



The Impacts of E-service Quality on Customers ' Repurchase Intention in Platform Online Retailing: An Empirical Investigation

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Abstract:

Online retailing has emerged as a crucial business model for numerous firms. The pressing practical challenge faced by these retailers is how to effectively win, satisfy, and retain customers. Drawing from the theory of reasoned action, a study was conducted using questionnaire surveys to investigate the factors influencing consumers' intention to repurchase in the context of platform-based online retail. The findings reveal that consumer repurchase intention is significantly influenced by consumer satisfaction. Furthermore, consumer satisfaction is positively and significantly influenced by product quality and price, but not by website design, information quality, order fulfillment, and consumer service quality. Consequently, platform-based online retailers are advised to strategically allocate marketing resources and focus on enhancing customer satisfaction by improving product quality and leveraging competitive pricing strategies.

Keywords: repurchase intention, consumer satisfaction, service quality, Online –retailing

1. INTRODUCTION

Online retailing has established itself as a pivotal business model for numerous firms, evidenced by a recent iResearch report indicating that online shopping transactions totaled 2.8 trillion in 2014, growing annually at 48.7%. Comparable to America's Cyber Monday, India's Singles Day has emerged as a significant event for online shopping. Amidst intense competition, many shopping sites now prioritize retaining customers over mere acquisition. [1] Consequently, the critical challenge facing online retailers is how to effectively attract, satisfy, and retain customers. Previous studies have explored factors influencing online retail customer repurchase intentions through lenses such as relationship quality[2], Technology Acceptance Model, flow theory[3], and trust[4], focusing on customer satisfaction, value, and service quality. While valuable, these studies often overlook evolving consumer desires and experiences shaped by website types and cultural contexts. In India, the dominant B2C e-commerce models are self-retailing and platform retailing, each potentially influencing customer shopping behavior differently. The widely cited notion that "Low price and web presence were initially thought to be the drivers of success, service quality issues soon became pivotal"[5] requires further empirical scrutiny, especially as platform internet retailing faces increasing competition from self-selling models in India. This paper aims to address these gaps by examining the influence of key factors like service quality and attitude on behavioral intentions in India's platform online retailing landscape, contributing to a deeper understanding of customer repurchase dynamics

2. RESEARCH MODEL AND HYPOTHESES

2.1 Repurchase intention and customer satisfaction

Repurchase intention denotes a customer's subjective likelihood of making future purchases from the same online vendor [1]. As Zeithaml et al. (1996) outline, it is a pivotal aspect of behavioral intention used to forecast actual consumer behavior (Ajzen and Fishbein, 1980).

Customer satisfaction has been a focal point in marketing research since Cardozo's (1965) pioneering study on customer effort, expectations, and satisfaction. Oliver defines it as "the overall psychological state that results from comparing perceived performance with prior expectations across a series of purchase occasions" [6]. This satisfaction can be transactional, specific to a particular purchase, or cumulative, reflecting accumulated experiences over time, which tends to predict customer loyalty more reliably [7]. In the context of platform online retailing, customer satisfaction refers to a customer's emotional response formed by assessing the actual performance of goods and services against prior expectations from a specific online retailer [8].

In accordance with the theory of reasoned action, attitudes are influenced by behavioral intentions. Within the research literature, satisfaction is often considered akin to an attitude construct and is recognized as a significant precursor to customer repurchase. Empirical studies have consistently shown that satisfaction with electronic commerce services positively impacts users' intention to continue using them.

In the platform online retail environment, characterized by internal trading evaluations and external Web2.0 media, enhancing customer satisfaction not only fosters a positive online reputation but also promotes customer retention. Therefore, it is hypothesized that.

H1: Customer satisfaction positively affects customer repurchase intention in the context of platform online retailing.

2.2 Service quality

Since the late 1990s, the rise of online retailing has spurred academic interest in online retail service quality, a concept that mirrors traditional service quality but is tailored to the digital realm. Defining the dimensions of online retail service quality involves adapting to diverse application contexts, crucial for effective customer satisfaction management. While various methods like focus groups, surveys, and content analysis are employed to identify these dimensions, a process-based approach stands out for providing detailed diagnostic insights and managerial guidance to enhance service quality [9]. The customer's online transaction journey typically unfolds across several stages, with satisfaction reflecting their cumulative experience. Platform online retailing encompasses this entire journey, offering unified services such as secure payments, privacy protection, and system reliability. Meanwhile, individual retailing shops within platforms enhance customer experience through high-quality content, website design, order fulfillment, and online customer service throughout the transaction process. Consequently, the main components of service quality in platform online retailing shops include online shop design quality, information quality, order fulfillment quality, online customer service quality, and product quality.

