

## E-service quality in online shopping, a special case of Snapdeal.com

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### Abstract

E-Commerce is expected to boom in Asia. The number of online buyers in Asia Pacific is forecasted to cross the one billion marks for the first time in 2018, which will account for approximately 60 percent of all users in the region. India, among the fastest growing Asian market shows a very encouraging projection of the e-commerce industry. E-Commerce penetration at the moment in India stands only at 28 percent, with a lot of room for growth. India's retail e-commerce CAGR is projected to grow at 23 percent between 2016 to 2021. As per an ASSOCHAM-Resurgent joint study, online shopping is expected to clock annualised growth of 115 percent this year, aided by fast-increasing data consumption and improvement in logistics, along with a number of offers presented by e-commerce platforms. Competition in the online marketplace is heating up as all major e-commerce players are eyeing a larger share of the online market; competition has only intensified with the likes of Amazon and Walmart with huge cash coffers burning a lot of cash to attract consumers. Local players like Snapdeal, Jabong, Mynta, Shopclues, Grofers and the like trying to woo the customers with unique product and service deals. In this kind of scenario, e-commerce players with the best service quality have higher chances of becoming the most preferred shopping destination for consumers. To get better insights of E-Service Quality and its effect on consumer purchase intentions, this study was undertaken for Snapdeal. In this study the SERVQUAL model was modified considering the online shopping context. Five dimensions considered to assess the service quality were website design, reliability, responsiveness, personalization and trust. Factor Analysis was used for data reduction and a 7 point likert scale was used to measure customer expectations and perceptions with respect to various dimensions of e-service quality of Snapdeal. Data was collected from 300 respondents selected on the basis of non-probability convenience sampling. Factor Analysis results indicated that consumers rated Snapdeal high on website design, reliability, responsiveness and personalization, trust was a factor that snapdeal has scope of improvement.

**Keywords:** Services marketing, Servqual, Customer satisfaction, Perceived performance, Expected performance, GAP score, Reliability, tangibility, Empathy, Assurance.

### Introduction

With E-Commerce business on a rapid growth path, businesses have started looking for a competitive advantage to get a larger pie of the online market. Successful online business players have started realizing that success in the online marketplace will not just depend upon mere web presence and low prices but electronic service quality (E-Service Quality) will play a dominant role in determining their success (Yang, 2001; Zeithaml, 2002). Santos (2003) defined e-service quality as overall customer assessment and judgment of e-service delivery in the virtual marketplace.

Service quality is an abstract and elusive construct that is hard to explain and measure (Cronin and Taylor, 1992). The SERVQUAL model developed by Parasuraman et al. (1988) has been widely used for measuring customer perceptions of service quality. SERVQUAL model consists of five dimensions namely empathy, tangibles, responsiveness, assurance and reliability. In order to measure service quality in E-Commerce SERVQUAL has been used (Devaraj et al., 2002; Kim and Lee, 2002; Li et al., 2002; Kuo, 2003; Negash et al., 2003) however the dimensions of SERVQUAL have to be modified to suit the customer evaluation of e-services. Method of measuring service quality in the physical marketplace will differ from the online marketplace (Parasuraman and Grewal, 2000). Moreover previous studies have revealed that service quality is an important determinant in the effectiveness of e-commerce (Yang, 2001; Janda et al., 2002).

### Literature Review

**E-service Quality:** E-Service quality can be defined as the overall judgments and evaluations regarding the quality of e-service delivery in the virtual marketplace (Santos, 2003). Research over the past two decades have given substantial evidence to the fact that service quality influences consumption decisions, but these findings have been applied to e-commerce a little late Yang and Jun, 2002; Wolfenbarger and Gilly, 2003). For instance, service quality measures have been applied to assess the quality of e-commerce channels (Devaraj et al., 2002), determinants of website success (Liu and Arnett, 2000).

**Service Quality Dimensions:** Parasuraman et al. (1988) conceptualized service quality as the relative perceptual distance between customer expectations and evaluations of service experiences and service quality using a multi-item scale called SERVQUAL model. The model includes five dimensions that includes tangibles (Physical facilities and the appearance of personnel), reliability (ability to perform the promised service dependably and accurately), responsiveness (willingness to help customers and provide prompt service), assurance (employee knowledge base which induces customer trust and confidence), and empathy (caring and individualized attention provided to customers by the service provider).and individualized attention provided to customers by the service provider).

