such as ethical sourcing, eco-friendly production, reduction of the carbon footprint, use of recyclable materials, and promotion of labour practices. Consumers are demanding the execution of these activities along with clear communication from the brands they support.

Sustainability is present throughout the consumer journey at every stage: pre-purchase, purchase and post-purchase.

Literature on the topic has shown that consumers are more likely to trust and support brands with an authentic commitment to sustainability. Solomon and Rabolt (2009) found that 70% of consumers are willing to pay more for environmentally responsible brands, which highlights the importance of this factor in the initial stage of the customer journey.

Consumers are committed to the environment, constantly seeking products that align with their values. The millennial generation shows a strong preference for sustainable practices among their preferred fashion brands. According to McKinsey & Co. (2020), 75% of millennials consider sustainability a decision-making factor when purchasing clothing. They actively seek

out eco-friendly and ethically produced products, supporting companies aligning with this point of view, as Khoros (2023) stated.

Recent studies have shown that millennials see sustainability as a symbol of corporate responsibility, influencing their loyalty towards brands aligning with their values. The study run by Su *et al.* (2019) offers an empirical result of the positive and significant effects of young Millennials' apparel sustainability knowledge and personal values on consumer attitudes towards sustainable clothing; according to Su *et al.* (2019), sustainable clothing is considered an environmentally and socially responsible product because it prevents the misuse of natural resources and the indiscriminate use of toxic chemicals, which do not contribute in any way to the care of the planet.

Sustainability may be emerging as a new driver of brand loyalty, but it is not without its challenges and detractors. Numerous brands have misused the concept through the practice of "greenwashing." "This occurs when companies exaggerate their efforts to appear more sustainable than they actually are, thereby misleading consumers" (Delmas & Burbano, 2011). As Henninger *et al.* (2016) mentioned in their research, such practices can lead to scepticism and the erosion of trust. Furthermore, the high cost of sustainable practices can be a barrier for both brands and consumers.

2.8 Conclusion

This literature review has provided a comprehensive examination of the crucial elements in building brand loyalty in the fashion e-commerce sector among millennial consumers, specifically focusing on the Chilean market.

In order to provide a framework for the analysis, a review of two significant brand loyalty models was undertaken. The models reviewed include Jacoby and Chestnut's model (1978), which establishes the psychological foundations of brand loyalty and the more contemporary Customer Journey and Experience Model by Lemon, Kuehnl, and Massi.

The evolution of brand loyalty models demonstrates the necessity of adopting the Customer Journey and Experience Model to effectively comprehend and cultivate brand loyalty in the context of e-commerce. This model's comprehensive perspective on the customer journey is in accordance with the complex, multi-touchpoint interactions characteristic of millennial consumers in the digital age.

In order to translate this model into practical strategies for building brand loyalty, it was necessary to identify the key factors influencing consumer loyalty at each stage of the customer journey. These factors include brand name and image, product quality, price, promotions,

design, customer satisfaction, and store environment. It is noteworthy that the analysis of the store environment extends to the e-commerce context, incorporating critical variables such as website design and usability, performance and reliability, security and trustworthiness, customer service and support, content quality, and convenience features.

Additionally, the rising importance of sustainability among millennial consumers has led to the inclusion of this factor as an important driver of brand loyalty. This generation is placing greater importance on brands that demonstrate a commitment to environmental and social responsibility. Consequently, brands are obliged to understand the demands of their consumers and to adopt eco-friendly practices to build long-lasting and loyal relationships with their consumers.

Chapter 3: Research question and objectives

It is important that any academic inquiry is guided by a clear research question and well-defined objectives. As Saunders *et al.* (2019) pointed out, such guidance is essential to ensure that the research is conducted rigorously and systematically and meets the standards expected of academic research.

3.1 Research Question

The central research question for this dissertation is to explore the factors that contribute to brand loyalty among millennial consumers in the fashion e-commerce sector in Chile. The question posed is as follows:

“What specific factors contribute to the development of brand loyalty among millennial e-commerce consumers in the fashion industry in Chile?”

The power of this question is its ability to reveal new insights that can help fashion e-commerce businesses understand their consumers better, allowing them to develop effective strategies to foster brand loyalty.

By addressing this question, the research facilitates a more detailed understanding of the diverse factors influencing brand loyalty. This approach assists in the identification of specific areas where fashion e-commerce businesses can allocate their resources to enhance customer loyalty among millennial consumers in Chile.

3.2 Research Objectives

In light of the research question that has been posed, the following objectives have been formulated:

3.2.1 To identify and analyse what factors are influencing brand loyalty among millennials in Chile across the customer journey.

As exposed before, there are many approaches to measuring brand loyalty. These frameworks raise specific factors such as brand name and image, product quality, price, promotions, design features, customer satisfaction, and store environment. The primary research objective is to measure these factors in each stage of the customer journey and see if they are still shaping brand loyalty among consumers nowadays.

3.2.2 To analyse the influence of e-commerce factors on brand loyalty from the perspective of the e-store environment.

Traditionally, the store environment concept has been defined as the physical attributes and atmosphere of retail space; according to Turley and Milliman (2000), the store environment includes the physical characteristics that influence consumer behaviour, such as layout, lighting, and ambience. In the modern business landscape, a big part of fashion sales is through online commerce; this is why the “store environment” factor needs to be redefined with features that can accurately describe this new “e-store” environment. According to Turban *et al.* (2015), the e-store environment includes all the aspects related to an online retail website, from the technological infrastructure, the marketing strategies, and finally, the user experience design; all these factors combined aim to provide a smooth and engaging shopping experience.

As previously stated in the literature review chapter, Constantinides (2004), Dholakia *et al.* (2005) and Wolfinbarger and Gilly (2003) identified several key factors that define the e-store environment. These include website design and usability, performance and reliability, security and trustworthiness, customer service and support, content quality and lastly, convenience features.

3.2.3 To explore the importance of sustainability in building brand loyalty.

In response to the increasing consumer awareness and demand for ethical practices, this objective seeks to investigate the impact of sustainability on brand loyalty and to determine whether sustainability has become a new driver for brand loyalty.

Chapter 4: Research Methodology

The present research has been conducted with the aim to investigate the current factors shaping brand loyalty among fashion millennial e-commerce consumers in Chile, taking as a framework The customer journey and experience model (Lemon & Verhoef, 2016; Kuehnl *et al.*, 2019; Massi *et al.* 2023) based in the importance of understanding the entire customer journey, from pre-purchase to post-purchase stages integrating multiple touchpoints and experiences that influence customer satisfaction and loyalty, such as brand name and image, product quality, price, promotions, design, store environment and customer satisfaction.

As Saunders *et al.* (2019) pointed out, “A well-structured methodology provides a clear framework for data collection and analysis, ensuring the research objectives are effectively addressed.” To understand the methodology applied in this investigation, this chapter provides an overall and integrated overview of the research design, sampling methods, data collection instruments, and procedures for data analysis.

4.1 Philosophical Assumptions

4.1.2 Research Philosophy: Positivism

As Saunders (2019) points out, the research philosophy stands for the group of beliefs about the most appropriate methodology to gather and analyse data about a specific topic or phenomenon. It is made up of a set of assumptions that the researchers make. The assumption about the nature of reality which is also known as ontology, then the assumption about the nature of knowledge also called epistemology. It also includes the role of values in the research, which is known as axiology and finally, the methods chosen to be used in the research, which is the methodology.

As stated by Creswell (2007), these philosophical stances serve as the foundation for how researchers conceptualise their studies and approach their inquiries.

According to Saunders *et al.* (2019), there are four main research philosophies:

4.1.2.1 Positivism

This philosophical assumption is based on the idea that reality is objective and can be verified through empirical observation and measurement.

