Interrelation between E-service Quality and E-satisfaction and Loyalty

Saeed Behjati PhD, Research Scholar, College of Technology management University Utara Malaysia, 06010 UUM Sintok, Kedah, Malaysia. saeed@student.uum.edu.my

Mohammad Nahich PhD, Research Scholar, College of Business, University Technology Mara (UiTM) 40450 Shah Alam, Selangor Darul Ehsan, Malaysia mnahich@yahoo.com

Dr. Siti Norezam Othaman Senior lecturer- Technology management. College of Business, University Utara Malaysia, 06010 UUM Sintok, Kedah, Malaysia. norezam@uum.edu.my

Abstract

Online services are now an integral part of most organizations. Their online presence is for extra valued added features to serve their customers better, however, many of them are not aware of how to make their online presence more attractive to their valued customers such as meeting their needs and having a strategic plan to retain customers using their websites. This research has planned to set up a conceptual framework that would facilitate the development of E-service quality and introduce a valid and reliable measurement for customer loyalty and E-satisfaction. A survey based on questionnaires was prepared and sent to potential respondents from the IT, marketing, management, and finance customer departments. The findings showed that there are 9 independent variables that have an effect on customer loyalty and satisfaction namely Trustworthiness, Reliability, Ease of Use, Security, Personalization, Responsiveness, Accessibility/ Convenience, Aesthetic and Utilitarian.

Keywords: e-Service quality, Customer satisfaction, online business, technology acceptance theory, Customer loyalty

1. Introduction

The growth of worldwide internet commerce has been mainly due to the demand of customers who technologically savvy and informed about products and services. Consequently, the competition has increased rampantly among Internet companies. In addition, there are applications that use search engines and offer price comparisons among top brands on the web; this has caused many companies to fight for top positions using competitive prices and highest quality of products. Thus, the non-price related aspects such as customer relations are becoming utterly important for internet companies.

Internet as a marketing channel considered with three main functions namely providing information, conducting transactions, and extending self- help (Meuter et al. 2000). Most internet companies use these three main functions in developing their customer base. Companies provide a large amount of information on their website so that the potential customers can get as much knowledge about their products and services. In the retail sector, the internet can play a profound role in maintaining and developing a high level of customer service. Online stores can draw in customers who want fast and convenient buying transaction processes. This entire process includes sourcing, ordering, payment method, receipt of goods, and managing after sales services. In addition, these websites can be used by the managers as another method of servicing the customers, by helping them with purchase information. Even though the company's main channel of sales could be physical retail stores, they still avail their best services online as well (Meuter et al. 2000). An issue that has been observed is that even though the companies get high ranking online due to visitors but most of them are just browsing for information and not really to purchase as yet (Godwin J. et all. 2010). When it comes to purchasing, they would rather go to an actual store to buy the product they desire after extensive online research.

Many of the companies with an online presence realizes that having an online channel is the right thing to do for future target markets but they are not entirely certain of optimizing this avenue to raise their bottom line or serve the needs of the consumers. In fact, many customers have rated online service quality in e-commerce as not satisfactory channel (Rubino 2000).

According to previous studies there are three main reasons for this scenario. **Firstly**, the internet is a fairly new mode of doing business. Internet companies are not sure regarding the needs of customers and their expectations and customers themselves in other hand are not clear about what to expect from online companies (Heim G,R. & Field J,M. 2007). **Secondly**, the whole concept of online consumer behavior is not clearly understood (Rubino 2000). **Finally**, the most important reason is that online transaction is considered to be a complex process as opposed to buying something off the store (Chen and Hitt 2000).

2. Literature review

2.1. Service Quality

Service quality is related to the superiority of a service compared to its competitors. Several major features considered in in service industry namely attitude, security, completeness, consistency, conditions, training, and availability. However customer perspective is usually different from the producer or manufacturer's evaluation; this in facts determines the act of predicting consumers' shopping behavior (Chang ,H.H et all. 2009).

In an exploratory study carried out by Parasuraman, Zeithaml, and Berry (1985), ten dimensions were discussed: security, tangibles, communication, reliability, responsiveness, credibility, courtesy, competence, access, and understanding the customer. These dimensions were later diluted to five main components namely reliability, tangibles, responsibility, empathy, and assurance (Parasuraman, Zeithaml, and Berry 1988).

