THE IMPACT OF E-SERVICE QUALITY ON ONLINE CUSTOMERS' LOYALTY AMONG SUPERMARKETS IN THE KALUTARA DISTRICT

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INTRODUCTION

This study aims to investigate the factors that influence customer loyalty in terms of E-services Quality (ESQ) among supermarket customers in the Kaluthara District. It encourages researchers to analyze the factors which should be prioritized when determining customer loyalty in this market. Accordingly, this study examines the ESQ dimensions that influence customer loyalty in Sri Lankan supermarkets when shopping online. In many countries, researchers have examined the impact of ESQ on online shopping customer loyalty and found that ESQ is essential. However, in Sri Lanka, there are fewer findings about the impact of ESQ online shopping on customer loyalty in the supermarket sector. That makes a researchable gap in researching the impact of ESQ on online shopping customer loyalty.

There is a new trend in online shopping due to the life cycle of most people living in the current society. Further, according to Wellwa (2014), the global use of the internet is rapidly increasing. Since 2000, global internet usage has increased by 444.8 %, with internet penetration at 28.7% of the global population. The Asian region has grown at 621.8 percent, with a 21.5 % penetration. In 2010, there were 1,931 million Internet users worldwide; by 2014, this number is expected to rise to 2,517 million. As a result, there is no uncertainty about the internet's global appeal in the future (Wellwa, 2014). The COVID-19-19 outbreak, which caused most businesses to fail and resulted in a global pandemic, is the most recent example. Due to hygiene concerns, customers were advised to place orders through online shopping websites and then have their orders delivered to their homes (Minimol, 2018). According to Borovkov (2017), there is a positive effect of the ESQ on online customer loyalty in supermarkets, and the same is supported by existing studies begun to address the absence of human contact by examining the impact of ESQ on customer loyalty. Many studies have a narrow single-channel approach, which fails to comprehend the nature of these services. In particular, in a marketing channel setting, the effects of ESQ are more complicated: Customer behavior towards the e-service, and customer channel behaviour across the many channels given by the service provider, may be influenced by ESQ (Sousa & Voss, 2014). Also, there is a positive effect of ESQ on online shopping customer loyalty in supermarkets (Sundaram et al., 2017).

Raval and Bhatt (2020) stated that the supermarket sector should provide a quick and dependable service dimension, such as prompt responses to queries and accurate and timely service deliveries. If online platform providers fail to deliver on time due to a lack of communication between channel partners, their business opportunities will be hampered. They should provide personalized service based on delivery time, product selection, and quantity. With new IT-enabled services, businesses should also focus on supply and logistics and query handling (Raval & Bhatt, 2020). Farisa (2018) has found that three aspects of e-service quality:

website design, security/privacy, and fulfillment all have a positive impact on overall ESQ. Customer satisfaction and loyalty are inextricably linked to the quality of electronic services (Farisa, 2018). Further, Privacy and individualized attention are the dimensions of ESQ. Customers' higher-order evaluations of websites are heavily influenced by their privacy concerns. Customers' information can be protected when retailers update their security techniques. Customers are usually concerned about the secrecy around their data. Customers go to obtain their requirements from retailers who have robust privacy policies. It aids in the increase of client repurchasing intent and loyalty (Farisa, 2018). Therefore, the study expects to shed light on the ESQ and its dimensions affecting customer loyalty among supermarket customers in the Kalutara district.

METHODOLOGY

For this purpose, it was developed a conceptual framework for the study was supported by a literature survey guided by a four-dimensional framework; fulfillment, website design, security, and customer service as independent variables and customer loyalty as the dependent variable, as shown in Figure 1 below.
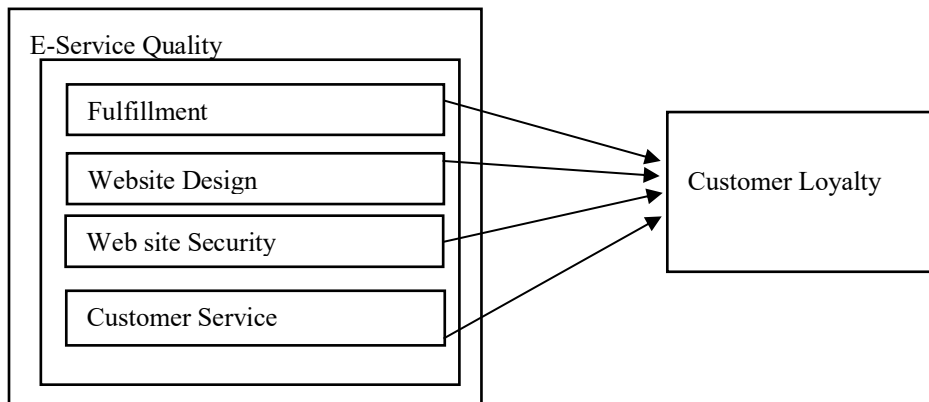

Figure 1 Conceptual Framework

Four hypotheses were proposed for the study based on the conceptual framework;
H_1: There is a significant impact of fulfillment design on online supermarket customers' loyalty.
H_2: There is a significant impact of website design on online supermarket customers' loyalty.
H_3: There is a significant impact of website security on online supermarket customers' loyalty.
H_4: There is a significant impact of customer service on online supermarket customers' loyalty.

