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HOW E-SERVQUAL AFFECTS CUSTOMER'S ONLINE PURCHASE INTENTION?

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Abstract

With the boom of Internet, Internet has become one of the consumers' online shopping channels. However, there is different in online shopping situation is because of consumers in different cultures and countries have different online shopping behavior is worth to discuss. This study is to explore the Internet users' online shopping situation in developing country, Malaysia, and 118 questionnaire respondents were collected. Statistical analysis software SPSS 17.0 and AMOS 6.0 were used to analyze the impact on e-service quality, satisfaction, trust, and purchase intention. The model fit of this study was in an acceptable level, and this indicates that the theoretical model of this study supports the description of e-service quality for e-retailers that online shopping situation will be effected by trust and satisfaction. The result of this study will be available for those who interested in developing a transnational e-retailer as a reference, as well as academic research on cross-cultural comparative analysis.

Keywords: e-SERVQUAL, Trust, Satisfaction.

Introduction

With the development of information technology and the application of Internet become more and more popularity, the Internet population is increasing every year. Until 31 December 2009, the world online population has reached 1.8 thousand million of which was led by Asia, up to 7.6 hundred millions Internet users. Europe placed the second which has up to 4.2 hundred millions internet users. Among the Internet users in Asia countries which was led by China, up to 3.38 hundred millions Internet users. Malaysia placed at the ninth which have up to 17 millions[◇].

According to Nielson, the number of Internet shoppers up 40% in the past two years and more than 85% of the world's online population has used the Internet to make a purchase. Among Internet users, the highest percentage shopping online is

[◇] Internet Usage and World Population Statistics), <http://www.internetworldstats.com/stats.htm>

found in South Korea, where 99% of those with Internet access have used it to shop. Before year 2008, only 5.9% of Malaysia population has shopped online [1]. From the survey, seven in ten consumers claimed to have made a purchase over the Internet before.

This market trend has contributed many retailers know how to simplify the operation of the website to attract consumer. There is no frontier in Internet, so the retailers not just have to understand how the functions and services should be provided; they also have to find whether the same functions matched in other countries. This study attempted to do the evidence research the consumer of Malaysia's baby and children online store through online questionnaire. The purpose of this study is to test the significance of relationships between e-service quality and online shopping situation in Malaysia. In the meanwhile, in online shopping situation is to test the significance of relationships between satisfaction, trust and purchase intentions.

Literature review

E-Service Quality

The main purpose of running a business is to pursue a better vision and higher profits. Developed from Internet marketing and the traditional service-quality literature, service quality is one of the key factors in determining the success or failure of electronic commerce [2]. The concept of service quality in e-commerce, namely e-service quality, namely e-SERVQUAL, can be defined as the consumers' overall evaluation and judgment of the excellence and quality of e-service offerings in the virtual marketplace. Parasuraman, Zeithaml, and Berry (PZB) [3] developed a multidimensional service quality assessment tool known as SERVQUAL which define the term service quality

as being the perception by a consumer of the difference between the expected service and perceived service such as reliability, responsiveness, competence, courtesy, communication, credibility, security, understanding, access and tangible. Furthermore, Parasuraman et al. [3] developed a definition of service quality as being "the overall evaluation of a specific service firm that results from comparing that firm's performance with the customer's general expectations of how firms in that industry should perform". As for e-commerce stores, a well-designed website will create a different value from the normal, and improve interest of a consumer access to the site simultaneously. Abels et al. [4] proposed six operational definitions of user criteria for site design on library. The result showed the importance of user criteria for site design was arranged in ranked order as in Table 1.

Nevertheless, Santos [5] used focus groups interviews to provide input for the development of the conceptual model of e-service quality. It is proposed that e-service quality consists of an incubative dimension and an active dimension using time – before and after a Web site is launched – as the criterion for separating the dimensions. A well design website will create profits and contribution to a company. E-service quality not only provides an e-commerce corporation a better advantage of competitive. It also enhances the relationship between producers and consumers through consumer quick respond to involve consumer into the process of product development. Therefore, ease of use, usefulness, appearance, linkage, structure and layout, and content will be used in this study as the variables of e-service quality that attracts consumers.

