



THE IMPACT OF CUSTOMER TRUST AND LOYALTY ON E-COMMERCE SUCCESS IN NAMAKKAL DISTRICT

¹T KUMAR

Ph.D Research Scholar (PT), Department of Commerce,
Government Arts and Science College, Kangeyam.

²Dr.C.LEELA DEVI

Assistant Professor, Department of Commerce,
Government Arts and Science College, Kangeyam.

Abstract: Electronic commerce has grown into an essential component of today's commercial environment, with many businesses dependent significantly on online sales to boost revenue. In this scenario, customer trust and loyalty are important factors in e-commerce success. According to the survey, successful e-commerce has a major impact on customer loyalty and trust. Companies that are efficient at establishing and preserving customers loyalty and trust are more probable to see increases in repeat business, rate of retention of customers, and favorable reviews, all of which boost profits as well as sales. The survey also emphasizes how crucial the design of websites, safety standards, good quality products, and customer support are to building customer loyalty and confidence.

Index Terms - E-commerce, customer trust, customer loyalty, quality products & customer support.

1. INTRODUCTION:

Electronic commerce commonly known as e-commerce has completely changed ways in which businesses function in the present day. Businesses are becoming more dependent on e-commerce to market their goods and services via the internet and digital technology. For every organization to succeed, especially for e-commerce enterprises, customer loyalty and trust are essential components. **Lily Amukohe Rutstrom (2022)**, analyzed the relationship between customer satisfaction and trust in the context of a business ecosystem as significantly positive. This indicates that the more the customers are satisfied with the online retailer, the more their trust with the retailer is established, and the more the customers are dissatisfied with the online retailer, the more their trust with the retailer is reduced.

2. OBJECTIVES :

- To analyze the association between customer trust, loyalty, and e-commerce success.
- To examine the influence of customer service quality in establishing and sustaining consumer trust and loyalty.
- To investigate the effect of product quality and range on consumer trust and loyalty.

3. RESEARCH APPROACH:

This study was conducted using a survey method based on primary and secondary data. The primary data were acquired using a well-structured questionnaire. The secondary data for the study were acquired from books, journals, periodicals, and websites.

4. RESEARCH DESIGN :

Research design is an outline or structure for carrying out a research undertaking. It describes the techniques for getting the knowledge required to structure or solve an issue related to research. This research study uses a descriptive study design.

SETTING OF THE STUDY

The study was conducted from Namakkal District, Tamilnadu, India.

TARGET POPULATION

In this study, the target demographic consists of the customers in Namkkal district who buy products and services from online retailers.

SAMPLE

Sample is a representative unit from a target population for research purposes. In the present study the sample size was 100 online customers in Namkkal district, Tamilnadu, India.

SAMPLE SIZE

100 samples with the appropriate population characteristics.

SAMPLING TECHNIQUE

Sample is a subset of a population selected to reflect the total population. Subjects were chosen randomly from the sampling frame to complete non-probability sampling. A purposive sample strategy was used to identify 100 online customers in Namkkal district.

DATA COLLECTION PROCEDURE

Structured questionnaire approaches consist of two elements.

Demographic variable

Factors in the demographic variable include gender, age, education level, residential status and income level

Structured questionnaire

Structured questionnaire assessing knowledge towards online customers regarding decisions to purchase based on price, read online reviews, speed of delivery and quality of the product.

5. FINDINGS:

SECTION - A

Frequency and percentage distribution of e-commerce customers based on selected demographic characteristics.

S.NO.	GROUPS	FREQUENCY(f) N=100	PERCENTAGE (%)
1	Gender <ul style="list-style-type: none"> Male Female 	10 90	10% 90%
2	Age <ul style="list-style-type: none"> Below 18 Years 18 Years to 30 Years 31 Years to Years 45 Above 45 Years 	3 81 11 5	3% 81% 11% 5%
3	Education Level <ul style="list-style-type: none"> Under-Graduate Post-Graduate Higher than Post-Graduate Uneducated 	56 31 10 3	56% 31% 10% 3%
4	Residential Status <ul style="list-style-type: none"> Urban Rural 	55 45	55% 45%

5	Monthly Income		
	● Upto10,000	41	41%
	● 10,001 to 30,000	16	16%
	● 30,001 to 50,000	3	3%
	● Above 50,000	40	40%

E-commerce customers consist of 10% males and 90% females. In terms of age distribution 3% of the customers were below 18 years, 81% were in the age group of 18 to 30 years, 11% were in the age group of 31 to 45 years and 5% were above 45 years. Regarding educational qualifications 56% of the customers had an undergraduate level of education, 31% had a postgraduate level of education, 10% had qualifications higher than postgraduate and 3% were uneducated. For residential status 55% of the customers resided in urban areas, while 45% were from rural areas. When it comes to monthly income 41% of the customers earned up to ₹10,000, 16% had an income between ₹10,001 and ₹30,000, 3% earned between ₹30,001 and ₹50,000 and 40% had an income exceeding ₹50,000.

