A Theoretical Study of E-Loyalty

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ABSTRACT

Indian consumers have predominantly been dependent on the small neighborhood store (the unorganized sector). In spite of the development of the organized sector (the organized brick and mortar stores and e-commerce websites), it constitutes only 10 percent of the complete retail market. The experience for most consumers during the initial phase of the pandemic was not very good with some essential goods websites, when they tried to make purchases online (ERetail.com, Mar 25, 2020). Later there was a change and the websites were better equipped to handle the rush for online purchases. Post the Covid 19 Pandemic, there is a shift in the way consumers make their purchases. The E-Commerce market had a sudden shift – the change that would have happened in 3 to 5 years time in the future (as was predicted), but was being seen in a few months. In a global consumer survey, there is an increase in the proportion of online purchases (1 in 5 grocery online purchasers were first timers and 1 in 3 for people who were more than 56 years of age) (Accenture 2020). Considering the shift in consumer behaviour, e loyalty is an important aspect of study for the e retailer.

KEY WORDS: E-LOYALTY, RETAIL, ONLINE, CONSUMER.

INTRODUCTION

(Reichheld & Scheffer, 2000) in the article “E-Loyalty: Your Secret Weapon on the Web” in Harvard Business Review have stated that there is a perception in people’s mind that e loyalty does not exist but that is not true. Contrary to belief, loyalty online is very much prevalent. But if sellers online fail to get the loyalty of their online existing and profitable customers then they will be selling to buyers who purchase online from sites that sell at a comparatively lower price. According to them, trust is the most essential element dominating the online market and not price.

As per the ibef report for November 2020, the Indian online retail market in 2017 was 17.8 billion USD and was estimated to cross 60 billion USD in 2020. The Indian Retail Market in India is 25% of the total organized market and the estimation is 37% by 2030. Besides 15 to 20 thousand pin-codes in India are already covered by online retailers (the total pin codes is approximately one hundred thousand).

According to a December 2020 report “Ecommerce in India” by ecommerceDB, 40% of the population shop online and net online sales in Indian E Commerce market were 33 billion USD in 2019. All these figures speak of the growth of the online market and so e loyalty is an important factor of study.

Literature Review: The research papers on e loyalty have been written with reference to technological products, books, travel and banking services. These studies have been done majorly in the United States.

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The definition of e loyalty as has been proposed by (Toufaily et al., 2013) “the customer’s willingness to maintain a stable relationship in the future and to engage in a repeat behavior of visits and/or purchases of online

products/service, using the company’s website as the first choice among alternatives, supported by favorable beliefs and positive emotions toward the online company, despite situational influences and marketing efforts that lead to transfer behavior”.

Table 1. Consumer E loyalty references:

Author	Important characteristics of e loyalty	Remarks
(Nagvadia & Bhatt, 2020)	The authors of the research have done an exploratory factor analysis and identified the following : ease in searching, in usage, flexibility, secure transactions, honesty, privacy, enjoyment, good experience, as important for online loyalty.	The study was done in Ahmedabad only. As suggested by the authors, a comparative study between urban and rural areas could be done.
(Giao et al., 2020)	This research confirmed the role of e-satisfaction in predicting customers’ e-loyalty and that it makes the customer have positivity about sellers online.	The study was done in Vietnam. The study suggested that the research can be done to study the impact on the basis of demographics of the consumers.
(Rachbini, 2018)	The results of this study say that on the Internet, trust, perception of risk, and perception of benefit have a great impact on customer’s intention to purchase.	The study was carried out in Indonesia only with a limited sample.
(Chincholkar et al., 2017)	Product quality, price, discounts and offers, less time to deliver the product are important factors that impact on online buyer and women are more loyal to websites.	The data for the study was from Mumbai only and without consideration for any product /category
(Jamaludin & Ahmad, 2015)	The study states that if people visit the website again then there are higher chances of trust, loyalty to and purchase from the website.	The target group for the study was undergraduate students in Kuala Lumpur.
(Tontini et al., 2015)	Service speed, accessibility has an enforcing effect on satisfaction for the customer leading to e loyalty. The paper also speaks of importance of recovery in case of fault for loyalty.	The study is exploratory in nature and as suggested a study should be done to study the relationship between dimensions of online retail stores quality.
(Toufaily et al., 2013)	The paper makes a mention of various online customer loyalty definitions. The variables of customer characteristics that are important for e loyalty have been grouped as: Relational (trust, satisfaction, commitment) Perceptual (risk, value, switching cost) Psychological (aggressiveness, motivations, attitude, repeat purchase intention) Relationship with technologies (user experience, information of the website, preferences) The variables of service/ product characteristics	A theoretical study that states that research needs to focus on the concept of e loyalty from the angle of commitment, building strong relationships, and not only satisfaction

