Assessing Customer Loyalty with the Online and In-Store Shopping Convenience of Private Pharmacies in Kuwait

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Abstract This study aims to assess the impact of in-store shopping and online platforms for shopping convenience on customers' loyalty in Private Pharmacies in Kuwait. Further, with this new knowledge, private pharmacy retailers can better grasp how to satisfy their customers. The current study uses a quantitative strategy, deductive approach, explanatory type, and cross-sectional time horizon. The questionnaire survey was used to collect data from customers over 18 years old using convenience sampling. A hierarchical component model was used to analyze the data and to minimize the number of relationships in the structural model. SmartPLS-4 software was used for the calculation. Results demonstrated that online shopping convenience was more significant than in-store shopping convenience in promoting customer loyalty in private pharmacies in Kuwait.

Keywords Customer loyalty · Retail convenience variables · Online and in-store convenience · SmartPLS-4 · Private pharmacy of Kuwait

1 Introduction

Reference [6] first introduced shopping convenience in the retail literature. He related convenience to ease of accessibility and frequent purchases and highlighted the importance of convenience as a business strategy for retailers. Shopping convenience was defined by [17] as "accomplishing a task in the shortest time and with the least expenditure of human energy" (p. 3). Thus, shopping convenience is a retail strategy to serve customers and pursue their needs [9]. Historically, retailers had the upper hand in creating the shopping experience for consumers. However, the retail

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R. E. Khoury and N. Nasrallah (eds.), *Intelligent Systems, Business, and Innovation Research*, Studies in Systems, Decision and Control 489,
https://doi.org/10.1007/978-3-031-36895-0_42

landscape changed dramatically during the twentieth century in four ways: industrial and transportation developments; competition intensity; consumer needs and demands; and technological advancement [14]. Moving into the twenty-first century with the ever- increasing internet usage, resulting in an explosion of online shopping, the balance of power in the shopping experience shifted to the consumers and their needs and wants. Although online shopping, for the time being, is becoming a trend, consumers are adopting it for its several advantages [21].

However, many customers still prefer to buy from stores, especially some commodities such as medications and medical products. Reference [10] maintained that medications and medical products are not regular products and that their consumers should seek counsel from pharmacists; Thus, private pharmacies are not traditional retailing.

Customer loyalty is a commitment to buying products and services from a specific retailer [16]. In retail shopping, customer loyalty and satisfaction are the most important thing, whether online or in-store, to increase profitability and spread positive word of mouth. Whether shopping convenience is online or in- store, consumers are the most important of any business [21].

Loyal customers are considered a profitable asset to a retailer because they share their feedback with the retailer for improvement and innovation [16]. From this aspect, looking at the pharmacy business, it can be seen that customer loyalty is a commitment customer, with trust and loyalty to the pharmacy, its products, and services [10].

Shopping convenience of online purchases involves reducing purchase time and physical effort [13]. Thus, customers can order in the comfort of their homes through a pharmacy website or application and get their order delivered.

During the pandemic, private pharmacies in Kuwait were forced to adapt to online pharmacy platforms to overcome the financial losses from lockdowns as access to physical stores was limited. However, customers often prefer in-store or traditional shopping in pharmacies for several reasons: physical checks and examinations of products; interactions with the staff, such as consulting a pharmacist for minor medical issues; and the store's atmosphere [3]. Conversely, some customers prefer online pharmacy shopping for other reasons: easy to search and compare products and their prices, delivery service, and saving travel time and effort to in-store locations, especially for those customers living in remote areas.

In addition, changes in lifestyle, privacy, and online offers are other reasons customers prefer shopping at online pharmacies [8].