4.1.2.2 Realism

This assumption shares similarities with positivism, but it is not the same because it acknowledges that reality cannot always be observable and can also be influenced by social

constructs. Realism is divided into two types: direct realism, which says that the human sees an accurate reality representation and critical realism, which assumes that the observable world is influenced by other structures, as Bhaskar (1975) posited.

4.1.2.3 Interpretivism

Unlike positivism, this assumption states that reality is subjective and is constructed by social interactions. Interpretivism focuses on understanding the experiences of individuals commonly through the use of qualitative methods to gather the data, as Creswell (2007) pointed out.

4.1.2.4 Pragmatism

Proposes that the veracity of theories or beliefs is determined by their practical consequences and utility.

According to these definitions, this study is founded on a positivist philosophical approach. This approach is particularly well-suited to the research in question for the following reasons:

1. The study is focused on identifying and quantifying specific factors that influence brand loyalty, such as brand image and name, product quality, price, promotions, design, customer satisfaction and the e-store environment. Positivism provides a robust framework that is suitable for measuring these factors objectively through surveys and statistical analysis.
2. The positivist approach is based on the collection of empirical data, which aligns well with the objective of this research, which is to assess the impact of various factors on brand loyalty, as observed by Bryman (2016).
3. By employing this approach, the study aims not only to obtain results limited to the sample but also to a general population of millennials in Chile, as proposed by Collis and Hussey (2014).

In comparison to other philosophies, such as interpretivism, positivism is selected based on its emphasis on objective measurement and generalisability. While interpretivism concentrates on the comprehension of subjective experiences and social constructions, this study aims to identify generalisable patterns and relationships between quantifiable factors that influence brand loyalty. The objective is to develop strategies that can be implemented in practice based on empirical evidence. This is best achieved through the use of the positivist approach.

4.1.3 Research Approach: Deductive

A deductive approach implies the use of existing theories from which hypotheses are derived and subsequently tested through empirical data collection and analysis. In contrast, an inductive approach involves collecting data first and then developing a theory based on the analysis.

The present investigation is based on a framework called The customer journey and experience model, which is a synthesis of the work of several authors, including Lemon & Verhoef (2016), Kuehnl *et al.* (2019), and Massi *et al.* (2023). This implies a deductive research approach, as it commences with established theories and hypotheses derived from existing literature, which were then tested through empirical data collection and analysis. This deductive approach allows for a systematic examination of the relationships between pre-defined variables and brand loyalty, facilitating hypothesis testing and theory validation. The use of inductive research is not suitable in this case because the objective of the study is not the construction of theoretical frameworks based on observed data patterns; on the contrary, the study aims to test specific hypotheses regarding the factors influencing brand loyalty defined by already-existent frameworks.

4.2 Research Design

As Saunders *et al.* (2019) noted, the research design encompasses the overall strategy selected for the researcher to undertake the project and integrate all the elements of the study in a logical way in order to ensure the research problem is effectively addressed.

This research has the primary objective to examine what factors are shaping brand loyalty among millennials in the context of fashion e-commerce. By testing if these factors have any impact on the loyalty developed towards a brand, this study aims to provide insights that can help fashion e-commerce businesses to build long-lasting relationships with their customers.

4.2.1 Research Purpose: Descriptive

As stated by Saunders *et al.* (2019), the most frequently employed classification of research purpose in the literature on research methods is a threefold typology comprising descriptive, exploratory and explanatory research.

In the first place, descriptive research is a method of investigation that aims to describe the characteristics of a population or phenomenon. The process entails the gathering of quantitative data, which can be statistically analysed to provide a comprehensive and objective representation of the phenomenon under study in accordance with Kumar (2014).

On the other hand, exploratory research is used to investigate a problem that has not been clearly defined. Frequently encompasses the utilisation of qualitative data collection techniques such as interviews and focus groups as Saunders *et al.* (2019) stated. As outlined by Stebbins (2001), exploratory research is a valuable approach for generating insights and identifying variables that can be further studied.

And lastly, explanatory research is employed to establish cause-and-effect relationships between variables. According to Babbie (2020), the process entails the manipulation of one variable with the objective of identifying its impact on another variable, thereby establishing a causal link.

This study aims to quantify and describe the impact of various factors on brand loyalty within the context of the customer journey and experience model. Given the nature of the research topic, a descriptive research design is found to be the most suitable approach. Descriptive research is well-suited as it enables the systematic collection and analysis of quantitative data, thus facilitating a detailed understanding of the relationships between the independent variables (brand name and image, product quality, price, promotions, design, customer satisfaction and e-store environment) and the dependant variable (brand loyalty).

4.2.2 Research Strategy: Survey

A research strategy is defined by Saunders *et al.* (2019) as the overarching plan of action that a researcher will implement to address the research questions that they have formulated. This encompasses the specification of the sources from which the researcher intends to collect data. The strategies pointed out by the authors are experiment, survey, case study, action research, grounded theory, ethnography and archival research.

Given the descriptive and quantitative nature of this study, which aims to measure a range of factors influencing brand loyalty in the context of fashion e-commerce among millennial consumers, the most appropriate research strategy is deemed to be a survey. The survey strategy is particularly suited to this research for several reasons:

4.2.2.1 Scope and Scale

Surveys are an effective method for collecting data from a large number of respondents, which is essential for a study focused on a large population like millennial consumers. As Fowler (2014) pointed out, this enables the collection of data from a broad and representative sample, thereby enhancing the generalisability of the findings.

4.2.2.2 Quantitative Data

Given the quantitative nature of the research, surveys are an appropriate method for gathering numerical data that can be statistically analysed to determine the relationship between independent variables (such as brand name and image, price, promotions, etc.) and the dependent variable (brand loyalty).

4.2.2.3 Standardisation

As posited by De Vaus (2014), the utilisation of standardised questions in surveys guarantees the consistency and reliability of the data collected.

4.2.2.4 Efficiency

Surveys are an efficient method of data collection in terms of time and cost, particularly when administered online. As Wright (2005) observed, online surveys are cost-effective and efficient, particularly when targeting populations that are proficient in using the internet, such as millennials.

Other research strategies, including experiments, case studies, action research, grounded theory, ethnography, and archival research, were considered but were determined to be less suitable for this study.

4.2.3 Research Choices: Mono method quantitative

In the field of research methodology, the term "research choices" is used to describe the various decisions that a researcher makes regarding how they conduct their study. These decisions encompass the selection of research methods and strategies that optimally align with the research objectives. According to Saunders *et al.* (2019), there are three main types of research choices: mono-method, mixed-methods and multi-methods. These choices can have different approaches such as quantitative, qualitative or mixed.

4.2.3.1 Quantitative research design

This research design entails the collection and analysis of numerical data with the aim of identifying patterns, relationships or trends. It is commonly associated with a positive paradigm, a deductive approach, structured methods such as surveys or questionnaires, statistical analysis and lastly, the generalisation of the data, which allows the extrapolation of findings from a sample to a larger population.

4.2.3.2 Qualitative research design

This design type is focused on understanding a particular phenomenon from a subjective perspective, frequently involving the exploration of meanings, experiences and social contexts. The qualitative research design is mostly recognised for using interpretivism as a research philosophy, inductive research approach, unstructured methods such as interviews or focus groups, thematic analysis, which involves the identification of patterns in the data collected and a focus on depth over breadth, meaning that tries to understand the specific context or phenomena instead than seeking generalisability.

4.2.3.3 Mixed methods research design

A mixed methods research design is a methodology that employs both quantitative and qualitative approaches, thereby facilitating a more comprehensive understanding of the subject matter under investigation.

