

IMPACT OF DIMENSIONS OF SERVICE QUALITY ON CUSTOMER SATISFACTION IN ONLINE SHOPPING - AN EMPIRICAL STUDY

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Abstract

Online shopping is a major part of the overall electronic commerce, or e-commerce, industry which consists of all the buying and selling of goods and services over electronic systems such as the internet and other computer networks by households, businesses and other agencies. With the spread of the internet, the amount of trade that is conducted electronically has seen extraordinary growth; and has led to innovations and development in areas such as electronic funds transfer, electronic data interchange and internet marketing. Before the widespread introduction of the internet to the general public in 1994, the term electronic commerce referred to the use of technologies such as Electronic Data Interchange (EDI) and Electronic Fund Transfer (EFT), introduced in the late 1970's, to facilitate business practices. With the rise of the World Wide Web many predicted that e-commerce would soon become a major economic sector, but security protocols such as HTTPS did not become secure enough for widespread use of such transactions until 1998.

Keywords: Online Shopping, Service Quality

Introduction

A few years back, when online shopping was at its nascent stage, there were very limited sales as well as purchases on the online shopping arena. This was due to many reasons such as lack of internet friendly population, low penetration of computers and internet connections in India, low percentage of credit and debit cardholders, as well as non willingness of people to use their credit card on the internet due to the fear of being scammed. But with the passage of time, this scenario has improved tremendously as people have started gaining confidence about purchasing products through online and it has become an integral part of modern life across the world. In India, with abundance and diversity of information, easily found and conveniently shared facilities, Internet usage has grown exponentially by reshaping peoples' informational and social needs. There are around 71 million Internet users in India (IAMAI, 2009).

Review of Literature

Lim Ying San (2010) has observed that service quality dimensions such as prompt response and ease of access had significant impact on perceived online shopping service quality and there was a relationship between customers perceived online service quality and online customers' satisfaction.

Kashif ur Rehman et al. (2011) have found that online shopping is easy, affordable price, comfortable and better than conventional shopping due to a variety of factors. The study also identified that security and privacy were the major factors that prevented the consumers to purchase products through online.

Pawan Kumar (2012) has identified the attitude and behaviour of online shopping by the consumers in traditional stores. These consumers were mostly in low and high age groups. These consumer groups have time to spend in traditional stores and malls and value the offline shopping experience for social reasons, such as meeting with friends. The study also noted that rapid transformation has taken place in the minds of these offline consumers about the various advantages of going online for their shopping needs. Hence, the study gave another dimension that the demographic profile of online users such as gender, age and education have significant association to web shopping in the midst of technological interventions and advancements. Shalini.S and Kamalaveni.D (2013) have found out that majority of the online shoppers were young, highly educated, active, intensive and expert users of the internet; they had a strong positive perception towards online shopping and generally spend a very lesser amount on online shopping. Significant differences in shopping behaviour could be attributed to gender, occupation and the internet expertise of the online shoppers.

Objectives of the Study

- To study the impact of dimensions of service quality on overall satisfaction

Methodology

The study is basically an empirical one based on data gathered from the respondents have been chosen for the study. A sample of 564 respondents has been chosen for the purpose of the study. For this study, the researcher used a well-structured questionnaire to collect the data from the respondents. The questionnaire related to dimensions of service quality offered by online shopping and overall satisfaction. The researcher used Regression analysis to analyze the ser. IBM SPSS 21 version was used for statistical purpose.

Impact of Dimensions of Service Quality on Overall Satisfaction

Regression is the determination of statistical relationship between two or more variables. In simple regression two variables are used. One variable (independent) is the cause of the behaviour of another one (dependent). When there are more than two independent variables the analysis concerning relationship is known as multiple correlations and the equation describing such relationship is called as the multiple regression equation.

Regression analysis is concerned with the derivation of an appropriate mathematical expression is derived for finding values of a dependent variable on the basis of independent variable. It is thus designed to examine the relationship of a variable Y to a set of other variables $X_1, X_2, X_3, \dots, X_n$. the most commonly used linear equation in $Y = b_1 X_1 + b_2 X_2 + \dots + b_n X_n + b_0$

Here Y is the dependent variable, which is to be found. X_1 , X_2 , ... and X_n are the known variables with which predictions are to be made and b_1, b_2, \dots, b_n are coefficient of the variables.