Ten years ago, customers could not buy medicine or healthcare products online due to the unavailability of online platforms. Reference [8] argue that customers nowadays are becoming more knowledgeable and influenced by word-of-mouth. With the new adaptation to online platforms, customers are now shifting to buy medical products from private pharmacy websites and applications as customers are seeing convenience and value. Setiawan et al. [21] maintain that the customer's convenience perspective derives from the online or in-store shopping experience. Customers tend to choose between online and traditional shopping methods when they see several benefits before, during, and after shopping. Shopping convenience

can be applied to traditional shopping if the online platform is causing problems for the customers and not meeting the requirements of saving time and effort for them. The balance between the two types of shopping convenience (online and in-store) apparated the commencement of a new generation where customers can choose the most convenient way to meet their needs [21]. So, this study aims to find how online and in-store shopping convenience affects customer loyalty in private pharmacies in Kuwait and seeks to answer the How is customer loyalty affected by online and in-store shopping convenience in Kuwait? This paper is structured as follows: Section 1 encompasses an overview of the research and an introduction. Section 2 provides an overview of the theoretical framework upon which the study is based. In Sect. 3, the research design and methods are presented. The findings are presented in Sect. 4. The discussion is presented in Sect. 5. Section 6 offers a comprehensive conclusion encompassing the study's contributions, limitations, and suggestions for future research.

2 Theoretical Background and Hypotheses

Historically, there has been an evolution in the meaning of Shopping convenience. Six Shopping Convenience variables were adopted for this study. These variables are Access, Search, Evaluation, Transaction, Possession, and Post-Purchase, which distinguish between in-store and online shopping [3, 5, 11, 12, 15, 20]. Table 1 discribes these variables.

Based on the theoretical framework discussion above, the following hypotheses are proposed:

H_1: In-store shopping convenience positively influences customer loyalty in private pharmacies in Kuwait.

H_{1a}: Access convenience positively influences in-store shopping convenience in Kuwait's private pharmacies.

H_{1b}: Information search convenience positively influences in-store shopping convenience in private pharmacies in Kuwait.

H_{1c}: Selection convenience positively influences in-store shopping convenience in private pharmacies in Kuwait.

H_{1d}: Transaction convenience positively influences in-store shopping convenience in private pharmacies in Kuwait.

H_{1e}: Assurance convenience positively influences in-store shopping convenience in private pharmacies in Kuwait.

H_{1f}: Post-purchase convenience positively influences in-store shopping convenience in Kuwait.

H_2: Online shopping convenience positively influences customer loyalty in private pharmacies in Kuwait.

H_{2a}: Access convenience positively influences online shopping convenience in private pharmacies in Kuwait.

Table 1 Convenience variable comparisons between in-store shopping and online shopping

Convenience variables	In-store shopping	Online shopping
Access	(1) Physical check and examination of products, interactions with staff, and the store's atmosphere [3] (2) Represents the time and effort associated with the availability of products, parking, opening hours, and travel distance at the pharmacy store [11]	(1) Ease of access and access to technology [8, 18] (2) High-quality information, systems, and service [15] (3) Represents the time and effort associated with the availability of delivery service and using the pharmacy website anytime and anywhere at the pharmacy website [12]
Information Search	(1) How fast customers are informed about the offers and product availability [11] (2) The time and effort associated with choosing a product or service in the same retail or a competitor and the availability of products and ongoing offers at the pharmacy store [11]	(1) Ease of medicine availability through the website or application; change in lifestyle shopping behavior [8, 18] (2) Represents the time and effort associated with ease of navigation through the website and finding information and details about the product at the pharmacy website Jiang [12]
Selection	(1) How fast customers can find their desired product or service [11] (2) The time and effort associated with product categorization and information available on each product, finding clear signage, and well- informed staff at the pharmacy store [11]	(1) Delivery option [8, 18] (2) The time and effort associated with product categorization and information available on each product, searching and selecting a product, and comparing products on the pharmacy website [12]
Transaction	(1) Completion & amendment of transaction [20] (2) The time and effort associated with the payment of a product [5] and payment queues, malfunctioning payment devices, and missing labels at the pharmacy store [11]	The time and effort associated with paying online and using multiple payment options on the pharmacy website [5]

(continued)

Table 1 (continued)

Convenience variables	In-store shopping	Online shopping
Assurance	(1) Trust and faith relationships are built between customers and staff [11] (2) The trust and faith relationship between retailer and customer, so the relationship and loyalty can last longer with genuine practices by the staff at the pharmacy store [11]	Customers feel safe and secure when shopping online at the pharmacy website [5]
Post-purchase	(1) During reinitiating contact with a firm (2) The time and effort invested when dealing with customer service after purchasing a product or service at the pharmacy store [5]	The time and effort invested in dealing with customer service for returning the unwanted product after purchasing at the pharmacy website [5]

Source (Authors)

H_{2b}: Information search convenience positively influences online shopping convenience in private pharmacies in Kuwait.

