



A review on website quality, customer satisfaction: Purchase intentions

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Abstract

With the advancement of technology, Internet is playing a crucial role in reaching out to customers in today's techno savvy scenario. Since the websites are the one stop point for the customers to get information about their product of interest it is important for the website developers to know about the quality of their websites. In the academic literature too, website quality has generally been recognized as a critical step to drive business online. As such, numerous studies have been devoted to website quality and evaluations. Research efforts are, however, in need of understanding the use of websites in regards to customer satisfaction and purchase intentions. This study is a review study which tries to analyze the impact of website quality on customer satisfaction and purchase intentions. Results indicated that website quality has a direct and positive impact on customer satisfaction, and that customer satisfaction has a direct and positive impact on purchase intentions. While the influence of website quality on purchase intentions exists, customer satisfaction does significantly mediate this effect.

Keywords: website quality, customer satisfaction, purchase intentions, relationship

Introduction

Internet is one of the fastest growing modes for the transfer of information and communication. Today's customer wants quick solutions to save time hence, internet is becoming an important tool for collecting information and purchasing products and services. Especially in the tourism market, tourism products and services have found fertile ground in the internet due to their specific characteristics.

Throughout the past decade, the development of the internet as a marketing tool has become a worldwide trend. Because of the fast growth of e-commerce, the internet has become a vital business means for selling products and services (Corbitt, B. J., Thanasankit, T., & Yi, H. 2003) ^[8]. Therefore, the relationship between internet marketing and customer behavior is interesting to investigate, since people use the internet more and more for the purchase or for their decisions on purchases.

The way in which tourists ensure information, planning and book their holidays in recent years has undergone profound changes. The rapidly increasing use of the internet means that millions of people in the world have the opportunity now to purchase travel from their computer at office or at home, and make reservations or buy tickets for flights or book a room in a hotel.

The growth of commercial activities on the Internet has a major influence on the business environment. Changes were so great as to create a new channel and a new market with new data on trade, supply and demand. The Internet enables the consumer to gather knowledge and information, at a rate that would not be possible with traditional media.

It is obvious that technology plays an important role in all stages of the purchasing process. The steps are the same

except that consumers shopping online pass from one stage to another faster and easier.

Today, tourists exhibit a more dynamic behavior and ask for more and better information. Although tourism travel-packages are still the norm, tourism 'do it yourself' grows more and more. Tourism was the first and remains one of the key services developed on the Internet. The services offered via the Internet are almost all those offered by traditional travel agencies, booking and buying tickets to ensure accommodation and entertainment. The internet, however, offers extra services such as travel advice from people who have experienced specific experiences (e.g. problems with visa), online travel magazines, compare tickets prices, travel guides, calculations for exchange rate, international travel and new addresses markets travel books and chat-rooms. The advantages of tourism services via the internet for tourists are huge. The volume of free information is very large, and this information is available any time from any place. Someone who is available for searching can find very good deals and discounts. Moreover, the direct sale saves customer money that would be paid to the intermediate. Due to this pivotal role, which is played by internet in tourism & hospitality industry, the present study tries to provide an insight into website quality and tries to know how this website quality affects customer satisfaction and purchase intentions.

Website Quality

Internet plays a crucial role in the marketing & promotion of travel related services as tourism is an information intensive industry (Doolin *et al.*, 2002) ^[14]. It is of significant importance to travel service providers as it provides them economical global accessibility, real-time information service,

unique customization capabilities and an unprecedented capability to communicate with customers (Bender 1997; Feng *et al.*, 2003; Baloglu & Pekcan, 2006; Wang & Fessenmaier, 2006; Yuan *et al.*, 2006) [6, 5, 41, 43]. To tap this multifold potential of internet, travel service providers have created websites which acts as an information gateway to their services. These websites not only provide information to its customers but also help in increasing the profitability of the company. A well designed website with effectively constructed information for customers and appealing features can hold the interest of customers and which will eventually result into affecting their buying behavior. But if the website is not designed properly, then the customers will not devote their time to that time and that finally results into loss of the potential customer for that company. Previous studies have also highlighted the significance of high quality websites by proving that high quality websites have the ability to engage more browsers and shoppers in comparison to low quality websites (Parasuraman, Zeithaml, & Malhotra, 2004; Wang & Tang, 2003; Yoo & Donthu, 2001) [33, 40, 42].

