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Faculty of Graduate Studies

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The Impact of Third-Party Logistics Service Quality and Agility on the Performance of Online Retail Shops: Exploring the Moderating Role of Competitive Strategy

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Dissertation Approval

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Declaration

I declare that, except where explicit reference is made to the contribution of others, this dissertation is substantially my own work and has not been submitted for any other degree at the Arab American University or any other institution.

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Dedication

To the spirit of my mother, who encouraged me to finish this doctoral work.

To my father, who never ceased motivating me and kept me going.

To my wife, who suffered so much, with love and patience.

For my children, the reason for my happiness and energy.

To all my friends and colleagues who have supported me during these months of hard work.

It is with the most significant appreciation that I dedicate this work.

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Abstract

This research examines the effects of the quality and agility of 3PL service on the performance of online retail shops in Palestine, emphasizing the moderating effect of competitive strategies. While e-commerce is changing the face of the retail industry worldwide, logistics remains a key driver of success where the playing field is Being leveled by the geopolitics and logistics infrastructure of emerging economies. Based on the RBV framework, this study aims to analyze how dimensions of 3PL service quality, including delivery speed, communication, convenience and returns, and logistics agility, affect operational and financial performance.

Quantitative and qualitative data were gathered from Palestinian online retailers to collect the necessary information. The research also found that the quality of the 3PL services positively affects customer satisfaction and loyalty, which is vital for firms to sustain competitive advantage in competitive markets. Flexibility in logistics, including market sensitivity and delivery flexibility, was equally important for managing disruptions and meeting changes in customer needs.

Cost leadership and differentiation were investigated as the potential moderators of competitive strategies. The present research also reveals how these strategies enhance the positive impact of logistics service quality and agility on performance, enabling online retailers to manage market challenges effectively and grow over the long run.

This research adds to the knowledge in logistics and e-commerce by filling a knowledge gap on the relationship between logistics capabilities and competitive strategy in emerging economies. In real terms, it offers a rich source of information for policymakers, logistics service companies, and online retailers about how logistics strategies must be adapted in line with overall business strategies and market trends.

The current study also points to the possibility of using logistics as a tactical approach to improve the performance of the e-commerce sector in Palestine and similar markets. It also proposes the application of new technologies to enhance the flexibility and quality of service and strengthen the resilience and competitiveness of the e-commerce environment.

Keywords: 3PL Service Quality, Logistics Agility, Online Retail Performance, Competitive Strategy, Palestinian Market.

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List of Definitions of Abbreviations

1. LSQ: Logistics Service Quality
2. 3PL: Third-party logistics.
3. CODS: Communication of Delivery Status.
4. COREC: Convenience of Receipt.
5. SOD: Speed of Delivery.
6. RE: Reception Experience.
7. CORET: Convenience of return.
8. DA: Delivery Agility.
9. MR: Market Responsiveness.
10. CS: Competitive Strategy
11. OP: Online Retail Performance.

Chapter One: Introduction

1.1 Introduction

In today's digital-driven market, e-commerce stands as a transformative force, fundamentally reshaping the retail landscape. While transactions in this realm occur with the click of a button, the physical delivery of products remains an indispensable part of the equation. For businesses working within the e-commerce industry, logistics therefore emerges not just as an operational necessity but as an essential element for operational success (Kawa & Zdrenka, 2023). Research indicates that buyers tend to be more inclined towards the option of a well-established e-commerce brand, which is mainly due to the logistic services facilitated services they offer (Hafez et al., 2021a; Sürücü & Özispa, 2017). However, the quality of logistics services, particularly those provided by third-party logistics (3PL) service providers, is crucial for the success of online retail platforms (Soh et al., 2023). This study addresses the Palestinian online retail sector, which is a dynamic and growing market, unique in its respect due to the technological growth intertwined with geopolitical complexities.

Moreover, this research will investigate two key dimensions of supply chain agility, namely market responsiveness and delivery agility, to understand how supply chain adaptability and logistics service quality can improve service levels and business performance. Thereafter, in light of the Resource-Based View (RBV), This research will employ the Resource-Based View (RBV) to investigate how internal resources and capacities such as the quality of 3PL services and supply chain agility affect the performance of online retail shops. This complete analysis supported by (Bai et al., 2023; Ciccullo et al., 2018; Gligor & Holcomb, 2012; Kawa & Zdrenka, 2023; Stank et al., 2003) highlights the irreplaceable role of logistics service quality and agility factors in effective supply chain management making.

This study aims to fill that gap by examining the moderating role of competitive strategies (cost leadership and differentiation) on the relationship amid 3PL service quality, supply chain agility, and online retail performance in the Palestinian market. The goal of this research is to obtain novel insights into effective competitive strategies and logistics practices and potentially guide policymakers and practitioners interested in improving the competitiveness of these e-commerce platforms in dynamic market environments.

Although Palestinian online retail is in the early stages of development, it offers a fertile ground for the expansion and further growth of e-commerce. As observed by (Herzallah & Mukhtar, 2015; Rabayah et al., 2022), the market is uniquely characterized by a complex mix of cultural, legal, and infrastructural factors defining the singular environment for online business. The role of third-party logistics (3PL) services in this sector is strongly emphasized by the unique geopolitical notions of the region.

This study seeks to bridge the gap between theory and practice, by understanding the way that 3PL service quality and agility can help in enhancing the performance of online retail platforms. This study focuses on the critical dynamics and contractual intricacies of 3PL relationships and reveals the very nature of outsourcing relationships and strategic alliances characterizing the modern supply chain practice (Soh et al., 2023). Accordingly, this study will add to the existing knowledge regarding the interactions of logistics service providers with their customers, which is relatively underexplored in literature, particularly within the context of the highly complex Palestinian market.

The importance of this study is multi-dimensional. From an academic point of view, this contribution to the logistics and supply chain management discourse through the identification of an under-researched area of 3PL service quality and agility in emerging markets (Sutrisno et al., 2019a). In practical terms, it gives actionable insights and strategies for online retailers, 3PL providers, and policymakers based on the specifics of the Palestinian market. This research is expected to provide a critical resource and benchmark for similar markets globally, in the formulation of strategies that manage the intricate dynamics of local markets and simultaneously keep an eye on the bigger trends in global e-commerce. These factors in research would, hence, increase the efficiency, competitiveness, and growth of the Palestinian online retail sector.

The major research objectives are to deeply investigate the impact of third-party logistics (3PL) quality and agility on the performance of Palestinian online retail, focusing on the moderating role of competitive strategies in this relationship:

1. To examine the relationship between third-party logistics (3PL) service quality with its subdimensions and the performance of online retail platforms.

2. To examine the relationship between third-party logistics (3PL) service agility with its subdimensions and the performance of online retail platforms.
3. To explore the moderating role of competitive strategies (Cost Leadership/Differentiation) in the relationship between 3PL service quality and the performance of online retail platforms.
4. To explore the moderating role of competitive strategies (Cost Leadership/Differentiation) in the relationship between 3PL service agility and the performance of online retail platforms.

1.2 Research Problem

Logistics plays a critical role in the success of online retail platforms, especially for the e-commerce platforms whose customer experience majorly depends on the delivery services. The supply chain of e-commerce is described as the process of order fulfillment and extended until the delivery of the ordered product to a customer, which can require the coordination of different actors (Kawa & Zdrenka, 2023). An overview and analysis of costs related to logistics activity in online retail can indicate that these costs may occupy a substantial share of total operating costs, varying from 10% up to 40% or even more, based on factors such as industry characteristics, geography, management, and company scale (Hafez et al., 2021b; Soh et al., 2023).

It is crucial to identify how strategic decisions influence logistics performance, especially regarding 3PL service quality and supply chain adaptability in organizations selling products through the online retail channel. This is even more demanded for enterprises that operate in developing countries such as Palestine where technological facilities and logistics support systems may be less developed in contrast to the developed countries (Herzallah & Mukhtar, 2015; Rabayah et al., 2022). The unique geopolitical challenges and infrastructural limitations in Palestine underscore the necessity for a tailored investigation into how 3PL service quality and agility impact online retail performance.

Further, it is necessary to understand the nature of interactions with various aspects of logistic activities, such as delivery time, communication of delivery status, convenience in receiving and returns. Understanding of these relationships can help to identify strategies for increasing customer satisfaction and organization's performance

for online retailers (Kawa & Zdrenka, 2023; Kumar & Singh, 2023). Small and medium-sized enterprises (SMEs) in the Palestinian online retail sector often face resource constraints that limit their ability to implement extensive logistics solutions, making it crucial to understand how they can effectively leverage 3PL services within their capabilities (Sürücü & Özispa, 2017).

Therefore, there is also a need to understand how the dynamics of competitive strategies such as cost leadership and differentiation affect the relationship between 3PL service quality, supply chain agility, and online retail performance. The literature has insufficiently discussed the possible moderating effect of these competitive strategies on logistics performance in the context of e-commerce (Han et al., 2010; M. Porter, 1980; Su et al., 2017). Studying these factors may help online retailers in developing markets strategically and position themselves to enhance performance despite operational challenges.

This research, therefore, seeks to fill the gaps by investigating the effects of 3PL service quality and supply chain agility on the performance of online retail platforms in Palestine while considering competitive strategies as the moderator. The study further seeks to contribute to the current academic discussion on how online retail platforms, in such challenging and volatile markets as Palestine, may resort to quality and agility in 3PL services, as well as strategic competitive positioning in support of performance and market competitiveness. In so doing, it aims at expanding the understanding of the topic and offering insights that managers and policymakers can consider to improve the stability of the Palestinian e-commerce environment as well as the effectiveness of firms' operations within it.

1.3 Research Gap

Logistics service quality has a significant impact on the improvement of competitive advantage in companies particularly e-commerce-based (Hamid et al., 2022). Despite its importance, there is academic gap in the research findings related to logistics in developing countries especially given that such countries may not have better technology and resources compared to developing ones (Pohit et al., 2019). This is a gap that calls for further research on the effects of 3PL service quality on online retail performance, particularly in volatile markets like Palestine, were geopolitical challenges further complicate logistics operations.

As earlier studies have established the correlation between 3PL service quality and online retail performance (Hafez et al., 2021b; Soh et al., 2023), the literature mostly majored on traditional logistics factors in relatively stable environments. There is limited exploration into how value-added logistics factors, such as delivery speed, communication of the delivery status, and customer convenience, contribute to performance in markets characterized by uncertainty and instability, such as Palestine (Kawa & Zdrenka, 2023). Furthermore, there is a pressing need to investigate how supply chain agility and particularly the supply chain and market adaptability and supply delivery flexibility contribute to logistics performance in such contexts (Bai et al., 2023).

This research has important implications for understanding how the adaptability of supply chain and logistics service quality can improve a company's service levels and overall performance. This study will evaluate how internal resources and capabilities (including 3PL service quality and SCA) contribute to the overall performance of online retail stores from a resource-based perspective (RBV). This theoretical suggestion is supported by the assertion of (Kawa & Zdrenka, 2023) on the important role of logistics service quality for effective supply chain management, which role is influenced by agility factors such as shown in the work of (Gligor & Holcomb, 2012; Stank et al., 2003) and demonstrated in the empirical results of (Ciccullo et al., 2018).

(Kawa & Zdrenka, 2023) identified a key research gap in analyzing the impact of logistics service quality on firm performance and pointed out the lack of moderating variables in existing models. As (M. Porter, 1980) points out, this oversight is important given the established role of competitive strategy (particularly cost leadership and differentiation) as key drivers of performance in various divisions. Research by (Han et al., 2010; Su et al., 2017) further emphasized that the moderating influence of competitive strategy on the relationship between logistics service quality and corporate performance is still insufficient.

This research aims to address this gap by examining how these competitive strategies affect the dynamics between Third-Party Logistics (3PL) service quality, agility, and online retail performance in the Palestinian market, responding to calls for

a deeper understanding of competitive strategy's role as a moderating variable in enhancing organizational outcomes amidst complex market conditions.

1.4 Research Questions

The following research questions guide this study:

1. To what extent does third-party logistics service quality with its subdimensions affect the performance of online retail platforms?
2. To what extent does third-party logistics service agility with its subdimensions affect the performance of online retail platforms?
3. To what extent do competitive strategies (Cost Leadership/Differentiation) moderate the relationship between 3PL service quality and the performance of online retail platforms?
4. To what extent do competitive strategies (Cost Leadership/Differentiation) moderate the relationship between 3PL service agility and the performance of online retail platforms?

1.5 The Research Hypothesis

The research hypothesis outlines direct and moderation effects on online retail performance based on various dimensions of 3PL service quality and agility, along with the role of competitive strategies.

Direct Effect Hypotheses:

- **H1:** Third-party logistics (3PL) service quality positively affects online retail performance.
    - **H1a:** The Communication of the delivery status of 3PL service significantly affects online retail performance.
    - **H1b:** The Speed of delivery of 3PL service positively affects online retail performance.
    - **H1c:** The Convenience of receipt of 3PL service positively affects online retail performance.
    - **H1d:** The Reception experience of 3PL service positively affects online retail performance.

    - **H1e:** The Convenience of return of 3PL service positively affects online retail performance.

- **H2:** Third-party logistics (3PL) agility positively affects online retail performance.
    - **H2a:** 3PL delivery agility positively affects online retail performance.
    - **H2b:** 3PL market responsiveness positively affects online retail performance.

Moderation Effect Hypotheses:

- **H3:** Competitive strategy in the online retail sector moderates the relationship between 3PL service quality (Communication of delivery status, Speed of delivery, Convenience of receipt, Reception experience, and Convenience of return) and online retail performance.
- **H4:** Competitive strategy in the online retail sector moderates the relationship between 3PL agility (encompassing delivery agility and market responsiveness) and online retail performance.

1.6 Delimitations and Limitations

The scope of this study is delimited to focusing on the effect of 3PL service quality and agility on the performance of online retail shops in the Palestinian market. It is exclusively confined to the activities of the firms in delivering goods to the end users and therefore, it does not involve inbound logistics or internal supply chain logistics of the retailers. The study focuses on the SMEs operating within the premise of online retail selling, which due to their limited scale and functioning often do not have the same abilities and capacities as bigger firms and hence struggle in the area of logistics.

In addition to that, this study has some limitations that may influence the outcomes and their practical implications: First, it's limited to the Palestinian online retail industry, which operates in a context defined by geopolitical dynamics, regulation, and infrastructure. These specific conditions can reduce the generalization of these results to other countries or regions that have different contexts. Second, although the research only targets the small and medium online retail businesses,

information could also be procured from micro businesses and some big firms because the number of enterprises in Palestine is little. This inclusion may have had an influence in the generalization of the results based on the size of the business.

Third, the study measures the level of service quality, agility, and online retail performance using 3PL service providers based on responses from the businesses, which may be biased at some extent. There is a possibility the research did not factor in the evaluations of the customers or an objective analysis of the performance of logistics in services. Fourth, only outbound logistics has been presented in the study so, all the other possible factors that may affect the business performance have not been taken into consideration and may include inbound and internal logistics. Finally, since it is an exploratory study targeting a dynamic sector, it is essential to note that the results reflect the investigated market at a specific point in time and might not reflect future changes in market conditions, emerging technologies, and shifting customer expectations. Hence, it is recommended that these results should not be generalized to other sectors, regions or periods and more research should be conducted to address these issues.

1.7 Definition of Terms

12. **Third-Party Logistics (3PL)**: Third-party logistics refers to the outsourcing of logistics services to external providers, responsible for managing various supply chain functions such as transportation, warehousing, and order fulfillment (Soh et al., 2023). In this study, 3PL refers to outsourced logistics providers utilized by online retail shops to enhance product distribution and delivery capabilities.
13. **Logistics Service Quality**: The performance level of logistics services, typically evaluated through factors such as delivery speed, accuracy, communication, and convenience (Hafez et al., 2021b). In this research, it refers to the effectiveness of 3PL providers in fulfilling the logistics needs of online retailers.
14. **Logistics Agility**: The ability of a logistics provider to rapidly respond to market changes, customer demands, or disruptions in the supply chain (Ciccullo et al., 2018).
15. **Online Retail Performance**: The overall success of an online retail platform, measured by indicators such as sales growth, customer satisfaction, and operational efficiency (Sürücü & Özispa, 2017). In this study, it focuses on how logistics

service quality and agility influence the performance of online retailers in Palestine.

16. **Competitive Strategy**: A strategic approach taken by businesses to achieve a competitive edge in the market. This study examines two main competitive strategies: **cost leadership**, which involves minimizing operational costs to offer products at a lower price, and **differentiation**, where businesses offer unique products or services to distinguish themselves from competitors (M. Porter, 1980).
17. **Palestinian Online Retail Market**: Refers to the e-commerce sector in Palestine, characterized by unique economic, political, and infrastructural challenges (Herzallah & Mukhtar, 2015). The market is growing but faces constraints due to limited resources, geopolitical instability, and logistical barriers.

These terms provide a conceptual foundation for understanding key variables in the study, and their definitions are grounded in existing literature to ensure clarity and scholarly consistency.

Chapter Two: Literature Review

The advent of e-commerce has revolutionized the retail landscape, offering consumers unprecedented convenience and accessibility. Central to the success of online retail is the logistics framework that underpins it. In particular, the role of third-party logistics (3PL) providers has become increasingly significant. These external partners are pivotal in ensuring the seamless delivery of goods, thus directly impacting the performance of online retail shops. The quality and agility of these 3PL services are critical factors that can enhance or hinder the operational efficiency and customer satisfaction of online retailers (Doratiotto et al., 2023; Min et al., 2013).

This literature review delves into the intricate relationship between 3PL service quality and agility and the performance of online retail shops. It further explores how competitive strategy moderates this relationship, providing a nuanced understanding of how different strategic approaches can influence logistics outcomes. The focus will be on several key areas: the foundational concepts of 3PL, the dimensions of logistics service quality, the importance of agility in logistics, and the performance metrics for online retail (Kawa & Zdrenka, 2023; Y. Li et al., 2018). Additionally, the review will consider the specific context of Palestine, where unique market dynamics and logistical challenges present a distinct backdrop for this analysis (Alkhatib et al., 2019; Badwan, 2024).

By synthesizing existing research and theoretical frameworks, this review aims to offer comprehensive insights into how 3PL service quality and agility contribute to the competitive advantage and overall success of online retail shops. This analysis is particularly pertinent for stakeholders in the Palestinian e-commerce sector, who must navigate a complex landscape marked by political instability, infrastructural limitations, and evolving consumer behaviors (Abumandil, Younus, et al., 2021; Rabayah et al., 2022). Through this examination, we seek to illuminate strategies that can enhance the efficiency and effectiveness of logistics operations, thereby driving performance improvements and fostering sustainable growth in the online retail industry.

2.1 Third-Party Logistics (3PL).

Third party logistics or 3PL logistics means outsourcing your transportation and other intermediary functions to a third party. These external suppliers provide numerous services include transportation, warehousing and distributing to ensure that logistic is handled more efficiently (Min et al., 2013). As the pace of expanding the market around the globe, the need for the rapid delivery of goods is more demanding where many organizations have engaged with outside third-party logistics provider or partially outsourcing logistics activities (Yan et al., 2003). 3PL providers didn't only develop themselves from third parties but also became significant partners engaged in the strategic logistics operations of their clients (Deepen et al., 2008).

Overall, 3PL assists firms to minimize the operating expense and manpower while outsourcing of the logistics services is advantageous for enhancing the logistics performance (Doratiotto et al., 2023). Third, 3PL facilitates outsourcing of various logistics operations by companies, especially SMEs or companies that deal with overseas companies or partners. In terms of the financial aspect, one can also find comfort with 3PL as most of the associated financial risks are borne by the 3PL logistics service provider. Logistics activities can be outsourced on several levels: functional services (transportation), tactical services (procurement/ order management/ tracking information systems) and strategic services (warehousing/ packing) (Mageto et al., 2018). Managers seek these benefits so that they may minimize investment costs on infrastructures, adapt to changes within the business environment, spread risks, accelerate cash cycles, minimize operating expenses, increase the efficiency of core operations, achieve flexible operations, access additional channels through which they may distribute their products, and perhaps access logistics resources which they themselves do not own (Doratiotto et al., 2023).

The involvement of 3PL providers is especially critical to today's supply chains as well as e-commerce. In particular, it has been identified that by outsourcing non-strategic logistics operations, organizations can significantly improve the overall logistics processes (Y. Li et al., 2018). The specificity of 3PL services is especially effective when addressing the intricacy of online selling that involves webpage maintenance and delivery logistics. These providers enable e-commerce organizations to sell more without necessarily affecting the service levels at a high cost; they also allow organizations to address many logistical issues effectively (Min et al., 2013).

The 3PL services encompass both operational tactics and strategic activities that enable firms to gain unique competitive edge through the concepts of “value proposition” and “value creation architecture” (Prockl et al., 2012). This is experience in know-how, technology resources, and advanced capabilities that improve the performance of e-commerce companies beyond their individual efforts (Quinn, 1999). Thus, the cooperation with 3PL providers presents e-commerce enterprises with benefits in terms of avoiding high logistics costs while concentrating on core business, improvements in supply chain agility, flexibility, effective warehouse space, as well as labor management (Y. Li et al., 2018). Such strategic outsourcing, which can be included in cooperation or partnership, is the opportunity to follow the changes in competition and maintain the leadership position (Tagscherer & Carbon, 2023). In the fast-growing sector of e-commerce operations, both supply chain management functions and long-term partnerships and 3PL services create a reliable base for the future, which is so important in a rapidly evolving industry (Y. Li et al., 2018).

2.2 Logistics (3PL) Service Quality.

(X. Lin et al., 2023) Have identified the major role of Logistics Service Quality (LSQ) in demystifying customer satisfaction and organizational success within e-commerce and supply chain oversight. It further combines the core findings with theoretical development about LSQ and emphasizes that it is multidimensional and has a progressively vital role in the landscape of the digital marketplace.

Earlier, (Mentzer et al., 2001) pinpointed that the multifaceted nature of LSQ is the cornerstone for business competitive leverage, meticulously detailing and empirically corroborating nine LSQ frameworks. The study has brought to light the need for enhanced adaptability in shaping the logistics services to the unique requisites of diversified customer factions, arguing that escalated market segmentation and personalized logistics strategies might lift customer satisfaction and fidelity. It was calling for the integration of logistics service strategies within the marketing activities of a company stating that logistics was no more an operational requirement but a value enabler leading to both buyers and suppliers.

Subsequent studies by (Devi et al., 2018a; Hafez et al., 2021a; Lu et al., 2018) revealed the essence of several LSQ dimensions such as operational excellence, and reverse logistics among others, on customer satisfaction and loyalty. (Huang et al.,

2009) have focused their work on online purchases, pointing out important dimensions such as order status and discrepancy management.

Building on these dimensions, (Kawa & Zdrenka, 2023) described a new value dimension of logistic e-commerce: delivery communication, receiving convenience, delivery speed, and experience in returning the product, along with the study of the impact on customer satisfaction, loyalty, and online retailer performance.

The exploration and impact of LSQ have also been central to research, (Arabelen & Kaya, 2021) spotlighting the diversity of LSQ measurement methodologies and pinpointing essential dimensions and factors through an exhaustive literature survey. Similarly, the service quality of logistics firms on customer satisfaction in this stream has also been explored by (Soh et al., 2023; Sutrisno et al., 2019a) highlighting the significance of reliability and timeliness.

(Yeung et al., 2006; Zhong et al., 2020) gave descriptions of strategic aspects of LSQ, linking financial outcomes related to strategic choices in third-party logistics (3PL), and the importance of partnership quality as the major determination of the effectiveness of express delivery services. In parallel, (Melacini et al., 2017) present the paradigms in the value creation within the 3PL sector which offers a nuanced comprehension of value addition within logistics.

The literature extended further through the works of (Adeniran et al., 2022; Faraj & Taha, 2021), in which they consider the interplay among LSQ, relationship marketing, and such external factors as political and sociocultural elements, therefore underlining LSQ's many-faceted and complex nature.

Technological advancements have also reshaped LSQ. The studies by (Rabinovich et al., 2007; Rao et al., 2011) tried to analyze how the advanced tracking and sharing of real-time information can be combined in logistics, while (Kalkha et al., 2023) underlined the role of smart technologies such as IoT and AI in transforming logistics.

(L. Cao & Li, 2015; Collier & Bienstock, 2006) pointed out the shift in consumer expectations in e-commerce logistics, noting the demand for personalized and flexible shipping solutions (Santos, 2003; Suresh & Vasantha, 2021). adapted

traditional service quality dimensions to the virtual setting, reflecting e-commerce's dynamic nature.

Research regarding third-party logistics (3PL) in e-commerce has improved significantly over the years in reflection of the growing intricacy and importance of the logistics services in the online retail sector. This is a progression of different kinds of studies and an emphasis on various logistics that have a direct impact on customer satisfaction and business performance.

They have established several fundamental logistics factors that, when optimized, will provide high customer satisfaction within the e-commerce platform. Of these, the push for the convenience features of transaction time has been done by (Choi et al., 2008; Szymanski et al., 2000), who grouped transaction and delivery time as ease features. Product handling and delivery are another significant factor; as (Liu & Atuahene-Gima, 2018a; Xing et al., 2011) observed, safe, efficient, and on-time delivery would meet the physical condition requirements and consumer expectations.

This is followed by the paper of (Y. Cao et al., 2018a; Devi et al., 2018b) highlighting contact personnel quality, accessibility, and engagement while trying to understand the interfaces between logistics service providers and customers. Similarly, (Gajewska et al., 2020; Pham & Ahammad, 2017) have stressed the aspect of flexibility in the logistics operations and pointed out that customers' options, such as easy return, reactivity, and order service, have become cardinal imperative. In the view of (Jain et al., 2017a; Nguyen & Ménoury, 2022), information quality is about the currency and correctness of product availability info, the record of dispatches, and delivery status. These logistics factors impact dependent variables like customer satisfaction, which is always associated with logistics performance and an essential factor affecting the effectiveness of e-commerce firms. In line with research by (Y. Cao et al., 2018a; Choi et al., 2008), logistics in the e-retail environment has been linked with customer loyalty. Thus, the intention to repurchase is essential for long-term success. Another set of dependent variables encompasses the number of customers' complaints, meaning the quality-of-service delivery and the efficiency in delivery that emphasizes the importance of strong logistics in e-commerce. Below is a comparative overview of studies on Logistics Service Quality (LSQ).

Table 2.1: Comparative Overview of Studies on LSQ.

