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A STUDY OF INTERRELATION OF SERVICE QUALITY, CUSTOMER SATISFACTION AND CUSTOMER LOYALTY IN CASE OF ONLINE SHOPPING

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Abstract

Nowadays people in India are inclining towards online shopping. Rather than going out and do shopping they prefer to stay back home and do shopping online by using their mobile and personal computers or laptops. It is the latest trend in countries like India. People can easily access a wide range of product and also compare the prices on different sites as well. With the increasing demand the competition in virtual market is growing day by day and marketers are working on satisfying more and more customer by providing quality products so that they can have loyal customers. Very few studies have been done in this context especially in India. so literature of different experts have been studies and it was found that the degree of the quality of service effects the size of the customer satisfaction. If the customer is satisfied and pleased with

the services and quality offered by the company then he became the loyal customer. so there is positive relationship among these three which means that good quality leads to customer satisfaction which is the main reason in converting the customer in to loyal customer.

KEYWORDS: Online Shopping, Service Quality, e – commerce, E-S-QUAL, electronic service quality, Customer Loyalty

Introduction

Online shopping makes the task of shopping easy by providing easy access to the product list so people are shifting from ‘Brick and Mortar’ to online shopping. There is wide potential of e-commerce in India moreover numbers of e-shoppers are also increasing day by day. With the increasing players in online market the marketers’ need to have an edge in terms of service quality to gain a larger market share in competitive market. It is very difficult to measure the service quality because it is a subjective measure. **Maigan and Lukas (1997)** did the study on the consumer perception towards e-shopping. The learning found that internet shopping involves more uncertainty and risk than the traditional brick and mortar shopping. Consumers’ reluctance to provide their credit card information over the web has been mentioned as a major difficulty to online purchasers.

Even if the employee or product performed exactly as anticipated, a consumer may be unhappy. The E-S-QUAL scale is developed by Parasuraman Zeithamal to measure service quality. When we do inclusive customer evaluation regarding the excellence and quality of online service provider who deliver services in the virtual marketplace that is online shopping we called it E-service quality. Because of the current development in quality of service in the field of e-commerce, the importance of scanning and figuring e-service quality has provided value to the virtual world. It is a subjective measure so it is very difficult to measure it. A quality product leads to the customer satisfaction. Customer satisfaction can be define as a measurement that determines how delighted customers are with a company's products, services, and competences. Customer satisfaction has become a main trait used for

organizational competitiveness as only a satisfied customers can be converted in to loyal customers. Consequently, it is needed to measure the satisfaction of the customer in the case of online shopping, because if a customer is satisfied then he/she will do repetitive purchases and recommend the service to others also, consequently it generates the profit for the e-commerce company. (Parasuraman, Zeithaml, & Berry, 1988). The experts have not only defined the concept but also suggested various ways in which e-service quality (e-SQ) clearly impacts online businesses. (Yang & Fang, 2004; Zeithaml, Parasuraman, & Malhotra, 2002). The positive relation between service quality, customer satisfaction and customer loyalty results in customer's purchase intentions. (Aladwani, 2006), satisfaction of online shopper (Kim & Stoel, 2004), brand equity of website (Tsao & Tseng, 2011) and loyalty of e-shopper (Flavian et.al 2006; Gounaris et.al 2010, Gronhold et.al 2000, Petnji et.al 2012). So nowadays e-satisfaction (satisfaction that a customer get after shopping online) has become the important topic for research. There are few factors like website service quality that influence the customer in terms of satisfaction, so there are lot of studies that shows the connection amidst service quality provided through website and customer satisfaction. The concept and the relation between the three that is service quality, customer satisfaction and customer loyalty has been very well defined by various experts.

Service quality in online shopping

Providing best quality service is as important in online shopping as it is in traditional way of shopping. Many researchers have worked on this model to access the most important factor that affects the customer in terms of service quality. According to Rafiq Mohammed et al. the three dimensional second order version of E-S-QUAL incorporated the factors like efficiency, fulfilment and system availability is a reliable measure of e-service quality. They did their research with grocery retailers and suggest that the fulfilment is the most important factor for the service quality for the grocery shoppers. They

suggested that e-tailers should be putting more of their efforts in to website relate factors in the E-S-QUAL model. However privacy is an important hygiene factor that customer expect as an essential prerequisite before purchasing from a website.so the e-tailors should work on their communication strategies to assure their customer about the privacy and security.

Customer satisfaction in online shopping

Customer satisfaction has become an important factor in meeting competition and reaching to the triumph in the virtual market (Zeglat et al.2016). It is very hard to define this concept, for of its several interactions with other variables. However, it plays very important role in affecting attitude, persuading the behavior of users and valuation of the different products and services, that controls the trustworthiness of the user (Zhang &Dran, 2000). The various factors of the concept of bond have been considered (Szymanski &Hise, 2000), that have its relationships with e-Service Quality and loyalty of online service user (Cyr, Kindra, & Dash, 2008; Gounaris et al., 2010; McKinney, Yoon, & Zahedi, 2002). The bond amongst online Service Quality and satisfaction, which consist of quality of information and customer expectation, has been sculpted by different researchers (Zeglat et al., 2016). Moreover, Hsu & Hsu (2008), Shahabuddin (2014), and Zeglat et al. (2016) analyses the major and progressive relationships among service quality and also customer satisfaction and customer loyalty.

