

Customer Perception of E-Service Communication Quality of Online Shopping: A Study in City Of Hyderabad.

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ABSTRACT

During the last decade India has been witness to unprecedented growth in the e-commerce space. The penetration of mobile and internet connections have transformed the way we communicate. The retail sector of Indian economy is going through the phase of tremendous transformation. This growth has been propelled by quick adoption of technology especially because India is a young country. More than half of its population are below the age of 25 and 65% of its population below the age of 35. India is projected to be the fastest growing markets of e-commerce with new internet users totaling to millions, taking the opportunity of using one of the cheapest mobile connections in the world. The connections are increasingly used for sending messages, watching videos, use of services and most importantly to shop. Internet has completely changed the way transactions happen and online shopping is one of the most important one.

The significance of the study is there is a vast gap in the existing literature on buying behaviour and consumption pattern of online shoppers in India and especially in the city of Hyderabad. Most of the studies have focused on developed economies such as the United Kingdom and United States. Studies on Indian shoppers' motives for buying and the perceived risk they experience in online shopping are far and few in the domain of online merchandising. Due to differences in

socio-demographic variables, socio-cultural variables as well as other factors influencing buying, existing studies might not reflect online buying framework and pattern as applicable to the emerging markets like India. This presents a need for undertaking an empirical study to determine various antecedent factors and their relative significance in influencing online purchase intentions of Indian shoppers.

The methodology used to study the above problems are through collection of primary data and secondary data. Primary data was collected with the help of a questionnaire. A pre tested questionnaire, designed on the basis of hypotheses and objectives of the study, was administered to respondents. Secondary data was collected from articles in various journals and books. The tools and techniques used in this study are: Percentage Analysis, Descriptive Statistics, Factor analysis and Analysis of Variance.

There is a difference between customer perception of e-service quality of website in online shopping and the gender of the respondents.

Cite this article as: Ramkumar Varma Dammalapat & Dr.N.Bhaskara Rao "Customer Perception of E-Service Communication Quality of Online Shopping: A Study in City Of Hyderabad.", International Journal & Magazine of Engineering, Technology, Management and Research (IJMETMR), ISSN 2348-4845, Volume 7 Issue 10, October 2020, Page 29-40.

Similarly the perception differs based on education and income. These findings are an indication to organizations and owners of e-stores to note this while designing their e-service quality of website.

The socio-demographic variables and their influence in buying behavior provide useful information to companies having or thinking of having an online presence. Recommendations are also made to travel related agencies, web site developers, advertising and sales promotion agencies and other e-tailers.

Keywords: E-commerce, online shopping, customer perception E-service quality. Socio-demographic variables.

INTRODUCTION

In the last two decades there has been a rapid growth of e-commerce in India. The penetration of mobile and internet connections have transformed the way we communicate. Compared to some developed countries like the United States, United Kingdom, Canada online shopping is still at a nascent stage in India, but growing very fast. Goswami S. & Mathur M. (2011) reveal in their study on the future of e-retailing in India that the retail sector of India is going through the phase of tremendous transformation. And this transformation has led to a drastic change in the lifestyle of the Indian consumers. During the last decade India has been witness to unprecedented growth in the e-commerce space. This growth has been propelled by quick adoption of technology especially because India is a young country. According

to world population review (2019) more than half of its population are below the age of 25 and 65% of its population below the age of 35. By 2020 the average age of Indians would be just 29 years. Reasons for this growth are many but prominent among them are, quick adoption of technology, more access to internet and broadband, use of tablets and smartphones, betterment in standards of living and the growing middle class. According to Internet and Mobile Association of India report 2019, about 323 million people in India accessed the internet through their mobile phones in 2016, which corresponds to about 24.3 percent of the country's population.

Online shopping is purchasing products or services from internet sellers. This is a form of electronic commerce which facilitates the consumer to buy over the internet through a web browser. Consumers visit websites and see a product of interest by searching among vendors who offer the same or similar products at comparative prices. As of 2018, customers have a number of devices available like computers, desktops, laptops, smartphones and tablets that aid them in their search for products and services.

