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**INFLUENCE OF DIGITAL CUSTOMER EXPERIENCE ON CUSTOMER
LOYALTY IN KENYA'S ONLINE RETAIL SECTOR**

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MBA/8547/19

**A THESIS SUBMITTED IN PARTIAL FULFILMENT OF AWARD OF DEGREE
OF MASTER OF BUSINESS ADMINISTRATION OF STRATHMORE
UNIVERSITY**



APRIL 2023

DECLARATION

I declare that this thesis is my original work and has not been previously submitted and approved by Strathmore University or any other Institution for the award of a degree. To the best of my knowledge and belief, this thesis is original and borrowed materials has been done with due reference.

Mary Nderitu

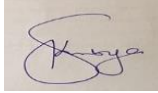
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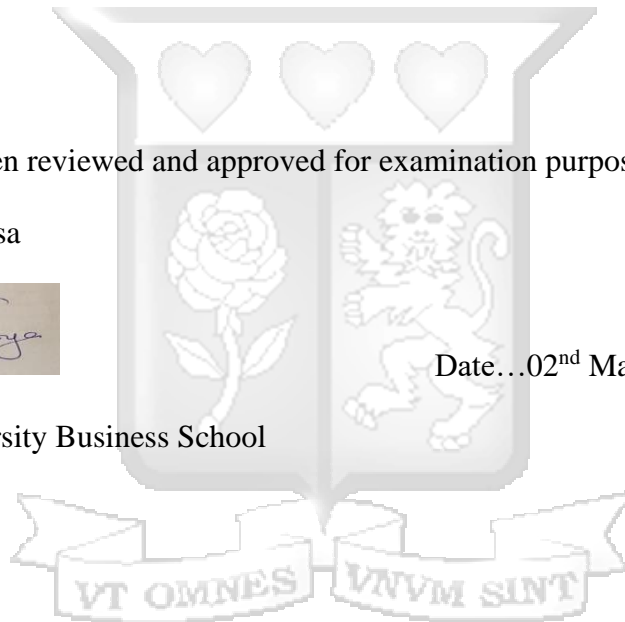
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ABSTRACT

The struggle for clients among retail outlets is getting more and more intense due to new business models in the sector and ongoing technological advancements, therefore it is becoming more and more important to preserve long-term connections with customers. The retail industry has been one of the global economy's growing sectors in recent years, with high growth rates in rich nations and exponential development in emerging ones. Increased rivalry and the introduction of new retailing formats, in addition to rapid expansion as a primary cause, are developing a new retail landscape. The general objective of the study was to establish the influence of digital customer experience on customer loyalty in Kenya's online retail sector. Specific objectives were to establish the influence of perceived value on customer loyalty in Kenya's online retail sector, to examine the influence of brand trust on customer loyalty, to determine the influence of services quality on customer loyalty, to establish the influence of convenience on customer loyalty and to examine the influence of product experience on customer loyalty in Kenya's online retail sector. This study was anchored on Diffusion Innovation Theory and Theory of Reasoned Action. This study used a descriptive research design. The target population was 10,000 online customers shopping in the major online retailers in Nairobi. The convenience sampling method was used to select the study sample. The study sample size was 385 respondents. The study used questionnaires to collect primary data. Quantitative data collected was analyzed by the use of descriptive statistics which include percentages, means, standard deviations and frequencies. The information was displayed by use of bar charts, graphs and pie charts and in prose-form. Data collected from open ended questions was analyzed using the content analysis method. Correlational analysis was conducted to determine the strength of a relationship between two, numerically measured, continuous variables. The study also carried out a multiple regression analysis to determine the influence of digital customer experience on customer loyalty in Kenya's online retail sector. The study established that perceived value, brand trust, service quality, convenience and product experience had a statistically significant relationship with customer loyalty in Kenya's online retail sector. The study recommends that the retailers should always ensure that their customers get value of what they purchase. In addition, they should always work with trusted brands and improve their service quality in order to enhance customer loyalty and meet customer needs. Further, customer loyalty would be deepened by increasing convenience through establishment of outlets in different regions. Moreover, the retailers should always ensure that they provide products of good quality to their customers to enhance their loyalty. The study was limited to perceived value, brand trust, services quality, convenience and product experience on customer loyalty in Kenya's online retail sector. Convenience sampling was adopted for this study hence the ability to make generalizations from the sample to the population of interest may be undermined. In addition, the study was limited to descriptive research design thus cause and effect correlations cannot be established. Further, the respondents may not be genuine or offer socially acceptable replies while answering survey questions. The phrasing and choice of questions on a questionnaire might have an impact on the descriptive results. The study objective was to establish the influence of digital customer experience on customer loyalty in Kenya's online sector through perceived value, brand trust, services quality, convenience and product experience hence future studies should adopt other variables. Further, the findings of the study are not generalisable to other sectors and thus a need for future studies to focus on the influence of digital customer experience on customer loyalty in other sectors.

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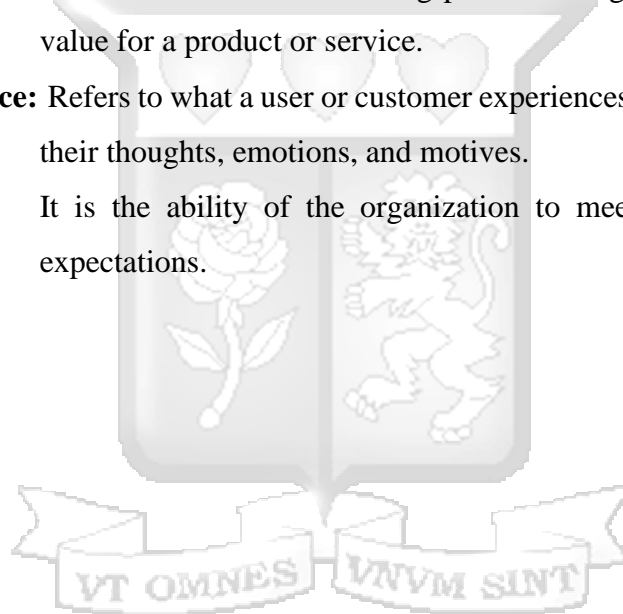
ABBREVIATIONS AND ACRONYMS

ANOVA	Analysis of Variance
DOI	Diffusion of Innovation
SEM	Structural Equation Modeling
SERVCON	Service Convenience Using Service Convenience Model
SERVQUAL	Service Quality
SPSS	Statistical Package for the Social Sciences



OPERATIONAL DEFINITION OF TERMS

- Brand trust:** Reflects a consumer's expectation that a brand's product, service, or corporate behavior, matches the promises the company has made
- Convenience:** It is as a means of adding value to consumers by decreasing the amount of time and effort a consumer must expend on the service.
- Customer loyalty:** It is the act of choosing one company's products and services consistently over their competitors
- Perceived value:** It is a customer's own perception of a product or service's merit or desirability to them, especially in comparison to a competitor's product.
- Pricing:** Refers to the decision-making process that goes into establishing a value for a product or service.
- Product experience:** Refers to what a user or customer experiences when using a product; their thoughts, emotions, and motives.
- Service quality:** It is the ability of the organization to meet or exceed customer expectations.



CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

With new ways of doing business in the retail industry and the constant change of technology, retail outlets' battle to win customers is becoming more and more intense thus the need to maintain long term relationships with customers is growing (Magatef & Tomalieh, 2017). The recent decade has seen retail business as one of the growth areas in the global economy, witnessing high growth rates in the developed countries and perching exponential growth in the emerging economies (Klaus, 2015). Rapid growth being a principal factor is also followed by increasing competition and emergence of new retailing formats in shaping new scenario of retail stores (Popkowski, 2018).

In the retail sector, customers are no longer regarded as rational deciders with mere interest in functional and financial product properties and benefits. A satisfied customer is not a guarantee for loyalty, additional revenue, or a larger market share (Kumar, Stern & Achrol, 2017). Retail companies have to consider delivering consistently positive and distinctive customer experience in order to increase customer loyalty. One of the major developments in business has been the emergence of the Internet as a channel for commerce and communication (Murugan, 2016).

The entire selling and buying process, from information search, communication, and selection, to transaction, delivery, and after-sales service, can nowadays be largely conducted across the digital channel (Farnad & Afghah, 2017). Retail companies globally have made efforts to improve the digital customer experience as a means to increase customer loyalty (Ahmad, Rahman & Khan, 2017). It has been witnessed that companies have become business giants by offering products through digital platforms. For example, Amazon in the USA and Alibaba in China (Ahmad, Rahman & Khan, 2017). In Africa, Jumia is the biggest digital commerce retail platform (Zatalini & Pamungkas, 2017).

The retail sector plays an important role in the economy because it involves high annual sales and employment (Yasav, 2015). Further, consumers benefit from retailing as retailers perform marketing functions that make it possible for customers to have access to a broad variety of products and services (Thai, 2015). Retailing also helps to create a place, time, and possession utilities. A retailer's service also helps to enhance a product's image (Ndemo & Weiss, 2017). Generally, it can be said that retailing is the final stage in marketing

channels for consumer products. Retailers provide the vital link between producers and ultimate consumers (Yasav, 2015).

Besides, e-commerce has been on the rise with online shopping being embraced in the retail sector. This trend has been facilitated by mobile wallets gaining popularity, thus making online shopping more convenient (Popkowski, 2018). However, while there is a rise in online shopping not much is known about digital customers experience on loyalty in retail sector. Hence, the motivation of this study was to establish the influence of digital customer experience on customer loyalty in Kenya's online retail sector.

1.1.1 Digital Customer Experience

Globalization technology has increasingly advanced over the years and the presence of the internet is increasingly needed in everyday life, both in socialization activities, education and customer experience (Pine & Gilmore, 2018). Customer experience is a model in marketing that follows customer equity (Fan, Kim & Lee, 2016). Digital customer experience is a multidimensional concept which has been defined in several ways by different scholars. Fan, Kim and Lee (2016) defines it as an experience that is cognitive or perception of the customer from the results of observation and customer participation to what s/he finds in digital experience. However, Ismail (2011) defines customer experience as emotions provoked, sensations felt, knowledge gained and skills acquired through active involvement with the firm pre, during and post consumption. Whereas Klaus & Maklan (2013) suggests customer experience is about the customer's mental perception of interactions with a company's value proposition online. These mental perceptions, in turn, drive a set of outcomes, namely benefits, emotions, judgments and intentions. Meyer and Schwager (2007) explain that customer experience centers on customers' internal and subjective response to any direct or indirect contact with the company across multiple touch points.

Digital customer experience therefore refers to the sum total of all the online interactions a customer has with a brand. It may start with a company website but could also include mobile apps, chat bots, social media, and any other channels where the touchpoint is virtual (Wang & Lu, 2016). Digital customer experience has significant effect on customer satisfaction by providing better customer value (Klaus, 2014). It provides better experience for customers through digitalization which influence a company's brand significantly (Merrilees, 2016).

Customer experience has also been defined as a multidimensional concept involving a customer's cognitive, affective, emotional, social and physical responses to a company throughout the customer journey (Lemon & Verhoef, 2016). Sorooshian *et al.* (2013) suggest customer experience to be connected to the practical usefulness and satisfaction obtained. While Schmitt (2019) suggested that there are five types of customer experience as the basis for the overall marketing experience analysis; sense, feel, think, act and relate. Further, Klaus and Maklan (2012) introduced customers' service experience (EXQ) scale that comprises four dimensions namely product experience, outcome focus, moments of truth, and peace of mind. Additionally, Maklan and Klaus (2011) also proposed and tested the concept of customer experience quality with dimensions such as service quality, technical aspects that influence experiences, loyalty intentions, choices and risk, employee-customer interactions, ease of use, and achieving outcomes.

Lemke *et al.* (2011) indicated that customer experience quality include dimensions such as perceived superiority of the company or products to others, relationship outcomes, employee knowledge, caring social value, perceived usability, and perceived value of time. Mbama (2018) defines customer experience through perceived value, convenience, functional quality, service quality, brand trust, employee customer engagement, perceived usability, perceived risk, and technical innovation. This research sought to use the base assumptions and constructs of Mbama (2018) by measuring digital customer service in terms of perceived value which means the customers' evaluation of the merits of a product or service, and its ability to meet their needs and expectations (Deyalage & Kulathunga, 2019), convenience is all about accessibility, and how easily a customer can purchase desired items (Gupta, Pansari & Kumar, 2018), service quality is customer's comparison of service expectations as it relates to a company's performance (Kaur, 2018), brand trust is the willingness of the average consumer to rely on the ability of the brand to perform its stated function (Rather, 2020) and product experience is the overall value of a product or service to customers (Becker & Jaakkola, 2020).

1.1.2 Customer Loyalty

Customer loyalty is referred to as a deeply held commitment to rebuy or patronize a preferred product/service consistently in the future, thereby causing repetitive same-brand or same brand-set purchasing despite situational influences and marketing efforts having the potential to cause switching behavior (Oliver, 2016). Pearson (2016) argues that customer loyalty is the mindset of the customer who holds favorable attitudes toward a

company, commit to repurchase the company's product/service, and recommend the product/service to others. Customers who feel they have obtained value from a product or service may develop a loyalty to that product or service. Casidy and Wymer (2016) conceptualized customer loyalty as one's feelings of devoted attachment to the loyalty object, rather than repeated commercial transactions. Thakur (2016) defined customer loyalty as a customers' intention to remain committed to specific provider in the marketplace by repeating their purchasing experiences. This study adopted Oliver's definition of customer loyalty.

According to Kandampully et al. (2015) customer loyalty can be classified into active loyalty and passive loyalty. Companies could have active and passive loyal customers. Although both types are important, active loyalty has become more significant due to the widespread usage of internet and social media applications (Pearson, 2016). Today's customers depend progressively more on online reviews and electronic word of mouth in choosing various products and brands. In this regard, active loyal customers are motivated to spread their evaluations and opinions on their purchasing experiences with the public. Bowen and McCain (2015) classified customer loyalty into attitudinal and behavioral dimensions; attitudinal loyalty refers to customer's emotional attachment while behavioral loyalty refers to customer's actual behavior. Casidy and Wymer (2016) instead conceptualized the loyalty concept as a customer's attachment feelings towards specific products and brands (attitudinal perspective), whereas Thaichon and Jebarajakirthy (2016) measured customer's behavioral loyalty (behavioral perspective).

Abdullah (2012) on his part, classified customer loyalty based on behavioral and emotional loyalty on the goods and services. Behavioral loyalty refers to frequent shopping in a particular retailer while emotional loyalty refers to the customers' concern towards certain retailer on the basis of past buying experience. Abdullah (2012) adds that an increase in customer satisfaction would lead to an increase in customer loyalty. This research sought to use the classification of Abdullah (2012) and Bowen and McCam (2015) by measuring customer loyalty in terms of behavioral loyalty and emotional loyalty.

1.1.3 Kenya's Online Retail Sector

Kenya is the 64th largest market for e-commerce with revenue of US\$1 billion in 2020, placing it ahead of Algeria and behind Ecuador (Economic Survey, 2020). With an increase of 66%, the Kenyan e-commerce market contributed to the worldwide growth rate of 26%

in 2020. Revenues for e-commerce continue to increase. New markets are emerging, and existing markets also have the potential for further development (Economic Survey, 2020). Approximately 9 per cent of Kenyans are regular e-commerce users, with the number growing with every passing day. Data, clothing, healthcare, banking, and other fast-moving consumer goods have seen the highest surge of online activity (Njenga, 2017). The Kenyan government has created an enabling environment for businesses to flourish within the digital economy through investment in ICT infrastructure such as the National Optic Fibre Backbone Infrastructure (Kiumbura, 2018).

There are currently several online retailing firms in Kenya, majority of which are located in Nairobi. They include; mydawa, Jumia, phoneplacekenya, priceinkenya, shopit, kilimall and jiji among others. In the online retail industry, consumers take many factors into consideration when selecting an online retail store. The consumers are becoming more sensitive in selecting online retail stores hence increasing importance of the stores in establishing brand identities and creating positive customer experience.

