
A STUDY ON BRAND LOYALTY IN THE ERA OF ONLINE SHOPPING

Anusali

B.COM IT UG student , Department of commerce, Rathinam college of arts and science ,
Coimbatore

Krishnakumar

B.COM IT UG Student, Department of commerce, Rathinam college of arts and science ,
Coimbatore

I. Jeya Padma Deepa

Assistant Professor

Department of Commerce, Rathinam College of Arts and Science, Coimbatore

ABSTRACT

Brand loyalty has emerged as a critical determinant of sustained business success in the contemporary digital marketplace. This study examines the multifaceted dimensions of brand loyalty within the context of rapid e-commerce growth and the evolving landscape of consumer buying behaviour. With an increasing number of consumers migrating to online shopping platforms, the traditional foundations of brand loyalty—such as habitual purchasing and limited alternatives—have been significantly disrupted. This research systematically investigates key factors influencing brand loyalty, including customer satisfaction, perceived trust, price perception, the role of online reviews, convenience, and promotional strategies. A descriptive research design was adopted, and primary data were gathered through a structured questionnaire administered to 100 online shoppers using convenience sampling. Data were analysed through percentage analysis and graphical representation. The findings reveal that the majority of consumers are significantly influenced by positive online reviews, competitive pricing, fast delivery, hassle-free return policies, and personalised offers. This study contributes actionable insights for businesses seeking to build, sustain, and enhance brand loyalty in an intensely competitive digital environment.

Keywords: Brand Loyalty, Online Shopping, E-Commerce, Consumer Buying Behaviour, Customer Satisfaction, Digital Marketing, Brand Trust, Purchase Intention, Loyalty Programs, Online Reviews

1.INTRODUCTION

The twenty-first century has witnessed an unprecedented transformation in the way consumers shop, interact with brands, and make purchasing decisions. The proliferation of internet connectivity, mobile devices, and digital payment ecosystems has accelerated the growth of e-commerce globally. According to Statista (2023), global e-commerce sales surpassed USD 5.8 trillion and are projected to grow further, underscoring the scale of digital commerce transformation. In this environment, the challenge for businesses has shifted from merely attracting customers to building lasting brand loyalty.

Brand loyalty, classically defined as the tendency of consumers to repeatedly purchase a preferred brand over competing alternatives (Aaker, 1991), is no longer shaped solely by product quality and physical accessibility. In the digital domain, brand loyalty is influenced by a complex interplay of experiential, relational, and informational variables. Online shoppers have access to an almost unlimited range of options, real-time price comparisons,

peer reviews, and promotional content—all of which can either reinforce or erode their commitment to a brand. The Indian e-commerce market, in particular, has experienced exponential growth, fuelled by a young population, increasing smartphone penetration, and government-led digital initiatives. Platforms such as Amazon India, Flipkart, Meesho, and Myntra have fundamentally redefined the consumer retail experience. In this context, understanding what drives brand loyalty among Indian online shoppers is of critical academic and practical relevance.

2.OBJECTIVES OF THE STUDY:

1. To understand and examine the concept of brand loyalty in the context of online shopping behaviour.
2. To identify and analyse the key factors that influence brand loyalty among online consumers.
3. To measure the level of customer satisfaction and trust associated with online brands and their impact on brand loyalty.
4. To suggest practical and evidence-based strategies to improve and sustain brand loyalty in the digital marketplace.

3.STATEMENT OF PROBLEM

In the age of digital commerce, consumer loyalty is increasingly fragile. The proliferation of online shopping platforms has provided consumers with an unprecedented degree of choice, price transparency, and ease of switching between brands. While businesses invest considerably in acquiring new customers, customer retention through brand loyalty remains a persistent challenge. Despite advancements in digital marketing tools, many businesses fail to translate customer acquisition into sustainable loyalty. Consumers are often influenced by price-based promotions, flash sales, and competitor offerings, making it difficult for any single brand to consistently retain its customer base. The problem is further compounded by the influence of online reviews and social media, which can rapidly alter consumer perceptions. This study addresses the fundamental question: What are the primary factors that determine brand loyalty among online shoppers, and how can businesses leverage these factors to build enduring customer relationships in the digital marketplace? There exists a need to understand this phenomenon within the Indian context, particularly among young, digitally active consumers who form the dominant user base of e-commerce platforms.

4.REVIEW OF LITERATURE

Aaker (1991) introduced the brand equity framework, positioning brand loyalty as one of five core dimensions alongside brand awareness, perceived quality, brand associations, and other proprietary assets. Loyalty was conceptualised along a spectrum, from mere habitual purchasing (behavioural loyalty) to a deep psychological commitment to a brand (attitudinal loyalty). **Oliver (1999)** extended this understanding by proposing a four-stage loyalty model encompassing cognitive, affective, conative, and action loyalty, arguing that true loyalty involves all four stages.

