A Review of Literature on Determinants for E-Retailing Services

Aashima Gupta
Ph.D. Research Scholar, Haryana School of Business,
Guru Jambheshwar University of Science & Technology, Hisar, Haryana
Under supervision of
Prof. Usha Arora
Prof., Dean and Director, Haryana School of Business,
Guru Jambheshwar University of Science & Technology, Hisar, Haryana

Abstract
Retailing is the process of creating valuable customer satisfaction by delivering value proposition in the form of goods and services to the customers. Retail sector is facing a paradigm shift from a small scale unorganized format to a multi-operational organized format of malls and supermarket to a format of Electronic Retailing that is E-Retailing. With the adaptation of technology, changing customers’ lifestyle, this industry has faced many unpredictable trends. Customers’ demands for E-Retailing services continuously evolve with time. Customers’ satisfaction towards E-Retailing services can be gained by providing appropriate services to them. Determinants of E-Retailing services differ when analysed from different perspectives. Understanding these determinants is very important to analyse the overall state of E-Retailing services. The current paper will review the past existing literature available on such determinants and will present it in critical form. These determinants will help marketers to introduce better services in E-Retailing mode of retail.

Keywords: Retailing, Customer Satisfaction, E-Retailing, E-Retailing Services, Determinants

Introduction
Retail industry is one of the ever growing sectors in Indian economy. It includes gaining customers’ satisfaction. According to Business Today, (May 2015) In the world retail market, in terms of market potential, India ranks fifth after the United States, China, Brazil and Russia. Also, IDEF report, 2015 stated that retail industry in India is expected to grow to US$ 950 billion by 2018, registering a Compound Annual Growth Rate (CAGR) of 8.9 % during 2000-18. Global Retail Development Index, 2015 reports that “India’s retail market is expected to expand at $1.3 trillion by 2020”.

Retail industry is facing a paradigm shift since the last decade from a small scale unorganized departmental store to a multi-operational organized format of malls and super-markets to a format of “world without walls” that is “E-Retailing”. The adoption of Internet and smart-phones is the biggest driver of increasing e-commerce in India. E-Retailing or E-Tailing or Electronic retailing is the selling of retail goods and services through the medium of internet. It is a play of the two words: “Retail” and “E-commerce. Products are tangible in nature and can easily be assessed based on its design, features and forms. While services are intangible and perishable, therefore measuring services becomes more important in case of service industries and retailing organizations. Customers tend to choose those E-Retailers who provide them with the satisfactory level of services. Figure 1 shows the estimated monthly traffic on the websites of the top 10 E-Retailers in India:

Services have a major role to play in the marketing context. Gaining customers’ satisfaction with the proper delivery of services is very crucial for the marketers to remain competitive. With the emergence of E-Retailing, customer’s perceptions and expectations towards services have also changed. Services are assessed differently when delivered via digital form as compared to the delivery via traditional retail format. Since E-Retailing is the most convenient source of retail format, therefore it presents different experience of services than organized retail even when the same product is purchased.
Literature Review

While beginning with any kind of research work, looking at the existing researches, gives an idea about the loopholes of the present studies and what can be done further. A good review of literature helps in highlighting the overall picture of your research and gives a complete understanding of your subject. Shashidhar, (2015) in May issue of Business Today revealed that in India, online retail penetration by FY 2020 will be 4.5%-5.5% of the total retail market which is 0.3% in FY 2013. According to IBEF Report, (2015) Indian retail market is one of the fastest growing markets in the world due to India’s economic growth.

Figure 2: Online Retail Penetration Estimation (% of retail market)

In explaining the main factor to the acceptance of E-Retailing, Park & Kim, (2003) proposed that interactions in e-commerce take place mainly through retailers’ websites in which information quality, user-interface quality and security perceptions affect customers’ site commitment which in turn affects the customers’ actual purchase behavior. In addition, Rowley, (1996) has suggested that e-
retailers report increasing sales and a positive contribution to marketing due to the visibility on the Internet. In continuation, *Hart, Doherty & Ellis-Chadwick, (2000)* proposed that internet is becoming a major new retail format replacing the traditional fixed location stores. Also, *Doherty & Ellis-Chadwick, (2010)* have presented a holistic review of the impact of Internet retailing and evaluated the trends in Internet retailing.