Information quality in online shops pertains to the degree of customer satisfaction with the information provided. In the digital context, where customers cannot physically interact with products, purchasing decisions hinge on the quality of information available. High-quality information not only meets customer decision-making needs but also mitigates information overload, thereby enhancing purchasing efficiency and satisfaction. Characteristics such as completeness, accuracy, and usefulness significantly influence customer satisfaction

[10]. The design quality of online shops plays a crucial role in facilitating customer access to and comprehension of information. A well-designed online shop improves convenience and saves time, crucial factors driving online purchases. Empirical studies underscore that the presentation of merchandise information and website design are pivotal in shaping customer satisfaction [1]. Thus, it is anticipated that.

H2: Information quality positively affects customer satisfaction in the context of platform online retailing shop.

H3: Design quality has a positive effect on customer satisfaction in the context of platform online retailing shop.

Order fulfillment quality pertains to how well an online shop fulfills its promises regarding the speed, accuracy, and reliability of order delivery, identified as the most critical factor influencing customer satisfaction by Wolfenbarger and Gilly [11]. The more punctually, accurately, securely, and reliably orders are fulfilled by online shops, the less customers experience waiting times and risks, resulting in enhanced shopping experiences. Online customer service quality refers to how effectively a retail shop assists customers with information queries during transactions. Despite the availability of self-service technologies on websites providing extensive product and transaction information, situations often arise where direct online communication is necessary. Prompt responses and positive service attitudes from online retailers lead to improved service experiences and higher customer satisfaction. Product perceived quality refers to customers' assessments of a product's overall excellence or suitability in meeting their expectations or needs. In this context, it directly influences customer satisfaction: higher perceived product quality correlates with greater customer satisfaction. Therefore, it is anticipated that.

H4: Order fulfillment quality positively affects customer satisfaction in the context of platform online retailing shop.

H5: Customer service quality has a positive effect on customer satisfaction in the context of platform online retailing shop.

H6: Product quality positively affects customer satisfaction in the context of platform online retailing shop.

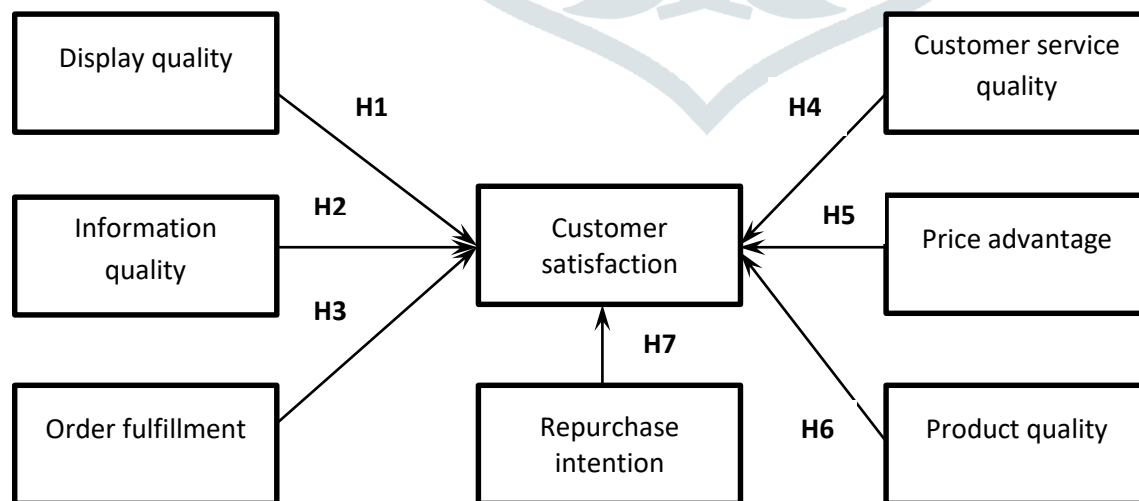


Fig.1. Research model in the Platform online retailing context.