The study employs a deductive approach with a cross-sectional design commonly used in studies related to consumer behavior.

The study population consists of online supermarket customers living in the Kalutara district of Sri Lanka. According to the nature of the industry, there is an uncountable population in the supermarket sector. There are 97 supermarket outlets in Kalutara district as per the interviews done with outlet managers in the selected supermarket in the district when June of 2022 (Cargill's food city, Keels super, and Arpico supercenter). As per the guidance of

Morgan chart, it was selected 384 supermarket customers from the Kalutara district used the convenience sample techniques due to the unavailability of a sample frame. A quantitative research design was employed. Both primary and secondary data were gathered for the study while giving more priority to primary data. For this purpose, a questionnaire was developed with the statements of five-point Likert scaling (1-strongly disagree, 5-strongly agree). Question statements were included in the questionnaire based on the four independent and dependent variables as exhibited in the conceptual framework and the section on respondents' demographics. Due to the restrictions experienced amidst the third wave of the COVID-19-19 Pandemic in the country, an online questionnaire was administered. Reliability tests using the Cronbach Alpha were run, and it was reported that all the Cronbach Alpha is more significant than 7.00. The gathered data was analyzed using descriptive and inferential statistics. The preliminary univariate statistical analysis was run to screen the data. In contrast, initial statistical analysis bivariate, such as correlation and regression analysis, was run with the SPSS version to explore the impact and the relationship between variables as in the proposed framework of the research. The confidence level was determined as 95%, as recommended.

RESULTS AND DISCUSSION

In this study, it was considered to find the impact of the ESQ variables on customer loyalty in the supermarkets in the Kalutara District. The result of the coefficient of correlation reveals that all the variables, fulfillment, website design, security, and customer service, are correlated positively with customer loyalty in the supermarket sector.

Table 1 Model Summary

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.763[a]	.583	.578	.28636

a. Predictors: (Constant), MCS, MWD, MS, MF

R square value reported in Table 1, it can be stated that the variation in ESQ can explain 58.3% of the variation in customer loyalty.

Table 2 Regression Coefficient

Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	.752	.151		4.998	.000
Fulfillment	.253	.049	.263	5.190	.000
Website design	.180	.043	.205	4.188	.000
Security	.198	.046	.217	4.305	.000
Customer service	.200	.045	.210	4.486	.000

a. Dependent Variable: Customer loyalty

According to Table 2, the regression analysis results indicated a significant positive impact of ESQ dimensions on customer loyalty. The regression analysis was used to test the hypotheses; accordingly, the results show that demonstrating fulfillment significantly impacts customer loyalty. Also, results showed that respondents were significantly concerned about website

design and doing their day-to-day shopping in supermarkets using the online platform. Since the sample respondents believe that the first impression about supermarkets depends on website design. Further, the results show that respondents are concerned about security in their online shopping. Thus, the security of customer transactions is an essential issue that supermarket management must address to ensure the security of their customers' financial transactions the online shopping. Thus, the security methods can be beneficial in creating a sound and loyalty customer base in this sector. Finally, this study found that customer service positively influences customer loyalty in the supermarket sector. To maintain a satisfied and loyal customer base, management should pay attention to excellent and reliable customer service with online shopping.

With the support of regression analysis, the summary results of the hypotheses are presented in Table 3. The research framework is supported because all the hypotheses are accepted at $p< 0.000$.

Table 3 Results of the Hypothesis Testing

Hypothesis	Regression		Decision
	B	P	
H_1: There is a significant impact of website fulfillment on online supermarket customers' loyalty.	0.253	0.000	Supported
H_2: There is a significant impact of website design on online supermarket customers' loyalty.	0.180	0.000	Supported
H_3: There is a significant impact of website security on online supermarket customers' loyalty.	0.198	0.000	Supported
H_4: There is a significant impact of customer service on online supermarket customers' loyalty.	0.200	0.000	Supported

CONCLUSIONS AND IMPLICATIONS

The general objective of this study was to find out ESQ factors affecting online customer loyalty in the supermarket industry. As a result of the study, it recommended that supermarket managers ensure that the website includes all options for a fulfillment interface, email support, a feedback form, and product availability to increase customer loyalty. The results further reveal that website design significantly influences online customers' shopping behaviour. So, the researchers recommended that the management supply e-services with ease of use, bilanguage in both Sinhala and English, quickly respond to customers' ESQ issues Etc. Also, supermarket management should use strong, attractive, and convenient websites for online shopping for a loyal customer base. Considering the website security to protect online shopping customers' transactions, it was recommended that supermarket managers should use a strong security system since online customers expect a more secure system. Maintaining good customer service in a quality and reliable manner is also the ESQ requirement for building a loyal customer base in this sector.

This study's limitations are; it focuses only on the supermarket sector in Kalutara District in Sri Lanka and employed convenience sampling techniques to gather the data with the difficulties experienced due to the COVID-19 pandemic. As a result, generalizing the applications of findings may not be appropriate. Further, due to the limitation of the COVID-

19 pandemic, researchers only used the virtual platform to collect data for the study. Also, this study concentrated on only four variables to determine online supermarket customer loyalty. Future empirical research should utilize the present study methodology either to confirm the same model for different industries or to fine-tune the model with additional ESQ variables with further literature support on the same supermarket industry.

Keywords*: Customer loyalty, e-service quality, online shopping, supermarket*

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