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The Role of Customer Experience in Enhancing Customer Loyalty among Online Shoppers in Saudi Arabia

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Chapter 1: Introduction

1.1 Research Background

Customer experience has become an important factor in the success of online businesses. As online shopping continues to grow, customers expect more than good products and reasonable prices. They also expect websites that are easy to use, secure payment options, fast delivery, reliable customer service, and a smooth shopping process. These factors shape customers' overall experience and influence how they evaluate an online store.

Today, many businesses recognize that providing a positive customer experience is essential for building long-term relationships with customers. When customers have a satisfying shopping experience, they are more likely to trust the retailer, feel satisfied with the service, and return to make future purchases. For this reason, customer experience is increasingly viewed as a key element in developing customer loyalty and maintaining a strong position in the competitive online marketplace.

In Saudi Arabia, the e-commerce sector has expanded rapidly over the past few years. This growth has been supported by higher internet usage, widespread smartphone adoption, improvements in digital payment systems, and the government's efforts to promote digital transformation through Vision 2030. As more businesses compete in the online market, customers have greater freedom to choose between different retailers based on the quality of their shopping experience.

Although online shopping offers customers many choices and greater convenience, retaining loyal customers has become more challenging than ever. Customers can easily move to another online store if they are not satisfied with the service they receive. Therefore, understanding how customer experience influences customer loyalty has become an important topic for both researchers and business managers who seek to improve business performance and build lasting relationships with customers.

Based on this context, this study aims to examine the role of customer experience in enhancing customer loyalty among online shoppers in Saudi Arabia. The findings of this research are expected to provide a better understanding of the relationship between customer experience and customer loyalty while offering practical recommendations that may help online retailers improve their services and strengthen customer relationships.

1.2 Research Problem

The rapid growth of e-commerce has increased the importance of customer experience as a competitive strategy for online retailers. Although many businesses invest in improving customers' shopping experiences, retaining loyal customers remains a significant challenge. Customers can easily switch to competing online stores if their expectations are not met, making it essential to understand how customer experience contributes to customer loyalty. Despite the growing attention

given to this topic, several theoretical and practical gaps still exist, which justify the need for further research.

1.2.1 Theoretical Gaps

Previous studies have examined customer experience and customer loyalty in different industries and countries. However, limited research has specifically explored this relationship within the Saudi Arabian e-commerce sector. In addition, many existing studies focus on customer satisfaction or service quality without providing a comprehensive understanding of how the overall customer experience influences customer loyalty. Therefore, more research is needed to expand the existing literature and provide evidence from the Saudi online shopping context.

1.2.2 Practical Gaps

From a practical perspective, many online retailers in Saudi Arabia continue to face challenges in maintaining long-term customer loyalty despite offering a wide range of products and digital services. Businesses often invest in improving websites, delivery services, and customer support, but they may not clearly understand which aspects of customer experience have the greatest influence on customer loyalty. This creates a need for research that provides practical findings to help businesses improve customer experiences and strengthen long-term relationships with their customers.

Therefore, the main research question of this study is how does customer experience influence customer loyalty among online shoppers in Saudi Arabia?

1.3 Research Significance

This study is significant because it examines the role of customer experience in enhancing customer loyalty among online shoppers in Saudi Arabia. The study contributes to both academic knowledge and business practice by providing a better understanding of how customer experience influences customer loyalty in the Saudi e-commerce sector.

1.3.1 At the Theoretical Level

Previous studies have discussed customer experience and customer loyalty in different countries and industries. However, limited research has examined this relationship within the Saudi ecommerce sector. This study contributes to the existing literature by providing empirical evidence from Saudi Arabia and improving the understanding of how customer experience influences customer loyalty in online shopping.

1.3.2 At the Practical Level

The findings of this study can help online retailers and business managers improve customer experience by enhancing website usability, customer service, delivery performance, and communication with customers. Improving these aspects may increase customer satisfaction, encourage repeat purchases, strengthen customer loyalty, and support long-term business success in Saudi Arabia's growing e-commerce market.

1.4 Research Questions

Main Research Question

- How does website usability influence customer loyalty among online shoppers in Saudi Arabia?
- How does customer service quality influence customer loyalty among online shoppers in Saudi Arabia?
- How does delivery service quality influence customer loyalty among online shoppers in Saudi Arabia?
- How does trust in online shopping platforms influence customer loyalty among online shoppers in Saudi Arabia?

