The Internet: a tool for Enhancing Customers’ Shopping Satisfaction.

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Abstract  
Recent researches have predicted that the growth in Internet shopping will show an upward trend over the next few years although the factors that will determine or influence this growth are still uncertain. This paper examines and evaluates internet shopping as a tool for enhancing customer satisfaction. The article reviews sources of customer satisfaction and dissatisfaction. Secondly, the measurement and indicators of customer satisfaction/dissatisfaction level are also examined. Further the Internet as a tool is also evaluated. Finally a conclusion is drawn and recommendation for further/future research is suggested.

Introduction  
As the Internet unfolded and the world of dot.com business began to emerge, it became clear that the race was on to acquire customers (Reibstein 2002). Marketing firms according to Marshal (1993) have therefore been interested in customer satisfaction, and with good reasons. In response to the growing importance of services in the worldwide economy, and the recognition by goods firms of the need to compete on service dimensions of the augmented product, several researchers have examined the problems of measuring and managing service quality (Bitner 1990; Boltan and Drew 1991; Parasuraman, Berry and Zeithaml 1990; Parasumarn, Zeithaml, and Berry 1985, 1988; Zeithaml, Berry, and Parasuraman 1991).

The internet, though viewed by many researchers (writers) as the most visible innovation, attracting considerable media and commercial attention, none of the researchers literature available has made it vividly clear that it enhances or otherwise the quality of customer service/satisfaction.
Customer Satisfaction

Though customer satisfaction differs from one customer to another, certain indications run through. According to Reibstein (2002) customer satisfaction should be an indication of how well customers like their experiences at the site, and it is probably the best indication of their willingness to return to the site again if they are to make another purchase in the category. It must be noted that if customers are dissatisfied with the experiences, the probability that they will return to the site for future purchases is very small.

Measurement of Customer Satisfaction

Before the 1970’s, little was published in the marketing literature about customer satisfaction. Partially in response to the customer movement, however, interest in this topic rapidly grew. Several conferences were held (e.g. Day 1977, Hunt 1977) and articles began appearing in the marketing literature. A number of these studies discussed the appropriate ways to measure satisfaction levels. (Andreasen 1977; Brook 1980). Others investigated the causes and sources of dissatisfaction (Day and London 1976; Diamond, Ward and Faber 1976), and some addressed the theoretical bases of satisfaction (Oliver 1980, Swan and Combs 1976).

A research was conducted by Reibsten (2002) on customer satisfaction using a 10 point scale, with 10 being very satisfactory with their purchase experience at a particular site. Overall, the ratings were very high, with an average satisfaction rating of 8.43. The satisfaction level or otherwise of a customer may be measured or determined by a number of indicators.

Repeat Buying Behaviour

Firstly repeat buying is identified as an indicator of customer satisfaction or otherwise. Repeat buying is defined here as the number of times a customer shops at a particular site, buy a particular product or purchase a particular brand. A Study conducted by the Technical Assistant Report Programs 1979 reported that those dissatisfied customers who made a complaint about their dissatisfaction reported higher repurchase intentions than those who did not complain, even if their complaint was not satisfactorily handled. However, Newman and Werbel (1973) also noted that customers not fully satisfied with a brand are less likely to repurchase that brand than satisfied customers.

It needs to be noted that just as in the case of with traditional shopping, customer behaviour on line becomes routine after a while. Once the consumer has become accustomed to shopping at a particular location or site, the decision process becomes ‘habitual’ (Alba and Hutchinson 1987). As to whether the choice process for a repeat purchase is different when choosing between brands versus merchants, Dholakia and Baggozi (2001) contended that the decision to return to the same site is equivalent to the decision to buy the same brand.

A research conducted by Reibsten D.J. (2002), revealed that while the satisfaction results were fairly consistent across categories, this was not the case for repeat buying. The study reported that as the frequency of buying increases, the average number of
items per order also increases. This contrasts with the findings of Fader and Hardy (2001) who found that within a cohort, the purchase rates decrease. By cohort they mean customers who made their first purchase in the same time period.