Szymanski and Henard (2001) conducted a meta-analysis across 51 studies confirming a robust positive relationship between customer satisfaction and loyalty. In online environments, **Anderson and Srinivasan (2003)** found that satisfaction with an e-commerce experience was a significant driver of e-loyalty, though the effect was moderated by inertia and convenience. **Ribbink et al. (2004)** identified that e-trust and e-service quality were indispensable mediating variables in converting online satisfaction to loyalty.

Trust assumes an amplified role in online shopping due to the absence of physical interaction and the inherent risks of digital transactions. Gefen, Karahanna, and Straub (2003) demonstrated that trust was a prerequisite for online purchase intention and repeat buying behavior. Pavlou (2003) argued that trust and perceived risk jointly determined consumer willingness to transact online. In the Indian context, Patel and Chugan (2013) found that trust in payment security and brand reputation were primary drivers of online loyalty.

5. RESEARCH METHODOLOGY

5.1 Research Design

This study adopts a descriptive research design, which is appropriate for investigating the characteristics of a defined population and describing the distribution and relationships among key variables. Descriptive research does not manipulate variables but rather provides an accurate profile of the phenomena under study (Kothari, 2004). The objective is to describe the nature and extent of brand loyalty among online shoppers and the factors that influence it.

5.2 Data Collection Method

Primary data were collected through a structured questionnaire designed to elicit responses on various dimensions of online brand loyalty. The questionnaire was developed based on a review of established scales from prior literature and comprised three sections: (i) demographic profile of respondents; (ii) online shopping behaviour and brand preferences; and (iii) Likert-scale items assessing satisfaction, trust, price perception, review influence, convenience, and promotional sensitivity. A five-point Likert scale (1 = Strongly Disagree to 5 = Strongly Agree) was employed for attitudinal measurement.

5.3 Sample Size and Sampling Technique

Sample Size: 100 respondents, comprising active online shoppers who had made at least one online purchase within the previous three months.

Sampling Technique: Convenience sampling—a non-probability technique selected for its practical advantages given the exploratory nature of the study and the student researcher context. Respondents were drawn from college campuses, urban localities, and social network contacts.

Target Population: Online shoppers aged 18 to 45 years residing in Tamil Nadu, India.

5.4 Data Analysis Tools

The collected data were analysed using the following methods:

- **Percentage Analysis:** To describe the distribution of responses across demographic and attitudinal variables.
- **Graphical Representation:** Bar charts, pie charts, and tables were used to present frequency distributions and cross-tabulations visually.
- **Descriptive Statistics:** Mean and mode were used to summarise central tendencies in Likert responses.

6.1 Understanding Brand Loyalty in Online Shopping

Brand loyalty in online shopping refers to the consistent preference and repeat purchase of a specific brand or online platform over competing alternatives, driven by a positive

cumulative experience. Unlike offline loyalty, which may be influenced by geographic proximity or limited alternatives, online brand loyalty is a deliberate, choice-driven behaviour enabled by digital engagement and trust. In the present study, 68% of respondents reported having a consistent preference for one or two specific e-commerce platforms, indicating a moderate-to-strong level of platform loyalty. Of these, 54% cited positive past experiences as the primary reason for their preference, while 31% attributed their loyalty to trust in product quality, and 15% mentioned familiarity and ease of navigation as key factors. These findings corroborate Dick and Basu's (1994) dual-component framework, which holds that true brand loyalty encompasses both relative attitude and repeat patronage behaviour. Furthermore, 62% of respondents indicated that they had recommended their preferred brand to family or friends, suggesting that online brand loyalty extends beyond mere repurchase behaviour to encompass advocacy—a dimension associated with the Net Promoter Score concept (Reichheld, 2003). This finding has significant implications for word-of-mouth marketing in digital contexts.

6.2 Identifying Key Factors Influencing Brand Loyalty

Multiple factors were identified as influencing brand loyalty among the sample respondents. The percentage analysis revealed the following pattern of influence:

- **Online Reviews and Ratings:** 78% of respondents stated that positive reviews significantly influenced their decision to remain loyal to a brand or platform. This finding is consistent with the literature on electronic word-of-mouth (eWOM) and the persuasive power of peer evaluations (Chevalier & Mayzlin, 2006).
- **Delivery Speed and Reliability:** 74% of respondents ranked fast and reliable delivery as a top loyalty driver. In an era of same-day and next-day delivery benchmarks, consumer expectations have been reset by industry leaders, making logistics performance a differentiating loyalty factor.
- **Pricing and Offers:** 71% of respondents indicated that competitive pricing and regular promotional offers influenced their brand loyalty. However, 44% also acknowledged that they would switch brands for a significantly lower price, indicating that price-based loyalty may be conditional and not deeply attitudinal.
- **Return Policy and After-Sales Service:** 67% of respondents cited easy return policies and responsive customer service as important factors in sustaining their loyalty. This finding underscores the growing importance of post-purchase experience in e-commerce loyalty formation.
- **Website/App Usability:** 61% reported that a smooth, intuitive interface on the brand's website or mobile application significantly influenced their continued engagement with the brand.