Table I Operational definitions of user criteria for site design

Use	The site is easy to use. An overview of the site and appropriate navigation structures are available
Content	Useful information. Current information. Concise non-repetitive information. Information not easily or readily found in library collections. Absence of the following: superficial and repetitious information; uninformative content, advertisements, boring text, lack of currency
Structure	The site displays an intelligible, straightforward organising scheme. Text is broken into appropriate, well-labelled subsections. Large blocks of text are minimised
Linkage	Pages provide links that integrate relevant information at the site and at other sites. Links provide access to related topics allowing serendipitous discovery of information. All links function; broken and under construction links are avoided
Search	Search support for page and site searching are provided. Searching produces a precise list of helpful sites or pages with a minimum of processing time
Appearance	The site is visually attractive on-screen. Any given page contains few graphics and these are appropriate to page content. Graphics are not essential to site use. If graphics are turned off or a text-only client is used, the site remains fully functional. Pages result in attractive printouts without large dark areas

Note: the criteria are arranged in ranked order of importance.

Source: Abels et al. (1999)

Online Shopping Situation

Sysmanski and Hise [6] summarized that convenience, product offerings and product information, site design and financial security are the antecedents of e-satisfaction by using focus-group interview. The empirical results of the study found that convenience, site design and financial security had the significance influence to e-satisfaction. Rust and Oliver [7] suggest that customer satisfaction reflects the degree to which a consumer believes that the possession or use of a service evokes positive feelings. It is important to note that satisfaction could be further conceptualized as a transaction specific satisfaction or cumulative outcome or overall satisfaction [8,9]. Parasuraman et al. [3] and Cronin and Taylor [10] consider overall satisfaction to be primarily a function of perceived service quality. Compared to transaction specific satisfaction, overall satisfaction reflects consumers' cumulative

impression of a firm's service performance. While Oliver [11] states that satisfaction is a summary of psychological state originating when the emotion surrounding disconfirmed expectations is coupled with the consumer's prior feelings about the consumption experience.

Corritore et al. [12] provide a definition of online trust that includes cognitive and emotional elements, with trust encompassing "an attitude of confident expectation in an online situation or risk that one's vulnerabilities will not be exploited" [13]. Furthermore, the design of a website to a consumer to trust and feel confidence is very important and "willingness to rely on the retailer and take actions in circumstances where such action makes the consumer vulnerable to the retailer." Cyr [13] developed a model to examine the characteristics of culture and design including information design, visual design and navigation design as antecedents to website trust, website

satisfaction, and e-loyalty in Canada, Germany and China. The result showed that design characteristics should be central consideration in website design across culture.

Consumer browsing behavior will influence consumer's purchase intention and re-purchase cause from consumer's experience. Henderson, Rickwood and Roberts [14] developed a visual online store to examine the theory of planned behavior and suggested that the purchase intention of consumers will be affected if the consumers unable to browse or access to the virtual online store at the first time. Lohse and Spiller [15] observed 28 online stores and sorted out six categories of environmental design that attract consumers. Emphasized that the more simple and easy of user interface and the lower complexity of information will easily affect consumer's purchase intention

Research Design and Methology

The research framework (figure 1) is based on integration of literatures from many scholars'

opinions such as the e-SERVQUAL proposed by Abels et al. [4] and Santos [5], and TAM model proposed by Davis [16]. Analyzed the relationship between the e-SERVQUAL provided by the online retailers, built up consumer's trust and meet the need of consumer's satisfaction. The questionnaire used in this study was design according to related literatures and scholars' opinions. The questionnaire initially including 65 items was generated, consisting of 45 items for e-SERVQUAL, 5 items for satisfaction, trust, and purchase intention respectively. All items were assessed using seven-point Likert scales from 1 = "strongly disagree" to 7 = "strongly agree".