**Word-of-mouth**

In the second place, word-of-mouth is regarded as another indicator of customer satisfaction and/or dissatisfaction level. It is acknowledged that consumers update their expectations whenever they receive information about the service through such means as word-of-mouth, company communications, and contact with the firm’s or the competitors’ service delivery system (Boulding, Kalra, Staelin, and Zeithaml 1993). Apart from a few for example Arndt (1968) and Dichter (1966), most writers have considered only positive rather than negative word-of-mouth. This is usually discussed in terms of informing others about new products (diffusion of innovations) rather than consumer communications about existing products.

A review of work that investigated impacts of negative information on consumers (Weinberg, Allen and Dillan 1981), listed only one study (Arndt 1968) investigating negative word-of-mouth. According to Lutz, (1975) and Wright (1974) consumers seems to place more emphasis or weight on negative information in making evaluations. This point was further buttressed by Scott and Tybout 1981.

**Complaint Behaviour**

In the third place, Complaint Behaviour is another criteria used to measure consumer or customer satisfaction or dissatisfaction. The study conducted by Warland, Hermann and Willits (1975) indicated that those who complain when dissatisfied are members of more upscale socioeconomic groups than those who do not complain. In other words according to Warland, Hermann and Willitts (1975) the rich complain more when dissatisfied than the poor.

However, it is also asserted that the severity of the problems caused by the dissatisfaction and the complaint behaviour are positively correlated (Lawther, Krishnan and Valle 1979; Swan and Longman 1973). Another point worth mentioning is that personality characteristics, including dogmatism, locus of control, and self-confidence, are only weakly related to complaint behaviour, if at all (Settle and Golden, 1974, Zaichkowsly and Liefeld, 1977). Again, according to Lawther, Krishnan and Valle 1979, Valle and Koeshe 1977, the greater the blame for the dissatisfaction placed on someone other than the one dissatisfied, the greater the likelihood of complaint action. In addition to the above, Grabilitke 1980, Granbois, Summers and Frazier 1977) believe that, the more positive the perception of retailer responsiveness to customer complaints, the greater the likelihood of complaint action.

**Share of requirements**

The fourth indicator or index for measuring customer satisfaction /dissatisfaction is the share of requirements. Share of requirements is an index that measures the percentage or proportion of purchases in the category captured by each brand. It indicates how well the
brand is meeting the customer’s needs or, from the other perspective, the opportunity not yet captured (Reibstein 2002). It must be emphasized that, it is possible to have a hundred percent (100%) share of requirements, yet it may only represent a customer who has purchased only one item. On the contrary a customer who has purchased 10 items with a fifty percent share of requirements represents five purchases.

It is believed by many that once customers tried and become accustomed to a particular site, it would be difficult to get them to switch to an alternative site. However a research conducted by Reibstein (2002) revealed that only a third of the customers make the majority of their purchases from a single vendor. Twenty-three percent of the respondents make nearly all of their purchases within a category from a single merchant. The implication from the above is that there is still a significant opportunity for (potential) new entrants to attract or capture customers.

**Likelihood to purchase again**

Finally, the same study by Reibstein (2002) revealed that on the likelihood to purchase again which is another index, only seven percent (7%) responded that they were highly unlikely to do so, while 54 percent indicated they were highly likely to purchase from the same merchant again.

**Determinants of customer satisfaction and/or dissatisfaction**

There are number of sources, causes or determinants of customer satisfaction or dissatisfaction.

**The role of price**

Many writers and researchers have speculated about the role of prices in the “efficient marketing” setting. According to Reibsten (2002), customers who have full information of the prevailing prices, particularly for the same product, will be able to make the most economic decision. Brynjolfsson and Smith (1999) found that prices online are 8 to 15 percent lower than the prices for comparable products in traditional outlets. This might be due to lower direct costs, more price competition, and/or the removal of the physical monopoly and so on.

As a result of the visibility of prices as a comparison variable across e-tailers, it puts added price pressure on each of the e-tailers. It is argued that the customer who is supplied with full information (or the “efficient consumer”) may be able to make a more informed choice. Elliot and Fowell (2000) view price as an important consumer factor in purchasing. They however indicated that, the price factor requires re-focusing as major dissatisfaction with the price charged was not the product price but additional costs that were imposed for the on-line sales. Some have even argued that price will play an even lesser role on the Internet, given the opportunity for more nonprice information to be provided.