In E-commerce, Kaynama and Blacks (2000) in their studying of online travel websites suggested a model known as 'E-QUAL' to measure service quality. The dimensions that they covered include accessibility, design and presentation, content and purpose, customization, navigation, responsiveness, personalization and background. In another study Jun, Yang, and Kim (2001) discovered six main dimensions on service quality as addressed by internet buyers namely ease of use, reliability and prompt response, security, access, credibility, and attentiveness. These researches further enhance the fact that more research needs to be carried out in measuring service quality especially in the realm of the internet business.

2.2. Customer Satisfaction

Chang ,H.H et all. (2009) described the relationship between customer satisfaction and service quality as being divided into two main areas namely overall satisfaction and transaction satisfaction. Transactional satisfaction also known as service encounter satisfaction is explained as the cognitive or emotional reaction by customers to their latest experience with a company (Chang ,H.H et all. 2009). It is related to a particular feeling felt at the point of purchase. The focus can be on what was expected by the customer, the product, the experience or any other related issue. This reaction occurs right after the point of purchase after having gone through the choice of buying a product has been done. The response differs based on the circumstances surrounding the point of purchase at that time.

Overall or cumulative satisfaction is defined as how the customers view the entire process from the buying of products and services to the other associated aspects of the company. Many researchers agree that overall satisfaction is a direct result of the service quality rendered by the company (Heim G,R. & Field J,M. 2007)

2.3. Customer Satisfaction and Service Quality

Different approaches of studying customer satisfaction will give rise to different types of relationship between service quality and customer satisfaction. It is also common knowledge of all the controversial issues that arise from trying to understanding this area better. In actual fact when customer satisfaction is derived as a consequence of transactions that have been carried out and service quality is derived from the entire evaluation based on the service rendered, it is also logical

to say that both these concepts can be easily mixed up (Kuo Y.F et all. ,2009 ; Chang ,H.H et all. ,2009). Even though there might be one unsatisfactory transaction, the overall service quality can still be viewed in a positive light. Due to this, some researchers concur that service quality cannot totally depend on a transaction satisfaction alone in some situations. In a study of Bauer H,H. et all. (2006) they discovered some instances where even though the consumers were satisfied with the service rendered, they did not feel that it was of appropriate quality. Likewise, Parasuraman, A .(2005) suggested that even though a customer might respond favorably, it does not mean they are actually satisfied with the organizations services. That service organization might charge high in their service rates, but the customer may not be satisfied with the organization for numerous of other reasons. Several researchers have reported on the positive relationship between service quality and overall satisfaction even though the reason behind it is not straightforward (Kuo Y.F et all. ,2009 ; Chang ,H.H et all. ,2009). Even though Bauer H,H. et all. (2006) discovered a positive effect of service quality on satisfaction, other researchers regarded customer satisfaction based on the overall observation as what is perceived as service quality (Rabinovich , E et all. 2004).

2.4. Customer Loyalty

Customer loyalty defined as an attitude that displays the relationship between the customer and the business or company (Godwin J. et all. 2010). Behavioral based perspective, customer loyalty is described as repeat purchases; the number of time the customer buys the same product or service from the same seller or provider under the same category (Godwin J. et all. 2010). There are many ways to measure customer loyalty but it is difficult to determine its accuracy. In practice, many researchers have used either attitude or behavior to measure loyalty (Godwin J. et all. 2010). The reasoning behind using attitude as a form of measure is based on different feelings that are created in the customer's overall attachment to a company for its product or service; which in turn is interpreted as the customer's loyalty level. The other method is using behavior. The behavior of repeat or frequent purchases and speaking highly of the company to others is taken as a measure of loyalty to the company (Rabinovich, E et all. 2004).

These two approaches have been utilized largely as a measure of loyalty towards different products and services. Knowing the customer loyalty is very beneficial for the company and the customers. It has been discovered that loyal customers are eager to buy from companies that can offer the highest value as compared to their competitors (Rabinovich , E et all. 2004). In the long run loyal customers will tend to buy more products and be less demanding of the company. In case of small errors, the loyal customer will easily overlook the problem; they would not mind increase in prices of products and will also give encouraging word of mouth review of the company and products to others. Consequently, loyal customers are a natural base for long term profit and growth for the company.