The links for the online survey questionnaire were linked to Malaysia's infant and baby products' online store. While the language used in this study was English for online consumer in Malaysia. The part of language translation was requested by the professor from the department of English application on behalf of audit grammatical errors and smoothness of the sentences.

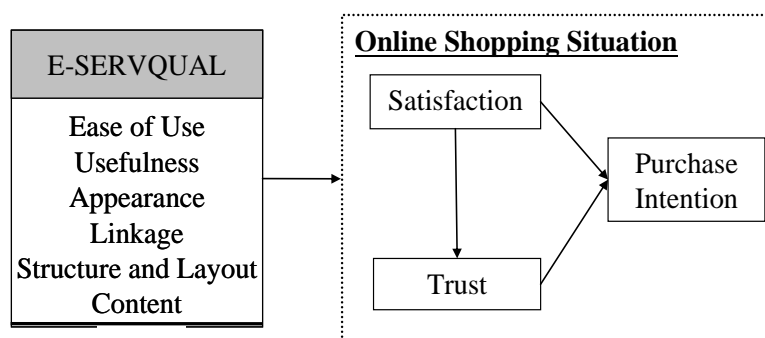


Figure 3 Research framework

Data Analysis and Results

(1) Demographics of samples

The data were gathered through the internet

questionnaire of Littlewhiz⁺ in Malaysia and 118 online questionnaire respondents were collected.

⁺ The website of Littlewhiz is <http://www.littlewhiz.com/>

The basic attributes of respondents are shown in this section: ethnicity, gender, age, online shopping experience since, marital status, intention of shopping online, average monthly online shopping, and average monthly online shopping expenses. In the aggregate sample for Malaysia respondents, 81.4% respondents are women and 18.6% are men. All of the respondents are between age 22 to 36, and most of the respondents have less than 3 years experience in online shopping.

(2) Reliability and validity test

A Confirmatory Factor Analysis (CFA) using AMOS 6.0 was conducted to test the measurement model. Reliability and convergent validity of the constructs were estimated by composite reliability and average variance extracted (AVE). The composite reliability for all constructs was above the recommended 0.70 level. Convergent validity can be assessed by the average variances extracted (AVE) and all were above the recommended 0.50 level [17], which meant that more than half of the variances observed in the items were accounted for by their hypothesis constructs. Convergent validity can also be assessed by factor loading. According to Hair et al.'s [18] recommendation, factor loadings level which greater than 0.50 were significant. All of the factor loadings of the items in this study were greater than 0.50 and each item loaded significantly on its underlying construct. Therefore, all constructs in the model had adequate reliability and convergent validity.

To examine discriminant validity, this study compared the shared variances between constructs with the AVE of individual constructs. Following Fornell and Larcker [17], this can be demonstrated by the fact that the square root of AVE each construct should generally be higher than the

correlations between it and any other constructs in the model. All results confirm to be discriminant validity. In summary, the measurement model demonstrated adequate reliability, convergent validity and discriminant validity.

(3) Structural equation model (SEM)

This study employed structural equation model (SEM) to verify the proposed model and used AMOS 6.0 as the analysis tool. The dimensions of e-SERVQUAL and online shopping situation were analyzed first. Later, the research model was analyzed and verified. In the model fitness test, measurement model test and structural model test were used. To test the normality assumptions underlying the maximum likelihood procedure, multivariate normality test were used to exam whether the data were normal distributed and the result indicated that data were normal ($p\text{-value} > 0.05$). Then the confirmatory factor analysis (CFA) was performed to test the overall fit of the measurement model and the squared multiple correlations (SMC) of the measured variables were larger than 0.50. Moreover, the completely standardized factor loadings all reached the level of significance.

Figure 2 show the estimated path coefficients of the structural equation model for Malaysia. The result of this study shows that consumers are more concern about the performance on e-service quality of e-retailers. That is because of consumers having less experience in online shopping. The results in figure 2 seem to indicate that the interrelationships among e-service quality, satisfaction, trust, and purchase intention are specifically significant except for the relationships between satisfaction and purchase intention in figure 2 shows insignificant.