During a transaction, customers are required to pay a specified amount of money, known as the price, to obtain goods and services. Unlike the products and services themselves, price represents a monetary sacrifice for

customers and significantly influences their satisfaction [12]. At a consistent level of product and service quality, the perceived advantage of competitive prices—seen as fair, reasonable, and cost-effective—reduces the perceived monetary sacrifice for customers. Consequently, customers tend to be more satisfied with the transaction. Therefore, it is hypothesized that.

H7: Product price positively affects customer satisfaction in the context of platform online retailing shop. In summary, the research model and assumptions are shown in Fig. 1.

3. METHODOLOGY

3.1 Survey instrument

The research model was tested using survey data. The survey questionnaire consisted of two parts. The first part contained the questions about respondent's demographic variables such as gender, age, occupation, etc., and the questions about the most recently completed relative transaction in which the respondents conducted. The second part contained the measures of the eight latent variables involved in the research model. All measurements adapted to the current research had been validated in prior studies to ensure their validity. All survey items were reported on a seven-point Likert scale from "1" for strongly disagree, to "7" for strongly agree. Given most of the measurement items were adapted from literatures written in English, we used back translation to ensure the quality of the translated survey. These measurement instruments were pretested. Following these pretests, the measurement instruments were shortened by removing items that loaded poorly on their postulated constructs. Moreover, the wording of the measurement instruments was refined to increase the clarity of the items and to remove any potential ambiguities. The resulting questionnaire then consisted of 24 items measuring the seven latent variables. The constructs and their measures are presented in Table 1.

Table 1. Measurement validity and reliability

| Construct and Sources | Measurement and loadings |
|----------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|
| Design Quality(E1) ^{[9][14]} ($\alpha=0.88$; CR=0.88; AVE=0.64) | X11: The platform retailing website is easy to browse. 0.79 |
| | X12: The platform retailing website has a visual appeal. 0.82 |
| | X13: Navigation of the platform retailing website is efficient. 0.80 |
| | X14 The Design of the platform retailing website is professional 0.78 |
| Information Quality(E2) ^{[13][15][16]} ($\alpha=0.89$; CR=0.89; AVE=0.72) | X21: Information at this store is well organized. 0.84 |
| | X22: The information provided about the store, product and services is complete. 0.90 |
| | X23: The information in the platform online store is sufficiently detailed. 0.82 |
| Order Fulfillment Quality(E3) ^{[11][15]} ($\alpha=0.91$; CR=0.91; AVE=0.72) | X31: It quickly deals with what I order. 0.81 |
| | X32: My order is delivered by the date promised. 0.92 |
| | X33: This site makes items available for delivery within a suitable time frame. 0.84 |
| | X34: It makes accurate promises about delivery of products. 0.82 |
| Customer Service Quality(E4) ^{[11][15]} ($\alpha=0.94$; CR=0.94; AVE=0.76) | X41: It is convenient to contact with the online store. 0.83 |
| | X42: Inquiries are answered promptly. 0.91 |

| | |
|----------------------------------------------------------------------------|----------------------------------------------------------------------------------------|
| | X43: Inquires are answered friendly. 0.90 |
| | X44: Customer service personnel are willing to help you. 0.90 |
| | X45: When you have a problem, the website shows a sincere interest in solving it. 0.81 |
| Price Advantage(E5) ^[17] ($\alpha=0.91$; CR=0.90; AVE=0.81) | X51: The price is fair. 0.93 |
| | X52: The price is cost-effective. 0.90 |
| Product Quality(E6) ^[18] ($\alpha=0.94$; CR=0.94; AVE=0.85) | X61: The product fit my expectation. 0.91 |
| | X62: The product fit my requirement. 0.92 |
| | X63: The product quality is reliable. 0.93 |
| Customer Satisfaction ^[19] ($\alpha=0.94$; CR=0.94; AVE=0.85) | Y11: My choice to purchase from the store was a wise one. 0.88 |
| | Y12: I think that I did the right thing when I did the shopping. 0.93 |
| | Y13: I am satisfied with the shopping decision. 0.95 |
| Repurchase intention ^[19] ($\alpha=0.919$ CR=0.917; AVE=0.787) | will Bookmark this shop 0.85 |
| | I will continue to visit the shop 0.92 |
| | would like to continue shopping at this online store 0.89 |

Note: α : Cronbach's alpha; CR: composite reliability; AVE: average variance extracted; FL: factor loading.