2.5. Customer Loyalty and Service Quality

Customer loyalty is described as the natural consequence of service quality (Zeithaml 2000). It has a great effect on the company's market share, profit margins (Rabinovich , E et all. 2004), and employee loyalty (Parasuraman, A .2005). Customer loyalty is the behavioral intention that follows a transaction which is associated with the perception of quality received, service experienced , and satisfaction levelv (Chang ,H.H et all. 2009 ; Godwin J. et all. 2010).

The influential effect of service quality on particular behavioral intention has been studied in many researches such as consumer willingness to recommend the company, willingness to pay a premium price to the company and repurchase intentions (Rabinovich , E et all. 2004 ; Sigala Marianna . 2009). In summary, it is essential to further investigate the main service factors that cause a customer to become loyal to a company.

2.6. Responsiveness

Responsiveness is defined as the timeliness and speed of the delivered service which includes actual time of transaction with customers in which service and assistance is offered to customers promptly to solve any problems that they may encounter. It is associated with time taken for delivery of goods, rapid response and transaction speed. Contrary to physical stores, online businesses seem to have less of this real time interaction when conducting businesses with customers online. Parasuraman, A (2005) suggested that this lack of timely delivery or responsiveness to enquiries and other issues are one of the main complains customers have regarding online businesses.

Another aspect of responsiveness includes the time taken for downloading information from the website. In a study conducted by Sigala Marianna . (2009) to garner insights on how the related time taken to download stuff affect the perception of the customers regarding the performance of the website. Their findings showed that the waiting can negatively influence customers if the duration taken for waiting is uncertain, the duration of waiting time is not given and waiting happens during unannounced instances. Nevertheless, the drawbacks can be minimized or eliminated by indicating the time that could be taken for downloads given the speed of download of different internet connection speeds.

2.7. Customization

Customization is described as providing more desirable feature to the customers which is also an important element when it comes to managing service technology on the Internet and to assist customers to easily complete a transaction (Bitner, Brown, and Meuter 2000).

2.8. Trustworthiness

Trustworthiness is an important element in building relationships. Rabinovich , E et all. (2004) described trust as 'a willingness to rely on an exchange in which one has confidence'. Godwin J. et all. (2010) claimed that trust is a perception of 'confidence in the exchange partner's reliability and integrity'. Customer trustworthiness on a company in the internet industry is governed by the reputation of the company, the employees' attitude in communicating via phone or email and generally the experiences the customers have had with the company. In conventional markets, employee behavior is a major criterion, for online businesses, the influence of the employee is not as prominent; it can however still play an important role in developing customer loyalty and satisfaction.

2.9. Reliability

Reliability is described as the capability of carrying out the said task or service dependably, consistently and accurately. It is related to fulfilling promises given regarding services and products as claimed by the company. Customers are determined to receive the products and services of the same quality as ordered based on the information available on the company's website. In normal brick and mortar companies, this issue is not a problem as the customers can straight ask the sales people regarding any flaw in a product.

In internet business, fulfilling a purchase order requires a sound infrastructure both in terms of logistics and IT and this has always been an area of concern for internet marketers (Heim G,R. & Field J,M. 2007). Many online businesses use third part logistics companies to meet this need; therein lays the problem as they are unable to monitor the speed at which these third party companies deliver the ordered products (Heim G,R. & Field J,M. 2007). Customers are often not satisfied with the reliability of services offered online. With an unreliable information system, there can be many problems just like conventional services that include wrong orders being processed and other related issues.

2.10. Accessibility / Convenience

Accessibility includes the ease of contacting and approaching the service provider or seller. Approachability is described as the location of particular stores in relation to the buyer and the stores opening hours. In theory, the Internet is open 24/7 and can be accessed from anywhere there is Internet connections. Heim G,R. & Field J,M. (2007) found that convenience was the number one reason for customers to shop online. In a similar survey Chang ,H.H et all. (2009) discovered that convenience was the said to be the single most important benefit of online shopping.