The SERVQUAL scale has been widely used to measure information system service quality (Pitt et al., 1997; van Dyke et al., 1999; Carr, 2002; Jiang et al., 2002).

It was also used to measure e-commerce system service quality (Devaraj et al., 2002; Kim and Lee, 2002). Related studies on E-Service quality have been done using SERVQUAL scale in various contexts including electronic banking (Zhu et al., 2002), internet retail (Kaynama and Black, 2000; Barnes and Vidgen, 2001), web-based service (Kuo, 2003; Negash et al., 2003). However using SERVQUAL for web-based customer service has its own challenges as the online marketplace is different from the offline marketplace (Li et al., 2002).

Parasuraman and Grewal (2000) suggested that research is needed on whether “the definitions and importance of SERVQUAL dimensions change when customers interact

with technology rather than personnel” (p.171). Furthermore studies have proposed that SERVQUAL scale items must be reformulated before they can be meaningfully used in online shopping context (van Riel et al., 2001; Santos, 2003).

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| Construct       | Definition   | References  |
|-----------------|--|---|
| Web site design | Customer perception of degree of user friendliness in using an online store  | Parasuraman et al. (1988) and Kim and Lee (2002)  |
| Reliability     | Customer perception of the reliability and security of the service provided by an online store   | Parasuraman et al. (1988) and Kim and Lee (2002)  |
| Responsiveness  | Customer perception of the responsiveness and helpfulness of the service provided by an online store<br>Customer perceptions of service quality provided by an online store.<br>Customer satisfaction with an online store<br>Customer likelihood of buying from a particular online store | Parasuraman et al. (1988) and Kim and Lee (2002)  |
| Trust           | Customer perception of the level of trust mechanisms provided by an online store   | Kimery and McCarty (2002)                         |
| Personalization | Customer perception of the degree to which an online store provides differentiated services to satisfy specific individual needs   | Parasuraman et al. (1988) and Yang and Jun (2002) |

### Servqual Model, Gap Analysis

The Customers form expectations of service with the help of various communications from the company, word of mouth, and past experiences. GAP Analysis tries to identify the difference between the customer’s expectations and actual perceived performance across the service quality dimensions of Website Design, Responsiveness, Reliability, Personalization and Trust.

### Objectives of the Study

The objective of this study was to evaluate the E-service quality of Snapdeal.com. Servqual model was used to assess the service quality using 15 Variables spread across 5 dimensions of Servqual using Seven point Likert Scale.

### Methodology

The study was conducted in Vadodara District of Gujarat, India. The study was done during 3 months duration from May 2018 to July 2018. A Primary study was conducted with a structured questionnaire that consisted of 15 statements under 5 dimensions. 350 Questionnaires were distributed to the respondents selected on the basis of non-probability convenience sampling. These respondents were customers of Snapdeal.

### Limitations of the Study

1. Non- Probability Convenience Sampling was used.
2. Sample Size was 350 only.

### Results and Findings

#### i. Demographic Profile of Respondents

|                                   |     |
|-----------------------------------|-----|
| Male                              | 55% |
| Age Group: 33-41                  | 45% |
| Graduates                         | 73% |
| Self-Employed                     | 40% |
| Professionals                     | 22% |
| Married                           | 70% |
| Income Range: 2,50,001 – 5,00,000 | 85% |