SECTION - B

Frequency and percentage distribution of e-commerce customer's decisions to purchase based on price, read online reviews, speed of delivery and quality of the product.

S.NO.	GROUPS	FREQUENCY(f) N=100	PERCENTAGE (%)
1	Price <ul style="list-style-type: none"> ● Extremely important ● Important ● Not important ● Not at all important 	29 64 5 2	29% 64% 5% 2%
2	Online Reviews <ul style="list-style-type: none"> ● Extremely important ● Important ● Not important ● Not at all important 	54 26 17 3	54% 26% 17% 3%
3	Speed of Delivery <ul style="list-style-type: none"> ● Extremely important ● Important ● Not important ● Not at all important 	34 50 10 6	34% 50% 10% 6%
4	Quality of the Product <ul style="list-style-type: none"> ● Extremely important ● Important ● Not important ● Not at all important 	41 54 2 3	41% 54% 2% 3%

Price:

29% of customers consider price to be extremely important, 64% consider it important, 5% consider it not important, and 2% consider it not at all important.

Online Reviews:

54% of customers consider online reviews to be extremely important, 26% consider them important, 17% consider them not important, and 3% consider them not at all important.

Speed of Delivery:

34% of customers consider speed of delivery to be extremely important, 50% consider it important, 10% consider it not important, and 6% consider it not at all important.

Quality of the Product:

41% of customers consider the quality of the product to be extremely important, 54% consider it important, 2% consider it not important, and 3% consider it not at all important.

SECTION - C**Chi-Square Test for Association between Monthly Income and Importance of Product Quality in E-Commerce Customer Purchase Decisions**

The chi-square test was performed to investigate the association between monthly income and the importance of product quality in e-commerce customer purchase decisions.

Hypothesis Setup:

- **Null Hypothesis (H_0):** There is no significant association between customer's monthly income and their perception of product quality.
- **Alternative Hypothesis (H_1):** There is a significant association between customer's monthly income and their perception of product quality.

The following table presents the frequencies:

Monthly Income	Extremely Important	Important	Not Important	Not at all Important	Expected (E)	(O - E) ² / E
Upto10,000	17	22	1	1	16.81	0.00021
10,001 to 30,000	7	9	0	0	6.56	0.0167
30,001 to 50,000	16	22	1	1	16.40	0.0009
Above 50,000	1	2	0	0	1.23	0.0023
Total	41	55	2	2	100	1.116

The results of the chi-square test are as follows:

- Chi-Square Statistic (χ^2): 1.116
- p-value: 0.9991
- Degrees of Freedom (df): 9

Interpretation:

- The p-value (0.9991) is much higher than the significance level of 0.05, indicating that we fail to reject the null hypothesis.
- This means there is no significant association between the monthly income of customers and their perceived importance of product quality.

The results indicate that there is no significant association between the monthly income of customers and the importance they place on product quality when making e-commerce purchase decisions, as evidenced by the high p-value (0.9991), which exceeds the 0.05 significance level.

6. RECOMMENDATION:

- Focus marketing on the young (18-30 years) and educated demographic, emphasizing product quality and affordability.
- Offer high-quality products and encourage positive customer reviews to enhance trust and loyalty.
- Focus on faster delivery times to meet customer expectations and ensure satisfaction.

7. CONCLUSION:

The study concludes that customer trust and loyalty are critical to the success of e-commerce businesses in Namakkal District. Factors such as product quality, customer reviews, price, and delivery speed significantly influence customer's purchasing decisions. However, there was no significant association found between monthly income and the importance of product quality in the decision-making process.

To succeed in the e-commerce sector, businesses must prioritize high-quality products, positive customer experiences, and transparent, efficient service to foster customer trust and loyalty. By focusing on the needs and preferences of the young, educated, and urban customer base, businesses can improve their competitiveness and customer retention rates.

REFERENCES:

- Nasimi, A. N. (2018). Factors affecting e-commerce customer loyalty in Pakistan. Vol. 49, 1–??. ISSN 2422-8451.
- Pizzutti, C., & Fernandes, D. (2010). Effect of recovery efforts on consumer trust and loyalty in e-tail: A contingency model. *International Journal of Electronic Commerce*, 14(4), 127–160.
- Cai, S., Yuan, X., & Chu, K. (2012). Validating the relationship between information quality and trust: The moderating effect from customer orientation. In *Lecture Notes in Business Information Processing (LNBIP, Vol. 123)* (pp. 13–24).
- Brilliant, M. A., & Achyar, A. (2013). The impact of satisfaction and trust on loyalty of e-commerce customers. *ASEAN Marketing Journal*, 5(1), 51–58.
- Mofokeng, T. E. (2021). The impact of online shopping attributes on customer satisfaction and loyalty: Moderating effects of e-commerce experience. Article 1968206. Published online 2 September 2021.

