

Impact of Reverse Logistics Quality on Customer Loyalty and Repurchase Intention in Online Retail: An Evidence-Based Study

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Abstract—The growing popularity of e-commerce has brought about a major shift in the purchasing behavior of consumers and the manner of managing supply chains. Although the concept of forward logistics has gained prominence, reverse logistics, especially return, refund, and exchange, has become a major factor in determining customer satisfaction and loyalty. The research study employs a descriptive research design and primary data collection techniques in the form of a structured questionnaire among 100 online shoppers. The results are analyzed using percentage analysis and mean score techniques. The results show that effective return procedures, refund, and communication have a significant impact on customer satisfaction, which in turn leads to improved customer loyalty and repeat purchase intentions. The research concludes that reverse logistics should be considered a strategic activity and not just an operational expense, and online retailers need to work on improving return procedures.

Index Terms— *reverse logistics, customer loyalty, repurchase intention, e-commerce, Mangalore.*

I. INTRODUCTION

The rise of e-commerce has brought about a dramatic shift in the purchasing behavior of consumers. In the Indian context, the growth of e-commerce platforms like Amazon, Flipkart, and Myntra has led to a competitive e-commerce market. Although reverse logistics have become important with the increase in return shipments, forward logistics have been the focal point of interest. Reverse logistics have gained importance with the increase in return shipments and the need for hassle-free services.

Reverse logistics are defined as the process of planning, organizing, and controlling the efficient flow of goods from the consumption point to the point of origin for the purpose of returns, repairs, recycling, or disposal (Rogers & Tibben-Lembke, 1999). In the

context of e-commerce, returns are inevitable due to reasons like improper sizing, damaged products, or unmet expectations.

Customer loyalty and repeat business are important measures of business sustainability. Customer loyalty can be defined as customers who are likely to repeat business and spread the word about the brand. A positive return experience can lead to building trust and overcoming perceived risk, but a negative return experience can lead to dissatisfaction and negative word-of-mouth publicity. Service consistency and infrastructure are very important in Tier-2 cities such as Mangalore.

II. REVIEW OF LITERATURE

The importance of logistics service quality in customer satisfaction and behavioral intentions has been highlighted by a number of research studies. Bhattacharjee (2001) introduced the Expectation-Confirmation Theory, which explains the process of customer satisfaction formation through the comparison of expectations and service performance. Do et al. (2023) concluded that logistics service quality has a significant effect on customer satisfaction and loyalty in e-commerce. The study highlighted that return and refund processing ease are some of the most important factors in determining post-purchase behavior.

Karadağ (2023) concluded that reverse logistics service quality positively affects repurchase intention, which is mediated by customer satisfaction. Likewise, Mollenkopf et al. (2007) concluded that customer-friendly return policies lead to customer retention even though they are more expensive.

Janakiraman et al. (2016) concluded that flexible return policies lower perceived risk and foster repeat

business. It is clear from the literature that there is a strong correlation between reverse logistics quality, customer satisfaction, and repurchase intention. However, there is a lack of empirical studies in the Indian Tier-2 cities like Mangalore.

III. RESEARCH METHODOLOGY

The study adopts a descriptive and analytical research design in order to examine the impact of reverse logistics quality on customer loyalty and repurchase intention in online retail. This design was considered appropriate as it helps in describing customer perceptions and analyzing the relationships between the key variables of the study. Primary data for the study was collected using a structured questionnaire. The questionnaire consisted of 15 statements related to reverse logistics quality, customer satisfaction, and repurchase intention, which were measured using a 5-point Likert scale ranging from “Strongly Disagree” to “Strongly Agree.” The sample for the study consisted of 100 respondents from Mangalore who regularly engage in online shopping. The respondents were selected using the convenience sampling method, as it allowed easy access to participants and ensured timely data collection.

The collected data was analyzed using percentage analysis to understand the distribution of responses. Mean score analysis was used to measure the overall perception of respondents towards reverse logistics quality and customer loyalty.

IV. DATA ANALYSIS AND INTERPRETATION

Analysis showed that 78% of the respondents agreed that simplified return procedures enhance their trust in e-commerce companies. Approximately 72% of the respondents agreed that prompt refund services are major factors in their decision to repurchase from the same online platform.

The mean score for reverse logistics quality was 4.1, indicating a high level of customer satisfaction. The mean score for repurchase intention was 4.0, indicating a strong positive correlation between return service quality and repurchase intention.

The results confirmed that reverse logistics quality has a significant impact on customer loyalty and repurchase intention.

V. FINDINGS

The research revealed that a large number of respondents were satisfied with the reverse logistics services offered by online shopping companies. Most of the customers felt that the easy return process and doorstep pickup facilities had increased their confidence in online shopping platforms. The results also indicated that the timely refund of money is an important factor in enhancing customer satisfaction and loyalty.

The research revealed that customers who had a smooth return experience were more likely to make repeat purchases from the same online shopping company. The results clearly indicated a strong positive correlation between the quality of reverse logistics and customer loyalty, thus supporting the fact that effective return management helps in increasing customer loyalty.

The research also indicated that customers who had a poor return experience, including delayed refunds and complicated return procedures, had a negative impact on customer perceptions and reduced their intention to make repeat purchases.

VI. CONCLUSION

Concluding, the paper states that the quality of reverse logistics has a very important role in determining customer loyalty and repurchase intentions in online shopping. Customers are satisfied with the online shopping experience if the return process is smooth and they receive their refunds on time. In the competitive online shopping market, it is very important for online shopping companies to consider reverse logistics as an investment opportunity and not as an expense.

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