Impact of Internet Retail Service Quality Factors on Satisfaction of e-shoppers in Bangladesh

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Abstract

The current Technological advancement in Bangladesh has opened up tremendous growth opportunity for e-commerce. Growing awareness and interest among consumers to use online for purchasing also play a very important role in the development of online retailers in Bangladesh. The purpose of this study is to identify the impact of Internet retail service quality factors on satisfaction of e-shoppers in Bangladesh. This is accomplished via two studies. First study based on qualitative focus group interviews to identify four variables important to consumers in their evaluation of the quality of online retailers. These are termed Ease of use, Access, Assurance, Performance, Information. Second study includes conducting a seven rating questionnaire survey collect data from 198 online customers. the researcher used statistical techniques like mean, standard deviation, correlation and regression analysis. The result supports all the hypothesis except H2. Which means Access is not significantly correlated to Satisfaction.

Keywords: e-service quality; e-satisfaction; e-retailer; e-shopper.

1. Introduction

With the target of digital Bangladesh, like the other developing and developed countries Bangladesh has witnessed tremendous growth in the use of internet. Though there are many obstacles in the expansion of Internet access and use in Bangladesh. But we gradually overcome those obstacles that are clear from the statistics of internet users. According to BRTC statistics The total number of Internet Subscribers has reached 33 million,2013 to 62.004 million at the end of April, 2016. The advancement of internet technology work as reason for changing the way of doing business in several industries [1].

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Buying and selling goods and services online is become a popular trends in today’s world. E-commerce can be regarded as innovation or a new internet platform for doing business in the Internet world. E-commerce uses the Internet technology and its features such as interactivity, speed, networked connectivity and multimedia and allows many businesses to conduct their business in a more efficient and faster manner [2]. Studies have shown that the Internet is primarily used as a medium for searching information rather than as a means of purchasing products. In fact, less than two percent of online visits result in a product purchase [3]. Similarly, research indicates that many consumers prefer to search for product information online, but go on to make their purchases at traditional brick-and-mortar stores [3,4,5,6]. These trends indicate that although there is growth in the number of Internet users, there is not a commensurate growth in people buying goods and services directly online.

Identifying the factors of Internet retail service quality will help toward that end. In their study [7] regarding the appropriateness of existing service quality dimensions for technology-mediated interactions is warranted, given the meaningful differences that exist between Internet retail shopping and more traditional channels. In a recent study,[8] identify the impact of flexibility in navigation, convenience, and not experiencing a physical store/product as evaluation criteria that eventually influence the formation of attitude toward internet shopping. Shopping online is a different experience than shopping in traditional retail channels. Business via internet is not a very old concept in Bangladesh. But is it important to notice that still most of the population in this country prefer to purchase products physically rather than virtually. Recently a number of customers are switching from physical store to online store due to the convenience they get from online. E-commerce allows the consumers to get more options, information, and buy products from one online retailer brand to another with only one click.

1.1 Purpose of the Study

Now-a-days customers are becoming more interested to buy from online for all kinds of products rather to go to physical store in Bangladesh. In e-commerce issue there have been a lot of research works on click and mortar business strategies and factors affecting consumer buying behavior. But few researches have been conducted, especially in Bangladesh, to address the issues why customers move from physical to online shop after the commencement of e-commerce business model. This paper attempts to identify the factors that influence customers satisfaction toward online retailer in Bangladesh.

1.2 Limitations of the Study

The study was limited by a number of factors. Firstly, the study was limited only in Dhaka district, sample size was too small to represent the proposed scenario. On the other side time was one of the major constraints and respondent’s unwillingness to answer is another.