Regarding this dissertation, the Mono Method (Quantitative) has been selected. This approach is well aligned with the research's objectives due to several factors:

- 4.2.3.4 The mono method is simple and clear. A single method guarantees a straightforward and easily manageable research process, according to Bryman (2016).
- 4.2.3.5 According to Creswell (2014), quantitative methods are the most effective way of identifying patterns and relationships within data. Quantitative surveys are the ideal method for collecting numerical data that can be statistically analysed.
- 4.2.3.6 Data analysis is efficient when statistical software is used to analyse quantitative data collected through surveys. This enhances the reliability and validity of the results, providing a strong basis for making data-driven recommendations. As noted by Saunders *et al.* (2019), quantitative methods allow for “systematic and standardised data analysis”.

Why not consider the other alternatives? Although mixed methods offer a comprehensive approach, they also necessitate a greater investment of time and resources. Creswell and Plano Clark (2017) emphasise that mixed methods research is a more time-consuming and costly endeavour, and given the specific focus on quantifying factors affecting brand loyalty, a mixed methods approach would be unnecessarily complex for this study.

While the use of multiple quantitative methods may yield a more comprehensive dataset, it also increases the complexity of the research design and data analysis. In this case, a single, well-designed survey is sufficient to capture the necessary data, rendering the multi-method approach less practical and efficient.

4.2.4 Time Horizon: Cross-sectional

Determining the time horizon of the research is of vital importance. To decide whether it will be a specific period of time or whether a single point in time will be enough to gather the needed data. In research methodology, the term “time horizon-2 is employed to describe the temporal scope of the investigation. As mentioned by Saunders *et al.* (2019), there are two main ways of classifying time horizons: cross-sectional and longitudinal. The decision on the horizon

time is based on the research objectives and the type of data required to address the research question effectively.

For the purposes of this dissertation, a cross-sectional time horizon was employed. This is because this type of study involves the collection of the data at a single point in time, allowing the researcher to analyse a snapshot of the variables of interest.

This approach is particularly suitable for descriptive and analytical studies that seek to understand the current state of a phenomenon, as stated by Bryman & Bell (2015), which is the case of this study.

The decision was reached following a comprehensive evaluation of multiple factors:

- 4.2.4.1 This research aims to describe and analyse the factors that influence brand loyalty at a specific point in time. As Bryman and Bell (2015) posit, cross-sectional designs are optimal for studies aiming to document the present state of affairs.
- 4.2.4.2 Given the time and resource constraints typically associated with a master's dissertation, a cross-sectional study is a more feasible option.
- 4.2.4.3 The relevance of the findings to business decisions is a key consideration.

However, why not use a longitudinal approach? Because of the time restraints. A longitudinal approach means collecting data over an extended period of time, allowing the researchers to observe patterns and changes in the variables of interest. This can be useful for this study, but the time frame available for the completion of this master's dissertation makes it impossible to use.

4.3 Data Collection

The data collection section is a fundamental piece of the research methodology for any investigation. This section aims to describe the procedures and techniques employed to gather the necessary data for addressing the research question and objectives. According to Saunders *et al.*, the data collection section serves as a guide to the data collection process, ensuring the reliability and validity of the information, which contributes to the overall research credibility. For the present dissertation, a descriptive quantitative approach is employed with structured surveys as the main data collection method. The questionnaire is composed of 18 close-ended questions, which are answered using a Likert scale. The survey is designed to assess several factors identified in the literature review that influence brand loyalty, including brand name and image, product quality, price, promotions, design, customer satisfaction, and the online store environment.

One of the main reasons for selecting this approach is the flexibility, scalability, and capacity of the survey to provide comparable information, as posited by Sekaran and Bougie (2016).

Another important reason for choosing this method is the survey's capability to reach a wide audience, as Fowler (2014) stated. This provides a diverse and representative sample that allows the findings to be extrapolated to a broader population.

Alternative methods, such as interviews, are unsuitable for this study due to its quantitative nature. Furthermore, the use of such methods would limit the generalisability of the findings to the millennial population.

4.3.1 Survey Design

The survey, available in Appendix A, is aimed at the Chilean millennial population, which refers to men and women of Chilean nationality born between 1981 and 1996. Currently, the age range is between 28 and 43 years old.

The survey was created with Google Forms and sent to the participants via e-mail.

The questionnaire had three sections, each one aimed to gather data related to the research question. The first section is focused on collecting demographic information, including age, gender and purchasing behaviour. The second section seeks to capture information related to the dependent variable, brand loyalty, and last; the third section aims to gather data related to each of the independent variables identified in the literature review that influence brand loyalty across the customer journey. These include brand name and image, product quality, price, promotions, design, customer satisfaction, and the store environment. Given the great growth of online commerce, the variables to measure it are different from traditional commerce. As they were defined in the literature review by the findings of Constantinides (2004), Dholakia *et al.* (2005), and Wolfinbarger and Gilly (2003), the e-store environment is measured by website design and usability, website performance and reliability, website security and trustworthiness, website customer service and support, website content quality, and website convenience features.

Each question is designed with a Likert scale ranging from 1 (Strongly Disagree) to 5 (Strongly Agree), allowing for the quantitative analysis of the data collected.

4.4 Sampling

This research aims to study a particular part of the population called millennials. Therefore, the sampling frame for this research consisted of 250 people who were born between 1981 and

1996 and who attended Mater Purissima school in Santiago, Chile. The questionnaire was distributed via e-mail, and the response rate was 62.8% of the total sampling frame.

The millennial generation represents the largest of all generations in Chile, as stated by Montes (2018). The most recent census reported a population of 5,363,386 individuals belonging to this age range. Moreover, they represent the most powerful consumer group, and they are highly engaged with fashion brands.

The sampling frame for this study was derived from a database of individuals with whom the researcher had attended Mater Purissima School. This convenience sampling method was used due to the accessibility and availability of contact information, which made the collection of the data more efficient and effective.

In accordance with the aforementioned target population, the sampling technique employed was the simple random sampling method. This is a probability sampling method whereby each member of the population has an equal chance of being selected. Based on the work of Creswell (2014), this technique ensures that the sample is representative of the population, thereby reducing sampling bias and facilitating the generalisation of results.

In terms of the sample size, according to Cochran (1977), a sample of approximately 385 respondents is recommended to ensure strong results based on a 95% confidence level and a 5% margin of error. However, a sample size of 150-200 respondents provides meaningful insights. Having in mind the restraints and limitations, the researcher targeted 250 contacts to ensure enough respondents. Overall, 62.8% of the target population engaged with the process, resulting in 157 effective responses.

4.5 Data Analysis

This research seeks to test certain hypotheses related to several variables influencing brand loyalty. The hypotheses to be tested explore the impact of the independent variables, which include brand name/image, product quality, price, promotions, design features, customer satisfaction, e-store environment and sustainability, on the dependent variable of brand loyalty. Given the quantitative nature of the research, the data analysis was conducted using SPSS (Statistical Package for the Social Sciences).

Several analyses were made to study the relationship between the variables. Firstly, The Pearson coefficient was employed to assess the strength and direction of the relationship, allowing the researcher to identify which of the independent variables are significantly correlated with brand loyalty. Then, a regression analysis was employed to examine the

relationship and deeply understand how they work together, with the aim of offering valuable insights for the investigation.

4.6 Limitations

In any research study, it is important to recognise the limitations of the study in order to gain an accurate understanding of the scope and applicability of the findings. While every effort has been made to ensure the robustness and reliability of this research, it is necessary to acknowledge the existence of several limitations:

4.6.1 Sample size and demographics

As the focus of this study is on millennial consumers in Chile, it is important to note that the findings may not be generalisable to other age groups or geographical locations.

It is also noteworthy that the sample frame originates from a school in the capital city of Chile. This introduces a potential limitation in the generalisability of the results to other cities in the country.

4.6.2 Non-response

It is possible that non-respondents may possess different characteristics in comparison to respondents, which could result in non-response bias and the potential for distortion of the results.

4.6.3 Time and cost

The constraints of time and budget can limit the depth and breadth of research. The time available for the collection and analysis of data restricts the sample size and the comprehensiveness of the analysis.