Ease of contacting service providers means having access to company assistants available online or via phone in case of any urgent queries. Although many customers do use the telephone for queries, many people these prefer to have a record of communication and prefer to email queries instead.

2.11. Ease of use

Ease of use is a critical component for customers to decide to use or adopt a new information technology application (Bitner, Brown, and Meuter 2000). Ease of use according to Bitner, Brown, and Meuter (2000) is the 'degree to which a person believes that using a particular system would be free of effort'. In terms of the online business 'system' refers to the company website and 'job' refers to the main aim of the customer coming to the web page (i.e. to buy a product or service or merely to get information). The easier it is for the customer to achieve his/her aim, the higher the chances that the customer will use the website in the future.

2.12. Faithfulness (Security/ Privacy)

The two main issues that customers worry about when conducting business online are Faithfulness (Security/ Privacy) especially regarding their confidential personal information. Kuo Y.F et all. (2009) in their study on consumer needs for global electronics found out that there is quite a lot of attention by customers to the issue of security while conducting their purchase and privacy with regards to their personal information. The perception that there is not enough security on public websites is a hindrance to the growth in this sector (Kuo Y.F et all. 2009). The information given on websites when purchasing a product such credit card and other personal information can be abused by using certain algorithms to decode the entry. User name IDs and passwords are hardly enough to keep the hackers away. These days the digital signatures and encryption should be updated and customized to provide enough security (Chang ,H.H et all. 2009 ; Godwin J. et all. 2010 ; Rabinovich , E et all. 2004)

2.13. Utilitarian / Usefulness

Many online customers use the internet to look for products that may not be readily available offline or in the stores (Barcia 2000). Therefore, in order to attract customers, the online sites should provide the types of products and services and have the information ready for the customers.

The main reason customers use the Internet is for the convenience factor; they can do everything just from one site itself. As an example those who use internet banking can pay bills online, print or view their monthly statements, buy stocks, and other financial products. As such companies that offer a wide variety of products and services are able to draw a bigger a crowd online. New products can also be offered online for those who may not be satisfied with currently available products in the actual store. These attributes and categories as mentioned above are however only discussed in a narrow manner. There have been very few researches that have been empirically organized to look deeper into this matter to study the main factors of service quality within the online community.

2.14. Aesthetic

As opposed to the factor on ease of use, aesthetic is an area that is discussed briefly not only in the Marketing arena but also in MIS (Managerial Information System) area. Obviously, there is not much literature to refer to in this area given the lack of interest and research. Flow is an area that is highlighted in the MIS reviews. There are many other important areas but they have not been clearly defined. In deciding the quality of the webs service, it is important to take into consideration the aesthetic value of the website. Barcia (2000) claimed that in elaborating the intention of purchase by customers and their criteria for measuring quality, it is performance of the customer's experience online. People visit websites for more than picking up some information. The entire experience involves the aesthetic factor. If the company wants the customer to regularly visit their website, then they must make the person's first visit a memorable. An effective way to

do this is to make the website visually stimulating to the customer and adding innovative features such as games, lucky and others.

3. Methodology

3.1. Problem Statement

The main focus of internet commerce has been on service quality, customer loyalty or retention and satisfaction. It is essential to know if a website has met the customer's satisfaction. There is a difference between customer satisfaction and customer loyalty. In order to measure customer satisfaction, it is important to find out if the customer will buy again from the same company. In this issue, internet customer loyalty has been an area that has not been explored fully by researchers and the companies involved (Reichheld and Schefter 2000).

In order to provide high quality of web service, it is important to know what are the factors that customers use to evaluate the quality of service, satisfaction and loyalty. Moreover, it is important for these organizations to know what these factors are and how these factors work; if there are other moderating variables the influence customer loyalty and satisfaction.

3.2. Research Questions:

What are the service quality attributes that will influence customer loyalty and satisfaction? Which are most important Service Quality Attributes, and are most influential in forming the perception of customer satisfaction with internet companies?

