EFFECTS OF WEBSITE ATTRIBUTES ON CUSTOMER SATISFACTION IN NEPALESE E-TAILING BUSINESS

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ABSTRACT

The study aims to investigate the effects of website attributes factor on customer satisfaction in e-tailing business of Nepal. The study identified that the website attributed to motivate e-consumers to shop online. The study argues that website security and website response has positive significant effect on customer satisfaction in Nepalese e-tailing business whereas there is no significant effect between the website structure, website personalization and website adequacy with customer satisfaction in Nepalese e-tailing business.

Keywords: *Website Attributes, Website Security, Website Response, Customer Satisfaction, E-Tailing*

INTRODUCTION

Over the past decade, the world has become increasingly hyper-connected by technology in an environment where the internet and its associated services are accessible and immediate; and, where people and businesses have been able to communicate with each other instantly (Touch, Puangpronpitag, & Issarapaibool, 2013). This hyper-connectivity introducing new opportunities but also new challenges and risks in terms of individual rights and privacy, security, cybercrime, the flow of personal data, and access to information (Dutta & Bilbao, 2012). Recently, technology development including internet, telephone, electronic devices break the physical barriers to communication and allowed humans to interact freely and also changed the lifestyle, business and communication of the humans.

With rapids the technological modernization, most innovative retailers such as large store, hypermarket, wholesale sales warehouse, warehouse clubs, shopping center, shopping center, and at the outlet center are developing and introduced on the market (Ming, Mengkuan, & Chiang, 2008). Retail has always offered a variety of stores option to consumers and in advance world today, the retail trade on the internet is one of the most successful forms of commerce (Shim et al., 2001).

One of the most important communication channels in the world which is internet are expanding and the use of the internet is motivating some changes in the consumer purchase process (Casalo, Flavian, & Guinahu, 2007). In other words, it provides customers with traditional benefits of retail such as the free access of information to help them make

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informed purchasing decisions. Consumers are progressively turning more to available websites in order to get the information on which to base their decisions (Kozinets, 2002).

Customer satisfaction on the internet has been a significant issue for companies doing business online (Touch, Puangpronpitag, & Issarapaibool, 2013). According to Touch, Puangpronpitag, and Issarapaibool (2013) a high level of customer satisfaction is widely believed to be the best indicator of company's future profit. Therefore, with a better understanding of the customer satisfaction chain, firms would be able to make more effective use of their limited resources through quality initiatives for the real needs of their customers. Thus, customer satisfaction is considered to be one of the most important competitive factors for the future, and will be the best indicator of a firm's profit abilities. And also customer satisfaction has a significant impact on loyalty, retention and purchase decisions and even on company's financial performance. Thus, to build customer trust and loyalty, and customer retention, e-tailers must shift the focus to website attributes and e-satisfaction.

E-commerce has become a highly profitable opportunity to business. Nevertheless, online buyers are more demanding in an e-commerce context (Lin, 2007). They demand for more information and want their needs to be fulfilled immediately (Mclvor, 2010). If their expectations are not met, they most likely will change to another competitor (Williams et. al., 2007).

The number of Internet accounts in Nepal is estimated to be around 54.7% penetrations of June 2017 (Internet World Stats, 2018) and the majority of the users are within the Kathmandu valley. Compared to developed economies where the e-commerce industry has faced a boom and matured, developing economies such as Nepal have a lot of room for expansion and development (Ahmed,

2015). In such an environment, it is important for researchers to find methods to appreciate customer satisfaction.

Reichheld & Schefter (2000) found that it costs online retailers 20% to 40% more to attract new online customers than to serve an equivalent traditional market. But Mitchell (2008) stated that out of 100% more than 85% of internet users from all over the world have made at least one online purchase and the segment of the world's population who had shopped online increased by approximately 40 percent within two years. In such an environment, it is important for researchers and practitioners to find methods to appreciate customer loyalty and competitive advantages.

