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Influential Factors of E-Retail Service Quality Affecting E-Satisfaction

KEYWORDS: e-retailing, e-satisfaction, service quality

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ABSTRACT *The expeditious development of technology and internet has diverted company direction to retain customer e-satisfaction. Customer satisfaction is becoming an area of great interest for companies and customer satisfaction has a direct impact on the profitability of a company. With regard to customer satisfaction's importance, we investigate the impact of service quality dimensions on customer satisfaction .Thus, the sample of this survey consist of online buyers who have deal with e-retailer. A quantitative approach was employed using questionnaires; the sample consisted of 494 respondents. Factor analysis were used to access the dimensions affecting e-retail service quality and Regression technique were used to analyse the impact of service quality dimension on customer satisfaction. Results showed that the independent variable i.e. service quality dimensions i.e .responsiveness, functionality, security, ease of use, information, design, reliability and personalisation are found to have a significant and positive association with customer satisfaction.*

Introduction

The online growth rate indicates that the online channel will play a keener role in consumers' shopping activities. Inarguably, online channel present different experiences even when the same product are purchased from different e-retailer. In the last few years, a significant growth has been noticed in the internet- based service. Consumers have limited time and limitless choice. However, consumer can assess a virtually product in a single click. They would naturally connect to the internet merchant who meet their requirement and provide quality service. A number of researchers have made the point that the purpose of measuring service quality and gap is to prove information to upgrade customer loyalty. To deliver a better service quality, manager of the companies with web presence must first understand how the customer perceives and assess online customer service.

With the speedy development of the Internet and Globalization of market, the retail sector has become an increasingly competitive and active business environment. Today's product and services are quickly changing to digital form and presented through the Internet. In the competitive environment, it is important for the online retailer to take care of their customers better than competitor and provide better solution to their problems. Therefore, to achieve competitive advantage and differentiate strategies by offering superior service quality, it is necessary for online service providers to uncover what attributes customer utilize in their assessment of overall service quality and satisfaction and which attribute are important.

E-satisfaction can be defined as the fulfillment of a consumer with respect to his or her prior purchasing experiences with a given retail-oriented website according to Anderson and Srinivasan's (2003) definition. In the context of e-commerce, IS and marketing researchers have been interested in reexamining customer satisfaction. However, the essential importance of customer satisfaction and its consequent impacts appear to remain intact even in this environment (Evanschitzky, Iyer, Hesse and Ahlert, 2004).

Satisfaction in online marketing is customer perception of their internet experience as compared to their experience with traditional offline service provider or retail stores. As customer satisfaction specify the degree of a customer's positive feeling about a service provider, it is essential for service providers to understand customers' perception of their services. Customer satisfaction is a key judgment predecessor for customer loyalty. This relationship would seem to be relevant to Internet e-commerce .Satisfied customers tend to have higher usage of services, and obtain stronger repurchase intention. Customers' satisfactions with a certain e-service provider are expected to increase their willingness to make more online purchasing from that service provider. Rust and Zahorik stated that greater customer satisfaction leads to greater intent to repurchase. According to Anderson and Sullivian, a high level of customer satisfaction will decrease the perceived need to switch service provider, thereby rising customer repurchase and ultimately enhancing profitability of the organization. Henig and Klee further argued that satisfaction will positively influence commitment. A high level of satisfaction provides the customer with repeated positive reinforcement that will create commitment and loyalty.

Literature Review

Considering the competitive environment, there is a need for e-retailer to plan their strategies that will differentiate them from another. This can be achieved through the delivery of high service quality. The practice of exceptional service quality has been proven that customer satisfaction will significantly lead to customer loyalty (Caruana et al., 2000; Caruana, 2002).

Service quality

Parasuraman et al., (1985, 1988): Service quality is determined by the differences between customer's expectations of the service provider's performance and their evaluation of the services they received. Quality of service is very essential especially for the outgrowth and development of service sector business enterprises (Powell, 1995). It works as an antecedent of customer satisfaction (Ruyter and Bloemer 1995)

Recently e-service has become popular in the world with the proliferation of the Internet, but the theory and practice of e-service is nevertheless in its infancy (Santos 2003), and in that respect is not an agreement along the definition of e-service.

