

Relationship between Electronic Quality Service and Customer Loyalty

Reza Esmailpour¹, Mohammad Doostar², Amir Hussein Rasam³

^{1,2}Faculty member at the Department of Management, University of Guilan, Rasht, Guilan, Iran

³M.B.A Student, Pardis branch, University of Guilan, Rasht, Guilan, Iran

Received: January 19 2014

Accepted: March 8 2014

ABSTRACT

Most experiment and successful companies enter the Electronic Business (EB). They found that web attendance and low price are not successful factor, there are several factor that operational managers can use them as effective factors to inspire customer. The aim of this article is an investigation the relationship between electronic businesses and electronic quality services. Statistical society consists of company's customers that are on internet sell which are 30. Sample is 406 data was gathered by questioner that has 40 questions. Data was analyzed by structuralequotional method by LISREL 8-53, and regression correlation by SPAA 18. Result indicated that there is positive relationship between electronic service quality and customer electronic loyalty at electronic business (EB).

KEY WORD: electronic service quality; electronic loyalty; confidence capability; web design; security; easy access

INTRODUCTION

By rapid growth of internet and globalization, companies not only find new information and communication technology, but also support to traditional activity. Electronic commerce and electronic business are remarkable opportunity, because companies allow to access global market with low operational service, high quality and internet interaction. So it makes higher competitiveness among firms.

Today's, loyalty is an important issue at internet, so rapid growth of internet users, and creates economic aim or viruses use of new technology for improvement and enhancement of business cause to change methods and competitive environment. Loyalty customer characteristics and methods that create loyalty among internet environment are different in compression to traditional world. Most successful companies at e-business found that just web attendance and low price cannot lead to success. One of effective factor is higher electronic service. Electronic service quality not only causes to attraction, loyalty and positive word of mouth, but also makes maximize competitive advantage, provide long term profits for firms.

The aim of this article is on investigation the relationship between electronic service quality and customer electronic loyalty. At the next section, it is represented theoretical framework. Then, result and discussion and statistical analysis are stated.

MATERIALS AND METHODS

Researchers indicated that satisfaction is not final key to successfulness or gain profits. In fact, marketing concepts was emphasizing to satisfaction, but now satisfaction is not the only things. Today's customers who feel belonged to organizations are profitable capital (Haghighikaffash et al,2010).

Loyalty consist psychological process that evaluate options according to different criteria (Beerli et al, 2004).

There is another definition for loyalty that consist of customer commitment, loyalty is an dept. commitment to repurchase of product or services at future, in other word, it is repurchase of a brand in spite of environmental effectives and competitor's marketing activities for behavioral change (Taylor et al,2004).

When customers feel confidence to organizations, they will be loyalty, and then organization can satisfy their needs (Eshghi et al, 2007).

Recently, organizations develop their electronic services that create many advantages, but it has new challenges. They meet their customer's need by face to face product and service or consider their compliance, but at new conditions, relations occur among virtual environment by tools which calls internet. So, service representation and identification effective factors that make customer repurchase to web are new challenge at marketing which call e-loyalty. (Zarei, 2009). E-loyalty is a key criteria for firm's successful which consider more to quality (Mohammadi et al, 2012). On the other hand, B2C development and rapid growth of e-business boosts importance of loyal

* **Corresponding Author:** Reza Esmailpour, Faculty member at the Department of Management, University of Guilan, Rasht, Guilan, Iran

visitors, because more loyal customer is the most profit, and it can be a positive word of mouth. Then, today's e-businesses seek to identify and organized loyalty creation methods that call them loyalty programs. Researchers behaved on a way that, customer base definitions rooted to services marketing literature which has quality base definitions (Reeves and Bednar, 1994). Service has many explanations that are kind of products which has significant share of commerce. Service and quality are key tools to distinct competitions.

Service has some characteristics that distinct to product. It cannot touchable, so doesn't store or tested before customer purchase (Parasuraman et al,1985; Ghobadian et al, 1994).So, customer cannot evaluate services (Parasuraman et al,1985).

Higher services quality plays an important role at service industry (Rust, 2000).

Primary concepts of service quality is according to Oliver's model (1980) (Granroos,1984). Perceived service quality is result of evaluation process which customer expect competitors themselves to service receivers (Goodmanja et al, 1996). Perceived customer expectation helped managers to find satisfaction methods (Cronine and Taylor, 1992).