Internet Retailer (2011) reported that the percentage of Internet users who have shopped online continues to increase and will surpass 90% by 2015. Even though an increasing number of e-customers are turning to the internet to make their purchases, many e-stores are going out of business. A Commerce Net/ Nielson Media Research Survey found out that only 15% bought online and 53% used the Net to make purchase decision but 73% users used the Net to window shop. According to the report published by the export.gov (2018) there were more than 56,286 registered websites in Nepal, including 40,000 commercial websites. This study is developed to address a more mature e-commerce environment.

It seems quite simple to change e-tailers because of having an unsatisfactory e-service quality, e-store security and e-store design. There is no switching cost from one e-tailer to another one, so managers of e-stores needs to know what evaluative criteria customers use while selecting an e-store to attract and retain customers, and which factors are driving e-customer satisfaction (Lim & Dubinsky, 2004). Customers' future purchase intentions, customer retention and companies' profitability are also key influence for e-customer satisfaction. So, if customers'

have more experience in traditional retail then the e-retail than customers may not use internet retail. On the one hand, increase in e-customer satisfaction has a higher chance of increase the number of loyal e-customers in e-tailing industry and also satisfied customers have repurchase products and service from the same e-store. Thus, unsatisfied e-customers might not purchase a service and product from e-store if they have a choice of shopping somewhere else (Kim & Eom, 2002).

Hence, Zhao & Dholakia (2004), Chiu et.al,. (2005) Ahmad & Al-Zu'bi (2011) and Ludin & Cheng (2014) have tried to address the problem by examining customer satisfaction factors. The effects of website, the foundation of e-commerce, on customer satisfaction were frequently discussed. Bhattarai (2011) believed that e-commerce development is dependent upon different factors like the number of internet users internationally who could have the first impression on interest in Nepal, the creativity and skills of employed to design the web sites, quality and types of products and services offered by Nepalese companies, and the bandwidth available for users and service providers. The actual number of e-tailing users and for when Nepalese e-tailing companies have actually adopted ecommerce is unknown but it is believed that ecommerce is adopted by Nepal from 2004 onwards (Bhattarai, 2011). There have been some limited initiatives on the front of e-commerce in Nepal; the country has yet to see an organized and concerted effort towards this direction (Bhattarai, 2010).

Most of the consumer satisfaction researches have focused on the product and service levels and discussed extensively traditional retailing. More research is needed to determine the dimension of website attributes and these studies also need to conduct for different types of e-tailing. So, this study seeks to understand the impact of website attributes on customer satisfaction in e-tailing business of Nepal.

LITERATURE REVIEW

Oliver (1980) as well as McKinney et.al.,(2002) discussed the disconfirmation theory in marketing and information system studies. According to this theory, satisfaction is determined by the similarities between perceived performance and cognitive standards such as expected and desire.

Molla & Licker (2001) proposed the e-commerce success model based on the Delone and Mclean information system success model. Information quality and system item in Delone and Mclean model are replaced by content quality and e-commerce system. Furthermore user satisfaction is replaced by customer e-commerce satisfaction and also trust and service are added to capture the transactional and customer support components of e-commerce systems and customer e-commerce satisfaction.

Saha & Zhao (2005) identified five antecedents of customer satisfaction to be appropriate for online shopping on the Internet. These are logistical support, technical characteristics, information characteristics, homepage presentation and product characteristics.

The Model for Expectation-Disconfirmation Effects on Web Customer Satisfaction (EDEWS) model was presented by McKinney, Yoon, & Zahedi (2002) and based on nature of the online shopping website development; and they present the two distinctive sources of web customer satisfaction: satisfaction with quality of web information content and satisfaction with websites system performance in delivering information. And these factors affected by customers expectation, possible discrepancies between such expectations, and the perceived performance of the website

Aum-e-Hani & Qureshi (2012) in their study topic "Relationship between Website Attributes and Customer Satisfaction: A Study of E-Commerce Systems in Karachi" examined the relationship between website

attributes and customer satisfaction in Karachi. The study found that a positive response from customers in terms of satisfaction is only with the responsiveness and empathy dimensions of service quality. It was also found that website response and website customization significantly contribute to customer's satisfaction but other three website attributes website structure, website adequacy and website security are not appealing with the perspective of customer satisfaction.

