Satisfaction for E-commerce Affecting Customer Loyalty: A case study of Internet users in Bangkok

Nalinrat Samritwong

Abstract—The main purpose of this research was examined factors influencing e-commerce customer satisfaction and customer loyalty. The researcher tested a set of hypotheses the relationship between factors are influenced on customer satisfaction and customer loyalty. This research collected and gathered data form 384 respondents who have experience using e-commerce in Bangkok area by distributed the questionnaire. The result of the research indicated that all factors; perceived service quality, perceived usefulness, enjoyment, firm’s reputation, trust and customer satisfaction are significant positive predictors of customer loyalty. The researcher focuses on B2C e-commerce in Bangkok area. Besides, the result of this research might not be generalized to the benefit of studying whether other area. This research provides useful information for e-commerce vendor to manage the factors influenced on customer satisfaction and build customer loyalty. However, customer loyalty is a significant of e-commerce vendor’s survival and success. The research provides evidence of factors influencing customer loyalty.

Keywords—E-commerce, Perceived service quality, Perceived usefulness, Enjoyment, Firm’s reputation, Trust, Customer Satisfaction, Customer loyalty

I. INTRODUCTION

This The loyal customers are a significant to business survival (Semejin et al., 2005). The reason of business survival has many companies using defensive marketing strategies to increase their market share and profitability by satisfy customer needs. Most of market strategies is expansion their marketing channel using e-commerce to be their marketing promotion today. However, e-commerce has many advantages for buyers, sellers, and producers. It can be eliminated occurring cost and many barriers while operated the business for example; barrier of time zone, reducing overhead cost of operating and reducing middle man, and hiring sale persons, etc. Moreover, the internet has established opportunities for firm to compete by providing customers with a livable, faster, and budget price procedure in order to make purchasing through the internet. E-commerce is rapidly growing (Grunert and Ramus, 2006) Therefore, no company can afford the negotiate e-commerce to be their marketing strategy.

At the highest level of e-commerce, companies can deliver their products and services through the internet to their customers who never seen, met, spoken together before. It used only space of digital to interact and build relationship between companies and customers. All of the relationship while customers interacted with companied its can be completely success and finished in cyberspace. Thus, it can made customers whether satisfied or unsatisfied company. However, the internet is provides many opportunity for companies to make customers satisfied companies and build customer loyalty.

The majority key challenge of e-commerce attractively designed first click of visitors the sites and motivate them to re-visit the sites again. Mostly of many e-commerce vendors concentrated on developing trust higher than developing satisfaction of customers. Trust can reduce perceived risk of customer e-purchase (Ranawan and Prabhu, 2003). Trust is possibly a majority role play of factors to consider satisfaction and loyalty customers in e-commerce (Gummerus et al., 2005). However, there are many studies found that customer satisfaction is majority drive to profitability of the firm (Oliver, 1981). Customer Satisfaction is essentially built customer loyalty; repurchase intention, positive word of mouth, and recommending others. The e-commerce vendors should make customer confidence when they provided their personal information and payment should be secure. And customers’ personal information should be sold to the third party. Anderson and Kerr 2002 claimed that it has more than 75 percent of online shopper will not complete their purchasing on the internet. They use e-commerce to find and research products and services, then they will complete their purchasing by visiting the store or phone.

This research studied significant factors contributing to successful e-commerce. Customer satisfaction for e-commerce results of service quality, perceived usefulness, enjoyment, firm’s reputation, and trust. Customer satisfaction and customer loyalty are included; repurchase intention, positive word of mouth, and recommending others to use e-commerce are significantly related factors. E-commerce environment is less manifest than that physical store, because customers cannot see the produces; therefore, this leads to imperfect indicating in e-commerce. Brick-and-mortar stores can compensate for some emotional losses, getting a good
bargain or consulting with friends while shopping (Weisberg et al., 2011).