3.3. Objective of the Study

To establish a broad conceptual framework to facilitate the development of E-service Quality To examine the relationship between e-service quality and customer loyalty

3.4. Conceptual framework



3.5. Significance of the study

In the conventional market approach, customers go to the suppliers to get the products and the transaction or exchange of goods and services are carried out face to face. But todays, distance is no longer a major concern; businesses can be done across continents at the click of a mouse and there is 24/7 connection with people. "Instantaneous" has found a special meaning as relating to E-service quality and E-satisfaction and loyalty. Considering the fact that internet marketing is quite different from conventional marketing in various aspects, a measuring instrument that is valid and reliable for service quality and Satisfaction is necessary to study the services provided in internet businesses. It is essential to identify the main factors that influence service quality to ensure that a company's website is offering the right services that are attractive to the customers. Besides considering the right measuring instrument for E-service quality, it is also important to investigate the relationship that exists among the various factors such as service quality, service attribute, customer loyalty and customer satisfaction on internet businesses.

3.6. Hypotheses Development

H1: Responsiveness as the component of service quality , will affect customer satisfaction and customer loyalty

H2: customization as the component of service quality , will affect customer satisfaction and customer loyalty

H3: Trustworthiness as the component of service quality, will affect customer satisfaction and customer loyalty

H4: Reliability as the component of service quality, will affect customer satisfaction and customer loyalty

H5: Access and Convenience as the component of service quality , will affect customer satisfaction and customer loyalty

H6: Ease of use as the component of service quality , will affect customer satisfaction and customer loyalty

H7: Faithfulness (Security/ Privacy) as the component of service quality , will affect customer satisfaction and customer loyalty

H8: Utilitarian as the component of service quality , will affect customer satisfaction and customer loyalty

H9: Aesthetic as the component of service quality , will affect customer satisfaction and customer loyalty

3.7. Research Design

This research is conducted based on technology acceptance model intends to showcase the data in a descriptive manner by finding out the existing relationships that may occur with the variables using primary data that , which was collected through a survey based questionnaire that was disseminated through the mail. In total 250 responses were received and out of those 202 were selected for the analysis purpose; the study targeted respondents who used the online websites and were ranged between 16 to 45 years old.

4. Data Analysis and findings:

4.1. Frequency & Descriptive analysis of Demographic factors

Demographic variables	Frequentl	%	Mean	std
Gender	у		1.45	.498
Male	112	55.4	1.45	.420
Female	90	44.6		
Education Level	90	44.0	5.44	1.326
Secondary level	17	8,4	5.44	1.520
Institute level	28	13.9		
Diploma level	12	5.9		
Degree level	122	60.9		
Master Degree	22	10.9		
Doctorate or a higher level	0	0		
Age	•	V	1.86	.694
16~25	65	32.2	1.00	.024
26~35	101	50.0		
36~45	36	17.8		
Monthly Income	50	17.0	3.13	.703
under 1000	5	2.5	5.15	
1000 ~ 1999	23	11.4		
2000 ~ 2999	114	55.4		
3000 ~ 3999	60	29.7		
length of computer usage (year)			2.78	.695
1~5	76	37.6		
6~10	95	47.0		
more than 10	31	15.3		
Time usage (time)			4.19	1.179
once a week	75	37.1		
2~5	62	30.7		
6~10	16	7.9		
everyday	49	24.3		
Weekly online (hour)			3.89	1.171
Less than 1	16	7.9		
1~5	74	36.6		
6~10	56	27.7		
11~20	28	13.9		
20 hour and above	28	13.9		

Table 1 above reveals that most of the survey respondents have the experience of using online activities and they are mainly young people ranging from the ages of 16 to 30 years old. Their educational level is also high and they tend to spend more time online in comparison to the older people.

Thus, it is essential to the behavior and satisfaction of this group of people when it comes to using online services. By knowing these facts, managers can then plan for the future and also improve the aspects that are important to this group of people and meet their requirements. Descriptive statistics is used by researchers to analyze large amounts of data using statistical software that is standardized and known by other researchers. The whole distribution of the data can be summarized into a central score. This is known as the central tendency measurement. Mean (M) represents the sum of all the scores (ΣX) divided by the number of the scores (N) or:

ΣX M =N

4.2. Reliability Testing

The reliability testing is carried out to show the level at which the measure is error free. Cronbach's alpha indicates the reliability of the entire variables and all items shows above 0.7 which is concluded as acceptable and good for the testing.