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Zeithaml et al. (2000) *state that e-service is web services which are delivered through the Internet*. In an e-service customer interaction or contacts with service providers is through technology, such as their web sites. Customers have to rely solely on information technology in an e-service encounter. Rust and Lemon (2001) conceptualize e-service as an information service or self-service since the primary value exchanged between the two parties (e.g. Buyer and seller) is information.

Ghosh (2004) conceptualizes e-service as an interactive data service. On one side, the information on customers collected in e-service process can be amassed and analyzed by e-service providers, and used as the support for their customized services. Moreover, for customers e-service transaction and e-service delivery can be fulfilled through exchange of information with service suppliers.

Parasuraman et.al. (2004) opined to measure the service delivered by web sites. The study developed two scales E-S-QUAL and E-RecS-QUAL model on the basis of these models, the factors like responsiveness, efficiency and various dimensions had a significant impact on customer's global evaluation of website.

Only the electronic delivery of retail services differs in many ways from traditional 'Brick and mortar'. Online services have unique characteristics that offline service do not grasp, which can involve the perception of service quality. These characteristics could include, for example server problems, outages of backing up data and connectivity issues. With the developing interest in service in online retailing context, an increasing number of research studies have concentrated on understanding online service quality

Customer satisfaction

Alam and Yasin (2010) identified the key factors influencing customer satisfaction through online shopping. The study concluded that website design, reliability, product variety and delivery performances are the four key factors which influence consumers' satisfaction of online shopping. Nevertheless, there is no substantial relationship between saving time and satisfaction. Recommendations are presented which may help foster growth of Malaysian online retailing in the future.

Rahman. M, Miazee. H (2010) explored service quality as the most important influencing factor of online purchaser that affects consumer satisfaction and demands on their purchasing decision. Five e-service quality dimension were explored the online shopping or purchasing in order to explore the influential factors of service quality and customer satisfaction. The solution of finding concluded that e-service quality factors i.e., Efficiency, fulfillment, reliability, privacy and responsiveness were found to be the core service quality elements in online buying.

Ariffin, Karim (2011) tried to detect out the elements that are affecting customers' intention and satisfaction to shop online and to know the reasons, why Malaysian clients accept or refuse internet shopping application, and what are leading predictors that influence the customers' intention to shop on internet in Perlis, Malaysia**.** The research was based upon primary data and adopted survey by questionnaire approach. Findings revealed that customer satisfaction and online shopping based on diverse issues such as advertisement, brand, shopping experience, time, confidence and so forth

Al-Kasasbeh, Dasgupta.S and Faouri (2011) examined factors affecting user satisfaction with e-services. The survey was based on primary data consisted 615 students. The results reveal that website design, personalization and navigation were found to be predictors of e-service satisfaction. The outcomes of the field revealed that website design, piloting, and personalization play an important part in the overall evaluation of e-service satisfaction. The outcome of the survey proposed that management of universities needs to be mindful that a bad experience with website design and personalization can affect satisfaction. If customers believe that an organization's website is difficult to use, weakly designed, and doesn't take into consideration distinguished services for each user, then customers are likely to move to other websites.

Sadeh et.al. (2011) studied the effect of website quality on the satisfaction of sellers in e-retailing system. The study identified seven dimensions of website quality which included research facility, provides particular information, privacy and security, interaction facilities and contents, speed and facility of assess, reliability and up to date data. The study was based upon primary data which consist 106 customers of 6 e-retail companies. The result indicated that all seven dimensions of website quality influence customer satisfaction positively and significantly.

Guo1, Ling1 & Liu (2012) identified the causal factors of consumer satisfaction towards online shopping in China. A total of 350 e-retail customers in China had participated in this research. The findings exhibit that website design, protection, data quality, payment method, e-service quality, merchandise quality, product diversity and delivery services are positively linked to consumer satisfaction towards online shopping in China.

Dash (2012) identified the key factors influencing customer satisfaction through online shopping. The study was based upon primary data which includes 127 respondents. Multiple regression analysis was employed to predict the shock of these independent variables, vice trust, privacy, complexity, risk, product change, time utility and dependability. The statistical analysis, it is noticed that there is a relation between customer satisfaction in online shopping and privacy, trust, complexity, product change, risk and reliability except time factor.

Research Objectives

- To identify the factors affecting e- retail service quality.
- To assess the impact of service quality dimensions on customer satisfaction in E-retailing?

