The Impact of E-Retail Environment Characteristics on E-Satisfaction and Purchase Intent

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ABSTRACT

The purpose of this research is to determine the key dimensions of e-retail environment characteristics which affect consumer e-satisfaction and purchase intent and to examine the mediating role of e-satisfaction and the moderating effects of consumers’ previous e-shopping experience on the relationship between e-retail environment characteristics and consumer responses. The study focused on young adults ranging in age from 18 to 25. The results showed that convenience, customization, security/privacy, web appearance and entertainment value were the key characteristics of e-retail environment impacting e-satisfaction. E-satisfaction fully mediated the effects of e-retail environment characteristics on online purchase intent. Prior e-shopping experience was found to moderate the relationships among the key dimensions of e-retail environment, e-satisfaction, and e-purchase intent. The findings of this study add to the existing literature on e-service quality by focusing on e-retail environment characteristics beyond products and prices, and further by providing e-retailers with practical implications as to how they can improve their website environments for successful e-retailing business.

Keywords: E-Purchase Intent, E-Retailing, E-Satisfaction, E-Service Quality, E-Shopping

INTRODUCTION

E-service quality is related to how e-retailers facilitate efficient and effective shopping, purchasing, and delivery of products and services (Zeithaml et al., 2002). Unlike shoppers in offline stores who can have direct interactions with service representatives, the quality of the e-shopping experience relies heavily on service attributes available on websites. If e-shoppers are not satisfied with the service attributes provided on an e-retail site, they can easily switch to another site by simply clicking the mouse. Enhancing e-service quality would be essential to satisfy e-shoppers and to be successful in e-retail businesses (Chang et al., 2009).

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As previous e-service quality related studies stressed (e.g., Zeithaml et al., 2002), high e-service quality goes beyond providing high quality products and/or competitive prices. In e-retailing where consumers can find the same product on a vast number of websites offering a wide range of prices, e-service quality of the e-retail website is expected to play a more important role in positively impacting consumer responses than even products and prices. For this reason, the present study focuses on e-service quality that influences e-service experience per se, irrespective of products and prices. While e-service quality has received much scholarly attention, most extant e-service research has not examined e-service quality from the contextual perspective. Kim et al. (2007) developed a scale containing five e-retail buying environment characteristics which are customer-centered service attributes not related to price or product information by reviewing extant literature on e-service quality research. In comparison to other existing e-service quality scales, the main benefit of Kim et al.’s (2007) scale is that the service attributes within the five e-retail buying environment characteristics were identified by a content analysis of the top 96 e-retail apparel sites ranked by Internet Retailer (2005). Thus, the service attributes identified are drawn from industry practices and hence more relevant e-service scales for evaluating e-service quality of apparel e-retail sites (Kim et al., 2007). However, one of the limitations of this scale is that the attributes identified in relation to the five e-retail buying environment characteristics were not evaluated from the consumers’ perspective. Customer perceptions of e-service quality are one of the important determinants of e-business success (Bai et al., 2008; Liu et al., 2000; Yang et al., 2004). Therefore, expanding upon Kim et al.’s (2007) research, the present study is focused on the consumer perspective of e-retail buying environment characteristics which affect consumer satisfaction and purchase intent. By focusing on the contextual aspect of e-service quality, this study addresses important research questions such as: (1) What are the key dimensions of e-retail environment characteristics which affect e-satisfaction and purchase intent? (2) Does e-satisfaction mediate the effects of e-retail environment characteristics on purchase intent? (3) Does consumers’ previous experience with e-shopping moderate the relationships among e-retail environment characteristics, e-satisfaction, and purchase intent? The findings of the study provide practical information for e-retailers for use in improving their website environment to increase e-satisfaction with the e-shopping experience and ultimately increase purchase intent.

The organization of this paper consists of four major sections. The first section contains the background and theoretical support for the research model. We describe the research methodology including data collection procedure and survey instruments. We then discuss the results. Finally, the conclusions, managerial implications, and suggestions for further research are discussed.

**Literature Review and Conceptual Development**

**E-Retailing**

Forrester predicted that US e-retail sales would likely hit $172.9 billion in 2010, which would represent an increase of 11% over 2009 and that e-retail sales would influence 53% of US retail sales by 2014 (Internet Retailer, 2010). With state-of-the-art technology such as Wi-Fi and mobile devices, consumers can now access the Internet easily anytime from any place. The ease of Internet access that technology provides to consumers is influencing consumers’ shopping patterns and enabling large number of consumers to shop online. Thus, to satisfy e-shoppers and to increase revisit to the site, retailers need to understand the factors that influence consumers’ perceptions of e-service quality.

de Ruyter et al. (2001) defined e-service as “an interactive, content-centered and Internet-based customer service, driven by the customer and integrated with related organizational customer support processes and technologies with
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