In contrast to the arguments regarding the price attribute being so visible and dominant the alternative position, with the lack of constraint on the quantity of information, is that customers can spend more time looking at and assessing non-price attribute information (Lynch and Ariely, 2000). Furthermore, Alba et al. (1997) believed that price sensibility would be lower online than in traditional outlets when the non price
attributes or quality attributes are of greater importance and when there is more product differentiation among choices. He further argued that when quality attributes are important in a category, price plays a lesser role. In summary according to available literature, it seems customers are more attracted to the sites where prices are lower. Assuming the same product being offered by different e-tailers it will be easy to envision customers selecting the lowest cost provider, though there are exceptional cases.

The role of the website
Sites as a determinant or source of customer satisfaction / dissatisfaction have a number of sub-factors. To begin with, analysis of transactions by type of site based on Spiller and Lohse’s (1998) classification emphasis the popularity of large sites. Though it is argued that popularity does not necessary equate with purchaser satisfaction, an analysis of purchaser satisfaction levels conducted by Elliot and Fowell (2000) indicates that the range of products may also help a site to be rated as satisfaction. The classification receiving the lowest percentage of unsatisfactory ratings, superstores, also had the highest percentage of transactions. Consequently, the size of the site was identified as a very important determinant with customers more likely to use large sites.

In the second place, the level of service quality which is viewed as a sub-set of the site factor is another very important determinant or source of customer satisfaction / dissatisfaction. Expectations and Perceptions play an important role in service quality and customer satisfaction / dissatisfaction. Recent studies have acknowledged the existence of multiple classes of expectations (Forbes, Tse and Taylor 1986; Tse and Wilton 1988; Wilton and Nicosia 1986; Zeithaml, Berry and Parasuraman 1991). The literatures reveal two main standards of expectations. One standard represents the expectation as a prediction of future events (Gilly 1979; Gilly, Cron, and Barry 1983; Miller 1977; Prakash 1984; Swan and Trawick 1980). It must be stated that this is the standard typically used in the satisfaction literature.

The other standard is a normative expectation of events (Miller 1977; Prakash 1984; Swan and Trawick 1980), operationalised as either desired or ideal expectations. This is the standard typically used in the service quality literature (Parasuraman, Zeithaml and Berry 1988). A study conducted by Steve Elliot and Sue Fowell (2000) indicates that generally purchasers were satisfied with the capability for “buying anytime, from anywhere”. However according to the research 33% of dissatisfied purchasers cited poor service levels as their reasons for dissatisfaction.

In short the level of service quality provided by the Internet site is a source of customer satisfaction / dissatisfaction. The poorer the quality of the service provided, the greater the level of dissatisfaction and vice versa. The level of service quality may also be determined by factors such as Security, Privacy, Ease of use and many others.

Other elements
- Security is considered another important factor determining customer satisfaction or dissatisfaction. Research conducted by Steve Elliot and Sue Fowell (2000) revealed that 50% of the respondents were unsatisfied due to lack of site security.
Furthermore, Privacy of personal details is an important cause of dissatisfaction / satisfaction;

Last but not the least cause of dissatisfaction / satisfaction is the Ease of use. Difficulties or otherwise with site navigation and complex procedures. Various situations identified in the literature according to authors like Elliot and Fowell (2000) include an overwhelming range of options in a supersite, technical difficulties with an interface, items lost from a shopping cart along with problems in arranging purchaser registration with a grocery site.

**The internet as a shopping satisfaction tool**
The objective of this section is to assess or evaluate the internet to find out whether indeed it enhances customer satisfaction.

