The Effect of Online Service Retailers’ Quality Gaps on Customer Satisfaction

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ABSTRACT

The growth and expansion of e-commerce warrants more attention. Online service retailers (OSRs), as e-commerce retailers, continue to invest in the improvement of services provided to their online consumers. The success of OSRs depends heavily on their capability to understand any service quality gaps, and their ability to mitigate these gaps. Using a conceptual framework for OSRs, this study identified nine quality gaps of these retailers and their influential mitigation strategies. A survey instrument was developed and used to measure the significance of the nine quality gaps in terms of customer satisfaction with online shopping. The sample size was 4,937 completed responses from different demographic and product categories. The data analysis was carried out using structural equation modeling (SEM). The results showed that tactile feedback, delayed acquisition, delivery reliability, confounding technological trust, transaction security, wirelessness, buyers’ remorse, and confounding knowledge technology significantly affect the satisfaction of online shoppers.

KEYWORDS

Customer Satisfaction, E-Commerce, Gaps Analysis, Online Service Retailers’ Quality Gaps

INTRODUCTION

E-commerce refers to the transactions involving customers, suppliers, and outsourced partners, generated by different processes in sales, procurements, marketing, customer service, and payments between two or more entities using computers or any other electronic channel (Bartels, 2000).

E-commerce has assumed a big role in representing the future direction of development of trade of both services and manufacturing industries. Both industries are restructuring and upgrading their operations using information technology. Most business organizations are setting up online websites to reach their customers. This allows products and services to be available for customers every day at any time, causing a great impact on cost reduction and market growth (Sharma & Lijuan, 2015).

Based on statistics by Wurmsen (2014), e-commerce sales will reach US$ 491.5 billion in 2018 from US$ 263.3 billion in 2013. This increase in sales reflects the number of digital buyers, which will reach 185.5 million in 2018 from 157.1 million in 2013. E-commerce websites are considered a key part in today’s competitive online shopping market. E-commerce foundations consider planning a viable website to be extremely important. Sites provide a platform for customers where they can

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easily perform commercial transactions and related tasks such as online payment, order tracking, and customer recommendations as efficiently as possible (Singh, Malik, & Sarkar, 2016). This research identified the service quality gaps that could affect customer satisfaction. The contribution aims to enhance the service quality of OSRs. Consequently, the following research questions apply:

1. Do quality gaps have significant effects on customer satisfaction with online shopping?
2. Which quality gap(s) has/have more influence on customer satisfaction with online shopping?

THEORETICAL BACKGROUND

Several studies have focused on the quality of a retail website design and overall website functionality (pre-purchase phase), but have not given equal attention to the quality of the services delivered by the online retailers (purchase phase and post-purchase phase). For example, Loiacono (2000) provides a set quality criteria, the WebQual model of website design, which addresses: (a) ease of use; (b) usefulness; (c) entertainment; and (d) complementary relationships. Other researchers have developed similar criteria to evaluate the website interface only (Allard, Liljander, & Jurriens, 2001; Barnes & Vidgen, 2002; Liu & Arnett, 2000; O’Neill, Wright, & Fitz, 2001). In this study, we go beyond website design to address the website as a service provider. We treat retail e-commerce websites, such as Amazon.com, eBay.com, and Alibaba.com, as OSRs. These websites handle payment transactions, shipping, returns, refunds, and many other service processes, which are the focus of this study.

The SERVQUAL model is used to assess customer perceptions of service quality in service and retail organizations through five dimensions: (a) tangibility (the actual and physical appearance of the facilities, personnel, items, and products); (b) reliability (the ability to accomplish the promised service precisely and dependably); (c) responsiveness (the willingness to serve customers and fulfill the required service promptly); (d) assurance (the knowledge and courtesy of employees and their ability to communicate trust and confidence); and (e) empathy (the level of care and individual attention that the firm provides to its customers) (Parasuraman, Zeithaml, & Berry, 1988). Many studies have used the SERVQUAL model or similar models (Parasuraman, Berry, & Zeithaml, 1991) to identify the quality dimensions of and the perceived service delivered by the retail website (Cox & Dale, 2001; Francis, 2009; Francis & White, 2002). Unlike these studies, we measure the impact of the quality gaps of online retailers on customer satisfaction with online shopping.

Quality Gap Model

Parasuraman, Zeithaml, and Berry (1985) identified four main quality gaps in their conceptual model of service quality. Those four gaps, mentioned below, are between customers and service organizations:

**Gap 1:** The difference between customer expectations and management perceptions of customer expectations.

**Gap 2:** The difference between management perceptions of customer expectations and the translation of those perceptions into service quality specifications and designs.

**Gap 3:** The difference between specifications of service quality and the actual service delivered to customers.

**Gap 4:** The difference between service delivery and the promise of the organization to the customers about its service quality.

This study identified nine service quality gaps for service retailers based on a pertinent literature review. Additionally, the influential mitigation strategies of these quality gaps were identified based on literature sources.
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