1.5 Research Objectives

To answer the research questions, the following research objectives have been identified:

- To examine the influence of website usability on customer loyalty among online shoppers in Saudi Arabia.
- To investigate the effect of customer service quality on customer loyalty among online shoppers in Saudi Arabia.
- To assess the impact of delivery service quality on customer loyalty among online shoppers in Saudi Arabia.
- To assess the influence of trust in online shopping platforms on customer loyalty among online shoppers in Saudi Arabia.

1.6 Research Hypotheses

The following research hypotheses are proposed to examine the relationship between the independent variables (website usability, customer service quality, delivery service quality, and trust in online shopping platforms) and customer loyalty among online shoppers in Saudi Arabia.

- **H1:** Website usability has a significant positive influence on customer loyalty among online shoppers in Saudi Arabia.
- **H2:** Customer service quality has a significant positive influence on customer loyalty among online shoppers in Saudi Arabia.
- **H3:** Delivery service quality has a significant positive influence on customer loyalty among online shoppers in Saudi Arabia.
- **H4:** Trust in online shopping platforms has a significant positive influence on customer loyalty among online shoppers in Saudi Arabia.

1.7 Research Model

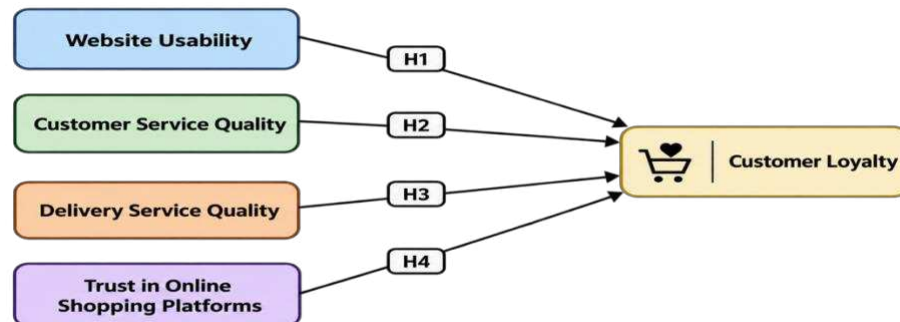


Figure 1. The research model diagram.

1.8 Suggested Industry for the Empirical Study

The suggested industry for this study is the e-commerce industry in Saudi Arabia. This industry provides a suitable setting for the research because online shopping has become increasingly common, and customers now interact with online retailers through different stages of the shopping process.

The study will focus on consumers who have previous experience with online shopping in Saudi Arabia rather than customers of one specific company. This will allow the research to include different shopping experiences across various online platforms and retailers.

The e-commerce industry is particularly relevant to this study because customer loyalty can be influenced by several aspects of the online shopping experience. Website usability, customer service quality, delivery service quality, and trust can all affect how customers evaluate an online retailer and whether they choose to purchase from it again.

By examining online shoppers in Saudi Arabia, the study can provide useful insights into the factors that contribute to customer loyalty in the Saudi e-commerce market. The findings may also help online retailers better understand customer expectations and identify areas where the overall shopping experience can be improved.

1.9 Research Methodology

This study will use a quantitative approach to examine how customer experience influences customer loyalty among online shoppers in Saudi Arabia. Customer experience will be examined through four main factors: website usability, customer service quality, delivery service quality, and trust in online shopping platforms. These factors were selected because they represent important parts of the online shopping experience and are directly related to the research questions and hypotheses of this study.

A descriptive and correlational research design will be applied. The descriptive part will help provide a clear understanding of how online shoppers evaluate their experiences, while the correlational part will examine whether there are relationships between the four customer experience factors and customer loyalty. This design is suitable for the study because it allows the proposed relationships between the variables to be examined and tested.

The study will rely on primary data collected through an online questionnaire. The questionnaire will target people living in Saudi Arabia who have previous experience with online shopping. It will include questions related to website usability, customer service, delivery services, trust in online shopping platforms, and customer loyalty. Most of the questions will use a five-point Likert scale ranging from strongly disagree to strongly agree.