**Customer adoption**
According to Burke (1997, 1998); and Maruca et al (1999) a number of factors determine consumer adoption and use of new technologies. The interactive shopping technologies can produce extensive product selections, powerful search and screening tools, and volume of information (Alba et al 1997). By lowering search costs, new technologies can improve the quality of purchase decisions (Hauser and Wenerfelt 1990; Ratchford 1982). On the contrary, the quality of the digital information may be poor, especially if consumers typically rely on social or physical interaction to evaluate product quality (Quelch and Takeuchi 1981). New technologies may be confusing, take time to learn, are prone to failure, and can raise the prices of goods and services, discouraging consumer usage (Milk and Fournier 1998, Venkatesh 2000).

**Availability and choice of product category**
Many authors have the belief that the Internet provides a lot of product category from which to choose. Most online shopping sites will allow or automatically sort the merchants by price for the searched- for product. For example at the BizRate.com site, the consumer can have the sites ordered by a number of attributes, including on time delivery, price, service and so on (David J. Reibstein 2002). Alba et al 1997 buttressed this point by asserting that interactive shopping can provide extensive product category and so on.

**Price**
Cost saving through lower prices is identified by some writers as a potential benefit in internet shopping. A research conducted by Elliot and Fowell (2000), reveals that whilst some purchasers view lower prices as a benefit, the same percentage claimed prices on the internet are higher than that found in offline/traditional stores. In addition to the above Brynsofsson and Smith (1999) also found that prices on line are 8 to 15 percent lower than the prices for comparable products in traditional retail outlets. Furthermore Lohse and Spiller (1998) found that no store charged a premium for Internet sales whilst in the Jarvenpaa and Todd (1997) study 18% of consumers found prices higher on the web. However price sensitivity it is said, would be lower online than in traditional outlets.
when the non-price attributes or quality attributes are of greater importance and when there is more product differentiation among the choices.

Security and Privacy
Regarding Security and Privacy US consumers felt constrained by concerns over security and privacy, with security identified as the largest problem (Moreno & McCarmack, 1998; Krantz 1998). In addition, Zeithaml, Parasuraman and Malhotra (2000) assert that consumers like the convenience of online shopping, the ability to buy unusual items, the ease of comparison shopping and lower prices, but preferred the physical product interaction, service, security and privacy offline shopping.

Perception and expectation of service quality
Oliver 1977, 1980 believe that expectations and perception of Internet service quality are linked to the disconfirmation of expectations paradigm. This paradigm holds that the predictions customers make in advance of consumption act as a standard against which customers measure the firm’s performance (Bearden and Teel 1983, Churchill 1979; Day 1977; Woodruff, Cadotte, and Jenkins 1983).

In the customer satisfaction / dissatisfaction literature this paradigm states that the higher the expectation in relation to actual performance, the greater the degree of disconfirmation and the lower the satisfaction (Bearden and Teel 1983; Latour and Peat 1979; Swan and Trawick 1981; Tse and Wilton 1988).

An expectation also plays a contrast, or disconfirming, role in the gaps model of service quality (Parasuramon, Zeithaml, and Berny 1985).

Conclusion and Recommendation
From the above review and analysis, it can be concluded that the Internet enhances consumer satisfaction and at the same time causes dissatisfaction to some consumers /customers). For example a nationwide study (Technical Assistance Research Programs 1979) reported that depending on the nature of the dissatisfaction, from 30 to over 90% of di-satisfied respondents did not intend to repurchase the brand involved. Data reported by Diener and Greyser (1979) indicated that 34% of those dissatisfied with personal care product told others about their dissatisfaction.

It needs to be emphasized that if the number of dis-satisfied consumers is high enough, it may have lasting effects in terms of negative image and reduce sales for the firm. However, the literature revealed that there are a lot of instances where the Internet enhances customer’s satisfaction; due to the numerous benefits it offers. For instance, Alba et al (1997) declares that interactive shopping technologies can provide extensive product selections, powerful search and screening tools and volume of information. The review also analysed the sources/causes of customer satisfaction / dissatisfaction, and its measurement.

As stated earlier, from the available literature it is clear that even though the Internet may enhance customer satisfaction, it is also a source of consumer dissatisfaction. In other words even though the Internet offers a lot of benefits to consumers it has a
number of limitations as outlined in the review. The following questions are therefore recommended for further research in this area: can the Internet offer remedies for customer dissatisfaction?; and has the internet shopping done more harm than good to customers?

References


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