

# Exploring Service Quality Perceptions of Online Shoppers: Evidence from India

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## ABSTRACT

With emergence and evolution of Internet, shopping has added another trajectory which has got acceptance and has been adopted by shoppers not only in developed countries but also in emerging economies. It is crucial to understand, explore and advance service quality dimension associated with online shopping, that too from the shoppers' perspective, since a consistent growth has been witnessed in the online space which suggests that this new space has been well accepted by shoppers and they are willing to explore it further. Of late, e-retailing and its various dimensions have been an area of research for academia as well as for practitioners. The present study endeavours to understand and explore service quality perceptions of Indian online shoppers. Effort is made to find out whether or not the perceived e-service quality lead to shoppers' intention to shop online. This research utilises various frameworks, particularly the framework "E-S-QUAL" developed by Parasuraman, Zeithaml, and Malhotra (2005) to understand the said phenomenon. It covers 106 online shoppers' perception towards e-service quality of different e-retailers, currently operational in India. At the end, research and managerial implications are discussed.

**Keyword:** Online Shopping, E-Service Quality, Perceptions, and Purchase Intentions

## INTRODUCTION

With emergence and evolution of Internet, shopping has added another trajectory which is often referred as online space or market-space by academics and practitioners. Online shopping has got acceptance and has been adopted by shoppers not only in developed countries but also in emerging economies. The ongoing pace of Internet-based shopping clearly suggests that it has surpassed the timeline when it was evolving and struggling to make a mark. The current statistics reflect the same. In India, e-commerce market was worth about US \$2.5 billion in 2009 which went up to US \$6.3 billion in 2011 and touched US \$16 billion in 2013 (ASSOCHAM, 2013). It is expected to touch \$56 billion by 2023 which will be 6.5 percent of the total Indian retail market (ASSOCHAM, 2013).

Thus the world-wide-web is no more a revolution and the consistent growth in the said channel, suggests that adoption by shoppers are happening. It is therefore pertinent to say that the emphasis should be on how to make it more effective and efficient as evidences from industry and academia reveal that there is lack of adequate

service quality delivered by these online channels/ players/ e-retailers and same is believed to be an ongoing problem (LoCascio, 2000; Pastore, 2001; Ahmad, 2002; Cox, 2002; Lennon & Harris, 2002; Gaudin, 2003; Parasuraman *et al.*, 2005). According to Meuter, Ostrom, Roundtree, and Bitner (2000) there is a notable number of dissatisfied online customers who are experiencing service breakdowns, lost orders, or inadequate complaint handling. Therefore, managing electronic service quality becomes an essential challenge for e-retailers (Bauer, Falk, & Hammerschmidt, 2006).

Of late, e-retailing and its various dimensions particularly E-Service Quality (e-SQ), have been areas of research for academia as well as for practitioners though the initial researches were suggesting low price and web presence as drivers for success in online space (Parasuraman *et al.*, 2005). Various researchers demonstrated e-SQ as crucial differentiating determinant of long-term performance and success for e-retailers (Zeithaml, Parasuraman, & Malhotra, 2000, van Riel, Liljander, & Jurriens, 2001; Zeithaml, Parasuraman, & Malhotra, 2002; Holloway & Beatty, 2003; Santos, 2003; Wolfenbarger & Gilly, 2003;

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Parasuraman *et al.*, 2005; Fassnacht & Koese, 2006; Hsu, 2008). Thus it is important to understand how customers/shoppers perceive and evaluate e-SQ keeping the apparent significance of e-SQ into consideration.

It is thus crucial to understand, explore and advance service quality dimension associated with online shopping that too from the shoppers' perspective since a consistent growth has been witnessed in the online space which suggests that this new space has been well accepted by shoppers and they are willing to explore it further. The present study endeavours to understand and explore service quality perceptions of Indian online shoppers. Effort is made to find out whether or not the perceived e-service quality lead to shoppers' intention to shop online. This research utilizes various research frameworks, particularly the framework "E-S-QUAL" developed by Parasuraman *et al.* (2005) to understand the said phenomenon. An extensive literature review is carried out which is followed by an empirical research. It covers 106 online shoppers' perception towards e-SQ of different e-retailers, currently operational in India. At the end, research and managerial implications are discussed.