Since the Covid-19 pandemic started, a large number of people have turned to online shopping. With the restrictions put in place to curb the spread of the virus, online stores have become even more popular. The advantages that come with online shopping has made it become a trend in Kenya. According to the Economic survey 2020 by Kenya National Bureau of statistics (KNBS), the trend towards e-commerce has been on the rise with online shopping registering an 8.6% growth in internet subscription rates.

In the light of these, the study of how digital customer experience influences customer loyalty in Kenya's online retail sector was found to be an important contribution to the online retail sector and its affiliates in responding to the changing demands of customers and developments in online retail sector.

1.2 Statement of the Problem

Digitalization has affected retailers, consumers, employees and society. The rapid growth of the internet has transformed the relationship between retailers and customers from being only a way to reach consumers to connecting with potential customers and expressing a brand in an entirely new way (Eadicicco, 2016). The growth has created new opportunities for marketing, communication activities and customer experience (Ngai, Moon, Lam & Chin, 2019). This has created a significant need for a comprehensive understanding of the phenomenon (Hagberg, Sundstrom and Egels-Zandén, 2016). According to Chen and

Murphy (2019), one of the most essential requirements of a successful retailer is maintaining good customer experience. Dutzler, Schmaus, Schrauf, Nitschke & Hochrainer (2016) suggest that as customer expectations change, retail companies must begin to embrace the growing digitization and interconnection of products, business models and value chains and by doing so the companies can be agile and responsive to consumer needs and expectations.

Retaining existing customers and adding new ones requires focusing on creating and reinforcing pleasurable experiences through digital platforms (Qualtrics, 2019). RedPoint (2019) states that consumers today seek and live for new experiences and therefore it is trendy to make experiences out of products and services being offered online. This means that retail companies should strive to build their brands and products so that they tell a story that appears to their own advantage and thus enhancing customer loyalty. This is because consumers crave for unique, convenient and personalized experiences (Betts, 2018) that should be delivered instantaneously and without faults; this tends to influence their loyalty.

Studies investigating the link between digital customer experience and customer loyalty reveal mixed results. For instance, a study conducted by RedPoint and Harris Poll (2019) in U.S., U.K., and Canada indicated that, 92% of brands thought they provide exceptional customer experiences, when as much as 73% of the consumers that took part in the survey reported that brands struggle to meet their expectations and deliver remarkable experiences, which negatively affected their loyalty toward the brands (RedPoint, 2019). In Indonesia, Mihardjoa, Sasmokob and Elidjen (2019) conducted a study to determine the influence of digital customer experience and electronic word of mouth on brand image and supply chain sustainable performance. It was noted that digital customer experience and electronic word of mouth played positive role on promoting brand image. Kumar and Mokha (2021) assessed the relationship between E-CRM, Customer Experience, Customer Satisfaction and Customer Loyalty in Banking Industry in India and revealed E-CRM, customer experience, customer satisfaction and customer loyalty. Mofokeng (2021) sought the impact of online shopping attributes on customer satisfaction and loyalty in South Africa: moderating effects of e-commerce experience and found that customer satisfaction and information quality determine customers' loyalty towards web stores. In Kenya, Chepngetich, Ouma and Aila (2019) did a study to determine influence of customer experience dimensions on purchase behavior in Kenya. The results proved that customer experience is composed of three set of clues (humanic, functional and mechanic) which

impact on customers perception of overall customer experience. Of these factors, only humanic clue factor had significant influence on purchase, with the rest of the two factors having no significant influence. However, the study generally focused on customer experience and did not explain how it influences customer loyalty. Arising from this empirical review therefore, the main question that arose is: what is the influence of digital customer experience on customer loyalty in Kenya's online retail sector?

1.3 Purpose of the Study

The general objective of the study was to establish the influence of digital customer experience on customer loyalty in Kenya's online sector.

1.4 Research Objectives

The study was guided by the following specific objectives;

- i. To establish the influence of perceived value on customer loyalty in Kenya's online retail sector.
- ii. To establish the influence of brand trust on customer loyalty in Kenya's online retail sector.
- iii. To determine the influence of services quality on customer loyalty in Kenya's online retail sector.
- iv. To establish the influence of convenience on customer loyalty in Kenya's online retail sector.
- v. To determine the influence of product experience on customer loyalty in Kenya's online retail sector.

1.5 Research Questions

The study sought to answer the following research questions;

- i. What is the influence of perceived value on customer loyalty in Kenya's online retail sector?
- ii. What is the influence of brand trust on customer loyalty in Kenya's online retail sector?
- iii. What is the influence of services quality on customer loyalty in Kenya's online retail sector?

- iv. What is the influence of convenience on customer loyalty in Kenya's online retail sector?
- v. What is the influence of product experience on customer loyalty in Kenya's online retail sector?

1.6 Significance of the Study

The study findings would be important to the management of online retail outlets in Kenya. This is because the study would provide an understanding on how digital customer experience influence on customer loyalty. This would enable the management to improve on their digital customer services like product quality so that they are able to serve their customers better. The management would also be able to consider their customers opinion on their digital experience to ensure customer loyalty.

The study would also be of significance to the policy makers in this sector. They would be able to use the study findings to come up with suitable strategies that can be used to improve customer's digital experience. This can include the use of customer's feedback to make some decisions to enhance customer loyalty. The study would be important to scholars and researchers. They will gain new knowledge on the relationship between digital customer experiences on customer loyalty. Researchers would be able to use this study as a reference for future related studies. The study would also add to the body of knowledge.

1.7 Scope of the Study

The study objective was to establish the influence of digital customer experience on customer loyalty in Kenya's online retail sector. This study was conducted in major online retail stores in Nairobi County. The study targeted the online customers of the retailing stores. The study used the descriptive design and questionnaires was used for data collection. The study was anchored on diffusion innovation theory and the theory of reasoned action. The study was conducted between March 2022 to June 2022.

1.8 Organization of the Study

The chapter is organized onto five chapters. Chapter one introduces the study where background, statement, objectives and research questions of the study are presented. The chapter also includes, significance of the study and the scope of the study. Chapter two dealt with literature review where theoretical framework, empirical review, research gaps, conceptual framework and operationalization of the study variables are presented. Chapter

three presents research methodology with sections on research philosophy, target population, sampling, data collection, pilot, data analysis, diagnostics tests and ethical considerations. Chapter four presents' data analysis presentation and interpretations. Chapter five which the final chapter presents the summary of findings, conclusions limitations and recommendations.

1.9 Chapter Summary

The chapter has introduced the study where the background to the study has been presented, the problem statemen and the objectives. The chapter has also presented the significance of the study, the scope and organization of the study.



CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

This chapter is a literature review of the influence of digital customer experience on customer loyalty. The following is covered the theoretical framework, empirical review, research gaps and conceptual framework.

2.2 Theoretical Framework

The theoretical framework is the structure that can hold or support a theory of a research study. The theoretical framework introduces and describes the theory that explains why the research problem under study exists. This study was anchored on diffusion innovation theory and the theory of reasoned action.

2.2.1 Diffusion Innovation Theory

Diffusion of Innovation (DOI) Theory was developed by Rogers in (1962). The theory explains how, over time, an idea or product gains momentum and diffuses (or spreads) through a specific population or social system. The end result of this diffusion is that people, as part of a social system, adopt a new idea, behavior, or product. Adoption means that a person does something differently than what they had previously (i.e., purchase or use a new product, acquire and perform a new behavior). The key to adoption is that the person must perceive the idea, behavior, or product as new or innovative. It is through this that diffusion is possible.

The stages, by which a person adopts an innovation, and whereby diffusion is accomplished, include awareness of the need for an innovation, decision to adopt (or reject) the innovation, initial use of the innovation to test it, and continued use of the innovation. There are five main factors that influence adoption of an innovation, and each of these factors is at play to a different extent in the five adopter categories. The relative advantage which is degree to which an innovation is seen as better than the idea, program, or product it replaces. Compatibility is how consistent the innovation is with the values, experiences, and needs of the potential adopters. Complexity is difficult the innovation is to understand and/or use. Triability is the extent to which the innovation can be tested or experimented with before a commitment to adopt is made. Observability is the extent to which the innovation provides tangible results (Rogers, 1995). According to Rogers, the

rate of use of innovations depends on how customers perceive its relative advantage, compatibility, triability, observability and complexity.

The Diffusion of Innovation Theory can be used to understand how new features and technologies are adopted by customers. Digital platforms are constantly evolving and introducing new features, and the success of these features often depends on how quickly and effectively they are adopted by users (Min, So, & Jeong, 2021). The Diffusion of Innovation Theory suggests that the adoption of new features and technologies on digital platforms is influenced by several factors, including relative advantage: the degree to which a new feature or technology is perceived as being better than existing features or technologies. The degree to which a new feature or technology is consistent with the needs and values of the user. The degree to which a new feature or technology is perceived as being difficult to use or understand. The degree to which a user can try out a new feature or technology before committing to it. The degree to which the benefits of a new feature or technology can be observed by others (Vargo, Akaka & Wieland, 2020). By understanding these factors, digital platforms can design and promote new features and technologies that are more likely to be adopted by customers. This can improve the overall customer experience and contribute to the success of the platform.

If a customer observes the benefits of digital platforms, they will use these innovations given other factors like sales promotion, pricing, service quality, convenience and products availability. Therefore, through innovation diffusion customers are able to use digital platforms. The customers' experience on the digital platforms may influence their loyalty. Therefore, this theory was used in this study as a basis for explaining the influence of digital customer experience on customer loyalty in Kenya's online retail sector.

2.2.2 Theory of Reasoned Action

The theory was developed by Fishbein (1980). The theory asserts that attitude toward buying and subjective norm are the antecedents of performed behavior. The Theory describes not only the general attitude of consumers and how these attitudes are formed or changed but also describes how other potential customers and people they interact with influence their general behavior. This theory takes into consideration the principle of attitude specificity (that is the more specific the attitude is to the behavior of interest, the more likely the attitude will be related to the behavior) (Liu & Amitage, 2000). Generally, firms need to be aware that a consumer's action is an outcome of the consumer's general

attitude towards a certain offering. If a consumer has heard of a good report about a service, then they will seek to partake the same and establish for themselves the positive aspect of the service or good.

The theory stipulates that there exists a direct correlation between attitudes and outcomes, such that if one believes that a certain behavior will lead to a desirable or favorable outcome, then one is more likely to have a positive attitude towards the behavior. Alternatively, if one believes that a certain behavior will lead to an undesirable or unfavorable outcome, then one is more likely to have a negative attitude towards the behavior (Ajzen & Albarracín, 2007). The theory of reasoned action is applied to reconceptualize customer loyalty. According to the theory of reasoned action, the antecedents of purchase behavior are attitudes towards the purchase and subjective norm. If the antecedents of purchase behavior are integrated to predict and measure customer loyalty, the prediction and measurement of customer loyalty was more stable over time and accurate.

According to the Theory of Reasoned Action, an individual's behavior is influenced by their beliefs about the outcome of that behavior and the subjective norms surrounding that behavior (Nisson & Earl, 2020). In the context of customer loyalty, this means that a customer's loyalty to a digital platform is influenced by their beliefs about the benefits of using the platform and the social norms surrounding platform usage. Customer experience on digital platforms can have a significant impact on these beliefs and norms. A positive customer experience can reinforce a customer's beliefs about the benefits of using the platform, while a negative experience can undermine those beliefs. Similarly, positive experiences can create a social norm of using the platform, while negative experiences can lead to social norms of avoiding the platform (Ha & Nguyen, 2019).

Overall, the customer experience on digital platforms can have a significant impact on customer loyalty, as it shapes the beliefs and norms that drive customer behavior. By focusing on creating positive customer experiences, digital platforms can improve customer loyalty and build a strong customer base. This can be achieved through features such as ease of use, personalized experiences, excellent customer support, and other factors that contribute to a positive customer experience. The theory was thus used to explain the influence of digital customer experience on customer loyalty in Kenya's online retail sector.

While the Theory of Reasoned Action has been widely used in research and has provided valuable insights into the relationship between attitudes, beliefs, and behavior, there are some limitations and weaknesses to the theory. The key weakness of the theory in relation to this study is that the theory assumes that individuals are rational decision-makers who carefully consider the consequences of their actions before making a decision. However, in reality, individuals may not always make decisions based on rational thinking and may be influenced by emotions, habits, or other factors that are not captured by the theory. Thus, the need for the adoption of the innovation diffusion theory as presented above to explain these other factors such as compatibility, relative advantage.

2.3 Empirical Review

This section covers a review of previous studies carried out on perceived value, brand trust, services quality, convenience, product experience and customer loyalty.

2.3.1 Perceived Value and Customer Loyalty

Perceived value refers to the overall worth that a customer assigns to a product or service based on their perceptions and expectations (Tuncer, Unusan & Cobanoglu, 2021). The authors further suggest that it is a subjective evaluation that takes into account various factors such as the price, quality, features, benefits, and overall experience of using the product or service. On the other hand, Customer loyalty refers to the degree of commitment or attachment that a customer has towards a particular brand or company. Loyal customers repeatedly purchase products or services from the same company and may also recommend it to their friends and family (Budianto, 2019).

Masnita and Ramadhan (2019) undertook an evaluation on the impact of customer perceived value on loyalty among members of Abbott Family Club in Indonesia. The study aim was to determine whether the customer perceived value affect customer relationship management, to know whether the customer relationship management affect loyalty and to know whether the customer perceived value affect loyalty mediated by CRM. This study used a quantitative approach. The study used structural equation modeling (SEM) to test the relationship among the elements in the proposed model. The findings revealed that customer perceived value significantly influenced loyalty. on the other hand, customer perceived value have significant impact on loyalty, while customer perceived value influenced CRM.

Kusumawati and Rahayu (2020) studied the effect of experience quality on customer perceived value and customer satisfaction and its impact on customer loyalty to the visitors of natural nuanced outdoor cafés in the hilly areas of Joyo Agung, Malang. The study purpose was to test the effect of experience quality on customer perceived value and customer satisfaction and its impact on customer loyalty. The study used structural equation modeling (SEM) as inferential statistical technique. The study found that quality experience has a significant effect on customer perceived value, customer satisfaction, and customer loyalty customer perceived value has a significant effect on customer satisfaction and customer loyalty and customer satisfaction has a significant effect on customer loyalty.

ALHuwaishel and AL-Meshal (2018) studied the impact of perceived value, quality, and loyalty on purchase decision in the accessories department on Saudi females. The main purpose of this research was to investigate the impacts of perceived value, quality, and loyalty on the purchase decision. Furthermore, to understand the mediator impact of brand trust between the relation of consumers' perceived value and the purchase decision. The questionnaire was conducted using internet-based survey where the sample comprised random Saudi females living in Riyadh. Results showed that loyalty and quality had a significant statistical impact on the decision making. On the other hand, perceived value had an influence on the brand trust but not on the purchase decision.

Arango (2016) researched on the effect of perceived value on customer satisfaction in Kenya: comparative analysis of public and private university students. This research determined the effect of perceived value on customer's satisfaction in institution of higher learning. The study adopted descriptive research design. The target population was 4,503 students. The study used ANOVO and descriptive statistical analysis. The study established that perceived service quality and perceived price go hand in hand in enrolment of students in universities and students will enroll in institutions that they have knowledge that provides their needs and value is received from the fee they are made to pay for the services. It also found out that students from private universities are more satisfied with the services provided in the institutions more than their counterparts in public.

Maina (2017) researched on the influence of perceived value on the relationship between consumer national ethnocentrism and willingness to buy commercial banking services in Kenya. The purpose of this study was to determine the mediating role of consumer perceived value on the relationship between consumer ethnocentrism and the willingness to buy banking services in Kenya. A descriptive research design which was cross sectional

in nature was used in the study. Data were gathered from 374 University Staff and Students in Kenya. Data analysis was done using binary logit regression. Consumer perceived value was found to have a partial mediation.

2.3.2 Brand Trust and Customer Loyalty

According to Atulkar (2020), Brand trust refers to the level of confidence and reliability that consumers have in a particular brand. It is the belief that a brand will deliver on its promises and consistently provide high-quality products or services. Building brand trust is crucial for businesses as it can lead to increased customer loyalty, positive word-of-mouth, and long-term business success.