2. Literature review

2.1 E-satisfaction

Customer satisfaction is closely related to interpersonal trust and is considered an antecedent of trust [9]. A
positive effect of satisfaction on trust can be expected in the online environment as well, though empirical research in this domain is scarce. A positive effect of customer satisfaction on trust with respect to the service provider has been demonstrated for the book e-tailing industry [10]. In analogy with these findings, customers’ satisfactory experiences with a specific e-tailer are expected to increase their willingness to make more online purchases from that e-tailer (loyalty), as well as their trust in the online medium as such (system-based trust). Satisfaction with a specific application of the system (the e-tailer) will increase confidence in the system as a whole. The individual who perceives that the business complies with the agreed conditions, believes that this behavior will continue in the future, which is why their willingness to continue the relationship is strengthened, in turn increasing the number of exchanges and the degree of commitment. At the same time, the attraction of other alternatives on the market, within the same product category, is weakened, which is why the business’s capacity to satisfy customer needs prevents both the customer’s withdrawal and the arrival of new competitors. Thus, satisfaction becomes a differentiating mechanism for what the company has to offer. In keeping with the aforementioned arguments, we can say that the fulfillment of a user’s web site expectations leads to the increase in the user’s future purchasing intentions and will increase their visit frequency, just as other authors have suggested [11].

2.2 Internet retail service quality factors

Online shopping related research is now an emerging concept in marketing journals. While several studies have been reported, none stand out as the “seminal” work in this field. Indeed, like most areas that are new, individuals have taken different approaches and focused on a variety of aspects of this question. We then discuss emerging trends in this body of work and how the current study improves on some past research. Reference [12] report on a scale development effort designed to capture the perceived quality of an Internet shopping site. Their final nine item scale includes four dimensions: ease of use, aesthetic design, processing speed, and security. On the other hand [13] look at determinants of a related construct, e-satisfaction. They find empirical support for the influence of convenience, product information, site design, and financial security on consumer satisfaction ratings of their Internet shopping experience. Reference [14] develop a framework consisting of 11 dimensions to be used in evaluating the delivery of “electronic service quality”. The 11 dimensions include access, ease of navigation, efficiency, flexibility, reliability, personalization, security/privacy, responsiveness, assurance/trust, site aesthetics, and price knowledge. In authors in [15] develop four e-quality dimensions: site design and content, trust, empathy, and security. A retailer having a Web site that is easy to use and that facilitates the locating of merchandise is a dimension that is different and more specific than service quality dimensions previously identified for traditional retail outlets. Another dimension, product information/content, is found across several studies. The quality and quantity of information on retailer Web sites is a dimension not directly explored in traditional retailing service quality measures. It gets at the idea that adequate and accurate amounts of information are considered a key part of the service provided by online retailers. While e-service quality dimensions are occasionally considered to be causing e-loyalty directly [16], a majority of studies view them as antecedents of e-satisfaction [13] i.e. satisfaction is conceptualized as a mediator of the relationship between quality and loyalty [17]. As yet, there is no consensus on the exact nature or number of quality dimensions that customers consider when evaluating e-services [16,5,14]. Based on the past research, the researcher has chosen five commonly used e-quality dimensions for the present study. These are discussed below:
• **Ease of use:** Site contains functions that help customers find what they need without difficulty, has good search functionality, and allows the customer to maneuver easily and quickly back and forth through the pages. Ability to get on the site quickly and to reach the company when needed Choice of ways to pay, ship, buy, search for, and return items. Site is simple to use, structured properly, and requires a minimum of information to be input by the customer. Ease of use and perceived channel advantage have been shown to predict adoption of Internet financial services [18]. Ease of use is an essential element of consumer usage of computer technologies [19,20,21,22], and is of particular importance for new users [23]. Ease of use is a determinant of service quality and is decisive for customer satisfaction, since it enhances the efficiency of using the service [24]. In an e-tailing context, ease of use includes aspects such as functionality, accessibility of information, ease of ordering and navigation [25].

• **Access:** This dimension refers to a consumer's ability to purchase a wide variety of products from anywhere in the world through a specific online retailer. Access comprises the variety and universality of products offered on a Web site. Variety pertains to a wide assortment of products available to the consumer such as rare, custom or unique items. Universality implies that the retailer's selection is comprised of products from all over the world. A Web site that supports multiple languages and currencies is also an element of universality. The access dimension appears similar to the merchandising component of e-satisfaction identified by [13]. In their conceptualization, online retailers who were effective with regard to the merchandising dimension carried a superior assortment of products, as well as items not typically found in traditional outlets. References [14] have, as one facet of their customization/personalization e-service quality dimension, the provision of a wide selection of merchandise by the retailer in order to provide many options.

