

CHANGING PARADIGMS OF BUSINESS: EMERGENCE OF E-COMMERCE (STUDYING THE ANTECEDENTS AND CONSEQUENCES)

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Abstract—Today in this technology driven world, the e-commerce companies have realized that only delivering high quality of e-services can help them in achieving competitive edge and would lead them towards the path of success. Past studies show that customers are willing to pay higher price to e-tailers for high quality e-services. E-service quality (e-SQ) can be defined as the extent to which a website facilitates efficient and effective shopping, purchasing and delivery of products and services (Zeithaml et.al.2000). E-tailers have realized the alarming need to shift their focus to e-service quality prior, during and following the transactions. One of the reasons why service quality is considered as key determinant of success for e-commerce is the facile, reasonable and costless comparison of technical features of products as compared to traditional channels. This paper will be valuable for both the academic researchers as well as the practitioners. The research provides deeper understanding of the literature on E-service quality and identifies gaps in the literature.

Keywords—Customer Perception, E-Commerce, E-Service Quality, E-Tailer, Internet, Service Quality.

INTRODUCTION

The last decade has witnessed exponential growth in online service delivery in India. Different organizations are investing and making effort to maintain quality in their e-commerce websites. The key intent is that customers value convenience, interactivity, personalization etc. and thus high quality of websites will lead to higher customer satisfaction and thus customer loyalty. Since the formulation of service quality instrument, called SERVQUAL by Parasuraman et al. (1988), many studies have used SERVQUAL to measure service quality in various domains such as health services, travel agencies, retailing, banking, government services and financial services etc. However, SERVQUAL as an instrument was originally developed for studying service delivery by offline channels, therefore, its direct application to measure and study service quality of e-commerce websites is not feasible (Van Dyke et al., 1999). Various practitioners and academicians have developed different kinds of scales to measure the quality of online services.

Service quality is usually perceived to be a means for competitive edge. The marketing literature during last 2-3 decades is full of researches into service quality. With the invent of internet and delivery of services through internet, the focus of research has shifted into domain of e-services.

ANTECEDENTS AND CONSEQUENCES OF E-COMMERCE QUALITY

The marketing literature is full of studies that focus on website qualities that customers use in gauging the service quality on services provided through websites. However, there is dearth of studies that focus on antecedents and consequences of the e-commerce quality. The level of loyalty and commitment to any provider in e-services is low as the switching costs are negligible. Therefore, the quality of e-services is crucial in attracting and retaining consumers (Holloway and Beatty, 2003). Various researchers have conceived service quality as combination of functional and technical components. The functional or content quality is referred to the satisfaction from consuming a service. The technical or delivery part is used to describe the process through which the consumer accesses the services (Gronroos, 1990; Gronroos et al., 2000). The empirical evidence in the marketing literature emphasize on demarcation between the content of service

and delivery of service. Cenfetelli and Benbasat (2002) suggest that if 'IT mediated service content' cannot satisfy customers' needs, then it is rendered without any meaning. In e-service quality, the content will consist of number of Web site-specific attributes such as layout, navigation ease, responsiveness, reliability etc. Customer specific characteristics such as demographics and psychographics also influence their perceptions of e-service quality (Zeithaml & Parasuraman, 2002). It has been well established that perceived ease of use and perceived usefulness have strong bearing on e-service quality. These constructs are borrowed from Technology Acceptance Model (TAM) which is based on the assumption that consumers act as rational beings. Website specific attributes and customer specific characteristics are the predictors of service quality in e-commerce.