4.6.4 Research instrument

The utilisation of a survey as the principal research instrument inevitably entails certain constraints. The quality of the data collected is contingent upon the clarity and scope of the questions posed. The potential for misinterpretations or ambiguities in survey questions to result in inaccurate responses and thus impact the reliability and validity of the data is a concern.

4.7 Ethical Considerations

Each participant considered for the investigation received an e-mail invitation to join the study, which clearly stated that participation was entirely voluntary and that participants could withdraw at any time without consequences.

To protect the respondent's privacy, all participant's information is kept confidential and securely stored in accordance with the ethical standards of the research process to protect the rights and well-being of the participants.

4.8 Conclusion

This chapter provided a comprehensive account of the research methodology employed in this study, with particular emphasis on the philosophical assumptions, research design, and data collection techniques. The study's foundation in a positivist philosophy enabled an objective analysis of the factors influencing brand loyalty among millennial e-commerce consumers in Chile, utilising the customer journey and experience model. A deductive approach was employed, using existing theories to formulate hypotheses that were then tested through empirical data collection.

A descriptive quantitative research design was selected to allow for the systematic measurement and analysis of variables, including brand name, product quality, price, promotions, design, e-store environment, customer satisfaction and sustainability. A structured survey was the principal instrument employed for the collection of primary data, with the target population comprising Chilean millennials. The mono-method approach was selected for its simplicity and clarity, ensuring efficient and focused data collection and analysis. The cross-sectional time horizon enabled the researcher to gain a snapshot of current consumer behaviours and preferences.

The data analysis was conducted using the statistical software package SPSS. Despite the limitations of the sample size and potential non-response bias, the methodology employed ensured a rigorous and reliable investigation, offering valuable insights for enhancing brand loyalty strategies in the fashion e-commerce sector.

Chapter 5: Analysis and Findings

5.1 Introduction

The present chapter provides the analysis and presentation of the research's findings.

Several hypotheses were tested with the data collected through the surveys, and interesting outcomes were revealed.

First, 3 out of the 13 tested variables were found to have a positive and significant relationship with the dependent variable, brand loyalty. Brand name/image was one of them, confirming the findings from the literature review, which pointed out that brand name/image is a strong

factor influencing loyalty. This means that building a consistent brand image is vital to shaping brand loyalty, as evidenced by Aaker (1996). Furthermore, the study revealed a significant and positive relationship between product design features and brand loyalty, which aligns with the findings by Lau *et al.* (2006), who suggested that visually appealing and functional design features could contribute to enhancing consumer satisfaction and loyalty towards the brand. Lastly, customer satisfaction and brand loyalty were found to have a positive and strong relationship, which is consistent with the findings by Oliver (1997) and Yee & Mansori (2016), who said that high levels of customer satisfaction lead to repeated purchases and increased loyalty.

These findings highlight the importance of maintaining a strong brand image, focusing on product design, and ensuring high customer satisfaction in order to foster loyalty among consumers.

5.2 Descriptive Statistics

This section presents the demographic profile of the respondents and the distributions of the answers obtained through the survey.

As mentioned in the research methodology section, the data were collected using a structured questionnaire, and the subsequent analysis was carried out using the statistical software SPSS.

5.2.1 Age Distribution

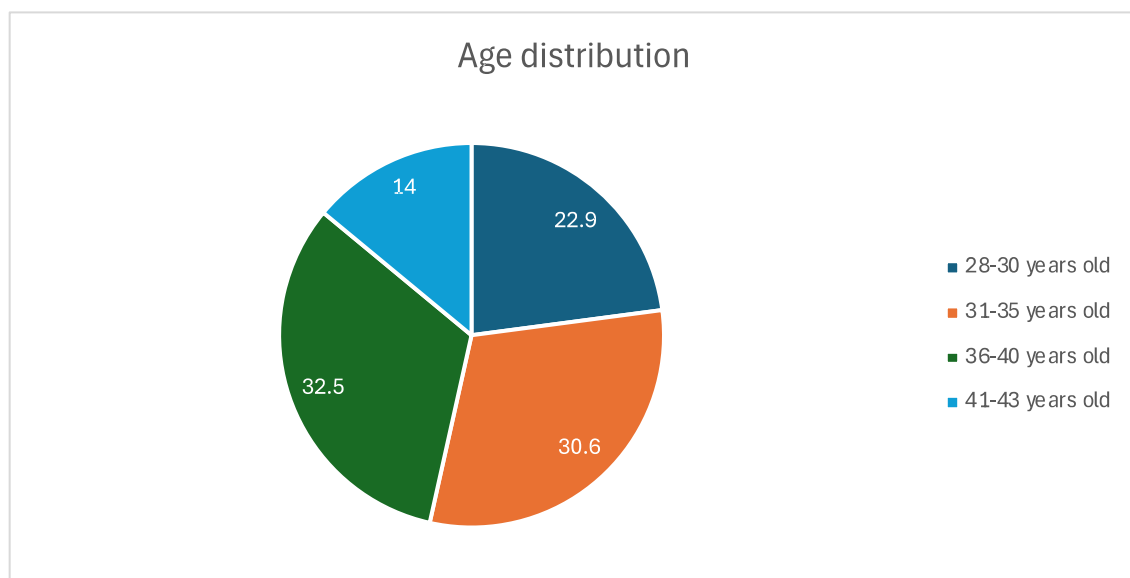


Table 1: Frequency distribution of age

Age Ranges				
Age Ranges	Frequency	Percent	Valid Percent	Cumulative Percent
28-30 years old	36	22.9	22.9	22.9
31-35 years old	48	30.6	30.6	53.5
36-40 years old	51	32.5	32.5	86
41-43 years old	22	14	14	100
Total	157	100	100	

Most respondents (32.5%) are within the 36-40 age range, with a relatively close second place being the 31-35 age group (30.6%). This suggests that members of the older millennial generation are highly engaged with online fashion retail. This may be because of the access to a higher disposable income and more established purchasing habits, which are different for younger age groups. Notably, they pertain to the senior range but are not the oldest. The oldest group, between the ages of 41 and 43, exhibits the lowest level of responsiveness (14%). This observation is consistent with the hypothesis that this age range is the least likely to engage in online purchases as opposed to the younger generation, who did not grow up as digital natives. The younger group, composed of individuals from 28 to 30 years old, represents a significant portion of the market, with 22.9% of respondents. While this is slightly lower than the older groups, it is still a substantial portion of the market. This age group is more experimental and influenced by trends and social media, which impacts their online shopping behaviour.