Gupta (2013) conducted a study to find the customer satisfaction level for e-tailing business by taking the 200 sample size in India. The study found that the online shoppers are satisfied by their respective service providers and online vendors. The study also found that the customers are really happy while purchasing online and they would love to in future.

Akansha (2014) analyzed the relationship between website attributes and customer satisfaction. The study found that most of the customers are focused about the graphic design and information about product on website.

Bansal & Garg (2015) conducted a study in which they seek to examine the importance of website's attributes in apparel online shopping. The result indicates that the utilitarian attributes, such as price, product guarantee and returns policy, the security, privacy, information on how to buy, product images or technical description, achieved high selection percentages.

METHODOLOGY

The study used the descriptive and causal-comparative research design to deal with the effects of website attributes on customer satisfaction in e-tailing business in Nepal. In this study, descriptive study is undertaken in order to ascertain and describe the characteristics of the variables of the effects of website attributes on customer's satisfaction in

Nepalese e-tailing business.

This study used causal comparative research design to establish the cause and effects relationship between website attributes and customer satisfaction. The cause and effect relationship between the dependent and independent variable that are taken in the present research is analyzed using the causal research. This research follows quantitative research design.

The population for this research survey is users of e-tailing business experienced in online shopping. The questionnaires were only distributed to those people who were experienced in e-tailing or online shopping.

Total population for the study is unknown so researcher calculates the minimum sample size using the formula given by (Cochran, 1997). So the minimum sample size used for the study is 384.

A total of 450 questionnaires were sent online, out of them, 398 responses were recorded in Google docs. 384 responses were considered for data analysis because the remaining of them was incomplete and disqualified.

The data was collected from primary sources. 30 sets of self-administered questionnaires are distributed to online buyers of e-tailing business for pilot testing. The questionnaire was created through Google docs and distributed using social media site where the link was sent to respondents to fill the questionnaire. The total number of 450 self-administered questionnaires was distributed using the social media to the e-tailing users of three districts namely Kathmandu, Bhaktapur and Lalitpur. The questionnaire was created using seven-point Liker scale ((1) = strongly disagree; (2) = disagree; (3) = neutral; (4) = agree; (5) = strongly agree).

Descriptive and inferential analyses were performed in the research. A few tests were

undertaken for inferential analysis. Firstly, reliability test is conducted to ensure the reliability and consistency of response (Sekaran U. , 2003). Secondly, Pearson analysis is undertaken to measure the correlation between independent variables. It is to ascertain that there is no multicollinearity problem (Lena & Margara, 2010).

Finally, multiple linear regression tests were performed. This test is conducted because both independent variables and dependent variable used in this research are interval data, which is a type of parametric data (Kent, 2007).

MODEL SPECIFICATION AND HYPOTHESIS

The following model is used to examine the association between the independent and dependent variables of Nepalese e-tailing business.

Customer Satisfaction (CS) = α (website structure, website personalization, website security, website response, website adequacy)

Basically, CS= α + ß1xX1 + ß2xX2+ ß3xX3+ ß4xX4 + ß5xX5 + e

Hypothesis

H1 : Website structure has significant effect on customer satisfaction.

H2 : Website personalization has significant effect on customer satisfaction.

H3 : Website security has significant effect on customer satisfaction.

H4 : Website response has significant effect on customer satisfaction.

H5 : Website adequacy has significant effect on customer satisfaction.

