

Impact of E-Service Quality on Purchase Intention Through Mediator Perceived Value in Online Shopping

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Abstract

It is vital to know the variety in many features of consumer purchase intention among Internet users. Paper scrutinizes the relationships e-service quality, perceived value and purchase intention for Chinese online shoppers of food products. We applied the questionnaire technique for data gathering for the measurement of an tool, and sample design was non-probability purposive of sample 600 respondents. Members were selected using non-probability purposive sampling, which documented personal information and confirmed that there is no study prejudice because the data examination is anonymous. Cronbach's alpha was used to checked the reliability through SPSS, confirmatory factor analysis (CFA) was used to evaluate the validity complete through AMOS software, structural equation model (SEM) was also used to checked the model fitness. The testing outcomes show that, for the direct path, electronic service quality has a significant, positive effect on perceived value and purchase intentions and also, perceived value directly significant, positive impact on purchase intentions. For the indirect path, electronic service quality has a significant, positive impact on purchase intentions through perceived value. Managerial implications of these results are discussed.

Keywords: E-service quality, perceived value, purchase intention, online shopping, Food products

1. Introduction

The Internet is one of the current innovations that literally malformed the world and has become part and parcel of our everyday life. Presently, the Internet is acting as a world-shattering agent that is changing the industry world in a dynamic way. With the help of the Internet and information technology, now contact and relationship development among people from any corner of the world have become amazingly easy (Singh et al., 2007). Electronic commerce (e-commerce) can be distinct as buying and selling, marketing and servicing of goods and services via the computer networks (Combe, 2006). Kassim and Asiah Abdullah (2010) painted that by leveraging the internet, business organizations through online websites can free up income to deliver higher levels of value to clients in new ways and provide companies and customers with opportunities for much larger interaction and individualization. In 1998, Jack Ma and his acquaintances launched E-commerce in China with an online proposal known as business to trade (B2B) named Alibaba.com. In 2003, followed by Amazon, eBay (western multinational) entered in the Chinese marketplace. Alipay and Alibaba were also introduced with the accumulation of PayPal security for online recompense in Chinese e-commerce market in 2003. At the inauguration, product related to DVDs and software were on the peak in selling, though, airline tickets, cosmetics, and clothing are selling more newly with the growing business-to-costumer marketing (Backaler, 2010; Lee, 2009). With the magnetism of consumer internet for online purchasing, traditional retailers increased for online connections derived by business-to-consumer (B2C). After 2006, Chinese market got constant and growth rate tended very fast, as compare to other countries, Chinese customer retain the distinctiveness of online shopping. If online stores want to carry on to make proceeds by retaining obtainable online customers and attracting new ones, it is necessary to comprehend what motivates customer contentment and customer preference. Furthermore, businesses with the practice and success using the e-commerce are becoming to more and more comprehend that the key determinants of the achievement or failure are not only the website existence and low price but also comprise the electronic service quality, i.e. e-service quality. Zeithaml (2002) presented the description of the e-service quality. E-service quality, as distinct by (Santos, 2003), is the overall customer perceptions, judgments, and evaluations of the quality of service obtained from a practical marketplace. Both practitioners and researchers use e-service quality and web service quality interchangeably. For example, Zeithaml (Zeithaml, 2002) defines e-service quality as the degree to which a website facilitates well-organized website facilitates, well-organized, effective shopping, purchasing and delivering of products and services. Zhang (Zhang and Prybutok, 2005) agree with the same idea bout website service quality. We emphasized on e-service quality. Rowley (2006) gives a definition of e-service in conclusion of many scholars opinions, e-service, based on information technology, includes the information provision and system support, the logistic transportation of service and the trace and exchange of information. The online shopping is basically a different platform from real life traditional commerce. In real life, the customers usually don't use all the elements of the service to process, while in the web using environment every sub-process has a probability of being observed by

the customers. Customers can spend larger time in the e-retailing stores as much as they want (Lee and Lin, 2005). Parasuraman et al. (2005) found in their study that two different scales should be used for capturing e-service quality, the basic E-S-QUAL scale, and E-RecSQUAL. The basic E-S-QUAL scale is composed of four dimensions: efficiency, fulfillment, system availability, and privacy.