5.2.2 Gender Distribution

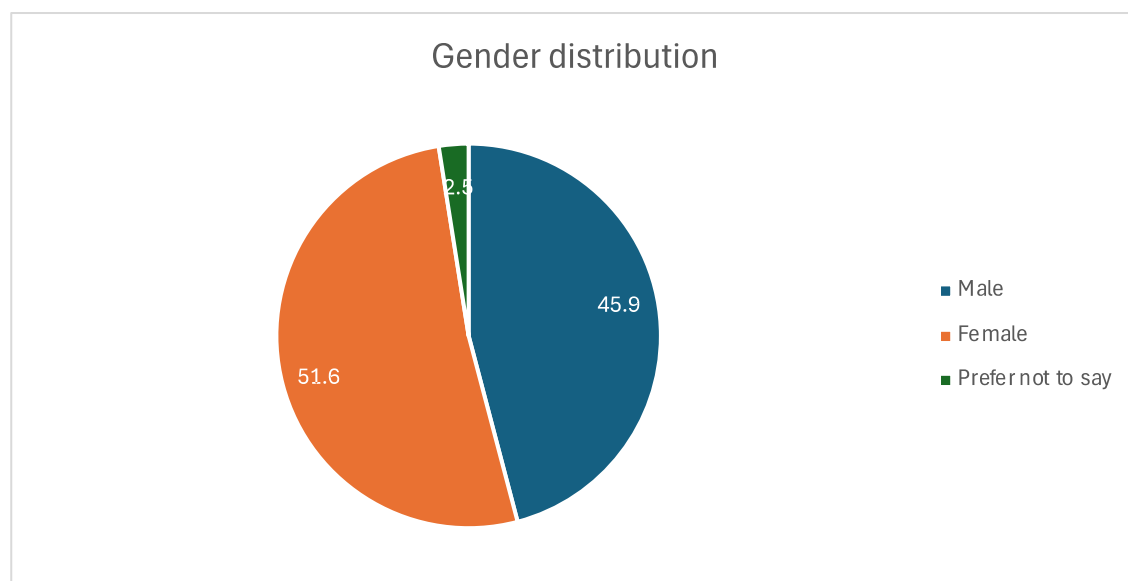
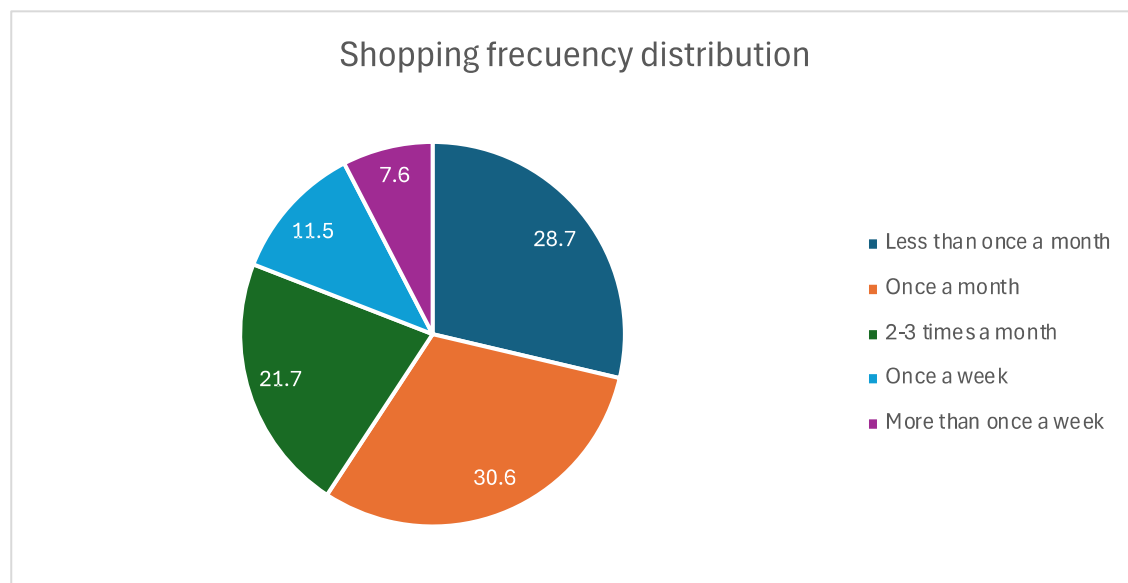


Table 2: Frequency distribution of gender

Gender				
	Frequency	Percent	Valid Percent	Cumulative Percent
Male	72	45.9	45.9	45.9
Female	81	51.6	51.6	97.5
Prefer not to say	4	2.5	2.5	100
Total	157	100	100	

The gender distribution is more balanced. Women are slightly ahead, representing 51.6% of the respondents and men 45.9%. This may prove the general trend observed in the fashion industry, which posits women as more frequent shoppers than men, spending more on fashion products. A small percentage of the sample (2.5%) preferred not to say anything about their genders, which may imply a recognition of inclusivity and diversity in the sample.

5.2.3 Frequency of online fashion shopping distribution

**Table 3: Frequency distribution of shopping frequency**

Shopping frequency				
Frequency	Frequency	Percent	Valid Percent	Cumulative Percent
Less than once a month	45	28.7	28.7	28.7
Once a month	48	30.6	30.6	59.2
2-3 times a month	34	21.7	21.7	80.9
Once a week	18	11.5	11.5	92.4
More than once a week	12	7.6	7.6	100
Total	157	100	100	

The shopping frequency provides insight into the periodicity with which millennial consumers make purchases related to fashion items online. “Once a month” was the most preferred option among respondents, with 30.6% indicating an online fashion purchase every month, which can be classified as regular but not excessive frequency.

This answer was followed by 28.7% of respondents declaring a frequency of “less than once a month,” which may be considered the occasional shoppers group.

Furthermore, 21.7% of respondents declared a frequency of 2 to 3 times per month, which can be considered a more regular engagement due to the higher purchase frequency.

Additionally, a smaller segment, representing 11.5% of the sample, pointed out that they used to shop online at least once a week. This was followed by an even smaller group, representing 7.6% of the respondents who declared to make online fashion purchases more than once a week. These consumers are essential for companies looking for sales volume and brand loyalty.

To conclude, data shows that 70% of respondents shop online at least once a month, which indicates a solid overall engagement with fashion e-commerce.

5.3 Reliability Analysis

A reliability analysis is a crucial step in guaranteeing that the scales employed in the survey are consistent and dependable.

This section aims to determine the survey's internal consistency by calculating Cronbach's alpha.

According to Tavakol & Dennick (2011), a Cronbach's alpha value above 0.7 is usually interpreted as a good result, indicating that the variables effectively measure the phenomenon in a reliable way.

Table 4: Reliability analysis

Reliability Statistics	
Cronbach's Alpha	N of Items
0.906	13

The value for Cronbach's alpha is 0.906, which shows an outstanding level of consistency in the data collected. Hence, this value indicates that the items on the scale strongly correlated with each other, giving a high degree of reliability.

5.4 Hypotheses Testing

Hypothesis 1

H1: There is a significant and positive relationship between brand name/image and brand loyalty.

H0: There is no significant and positive relationship between brand name/image and brand loyalty.

Table 1: Regression analysis results for H1

Independent variable	Coefficient (B)	Standardized Coefficient (Beta)	t-value	p-value	Pearson coefficient
Brand name/image	0.333097	0.325725	3.991726	0.000104	0.360780

The multiple regression analysis results indicated that the brand name/image coefficient was 0.33, with a standardised coefficient (Beta) of 0.32. The t-value was 3.99, and the p-value was 0.000104.

As the p-value is less than 0.05, it can be concluded that H1 is supported, and the null hypothesis is rejected. This result proves that there is a significant and positive effect of brand name/image on the dependent variable of brand loyalty. This means that the more positive the perception of a brand name/image is, the more loyalty towards the brand. Furthermore, the positive Pearson coefficient strengthens this conclusion, validating the correlation between both variables.

This finding is consistent with the findings of Aaker (1996), who emphasised the strategic importance of a strong brand image in fostering customer loyalty. Furthermore, Chaudhuri and Holbrook (2001) emphasised that a coherent brand image facilitates the formation of emotional connections with consumers, leading to consistent purchase behaviours. Therefore, it is of primary importance to maintain a positive brand name and image in order to develop long-term customer loyalty, as proposed by Jacoby (1975) and Oliver (1997).

Hypothesis 2

H2: There is a significant and positive relationship between product quality and brand loyalty.

H0: There is no significant and positive relationship between product quality and brand loyalty.

Table 2: Regression analysis results for H2

Independent variable	Coefficient (B)	Standardized Coefficient (Beta)	t-value	p-value	Pearson coefficient
Product quality	-0.265361	-0.241628	-2.263408	0.025116	0.086109

The regression analysis revealed that the product quality coefficient was -0.26, with a standardised coefficient (beta) of -0.24. The t-value was -2.26, and the p-value was 0.025. As the p-value is less than 0.05, hypothesis H2 is supported, and there is a significant relationship between brand loyalty and product quality. However, the negative coefficient may suggest an inverse relationship, which means that as the perceived product quality increases, brand loyalty towards the brand decreases.