Shin, Amenuvor, Basilisco and Owusu-Antwi (2019) did an evaluation on brand trust and brand loyalty on smartphone users in South Korea. This study aim was to empirically test the effect of brand trust on brand commitment and brand loyalty while examining the mediating and moderating roles of brand commitment and brand reputation respectively. Data was collected from 412 smartphone users in South Korea. Data analysis was done using binary logit regression. The findings showed that brand trust and brand commitment positively and significantly influence brand loyalty. The study further found that brand trust is positively and significantly related to brand commitment, while the latter mediates the relationship between brand trust and brand loyalty.

Cuong (2020) studied the influence of brand satisfaction; brand trust, brand preference on brand loyalty to laptop brands by consumers Ho Chi Minh, Vietnam. The aim was to determine the influence of brand satisfaction, brand trust, brand preference on brand loyalty to the laptop brand context. Data was obtained from 214 consumers who purchased the laptop product in Ho Chi Minh, Vietnam. PLS - Partial Least Squares was applied to test the measurement model and the structural model. The outcome of the research revealed that brand satisfaction had a positive influence on brand trust, brand preference and brand loyalty. The findings also confirmed that brand trust had a positive impact on brand preference and a positive effect on brand loyalty.

Adekiya and Adepoju (2016) studied the relationship between brand trust and customer loyalty among subscribers in the Nigerian telecommunication industry: The moderating impact of demographic characteristics. This study examined the effect of brand trust on customer loyalty. It went on further to determine the moderating influence of gender, age, and income level, among subscribers in the Nigerian telecommunication industry. A

structured and close ended questionnaire was employed in eliciting responses from three hundred and seventy six (376) mobile telecom subscribers who were selected through the multistage sampling technique, from the eight local governments of Kano metropolis. The results from the three step regression analysis indicated that brand trust exercise a significant and positive effect on customer loyalty, this relationship is however, not moderated by gender, age and income level.

El Naggar and Bendary (2017) studied the impact of experience and brand trust on brand loyalty, while considering the mediating effect of brand equity dimensions, an empirical study on mobile operator subscribers in Egypt. The study aim was to examine the factors that enhance brand loyalty in mobile operations service in Egypt. The study explored the factors through empirical research in mobile operations research and service industry in literature. A questionnaire was used for data collection. Confirmatory factor analysis was performed to specify the structure between the three observed variables. The results did support the direct relationship of brand experience with brand awareness, brand associations and perceived quality. However, brand awareness was disregarded as a factor that would add to the trust-loyalty relationship. Only Brand, experiences, and associations, as well as perceived quality would enhance brand loyalty through a reliable trustful relationship in mobile services.

Mutuku (2016) researched on the role of relational trust on customer behavioral intentions among account holders in Kenya's banking sector. The purpose of this study was to examine the role of relational trust, considered as an antecedent of relationship marketing quality on customer behavioral intentions in Kenya's banking sector. The study utilized a descriptive survey research design and adapted measures of relational trust and behavioral intentions on a sample of 334 bank account holders from 43 commercial bank branches in Mombasa, Kenya. Using descriptive statistics in analysis, the study established the most important dimension of trust in the study's context is customer's trust in the bank. Trust in the bank as a brand was the most significant factor in driving loyalty to the bank, repurchase intention, willingness to pay a higher price for the bank's services over others and a tendency to recommend it to surrounding people.

2.3.3 Services Quality and Customer Loyalty

Service quality refers to the degree to which a company meets or exceeds customer expectations with its services (Pham et al., 2019). In addition, the authors further suggest

that it is the evaluation of how well a service meets customer needs and requirements. Delivering high-quality services is crucial for businesses as it can lead to increased customer satisfaction, loyalty, and positive word-of-mouth.

Hashem and Ali (2019) studied the impact of service quality on customer loyalty: a study of dental clinics in Jordan. The study aimed at measuring the quality level of Jordanian dental clinics services from their customers' perspective. It also aimed at identifying the impact of this quality level on customer loyalty. The study was conducted through adopting a quantitative approach. The study implemented the SERVPERF scale. The latter scale consisted of five service quality dimensions; (tangibility, reliability, responsiveness, assurance, and empathy). The questionnaire forms were distributed to (250) dental clinics' customers in Jordan. The collected data was analyzed statistically through using the (SPSS) program. It was concluded that customers believe that the quality level of Jordanian dental clinics services is medium measured by the SERVPERF dimensions jointly and separately. It was also concluded that the quality level of Jordanian dental clinics services has a statistically significant positive impact on customer loyalty.

Fida, Ahmed, Al-Balushi and Singh (2020) studied the impact of service quality on customer loyalty and customer satisfaction in Islamic banks in the Sultanate of Oman. This study attempted to examine the impact of service quality on customer loyalty and customer satisfaction using the SERVQUAL model for four main Islamic banks in the Sultanate of Oman. This was a quantitative nature of a study, which involved a structured, self-administered questionnaire based on a convenience sampling method gathering data from 120 customers of Islamic banks in Oman. The study data were analyzed using SPSS, and the reliability coefficient (Cronbach's alpha) was established. The correlation analysis examined the significant relationships among the study variables. The impact of service quality dimensions on customer satisfaction was captured through regression analysis. The key findings of the study revealed that the respondents showed on average an "Agree" response in the five areas, namely, tangibles, responsiveness, reliability, assurance, and empathy. The correlation results depicted a significant relationship between the three variables: service quality, customer satisfaction, and customer loyalty. Similarly, regression results demonstrated that empathy and responsiveness dimensions have a significant positive impact on customer satisfaction.

Apondi (2016) researched on service quality, customer satisfaction and loyalty among customers in commercial banks in Kenya. The study examined the extent to which service quality and customer satisfaction influence customer loyalty in Commercial Banks. To achieve this, data was collected using a questionnaire from 300 respondents who were selected through stratified random and systematic sampling procedures. Data analysis was done through Pearson correlation and regression analysis. The findings revealed that there was a positive and significant relationship between service quality, customer satisfaction and customer loyalty. This study also found that service quality and customer satisfaction are critical success factors that influence the competitiveness of an organization.

Auka (2013) researched on perceived service quality and customer loyalty among customers in retail banking in Kenya. The main aim of this study is to examine the effect of service quality dimensions on customer loyalty to the providers of retail banking services. It investigates the relationship between service quality dimensions and customer loyalty. To achieve this purpose, data was collected from a sample of 384 current customers of commercial banks on the five dimensions of service delivery: tangibility, reliability, responsiveness, assurance and empathy. The study used both descriptive and inferential analyses. The results indicate that all the dimensions of service quality have a positive and significant influence on customer loyalty in retail banking.

2.3.4 Convenience and Customer Loyalty

Raman (2019) defines convenience as a critical factor in customer satisfaction and loyalty. He continues to explain further that convenience refers to how easy and hassle-free it is for customers to interact with a company and obtain its products or services. Kura (2016) researched on service convenience, customer satisfaction, and customer loyalty among banking customers: Study of Indian Commercial Banks. The purpose of this study was to examine whether service convenience increases customer satisfaction that fosters customer loyalty in Indian commercial banks. A cross-sectional study of 352 retail banking customers through questionnaires was conducted. The population of the study is retail urban customers of banks in Rajasthan. Responses were analyzed using structural equation modeling. Dimensions of service convenience are decision convenience, access convenience; transaction convenience, benefit convenience, and post benefit convenience. Decision convenience was found to influence customer satisfaction more than the other dimensions of service convenience. Customer satisfaction furthers customer loyalty.

Rahman (2014) studied the effect of service convenience on service loyalty-moderating role of consumer characteristics among superstores operating in Bangladesh. Questionnaires were used for data collection. The Pearson correlation was used in analysis. The study findings suggest a significant relationship between service convenience and service loyalty in the presence of age, gender, and education level of consumers. Decision and post-benefit convenience was found to be significant across all categories of consumer characteristics whereas transaction convenience has been insignificant for all categories of consumer characteristics.

Chadwick and Piartrini (2018) researched product quality, convenience and brand loyalty: A case study of Silver Queen's adolescent consumers. The study analyzed the relationship between product quality and repurchase behavior as well as a relationship between convenience and repurchase intention-behavior based on the perspective of expectancy disconfirmation theory and resource matching theory. Data was accumulated from 366 students of Sophomore and senior high school in Denpasar City who consumed Silver Queen chocolates, with convenience sampling technique. Data was analyzed using multiple regression analysis. This study revealed that in the adolescent segment market of chocolate bar products, the relationship between quality as well as convenience and repurchase intention are not significant.

Magiri (2019) studied the influence of service convenience on guest loyalty in selected non-classified hotels in Meru County, Kenya. The purpose of this study was to examine the influence of service convenience on guest loyalty in non-rated hotels located in Meru County. In particular, the study sought to establish the influence of service convenience using Service Convenience model (SERVCON) dimensions (that is: decision convenience, access convenience, transaction convenience, benefit convenience, and post-benefit convenience) on guest loyalty. A descriptive cross-sectional research design of 100 customers dining in the non-rated hotels through self-administered questionnaires was conducted. Descriptive statistics (means, frequencies, percentages, and standard deviations) and inferential statistics (Pearson correlation analysis) were used to analyze quantitative data. Correlation analysis was used to test the study hypotheses in line with the study objectives. Results revealed positive and statistically significant relationships between the service convenience dimensions and customer loyalty.

2.3.5 Product Experience and Customer Loyalty

Product experience refers to the overall experience that a customer has with a product, from the initial interaction to the ongoing use of the product (Santoso & Schrepp, 2019). The authors further expound by suggesting that product experience encompasses all aspects of the customer's experience, including the product's design, functionality, quality, and usability. Utami and Chaldun (2019) studied the influence of product experience on customer loyalty of frozen food product in Indonesia's. The study aim was to get a better understanding of the product experience of a well-known brand, then investigate the influence of it on customer. The research used purposive sampling with 277 qualified quantitative data collected through an online questionnaire. The data were analyzed using multiple linear regressions and showed that both hypotheses (aesthetic, meaning, and emotional experience was significant predictors of customer loyalty) are accepted. There was a significant influence of product experience (aesthetic experience, the experience of meaning, and emotional experience) on customer loyalty of frozen food products.

Budi, Hidayat and Mani (2021) studied the effects of experience and brand relationship to brand satisfaction, trust and loyalty shopping distribution of consumer Philips lighting product in Indonesia. This study examined the effects of several brand variables on customer satisfaction and brand loyalty. The survey was conducted on a community with 302 city residents in Greater Jakarta as consumers of lighting products. The regression analysis was used in analysis. The study found that the consumer's experience determines the attitude and satisfaction at the next action. Brand experience significantly influences customer satisfaction and brand loyalty. Meanwhile, a brand association related to the benefits of the product concerned so that the relationship also affects customer satisfaction and brand loyalty. However, the brand relationship does not affect brand trust. Consumers do not readily believe without experience.

Hosseini and Hamelin (2020) studied the role of brand experience in customer satisfaction and customer loyalty in Ayandeh Bank branches in Tehran. The purpose of this study was to investigate the role of brand experience in customer satisfaction and customer loyalty in Ayandeh Bank branches in Tehran. The study employed quantitative methodology. A questionnaire was utilized to measure all the variables of the research. The statistical population of the study consisted of all the customers of Ayandeh Bank branches in Tehran, and the study data was gathered from 400 respondents. CFA and SEM were used to test the research hypotheses and to analyze the structural relationships between the variables. The

findings indicate that brand experience has a direct and meaningful impact on customer satisfaction and customer loyalty; furthermore, customer satisfaction has a direct and significant effect on customer loyalty, in the branches of Ayandeh Bank in Tehran.

Chinomon (2016) studied the influence of brand experience on brand satisfaction, trust and attachment among consumers in South Africa. This study examined the influence of consumer brand experience on their brand satisfaction, brand trust and brand attachment in an African context. Five hypotheses were posited and in order to empirically test them, a sample data set of 151 was collected from Gauteng Province of South Africa. The study used Smart PLS software – a PLS-based structural equation modeling (SEM) technique in analysis. The results indicated that brand experience positively influenced brand satisfaction, brand trust and brand attachment in a significant way.

Kamaru (2020) researched on customer experience management and loyalty in fast moving consumer goods in Nairobi County, Kenya. This study aimed at determining the effect of customer experience management on customer loyalty with focus on fast-moving goods manufacturing firms in Nairobi County. The study focused on sensory experience, cognitive experience, physical experience and relational experience and how each affects customer loyalty. The study adopted the descriptive research methodology. The target population was the 101 firms that manufacture fast moving consumer goods in Nairobi County. Marketing managers of the firms provided the data by use of a self-administered questionnaire. Descriptive and inferential statistics were used for analysis. The study established that customer experience management had positive effect on customer loyalty. Sensory experience management had a weak positive effect on customer loyalty. Cognitive experience management had a weak positive effect on customer loyalty. Physical experience management had a strong positive effect on customer loyalty. Experience management has a strong positive effect on customer loyalty.

Chepngetich, Ouma and Aila (2019) studied the influence of customer experience dimensions on purchase behavior in Kenyan Hotels. This study aimed at assessing customer experience and its relative effects on customer emotions and purchase behavior in the Kenyan hotel industry. A mixed exploratory research design was adopted to conduct the research where self-administered questionnaires were used to collect quantitative data. The study population was 5,800 guests staying in the hotels. The results proved that customer experience is composed of three set of clues (humanic, functional and mechanic) which impact on customers perception of overall customer experience.

Regression results also showed that of the three customer experience factors, only humanic clue factor had significant influence on purchase behavior.

2.4 Research Gaps

There are numerous studies available on digital customer experience on customer loyalty. However, these studies cover different concepts and were concluded in different contexts. ALHuwaishel and AL-Meshal (2018) studied the impact of perceived value, quality, and loyalty on purchase decision in the accessories department on Saudi females. However, this study's focus was only on accessories companies in Saudi Arabia while the current study's focus was on customer loyalty in Kenya's retail sector. Arango (2016) researched on the effect of perceived value on customer satisfaction in Kenya: comparative analysis of public and private university student. This study instead focused was on perceived value on customer satisfaction in Universities while the current study focused on per customer perceived value on customer loyalty in Kenya's online retail sector. Maina (2017) researched on the influence of perceived value on the relationship between consumer national ethnocentrism and willingness to buy commercial banking services in Kenya. However, this study failed to establish the effect of perceived value on customer loyalty in Kenya's online retail sector.

El Naggar and Bendary (2017) studied the impact of experience and brand trust on brand loyalty, while considering the mediating effect of brand equity dimensions, an empirical study on mobile operator subscribers in Egypt. This study focus was on brand loyalty in mobile companies while the current study focused on customer loyalty in Kenya's retail sector. Mutuku (2016) researched on the role of relational trust on customer behavioral intentions in Kenya's banking sector. This study focus was on customer behavioral intentions in banks while the current study focus was on customer loyalty in Kenya's online retail sector.

Hashem and Ali (2019) studied the impact of service quality on customer loyalty: a study of dental clinics in Jordan. This study was done in Jordan the findings cannot be generalized to Kenya. Apondi (2016) researched on service quality, customer satisfaction and loyalty in commercial banks in Kenya. Auka (2013) researched on Perceived service quality and customer loyalty in retail banking in Kenya. Kura (2016) researched on service convenience, customer satisfaction, and customer loyalty: Study of Indian Commercial

Banks. These studies focused on customer loyalty in the banking sector while the current study focused on customer loyalty in Kenya's online retail sector.

Magiri (2019) studied the influence of service convenience on guest loyalty in selected non-classified hotels in Meru County, Kenya. This study focus was on guest loyalty in hotels while the current study was on customer loyalty in Kenya's retail sector. Utami and Chaldun (2019) studied the influence of product experience on customer loyalty of frozen food product in Indonesia's. Kamaru (2020) researched on customer experience management and loyalty in fast moving consumer goods in Nairobi County, Kenya. This study focus was on customer loyalty to food products while the current study was on customer loyalty in Kenya's online retail sector.

