

Strengthening Customer Loyalty in E-Commerce: Exploring Online Trust, Satisfaction, and Electronic Word of Mouth

Jith R, Dr. Rajesh K

*Research Scholar, Department of Business Administration and Management, KUFOS.
Assistant Professor and Head, Department of Business Administration and Management, KUFOS.*

Abstract

This research examines how online trust, customer satisfaction, and electronic word of mouth (e-WOM) contribute to building customer loyalty in the e-commerce industry. Employing a quantitative approach, data were gathered from 300 online shoppers using a structured survey. Statistical analyses, including correlation, multiple regression, one-way ANOVA, and t-tests, were used to explore variable relationships and demographic differences. Findings reveal a robust positive link between online trust and loyalty ($r = 0.759$, $p < 0.001$), with satisfaction as the most significant predictor ($\beta = 0.52$, $p < 0.001$), followed by trust ($\beta = 0.431$, $p < 0.001$) and e-WOM ($\beta = 0.392$, $p < 0.001$). Loyalty varied significantly across age groups, with the 26–35 demographic showing the highest loyalty, while no notable gender differences emerged. These results highlight the critical role of trust-building, satisfaction-focused strategies, and e-WOM in enhancing customer retention, offering practical guidance for e-commerce platforms to foster loyalty and ensure long-term growth.

Keywords: E-commerce, Customer Retention, Digital Trust, User Satisfaction, Peer Recommendations

JEL Classification Number: M31, L81

Date of Submission: 07-06-2025

Date of Acceptance: 18-06-2025

I. Introduction

The growth of e-commerce has reshaped how consumers shop, establishing online platforms as a primary channel for retail transactions. This shift has intensified competition, pushing businesses to prioritize customer retention and loyalty. Unlike physical stores, e-commerce involves greater perceived risks due to the lack of direct interaction, making trust, satisfaction, and peer recommendations pivotal in shaping consumer behavior.

In a digital landscape where social media and online reviews heavily influence decisions, cultivating loyalty is vital for sustained business success. Loyalty in e-commerce is driven by confidence in secure transactions, positive shopping experiences, and endorsements from other users. Trust reduces concerns about product quality, payment safety, and data protection, while satisfaction stems from intuitive interfaces, responsive support, and timely deliveries. Electronic word of mouth (e-WOM), through reviews and recommendations, enhances brand credibility.

This study investigates how online trust, satisfaction, and e-WOM interact to foster loyalty, evaluates their collective impact, and examines loyalty differences across demographic segments. Using statistical tools like correlation, regression, ANOVA, and t-tests, it provides actionable insights for e-commerce businesses to strengthen customer relationships, encourage repeat purchases, and build brand advocacy.

II. Literature Review

Simangunsong and Putri (2025) explored e-WOM, trust, and satisfaction's effects on loyalty among Shopee users, analyzing data from 170 respondents with SmartPLS4. They found trust and satisfaction significantly drove loyalty, while e-WOM had minimal impact, underscoring the importance of reliable platforms and positive user experiences.

Pambudi et al. (2025) studied factors influencing repurchase intentions in B2C e-commerce, using data from 418 Jakarta respondents analyzed via PLS-SEM 4.0. Their results confirmed that trust and service quality enhanced perceived value, boosting satisfaction and repurchase behavior, with satisfaction acting as a key mediator.

Teo, Cheng, and Chow (2025) investigated service quality dimensions (e.g., customer support, fulfilment, and security) and their impact on repurchase intentions in Malaysia, using data from 200 shoppers. Their PLS-SEM analysis identified security/privacy as the top predictor, with gender influencing preferences for platform design and trust.

Shahzad et al. (2024) applied the Stimulus-Organism-Response framework to assess AI-chatbot quality's effect on loyalty in luxury e-commerce. Data from 301 Chinese consumers showed chatbots enhanced loyalty through trust and e-WOM, highlighting technology's role in customer engagement.