Reliability for	N of	Cronbach'	Reliability for	N of	Cronbach's Alpha	
	Items	s Alpha		Items		
Responsiveness	14	0.9135	Ease of Use	15	0.7794	
Accessibility/	13	0.7237	Faithfulness (Security/	12	0.7331	
Convenience			Privacy)			
Trustworthiness	12	0.8938	Utilitarian	11	0.8556	
Reliability	12	0.8612	Aesthetic	12	0.9177	
Customization	13	0.8815				

4.3. Correlation analysis

	Responsiveness	customization	Trustworthiness	Reliability	Accessibility	Ease of Use	Faithfulness	Usefulness	Aesthetic	Satisfaction	Loyalty
Responsiveness	1	.558**	.300**	.288**	-0.095	.495**	292**	0.169*	.337**	.174*	0.331**
customization	.558**	1	0.1	.140*	184**	.219**	176*	.352**	.220**	-0.105	0.378**
Trustworthiness	.300**	0.1	1	.862**	0.058	.708**	.576**	0.134	0.094	.523**	.555**
Reliability	.288**	.140*	.862**	1	-0.017	.695**	.458**	0.099	.162*	.589**	.554**
Accessibility	-0.095	184**	0.058	-0.017	1	183**	-0.003	-0.173*	.316**	.278**	352**
Ease of Use	.495**	.219**	.708**	.695**	183**	1	.214**	168*	-0.091	.295**	.682**
Faithfulness	292**	176*	.576**	.458**	-0.003	.214**	1	-0.092	304**	.172*	.166*
Usefulness	.169*	.352**	0.134	0.099	173*	168*	-0.092	1	.637**	.386**	.150*
Aesthetic	.337**	.220**	0.094	.162*	.316**	-0.091	304**	.637**	1	.664**	.147*
Satisfaction	.174*	-0.105	.523**	.589**	.278**	.295**	.172**	.386**	.664**	1	.412*
Loyalty	.331**	.378**	.555**	.554**	352**	.682**	.166*	.150*	.147*	.412**	1

* Correlation is significant at the .05 level (2-tailed).

H1: Responsiveness as a component of service quality will have an effect on customer satisfaction and customer loyalty. Responsiveness is used to observe the respondents' reactions to online satisfaction and loyalty. Here, researchers will be able to find out if the respondents are satisfied with the online services and how much the level of trustworthiness is on the online companies.

The dependent variable in this hypothesis is the level of customer satisfaction and loyalty and the independent variable is responsiveness to the company's website. The results revealed that the significance for Responsiveness and Customer satisfaction or Loyalty are 0.013 and 0.000 respectively which are less than the significance at the approved level of 0.05. This indicates that there exists a significant relationship between Responsiveness and Customer Satisfaction or Customer Loyalty.

H2: customization as a component of service quality will have an effect on customer satisfaction and customer loyalty. As revealed in the table, personalization has a significance of less than 0.01 for customer loyalty. This indicates that there exists a significant relationship between customization and Customer Loyalty.

H3: Trustworthiness as a component of service quality will have an effect on customer satisfaction and customer loyalty. Trustworthiness is a main element in customer satisfaction and loyalty. The analysis of this variable reveals that the significance for customer loyalty is less than 0.01. Based on this, H3 will be accepted; this indicates that there exists a significant relationship between trustworthiness and customer loyalty.

H4: Reliability as a component of service quality will have an effect on customer satisfaction and customer loyalty. Reliability has a significance level of 0.000 which is less than 0.01. Therefore, it can be concluded that there exists a significant relationship between reliability and customer satisfaction/ loyalty.

H5: Access and Convenience as a component of service quality will have an effect on customer satisfaction and customer loyalty. H5 is accepted as it is still in the acceptable interval that has a significance level that is lower than 0.01. Therefore, it is justified to accept H5 which indicates that there exists a significant relationship between Convenience and customer satisfaction/ loyalty.

H6: Ease of use as a component of service quality will have an effect on customer satisfaction and customer loyalty. As with other variables, H6 will be accepted as it is within the acceptable level

of significance. This indicates that there exists a significant relationship between Ease of use and customer Satisfaction / Loyalty.