Study	Years	Factors	Contribution	Impact
Szymanski and Hise	2000	Convenience	Perceived ease of use and efficiency of the purchase process.	Customer Satisfaction
Choi et al.	2008	Convenience, Transaction time, Product treatment, Information	Surveys assessing customer perceptions on transaction ease, delivery handling, and information accuracy.	Customer Satisfaction, Customer Complaints, Customer Loyalty
Liu et al.	2008	Response time, Safe and rapid delivery	Customer feedback on delivery speed and safety.	Customer Satisfaction
Xing et al.	2011	Timeliness, Availability, Condition, Return	Analysis of delivery punctuality, product availability, and return policies.	Customer Satisfaction (not verified)
Lin et al.	2016	Personnel contact quality, Order handling	Surveys on customer interactions and order processing quality.	Customer Satisfaction, Customer Complaints, Customer Loyalty
Jain et al.	2017	Availability, Timeliness, Ease of return	Customer surveys on product availability, delivery time, and return processes.	Customer Satisfaction, Repurchase Intention
Pham and Ahammad	2017	Order fulfillment, Responsiveness, Ease of return	Customer evaluations of order accuracy, service responsiveness, and return ease.	Customer Satisfaction, Repurchase Intention, Word of Mouth, Willingness to Pay More
Cao et al.	2018	Customer service, Shipping, Tracking, Return	Customer perceptions of service quality, shipping	Customer Satisfaction,

			efficiency, and return handling.	Repurchase Intention
Gajewska et al.	2020	Reactivity, Guarantee/Safety, Reliability	Customer feedback on responsiveness, safety guarantees, and reliability.	Customer Satisfaction
Majchrzak-Lepczyk et al.	2019	Response to problems, Assortment availability, Professionalism, Complaint handling	Customer ratings of problem handling, product range, professional conduct, and complaint resolution.	Customer Contentment
Vasic et al.	2021	Availability, Delivery time, Shipping cost, Delivery reliability	Assessments of product availability, delivery promptness, cost, and reliability.	Customer Satisfaction, Consumer Complaints and Return Policy
Dong and Chamchang	2021	Corporate contact, Quality of communication, Service fee	Surveys on the quality of corporate communications and perceived service value.	Customer Satisfaction
Kawa and Swiatowiec-Szczepanska	2021	Time and flexibility of delivery, Convenience of return	Customer assessments of delivery flexibility, timing, and return convenience.	Customer Satisfaction, Customer Loyalty
Nguyen et al.	2021	Responsiveness, Convenience, Delivery, Information quality	Surveys on response speed, transaction convenience, delivery, and information accuracy.	Customer Satisfaction, Repurchase Intention
Riley and Klein	2021	Shipment tracking, Delivery speed	Customer perceptions of tracking efficiency and delivery speed.	Customer Satisfaction, Repurchase Intention

Arabelen & Kaya	2021	Logistics Service Quality (LSQ)	Literature survey on LSQ dimensions and measurement methodologies.	Customer Satisfaction
Kawa & Zdrenka	2023	Delivery communication, Receiving convenience, Delivery speed, Experience in returning the product	Evaluation of communication quality, delivery convenience, speed, and return experience.	Customer Satisfaction, Customer Loyalty, Online Retailer Performance
Soh et al.	2023	Service quality of logistics firms	Surveys on overall service quality provided by logistics firms.	Customer Satisfaction

The exploration of third-party logistics (3PL) in e-commerce has consistently highlighted crucial factors such as delivery speed, convenience, and communication quality that are playing pivotal roles in improving customer satisfaction. These studies highlight direct links between LSQ and key results, such as customer loyalty and repurchase intentions, obtained from the interaction. An important fact is that generally, logistic service is regarded as an experience that means regional differences, therefore establishing the likelihood of cultural and market differences between customer expectations and perceptions (Y. Cao et al., 2018a).

Future research into 3PL could achieve a broader picture of the overall impact of logistics practices on consumer behavior by integrating big data analytics and a longitudinal survey (Arabelen & Kaya, 2021). There remains an emerging need to consider logistics practices in the developing world and study the use of emerging technologies such as AI and blockchain that promise a great deal to logistics processes including order tracking and delivery efficiency (Kawa & Zdrenka, 2023).

In the context of competitive strategy, Logistics Service Quality (LSQ) is understood to be a significant determinant of capacity and performance of online retail shops. As pointed out in the articles by (X. Lin et al., 2023) and others, each of the LSQ components that encompass delivery speed, convenience, communication quality, as well as the information, can immediately affect the level of customers'

satisfaction and their loyalty, which is indeed crucial for online retail businesses. Thus, if the online retailers strive to improve the high LSQ, they are not only making improvements on their logistic operations but also improving significantly on their competitive position within the market.

This advantage is particularly useful when there exists a fit between a retailers' strategic plans and their logistics plans. For example, when LSQ is incorporated into a differentiation technique, online retailers are capable of presenting a compelling proposition to consumers as a way of winning their loyalty and improving their performance. In addition, the use of emerging technologies such as AI and IoT as pointed out by (Kalkha et al., 2023) increases flexibility, which is crucial to adopt market dynamics and serve customers efficiently. As such, the management of LSQ is relevant since it has a direct link with the competitive positioning and performance of online retail shops, as underlined by this study's focus on LSQ and agility and their interaction with competitive strategy.

Dimensions of 3PL Services Quality

This review will examine the key dimensions of 3PL LSQ, such as communication of delivery status, convenience of receipt, speed of delivery, reception experience, and convenience of return (Kawa & Zdrenka, 2023).

2.2.1 Communication of Delivery Status:

As highlighted by (Kawa & Zdrenka, 2023), communication of delivery status plays an important role in the field of e-commerce. This aspect is becoming increasingly important because online transactions fundamentally lack direct interaction between sellers and buyers. After placing an order, customers will begin a waiting period during which they rely solely on the latest information about the order's arrival at the desired destination. The essence of effective communication at this stage is not only to convey information but also to ensure the relevance, timeliness, and clarity of information (Mero, 2018). The impact of chat services and two-way communication on customer perceptions in the e-commerce retail industry. Emphasize that communication in e-commerce is not just transactional, but an integral part of customer engagement, requiring frequent and meaningful interactions (Marcucci et al.,

2021a) also confirms this need for regular updates and quick responses to inquiries and highlights the growing expectations of customers in the digital age.

The communication process in e-commerce involves a network of stakeholders, including sellers, customers, marketplace platforms, financial transaction processors, and logistics providers (Lu et al., 2018). They play a vital role in maintaining a seamless flow of information and ensuring customers are fully informed every step of the way. This comprehensive communication approach has two benefits: it not only increases customer satisfaction by keeping them informed but also customers will be pre-informed of the eventual receipt of their order, as stated (Hua & Jing, 2015). Customer satisfaction studies, including that of (Gharib et al., 2017), consistently emphasize the importance of aspects such as shipment traceability, information quality, and reliability of delivery updates. These factors, as highlighted (Y. Cao et al., 2018b; Mentzer et al., 2001; Xing et al., 2011) contribute significantly to the overall perception of service quality and assert that there is a need for robust and reliable communication strategies in e-commerce logistics.

Table 2.2: Comparative Overview of Studies on Communication of Delivery Status.

Reference	**Items of Communication of Delivery Status**
Emerson & Grimm (1996)	• Effectiveness of communication on customer satisfaction. • Ensuring accurate and reliable updates.
Mentzer et al. (2001)	• Quality of information provided. • Shipment traceability and delivery updates.
Xing et al. (2011)	• Information quality and reliability. • Impact of delivery updates on customer satisfaction.
Hua & Jing (2015)	• Pre-informing customers of the eventual receipt of their order.
(Y. Lin et al., 2016)	• Delivery information communicated by the carrier is available (timely, traceable • Delivery information communicated by the carrier is adequate

	• Delivery information communicated by the carrier is accurate
Gharib et al. (2017)	• Importance of shipment traceability. • Quality and reliability of delivery updates.
Cao et al. (2018)	• Information on the status of your order. • Tracking of shipments. • Information on delivery time. • Compliance of the delivery with the communicated deadline.
Lu et al. (2018)	• Involvement of various stakeholders in maintaining a seamless flow of information. • Ensuring customers are fully informed every step of the way.
Mero (2018)	• Impact of chat services and two-way communication on customer perceptions. • Requirement for frequent and meaningful interactions.
Marcucci et al. (2021)	• Need for regular updates and quick responses to inquiries. • Growing customer expectations in the digital age.
Kawa & Zdrenka (2023)	• Offer tracking shipment. • Inform about the order status. • Providing information on delivery time.

2.2.2 Convenience of Receipt:

(Kawa & Zdrenka, 2023) highlighted receiving convenience as a dimension of logistics service quality (LSQ) is crucial in the context of online shopping. The major delivery of online shopping is via courier service with most covering various destinations including remote or inaccessible areas. As (Kawa, 2020) points out, there has been a clear recent shift towards out-of-home (OOH) delivery methods, which are increasingly popular in regions such as China, Scandinavia, and Poland. This trend

reflects the growing choice of consumers for alternative delivery channels that meet convenience and lifestyle needs.

In addition, the convenience level of getting goods has been increased, as in the click-and-collect model, which means that online retailers offer the chance to the customers to get the goods from certain retail locations. (Kawa & Zdrenka, 2023) align this model with the broader omnichannel retail strategy summarized in the buy online pick up in store concept discussed by (Koufteros et al., 2014). This approach integrates online and offline shopping experiences and provides customers with flexible and convenient delivery options. As noted by (Choi et al., 2008; Evanschitzky et al., 2004), the importance of multiple delivery options is largely recognized in management literature, mostly on account of its effect on customer satisfaction. The integration of convenience and availability across the spectrum of delivery options underscores LSQ's evolution in how it is tailored to surpass customer expectations in the digital retail space.

Table 2.3: Comparative Overview of Studies on Convenience of Receipt.

Reference	**Items of Convenience of Receipt**
Szymanski & Hise (2000)	• Convenience and availability of various delivery forms as a factor influencing satisfaction.
Evanschitzky et al. (2004)	• Emphasis on the impact of delivery options on customer satisfaction.
Choi et al. (2008)	• Importance of multiple delivery options on customer satisfaction.
Koufteros et al. (2014)	• Click-and-collect model aligning with the omnichannel retail strategy. • Buy online pick up in store (BOPIS) concept.
Kawa (2020)	• Shift towards out-of-home (OOH) delivery methods. • Popularity in regions like China, Scandinavia, and Poland.
Kawa & Zdrenka (2023)	• Highlighted the importance of receiving convenience in online shopping.

	• Increasing popularity of out-of-home (OOH) delivery methods. • The rise of alternative delivery channels.

2.2.3 Speed of Delivery:

(Kawa & Zdrenka, 2023) they identified this aspect which is the LSQ dimension delivered speed – as the time it takes from ordering to customer receiving goods. Within a short time, the provision of value-added services will be the defining factor for gaining a competitive advantage in this sector (Kawa, 2017). This competitive advantage is further influenced by the multiple delivery options available to customers, allowing them to choose based on convenience and urgency, which according to (Y. Cao et al., 2018b) significantly improves their overall perception of the purchasing experience Satisfaction.

Reference (A. D. Do et al., 2023) describe a characteristic that Vietnamese e-commerce platforms face intense competition among sellers for fast delivery resulting in minimal delivery time differences. The homogeneity of delivery speeds among sellers means that speed alone may no longer be enough to enhance customer loyalty to a particular seller.

Furthermore, (Yang, 2021) highlights consumers want faster delivery which aligns with the importance of speed for overall customer experience in logistics. (Hoang Tien, 2020) supports this perspective suggesting that speed is gaining more momentum in service delivery. The changing attitude of the consumer towards delivery speed can be considered as a mirror that reflects certain trends in the e-commerce industry to meet customer demand and maintain competitive benefit capability.

Table 2.4: Comparative Overview of Studies on Speed of Delivery.

Reference	**Items Speed of Delivery**
Weaver-Meyers and Stolt (1997)	• Delivery speed and timeliness as factors contributing to satisfaction.
Liu et al. (2008)	• Safe and rapid delivery.

Kawa (2017)	• Provision of value-added services will be the defining factor for gaining a competitive advantage. • Multiple delivery options for customer convenience.
Cao et al. (2018)	• Multiple delivery options significantly improve the perception of the purchasing experience.
Hoang Tien (2020)	• Speed is gaining more momentum in service delivery. • Reflects trends in e-commerce to meet customer demand and maintain competitive advantage.
Yang (2021)	• Importance of faster delivery for overall customer experience in logistics.
Do et al. (2023)	• Intense competition among sellers for fast delivery in Vietnamese e-commerce platforms. • Minimal differences in delivery time among sellers.
Kawa & Zdrenka (2023)	• Delivered speed as the time from ordering to receiving goods. • Value-added services for competitive advantage. • Multiple delivery options available.

2.2.4 Reception Experience:

Receiving experience, the dimension of LSQ related to receiving experience is an emotional response and overall satisfaction when customers receive packages including unwrapping or opening of packages. (Kawa, 2017) compares this experience to the joy of receiving a gift and emphasizes the psychological impact of the process of opening a gift. (Kawa & Zdrenka, 2023) expand on this, stating that experience takes into account all aspects of a customer's lifestyle, including fashion, trends, and social relationships. This aspect extends beyond transactions to the pre- and post-

purchase experience of consumers. Industries such as fashion or cosmetics among others benefit from a good memorable product packaging style.

The packaging of the product plays a vital role in creating this reception experience. (Ceciel Berden, 2020) observes that emotionally prepared packaging can make customers feel amazed and awesome hence conducting their sharing a positive experience. As highlighted (Schnurr & Wetzels, 2020), a customer's first physical contact with a product usually occurs through packaging, which should be aesthetically pleasing and serve as a hidden advertisement to promote online stores.

The scope of hospitality becomes increasingly affected by environmental factors. As mentioned by (Freichel et al., 2019) and as observed by (Pålsson et al., 2017; F. Wang & Hu, 2016), customers are more focused on packaging ways and materials they prefer sustainable options to consuming goods packed with eco-friendly substances like biopolymers

The literature also differentiates between related constructs. (Zhang & Shao, 2019) discussed the importance of first impressions in service encounters, while (Y. Cao et al., 2018a; Leuschner & Rogers, 2013; Xing et al., 2011) explore customers' perceptions of shipment delivery. Together, these different aspects constitute the LSQ dimension of the receiving experience, emphasizing its complexity and importance to customer satisfaction and overall e-commerce success.

Table 2.5: Comparative Overview of Studies on Reception Experience.

Reference	**Items Reception Experience**
Leuschner & Rogers (2013)	• Explores customers' perceptions of shipment delivery.
Pålsson et al. (2017); F. Wang & Hu (2016)	• Customers prefer sustainable options like biopolymers for packaging.
Zhang & Shao (2019)	• Discusses the importance of first impressions in service encounters.
Freichel et al. (2019)	• Notes that environmental factors, such as sustainable packaging materials, increasingly affect the scope of hospitality.

Ceciel Berden (2020)	• Ease of opening the package.
Schnurr & Wetzels (2020)	• Shipping boxes. • Product delivery experience.
Pettersson and Hiselius (2017)	• Green Packaging development. • Avoid product waste.
Wang & Hu (2016)	• Green packaging. • Recycling and economy packaging. • Reducing environmental pollution
Kawa & Zdrenka (2023)	• Courier behavior. • Packaging Environmentally friendly. • Aesthetically packaging the shipments.

2.2.5 Convenience of Return:

In logistics service quality (LSQ), return convenience reflects a key dimension in e-commerce and retail business strategies according to(Y. Cao et al., 2018a; Hjort & Lantz, 2016). The dimension concerns the problem of returning purchased items which is often a required practice because of factors including damage, spoilage, manufacturing defects, and late delivery or order processing errors. In e-commerce, consumers are entitled to a non-binding right of return, which enables them to withdraw from the purchase contract and return goods(Decker, 2014). As (Kawa & Zdrenka, 2023) the availability of easy, free returns is a stand-out feature crucial in affecting the purchase decision by a customer from a given retailer.(Kawa & Zdrenka, 2023)

This implies that a facilitated returns process not only reduces potential dissatisfaction but can also have positive effects on repurchase intention (McCullough et al., 2000). Studies by (Y. Cao et al., 2018a; Vasić et al., 2021; Xing et al., 2011) further confirmed this connection. Recognizing its importance, these authors integrated ‘Return Convenience’ into their concepts using terms emphasizing its basic role in impacting consumers' experience and giving birth to e-commerce business success. Therefore, this dimension of LSQ is a key factor in improving customer

loyalty and maintaining competitive advantage in the dynamic online retail environment.

The 3PL LSQ literature reveals many kinds of research that are related to multiple dimensions and a variety of contexts. Despite the significant advancement in identifying components and implications of LSQ, major research is required especially for developing standard measurement models on logistics services. While these results help academia in understanding the issue, they also shed some light on real decision-makers facing an ever more competitive and global market for logistics services.

Table 2.6: Comparative Overview of Studies on Convenience of Return.

Reference	**Items Convenience of Return**
Xing et al. (2011)	• Integrated 'Return Convenience' into concepts emphasizing its role in impacting consumer experience and e-commerce success.
Jain et al. (2017)	• Ease of return. • Convenient of return.
Pham and Ahammad (2017)	• Good amount of time to return an unwanted product. • Refund police. • Convenient of return. • The return policies are customer friendly.
Kawa & Zdrenka (2023)	• Easy product return procedure. • Free product returns. • Return products longer than over 14 days.

2.3 Logistics Service Agility

Agility enables logistic service providers to operate in the present business environment, equipped to adjust quickly and effectively to the altered market conditions. Agility is referred to as the ability to align the organizational capabilities with rapidity so as to be effective and efficient in the context of uncertainty and is an important logistics service property in the era of digital transformation. This transformation is typified by the rapid technological advance and the blurring of

industry boundaries, which creates new challenges and opportunities (Gligor & Holcomb, 2012; Verhoef et al., 2021).

Digital agility refers to the capability to sense and seize market opportunities, which are given by the digital technologies. Adoption of enterprise resource planning (ERP) and supply chain management (SCM) modules are to be adopted by the logistics providers, which in turn would make them more competitive (Verhoef et al., 2021).

Furthermore, it is critical to understand the growing diverse needs of the diverse customer segments, as well as diverse importance levels linked to the specific logistics service quality dimensions, which includes deliver dependability and responsiveness and others (Akil & Ungan, 2022; Mentzer et al., 2001). There also exists the requirement for an intense understanding of the broader supply chain dynamics to enable the management of the significantly diverse and ever-changing customer requirements, diminishing product life cycle (Gligor & Holcomb, 2012).

Integrating emerging technologies allows logistics service providers to effectively sense and respond to market changes, so here lies the critical role of investments in digital capabilities, together with investments in the development of organizational structures, processes, and culture that would favor rapid adaptation and flexibility (Verhoef et al., 2021).

As highlighted by (Bai et al., 2020) over the last few years, supply chains have faced several major challenges ranging from natural disasters to man-made. Nonetheless, the global COVID-19 pandemic has emerged as an unprecedented disruptor, inflicting extensive turmoil across global supply networks, as detailed by (Chowdhury et al., 2021; Do et al., 2021). These disruptions have endangered the continuity of businesses, leading to significant economic and logistical upheavals.

The pandemic has been so severe to the extent that 94% of Fortune1,000 companies had their supply chain disruptions (Erik Sherman, 2020). Amid the dynamic and unpredictable world of business, supply chain agility has turned into a significant competitive advantage. It is now argued that the ability to adapt rapidly and remain competitive during changing market conditions has become a necessary factor (Hohenstein, 2022).

Exploring further effects of the pandemic on supply chains confirms that supply chain agility is one of the most important factors in responding to disruptions (Shekarian & Mellat Parast, 2021). However, most supply chain networks fail to adapt quickly enough when the need arises and hence are ill-prepared for countering COVID-19 impacts (Shekarian et al., 2020). In this regard, logistics service agility (LSA) becomes crucial in equipping supply chains with the ability to handle these new challenges and uncertainties efficiently.

Supply chain agility (SCA) is characterized by two principal dimensions: Market responsiveness and delivery agility. These aspects play a significant role in promoting the competitive advantage of the supply chain during periods such as the COVID-19 pandemic, characterized by social distancing and stock market fluctuations(Shen & Sun, 2023a). Agility demonstrates its superiority over structural changes, which are often associated with flexibility in dealing with the impact of disruption by faster adaptation to capacity through adjustments made for product development cycle times delivery cycles, and customer service (Shekarian et al., 2020).

Organizations lacking in agility and flexibility face severe serious consequences after major disruptions (Gunessee et al., 2018). According to (Shekarian & Mellat Parast, 2021), flexibility, collaboration/coordination, agility, and redundancy are the fundamental factors that will help improve supply chain resilience.

A study by (Bai et al., 2023) on two important dimensions of SCA: The market responsiveness and delivery agility concepts presented by (Christopher, 2000) to enhance competitiveness in the supply chain. (Shen & Sun, 2023a) provide the critical aspect of agility for supply and market during a pandemic. (Bai et al., 2023) defines market responsiveness as the ability of supply chains to respond quickly and effectively to changes in demand features and markets. It underpins the demand for supply chains to be maintained flexible on shifts in consumer preferences and market trends to enable a timely adjustment of demand patterns. According to (Bai et al., 2023), the agility of delivery is the capability of a supply chain in time, effectively delivering products and services, and keeping quality standards. This is all about flexibility in response to the customer's needs and professional delivery on time of the core products.

For a comprehensive understanding of these dimensions, it's instructive to review the (Christopher, 2000) agile supply chain framework, which presents four distinct features: virtual company development for fast access to external knowledge and capabilities, action-integrated strategies that ensure correct coordination of core capabilities, network-based structures that facilitate fast product flow with information and markets responsiveness to make supply chain operation directly connected to customer needs and market dynamics. In the end, agile supply chain and market responsiveness are fundamental aspects of SCA that maintain flexible response qualifiers to engage in rapid adjustment to changes in demanding scenario conditions while delivering goods for consumption with high-quality requirements that set a benchmark superiority over competitors.

Table 2.7: Comparative Overview of Studies on Supply chain agility (SCA).

Study	Years	Factors	Contribution	Impact
Christopher	2000	Agile supply chain framework, virtual company development, action-integrated strategies, network-based structures	Presentation of an agile supply chain framework	Provided a comprehensive framework for maintaining flexibility and responsiveness in supply chain operations, ensuring timely adjustments to market changes and maintaining high standards
Mentzer et al.	2001	Logistics service quality dimensions	Analysis of logistics service quality dimensions	Improved understanding of logistics service quality and its impact on customer satisfaction
Gligor & Holcomb	2012	Agility, logistics service providers, organizational capabilities	Agility allows quick adjustment to market conditions; crucial for digital transformation	Enhanced logistics service property, improved effectiveness and efficiency in uncertain environments
Gunessee et al.	2018	Agility, flexibility, major disruptions	Examination of consequences for	Identified severe consequences for non-agile organizations, reinforced the

			organizations lacking agility	importance of agility and flexibility in mitigating disruption impacts
Bai et al.	2020	Supply chain disruptions, natural disasters, man-made challenges	Analysis of supply chain challenges	Highlighted supply chain vulnerabilities; underscored the need for agility and flexibility in responding to disruptions
Shekarian et al.	2020	Structural changes, agility, disruption impact	Comparison of agility and structural changes in dealing with disruptions	Demonstrated agility's superiority in faster adaptation and effective response to disruptions
Verhoef et al.	2021	Digital agility, ERP, SCM modules, organizational structures	Digital agility to sense and seize market opportunities; importance of investments in digital capabilities	Increased competitiveness, better market responsiveness
Chowdhury et al.	2021	COVID-19 pandemic impact, supply chain disruptions	Examination of the pandemic's unprecedented disruption to supply chains	Identified significant economic and logistical upheavals, emphasized the necessity of agility for business continuity
Do et al.	2021	Pandemic-induced challenges, supply chain continuity	Exploration of pandemic's effect on supply chains	Reinforced the need for agility in handling new challenges and uncertainties
Shekarian & Mellat Parast	2021	Supply chain disruptions, agility, flexibility, collaboration/coordination, redundancy	Analysis of factors improving supply chain resilience	Emphasized the critical role of agility and flexibility in responding to disruptions
Akil & Ungan	2022	Customer needs, logistics service quality dimensions	Importance of understanding diverse customer needs and logistics service quality dimensions	Improved management of diverse and changing customer requirements, enhanced service quality

Hohenstein	2022	Competitive advantage, adaptability, changing market conditions	Argument for agility as a significant competitive advantage during changing market conditions	Enhanced ability to remain competitive and adapt rapidly during market changes
Shen & Sun	2023	Market responsiveness, delivery agility, pandemic impact	Analysis of agility's role in supply chain competitiveness during pandemics	Highlighted the importance of agility in maintaining supply chain competitiveness and responsiveness during pandemics
Bai et al.	2023	Market responsiveness, delivery agility	Definition and analysis of market responsiveness and delivery agility	Enhanced understanding of agility dimensions in supply chains, reinforced their importance for competitiveness

Logistics service agility (LSA) has emerged as a crucial variable that acts as a key influence to improving the performance of online retail shops especially in a dynamic e-commerce environment. Thus, the concept of agility, which pertains to the capacity of a business to rapidly and effectively adapt to changes in the market and customers' needs, can be seen as essential for online retailers to sustain viability in a world of volatility and disruption. According to (Gligor & Holcomb, 2012) and other researchers, agility, when tailored with organizational capabilities, can help logistics providers to handle the challenges of SCM so as to offer superior services. This will in turn affects the performance of the online retail shops as the above key aspects of performance will be meet such as timely delivery, responsiveness and customer satisfaction are all key success factors in e-commerce business. Logistics agility is a valuable asset when it comes to competitive strategy.

As (Verhoef et al., 2021) has pointed out, the retailers that increase their digital capabilities, like ERP and SCM systems, can receive higher levels of operations flexibility to respond to the changing market environment as compared to the rivals. This agility not only assists in the management of disruptions like the COVID-19 pandemic as highlighted by (Chowdhury et al., 2021) but also in the execution of strategic activities that improve market sensibility and delivery time. Therefore, this

study focuses on logistics service agility in the relationship with performance of online retail shops; consistent with the study objectives of assessing the influence of these variables in a competitive strategy context.

2.4 Online Retail Performance

The concept of online retail performance includes several factors and indices that are crucial for analyzing the performance in a constantly changing environment. Efficient usage of these metrics is crucial when evaluating the effectiveness of online retail business, as it reveals insights into sales performance, customer behavior, and overall well-being of the business. Thus, the literature presents various views on the role and use of these metrics, highlighting the transition from simple sales-oriented indicators to more customer-orientation metrics.

(Singh, 2014a) points out that there is a necessity for the different KPIs for online retail stores that should include the numbers of visits, conversion, average order value and customer retention rate. All these metrics are quite important not only for sales measurement but for customer loyalty and behavior analysis as well. They offer a general perspective on the functioning of online stores, contributing to improving the performance strategies of retailers. (Pentina & Hasty, 2009) study the impact of multi-channel coordination and e-commerce on online retailing performance. From their studies, they conclude that it is possible to improve the shopping experience, and thus, increase sales through the effective use of multiple retailing formats. Such an integrated multi-channel approach is crucial to attain the maximum market reach and guarantee the satisfaction of clients.

