

# Determinants of Customer Loyalty Dimensions: E-Commerce Context in Emerging Economy Perspective

Doddahulugappa Goutam, National Institute of Technology Karnataka, Surathkal, India

Gopalakrishna B. V., National Institute of Technology Karnataka, Surathkal, India

Shirshendu Ganguli, T A Pai Management Institute, India

## ABSTRACT

This study aims to explore the factors influencing attitudinal, affective, as well as cognitive loyalties. Theoretical framework was developed by integrating the e-service quality, e-satisfaction, e-loyalty (the three dimensions), e-commitment, and e-trust. Nine hundred thirty-seven valid replies were collected from internet shoppers through using email survey method. Exploratory factor analysis as well as Structural equation modeling was accomplished to examine the anticipated model by using SPSS-V23 and AMOS-V23. Results confirm that e-service quality has an influence on satisfaction, trust, and commitment. The authors have considered e-satisfaction, e-trust, and e-commitment as mediating variables between e-service quality and e-loyalty dimensions and tested for it as well. E-satisfaction has a substantial impact on e-trust and trust acts as a mediator between satisfaction and attitudinal, affective, and cognitive loyalty. Further, e-trust has an influence on commitment and commitment acts as a mediator between trust and attitudinal, affective, and cognitive loyalty. Moreover, commitment has a positive effect on attitudinal and cognitive loyalty but does not have any impact on affective loyalty.

## KEYWORDS

Business to Consumer E-Commerce, E-Commitment, E-Loyalty, E-Satisfaction, E-Service Quality, E-Trust

## INTRODUCTION

In 2017, the worldwide online shoppers were identified as 1.66 billion and it is estimated to touch 2.05 billion by 2020 (Statista 2017). Moreover, in 2017 online retail transactions worldwide was 2,304 billion US dollars and it is expected to reach 4,135 billion US dollars by 2020. This shows that because of fast digitalization, the global e-retail market has been mounting very fast. Especially in emerging nation like India, most of the e-commerce players are trying gain knowledge of customer insights to provide good quality products and excellent service, in order to stay competitive with the

DOI: 10.4018/JECO.2021010101

e-commerce giants in this 21<sup>st</sup> century marketing war. The globally rising internet penetration and usage of smart phones help consumers adopt e-commerce and this also drives the market growth.

India's economy is the most eye-catching across the globe, and it is projected to stay so in the predictable future. Indian young shoppers have taken center stage and play an indispensable role in the growth of e-retailing. As per the Deloitte (2018), 440 million (34 percent) of the total Indian population customers belong to Generation-Y, and this is the furthestmost significant and eye-catching slice for online retail world. In India, internet commerce market was very small in the year 2010, and it touched 3 percent of total offline retail by 2015; and it is further projected to become more than 30 percent by 2021(Deloitte, 2018). In India, e-commerce market in 2017 was 38.5 billion US dollars and it is projected to touch 64 billion US dollars by 2020 and 200 billion US dollarss by 2026 (IBEF, 2018). As per the KPMG (2016), the total penetration of the online retail in India's total retail market was 2.5 percent. Furthermore, it is estimated to reach 5 percent by 2020, and revenue was 17.8 billion US dollar in 2017 and expected to reach 28 billion US dollars by 2018.

E-commerce means, purchasing and selling of products, services, and also exchange of information over the internet. In a simple way, e-commerce means exchanges among customers, business parties, and vendors. Web shopping market is emerging rapidly, and it has become the ultimate exhilarating phenomenon in Indian e-commerce settings (Deloitte, 2018). In this online marketing war, the success of the B2C e-commerce websites depends profoundly on satisfaction with delivery of service quality, commitment & trust and loyalty with the online shopping website, number of constructs, not much researched together in the developed economy and more so, very less in emerging economy like India. Due to massive competition, e-commerce players should understand what factors influence internet consumer's satisfaction and different dimensions of loyalty.

Customer loyalty is largely vital to the success of any online-based business as it is theorized as a vital driver of post-purchase spectacles, such as a recurring shopping from the same online shopping website, recommending others, and spreading affirmative word of mouth. Loyal consumers are certainly very vital to internet business survival (Semejin, Riel, Birgelen, & Streukens 2005). For the purpose, numerous e-commerce players practice protective marketing approaches to expand their revenue and market segment by increasing consumer retention (Tsoukatos & Rand, 2006). However conventionally, more determinations are devoted to offensive marketing tactics (Fornell, 1992), the investigation has shown that defensive marketing strategies could be more money-making through improved cross-selling, maybe at greater prices, and positive word of mouth communication (Tsoukatos & Rand, 2006). Meeting online shoppers' expectations and different demands has become one of the critical issues for the e-retail companies. To attract new consumers and retain existing customers and make them loyal to a specific online shopping website, e-retailers should comprehend shoppers shopping necessities and accomplish them. The cognitive element of attitudinal loyalty denotes to the beliefs and opinions about a specific object where, the preference for the brand comes from decision-making and evaluation (Azjen, 2001). The term affective loyalty is defined as the degree of liking the consumer has towards the brand (Oliver, 1999). Cognitive loyalty is largely influenced by the consumer's evaluative response to experience, in particular to the perceived performance of an offering relative to the price (Evanschitzky & Wunderlich, 2006).

Also customer satisfaction is dominating in the marketing literature, and it plays an authoritative role in managing the enduring association with online shopping sites. Numerous internet sellers are trying to realize online customers shopping insights and formulate several strategies to meet their shopping beliefs (Anderson & Srinivasan, 2003). Customers are not only well educated but also associated to the information and world. Thus, fulfillment alone may not help in building up the loyalty, but at the same time, retailers have to make sure long-term customer commitment (Hesket et al 1994).

The earlier investigations underpin the concept that satisfactory service quality recognitions lead to developed consumer satisfaction. E-service quality is a forerunner of satisfaction with services. The support for this connection is that consumer satisfaction is an affective response, which rises as a reaction to a single or protected set of cognitive service experiences. Therefore, satisfaction is a

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