Hypotheses of the Study

Based on review of literature and considering rational views of the experts in e-retailing and service marketing following hypotheses were formulated;

H1: All service quality dimensions under study are significantly contributing to customer satisfaction in e-retailing

Research Methodology

To study the e-retail service quality and to find the gap between expectation and perception, convenience sampling was used to collect data from individuals who could reasonably interpret the E-retailing, hence in the present study those individuals has been included who are educated and exposed to online shopping. The survey has been conducted via email and face-to-face interviews. A total of

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500 survey questionnaires had been sent out, to which 494 questionnaires received. After the screening process execute, only 494 responses have been considered complete and valid for data analysis. This represents a success rate of 93.5%, which is considered to be good in view of time and cost constraints. Data collected by surveying of online customers and data are stored in SPSS database and further analysis were carried out using the Statistical Package for Social Science, SPSS, (Statistical Package for social Science), version 16.0 and excel. Data collected by surveying of online customers and data are stored in SPSS database and further analysis were carried out using the Statistical Package for Social Science, SPSS, (Statistical Package for social Science), version 16.0 and excel.

Table 1 Demographic profile

Variable	Sample size	%age
Region		
Rural	104	20.80
Urban	396	79.20
Gender		
Male	253	50.60
Female	247	49.40
Age (years)		
16-30	216	43.20
31-45	214	42.80
>45	70	14.00

Results

Measure of Sampling Adequacy

The Kaiser-Meyer-Olkin measure of sampling adequacy tests whether the partial correlations among variables are small. High values (close to 1.0) generally show that a factor analysis may be useful with data. Bartlett's test of sphericity tests the hypothesis that correlation matrix is an identity matrix, which would show that variables are unrelated. Small values (less than 0.05) of the significance level indicate that a factor analysis may be useful with data. Table no 2 indicates that in the present test the Kaiser-Meyer-Olkin (KMO) measure was 0.812. Bartlett's sphericity test indicating Chi-Square = 9.048E3, df = 465 with a significance of 0.000.

Table 2 KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.812
Bartlett's Test of Sphericity	Approx. Chi-Square	9.048E3
	df	465
	Sig.	.000

Reliability Test

In order to confirm the internal reliability of the model used, the authors have performed Cronbach's Alpha Test of Reliability. Using this test specifies whether the items pertaining to each dimension are internally consistent and whether they can be used to measure the same construct or dimension of service quality. The cronbach's alpha of scale is .928 which is a good sign to go forward as the value of the cronbach's alpha coefficient of 0.6 and above is good for research in social science (Cronbach, 1990). All these values show factors analysis has extracted good quantity of variance in the items. Hence, all the requirements of reliability are met.

Table 3 Factor analysis results for e-retail service quality

Dimensions		Item	Factor loading	Cronbach Alpha
Responsiveness	ER28	Have relevant and accurate Emails' responses	0.749	.839
	ER3	Handle quickly to a consumer complaint.	0.699	
	ER30	Has an acceptable return policy	0.671	
	ER29	Sends e-mail and messages for special offers frequently	0.665	
	ER31	Offer fair Compensation for problems Orders from this e-retailer	0.625	
	ER22	Orders are protectively packaged when delivered	0.544	
Functionality	ER26	Not contain the wrong items.	0.749	.807
	ER25	Provides free shipping	0.694	
	ER27	The time between placing and receiving an order is short	0.617	
	ER23	Send confirmation of each transaction	0.61	
	ER20	Give numerous payment options	0.584	
Security	ER21	Security policy is accessible	0.69	.803
	ER7	Websites contain company details	0.672	
	ER15	Purchasing from the websites will not cause financial risk	0.649	
	ER16	Online payment is safe	0.604	
	ER14	Feel safe while sending personal information to the websites	0.529	
Website design	ER10	Websites are visually pleasing.	0.811	.781
	ER4	Web sites have fine print that is easy to read	0.654	
	ER8	Able to see the graphics clearly on e-retailer's Web site.	0.634	
	ER9	Website designs are innovative	0.508	
Ease of use	ER13	Websites load its page quickly.	0.773	.796
	ER11	The websites are be well organised	0.739	
	ER12	Websites completes a transaction quickly	0.596	
Reliability	ER17	Website performs the service right the first time	0.719	.754
	ER24	Provide a confirmation of items ordered.	0.699	
	ER18	Have order cancellation and return policy	0.669	
	ER19	Order tracking details are available till delivery	0.556	
Information	ER6	Information is at the right level of detail	0.651	.730
	ER5	Information is current and timely	0.598	
Personalisation	ER1	Has service representatives online	0.752	.858
	ER2	Have a toll free call number	0.688	

Table 3 shows the factor analysis of the Thirty one variables; this analysis extracted eight factors from the vari-

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ables. Each factor was defined by at least two scale items. We names these factors as responsiveness, functionality, security,website design, ease of use, reliability, information and personalisation.