• **Assurance:** Degree to which the customer believes the site is safe from intrusion and personal information is protected. Privacy involves the protection of personal information, not sharing personal information collected about consumers with other sites (as in selling lists), protecting anonymity, and providing informed consent [26]. Security risk perceptions have been shown to have a strong impact on attitude toward use of on-line financial service [18]. Prior research indicates that online customers are often concerned about conveying their personal information to businesses via the Internet [19,27,28]. In fact, most Internet users, including both those who have purchased products online and those who have not, worry about the acquisition and dissemination of personal data [29].

• **Performance:** The performance dimension pertains to how well an online retailer does in terms of meeting a customer's expectations regarding physical fulfillment of an order. Quick response and the ability to get help if there is a problem or question. This dimension goes beyond the customer's receipt of the appropriate merchandise. It also includes the amount of time and hassle that online consumers perceive it takes to complete the entire sales transaction. As such, transaction efficiency and delivery fulfillment are conceptualized as components of the performance dimension. Some of the dimensions identified by [14] also relate to the transaction efficiency sub-dimension of performance. Most notably, their access and responsiveness dimensions reflect the notions of quick loading times and prompt confirmation of orders, respectively.

• **Information:** Confidence the customer feels in dealing with the site and is due to the reputation of the site and the products or services it sells, as well as clear and truthful information presented. Extent to which the customer can determine shipping price, upcoming and current product availability during the shopping process. Informational fit to task includes appropriateness of information, quality of information, and presentation of
information [30]. Informants revealed that information quantity and credibility are considered to be important elements of online retail service quality. We refer to quantity as the ability to access relevant information in a purchase situation (e.g. price comparisons), while credibility involves the degree to which consumers trust the information provided by an online retailer. Recent research suggests that providing relevant information can help retailers dispel concerns or fears that consumers may have about a particular product, or about the e-retailer. Product information, measured in terms of richness and quality, was identified as a component of e-satisfaction [13].

3. Proposed Conceptual Framework

To give direction to the investigation, the researcher developed a conceptual framework based on insights gain from the literature review. While a number of theories and issues pertinent to the study were discussed in the literature review, the following concepts were chosen as the basis of the analysis of the research problem. These were Performance, assurance, ease of use access, information and satisfaction

![Figure 1: Conceptual Framework of Research Variables and their relationships](image)

3.2 Hypotheses

H1. There is a significant relationship between Ease of use and Satisfaction in the context of Online Retail industry Sector in Bangladesh.

H2. There is a significant relationship between Access and Satisfaction in the context of Online Retail industry Sector in Bangladesh.

H3. There is a significant relationship between Assurance and Satisfaction in the context of Online Retail industry Sector in Bangladesh.

H4. There is a significant relationship between Performance and Satisfaction in the context of Online Retail industry Sector in Bangladesh.
H5. There is a significant relationship between Information and Satisfaction in the context of Online Retail industry Sector in Bangladesh.

4. Methodology

4.1 Research Design

The conceptual framework in Figure 1 shows the structure of the relationship among the measured variables. The hypotheses are derived from this model. As the study is exploratory study. An index is built for each of the independent variables and dependent variable asking consumers different set of questions using 7 point likart Scale. Then the score given on each questions were summed up to measure the score of each variable, these score are used in data analysis. Data analysis involved descriptive analysis, correlation and regression analysis. A Regression has been carried out to measure the impact of Ease of use, Access, Assurance, Performance and Information on Satisfaction E-shoppers in Bangladesh.