## LITERATURE REVIEW

In the context of e-commerce, the customer experience cycle, as suggested by Roger Hallowell (2002) encompasses four elements viz. navigation, information, customer support, and logistics which are all interacting with each other and this interaction supposedly results into the loyalty towards the said e-commerce. Same can be translated into rather mapped with the measures for traditional service quality which is primarily meant for non-internet based interactions and experiences.

Gradually a clear distinction has been identified for the quality perceived by customers/shoppers during non-Internet and Internet based interactions and experiences however the measures to assess e-service quality are heavily drawn from the measures for traditional service quality which has dimensions like reliability, responsiveness, assurance, empathy and tangibles (Wakefield & Blodgett, 1999; Barnes & Vidgen, 2001; van Riel *et al.*, 2001; Wolfinbarger & Gilly, 2003). Customer assessments of traditional non-internet based service quality are strongly linked to perceived value and behavioural intentions.

The literature on e-service quality clearly indicates that same has been explored in varied context, with different sets of reference point (Loiacono, Watson, & Goodhue, 2000; O'Niell, Wright, & Fitz, 2001; Yoo & Donthu, 2001; Aldwani & Palvia, 2002; Barnes & Vidgen, 2002; Wolfinbarger & Gilly, 2003 etc.). The study by Parasuraman *et al.* (2005) was found to be a comprehensive work wherein they propose and validate the framework on e-service quality comprising E-S-QUAL and E-RecS-QUAL to measure dimensions like core service quality and service recovery of e-service quality however the framework, particularly E-S-QUAL lacks dimensions referring to hedonic service quality elements (Bauer *et al.*, 2006).

E-Service Quality (E-SQ) is defined broadly to encompass all phases of a customer's interactions with a website i.e. the extent to which a website facilitates efficient and effective shopping, purchasing, and delivery (Zeithaml *et al.*, 2000).

## RESEARCH METHODOLOGY

On the basis of literature review following research framework is proposed which is an adaption of the framework "E-S-QUAL" developed by Parasuraman *et al.* (2005) though to incorporate elements like hedonic service quality, some modifications have been done (Fig. 1):

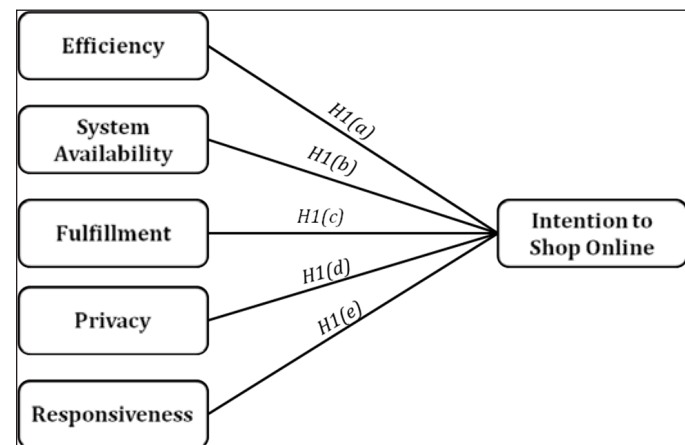


Fig. 1: Research Framework

A number of hypotheses were formulated on the basis of proposed research framework (Table 1).

**Table 1: Hypotheses**

Sr. No.	Hypotheses	
1.	HI(a)	Efficiency → Intention to Shop Online
2.	HI(b)	System Availability → Intention to Shop Online
3.	HI(c)	Fulfillment → Intention to Shop Online
4.	HI(d)	Privacy → Intention to Shop Online
5.	HI(e)	Responsiveness → Intention to Shop Online

A self-administered questionnaire based survey was planned. Questionnaire was designed with the help of standard constructs, adapted from different studies and all the variables were measured on a 5-point Likert scale from “strongly disagree (1) to strongly agree (5)” (Table 2). Questionnaire was administered amongst MBA students. A sample of 106 students was drawn by using

convenience sampling. The sample drew comprising of students from age group of the 25-35 years age group. As per IAMAI report most of the online shoppers in India are from the said age groups and they are heavy users of the Internet, thus sample drawn for the study is justifiable.