H_{2c}: Selection convenience positively influences online shopping convenience in Kuwait's private pharmacies.

H_{2d}: Transaction convenience positively influences online shopping convenience in Kuwait's private pharmacies.

H_{2e}: Assurance convenience positively influences online shopping convenience in private pharmacies in Kuwait.

H_{2f}: Post-purchase convenience positively influences online shopping convenience in private pharmacies in Kuwait.

Based on the above hypotheses, the conceptual framework of this study is shown in Fig. 1.

3 Methods

The current study used a survey questionnaire to adopt quantitative, deductive, and explanatory approaches. The positivist philosophical approach is convenient to the present study as data were gathered from the questionnaire and uses several concepts and models to build the final model of retail convenience with customer loyalty. Also, a cross-sectional time dimension was adopted in this study.

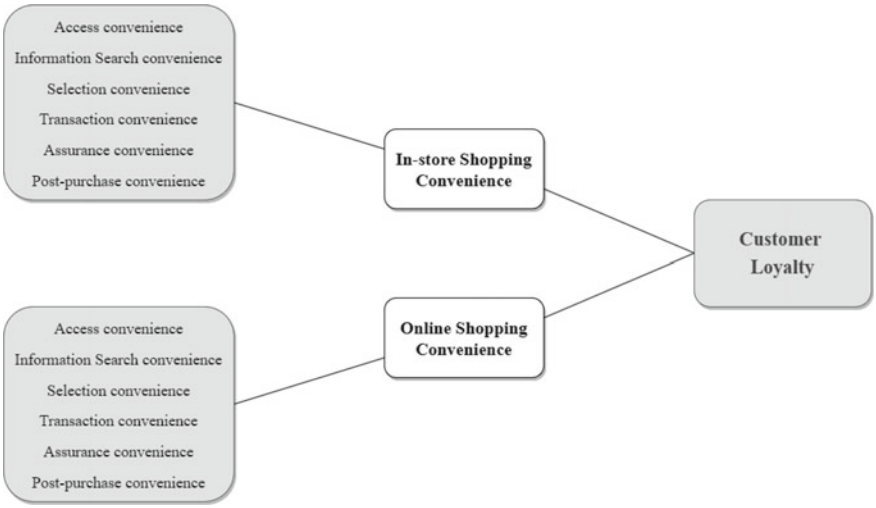

Fig. 1 Conceptual framework of the study. *Source* (Authors)

3.1 Measurement Tool

The measurement tool used in this study was developed using five sources, including the study of the six convenience dimensions and customer loyalty [4, 9, 11, 12, 22]. The questionnaire was built into four sections. The first section discussed demographic characteristics: gender, age, nationality, education, and monthly income. The second section was about the In-store shopping experience of a private pharmacy. This section included 24 questions representing the six convenience dimensions: Access (four questions), Information search (four questions), Selection (five questions), Transaction (three questions), Assurance (four questions), and post- purchase (four questions), and customer loyalty (five questions). The third section was about the online shopping experience of a private pharmacy. This section included 25 questions, like the second section, but the difference in the number of questions in the post-purchase dimension was five questions. The fourth section was about customer loyalty and consisted of (five questions). The total measurement questions were 54 questions. The questionnaire of the current study was measured with a 5-point Likert scale, starting from "Strongly Disagree" to "Strongly Agree."

3.2 Sampling and Population

The convenience sample technique was used to collect data from customers over 18, depending on the collected data from part of the population close to hand. The

simplicity, the short duration of time of sampling, and the cheapest to implement that alternative sampling was the logic behind choosing the convince sampling technique.