4.2 Sampling Method

The populations of this research are online consumers of Dhaka city. The sample size is 198. The researcher used non-probability convenience sampling technique. For gathering data 200 questionnaires was distributed to consumer who buy from e-retailer.out of 200 questionnaires 198 are found to be useable for analysis. 164 of the respondent were male and 34 were female. Majority of the respondent were young with high education background

4.3 Survey Instrument

Since previous researchers also used questionnaire to complete their survey. A structured question is used in this research to collect data from the respondents. The questionnaires divided in six sections. The sections are Ease of use, Access, Assurance, Performance, Information and Satisfaction. There are 20 questions. 1 – 4 are for Ease of use, 5 – 7 are for Access, Assurance 8 – 10 Performance are 11 -14 for Information 15-17 and 18 – 20 are for Satisfaction .All question has used 7-point likert scale regarding from 1 (strongly disagree) to 7 (strongly agree).

4.4 Data Collection Procedure

The present research is addressing unique characteristics so availability of secondary data is impossible. Therefore data was collected through questionnaire.

4.5 Data Analysis

Pearson’s Correlation analysis is to find out whether any relationship exists between the independent and dependent variables. The researcher used descriptive, correlation, and step wise regression to test the strength of association between the studied variables. The Statistical Package for Social Science (SPSS) version 22 software
is employed to analyze the data collected from the actual survey.

5. Results and Discussion

5.1 Reliability and Descriptive statistics of the Instruments

The most highly recommended measure of internal consistency is provided by coefficient alpha (α) or Cronbach’s alpha as it provides a good reliability estimate in most situations.

The nearer the value of alpha (α) to 1, the better the reliability. For the early stages of the any research, Reference [31] suggested that the reliability of 0.50-0.60 is sufficient.

Table 1: Descriptive Statistics and Reliability coefficient of Ease of use, Access, Assurance, Performance, Information and Satisfaction

<table>
<thead>
<tr>
<th>Scales</th>
<th>No of items</th>
<th>alpha</th>
<th>Minimum</th>
<th>Maximum</th>
<th>Mean</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ease of use</td>
<td>4</td>
<td>.640</td>
<td>1.75</td>
<td>7.00</td>
<td>5.58</td>
<td>99</td>
</tr>
<tr>
<td>Access</td>
<td>3</td>
<td>.619</td>
<td>1.00</td>
<td>7.00</td>
<td>4.26</td>
<td>1.38</td>
</tr>
<tr>
<td>Assurance</td>
<td>3</td>
<td>.646</td>
<td>1.00</td>
<td>7.00</td>
<td>4.51</td>
<td>1.40</td>
</tr>
<tr>
<td>Performance</td>
<td>4</td>
<td>.617</td>
<td>1.25</td>
<td>7.00</td>
<td>4.92</td>
<td>1.25</td>
</tr>
<tr>
<td>Information</td>
<td>3</td>
<td>.570</td>
<td>1.33</td>
<td>7.00</td>
<td>4.72</td>
<td>1.27</td>
</tr>
<tr>
<td>Satisfaction</td>
<td>3</td>
<td>.735</td>
<td>1.00</td>
<td>7.00</td>
<td>5.17</td>
<td>1.25</td>
</tr>
</tbody>
</table>

Note: n=198

Table 1 displays Internal reliability of the variables was checked by using Cronbach’s alpha.

Here the reliability for ease of use is .640; for access is .619; for assurance .646; for Performance is .617; for information is .570 and for Customer Satisfaction is .735. We know the standard value of reliability is 0.5-0.9 and all the results indicate the values are greater than 0.5 implying data is reliable.

The means and standard deviations of the measured items. On a seven point Likert scale, the mean scores for E-
service quality variables like ease of use, access, assurance, performance and information are 5.58 (sd= .99), 4.268 (sd= 1.38), 4.51 (sd= 1.40), 4.92 (sd= 1.25) and 4.72 (sd= 1.27). The mean score for satisfaction is 5.17 indicating that e-shoppers have favorably high positive attitude towards e-retailers.

The results of correlation analysis are shown in table 2. It examines the correlations among ease of use, access, assurance, performance, information and satisfaction.