E-Service Quality of Website

Internet has facilitated and created opportunities for businesses to have easy access to customers and gives customers an immediate access to the electronic markets. But it is to be noted that, service delivery in online channel is quite different from that of traditional channels like physical outlets, telephone, post and mail order (Rowley, 2006).

Many researches show that service quality has the ability to deliver strategic benefits resulting in enhancing operational efficiency and also profitability (Cronin, 2003; Zeithaml, 2000). But the challenge for, online retailers is how to manage the service quality as many do not have exposure to this new medium and to online consumer behaviour (Mols, 2000). Therefore, in this study, one of the objectives is to study the dimensions of e-service quality, which impacts consumer buying behaviour.

In early days of online retailing, the presence of retailer on the web and low prices were enough to be the key drivers of success. However more recently it is believed that beyond having an online presence and low prices, web services have become more essential for customer loyalty or for improving customer satisfaction (Yang, 2001; Zeithaml et al., 2002).

Many authors (Barnes and Vidgen, 2000), (Loiacono et al., 2002), (Kaynama and Black, 2000), (Chen and Wells, 1999), (Yoo and Donthu, 2001), e-SQ (Zeithaml et al., 2002), and eTailQ (Wolfenbarger and Gilly, 2003) have said that with a growing interest in online retailing, many studies are focusing on trying to understand online service quality. Many different scales measuring online service quality have been developed primarily based on consumer perceptions or on evaluations of service quality: These studies have provided useful insights regarding key dimensions in online service quality which are based on subjective perceptions of consumers and evaluations. The online service dimensions which are identified in many of these studies show great variation and establish little

commonality maybe due to their subjectivity. This has resulted in providing a fragmented view of various dimensions of online service quality.

Therefore the problem of evaluating the actual performance in delivering online service is still not answered. Some authors say in this context of online retailing, (as in the risk theory) that giving more information to consumers reduces the perceived risk that is associated with buying (Chen and He, 2003).

One major differentiator from among competitors in recent times has been the web atmospherics that creates an environment that appeals to emotional and cognitive state of mind of the online consumers. Kim and Lennon (2010) and Mazaheri, Richard, Laroche, and Ueltschy (2014) have said that e-retailers appeal to this for getting a desired behaviour from customers and to devote more money and time on their web portal. Therefore, to improvise the shopping experience, marketers must design a web environment such that it enables consumers' interactions (Dailey, 2004).

REVIEW OF LITERATURE

Service quality is the customer's perceived difference between service provided and service expected (Gronroos, (1982), Parasuraman et al., (1988). Delivery of superior quality of service affects customer's perception resulting in an increase in firm's profitability (Leung, and Fung, 1996) there has been a lot of research conducted on traditional service quality but online service quality is a relatively less researched area. In traditional service quality the focus is on human interactions with the customer, online service

quality is the interaction between human beings and technology.

Consumer shopping process and user interface is part of e-service quality offering. With the growth of online shopping specially retailing the experience of customers has become a determining factor in establishing the success or failure of online retail business. (Yang, (2001). Empirical evidence shows that 60% of shoppers give up on the online transaction due to poor service quality, also due to distrust of the site and high handling charges (Shop.org, (2001). Due to poor service quality a good opportunity to build customer loyalty is lost (Wachter, (2002).

Traditional SERVQUAL was developed for traditional way of shopping. In 2000, Zeithaml et al. came up with e-SQ to measure e-service quality. This scale has eleven dimensions Responsiveness, Reliability, Access, Ease of navigation, Flexibility, Access, Efficiency, Trust / Assurance, Price knowledge, Security / Privacy, site Aesthetics and lastly Customization.