(Ebeke & Ubaka Ozo, 2017) also affirm that electronic marketing contributes positively to both performance and branding. They priorities the measurements that assess online activity, click-through rates, and effectiveness of online advertising. These metrics are essential in establishing the efficiency of e-marketing techniques in generating revenues and business advancement. (Yeo & Lai, 2020) examine the impact of B2B relationship quality on opportunism and performance in the context of online retail. They support indicators that reflect the quality of partners, trust, and the efficiency of cooperation in B2B online retailing. These factors are very relevant when it comes to business relationships and the general smooth running of the business hence leading to improved performance.

The literature reviews show the transition from performance measures that mainly revolve around revenues to broader approaches that take into consideration customers' experience and integration across channels. (S. Li et al., 2006) concentrates on three aspects of operational performance: These three factors include quality, cost, and delivery. These dimensions are vital if customer needs have to be met and business sustainability has to be achieved. (Singh, 2014b) opined on how customer satisfaction indices can be arrived from quality, cost, service level, delivery, and availability. Also, aspects like availability of security and information are also viewed as risk factors that are invaluable for customer loyalty and delivery time.

In the works of (Chih et al., 2016; Venkatraman & Ramanujam, 1986), firm performance is classified into financial and non-financial measures. While financial performance comprises of indexes such as return on assets and return on investment, non-financial performance comprises of customer satisfaction, customer loyalty and business performance. The use of both performance measures offers a good understanding of the performance of the firm in both the financial aspect and in its customers. In addition, (Stam et al., 2014) also support the use of growth, profitability, and non-financial measures as the framework for performance measurement. Growth variables consist of sales, profits, employment, and market share while profitability variables consist of accounting measure such as return on equity.

The non-financial performance comprises factors such as operational efficiency, technological advancement, and competitors' strategies. Following the ideas of (F. Wang & Hu, 2016) along with other scholars, the operational and financial performance indicators should be used in combination in order to get a clearer understanding of the performance of a firm. While operational performance targets the accomplishment of quality, cost, response time, and speed, financial performance aims at profitability and sales figure.

The correlation of supply chain QM, logistic service quality (LSQ) practices and operations performance is incremental, as supported by the analysis of (Chi Phan et al., 2016; Kawa & Zdrenka, 2023). Supply chain management and quality helps a firm increase its customer requirements fulfilment potential with regards to quality, cost and time and thus improves a business firm's operating performance.

Studying literature on online retail performance, researchers have noted that the multiple facets of the research framework with improved emphasis placed on non-financial performance attributes complemented with the conventional financial performance measures. This strategic perspective acknowledges the heterogeneity of e-commerce and the centrality of the customer interface, the channel, and dynamic capabilities for firm performance. Both performance measures of operational and the financial performance would assist online retailers in understanding changes taking place in the environment, thus, resulting into long-term growth and profitability.

This table captures the various constructs and performance metrics discussed in the literature, providing a comprehensive overview of how online retail performance is evaluated over time.

Table 2.8: Comparative Overview of Online Retail Performance.

Study	**Years**	**Factors**	**Contribution**	**Impact**
Venkatraman & Ramanujam	1986	Firm Performance	Divided firm performance into financial and non-financial performance	Highlighted the importance of integrating financial health with customer satisfaction and loyalty for a balanced view of firm performance
Pentina & Hasty	2009	Multi-Channel Coordination, E-commerce Support	Investigated the effects of multi-channel coordination and e-commerce support on online retail performance	Found that integrating multiple retail channels enhances customer experience and drives sales growth
Li et al.	2006	Operational Performance	Focused on three aspects of operational performance: quality, cost, and delivery	Emphasized the importance of meeting customer requirements in quality, cost, and delivery for business competitiveness

Van der Wiele et al.	2011	Customer Satisfaction and Loyalty	Confirmed the impact of customer satisfaction on company performance	Demonstrated that customer loyalty leads to repeated purchases and higher sales revenue
Singh	2014	Metrics for Online Retail Stores	Highlighted the need for unique metrics tailored to online retail stores	Emphasized key indicators like number of visits, conversions, average order value, and customer retention rates for understanding store operations
Stam et al.	2014	Firm Performance	Advocated for a performance measurement framework that includes growth, profitability, and non-financial indicators	Provided a comprehensive view of firm performance by integrating growth metrics, profitability measures, and non-financial performance indicators
Binod	2014	Customer Satisfaction, Risk Factors	Emphasized the importance of measuring customer satisfaction based on various factors, including quality, cost, service level, delivery, and availability	Highlighted the significance of considering risk factors such as security and information availability in maintaining customer trust and ensuring timely delivery
Chih	2016	Firm Performance	Classified firm performance into financial performance,	Provided a framework that integrates financial performance with

			customer performance, and business performance	customer and business performance metrics
Wang et al.	2016	Online Retailer's Performance	Proposed combining operational and financial performance metrics	Emphasized the need for a comprehensive understanding of a firm's success by integrating operational performance with financial performance indicators
Ebeke & Ubaka Ozo	2017	Electronic Marketing	Highlighted the dual benefits of electronic marketing in enhancing performance and brand image	Emphasized the importance of metrics that evaluate online engagement, click-through rates, and the success of digital advertising campaigns
Anh Chi Phan	2016	Supply Chain Quality Management (QM) Practices	Confirmed the linkage between supply chain QM practices and operational performance	Demonstrated that effective supply chain management enhances a firm's ability to meet customer requirements in quality, cost, and delivery
Yeo & Lai	2020	B2B Relationship Quality	Investigated the influence of B2B relationship quality on opportunism and performance in online retail	Highlighted the importance of assessing partner quality, trust, and the effectiveness of collaboration in maintaining strong business relationships

				and ensuring smooth operations

Online retail performance is an umbrella term that comprises different measures and indicators significant to evaluate the performance and success factors of electronic retail stores. According to (Singh, 2014b) as well as other theorist, useful KPIs include conversion rate, average order value, repeat customer rate, and visit rate. Nevertheless, the formal literature shows a gradual change from the use of the pure financial perspective to the stronger emphasis upon the customer-oriented key performance indicators that may encompass both the business operation and the non-financial results as pointed by (Chih et al., 2016; Stam et al., 2014).

The reported performance measures of incorporating logistics service quality (LSQ) and logistics service agility (LSA) are as follows. High LSQ, such as timely and reliable deliveries, good communication, and good customer service, have a positive impact on customers' satisfaction and loyalty, which are essential factors for online retail sales. The same is true for logistics agility which helps to facilitate corresponding changes in the market and meet customers' needs to sustain and improve these performance indicators in the context of competitive environment in online selling.

That is particularly relevant to the competitive strategy and the ways that LSQ and LSA should be aligned with the retailer's goals. The ability to incorporate high quality logistics services and dynamic supply chain management approaches in the competitive initiatives of retailers is likely to act as key driver of operational as well as financial performance improvements. This strategic integration does not only improve customer satisfaction but also provides confidence on the part of online retailers that it will swiftly be able to respond to the changes in market conditions in order to sustain long run growth and profitability. Thus, the investigation of the performance of online retail hence has a strong relevance to the extent of the effect of the identified factors of logistics service quality and agility dependent on the competitive strategy, hence offering a thorough insight into how all of them contribute to the online retail performance.

2.5 Competitive Strategies

The dynamism of the online retail business greatly informs how Porter's competitive positioning strategies (cost leadership, differentiation, and focus) play a key role in determining business performance and competitive advantage. In Michael E. Porter's seminal work Competitive Strategy and Competitive Advantage (M. Porter, 1980; Porter Michael, 1985), these strategies are viewed as how a company achieves success in its business A strong position to ensure industry security.

Competitive strategies are the strategies that make companies aspire to gain a dominant position in their markets. According to (Tully, 2018), competitive strategies are specific plans that an organization puts in place with the aim of outcompeting and successfully gaining a competitive advantage over its business rivals. They are, therefore, at the core of any strategic planning in a business setup. (Brakaj et al., 2015) go further to define competitive strategies as the art of creating or exploiting significant, long-lasting, and difficult-to-replicate advantages. This view highlights the dynamic and creative aspects of strategizing, where differentiation and uniqueness become key to outmaneuvering competitors.

Implementing competitive strategies effectively requires a keen understanding of the operational landscape of the business. According to (G.L. et al., 2023), the cost leadership strategies would permeate operational efficiencies, reduction in costs, and economies of scale. It leads to low production costs and price competitiveness, which builds the market share and financial performance of a firm significantly. This approach works particularly well when the markets are price-sensitive since being cost-efficient means directly translating to competitive pricing and better profitability.

The impact of competitive strategies extends beyond simple cost management. (Akemo, 2023) show that the differentiation strategies are able to speed market entry and growth, particularly into the emerging markets. This study validates the fact that firms that use differentiation strategies through products are able to provide what the new consumer bases are demanding uniquely, as such firms are often more competitive.

These strategies not only influence the company's market strategy but also have a substantial effect on its operational decisions, especially about logistics and

service roles. The success of third-party logistics (3PL) services and these competitive strategies are integral to online retail platforms' performance.

A cost leadership strategy attempts to provide the lowest operating costs in a given industry whereby products or services are sold at competitive prices. This approach is of specific importance in online retail which creates a highly competitive environment with the multiple options available for the customers having tools at the disposal to compare prices provided by different online retail. Another advantage of cost leadership is that it helps online retailers win price-sensitive customers, increase their market share, and achieve high levels of profits by keeping costs low. In the context of 3PL services, it is important to understand how online retailers can reduce costs that are related to logistics yet still maintain quality service.

This process deals with the analysis of mechanisms for enhancing the management of the supply chain, reducing transport costs, and improving inventory to sustain a cost leadership strategy without the interference of customer satisfaction. This context is further enhanced by (Kurt & Yazicioğlu, 2021) who emphasized the importance of having strategic financial decisions and cost management to help improve competitiveness.

Differentiation involves creating a unique value proposition through product, customer service, or user experience that allows the company to command a premium price. In online retail, differentiation is crucial to standing out in a crowded market. This strategy can be supported by high-quality 3PL services that offer agility, customization, and expanded delivery options to help create a superior customer experience. This view was supported by (Z. Wang et al., 2019) concerning the effects of differentiation to improve customer loyalty as well as to enhance the pricing power of online retailers. The fact that it brings about the indirect benefits of pricing power through service quality and transaction security. (Zulkeflee et al., 2009) extended this idea by showing how online businesses can achieve superior performance by improving website interactivity and customer experience, emphasizing the critical role of 3PL service quality in supporting differentiation strategies.

The focus strategy, while this strategy is highly effective in some specific contexts, is not as core to our research here because it focuses on very narrow market segments. This strategy is dominated by a focus on products or services directed at a

specific customer segment, thus very specialized 3PL services are often required tailored to these segment needs.

By focusing on the cost of leadership and differentiation, this study aims to provide generalizable insight that applies to a variety of online retailers. It also aims to provide strategies for utilizing 3PL services to gain an advantage. This focus will delve into the entire process of online retailers optimizing their logistics and supply chain to support key competitive strategies that will help them improve their performance in the highly competitive and evolving online retail space.

Table 2.9: Comparative Overview of competitive strategies.

Reference	Constructs of the model	Items of competitive strategies
Huo et al., 2014	• supply chain integration (SCI) • competitive strategies • firm performance	**Cost leadership:** • Operating efficiency. • Pursuing cost advantage of raw material procurement. • Pricing below competitors. • Pursuing economy of scale. • Finding ways to reduce cost of production. **Differentiation:** • Providing product with unique features. • Providing product with many features. • Targeting high-priced product segments. • Advertising. • Control of distribution channels.
Liu & Atuahene-Gima, 2018b	• Dysfunctional competition • Product innovation • Competitive strategies	**Cost leadership:** • Pursuing operational efficiencies to ensure low cost. • • Pursuing cost advantages in procuring materials from suppliers. • Pursuing economies of scale and good cost control.

		Differentiation: • Competitive advantage through superior and high-quality products. • • Obtaining high prices from the market through differentiating products. • • Building a premium brand name through differentiating products. • Creating greater customer value through services accompanying the new products.
(Leppänen et al., 2023)	• Business model • Competitive strategies • Firm Performance	Cost leadership: • Offering products or services at low prices or prices lower than Competition. • Minimizing product-related expenditures, in particular through process Innovation. • Emphasizing economies of scale and scope with products and services. Differentiation: • Importance and use of product–service related Patents. • Importance of new product development, innovation, and R&D activity. • Emphasis on growth by acquiring, or merging with R&D- or technology intensive firms. • Branding and advertising as part of firm's marketing strategy or approach.

The effects of logistics service quality (LSQ) and logistics service agility (LSA) on the performance of online retail shops are masked by competitive strategies defined by Porter is: (cost leadership strategy), the retailers selling on the Internet seek to minimize the cost possible so that they can offer low prices to customers and this

affects the logistics operation, so that high service quality is offered at a reasonable cost. This balance might be critical where the issue of low understanding of price influences technique penetration pricing and so on. On the counterpart is the differentiation strategy, which focuses on differentiation by delivering better customer service, products and interface.

The Agility and quality of 3PL services are important determines of the additional delivery solutions, quickness, and special services that supports online retailer. Both strategy stress that LSQ and LSA should improve the competitive objectives' alignment to increase performance, what has been found is that logistics capabilities are not mere operational necessities, but strategic assets that can create competitiveness and business success within the context of the ever-changing and continuously developing online retail environment.

2.6 The Palestinian Context for Online Retail and 3PL

2.6.1 Palestinian Economy

The Palestinian economy is characterized by a unique set of features stemming from the Israeli occupation's stringent control over both the West Bank and Gaza. (Samarah, 2023) describes the Palestinian economy as small and open, with a significant degree of dependence on the Israeli economy, rendering it semi-independent. This dependence is further compounded by the supply of largely unskilled labor to Israel (Agbahey et al., 2020). Furthermore, Palestinians lack a local currency, instead using the New Israeli Shekel (NIS) for daily transactions (Sarsour & Dombrecht, 2016). The absence of control over borders, with Israel maintaining total oversight over all goods and individuals entering and exiting the Palestinian territories, further complicates economic autonomy (Khalidi, 2017).

The economy's reliance on external support is a critical aspect. (Badwan, 2022) highlights that the Palestinian economy is highly service-oriented and heavily reliant on foreign aid, which significantly influences economic stability. (Mahmoud El-Jafari, 2014) notes that the absence of political or economic settlements, coupled with Israel's economic shock policies, has continuously impeded development efforts.

In 2023, the global Palestinian population was approximately 14.8 million in Historical Palestine and Diaspora, with 5.61 million residing in Palestinian

territories—3.41 million in the West Bank and 2.2 million in Gaza(Palestinian Central Bureau of Statistics, 2024). The Palestinian gross domestic product (GDP) dropped by 33% in the fourth quarter of 2023 due to Israeli ongoing aggression on Gaza Strip and repeated raids of the West Bank. (Palestinian Central Bureau of Statistics (PCBS), 2023). The war also precipitated a sharp rise in the unemployment rate, which reach their highest levels, recording 74% during the fourth quarter of 2023 (Palestinian Central Bureau of Statistics (PCBS), 2023).

Despite political instability, Palestine's Human Development Index (HDI) is considered moderate. This is largely due to external financial support from Palestinians working abroad, primarily in the Gulf States and North America, whose remittances contribute 16% to the GDP (Sabri, 2008). Additionally, humanitarian aid and projects led by international institutions and NGOs play a vital role. The public sector significantly supports the Palestinian economy, contributing up to 30.4% of GDP, followed by the services sector has the highest contribution to the economy, accounting for (20%) of the GDP, agriculture sector (19%), trading-wholesale and retailing (%17.4).

In the West Bank, the GDP in 2023 was 12.673 billion USD, slightly down from 12.921 billion USD in 2022. The GDP per capita in Palestine was 2,853.9 USD in 2023, down from 3,100 USD in 2022. In the West Bank, it was 4,290 USD in 2023 (Palestinian Central Bureau of Statistics (PCBS), 2023). The decrease in GDP is a consequence of the Israeli war on Gaza, which also affected the West Bank. Since the start of the war on October 7, 2023, 306,000 jobs have been lost, 40% of SMEs permanently laid off employees, and 40% of private sector workers experienced a 20% wage reduction by 2024 (ILO, 2024). Of the 101,517 business establishments in the West Bank, 95.7% are micro-businesses (fewer than 10 employees), 3.9% are small businesses (10-50 employees), and less than 0.3% are medium businesses (International Labour Organization, 2024).

The Palestinian market faces several challenges, including a geographical barrier between the West Bank and Gaza Strip and significant limitations and obstacles to exporting and importing products. High levels of uncertainty due to Israeli restrictions, control of internal routes, supply chain disruptions, and settler attacks

result in high transportation costs and operational inefficiencies (Agbahey et al., 2020; Alkhatib et al., 2019; International Labour Organization, 2024).

Political instability exerts the most significant negative impact on the Palestinian economy, surpassing issues such as corruption, weak government effectiveness, and other governance indicators (Awwad, 2024). Government policies often do not favor small businesses, as laws tend to benefit larger companies. For example, a company must have a minimum capital of 150,000 USD to qualify for tax exemptions. However, Palestinian SMEs receive support from UN agencies like UNRWA and other NGOs that offer microfinance programs (Sabri, 2008).

All Palestinian economic sectors suffer from poor governmental governance (Awwad, 2024). The agriculture sector, for example, receives no government assistance despite declining production due to various factors (Qabha et al., 2018). The olive oil sector faces similar challenges (Mohammed et al., 2019). Palestinian businesses struggle with poor marketing and competitive strategies, issues in distribution channels, and problematic supplier and customer relations (Alkhatib et al., 2019; Sabri, 2008). This underscores the need to enhance the efficiency and performance of Palestinian businesses to improve their competitive advantages.

2.6.2 E-commerce in Palestine

The digital retail landscape in Palestine reflects various facets, driven by the interaction of technological diffusion, cultural specificities, and the emergence of new 'business models' impacted by both global and local factors. (Abdalnasser N. N. Daana & Rawya Nazmi Da’na, 2023) provide comprehensive explorations of the online purchasing behaviors of Palestinian consumers, particularly student consumers. The study highlights the role of brand awareness, website design, and demographics in shaping trends in online shopping. Through their study, researchers discovered that variables such as gender and income are not the only ones but are brand awareness and website aesthetics that shape driving factors of consumer behavior.

(Abumandil, Younus, et al., 2021) examine the adoption of B2B e-commerce by Palestinian enterprises during the COVID-19 crisis, emphasizing the contributing role of technological, organizational, and environmental factors, and highlighting trust as a key moderating factor. The current research reflects on the intricate behavior of

B2B e-commerce with the main focus on relationship quality and trust in digital transactions. (Rabayah et al., 2022) explore cultural differences about the application of e-commerce in Palestine and argue that e-commerce platforms to operate in this region must be very well enlightened about the local culture. Their attempts show the importance of combining e-commerce with cultural context for successful interactions with Palestinian consumers.

Legal and infrastructural challenges posed by (Hasan & Zulhuda, 2015) in the Palestinian e-commerce sector include those related to cloud computing. These challenges include legal issues, security of data issues, and the need for harmonization of the legal environment towards a strong e-commerce framework. (Herzallah & Mukhtar, 2015) examined how Palestinian SMEs adopt e-commerce and the internal organizational enabling factors, which a key ingredient in the promotion of a vibrant digital economy. These findings, therefore, stress the need for developing sufficient technical skills and digital literacy within the organizations to tap into the full potential of online retail platforms.

These studies together create a changing story of the e-commerce industry in Palestine, characterized by unique challenges and prospects. The research shows that infrastructural improvements, legal changes, and refinement of cultural dynamics are cardinal in unleashing online retail potential. In reality, Palestinian online stores need to chart a way that combines the current global e-commerce dynamics with a response to the particular requests of the Palestinian retail environment.

E-commerce growth, especially in times of and after the COVID-19 pandemic, has changed the way consumers were behaving and the general economic environment of Palestine. There is something about the pandemic that has triggered something within many Palestinians, who have taken to online shopping for the first time; apparently in an indication of the continuation of growth for this trend, "COVID-19 has encouraged many people to try E-commerce for the first time(Abumandil, Muayad, et al., 2021) . This jump in online users is not expected to reduce.". This will make a change not only as a temporary answer to the global health crisis but as a permanent transformation of shopping habits for the Palestinian population. Thus, it shows how technological diffusion, cultural specifics, the appearance of new 'business models' are impinged by the global and local factors.(Salem & Baidoun, 2022)

Thereby, it is important to understand what the determinants of e-commerce adoption by Palestinians are. For example, (Musleh et al., 2015) used an extended version of the Unified Theory of Acceptance and Use of Technology (UTAUT) to model e-commerce practices in Palestine. The current study finds that performance expectancy, effort expectancy, social influence, and trust will significantly influence attitudes towards online shopping.

Further, (Rabayah et al., 2022) restated in a past study that e-commerce platforms are important for cultural adaptability. More so, understanding of the culture is important in penetrating markets and successfully engaging consumers. This rapid increase in the number of internet users forms a fertile ground for the growth of the e-market. According to a study conducted by the Palestine Economic Policy Research Institute (MAS), it was found out that there was a 44% growth rate in e-commerce between 2018-2019, with huge purchases in various sections (Murar & Khalidi, 2020). However, the sector faces a number of legal and infrastructural huddles as noted by (Hasan & Zulhuda, 2015) which is one of the issues related to cloud computing and the need for a harmonized legal framework. Such challenges justify the need for a good e-commerce framework that supports the development of a firm digital economy in Palestine.

It is essential, therefore, that the transition to e-commerce has an effective influence on micro, small, and medium-sized enterprises in Palestine. E-commerce makes it possible for productivity improvements and ways to grow businesses outside the limits of traditional markets. According to (Herzallah & Mukhtar, 2015), e-commerce reduces the digital gap required for technical skills and digital literacy in organizations that seek to use the full potential of online retail platforms.

As the e-commerce landscape is taking the shape to be the cornerstone of the Palestinian economy, there is a need for deliberate efforts to sustain and amplify this growth trajectory. The Palestinian Central Bureau of Statistics has particularly highlighted the e-commerce sector as an important growth area, especially given that the direction of a digital world is feasible (Palestinian Central Bureau of Statistics, 2024). Success is going to continue to hang in the balance regarding infrastructure needs, increasing digital literacy, and growing a regulatory environment that supports safe and secure e-commerce activities.

The fast-evolving environment and changing tides of change in Palestine make the e-commerce landscape very promising but challenging. This will be the most exciting development in online retail due to increasingly higher rates of internet penetration and changed customer behavior catalyzed by the COVID-19 pandemic (Ahmad et al., 2017). Efforts in building digital infrastructure, regulatory frameworks, and building consumer trust, therefore, need to be ramped up a notch higher to realize this potential in full. Through the management of these cornerstones, Palestine will be able to exploit digital transformation to deliver the expected gains in economic development and reduce the digital divide. These studies together articulate a story, an evolution of the e-commerce industry in Palestine under unique challenges and opportunities and show how the Palestinian online stores have to combine global e-commerce dynamics with response to local requests of the retail environment.

2.6.3 Logistics in Palestinian Businesses

The logistics sector in Palestine is a crucial component of the country's economic infrastructure, facilitating the efficient movement of goods and services across various regions. This review synthesizes the available literature on the logistics sector with insights from the researcher, who serves as the head of the Palestinian Express Postal Companies Union for the term 2022/2024 and is the executive director of Optimus Express Mail and Logistics Services Company.

(Ahmed, 2011) conducted a comprehensive study on supply chain management across several Palestinian industries, including plastic, marble and stone, food, pharmaceutical, chemical, engineering, and metal industries. He found significant weaknesses in the understanding and application of supply chain management concepts, as 75% of the surveyed companies were not aware of the exact objectives of the supply chain concept. The study also highlighted deficiencies in competitive strategies, supplier relations, and customer relations. Notably, the companies lacked strategic relationships with suppliers and failed to establish long-term relationships with customers, despite striving for customer loyalty.

(Abdullah, 2011) research revealed that 53% of the companies used a push model to serve their customers, while 47% employed a pull model. Additionally, 63.4% followed a product differentiation strategy, 29.3% a low-price strategy, and 7.3% used a segmentation strategy. The study also examined delivery aspects of

logistics, finding that 39.3% of companies failed to fulfill 5%-25% of customer orders, 50% failed to fulfill less than 5%, and 10.7% failed to fulfill more than 25%. Although companies received customer feedback, it was not effectively used to improve order fulfillment. Abdallah recommended further studies on the impact of technology on the supply chain and the development of supply chain performance metrics.

In a more recent study, (Badwan, 2024) explored the roles of supply chain partnership and other factors in achieving competitive advantages for SMEs in the Palestinian industrial sector. The paper underscored the importance of supply chain integration and partnerships in enhancing responsiveness, resilience, and competitive advantage. It recommended several measures to address disruptions common in Palestinian markets, including establishing a risk early warning system, increasing redundancy in transportation capabilities, and diversifying supply routes and methods. The study also found that senior executives in businesses had a weak understanding of the challenges associated with cross-functional integration analysis and quantification in supply chain partnerships.

The logistics sector in Palestine experienced significant growth following the COVID-19 pandemic, which accelerated the adoption of e-commerce and increased demand for reliable and efficient logistics services. Companies responded by enhancing their service offerings, focusing on speed and efficiency, with most shipments now delivered within 48 hours of receipt. Technological advancements, such as automated operations and computerized systems for managing logistics and shipments, have been pivotal in streamlining operations, reducing errors, and improving overall efficiency.

The express mail and logistics sector is a significant employer in Palestine, providing thousands of jobs across various roles, including administrative positions, operational staff, sales, customer service, and drivers. The sector's expansion, particularly post-pandemic, has created numerous employment opportunities, contributing to the overall economic development of the region.

In 2023, there are fifty-four licensed logistics companies operating in Palestine, according to data from the Ministry of Communications and Digital Empowerment. These companies are categorized into local and international service providers. Forty-eight companies focus on domestic logistics within the West Bank, Jerusalem, and

Palestinian territories inside Israel, while six companies engage in international logistics through partnerships with global firms like DHL, FedEx, and Aramex.

The Palestinian government postal service has also seen significant growth and transformation. In 2023 according to the Director General of Post, Moaz Daraghmeh (*Aliqtisadi*, 2024), outgoing mail increased by 385%, with over 7,738 postal items dispatched compared to 2,023 in 2022. This growth is attributed to modernizing infrastructure, introducing new services like EMS international express, and regulatory measures against unauthorized operations. The postal service has expanded to 108 offices, with 24 new ones and 27 renovations in the past three years. Key initiatives include enhancing customer service, integrating e-commerce, and expanding financial and government services.(*Palestine Postal*, 2024)

Informal reports on the Palestinian economy indicate significant growth in the e-commerce market during the COVID-19 pandemic, though there is no official data on sales volume for this period. In 2019, approximately 900,000 parcels arrived in Palestine from abroad, 85% of which originated from China and were handled by the Palestinian postal service (Murar & Khalidi, 2020). The growth rate between 2018 and 2019 was about 40%. Considering this growth rate and the increased reliance on e-commerce during the COVID-19 lockdown, the industry has emerged as a potential growth sector. This is further supported by advancements in digital infrastructure, including 3G mobile networks, fiber-optic lines, and upcoming 4G services.