3.3 Data Collection

A cross-sectional time frame was adopted in the current study. Data were collected using a translated questionnaire into Arabic based on the precise translation methodology [1]. Google Forms was used to distribute the translated questionnaire to the participants. The data was collected over two months (July to September 2022) using WhatsApp. A pilot study was conducted on 10 participants to check whether the questionnaire was straightforward, logical, or confusing. The pilot study highlighted some points that allowed us to modify the questionnaire. All data collected from the 10 participants in the pilot study were excluded when the further analysis was conducted.

3.4 Data Analysis

The collected data were analyzed using partial least square structural equation modeling (PLS-SEM). SmartPLS-4 software was used for the calculation. Because our model is complex, we adopted the hierarchical component model (HCM) to minimize the number of relationships in the structural model [19]. In our research, we divided the HCM model into two models, one for the relationship between the six variables of retail convenience and the in-store and online shopping convenience and the other for the relationship between in-store and online shopping convenience and customer loyalty. Both measurement and structural models were used in the analysis process. The measurement model was used to assess the validity and reliability of the questionnaire used in the current research. At the same time, the structured model was used to test the research hypotheses. The measurement model consists of the reflective and formative models evaluated in two steps. In the first step, the reflective measurement model was evaluated based on assessing the composite reliability analysis, which should be ≥ 0.6. Convergent validity has outer loading, which should be ≥ 0.7. The average variance extracted (AVE), which should be ≥ 0.5, and cross-loading, in which the outer loading of each indicator on the associated construct must be above any of its cross-loading on other constructs. In the second step, the formative measurement model was evaluated using the outer weight, which has to be significantly different from zero, the p-value, which has to be < 0.05, and the variance inflation factor (VIF), which has to be < 5. The bootstrapping process with 5000 bootstraps was used for measuring the *p*-value, which has to be < 0.05, the path analysis, and R2 to test the structural model and hypotheses of this research [2].

4 Findings

4.1 Demographic Characteristics

The total number of participants was 406. The male participants held 52%, whereas female participants held 48% of the entire participants. Regarding the age of participants, 48% of total responses were from 30–39 years old. Almost 60% of our participants were Bachelor's degree holders.

4.2 Descriptive Analysis

Mean score and standard deviation were used to summarize the collected data and measure the data set's center. The mean scores of all items ranged from 2.1 to 4.3. All items recorded a low standard deviation of less than 1.1, which means the data is close to the mean and has a common variation.

4.3 Statical Analysis

4.3.1 Hierarchical Component Model

As mentioned above, the HCM was divided into two models. The first model's findings represent the relationship between the six variables of retail convenience and in-store and online shopping convenience. These variables are shown as follows: six items were deleted as they had a low loading (one item from the access convenience, two items from information search convenience, one item from selection convenience, one item from the assurance convenience, and one item from transaction convenience). The reflective and formative measurement findings of all six in-store and online shopping convenience variables indicated internal consistency reliability, discriminant and convergent validity within the critical values. As shown in Table 2, the first structural model findings indicated that only three retail convenience variables, access convenience, selection convenience, and post-purchase convenience, significantly affect in-store shopping convenience. Therefore, H1a, H1c, and H1f are supported, and H1b, H1d, and H1e are not. While all six retail convenience variables are significantly affecting online shopping convenience. Access convenience, selection convenience, and transaction convenience strongly affect online shopping convenience with a *p*-value less than 0.01. information search, assurance convenience, and post-purchase convenience moderately affect online shopping with a p-value less than 0.05. So, H2a, H2b, H2c, H2d, H2e and H2f are supported.