In this paper, first the researcher presents brief review of this research. Even though what the researcher shown the theoretical framework shares the same factors which are effected on customer satisfaction and the relationship between customer loyalty in the literature review as (Chiu et al., 2008; Norizan et al., 2009; Fang et al., 2011; Chai et al., 2011). However, the research objectives are different from the current literature in this research objective as following; 1. To test whether perceived service quality, perceived usefulness, enjoyment, firm’s reputation, and trust affect satisfaction for e-commerce.

2. To test the relationship between satisfaction for e-commerce and customer loyalty.

Secondly, the researcher will show the methodology and the main result of this study. Then, the researcher presents the theoretical and managerial implications of finding. Lastly, the researcher presents the limitations of the research and recommendation for further study.

II. THEORETICAL FRAMEWORK

A. Perceived Service Quality

Service quality is defined as the overall impression of the relation superiority of services. It is simply defined as how well a delivered service level matches customer expectations of service quality. The SERVQUAL tool has been widely tested as a means of measuring customer perceptions of service quality (Parasuraman et al., 2008). Although currently, there is short of congruence in the literature, the SERVQUAL model has been the most comprehensive and completeness using of service quality measurement in the twenty first century (Tsoukatos and Rand, 2006). The dimensions of service quality in e-commerce are included; ease of use, website design, and assurance. Recently, service quality in e-commerce has significantly become the major drive to enhance customer satisfaction and has strong impact on building up loyal customers (Parasuraman et al., 2005).

The ease of use dimension is defined as the essential element of customer usage of computer technologies (Ribbink et al., 2004). Moreover, ease of use can defined as the consumer belief that e-commerce will be easy to use (Chiu et al., 2009). If the websites is difficult to use, customers will ignore that site and leave the page (Pearson et al., 2007). The skill of internet users vary, thus, the e-commerce’s vendor should provide a simple form for every user to be able to use in order to let them stay on page.

The web design dimension is suggested to create satisfaction which is directly related to the user interface (Van Riel et al., 2004). It is significantly to e-commerce and has essentially effect on user perception of ease of use. Web design describes the appeal that user interface design presents to customers (Lee and Lin, 2005).

Finally, the assurance dimension is defined as customer’s perceived security and privacy. It is the most significant and the strongest factor that impact the relationship between trust and assurance in e-commerce (Parasuraman et al., 2005).

When customers have confidence in e-commerce can be built up customer loyalty in both new comers and existing customers. Base on the above discussions, the researcher determines the following hypotheses;

H1 Perceived service quality in terms of ease of use related to satisfaction.

H2 Perceived service quality in terms of web design related to satisfaction.

H3 Perceived service quality in terms of assurance related to satisfaction.

B. Perceived Usefulness

Perceived usefulness is defined as the boundary at which customers’ transaction execution will be applied by e-commerce. There is a significant relationship between perceived usefulness and customer repurchase intention which is places as a fundamental build to determine customer’s repurchase (Chiu et al., 2009). However, customer individual behavior intention towards on e-commerce which is base on how it will enhance their shopping performance is more likely to intend to undertake continued usage if perceived to be useful (Bhattacherjee, 2001). Therefore;

H4 Perceived usefulness related to satisfaction.

C. Enjoyment

Enjoyment is defined by the users who gain personal fun through the website. It effectively response and real motivation that refers to the performance of an activity for no reinforcement other that the process of performing its (Deci, 1975). It has many support studied suggested that enjoyment has directly influence on behavioral intention and the role of enjoyment in repurchase intention (Koufaris, 2002; Bart et al., 2005; Cyr et al., 2006). Therefore;

H5 Enjoyment related to satisfaction.

D. Firm’s Reputation

Firm’s reputation refers to the grasping of customers impression toward on the firm and how the firm plays its role whether directly or indirectly to customers and how the firm is concerned about firm’s well-being (Hess, 2008). Firm’s reputation can affect customers to make a decision to purchase products or services. Moreover, the significant role play of firm’s reputation is to exchange the relationship between firm and customers and to build up customer’s certainty in both new customers and existing customers, marketing it become customer loyalty. Although the major role of purchasing decision is an intrinsic characteristic, but the intrinsic characteristic will be absent in e-commerce. Thus, extrinsic characteristic will significantly be the role play of the customer’s purchasing decision and reinforce assurance of the quality of products and services. That is firm’s reputation (Yoon et al, 1993). Therefore, the research determines the following hypotheses;
H6 Firm’s reputation related to satisfaction.

