

Perceived E-Service Quality (Pesq) and Its Effect on Consumer Satisfaction and Web Site Loyalty on Customers



Zoheb Ali K, Rashmi Kodikal

Abstract: India is a country where maximum growth is witnessed in ecommerce. Most of the firms have started to adopt technology because of the benefits associated with that. In this study the researcher measured the impact of service quality on various behavioral dimensions like word of mouth, revisit and intention to purchase in internet shopping. The study was conducted from online shoppers of Dakshina Kannada district of Karnataka in India because of the high adoption rate among the people. A total of 350 samples was collected from various taluks of Dakshina Kannada district in proportion to its population. The researcher found out that E-Service quality have a strong positive influence on consumers buying decision which influence satisfaction and finally that leads to creation of a category of consumers who are loyal to the firm and show very positive post purchase behavior. In comparison with the various dimension of service quality it was found that ease of use and ease of navigation had maximum impact on the customers. The firms should also target their marketing efforts on creating a positive service encounters; this will lead to a better satisfaction rate.

Keywords: Customer loyalty, Customer satisfaction, Customer services quality

I. INTRODUCTION

The internet commerce industry has passed a stage where acquiring a customer was a challenge to the current era where retention and turnover has become a challenge. The competition between the dotcom companies has reached such a stage where we regularly witness price wars because of which price is not a tool which can be used to achieve competitive advantage. The focus is currently on non price tools such as service quality and loyalty to attract and retain customers and this has proved to be rewarding in many ways for industry leaders. The companies always spend less on customers who keep revisiting compared to new customers so this will help the firms in achieving their financial as well as non financial objectives. For achieving better results it is compulsory for the companies to find out what customers

expect from them. In the context of the current study there are two types of consumers that is internet purchasers and internet non-purchasers. In this study we have focused on internet users because they will be in better position to analyze and tell us the expectation they feel from internet commerce sites. This will also help us in attracting non users to tryout their service which can lead to better penetration of the market because in a country like India still large portion of the people are non users that is traditional users who like do business in the olden way of visiting the stores.

The ideal objective of all the E commerce firms should be to continually maintain an increasing rate of service quality that will satisfy existing customers and also help in attracting potential customers. Most of the Firms large or small face the problem of limited resources so understanding where investment has to be done is very critical , this study is aimed at helping firms make the decision on where should resources be used and what strategy to adopt. If the firms are able to understand the various perception of internet purchasers and non purchasers then their strategy can give better results because a requirement of internet purchaser and concerns of internet non purchasers are entirely different.

Nevertheless very fewer studies have been done focusing of internet purchasers in the Indian context because the environmental factors differ vastly in India compared to other countries. Therefore this article is aimed at improving the knowledge of various E service quality determinants and impact of those on loyalty and satisfaction. The three research objectives of this study are as given below:

- To analyse the various service quality variables and its impact on buying behaviour.
- To elucidate the nature of relationship between E service quality, loyalty and trust.

In the current scenario due to the advent of modern technologies functions of various gadgets are being clubbed together into single devices which are supported by telecom firms with stable internet connection. Because of these reasons more people from every corner of our country have started to rely on them and this increased penetration in the market has made it a compulsion for them to study the customers. The success of every firm depends on the customers and their level of satisfaction. So the core objective was to analyze the relationship between service quality perception, satisfaction loyalty and trust.

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II. THEORETICAL BACKGROUND

The attainment of quality in products and services has become a pivotal concern of the 1990s. While quality in tangible goods has been described and measured by marketers, quality in services is largely undefined and unsearched¹. The nature of relationship between service quality perception, satisfaction, trust and loyalty among customers are the critical factors that impacts the survival and growth of the firms in the market². Success of any company will be based on its services and how customer accepted the services. If the services is not up to the mark, then customer will show a negative feedback about the company. Customer Satisfaction will be derived on the basis of customer's perception about the service provided. The promises that company does will create a standard perceived level of trust in every customer's mind, such that the customer will have a positive feedback before purchasing the product. When they consume the product or services the post-purchase behavior will result the actual perception of the service.