The low positive Pearson coefficient indicates that the linear relationship between product quality and brand loyalty is, in general terms, weak. Which may be influenced by other variables

The findings in this case are opposite to what has been discussed in the literature review chapter. It is contradictory to Dodds *et al.* (1991) statement about how perceived product quality has a huge and positive impact on brand loyalty. Or the findings of Morgan and Hunt (1994), who claimed that product quality is key to building long-term relationships with consumers.

Hypothesis 3

H3: There is a significant and positive relationship between price and brand loyalty.

H0: There is no significant and positive relationship between price and brand loyalty.

Table 3: Regression analysis results for H3

Independent variable	Coefficient (B)	Standardized Coefficient (Beta)	t-value	p-value	Pearson coefficient
Price	-0.109774	-0.101615	-1.028198	0.305593	0.051886

The regression analysis results indicated that the coefficient for price was -0.109, with a standardised coefficient (beta) of -0.101. The t-value was -1.028, and the p-value was 0.305. As the p-value is greater than 0.05, hypothesis H3 is not supported. The Pearson coefficient further indicates a weak correlation between price and loyalty, concluding that price has no significant effect on brand loyalty.

These results are in opposition to Monroe's (2003) statement, which pointed out that price is one of the most important factors when it comes to building brand loyalty.

Hypothesis 4

H4: There is a significant and positive relationship between promotions and brand loyalty.

H0: There is no significant and positive relationship between promotions and brand loyalty.

Table 4: Regression analysis results for H4

Independent variable	Coefficient (B)	Standardized Coefficient (Beta)	t-value	p-value	Pearson coefficient
Promotions	0.051437	0.046783	0.503531	0.615366	0.137700

The coefficient for promotions is 0.051, with a standardised coefficient (beta) of 0.046. The t-value is 0.503, and the p-value is 0.615. As the p-value is greater than 0.05 and the Pearson coefficient shows a weak correlation, H4 is not supported and thereby rejected, demonstrating that promotions don't have any impact on brand loyalty, contrary to what was said by Keller (1998) and Buil *et al.* (2013) whose findings support the hypothesis stating that promotions are a key factor shaping brand loyalty.

Hypothesis 5

H5: There is a significant and positive relationship between the design features of the product and brand loyalty.

H0: There is no significant and positive relationship between the design features of the product and brand loyalty.

Table 5: Regression analysis results for H5

Independent variable	Coefficient (B)	Standardized Coefficient (Beta)	t-value	p-value	Pearson coefficient
Design features	0.235699	0.206577	2.092498	0.038161	0.309727

The coefficient for Design Features is 0.235, with a standardised coefficient (Beta) of 0.206. The t-value is 2.092, and the p-value is 0.0381. As the p-value is less than 0.05, hypothesis H5 is supported. The positive Pearson coefficient corroborates the existence of a moderate correlation between design features and loyalty.

This outcome demonstrates that the product's design features are an important factor in building brand loyalty. It corroborates the hypothesis stated by Lau *et al.* (2006), who pointed

out that aesthetically pleasing and functional product designs are significant determinants of brand loyalty. It also confirms what Khraim (2011) claimed about design features playing a pivotal role in attracting and retaining customers.

Hypothesis 6

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

H0: There is no significant and positive relationship between customer satisfaction and brand loyalty.

Table 6: Regression analysis results for H6

Independent variable	Coefficient (B)	Standardized Coefficient (Beta)	t-value	p-value	Pearson coefficient
Customer satisfaction	0.299555	0.252042	2.147468	0.033442	0.248872

The coefficient (B) for the dependent variable is 0.299, with a standardised coefficient (beta) of 0.252. The t-value is 2.147, and the p-value is 0.033. According to the statistical criteria, the main hypothesis should be supported if the p-value is less than 0.05. In this case, the p-value is less than 0.05, leading to support H6 and reject H0. This result shows that there is a significant and positive effect on the dependent variable, brand loyalty. This means that an increase in customer satisfaction leads to an increase in loyalty towards the brand.

As posited by Oliver (1997) and Yee & Mansori (2016), elevated customer satisfaction levels tend to result in enhanced customer loyalty and increased propensity to repurchase. It is imperative to guarantee excellent service and product quality in order to maintain customer satisfaction and loyalty, as previously indicated by Chaudhuri and Holbrook (2001).

Hypothesis 7 to 12

The hypotheses tested in this section are all the variables related to the e-store environment.

H7: There is a significant and positive relationship between website design and usability/website performance and reliability/website security and trustworthiness/website customer service and support/website content quality/website convenience features, and brand loyalty.

H0: There is no significant and positive relationship between website design and usability/website performance and reliability/website security and trustworthiness/website

customer service and support/website content quality/website convenience features, and brand loyalty.

Table 7: Regression analysis results for H7 to H12

Independent variable	Coefficient (B)	Standardized Coefficient (Beta)	t-value	p-value	Pearson coefficient
Website design and usability	-0.193422	-0.173622	-1.530932	0.127996	0.128518
Website performance and reliability	0.054019	0.049672	0.435996	0.663497	0.227956
Website security and trustworthiness	-0.103401	-0.094536	-0.856848	0.392962	0.159930
Website customer service and support	0.042762	0.038773	0.375387	0.707929	0.227885
Website content quality	0.087219	0.073272	0.727164	0.468314	0.221178
Website convenience features	0.015614	0.014119	0.135328	0.892542	0.195437

These hypotheses examine the relationship between the e-store environment and brand loyalty. Six hypotheses were tested, and none of them revealed a significant relationship with brand loyalty, which is not in accordance with the findings by Constantinides (2004), Dholakia *et al.* (2005), and Wolfinbarger and Gilly (2003), who established several factors that can define loyalty towards a brand in the digital era.

The analysis of these hypotheses may suggest that further research is required to determine how online commerce works and what the consumers take into account to be loyal to a brand.

Hypothesis 13

H13: There is a significant and positive relationship between sustainability and ethical practices, and brand loyalty.

H0: There is no significant and positive relationship between sustainability ethical practices and brand loyalty.

Table 13: Regression analysis results for H13

Independent variable	Coefficient (B)	Standardized Coefficient (Beta)	t-value	p-value	Pearson coefficient
Sustainability and ethical practices	0.139761	0.129662	1.529859	0.128261	0.281094

The coefficient for sustainability and ethical practices is 0.139, with a standardised coefficient (Beta) of 0.129. The t-value is 1.529859, and the p-value is 0.128. Since the p-value is greater than 0.05, H13 is not supported. This indicates that sustainability and ethical practices have no significant effect on brand loyalty.

It is noteworthy that this outcome is not aligned with the findings of the literature review, which indicated that younger generations demonstrate higher levels of awareness regarding sustainability. To validate the aforementioned variable, an analysis by age range was conducted to determine its relevance for each of the specified groups. It is somewhat unexpected that for the younger age range, the p-value is more than 0.05, indicating that for this group, the variable is not statistically significant. However, the 41-43 age group is the only one that demonstrates a strong and positive correlation between brand loyalty and sustainability, which is contrary to the findings of the existing literature.