The Palestinian postal services provide minimal levels of service for the delivery of official documents, court papers, and sometimes bills. Customers are responsible for collecting mail from the mail building, as no home delivery is available. Additionally, the lack of a clear addressing system for houses, apartments, and stores hinders the prosperity of businesses relying on accurate addresses.

Based on data from the Palestinian Express Mail Companies Union, the daily volume of shipments in the Palestinian market reaches 20,000 shipments. These shipments include various types such as clothing, accessories, cosmetics, footwear, electronics, and more. Companies provide cash-on-delivery services, collecting payments from recipients and delivering them to the customers. The growth of the logistics sector is closely tied to the expansion of e-commerce in Palestine, driven by small projects and individual entrepreneurs seeking additional income. Many e-

commerce operators are individuals or small businesses looking to diversify their sales channels. The researcher notes that express mail companies have significantly alleviated the economic burden on businesses operating in conflict-prone areas, particularly in the northern West Bank regions such as Jenin and Tulkarem. Frequent incursions and closures by occupation forces have pushed these businesses to rely on e-commerce and express mail services to continue operations and deliver products to customers.

Despite infrastructural damages and financial disputes with Israel, the postal service has integrated more with e-commerce, boosting its role in the Palestinian economy. Efforts are ongoing to rebuild and enhance postal infrastructure, including digital transformation projects and international collaboration. The service aims to expand its reach, improve reliability, and implement sustainable practices. Although the sector has grown, it faces several challenges, including regulatory hurdles, infrastructure limitations, and geopolitical constraints that impact the free movement of goods. However, the sector also presents numerous opportunities, particularly in leveraging technology to enhance service delivery and efficiency. The increasing reliance on e-commerce offers a substantial market for logistics companies to expand their services and tap into new customer bases.

The logistics sector in Palestine is a vital component of the national economy, driving trade and commerce across the region. The insights provided by the researcher highlight the significant strides made in service delivery, technological adoption, and employment generation. As the sector continues to evolve, it will be crucial to address existing challenges and harness emerging opportunities to sustain its growth and contribution to the Palestinian economy. Future plans include infrastructure development, international collaboration, and customer service enhancement, aiming to boost e-commerce facilitation, provide reliable logistics for online businesses, and improve overall service reliability.

Chapter Three: Methodology

3.1 Research Methodology

This study takes a quantitative nature where it gathers information from the target group using a structured questionnaire. This approach, therefore, helps in answering the research questions based on the fact that it will offer a broad scope and understanding of the impact of 3PL service quality and agility on online retail performance and competitive strategies as a moderator.

3.2 Developing the Conceptual Model

To answer the research question, a model was developed to understand the relationships between the independent variables and dependent variable. The independent variables are the five variables of 3PL Service Quality, the two variables of 3PL Service Agility. The dependent variable is Online Retail Performance. In addition to that, one moderating variable measures the competitive strategies of online retails. The following sections will talk about the study's constructs, their definition and the items measuring them, then the relationships and the study's hypotheses, and finally the conceptual model of the study.

3.3 The study's variables

The study has one dependent variable, seven independent, and one moderating. The dependent variable online retail performance which is called (ORP) measures the success degree of e-retail businesses. Five of the independent latent variables (constructs) measure the Third-Party Logistics (3PL) Service Quality; Communication of delivery status (CODS), Speed of delivery (SOD), Convenience of receipt (COREC), Reception experience (RE), and Convenience of return (CORET). Two independent variables measure 3PL Service Agility one of them for the Delivery Agility (DA) and the other for the market Responsiveness (MR). Finally, there is the moderating variable that measures the online retail competitive strategies (CS); Cost leadership (CL), and Differentiation (DI), as to whether they affect the effectiveness of 3PL services quality and agility in increasing online retail performance.

3.3.1 Communication of delivery status (CODS):

The Communication of Delivery Status is a critical variable in e-commerce that reflects the process of providing customers with timely, relevant, and clear updates

regarding the status of their orders. As e-commerce transactions lack direct interaction between buyers and sellers, effective communication becomes essential in managing customer expectations and satisfaction. According to different studies, communication, its transactional value, is important, but communication is absolutely a key driver for customer engagement, and customer satisfaction.(Hua & Jing, 2015; Kawa & Zdrenka, 2024; Marcucci et al., 2021b; Mero, 2018)

Table 3.1: Communication of Delivery Status (CODS).

CODS1	Online e-customers are more likely to purchase from online retailers that partner with 3PL service providers offering shipment tracking capabilities.
CODS2	Online e-customers prefer online retailers that collaborate with 3PL service providers who provide timely updates on the order status.
CODS3	Online e-customers are more inclined to buy from online retailers whose 3PL service providers offer accurate information on expected delivery times.

3.3.2 Convenience of Receipt (COREC):

The Convenience of Receipt is a pivotal aspect of logistics service quality (LSQ) in online shopping, emphasizing the ease with which customers can receive their purchased goods as highlighted by (Kawa & Zdrenka, 2023). this dimension is becoming increasingly important as delivery services expand to cover various destinations, including remote and inaccessible areas. A significant trend in this area is the shift towards out-of-home (OOH) delivery methods, which cater to consumers' preferences for convenience and flexibility, particularly in regions like China, Scandinavia, and Poland. Additionally, models such as click-and-collect, where customers can pick up their orders from designated retail locations, further enhance convenience by integrating online and offline shopping experiences. This omnichannel approach, which aligns with the buy online, pick up in-store concept, offers a range of delivery options that are crucial for customer satisfaction. The integration of these flexible and convenient delivery methods reflects the evolving nature of LSQ, as it adapts to meet and exceed customer expectations in the digital retail environment.

Table 3.2: Convenience of Receipt (COREC).

COREC1	Online customers are more likely to purchase from online retailers that work with 3PL service providers offering delivery to convenient pickup points (e.g., kiosks, petrol stations).
COREC2	Online customers prefer online retailers that collaborate with 3PL service providers offering delivery to self-service terminals (parcel lockers).
COREC3	Online customers are more inclined to buy from online retailers whose 3PL service providers offer the option to pick up orders at the retailer's branches.

3.3.3 Speed of Delivery (SOD):

The Speed of Delivery is a critical dimension of logistics service quality (LSQ) that refers to the time taken from the moment an order is placed until the customer receives the goods. As identified by (Kawa & Zdrenka, 2023), the speed of delivery has become a key factor in gaining a competitive advantage in e-commerce, with the ability to offer value-added services further distinguishing providers in the market.

The importance of delivery speed is amplified by the availability of multiple delivery options, allowing customers to choose based on their specific needs for convenience and urgency, which significantly enhances their overall purchasing experience (Y. Cao et al., 2018b). However, in highly competitive markets, such as Vietnamese e-commerce, the minimal differences in delivery times among sellers have made speed alone insufficient to secure customer loyalty (A. D. Do et al., 2023). As consumer demand for faster delivery continues to grow, reflecting broader trends in the industry, the emphasis on speed in service delivery is increasingly seen as essential for maintaining a competitive edge and meeting evolving customer expectations (Hoang Tien, 2020; Yang, 2021).

Table 3.3: Speed of Delivery (SOD)**.**

SOD1	Online customers are more likely to purchase from online retailers that partner with 3PL service providers offering delivery on holidays.
SOD2	Online customers prefer online retailers that collaborate with 3PL service providers offering the possibility of choosing different delivery times.
SOD3	Online customers are more inclined to buy from online retailers whose 3PL service providers offer delivery of products within 24 hours.

3.3.4 Reception Experience (RE):

The Reception Experience is a vital dimension of logistics service quality (LSQ) that encompasses the emotional response and overall satisfaction customers feel when receiving and unwrapping their packages. This experience is often compared to the joy of receiving a gift, highlighting the psychological impact of the unboxing process (Kawa, 2017). Beyond the mere transaction, this experience integrates various aspects of a customer's lifestyle, including fashion, trends, and social relationships, making it a significant factor in industries such as fashion and cosmetics where memorable packaging can enhance customer satisfaction (Kawa & Zdrenka, 2023).

The role of packaging is crucial, as aesthetically pleasing and emotionally engaging packaging can lead to a positive reception experience, encouraging customers to share their satisfaction (Ceciel Berden, 2020; Schnurr & Wetzels, 2020). Additionally, the growing emphasis on sustainability has influenced customer preferences, with many favoring eco-friendly packaging materials like biopolymers (Freichel et al., 2019; Pålsson et al., 2017; Umboh et al., 2024). The reception experience is thus a multifaceted construct that not only affects first impressions and customer perceptions of shipment delivery but also plays a critical role in customer satisfaction and the overall success of e-commerce ventures (Leuschner & Rogers, 2013; Xing et al., 2011; Zhang & Shao, 2019).

Table 3.4: Reception Experience (RE).

RE1	Online customers are more likely to purchase from online retailers that cooperate with 3PL service providers whose couriers behave professionally and courteously.
RE2	Online customers prefer online retailers that work with 3PL service providers using environmentally friendly materials to pack their shipments.
RE3	Online customers are more inclined to buy from online retailers whose 3PL service providers ensure that parcels are aesthetically packaged.

3.3.5 Convenience of return (CORET):

The Convenience of Return is a critical dimension of logistics service quality (LSQ) that plays a vital role in e-commerce and retail business strategies. It addresses the ease with which customers can return purchased items, a practice often necessitated

by factors such as damage, spoilage, manufacturing defects, and errors in order processing or delivery (Y. Cao et al., 2018b; Hjort & Lantz, 2016). In the e-commerce context, consumers are typically entitled to a non-binding right of return, allowing them to withdraw from the purchase contract and return goods (Decker, 2014).

The availability of a simple and free returns process is a significant factor influencing customers' purchase decisions, as highlighted by (Kawa & Zdrenka, 2023). A streamlined returns process not only mitigates potential dissatisfaction but also positively impacts repurchase intentions, as confirmed by various studies (Y. Cao et al., 2018b; Vasić et al., 2021; Xing et al., 2011). The importance of return convenience extends beyond customer satisfaction; it is crucial for improving customer loyalty and maintaining a competitive edge in the dynamic online retail environment. Although there has been significant progress in understanding LSQ components, further research is needed to develop standard measurement models for logistics services, offering insights for both academia and industry decision-makers in an increasingly competitive global market.

Table 3.5: Convenience of return (CORET).

CORET1	Online customers are more likely to purchase from online retailers that partner with 3PL service providers offering an easy and straightforward product return procedure.
CORET2	Online customers prefer online retailers that collaborate with 3PL service providers offering free product returns.
CORET3	Online customers are more inclined to buy from online retailers whose 3PL service providers allow product returns beyond the standard period.

3.3.6 Delivery Agility (DA):

Delivery agility is a crucial dimension of Supply Chain Agility (SCA), representing the ability of a supply chain to deliver products and services swiftly, effectively, and with consistent quality, especially in response to changing customer needs and market conditions. During disruptions such as the COVID-19 pandemic, where social distancing and market volatility prevailed, delivery agility proved essential in maintaining competitive advantage (Shen & Sun, 2023b). This agility involves the flexibility to adapt delivery cycles, product development timelines, and

customer service approaches to meet evolving demands. As noted by (Bai et al., 2023), delivery agility enables supply chains to respond promptly to customer requirements, ensuring timely delivery while upholding high standards. This responsiveness is a key factor in supply chain resilience, allowing organizations to mitigate the severe consequences of disruptions by maintaining service continuity and customer satisfaction. Overall, delivery agility not only supports operational efficiency but also positions supply chains to outperform competitors in dynamic environments.

Table 3.6: Delivery Agility (DA)**.**

DA1	Our 3PL provider can achieve on-time delivery to meet changing market needs.
DA2	Our 3PL provider maintains reliable delivery to meet changing market demands effectively.
DA2	Our 3PL provider focused on reducing delivery time to quickly adapt to changing market needs.

3.3.7 Market Responsiveness (MR):

Market responsiveness is a critical dimension of Supply Chain Agility (SCA), emphasizing the ability of a supply chain to react to changes swiftly and effectively in consumer demand, market trends, and external conditions. This responsiveness is particularly vital during periods of uncertainty and disruption, such as the COVID-19 pandemic, where rapid shifts in consumer behavior and market dynamics challenged traditional supply chain models (Shen & Sun, 2023b). Market responsiveness involves maintaining flexibility within the supply chain to adjust to these changes, ensuring that products and services align with evolving customer preferences. As highlighted by (Bai et al., 2023), a responsive supply chain can quickly adapt to fluctuations in demand patterns, enabling timely adjustments that keep the supply chain competitive.

This capability is essential for sustaining customer satisfaction and loyalty, as it allows businesses to meet market demands effectively, even under challenging circumstances. In essence, market responsiveness not only enhances supply chain resilience but also strengthens a company's ability to thrive in dynamic and unpredictable environments.

Table 3.7: Market Responsiveness (MR).

MR1	Our 3PL provider can quickly modify products to align with market requirements.
MR2	Our 3PL provider is capable of quickly introducing new products to the market to capture emerging opportunities.
MR3	Our 3PL provider responds rapidly to changing market needs to maintain competitive advantage.

3.3.8 Online Retail Performance:

This is a dependent variable of this study. It shows the success degree of e-retail businesses. Such performance can be measured with different indicators such as sales growth, customer satisfaction, market share, operational efficiency, and customer retention (Kawa & Zdrenka, 2023).

Table 3.8: Online Retail Performance (OP).

OP1	The profit of my company is better than those of our direct competitors in the last financial year.
OP2	The sales revenue of my company is better than those of our direct competitors in the last financial year.
OP3	The market share of my company is better than those of our direct competitors in the last financial year.
OP4	The ROI (return on investment) of my company is better than those of our direct competitors in the last financial year.

3.3.9 Competitive Strategies:

They are treated as the moderator variables in the study. That determines 3PL service quality and agility impact on online retailing performance. This part analyzes various approaches (Cost leadership and Differentiation) as to whether they affect the effectiveness of 3PL services quality and agility in increasing online retail performance. (Huo et al., 2014b)

Table 3.9: Competitive Strategies (CS).

Competitive Strategy	
Cost Leadership Focus:	
CL1	Operating efficiency.
CL2	Pursuing cost advantage of raw material procurement.
CL3	Pricing below competitors.
CL4	Pursuing economy of scale.
CL5	Finding ways to reduce the cost of production.
Differentiation Focus:	
DI1	Providing products with unique features.
DI2	Providing products with many features.
DI3	Targeting high-priced product segments.
DI4	Advertising
DI5	Control of distribution channels.

3.4 Third-party logistics (3PL) service quality and the performance of online retail platforms

Based on the literature, 3PL service quality is an important determinant of the performance of online retailing platforms. Important factors like delivery status communication, delivery time, convenience of receiving the product, experience when receiving the product, and return convenience are critical in determining the overall performance of 3PL services (Kawa & Zdrenka, 2024). These dimensions directly influence the customer satisfaction and loyalty, which are critical success factors of online retail business.

According to the findings of several research, effective communication and faster delivery enhance the consumers' experience and enhance the competitiveness of online retailers (Arabelen & Kaya, 2021; Hafez et al., 2021c). The integration of receipt and return processes makes customers confident in the convenience of online retail platforms, as well as motivates them to make purchases again, thus improving the performance of the platforms (Sutrisno et al., 2019b; Zhong et al., 2020). These factors are also consistent with the Resource-Based View (RBV) theory that posits that only resources that are unique and valuable ought to form the basis of company strategy to gain competitive advantage.

Based on the importance of these 3PL service quality dimensions in the performance of online retail platforms, the researcher developed the following hypothesis:

H1: Third-party logistics (3PL) service quality positively affects online retail performance.

Further, the sub-hypotheses are defined as follows:

- **H1a:** The Communication of the delivery status of 3PL service significantly affects online retail performance.
- **H1b:** The Speed of delivery of 3PL service positively affects online retail performance.
- **H1c:** The Convenience of receipt of 3PL service positively affects online retail performance.
- **H1d:** The Reception experience of 3PL service positively affects online retail performance.
- **H1e:** The Convenience of return of 3PL service positively affects online retail performance.

3.5 Third-party logistics (3PL) service agility and the performance of online retail platforms

Due to evolving conditions in the business world, it is crucial to adopt agility in the supply chain, especially for online retail platforms. The COVID-19 pandemic impact has made organizations realize the importance of being reactive to market changes, which has led to the importance of Supply Chain Agility (SCA) as a means of managing disruptions and quick recovery (Shekarian et al., 2020; Shekarian & Mellat Parast, 2021). However, it is argued here that many supply chains cannot produce the necessary SCA to meet such challenges and as such the concept of logistics service agility (LSA) offered by third-party logistics (3PL) providers become crucial.

The agility of third-party logistics service can be defined by dimensions like delivery agility and market agility which are important in assessing the agility of 3PL services (Bai et al., 2023). Online retailing is a dynamic environment in terms of consumer and competitive dynamics and thus having an agile logistics service can help retailers respond to changing market conditions (Eisenhardt & Martin, 2000). 3PL providers bring in expertise in logistics and flexibility that enable them to use advanced

technological solutions to ensure that the whole supply chain is well coordinated to meet the desired consumer needs on speed and efficiency (Christopher, 2000).

Integrating these perspectives, it becomes evident that 3PL service agility plays a significant role in enhancing the performance of online retail platforms. Therefore, the researcher formulated the following hypothesis:

H2: Third-party logistics (3PL) agility positively affects online retail performance.

Further, the sub-hypotheses are defined as follows:

- **H2a:** 3PL delivery agility positively affects online retail performance.
- **H2b:** 3PL market responsiveness positively affects online retail performance.

3.6 Moderating role of competitive strategies

This study combines the seminal work of (M. Porter, 1980) on competitive strategy to examine how cost leadership and differentiation strategies mediate the relationship between third-party logistics (3PL) service quality and 3PL agility and online retail performance. relation. Porter's generic strategy framework believes that cost leadership (emphasis on operational cost efficiency) and differentiation (focus on creating a unique value proposition) are critical to ensuring competitive advantage and improving business performance (Islami et al., 2020). For instance, 3PL services allow online retailers to practice cost leadership strategies by enhancing logistics efficiency and lowering operating costs, leading to lower pricing (M. E. Porter, 1990). On the other hand, a differentiation strategy can be based on superior 3PL services that enhance customer experience, and hence derive a unique value proposition aimed at attracting and retaining customers (Allen & Helms, 2006; Gorondutse & Hilman, 2017).

Considering this, the researcher formulated the following hypothesis:

H3: Competitive strategy (Cost leadership and Differentiation) in the online retail sector moderates the relationship between 3PL service quality (Communication of delivery status, Speed of delivery, Convenience of receipt, Reception experience, and Convenience of return) and online retail performance.

H4: Competitive strategy (Cost leadership and Differentiation) in the online retail sector moderates the relationship between 3PL agility (encompassing delivery agility and market responsiveness) and online retail performance.

3.7 Research Model

Figure (3.1) shows the research's model, that summarizes all the relationships, which the research will examine. It presents an integrated view of how Third-Party Logistics (3PL) Service Quality and 3PL Agility, influenced by Competitive Strategy, potentially impact Firm Performance. The model posits that specific dimensions of 3PL Service Quality—such as Communication of delivery status, Speed of delivery, Convenience of receipt, Reception experience, and Convenience of return—directly influence Firm Performance (H1 a,b,c,d,e). It also suggests that 3PL Agility, through its subdimensions of Delivery Agility and Market Responsiveness, contributes to Firm Performance (H2 a,b).

Moreover, the model hypothesizes that Competitive Strategy plays a moderating role, influencing the strength and direction of the relationship between both 3PL Service Quality and Agility with Firm Performance (H3 and H4). This introduces a nuanced layer of analysis, where the strategic orientation of the firm (cost leadership, differentiation) can alter the effectiveness of logistics capabilities in achieving desired performance outcomes.

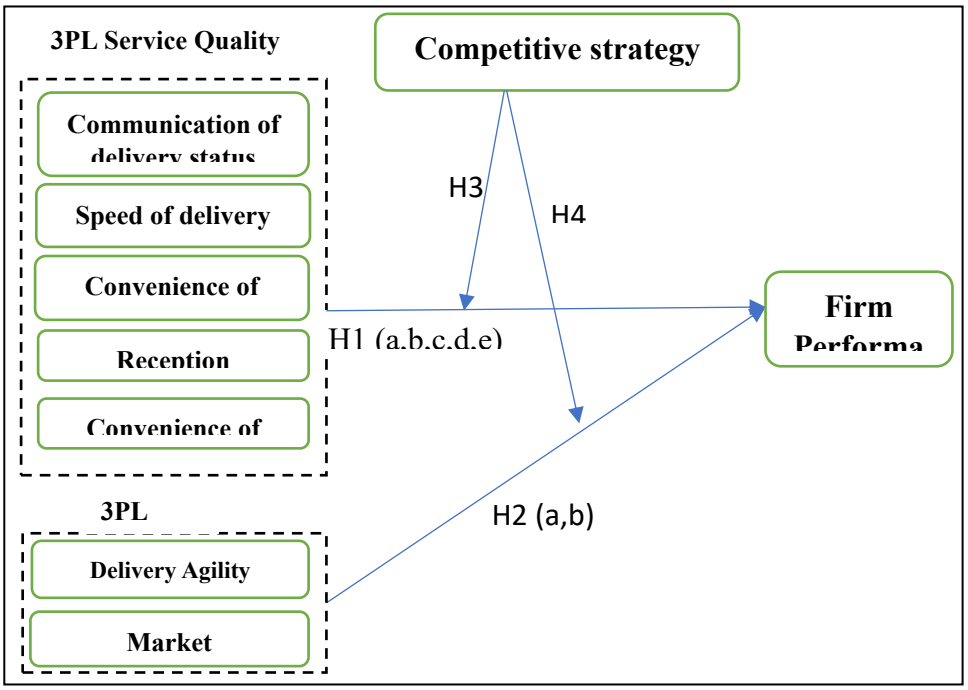

Figure (3.1): Research model.

3.8 Research Design

This research was a cross-sectional quantitative study where the researcher utilized a self-administered questionnaire to gather the information. First, participants responded to demographic questions, and second, they assessed items with a five-point and seven-point Likert scale. The five-point Likert scale was used to measure constructs such as the quality and agility of logistics services and online retail performance (1 = Strongly Disagree and 5 = Strongly Agree). A seven-point Likert scale was used to determine the importance of the different competitive strategies to the participants' overall business strategies (1 – Least Important to 7 – Most Important). Likert scales are a common technique to measure attitudes and judgments, enabling the participant to show the extent of their agreement or the level of importance that should be accorded to each item (Loehlin & Beaujean, 2016). Using both scales enhance the credibility and accuracy of the instrument as it allows for more detailed answers (Finstad, 2009; Taherdoost, 2019).

Each set of items in the survey relates to one of the study's four primary constructs, or hidden variables, used in psychology and other social sciences to model and estimate unobservable variables through observed variables (Bollen, 2002). After that, a survey was constructed and translated into Arabic to make it suitable for the participants, as most speak Arabic. The face validity of the survey was then assessed by subject matter specialists, and further adjustments were made to increase the validity. After the pretesting, the revised survey was used to gather data for the study.

3.9 Designing the tool

The survey was designed by the researcher after reviewing literature to ascertain that all the constructs were well captured. The survey is divided into four main parts. The first section presents General Information such as the respondent's job title in the company, years of working, company size, and product types. The purpose of this section is to establish the necessary background information to make a comparison of responses according to company and respondent variables.

The second section, Evaluation of the Quality and Agility of Logistics Services Provided by 3PL Providers, focuses on assessing the performance of third-party

logistics (3PL) services across six key constructs: CODS, COREC, SOD, RE, CORET, DA and MR are the constructs identified which are namely Communication of Delivery Status, Convenience of Receipt, Speed of Delivery, Reception Experience, Convenience of Return, Delivery Agility and Market Responsiveness respectively. The survey instrument used in this study consists of 10 items that participants are asked to rate their level of agreement with on a 5-point Likert scale from strongly disagree to strongly agree. This section contains the understanding of 3PL service quality and the ability to meet the needs of the customers.

The third part of the study is Evaluation of Online Retail Performance which gauges the respondent's rating of their business performance in relation to other similar businesses. The performance of the firm, as measured by profitability, sales revenue, market share, and return on investment (ROI), is assessed with a five-point Likert scale of agreement with the respondent's company performance.

The last section, Evaluation of Online Retail Strategy, analyses the business strategy by measuring the two competitive strategies of Cost Leadership and Differentiation. The participants provided a ranking of the strategies based on how important they are for their business operations on a scale from 1 – Least Important to 7 – Most Important. This section reveals the strategic planning factors that shape the competitive position of the business.

3.10 Face Validity of the survey's items

After finishing the development of the survey, the researcher prepared the Arabic version, as most of the participants in the study sample preferred to take the survey in Arabic. Later, the Arabic version was referred to a linguist in order to review it for better accuracy and further clarity. After incorporating her comments, the revised survey was forwarded to six reviewers for face validity assessment. There were four online retailers/owners-managers and two CEOs of delivery companies in this group. We then shared the self-administered survey with the above group of reviewers who checked the wording of questions, noting whether the questions were clear, relevant to the context of Palestine, and suitably designed to measure the underlying constructs. This helped us retain effectiveness and relevance for this survey to its target audience.

3.11 Target population and Sample

The target population for this study consists of online retail companies operating within Palestine that actively conduct sales online and partner with third-party logistics (3PL) providers for fulfillment and delivery. The Palestinian Ministry of Economy estimated around 1,000 online retail stores across Palestine as of 2020 (The Ministry of National Economy (Palestine), n.d.). Given the lack of updated data on the number of online retailers in 2024, the study utilized this earlier estimate to gauge the population size.

The questionnaire was distributed to a sample of online retail businesses based in the West Bank, using a non-probability sampling approach tailored to the study's purpose. Specifically, a convenience sampling technique was selected. Based on the formula to determine sample size with a 95% confidence level, an ideal sample size would be 385. According to (Rahman, 2023), a sample size of over 200 is suggested for studies with complex models and non-normal data distributions. Although 244 responses were collected, this sample size was considered adequate, as literature suggests that sample sizes between 30 and 500 are appropriate for similar studies (Rajendran & Wahab, 2018). Data analysis was conducted using SmartPLS software to support the study's objectives.

3.12 Data Collection Methods

Data was collected using a self-administered survey, distributed through two methods: Two versions of the survey were used to allow for the collection of both online data through SurveyMonkey and paper-based data, since some of the participants might have preferred the use of paper-based forms. Given that there is no database of online retail companies in Palestine, the researcher collected data with the cooperation of delivery companies through their customers lists. These delivery companies helped in forwarding the survey link to their customers through email and WhatsApp. The paper version was also issued in all the branches of logistics companies in major West Bank governorates.