Litin (1982) identify 3 kinds of service quality that are:

1. Physical quality that consists physical dimension of services such as buildings.
2. Organizational quality that consists of imagination of services.
3. Interactive quality that consist of customer relationship (Velary et al,1998).

Service quality concept significantly is a key factor to e-commerce successful. E-service explain service role among cyberspace. Van Riel et al identify 5 dimension of e-service that are: fundamental services, service facilities, service support, supplementary service, and related service. E-service quality is customer evaluation about services at internet. Unlike traditional services, customer evaluation of e-service is not only scrutinizeevaluation of all process, but also they judge according to a site (Santos, 2003).

Table 1: represents service quality according to different models:(Seth, Deshmukh&Vart ,2005)

| Model number | Model name | Author/s | Years | Service quality measurements by |
|--------------|--|--------------------|-------|---|
| Model 1 | Technical-functional model | Grounse | 1984 | Technical- functional quality |
| Model 2 | Gap model | Parasuraman et al | 1985 | 10 dimensions service quality |
| Model 3 | Service quality combination model | Brogoviz et al | 1990 | Functional and Technical quality according to traditional management activity |
| Model 4 | Performance base model | Cronine and Taylor | 1992 | According to ZZ parts of Servqual |
| Model 5 | IT model | Barcly and Gupta | 1994 | |
| Model 6 | PCP model | Philiph and Hezart | 1997 | Central and bilateral characteristics |
| Model 7 | Retail service quality and perceived value | Es et al | 1997 | Functional quality according to SERVQUAL |
| Model 8 | IT model | Zoo et al | 2002 | SERVQUAL dimensions base perceptions |
| Model 9 | e-service quality model | Santse | 2003 | Activity diminutions |

This article investigates e-service quality at 5 dimensions that are:

- ✓ Easy use
- ✓ Confidence capability
- ✓ Web design
- ✓ Privacy and security
- ✓ Information quality

Easy use: it means that web usage is easy for customer. Web site ought to design easily for customer. Easy usage is inactive e-service quality index, and it is an important criteria for e-service quality (Fassnacht&Koesse, 2006;Yang,2001; Zeithaml et al,2002; Dobholkar,1996).

Confidence Capability: Confidence capability noted stability performance and firm trust-according to some experimental study; it is critical dimension at e-service quality. At virtual environment, customer trust attraction is important. It make to identify firm's credibility (Parasurman et at,1985).

Web design: at e- service environment, site is a fundamental way to access on line purchase. Incomplete web sites cancreate negative sense for customer. It is starting point to attract customer trust. Web design can effect on customer imagination about company and guide them to better online purchase. It should represent high quality information (Parasurman et al,1985).

Privacy and Security: Privacy indicates site's security and keeps customer information. It has critical roles at e-service. Customers are endanger to financial and personal misuse at internet (Loiacono et al,2002).

Information quality: appropriate information for users, high quality information, user's satisfaction, and network advantage is called information quality (Loiaconoet al,2002).

Model of Research

Following is exhibited research framework:

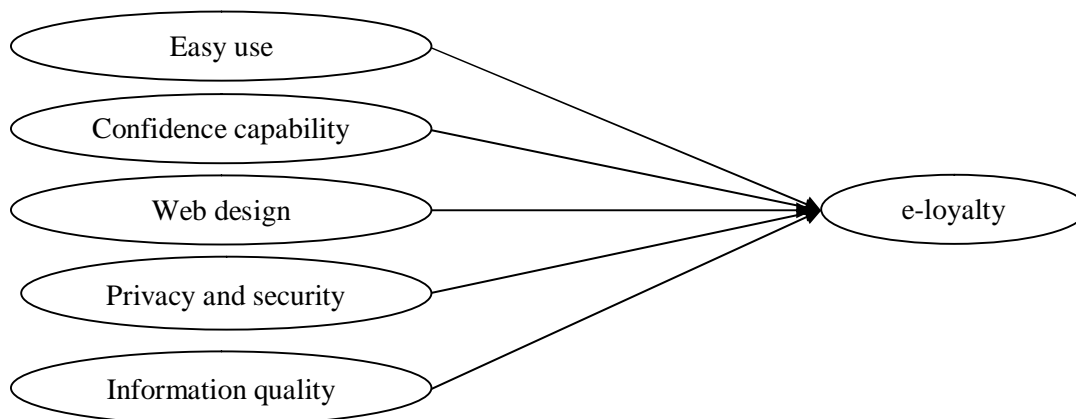


Fig1: research conceptual framework

The Research Hypostatize:

According to these, research hypotheses are:

- H1: easy use to website has significant relationship to e-loyalty.
- H2: confidence capability to website has significant relationship to e-loyalty.
- H3: web design has significant relationship to e-loyalty.
- H4: privacy and security has significant relationship to e-loyalty.
- H5: information quality has significant relationship to e-loyalty.