The target population will consist of online shoppers in Saudi Arabia. Participants will be individuals who have purchased a product or service online before, as their previous shopping experience will allow them to provide relevant responses to the questionnaire. The questionnaire will be shared electronically, which will make it possible to reach participants from different locations in Saudi Arabia. Participation will be voluntary.

After collecting the responses, the data will be organized and analyzed using suitable statistical methods. Descriptive statistics, including frequencies, percentages, means, and standard deviations, will be used to summarize the responses. Correlation analysis will help identify relationships between the study variables, while regression analysis will be used to examine the influence of each customer experience factor on customer loyalty. The results will then be used to evaluate the proposed hypotheses.

Ethical considerations will also be taken into account during the research process. Participants will be informed about the academic purpose of the study and that taking part in the questionnaire is voluntary. Their responses will be treated confidentially, and no unnecessary personal information will be requested. The collected information will only be used for the purposes of this research.

One possible limitation is that the study depends on participants reporting their own online shopping experiences. Their answers may therefore reflect personal opinions and individual experiences. In addition, the research focuses specifically on online shoppers in Saudi Arabia, so the findings may not fully represent customers in other countries or different e-commerce environments.

1.10 The Suggested Project Structure

The proposed structure for the research project is as follows:

1. Introduction: It provides an overview of the study including the background, research problem, significance, questions, objectives, and hypotheses.
 - 1.1 Research Background: It provides background information about customer experience and customer loyalty in online shopping.
 - 1.2 Research Problem: It identifies the theoretical and practical gaps that the study seeks to investigate.
 - 1.3 Research Significance: It explains the importance of the study at the theoretical and practical levels.
 - 1.4 Research Questions: It presents the main questions that guide the study.
 - 1.5 Research Objectives: It identifies the specific goals that the research aims to achieve.

- 1.6 Research Hypotheses: It presents the proposed relationships between the study variables that will be tested.
- 1.7 Research Model: It illustrates the proposed relationships between the independent variables and customer loyalty.
- 2. Literature Review: It presents a critical review of previous studies related to customer experience, customer loyalty, website usability, customer service quality, delivery service quality, and trust in online shopping.
- 3. Research Methodology: It explains the research design, data collection methods, sample selection, and data analysis techniques used in the study.
- 4. Analysis and Results: It presents and discusses the statistical analysis and the main research findings.
- 5. Discussion: It connects and discusses the research findings in relation to previous literature.
- 6. Conclusion and Recommendations: It summarizes the main findings and provides recommendations and suggestions for future research.
- 7. References: It provides a complete list of the academic sources and references used throughout the study.
- 8. Appendices: It contains additional materials and relevant supporting documents, where applicable.

Chapter 2: Literature Review

2.1 Introduction

Customer experience has become an important factor in building customer loyalty, particularly in the growing e-commerce environment. This chapter reviews previous studies on customer experience and its role in enhancing customer loyalty among online shoppers in Saudi Arabia. It focuses on four main factors: website usability, customer service quality, delivery service quality, and trust in online shopping platforms. The chapter also examines how these factors may influence customer loyalty and continued online purchasing.

2.2 The Independent Variables

In this study, customer experience is represented by four independent variables: website usability, customer service quality, delivery service quality, and trust in online shopping platforms. These factors represent important aspects of the online shopping experience and may influence how customers evaluate an online retailer and whether they continue purchasing from it.

Website usability refers to the ease with which customers can navigate an online shopping platform, search for information, and complete their purchases. Flavián et al. (2006) found that website usability can contribute to customer satisfaction and trust and can have a positive effect on website loyalty. An online platform that is clear, convenient, and easy to use may therefore provide customers with a more positive shopping experience.

Customer service quality is another important part of the online customer experience. It includes the support customers receive before, during, and after a purchase, particularly when they have questions or experience problems. Parasuraman et al. (2005) showed that electronic service quality plays an important role in customers' evaluation of online services and their overall experience with online retailers.

Delivery service quality refers to the customer's experience with the delivery process after completing an online purchase. Factors such as receiving the correct product, delivery reliability, and receiving orders within the expected time can influence the overall shopping experience. Collier and Bienstock (2006) explain that the quality of the outcome and fulfillment process is an important part of how customers evaluate electronic service. A reliable delivery experience can therefore contribute to greater satisfaction and encourage customers to continue purchasing from an online retailer.