	that are important for e loyalty are stated as: Quality, price perception, discounts & rewards, volume of purchase. The retailer characteristics are: strategy, reliability, competency, IT policies, support service. The website characteristics under consideration are: design, security, ease of use, content, trustworthiness, empathy, credibility, customization.	
(Kassim & Abdullah, 2008)	This paper speaks of satisfaction and secure feeling leading to trust and reliability in the online market.	The study was on a small sample. Cultural influences can be studied in the case of online retailers.
(Joe ilsever, 2007)	A model presented by the authors makes a mention of visibility of content, quality of internet system, quality of design, satisfied user, user concentration leading to flow and to e-loyalty. The authors have mentioned flow as a state of the mind when an individual is engrossed in an activity.	The paper has conceptualized hypotheses for testing in the future.
(Koufaris & Hampton-Sosa, 2004)	Good interface, and navigation are equally important for customer retention besides customer service, price and enjoyment. Most web based companies are providing features that facilitate the customers experience.	Most researchers study loyalty of customers on the basis of return visits, but in this paper the authors have studied the customer's return intentions.
(Gummerus et al., 2004)	The paper speaks of factors prime for e loyalty as User interface, Responsiveness, Security, Need fulfillment which leads to trust and as an after effect to satisfaction and loyalty	The study was done on healthcare industry websites. The authors felt that website usability factors should be studied by researchers.
(Srinivasan et al., 2002)	The paper mentions factors that have an impact of e loyalty customization, contact interactivity, care, community, convenience, cultivation, choice, and character. It also makes a mention on the customers as word of mouth promotion and being ready to pay more	The paper claims to have not studied variables at customer level and business level.
(Palmer, 2002)	Download speed, Navigability, interactivity, responsive, content-associated with greater perceived success by site users	The research was carried out on undergraduate, graduate and management students.

Online Customer Loyalty has been classified by various thinkers as intentional, behavioural, cognitive, affective, conative. Intentional or attitudinal loyalty has been measured on the basis of intention to continue with the website, positive word of mouth. Behavioural loyalty is measured by the number of times the customer makes purchases in a year from the same site, the time spent on the site, number of referrals to the site. Cognitive, affective, conative and action loyalty is judged on the basis of preference vis-à-vis other sites, offers, services offered, performance.

Other factors that impact online loyalty are switching costs, the website value to the consumer, psychological factors like lethargy, mindset of the customers, determination. Basically the factors have been placed under different brackets as consumer characteristics, product or service characteristics, retailer characteristics, website characteristics and environmental characteristics. The researchers have also studied the effect of e loyalty that include increase in cross sales, share of wallet, promotes customers online word of mouth, reduction in sensitivity to price- ready to pay more, and re-purchase from the site.

CONCLUSION

From the research papers / literature review, the common factors that impact e-loyalty or are important elements of online loyalty are security, convenience, personalization, discounts, offers, rewards, and trust. It has also been suggested by researchers that the angle of commitment, building strong relationships, cultural influences should also be studied. The studies undertaken by the researchers in the references were with limited target groups (for example- students) with convenience sampling, limited product/ service categories, specific areas/ cities. The future {Bibliography}research on online loyalty can be carried out such that it covers a more representative population.

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