2. Theoretical Framework and Research Methodology

There are a number of conceptual models that have been developed by various researchers and scholars worldwide to investigate the e-service quality concept. At the same time, these models have been aimed to be adopted by service organizations as a tool to assist in quality improvement programs. Based on the narrowed down scope of literature review above, the relationship between e-service Quality, perceived value and purchase intention can be shown in figure 1. There are a number of key instruments available for measuring service quality. Nevertheless, the E-SERVQUAL instrument has been the major technique used to measure service quality and has been extensively implemented and valued by academics and practitioners.

The E-SERVQUAL model was theoretically and empirically studied, examined, and discussed in several academic studies. In addition, it has been implemented to measure and assess e-service quality across different service, industrial, commercial, and non-profit settings Ladhari, 2008. This includes, for example, hospitals and health-care sector, banking and financial services sector, fast food chain, telecommunications industry, retail chain, information systems, library services, hotels and leisure services, travel and tourism, car servicing, higher education, hospitality, business-to-business channel partners, accounting firms, architectural services, recreational services, airline catering, apparel retailing, and local government , e-commerce.

Primary data has been conducted for the supposed purpose, developed a questionnaire (Chinese & English) for the fulfillment the objectives consisting of demographic and characteristic information. Participants were chosen using non-probability purposive sampling, which recognized personal information and ensured that there is no research prejudice because the data analysis is anonymous. Previous talking survey, all the participants were knowledgeable about the purpose of carrying out this research. This is additional made ensure to all respondents that their information would be kept confidential. The participants of this research were professionals, managers, civil servants, company employees, self-employees, laborers, farmers, students, sales/services, homemakers, retirees and others even from the unemployed. The sampling duration was from August 15, 2017 to September 15, 2017. Hence our 650 distributed questionnaires 620 responses received, however 600 in completed from in accordance to required sample size were chosen for statistical analysis as per our sample prerequisite. We used Cronbach's alpha was to measure tool reliability using SPSS 22, confirmatory factor analysis (CFA) as suggested by Park and Lee (2009) was used to determine the validity. Structural equation modeling (SEM) has been applied to check the model fitness so that AMOS was applied for this purpose.