Table 14: Regression analysis sustainability by age

Sustainability by age					
Age range	Coefficient (B)	Standardized Coefficient (Beta)	t-value	p-value	Pearson coefficient
28-30	0.166	0.163	0.961	0.343	0.163
31-35	0.300	0.270	1.904	0.063	0.270
36-40	0.319	0.303	2.225	0.031	0.303
41-43	0.770	0.593	3.291	0.004	0.593

5.5 Conclusion

The study employed regression analysis to test thirteen hypotheses, with the objective of determining the impact of various factors on brand loyalty. Furthermore, Pearson correlation coefficients were calculated to provide additional insight into the strength and direction of the relationships between the variables. The results are presented in summary below:

1. The findings indicate that brand name/image is a crucial determinant of brand loyalty. Both the regression analysis and the Pearson correlation coefficient suggest a strong and positive relationship between the variables. This highlights the significance of allocating resources towards brand-building initiatives and upholding a coherent brand image to foster long-term customer loyalty, as proposed by Aaker (1996). A coherent brand image facilitates the formation of emotional connections with consumers, which in turn engenders consistent purchase behaviours, according to the findings of Jacoby (1975) and Oliver (1997).
2. The relationship between Design Features and brand loyalty was found to be significant and positive. This finding suggests that products with an aesthetically pleasing and well-designed appearance are likely to attract and retain loyal customers. This highlights the necessity for fashion e-commerce businesses to prioritise product design as a pivotal element of their competitive strategy, in alignment with the conclusions of Lau *et al.* (2006) and Khraim (2011).
3. Additionally, customer satisfaction was identified as a significant predictor of brand loyalty. The positive relationship between customer satisfaction and brand loyalty emphasises the significance of delivering high-quality customer experiences. It can be reasonably deduced that ensuring customer satisfaction by providing excellent service and product quality may increase brand loyalty and the likelihood of repeat purchases, as postulated by Oliver (1997) and Yee & Mansori (2016).
4. It is noteworthy that the study indicated an inverse relationship between product quality and brand loyalty, with a negative regression coefficient but a small positive Pearson coefficient (0.086). This unexpected finding suggests that there is no straightforward relationship between perceived product quality and brand loyalty. It may be that higher perceived quality does not always result in greater loyalty, potentially due to unmet

expectations or other contextual factors. This finding contrasts with that of previous research, such as that of Parmar (2014), which generally supports a positive correlation. However, further investigation is required to elucidate the underlying causes of this inverse relationship.

5. Other factors, such as price, promotions, and various aspects of the e-store environment (website design and usability, performance and reliability, security and trustworthiness, customer service and support, content quality and convenience features) did not exhibit a notable correlation with the dependent variable brand loyalty. This indicates that these factors may not exert a considerable influence in the context of the fashion e-commerce environment. The findings of previous studies conducted by Alhedhaif *et al.* (2016) indicate a lack of consistency in the impact of these factors on loyalty.
 6. Moreover, the investigation revealed that sustainability and ethical practices did not have a notable impact on brand loyalty. Which opposes the findings reported by Statista (2024) stating that Chilean consumers are demanding more sustainable products due to an increasing awareness of environmental and social responsibility.
- Furhermore, a split analysis by age reveals that only the older age group (41-43) exhibits a significant and positive correlation, which is contrary to the findings of the literature review that suggest younger generations are more conscious about sustainability and ethical practices according to the findings of Su *et al.* (2019).

Considering the aforementioned findings, it can be concluded that brand name/image, design features, and customer satisfaction are the key determinants of brand loyalty among Chilean millennial consumers in the context of fashion e-commerce. These findings emphasise the significance of cultivating a robust brand image, prioritising product design, and guaranteeing superior customer satisfaction to cultivate brand loyalty.

Chapter 6: Discussion

6.1 Interpretation of the results

The data analysis identified several significant patterns regarding the factors influencing brand loyalty in the context of Chilean fashion e-commerce. The results indicated a strong positive correlation between brand loyalty and several independent variables, most notably brand name/image, product quality, design features, and customer satisfaction. These findings

indicate that these factors are critical in influencing the loyalty of millennial consumers towards fashion e-commerce brands.

The positive relationship between brand name/image and brand loyalty aligns with the findings of Aaker (1991) and Keller (1998), which underscore the significance of brand equity in fostering brand loyalty. The strong correlation between customer satisfaction and brand loyalty supports the views expressed by Oliver (1997) and Yee & Mansori (2016), which emphasise the importance of achieving high levels of customer satisfaction to retain customers. The significant positive relationship between design features and brand loyalty is consistent with Lau *et al.* (2006) and Khraim's (2011) findings. This suggests that aesthetically pleasing and functional designs are crucial for attracting and retaining customers.

In contrast with the hypotheses formulated a priori, product quality was found to be inversely correlated with brand loyalty, thus diverging from the results obtained by Morgan and Hunt (1994). This indicates that higher perceived product quality may be eclipsed by other considerations, such as price or brand image, among Chilean millennials. Similarly, the non-significant relationship between price and brand loyalty diverges from the findings of Monroe (2003), indicating that other factors may be more critical in this context. The absence of a statistically significant correlation between promotional activities and brand loyalty challenges the findings of Keller (1998), indicating that implementing frequent promotions may not necessarily lead to enhanced brand loyalty.

The study also examined the relationship between website design and usability, performance and reliability, security and trustworthiness, customer service and support, content quality, and convenience features with brand loyalty. These factors collectively represented the online store environment. Contrary to the findings of Constantinides (2004) and Wolfinbarger and Gilly (2003), who emphasised the importance of a positive online shopping experience in building customer loyalty, they were found to have an insignificant influence on brand loyalty.

Surprisingly, there was only a weak correlation between sustainability and ethical practices and brand loyalty. Despite the growing consumer awareness and demand for sustainable practices, the data indicated that while sustainability is a significant factor, it is not yet the primary driver of brand loyalty among Chilean millennials in the fashion e-commerce sector. This may be attributed to several factors, including the relatively high cost of sustainable fashion and potential scepticism towards greenwashing, as pointed out by Henninger *et al.* (2016) and Delmas & Burbano (2011).

6.2 Implications of the study

The study's findings are broadly consistent with those of previous research in the field of brand loyalty. They confirm the significant influence of brand name/image, product design, and customer satisfaction on brand loyalty. These findings reinforce the notion that these factors remain central to the development of brand loyalty, even in the context of evolving e-commerce.

The insignificant effect of price and promotions on brand loyalty underscores a distinctive feature of the Chilean millennial market. Although price and promotions are frequently identified as critical factors in consumer studies, this finding suggests that other elements, such as brand perception and product quality, may have a more pronounced influence in this particular demographic and geographic context. This divergence indicates a potential area for further research. It highlights the necessity for fashion e-commerce brands to prioritise enhancing brand image, design features and customer service rather than competing on price alone.

This research provides empirical evidence specific to the fashion e-commerce sector in Chile, thus contributing to the broader discussion on brand loyalty. It demonstrates that brand loyalty drivers remain relevant, indicating that sustainability factors are emerging. The findings offer actionable insights for fashion e-commerce businesses to enhance customer loyalty among millennial consumers.

6.3 Limitations of the study

One of the main limitations of this study is the size of the sample, which is relatively small and focused specifically on a demographic area that may not fully represent the millennial population in Chile and may affect the generalizability of the results.

Another limitation is related to the collection data method; while surveys are efficient, they may not be effective in capturing in-depth consumer attitudes and behaviours, which may compromise the results obtained.

Furthermore, the fast-evolving digital era may represent a limitation itself because the findings are based on current consumer behaviour and preferences which may evolve in a short period of time due to the fast-paced advancements in the field. In the future, a longitudinal study should be able to track changes over time and gain a more accurate understanding.

6.4 Recommendations for future studies

For future research, it would be recommended to include a broader and more diverse sample to ensure representation. Findings that can be generalisable to the entire Chilean millennial population. It is important to have in mind including participants from other regions besides Santiago and make sure to get respondents from different socio-economic backgrounds to have a more comprehensive understanding of the factors driving brand loyalty in fashion e-commerce.

Moreover, it may be a good option to combine quantitative surveys with qualitative interviews to get deeper insights into consumer attitudes and behaviours.

A further recommendation would be to consider a longitudinal study to observe changes, patterns, and trends in consumer behaviour over time, which can provide more valuable insight into how brand loyalty works and evolves.

And finally, study more deeply the unexpected findings, such as price and promotion not having any influence on brand loyalty, which is opposite to the findings in the literature review. Additionally, the inverse relationship between product quality and brand loyalty suggests that something more can be explored and deducted from that surprising outcome.

