

Final Project 1

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The Impact of Online Customer Experience on Repurchase Intention in Saudi Arabia's E-commerce

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1. Chapter 1: Introduction

1.1. Research Background

The increasing development of internet technologies and digital platforms has significantly transformed the e-commerce sector in Saudi Arabia, changing how consumers interact with online retailers and influencing their purchase intentions. E-commerce has become an essential channel through which consumers purchase products and services due to its convenience, accessibility, and flexibility. In Saudi Arabia, the growth of e-commerce has been accelerated by increased internet penetration, widespread smartphone usage, secure online payment systems, and the government's digital transformation initiatives under Vision 2030 (CST, 2023). As a result, online retailers are increasingly focusing on improving customer experiences to attract and retain customers in a highly competitive market.

Online customer experience refers to customers' overall perceptions and evaluations of their interactions with an e-commerce platform throughout the purchasing process. It includes various factors such as website design, ease of navigation, information quality, security, customer service, and delivery performance (Rose et al., 2012). A positive online customer experience enhances customer satisfaction and trust, which are considered critical determinants of customer loyalty and future purchasing behavior (Klaus, 2013).

Repurchase intention, defined as a customer's willingness to make future purchases from the same online retailer, is an important indicator of business success in e-commerce (Hellier et al., 2003). Previous studies have shown that customers who enjoy positive online shopping experiences are more likely to revisit an online store and engage in repeat purchasing behavior (Anderson & Srinivasan, 2003). Similarly,

Fang et al. (2014) found that customer satisfaction resulting from positive online experiences significantly influences repurchase intention.

Despite the fact that Saudi Arabia's e-commerce sector continues to grow rapidly, retaining customers remains a major challenge for online retailers. While attracting first-time customers is important, long-term business sustainability depends on encouraging repeat purchases. Therefore, understanding how online customer experience influences repurchase intention is essential for e-commerce businesses seeking to strengthen customer relationships and maintain a competitive advantage.

Even though online customer experience is increasingly important, limited studies have specifically examined its impact on repurchase intention within the Saudi Arabian e-commerce context. This gap highlights the need for further research to understand the factors that shape customers' repurchase decisions in the country's evolving digital marketplace.

Accordingly, this study aims to investigate the impact of online customer experience on repurchase intention in Saudi Arabia's e-commerce sector. The results are expected to contribute valuable implications for e-commerce businesses, marketers, and policymakers in developing strategies that enhance customer satisfaction, strengthen customer loyalty, and encourage repeat purchasing behavior.

1.2. Research Problem

The rapid growth of e-commerce in Saudi Arabia has increased the importance of delivering a positive online customer experience to attract and retain customers. While online retailers invest in improving website quality, security, and customer service, encouraging repeat purchases remains a significant challenge. While earlier research has investigated customer satisfaction and online shopping behavior, limited research has specifically explored the impact of online customer experience on repurchase intention in Saudi Arabia's e-commerce sector. Therefore, this study seeks to examine how online customer experience influences consumers' repurchase intentions.

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1.2.1. Theoretical Gaps

Although previous studies have examined online customer experience and consumer behavior, limited research has explored the relationship between online customer experience and repurchase intention in Saudi Arabia's e-commerce sector. Most existing studies were conducted in different cultural and market contexts, highlighting the need for further theoretical investigation within the Saudi e-commerce environment.

1.2.2. Practical Gaps

Although the e-commerce industry in Saudi Arabia has expanded considerably in recent years, there is still a lack of research that specifically investigates how customers' experiences during online shopping affect their willingness to make future purchases. Much of the available literature has focused on other countries or markets, which limits the relevance of those findings to the Saudi environment. This highlights the need for studies that provide insights tailored to Saudi Arabia, enabling online retailers to strengthen customer loyalty and encourage repeat purchases.

Accordingly, this study seeks to answer the following question:

How does online customer experience impact consumers' repurchase intentions in Saudi Arabia's e-commerce sector?

1.3. Research Significance

The importance of this research lies in its theoretical and managerial contributions. From a scholarly perspective, the study expands current knowledge regarding consumer behavior in the Saudi e-commerce market by exploring how customers' online experiences shape their intentions to purchase again. It also provides evidence

from the Saudi context, which remains relatively underrepresented in previous studies. From a practical standpoint, the results may offer valuable insights for online retailers and digital marketers seeking to enhance customer satisfaction, strengthen long-term relationships with consumers, and design initiatives that foster repeat buying and sustained business growth.

1.3.1. At the theoretical level

Existing studies have examined online customer experience, customer satisfaction, and consumer behavior in various contexts; however, limited attention has been given to how online customer experience influences repurchase intention in Saudi Arabia's e-commerce sector. This study addresses this gap by examining the relationship between online customer experience and repurchase intention, thereby contributing to a deeper understanding of consumer behavior in the country's rapidly growing e-commerce environment.

1.3.2. At the practical level

The findings of this study may assist e-commerce businesses, retailers, and marketers in understanding how online customer experience influences consumers' repurchase intentions. The results can support the development of strategies to enhance customer experience, improve customer satisfaction, strengthen customer loyalty, and encourage repeat purchases. Furthermore, this study may serve as a useful reference for future research on online customer experience and repurchase behavior in Saudi Arabia's e-commerce sector.

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