In this study, the dependent variable is overall satisfaction, Independent variables are reliability, responsiveness, competence, ease of use, product portfolio and security analysis is discussed as follows:

- Dependent Variable - Overall Satisfaction (y)
- Independent Variable
 - i. Reliability (X_1)
 - ii. Responsiveness (X_2)
 - iii. Competence (X_3)
 - iv. Ease of use (X_4)
 - v. Product portfolio (X_5)
 - vi. Security (X_6)
- Multiple R value: 0.643
- R Square value: 0.414
- Adjusted R square value: 0.407
- F value: 65.469
- P value: 0.000

Variables in the Multiple Regression Analysis

Variables	Unstandardized Coefficients(B)	S.E error of B	Standardized Coefficients Beta	t-value	p-value
Constant	0.172	0.261	-----	0.659	0.510
Reliability	0.169	0.061	0.113	2.791	0.005**
Responsiveness	0.151	0.063	0.092	2.398	0.017*
Competence	0.128	0.052	0.101	2.461	0.014*
Ease of use	0.009	0.055	0.007	0.155	0.877
Product portfolio	-0.262	0.048	-0.212	-5.505	0.000**
Security	0.662	0.049	0.553	13.561	0.000**

Note: ** Denotes significant at 1% level

* Denotes significant at 5% level

The multiple correlation coefficient is 0.643 measures the degree of relationship between the actual values and the predicted values of the Overall satisfaction. Because the predicted values are obtained as a linear combination of reliability (X_1), responsiveness (X_2), Competence (X_3), Ease of use (X_4), Product portfolio (X_5) and Security (X_6), the coefficient value of 0.643 indicates that the relationship between Overall satisfaction and the six independent variables is quite strong and positive.

The Coefficient of Determination R-square measures the goodness-of-fit of the estimated Sample Regression Plane (SRP) in terms of the proportion of the variation in the dependent variables explained by the fitted sample regression equation. Thus, the value of R square is 0.414 simply means that about 41.4% of the variation in Overall satisfaction is

explained by the estimated SRP that uses reliability, product portfolio and security as the independent variables and R square value is significant at 1 % level.

The multiple regression equation is

$$Y = 0.172 + 0.169 X_1 + 0.151 X_2 + 0.128 X_3 + 0.009 X_4 - 0.262 X_5 + 0.662 X_6$$

Here the coefficient of X_1 is 0.169 represents the partial effect of reliability on Overall satisfaction, the coefficient of X_2 is 0.151 represents the partial effect of responsiveness on Overall satisfaction, the coefficient of X_3 is 0.128 represents the partial effect of competence on Overall satisfaction, holding the other variables as constant. The coefficient of X_4 is 0.009 represents the partial effect of ease of use on Overall satisfaction, holding the other variables as constant. The coefficient of X_5 is -0.262 represents the partial effect of Product portfolio on Overall satisfaction, holding the other variables as constant. The coefficient of X_6 is 0.662 represents the partial effect of security on Overall satisfaction, holding the other variables as constant. Based on standardized coefficient, reliability (0.113), responsiveness (0.092), competence (0.101), ease of use (0.007) and security (0.553) is the most important factors to extract Overall satisfaction, followed by product portfolio (-0.212).

Conclusion

The present study has focused on the service quality offered by online shopping. In the past, consumers had sufficient time to visit shopping centers, searching for various products. Many consumers prefer bargaining and decide the purchases after physical examination of the commodities. The entire process can range from a few hours to weeks depending on the product, quantity, quality and source of purchase. Today there is radical change in the entire scenario. Everything in today's world is Internet oriented like Electronic Data Interchange, E-Mail, E-Business and E-Commerce. Online shopping is a vast growing technology. If it is properly utilized with assured safety and security for the transactions, it will thrive into a highly competitive and dynamic environment.

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