

Analyzing The Effect of Customer Satisfaction, Service Quality, and Brand Image on Customer Loyalty in e-Commerce Platforms

Original Article

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Received : 12 September 2025

Accepted : 25 Oktober 2025

Published online : 28 November 2025

Abstract

This study aims to analyze the effects of customer satisfaction, service quality, and brand image on customer loyalty within e-commerce platforms. by employing a quantitative research approach and surveying active users of major e-commerce platforms, the study finds that customer satisfaction, service quality, and brand image all have significant direct impacts on customer loyalty, with brand image demonstrating the strongest influence. The findings have important implications for e-commerce managers seeking to enhance competitive advantage through loyalty management.

Keywords: Customer satisfaction, service quality, brand image, customer loyalty, e-commerce, quantitative research

1. Introduction

The rapid growth of e-commerce has fundamentally transformed the way consumers search, evaluate, and purchase products across the globe. E-commerce platforms such as marketplaces, specialized online stores, and social commerce channels have enabled firms to reach customers beyond geographical boundaries, offering unprecedented convenience, product variety, and price transparency. In many emerging markets, including Indonesia, the penetration of internet and smartphone usage has accelerated the diffusion of e-commerce, making it an integral part of daily consumption behavior. However, the increasing number of competing platforms has intensified the battle not only to attract new users but, more critically, to retain existing customers and foster long term loyalty.

Customer loyalty in the e-commerce context is particularly challenging to build and maintain because switching costs are relatively low and competitors are only one click away. Consumers can easily compare prices, delivery options, and seller reputations across platforms, and they are frequently exposed to aggressive promotional campaigns such as flash sales, free shipping, and voucher discounts. While such tactical incentives may trigger short term purchase intentions, they do not automatically translate into sustainable loyalty. For platform providers and managers, understanding the deeper psychological and experiential drivers that make customers repeatedly choose the same platform is therefore a strategic priority.

Prior literature in marketing and services management emphasizes that customer satisfaction, service quality, and brand image are among the key antecedents of loyalty across various industries. In online retailing, satisfaction reflects the extent to which the customer's



overall experience with the platform meets or exceeds expectations, encompassing factors such as ease of use, product availability, price fairness, and post-purchase support. Satisfied customers are more likely to repurchase, give positive word-of-mouth, and resist competitors' offers, thereby contributing to a stable and profitable customer base. Conversely, dissatisfaction may quickly trigger negative reviews and platform abandonment, which can spread rapidly through digital channels.

Service quality represents another critical dimension in the e-commerce environment, as it covers both the functional and technical aspects of service delivery. In online settings, service quality is often conceptualized through dimensions such as website usability, reliability of information, responsiveness of customer service, security, and fulfillment performance (including delivery speed and accuracy). High perceived service quality reduces consumer uncertainty and perceived risk, which are typically higher in online transactions due to the lack of physical inspection and face to face interaction. When customers consistently experience reliable and efficient service, they tend to develop trust and a sense of comfort with the platform, which may reinforce loyalty intentions over time.

Brand image also plays a strategic role in differentiating e-commerce platforms that offer relatively similar core functionalities. In a crowded digital marketplace, a strong and favorable brand image can serve as a heuristic shortcut, helping customers to quickly evaluate and choose among alternatives. Brand image in e-commerce is shaped by various elements, including perceived innovativeness, credibility, social responsibility, and emotional appeal communicated through branding campaigns, user interface design, endorsements, and user-generated content. A positive image can signal quality, reduce perceived risk, and create an emotional bond with customers, which, in turn, can strengthen loyalty even when competitors offer comparable price or promotion levels.

Despite an extensive body of research on satisfaction, service quality, brand image, and loyalty in traditional service sectors such as banking, hospitality, and telecommunications, empirical evidence specific to e-commerce platforms particularly in emerging economies—remains relatively limited. Many prior studies focus on single constructs or dyadic relationships, for example examining service quality's impact on satisfaction, or satisfaction's impact on loyalty, without simultaneously considering the interplay among these three key antecedents. Furthermore, rapid changes in technology, logistics infrastructure, and consumer expectations in the digital era suggest that relationships established in offline settings may not fully capture the dynamics of online platform usage.

This study addresses these gaps by empirically analyzing the effect of customer satisfaction, service quality, and brand image on customer loyalty in e-commerce platforms. The research develops and tests a conceptual model that positions satisfaction, perceived service quality, and brand image as direct predictors of loyalty, while also acknowledging their potential interrelationships. By using recent data from active e-commerce users, the study aims to provide updated evidence on which factors most strongly drive loyalty in an environment characterized by intense competition, frequent promotional activities, and rapidly evolving digital services.

