

A STUDY ON THE FACTORS INFLUENCING E-LOYALTY – A CONCEPTUAL STUDY

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Abstract *Economic, business and a numerous technological advancements have altered the life style in many ways and one among them is conversion from brick and mortar stores to online shopping platforms for their needs and requirements. This shift in the process has instigated the need for research on understanding the factors that influence and build E-Loyalty among consumers of online shopping platforms. Although, there are a numerous factors contributing to E-Loyalty, factors such as E-Service Quality, E-Trust and E-Satisfaction play a major role. This research paper aims to study the factors in detail and understand the relationship between them.*

Keywords *E-Commerce, E-Loyalty, E-Service Quality, E-Satisfaction, E-Trust, E-Tailing*

INTRODUCTION

In the digital era, marketing trends continue to develop along with the development of increasingly sophisticated technology with the presence of the internet world. Digital marketing is present as an innovation in the world of marketing. E-Commerce has seen a tremendous growth in recent times with the onset of the pandemic and E-Tailers have seen a fierce competition among them to retain the existing customers and grow the customer base. In order for them to stay top most in their services, they have to offer best E-Service Quality to the consumers. Zeithaml et al. (2002) has proposed the Service Quality delivery through websites on five main dimensions: information availability and content, ease of use, privacy/security, graphic style, and fulfilment/reliability. Customer Satisfaction is an essential part of customer shopping experience and Hsin Chang and Wang (2011) have characterised it as overall positive or negative emotion of shopping experience. Saleem et al. (2017) has empirically tested and determined that trust plays an important role in driving repurchase intention and repeat purchases for all services.

RESEARCH OBJECTIVES

- To explore and identify the factors that influence E-Loyalty.
- To develop a conceptual framework of the factors identified for further study.

REVIEW OF LITERATURE

The dictionary defines ‘loyalty’ as a “strong feeling of support or allegiance”, and for online businesses, customer loyalty is as critical to long-term success as any business variable. From the largest multinational company to a one-person business, it’s long been a given that ‘repeat customers’ are what defines the difference between successful and unsuccessful enterprises. However, in the era of online business—where customers can disappear at the click of a button—the critical importance of customer loyalty and online customer retention has never been more prominent.

E-Loyalty

Developing and maintaining Customer Loyalty in the online context is of paramount importance for online service providers, since the creation of a loyal customer base strongly affects online business performance Reichheld et al. (2000). Often referred to as ‘customer retention’, the ability of an ecommerce company to not only attract—but retain—its customer base requires a complex and challenging series of actions.

Anderson and Srinivasan (2003) have defined E-Loyalty as “the customer’s favourable attitude toward an electronic business, resulting in repeat purchasing behaviour”. Based on this definition, Customer Loyalty is a multidimensional

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construct where attitudinal and behavioural aspects are identified as the two alternate forms of Customer Loyalty. Online shopper's loyalty deals with customer's real repurchase behaviour and it is defined as the favourable attitude of a customer towards an electronic business resulting in repeat purchase behaviour.

E-Loyalty not only focuses on price but also on the repetitive behaviour of visits and/or the purchase of online products/services, by accessing a company's website as the first choice among other alternatives, supported by favourable beliefs and positive emotions toward the online company, despite situational influences and marketing efforts that lead to transfer behaviour (Cronin et al., 2000).

There are a number of factors influencing E-Loyalty of customers as they are quick to shift with a click of a button if they are not satisfied with the services provided by the online shopping platform. Among the factors influencing the study variables, E-Service Quality, E-Satisfaction and E-Trust have been identified as the more prominent influencing factors.

E-Satisfaction

E-Satisfaction is a critical component in determining the success of online shopping, especially in B2C market. The examination of consumer satisfaction in an online context follows the growing consensus that in Internet retailing, as in traditional retailing, consumer satisfaction is not only a critical performance outcome, but also a primary predictor of customer loyalty and thus, the Internet retailer's endurance and success.

Satisfaction, according to Oliver (1997) is the "consumer's fulfilment response." Further, according to Oliver (1997), "a fulfilment, and hence a satisfaction judgment, involves a minimum of two stimuli—an outcome and a comparison referent."

Nisar and Prabhakar (2017) has stated that the relationship between customer satisfaction and consumer spending is positive, where higher E-Satisfaction results in more spending in E-Commerce.