Trust has emerged as major issue in case of e-services. Trust is the "subjective assessment of one party [trustor] that another party [trustee] will perform a particular transaction according to his or her confident expectations, in an environment characterized by uncertainty" (Ba and Pavlou, 2002, p.245). Development of trust in case of online services depends on the quality and reliability of services. Trust also acts a mediator between service quality dimensions and customer satisfaction. Antecedents of e-service quality such as reliability, usability, safety, security and ease of use precede trust. It is difficult to measure and quantify trust but the impact of trust can be seen as increased commitment and loyalty towards the service provider. Linkage between e-service quality and customer satisfaction has been studied by various academicians. The significant positive linkage between the satisfaction and service quality in e-commerce motivates practitioners to focus on achieving greater service quality. Satisfaction results from the experience one is having with a product or service in relation to purchase and consumption of it. Customers who are satisfied with the e-service feel attached to a e-service provider. Wolfinbarger and Gilly (2002) have found varying dimensions of .comQ measure. According to them, reliability has strongest influence on customer satisfaction and functionality has influence on customer loyalty. Various researchers have found strong correlation between e-satisfaction and e-loyalty. On the other hand, dissatisfaction from e-service provider results in switching behaviour in customers. Chen and Hitt (2002) have investigated the effect of service characteristics on customer switching and retention. The absence of face-to-face communication has aggravated the risk in case of e-services.

OTHER FACTORS AFFECTING E-COMMERCE BUSINESS

Trust

Trust can be defined as customer willingness to accept vulnerability in an online transaction based on their positive expectations regarding future online store behaviors (Kimery and Mccard, 2002). Trust has now become a key factor for understanding relationship between online firms and customers. As explained above in this paper, trust can therefore be considered as a consequence of positive assessments of online services and as an antecedent of customer loyalty. Trust can be regarded as customer confidence in online services of a website and hence, customers are usually unwilling to deal with the websites in which confidence regarding competence and integrity of the provider is lacking. The distance and anonymity between service provider and customers calls for increase safety measures and trust in online transactions. Development of trust in service provider depends on his characteristics. Customer perceptions of ability, benevolence and honesty of the provider will determine his trusting beliefs. Development of trust is a gradual process which is built through meeting customers' expectations and fulfilling the promises made. Trust embodies customers' beliefs of actually receiving a promised service, and a manifestation of consumers' confidence in an exchange partner's reliability and integrity (Morgan & Hunt,1994). Trust influence customer attitudes towards purchasing from an online store and encourages online customer purchasing activity (Gefen,2000).

Personalization

In offline context, customers usually seek personal attention like understanding, benevolence, reassurance, empathy, courtesy and other aspects which do not seem to form a part of key issues in perceived e-SQ, except in cases of highly complex decisions or service recovery where customers need special assistance. Purchasing online seems to be very goal oriented behaviour and customers are only interested in having efficient transactions and thus the personal flavour of SERVQUAL's empathy dimension is missing except when customers experience problems (Zeithaml, Parasuraman & Malhotra,2002). While emotions such as anger and frustration were expressed when reporting on problems arising from online transactions, these appear to be less intense than those associated with traditional service encounters (zeithaml 2000). In offline service transactions more of empathy, understanding, assurance is considered better by the customers but in e-SQ these attributes vary among customers. An example provided by Zeithaml (2002) in this context is, as we know customers want responsiveness in terms of e-mails sent to them about products and services ordered. After placing the order, they expect its confirmation through e-mail. At a later point, they also appreciate a follow up or e-mail when order is shipped or delayed. But, there exists a point, at which there is too, much e-mail being sent making customers

annoyed. Similarly, in order to personalize the site according to individual customers, the websites usually ask for customers details like shipping address, credit card information etc., for some it seems to be an attribute of high e-SQ while for others it is perceived as decreased e-SQ. Another instance in that some customers want large amount of information, multiple images of products, high graphics while other may prefer simple presentation and reasonable information for reducing complexities and confusion. Hence, we say personalization is an attribute of e-SQ on which desires vary across customers.

DISCUSSION

By reviewing the literature and analysing various e-service quality dimensions, we found that Trust is the strongest factor and affect overall service quality and customer loyalty & satisfaction. Trust is identified as key drivers of perceived service quality and customer satisfaction by Gefen (2000), who considered trust as a strong determinant of e-service performance. Thus, online store manager must act honestly, morally and in best interest of customers. Personalization seems to have only minor effects on overall service quality, having varied effects depending on customers' desires.

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