Fadilla (2023) examined service quality and e-WOM's influence on repurchase intentions among Shopee users, with trust as a mediator. Data from 200 respondents confirmed that both factors significantly affected trust and repurchase behavior.

Sanapang (2022) studied service quality, trust, and e-WOM's impact on repurchase intentions among Generation Y Shopee users in Makassar. Using data from 384 respondents, the study found trust and service quality indirectly influenced repurchasing through e-WOM.

Al-Bourini et al. (2021) analyzed the role of online destination image in mediating e-WOM, service quality, satisfaction, and trust in tourism. Their AMOS-based analysis validated the model's reliability, offering insights for improving service delivery.

III. Objectives of the Study

The study seeks to:

1. Investigate the link between online trust and customer loyalty in e-commerce.
2. Evaluate the combined influence of trust, satisfaction, and e-WOM on loyalty.
3. Assess variations in loyalty across demographic groups.

IV. Research Methodology

This study utilized a quantitative design to explore the relationships between trust, satisfaction, e-WOM, and loyalty in e-commerce. The population included online shoppers who made at least one purchase in the past six months. Stratified random sampling ensured diversity across age, gender, income, and education, with 300 respondents providing robust statistical power.

Data were collected via an online survey on Google Forms, using a 5-point Likert scale to assess trust (security, privacy, reliability), satisfaction (usability, delivery, service), e-WOM (reviews, recommendations), and loyalty (repeat purchases, advocacy). Demographic data were also gathered.

Trust, satisfaction, and e-WOM were independent variables, with loyalty as the dependent variable. Demographic factors served as moderators. Analysis included descriptive statistics, correlation, multiple regression, ANOVA, and t-tests. Cronbach's Alpha verified scale reliability. Ethical measures ensured voluntary, anonymous participation with informed consent. Limitations included potential self-selection bias and reduced generalizability to less tech-savvy populations.

V. Discussions

This research analyzed the factors driving e-commerce loyalty, focusing on trust, satisfaction, and e-WOM, and explored demographic differences. Data from 300 respondents were examined using correlation, regression, t-tests, and ANOVA to meet the study's objectives.

Objective 1: Trust and Loyalty Relationship

Correlation analysis showed a strong positive relationship between trust and loyalty ($r = 0.759$, $p < 0.001$), indicating that greater trust leads to higher loyalty, evidenced by repeat purchases and positive advocacy. Trust arises from secure transactions, accurate product information, and dependable service. This supports Simangunsong and Putri (2025), who highlighted trust's critical role. Platforms should prioritize encryption, clear privacy policies, and reliable fulfillment to foster trust and loyalty.

Objective 2: Combined Impact of Trust, Satisfaction, and e-WOM

Regression analysis revealed that trust, satisfaction, and e-WOM collectively explain 57% of loyalty variance ($F = 52.84$, $p < 0.001$, $R^2 = 0.57$). Satisfaction was the strongest predictor ($\beta = 0.52$, $p < 0.001$), followed by trust ($\beta = 0.431$, $p < 0.001$) and e-WOM ($\beta = 0.392$, $p < 0.001$). Satisfaction, driven by quality products and responsive support, fosters emotional connections; trust builds confidence; and e-WOM reinforces credibility. These findings echo Pambudi et al. (2025) on satisfaction's mediating role. Businesses should enhance user interfaces, collect feedback, and promote peer reviews to boost loyalty.

Objective 3: Demographic Variations in Loyalty

A t-test showed no significant gender differences in loyalty ($t = 1.42$, $p = 0.160$), suggesting gender-neutral strategies focusing on behavior and psychology. This differs from Teo et al. (2025), who noted gender-specific preferences. ANOVA identified significant age-based differences ($F = 3.89$, $p < 0.001$), with the 26–35 group showing higher loyalty than those under 18 or over 46, likely due to their digital proficiency and shopping frequency. Younger users may lack brand loyalty, while older users face usability challenges. Platforms can offer

tailored interfaces, educational resources, and personalized offers to address these gaps, leveraging AI and mobile-first designs.