The data was gathered from September 10, 2024, to November 18, 2024, and 297 questionnaires were administered, 238 of which are valid. Out of these, 180 people completed the survey through the online version while 117 completed it through the paper version. According to (Luthfihadi & Dhewanto, 2013), Structural Equation

Modeling (SEM) requires a minimum sample size of 100, and SmartPLS path modeling is acceptable with sample sizes ranging from 30 to 100 cases. Therefore, the collected sample size of 244 respondents is considered adequate for the purposes of this study.

3.13 Ethical Considerations

The study adhered to ethical standards, including informed consent from participants, confidentiality of responses, and use of data for academic purposes only.

Chapter Four: Results

4.1 DATA AND RESULTS

To test the research's hypotheses and its' model validity, the data was collected from Palestinian online retail in West Bank between 10/9/2024 and 18/11/2024. A sample of (297) was collected with (238) of them have usable data as shown in table (4.1). From the usable data (180) were collected through the online version and 117 through the paper version.

Table 4.1: The study's sample.

	Respondents
Total Respondents	297
Usable Responses	238
Complete responses	238
Electronic responses	180
Paper responses	117

The researcher used SmartPls4 to analyze the collected data. The following sections include the descriptive results of the research, convergent validity and discriminant validity of the model's constructs, and reliability test. After that, multiple regression is used to examine the relationship between 3PL service quality, agility, competitive strategies, and online retail performance.

4.2 Descriptive Results

4.2.1 Position of the person who will fill out the questionnaire:

The distribution of respondents' positions in this study highlights a diverse representation from various roles within online retail businesses. A majority of the participants, accounting for 56% (134 respondents), identified themselves as online store owners, reflecting the strong involvement of business decision-makers in the study. Sales managers constituted 16% (39 respondents), while operations department managers represented 6% (15 respondents), underscoring the presence of managerial perspectives in both sales and operational functions. Additionally, 21% (50 respondents) categorized themselves as "Other," indicating a range of roles not explicitly listed but still relevant to the online retail sector. This distribution ensures a

comprehensive understanding of insights from different hierarchical levels and functional areas within the participating organizations.

Table 4.2: The distribution of respondents' positions.

Position	Counts	Percentage of total
Online store owner.	134	56%
Sales manager.	39	16%
Operations department manager.	15	6%
Other.	50	21%

4.2.2 Number of employees in your company:

The sample's businesses are predominantly micro-enterprises, with 76% (180 businesses) reporting a workforce of 0-5 employees. This reflects the central role of very small businesses in the online retail sector, particularly in the Palestinian context. Businesses employing 5-15 individuals account for 23% (54 businesses), representing small enterprises with more structured operations. In contrast, only 2% (4 businesses) reported having more than 15 employees, indicating a limited presence of medium-sized enterprises within the sample. These findings underscore the dominance of micro and small businesses in the e-commerce landscape and their contribution to economic activity in the region.

Table 4.3: Distribution of the sample's businesses according to their number of employees.

Number of employees	Counts	Percentage of total
0-5	180	76%
5-15	54	23%
More than 15	4	2%

4.2.3 Experience years in the positions:

The respondents in this study demonstrated a range of experience levels in the online retail sector. The largest group, comprising 47.06% (112 respondents), reported

having 3 to 5 years of experience, highlighting a significant representation of moderately experienced professionals. Those with 1 to 2 years of experience accounted for 29.41% (70 respondents), reflecting the inclusion of relatively newer entrants to the industry. Meanwhile, 23.53% (56 respondents) had more than 5 years of experience, representing seasoned professionals with substantial industry expertise. This distribution provides a balanced view of insights from individuals at varying stages of their professional journey in online retail.

Table 4.4: The distribution of respondents' experience years.

Experience	Counts	Percentage of total
1 to 2 years	70	29.41%
3 to 5 years	112	47.06%
More Than 5 years	56	23.53%

4.2.4 Online store's main categories of products or services:

The businesses in the sample represent a wide range of sectors within the online retail industry. The largest segment, comprising 31.20% (112 businesses), operates in the apparel and fashion accessories sector, reflecting its strong presence in e-commerce. Health and beauty products, as well as home decor and living items, also feature prominently, accounting for 17.55% (63 businesses) and 17.83% (64 businesses), respectively. Home electronic devices represent 12.53% (45 businesses), followed by mobiles, IT equipment, and cameras at 9.19% (33 businesses). Sports equipment and automobile accessories make up 6.13% (22 businesses), while 5.57% (20 businesses) fall into the "Other" category, encompassing diverse sectors not explicitly listed. This diverse distribution highlights the varied nature of the online retail landscape, encompassing both popular and niche markets.

Table 4.5: Distribution of the sample's businesses according to their sector.

Businesses Sector	Counts	Percentage of total
Apparel and Fashion Accessories	112	31.20%
Health and Beauty Products	63	17.55%
Home Decor and Living Items	64	17.83%
Home Electronic Devices	45	12.53%
Mobiles, IT Equipment, and Cameras	33	9.19%
Sports Equipment and Automobile Accessories	22	6.13%
Others	20	5.57%

4.2.5 Third-Party Logistics (3PL) Service Quality:

The study measured the dimensions of 3PL Service Quality using five constructs: Communication of Delivery Status (CODS), Convenience of Receipt (COREC), Speed of Delivery (SOD), Reception Experience (RE), and Convenience of Return (CORET). To describe these dimensions, the means, standard deviations, and percentage weights were calculated for each. As shown in Table (4.6), the mean score for the dimension's ranges from 3.70 to 4.00, with standard deviations ranging from 0.52 to 0.70, and percentage weights between 73.93% and 80.00%, indicating a high level of agreement across all dimensions. The Speed of Delivery (SOD) dimension recorded the highest percentage weight of 80.00%, followed by Communication of Delivery Status (CODS) at 77.93%, and Convenience of Receipt (COREC) at 76.93%. The Convenience of Return (CORET) dimension also showed a significant level of agreement with a percentage weight of 76.40%, while Reception Experience (RE) had the lowest weight at 73.93%. These results suggest that all 3PL Service Quality dimensions are highly regarded, with Speed of Delivery and Communication of Delivery Status being particularly influential.

Table 4.6: Mean, standard deviation and percentage weight of 3PL Service Quality Dimensions.

Constructs		Mean	Std.	Percentage Weight	Level of Agreement
CODS	Communication of Delivery Status	3.90	0.59	77.93	High
COREC	Convenience of Receipt	3.85	0.67	76.93	High
SOD	Speed of Delivery	4.00	0.70	80.00	High
RE	Reception Experience	3.70	0.52	73.93	High
CORET	Convenience of Return	3.82	0.61	76.40	High

For the purpose of determining the levels of implementation among the dimensions' items, the researcher calculated the means, standard deviation for each item:

4.2.5.1 Communication of Delivery Status (CODS):

The results in Table (4.7) illustrate the mean and standard deviation for the Communication of Delivery Status (CODS) dimension, which are 3.90 and 0.59, respectively, with a percentage weight of 77.93%, indicating a high level of agreement. All items used to measure the CODS dimension also achieved a high level of agreement. The statement "Online e-customers are more likely to purchase from online retailers that partner with 3PL service providers offering shipment tracking capabilities" scored the highest percentage weight at 78%, followed by the statement "Online e-customers prefer online retailers that collaborate with 3PL service providers who provide timely updates on the order status," also at 78%. The statement "Online e-customers are more inclined to buy from online retailers whose 3PL service providers offer accurate information on expected delivery times" scored slightly lower at 77.8%. These results reflect the critical importance of communication and tracking capabilities in enhancing online customer trust and purchase decisions.

Table 4.7: Descriptive statistics for Communication of Delivery Status (CODS).

No.	Items	Mean	Std.	Percentage Weight	Level of Agreement
CODS1	Online e-customers are more likely to purchase from online retailers that partner with 3PL service providers offering shipment tracking capabilities.	3.9	0.78	78	High
CODS2	Online e-customers prefer online retailers that collaborate with 3PL service providers who provide timely updates on the order status.	3.9	0.75	78	High
CODS3	Online e-customers are more inclined to buy from online retailers whose 3PL service providers offer accurate information on expected delivery times.	3.89	0.78	77.8	High
Overall score of the Communication of Delivery Status		3.90	0.59	77.93	High

4.2.5.2 Convenience of Receipt (COREC):

The results in Table (4.8) illustrate the mean and standard deviation for the Convenience of Receipt (COREC) dimension, which are 3.85 and 0.67, respectively, with a percentage weight of 76.93%, indicating a high level of agreement. All items used to measure the COREC dimension also achieved a high level of agreement. The statement “Online customers are more likely to purchase from online retailers that work with 3PL service providers offering delivery to convenient pickup points (e.g., kiosks, petrol stations)” scored the highest percentage weight at 77.4%, followed by the statement “Online customers prefer online retailers that collaborate with 3PL service providers offering delivery to self-service terminals (parcel lockers)” with 77.2%. The statement “Online customers are more inclined to buy from online retailers whose 3PL service providers offer the option to pick up orders at the retailer's branches” scored slightly lower at 76.2%. These results highlight the significance of offering flexible and convenient delivery options to enhance the online shopping experience and attract more customers.

Table 4.8: Descriptive statistics for Convenience of Receipt (COREC).

No.	Items	Mean	Std.	Percentage Weight	Level of Agreement
COREC1	Online customers are more likely to purchase from online retailers that work with 3PL service providers offering delivery to convenient pickup points (e.g., kiosks, petrol stations).	3.87	0.82	77.4	High
COREC2	Online customers prefer online retailers that collaborate with 3PL service providers offering delivery to self-service terminals (parcel lockers).	3.86	0.83	77.2	High
COREC3	Online customers are more inclined to buy from online retailers whose 3PL service providers offer the option to pick up orders at the retailer's branches.	3.81	0.81	76.2	High
Overall score of the Convenience of Receipt (COREC)		3.85	0.67	76.93	High

4.2.5.3 Speed of Delivery (SOD):

Table (4.9) shows the results for the mean and standard deviation for the Speed of Delivery (SOD) dimension at 4.00 and 0.70, respectively, which have a percentage weight of 80.00%, indicating a high level of agreement. All of the items that were used to measure the dimension of the SOD also showed a high level of agreement. The highest percentage weight achieved for the statement is 'Online customers are more chance to engage with online retailers whose 3PL service provider provides delivery within 24 hours' with 81.4%, and the second highest percentage weight associated with the statement 'Online customers prefer collaboration with online retailers amongst 3PL service providers that offer the possibility of choosing different delivery times' with 79.4%. That is, the statement "Online customers are more likely to purchase from online retailers who partner with other 3PL service providers that deliver on holidays" got a slightly lower score of 79.2%. These results highlight the implications of rapid and flexible delivery options on customer purchase decisions and the performance of online retailers.

Table 4.9: Descriptive statistics for Speed of Delivery (SOD).

No.	Items	Mean	Std.	Percentage Weight	Level of Agreement
SOD1	Online customers are more likely to purchase from online retailers that partner with 3PL service providers offering delivery on holidays.	3.96	0.80	79.2	High
SOD2	Online customers prefer online retailers that collaborate with 3PL service providers offering the possibility of choosing different delivery times.	3.97	0.87	79.4	High
SOD3	Online customers are more inclined to buy from online retailers whose 3PL service providers offer delivery of products within 24 hours.	4.07	0.83	81.4	High
Overall score of the Speed of Delivery (SOD)		4.00	0.70	80.00	High

4.2.5.4 Reception Experience (RE):

As illustrated in Table (4.10), the results show the mean and standard deviation for the Reception Experience (RE) dimension, where the mean is 3.70, and the standard deviation is 0.52, with a weight of 73.93 %, signifying a high agreement. Even the ones used to measure the RE dimension had a high level of agreement. At 74.6% and 74.4%, respectively, the statements 'Online customers are more likely to purchase from online retailers that cooperate with 3PL service providers whose couriers behave professionally and courteously', and 'Online customers are more inclined to buy from online retailers whose 3PL service providers ensure that parcels are aesthetically packaged' scored the highest percentages of weight. At 72.8%, the statement ‘Online customers prefer online retailers that make use of 3PL service providers using environmentally friendly materials to pack their shipments’ scored a little less. These findings emphasize the importance of professionalism, environmental responsibility, and aesthetic appeal to increasing customer satisfaction around the reception experience.

Table 4.10: Descriptive statistics for Reception Experience (RE).

No.	Items	Mean	Std.	Percentage Weight	Level of Agreement
RE1	Online customers are more likely to purchase from online retailers that cooperate with 3PL service providers whose couriers behave professionally and courteously.	3.73	0.72	74.6	High
RE2	Online customers prefer online retailers that work with 3PL service providers using environmentally friendly materials to pack their shipments.	3.64	0.71	72.8	High
RE3	Online customers are more inclined to buy from online retailers whose 3PL service providers ensure that parcels are aesthetically packaged.	3.72	0.74	74.4	High
Overall score of the Reception Experience (RE)		3.70	0.52	73.93	High

4.2.5.5 Convenience of Return (CORET):

Table (4.11) presents the mean and standard deviation for the Convenience of Return (CORET) dimension of 3.82 and 0.61 percent weight of 76.40 percent, respectively, showing the high level of agreement. A high level of agreement was achieved on all items used to measure the CORET dimension. The highest percentage weight is obtained with the statement "Online customers are more likely to buy from online retailers that partner with 3PL service providers that have an easy and simple product return procedure" (76.8%), followed by statements "Online customers prefer online retailers that team up with 3PL service providers offering free product returns" and "Online customers are more likely to purchase from online retailers that have the same with 3PL service providers that permit the product return outside of the normal period". These results underscore the importance of easy, cost-effective, and flexible return options in building customer trust and enhancing their shopping experience.

Table 4.11: Descriptive statistics for Convenience of Return (CORET).

No.	Items	Mean	Std.	Percentage Weight	Level of Agreement
CORET1	Online customers are more likely to purchase from online retailers that partner with 3PL service providers offering an easy and straightforward product return procedure.	3.84	0.78	76.8	High
CORET2	Online customers prefer online retailers that collaborate with 3PL service providers offering free product returns.	3.81	0.78	76.2	High
CORET3	Online customers are more inclined to buy from online retailers whose 3PL service providers allow product returns beyond the standard period.	3.81	0.78	76.2	High
Overall score of the Convenience of return (CORET)		3.82	0.61	76.40	High

4.2.6 Third-Party Logistics (3PL) Service Agility:

The study measured the 3PL Agility dimensions using two key constructs: Delivery Agility (DA) and Market Responsiveness (MR). To describe these dimensions, the researcher calculated the means, standard deviations, and percentages for each. As shown in Table 4.12, the mean and standard deviation scores for the sample responses regarding 3PL Agility are 3.89 and 0.55 for Delivery Agility, with a percentage weight of 77.87%, and 3.83 and 0.72 for Market Responsiveness, with a percentage weight of 76.67%. Both dimensions indicate a high level of agreement. Among these, Delivery Agility scored slightly higher, followed by Market Responsiveness, highlighting their importance in maintaining effective and responsive logistics services in dynamic market conditions.

Table 4.12: Mean, standard deviation and percentage weight of 3PL Agility Dimensions.

Constructs		Mean	Std.	Percentage Weight	Level of Agreement
DA	**Delivery Agility**	3.89	0.55	77.87	High
MR	**Market Responsiveness**	3.83	0.72	76.67	High

For the purpose of determining the levels of implementation among the dimensions' items, the researcher calculated the means, standard deviation for each item:

4.2.6.1 Delivery Agility (DA):

The numbers in Table (4.13) show that the means and standard deviation for the Delivery Agility (DA) dimension are 3.89 and 0.55, respectively, and the percentage weight is 77.87%, which means that all the participants were in agreement with this dimension. Likewise, all the items that were used to measure the DA dimension had moderate to high level of reliability. The statement "Our 3PL provider can achieve on-time delivery to meet changing market needs" received the highest percentage weight of 79%, while the statement "Our 3PL provider focused on reducing delivery time to adapt to changing market needs" received 78% weight almost instantly. The statement "Our 3PL provider maintains reliable delivery to meet changing market demands effectively" was slightly lower at 76.6%. The above findings also highlight the importance of timely and accurate delivery in helping the 3PL providers meet the dynamic market needs.

Table 4.13: Descriptive statistics for Delivery Agility (DA).

No.	Items	Mean	Std.	Percentage Weight	Level of Agreement
DA1	Our 3PL provider can achieve on-time delivery to meet changing market needs.	3.95	0.78	79	High
DA2	Our 3PL provider maintains reliable delivery to meet changing market demands effectively.	3.83	0.74	76.6	High
DA2	Our 3PL provider focused on reducing delivery time to quickly adapt to changing market needs.	3.90	0.71	78	High
Overall score of the Delivery Agility (DA)		3.89	0.55	77.87	High

4.2.6.2 Market Responsiveness (MR):

The means and standard deviations of the Market Responsiveness (MR) dimension are presented in Table (4.14), with the mean being 3.83 and the standard deviation being 0.72, and percentage weight of 76.67%, which shows high level of

agreement. All the items which were used to measure the MR dimension also had a very high degree of reliability. The first statement "Our 3PL provider is capable of quickly introducing new products to the market to capture emerging opportunities" which received the highest percentage weight of 77.4% was followed by the second statement "Our 3PL provider responds rapidly to changing market needs to maintain competitive advantage" which received a percentage weight of 76.4%. The statement "Our 3PL provider can easily change products to meet market demands" got slightly lower at 76.2%. These findings under emphasize the need to adapt quickly and be versatile in order to address changing market needs and sustain the company's market stance.

Table 4.14: Descriptive statistics for Market Responsiveness (MR).

No.	Items	Mean	Std.	Percentage Weight	Level of Agreement
MR1	Our 3PL provider can quickly modify products to align with market requirements.	3.81	0.88	76.2	High
MR2	Our 3PL provider is capable of quickly introducing new products to the market to capture emerging opportunities.	3.87	0.86	77.4	High
MR3	Our 3PL provider responds rapidly to changing market needs to maintain competitive advantage.	3.82	0.80	76.4	High
Overall score of the Market Responsiveness (MR)		3.83	0.72	76.67	High

4.2.7 Online Retail Performance (OP):

The statistics reported in Table (4.15) are the means and standard deviations for the Online Retail Performance (OP) dimension, which are calculated to be 3.73 and 0.57, respectively, with 74.55% of the percentage weight, which is an indication of a high level of consensus. All items measured for the OP dimension also had a high level of agreement of the two statements, "The profit of my company is better than those of our direct competitors in the last financial year" and "The sales revenue of my company is better than those of our direct competitors in the last financial year" had the highest percentage weight of 75.8%, tied with the first statement. This was followed by "The market share of my company is better than those of our direct competitors in the last financial year" at 73.8%, and "The ROI (return on investment)

of my company is better than those of our direct competitors in the last financial year" at 72.8%. These results suggest that the respondents perceive their companies to perform well in profitability, revenue, market share, and ROI compared to their competitors, reflecting strong online retail performance.

Table 4.15: Descriptive Statistics for Online Retail Performance (OP).

No.	Items	Mean	Std.	Percentage Weight	Level of Agreement
OP1	The profit of my company is better than those of our direct competitors in the last financial year.	3.79	0.73	75.8	High
OP2	The sales revenue of my company is better than those of our direct competitors in the last financial year.	3.79	0.81	75.8	High
OP3	The market share of my company is better than those of our direct competitors in the last financial year.	3.69	0.75	73.8	High
OP4	The ROI (return on investment) of my company is better than those of our direct competitors in the last financial year.	3.64	0.72	72.8	High
Overall score of the Online Retail Performance (OP)		3.73	0.57	74.55	High

4.2.8 Competitive Strategies (CS):

The study measured the Competitive Strategies using two dimensions: Cost Leadership (CL) and Differentiation (DI). To describe these dimensions, the researcher calculated the means, standard deviations, and percentage weights for each. As shown in Table 4.16, the mean and standard deviation scores for the sample responses regarding Competitive Strategies are 4.74 and 2.04 for Cost Leadership, with a weight percentage of 67.74%, and 4.86 and 1.02 for Differentiation, with a weight percentage of 69.40%. Both dimensions indicate a moderate level of agreement. Among these, Differentiation scored slightly higher, followed by Cost Leadership, highlighting the emphasis on creating unique value propositions over competing solely on cost efficiency in the context of the surveyed businesses.

Table 4.16: Mean, standard deviation and percentage weight of Competitive Strategies.

Constructs		Mean	Std.	Percentage Weight	Level of Agreement
CL	**Cost Leadership**	4.74	2.04	67.74	Moderate
DI	**Differentiation**	4.86	1.02	69.40	Moderate

For the purpose of determining the levels of implementation among the dimensions' items, the researcher calculated the means, standard deviation for each item:

4.2.8.1 Cost Leadership (CL)

The results in Table (4.17) illustrate the mean and standard deviation of the Cost Leadership (CL) dimension, which are 4.74 and 2.04, respectively, with a percentage of 67.74%, indicating that the level of Cost Leadership is moderate. Also, all items used to measure the Cost Leadership dimension achieved a moderate level of agreement. The statement "Finding ways to reduce the cost of production" has the highest percentage weight (70.43%), followed by the statement "Operating efficiency" with 69.14%, and "Pursuing cost advantage of raw material procurement" with 68.71%. The statement "Pursuing economy of scale" scored 66.43%, while "Pricing below competitors" has the lowest percentage weight at 64.00%. These results reflect that while cost-reduction strategies are moderately emphasized across all aspects, minimizing production costs stands out as the most critical practice within the Cost Leadership dimension.

Table 4.17: Descriptive Statistics for Cost Leadership (CL).

No.	Items	Mean	Std.	Percentage Weight	Level of Agreement
CL1	Operating efficiency.	4.84	1.53	69.14	Moderate
CL2	Pursuing cost advantage of raw material procurement.	4.81	1.39	68.71	Moderate
CL3	Pricing below competitors.	4.48	1.42	64.00	Moderate
CL4	Pursuing economy of scale.	4.65	1.35	66.43	Moderate

CL5	Finding ways to reduce the cost of production.	4.93	1.44	70.43	High
Overall score of the Cost Leadership (CL)		4.74	2.04	67.74	Moderate

4.2.8.2 Differentiation (DI)

The results in Table (4.18) illustrate the mean and standard deviation of the Differentiation (DI) dimension, which are 4.86 and 1.02, respectively, with a percentage of 69.40%, indicating that the level of Differentiation is moderate. All items used to measure the Differentiation dimension achieved either a high or moderate level of agreement. The statement "Control of distribution channels" has the highest percentage weight (71.29%), closely followed by "Providing products with many features" at 71.00%, and "Providing products with unique features" at 70.57%, all indicating high levels of agreement. Meanwhile, "Advertising" scored 68.29% and "Targeting high-priced product segments" scored 65.86%, both reflecting moderate levels of agreement. These results highlight that product uniqueness, feature richness, and control over distribution channels are critical aspects of differentiation, while pricing strategies and advertising remain moderately emphasized within the differentiation dimension.

Table 4.18: Descriptive Statistics for Differentiation (DI).

No.	Items	Mean	Std.	Percentage Weight	Level of Agreement
DI1	Providing products with unique features.	4.94	1.00	70.57	High
DI2	Providing products with many features.	4.97	0.95	71.00	High
DI3	Targeting high-priced product segments.	4.61	1.12	65.86	Moderate
DI4	Advertising	4.78	0.98	68.29	Moderate
DI5	Control of distribution channels.	4.99	0.99	71.29	High
Overall score of the Differentiation (DI)		4.86	1.02	69.40	Moderate

4.3 Reliability and Validity Analysis

The content validity of the research tool was assessed in Chapter Two, while the face validity was assessed in Chapter Three and modified based on experts'

recommendations. This chapter first examines the convergent validity of the model's ten constructs and then the discriminant validity and reliability of these constructs.

The ten constructs include five independent latent variables measuring Third-Party Logistics (3PL) Service Quality: The constructs used in this study are Communication of Delivery Status (CODS), Speed of Delivery (SOD), Convenience of Receipt (COREC), Reception Experience (RE), and Convenience of Return (CORET). Furthermore, two variables that capture 3PL Service Agility are Delivery Agility (DA) and Market Responsiveness (MR). Dependent variable is Online Retail Performance (ORP) and Moderating variable is Online Retail Competitive Strategies (CS) which includes Cost Leadership (CL) and Differentiation (DI). Table (4.19) presents the overall and detailed assessment of these constructs, thus confirming their accuracy and reliability.

Table 4.19: Reliability and convergent validity for first-order construct.

Construct	**Item**	**Factor Loading**	**Cronbach's Alpha**	**Composite Reliability**	**(AVE)**
CODS	CODS1	0.879	0.836	0.844	0.755
	CODS2	0.916			
	CODS3	0.808			
SOD	SOD1	0.888	0.872	0.872	0.793
	SOD2	0.906			
	SOD3	0.882			
COREC	COREC1	0.839	0.808	0.808	0.722
	COREC2	0.869			
	COREC3	0.842			
RE	RE1	0.833	0.812	0.816	0.725
	RE2	0.862			
	RE3	0.861			
CORET	CORET1	0.851	0.82	0.822	0.735
	CORET2	0.843			
	CORET3	0.879			
DA	DA1	0.81	0.797	0.799	0.712
	DA2	0.874			
	DA3	0.846			
MR	MR1	0.889	0.892	0.894	0.823
	MR2	0.913			
	MR3	0.919			
OP	OP1	0.843	0.892	0.893	0.755
	OP2	0.877			
	OP3	0.877			
	OP4	0.879			

CL	CL1	0.792	0.847	0.852	0.619
	CL2	0.793			
	CL3	0.768			
	CL4	0.821			
	CL5	0.758			
DI	DI1	0.841	0.906	0.907	0.728
	DI2	0.855			
	DI3	0.833			
	DI4	0.861			
	DI5	0.875			

The internal consistency of the constructs was established through reliability tests, and their convergent validity was analyzed. Cronbach's alpha, Composite reliability, and Average variance extracted coefficients. The construct reliability was assessed using the Cronbach alpha coefficient to justify the internal consistency greater than 0.70 as proposed by (Nunnally & Bernstein, 1994). The internal consistencies of the study variables were determined by Cronbach's alpha, with coefficient values ranging from 0.797 to 0.906. For example, the reliability of Communication of Delivery Status (CODS) was 0.836, the Speed of Delivery (SOD) was 0.872, and Convenience of Receipt (COREC) was 0.808. Also, for RE and CORET, coefficients were 0.812 and 0.820, respectively, while for MR and DI, coefficients were higher, with values of 0.892 and 0.906, respectively. The results of this research indicate that all the constructs measured in this research are highly reliable.