3.2 Data collection

The targeted participants in this study were customers who had recently engaged in platform online shopping. An online survey was conducted using web-based platforms, offering incentives to respondents. The survey link was distributed through forums, microblogs, email, instant messaging tools, and other channels. Between June 2014 and August 2014, a total of 242 responses were collected. After excluding 40 questionnaires with evident logic errors, the final response rate stood at 84.5%. The sample consisted of 53.6% female and 46.4% male respondents. The survey revealed that the respondents were predominantly young, with 61.4% under the age of 30 and 60.4% aged between 20 and 25 years. A significant majority (50.4%) held a bachelor's degree or higher. All respondents were users of Tmall. The majority (81.5%) had over a year of experience in platform online shopping, and 82.2% had spent more than 1.15144000 INR on relevant shopping in the previous three months. These demographics closely mirror those described in the 2021 India's online shopping market research report, indicating that the sample is representative of typical online shopping users in India.

4 DATA ANALYSIS AND RESULTS

4.1 The measurement model

The measurement model underwent analysis using structural equation modeling (SEM) with support from LISREL 8.7 software. Initially, a confirmatory factor analysis (CFA) was performed, encompassing all five constructs of the model and permitting them to correlate freely. Subsequently, the CFA demonstrated satisfactory model fit statistics: $\chi^2/df=1.736$, RMSEA=0.061, SRMR=0.042, NNFI=0.98, CFI=0.98, and IFI=0.98.

Table 2. Measurement validity and reliability

| | CS | RI | E1 | E2 | E3 | E4 | E5 | E6 |
|----|------|------|------|------|------|------|------|------|
| CS | 0.92 | | | | | | | |
| RI | 0.75 | 0.89 | | | | | | |
| E1 | 0.40 | 0.3 | 0.80 | | | | | |
| E2 | 0.54 | 0.41 | 0.69 | 0.85 | | | | |
| E3 | 0.47 | 0.35 | 0.41 | 0.54 | 0.85 | | | |
| E4 | 0.54 | 0.41 | 0.35 | 0.61 | 0.64 | 0.87 | | |
| E5 | 0.62 | 0.46 | 0.38 | 0.49 | 0.55 | 0.59 | 0.90 | |
| E6 | 0.76 | 0.57 | 0.40 | 0.51 | 0.55 | 0.53 | 0.62 | 0.92 |

Note: Square root of average variance extracted (AVE) appears along diagonal.

Table 1 demonstrates that the factor loadings for all construct items range between 0.78 and 0.93. Additionally, the composite reliability values for survey items measuring the same construct exceed 0.7 across all constructs, and the average variance extracted (AVE) for each construct is above 0.50. In Table 2, the square roots of the AVEs are consistently higher than the off-diagonal elements in their corresponding rows and columns. These findings validate both the convergent and discriminant validity of the constructs and the measurement items used in the survey instrument [20].

Given that all the data in this study were self-reported, we examined the potential bias from common method variance. Harman's single factor test was conducted, and the results indicate that common method bias is unlikely to be a significant issue in this study.

4.2 The structural model

The structural model estimation was performed using the maximum likelihood approach. The fit statistics for this model were adequate [$\chi^2/df=1.65$; IFI=0.98; NNFI=0.98; CFI=0.98; RMSEA= 0.059; SRMR=0.046]. Thus, we concluded that the structural model fit the data well, and that the specification and estimation of the structural model were plausible.

Table 3 shows the results of the structural model testing. Customer satisfaction positively impact repurchase intention ($\beta = 0.75$, $T=10.67$). Product quality ($\beta = 0.57$, $T=7.09$) and price advantage ($\beta = 0.18$, $T=2.31$) positively influenced customer satisfaction degree, but not the design quality, information quality, order fulfillment quality, and customer service quality. Product quality has a significant greater impact than price advantage.