Many researchers have studied the key reasons for this shift in the retailing state. For instance, *Monsuwe, (2004)* has proposed that online shopping intentions are not only affected by ease of use, usefulness and enjoyment but also by exogenous factors like customers’ traits, situational factors, product characteristics, previous online shopping experience and trust with the E-Retailer. Also *Bonera, (2011)* has proposed that online purchase intention is influenced by playfulness, followed by the perceived security and usefulness. The study has also suggested that E-Retailers should increase the potential for participation, engagement, interaction and fun in their websites. In addition, the study by *AlGhamdi, Drew & Alfaraj, (2011)* suggested the factors for E-Retailing as inhibitors including physical inspection, e-commerce regulations, privacy, online purchase experience, trust, delivery, online payment and website design and enablers which support online shopping including existence of a physical shop besides the online shop, government support, competitive prices, existence of online payment options other than credit cards, owning a home mailbox, easy to understand e-retailer’s website. *Ladhari, (2010)* suggested that dimensions of E-Service quality have to be changed depending on the service industry since there are many limitations attached with the applicability of some generalized model to be taken to measure E-Retail services quality.

**Research Objectives**

- To identify the factors affecting a shift from physical retail format to E-retail format.
- To identify the determinants for E-Retail Services.
- 

**Data Analysis**

In order to achieve the above said objectives, existing literature have been reviewed and secondary data has been collected through various journals, papers, articles, reports and studies. It is observed that various studies have been done to understand the changing trends in retailing. Various surveys have been conducted to understand the role of services in E-Retailing. In India, E-Retailing is still in infancy stage. This paper will study the existing literature on factors affecting the role of services in E-retailing.

**Findings and Analysis**

- **Measuring model for E-Retailing Services: Zeithaml, Parasuraman & Malhotra, (2005)** have proposed two scales namely E-S-QUAL and E-Rec-SQUAL for measuring service quality for online websites. According to the study, the basic E-S-QUAL scale works on 22 items in four dimensions i.e. 1) efficiency, 2) fulfillment, 3) system availability and 4) privacy while the scale E-Rec-SQUAL is meant for the customers who had non-routine encounters with the websites and contains 11 items in three dimensions: 1) responsiveness, 2) compensation, and 3) contact. E-S-QUAL model has also been supported by others (*Santouridis, Trivellas & Tsimonis, 2012; Turk, Scholz & Berresheim, 2012*). Also, *Kim, Kim & Lennon, (2006)* has researched on the validity of the E-S-QUAL model and has proposed a modified nine dimensional E-A-S-QUAL model to measure E-Retail service quality. In addition, *Rossiter, (2009)* has proposed a different scale named ER-SERV-COMP-SQUAL model based on componential service quality concept rather than overall service quality. The justification of this model lies in the fact that consumers rarely evaluate an e-retailer on the basis of “good overall service” and “poor overall service” and the dissatisfaction if exists lies with the componential services problem of the services. From the literature it can be seen that various models have been suggested till date that can explain the role of services in E-Retail setting. All the proposed models have some loopholes present in them which are filled by other researchers.
Determinants considered important for including in E-Retail Services: Considering the issue of dimensionality in E-Retailing services, Finn & Lamb, (1991) stated that in retailing, perceived service quality is not a function of the 5 dimensions identified by Parasuraman et al., (1988). Supporting this issue, Trabold, Heim & Field, (2006) proposed that the drivers considered important for measuring E-Retailing services include 1) price perceptions, 2) ease of returns and refunds, and 3) privacy experience which are different from drivers considered important in other industries. Dharamaraj, (2014) has proposed that E-retailing services must include 1) Quality of product, 2) Models/styles, 3) customer service response 4) Price, 5) Advertisement, 6) Durability, 7) Availability of spare parts and 8) After sales services.

In continuation, April & Pather, (2008) have proposed four new dimensions for measuring E-Retailing services namely 1) Credibility, 2) Expertise, 3) Availability and 4) Supportiveness along with the one existing dimension from SERVQUAL model i.e. dimension of Tangibility. Also Santos, (2003) has proposed two dimensions namely 1) Incubative dimension including ease of use, appearance, linkage, structure and layout, and contents and 2) Active dimension including reliability, efficiency, support, communications, security and incentives. In continuation, Yang, Jun & Perterson, (2004) has integrated customer service quality with information systems quality and product portfolio management into online service quality. The study proposed six key online service quality dimensions namely 1) reliability, 2) responsiveness, 3) competence, 4) ease of use, 5) security, and 6) product portfolio.

However, Swaid & Wigand, (2009) has proposed six dimensions namely 1) information quality, 2) website usability, 3) reliability, 4) responsiveness, 5) assurance and 6) personalization while Ojasalo, (2010) has proposed eight dimensions namely 1) ease of use, 2) website design, 3) personalization, 4) information, 5) responsiveness, 6) communication, 7) security and 8) reliability. In contradiction, Collier & Bienstock, (2006) have combined the 1) process, 2) outcome, and 3) recovery dimensions for measuring E-Retailing service quality.