Table 2.1: Summary of Research Gaps

Author	Study	Focus	Gaps
ALHuwaishel and Meshal (2018)	Impact of perceived value, quality, and loyalty on purchase decision in the accessories department on Saudi females	Focus was only on accessories companies in Saudi Arabia while the current study focus was on customer loyalty in Kenya's retail sector	Conceptual and contextual gaps
El Naggat and Bendary (2017)	Impact of experience and brand trust on brand loyalty, while considering the mediating effect of brand equity dimensions, an empirical study on mobile operator subscribers in Egypt	Focused on brand loyalty in mobile companies while the current study focused on customer loyalty in Kenya's retail sector	Conceptual and contextual gaps
Hashem and Ali (2019)	The impact of service quality on customer loyalty: a study of dental clinics in Jordan	Done in Jordan the findings cannot be generalized to Kenya	Contextual gaps

Arango (2016)	Effect of perceived value on customer satisfaction in Kenya	Focused was on perceived value on customer satisfaction in universities while the current study focused on perceived value on customer loyalty in Kenya's online retail sector	Conceptual gaps
Maina (2017)	Influence of perceived value on the relationship between consumer national ethnocentrism and willingness to buy commercial banking services in Kenya	Focused on perceived value on the relationship between consumer national ethnocentrism and willingness to buy commercial banking services	Conceptual and contextual gaps
Mutuku (2016)	The role of relational trust on customer behavioral intentions in Kenya's banking sector	Focus was on customer behavioral intentions in banks while the current study focus was on customer loyalty in Kenya's online retail sector.	Conceptual gaps
Apondi (2016)	Service quality, customer satisfaction and loyalty in commercial banks in Kenya	Focused on customer loyalty in the banking sector while the current study focused on customer loyalty in Kenya's online retail sector	Contextual gaps

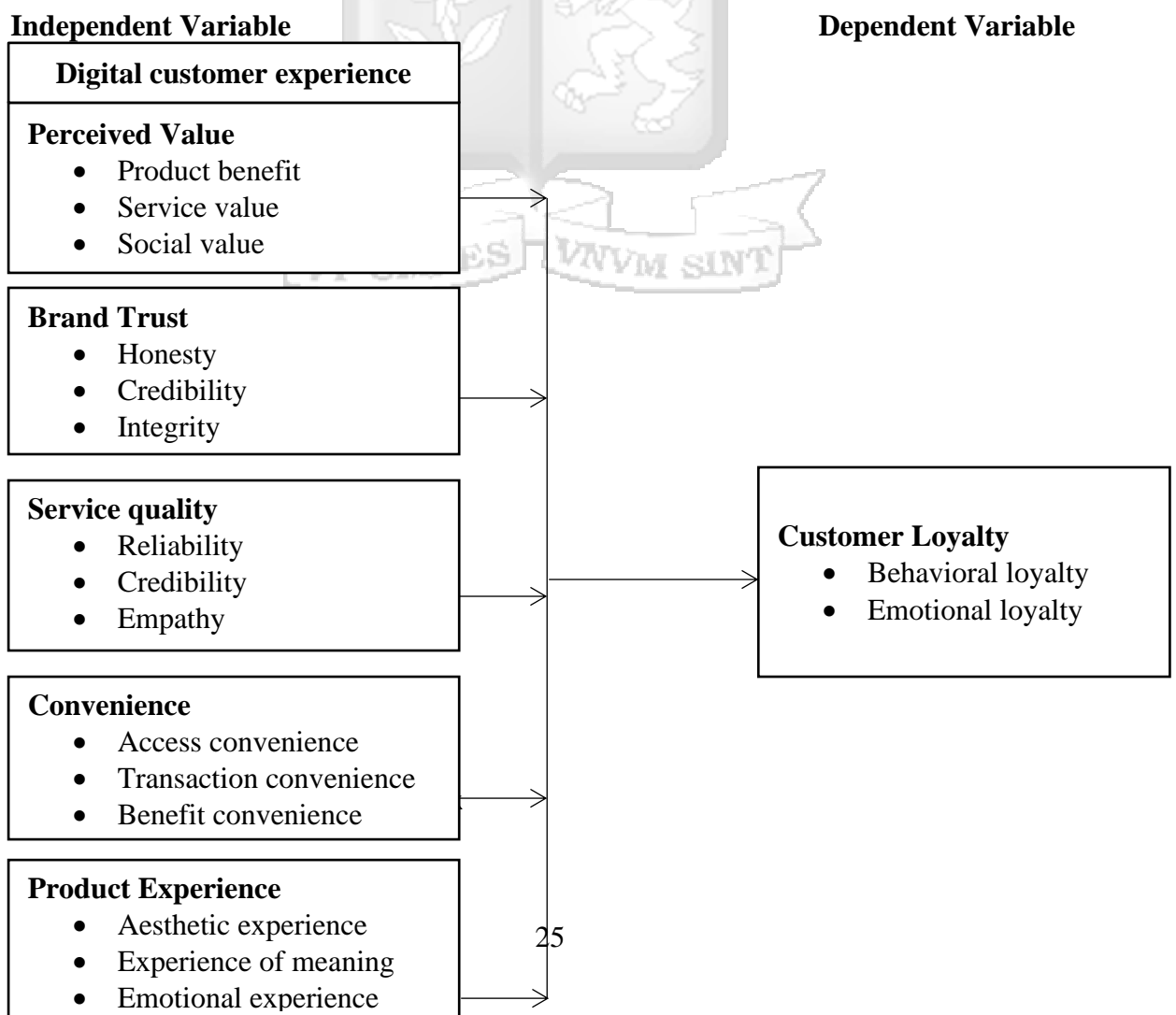
Auka (2013)	Perceived service quality and customer loyalty in retail banking in Kenya	Focused on customer loyalty in the banking sector while the current study focused on customer loyalty in Kenya's online retail sector	Contextual gaps
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Source: Researcher (2022)

2.5 Conceptual Framework

Conceptual framework shows the relationship between the independent and dependent variables. In this study it showed the relationship between digital customer experience and customer loyalty. The study independent variables of the study were perceived value, brand trust, service quality, convenience and product experience while the dependent variable was customer loyalty. Figure 2.1 below represents the relationship among the variables in the study.

Figure 2.1: Conceptual Framework



Source: Researcher (2022)

2.5.1 Perceived Value

Perceived value refers to the perceived benefits that a customer receives from a product or service in relation to the price they pay. Perceived value can be defined in terms of product benefit, service value, and social value. Perceived value in terms of product benefit is based on the functional benefits that the product provides. Customers assess whether the product provides the features and benefits they need, and whether those benefits are worth the price. For example, a customer might perceive high value in a car that provides a comfortable ride, good gas mileage, and advanced safety features. Perceived value in terms of service value is based on the quality of service provided by a company, as well as the customer's overall experience with the service (Yu & Lee, 2019). Customers assess whether the company is responsive to their needs, whether the service is delivered in a timely and efficient manner, and whether the service meets or exceeds their expectations. For example, a customer might perceive high value in a mobile phone provider that offers reliable service, fast internet speeds, and excellent customer support. Perceived value in terms of social value is based on the social benefits that the product or service providers, such as status or prestige. Customers assess whether the product or service enhances their social status or reputation, and whether it helps them feel more connected to others. For example, a customer might perceive high value in a luxury brand that offers high-quality products and exclusive experiences, which can enhance their social status and reputation (Ha & Nguyen, 2019).

2.5.2 Brand Trust

Brand trust refers to the level of confidence that customers have in a brand's ability to deliver on its promises and provide a positive experience. It is critical for businesses to establish and maintain brand trust, as it can lead to increased customer loyalty, positive word-of-mouth, and long-term success. Honesty is a fundamental aspect of building brand trust (Atulkar, 2020). Customers expect businesses to be truthful and transparent about their products, services, and business practices. This includes being honest about product quality, pricing, and any potential risks or limitations. When businesses are open and honest with their customers, they can establish a strong foundation of trust. Credibility is another important factor in building brand trust. Customers want to feel confident that a brand is knowledgeable and experienced in its industry and that it has a track record of delivering

high-quality products and services. This can be achieved through demonstrating expertise, providing evidence of past successes, and showcasing positive customer reviews and testimonials. Integrity is a core value that is essential to building brand trust. Customers expect businesses to operate with integrity, meaning that they act ethically and responsibly in all aspects of their business practices. This includes treating customers and employees fairly, being environmentally responsible, and giving back to the community. When businesses demonstrate integrity, they build trust and loyalty among their customers (Febrian & Fadly, 2021).

2.5.3 Service Quality

Service quality refers to the degree to which a service meets or exceeds customer expectations. Reliability is a key aspect of service quality. Customers expect businesses to deliver services that are consistent and dependable (Tuncer et al., 2021). Credibility is another important factor in service quality. Customers want to feel confident that the service provider has the knowledge and expertise to deliver high-quality services. This can be achieved by demonstrating expertise, providing evidence of past successes, and offering guarantees or warranties. Empathy is an essential component of service quality. Customers want to feel that the service provider understands their needs and is genuinely interested in helping them. This can be achieved by actively listening to customers, responding to their concerns, and offering personalized solutions (Khatab, 2019). When businesses demonstrate empathy, they build strong relationships with their customers and create a positive service experience.

2.5.4 Convenience

Convenience is an important aspect of customer experience, and businesses can improve convenience by prioritizing access convenience, transaction convenience, and benefit convenience. Access convenience refers to how easily customers can access a product or service (Shankar & Rishi, 2020). This includes factors such as physical location, online availability, and hours of operation. Businesses that prioritize access convenience make it easy for customers to find and purchase products or services, regardless of their location or schedule. Transaction convenience refers to how easy it is for customers to complete a purchase or transaction. This includes factors such as payment options, checkout processes, and customer support. Businesses that prioritize transaction convenience make it easy for customers to complete purchases quickly and with minimal hassle. Benefit convenience

refers to how well a product or service meets a customer's needs or solves a problem. This includes factors such as product features, customization options, and customer support. Businesses that prioritize benefit convenience make it easy for customers to find products or services that meet their specific needs and provide a positive experience (Jebarajakirthy & Shankar, 2021).

2.5.5 Product Experience

Providing a positive product experience requires a focus on aesthetic experience, experience of meaning, and emotional experience. By creating visually appealing and engaging products, resonating with customers' values and beliefs, and evoking positive emotions and memories, businesses can build strong relationships with their customers based on positive product experiences (Johnson & Steinerberger, 2019). Aesthetic experience refers to the sensory and visual experience that customers have when using or interacting with a product. This includes factors such as design, color, texture, and sound. Businesses that prioritize aesthetic experience make their products visually appealing, pleasurable to use, and engaging for customers. Experience of meaning refers to the symbolic and cultural meanings that customers associate with a product. Emotional experience refers to the feelings and emotions that customers have when using or interacting with a product. This includes factors such as pleasure, excitement, and joy. Businesses that prioritize emotional experience create products that evoke positive emotions, create memories, and provide customers with a sense of enjoyment (Santoso & Schrepp, 2019).

2.5.6 Customer Loyalty

Customer loyalty refers to a customer's willingness to repeatedly purchase from or engage with a particular business or brand. Customer loyalty can take two forms: behavioral loyalty, which is based on incentives and convenience, and emotional loyalty, which is based on the customer's emotional connection and commitment to a particular brand (Saini & Singh, 2020). By building both types of loyalty, businesses can create long-term relationships with their customers, increase revenue, and gain a competitive advantage. Businesses can build behavioral loyalty by offering rewards programs, discounts, or other incentives that encourage repeat purchases or engagement. This type of loyalty is based on the customer's positive feelings, trust, and overall satisfaction with the brand. Emotional loyalty often leads to a customer's willingness to pay more for a product or service, and to

recommend the brand to others. Businesses can build emotional loyalty by providing exceptional customer service, personalization, and creating a brand identity that resonates with customers (Agha et al., 2021).

2.6 Operationalization of Study Variables

Table 2.2: Operationalization of Study Variables

Study variable	Operationalization	Measurement scale	Source
Independent variables			
Perceived Value	<ul style="list-style-type: none"> • Product benefit • Service value • Social value 	Likert scale	Arango (2016)
Brand Trust	<ul style="list-style-type: none"> • Honesty • Credibility • Integrity 	Likert scale	El Naggar and Bendary (2017)
Service quality	<ul style="list-style-type: none"> • Reliability • Credibility • Empathy 	Likert scale	Hashem and Ali (2019)
Convenience	<ul style="list-style-type: none"> • Access convenience • Transaction convenience • Benefit convenience 	Likert scale	Rahman (2014)
Product Experience	<ul style="list-style-type: none"> • Aesthetic experience • Experience of meaning • Emotional experience 	Likert scale	Hosseini and Hamelin (2020)
Dependent variable			
Customer Loyalty	<ul style="list-style-type: none"> • Behavioral loyalty • Emotional loyalty 	Likert scale	Bowen and McCain (2015)

Source: Researcher (2022)

From Table 2.1, perceived value is operationalized as (product benefit, service value, and social value), brand trust (honesty, credibility, integrity), service quality (reliability, credibility, empathy), convenience (access convenience, transaction convenience, benefit

convenience), product experience (aesthetic experience, experience of meaning and emotional experience) and the dependent variable customer loyalty is operationalized as (behavioral loyalty, emotional loyalty).

2.7 Chapter Summary

This chapter has reviewed theories that explain the influence on digital customer experiences on customer loyalty. They include; diffusion of innovation theory and theory of reasoned action. The study has also reviewed previous studies done in relation to customer loyalty and gaps have been identified. The conceptual framework shows the relationship between the study variables.



CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter discusses the research methodology that was employed to carry out the study. The chapter covers the research design, target population, sampling technique and sample size, data collection instruments, data collection method, pilot testing and data analysis and presentation.

3.2 Research Philosophy

Research refers to the process of discovering knowledge as well as understanding and turning it into knowledge that is acceptable in a particular discipline. The role being played by research philosophy is very significant in the development of knowledge and what is assumed regarding the view of researchers regarding the world (Saunders, Thornhill & Lewis, 2013). Saunders, Thornhill and Lewis (2013) indicated that the main philosophies in research are interpretivism, positivist and pragmatism. According to positivists there is stability in reality and its observation and description can be done from the viewpoint of its objectives while interpretivists indicates that the only way in which reality can be understood is by subjective interpretation of the reality and intervention while pragmatism is a broad philosophical attitude toward the formation of concepts, hypotheses, theories and their justification. Pragmatism was the philosophical foundation for this study. Pragmatism research philosophy is suitable since it can integrate more than one research approach and research strategies within the same study. Moreover, studies with pragmatism research philosophy can integrate the use of multiple research methods such as qualitative, quantitative and action research methods.

3.3 Research Design

The study adopted a descriptive research design. Descriptive research is a type of research that describes a population, situation, or phenomenon that is being studied. It focuses on answering the how, what, when, and where questions. Descriptive research can be explained as a statement of affairs as they are at present with the researcher having no control over variable (Creswell, 2013). Descriptive research is aimed at casting light on current issues or problems through a process of data collection that enables them to describe the situation more completely than was possible without employing this method. Hence,

this method was suitable in establishing the influence of digital customer experience on customer loyalty in Kenya's online retail sector.

3.4 Target Population

Target population is the entire set of units for which the survey data are to be used to make inferences. Thus, the target population defines those units for which the findings of the survey are meant to generalize (Kumar, 2011). This study was conducted among major online retailers in Kenya. They are three in number, and they include Jumia, Jiji and Kilimall (Communications Authority of Kenya, 2021). The study target population was thus the online customers in the indicated online retailers. The customers were selected because they are the ones who can give information about their digital experiences. According to Retail Trade Association of Kenya Report (2022), there were more than 10,000 online customers daily. Therefore, the study population was 10,000 respondents.

3.5 Sampling Technique and Sample Size

Sampling is the method adopted to select the study sample size. In this study the convenience sampling method was used. A convenience sample is a non-probability sampling method where the sample is taken from a group of people easy to contact or to reach. In convenience sampling the first available primary data source is used for the research without additional requirements and all subjects are invited to participate (Singh, 2015). Convenience sampling was adopted since it is an easy method to implement and cost-effective method for collecting data. The researchers could quickly identify and recruit participants from the online forums.