Trust in online shopping platforms refers to the confidence customers have in an online retailer and their willingness to rely on the platform when making purchases. Trust is particularly important in e-commerce because customers usually provide personal and payment information without direct

interaction with the seller. Eid (2011), in a study of B2C e-commerce in Saudi Arabia, found that trust is an important factor associated with customer satisfaction and loyalty. Building trust can therefore help online retailers develop stronger and longer-term relationships with their customers.

2.3 The Dependent Variable

In this study, customer loyalty is the dependent variable. Customer loyalty refers to a customer's commitment to continue purchasing from a preferred retailer or service provider over time. Oliver (1999) explains that loyalty involves a strong commitment to repurchase a preferred product or service consistently, even when customers are exposed to alternative choices or marketing efforts that may encourage switching.

In the context of online shopping, customer loyalty is particularly important because customers can easily compare different retailers and switch between online platforms. Loyalty may be reflected through repeated purchases, continued use of the same online retailer, and the intention to maintain a relationship with the platform. Therefore, providing a positive and reliable customer experience can play an important role in encouraging customers to return and continue purchasing online.

In Saudi Arabia, customer loyalty has also received attention in e-commerce research. Eid (2011) examined customer satisfaction, trust, and loyalty among B2C e-commerce customers in Saudi Arabia and found that customer satisfaction had a strong influence on customer loyalty, while trust also contributed to loyalty. This indicates that customers' experiences and perceptions of an online retailer can influence their willingness to maintain a long-term relationship with the platform.

2.4 The Relationship Between The Independent and The Dependent Variables

Previous studies indicate that different aspects of the online customer experience can play an important role in developing customer loyalty. In this study, website usability, customer service quality, delivery service quality, and trust in online shopping platforms are expected to influence customers' willingness to continue purchasing from an online retailer.

Website usability can contribute to loyalty by making the shopping process easier and more convenient. When customers can navigate a website easily, find the information they need, and complete transactions without unnecessary difficulty, they are more likely to have a positive experience. Flavián et al. (2006) found that website usability is associated with greater customer satisfaction and trust, which can support the development of website loyalty.

Customer service quality can also influence loyalty because online customers often depend on the retailer for assistance before and after a purchase. Parasuraman et al. (2005) emphasize the

importance of electronic service quality in customers' evaluation of online services. Effective and responsive customer service can reduce uncertainty, resolve problems, and encourage customers to maintain their relationship with an online retailer.

Delivery service quality is another important part of the relationship between customer experience and loyalty. Customers expect their orders to arrive correctly, reliably, and within the promised time. Collier and Bienstock (2006) show that outcome quality and recovery are important dimensions of customers' evaluation of electronic service. A reliable fulfillment and delivery experience may therefore strengthen satisfaction and encourage repeat purchasing.

Trust is particularly important in e-commerce because customers provide personal and financial information without direct face-to-face interaction with the seller. In the Saudi Arabian context, Eid (2011) found that trust contributes to customer loyalty in B2C e-commerce. When customers believe that an online retailer is reliable and trustworthy, they may be more willing to continue purchasing from the same platform and develop a longer-term relationship with it.

Overall, the literature suggests that customer loyalty in online shopping is influenced by several connected aspects of the customer experience rather than a single factor. This study therefore examines how website usability, customer service quality, delivery service quality, and trust in online shopping platforms contribute to customer loyalty among online shoppers in Saudi Arabia.

2.5 Conclusion

The literature review shows that customer experience plays an important role in developing customer loyalty in online shopping. Previous studies suggest that website usability, customer service quality, delivery service quality, and trust can influence how customers evaluate online retailers and whether they continue purchasing from them. A convenient website, responsive customer service, reliable delivery, and a trustworthy shopping environment can together contribute to a more positive customer experience and encourage repeat purchasing.

Although previous research has examined different aspects of e-commerce service quality, trust, and customer loyalty, further examination of these factors together in the Saudi Arabian online shopping context is valuable. Therefore, this study focuses on examining how website usability, customer service quality, delivery service quality, and trust in online shopping platforms influence customer loyalty among online shoppers in Saudi Arabia.

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