

UNDERSTANDING IMPACT OF E-SERVICE QUALITY ON CUSTOMER SATISFACTION IN E-TAILING SERVICES

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ABSTRACT

The terms “Electronic Commerce”, “Internet marketing” and “On-line Shopping” are now commonly used by business executives and consumers around the world as, businesses are recognising the potential opportunities for commerce in the on-line business environment (Karakaya and Charlton, 2001). E-tailing services are the most discussed issue in the Internet literature (e.g., Goldsmith and Bridges, 2000; Rao, 1999; Wang and Head, 2007). As information technology develops, the frequency of human–computer interactions increases, which makes trust between users and websites an important issue (Johnson, Bardhi & Dunn, 2008). Ajzen (1988) separated trust in technology into trusting beliefs and trusting intentions. According to Internet World Statistics, India has the third largest number of internet users in the world after China and USA despite having a low internet penetration rate of just 8.5 percent. The objective of this paper is to investigate the effect of e-tailing service quality and trust on e-shopping behaviour. E-tailing services can act as a potential trigger of e-shopping among consumers. Thus, we aimed to explore how e-service quality affects consumer satisfaction with e-tailing services.

Key words: E-service Quality, Customer Satisfaction

INTRODUCTION

The growth of worldwide internet commerce has been mainly due to the demand of customers who are technologically savvy and informed about products and services. Consequently, the competition has increased rampantly among Internet companies. Internet is considered a mass medium that provides the consumer with purchase characteristics like no other medium. Certain characteristics are making it more convenient for consumer, compared to the traditional way of shopping, such as the ability to view and purchase the product 24X7, visualize their needs with products, and discuss products with other consumers. According to Yoo & Donthu (2001) Internet shopping sites can be defined as the web sites of retail outlets where customers can browse, evaluate, order, buy a product or a service. Electronic service quality has a strategic implication for business attempting to deal with customers in the electronic marketplace. Based on the study by Zeithaml et al., (2000), service quality delivery online is an important strategy for success. The perceived service quality includes guarantees, customized services and

stages of a customer’s interactions with Internet website. In other words, it is the level to which Internet website enables effective and efficient purchasing, shopping and delivery (Zeithaml et al., 2000). The significance of e-service delivery is acknowledged in the business world. Among the reasons for the increase of these services over the Internet is the fact that it is much easier for customers to make a comparison between varying service offerings in contrast to traditional ways (Santos, 2003). Companies increasingly rely more on online services because they are more convenient, interactive, have lower costs and offer a high degree of customization and personalization to their customers (Park and Baek, 2007). Its importance in the e-commerce context has been demonstrated by statistics cited in the work of Cheung and Lee (2005), which showed that 80% of the highly satisfied online consumers would shop again within two months, while 90% would recommend the Internet shops they use to others. The objective of the research is to investigate the effect of e-service quality on customer’s satisfaction in e-tailing services.

E-SQ MEASUREMENT INSTRUMENT

The dominating and most widely utilized scale for the assessment of service quality is SERVQUAL, developed by Parasuraman et al. (1985). It has 97 items in a total of 10 dimensions of service quality (Parasuraman et al., 1985). The dimensions comprise tangibles that include physical facilities, functional appeal and

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employee appearance; reliability that includes the ability to conduct promised service in an accurate manner and in a trustworthy way; assurance including personnel recognition that encourages user confidence and trust; and, lastly, empathy that includes care provision and paying individual attention to customers. From that time, the five service quality dimensions have become the basis for universal service quality measurement (Yang and Jun, 2002). Parasuraman et al., (2005) defined e-service quality and proposed a new method for its measurement, which is E-S-QUAL. The measurement consists of four dimensions with 22 items. These dimensions are fulfillment, efficiency, privacy and system availability. Accompanying this main scale is a subscale referred to as E-RecS-Qual, formulated for customers facing issues while using online services. This subscale comprises three dimensions of responsiveness, compensation and contract and has 11 items. Two scales have undergone reliability and validity tests and shown good psychometric characteristics. Later, Parasuraman et al., (2005) tested it in online shopping contexts. The efficiency dimension is concerned with the ease of speed and access and utilization of the site. It is referred to as the capability of the customers to use the site, find their products of choice and all the associated information with minimal effort. Meanwhile the system availability dimension relates to the technical function of the site and is related to the technical functioning and the level to which the site is available and functioning properly. E-S-QUAL is commonly used in online service quality studies. Kim et al., (2006) made use of it to measure online e-service quality measure to determine the main factors contributing to clients' satisfaction. The E-S-QUAL may be utilized along with E-RecS-QUAL scale, which measures the quality of recovery service offered by the site. The E-RecS-QUAL scale has the dimensions of responsiveness, compensation and contact to deal with customer issues or inquiries (Mekovec et al., 2007). This method is the basis of the e- services quality evaluation approaches