RESULT AND DISCUSSION

Table 2. *Correlation between Customer Satisfaction and Independent Variables*

Correlation	CS	WS	WP	WSE	WR	WA
Customer Satisfaction (CS)	1					
Website Structure (WS)	.151**	1				
Website Personalization (WP)	.222**	.227**	1			
Website Security (WSE)	.314**	.219**	.283**	1		
Website Response (WR)	.255**	.153**	.229**	.129*	1	
Website Adequacy (WA)	.178**	.120**	.265**	.219**	.132**	1

** Correlation is significant at the 0.01 level (2-tailed).

* Correlation is significant at the 0.05 level (2-tailed).

In the above table 4.5 we can see the correlation between dependent variable Customer Satisfaction and independent variable being Website Structure, Website Personalization, Website Security, Website Response and Website Adequacy. Here we can see that there is a positive relationship between "Website Structure" and "Customer Satisfaction ". From this we can infer that with the increase in website structure, customer satisfaction also increases. Likewise, there is a positive relationship between "Website Personalization" and "Customer Satisfaction". It states that with the increase in website personalization, customer satisfaction also increases. Similarly, "Website Security" and

"Customer Satisfaction" also have positive relation with each other which also states that increase in website security increases the customer satisfaction. Similarly, there is a positive relationship between "Website Response" and "Customer Satisfaction". It states that with the increase in website response, customer satisfaction also increases. Lastly "Website Adequacy" and "Customer Satisfaction" also have positive significant relationship. It also states that with the increase in website adequacy, customer satisfaction alos increases. Finally we can infer that all the independent variables Website Structure, Website Personalization, Website Security, Website Response and Website Adequacy have significant positive relationship to Customer Satisfaction in E-tailing business. Also we can see that website security is the major factor that brings significant impact in Customer Satisfaction in Nepalese E-Tailing business among all other independent variables.

Table 3. *Model Summary*

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.401[a]	.160	.149	2.2580
a. Predictors: (Constant), Website Structure, Website Personalization, Website Security, Website Response, Website Adequacy				

In the above we can see the summary of the model used. Here we can see the Adjusted R Square being 0.149 which mean the five independent variables namely Website Structure, Website Personalization, Website Security, Website Response and Website Adequacy just explain 14.9 percent independent variables explains the dependent variable remaining are unknown. Also the standard Error of the estimate is 2.2580.

Table 4. *ANOVA Test*

ANOVA[a]						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	368.402	5	73.680	14.449	.000b
	Residual	1927.595	378	5.099		
	Total	2295.997	383			
a. Dependent Variable: Customer Satisfaction						
b. Predictors: (Constant), website adequacy, website structure, website response, website security, website personalization						

From the above two table we can see that the significance p value is 0.000 which means the model used by the present researcher is valid and matches the requirement of the study. Here we can see Customer Satisfaction as Dependent Variable and Website Structure, Website Personalization, Website Security, Website Response and Website Adequacy as Predictors.

Table 5. *Coefficient Table*

Model B		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		Std. Error	Beta			
	(Constant)	2.403	.472		5.096	.000
	Website Structure	.023	.051	.023	.460	.646
	Website Personalization	.085	.052	.085	1.638	.102
	Website Security	.314	.066	.243	4.735	.000
	Website Response	.192	.049	.191	3.909	.000
	Website Adequacy	.080	.053	.075	1.505	.133
a. Dependent Variable: Customer Satisfaction						

In the above table 4.8 we can see the standard error, beta coefficient t value and significance of all the independent variables Website Structure, Website Personalization, Website Security, Website Response and Website Adequacy with respect to the dependent variable being Customer Satisfaction. Here from the very beginning of ANOVA table we found that the model used is relevant for the study. Now in the above table we can see that the t value of website security and website response being 4.735 and 3.909 respectively which is greater than 2. This helps us infer that we accept the alternative hypothesis that says website security and website response have significant relationship with overall customer satisfaction in Nepalese e-tailing business. Also from the above table we can infer that one unit change in website structure will bring increment of 0.023 in customer satisfaction, one unit change in website personalization will bring increment of 0.085 in customer satisfaction, one unit change in website security will bring 0.314 increment in customer satisfaction, one unit change in website response will bring 0.192 increment in customer satisfaction and one unit change in website adequacy brings 0.080 change in customer satisfaction.