These results highlight the synergistic roles of trust, satisfaction, and e-WOM in fostering loyalty, with age-specific strategies enhancing retention.

VI. Implications and Conclusion

Implications

The findings provide key insights for e-commerce platforms seeking to boost loyalty. The strong trust-loyalty link ($r = 0.759$, $p < 0.001$) emphasizes the need for secure payments, transparent policies, and consistent quality. These align with Shahzad et al. (2024), who noted trust's role in tech-driven engagement.

Satisfaction's leading role ($\beta = 0.52$, $p < 0.001$) underscores the value of intuitive platforms, timely support, and accurate deliveries. Feedback tools and loyalty programs can enhance satisfaction and retention.

While e-WOM's effect was less pronounced ($\beta = 0.392$, $p < 0.001$), it supports brand visibility. Encouraging reviews and influencer partnerships, as per Sanapang (2022), can amplify its impact.

Higher loyalty in the 26–35 age group suggests targeting this tech-savvy demographic with personalized offers, while simplified designs and educational content can engage other age groups.

A comprehensive strategy combining trust, satisfaction, and e-WOM, supported by AI personalization and mobile optimization, is crucial for competitive advantage.

VII. Conclusion

This study sheds light on loyalty drivers in e-commerce, particularly for platforms like Shopee. Trust and satisfaction emerge as primary influencers, with e-WOM providing secondary support. The trust-loyalty correlation and satisfaction's predictive strength highlight the need for secure, user-friendly platforms. Age-based loyalty differences call for targeted strategies, especially for the 26–35 demographic. By implementing trust-building measures, enhancing user experiences, and leveraging e-WOM, e-commerce businesses can drive retention and achieve sustainable growth in the digital marketplace.

References

- [1]. Al-Bourini, F. A., Aljawameh, N. M., Almaaitah, M. F., Altahat, S., Alomari, Z. S., & Sokiyna, M. Y. (2021). The role of E-Word of mouth in the relationship between online destination image, E-satisfaction, E-Trust & E-Service quality for international tourists perception. *Journal of Information Technology Management*, 13(Special Issue: Big Data Analytics and Management in Internet of Things), 92–110.
- [2]. Fadilla, N. (2023). E-service quality, e-word of mouth, customer trust, and repurchase intention. *Operations Management and Information System Studies*, 3(4), 287–295.
- [3]. Pambudi, R., Mangabarani, A. S., Supriadi, Y. N., & Setiadi, I. K. (2025). Boosting repurchase rates in B2C e-commerce: the role of customer satisfaction and relationship factors. *Multidisciplinary Science Journal*, 7(3), 2025096–2025096.
- [4]. Sanapang, G. M. (2022). The effect of e-service quality and e-trust on repurchase intention through E-Word of Mouth (E-WOM) as an intervening e-commerce Shopee on the Y Generation in Makassar City. *Scientium Management Review*, 1(2), 17–25.
- [5]. Shahzad, M. F., Xu, S., An, X., & Javed, I. (2024). Assessing the impact of AI-chatbot service quality on user e-brand loyalty through chatbot user trust, experience and electronic word of mouth. *Journal of Retailing and Consumer Services*, 79, 103867.
- [6]. Simangunsong, A. S., & Putri, S. E. (2025). Analysis of E-WOM and E-Trust on E-Satisfaction and E-Loyalty of Shopee Users. *Formosa Journal of Multidisciplinary Research*, 4(3), 1179–1192.
- [7]. Teo, S. C., Cheng, K. M., & Chow, M. M. (2025). Unlocking repurchase intentions in e-commerce platforms: the impact of e-service quality and gender. *Cogent Business & Management*, 12(1), 2471535.