If a customer needs to be loyal than the product/ service need to meet promises made to customers. The blind promises will bring a temporal customer rather the loyal one. The marketer needs to be concentrated on customer's retention than making high profit. To retain the customer marketer, have to be more conscious about customers' expectations. Customer always concentrate on different factors so to create much potential customer all these factors need to be understood.

A. Variables selected for the study:

- E service quality; E service quality is the perception of quality of the service which has been delivered. E service quality plays a paramount role in understanding what customer wants from a service provider.
- Loyalty; For a firm to be successful it need to be able to have a good number of loyal customers. Loyalty is the level of customer's relationship with the firm. A firm is always able to make maximum profit out of these repeat customers.
- Trust; Trust refers to the level of reliability the customers have in transacting with the firm. The more the trust level the better risk customers will be willing to take to transact with the organization.

III. LITERATURE REVIEW

Reviewing the studies done reveal that loyalty was much influenced by increase in the customer satisfaction. Some study gave the idea about how perceived trust played an important role in customer satisfaction. Perceived trust and satisfaction becomes driving force in order to achieve the loyalty of the customers. Eduard Cristobal et al (2007)³ was of the view that quality is a multidimensional tool which includes various unique dimensions like , site structure, customer service, assurance and order processing. They said that service quality have a positive impact on satisfaction which in turn influence the level of loyalty among consumers. They also found that the result was same when compared between customers and information seekers. Jessica Santos,

(2003)⁴ was of the opinion that service quality is becoming a very Important measure to analyze performance of a E commerce site. The researcher also felt that consumers liked the online option of comparing products, searching for information in their comfort in comparison with the traditional way of doing the purchase. So E commerce sites are now compelled to focus on quality of service delivered. Gwo-Guang Lee (2005)⁵ was of the view that to increase the intention of customers to buy everyone should frame proper marketing strategies to improve the trust factor, reliability and responsiveness on online service providers. They have to devote proper resources to understand and improve the various service quality attributes. Joel E Collier (2006)⁶ opined that the concept of E Service quality has primarily focused on the interaction the website and the customer have and always ignored the larger and the broader aspects of service quality. Contrary to old studies formative indicators are used to conceptualize service quality. The study also found various empirical supports for using the formative indicators. Swinder Janda et al (2002)⁷ in their study focused on two studies to analyze service quality variables. In the first study interview method was used to identify five different variables of service quality and in the second study a multi item scale was developed after a survey and validation of the instrument. Zhilin Yang et al (2015)⁷ was of the opinion that loyalty is important measure of performance and the firms focus on satisfaction and value. The satisfied customer always led to loyal customers in the long run Francis Mungai Muturi et al(2014)⁸ opined that perception of value and perception of price are two important factors which customer identify while buying a service from the provider.

IV. OBJECTIVE OF THE STUDY

- Identify the factors which determine E service quality
- To identify the customer loyalty and customer satisfaction towards e commerce sites
- To identify the relationship between customer satisfactions, perceived trust and loyalty towards the service provider.

V. RESEARCH METHODOLOGY

The study "A study on Perceived e-service quality (PeSQ) and its effect on consumer satisfaction and web site loyalty on customers" was conducted in Karnataka state of India. The researchers conducted the empirical investigation using a structured questionnaire. Considering the total number of questions in the questionnaire (26), the sample size shall be 350 which are randomly distributed among different taluks of the district. The research is diagnostic in nature and proposes to identify parameters that lead to customer satisfaction.