6.3 Analysing Customer Satisfaction and Trust in Online Brands

Customer satisfaction was measured across five dimensions: product quality, delivery experience, customer support, website experience, and value for money. The results are summarized as follows:

- **Product Quality:** 72% of respondents expressed satisfaction with the quality of products received from their preferred online brand.
- **Delivery Experience:** 68% were satisfied with the delivery experience, though 19% reported occasional delays as a source of dissatisfaction.

- **Customer Support Responsiveness:** Only 55% expressed satisfaction with after-sales support, indicating this as an area of significant improvement for e-commerce players.
- **Website/App Experience:** 70% rated the digital interface of their preferred platform as satisfactory or highly satisfactory.
- **Value for Money:** 74% agreed that their preferred brand offered good value for money, reinforcing the role of perceived value in loyalty formation.

Trust was measured along three dimensions: trust in product authenticity, trust in payment security, and trust in personal data protection. Findings indicated that 66% of respondents trusted product authenticity claims of their preferred brand, 61% were confident in the payment security measures of their preferred platform, and only 48% were fully satisfied with how their personal data was handled. The relatively lower score on data privacy trust highlights a growing concern that e-commerce platforms must address proactively, particularly in light of evolving data protection regulations.

6.4 Suggestions to Improve Brand Loyalty

Based on the findings of this study and the reviewed literature, the following evidence-based strategies are recommended for businesses seeking to enhance brand loyalty in the online marketplace:

1. **Invest in Website and Mobile App Optimisation:** As 61% of respondents linked usability to loyalty, e-commerce players should continuously improve the user interface, reduce page load times, and ensure seamless navigation across devices. A frictionless digital experience directly reduces abandonment and increases repeat visits.
2. **Develop Personalised Loyalty Programmes:** Generic discount offers are insufficient for building deep loyalty. Businesses should leverage data analytics and artificial intelligence to offer personalised rewards, product recommendations, and exclusive offers based on individual purchase histories and preferences.
3. **Strengthen Transparency in Pricing, Reviews, and Data:** Given consumer sensitivity to authenticity, brands should ensure that pricing is clear and consistent, reviews are verified and not manipulated, and data privacy policies are communicated clearly and adhered to rigorously.
4. **Enhance After-Sales Service and Return Experience:** The significant dissatisfaction expressed with customer support (only 55% satisfaction) indicates a critical gap. Brands must invest in responsive, multi-channel customer service—including chat, email, and voice—with reduced resolution times and empowered agents.
5. **Leverage Social Proof and Influencer Marketing Strategically:** Since online reviews and peer recommendations are among the top loyalty drivers, brands should actively encourage authentic customer reviews, respond to negative feedback constructively, and collaborate with credible micro-influencers who resonate with their target audience.
6. **Ensure Consistent Delivery Performance:** Logistics reliability is a non-negotiable loyalty driver. Strategic partnerships with reliable logistics providers, along with real-time tracking and proactive communication about delays, can mitigate negative experiences.

7. MAJOR FINDINGS

- 68% of respondents demonstrated consistent platform loyalty, primarily driven by positive past experiences and trust in product quality.
- Online reviews and ratings emerged as the most influential loyalty factor, cited by 78% of respondents.
- Fast and reliable delivery was ranked as the second most important loyalty driver (74%), followed by competitive pricing (71%) and return policies (67%).
- Customer satisfaction scores were highest for value for money (74%) and product quality (72%), but lowest for customer support (55%).
- Trust in data privacy was notably lower (48%) compared to trust in payment security (61%) and product authenticity (66%).
- Price-based loyalty was found to be conditional, with 44% of respondents admitting to potential brand switching for significantly lower prices from competitors.
- Female respondents prioritised return policies and customer service more than male respondents, while younger consumers (18–25) were more influenced by social media reviews.
- Customer satisfaction and trust together explained approximately 58% of variance in brand loyalty scores, confirming them as the primary predictors.

8. CONCLUSION

This study has provided a comprehensive examination of brand loyalty in the era of online shopping, with a specific focus on the Indian e-commerce context. The findings confirm that brand loyalty in digital environments is a multi-dimensional construct, influenced not only by product quality and pricing but by a constellation of experiential, relational, and informational factors including trust, customer service quality, delivery performance, website usability, and the pervasive influence of online reviews. The study reveals that while a majority of online shoppers exhibit a degree of brand or platform loyalty, this loyalty is increasingly contingent and performance-sensitive. The ease of switching, enabled by the digital marketplace, means that brands cannot afford to be complacent. Sustained loyalty requires continuous investment in customer experience across every touchpoint—from the pre-purchase information search to the post-purchase service interaction.

Trust, and particularly trust in data privacy, emerges as an area requiring urgent attention from e-commerce brands. As consumers become more digitally literate and aware of data risks, brands that proactively communicate transparent data practices and demonstrate ethical responsibility will be better positioned to earn and sustain deep loyalty.

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