A sample size is a part of the population chosen for a survey or experiment. The study used the Yamane formula to calculate the study sample size. The Yamane formula was used since it is a simple and straightforward method for determining sample size. It only requires the researcher to know the size of the population and the desired level of precision. The formula is also applicable to large populations which makes it a useful tool for this study since the population is large.

The formula is as follows;

$$n = \frac{N}{1 + N(e)^2}$$

Where (n) is the sample size, (N) is the population size and (e) is the margin of error:

$$n = \frac{10,000}{1 + 10,000(0.05)^2}$$

n=385

The study sample size therefore used was 385 respondents.

3.6 Data Collection Instruments

The study used questionnaires to collect primary data. The questionnaires comprised of mainly closed-ended questions with a few open-ended questions to allow respondents to give a free-form answer to enable an explanation of the closed-ended questions. The questionnaire was suitable because large amounts of information can be collected from a large number of people in a short period of time and in a relatively cost-effective way. Also, questionnaires can be administered remotely via online, mobile devices, email or telephone (Sekeran, 2013).

The questionnaire was structured in relation to the study objectives. Section one covered the demographic information of respondents, section two had questions on perceived value, section three had questions on brand trust, section four had questions on service quality, section five had questions on convenience, section six had questions on product experience while section seven covered questions on customer loyalty.

3.7 Data Collection Method

The researcher obtained an introduction letter from the University. The letter was used to introduce the study to the respondents. The researcher visited the online stores delivery centers in Nairobi. The list of the online retailers is attached as Appendix iv. The customers coming to pick their orders were requested to fill in the questionnaire. The researcher self-administered the questionnaires to the respondents with the help of trained research assistants. The researcher maintained a register of issued questionnaires to ensure that all the questionnaires are returned after data collection. The researcher was available during data collection to clarify any issues in the questionnaire with the respondents.

3.8 Pilot Test

A pilot study is a preliminary study conducted in order to evaluate feasibility, time, cost, adverse events, and improve upon the study design prior to performance of a full-scale research project (Hulley, 2014). It involves testing the validity and reliability of the research instruments. For this study, the pilot test was conducted in one of the delivery stores for Jumia. Twenty respondents were engaged in a span of ten days and their feedback reviewed. From the review it was concluded that the questionnaire had obtained most of

the required information and therefore could be administered. During the pilot study it was also noted that more people visit the stores to pick up their packages, during lunch hours and afternoon on the weekdays, and Saturdays hence most appropriate time for collecting the data.

3.8.1 Validity of the Instrument

Validity indicates the degree to which the instrument measures the constructs under investigation (Mugenda & Mugenda, 2003). Content validity was used since it measures the degree to which the sample of the items represents the content that the test is designed to measure. The researcher developed a questionnaire based on the research questions. Validity was affirmed by discussing the instrument with an expert in the subject and with the supervisor. From the discussion, the researcher was able to detect questions that need editing and those with ambiguities.

3.8.2 Reliability of the Instrument

Reliability refers to the extent that the instrument yields the same results over multiple trials. The reliability of the study's instrument was assessed using Cronbach's coefficient alpha ranging between 0-1 and all coefficients alpha was expected to be within acceptable ranges for comparable instrumentations (Sekeran, 2013). Scores between 0-0.6 indicate that the instrument has a low reliability while scores of 0.7 and above indicate that the instrument has a high level of internal consistency and reliability. This study's threshold was a score of 0.7 and above.

From the findings shown in Table 3.1 perceived value had an alpha of 0.769, brand trust an alpha of 0.758, service quality an alpha of 0.796, convenience an alpha of 0.781, product experience an alpha of 0.765 and customer loyalty an alpha of 0.792. This shows that all the variables are reliable since they exceeded the threshold value of 0.7.

Table 3.1: Reliability Analysis

Scale	Cronbach's Alpha	Number of Items
Perceived Value	0.769	7
Brand Trust	0.758	7
Services Quality	0.796	7
Convenience	0.781	7
Product Experience	0.765	8

Source: Primary Data (2022)

3.9 Data Analysis and Presentation

Data analysis refers to examining what has been collected and making inferences and deductions. Collected data was checked for completeness and edited. The data was coded by use of SPSS version 23.0. Quantitative data collected was analyzed by the use of descriptive statistics which include percentages, means, standard deviations and frequencies. The information was displayed by use of bar charts, graphs and pie charts and in prose-form. Data collected from open ended questions was analyzed using the content analysis method.

Correlational analysis was conducted to determine the strength of a relationship between two numerically measured, continuous variables. The study also carried out a multiple regression analysis to determine the influence of digital customer experience on customer loyalty in Kenya's online retail sector.

The regression model was as follows;

$$Y = \beta_0 + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \beta_4X_4 + \beta_5X_5 + \epsilon$$

Where:

Y = Customer Loyalty

β_0 = Constant Term

$\beta_1, \beta_2, \beta_3, \beta_4, \beta_5$ = Beta Coefficients

X_1 = Perceived Value

X_2 = Brand Trust

X_3 = Services Quality

X_4 = Convenience

X_5 = Product Experience, ϵ = Error

3.10 Diagnostic Tests

Diagnostic was conducted to ensure that the results of the multiple regression analysis are reliable. Tests are concerned about violation of the basic assumptions relating to

autocorrelation, normality, linearity, multicollinearity and homoscedasticity was conducted.

3.10.1 Autocorrelation Test

There should be little or no autocorrelation in the data utilized in linear regression. Autocorrelation occurs when the residual values are not independent of one another; this indicates that the value of $y(x+1)$ is reliant on the value of $y(x)$ (Cooper & Schindler, 2013). Autocorrelation can be tested using the Durbin-Watson test in a linear regression model. For the Durbin-d Watson's tests, the null hypothesis is that the residuals are not linearly auto correlated. The d value is a number that spans from 0 to 4; if it is determined to be between 0 and 2, it indicates that there is no autocorrelation. If the d values are 1.5 d 2.5, the data does not have any autocorrelation. The autocorrelation was determined using the Durbin-Watson test.

3.10.2 Multicollinearity

Multicollinearity refers to the linear inter-correlation between variables in a study that looks at the level of correlation amid predictor variables and the correlation coefficient between variables, as shown in the SPSS regression outcomes. Multicollinearity raises the standard errors of the coefficients, making some variables statistically insignificant even though they should be. The variance inflation factor was used to test multicollinearity (VIF). If VIF is greater than 5 but less than 10, there is considerable multicollinearity present. If VIF is less than 10, it means there is a lot of multicollinearity.

3.10.3 Normality

The normality assumption states that the random variables follow a normal or nearly normal distribution. Shapiro-Wilk W test was used to test the normality of the data. The null-hypothesis of this test is that the population is normally distributed. Thus, if the p-value is less than the chosen alpha level (0.05), then the null hypothesis is rejected and there is evidence that the data tested are not from a normally distributed population; in other words, the data are not normal. On the contrary, if the p-value is greater than the chosen alpha level (0.05), then the null hypothesis that the data came from a normally distributed population cannot be rejected, hence suitable for statistical analysis.

3.10.4 Linearity

The term "linearity" refers to the relationship between the dependent and independent variables. If the link amid the variables is linear, multiple linear regressions can effectively predict the relationship. Scatterplots were used to indicate whether the dependent and independent variables have a linear or curved relationship. The F statistic was utilized to assess the linearity relationship using an ANOVA table. If the p-value is below 0.05, we reject the null hypothesis and accept the alternative, concluding that the relationship is non-linear.

3.10.5 Homoscedasticity

In the case where the variance of the response variable error is the same across the data, this is known as homoscedasticity. Heteroscedasticity is the opposite. According to Field (2009), heteroscedasticity occurs when the error term has variance. It occurs when the variance of errors fluctuates based on the values of the independent variables. When the residuals are not uniformly distributed around the horizontal line, heteroscedasticity arises. The Breusch-Pagan test was used to determine homoscedasticity. The null hypothesis in the Breusch-Pagan test is homoscedasticity. If the null hypothesis is rejected, it was concluded that there is heteroscedasticity in the data. If the level of significance is less than 0.05, the null hypothesis is rejected.

3.11 Ethical Considerations

The study obtained an introduction letter from Strathmore University which describes the researcher's full name, study area and the purpose of the investigation and was attached to the research questionnaire. Further, a research permit was obtained from NACOSTI.

Through their consent, the researcher also sought the respondent's audience. This ensures that the privacy of respondents' information is respected throughout the study process. The researcher communicated the exact goal of the study to the participants so that they make informed consent.

The research ensured the anonymity of the respondents and the researcher verified that the questionnaire did not request private information that was superfluous to the study's objectives.

The data obtained from the respondents was treated with the utmost confidentiality. No parts of the data were identifiable to any specific respondent of the study. The data was also not exposed to third parties but only used for the purpose of the academic research project.

The study ensured that the respondents participated in the study voluntarily. The respondents were informed of their choice to opt out of the study at any stage in the process of data collection.



CHAPTER FOUR

DATA ANALYSIS, PRESENTATION AND INTERPRETATION

4.1 Introduction

This chapter entails data analysis, presentation, interpretation, and discussion of findings obtained from data collection. This chapter also presents background information of the respondents and findings of the analysis based on study objectives. Descriptive and inferential statistics were also analyzed.

4.2 Response Rate

The study targeted 385 respondents who were all issued with questionnaires. Out of the issued questionnaires, 342 were duly filled and returned their questionnaires which translated to a response rate of 89%. The rate of response was considered excellent and suitable to make inferences on the study population because according to Mugenda and Mugenda (2009), a rate of response of 50% is considered to be adequate to make an analysis and make a report, while a rate of 60% is considered to be good and that of 70% and above is considered to be excellent.

Table 4.1: Response rate

Category	Frequency	Percent
Response	342	89.0
Non-Response	43	11.0
Total	385	100.0

Source: Primary Data (2022)

4.4 Demographic Information

This section covers the demographic information of respondents.

4.4.1 Gender of Respondents

The study sought to determine the gender of respondents. The findings were as shown in Figure 4.1.

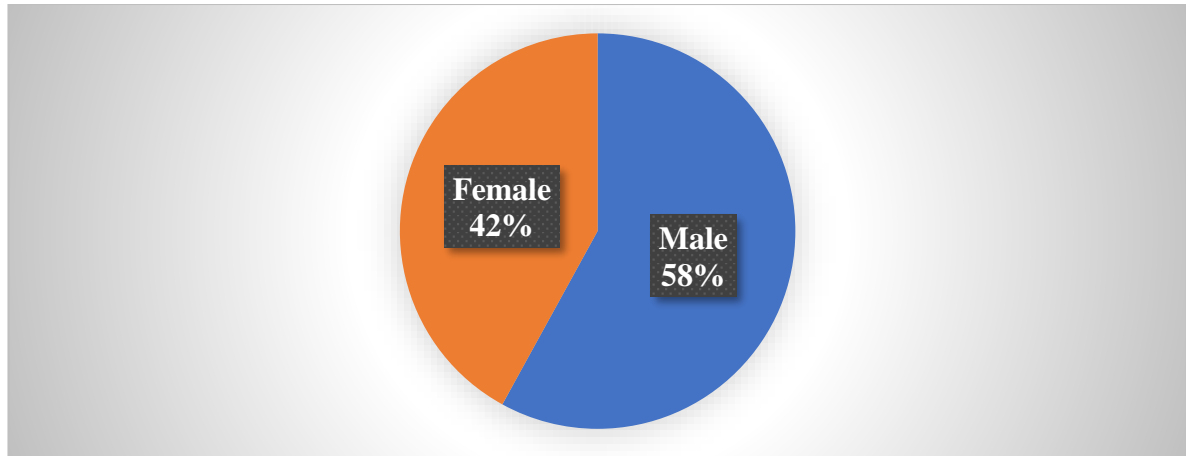


Figure 4.1: Gender of Respondents

The findings show that 58% of the respondents were male while 42% were female. This implies that majority of those shopping online are male, suggesting that male customers have a higher digital customer experience in Kenya's online sector as compared to female customers.

4.4.2 Respondents' Age Group

The respondents were requested to indicate their age group. The findings were shown in Table 4.2.

Table 4.2: Respondents' Age Group

Category	Frequency	Percent
18 – 30 years	121	35%
31- 40 years	104	30%
41- 50 years	69	20%
Above 51 years	48	14%
Total	342	100%

Source: Primary Data (2022)

From the findings, 35% of the respondents were aged between 18-30 years, 30% were aged between 31-40 years, 20% were aged between 41-50 years and 14% were above 51 years. This implies that individuals of different age groups shop online. However, the majority of the customers are of youthful age and middle age relatively between 18-40 years. It is also interesting to note that there is a considerable number of the older generation, that is, above 51 years, are conversant and actually use the digital platforms for their shopping.

4.4.3 Respondents Level of Education

The respondents were required to indicate their education level. The results were as shown in Table 4.3.

Table 4.3: Respondents Level of Education

Category	Frequency	Percent
Primary education	43	13
Secondary education	150	44
Tertiary education	149	44
Total	342	100

Source: Primary Data (2022)

According to the findings, 44% had secondary education and tertiary education respectively and 13% had primary education. This implies that the respondents had some level of literacy. This suggests that the respondents were thus able to read understand and respond to the study questionnaire with ease. The findings also imply that majority of the online customers are educated.

4.4.4 Occupation

The respondents were required to indicate their occupation. The findings were as shown in Table 4.4.

Table 4.4: Respondents Occupation

Category	Frequency	Percent
Employed	149	44
Self-employed	105	31
unemployed	88	26
Total	342	100

Source: Primary Data (2022)

According to the findings, 44% of the respondents indicated that they are employees, 31% are self-employees and 26% were unemployed. This implies that majority of those who shop online are employed.

4.4.5 Shopping Stores

The respondents were required to indicate which of the following online stores they frequently purchase from.

Table 4.5: Shopping Stores

Category	Frequency	Percent
Jumia	138	40
Jiji	111	32
Kilimall	93	27
Total	342	100

Source: Primary Data (2022)

The results were as shown in Tale 4.5. According to the findings, the majority (40%) indicated that they purchase frequently form Jumia, 32% indicated Jiji and 27% indicated they purchase frequently form Kilimall. This implies that most people purchase from Jumia.

4.4.6 Products from the Online Retail Stores

The respondents were required to name at least two products they recently purchased from the above retail store. The majority of the respondents indicated that they had purchased electronics majorly tv sets while others indicated that they had purchased clothes.

4.4.7 Period of Shopping Online

The respondents were required to indicate how long have been shopping online. As shown in Table 4.6.

Table 4.6: Period of Shopping Online

Category	Frequency	Percent
Less than 1 year	95	28%
1 – 3 years	116	34%
4 – 6 years	86	25%
Above 7 years	45	13%
Total	342	100%

Source: Primary Data (2022)

From the findings, 34% of the respondents indicated that they have been shopping online for a period between 1-3 years, 28% less than one years, 25% 4-6 years and 13% above 7 years. This implies that majority of the online shoppers have been doing so for more than one year.

The respondents were required to indicate how often they buy from the online stores. The findings were shown in Table 4.7.

Table 4.7: Rate of Buying from Online Stores

Category	Frequency	Percent
Very often	90	26%
Often	143	42%
Moderate	76	22%
Not at all	33	10%
Total	342	100%

Source: Primary Data (2022)

From the findings, 42% of the respondents indicated that they buy from the online stores often, 26% buy from the online stores very often, 22% moderate and 10% not at all. This implies that majority of the respondents buy from the online stores often.

4.5 Perceived Value

4.5.1 Descriptive Statistics

The respondents were required to indicate their level of agreement on the following statements about the perceived value of using digital platforms to shop. 1-strongly disagree, 2-disagree, 3-moderate, 4-agree, 5-strongly agree. The results were shown in table 4.8.