Beaird, (2014) suggested, —With an aesthetical or emotional appeal, a website can capture the attention of online consumer and influences to stop and have a look of it. The study revealed that website designing and appeal have strong impact on the e- buying frequency and intentions.¶

Dash and Saji (2010) examined the effect of website designing in online shopping in India. It was found that with the increasing consumer trust, e-purchase intentions also increases.

Also, it was analyzed that website designing have strong impact on e- buying intentions.

RESEARCH METHODOLOGY

Introduction

This chapter deals with methodology adopted for the present research study. It describes the design, sample, tools used, procedure of data collection and statistical techniques used for data analysis.

Research Problem

The world is changing very fast with regard to shopping methods and habits of consumers. The information technology has brought about a tremendous change in the way we shop. At one time people could not image buying a product without actually seeing it or touching it. But today online shopping has become popular. Little research has been done on perceived risk factors in online shopping, especially with regard to the city of Hyderabad. The researcher has attempted to address the problem of customer perception of E-service Quality in on online shopping across various categories like Occupation, Gender, Age, Education and Income.

Research Objectives

We can find numerous studies on online shopping. But this research is undertaken to understand the online shopping behavior of customers in Hyderabad. As online shopping is gaining in importance every day, study of it in a city like Hyderabad is rare of its kind. The study has been undertaken keeping in mind the various factors that have influenced the consumer and there effect on shopping behavior. Study was conducted to identify the factors that contribute to E-Service Quality of

online shopping. An attempt has been made to study the differences if any among the socio-demographic variables of the respondents.

Study is customer's perception of service quality of the website and its influence in purchase decisions.

Thus, this research aims to address the following objectives specific to a high growth Indian metropolitan city of Hyderabad:

Objectives of the study.

1. To understand online shopping behavior of customers.
2. To identify and evaluate the factors influencing the quality of website in online shopping.
3. To study the impact of socio-demographic variables like Occupation, Gender, Age, Education and Income on online shopping behavior of customers.

Hypotheses

Ho2: There is no significant difference between customer perception towards perceived risk in online shopping and the E-Service Quality of the Web

Ho2a: There is no significant difference between customer perception towards perceived risk in online shopping and the occupation of the respondents.

Ho2b: There is no significant difference between customer perception towards e-service quality of website in online shopping and the gender of the respondents.

Ho2c: There is no significant difference between customer perception towards e-service quality of website in online shopping and the age of the respondents.

Ho2d: There is no significant difference between customer perception towards e-service quality of website in online shopping and the education of the respondents.

Ho2e: There is no significant difference between customer perception towards e-service quality of website in online shopping and the income of the respondents.

Socio- Demographic Profile of respondents:

600 respondents were questioned about their demographic profile. Their Socio-demographic profile includes gender, age, education, occupation, income and the customer perception of perceived risks in online shopping. Responses of the respondents are presented in the following table. To have a better understanding pie chart is used to present the characteristic wise respondent profile. Its interpretation is also given with the chart.

Socio- Demographic Profile of Respondents

Sr. No.	Characteristics	Category	Frequency	Percentages
1.	Gender	Male	324	54.0
		Female	276	46.0
2.	Age	18-30 years	326	54.3
		30-50 years	274	45.7
		Above 50 years	000	000
3.	Education	Higher secondary	113	18.8
		Graduate	308	51.3

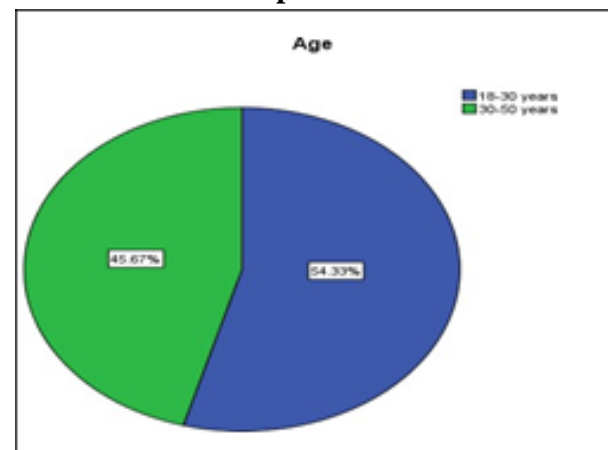
		Post graduate	179	29.8
4.	Occupation	Business	150	25.0
		Employees	150	25.0
		House wife	150	25.0
		Student	150	25.0
5.	Family income per year	Less than 3 lakhs	300	50.0
		3-5 lakhs	159	26.5
		5-10 lakhs	111	18.5
		Above 10 lakhs	30	5.0