The variables significantly correlated with satisfaction were ease of use (r= .35, p <.01), access (r= .28, p <.01), assurance (r= .40, p <.01), performance (r= .52, p <.01) and information (r= .45, p <.01). These results provided strong support to all the research hypotheses under study.

**. Correlation is significant at the 0.01 level (2-tailed).

*. Correlation is significant at the 0.05 level (2-tailed).

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Table 3: Stepwise regression on Satisfaction

<table>
<thead>
<tr>
<th>Variable</th>
<th>B</th>
<th>SE B</th>
<th>β</th>
<th>R²</th>
<th>Δ R²</th>
</tr>
</thead>
<tbody>
<tr>
<td>Step 1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Performance</td>
<td>.525</td>
<td>.061</td>
<td>.523***</td>
<td></td>
<td>.523</td>
</tr>
<tr>
<td>Step 2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Performance</td>
<td>.422</td>
<td>.061</td>
<td>.420***</td>
<td></td>
<td>.596 .073</td>
</tr>
<tr>
<td>Information</td>
<td>.302</td>
<td>.060</td>
<td>.350***</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Step 3</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Performance</td>
<td>.357</td>
<td>.065</td>
<td>.374***</td>
<td></td>
<td>.608 .012</td>
</tr>
<tr>
<td>Information</td>
<td>.285</td>
<td>.060</td>
<td>.288***</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ease of Use</td>
<td>.166</td>
<td>.079</td>
<td>.132*</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Step 4</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Performance</td>
<td>.107</td>
<td>.072</td>
<td>.105***</td>
<td></td>
<td>.620 .012</td>
</tr>
<tr>
<td>Information</td>
<td>.243</td>
<td>.063</td>
<td>.245***</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ease of Use</td>
<td>.205</td>
<td>.081</td>
<td>.163*</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Assurance</td>
<td>.130</td>
<td>.062</td>
<td>.146*</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: *p<.05, **p<.01, ***p<.001.

The results of regression analysis are shown in table 3. In case e-shoppers satisfaction the results of regression analysis shows that performance (p<.001), information (p<.001), ease of use (p<.05) and assurance (p<.05) are statistically and significantly associated to satisfaction. These results provided full support to research hypotheses 1, 3, 4 and 5. These 4 variables together explained 62% of the variance in satisfaction. Individually performance, information, ease of use and assurance explained about 52.3%, 7.3%, 1.2% and 1.2% of the variance. Access failed to enter into the regression table which indicates that access is not statistically and significantly associated to satisfaction. The results of regression analysis provided no support for research hypothesis 2.

6. Recommendation

From the above discussion and stepwise regression, we can see that Ease of use, Assurance, Performance, Information, is significantly correlated with E-satisfaction. But the variable access is not significantly correlated with satisfaction. As we noticed that one of the fastest growing industry in Bangladesh is E-commerce industry. Therefore, it is important to the online retailer to focus on all this internet quality factors to maintain and improve online shopper’s satisfaction. A special attention should be given to performance and information that were mainly affecting online shopper’s satisfaction. Consumers basically prefer simple transaction process and convenient delivery of products. E-commerce is such a platform that allows buyers to buy products from a distant place without having physical presence and makes the transaction process simple and convenient. On the other hand consumer also wants assurance or security from the part of online retailer regarding their provided personal information.
7. Future research implication

This study has tried to identify the factors that motivate and influence consumers' attitude to make e-commerce purchase decision. Despite this study has strengths, the research has only examines some factors that affect consumers satisfaction and their buying behavior of online shopping. Future researches are suggested to determine other factors such as socio-demographic, pattern of buying online and purchase perception that influencing consumers' attitude towards online shopping. Therefore, it helps them to understand other factors that may influence the consumers' satisfaction towards online shopping. Besides, future researchers may further scope to replicate the study in different environment and different geographical locations. Different environment played a vital factor that affect respondents' satisfaction towards online shopping.

Reference