Conducting Confirmatory Factor Analysis (CFA), factor loadings, CR, and AVE were examined to establish the convergent validity. All the retained items had factor loadings more significant than the minimum recommended level of 0.70 by (Hair et al., 2010) to show high reliability and stability. For instance, loadings for CODS were between 0.812 and 0.915, for SOD were between 0.846 and 0.925, and for COREC were between 0.832 and 0.866. The same can be said of MR and OP, which had high loadings with values of 0.887-0.921 and 0.843-0.880, respectively. The two control variables; Cost Leadership (CL) and Differentiation (DI) were also important with factor loadings ranging from 0.758 to 0.821 for CL and 0.833 to 0.875 for DI. These results show that the constructs have high reliability and are indeed applicable to the theoretical model.

The constructs' Composite Reliability Coefficient (CR) was also high and above the accepted level of 0.70 and ranged from 0.803 to 0.907. Also, all the AVE values were above the minimum magnitude of 0.50 recommended by (Fornell & Larcker, 1981), ranging from 0.619 to 0.823. In particular, the CODS obtained an AVE of 0.755; the SOD had a value of 0.793, and the COREC and CORET had an AVE of 0.722 and 0.735, respectively. Market Responsiveness (MR) yielded an AVE of 0.823, while Online Retail Performance (OP) yielded an AVE of 0.755. The values of AVE are also evidence that each construct has derived enough variance from its corresponding items to support the convergent validity.

The Internal consistency of the second-order constructs was established by calculating Cronbach's α coefficient (CA), Composite Reliability (CR), and Average Variance Extracted (AVE). The second-order construct Logistics Service Quality (LSQ) had a Cronbach's α of 0.873 and Composite Reliability of 0.887, both greater than 0.70, meaning internal consistency was high (Hair et al., 2017). The AVE for LSQ was 0.499, just slightly below the benchmark of 0.50 (Fornell & Larcker, 1981), meaning that the construct accounts for a reasonable amount of variability in its measures.

For the second-order construct Agility, the obtained Cronbach's α was 0.861, and the CR was 0.866, both of which are within the recommended range, which proves acceptable reliability. The AVE for agility was calculated to be 0.769, more significant than the required threshold of 0.50, suggesting that the construct is capturing adequate variation from its respective indicators. These findings reveal that the second-order constructs are reliable and possess convergent validity, thus further validating their appropriateness for further structural model analysis.

Table 4.20: Reliability and convergent validity for higher-order construct.

Construct	Item	Factor Loading	Cronbach's Alpha	Composite Reliability	(AVE)
LSQ	CODS	0.739	0.873	0.887	0.499
	SOD	0.846			
	COREC	0.412			
	RE	0.707			
	CORET	0.75			
Agility	SOD1	0.852	0.861	0.866	0.769
	SOD2	0.901			

Discriminant Validity Using Heterotrait–Monotrait Ratio (HTMT)

The discriminant validity was evaluated with Heterotrait–Monotrait ratio of the correlations (HTMT) relative to the averages of both heterotrait–heteromethod correlations and monotrait–heteromethod correlations (Henseler et al., 2015). Table 4.21 shows the HTMT assessment and the HTMT best value is less than one(Fornell & Larcker, 1981) , meaning all HTMT values have sufficient discriminant validity. For instance, the maximum value of HTMT that was attained is 0.815 between MR, and OP, still below the cutoff of 0.90 the research set as a standard (Gold et al., 2001). the results of the measurement model offered a good level of construct validity.

Table 4.21: Heterotrait–Monotrait ratio (HTMT) Matrix.

	CL	CODS	COREC	CORET	DA	DI	MR	OP	RE	SOD
CL										
CODS	0.37									
COREC	0.266	0.602								
CORET	0.302	0.483	0.763							
DA	0.377	0.674	0.719	0.591						
DI	0.35	0.683	0.683	0.551	0.816					
MR	0.226	0.61	0.772	0.676	0.641	0.621				
OP	0.296	0.67	0.844	0.81	0.769	0.772	0.815			
RE	0.312	0.482	0.586	0.421	0.736	0.687	0.509	0.599		
SOD	0.055	0.261	0.274	0.122	0.305	0.316	0.174	0.194	0.318	

Discriminant validity Using Fornell-Larcker criterion

The Fornell-Larcker criterion was utilized to evaluate the discriminant validity of the constructs. Discriminant validity ensures that each construct is unique and shares more variance with its own indicators than with any other construct. This is assessed by comparing the square root of the Average Variance Extracted (AVE) for each construct, shown on the diagonal of the table, with the correlations between constructs (off-diagonal values).

The results demonstrate that the square root of AVE for each construct exceeds its correlations with other constructs, confirming discriminant validity. For example, the square root of AVE for Cost Leadership (CL) was 0.787, which is greater than its

correlations with Communication of Delivery Status (CODS: -0.309), Convenience of Receipt (COREC: -0.227), and other constructs. Similarly, Communication of Delivery Status (CODS) had a square root of AVE of 0.869, which exceeded its correlations with Convenience of Return (CORET: 0.403) and Speed of Delivery (SOD: 0.220).

The results also confirm that each construct is significantly different from the others and that each is moderately to highly distinct from the other constructs in the model, thereby supporting the measurement model. This helps to achieve confidence that the constructs are really measuring what has been intended to be measured and provides a good platform for structural model assessment.

Table 4.22: Fornell-Larcker criterion.

	CL	CODS	COREC	CORET	DA	DI	MR	OP	RE	SOD
CL	**0.787**									
CODS	-0.309	**0.869**								
COREC	-0.227	0.496	**0.85**							
CORET	-0.257	0.403	0.621	**0.857**						
DA	-0.312	0.548	0.577	0.48	**0.844**					
DI	-0.31	0.595	0.585	0.481	0.692	**0.853**				
MR	-0.204	0.527	0.656	0.58	0.541	0.56	**0.907**			
OP	-0.262	0.579	0.719	0.698	0.649	0.695	0.729	**0.869**		
RE	-0.271	0.401	0.475	0.353	0.596	0.593	0.437	0.516	**0.851**	
SOD	-0.049	0.22	0.227	0.102	0.254	0.281	0.156	0.178	0.269	**0.89**

Discriminant Validity Using Cross-Loadings

Discriminant validity was checked through cross-loadings analysis, presented in Table (4.23). This proves that each variable is more strongly related to its construct than any other construct, and hence, discriminant validity in the measurement model is adequate.

For example, indicators of Cost Leadership (CL) had significantly high factor loadings on the respective construct, ranging from 0.740 to 0.906, and significantly low correlations with other unrelated constructs like Communication of Delivery Status (CODS) and Convenience of Receipt (COREC). Likewise, CODS indicators such as CODS2 had a high component loading on the intended construct with a value of 0.915 while showing a very low cross-loading with Cost Leadership with a value of -0.257.

It is noteworthy that such a pattern is held across all the constructs. For example, the DA items had cross-loadings ranging from 0.801 to 0.877 with their construct, while the DI and RE had notably lower cross-loadings with the DA construct. Other indicators for Online Retail Performance (OP), which had high factor loading for their construct, include OP3 (0.876), establishing low to moderate correlation with other constructs.

Consequently, the findings confirm the discriminant validity of the model, which identifies that all the constructs are adequately distinct with insignificant overlap. This strong validation strengthens the measurement model's reliability and suitability for evaluating the structural model.

Table 4.23: Cross-Loadings.

	CL	CODS	COREC	CORET	DA	DI	MR	OP	RE	SOD
CL1	0.792	-0.203	-0.181	-0.226	-0.232	-0.216	-0.154	-0.215	-0.198	-0.038
CL2	0.793	-0.305	-0.184	-0.172	-0.231	-0.263	-0.128	-0.198	-0.167	-0.031
CL3	0.768	-0.225	-0.252	-0.25	-0.279	-0.281	-0.247	-0.243	-0.322	-0.048
CL4	0.821	-0.225	-0.103	-0.18	-0.256	-0.214	-0.122	-0.179	-0.203	-0.045
CL5	0.758	-0.264	-0.143	-0.163	-0.222	-0.235	-0.125	-0.179	-0.142	-0.029
CODS2	-0.257	0.915	0.455	0.368	0.453	0.509	0.496	0.519	0.336	0.176
CODS3	-0.28	0.812	0.354	0.357	0.474	0.489	0.432	0.467	0.302	0.147
COREC1	-0.208	0.43	0.832	0.489	0.468	0.493	0.541	0.583	0.432	0.189
COREC2	-0.211	0.42	0.866	0.539	0.496	0.488	0.538	0.602	0.375	0.211
COREC3	-0.162	0.417	0.851	0.551	0.506	0.51	0.591	0.644	0.406	0.179
CORET1	-0.212	0.299	0.546	0.841	0.393	0.354	0.459	0.539	0.311	0.012
CORET2	-0.233	0.33	0.531	0.841	0.396	0.398	0.519	0.575	0.253	0.158
CORET3	-0.217	0.397	0.524	0.889	0.441	0.473	0.512	0.669	0.34	0.088
DA1	-0.256	0.473	0.47	0.382	0.801	0.612	0.447	0.504	0.495	0.248
DA2	-0.258	0.469	0.507	0.407	0.877	0.573	0.472	0.575	0.495	0.216

DA3	-0.277	0.448	0.484	0.425	0.852	0.571	0.451	0.562	0.52	0.184
DI1	-0.226	0.476	0.412	0.376	0.519	0.841	0.425	0.585	0.492	0.183
DI2	-0.264	0.529	0.555	0.378	0.594	0.855	0.498	0.574	0.503	0.264
DI3	-0.218	0.483	0.523	0.434	0.66	0.833	0.493	0.596	0.52	0.278
DI4	-0.279	0.507	0.496	0.389	0.54	0.861	0.449	0.596	0.49	0.193
DI5	-0.335	0.542	0.51	0.469	0.635	0.875	0.523	0.614	0.523	0.276
MR1	-0.137	0.454	0.634	0.503	0.463	0.468	0.887	0.629	0.386	0.139
MR2	-0.235	0.501	0.57	0.516	0.487	0.513	0.913	0.66	0.415	0.125
MR3	-0.181	0.479	0.585	0.557	0.52	0.541	0.921	0.694	0.389	0.161
OP1	-0.202	0.499	0.624	0.6	0.57	0.601	0.626	0.843	0.427	0.154
OP2	-0.227	0.527	0.653	0.629	0.571	0.64	0.69	0.877	0.475	0.177
OP3	-0.295	0.512	0.607	0.594	0.57	0.604	0.586	0.876	0.487	0.151
OP4	-0.186	0.474	0.612	0.602	0.545	0.568	0.628	0.88	0.401	0.133
RE1	-0.192	0.308	0.404	0.22	0.451	0.474	0.339	0.371	0.818	0.232
RE2	-0.262	0.368	0.449	0.384	0.561	0.563	0.429	0.492	0.869	0.232
RE3	-0.229	0.343	0.358	0.277	0.499	0.47	0.339	0.439	0.866	0.224
SOD1	-0.079	0.162	0.208	0.089	0.221	0.217	0.152	0.161	0.249	0.898
SOD2	-0.033	0.212	0.192	0.094	0.244	0.279	0.147	0.186	0.247	0.925
SOD3	-0.013	0.225	0.214	0.091	0.212	0.256	0.113	0.113	0.219	0.846

4.4 Structural Model Evaluation

These constructs established their reliability and validity before conducting the research hypothesis and assessing the structural model. For the Structural Model, different tests were employed before the Research Hypothesis test, such as the Collinearity test, Coefficient of determination (R^2), and the effect size (f^2).

4.4.1 Collinearity Test

The first stage to assess the structural model is a collinearity test; according to the result of Table (4.24), there was no presence of collinearity in the structural model since all Variance Inflation Factors (VIF) of all constructs are below 5 (Hair et al., 2017).

Table 4.24: Collinearity assessment (VIF).

Paths	**VIF**
CL -> OP	1.230
CODS -> OP	1.984

COREC -> OP	2.641
CORET -> OP	2.178
DA -> OP	2.793
DI -> OP	2.890
MR -> OP	2.397
RE -> OP	1.866
SOD -> OP	1.232
CL x CODS -> OP	1.585
CL x SOD -> OP	1.592
DI x MR -> OP	2.689
CL x COREC -> OP	2.765
DI x DA -> OP	4.950
DI x CODS -> OP	3.602
DI x CORET -> OP	2.203
CL x MR -> OP	2.440
CL x CORET -> OP	2.302
DI x SOD -> OP	1.575
CL x RE -> OP	1.887
DI x COREC -> OP	3.817
DI x RE -> OP	3.521
CL x DA -> OP	2.408

4.4.2 Coefficient of Determination and Predictive Relevance

The coefficient of determination (R^2) is often used as a measure of the explanatory power of structural models with the proportion of variance in the dependent (endogenous) construct 'explained' by the independent (exogenous) constructs. The value of R2 ranges from 0 – 1. The higher the value, the better the ability to predict. For Online Retail Performance (OP), the R^2 value is 0.737, meaning that, collectively, the predictors account for 73.7% of the variation in OP.

Table 4.25: Result of coefficient of determination

	R-square	**Degree of explanation**
OP	0.737	Strong

The blindfolding procedure was developed to assess the predictive relevance (Q^2) of the structural model in a complex model (Geisser, 1974; Stone, 1974). The above result of Q^2 greater than zero reveals that the exogenous constructs substantially predict the endogenous constructs. The data in Table 4.26 shows that Q^2 predicted

Online Retail Performance (OP) is 0.703. This has ensured that all the composed constructs of the structural model hold an adequate level of predictors on the Online Retail Performance, as feasible to reveal their predictive contribution to the variability of the organizational structure.

Table 4.26: Result of predictive relevance.

	Q^2predict
OP	0.703

4.4.3 Effect size

In analyzing the significance of the excluded exogenous variable on the endogenous variable, the effect size measure, f^2, is used (Hair et al., 2017). The amount of variance predicted by Agility and LSQ in the structural model is moderate, with effect sizes of 0.172 and 0.216, respectively. (Cohen, 1988) has suggested guidelines to determine the effect size where 0.2 represents small effect size, 0.5 medium, and 0.8 large; These are also quite substantial. This means that Agility and LSQ are significant determinants of Online Retail Performance (OP). The findings of this study also indicate that there is a high potential for improving performance in the online retail sector by focusing on increasing Agility to quickly adapt to market changes and enhancing LSQ to provide effective and reliable logistics services.

Table 4.27: Result of effect size

Paths	f^2	**Effect Size**
Agility -> OP	0.172	Medium
LSQ -> OP	0.216	Medium

4.5 Study Hypotheses Assessment

The final step of the structural model evaluation was to test the hypothesized relationship by using the path coefficient test. To test the study hypotheses as proposed by (Hair et al., 2017) the bootstrapping techniques (5000 subsamples).

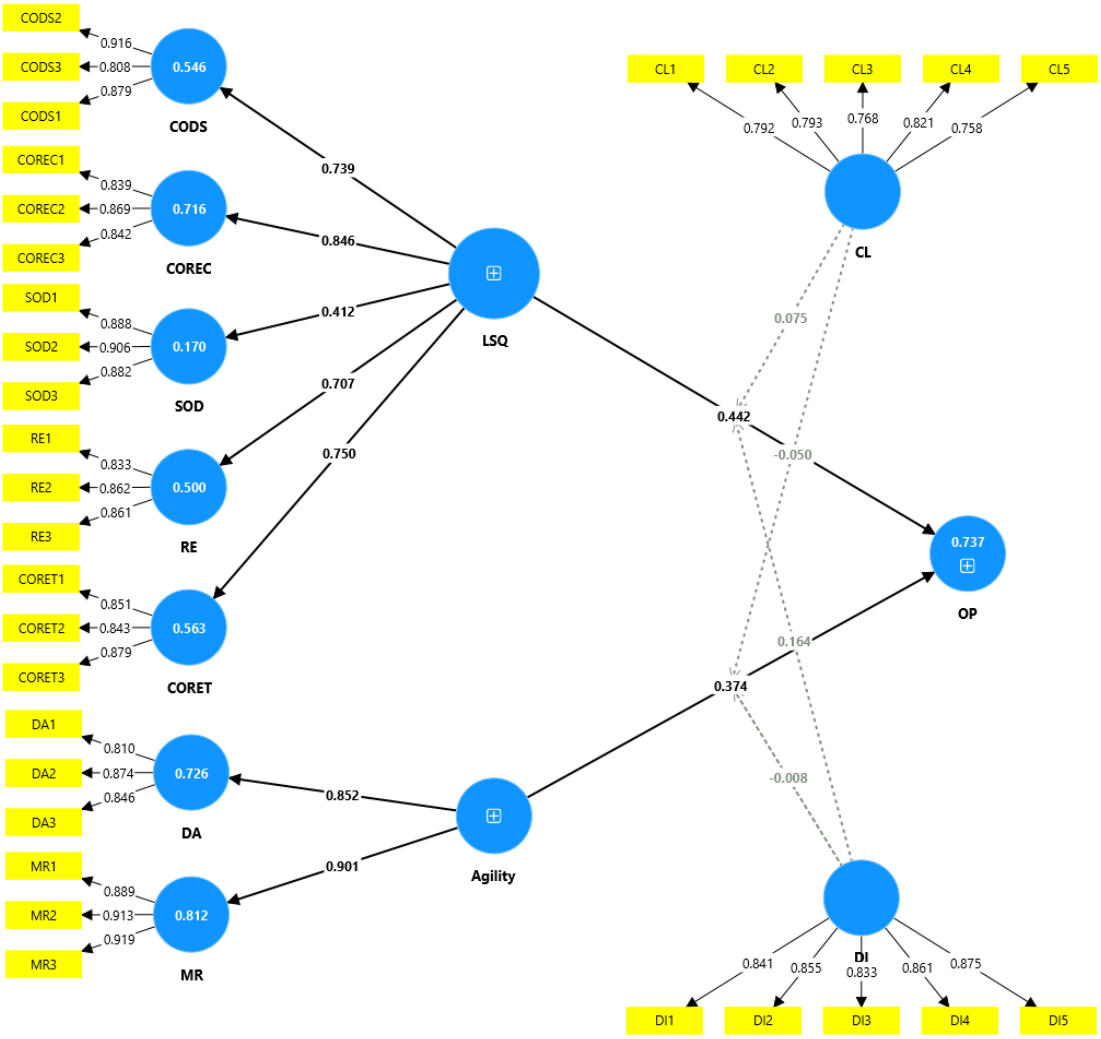

Figure (4.1) displays the result of the main hypothesis of this study.

4.5.1 Result of the effect of Third-party logistics (3PL) service quality on online retail performance.

This section displays the result of the first hypothesis which states that **" Third-party logistics (3PL) service quality positively affects online retail performance."**

According to the result in table **(**4.28**),** The direct relationship between LSQ and OP (H1: B = 0.442, T = 5.855, P < 0.001) was found to be significant, reinforcing the critical role of logistics services in enhancing the operational and customer-facing aspects of online retail businesses. Previous studies, such as (Rao et al., 2011; Zhou et al., 2018), emphasize that superior LSQ fosters customer satisfaction, retention, and

loyalty, all of which contribute to overall business performance. The ability to offer high-quality logistics services, such as timely deliveries, clear communication, and convenient return policies, is integral for gaining competitive advantages in the e-commerce environment.

Table 4.28: Result of the first hypothesis.

	Direct effects	B	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (|O/STDEV|)	P Values	Result
H1	**LSQ -> OP**	0.442	0.44	0.076	5.855	0	Accepted

Prior studies have also established that 3PL service quality is an important factor that influences the performance of online retail. (Mentzer et al., 2001) initially proposed a conceptual model which classified service dimensions such as time, order and communication as having a direct influence on customer satisfaction and business performance. As supported by (Min et al., 2013), 3PL providers play a crucial role in e-business by guaranteeing efficacy, lowering delivery expenses and time, and impacting customers' loyalty and corporate performance. (Kawa & Zdrenka, 2024) Added to this research by identifying other factors that include delivery, communication, ease of receiving products, and return policies as other important factors that can enhance customer loyalty and increase the performance of the retailers. Like in the study done by (Y. Cao et al., 2018a), 3PL services such as delivery and tracking also enhance customer satisfaction, repeat purchase, and better retailer performance. These research findings therefore indicate that 3PL services are not only important to the effective operations of online retailers but also to the strategic resources that are vital in gaining competitive advantage in the challenging environment of e-commerce business.

This section displays the result of the first sub-hypothesis which states that **" Third-party logistics (3PL) service quality (Communication of delivery status, Speed of delivery, Convenience of receipt, Reception experience, and Convenience of return) positively affects online retail performance."**

Table 4.29: Result of the first sub-hypothesis.

Direct effects		*B*	*Sample Mean (M)*	*Standard Deviation (STDEV)*	*T Statistics (|O/STDEV|)*	*P Values*	*Result*
H1a	CODS -> OP	0.114	0.104	0.045	2.537	0.011	Accepted
H1b	SOD -> OP	-0.036	-0.036	0.035	1.035	0.301	Not Accepted
H1c	COREC -> OP	0.156	0.158	0.063	2.482	0.013	Accepted
H1d	RE -> OP	0.042	0.042	0.045	0.93	0.352	Not Accepted
H1e	CORET -> OP	0.282	0.283	0.066	4.274	0	Accepted

H1a: The Communication of the delivery status of 3PL service significantly affects online retail performance.

The analysis confirms that the Communication of Delivery Status (CODS) significantly positively affects Online Retail Performance (H1a: B = 0.114, T = 2.537, P = 0.011). CODS involves explaining the status of customers' orders and delivery, which is an essential aspect of the business used in creating trust, managing expectations, and increasing the level of satisfaction of the customers. (Kawa & Zdrenka, 2023) also noted that CODS positively correlates with perceived logistics service quality since it causes customer trust and loyalty.

Informing the customers of the status of their orders and delivery at specific times is vital in building trust, managing expectations, and improving customer satisfaction. (Kawa & Zdrenka, 2023) also pointed out that CODS has a positive relationship with the perceived logistics service quality, as it leads to building the trust and loyalty of customers. CODS plays a dual role – that of tracking orders and as a communication tool to respond to queries in real-time and meet the demands of the millennial consumer (Marcucci et al., 2021b). As a result of informing the customers and sending them regular notifications about the changes or delays that might occur, CODS can minimize stress levels and build trust (Hua & Jing, 2015). Several studies underline the importance of shipment traceability, information quality, and reliability in the eyes of customers and the subsequent assessment of service quality and, as a result, loyalty and repeat purchasing (Gharib et al., 2017; Mentzer et al., 2001; Xing et al., 2011).

H1b: The Speed of delivery of 3PL service positively affects online retail performance.

The analysis reveals that Speed of Delivery (SOD) does not have a significant impact on Online Retail Performance in this study (H1b: B = -0.036, T = 1.035, P = 0.301). This result contrasts with existing literature that conceptualized speed as a critical factor influencing customer satisfaction and performance (e.g., Cao et al., 2018; Choi et al., 2008; Jain et al., 2017). However, as highlighted by (Kawa & Zdrenka, 2023), the influence of delivery speed may depend on contextual and methodological factors, resulting in nuanced or contradictory findings.

(Kawa & Zdrenka, 2023) Noted that specific dimensions of delivery speed might lose relevance depending on customer expectations and market conditions. For instance, their study in Poland found that the popularity of self-service delivery terminals diminished the importance of rapid delivery for customers. In such cases, customers prioritize flexibility and convenience over speed, viewing delivery within standard timeframes (e.g., 48 to 72 hours) as satisfactory. This trend could explain why the surveyed market in this study also does not prioritize SOD as a critical factor affecting online retail performance.

Another potential explanation offered by (Kawa & Zdrenka, 2023) relates to the conceptualization and operationalization of the "speed of delivery" construct. If measures of SOD focus on services or options that are less popular or have limited availability at the time of data collection, customers may rate them as less important. Additionally, the high availability of standard delivery services in the surveyed context might have led customers to normalize expectations around speed, thereby diminishing its perceived impact on satisfaction and performance.

The research results reflect the changes in customers' expectations in the sphere of e-commerce. Although speed has been identified as a critical factor in some markets, especially for time-sensitive products, it may not be as crucial where other logistics attributes, such as convenience, reliability, and information management, may define customer satisfaction and loyalty.

E-commerce companies should understand that delivery time is not the only factor influencing performance, and its importance varies with customer behavior and

market development. In markets where delivery time is not a competitive advantage, retailers may gain more from other aspects of supply chain management, including the ease of delivery, information sharing about delivery, or ease of return. Nevertheless, retailers should evaluate the importance of speed in their particular environment from time to time to conform to the current consumer behavior patterns and market requirements.

In this regard, the results of this study are consistent with (Kawa & Zdrenka, 2023) suggestions that the effects of delivery speed on performance could be moderated by factors such as the availability of services and customer demands. This underlines the importance of a more differentiated approach to the logistics strategy, with retailers focusing on those aspects of service quality that are most important to customers to enhance the performance of online retailing effectively.

H1c: The Convenience of receipt of 3PL service positively affects online retail performance.

The analysis confirms that the Convenience of Receipt (COREC) of 3PL services significantly positively impacts Online Retail Performance (H1c: B = 0.156, T = 2.482, P = 0.013. This implies that customers should be offered options that will enable them to get products at their convenience and in the most suitable manner to increase satisfaction levels and produce better performance results for online retailers.

The linkage between COREC and online retail performance has also received empirical backing from the literature. (Kawa & Zdrenka, 2023) Note that the flexible delivery options, like home delivery scheduling, pickup points, and self-service terminals, enhance the customer experience because they provide control and eliminate the hassle linked with conventional delivery channels. Further, (Hjort & Lantz, 2016) established that the convenience of the receipt positively impacts customer retention because it minimizes inconvenience in last-mile delivery. According to (Marcucci et al., 2021b), convenience in logistics operations can help retailers gain competitive advantage, increase operational effectiveness, and increase long-term performance.

The positive and statistically significant relationship between Convenience of Receipt (COREC) and Online Retail Performance shows that flexibility and customer

orientation are vital for successful e-commerce. If the receipt process is optimized, it will help increase the satisfaction level and loyalty of the customers with the store and increase the store's operations. This finding underscores the need for convenience-based approaches to be factored into the logistics design to address changing customer needs in the dynamic e-commerce environment.

H1d: The Reception experience of 3PL service positively affects online retail performance.

The analysis indicates that the Reception Experience (RE) of 3PL services does not significantly affect Online Retail Performance in this study (H1d: B = 0.042, T = 0.93, P = 0.352. Reception experience includes the customer's exposure to the delivery personnel and the state of the products received, including courtesy, courtesy, and packaging. While important from a theoretical perspective, as explained in the Service Quality Model by (Parasuraman et al., 1988), which focuses on people and physical evidence, this dimension may not be relevant. The customers in this study may focus on other logistics dimensions like CODS and the COREC rather than the RE. As pointed out by (Kawa & Zdrenka, 2023), in specific markets, customers pay more attention to a particular set of functional attributes of logistics, such as reliability and transparency; this weakens the relevance of the delivery personnel's interpersonal relations.