It is seen from the graph above that out of 600 respondents; 54% are male and the female respondents make 46%.

Age group-wise distribution of respondents:

Figure: 2

Age Group-Wise Distribution of Respondents

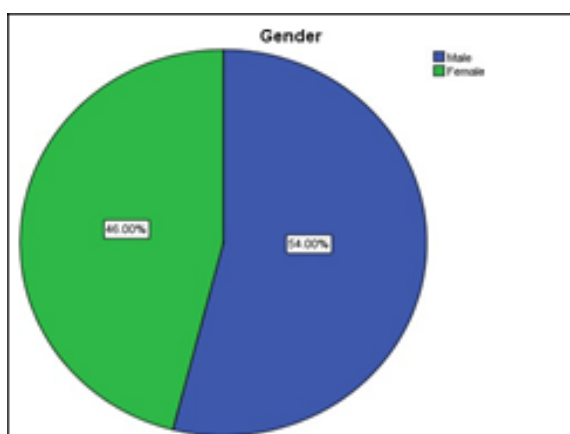


Source: Survey Data and author's calculation

Gender-wise distribution of respondents:

Figure: 1

Gender-wise distribution of respondents

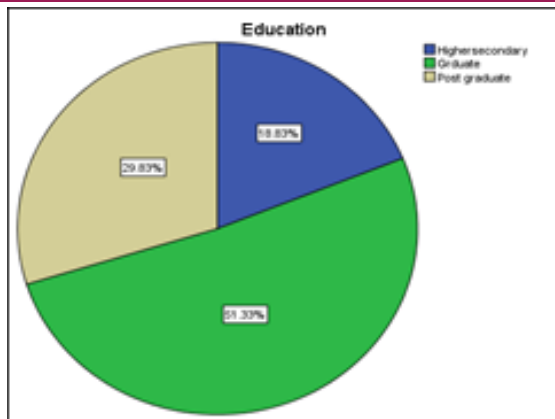


Source: Survey Data and author's calculation

From the graph above it is clear that most of the respondents belong to the age group of 18-30 years i.e. 54.33%. This is in keeping with the information stated in the introductory chapter where most of India's population belongs to this age group and is at ease with the use of computers. This is also because in this age group most of the people are into their early earning stage and they are open to innovation. The rest of the respondents are from the age group of 30-50 years making a total of 45.67%.

Figure: .3

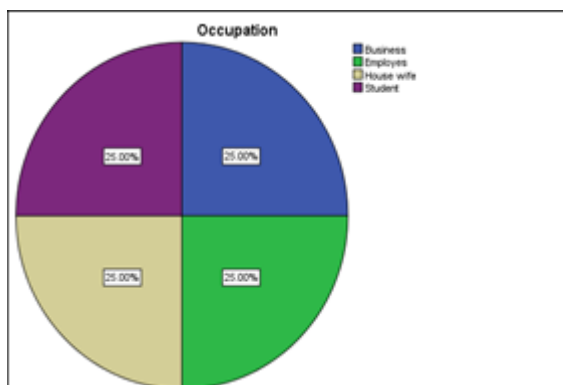
Education-Wise Distribution of Respondents



Source: Survey Data and author's calculation

As seen from the pie chart above 51.33% of the respondents who are graduates make the largest proportion of the respondents followed by post-graduate respondents who make 29.83% of the proportion. The rest 18.83% of respondents are educated till higher secondary. As can be seen most of the respondents are educated with more than 80% who are graduates and post graduates. It is seen that educated people prefer online shopping and most others who have completed their higher secondary education are young and so open to innovation.