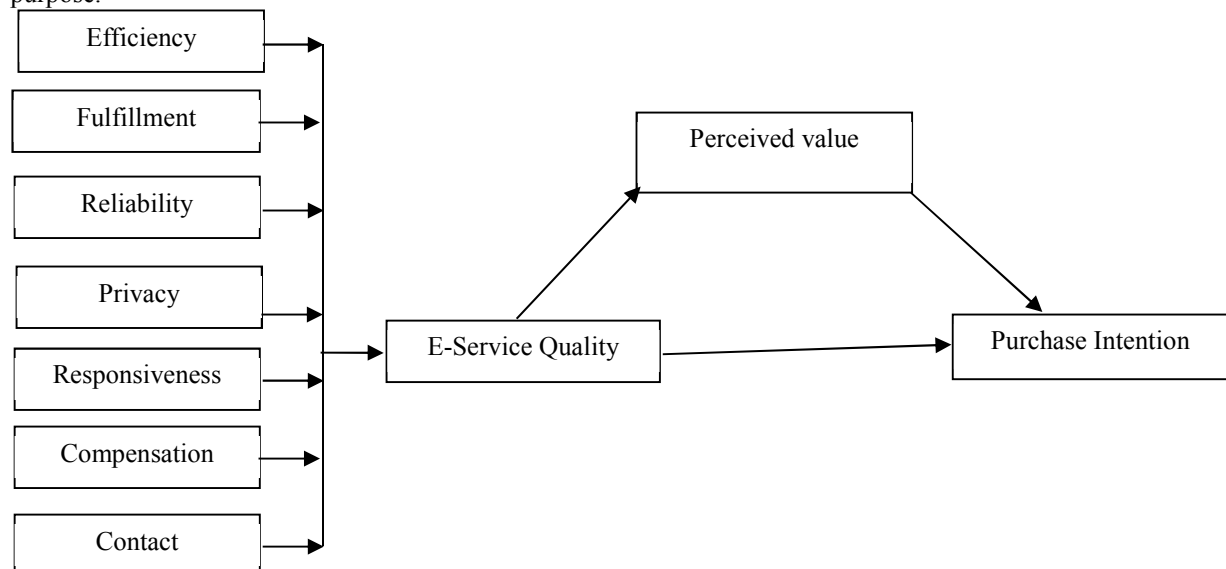


Fig 1. The conceptual model

3. RESULTS AND DISCUSSIONS

The aim of this study was to calculate the influence of e-service quality on purchase intention directly, and indirectly through mediator perceived value in online shopping towards food products of China. Five hundred respondents have been chosen for the this determination from different regions of the People's Republic of

China showed in table I. The occurrence of total respondents is 326 male and 374 female that have experience of online food products and check the e-service quality before making purchase intention. Highly frequency of the applicants in study was among age 21 to 40, in the meantime below bachelor degree and bachelor degree holder contributed with the maximum interest. The occurrence of monthly salary in Chinese currency was 3001 to 6000 RMB in average.

TABLE I. RESPONDENTS' DEMOGRAPHIC PROFILE FOR FOOD PRODUCTS

| Total Numbers of Respondents (N=500) | | Frequency | Percentage |
|---|----------------------------|------------------|-------------------|
| Gender | Male | 326 | 45.2 |
| | Female | 374 | 54.8 |
| Age | 20-30 years old | 196 | 39.2 |
| | 31-40 years old | 135 | 27 |
| | 41-50 years old | 115 | 23 |
| | Above 50 years old | 54 | 10.8 |
| Education | Primary education or lower | 22 | 4.4 |
| | Middle school education | 28 | 5.6 |
| | High school education | 40 | 8 |
| | Diploma/certification | 89 | 17.8 |
| | Bachelor degree | 221 | 44.2 |
| | Postgraduate degree | 100 | 20 |
| Occupation | Professional | 31 | 6.2 |
| | Manager | 24 | 4.8 |
| | Civil servant | 16 | 3.2 |
| | Company employee | 180 | 36 |
| | Self-employee | 46 | 9.2 |
| | Labor | 15 | 3 |
| | Farmer | 32 | 6.4 |
| | Student | 48 | 9.6 |
| | Sales/services | 61 | 12.2 |
| | Unemployed | 11 | 2.2 |
| | Homemaker | 14 | 2.8 |
| | Retired | 13 | 2.6 |
| | Others | 9 | 1.8 |
| Monthly Income (RMB) | 1000 RMB or Under | 30 | 6 |
| | 1001-2000 RMB | 67 | 13.4 |
| | 2001-3000 RMB | 189 | 37.8 |
| | 3001-6000 RMB | 99 | 19.8 |
| | 6001-10000 RMB | 75 | 15 |
| | Above than 10000 RMB | 40 | 8 |

Table II showed to measure the reliability of tools, SPSS have been applied for 35 objects with the values of reliability statistics of Cronbach's alpha which are 0.855, 0.846, 0.862, 0.844, 0.860, 0.814, 0.804, 0.839 and 0.906, respectively. Cronbach's alpha values should be above then the range of 0.7 which measured appropriate as defined by Hair et al. (2006).