RESEARCH METHODOLOGY

Statistical society consist of active company’s customer at internet sales that are 30 firms. Samples are taken by Cocranframoula which are 406. Questioner comprise of 40 questions that indicated to table 2.

Table2: questioner’s sentence

| Criteria | Dimensions | Number | Reference |
|------------------|-----------------------|--------|---|
| Service quility | Easy use | 1-8 | Moghimy and Ramezani,2010 Li Hu Xie,2009 |
| | Information quality | 9-20 | Moghimy and Ramezani,2010 Oliviar,2007 |
| | Web design | 21-26 | Moghimy and Ramezani,2010 Li Hu Xi,2009 |
| | Privacy & Security | 27-32 | Moghimy and Ramezani,2010 Li Hu Xie,2009 |
| | Confidence capability | 33-35 | Moghimy and Ramezani,2010 Li Hu Xie,2009 |
| e-loyalty | | 36-40 | Esriny et al,2002 |

Questioner’s alpha represents at table 3:

Table 3: alpha rate

| Criteria | Dimension | Alph rate |
|------------------|-----------------------|-----------|
| Service quality | Easy use | 0/968 |
| | Information quality | 0/901 |
| | | 0/843 |
| | Web design | 0/946 |
| | Privacy & Security | 0/956 |
| | Confidence capability | 0/843 |
| | e-service quality | 0/939 |
| e-loyalty | | 0/945 |

Data which is gathered by questioners is analyzed by SEM- and regression correlation.

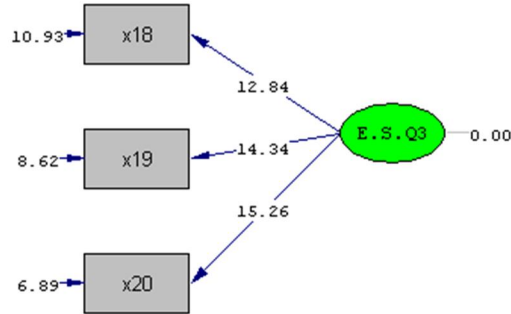
FINDING AND CONCLUSION

First, data tested for normalization, and then it is analyzed.

H1: easy use to website has significant relationship to e-loyalty.

Table 4: correlation between easy use and e-loyalty.

| | R | R ² | sig | result |
|------------------------|-------|----------------|-------|--------|
| Easy use and e-loyalty | 0/543 | 0/37 | 0/000 | accept |



Chi-Square=0.00, df=0, P-value=1.00000, RMSEA=0.000

Fig 1: easy use measurement at significant number

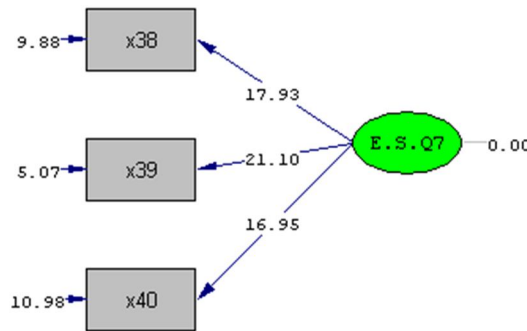
According to table 4, sig is lower than 0/05, then it has positive and significant effect first hypotheses is accepted R is 54/3% and R² is 0/37 that indicate easy to website can prognosticate 37% of e-loyalty.

Interaction methods should not force that users act unnecessary action, and have flexible interaction with users. Internal technical issues should clandestine to common users.

H2: confidence capability to website has significant relationship to e-loyalty.