METHODOLOGY

Survey approach has been widely used in marketing research to obtain raw data from large groups of people (Cooper and Schindler, 2013). We investigated the literature to identify valid measures for this study. A scale has been constructed and adopted to measure the e-service quality dimensions. In order to meet the objectives of the study, primary data is collected

using the questionnaire method. The questionnaire is divided in to two parts: Part - I consisted of the questions related to demographics and awareness about internet shopping and E-Tailing. Parts II of the questionnaire consisted of selected variables like- efficiency, website design, responsiveness, fulfillment, privacy and satisfaction. These variables are further divided into 28 variables which are directly related to e-service quality and satisfaction level. The variables have been measured on a 5 point Likert scale. The sample size taken for the study constituted 100 respondents. Convenience sampling technique has been used for data collection wherein the sample is chosen from the population in random proportion of the various age groups present in the population.

DATA ANALYSIS AND INTERPRETATION

The data is collected from 100 respondents. The response rate was 90 percent. The incomplete/inappropriate responses are rejected to get higher precision value in results. After collection of the data, the reliability of the research instrument is tested by using Cronbach's alpha and factor analysis, using SPSS 19.0 version.

Table 1
Factor Loading and Reliability Test for Variables

S. No.	Statements	Factor Loading	Cronbach's Alpha
Efficiency			
1.	The e-retailer website makes it easy to find what I need	0.708	0.886
2.	It makes it easy to get anywhere on the e-retailer website	0.806	
3.	It enables me to complete a transaction quickly on the e-retailer website	0.887	
4.	Information at the e-retailer website is well organized	0.786	
5.	It loads its pages fast	0.679	
6.	The e-retailer website is simple to use	0.896	
7.	This site is well organized	0.873	
Website design			
8.	The information on the site is attractively displayed	0.812	0.711
9.	The information on the site is well organized	0.763	

S. No.	Statements	Factor Loading	Cronbach's Alpha
10.	The information on the site is easy to understand and follow	0.679	
11.	The site layout and colors are appealing (fascinating)	0.764	
Responsiveness			
12.	E-retailer provides me with convenient options for returning items	0.679	0.775
13.	E-retailer website handles product returns well	0.784	
14.	E-retailer website offers a meaningful warrantee	0.783	
15.	E-retailer website tells me what to do if my transaction is not processed	0.676	
16.	E-retailer website takes care of problems promptly	0.637	
Fulfillment			
17.	E-retailer website delivers orders when promised	0.887	0.689
18.	E-retailer website makes items available for delivery within a suitable time frame	0.882	
19.	E-retailer website has in stock the items the company claims to have	0.772	
20.	E-retailer website makes accurate promises about delivery of products	0.688	
21.	E-retailer website quickly delivers what I order	0.752	
Privacy			
22.	E-retailer website protects information about my Web-shopping	0.689	0.871
23.	E-retailer website does not share my personal information with others	0.713	
24.	E-retailer website protects information about my credit card/debit card	0.785	
Satisfaction			
25.	I am satisfied with my previous online shopping experience	0.888	0.885
26.	Online shopping is a pleasant experience	0.768	
27.	E-tailing services are enjoyable	0.739	
28.	Overall, I am satisfied with my e-tailing service experience	0.801	
Total Variance Explained- 69.5 %			

Table 2: Model Summary

Model	R	R Square	Adjusted R Square	Std Error of Estimate
1	.677a	0.524	0.315	0.22181

Regression Linear equation defined from Table 8 is $Y = 1.365 + 0.23X$ is influenced by other factors.

Table 3: Model Summary

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	5% Confidence Interval	
(Constant	B	Std Error	Beta			-0.055	3.022
a)	1.365	0.655	0.545	2.011	0.044	0.021	0.811
X	0.230	0.211		2.122	0.051		

a. Dependent Variable: Y

DISCUSSION

The e-service quality items were exposed to an explanatory factor analysis. The analysis of the items was carried out on the data set from the responses. It showed a two-factor solution. The two-factor solution explained 69.5% of the variance. Procedures of principal component and varimax were utilized to determine the dimensions of orthogonal factor. The latent criterion of 1.0 was used for factor extraction while factor loadings of 0.40 were used for item inclusion (Hair et al., 1995). Determination Coefficient is used to measure the influence of independent variable x (e-service quality) to the dependent variable y (customer satisfaction). The result shows that the service quality has an influence of 52.4% on the customer satisfaction. Hence, We can conclude that e-service quality has significant impact on the satisfaction of user in e-tailing services.

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