Customer Loyalty in online shopping

Online customer loyalty has is similar by way of the theory of loyalty to an establishment, in the intellect that loyalty towards a service provider leads to purchase of the product and regular visits to the store (Anderson & Srinivasan, 2003; Gommans, Krishnan, & Scheffold, 2001). Number of studies have been done that shows how online Service Quality effects online customer loyalty (Flavián et al, 2006; Srinivasan et al, 2002 and Prougestaporn et.al 2015). But, these studies do not segregate among the two types of customer loyalty that is

attitudinal and behavioral. Attitudinal customer loyalty states that a positive attitude results in repeated purchase behavior (Soltani&Gharbi, 2008) and is deliberated to be true loyalty. Second is Behavioral loyalty, it refers to the commitment of the customer towards the brand, so considering the emotional component the customer will change the supplier or the service provider if the supplier or service provider changes its marketing strategy or any of the loyalty program (Pitta, Franzak, & Fowler, 2006). Thus, customer loyalty does not only results in repeat purchasing behavior, and it does not only concerned with commitment, but it takes both the factors collectively, also taking in to consideration that loyalty takes place when customers psychologically get involved with service provider that is website, that consequences in a progressive attitude and an operative repeat purchasing intention . E-SQUAL has been found to influence trust and to explain the emotional loyalty of website visitors.

Inter -Relationship between Online Service quality, Customer Satisfaction and Loyalty

All the three terms are very important in this competitive world. However these three are related too. Not much work has been done in the field where this connection between customer satisfaction and online loyalty for e-services have been clearly addressed. In their study Anderson & Srinivasan (2003) measured: several variable affects the influence of customer satisfaction on online loyalty, like trust and the value established by customer while doing e-purchase. This relationship is stronger in doing online shopping than in brick and mortar style of shopping, and attaining customer loyalty in online shopping environments is more hard and costly than in the offline or traditional shopping world. Besides, if one has to achieve online loyalty then e-Service Quality offered by his website is compulsory to fulfill the expectations of the customer (Cristóbal et al., 2007). So, the customer satisfaction plays a role of mediator between the quality and loyalty stating

that if the customer would not get a satisfactory quality service then he will never become a loyal customer.

(Rami Mohammad Al-dweeri et al.) also analyzed the role played by online satisfaction and e-trust as intermediaries in the defining the relationship between electronicservice quality (e-SQ) and online loyalty (integrating behavioral and attitudinal elements), in the context of e-shopping. They have used a questionnaire to collect the data from the students of the different universities of Jordan because the students are the heaviest users of internet. Moreover the target group is the major group who participate in e-shopping, because internet is easy assessable to university students, and they use the internet in their daily routine.

Jamal &Dandis(2018)scrutinized thatservice quality have influence (e-service quality) on loyalty of customer with the interveninginfluence of customer satisfaction. They have done the primary study with questionnaire filled from around eight hundred and sixty respondents.they have proposed a model which shows that there is positive influence of internet service quality on customer satisfaction which in turncan impact the level of customer loyalty.