Testing Of Hypothesis

A multiple regression test was performed to test hypotheses H1. R Square value .865, F = 174.48, sig. = .000 indicates that, responsiveness, functionality, security, ease of use, information, design, reliability and personalisation are good predictors of customers' satisfaction in e-retailing.

Regression analysis

Table 4 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.930[a]	.865	.860	.16662

a. Predictors: (Constant), Personalization, Security, Reliability, Responsiveness, Functionality, Design, Efficiency, Information

Table 4 above provides the model summary of the model which specifies customer satisfaction as a function of service quality dimensions which are, responsiveness, functionality, security, ease of use, information, design, reliability and personalisation. R square of the model is .865 which entails that 86.5% of the variation in the dependent variable i.e. customer satisfaction is accounted for by this model which is quite good.

Table 5 ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	38.752	8	4.844	174.486	.000[a]
	Residual	6.024	217	.028		
	Total	44.776	225			

a. Predictors: (Constant), Personalization, Security, Reliability, Responsiveness, Functionality, Design, Efficiency, Information

b. Dependent Variable: customer satisfaction

Table 5 above provides the AVOVA test of the model which species customer satisfaction as a function of Information, Responsiveness, Fulfilment and Design. ANOVA tells overall goodness of fit of the model. F-statistic of the model is 174.46 which is quite good and entails that model is a good fit at 1% level of significance.

Table 6 Coefficients[a]

Model B		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		Std. Error	Beta			
1	(Constant)	.350	.083		4.236	.000
	Responsiveness	.178	.015	.312	11.864	.000
	Functionality	.133	.014	.253	9.454	.000
	Security	.143	.013	.293	10.794	.000
	Design	.116	.012	.251	9.315	.000
	Efficiency	.077	.013	.159	5.837	.000
	Reliability	.135	.013	.288	10.560	.000
	Information	.059	.012	.136	4.892	.000
	Personalization	.055	.012	.127	4.694	.000

a. Dependent Variable: customer satisfaction

Table 6 provides the results of the model predicting customer satisfaction through the variables of service quality which are, responsiveness, functionality, security, ease of use, information, design, reliability and personalisation. These variables have a positive and significant relationship with customer satisfaction. The regression coefficients of significant variables i.e. responsiveness(.312), functionality(.253), security(.293), design(.215), efficiency(.159), reliability(.288), information(.136) and personalisation(.127). Regression analysis leads us to accept hypotheses of H1 postulating a significant and positive relationship of service quality.

Conclusion

Evidences entail that service quality is an excellent technique for enhancing customers' satisfaction to the organization in today's cut-throat environment. The main objective of this study is to determine the impact of various service quality dimensions on customer satisfaction in e-retailing for Punjab. Findings revealed that service quality and its dimensions such as responsiveness, fulfilment, design, security, efficiency, personalisation, reliability and information, have significant and positive association with satisfaction of customers towards their respective-retailer. Service quality has been admired by the organizational researchers all around the globe as a competitive weapon which differentiates the organization from its rivals in a much positive way by enabling the service organizations to delight the customers through the provision of premium quality services on consistent basis and subsequently enhance their satisfaction and loyalty to the organization (Naik et al., 2010; Wisniewski, 2001; and Zeithaml, 1988).

It has been witnessed that in today's all what they need is quality of products and services which satisfy their needs effectively. Hence the major need of today's e-retailer is to find the ways to create satisfied client-base. Therefore, these financial institutions must consider above discussed antecedents of customer satisfaction in order to have happy customer base (B. Sharp, & A. Sharp, 1997) which subsequently enhances their performance and profitability (Hackl et al.,2000; Andereson et al., 1994).

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