Additionally, the bench-marking of reception processes across many 3PL providers and the low touch-point interaction typical in B2C logistics may render RE a less critical performance determinant. Although there was no statistically significant difference, retaining high reception standards for the service is essential. To improve customer satisfaction, retailers should ensure that the delivery personnel are professional, the goods are correctly packed, and that customers can give feedback. As such, even though RE may not significantly impact performance in this study, it forms an essential aspect of total service quality initiatives in e-commerce.

H1e: The Convenience of return of 3PL service positively affects online retail performance.

The analysis confirms that the Convenience of Return (CORET) in 3PL services significantly impacts Online Retail Performance (H1e: B = 0.282, T = 4.274, P < 0.001). This study shows that customer-friendly return policies are central to determining satisfaction, trust, and performance in the e-commerce sector. CORET includes simple return policies, multiple return options, and easy procedures necessary for forming a post-purchase experience. Convenient return options are less likely to cause customer dissatisfaction and will help build trust and customer loyalty through the concept of security postulated by (Hjort & Lantz, 2016). Also, (Kawa & Zdrenka, 2023) pointed out that proper return policies help customers perceive a brand as reliable; thus, customers remain loyal to the brand after making a purchase. Retailers should make return processes less complicated, provide customers with more return options, and ensure that the customer knows the return policy and how long it will take. CORET is a key factor in logistics service quality that positively impacts performance in an online retail market.

4.5.2 Result of the effect of Third-party logistics (3PL) agility on online retail performance.

This section displays the result of the first hypothesis which states that **"Third-party logistics (3PL) agility positively affects online retail performance."**

According to the result in table **(**4.30**),** The analysis confirms that Third-Party Logistics (3PL) agility significantly impacts Online Retail Performance (H2: B = 0.374, T = 5.124, P < 0.001). This finding underscores the critical role of agility in addressing the unique challenges of the Palestinian market, where political instability, frequent disruptions, and constrained infrastructure pose significant logistical barriers.

Table 4.30: Result of the first hypothesis.

	Direct effects	**B**	**Sample Mean (M)**	**Standard Deviation (STDEV)**	**T Statistics (|O/STDEV|)**	**P Values**	**Result**
H2	**Agility -> OP**	0.374	0.378	0.073	5.124	0	Accepted

In volatile markets such as Palestine, the ability of 3PL to respond to changes in demand and supply chain disruptions and keep on with business becomes critical. Agility, comprising market responsiveness (MR) and delivery agility (DA), helps logistics providers cope with roadblocks, restricted movement in some areas, and volatile consumer demand. (Gligor & Holcomb, 2012) note that agility is the ability of a company to identify opportunities in the market and act on them quickly in unstable environments.

The constant closures and the ever-changing security situation in Palestine necessitate the need for logistics providers who can change delivery routes, schedules, and methods frequently. Market responsiveness becomes even more critical in such a case so that e-commerce businesses can adapt their strategies to the fast-changing consumer requirements, such as sudden demand rush when there are relaxations in restrictions or festive seasons (Bai et al., 2023). Likewise, delivery agility enables providers to deliver products and services on time despite physical and operational barriers to enhance customer satisfaction and confidence (Christopher, 2000).

The global COVID-19 pandemic also demonstrated the value of flexibility, particularly in such volatile environments as Palestine. Global supply chain issues further exacerbated the existing difficulties, underscoring the importance of flexibility among logistics companies and the importance of continued service quality. Research by (Shekarian & Mellat Parast, 2021) shows that flexibility bolsters resilience, especially in markets where volatilities and disruptions are still rife.

From a strategic perspective, logistics providers in Palestine must embrace technologies and more flexible supply chain networks to increase their responsiveness. Real-time tracking systems and dynamic route optimization are digital tools that may minimize disruptions' effects. Furthermore, engaging the local service providers and using the decentralized distribution centers may enhance the delivery to remote or constrained regions, thus maintaining the supply chain and its adaptability.

The study results on 3PL agility and online retail performance underscore the significance of the former in the Palestinian market. As a result, 3PL agility allows the company to manage changes in conditions and, thus, become more efficient, meet customers' needs, and be more sustainable. Since the environment that receives

Palestinian e-commerce companies is somewhat volatile, they must develop a robust and flexible logistics system that will guarantee their enduring success.

This section displays the result of the first sub-hypothesis which states that **" 3PL agility (encompassing delivery agility and market responsiveness) positively affects online retail performance."**

Table 4.31: Result of the second sub-hypothesis.

Direct effects		*B*	*Sample Mean (M)*	*Standard Deviation (STDEV)*	*T Statistics (|O/STDEV|)*	*P Values*	*Result*
H2a	DA -> OP	0.146	0.137	0.061	2.408	0.016	Accepted
H2b	MR -> OP	0.225	0.234	0.069	3.276	0.001	Accepted

H2a: 3PL delivery agility positively affects online retail performance.

The analysis confirms that 3PL Delivery Agility (DA) significantly impacts Online Retail Performance (H2a: B = 0.146, T = 2.408, P = 0.016). A business's ability to meet the market's needs through efficient delivery of the products ordered is paramount, especially in Palestine's uncertain market. Issues such as closures of roads, delays at borders, and the emergence of restrictions are challenges to the supply chain that require creativity. Through timely delivery, even in the face of these challenges, 3PL providers improve customer satisfaction and confidence, which are critical in the competitive e-commerce industry. According to (Bai et al., 2023), the agile delivery models allow firms to offer dependable service even in disruptions while enhancing the customer experience and loyalty.

To meet delivery agility, logistics providers must embrace new technologies like real-time tracking and dynamic route optimization in case of a change or disruption in the supply chain. Furthermore, engagement of local stakeholders and using decentralized stores can enhance the system’s capacity to cover remote and hard-to-access areas to enhance system flexibility. The results of the study agree with (Shekarian & Mellat Parast, 2021), who underscored that delivery agility not only assists in managing disruptions but also prepares organizations to continue operating during a crisis. This paper offers the argument that, in the Palestinian market, which is

volatile, increasing delivery agility is a strategic approach that has the potential to help improve performance, manage customer satisfaction, and ensure sustainable competitive advantage in the constantly evolving and dynamic online retail market.

H2b: 3PL market responsiveness positively affects online retail performance.

The analysis reveals that 3PL Market Responsiveness (MR) significantly impacts Online Retail Performance (H2b: B = 0.225, T = 3.276, P = 0.001. On the other hand, market orientation is the ability of logistics providers to spot market changes and shifts in customer requirements, fluctuations in market requirements, or market trends. Especially in Palestine, the social and political environment is somewhat volatile, and consumers' behavior is rather unpredictable; market orientation makes it possible to improve operational effectiveness and meet consumers' needs.

Specifically, market responsiveness helps companies change delivery, inventory, and service and make other important changes to meet the market's needs in time. (Bai et al., 2023) state that market-oriented 3PL service providers are better placed to respond to these new consumer needs and, therefore, make the services as sustainable and pertinent as possible. In the context of Palestine, this can be done either by removing some of the constraints or by managing the disruptions in the supply chain in certain regions. As (Christopher, 2000) suggested, market orientation enhances the long-term competitiveness of logistics services by improving the match between services and market demands.

They should also use predictive analytics, real-time info requests, and supply chain integration to make early decisions. These capabilities assist companies in maneuvering and adjusting to market conditions that are common in the Palestinian e-commerce environment and are unpredictable. Therefore, timely and effective change in the market environment builds and improves customers' trust and the performance of online retail operations in adverse market environments.

4.5.3 Result of the moderate's effect of Competitive strategy (Cost leadership and Differentiation) in the online retail sector on the relationship between 3PL service quality (Communication of delivery status, Speed of delivery,

Convenience of receipt, Reception experience, and Convenience of return) and online retail performance.

This section displays the result of the first hypothesis which states that **" Competitive strategy (Cost leadership and Differentiation) in the online retail sector moderates the relationship between 3PL service quality (Communication of delivery status, Speed of delivery, Convenience of receipt, Reception experience, and Convenience of return) and online retail performance."**

From Table (4.32), it can be seen that the result of the analysis for H3 indicated that Competitive Strategy (CS), including Cost Leadership (CL) and Differentiation (DI), had moderated the relationship between Third-Party Logistics (3PL) Service Quality and Online Retail Performance (OP). While the overall moderating effect was not statistically significant (H3: B = 0.091, T = 1.252, P = 0.211), the breakdown of its components revealed more detailed findings.

Differentiation (DI) emerged as a significant moderator in the relationship between LSQ and OP (H3b: B = 0.164, T = 2.415, P = 0.016). This is consistent with (M. Porter, 1980) model, where the organization's strategic aim of differentiating its product or service from its competitors through uniqueness will lead to customer loyalty and satisfaction. When utilizing a differentiation strategy, the value of superior logistics services is magnified since the customers link these logistics skills with the total quality of the product offerings from the retailer (Christopher, 2000; Shekarian & Mellat Parast, 2021).

Table 4.32: Result of the Third hypothesis.

	Direct effects	**B**	**Sample Mean (M)**	**Standard Deviation (STDEV)**	**T Statistics (|O/STDEV|)**	**P Values**	**Result**
H3	CS x LSQ -> OP	0.091	0.091	0.073	1.252	0.211	Not Accepted
H3a	CL x LSQ -> OP	0.075	0.076	0.067	1.115	0.265	Not Accepted
H3b	DI x LSQ -> OP	0.164	0.167	0.068	2.415	0.016	Accepted

For example, when customers view specific logistics services like the Communication of Delivery Status (CODS) or Convenience of Return (CORET) as

outstanding, differentiation-based retailers can offer compelling reasons for charging higher prices and increasing customer loyalty. Differentiation enables retailers to leverage high-quality 3PL services and map them into improved customer experience and better brand equity.

In contrast, the moderating role of Cost Leadership (CL) on the relationship between 3PL Service Quality and OP was not significant (H3a: B = 0.075, T = 1.115, P = 0.265. This finding implies that the efforts to reduce costs may outweigh the effects of logistics service quality on performance. As (Gorondutse & Hilman, 2017) note, cost leadership strategies focus on price and operational efficiency; hence, they may not fully capture the value of high-quality logistics services. For example, factors such as SOD or RE may enhance customers' satisfaction. Still, their effect on OP may be less noticeable where cost leadership strategies focus on reducing costs rather than increasing service quality.

Furthermore, customers who look for cheap solutions may have lower standards for the 3PL services provided, thus the premium logistics services may not be very effective in this case. In the same way, (Yang, 2021) revealed that cost-conscious consumers in price-conscious markets may consider price before the benefits of logistics optimization.

The study shows that online retailers must match their competitive strategies with the quality of logistics services they offer; for those who have chosen a differentiation strategy, spending more on the 3PL services that enhance the differentiation factors by providing excellent logistics support is advisable. For instance, services such as real-time delivery tracking or a simple return process such as CORET increase customer satisfaction, primarily if the differentiation strategy is aimed at the premium market segment (Hjort & Lantz, 2016; Xing et al., 2011).

On the other hand, online retailers who follow the cost leadership strategy to implement their business model may have to find the right balance between cost and quality in the logistics operations. However, it is important not to overemphasize the reduction of operational costs at the expense of the essential logistics service quality, including delivery and tracking, which can be done at relatively low additional costs (Shen & Sun, 2023b).

The findings underscore the value of differentiation in enhancing the relationship between 3PL service quality and online retail performance. Although cost leadership strategies may not strengthen this relationship, they cannot afford to have low levels of logistics service quality to be competitive. The findings of this study emphasize the importance of the match between competitive strategies and logistics enablers in the context of online retailing.

4.5.4 Result of the moderate's effect of Competitive strategy (Cost leadership and Differentiation) in the online retail sector on the relationship between 3PL agility (encompassing delivery agility and market responsiveness) and online retail performance.

This section displays the result of the first hypothesis which states that **" Competitive strategy (Cost leadership and Differentiation) in the online retail sector moderates the relationship between 3PL agility (encompassing delivery agility and market responsiveness) and online retail performance."**

According to the result in Table **(**4.33**),** The results of the analysis for H4 indicate that Competitive Strategy (CS), including Cost Leadership (CL) and Differentiation (DI), does not significantly moderate the relationship between Third-Party Logistics (3PL) Agility—encompassing Delivery Agility (DA) and Market Responsiveness (MR)—and Online Retail Performance (OP). The overall moderating effect (H4: B = 0.028, T = 0.402, P = 0.688) and the individual components of CS (H4a and H4b) were found to be insignificant. However, the interplay between competitive strategies and 3PL agility remains a topic of strategic importance, warranting an advanced discussion contextualized by prior research.

Table 4.33: Result of the first hypothesis.

	Direct effects	**B**	**Sample Mean (M)**	**Standard Deviation (STDEV)**	**T Statistics (|O/STDEV|)**	**P Values**	**Result**
H4	**C**S x Agility -> OP	0.028	0.028	0.069	0.402	0.688	Not Accepted
H4a	CL x Agility -> OP	-0.05	-0.051	0.063	0.793	0.428	Not Accepted
H4b	DI x Agility -> OP	-0.008	-0.011	0.065	0.13	0.897	Not Accepted

3PL Agility, Delivery Agility (DA), and Market Responsiveness (MR) are fundamental to enhancing OP because they allow firms to make appropriate adjustments in line with changing market environments and customer expectations. In line with this, (Shen & Sun, 2023b) reveal that agility enables retailers to manage risks, including supply chain risks or changes in consumer behavior. However, the ability to strategically integrate agility into other competitive strategies, such as CL and DI, may explain the extent of its influence on performance.

Differentiation (DI) did not significantly moderate the relationship between 3PL agility and OP (H4b: B = -0.008, T = 0,130, P = 0,897. Although there is no significance, the differentiation strategies enhance agility by focusing on distinct customer perception and rapid requirements identification (Christopher, 2000). For example, if companies apply agile logistics systems to tailor delivery services or meet unique market segments, they support differentiation strategies. (Shekarian & Mellat Parast, 2021) posit that firms adopting a differentiation focus may improve customer perception of service quality and responsiveness through agile logistics.

In this regard, specific sector conditions or customer requirements could explain the absence of strong moderation. Since customers in an online retailing environment may already have a confident expectation regarding the firm's service agility, the incremental effects of agility on OP may not be that high. On the other hand, the value of agility might act as a more pronounced driver of performance rather than the moderating factor of DI, as underlined by the research conducted by (Liu & Atuahene-Gima, 2018b), through which agility is connected to performance outcomes directly.

Similarly, Cost Leadership (CL) did not significantly moderate the relationship between 3PL agility and OP (H4a: B = -0.05, T = 0.793, P = 0.428). Cost leadership strategies are based on efficiency and the minimization of operational costs, which may be at odds with agility, built on flexibility and adaptability. (Gorondutse & Hilman, 2017) note that cost-cutting firms may perceive agility as costly and, therefore, may not fully embrace the strategy.

The study demonstrates that the agility of 3PL is challenging to coordinate with competitive strategies in online retail. Agility is one of the most critical drivers of

performance. Yet, the extent to which agility is effective might not be contingent on the firms' focus on cost leadership or differentiation. Instead, agility may be an infrastructural capability that exists independently and is not tied to strategies.

The findings reveal that Competitive Strategy (CS) has no effect in moderating the relationship between 3PL agility and Online Retail Performance (OP). This finding means that the relationship between agility and OP may be similar across different strategic orientations. Nevertheless, firms must link their agile logistics practices with their strategic objectives to optimize performance. This paper has highlighted that whether a firm opts for differentiation or cost leadership, using 3PL agility is pivotal to such a firm's long-term strategy in the volatile online retail market.

Chapter Five: Discussion

5.1 Conclusions And Recommendations

The results of this study show that high-quality and agile Third-Party Logistics (3PL) services play a vital role in enhancing online retail shops' performance, especially if the business market context is like Palestine, which is a dynamic and often unstable market environment. Thus, while 3PL service quality dimensions, including the convenience of the receipt and return processes, are vital to customer satisfaction and loyalty, the speed of delivery and reception experience may not be as critical factors affecting the choices as it has been previously considered. Various differentiation strategies work to amplify the positive effects of 3PL service quality, underscoring the significance of excellent logistics in building better brand equity and supporting premium pricing. On the other hand, working on cost leadership only enhances these relationships a little. Striving for efficiency might not necessarily amplify the benefits of a quality-focused improvement of logistics.

Consequently, online retailers should choose 3PLs offering customizable, customer-friendly services and embrace IT applications that enhance logistics responsiveness and traceability. Differentiation-focused retailers must ensure that logistics can be marketed as a competitive advantage, while cost leadership types must ensure that delivery and tracking services are acceptable to customers. Thus, these recommendations can help guide practical decision-making in logistics as related to competitive strategies and can pave the way for continued future research that supports the long-term growth of e-commerce revenue.

5.2 Discussion of Research Findings

The results as visualize in Figure (5.1), which illustrates that Third-Party Logistics (3PL) service quality (LSQ) positively influences online retail performance through increasing operational and customer service performance. In the LSQ model, information about delivery status, the convenience of receipt, and the convenience of return were critical, indicating that customers value timely, flexible, and accurate communication on their delivery status and user-friendly return policies. On the other hand, the speed of delivery and reception experience did not have significant effects in this context, which implies that the participants might have been willing to

compromise the speed of delivery or brief contact with the delivery personnel for the sake of consistency and convenience, especially in environments with poor infrastructure or political system.

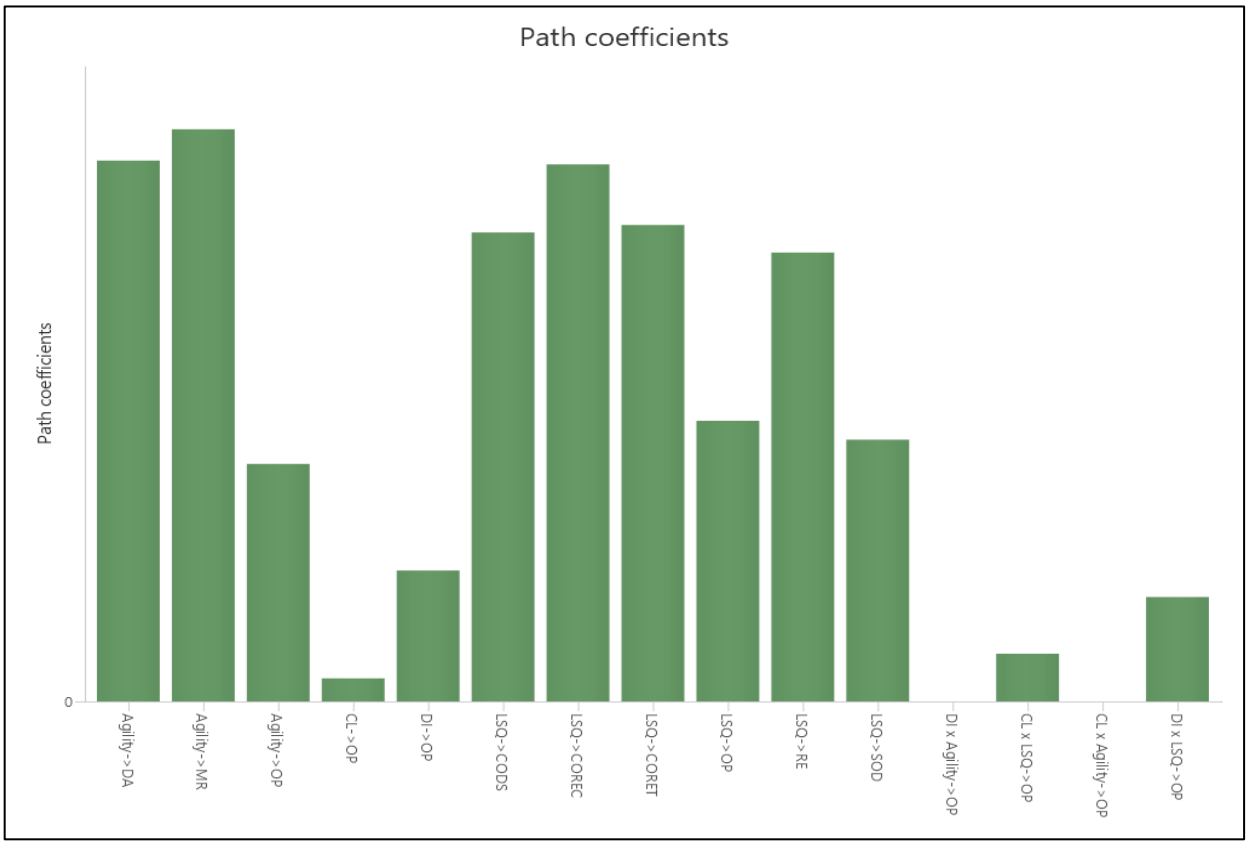

Figure (5.1): Path Coefficients of 3PL Service Quality, Agility, Competitive. Strategies, and Online Retail Performance.

Furthermore, the figure (5.1) captures the role of Agility dimensions on retail performance, particularly the Delivery Agility (DA) and Market Responsiveness (MR). These findings provide support for the importance of flexibility and agility in meeting changing consumer and market conditions.

The moderating effects of competitive strategies—cost leadership (CL) and differentiation (DI) are also visualized in the figure (5.1). While the total mediation by competitive strategy on the LSQ – LSQ- performance relationship was not statistically significant, differentiation was the significant moderator, suggesting that high-end logistics quality features will yield higher returns for firms that position themselves as providers of unique value and premium products.

On the other hand, cost leadership did not improve service quality, which was in line with the idea that price-sensitive customers may not value higher-value logistics

offerings as much as others. Similarly, neither cost leadership nor differentiation had a significant interaction effect with agility on performance, showing that responding to disruptions is beneficial despite the strategic orientation. These findings underscore the importance of aligning strategic priorities with logistics capabilities: Organizational differentiation strategies with effective logistics services seem most appropriate. At the same time, cost-oriented retailers should gain from acceptable quality levels. In all case scenarios, high service quality and the ability to quickly respond to changes in customer needs are crucial for success in the competitive and constantly changing environment of online retailing.

5.3 Theoretical Implications

The findings of this research provide significant implications for theory in logistics, strategic management, and e-commerce performance, especially in an uncertain environment in Palestine.

The confirmed relationship between 3PL service quality and online retail performance aligns with the Resource-Based View (RBV) (Jay Barney, 1991; Y. Li et al., 2018; Mentzer et al., 2001). This view supports the notion that firms can generate a unique and enduring source of competitive advantage from valuable and rare resources that are also difficult for competitors to imitate. As for the selected specific logistics service dimensions, namely convenience of receipt, convenience of return, and the communication of delivery status, it is possible to consider these as strategic resources that improve the satisfaction level, loyalty, and performance of consumers and the firm in general (Kawa & Zdrenka, 2023; Liu & Atuahene-Gima, 2018b; Rao et al., 2011).

The importance of 3PL agility to online retail performance clearly indicates the relevance of dynamic capabilities (Gligor & Holcomb, 2012; Teece et al., 1997). In light of the frequent political turbulence and weak infrastructure typical of emerging markets, acting fast in the face of disruptions becomes vital, altering the focus on customers' needs and adjusting resources accordingly. This enriches the existing theoretical paradigms by pointing out that flexibility and agility are not just tactical but strategic management concepts (Bai et al., 2023; Shekarian & Mellat Parast, 2021).

The moderating impact of competitive strategy, especially the more substantial impact of differentiation rather than cost leadership, offers a richer understanding of

how logistics capabilities are related to the organization's strategic posture. While the cost leadership strategy is more aligned with providing low prices due to operational efficiency, the differentiation strategy is more likely to reap most of the benefits from effective logistics services that support brand reputation, high price premiums, and enhanced customer experience (Christopher, 2000; Gorondutse & Hilman, 2017; Shen & Sun, 2023b; Yang, 2021). These results contribute to the theory by suggesting that logistics capabilities are most efficient when integrated with strategic differentiation rather than relying on a cost leadership logic.

The case for Palestine, characterized by political risk, a complex supply chain, and a lack of physical facilities, means the contingency approach is appropriate (Donaldson, 2001). Many traditional theories tend to assume that the environment is constant. However, this research reveals that specific logistics dimensions are more critical in a volatile context for performance. Therefore, the study supports the adaptation of the theoretical frameworks that include environmental contingencies and underlines that logistics service quality and agility performance outcomes are contextual and can be entirely dissimilar in different market conditions (Alkhatib et al., 2019; Badwan, 2024).

These findings build an integrated model from RBV, dynamic capabilities, and contingency theories that explain how 3PL service quality and agility affect online retail performance through competitive strategies. This extended theoretical framework captures the relevance of logistics resources and the strategic interdependencies between these resources and the market environment (Kawa & Zdrenka, 2023; Marcucci et al., 2021b; Min et al., 2013).

5.4 Practical Implications

Based on the findings of this research, there are several practical implications and recommendations for managers and practitioners to improve online retail performance through better 3PL service quality and flexibility. Firstly, online retail managers have to perform a thorough analysis and decide to select 3PL service providers that perform well in service quality factors, including timely updates on delivery status, multiple options for receiving consignments, and easy and efficient returns. For instance, a local electronics dealer in Ramallah may decide to incorporate a 3PL provider that sends alerts through text messages and real-time shipment tracking

to notify the clients in case of any change in the route due to the closure of some roads. This is because this partnership assures customers of an easy, efficient, and reliable delivery service, enhancing customer satisfaction, customer loyalty, and overall purchasing intentions (Kawa & Zdrenka, 2023; Liu & Atuahene-Gima, 2018b).

Second, improving the standard of service by integrating innovative technologies into the supply chain management is vital. It is recommended that retailers work with their 3PL partners to ensure that a real-time tracking system and AI are adopted to develop the best routes to be taken, among others. For example, suppose an appliance store is based in the West Bank. In that case, it can use an intelligent routing system that identifies and avoids barriers and provides customers with the most recent delivery time estimates. These technologies help retailers and 3PLs manage disruptions, ensure delivery on time, and thus create customer trust (Marcucci et al., 2021b; Shekarian & Mellat Parast, 2021).

Thirdly, the differentiation strategy implemented by retailers should use superior logistics as one of the main competitive advantages. For instance, a high-end cosmetics company in Ramallah may have its products packaged in recyclable material. It may also have fast delivery services to support the high prices charged and the high-end brand to be projected. These improved logistics efficiencies enable brand differentiation and offer customers definitive reasons to assign higher value, thus improving competitive advantage (Shen & Sun, 2023b). On the other hand, the cost leadership strategy utilizing retailers has to ensure that the minimum level of logistics service quality is met. For instance, a budget-oriented household appliances store should guarantee the correct delivery time and other basic tracking options at a reasonable price to not let customer satisfaction and market share decline (Yang, 2021).

Lastly, operations in unstable or resource-constrained environments such as Palestine require a good contingency plan, multiple transport corridors, and strong local partners. For instance, a bookstore chain may create several micro-warehouses in different cities and achieve the services of local firms to act as buffer stocks. This approach provides the continuity of business even during geopolitical risks or infrastructural issues, which would help the company avoid the risks and further promote online retail growth (Alkhatib et al., 2019; Badwan, 2024).