H7: Faithfulness (Security/ Privacy) as a component of service quality will have an effect on customer satisfaction and customer loyalty. Faithfulness (Security/ Privacy) reveals a significance level of 0.014 and 0.018 for customer satisfaction and customer loyalty respectively. The significance level is 0.05. Therefore, H7 can be accepted and agreed that there exists a significant relationship between Security/ Privacy and Customer satisfaction / loyalty.

H8: Utilitarian as a component of service quality will have an effect on customer satisfaction and customer loyalty. As revealed in the table, since the significance level is less than the accepted significance level, H8 can be accepted. This indicates that there exists a significant relationship between Utilitarian and customer Satisfaction / Loyalty.

H9: Aesthetic as a component of service quality will have an effect on customer satisfaction and customer loyalty. Aesthetic is also acceptable because the significance level is less than 0.05. Therefore, it can be concluded that there exists a significant relationship between Aesthetic and Customer Satisfaction / Loyalty.

5. Conclusion

The findings of the survey indicate that there is a growing influence and importance in the relationship between E-service Quality and E-satisfaction and Loyalty in remarkable and competitive online businesses. The relationship between satisfaction and loyalty is also quite good, and a few researchers have tried to investigate this relationship (Godwin J. et all. 2010; Rabinovich, E et all. 2004; Sigala Marianna . 2009; Heim G,R. & Field J,M. 2007)

Based on the results of Spearman's Rank Correlation Test, the variables including customization, Responsiveness, Reliability, Trustworthiness, Ease of Use, Accessibility/Convenience, Security, Aesthetic, and Utilitarian are related to customer satisfaction and customer loyalty. This shows that all 9 variables can be said to be Service Quality Attributes that will affect the customer satisfaction and customer loyalty.

Statistical results revealed that out of the 9 independent variables, Responsiveness is the most important factor in dealing with the relationship between consumers with customer satisfaction and customer loyalty. Reliability and Trustworthiness are in the second and third positions respectively. Aesthetic seems to be the least important factor in comparison to the other 8 variables.

Many respondents have had online experience before and they are in the age range of 16 to 35 years old. They seem to be very satisfied with the provided services by the online companies based on factors such as Trustworthiness, reliabilities, and responsiveness. For the young people who have more knowledge and experience in online products and services find that they are more willing to accept online businesses according to their channel for future purchasing or consuming.

5.1. Significance of the findings

This study gave the point of view of customers and what they perceive to be important factors in e-commerce; they are Trustworthiness, Ease of Use, Responsiveness, Personalization, Accessibility/ Convenience, Reliability, Security, Aesthetic and Utilitarian.

In theory, this study engaged the conventional methodology and extended the measuring scales from service quality to e-service quality. Parasuraman, Zeithaml, and Berry (1988) designed SERVQUAL as a means to measure service quality in conventional markets. With the onset of the internet market, academicians and practitioners have sought for a valid and reliable measurement for service quality in e-commerce. The e-service quality measurements used in this study will provide an effective tool for internet-based service performance measure. A researcher can use these verified scale items to measure service quality in various service industries.

This study offers a measurement scale for Internet companies to manage their service quality weakness and strengths. Studying the content analysis of online customers', the review shows a good start in understanding the customers' need. Using various business strategies, Internet firms can use valuable resources of the company to understand the essential service quality factors discovered in this study. As an example, enhancements to the level of Reliability and Responsiveness include the need to satisfy customers and retain them. The reason behind this is that these factors significantly affect the overall quality of service, customer satisfaction, and customer loyalty assessment.

5.2. Suggestions for Future studies

It will be beneficial to discover the solutions to reduce failures in service quality and fill the gap between what is perceived by the customers and the managers' view through in depth qualitative inquiry. The solution will include the integration of internal functional departments and external integrations of channel supervisors. Nowadays, called customer relationship management (CRM) and supply chain management have become the main factors. As the users become more mature, they know exactly what they expect to be e-service quality factors. Many industries will improve their web service standards. Therefore, future research could use the 'expectation disconfirmation paradigm' to calculate service quality and customer satisfaction.