The websites of travel service providers become more crucial since a report of statistic brain confirmed that more than 148.3 million people use the internet to make reservations for their accommodations, tours, and activities, which is more than 57 % of all travel reservations each year. Another report of Amadeus also cited that 60% of leisure and 41% of business travelers make their travel arrangement via internet. These reports consolidate the argument that the websites influence the buying behavior of their customers.

Country like India which offers variety of opportunities to travel service providers be it ecotourism, adventure tourism, cultural tourism, sports tourism etc. is also not deprived of this revolutionary trend of internet. With over 460 million internet users in India, it has become the second largest online market of the world. Report of Deutsche bank estimated that the online hotel segment has the potential to generate \$2.3 billion in gross bookings by 2020. Sensing this vast opportunity of business a number of online travel service providers are operating in India and more are coming up. Hence, in this stiff competition the role of the quality of websites become more crucial. Travel & tourism service providers' should design their websites' in lieu with the needs of the customers' because they are the ones who will use their services. Since website quality plays a major role in customers' buying behavior (Lee & Lin 2005) [28], the present study analyses the relationship between website quality, customer satisfaction and purchase intentions.

Customer Satisfaction

Customer satisfaction can be defined as customers' evaluations of a product or service with regard to their needs and expectations (Oliver, 1980). Customer satisfaction is not a new concept and a great number of research efforts have been made to understand its antecedents and consequences. Marketing scholars have been particularly interested in the conceptualization and measurement of service quality that may lead to customer satisfaction. In general, service quality is defined as the outcome measure of effective service delivery, and it occurs when customers receive service that exceeds their expectations (Parasuraman *et al.*, 1988) [33].

There are five dimensions of service quality—SERVQUAL—which includes tangibles, reliability, responsiveness, assurance, and empathy (Parasuraman *et al.*, 1994) [33]. Modifications of SERVQUAL have been conducted in the hospitality industry such as LODGESERV by Knutson *et al.* (1990) and DINESERV by Stevens *et al.* (1995). With the use of technology, especially the advent of the Internet, the traditional five dimensions of service quality face scrutiny. Parasuraman and Grewal (2000) [22] indicated the need for research with regard to the definitions and relative importance of the five SERVQUAL dimensions in an environment where customers interact with technology rather than service personnel. Research is needed regarding consumer characteristics, such as their demographics, lifestyles, experience with other technology-based systems, and technology readiness, which affect their perceptions of the quality and values of their interactions with technology. Zeithaml *et al.* (2002) examined the key differences between service quality and electronic service quality. They stated that when applying traditional measures, such as SERVQUAL, to the online environment, additional dimensions should be considered, including ease of navigation, flexibility, efficiency, site esthetics, and security. Subsequently, these scholars developed a multiple-item scale (E-S-QUAL) for measuring the service quality delivered by websites on which customers shop online (Parasuraman *et al.*, 2005). Using focus groups, Santos (2003) proposed a conceptual model of the determinants of e-service quality that has multi-faceted dimensions for increasing hit rates, stickiness, and customer retention. Customer satisfaction and service quality are two separate constructs. Oliver (1993) claimed that quality is the antecedent of satisfaction. Zeithaml and Bitner (2000) also stated that service quality assessment focuses primarily on dimensions of service, and perceived quality is not only a component of customer satisfaction but is also influenced by product quality, price, customer factors, and situational factors. In the virtual environment, Anderson and Srinivasan (2003) defined e-satisfaction as “the contentment of the customer with respect to his or her prior purchasing experience with a given electronic commerce firm” (p. 125). They employed Oliver's (1980) multi-item scale to measure customer satisfaction in an e-retailing context. The marketing literature indicates that customer satisfaction leads to customer loyalty (Anderson and Fornell, 1994; Oliver, 1999; Pont and McQuilken, 2005) [27]. This positive relationship has been proven in the online environment in which Gommans *et al.* (2001) [15, 32] reviewed brand loyalty literature and proposed a conceptual framework of e-loyalty with the underlying drivers including value propositions, brand building, trust and security, website and technology, and customer service. Anderson and Srinivasan (2003) investigated the impact of satisfaction on loyalty in the context of e-commerce and concluded that e-satisfaction has an impact on e-loyalty, but the relationship is moderated both by consumers' individual factors and firms' business factors.