TABLE II. RELIABILITY ANALYSIS

| Variables | Cronbach's Alpha | No. of Items (35) |
|--------------------|-------------------------|--------------------------|
| Efficiency | 0.855 | 4 |
| Reliability | 0.846 | 4 |
| Fulfillment | 0.862 | 4 |
| Privacy | 0.849 | 4 |
| Responsiveness | 0.866 | 4 |
| Compensation | 0.813 | 3 |
| Contact | 0.804 | 3 |
| Perceived value | 0.859 | 4 |
| Purchase Intention | 0.960 | 5 |

Jöreskog and Sörbom (1993) showed if the values of χ^2 / df are among the range of 0 to 3 is measured acceptable, for this study, the value of χ^2 / df is 1.105 which means accepted. The ranges of AGFI (Adjusted goodness of fit index), TLI (Tucker-Lewis Coefficient) and CFI (Comparative fit index), and GFI (Goodness of a fit index) are 0 to 1, and closely 1 recommends to perfect fit. The values of AGFI, GFI, CFI and TLI are 0.929, 0.927, 0.947 and 0.933 which are considered acceptable which presented in table III. The benchmark value of RMSEA (Root mean square of approximation) is slightly less 0.8 indicates good fit Kenny (2014), this study's

benchmark value is 0.017 which means considerably acceptable.

TABLE III. MODEL GOODNESS OF FIT MEASURES

| Index | Measured value | Cut-off point | Benchmark paper | Decision |
|------------|----------------|---------------|---------------------------------|------------|
| CFI | 0.947 | > 0.95 | (Hu & Bentler, 1999) | Acceptable |
| GFI | 0.927 | >0.90 | (Williams & Holahan, 1994) | Acceptable |
| AGFI | 0.929 | >0.90 | (Fan, Thompson, and Wang ,1999) | Acceptable |
| NFI | 0.940 | >0.90 | (Hu & Bentler, 1999) | Acceptable |
| P-close | 1.00 | >0.50 | (Joreskog and Sorbom ,1996a) | Acceptable |
| RMSEA | 0.017 | <0.06 | (MacCallum et al., 1996) | Acceptable |
| Chi-square | 1.105 | - | (Green et al., 1997) | Acceptable |

The following table IV defined the regression weights of study the first hypothesis that has been formulated in this study is used to determine the effect of E-Service quality on Perceived value. Results have provided support with values estimate =0.411, S.E= 0.053, C.R= 7.518 and P-value 0.00 for H1 and indicated that e-service quality has significant positive effect on Perceived value, and results are supported by the study of Parasuraman et al. (1988). We can say that online shopping firms in China can attain better Perceived value by giving outstanding e-service quality to its customers. The second hypothesis H2 has been postulated to show the impact of e-service quality on purchase intention. H2 specifies that e-service quality has major positive effect on purchase intention. Results have provided support with value estimate =0.247, S.E= 0.058, C.R=4.152 and P-value 0.00). Therefore we can tell that online shop businesses in China can achieve high purchase intention by providing excellent e-service quality to its customers.

TABLE IV. REGRESSION WEIGHTS

| Hypothesis | Independent Variable | Dependent Variable | Estimate | S.E. | C.R. | P-Value | Decision |
|------------|----------------------|---------------------|----------|-------|-------|---------|-----------|
| H1 | E-Service Quality | Perceived value | 0.411 | 0.053 | 7.518 | *** | Supported |
| H2 | E-Service Quality | Purchase Intentions | 0.247 | 0.058 | 4.152 | *** | Supported |

The hypotheses H3 investigated the Perceived value mediates the association among E-Service Quality and Purchase Intention. This hypothesis is also supported since e-service quality looks to significant positive impact on purchase intention through mediator Perceived value. Results have provided support with value estimate =0.366, S.E= 0.032, C.R=7.279 and P-value 0.00).

| Hypothesis | Independent Variable | Dependent Variable | Estimate | S.E. | C.R. | P-Value | Decision |
|------------|----------------------|--------------------|----------|-------|-------|---------|-----------|
| H3 | E-Service Quality | Perceived value | 0.366 | 0.032 | 7.279 | *** | Supported |