E-Service Quality

Reynolds (2000) has stated the definition of E-Service as web-based service or interactive services that are delivered on the Internet. Parasuraman, Zeithaml and Malhotra (2005) have defined E Service Quality in the e-tailing context as the extent to which a website facilitates efficient and effective shopping, purchasing, and delivery of product and services.

Paulo, Oliveira, and Farisa (2019) analytical research showed that three dimensions of E-Service quality, namely website design, security/privacy and fulfilment affect

overall E-Service quality. However customer service is not significantly related to overall E-Service quality.

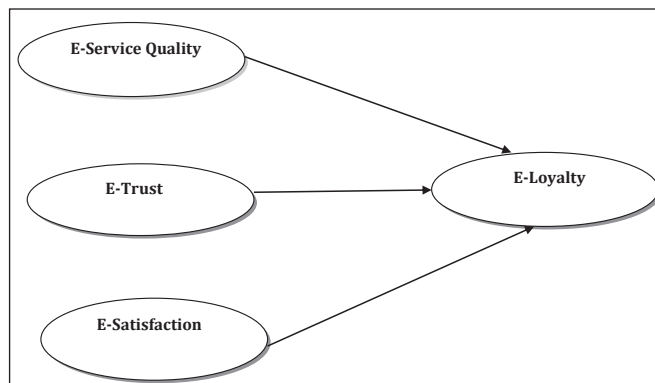


Fig. 1

E-Trust

McKnight and Chervany (2001), Garbarino and Johnson (1999) define trust as "customer confidence in the quality and reliability of the service offered". E-Trust has also been defined as: "willingness to rely on an exchange partner in whom one has confidence" by Moorman, Deshpande and Zaltman (1993).

Consumer behaviour in terms of higher satisfaction, trust and commitment was documented to have significantly positive impact on loyalty of young online shoppers Pratminingsih et al. (2013).

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Wu et al. (2018) has stated that online customers tend to rely more on recommendations and word of mouth promotions from experienced customers to trust beforehand making any purchase because online services are more intangible and harder to evaluate unlike offline customers in physical stores.

RESEARCH GAP

Nisar and Prabhakar (2017) have emphasised that there is a direct relationship among E-Service Quality, E-Satisfaction and E-Loyalty in terms of online spending by consumers. However, the analysis shows that E-Commerce still faces challenges compared with traditional offline retailers since customers cannot feel and try the products, and may end up choosing the products that they do not want.

An empirical study carried out on Gen Z consumers to study the factors impacting the E-Loyalty has shown a positive relationship between CRM strategies in terms of website design, and service quality with E-Loyalty (Lopez et al., 2018). Even the pricing component and brand image built through digital marketing showed a positive impact on their E-Loyalty.

Gupta et al. (2019) have analysed the role played by Customer Relationship Management strategies and Digital Marketing and confirmed that these factors have a positive impact on E-Loyalty.

Ayuni (2019) have elucidated in their study that that E-Service Quality and online customer value affects E-Satisfaction and E-Loyalty. The study's findings also confirmed that E-Service Quality had a significant effect on E-Satisfaction, implying that if the E-Tailing companies can provide a better quality E-Service on their websites, Gen Z will feel that they derive more benefits (social, economic and functional) from online shopping.

In other words, customers feel satisfied with the service if website information and design are good and responsiveness to customer requests is fast.

A better understanding of millennial's loyalty may help E-Tailers in the development and implementation of effective marketing campaigns towards retaining them. Finally, if customers are satisfied, then they tend to trust their online providers more. Hence, the association among E-Service Quality, E-Satisfaction, E-Trust and E-Loyalty should also be continuously examined in order to provide insightful information towards developing a better understanding of E-Service Quality, E-Satisfaction, E-Trust and E-Loyalty in B2C segment.

CONCLUSION

The rapid flourishing growth of online markets is highly competitive in nature and the survival is very challenging for E-Tailers. Therefore, the need to retain and grow online customers is a task by itself and quite a challenge. The association between E-Service Quality, E-Satisfaction, E-Trust and E-Loyalty should be continuously examined to cope with the advancement in information and communication technology, and the changing expectation of online shoppers. The researcher has studied the direct influence of the factors on E-Loyalty without considering the potential moderating effect among variables. The research can be extended in the future to study the moderating effect of the one or many of the variables on E-Loyalty. Future research can also replicate this study in other cultural contexts and geographical locations in order to be able to generalize the results. The paper provides the conceptual framework that

can be used for further study and the role of the variables can be tested using empirical research. Empirical research will pave way for the E-Tailers to understand the influencing effect of the various factors on E-Loyalty.

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