E. Trust

Trust can be defined as the customer’s belief that the online vendors are likely to behave benevolently, capably, and ethically. Therefore, customers are likely to be uncertain of e-commerce if they do not feel certainty toward a website that they visiting (Collier and Bienstock, 2006). Customers are unlikely to transact through the website which lacks privacy or trust, because of fear of vendor opportunism. Moreover, customer’s trust plays a primary role in maintaining long-term relationships between customers and online vendors (Chiu et al., 2009). Customers are unlikely to transact through the website which lacks trust, because of fear of vendor opportunism. However, the dimension of trust in this research is included; responsiveness, system availability, and contact.

The dimension of responsiveness is defined as the effective dealing with the problem through the Internet (Parasuraman et al., 2005). In fact, responsiveness is significant factor in determining e-service quality (Yang et al., 2004). The interaction between online vendors and customers are significant in that customers acquire their satisfaction and seasonable flavor (Semeijn et al., 2005). Replying rapidly to customers’ needs decreases uncertainty toward websites, and is a significant way for online vendors to present their trustworthiness and humanity concerning customers (Gummerus et al., 2004).

The dimension of system availability refers to the correct technical functioning of the e-commerce website. Online vendors need to be observant of websites that experience problems, such as always being down and never working, thus preventing customers from shopping and purchasing products or services. A steady and reliable website generates an impression about the competence of the vendor and consequently consumers tend to trust the vendors (Kim, 2005). However, the roles of system availability lie in establishing trust towards e-commerce.

The dimension of contact is claimed as the vendor provides the availability of assistance information, thus the customer can easily contact the online vendors (Parasuraman et al., 2005). There are many alternatives that the online vendor provides to let customers have contact through the online vendor. This is essentially assistance to improve the service quality of operational online vendors (Collier and Bienstock, 2006). However, providing contact information is one method to build customer trust in e-commerce ambient (Drost, 2005). Therefore, the researcher determined the following hypotheses;

H7 Trust in terms of responsiveness related to satisfaction.
H8 Trust in terms of system availability related to satisfaction.
H9 Trust is terms of contact related to satisfaction.

F. Customer Satisfaction

Customer satisfaction is defined as the customers’ pleasantness according to perceived expectation of performance productivity. If the providers realized the requirement of customers’ need and make an attempt to meet customer’s needs, then the providers can fulfill customer satisfaction (Michale et al., 2000). The higher level of customers satisfaction have been shown to reduce customers’ perception of the potential benefits from the supplier choice and thus enhance repeated purchasing from the present supplier. Moreover, customer satisfaction plays an essential part in marketing, because satisfaction stimulates repurchase intention, positive word of mouth and recommendation that are a key to building loyal customers. However, customer satisfaction online is likely to drive and encourage re-entry and re-purchase in that website (Cristobal et al., 2007). Thus, the researcher determined the following hypotheses;

H10 Satisfaction related to customer loyalty.

G. Customer Loyalty

Customer loyalty is defined as a deeply helped commitment to re-buy or re-patronize preferred products or services consistently in the future, thereby causing repetitive same-brand or same brand-set purchasing, despite situation influences and marketing efforts having the potential to cause switching behavior (Oliver, 1999). In addition, pricing does not affect loyal customers to purchase products or services and they also recommend the business to others (Reichheld and Schefer, 2000). The dimension of customer loyalty is included; repurchase intention, positive word or mount, and recommending others. Typically, many consumers believe and credit word of mouth higher than other commercial communications (Herr et al., 1991). However, satisfied customers are likely to provide positive word of mouth to these of no relation, or have a relation to a specific transaction which eventually will influence customer loyalty which has repurchase intention to be primary determinant of customer loyalty. In order to create repurchase intention, businesses should concentrate on customer satisfaction and influence them to trust the vendor’s product.