Purchase intentions

It is important to understand customers' purchase intentions because customers' behavior can usually be predicted by their intention. As a necessary measure in understanding customer

loyalty, purchase intention has been considered indispensable in this loyalty construct (Dick and Basu, 1994; Jacoby and Chestnut, 1978). However, behavioral-based loyalty has been questioned because it fails to distinguish between true loyalty and spurious loyalty (Jacoby and Chestnut, 1978). Oliver and Rust (1997) ^[8] asserted that loyalty should include cognitive, affective, conative (behavioral intent), and action (repeat purchase behavior) dimensions. According to Day (1969), intentional measure can be more effective than behavioral measure in capturing the consumers' mind because customers may make purchases due to constraints instead of real preferences. According to Zeithaml *et al.* (1996), purchase intention is one dimension of behavioral intention. To examine consumers' behavioral patterns, purchase intention has been used to predict actual behavior (Ajzen and Fishbein, 1980). Purchase intention is reportedly correlated to actual behavior (Ajzen and Fishbein, 1980; Oliver and Bearden, 1985) and this relationship has been empirically tested in hospitality and tourism businesses (Buttle and Bok, 1996; Ajzen and Driver, 1992). Using an electronic survey of 1743 online shoppers and hotel customers, Jeong *et al.* (2003) found that customers' information satisfaction turns out to be an important factor of online behavioral intentions, and that website quality is essential for information satisfaction. In an attempt to investigate how hotel guests perceived the importance of hotel website dimensions and attributes, Law and Hsu (2005) found that customers viewed reservation information as the most important dimension, and room rates as the most important attribute, and interestingly that when customers were looking for high quality accommodations, website quality affected their purchase intentions.

Results & Findings

Bai, Law & Ivan Wen (2008) ^[4] evaluated the impact of website quality on customer satisfaction and purchase intentions in Chinese online market. This study empirically developed a conceptual model of the impact of website quality on customer satisfaction and purchase intentions. Results showed that website quality has a direct and positive impact on purchase intentions.

Kuan, Bock & Vahtanopha (2008) ^[25] developed a parsimonious website quality model which encompasses the website attributes identified by the previous researchers and is based on the Delone & Mclean's model of information systems success (Delone & Mclean 1992, 2002, 2003). They segregated the attributes of previous scholars pertaining to website quality into the three dimensions of Delone & Mclean's model i.e. system quality, information quality and service quality.

With this model they investigated the impact of website quality on two types of purchase intentions: Intention of initial purchase & intention of continued purchase. The results of the study revealed that the online companies should focus on system quality dimension for the conversion of a prospective customer into a buyer and for retaining their present customers must lay focus on the service quality dimension. Hence, travel companies must incorporate the attributes of these dimensions in their websites to effectively utilize this channel of marketing and increasing their profitability.