## ii. Evaluating E-Service Quality of Snapdeal

Table 1: Average gap score of Snapdeal

| Expectation  |               | Perception   |               | Gap score    |
|--|---------------|--|---------------|--------------|
| <b>Website Design</b>  | <b>E</b>      | <b>Website Design</b>  | <b>P</b>      | <b>E-P</b>   |
| E1.Good Online Shopping Websites have good design  | 6.732         | P1.Snapdeal website design is good   | 5.430         | 1.302        |
| E2. Good Online Shopping Sites have a user interface that has a good appearance                              | 6.302         | P2. Snapdeal has a user interface that has a good appearance                             | 5.461         | .841         |
| E3.Good Online shopping sites are easy to navigate and facilitate quick transactions.                        | 6.830         | P3. Snapdeal is easy to navigate and facilitates quick transactions.                     | 5.197         | 1.633        |
| <b>Total</b>   | <b>19.864</b> |  | <b>16.088</b> | <b>3.776</b> |
| <b>Average Gap Score[Total of E-P/3]</b>   |               |  |               | <b>1.26</b>  |
| <b>Reliability</b>   | <b>E</b>      | <b>Reliability</b>   | <b>P</b>      | <b>E-P</b>   |
| E4. Good online shopping sites deliver on its promise to do certain things by a certain time                 | 6.741         | P4. Snapdeal fulfills its promises and delivers on time                                  | 5.188         | 1.553        |
| E5.Good online shopping sites show a genuine interest in solving customer's problems.                        | 6.815         | P5.Snapdeal shows a genuine interest in solving customer's problems.                     | 4.805         | 2.01         |
| E6.Good online shopping sites offer error free transactions.   | 6.650         | P6.Snapdeal offers error free transactions.  | 3.682         | 2.968        |
| E7. Good online shopping sites are secure & maintain customer confidentiality                                | 6.779         | P7.Snapdeal is secure & maintains customer confidentiality.                              | 5.865         | .914         |
| <b>Total</b>   | <b>26.985</b> |  | <b>19.54</b>  | <b>7.445</b> |
| <b>Average Gap Score[Total of E-P/4]</b>   |               |  |               | <b>1.86</b>  |
| <b>Responsiveness</b>  | <b>E</b>      | <b>Responsiveness</b>  | <b>P</b>      | <b>E-P</b>   |
| E8. Good online shopping sites give prompt service.  | 6.875         | P8.Snapdeal offers prompt service.   | 5.799         | 1.076        |
| E9. Good online shopping sites are always willing to help customers  | 6.644         | P9.Snapdeal is always willing to help customers.   | 5.655         | .989         |
| E10.Good online shopping sites are never too busy to respond to customer requests.                           | 6.933         | P10.Snapdeal is never too busy to respond to customer requests.                          | 5.535         | 1.398        |
| <b>Total</b>   | <b>20.452</b> |  | <b>16.989</b> | <b>3.463</b> |
| <b>Average Gap Score[Total of E-P/3]</b>   |               |  |               | <b>1.15</b>  |
| <b>Trust</b>   | <b>E</b>      | <b>Trust</b>   | <b>P</b>      | <b>E-P</b>   |
| E11.Good online shopping sites are trustworthy.  | 6.777         | P14.Snapdeal is a trustworthy Website.   | 3.876         | 1.901        |
| E12.Good online shopping websites instill confidence in customers.   | 6.487         | P15.Snapdeal instills confidence in customers.   | 3.654         | .833         |
| E13.Good online shopping sites offer quality products and services   | 6.545         | P16.Snapdeal offers quality products and services.                                       | 3.987         | .558         |
| <b>Total</b>   | <b>19.809</b> |  | <b>11.517</b> | <b>8.292</b> |
| <b>Average Gap Score[Total of E-P/3]</b>   |               |  |               | <b>2.764</b> |
| <b>Personalization</b>   | <b>E</b>      | <b>Empathy</b>   | <b>P</b>      | <b>E-P</b>   |
| E14.Good online shopping websites offer targeted mails to consumers.   | 5.404         | P18.Snapdeal sends targeted mails to consumers.  | 4.582         | .822         |
| E15.Good online shopping websites offer customized recommendations to customers on the basis of preferences. | 5.555         | P19.Snapdeal offers customized recommendations to customers on the basis of preferences. | 5.265         | .29          |
| <b>Total</b>   | <b>10.959</b> |  | <b>9.847</b>  | <b>1.112</b> |
| <b>Average Gap Score[Total of E-P/2]</b>   |               |  |               | <b>.556</b>  |

Weights were assigned by the respondents to identify the level of importance given to each dimensions.

**Table 2: Average GAP scores**

|                                      | Categories                            | Gap Score |
|--------------------------------------|---------------------------------------|-----------|
| 1                                    | Average gap score for Website Design  | 1.26      |
| 2                                    | Average gap score for Reliability     | 1.86      |
| 3                                    | Average gap score for Responsiveness  | 1.15      |
| 4                                    | Average gap score for Trust           | 2.764     |
| 5                                    | Average gap score for Personalization | .556      |
| <b>Total</b>                         |                                       | 5.923     |
| Un-weighted score [Average(Total/5)] |                                       | 1.1846    |

**Factor Analysis**

A 4-factor solution was obtained and 15 items could be reconfigured into four dimensions, namely Website Design,

Reliability, Responsiveness, empathy and tangibility. The factor loading matrix of Snapdeal is presented in Table 3 and Factor Extraction is presented in Table 4.