Figure: .4
Occupation-Wise Distribution of Respondents

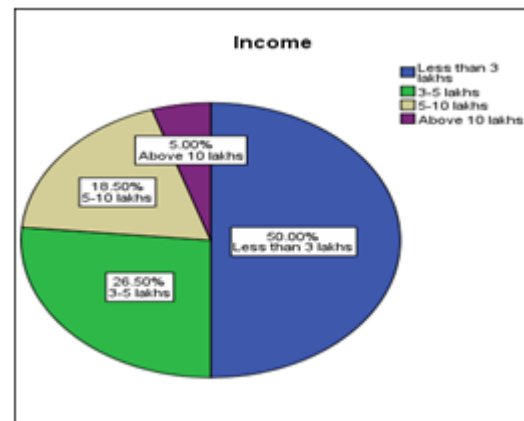


Source: Survey Data and author's calculation

Out of 600 respondents, occupation wise distribution of data was collected equally from businessmen, employees, housewives and students i.e. 25.00% each. This was done as to have equal representation from all occupations.

Figure: 5

Income-Wise Distribution of Respondents



Source: Survey Data and author's calculation

From the graph above it is apparent that out of 600 respondents 50% of the respondents belong to the income category less than 3 lakhs. In this category most respondents are students or who newly employed. Next highest proportion comes from income category between 3-5 lakhs followed by income categories between 5-10 lakhs and above 10 lakhs with the proportion of respondents being 26.50%, 18.50% and 5% respectively.

The responses of the respondents were obtained through structured questionnaire and data is presented as the frequency of

respondents who opted for one of the options strongly agree, agree, neutral, disagree and strongly disagree. The researcher after the collection of necessary primary data had made an attempt to analyze and interpret, its result, by applying the Statistical Package for Social Sciences.

Factor Analysis

E- Service Quality of Web Site

First of all, the suitability of the dataset for conducting factor analysis was examined on the Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy and Bartlett's test of sphericity. The results of KMO and Bartlett's test of sphericity. KMO measure of sampling adequacy quantifies the variables and in our case it is 0.806 which is meritorious (Hair et al., 2005). Bartlett's test of sphericity tests the overall significance of all matrixes. Results of Bartlett's test ($\chi^2=1108.693$, $df=55$) are statistically significant at $p<.01$ (Hair et al., 2005). These tests confirm that the dataset is adequate to conduct exploratory factor analysis.

Table: 1

KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.806
Bartlett's Test of Sphericity	Approx. Chi-Square	1108.693
	df	55
	Sig.	.000

Table: 2

Communalities

	Initial	Extraction
This website makes it easy to find what I need	1.000	.505
The website is simple to use	1.000	.385
It delivers the most relevant results as specified	1.000	.588
It is truthful about its services	1.000	.471
The security policy is accessible of this website	1.000	.549
It protects information about my web-job searching behavior	1.000	.524
I worry about the product quality on this website	1.000	.482
This e-retailer is interested in feedback	1.000	.444
This e-retailer quickly replies to requests	1.000	.488
I was satisfied with the service this e-retailer provided	1.000	.701
I intend to purchase from this e-retailer in the future	1.000	.577

Source: Computed from Primary Data

Communalities are used to find out how much of the variance in each of the original variables is explained by the extracted factors. Higher communalities are desirable. The data interpretation on —E-service quality on web sitel through factor analysis, out of eleven variables, —I was satisfied with the service this e-retailer provided variable got high communality value (0.701). It means extracted factors are able to explain low variance in that the variable has more effectiveness than other variables. The —The website is simple to use variable got lowest communality value (0.385). It means that the extracted factors are not able to explain much variance in that variable. Such variable may be dropped from the analysis.