Chapter 7: Conclusion

The present dissertation was undertaken with the aim of exploring what factors influence brand loyalty among the millennial generation in the Chilean fashion e-commerce market. To get a more comprehensive view of the problem, The customer journey and experience model by Lemon, Kuehn, and Mass was employed as a theoretical framework in which several factors, identified by Lau *et al.* (2006), Khraim (2011), Alhedhaif *et al.* (2016), Yee & Mansori (2016) and Parmar (2014), influences brand loyalty.

The research was carried out with a descriptive quantitative approach, using surveys as a data collection method and then analysing the gathered data with the statistical software package SPSS. Using a correlation analysis, 13 hypotheses were tested to determine the impact of each of these independent variables (Brand name and image, product quality, price, promotions, design, customer satisfaction, website design and usability, website performance and reliability, website security and trustworthiness, website customer service and support, website content quality, website convenience features and sustainability) in the dependent variable brand loyalty.

The analysis validated 3 of the 13 hypotheses tested. Brand name/image, customer satisfaction and product design features showed a strong and significant relationship with brand loyalty, validating the findings from the literature review.

On the other hand, there was an unexpected result showing that product quality has a significant relation with brand loyalty but an inverse one, that means, the more product quality the less brand loyalty which is opposite to the findings from the literature review mentioned by Dodds *et al.* (1991) and of Morgan and Hunt (1994).

Another interesting finding was the relationship between price and promotions and brand loyalty, which resulted in no significance at all, contrary to the literature findings that indicate that these factors have been primary drivers of loyalty over the years.

Additionally, the study revealed that the online store environment, encompassing website design and usability, performance and reliability, security and trustworthiness, customer service and support, content quality, and convenience features, did not have any significant impact on brand loyalty, which suggests further research in the topic to determine what are the factors that shape brand loyalty in the digital context.

Finally, sustainability happened to be not relevant to building brand loyalty, which was unexpected due to the growing consumer awareness mentioned in the findings of the literature review, which suggested that millennial consumers were considering this variable as an important one when making purchase decisions.

The findings revealed in this study have provided

Finally, the relatively weaker correlation between sustainability and ethical practices and brand loyalty was unexpected despite the growing consumer awareness of sustainability. These findings are in discord with the current trends of growing online commerce and increasing ethical awareness among consumers, which suggest further investigation of these topics to gain a deeper understanding of their role in the context of millennial consumers.

Concerning the methodology, it is worth noting that the study had methodological limitations, such as the selected demographic sample and the self-reported data, which might weaken the generalizability of the findings. To gain a better insight into consumer behaviour in fashion e-commerce companies, future research should include a more diverse sample and apply mixed methods. Therefore, following changes over time can be advisable by using longitudinal studies. Despite these challenges, the present document offers significant insights for fashion e-commerce businesses to develop strategies that can enhance brand loyalty and build long-term customer relationships.

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Appendix

Appendix A: Survey

Online Fashion E-commerce Brand Loyalty Survey

Thank you for participating in this survey on brand loyalty in fashion e-commerce. The purpose of this study is to explore the factors that influence brand loyalty among millennial consumers in the Chilean online fashion industry. Your insights will help the researcher understand how various elements impact your loyalty to online fashion stores.

Your participation in this survey is completely voluntary, and you may withdraw at any time without any consequences. All responses will be kept confidential and anonymous. The data collected will be used solely for academic research purposes and will not be shared with any third parties. No personally identifiable information will be collected or stored.

Your time and valuable input are highly appreciated. Thank you for contributing to this important research.

Please mark the box that most closely corresponds to the information provided below.

1. Age

- a) 28-30
- b) 31-35
- c) 36-40
- d) 41-43

2. Gender

- a) Male
- b) Female
- c) I prefer not to say

3. Frequency of online fashion shopping

- a) Less than once a month
- b) Once a month
- c) 2-3 times a month
- d) Once a week
- e) More than once a week

4. How likely are you to recommend your favourite online fashion store to a friend or family member?

- a) 1 (Not at all likely)
- b) 2 (Slightly likely)

- c) 3 (Neutral)
- d) 4 (Likely)
- e) 5 (Extremely likely)

5. How loyal are you to your favourite online fashion store?

- a) 1 (Not loyal at all)
- b) 2 (Slightly loyal)
- c) 3 (Neutral)
- d) 4 (Loyal)
- e) 5 (Extremely loyal)

6. The brand name/image of my favourite online fashion store influences my loyalty to it.

- a) 1 (Strongly Disagree)
- b) 2 (Disagree)
- c) 3 (Neutral)
- d) 4 (Agree)
- e) 5 (Strongly Agree)

7. The quality of products from my favourite online fashion store influences my loyalty to it.

- a) 1 (Strongly Disagree)
- b) 2 (Disagree)
- c) 3 (Neutral)
- d) 4 (Agree)
- e) 5 (Strongly Agree)

8. The price of products of my favourite online fashion store influences my loyalty to it.

- a) 1 (Strongly Disagree)
- b) 2 (Disagree)
- c) 3 (Neutral)
- d) 4 (Agree)
- e) 5 (Strongly Agree)

9. Promotions and discounts of my favourite online fashion store influence my loyalty to it.

- a) 1 (Strongly Disagree)
- b) 2 (Disagree)
- c) 3 (Neutral)
- d) 4 (Agree)
- e) 5 (Strongly Agree)

10. The design features of the products of my favourite online fashion store influence my loyalty to it.

- a) 1 (Strongly Disagree)
- b) 2 (Disagree)
- c) 3 (Neutral)
- d) 4 (Agree)
- e) 5 (Strongly Agree)

11. My overall customer satisfaction with my favourite online fashion store influences my loyalty to it.

- a) 1 (Strongly Disagree)
- b) 2 (Disagree)
- c) 3 (Neutral)
- d) 4 (Agree)
- e) 5 (Strongly Agree)

12. The website design and usability of my favourite online fashion store influence my loyalty to it.

- a) 1 (Strongly Disagree)
- b) 2 (Disagree)
- c) 3 (Neutral)
- d) 4 (Agree)
- e) 5 (Strongly Agree)

13. The website performance and reliability of my favourite online fashion store influence my loyalty to it.

- a) 1 (Strongly Disagree)
- b) 2 (Disagree)
- c) 3 (Neutral)
- d) 4 (Agree)
- e) 5 (Strongly Agree)

14. The website security and trustworthiness of my favourite online fashion store influence my loyalty to it.

- a) 1 (Strongly Disagree)
- b) 2 (Disagree)
- c) 3 (Neutral)
- d) 4 (Agree)
- e) 5 (Strongly Agree)

15. The website quality of customer service and support of my favourite online fashion store influences my loyalty to it.

- a) 1 (Strongly Disagree)
- b) 2 (Disagree)

- c) 3 (Neutral)
- d) 4 (Agree)
- e) 5 (Strongly Agree)

16. The website quality of content (e.g., product descriptions and images) of my favourite online fashion store influences my loyalty to it.

- a) 1 (Strongly Disagree)
- b) 2 (Disagree)
- c) 3 (Neutral)
- d) 4 (Agree)
- e) 5 (Strongly Agree)

17. The website's convenience features (e.g. fast checkout) of my favourite online fashion store influence my loyalty to it.

- a) 1 (Strongly Disagree)
- b) 2 (Disagree)
- c) 3 (Neutral)
- d) 4 (Agree)
- e) 5 (Strongly Agree)

18. The sustainability and ethical practices of my favourite online fashion store influence my loyalty to it.

- a) 1 (Strongly Disagree)
- b) 2 (Disagree)
- c) 3 (Neutral)
- d) 4 (Agree)
- e) 5 (Strongly Agree)

Thanks for helping with this research!