The following recommendations can enhance online retail performance: Through identifying the key service quality dimensions and selecting superior 3PL partners, embracing potential technologies to improve the agility and responsiveness of logistics operations, integrating logistics strategies with competitive advantages such as differentiation or low-cost strategy, and designing effective contingency plans for the uncertain environments. The applied measures are used to develop logistics capabilities as strategic tools that help to achieve operational efficiency, high levels of customer satisfaction, and sustainable competitive advantage for online retail companies.

5.5 Limitations

This research is valuable because it reveals several insights but has several limitations. Second, the limited geographic focus of the study of Palestine, a case characterized by political instability, infrastructural challenges, and confined global trade flows, may limit the transferability of the results to more stable or differently structured markets. The unique environment affords a rich context for examining the interplay between logistics capabilities and performance; however, the unique contextual factors may limit the results' generalizability.

The second limitation is that the present research employed a cross-sectional design, measuring the relations at a specific moment. This makes it even harder to establish causality or map changes in the logistics capabilities, strategy execution, and performance results as environments change. With only cross-sectional data, it is difficult to determine whether these connections will grow, deteriorate, or even change direction in the face of economic cycles, innovation, or changing customer perception.

Third, the variables investigated, service quality dimensions, agility components, and competitive strategies, may not capture all the factors that influence the performance of online retail. Other factors that could impact the phenomenon under consideration include, inter alia, environmental management strategies, different technologies beyond the scope of the present research, or human resource management factors that were not explored in the current study.

Fourth, the study relies on self-reported data, which introduces the possibility of respondent bias. Firms may overestimate or underreport certain logistics capabilities or performance metrics based on subjective perceptions, organizational priorities, or

social desirability. Although measures were taken to ensure data reliability, the inherent limitations of self-reporting remain a concern.

Finally, by examining a broad range of online retailers without distinguishing between product categories, market segments, or firm sizes, the study does not account for potential variations in logistics requirements. Different types of products and business models may demand unique logistics solutions, and the generalized findings presented here may not fully reflect the nuances experienced by specific retailer subgroups.

By acknowledging these limitations, the study provides a clearer understanding of its scope and indicates where caution is warranted in interpreting and applying its findings.

5.6 Future Research Recommendations

Future studies can build on the results of this study and extend the literature in several ways to better understand the relationship between 3PL service quality and agility and online retail performance. First, the present orientation towards a single politically unstable market (Palestine) reduces the scope for applied research, indicating the benefits of multi-context research. Future research could extend the study to other regions with different levels of logistics service quality and agility due to the varying levels of development in terms of infrastructure, culture, and policies (Kawa & Zdrenka, 2023). Such benchmarks may involve other Middle East markets where certain political or infrastructural factors may enhance or hinder the central position of the convenience of receipt and return policies.

Second, the cross-sectional nature of these designs emphasizes the advantages of more dynamic data collection methods, including multi-wave surveys, panel data, or even longitudinal case studies. Such methods could capture the dynamics of the interlinkage between logistics service quality, agility, and retail performance over political transitions, technological shifts, or economic fluctuations (Rai et al., 2022). Academic researchers can observe the temporal nature of logistics strategy and performance changes by documenting the evolution of the 3PL relationships over time concerning new enablers such as blockchain supply chain management, AI-based demand planning, and sustainable delivery models.

Third, an enlarged set of logistics indicators would give a more complete view of the current state and tendencies of the further evolution in the sphere. New trends also reveal the increasing role of sustainability (e.g., carbon-neutral transportation and eco-friendly packaging) and new distribution models (e.g., smart lockers and/or autonomous delivery) as crucial for the future development of long-term e-commerce strategies (Bai et al., 2023). Integration of these measures would assist in explaining how innovative technologies and sustainable-minded practices can affect consumer perception and operational effectiveness, particularly within the risky environment of Palestine.

Fourth, the issue of using self-reports and single-method data should continue to be addressed. Using a more heterogeneous set of measures, including numerical data, records, and qualitative data from managerial interviews or observations to correct standard method bias and gaining a more detailed understanding of the process of selecting and utilizing 3PL services of online retailers (Kawa & Zdrenka, 2023). Combining the quantitative and qualitative data provides a more realistic view of the factors influencing logistics decisions and performance results.

Finally, there is the potential for further analysis of more refined market segments and other potential moderators or mediators of the relationship between 3PL capabilities and performance (Wei et al., 2023). Segmenting the study by product type (e.g., perishables vs. apparel) or firm size (e.g., start-ups vs. large-scale retailers) may reveal the logistics factors most relevant to particular segments. A more detailed examination of the effects of these contingency variables on digital transformation maturity, competitive intensity, and customer sophistication may also yield new insights into the relationship between service quality, agility, and online retail success. An expanded model that incorporates internal firm factors, external contextual factors, and strategic directions (e.g., cost leadership vs. differentiation) would enable more sophisticated questions that are studied in the literature, such as how certain high-technology or environmentally friendly logistics options perform in different market conditions, or why specific consumer segments are willing to pay more for speed or environmental concerns in logistics. Through these directions, future work would close the geographic and methodological voids in the current literature and provide a stronger foundation for theoretical growth and effective strategies for succeeding in the ever-evolving realm of e-commerce.

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Appendices

Appendix A: The survey (English)

The Impact of Third-Party Logistics Service Quality and Agility on the Performance of Online Retail Shops: Exploring the Moderating Role of Competitive Strategy

Dear Sir/Madam,

Warm greetings of respect and appreciation,

The researcher is conducting a field study titled "The Impact of Third-Party Logistics Service Quality and Agility on the Performance of Online Retail Shops: Exploring the Moderating Role of Competitive Strategy." This study is part of the requirements for a PhD in Strategic Management. The research aims to examine the quality of logistics services provided by express mail companies, the flexibility of their services, and their role in improving the performance of online stores, with an exploration of how competitive strategies impact performance enhancement.

To achieve the study's objectives, the researcher has prepared this questionnaire. Your participation in answering the questions will play a crucial role in obtaining accurate results that serve the research's goals. The information gathered will remain confidential and will be used solely for scientific research purposes.

Therefore, we kindly ask you to carefully read the attached questionnaire and provide your opinion with precision and objectivity for each statement, according to what you deem appropriate.

Thank you very much for your time and cooperation.

Sincerely,

Mohammad Ibrahim Aqabneh
maqab@omall.ps
0599553160

General Information:

Position of the person who will fill out the questionnaire:

• Online store owner.
• Sales manager.
• Operations department manager.
• Other _____.

What is the Number of employees in your company?

- 0-5
- 5-15
- More than 15

How many years have you worked in your positions?

- 1 to 2 years
- 3 to 5 years
- More Than 5 years

What are your online store's main categories of products or services?"

- Apparel and Fashion Accessories
- Health and Beauty Products
- Home Decor and Living Items
- Home Electronic Devices
- Mobiles, IT Equipment, and Cameras
- Sports Equipment and Automobile Accessories
- Others

Section One: Evaluation of the Quality and Agility of Logistics Services Provided by Your Third-Party Logistics Provider (3PL):

This section focuses on evaluating the quality and agility of logistics services offered by your third-party logistics provider (3PL). Each dimension is explored through several statements that reflect customer preferences and expectations regarding logistics services, aiming to measure the perceived quality and agility of these services.

Instructions: For each statement, please indicate how strongly you agree or disagree, based on your understanding of your customers' preferences and experiences.

1 = Strongly Disagree || 2 = Disagree || 3 = Neutral || 4 = Agree || 5 = Strongly Agree

#	Questions	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
Communication of Delivery Status (CODS)						
1	Online e-customers are more likely to purchase from online retailers that partner with 3PL service providers offering shipment tracking capabilities.					
2	Online e-customers prefer online retailers that collaborate with 3PL service providers who provide timely updates on the order status.					
3	Online e-customers are more inclined to buy from online retailers whose 3PL service providers offer accurate information on expected delivery times.					
Convenience of Receipt (COREC)						
1	Online customers are more likely to purchase from online retailers that work with 3PL service providers offering delivery to convenient pickup points (e.g., kiosks, petrol stations).					
2	Online customers prefer online retailers that collaborate with 3PL service providers offering delivery to self-service terminals (parcel lockers).					
3	Online customers are more inclined to buy from online retailers whose 3PL service providers offer the option to pick up orders at the retailer's branches.					

Speed of Delivery (SOD)						
1	Online customers are more likely to purchase from online retailers that partner with 3PL service providers offering delivery on holidays.					
2	Online customers prefer online retailers that collaborate with 3PL service providers offering the possibility of choosing different delivery times.					
3	Online customers are more inclined to buy from online retailers whose 3PL service providers offer delivery of products within 24 hours.					
Reception Experience (RE)						
1	Online customers are more likely to purchase from online retailers that cooperate with 3PL service providers whose couriers behave professionally and courteously.					
2	Online customers prefer online retailers that work with 3PL service providers using environmentally friendly materials to pack their shipments.					
3	Online customers are more inclined to buy from online retailers whose 3PL service providers ensure that parcels are aesthetically packaged.					
Convenience of return (CORET)						
1	Online customers are more likely to purchase from online retailers that partner with 3PL service providers offering an easy and straightforward product return procedure.					
2	Online customers prefer online retailers that collaborate with 3PL service providers offering free product returns.					
3	Online customers are more inclined to buy from online retailers whose 3PL service providers allow product returns beyond the standard period.					
Delivery Agility (DA):						
1	Our 3PL provider can achieve on-time delivery to meet changing market needs.					

2	Our 3PL provider maintains reliable delivery to meet changing market demands effectively.					
3	Our 3PL provider focused on reducing delivery time to quickly adapt to changing market needs.					
	Market Responsiveness (MR):					
1	Our 3PL provider can quickly modify products to align with market requirements.					
2	Our 3PL provider is capable of quickly introducing new products to the market to capture emerging opportunities.					
3	Our 3PL provider responds rapidly to changing market needs to maintain competitive advantage.					

Section Two: Evaluation of Online Retail Performance

This section focuses on evaluating the performance of online retail stores to measure the effectiveness of performance compared to competitors.

Instructions: For each statement, please indicate the extent to which you agree or disagree based on your evaluation of the performance's effectiveness compared to competitors.

1 = Strongly Disagree || 2 = Disagree || 3 = Neutral || 4 = Agree || 5 = Strongly Agree

#	Questions	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree
1	The profit of my company is better than those of our direct competitors in the last financial year.					
2	The sales revenue of my company is better than those of our direct competitors in the last financial year.					
3	The market share of my company is better than those of our direct competitors in the last financial year.					
4	The ROI (return on investment) of my company is better than those of our direct competitors in the last financial year.					

Section Three: Evaluation of Online Retail Strategy

This part of the questionnaire is designed to understand the strategic focus of your online retail store. Please assess the importance of each competitive strategy listed below for your business operations.

Instructions: Rate each strategy on a scale from 1 (Least Important) to 7 (Most Important), reflecting its significance to your overall business strategy.

	competitive strategy	Strategy Rate: (1-7)
Cost Leadership Focus:		
1	How pivotal is enhancing operational efficiency to the success of your online retail strategy?	
2	How important is pursuing cost advantages in sourcing products or inventory for your online retail business to your firm's overall strategy?	
3	How important is offering prices below your online competitors to your firm's overall strategy?	
4	How important is achieving economies of scale in your online retail operations to your firm's overall strategy?	
5	How important is finding ways to reduce production and operational costs in your online retail business to your firm's overall strategy?	
Differentiation Focus:		
1	How important is offering products with unique features to your firm's overall strategy in online retail?	
2	How important is offering products with a wide range of features to your firm's overall strategy in online retail?	
3	How important is focusing on high-priced product segments to your firm's overall strategy in online retail?	
4	How important is advertising to your firm's overall strategy in online retail?	
5	How important is maintaining control over distribution channels to your firm's overall strategy in online retail?	

Appendix B: The survey (Arabic)

تأثير جودة الخدمات اللوجستية الخارجية ومرونتها على أداء متاجر البيع بالتجزئة عبر الإنترنت: استكشاف الدور المعدِّل للإستراتيجية التنافسية

The Impact of Third-Party Logistics Service Quality and Agility on the Performance of Online Retail Shops: Exploring the Moderating Role of Competitive Strategy

السيد/ة الفاضل المحترم

تحية احترام وتقدير وبعد

يقوم الباحث بدراسة ميدانية عنوانها " تأثير جودة الخدمات اللوجستية الخارجية ومرونتها على أداء متاجر البيع بالتجزئة عبر الإنترنت: استكشاف الدور المعدِّل للإستراتيجية التنافسية" وذلك استكمالاً لمتطلبات الدكتوراه في الإدارة الإستراتيجية، يهدف البحث لدراسة جودة الخدمات اللوجستية التي تقدمات شركات البريد السريع، ومرونة الخدمات المقدمة من قبلهم ودورها في تحسين الأداء للمتاجر الإلكترونية، مع الاستكشاف لتأثر الإستراتيجيات المتبعة على تحسين الأداء.

ولتحقيق أهداف الدراسة قام الباحث بإعداد هذه الاستبانة، وإن مشاركتك في الإجابة عليها لها دور مهم في التوصل إلى نتائج صادقة تخدم أهداف الدراسة، والمعلومات التي سوف يتم الحصول عليها، ستكون سرية ولن تستخدم إلا لأغراض البحث العلمي.

وعليه، يرجى منكم التكرم بقراءة فقرات الاستبانة المرفقة، وإبداء الرأي بكل دقة وموضوعية لكل عبارة من عباراتها، بما ترونه مناسبا.

لكم مني خالص الشكر والتقدير

محمد إبراهيم عقابنة

maqab@omall.ps

0599553160

معلومات عامة:

منصب الشخص الذي سيقوم بملء الاستبانة:

- صاحب المتجر الإلكتروني.
- مدير المبيعات.
- مدير قسم العمليات
- غير ذلك _____.

ما هو عدد الموظفين في شركتك؟

- 5-0
- 15-5
- أكثر من 15

كم عدد السنوات التي عملت فيها في منصبك؟

- 1 إلى 2 سنوات
- 3 إلى 5 سنوات
- أكثر من 5 سنوات

ما هي الفئات الرئيسية لمنتجات أو خدمات متجرك الإلكتروني؟

- الملابس وإكسسوارات الموضة
- منتجات الصحة والجمال
- ديكور المنزل وأدوات المعيشة
- الأجهزة الإلكترونية المنزلية
- الهواتف المحمولة، معدات تكنولوجيا المعلومات، والكاميرات
- معدات الرياضة وإكسسوارات السيارات
- أخرى

القسم الأول: تقييم جودة ومرونة الخدمات اللوجستية المقدمة من قبل الشركة التي تقدم لكم الخدمات اللوجستية (3PL):

يتناول هذا القسم التفاصيل المتعلقة بجودة ومرونة خدمات اللوجستيات من قبل التي تقدم لكم الخدمات اللوجستية (3PL)، حيث يتم استكشاف كل بُعد من خلال عدة عبارات تعكس تفضيلات وتوقعات العملاء تجاه الخدمات اللوجستية، بهدف قياس الجودة والمرونة المدركة لهذه الخدمات.

التعليمات: لكل عبارة، يرجى تحديد مدى موافقتك أو عدم موافقتك بناءً على فهمك لتفضيلات وتجارب عملائك.

1 = غير موافق بشدة || 2 = غير موافق || 3 = محايد || 4 = موافق || 5 = موافق بشدة

#	السؤال	غير موافق بشدة	غير موافق	محايد	موافق	موافق بشدة
Communication of Delivery Status (CODS) حالة التسليم تحديثات						
1	يفضل العملاء عبر الإنترنت الشراء من التجار الذين يتعاونون مع مزودي خدمات لوجستية يقدمون خدمة تتبع الشحنات.					
2	يفضل العملاء عبر الإنترنت الشراء من التجار الذين يتعاونون مع مزودي خدمات لوجستية يقدمون تحديثات فورية حول حالة الطلب.					
3	يفضل العملاء عبر الإنترنت الشراء من التجار الذين يتعاونون مع مزودي خدمات لوجستية يقدمون معلومات دقيقة حول أوقات التسليم المتوقعة للشحنات.					
Convenience of Receipt (COREC) سهولة الاستلام						
4	يفضل العملاء عبر الإنترنت التجار الذين يتعاونون مع مزودي خدمات لوجستية يقدمون خدمات توصيل إلى نقاط استلام مريحة (مثل البقالات ومحطات الوقود).					
5	يفضل العملاء عبر الإنترنت التجار الذين يتعاونون مع مزودي خدمات لوجستية يقدمون خدمات توصيل إلى محطات الخدمة الذاتية (مثل صناديق البريد).					
6	يفضل العملاء عبر الإنترنت التجار الذين يتعاونون مع مزودي خدمات لوجستية يقدمون خيار استلام					

	الطلبات من فروع ونقاط شركات مزودي الخدمات الوجستية في المحافظات.					
Speed of Delivery (SOD) سرعة التسليم						
7	يفضل العملاء عبر الإنترنت التجار الذين يتعاونون مع مزودي خدمات لوجستية يقدمون خدمات توصيل البريد في أيام العطل.					
8	يفضل العملاء عبر الإنترنت التجار الذين يتعاونون مع مزودي خدمات لوجستية يقدمون إمكانية اختيار أوقات تسليم مختلفة.					
9	يفضل العملاء عبر الإنترنت التجار الذين يتعاونون مع مزودي خدمات لوجستية يقدمون توصيل الطرود خلال 24 ساعة.					
Reception Experience (RE) تجربة الاستلام						
10	يفضل العملاء عبر الإنترنت التجار الذين يتعاونون مع مزودي خدمات لوجستية يتصرف مندوبو التوصيل لديهم بمهنية ولباقة.					
11	يفضل العملاء عبر الإنترنت التجار الذين يتعاونون مع مزودي خدمات لوجستية يستخدمون مواد صديقة للبيئة لتغليف شحناتهم.					
12	يفضل العملاء عبر الإنترنت التجار الذين يتعاونون مع مزودي خدمات لوجستية يضمنون تغليف الطرود بشكل جمالي.					
Convenience of return (CORET) سهولة الإرجاع						
13	يفضل العملاء عبر الإنترنت التجار الذين يتعاونون مع مزودي خدمات لوجستية يقدمون إجراءً بسيطًا وسهلًا لإرجاع الطلبات.					
14	يفضل العملاء عبر الإنترنت التجار الذين يتعاونون مع مزودي خدمات لوجستية يقدمون خدمة إرجاع الطلبات مجانًا.					
15	يفضل العملاء عبر الإنترنت التجار الذين يتعاونون مع مزودي خدمات لوجستية يسمحون بإرجاع المنتجات بعد الفترة القياسية المسموح بها.					

Delivery Agility (DA) رشاقة التسليم						
16	يتمكن مزود الخدمات اللوجستية الذي نتعاون معه من تحقيق التسليم للشحنات في الوقت المحدد لتلبية احتياجات السوق المتغيرة.					
17	يحافظ مزود الخدمات اللوجستية الذي نتعاون معه على توصيل موثوق به لتلبية متطلبات السوق المتغيرة بفعالية.					
18	يركز مزود الخدمات اللوجستية الذي نتعاون معه على تقليل وقت التسليم للتكيف بسرعة مع احتياجات السوق المتغيرة.					
Market Responsiveness (MR) الاستجابة للسوق						
19	يتمكن مزود الخدمات اللوجستية الذي نتعاون من تطوير خدماته بسرعة لتتوافق مع متطلبات السوق.					
20	مزود الخدمات اللوجستية لدينا الذي نتعاون قادر على طرح خدمات جديدة في السوق بسرعة لاغتنام الفرص الناشئة.					
21	يستجيب مزود الخدمات اللوجستية الذي نتعاون بسرعة لاحتياجات السوق المتغيرة للحفاظ على ميزة تنافسية.					

القسم الثاني: تقيّيم أداء متاجر التجزئة الإلكترونية:

يتناول هذا القسم التفاصيل المتعلقة بتقيّيم أداء متاجر التجزئة الإلكترونية، بهدف قياس مدى فاعلية الأداء مقارنة بالمنافسين.

التعليمات: لكل عبارة، يرجى تحديد مدى موافقتك أو عدم موافقتك بناءً على تقييمك لمدى فاعلية الأداء مقارنة بالمنافسين.

1 =غير موافق بشدة || 2 = غير موافق || 3 = محايد || 4 = موافق || 5 = موافق بشدة

#	السؤال	غير موافق بشدة	غير موافق	محايد	موافق	موافق بشدة
1	الأرباح التي تحققها شركتي أفضل من أرباح منافسينا المباشرين في السنة المالية الماضية.					
2	إيرادات المبيعات لشركتي أفضل من إيرادات منافسينا المباشرين في السنة المالية الماضية.					
3	الحصة السوقية لشركتنا في السوق أفضل من حصة منافسينا المباشرين في السنة المالية الماضية.					

4	العائد على الاستثمار (ROI) لشركتنا أفضل من عوائد منافسينا المباشرين في السنة المالية الماضية.					

القسم الثالث: تقيّيم إستراتيجية متاجر التجزئة الإلكترونية:

هذا الجزء من الاستبانة مصمم لفهم التركيز الاستراتيجي لمتجر التجزئة الإلكتروني الخاص بك. يرجى تقييم مدى أهمية كل استراتيجية تنافسية مدرجة أدناه بالنسبة لعمليات عملك. قم بتقييم كل استراتيجية على مقياس من 1 (الأقل أهمية) إلى 7 (الأكثر أهمية)، بما يعكس مدى أهميتها لاستراتيجيتك العامة في العمل.

	الاستراتيجية التنافسية	**تقييم الاستراتيجية (7-1)**
التركيز على قيادة التكلفة:		
1	ما مدى أهمية تعزيز الكفاءة التشغيلية لنجاح استراتيجيتك في تجارة التجزئة عبر الإنترنت؟	
2	ما مدى أهمية السعي لتحقيق ميزات التكلفة في شراء المنتجات أو المخزون بالنسبة للاستراتيجية العامة لشركتك في تجارة التجزئة عبر الإنترنت؟	
3	ما مدى أهمية تقديم أسعار أقل من منافسيك عبر الإنترنت لاستراتيجيتك العامة؟	
4	ما مدى أهمية تحقيق وفورات الحجم (توفير التكاليف عند زيادة حجم الإنتاج أو الشراء) في عمليات التجزئة عبر الإنترنت بالنسبة لاستراتيجية شركتك العامة؟	
5	ما مدى أهمية إيجاد طرق لخفض تكاليف الإنتاج والتشغيل في تجارة التجزئة عبر الإنترنت بالنسبة لاستراتيجية شركتك العامة؟	
التركيز على التمايز:		
1	ما مدى أهمية تقديم منتجات بميزات فريدة لاستراتيجيتك العامة في تجارة التجزئة عبر الإنترنت؟	
2	ما مدى أهمية تقديم منتجات بميزات متعددة لاستراتيجيتك العامة في تجارة التجزئة عبر الإنترنت؟	
3	ما مدى أهمية التركيز على القطاعات ذات المنتجات مرتفعة السعر لاستراتيجيتك العامة في تجارة التجزئة عبر الإنترنت؟	
4	ما مدى أهمية الإعلانات لاستراتيجيتك العامة في تجارة التجزئة عبر الإنترنت؟	
5	ما مدى أهمية الحفاظ على السيطرة على قنوات التوزيع لاستراتيجيتك العامة في تجارة التجزئة عبر الإنترنت؟	

تأثير جودة الخدمات اللوجستية الخارجية ومرونتها على أداء متاجر البيع التجزئة عبر الإنترنت: استكشاف الدور المعدِّل للإستراتيجية التنافسية

محمد إبراهيم محمد عقابنة

أسماء لجنة الاشراف: د. مروان الشمري

د.أيمن العرموتي

د. جون ليبنسكي

ملخص

هدف هذه الدراسة إلى استكشاف تأثير جودة ومرونة خدمات اللوجستيات الخارجية (3PL) على أداء متاجر البيع بالتجزئة عبر الإنترنت في فلسطين، مع التركيز على الدور المعدّل للاستراتيجيات التنافسية. ومع التحولات الكبرى التي أحدثتها التجارة الإلكترونية في قطاع التجزئة العالمي، تبرز اللوجستيات كعامل حاسم للنجاح، خاصةً في الأسواق النامية التي تتميز بتحديات جيوسياسية وبنية تحتية فريدة. باستخدام إطار نظرية الموارد(RBV) ، تتناول هذه الدراسة كيفية تأثير أبعاد جودة خدمات PL3، مثل سرعة التسليم والتواصل وسهولة الإرجاع، إلى جانب المرونة اللوجستية، على الأداء التشغيلي والمالي.

اعتمدت الدراسة على منهجية مختلطة لجمع وتحليل البيانات من تجار التجزئة عبر الإنترنت في السوق الفلسطيني. وتوصلت النتائج إلى أن تحسين جودة خدمات 3 PLيعزز بشكل كبير رضا العملاء وولائهم، وهما عنصران أساسيان لتحقيق ميزة تنافسية مستدامة في الأسواق الديناميكية. كما أظهرت الدراسة أن المرونة اللوجستية، بما في ذلك الاستجابة للسوق وقدرة التكيف مع تغيرات الطلب، تلعب دورًا حاسمًا في التخفيف من آثار الاضطرابات ومواكبة تطلعات العملاء المتغيرة.

كما تناولت الدراسة الاستراتيجيات التنافسية، مثل قيادة التكلفة والاستراتيجيات التمايزية، باعتبارها متغيرات معدلة. وأظهرت النتائج أن هذه الاستراتيجيات تعزز من التأثير الإيجابي لجودة الخدمات والمرونة اللوجستية على الأداء، مما يمكّن متاجر التجزئة من التعامل بشكل أفضل مع تعقيدات السوق وتحقيق نمو مستدام.

تُضيف هذه الدراسة إلى الأدبيات الأكاديمية المتعلقة باللوجستيات والتجارة الإلكترونية من خلال سد فجوة مهمة في فهم التفاعل بين القدرات اللوجستية والاستراتيجيات التنافسية في الأسواق النامية. عمليًا، تقدم الدراسة رؤى قابلة للتطبيق لصانعي السياسات ومقدمي الخدمات اللوجستية وتجار التجزئة عبر الإنترنت، مع تسليط الضوء على أهمية تكييف الممارسات اللوجستية بما يتماشى مع الأهداف الاستراتيجية وظروف السوق.

تؤكد الدراسة على إمكانية استخدام اللوجستيات كأداة استراتيجية لتحسين أداء منصات التجارة الإلكترونية في فلسطين وأسواق مشابهة، داعية إلى تبني تقنيات متقدمة لتحسين المرونة وجودة الخدمات، مما يعزز من قدرة النظام البيئي للتجارة الإلكترونية على المنافسة والاستدامة.

الكلمات المفتاحية :جودة خدمات اللوجستيات الخارجية(3PL) ، المرونة اللوجستية، أداء متاجر التجزئة الإلكترونية، الاستراتيجية التنافسية، السوق الفلسطيني.