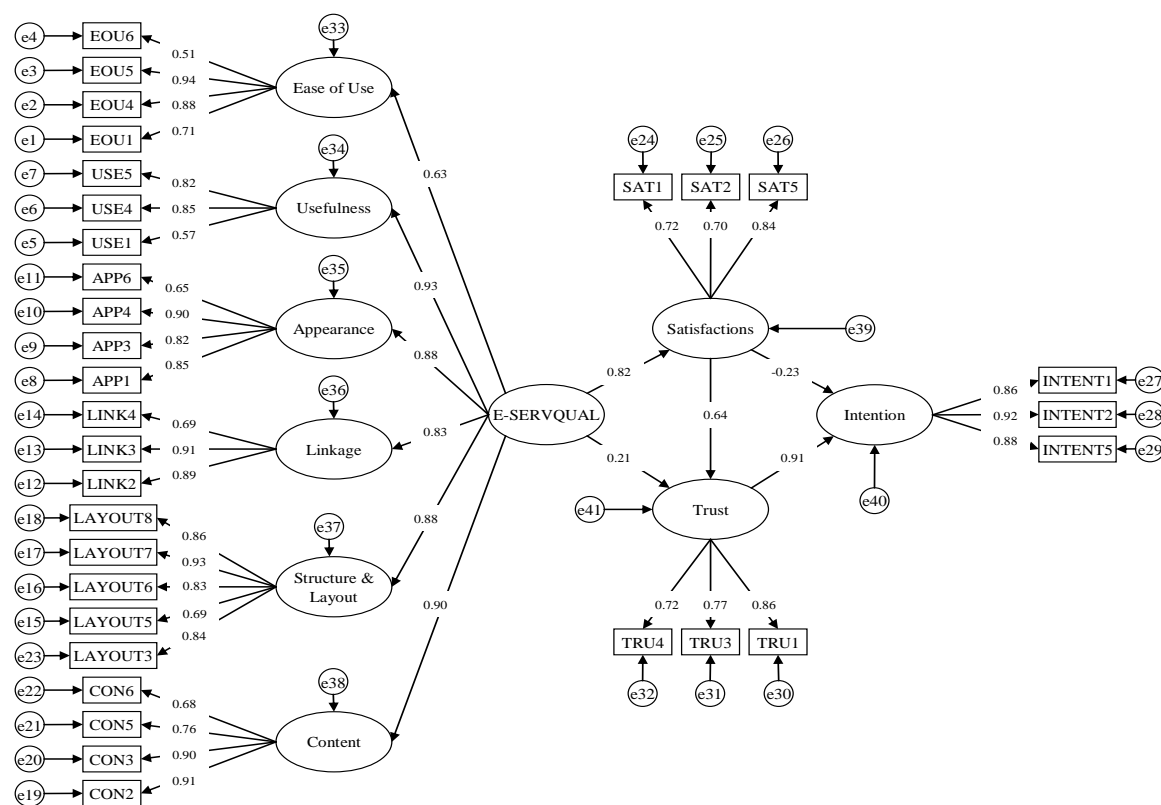


Figure 2 Malaysia’s SEM model

Conclusions

The major objectives of this study were to identify the interrelationships among e-service quality and online shopping situation. As shown in figure 2, E-SERVQUAL of Malaysia model has significant effects on satisfaction but not for trust. For online consumers in Malaysia, as the network speed and experience in online shopping for consumer in Malaysia is not as high as compare to others developed counties. Therefore, purchase intention will not be affected by satisfaction but with the trust of the website. From the managerial implications, the e-retailers must take consumers’ satisfaction and trust into consideration will be more effective than the advertising or worth of mouth. Avoid overly complicated of website design or need good quality of network for opening

the website smoothly. Moreover, it will enhance the opportunity for consumer to shop at the website if the e-retail makes consumers feel reliable and comfortable when they first entered. Meanwhile, it is important for e-retailers to provide a good service quality in order to enhance consumers’ satisfaction and trust.

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