Kim Chang & Lee (2011) identified the factors that influence trust, satisfaction and loyalty. 340 questionnaires were gathered from online panel respondents by the help of an internet research firm. Structural equation modeling approach was employed for examining the relationships among exogenous variables (navigation functionality, perceived security and transaction cost) and mediating variables with loyalty as a dependent variable. The results showed that navigation functionality and perceived security has a positive effect on trust. It was also found that transaction cost had no effect on trust. Satisfaction was also found to positively affect trust which in turn influence customer loyalty. Their findings imply that customer satisfaction influences trust, which plays a key role as an antecedent of customer loyalty in online shopping for tourism products and services.

Hsu, Chang & Chen (2012) ^[20] proposed a research framework based on the stimulus-organism-response framework (Eroglu *et al.* 2001, 2003) to analyze the impact of website quality on customer satisfaction & purchase intentions by utilizing perceived playfulness & perceived flow as mediators between the relationship of website quality and customer satisfaction & purchase intentions. The construct of website quality was divided into three parts i.e. system quality, information quality and service quality. The framework conceptualized that the constructs of website quality act as a stimulus or initiators in arousing the notion of perceived playfulness which gets converted into perceived flow which in turn exerts a direct positive impact on customer satisfaction & purchase intentions. According to Moon & Kim (2001, p.219) perceived playfulness is "The extent to which the individual perceives that his or her attention is focused on the interaction with the world-wide-web: is curious during the interaction; and finds the interaction intrinsically enjoyable or interesting". Flow is known as a state of optimal psychological experience (Novak *et al.* 2000) or the state of being of a person who has lost his senses by engaging in that activity fully.

Flow has been described as a state of optimal psychological experience (Novak *et al.* 2000) or most enjoyable experience possible when a person is unconsciously engaged in an activity such that she or he becomes so absorbed thereby losing the sense of self (Chung and Tan 2004). Structural equation modeling technique was employed to analyze the relationships among the constructs of the study. The results of the study revealed that the perceptions of website quality affect customers' perceived playfulness and perceived flow and in turn their satisfaction & behavioral intentions. The major finding of the study was that in context of websites service quality is a more influential factor than its system & information quality. Thus it gives the industry professionals guidance in deploying their resources while developing websites.

Wang, Law, Guillet, Hung & fong (2015) ^[39] studied the impact of hotel website quality on online booking intentions and e-trust. They measured the seven following dimensions of hotel websites: Integrity, benevolence, ability, online booking intention. For analyzing the inter-variable relationship AMOS 20.0 software was utilized. The results proved that the quality of hotel website is directly related with the online purchase intention and e-trust.

Adenkan Dedeke (2016) studied the role of information task fit and website design quality on perceived service quality and purchase intention. The data was collected from Amazon's mechanical Turk's crowd sourcing platform. The results revealed that website design quality affects online purchase intention and perceived product quality.

Faizan Ali (2016) examined the relationship between the hotel website quality, perceived flow, customer satisfaction and purchase intentions. And he also tried to find out the answer to the question i.e. if perceived flow mediates the relationships between hotel website quality, customer satisfaction and purchase intentions. The theoretical framework of the study is conceptualized by the stimulus-organism-response framework. Data were collected by conducting a Web-based survey during October-November, 2015. A total of 441 valid online questionnaires were collected to empirically test the measurement and structural model using partial least square path modeling approach. The study sample comprised of the hotel guests who reserved their rooms via online travel agencies or hotel websites. The findings revealed that hotel website quality is directly related with customers' perceived flow, which in turn, influences their satisfaction and purchase intention. Moreover, perceived flow also plays a role of mediator in the relationship between hotel website quality, customer satisfaction and purchase intentions.

Conclusion

The present study has thrown light on the increasing importance of websites. The views of researchers about website quality, customer satisfaction and purchase intentions have been incorporated in the present study in order to have a detailed analysis of their concept. This study has also reflected upon the relationship of website quality, customer satisfaction and purchase intentions. And it has showed that there exists a positive relationship website quality and customer satisfaction and in turn customer satisfaction directly impacts the purchase intentions of customers. This study has added to the existing literature with an improved understanding of the above mentioned concepts and their relations.

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