Table: 3
Total Variance Explained
Factors Influencing E-Service Quality of Website

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	3.219	29.265	29.265	3.219	29.265	29.265	2.170	19.729	19.729
2	1.438	13.076	42.341	1.438	13.076	42.341	2.082	18.929	38.658
3	1.057	9.609	51.950	1.057	9.609	51.950	1.462	13.292	51.950
4	.862	7.834	59.785						
5	.816	7.417	67.202						
6	.717	6.522	73.724						
7	.665	6.041	79.765						
8	.620	5.638	85.403						
9	.587	5.332	90.735						
10	.519	4.717	95.452						
11	.500	4.548	100.000						

Extraction Method: Principal Component Analysis.

The results of exploratory factor analysis carried out with the help of SPSS 21 software. Principal components analysis was used to capture most of the scale items into minimum number of factors possible. Varimax orthogonal rotation procedure was used to simplify the factor structure and also to increase the generalization of the research findings. Kaiser criterion was employed to select the extracted factors; therefore factors with the value less than 1 were dropped. Our exploratory factor analysis meets the practical significance criteria which consider factor

loadings ± 0.50 or higher (ignoring signs) are practically significant and each single factor should include at least two items (Hair et al., 2005).

As a result, six factors were extracted that together explain 51.950% of the total variance. Based on the items included, these six factors were suitably labeled as Efficiency, Fulfillment, Reliability, Privacy, Responsiveness, and Intention to buy online.

Table shows the percentage of variance in respect of 11 variables E- service quality on web site. The overall three factors contribute Eigen values greater than 1.0, which is a common criterion for a factor to be useful. When the Eigen value is less than 1.0 the factor explains less information than a single item would have explained. These variables have been rotated to ascertain cumulative percentage of variance. The factor I causes 19.729 per cent of variance, factor II causes 18.929 per cent of variance, and factor III causes 13.292 per cent of variance. The overall three factors cumulatively contribute 51.950 per cent.

Rotated Component Matrix^a

First Component (I factor loading) Efficiency (EFFY), Fulfillment (FUT), Reliability (RETY), Privacy (PRCY), second component (II factor loading) Efficiency (EFFY), Fulfillment (FUT), Privacy (PRCY), Responsiveness (RES), Intention to buy online (IBO) and third Component (III factor loading) Efficiency (EFFY) and Intention to buy online (IBO).

Table: 4
Rotated Component Matrix^a

Construct/Measure	Component		
	1	2	3
	EFFY/FUT/R ETY/PRCY	EFFY/FUT/PR CY/RES/BO	EFFY/BO
This website makes it easy to find what I need	.528		.472
The website is simple to use		.554	
It delivers the most relevant results as specified	.741		
It is truthful about its services		.502	
The security policy is accessible of this website	.733		
It protects information about my web-job searching behavior	.702		
I worry about the product quality on this website		.686	
This e-retailer is interested in feedback		.606	
This e-retailer quickly replies to requests		.672	
I was satisfied with the service this e-retailer provided			.817
I intend to purchase from this e-retailer in the future		.401	.643

Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization.

a. Rotation Converged In 5 Iterations.

Rotated component matrix

Rotated component matrix is used to rotate the factors. In the study 23 variables are used out of which 12 variables were dropped due to low factor loadings. Therefore 3 factors were extracted from 11 variables.

Conclusion

There is a rising trend in the use of internet in India. Internet has brought forth a new generation of interaction platform between humans and computer. This provides an opportunity for online shopping in India. The

increasing use of Internet by the younger generation in India provides an impetus for online retailers. The fast emergence of digital landscape and the changing pattern of consumption culture have forced the business managers, advertisers and marketing professionals struggle to learn about online consumer behavior because consumer response is the ultimate test for whether a marketing strategy will succeed. Most companies have no choice today but to offer their products online if they have to be in the competition. This is also with the aim of cutting marketing costs, and reducing the price of their products and services in the markets. Companies find internet a convenient way to convey, communicate and disseminate information, to sell the product, to take feedback and also to conduct satisfaction surveys with customers.

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