Service Quality Dimensions

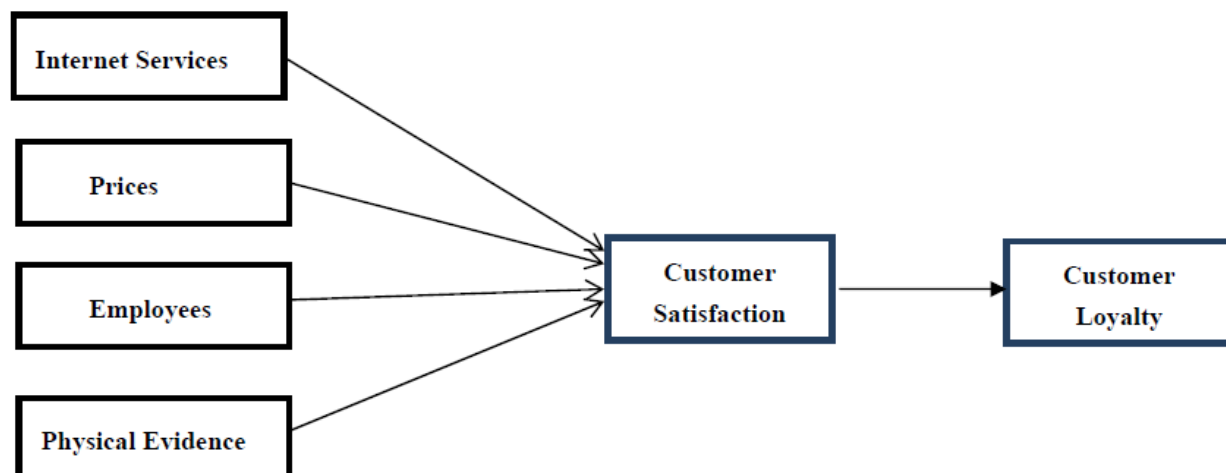


Figure 1. Conceptual framework

The outcomes of the research study shows that the level of the customer satisfaction influence the level of service quality along with its dimensions (prices, employees and physical evidence). Physical evidence is found to be the most influential factor of all the given factors. The study concludes that the service level that is given to the customer can have an impact on their satisfaction level in terms of enticing towards the service and satisfy them with the expected level of the service. They recommended that employee awareness is the best approach to customer satisfaction. If the employee is aware he tends to pay more attention towards the idea of service quality that can lead to a better customer loyalty. They have analyzed that employees have no impact on the customer satisfaction and loyalty, and so from that point it is suggested that they should be trained in a better way and should use more scientific approach on how to deal with customers and satisfy them in order to gain their loyalty through the employees' attention to the details in the level of the service quality.

Azam, Qiang and Abdullah 2012 have discussed a model in which it is shown that customer loyalty (i.e., behavioral and attitudinal loyalty) depends on the customer's view of the quality of service for the online shopping, with efficiency, privacy and customer service being the major explanatory factors for Service Quality. Moreover, it was found that satisfaction is playing the role of a mediator in defining the relationship between e-Service Quality and behavioral and attitudinal loyalty. Efficiency and privacy have negligible or no impact on e-satisfaction. Nevertheless, important association is there between customer service and e-satisfaction and trust. So customer service has a positive influence on e-satisfaction and trust, whereas content and ease of use has no impact. They have clearly given the reason about their result. They said the result is so because the respondents in this study were young people and were students, so they own great skills for finding the information they want and navigating through the information easily. They have proposed a model. The model is based on the various hypothesis taken by the researchers. Like H1(a) stands for efficiency is completely connected to e-

satisfaction. H1(b) is efficiency is completely connected to e-trust. so the experts shows that efficiency have progressive impact on creating the trust. Now the another hypothesis they have taken is H2(a) which stands for privacy is absolutely stands for satisfaction and H2(b) that shows privacy is completely connected to e-trust. Like efficiency privacy also have positive impact on creating customer trust and satisfaction. Another factor taken by researchers is customer service and they have named it as H3(a) that shows customer service is related to customer satisfaction positively and H3(b) that stands for customer service is related to trust of the online customer. Further H4 is e-satisfaction is correlated to e-trust, H5(a) is e satisfaction is positively correlated to customer behavioral loyalty online and H5(b) stands for e-satisfaction is absolutely correlated to customer attitudinal loyalty online. H6(a) is e-trust is absolutely correlated to customer behavioral loyalty online. H6(b) stands for e-trust is absolutely correlated to customer attitudinal loyalty online. And in the end H7 stands for customer behavioral loyalty online is absolutely correlated to customer attitudinal loyalty online. Likewise, while explaining the link between trust, satisfaction, and loyalty (attitudinal and behavioral), they found that there is positive and significant relationships between satisfaction of online customers and e-trust, and between e-trust and e-loyalty. So the researchers approved that there is a positive relationships between the main constructs of the measurement model: e-satisfaction, e-trust and two types of e-loyalty (behavioral and attitudinal). Trust of an online shopper is an originator of its satisfaction, and users will be gratified if the service provider gave them different descriptions for trusting them.

Scope for further Research

In the above discussion various work done by different researchers in the field of service quality, customer satisfaction and loyalty has been discussed and it can be taken as the base for the further future research. The relationship model of customer satisfaction, service quality and customer Loyalty model can be studied by the experts by using primary data from various states of India and further various new models can be developed by the researchers.

Conclusion

Increasing customers motivates the marketers to provide quality service to customer so that customer do not switch easily and become the satisfied customer which leads to the customer loyalty. So it is concluded that in India the people are finding it easy to shop online because of pandemic also people are avoiding going to markets so there is an increasing trend of online shopping. The income of the people is changing also because of urbanization and industrialization, a rise have been seen in the purchasing power of the people also, which results in rise in the demand of various goods and services. Some of the important components of the relationship between service quality, customer satisfaction and customer loyalty have been brought to light. Although in India not much work has been done by the researchers in the area of service quality especially e service quality, e Customer satisfaction and e loyalty, we have attempted to bring forward some key concepts which provides ground for more wide research in the given area. The different work throw a light on various factors like e-service quality, satisfaction, online store layout, security, ease of use, belief, protection, observed utility, secrecy and dimensions of service quality e-SQaletc in e-Retailing. So there is lot of scope in the research of studying the relationship as the studies are showing that there is positive relationship between these three.

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