The findings of this research are expected to contribute both theoretically and managerially. From a theoretical perspective, the study enriches the literature on relationship marketing and online consumer behavior by integrating three central constructs satisfaction, service quality, and brand image within a single comprehensive framework of e-commerce loyalty. From a managerial perspective, the results can help e-commerce practitioners prioritize strategic initiatives and allocate resources more effectively, for example by indicating whether improving service operations, enhancing customer experience, or

strengthening brand-building efforts yields the greatest impact on loyalty. This insight is particularly valuable for platforms operating in highly competitive markets, where sustainable growth depends not only on customer acquisition but also on cultivating loyal, long-term users.

2. Literature Review

Customer Satisfaction

Customer satisfaction is widely recognized as a central driver of post-purchase behavior and ongoing relational ties in digital shopping environments [5]. Satisfaction reflects the customer's evaluation of their transaction, influenced by expectations and the actual performance of the e-commerce service [2].

Service Quality

Service quality encompasses the overall excellence experienced during customer interactions with an e-commerce platform, including responsiveness, reliability, assurance, and ease of use [6][7]. Numerous studies demonstrate a positive association between perceived service quality and heightened loyalty intentions [8].

Brand Image

Brand image is the set of perceptions and associations customers hold regarding a brand [9]. In e-commerce, a strong and trustworthy brand image reduces perceived risk, enhances perceived value, and fosters trust, thus encouraging loyalty [10].

Customer Loyalty

Customer loyalty reflects a customer's repeated patronage and willingness to recommend a platform to others [11]. It is shaped by previous experiences, satisfaction levels, perceived value, and emotional attachment.

3. Methods

Research Design

A quantitative approach using an online survey methodology was selected for this study. The target population was users of major e-commerce platforms (e.g., Tokopedia, Shopee, Lazada).

Sample and Data Collection

Data was collected from 400 respondents, selected using purposive sampling to ensure participants were frequent e-commerce users. The survey utilized validated Likert-scale measures for customer satisfaction [2], service quality [6], brand image [10], and customer loyalty [12].

Data Analysis

Data was analyzed using Structural Equation Modeling (SEM) with the assistance of SmartPLS 4.0 software. Validity and reliability tests (Cronbach's alpha, Composite Reliability, AVE) were applied to measurement instruments.

4. Results and Discussion

Results

Table 1: Validity and Reliability Results of Constructs

Variable	Cronbach's Alpha	CR	AVE	Results
Customer Satisfaction	0.88	0.92	0.65	Valid
Service Quality	0.86	0.91	0.62	Valid
Brand Image	0.90	0.93	0.68	Valid
Customer Loyalty	0.89	0.92	0.66	Valid

Source: Data Processed, 2025

The table presents the results of reliability and construct validity tests for four latent variables: Customer Satisfaction, Service Quality, Brand Image, and Customer Loyalty. All Cronbach's Alpha values range from 0.86 to 0.90, exceeding the typical threshold of 0.70, indicating that the items within each construct are internally consistent and consistently measure the same concept across respondents.

The Composite Reliability (CR) values for all four constructs are also high, ranging from 0.91 to 0.93, confirming that the indicators have excellent composite reliability and are suitable for use in structural model analysis. Furthermore, the Average Variance Extracted (AVE) values for all variables are above 0.50 (0.62 to 0.68), indicating that more than half of the indicator variance is explained by the respective latent construct. Therefore, convergent validity requirements are met, and each variable can be declared valid.

Table 2: Direct Effects on Customer Loyalty

Hypothesis	Path Coefficient (β)
H1: Customer Satisfaction \rightarrow Loyalty	0.32
H2: Service Quality \rightarrow Loyalty	0.27
H3: Brand Image \rightarrow Loyalty	0.41

Source: Data Processed, 2025

This table presents the results of the structural hypothesis test linking three independent variables Customer Satisfaction, Service Quality, and Brand Image to Customer Loyalty through path coefficients (β). The β value for H1, 0.32, indicates that increased customer satisfaction contributes positively and quite strongly to increased customer loyalty on e-commerce platforms.

For H2, the Service Quality \rightarrow Loyalty path coefficient of 0.27 indicates that better service quality also drives increased loyalty, although its effect is slightly less than that of satisfaction. Meanwhile, H3, with a Brand Image \rightarrow Loyalty coefficient of 0.41, indicates the strongest positive effect among the three constructs, making a strong brand image the most dominant key factor in shaping customer loyalty to e-commerce platforms.

Discussion

These findings align with prior research highlighting the pivotal roles of customer satisfaction, service quality, and, especially, brand image in fostering loyalty on digital platforms [4][8][10][13]. For e-commerce businesses, developing a strong brand image,

ensuring consistently high service quality, and maintaining customer satisfaction are essential strategies for long-term customer retention.

5. Conclusion

This study provides empirical evidence that customer satisfaction, service quality, and brand image substantially influence customer loyalty in e-commerce contexts, with brand image having the most pronounced effect. E-commerce practitioners are encouraged to enhance these drivers through targeted strategies, such as investing in customer service excellence, forging a trustworthy brand image, and employing ongoing satisfaction monitoring.

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