**Table 3: Factor loading for customer’s perception regarding Snapdeal**

| Variables                                    | Components |      |      |      |
|--|------------|------|------|------|
|  | 1          | 2    | 3    | 4    |
| <b>Website Design</b> V1. Good Design        |            |      |      | .943 |
| V2. Appealing User Interface                 |            |      |      | .891 |
| V3. Quick Navigation and Transactions        |            |      |      | .840 |
| <b>Reliability:</b> V4. On time Delivery     |            | .713 |      |      |
| V5. Solution of Customer Problems            | .835       |      |      |      |
| V6. Error Free Transactions                  | .823       |      | .876 |      |
| V7. Security and Customer Confidentiality    | .828       |      |      |      |
| <b>Responsiveness:</b> V8. Prompt Service    |            | .864 |      |      |
| V9. Willing to help customers                |            | .735 |      |      |
| V10. Always available for customers          |            | .957 |      |      |
| <b>Personalization:</b> V11. Targeted Mails. |            |      | .744 |      |
| V12. Customized Recommendations              |            |      | .830 |      |

Proportion of total variance 24.233 19.815 12.238 10.85

Cumulative Percentage of variance explained 29.227 52.561 71.440 85.105

Variables 5, 6 & 7 combine to define the first factor, which can be labelled as a Reliability factor. Variables 4, 8, 9, 10 combine to define the second factor, which can be labelled as a Responsiveness factor. The third factor is correlated highly with variables 6, 11 & 12 and it can be

termed as Personalization. Variables 1, 2 and 3 combine to define the fourth factor, which can be labelled as Website Design. In this study, 70 percent (.7) cumulative variance was chosen as the satisfactory level.

The factors identified from the factor analysis thus are listed in Table 4:

**Table 4: Factor extraction**

| Factor 1<br>Reliability | Factor 2<br>Responsiveness | Factor 3<br>Personalization | Factor 4<br>Website Design        |
|-------------------------|----------------------------|-----------------------------|-----------------------------------|
| Solution to Problems    | Prompt Service             | Targeted Mails              | Good Design                       |
| Confidentiality         | Willingness to help        | Customized Recommendations  | Appealing Interface               |
| Security                | Available for help         |                             | Quick Navigation and Transactions |
| Error Free Transactions |                            |                             |                                   |

The first factor, reliability, accounted for 24.223 percent of the total explained variance. This factor was defined by four items and was primarily related with the concept of providing solution and security to customers. The second factor, responsiveness, explained 19.815 percent of the variance, and encompassed six items, related to the concept of providing prompt service to the customers. The third factor, empathy, explained 12.238 percent of the

variance, and was constructed by three scale items, which was primarily associated with the concept of taking effort to deliver on the personalization needs of customers. The fourth factor website design explained 10.85 percent of the variance related with the appearance of the website. It reveals that customers are highly satisfied with the variables under reliability factor with largest proportion of 24.233 percent. The over all customer satisfaction towards the

service rendered by Snapdeal regarding the four factors namely reliability, responsiveness, personalization and website design stood at 67% percent. Thus the high loading indicates that the factors strongly influence the customer satisfaction. The factor loading of more the .07 has high impact on the variables, so it was concluded that the variables which are less than 70 percent need attention for the quality improvement. Thus the variables under Trust i.e. the quality of goods and services should need more attention by Snapdeal to improve its service quality.

## Conclusion

Service quality should be used as a strategic tool to get a competitive advantage in the highly competitive online market which with every passing day and entry of strong multinational players is only going to get fiercely competitive. Players who realize the importance of electronic service quality will have an edge over the competitors and will be able to win a larger pie of the market over the other players. Analysis of GAP Score in our study reveals that trust is a dimension that Snapdeal has to work on. Among the other factors Website design, responsiveness, reliability and personalization are scoring better. Thus based on the study it can be concluded that E-Service quality can be used to improve the service quality of firms in E-Commerce which can act as a strong differentiator and hence can help in getting a competitive advantage over competitors.

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