VI. RESULTS AND DISCUSSION

A. Demographic Variables

Table 1; profile of consumers shopping online

Sex		Frequency N (%)
	M	27
	F	73
Age	Below 20	10
	21 to 25	62
	26 to 30	20
	31 to 40	3
	Above 41	5
Qualification	Higher secondary school	4
	Graduate	64
	Post graduate	25
	Diploma	2
	Others	5
Items mostly purchased online	Dresses	47
	Appliances	20
	Fruits and vegetables	3
	Kitchen items	10
	Sports item	3
	Books and other digital products	12
	Others	5

From the table number 1 given above we can infer that most of the people who prefer are youngsters and mid aged people, so the company's should focus their effort in targeting these segments. It also can be understood that most of the customers are educated so all the marketing efforts can easily reach the target market. By understanding the products purchased it can be concluded that most of them prefer online sites only for apparels and electronic items.

B. Service quality dimensions

Table 2 : Analysis of Service quality dimensions

Customer service (CS)			
	Mean	Standard deviation	Gap
CS-1 : Timely fulfilling of promises	3.630	1.034752	1.37
CS-2 : grievance handling in a fast and efficient way	3.456	0.976797	1.44
CS-3: proper performance in the first time	4.021	0.901504	0.979
CS-4: customization of service	3.369	1.096622	1.631
CS-5 : Delivery always as per schedule	3.608696	1.099016	1.392
Web design (WD)			
WD-1 : Availability of Precise and proper information	3.760	0.987	1.24
WD-2 : updated latest information	3.782	0.958	1.218
WD-3 : load time of site	3.891	1.053	1.109
WD-4 : ease of finding proper information	3.847	1.047	1.153
Assurance (A)			
A-1 : Detailed information on products and service offered	4.043	0.863	0.957

A-2 : secure Image	3.782	0.935	1.218
A-3 : Privacy of data	3.739	0.970	1.261
A-4 : intimation on start of order processing	3.956	0.810	1.044
A-5 : proper instructions on purchasing online	4.195	0.683	0.805
A-6 : proper security precaution and intimation to customers on the same	3.695	1.045	1.305
Order management (OM)			
OM -1: customers can modify order details anytime in the process	3.565	1.05	1.435
OM -2 : proper details regarding availability of the products are displayed all the time.	3.9	0.78	1.044

As given in table number 2 customer service deals with the analysis of various variables regarding the service delivered to the customers. From this it can be inferred that organization must focus on involving customers on a larger scale. Gap score of 1.631 shows the need for customization and a gap of 1.44 shows that customer grievance handling mechanism has to be improved.

Web design deals with the design and of layout of website. Overall the e commerce sites performed very well on this dimension and some improvements is required on display of features and other information of the product that is with a gap of 1.24.

Assurance deals with a positive declaration and intention to give confidence or a promise which is adhered to in a prompt manner. Here by analyzing the various gap scores it has been found that the providers have to focus on using various measures to enhance the feeling of security among the customers that is with a gap of 1.304 and also firms should focus on maintaining an image of trustworthiness and confidence among the clients with a respective gap of 1.218 and 1.261.

Order management deals with the mechanism of giving purchase order and tracking the order till delivered. By analyzing the above statement it can be understood that customers would like better features where more autonomy is given to modify or defer the transaction whenever required.

C. Comparison between dimensions

Table 3: Comparison of Service quality dimensions

Dimension	Mean	Percentage
Customer service	3.616	72.32%
Web design	3.82	76.4%
Assurance	3.901	78%
Order management	3.765	75%

From the cross comparison among the variables in table 3 it can be found that the web site are able to instill a sense of assurance in the minds of the customers,

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to make sure they remain competitive in this era of cut throat competition every organization should focus on achieving continuous progress. They should try to give improved service so that it increases the overall satisfaction which can lead to loyalty. Retention is the most difficult thing and they have to focus on every dimension and continue achieving greater satisfaction in all these dimensions to be more successful.