The conceptual framework shown in this section provides the same factors which are affected on customer satisfaction and the relationship between customer loyalty in the literature review as (Chiu et al., 2008; Norizan et al., 2009; Fang et al., 2011; Chai et al., 2011). However, the research objectives are different from the current literature. Therefore, the researcher developed the conceptual framework as following;
III. METHODOLOGY

A. Questionnaire Design and Data Analysis Technique

In this research, the researcher collected the questionnaires based on two types of data which are primary and secondary data. The data can support more understanding and fulfillment of the research. The primary data was collected from questionnaires. It was distributed to 384 respondents who have experience in e-commerce in Bangkok area in six districts. Secondary data are the information published mostly in books, journals and newspaper. The data were gathered and analyzed by using SPSS to diagnose data in this research.

The survey questionnaire was developed from previous studies. The questionnaire was divided into five parts including: part one screening questioning, part two demographic information of respondents which are sex, age, educational levels, frequency of using e-commerce (four questions), part three dealt with factors affected overall satisfaction for e-commerce which are perceived service quality, enjoyment, firm’s reputation, and trust (30 questions), part four dealt with satisfaction of using e-commerce (two questions), and part five dealt with loyal customer which are included repurchase intention, positive word of mouth and recommending others (six questions). A five-points Likert-type scale has been applied to question the target respondents about the factors affecting satisfaction with and customer loyalty to, e-commerce.

B. Data Collection

A data collection has been used to select the probability samples by using three step as following; step one is simple random sampling to select the districts in Bangkok area for gathering the questionnaire data, step two is quota sampling to provide number of respondent in six districts and step three is convenience sampling that benefits the researcher because it save time and budget in gathering the information from the target respondents.

IV. RESULTS AND CONCLUSION

A. Demographics Profile

Gathering the data from 384 respondents is a sample size. The majority of respondents are 256 or 66.7% for females. The highest percentage of respondent’s age is 21-30 years old or 230 respondents (59.9%). The highest percentage of educational level is Bachelor’s degree or 248 respondents (64.6%). And the most frequent purchase from e-commerce is less than two times per months, which accommodates 240 respondents (62.5%).

B. Hypothesis Testing

The hypotheses were tested by using Pearson correlation coefficient is used for testing the relationship between independent variables and dependent variable in all 10 hypotheses in this research. Table I shown the result of hypotheses testing by using Pearson correlation coefficient. Regarding to the significant value is less than 0.01, meaning that the hypothesis is accepted. The criteria of significant at .01 and .05 for hypothesis testing as following; 0.81 - 0.99 very strong relationship, 0.61 - 0.80 means strong relationship, 0.41 - 0.60 means moderate relationship, 0.21 - 0.40 means weak relationship, and 0.01 - 0.20 means very weak relationship.

<table>
<thead>
<tr>
<th>Hypotheses</th>
<th>Correlation Coefficient</th>
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<tbody>
<tr>
<td>H1 : Perceived service quality in terms of ease of use related to satisfaction</td>
<td>0.650</td>
</tr>
<tr>
<td>H2 : Perceived service quality in terms of web design related to satisfaction</td>
<td>0.430</td>
</tr>
<tr>
<td>H3 : Perceived service quality in terms of assurance related to satisfaction</td>
<td>0.567</td>
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<tr>
<td>H4 : Perceived usefulness related to satisfaction</td>
<td>0.504</td>
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<tr>
<td>H5 : Enjoyment related to satisfaction</td>
<td>0.367</td>
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<tr>
<td>H6 : Firm’s reputation related to satisfaction</td>
<td>0.532</td>
</tr>
<tr>
<td>H7 : Trust in terms of responsiveness related to satisfaction</td>
<td>0.527</td>
</tr>
<tr>
<td>H8 : Trust in terms of system availability related to satisfaction</td>
<td>0.563</td>
</tr>
<tr>
<td>H9 : Trust in terms of contact related to satisfaction</td>
<td>0.560</td>
</tr>
<tr>
<td>H10 : Satisfaction related to satisfaction</td>
<td>0.794</td>
</tr>
</tbody>
</table>