Table5: correlation between confidence capability and e-loyalty

| | R | R ² | sig | result |
|-------------------------------------|-------|----------------|-------|--------|
| confidence capability and e-loyalty | 0/587 | 0/34 | 0/000 | accept |



Chi-Square=0.00, df=0, P-value=1.00000, RMSEA=0.000

Fig 2: confidence capability measurement at significant number

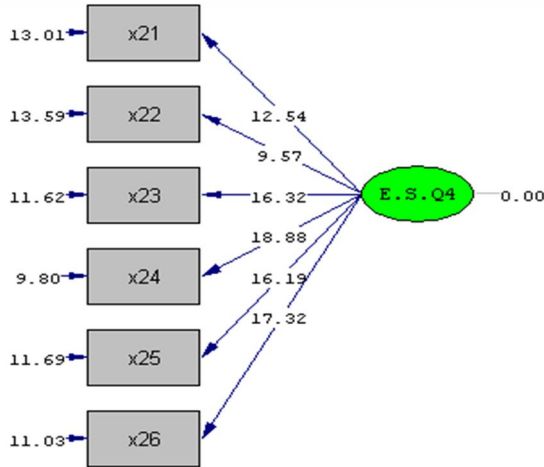
According to table 5, sig is lower than 0/05, and second hypotheses is accepted. The correlation between confidence capability and e-loyalty is 58/7%. R² is 34% that represent the prognosticate rate of e-loyalty by confidence capability (37%).

Service representation should be correct. Information production also must be confidential, and appropriate to user's need. Trust fully, completely, attraction, and be on time are other information characteristics that can increase customer satisfaction.

H3: web design has significant relationship to e-loyalty.

Table 6: correlation between web design and e-loyalty

| Web design and e-loyalty | R | R ² | sig | result |
|--------------------------|-------|----------------|-------|--------|
| | 0/502 | 0/25 | 0/000 | accept |



Chi-Square=24.00, df=9, P-value=0.00000, RMSEA=0.063

Fig 3: web design measurement at significant number

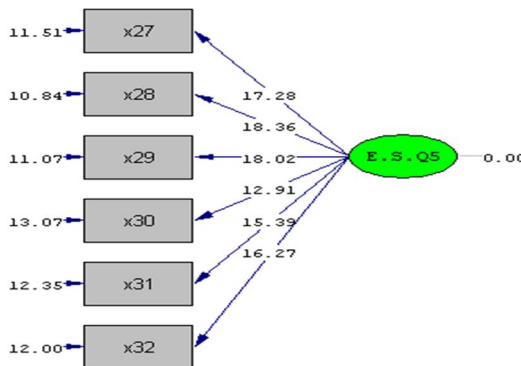
According to table 6, sig is lower than 0/05, third hypotheses is accepted. Correlation rate between web design and e-loyalty is 50/2%, and R² 0/25.

Web site should have good shape. Rate of loading page is fast, and use some appropriate method to it. Web site has some innovation technology. Service representation methods should be understandable.

H4: privacy and security has significant relationship to e-loyalty.

Table 7: correlation between privacy and security and e-loyalty

| Privacy security and e-loyalty | R | R ² | sig | result |
|--------------------------------|-------|----------------|-------|--------|
| | 0/587 | 0/34 | 0/000 | accept |



Chi-Square=13.13, df=9, P-value=0.00000, RMSEA=0.079

Fig 4: privacy and security measurement at significant number

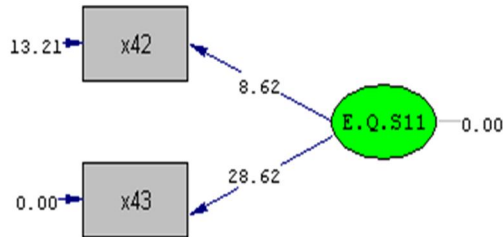
According to table 7, sig is lower than 0/05. So, it has positive and significant effect. The forth hypotheses is accepted. Relationship between privacy-security and e-loyalty is 58/7%. R² is 0/34 that indicate high rate of prognosticate of privacy and security to e-loyalty.

Managers ought to prevent misuse of information by progress technology.

H5: information quality has significant relationship to e-loyalty.

Table 8: Correlation between information quality and e-loyalty

| | R | R ² | sig | result |
|-----------------------------------|-------|----------------|-------|--------|
| Information quality and e-loyalty | 0/514 | 0/26 | 0/000 | accept |



Chi-Square=0.00, df=0, P-value=1.00000, RMSEA=0.000

Fig5: information quality measurement at significant number

According to table 8, sig is lower than 0/05, the fifth hypotheses is accepted. Correlation rate between information quality and e-loyalty is 51/4%. R² is 0/26 that states the rate of prognosticated of e-loyalty.

Web site's procedure and policy explain clearly. There are some link to other site, and find new information.

