

Exploring the Service Quality Assessment and Competition Strategy of Online Shopping Website

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Abstract

The online shopping market was highly competitive. It is important to do market segmentation and positioning more accurately, and establish unique competitive strength to avoid commodity or business model be copied easily by competitors. The Importance-Performance Analysis Model was commonly to be implemented for performance assessment and competition strategy analysis. IPA method was employed in this study to investigate the online shopping service quality of case enterprise. Yet, the results and findings were reported to case enterprise for further improvement of their competition strategy accordingly.

Key words: *online shopping; importance-performance analysis; service quality; competition strategy*

1 Introduction

Following the internet accessibility on the 1990th that online services were provided via internet are increasing year by year. Hence, e-Commerce is rising accordingly. Zwass¹ argued that the e-Commerce is a type of activities through Information and Communication Technology for information sharing, relationship maintaining, and business transacting among enterprises. There are four typical e-Commerce models including B2B, B2C, C2C, and C2B. Yet, B2C is the most essential approach for online mall shopping.

Koleser and Galbraith² point out that online shopping become a common way to purchase product or service. The concept of online shipping was developed from interactive home shopping. It was accepted by enterprise for consumers to order product or service via internet. Online shopping means that virtual stores, like physical department store, were gathered in the website. The virtual stores to be classified with commodity classification mark in the online shopping website. When consumers are considering a classified commodity category, it was provided a more convenience shopping environment to guide them to an appropriate virtual store by shopping website.

Zeithaml, Parasuraman and Malhotra³ identified that not only web design pattern or low price strategy but also online service and service quality was the key success factor of online virtual store. Rust and Kannan⁴ mentioned that the function of online shop was not limited on transaction process and feedback timely, in fact, it means that online service was provided a kind of information interaction experience for customers. Further, online service is regarded as a useful approach to enhance consumers' satisfaction and loyalty.

Importance-Performance Analysis (IPA) Model are used to be applied for performance assessment and competitive strategy analysis. This study employed IPA Model to investigate and analyse the service quality of online shopping of selected case enterprise. Hereafter, analysis results and recommendations were provided as support information for decision making of case enterprise.

2 Literature Review

Scholars point out that there is huge gap on definition between online service quality and traditional service quality. Wymbs⁵ argued that the characteristic or other stimulate content of visible commodity cannot touch consumers directly, hence, it caused the major condition difference among online shopping and tradition purchase. He noted that four factors will be considered by consumers including “Related product and service”, “Operational and used questions”, “Product values and compatibility with personal experience”, and “Consumers’ perception of risk”.

Zeithaml, Parasuraman and Malhotra³ presented a concept named “e-Service”. They defined it as “The activity covered all of the generated information and contacted spots, prior to the e-Business and after that”. They recognized that traditional service measurement didn’t suit for online transaction environment. It because traditional transaction was communicated by people, however, online transaction based on interacting with customers via website. Therefore, the customer’s cognition toward service quality will be different.

Parasuraman et al.⁷ found that e-Service Quality domains consisted of “Efficiency”, “Reliability”, “Fulfillment”, “Privacy”, “Responsiveness”, “Compensation”, and “Contact”.

The e-Service Quality to be measured by a developed nine e-Service Quality measurement indicators (see Table 1) based on previous research (Parasuraman et al.,⁷). Recommendations for competitive strategy to be mentioned that dependent on analysis results of this study.

3 Results and Discussion

The IPA (Importance-Performance Analysis) framework was offered and implemented by Martilla and James⁸. IPA separated the service attributes into two axes: “Importance” (vertical axis) and “Performance” (horizontal axis). The measured service quality scores will be draw on this two dimensions⁹⁻¹³ (see Figure 1).

IPA consisted of four quadrants and the definition as following:

Keep up the good work: It reflected that customers were pay attention to service quality in this area. Further, they are satisfied the service performance of enterprise. Therefore, “Keep up the good work” was distinguished service quality scores that divided in this area.

Concentrate here: Customers were highly value this area as well. However, they are not satisfied the service performance of enterprise. Hence, “Concentrate here” was the results of scored service quality.

Low priority: Customers pay lower attention in this area comparatively, and they are not satisfied the service performance of enterprise as well. Thus, “Low priority” was the results of scored service quality.