D. Analysis of Loyalty Trust and Satisfaction

Table 4: Analysis of Loyalty Trust and Satisfaction related dimensions

E-loyalty (EL)	MEAN	STANDARD DEVIATION
EL-1: recommending the company to others	4	1.048
EL-2: positive word of mouth towards the website of the firm	3.97	0.925
EL-3: intention of the customer to continue using the same site	3.478	0.795
EL-4: preference of the site over other competitors of the firm.	3.891	0.870
E-satisfaction (ES)		
ES-1: satisfaction with the various services provided in the website	3.913	0.807
ES-2: level of fun and entertainment in using the site	3.717	1.06
ES-3: overall satisfaction with every aspect of the company	3.804	0.773
ES-4: happiness with the product purchased from the online site.	3.826	0.872
E-trust (ET)		
ET-1: Trust level in giving private information to the firm	3.913	1.37
ET-2: willingness to give credit card or debit card details to the provider.	2.89	1.44
ET-3: confidence level to pay in advance for the products purchased	3.13	1.21
ET-4: always exhibit professional behavior while transacting with the customer	3.56	0.99
ET-5: E-Commerce sites show sincere effort to fulfill the promises made.	3.47	0.954

Loyalty refers to the relationship between its customers and the firm. From the above data we can infer that most of the customers are of the opinion that they will spread positive word of mouth and intend to use their services in the future but score of 3.87 tells that there is still chance of losing customers, so the firm has to make sure they keep most customers intact by engaging more with them with better offering. By analyzing the satisfaction component we can say that most customers are happy but still there is scope for

improvement values in the range of 3.7 to 3.9 suggest that more effort should be put to achieve better satisfaction. trust deals with how customers rely on the firm in their transaction with them, a score of 2.89 says that people are not willing to purchase online using credit or debit cards and cash on delivery is what motives them to purchase. It also can be understood that these firms have to become more professional in dealing with the clients that is with a score of 3.56.

E. Correlation between Loyalty Trust and Satisfaction

Table 5: Analysis of relationship between variable

	Service quality	Loyalty	satisfaction	trust
Service quality	1			
loyalty	0.6078	1		
satisfaction	0.746239	0.6934	1	
trust	0.437618	0.468551	0.571366	1

From the above data we can understand that service quality and satisfaction is highly correlated to each other with a value of 0.74 followed by service quality and loyalty. But when we analyze trust we can understand that trust has low relationship with service quality and loyalty and it impact satisfaction in a moderate way. By this we can understand that even though customers are happy and loyal with the organization they need not trust the organization, so company should put in separate efforts even with loyal set of customers.

VII. THEORETICAL AND MANAGERIAL IMPLICATIONS

This study has given a lot of practical implications. From a theoretical viewpoint we visualized and measured E-service quality to include various different aspects of online purchase and fulfillment of order in the offline not limiting our effort to just analyzing customers experiences. Further we also found out the relationship between service quality, satisfaction and loyalty.

From a managerial perspective it can be noted that loyalty is created from satisfaction and trust and antecedents of these variables are very unique. Further it was found that trust has a strong direct impact on loyalty and also has a lot of indirect influence to satisfaction. This confirms our previous understanding from the review about the role of trust loyalty and satisfaction in a service environment. Since in the current digital era every individual have a strong digital presence trust has becoming a vital influencer because without that no customers will prefer to shop online this will also slowdown the conversion of internet non-purchasers to internet purchasers. Therefore the firms should realize that to build satisfaction and loyalty first they have to build trust among the customers, this will help firms operate much better. In having a holistic approach this study helps the online retailers in framing a better marketing strategy. From all the variables fulfillment of the service promised in a timely way is a powerful way to build trust in the minds of the customers.

In online environment next issue is regarding whether firms should invest on redesigning and improving the functioning of the site or give importance to improve their offline services. The findings tells us that offline activities have better impact than the online site experience so the firms should give first priority to improve their offline services. So fulfillment and security are the two factors which firms should focus on.

VIII. CONCLUSION

Overall to conclude we can say that it is very important for the online firms to realize the importance of service quality, satisfaction and trust in creation of a loyal set of customers. The customers when interacting with the firms always feel that they are communicating or transacting with the firm through a technical interface. So they always analyze the entire experience from search of products, order processing to delivery or fulfillment. Therefore the firm's should focus on all the different constructs of service quality thus creating satisfied customers which in turn build trust and lead to loyalty.

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