Regarding to the hypotheses testing, there are six independent variables including that perceived service quality, perceived usefulness, enjoyment, trust, firm’s reputation, and satisfaction. And, there are 10 hypotheses being used in this research. Perceived service quality is preceding and that is positive affect satisfaction supporting by the result of finding. The importance roles play to create and build customer satisfaction and customer trust with firms, Norizan et al., (2010) suggested that the quality of service is provided by the online vendors’ in order to keep customer satisfied and feeling secured when attracted the websites.
The argument that enjoyment is an antecedent and that it is positively affect satisfaction supporting by the result of finding and the previous study shows that enjoyment is a kind of consumer affected toward on e-commerce that has a relationship with satisfaction (Westbrook, 1987).

Moreover, the argument that firm’s reputation is positively affect satisfaction. It is supported by the finding and the previous study of Byoungo et al., 2007 who indicated a positive relationship between firm’s reputation in and satisfaction Korea and USA. However, Chai et al., (2010) suggested that online retailer should aim to build reputation which will continuously enable to buy from online vendor.

Also, the argument that trust is positive affect satisfaction and that is supported in the finding. However, it has previous study been supported that trust plays a significant role to gain success in e-commerce (Lee and Turban, 2001). Trust can easily motivated by conducting trustworthy, secured, private, responsiveness, and personalized for users (Norizan et al., (2010).

Finally, the argument that satisfaction is positive affect customer loyalty and that is supported by the result finding. However, Norizan et al., (2010) indicated that satisfaction has positive relationship with customer loyalty including repurchase intention and positive word of mouth.

V. CONCLUSIONS AND RECOMMENDATIONS

The main purpose of this research is to clarify the relationship between perceived service quality, enjoyment, firm’s reputation, trust, satisfaction which customer loyalty which has repurchase intention, positive word of mouth, and recommending others. This research focuses on B2C in the e-commerce sector. The researcher has selected 384 respondents who live in six districts in Bangkok, Thailand, which included Yannawa, Bang Kapi, Sathorn, Silom, Rama IV , and Pinklao to research population and have been experience using e-commerce. However, the research used SPSS program to test the variables by selecting Pearson’s correlation coefficient to analyze the significant levels of each variables. All the independent variables have significant positive relationship with customer loyalty for e-commerce in Bangkok area. In addition the main group of respondents is female, age between 21-30 years old who have the educational level of Bachelor’s degree, and the frequency of using e-commerce is less than two times per month.

According the growth of e-commerce is increasing that is significantly tool to increase sale volumes or start the new marketing channel in many companies. Therefore, the online vendor should understand factors which are affected on customer satisfaction and understand how customers come to buy continuously products or services. The researcher recommends the vendors, both new comers and existing player. The vendor should provide lay out and steps of using sites which can make customers to use sites easily for anyone lack of computer skills can use effortlessly. And the vendor should mange site to make customer assure when they used the sites. Moreover, the vendor should mange the system a steady and reliable sites which can keep customer satisfied and confident. The vendor should provide contact information on the first page of the sites. Customers will feel more confident when they can thoroughly contact the vendor. However, the vendors should emerge and shield relationship between vendors and customers. Satisfaction of customer is core primary of customer loyalty. Customer loyalty is significantly key factor of existence any kind of business.

The researcher is willingness to provide the recommendation for the one who interested to study in e-commerce. Firstly, this result could be the reference for further studies in other locations. Secondly, it could apply the research outcomes and points on different section in order to support and be benefiting the online businesses in the future. Lastly, it could more explore the behavior of the customers who have no experience in e-commerce, and ways to persuade them to use e-commerce.

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