Table 4.8: Perceived Value

Statements	1	2	3	4	5	Mean	Std. dev
I purchase products that meet my intended needs	9	14	31	189	99	4.038	0.975
I ensure that I get value of my money on the products I buy from online stores	7	18	36	203	78	3.956	0.990
I have a sense of familiarity with online stores products and services	10	20	28	176	108	4.029	0.943
I have built a sustainable relationship with the products and services from online stores	8	19	36	167	112	4.041	0.914
The product prices in the online stores are reasonable and affordable	11	22	39	190	80	3.895	0.923

The products that I buy from the online stores meet my expectations	12	17	29	174	110	4.032	0.942
My friends influence what I buy from the online stores	10	18	30	193	91	3.985	0.971

Source: Primary Data (2022)

From the findings, the respondents agreed that they have built a sustainable relationship with the products and services from online stores as shown by a mean of 4.041, they purchase products that meet their intended needs as shown by a mean of 4.038, the products that bought from the online stores meet their expectations as shown by a mean of 4.032, they have a sense of familiarity with online stores products and services as shown by a mean of 4.029, they ensure that they get value of money on the products bought from online stores as shown by a mean of 3.956, the product prices in the online stores are reasonable and affordable as shown by a mean of 3.895 and their friends influence what they buy from the online stores as shown by a mean of 3.985.

The findings agree with those of Masnita and Ramadhan (2019) who found that customer perceived value significantly influenced loyalty. Also, customer perceived value has significant impact on loyalty, while customer-perceived value influenced CRM. Kusumawati and Rahayu (2020) found that quality experience has a significant effect on customer perceived value, customer satisfaction, and customer loyalty customer perceived value has a significant effect on customer satisfaction and customer loyalty and customer satisfaction has a significant effect on customer loyalty. ALHuwaishel and AL-Meshal (2018) established that loyalty and quality had a significant statistical impact on the decision making. On the other hand, perceived value had an influence on the brand trust but not on the purchase decision.

4.5.2 Simple Regression Analysis

The study conducted a simple regression analysis to determine the relationship between perceived value and customer loyalty in Kenya's online retail sector.

Table 4.9: Regression Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.911 ^a	0.832	.788	0.2111

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	14.131	1	14.131	161.573	.001 ^b
Residual	29.736	340	0.087		
Total	43.867	341			

Model	Unstandardized Coefficients		Standardized	t	Sig.
	B	Std. Error	Coefficients		
(Constant)	1.159	0.267		4.341	0.001
Perceived Value	0.491	0.124	0.438	3.960	0.001

According to the findings, the R^2 is 0.788 which implies that there were 78.8% variations in customer loyalty due to changes in perceived value. The remaining 21.2% suggest that there exist other factors that influence customer loyalty in Kenya's online retail sector that were not discussed in the model.

In order to determine whether the data that was used in the study was significant, ANOVA was performed. The findings from ANOVA analysis showed that the population parameters had a p-value of 0.001. This suggests that the data was suitable for making a conclusion on the population under investigation because the p-value was less than 0.05. The results shows that the F critical was less than F calculated ($3.869 < 161.573$).

The regression equation was;

$$Y = 1.159 + 0.491X_1 + \varepsilon$$

Perceived value had a statistically significant relationship with customer loyalty in Kenya's online retail sector as shown by ($\beta = 0.159$, $P = 0.001$). This implies that perceived value had a positive relationship with customer loyalty. This shows that an increase in perceived value would result to an increase in customer loyalty in Kenya's online retail sector by 0.491 units. The findings agree with those of Masnita and Ramadhan (2019) who found that customer perceived value significantly influenced loyalty. Corroborating with the study findings, Kusumawati and Rahayu (2020) found that customer perceived value has a significant effect on customer loyalty.

4.6 Brand Trust

4.6.1 Descriptive Statistics

The respondents were required to indicate their level of agreement on the following statements about the level of brand trust with your online retail sector. 1-strongly disagree, 2-disagree, 3-moderate, 4-agree, 5-strongly agree. The findings were as shown in Table 4.10.

Table 4.10: Brand Trust

Statements	1	2	3	4	5	Mean	Std. dev
I believe that the products from online stores are of good quality	8	17	27	210	80	3.985	1.036
The products that I buy from the online stores can be trusted	11	15	34	184	98	4.003	0.946
I trust the products from the online stores	7	22	29	168	116	4.064	0.937
The products from the online stores are reliable	10	17	26	218	71	3.944	1.064
I am happy with the decision to choose an online supplier	13	20	31	155	123	4.038	0.915
I believe I did the right thing when choosing this online supplier	9	16	36	172	109	4.041	0.926
I am satisfied with my online supplier	6	19	30	203	84	3.994	1.005

Source: Primary Data (2022)

According to the findings, the respondents agreed that they trust the products from the online stores as shown by a mean of 4.064, they are happy with the decision to choose an online supplier as shown by a mean of 4.038, they believe they did the right thing when choosing this online supplier as shown by a mean of 4.041, they believe that the products from online stores are of good quality as shown by a mean of 3.985, the products that they buy from the online stores can be trusted as shown by a mean of 4.003, the products from the online stores are reliable as shown by a mean of 3.944 and they are satisfied with their online supplier as shown by a mean of 3.994.

The findings are in agreement with those of Shin, Amenuvor, Basilisco and Owusu-Antwi (2019) who found that brand trust and brand commitment positively and significantly influence brand loyalty. Cuong (2020) study revealed that brand satisfaction had a positive influence on brand trust, brand preference and brand loyalty. Adekiya and Adepoju (2016)

indicated that brand trust exercises a significant and positive effect on customer loyalty, this relationship is however, not moderated by gender, age and income level.

4.6.2 Simple regression Analysis

Table 4.11: Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate		
1	.923 ^a	0.852	.791	0.2002		
Model	Sum of Squares	df	Mean Square	F	Sig.	
1	Regression	17.256	1	17.256	194.828	.001 ^b
	Residual	30.114	340	0.089		
	Total	47.37	341			
Model	Unstandardized Coefficients	Standardized Coefficients	t	Sig.		
	B	Std. Error	Beta			
(Constant)	1.105	0.238		4.643	0.001	
Brand trust	0.521	0.111	0.414	4.694	0.001	

According to the findings, the R² is 0.852 which implies that there were 85.2% variations in customer loyalty due to changes in brand trust. The remaining 14.8% suggest that there exist other factors that influence customer loyalty in Kenya's online retail sector that were not discussed in the model.

In order to determine whether the data that was used in the study was significant, ANOVA was performed. The findings from ANOVA analysis showed that the population parameters had a p-value of 0.001. This suggests that the data was suitable for making conclusion on the population under investigation because the p-value was less than 0.05. The results shows that the F critical was less than F calculated (3.869 < 194.828).

The regression equation was;

$$Y = 1.105 + 0.521X_1 + \varepsilon$$

Brand trust had a statistically significant relationship with customer loyalty in Kenya's online retail sector as shown by ($\beta = 0.521$, $P = 0.001$). This implies that brand trust had a positive relationship with customer loyalty. This shows that an increase in brand trust would result to an increase in customer loyalty in Kenya's online retail sector by 0.521

units. The findings are in agreement with those of Shin et al. (2019) who found that brand trust and brand commitment positively and significantly influence brand loyalty.

4.7 Services Quality

4.7.1 Descriptive Statistics

The respondents were required to indicate their level of agreement on the following statements about the extent of services quality offered by the online retail store. 1-strongly disagree, 2-disagree, 3-moderate, 4-agree, 5-strongly agree. The results were as shown in Table 4.12.

Table 4.12: Services Quality

Statements	1	2	3	4	5	Mean	Std. Dev
In the online store I can get any product need	11	19	29	166	117	4.050	0.935
I get the products I need from the online stores at my convenience	7	21	28	187	99	4.023	0.964
The products I get from the online stores satisfy my needs	10	18	31	148	135	4.111	0.948
The suppliers in the online stores offer quality products	9	16	35	199	83	3.968	0.980
The online stores are able to solve problems that may arise in regard to products	6	20	29	176	111	4.070	0.953
The online stores ensure that their suppliers provide quality products	12	19	30	205	76	3.918	0.999
The online stores are dependable in regard to products and services	8	25	33	180	96	3.968	0.916

Source: Primary Data (2022)

From the findings, the respondents agreed that in the online store, they can get any product need as shown by a mean of 4.050, they get the products they need from the online stores at their convenience as shown by a mean of 4.023, the products they get from the online stores satisfy their needs as shown by a mean of 4.111, the suppliers in the online stores offer quality products as shown by a mean of 3.968, the online stores are able to solve

problems that may arise in regard to products as shown by a mean of 4.070, the online stores ensure that their suppliers provide quality products as shown by a mean of 3.918 and the online stores are dependable in regard to products and services as shown by a mean of 3.968.

The findings concur with those of Hashem and Ali (2019) concluded that customers believe that the quality level of Jordanian dental clinics services is medium measured by the SERVPERF dimensions jointly and separately. Fida, Ahmed, Al-Balushi and Singh (2020) found a significant relationship between the three variables: service quality, customer satisfaction, and customer loyalty. Apondi (2016) revealed that there was a positive and significant relationship between service quality, customer satisfaction and customer loyalty.

4.7.2 Simple Regression Analysis

Table 4.13: Regression Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate		
1	.721 ^a	0.527	.493	0.3741		
Model	Sum of Squares	df	Mean Square	F	Sig.	
1	Regression	10.145	1	10.145	97.703	.001 ^b
	Residual	35.304	340	0.104		
	Total	45.449	341			
Model	Unstandardized Coefficients		Standardized Coefficients		t	Sig.
	B	Std. Error	Beta			
(Constant)	2.013	0.344			5.852	0.001
Service Quality	0.423	0.104	0.371		4.067	0.002

According to the findings, the R^2 is 0.527 which implies that there were 52.7% variations in customer loyalty due to changes in service quality. The remaining 47.3% suggest that there exist other factors that influence customer loyalty in Kenya's online retail sector that were not discussed in the model.

In order to determine whether the data that was used in the study was significant, ANOVA was performed. The findings from ANOVA analysis showed that the population parameters had a p-value of 0.001. This suggests that the data was suitable for making

conclusion on the population under investigation because the p-value was less than 0.05. The results shows that the F critical was less than F calculated ($3.869 < 97.703$).

The regression equation was;

$$Y = 2.013 + 0.423X_1 + \varepsilon$$

Service quality had a statistically significant relationship with customer loyalty in Kenya's online retail sector as shown by ($\beta = 0.423, P = 0.002$). This implies that service quality had a positive relationship with customer loyalty. This shows that an increase in service quality would result to an increase in customer loyalty in Kenya's online retail sector by 0.423 units. The findings concur with those of Hashem and Ali (2019) concluded that customers believe that the quality level of services has a statistically significant positive impact on customer loyalty. Auka (2013) also found that all the dimensions of service quality have a positive and significant influence on customer loyalty in retail banking.

4.8 Convenience

4.8.1 Descriptive Statistics

The respondents were required to indicate their level of agreement on the following statements about the level of convenience of shopping in Kenya's online retail stores. 1-strongly disagree, 2-disagree, 3-moderate, 4-agree, 5-strongly agree. The results were as shown in table 4.14.

Table 4.14: Convenience

Statements	1	2	3	4	5	Mean	Std. Dev
The online stores provide easy accessibility of products and services	11	20	28	173	110	4.026	0.937
From the online stores I am able to select variety of products that I need	7	19	25	211	80	3.988	1.041
I am able to pay for the products I buy online instantly	10	17	30	151	134	4.117	0.955
The consumer financial information is protected	9	19	32	184	98	4.003	0.945

Online buying provides a convenient way of choosing products	5	16	29	197	95	4.056	1.003
The products I purchase online are delivery to my address	6	18	27	169	122	4.120	0.970
Online purchasing saves me times since I don't have to visit the store	6	14	34	211	77	3.991	1.033

Source: Primary Data (2022)

The respondents agreed that the online stores provide easy accessibility of products and services as shown by a mean of 4.026, from the online stores they are able to select variety of products that they need as shown by a mean of 3.988, they are able to pay for the products they buy online instantly as shown by a mean of 4.117, the consumer financial information is protected as shown by a mean of 4.003, online buying provides a convenient way of choosing products as shown by a mean of 4.056, the products they purchase online are delivery to their address as shown by a mean of 4.120 and online purchasing saves time since they don't have to visit the store as shown by a mean of 3.991.

The findings concur with those of Kura (2016) who found decision convenience to influence customer satisfaction more than the other dimensions of service convenience. Rahman (2014) findings suggest a significant relationship between service convenience and service loyalty in the presence of age, gender, and education level of consumers. Chadwick and Piartrini (2018) revealed that in the adolescent segment market of chocolate bar product, the relationship between quality as well as convenience and repurchase intention are not significant.

4.8.2 Simple Regression Analysis

Table 4.15: Regression Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate		
1	.781 ^a	0.610	.567	0.2763		
Model	Sum of Squares	df	Mean Square	F	Sig.	
1	Regression	13.233	1	13.233	122.688	.001 ^b
	Residual	36.672	340	0.108		

	Total	49.905	341		
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	1.513	0.329		4.599	0.001
Convenience	0.487	0.121	0.433	4.025	0.001

According to the findings, the R^2 is 0.610 which implies that there were 61% variations in customer loyalty due to changes in conveniences. The remaining 39% suggest that there exist other factors that influence customer loyalty in Kenya's online retail sector that were not discussed in the model.

In order to determine whether the data that was used in the study was significant, ANOVA was performed. The findings from ANOVA analysis showed that the population parameters had a p-value of 0.001. This suggests that the data was suitable for making conclusion on the population under investigation because the p-value was less than 0.05. The results shows that the F critical was less than F calculated ($3.869 < 122.688$).

The regression equation was;

$$Y = 1.513 + 0.487X_1 + \epsilon$$

Convenience had a statistically significant relationship with customer loyalty in Kenya's online retail sector as shown by ($\beta = 1.487$, $P = 0.001$). This implies that convenience had a positive relationship with customer loyalty. This shows that an increase in convenience would result to an increase in customer loyalty in Kenya's online retail sector by 0.487 units. The findings concur with those of Kura (2016) who found decision convenience to influence customer satisfaction more than the other dimensions of service convenience. Similarly, Rahman (2014) found a significant relationship between service convenience and customer loyalty.

4.9 Product Experience

4.9.1 Descriptive Statistics

The respondents were required to indicate their level of agreement on the following statements about the extent of product experience with Kenya's online retail stores. 1-strongly disagree, 2-disagree, 3-moderate, 4-agree, 5-strongly agree. The results were shown in Table 4.16.

Table 4.16: Product Experience

Statements	1	2	3	4	5	Mean	Std. Dev
This brand makes a strong impression on my visual senses or other senses	12	19	32	158	121	4.044	0.917
I find this brand interesting in a sensory way	11	17	35	219	60	3.877	1.052
This brand induces feelings and sentiments.	9	20	28	194	91	3.988	0.976
This brand is an emotional brand	14	16	23	191	98	4.003	0.986
I engage in physical actions and behaviors when using this brand	8	19	27	182	106	4.050	0.965
This brand results in bodily experiences	10	21	30	177	104	4.006	0.932
I engage in a lot of thinking when I encounter this brand	7	22	33	164	116	4.053	0.918
This brand stimulates my curiosity and problem solving	10	17	29	202	84	3.974	1.001

Source: Primary Data (2022)

From Table 4.16, the respondents agreed that the brand makes a strong impression on their visual senses or other senses as shown by a mean of 4.044, they find this brand interesting in a sensory way as shown by a mean of 2.708, the brand induces feelings and sentiments as shown by a mean of 3.988, the brand is an emotional brand as shown by a mean of 4.003, they engage in physical actions and behaviors when using this brand as shown by a mean of 4.050, the brand results in bodily experiences as shown by a mean of 4.006, they engage in a lot of thinking when they encounter this brand as shown by a mean of 4.053 and the brand stimulates my curiosity and problem solving as shown by a mean of 3.974. The findings are in agreement with those of Utami and Chaldun (2019) who found that there was a significant influence of product experience (aesthetic experience, the experience of meaning, and emotional experience) on customer loyalty of frozen food products.