Whereas findings of the second model, which represent the relationship between in-store and online shopping convenience and customer loyalty, are shown as follows;

Table 2 Findings of the first structural model

Hypotheses	Relationship	Path coefficient	Final result
H1a	Access convenience → in-store shopping convenience	0.180*	Supported
H1b	Information Search convenience → in- store shopping convenience	0.044	Not supported
H1c	Selection convenience → in-store shopping convenience	0.269*	Supported
H1d	Transaction Convenience → in-store shopping convenience	0.150	Not supported
H1e	Assurance convenience → in-store shopping convenience	0.110	Not supported
H1f	Post-purchase convenience → in-store shopping convenience	0.189*	Supported
H2a	Access Convenience → online shopping convenience	0.412**	Strongly supported
H2b	Information Search → online shopping convenience	0.118*	Supported
H3c	Selection Convenience → online shopping convenience	0.226**	Strongly supported
H2d	Transaction Convenience → online shopping convenience	0.301**	Strongly supported
H2e	Assurance Convenience → online shopping convenience	0.193*	Supported
H2f	Post-purchase Convenience → online shopping convenience	0.201*	Supported

Source (Authors) * $p > 0.05$; ** $p > 0.01$; *** $p > 0.001$

results of the reflective measurement model indicated that all the composite reliability of variables was more than 0.6, and all outer loadings were more than 0.6. All the AVE of variables were higher than 0.5. All outer loading values on the associated construct were higher than their cross-loading. Also, the findings of the formative measurement model show that all outer weights were significant, with a *p*-value less than 0.05, and all VIF values were less than 3. As presented in Table 3, the structural model findings indicated that In-store shopping convenience insignificantly affects customer loyalty in private pharmacies in Kuwait (path coefficient 0.056, and *p*-value 0.067). Therefore, H1 is not supported. Whereas online shopping convenience significantly affects customer loyalty in private pharmacies in Kuwait (path coefficient 0.766, and *p*-value 0.000), the H2 is strongly supported. The R^2 of the dependent variable was a good value of 0.626.

Table 3 Findings of the second structural model

Hypotheses	Relationship	Path coefficient	Final result
H1	In-store shopping convenience → Customer loyalty	0.053	Not supported
H2	Online shopping convenience → Customer loyalty	0.766***	Strongly supported

Source (Authors)

5 Discussion

To the best of our knowledge, this represents the first study in Kuwait to assess the six retail convenience variables of online and in-store shopping convenience and the relationship to customer loyalty to private pharmacies. The outcome of the current research demonstrated that the six retail convenience variables have a stronger relationship with online shopping convenience than in-store shopping convivence.

These results are consistent with what some recent studies have shown. Reference [13] note that shopping convenience of online purchases involves reducing purchase time and physical effort. Moreover, [8] argue that several customers choose online pharmacy shopping for many reasons: easy to search and compare products and their prices, delivery service, and saving travel time and effort to in-store locations, particularly for those customers living in remote areas. In addition, changes in lifestyle, privacy, and online offers are other reasons customers prefer shopping at online pharmacies. The results of the first structural model reflected the results obtained from the second structural model, which showed a strong relationship between the convenience of online shopping in pharmacies and customer loyalty to shopping. In addition, this aligns with the results of Duarte et al.'s [7] research, which asserted the strength of the connection between online shopping and customer loyalty. We also found a match between the results of our study and another study prepared by [4], which showed that online shopping is more effective in enhancing customer loyalty than in-store shopping.

6 Conclusion

Several implications were introduced to enhance shopping convenience and build customer loyalty for online and in-store platforms. The results demonstrated that online shopping convenience contributes drastically to customer loyalty, whereas in-store shopping convenience contributes slightly to customer loyalty. Customer loyalty would only be insignificant if there were significant attractions to in-store such as offers or added values, and convenience is improved. This research significantly contributed to the literature by studying the two aspects of online and in-store shopping convenience with customer loyalty in private pharmacies in Kuwait. In

addition, the current research categorized the retail convenience dimensions into six dimensions to find out their impact on online and in-store convenience to check which of these dimensions contribute the most to online and in-store shopping convenience. In future research, we will investigate the effect of demographic characteristics such as age, gender, and educational level on the six retail convenience variables and the relationship between in-store and online shopping and customer loyalty in private pharmacies. Another interesting future study is to investigate the same research in a different country and culture to compare the results and outcomes of both cultures. While the limitation of this study is using a convenience sampling technique, which means it is difficult to generalize the results beyond the current sample.

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