Table 3. Results of the structural model testing

| Hypotheses | Relationship path | Standardized path coefficient | T-value | Supported/Rejected |
|------------|-------------------|-------------------------------|---------|--------------------|
| H1 | CS – RI | 0.75 | 10.67 | Supported |
| H2 | E1 – CS | 0.01 | 0.11 | Rejected |
| H3 | E2 – CS | 0.14 | 1.43 | Rejected |
| H4 | E3 – CS | - 0.09 | -1.22 | Rejected |
| H5 | E4 – CS | 0.11 | 1.30 | Rejected |
| H6 | E5 – CS | 0.18 | 2.31 | Supported |
| H7 | E6 – CS | 0.57 | 7.09 | Supported |

5. DISCUSSION AND IMPLICATIONS

5.1 Discussion

Empirical studies indicate that customer satisfaction significantly influences customer repurchase intention in the online retail platform environment. Customer satisfaction is a crucial antecedent of repurchase intention. Compared to standalone B2C retail sites, the vast number of platform retail shops provides customers with more choices and ease of switching between shops, which can make it more challenging to establish repurchase intentions. Online transaction risks inherently exist due to information asymmetry. The abundance of platform shops not only increases customer options but also complicates the process of finding suitable sellers. When consumers find a highly satisfactory retail shop, they are more likely to revisit and repurchase from it to minimize search costs and transaction risks in future similar shopping needs.

Product quality and price advantage are key components of online shopping utilitarian value [21], and both positively impact customer satisfaction in the context of platform online retailing, as indicated in this study. Therefore, in the Indian platform online retailing context, online shoppers are primarily task-oriented and utilitarian. Creating utilitarian value remains essential in the realm of information and communication technology. The "2021 India's Online Shopping Market Research Report" by the India Internet Network Information Center also highlights that poor product quality and high prices are the main reasons for customer attrition from shopping sites. Additionally, product quality has a greater influence on customer satisfaction than price advantage, demonstrating that contemporary consumers prioritize product quality. Poor product quality, even at low prices, makes it difficult for a store to sustain its customer base.

Our study found that platform online storefront design does not significantly affect customer satisfaction, which aligns with empirical results from the Indian online shopping and B2C e-commerce contexts. However, this finding contrasts with the conclusions of Szymanski and Hise's research in the American online shopping context. Therefore, in India, both platform online retail shops and self-owned shopping websites show that interface design does not significantly impact customer satisfaction.

Information quality, order fulfillment quality, and customer service quality do not significantly affect customer satisfaction in the context of this study, which diverges from prior research in the B2C e-commerce context. Further investigation and interviews suggest two possible reasons for this: first, in the platform online shopping environment, platforms provide standardized information search tools, merchandise description templates, false information penalty mechanisms, online customer service tools, and outsourced logistics services. These features limit the retail stores' space for service innovation, making it difficult to differentiate service characteristics. Second, with the growth of platform online retailing, the outsourcing service market supporting platform online stores has become more mature, significantly improving the overall service quality of platform online stores and reducing service level differences among them.

5.2 Implications

Based on the aforementioned conclusions, two key recommendations for platform online retailers to enhance customer satisfaction are proposed:

First, prioritize customer satisfaction as a crucial factor in boosting customer repurchase intentions. Second, focus on product quality and price advantage to enhance customer satisfaction by creating utilitarian value. Since product quality and price are significant drivers of customer satisfaction in platform online retail stores, retailers can improve satisfaction by strengthening quality management and risk control throughout the product procurement, storage, and transportation processes. Additionally, they should price products competitively and implement short-term price promotions.

Third, platform online retailers should manage resource allocation effectively when improving shop design quality, information quality, and order fulfillment quality. These elements, along with customer service quality, are "hygiene factors" affecting customer satisfaction in platform online retail stores. Therefore, retailers should avoid over-investing in these areas while maintaining an adequate level of customer satisfaction.

Moreover, this study aims to provide guidance for platform online retailers involved in online marketing by primarily analyzing factors within the retailers' control. External factors, such as platform security, credit, and service, which may impact customer shopping attitudes, were not considered but could be included in future models to enhance the research conclusions. Additionally, since customer attitudes and behaviors in the online shopping environment can change over time, a longitudinal study could offer deeper insights into the evolving dynamics of trust transfers in a social commerce setting.

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