Budi, Hidayat and Mani (2021) found that the consumer's experience determines the attitude and satisfaction at the next action. Brand experience significantly influences customer satisfaction and brand loyalty. Hosseini and Hamelin (2020) The findings indicated that brand experience has a direct and meaningful impact on customer satisfaction and customer loyalty.

4.9.2 Simple Regression Analysis

Table 4.17: Regression Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate		
1	.842 ^a	0.709	.647	0.2331		
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	11.972	1	11.972	108.726	.001 ^b
	Residual	37.438	340	0.110		
	Total	49.41	341			
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
	(Constant)	1.348	0.311		4.334	0.002
	Product experience	0.512	0.119	0.481	4.303	0.002

Source: Primary Data (2022)

According to the findings, the R^2 is 0.709 which implies that there were 70.9% variations in customer loyalty due to changes in product experience. The remaining 29.1% suggest that there exist other factors that influence customer loyalty in Kenya's online retail sector that were not discussed in the model.

In order to determine whether the data that was used in the study was significant, ANOVA was performed. The findings from ANOVA analysis showed that the population parameters had a p-value of 0.001. This suggests that the data was suitable for making conclusion on the population under investigation because the p-value was less than 0.05. The results shows that the F critical was less than the F calculated ($3.869 < 108.726$).

The regression equation was;

$$Y = 1.348 + 0.512X_1 + \varepsilon$$

Product experience had a statistically significant relationship with customer loyalty in Kenya's online retail sector as shown by ($\beta = 0.512$, $P = 0.002$). This implies that product experience had a positive relationship with customer loyalty. This shows that an increase in product experience would result to an increase in customer loyalty in Kenya's online retail sector by 0.512 units. Consistent with the findings, Hosseini and Hamelin (2020) indicate that product experience has a direct and meaningful impact on customer satisfaction and customer loyalty.

4.10 Customer Loyalty

4.10.1 Descriptive Statistics

The respondents were required to indicate their level of agreement on the following statements about the extent to which they are loyal to online retail stores. 1-strongly disagree, 2-disagree, 3-moderate, 4-agree, 5-strongly agree. The results were as shown in Table 4.18.

Table 4.18: Customer Loyalty

Statements	1	2	3	4	5	Mean	Std. Dev
I am a regular customer at the online store	7	18	27	178	112	4.082	0.968
I am attracted to certain brands in the online store	9	24	24	180	105	4.018	0.952
I repeatedly purchase a similar product in the online store	5	26	27	204	80	3.959	1.001
I am satisfied with the products I purchase from the online store	8	19	31	191	93	4.000	0.965
I would recommend my friends to purchase from the online store	11	24	28	174	105	3.988	0.922
I will continue buying from the online store	10	17	26	218	71	3.944	1.064
I am attracted to free delivery services in the online store	6	20	30	165	121	4.096	0.946

The online store offer a variety of products where I can choose from

Source: Primary Data (2022)

The respondents agreed that they are regular customers at the online store as shown by a mean of 4.082, they are attracted to certain brands in the online store as shown by a mean of 4.018, they repeatedly purchase a similar product in the online store as shown by a mean of 3.959, they are satisfied with the products I purchase from the online store as shown by a mean of 4.000. they would recommend my friends to purchase from the online store as shown by a mean of 3.988, they would continue buying from the online store as shown by a mean of 3.944, they are attracted to free delivery services in the online store as shown by a mean of 4.096 and the online store offer a variety of products where they can choose from as shown by a mean of 3.982.

4.11 Correlational Analysis

This study used Pearson Moment Correlation in determining the relationship between the independent and dependent variables. The results were as shown in Table 4.19.

Table 4.19: Correlational Coefficient

		Customer Loyalty	Perceived Value	Brand Trust	Service Quality	Convenience	Product Experience
Customer Loyalty	Pearson Correlation	1					
	Sig. (2-tailed)						
	N	342					
Perceived Value	Pearson Correlation	.778**	1				
	Sig. (2-tailed)	.003					
	N	342	342				
Brand Trust	Pearson Correlation	.789**	.571	1			
	Sig. (2-tailed)	.003	.054				
	N	342	342	342			
Service Quality	Pearson Correlation	.763**	.428	.409	1		
	Sig. (2-tailed)	.003	.047	.041			
	N	342	342	342	342		
Convenience	Pearson Correlation	.755**	.393	.366	.337	1	
	Sig. (2-tailed)	.003	.053	.056	.060		
	N	342	342	342	342	342	
Product Experience	Pearson Correlation	.752	.289	.276	.247	.231	1
	Sig. (2-tailed)	.003	.050	.054	.061	0.067	
	N	342	342	342	342	342	342

Source: Primary Data (2022)

According to the findings, perceived value had a positive correlation with customer loyalty in Kenya's online retail sector as shown by ($r = 0.778, p = 0.003$); brand trust had a positive correlation with customer loyalty in Kenya's online retail sector as shown by ($r = 0.789, p = 0.003$); service quality had a positive correlation with customer loyalty in Kenya's online retail sector as shown by ($r = 0.763, r = 0.003$); convenience had a positive correlation with customer loyalty in Kenya's online retail sector as shown by ($r = 0.755, r = 0.003$); and product experience had a positive correlation with customer loyalty in Kenya's online retail sector as shown by ($r = 0.752, r = 0.003$).

4.12 Multiple Regression Analysis

The study conducted a multiple regression analysis to determine the relationship between perceived value, brand trust, service quality, convenience, product experience and customer loyalty in Kenya's online retail sector.

Changes in response variable as a result of changes in predictor variables were determined using the model summary. The results were as shown in Table 4.20.

Table 4.20: Regression Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.879 ^a	0.773	.768	0.21704

Source: Primary Data (2022)

According to the findings, the R^2 is 0.773 which implies that there were 77.3% variations in customer loyalty due to changes in perceived value, brand trust, service quality, convenience, product experience. The remaining 22.7% suggest that there exist other factors that influence customer loyalty in Kenya's online retail sector that were not discussed in this study.

In order to determine whether the data that was used in the study was significant, ANOVA was performed. The results were as shown in Table 4.21.

Table 4.21: Analysis of Variance

Model	Sum of Squares	df	Mean Square	Sig.	F
1 Regression	32.403	5	6.481	129.62	.001 ^b
Residual	16.902	336	0.050		
Total	49.305	341			

Source: Primary Data (2022)

The findings from ANOVA analysis showed that the population parameters had a p-value of 0.001. This suggests that the data was suitable for making conclusion on the population under investigation because the p-value was less than 0.05. The results shows that the F critical was less than F calculated ($2.241 < 129.62$).

The regression equation was;

$$Y = 1.137 + 0.382X_1 + 0.402X_2 + 0.327X_3 + 0.340X_4 + 0.361X_5 + \varepsilon$$

The equation above revealed that holding perceived value, brand trust, service quality, convenience, product experience variables to a constant zero, will significantly influence customer loyalty as shown by a constant of 1.137.

Table 4.22: Regression Coefficients

Model		Unstandardized		Standardized	t	Sig.
		Coefficients				
		B	Std. Error	Beta		
1	(Constant)	1.137	0.191		5.953	0.001
	Perceived Value	0.382	0.099	0.248	3.859	0.003
	Brand Trust	0.402	0.109	0.381	3.688	0.003
	Services Quality	0.327	0.101	0.255	3.238	0.004
	Convenience	0.340	0.103	0.286	3.301	0.005
	Product Experience	0.361	0.096	0.235	3.760	0.003

Source: Primary Data (2022)

Perceived value had a statistically significant relationship with customer loyalty in Kenya's online retail sector as shown by ($\beta = 0.382, P = 0.003$). This implies that perceived value had a positive relationship with customer loyalty. This shows that an increase in perceived value would result to an increase in customer loyalty in Kenya's online retail sector by 0.382 units. The findings agree with those of Masnita and Ramadhan (2019) who found that customer perceived value significantly influenced loyalty.

Brand trust had a statistically significant relationship with customer loyalty in Kenya's online retail sector as shown by ($\beta = 0.402, P = 0.003$). This implies that brand trust had a positive relationship with customer loyalty. This shows that an increase in brand trust would result to an increase in customer loyalty in Kenya's online retail sector by 0.402

units. The findings are in agreement with those of Shin, Amenuvor, Basilisco and Owusu-Antwi (2019) who found that brand trust and brand commitment positively and significantly influence brand loyalty.

Service quality had a statistically significant relationship with customer loyalty in Kenya's online retail sector as shown by ($\beta = 0.327$, $P = 0.004$). This implies that service quality had a positive relationship with customer loyalty. This shows that an increase in service quality would result to an increase in customer loyalty in Kenya's online retail sector by 0.327 units. The findings concur with those of Hashem and Ali (2019) concluded that customers believe that the quality level of Jordanian dental clinics services is medium measured by the SERVPERF dimensions jointly and separately.

Convenience had a statistically significant relationship with customer loyalty in Kenya's online retail sector as shown by ($\beta = 0.340$, $P = 0.005$). This implies that convenience had a positive relationship with customer loyalty. This shows that an increase in convenience would result to an increase in customer loyalty in Kenya's online retail sector by 0.340 units. The findings concur with those of Kura (2016) who found decision convenience to influence customer satisfaction more than the other dimensions of service convenience.

Product experience had a statistically significant relationship with customer loyalty in Kenya's online retail sector as shown by ($\beta = 0.361$, $P = 0.003$). This implies that product experience had a positive relationship with customer loyalty. This shows that an increase in product experience would result to an increase in customer loyalty in Kenya's online retail sector by 0.361 units. The findings are in agreement with those of Utami and Chaldun (2019) who found that there was a significant influence of product experience (aesthetic experience, the experience of meaning, and emotional experience) on customer loyalty of frozen food products.

4.13 Results from Content Analysis

The respondents were of the opinion that a higher perceived value increases customer satisfaction which in turn positively impacts the customer's behaviour. The customer thus builds a relationship increasing the chances of retaining the customer. The findings were consistent with the findings by Masnita and Ramadhan (2019) who also revealed that customer perceived value influenced customer loyalty.

The respondents noted that customers trust a brand because of its perceived quality, image or the satisfaction it provides which in turn transforms into customer loyalty as customers

would always want the trusted brand. Similarly, Adekiya and Adepoju (2016) established that brand trust exercises a positive effect on customer loyalty. Consistently, Cuong (2020) revealed that brand satisfaction had a positive influence on brand trust, brand preference and brand loyalty.

The respondents indicated that if a service provided is of expected quality or even of a higher quality than expected, customer loyalty/ retention improves. The findings concur with Hashem and Ali (2019) that the quality level of services has an impact on customer loyalty. Fida, Ahmed, Al-Balushi and Singh (2020) also revealed a correlation between service quality and customer loyalty.

Convenience influences how customers decide on services to seek, products to buy and from which provider. Convenience thus affects customer loyalty. The findings corroborate the findings by Kura (2016) that decision convenience influences customer satisfaction which furthers customer loyalty. A study by Magiri (2019) also revealed positive and statistically significant relationships between the service convenience dimensions and customer loyalty.

Consumer pleasure, product attention, and brand dependability are all influenced by product experience. As a result, these characteristics encourage consumer behaviour and attitude toward the online customer experience, which in turn promotes customer loyalty. Similarly, Budi, Hidayat and Mani (2021) found that the consumer's experience determines the attitude and satisfaction at the next action. The findings were also consistent with the findings by Hosseini and Hamelin (2020) that brand experience has a direct and meaningful impact on customer satisfaction and customer loyalty.

CHAPTER FIVE

SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter discusses the findings, conclusions and recommendations. The study objective was to establish the influence of digital customer experience on customer loyalty in Kenya's online sector.

5.2 Summary of Findings

The study targeted 385 respondents who were all issued with questionnaires. Out of the issued questionnaires, 342 were dully filled and returned. This translated to a response rate of 89%.

The findings showed that 58% of the respondents were male while 42% were female. Additionally, 35% of the respondents were aged between 18-30 years, 30% were aged between 31-40 years, 20% were aged between 41-50 years and 14% were above 51 years.

The findings further indicated that, perceived value, brand trust, service quality, convinience and product experience have a statistically significant relationship with customer loyalty in Kenya's online retail sector.

Furthermore, the findings showed that perceived value, brand trust, service quality, convinience and product experience have a positive corelation with customer loyalty in Kenya's online retail sector.

5.3 Discussion of Findings

This section discusses the study finds organised around the five research objectives bringing out areas of similarities and differences in prior studied in the same area.

5.3.1 Influence of Perceived Value on Customer Loyalty

The first objective was to determine the influence of perceived value on customer loyalty. The study found that customers have built a sustainable relationship with the products and services from online stores, they purchase products that meet their intended needs, the products that bought from the online stores meet their expectations, they have a sense of familiarity with online stores products and services, they ensure that they get value of money on the products bought from online stores, the product prices in the online stores are reasonable and affordable and their friends influence what they buy from the online

stores. The study also revealed that perceived value had a positive significant relationship with customer loyalty in Kenya's online retail sector.

The findings agree with those of Masnita and Ramadhan (2019) who found that customer perceived value significantly influenced loyalty. Also, customer perceived value has a significant impact on loyalty, while customer perceived value influenced CRM. Kusumawati and Rahayu (2020) found that quality experience has a significant effect on customer perceived value, customer satisfaction, and customer loyalty customer perceived value has a significant effect on customer satisfaction and customer loyalty and customer satisfaction has a significant effect on customer loyalty. ALHuwaishel and AL-Meshal (2018) established that loyalty and quality had a significant statistical impact on the decision making. On the other hand, perceived value had an influence on the brand trust but not on the purchase decision.

5.3.2 Influence of Brand Trust on Customer Loyalty

The second objective was to examine the influence of brand trust on customer loyalty. The study revealed that customers trust the products from the online stores, they are happy with the decision to choose an online supplier, they believe they did the right thing when choosing this online supplier, they believe that the products from online stores are of good quality, the products that they buy from the online stores can be trusted, the products from the online stores are reliable and customers satisfied with their online supplier.

The study also established that brand trust had a positive correlation with customer loyalty. The findings are in agreement with those of Shin, Amenuvor, Basilisco and Owusu-Antwi (2019) who found that brand trust and brand commitment positively and significantly influence brand loyalty. Cuong (2020) study revealed that brand satisfaction had a positive influence on brand trust, brand preference and brand loyalty. Adekiya and Adepoju (2016) indicated that brand trust exercises a significant and positive effect on customer loyalty, this relationship is, however, not moderated by gender, age and income level.

5.3.3 Influence of Services quality On Customer Loyalty

The third objective aim was to determine the influence of service quality on customer loyalty. The study revealed that in the online store customers can get any product need, they get products they need from the online stores at their convenience, the products they get from the online stores satisfy their needs, the suppliers in the online stores offer quality products, the online stores are able to solve problems that may arise in regard to products,

the online stores ensure that their suppliers provide quality products and the online stores are dependable in regard to products and services.

The study also established that service quality had a significant positive relationship with customer loyalty. The findings concur with those of Hashem and Ali (2019) concluded that customers believe that the quality level of Jordanian dental clinics services is medium measured by the SERVPERF dimensions jointly and separately. Fida, Ahmed, Al-Balushi and Singh (2020) found a significant relationship between the three variables: service quality, customer satisfaction, and customer loyalty. Apondi (2016) revealed that there was a positive and significant relationship between service quality, customer satisfaction and customer loyalty.

5.3.4 Influence of Convenience on Customer Loyalty

The fourth objective was to determine the influence of convenience on customer loyalty. The study found that online stores provide easy accessibility to products and services, from the online stores they are able to select a variety of products that they need, they are able to pay for the products they buy online instantly, the consumer financial information is protected, online buying provides a convenient way of choosing products, the products they purchase online are delivery to their address and online purchasing saves time since they don't have to visit the store.

The findings concur with those of Kura (2016) who found decision convenience to influence customer satisfaction more than the other dimensions of service convenience. Rahman (2014) findings suggest significant relationship between service convenience and service loyalty in the presence of age, gender, and education level of consumers. Chadwick and Piarrini (2018) revealed that in the adolescent segment market of chocolate bar product, the relationship between quality as well as convenience and repurchase intention are not significant.