6. References:

- Jun, Minjoon, Zhilin Yang, and DaeSoo Kim (2001), "Internet Service Quality and Customer Satisfaction in B2C E-commerce,' Submitted to international Journal of Service Industry Management, under Review.
- Kaynama, Shohreh A and Christine I. Blacks (2000), 'A Proposal to Assess the Service Quality of Online Travel Agencies: An Exploratory Study, "Journal of Professional Service Marketing, 21(1), 63~88
- Meuter, Matthe L., Amy L, Ostrom, Robert I. Roundtree, and Mary Jo Bitner (2000), 'Self-service Technologies: Understanding Customer Satisfaction with Technology-Based Service Encounters,' Journal of Marketing, 64 (3), 50~64
- Parasuraman, A., Valarie A. Zeithml, and Leonard L. Berry (1985), ' A Conceptual Model of Service Quality an dIts Implications For future Research,' Journal of Marketing, 46(Fall), 41~50
- Rubino, Gail (2000), 'If you Build it, Will they come,' Bank Marketing, March, 36~40
- Chen, Pei-Yu and Lorin M.Hitt (2000), 'Switching Cost and Brand Loyalty in Electronic Markets: Evidence from Online Retail Brokers,' Proceedings of 21' Annual International Conference on Information Systems, Brisbane, Australia.
- Godwin J. & Udo G.j & Bagchi, K.K. & Kirs, P.J. (2010). An assessment of customers' eservicequality perception, satisfaction and intention . 3(6) International Journal of Information Management.
- Parasuraman, A., Valarie A. Zeithml, and Leonard L. Berry (1988), 'SERVQUAL: A Multiple-Item Scale of measuring Consumer Perceptions of Service Quality,' Journal of Retailing, 54(1), 12~40
- Kuo Y.F & Wu C.M & Deng W.J (2009). The relationships among service quality, perceived value, customer satisfaction, and post-purchase intention in mobile value-added services. 25(4). Computers in Human Behavior.
- Chang ,H.H & Wang , Y,H & Yang ,W,Y (2009). The impact of e-service quality, customer satisfaction and loyalty on e-marketing: Moderating effect of perceived value. 20(4) . Taylor & Francis Group
- Rabinovich, E & Bailey, P. J. (2004). Physical distribution service quality in Internet retailing: service pricing, transaction attributes, and firm attributes. 21(6). Journal of Operations Management
- Sigala Marianna (2009) . E-service quality and Web 2.0: expanding quality models to include customer participation and inter-customer support. 29(10) . The Service Industries Journal
- Heim G,R. & Field J,M. (2007). Process drivers of e-service quality: Analysis of data from an online rating site. 25(5). Journal of Operations Management
- Bauer H,H. & Falk T & Hammer Schmidt, M (2006). eTransQual: A transaction process-based approach for capturing service quality in online shopping. 59(7). Journal of Business Research
- Parasuraman, A (2005) . E-S-QUAL: A Multiple-Item Scale for Assessing Electronic Service Quality . 7(3). Journal of Service Research

This academic article was published by The International Institute for Science, Technology and Education (IISTE). The IISTE is a pioneer in the Open Access Publishing service based in the U.S. and Europe. The aim of the institute is Accelerating Global Knowledge Sharing.

More information about the publisher can be found in the IISTE's homepage: <u>http://www.iiste.org</u>

The IISTE is currently hosting more than 30 peer-reviewed academic journals and collaborating with academic institutions around the world. **Prospective authors of IISTE journals can find the submission instruction on the following page:** <u>http://www.iiste.org/Journals/</u>

The IISTE editorial team promises to the review and publish all the qualified submissions in a fast manner. All the journals articles are available online to the readers all over the world without financial, legal, or technical barriers other than those inseparable from gaining access to the internet itself. Printed version of the journals is also available upon request of readers and authors.

IISTE Knowledge Sharing Partners

EBSCO, Index Copernicus, Ulrich's Periodicals Directory, JournalTOCS, PKP Open Archives Harvester, Bielefeld Academic Search Engine, Elektronische Zeitschriftenbibliothek EZB, Open J-Gate, OCLC WorldCat, Universe Digtial Library, NewJour, Google Scholar