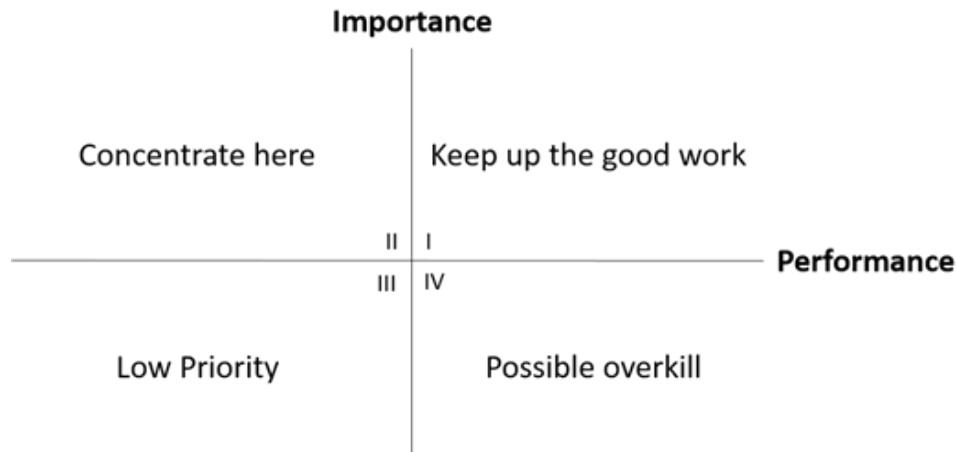


Fig. 1 –The IPA Dimensions

Possible overkill: Customers pay lower attention in this area as well, however, they are satisfied the service performance of enterprise. Meanwhile, “Possible overkill” was the results of scored service quality in this area.

Managers can gain higher profit by implement more effectiveness of the limited resource rely on dividing service quality into different area via IPA. IPA assisted managers to identify the strength or weakness of competitive market, and rise the customers’ service quality satisfaction score through improve the priority of service quality¹⁴⁻²⁰. IPA can easy to perform the attributes of positive of negative service quality, and the improvement approach. It had been implemented into other field by scholars to analyse service quality improvement priority to meet customers’ demands²¹⁻²⁷.

Table 1 –The assessment and competitive strategy of e-service quality of case enterprise

Indicators	Importance (Mean)	Performance (Mean)	Competitive Strategy
1. Easy to find out demand information on the shopping website.	5.6	5.7	Low priority
2. The transaction is faster to be done on the shopping website.	5.5	5.6	Low priority
3. Easy to use the shopping website.	5.9	5.6	Concentrate here
4. The shopping website is under good operation condition.	6.1	6.2	Keep up the good work
5. The product on website is good quality.	6.1	6.0	Keep up the good work
6. Product can be deliver accurately with clear warranty.	6.0	5.8	Keep up the good work
7. A compensation will be offered to deal with transaction problem.	5.8	5.8	Possible overkill
8. Website will keep confidential regarding online shopping information.	5.7	5.9	Concentrate here
9. Website do not share any transaction information with others.	5.9	5.3	Concentrate here
Mean	5.84	5.77	-

4 Results and Discussions

The case enterprise “Y” is the biggest B2C online shopping mall in Taiwan. The service quality and its competitive strategy to be analysed in this study. A developed instrument use Likert’s seven point scale that consisted of nine measurement indicators. Total 330 questionnaires to be distributed to online shopping consumers. There were 235 valid samples returned with return rate at 71.21%.

To judge positive or negative of each service quality indicator in this study (see Table 1), a standardized criterion was set on the mean score of importance at 5.48, and the mean score of performance at 5.77 relatively.

It shows that the case enterprise should be implemented strategy of “Low priority” depends on the mean score of 1st and 2nd Indicators. Meanwhile, it means that case enterprise shall improve those two indicators once company earning more resource.

Further, case enterprise should pay attention to “Concentrate here” based on 3rd, 8th, and 9th indicators. Those indicators discovered the weakness of case enterprise. Thus, it should be concentrated to promote the e-service quality and performance to improve case enterprise’s competitiveness.

Yet, the case enterprise should keep their strength due to the 4th, 5th, and 6th indicators were reflecting “Keep up the good work”. It shows that the case enterprise earned high e-service quality from customers and should be hold on this level.

In addition, the 7th indicator “A compensation will be offered to deal with transaction problem” drop on the area of “Possible overkill”. It means that the case enterprise well performed this issue, however, the resource should be transfer to other indicators because of the 7th indicator reached its’ limitation.

5 Conclusions

The most important thing is understanding consumers’ perspective toward e-service quality of online shopping. The case enterprise should do more accurate for market positioning and segregation to establish its unique competitive strength and avoid commodity or business model to be copied for online shop owners, especially on the period of severe competition of online shopping market that mentioned before. In this study, it is recommended that the case enterprise should put priority at improving “3. Easy to use the shopping website”, “8. Website will keep confidential regarding online shopping information”, and “9. Website do not share any transaction information with others”. In addition, the case enterprise should keep their strength on “4. The shopping website is under good operation condition”, “5. The product on website is good quality”, and “6. Product can be deliver accurately with clear warranty” due to they are earned customers’ highly satisfaction toward those issues.

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