5.3.5 Influence of Product Experience on Customer Loyalty

The fifth objective aimed to examine the influence of product experience on customer loyalty. The study revealed that the brand makes a strong impression on their visual senses or other senses, they find this brand interesting in a sensory way, the brand induces feelings and sentiments, the brand is an emotional brand, they engage in physical actions and behaviors when using this brand, the brand results in bodily experiences, they engage in a lot of thinking when they encounter this brand and the brand stimulates my curiosity and

problem solving. The study also found that product experience had a positive influence on customer loyalty.

The findings are in agreement with those of Utami and Chaldun (2019) who found that there was a significant influence of product experience (aesthetic experience, the experience of meaning, and emotional experience) on customer loyalty of frozen food products. Budi, Hidayat and Mani (2021) found that the consumer's experience determines the attitude and satisfaction at the next action. Brand experience significantly influences customer satisfaction and brand loyalty. Hosseini and Hamelin (2020) The findings indicated that brand experience has a direct and meaningful impact on customer satisfaction and customer loyalty.

5.4 Conclusions

The study established that perceived value had a statistically significant relationship with customer loyalty in Kenya's online retail sector. Also, the perceived value had a positive relationship with customer loyalty. Hence, an increase in perceived value would result to an increase in customer loyalty in Kenya's online retail sector. The study concludes that perceived value positively influences customer loyalty in Kenya's online retail sector.

The study found that brand trust had a statistically significant relationship with customer loyalty in Kenya's online retail sector. Further, brand trust had a positive relationship with customer loyalty. Hence, an increase in brand trust would result to an increase in customer loyalty in Kenya's online retail sector. The study concludes that brand trust positively influences customer loyalty in Kenya's online retail sector.

The study established that service quality had a statistically significant relationship with customer loyalty in Kenya's online retail sector. Further, service quality had a positive relationship with customer loyalty. So, an increase in service quality would result to an increase in customer loyalty in Kenya's online retail sector. The study concludes that service quality positively influences customer loyalty in Kenya's online retail sector.

The study found that convenience had a statistically significant relationship with customer loyalty in Kenya's online retail sector. Also, convenience had a positive relationship with customer loyalty. An increase in convenience would result to an increase in customer loyalty in Kenya's online retail sector. The study concludes that convenience positively influences customer loyalty in Kenya's online retail sector.

The study revealed that product experience had a statistically significant relationship with customer loyalty in Kenya's online retail sector. Further, product experience had a positive relationship with customer loyalty. Hence, an increase in product experience would result to an increase in customer loyalty in Kenya's online retail sector. The study concludes that product experience positively influences customer loyalty in Kenya's online retail sector.

5.5 Recommendations

The study established that perceived value had a statistically significant relationship with customer loyalty in Kenya's online retail sector. The study recommends that retailers should always ensure that their customers get value of what they purchase to enhance their loyalty. Their customers, which can lead to increased customer loyalty and repeat business. The retailers can use strategies such as offering competitive prices, providing excellent customer service, offer product customization and use of social proof to demonstrate the value of their products to potential customers.

The study found that brand trust had a statistically significant relationship with customer loyalty in Kenya's online retail sector. The study recommends that retailers should always work with trusted brands, as this would enhance customer loyalty. This can be achieved through providing clear and transparent information, being responsive to customer inquiries and use of secure payment methods and also offering a fair return policy.

The study established that service quality had a statistically significant relationship with customer loyalty in Kenya's online retail sector. The study recommends that retailers should always enhance their service quality to meet customer needs. The retailers could offer a user-friendly website, provide detailed product information and offer fast and reliable delivery.

The study found that convenience had a statistically significant relationship with customer loyalty in Kenya's online retail sector. The study recommends that the retailers should enhance convenience by establishing their outlets in different regions to enhance customer loyalty. The convenience can be achieved by streamlining the checkout process, offering free and fast shipping, providing accurate and detailed product as well as offering customer support.

The study revealed that product experience had a statistically significant relationship with customer loyalty in Kenya's online retail sector. The study recommends that retailers should ensure that they provide products of good quality to their customers always to enhance their

loyalty. To achieve a great product experience for customers, online retailers can use high-quality product images and descriptions, product videos or user-generated content such as reviews and photos submitted by customers who have already purchased the product.

5.6 Contribution of the Study

The study provides insights into customer experience in the online retail sector thus contributing to policy as these insights may guide in the formulation of policy at the sectoral level and organisational level. Such policy may be formulated to enhance customer experience in the online retail sector.

The study adds and supports the theoretical foundation of the theory of reasoned action by revealing that customers purchase from the online retail sector due to their perception on the value attached to the purchase in the sector such as the value for money and satisfaction of the need. Similarly, the theory of reasoned action explains the relationship between attitudes and behaviors within human action and thus the contribution of the study to the theory is eminent.

The study revealed that the online retail sector provides service quality and convenience. Thus the study contributes to practice by providing knowledge to potential customers who consider service quality and convenience and can thus make purchases from the online retail sector.

5.7 Limitations of the Study and Suggestions for Further Research

The study was limited to perceived value, brand trust, services quality, convenience and product experience on customer loyalty in Kenya's online retail sector but there could be other digital customer experience in the sector. The study adopted convenience sampling and since the sample is not chosen through random selection, it was possible that the sample was not fully representative of the population being studied. This undermines the ability to make generalizations from the sample to the population of interest. The study was limited to descriptive research design thus cause and effect correlations cannot be established. Respondents may not be genuine or offer socially acceptable replies while answering survey questions. The phrasing and choice of questions on a questionnaire might have an impact on the descriptive results.

The study objective was to establish the influence of digital customer experience on customer loyalty in Kenya's online sector. The study recommends that future studies should adopt other variables other than perceived value, brand trust, services quality, convenience

and product experience as discussed in this study. The study revealed that 22.7% of customer loyalty is explained by other factors not included in the model. The study also recommends that future studies should focus on the influence brand trust on customer loyalty. The findings of the study are not generalisable to other sectors and thus there is a need for future studies to focus on the influence of digital customer experience on customer loyalty in other sectors.



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APPENDICES

Appendix I: Introductory Letter

Ole Sangole Rd, Mbiteni Estate,
P.O. Box 59827 00200, Nairobi, Kenya.
Cell: +254 709 414467, Twitter: @SBUKenya
Email: info@sbus.ac.ke or visit www.sbus.ac.ke



9th May 2022

To Whom It May Concern.

Dear Sir/ Madam.

RE: FACILITATION OF RESEARCH – MARY WAMBUI NDERITU

This is to introduce Mary Nderitu who is a Master of Business Administration student at Strathmore University Business School, admission number MBA/8547/19. As part of our MBA Program, Mary is expected to do applied research and undertake a project. This is in partial fulfilment of the requirements of the MBA course. To this effect, she would like to request for appropriate data from your organisation.

Mary is undertaking a research paper on “**Influence of Digital Customer Experience on Customer Loyalty in Kenya’s Online Retail Sector**” The information obtained from your organization shall be treated confidentially and shall be used for academic purposes only.

Our MBA seeks to establish links with industry, and one of these ways is by directing our research to areas that would be of direct use to industry. We would be glad to share our findings with you after the research, and we trust that you will find them of great interest and of practical value to your organization.

We appreciate your support and shall be willing to provide any further information if required.

Yours sincerely,

A handwritten signature in black ink, appearing to read "Caroline Tiara".

Caroline Tiara.
Manager – Graduate Programs.
Strathmore University Business School.

Association of African
Business Schools



Strathmore Business School is a Proud member of



AACSB

EFMD

Appendix II: Letter of Informed Consent

INFLUENCE OF DIGITAL CUSTOMER EXPERIENCE ON CUSTOMER LOYALTY IN KENYA'S ONLINE RETAIL SECTOR

Affiliate: Strathmore Business School

Investigator: Mary Wambui Nderitu.

The study target population will be the online customers in Jumia, Jiji and Kilimall online retailers.

The researcher will introduce the study to respondents. Those willing to participate in the study will be given a consent form to sign. Participation in the study will be voluntary. Those who may feel uncomfortable will be allowed to withdraw from the study. They will not be penalized. The study will ensure anonymity as the respondents will not be required to provide the name of their organization as well as their names.

The study does not involve risks because it meant purely for academic purposes.

The study findings will be important to the management of online retail outlets in Kenya. This is because the study will provide an understanding on how digital customer experience influence on customer loyalty. This will enable the management to improve on their digital customer services like product quality so that they are able to serve their customers better.

The collected information will be available at the university repository.

I, _____, agree to participate in the study since I understand what is required of me.

Signature **Date**.....

I, _____, consent that have explained what the study is all about to the participant. Any further clarification is welcomed.

Signature **Date**.....

Appendix III: Strathmore University Ethics Review Letter



28th June 2022

Ms Nderitu, Mary
marywambuinderitu@gmail.com

Dear Ms Nderitu,

RE: Influence of Digital Customer Experience on Customer Loyalty In Kenya's Online Retail Sector

This is to inform you that SU-ISERC has reviewed and **approved** your above **SU Master's** research proposal. Your application reference number is **SU-ISERC1363/22**. The approval period is **28th June 2022 to 27th June 2023**.

This approval is subject to compliance with the following requirements:

- i. Only approved documents including (informed consents, study instruments, MTA) will be used
- ii. All changes including (amendments, deviations, and violations) are submitted for review and approval by SU-ISERC.
- iii. Death and life-threatening problems and serious adverse events or unexpected adverse events whether related or unrelated to the study must be reported to SU-ISERC within 48 hours of notification
- iv. Any changes, anticipated or otherwise that may increase the risks or affected safety or welfare of study participants and others or affect the integrity of the research must be reported to SU-ISERC within 48 hours
- v. Clearance for export of biological specimens must be obtained from relevant institutions.
- vi. Submission of a request for renewal of approval at least 60 days prior to expiry of the approval period. Attach a comprehensive progress report to support the renewal.
- vii. Submission of an executive summary report within 90 days upon completion of the study to SU-ISERC.

Prior to commencing your study, you will be expected to obtain a research license from National Commission for Science, Technology, and Innovation (NACOSTI) <https://research-portal.nacosti.go.ke/> and obtain other clearances needed.

Yours sincerely,

for: **Dr Ben Ngoye,**
Secretary; SU-ISERC

Cc: Prof Fred Were,
Chairperson; SU-ISERC




Ofc Sangale Rd, Madaraka Estate, PO Box 59857-00200, Nairobi, Kenya. Tel +254 (0)703 034000
Email admissions@strathmore.edu www.strathmore.edu

Appendix IV: Nacosti Research License

Republic of Kenya
Ministry of Education, Science and Technology
National Commission for Science, Technology and Innovation

Ref No: **648588**

RESEARCH LICENSE




This is to Certify that Ms. Mary Wambui Ndritu of University of Adelaide, has been licensed to conduct research in Nairobi on the topic: INFLUENCE OF DIGITAL CUSTOMER EXPERIENCE ON CUSTOMER LOYALTY IN KENYA'S ONLINE RETAIL SECTOR for the period ending : 18/July/2023.

License No: **NACOSTIP/22/18796**

Applicant Identification Number: **648588**

Director General
NATIONAL COMMISSION FOR SCIENCE, TECHNOLOGY & INNOVATION

Verification QR Code



NOTE: This is a computer generated License. To verify the authenticity of this document, Scan the QR Code using QR scanner application.

Appendix V: Questionnaire

Kindly tick appropriately

Section A: Demographic Information

1. Kindly indicate your gender

Male

Female

2. Age group

18 – 30 years

31- 40 years

41- 50 years

Above 51 years

3. Level of Education

Primary education

Secondary education

Tertiary education

4. Occupation

5. Which of the following online stores do you frequently purchase from

Jumia

Jiji

Kilimall

Other(s) (please specify).....

6. Name at least two products you recently purchased from the above retail store

.....

7. How long have been shopping online

Less than 1 year

1 – 3 years

4 – 6 years

Above 7 years

8. How often do you buy form the online stores

Very often

Often

Moderate

Not at all ()

Section B: Perceived Value

9. Indicate your level of agreement on the following statements about the perceived value of using digital platforms to shop. 1-strongly disagree, 2-disagree, 3-moderate, 4-agree, 5-strongly agree.

Statements	1	2	3	4	5
10. I purchase products that meet my intended needs					
11. I ensure that I get value of my money on the products I buy from online stores					
12. I have a sense of familiarity with online stores products and services					
13. I have built a sustainable relationship with the products and services from online stores					
14. The product prices in the online stores are reasonable and affordable					
15. The products that I buy from the online stores meet my expectations					
16. My friends influence what I buy from the online stores					

17. Please explain how perceived value influence customer loyalty?

.....

.....

.....

Section C: Brand Trust

18. Indicate your level of agreement on the following statements about the level of brand trust with your online retail sector. 1-strongly disagree, 2-disagree, 3-moderate, 4-agree, 5-strongly agree.

Statements	1	2	3	4	5
19. I believe that the products from online stores are of good quality					
20. The products that I buy from the online stores can be trusted					
21. I trust the products from the online stores					
22. The products from the online stores are reliable					
23. I am happy with the decision to choose an online supplier					

24. I believe I did the right thing when choosing this online supplier					
25. I am satisfied with my online supplier					

26. Please explain how brand trust influence customer loyalty?

.....

Section D: Services Quality

27. Indicate your level of agreement on the following statements about the extent of services quality offered by the online retail store. 1-strongly disagree, 2-disagree, 3-moderate, 4-agree, 5-strongly agree.

Statements	1	2	3	4	5
28. In the online store I can get any product need					
29. I get the products I need from the online stores at my convenience					
30. The products I get from the online stores satisfy my needs					
31. The suppliers in the online stores offer quality products					
32. The online stores are able to solve problems that may arise in regard to products					
33. The online stores ensure that their suppliers provide quality products					
34. The online stores are dependable in regard to products and services					

35. Please explain how services quality influences customer loyalty?

.....

Section E: Convenience

36. Indicate your level of agreement on the following statements about the level of convenience of shopping in Kenya's online retail stores. 1-strongly disagree, 2-disagree, 3-moderate, 4-agree, 5-strongly agree

Statements	1	2	3	4	5
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37. The online stores provide easy accessibility of products and services					
38. From the online stores I am able to select variety of products that I need					
39. I am able to pay for the products I buy online instantly					
40. The consumer financial information is protected					
41. Online buying provides a convenient way of choosing products					
42. The products I purchase online are delivery to my address					
43. Online purchasing saves me times since I don't have to visit the store					

44. Please explain how convenience influences customer loyalty?

.....

.....

.....

.....

.....

Section F: Product Experience

45. Indicate your level of agreement on the following statements about the extent of product experience with Kenya's online retail stores. 1-strongly disagree, 2-disagree, 3-moderate, 4-agree, 5-strongly agree

Statements	1	2	3	4	5
46. This brand makes a strong impression on my visual senses or other senses					
47. I find this brand interesting in a sensory way					
48. This brand induces feelings and sentiments.					
49. This brand is an emotional brand					
50. I engage in physical actions and behaviors when using this brand					
51. This brand results in bodily experiences					
52. I engage in a lot of thinking when I encounter this brand					
53. This brand stimulates my curiosity and problem solving					

54. Please explain how product experience influences customer loyalty

.....

.....

Section G: Customer Loyalty

55. Indicate your level of agreement on the following statements about the extent to which you are loyal to online retail stores. 1-strongly disagree, 2-disagree, 3-moderate, 4-agree, 5-strongly agree

Statements	1	2	3	4	5
56. I am a regular customer at the online store					
57. I am attracted to certain brands in the online store					
58. I repeatedly purchase a similar product in the online store					
59. I am satisfied with the products I purchase from the online store					
60. I would recommend my friends to purchase from the online store					
61. I will continue buying from the online store					
62. I am attracted to free delivery services in the online store					
63. The online store offer a variety of products where I can choose from					

THANK YOU



Appendix VI: List of Online Retailers in Kenya

1. Kilimall
2. Jumia
3. Jiji
4. Avechi
5. Masoko.com
6. Cheki
7. Copia
8. Shopit