In addition, Janda, Trocchia & Gwinner, (2002) have identified five major dimensions namely: 1) performance, 2) access, 3) security, 4) sensation, and 5) information provided. However, the study Jun, Yang & Kim, (2004) identified six key dimensions namely: 1) reliable and prompt responses, 2) access, 3) ease of use, 4) attentiveness, 5) security, and 6) credibility for measuring online retailing services. Also, Cai & Jun, (2003) have identified 1) Website design and content, 2) trustworthiness, 3) prompt/ reliable service, and 4) communication important for E-Retail services. While Jiang, Yang & Jun, (2013) has identified convenience in the form of access, search, evaluation, transaction, and post-purchase convenience, as the main factor for E-Retailing services evaluation. The study by Mishra & Mathew, (2013) showed that E-Retailing services should include 1) information quality, 2) product range and 3) after sales services. The importance of “after sales services” has also been identified by (Rigopoulou, Chaniotakis, Lymeropoulos & Siomkos, 2008; Shaharudin, Yusof, Elias & Mansor, 2009; Akhter, Asif, Choudhry, Siddique & Mughal, 2011) The study also suggested that 1) the level of delivery, 2) installation and 3) warranty attributes must be included in “after sales service”.

Determinants for customer satisfaction towards E-Retailing Services: E-Retail Business revolves around customers. Gaining customer satisfaction is crucial in order to survive in the competitive market. Different factors/ dimensions/ determinants are important while measuring customer satisfaction towards the services for various industries. The proposed paper will study the literature for identifying the determinants important for E-retail services. Liu, He, Gao & Xie, (2008) revealed that the following eight dimensions should be included in E-retailing services to gain customer satisfaction namely 1) information quality, 2) website design, 3) merchandise attributes, 4) transaction capability, 5) security/privacy, 6) payment, 7) delivery, and 8) customer service. However, Schaupp and Belanger, (2005) have stated that following three important attributes namely 1) privacy (technology factor), 2) merchandising (product factor), and 3) convenience (shopping factor) should be added. These attributes should be followed by trust, delivery, usability, product customization, product quality, and security. In continuation, 1) Order fulfillment and 2) On-time
delivery were suggested by Dholakia & Zhao, (2010). In support, Pentina, Amialchuk & Taylor, (2011) has proposed a new type of online shopping experience with E-Retailers as interactive or engagement. The important attributes suggested for customer satisfaction includes: 1) availability of product reviews and ratings sharing, 2) website interactions, 3) availability of mobile interface, 4) availability of social networking, chat and email-a-friend options. Also, Celuch, Robinson & Walsh, (2015) has proposed the importance of "Feedback" attribute as very important to gain customer satisfaction.

In addition, Bearden & Teel, (1983) considered complaint resolutions as the important attribute. While according to Goswami, Baruah & Borah, (2013) E-Retailing services must include 1) Price of products 2) Secured and convenient Payment procedure 3) Simple ordered processing 4) Timely delivery of products 5) Product variety 6) After sales services and 7) Packaging of products. Also, according to Baji & Chandrasekhar, (2013) the important attributes must include: 1) Good discounts, 2) Convenient/ secure payment prompt purchases, 3) E-Retailers credibility. Therefore it can be seen that different researchers have proposed various kinds of determinants to measure E-Retail services. The current paper will propose that a model must be developed to measure role of services in E-Retailing. These dimensions must be considered together to measure the services impact in E-Retailing. Hence, it is apparent that the concept of services has been studied since long and is in the following debatable state:

1) Dimensionality: The number of dimensions taken and which all to be taken
2) Applicability: The applicability of measuring model

Conclusion

Today is a customer driven economy where marketing revolves around the customers. Gaining customers’ satisfaction is the main task of marketers in such era. With the emergence of internet, adoption of technology, changes in customers’ lifestyle and spending habits, retail era has seen many unexpected changes. Providing the quality services is the key to survive in the market. In this context, gaining customers’ satisfaction by providing the quality services, help in retaining customers and thereby generating revenues for the businesses. It becomes important to understand the determinants affecting role of services in E-Retail business. The current paper has proposed a holistic review of the existing literature to identify the factors affecting a shift from physical retail format to E-retail format and also identify the determinants for E-Retail Services.

References

Aashima Gupta, Prof. Usha Arora