CONCLUSION AND SUGGESTIONS

There are some suggestions from the article that stated as follow:

- Sits is designed that facilitate data observations. Users must do information search or ordered easily. Its home page should have some necessary information for customers.
- Service which website offered should be correct. Reliable information should be available for customers which appropriate with user's need. Trustfulness, correctness, beauty and on time are the other characteristics that can boosts customer satisfaction.
- Website appearance should be organized and loading as fast as possible. Managers should be design by technological innovation and understandable for users.
- Website design must keep customers private information and never publish their personal information without their permission. There should make secure infrastructure for financial exchange, and use progress technology for data theft.
- Website information or images appear fast. Customer's production images should be available at sites. User could be down lowed forms or site's policy and producer must explain obviously. There should be some links to other sites, and give some information about new companies or new products. Information that announce should compatible to other company's information.

Acknowledgment

The authors declare that they have no conflicts of interest in the research.

REFERENCES

1. Beerli A., Martin J.D., Quintana A.,(2004); "A Model Of Customer Loyalty In The Retail Banking Market" , European Journal Of Marketing, 38(½)253-275.

2. Cronin, J.J., and S.A. Taylor (1992), "Measuring service quality: A reexamination and extension," *Journal of Marketing*.56 (3), 55-68.
3. Dabholkar ,P.A,(2000), "Technology in Service delivery: implication for self-service and service e-support", *Handbook of Service Marketing and Management* , sage,BeverlyHills,CA
4. Eshghi, A., Haughton, D. and Topi, H. (2007), "Determinants of customer loyalty in the wireless telecommunications industry", *Telecommunications Policy*, 31 (2) 93-106.
5. Fassnacht, M. and Koese, I. (2006), "Quality of electronic services: conceptualizing and testing a hierarchical model", *Journal of Service Research*, 9(1) 19-25
6. Ghosh, S., Surjadjaja, H. and Antony, J. (2004),"Optimisation of the determinants of e-service operations", *Busines Process Management Journal* , 10(6)616-636
7. Ghobadian, A., S. Speller, and M. Jones (1994), "Service quality concepts and models" *International Journal of Quality & Reliability Management*, 11 (9), 43-66.
8. Goodmanja; Marra, T. E L., Brigham. "Customer service: costly nuisance or low-cost profit strategy " *Journal Retail Banking*, v.36, n.A, p.36 - 48. 1996.
9. Gronroos, C. (1984), "A service quality model and its marketing implications" *European Journal of Marketing*, 18 (4), 36-44.
10. Haghghi.M, Akbari.M, LaLianPour.N, 2011, factors that effected on insurance loyalty: case study Iran insurance Co. ,*Faslname – e – sanateBime Iran*, Vol.25, pp.75-95.
11. Haghghi.M, Alavi.M.R, Safari.A, 2008, representing model for customer loyalty at e-markets, *DaneshModiriat Journal*, Vol.20, pp.15-32.
12. Loiacono, E.T., Watson, R.T. and Hoodhue, D.L. (2002)."WEBQUAL: Measure of web site quality". *Marketing Educators Conference: Marketing Theory and Applications*, 13, 432437..
13. Parasuraman, A., V.A. Zeithaml, and L.L. Berry (1985),"A conceptual model of service quality and its implications for future research." *Journal of Marketing*, 49 (4), 41-50.
14. Reeves, C.A., and D.A. Bednar (1994),"Defining quality:Alternatives and implications" ,*The Academy of Management Review*, 19 (3), 419-445
15. Rust , Roland T.(2000),"Using service quality data for competitive marketing decisions", *international journal of servise industry managemnt*, 11 (50) 438- 469
16. Seth, Nitin&Deshmukh , S.G.&vart , prem (2005) "service quality models " *international Journal of quality & Reliability management* , 22(9) 913-949
17. Sntos ,J.(2003). "E-service quality : A model of virtual service quality dimensions", *Managing Service Quality* , 13(3) 233-264
18. Taylor S.A., Celuch K., Goodwin, S. (2004); "The importance of brand equity to customer loyalty", *Journal of Product & Brand Management*, 13(4) 217-227.
19. Valarie, A. Zeithaml, Leonard, L. Berry &Parasurman, A. (1998). "Communication and control processes in delivery of service quality". *Journal of Marketing*, 35-38..
20. Yong ,Z.(2001), "Consumer perceptions of service quality in Internet- based electronic commerce " *Proceedings of EMAC Conference*", 8-11 May 2001 , Bergen.
21. Zeithaml V.A., Parasuraman A., Malhotra, (2002)"A. Service quality delivery through web sites: a critical review of extant knowledge". *Journal of the Academy of Marketing Science*; 30(4): 362-75.