Table 6. *Hypothesis Acceptance Table*

SN	Hypothesis	T Value	Remark
H_{01}	Website structure has significant effect on customer satisfaction.	5.096	Reject Alternative Hypothesis
H_{02}	Website personalization has significant effect on customer satisfaction.	.460	Reject Alternative Hypothesis
H_{03}	Website security has significant effect on customer satisfaction.	1.638	Accept Alternative Hypothesis
H_{04}	Website response has significant effect on customer satisfaction.	4.735	Accept Alternative Hypothesis
H_{05}	Website adequacy has significant effect on customer satisfaction.	3.909	Reject Alternative Hypothesis

In the above table 4.19 we can see the t value that explains the acceptance and rejection of Alternative Hypothesis. Since the t value of H03 and H04 concerned with variables like website security and website response is more than 2 we come to conclusion to accept the alternative hypothesis that explain " website security and response has significant effect on customer satisfaction.". On contrary we can see H01, H02 and H05 having t value .460, 1.638 and 1.505 respectively which is less than 2. So here we come to conclusion to accept the null hypothesis that states "website structure, website personalization and website adequacy has significant effect on customer satisfaction".

SUMMARY

The present study was conducted to know the effects of website attributes on customer satisfaction in Nepalese e-tailing business. The research was based on quantitative method of data collection where descriptive and causal research design was used.

The research was limited to 3 different districts of Bagmati Zone namely Kathmandu, Bhaktapur and Lalitpur. A total of 384 samples were taken from the three districts where each element of the population had an equal and non zero chance of being selected. The data was collected using social networking sites where a set of questionnaires was prepared with two distinct sections. First section of the questionnaire contained the personal information of the respondent whereas the second section contained the behavioral aspects of the respondent. Likert scale questions were used on the second section of the questionnaire. The data collected from the survey was later coded, analyzed, presented and integrated in order to produce the result or outcome of the research study. From the present study the researcher found that female of all three districts age between 21-25, female, students years who were having bachelors degree found using e-tailing website for shopping where most of the customer gives priority to website

security and website response of e-tailing website. Whereas website structure was given very less priority in customer satisfaction. The researcher also found that the customers of all three districts had positive level of satisfaction in e-tailing business when concerned with the five independent variable website structure, website personalization, website security, website response and website adequacy. From the Correlation and ANOVA test it was found that all independent variables namely website structure, website personalization, website security, website response and website adequacy had positive significant relationship to the customer's satisfaction in Nepalese e-tailing business. The result rejected alternative hypothesis H01, H02 and H05 whereas the alternative hypothesis H03 and H04 that says website security and website response have significant relationship with overall customer satisfaction in Nepalese e-tailing business was accepted.

CONCLUSION

As mentioned in earlier sections the research is conducted on the effects of website attributes on customer satisfaction which took website attributes as dependent variable with the sample size of 384 respondents. The result gives the insight on the customer satisfaction in e-tailing business used by customers of three different districts Kathmandu, Bhaktapur and Lalitpur. The result so obtained may not be generalized to the e-tailing customers residing all over Nepal. The research is all based on quantitative data and has used descriptive statistics, ANOVA, regression and Correlation analysis as the major analyses tools. The unit of analyses used was the gender of the respondents, age of the respondents, education level of the respondents and profession of the respondents.

Here after the thorough analysis of the findings and result it is clear that two website attributes namely website security and website response had positive significant impact on the customer

satisfaction in Nepal.

Also, in order to gain more result the e-tailing customers were separated according to the demographic variables like gender, age, education qualification and profession. From analyzing that section it was found that most of the female of age between 21 to 25 having bachelors degree were use the e-tailing website for shopping.

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