Statistical analysis was performed with PASW 18.0. Constructs used in the study were found valid and reliable (Table 2). Multiple regression analysis was carried out to test the hypotheses.

## ANALYSIS AND DISCUSSION

The required data for aforesaid study was collected from 106 respondents by administering a structured questionnaire. Sample has almost equal presence of both the gender.

**Table 2: Constructs**

S. No.	Constructs	Items	Factor Loading	Cronbach's $\alpha$
1.	Efficiency*	This site makes it easy to find what I need.	.841	.886
		It makes it easy to get anywhere on the site.	.890	
		It enables me to complete a transaction quickly.	.863	
		Information at this site is well organised.	.568	
		It loads its pages fast.	.847	
2.	System Availability*	This site launches and runs right away.	.841	.868
		This site does not crash.	.797	
		Pages at this site do not freeze after I enter my order information.	.841	
3.	Fulfillment*	It quickly delivers what I order.	.809	.784
		It sends out the items ordered.	.898	
		It has in stock the items the company claims to have.	.517	
4.	Privacy*	It protects information about my Web-shopping behaviour.	.826	.776
		It does not share my personal information with other sites.	.896	
		This site protects information about my credit card/bank details.	.905	
5.	Responsiveness*	This site handles product returns well.	.524	.689
		This site offers a meaningful guarantee.	.842	
		It tells me what to do if my transaction is not processed.	.747	
6.	Intention to Shop Online (Lin, 2008)	I plan to use online shopping again.		.649
		I intend to shop online within the next 30 days.		
		I will strongly recommend online shopping to others.		

\*adapted and modified from Parasuraman *et al.* (2005)

**Table 3: Multiple Regression Analysis**

Variables	B-values	SE	$\beta$	t-value	Significance level
<i>Dependent Variable: Intention to Shop Online</i>					
Efficiency	-.062	.136	-.082	-.454	.651**
System Availability	.226	.065	.311	3.356	.001*
Fulfillment	.247	.062	.363	3.992	.000*
Privacy	.023	.133	.033	.177	.860**
Responsiveness	.004	.169	.002	.023	.982**
<b>Notes:</b> $R = 0.558$ , $R^2 = 0.311$ , $F = 11.410$ *					
* Significant at $p < 0.05$ , ** Not Significant at $p < 0.05$					

In order to test whether or not perceived e-service quality results into shoppers' intention shop online, multiple regression analysis was performed.

Results from multiple regression analysis suggest that two out of five hypotheses were found to be supported and rest were found to be not supported (Table 4).

**Table 4: Summary of Hypotheses Testing**

H1(a)	Efficiency → Intention to Shop Online	NS
H1(b)	System Availability → Intention to Shop Online	S
H1(c)	Fulfillment → Intention to Shop Online	S
H1(d)	Privacy → Intention to Shop Online	NS
H1(e)	Responsiveness → Intention to Shop Online	NS

NS – Not Supported, S – Supported

## CONCLUSION AND IMPLICATIONS

The present research concludes Indian online shoppers' perceptions regarding service quality offered by e-retailers currently operational in India. Table 4 comprising summary of hypotheses testing makes is evident. The results suggest that e-retailers are perceived low in various dimensions of e-service quality viz. efficiency, privacy and responsiveness while they hold well in perceived system availability and fulfillment amongst Indian online shoppers. It clearly implies that Indian e-retailers need to improve the service quality particularly the dimensions like efficiency, privacy and responsiveness.

The present research suffers from different limitations. The sample drawn for the study is less in number and was based on convenience sampling, thus cannot be generalised to a larger set of population. Though the results suggest that there is sample size adequacy but a larger sample could have ensured utilisation of advanced statistical tool like SEM. Research conducted has taken e-retailers in totality into consideration however a specific reference point could have been more fruitful.

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