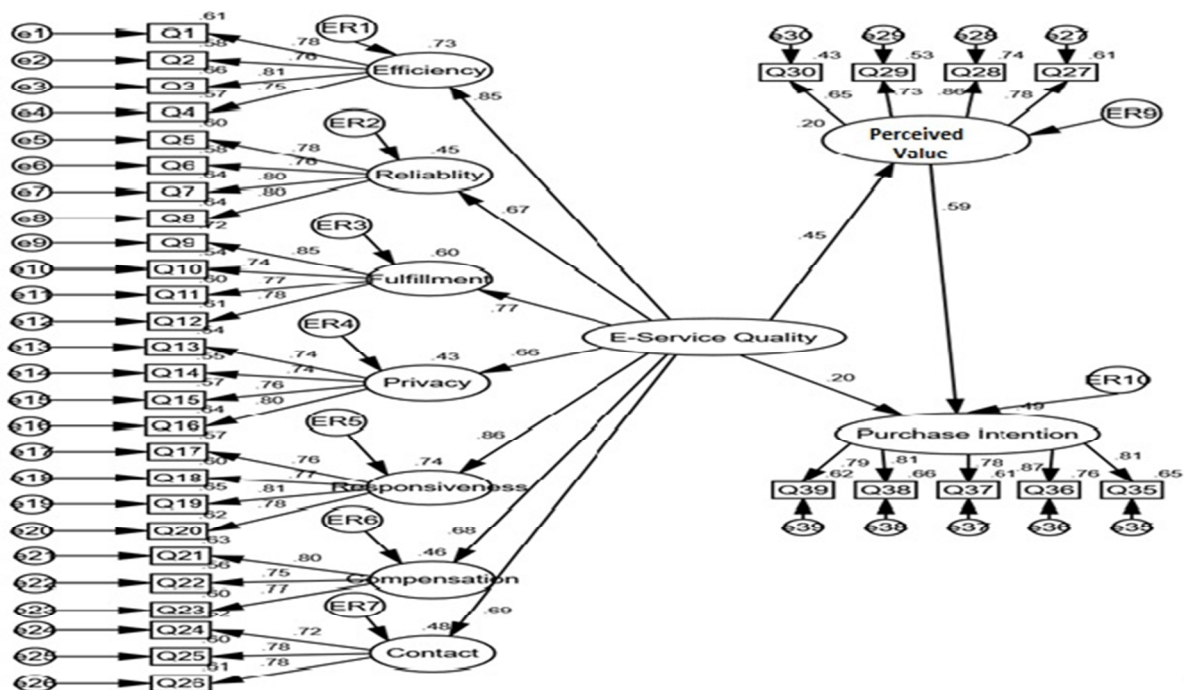


Fig 2. Structural equation model fit. (X2/df = 1.105, GFI= 0.927, AGFI= 0.929, NFI= 0.940, TLI= 0.933, CFI = 0.994, RMSEA = 0.017).

4. CONCLUSION

This research has focused on e-service quality, perceived value and purchase intention. Furthermore, in most of the existing research, the effects of service quality and perceived value on purchase intention have been confirmed separately. But some sign provide supports the existence of more complex relationships amongst these three variables and the benefits of accounting for both direct and indirect impact of service quality and perceived value on purchase intention (Shamdasani et al., 2008). The objectives of the study were to examine the relationship between service quality and perceived value in online shopping food product situation and to create causal direct and indirect relationships between them and specific purchase intention of e-shoppers. E-service quality has a significant positive effect on perceived value and purchase intention directly, and e-service quality also has a significant positive effect on purchase intention through mediator perceived value. More specifically, the findings showed that high service quality and perceived value result in revisiting the website. Our findings both support and extend existing knowledge on these issues leading to several managerial implications and opening new directions for future research.

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