The Role of E-Service Quality on Customer Satisfaction of Young Customer to Using Application on Mobile Phone

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Abstract

The purpose of this study examined the influence of e-service quality on customer satisfaction of young customer’s commercial bank to using application on mobile phone for payment. The questionnaire was tool to collected information from 271 young customers shopping at Chang Mai night market and selected by convenience sampling. Also, the multiple regression analysis by enter method was a statistical to test hypothesis. The result indicated that e-service quality: efficiency, system availability and fulfillment have positively influence on that customer satisfaction application. Finally, this study fulfilled e-service quality importance factor to build customer satisfaction, lead word of mouth about service baking through mobile phone application.

Key Words: E-Service Quality, Efficiency, System Availability, Fulfillment, Customer satisfaction
1. Introduction

Nowadays, the growth technology has changed moving towards a fundamental change and effects on more visible in people daily lives. The companies should be improves their quality and innovativeness respond to consumers in the marketplace. Information technology is an important technology to business take benefits from advantage and convenience. In order to be competitive, the business attempt to proprietary services and products to serve existing customer needs and attract new customers. The bank is a one of business attempt to take benefit from technology adoption to created new service through online, it is the best channel to provide to customers (Nurittamont, 2017) and adopted internet banking systems in an attempt to reduce costs adopted internet banking systems in an attempt to improving customer service, improving customer satisfaction, increase bank’s market share (Xue, Hitt and Chen, 2011; Khalfan et al., 2006; Almogbil, 2005), promote bank to provide better banking services (Iu-cheung and Ming-tu, 2004) and more importantly improve bank’s competitive positions (Khalfan et al., 2006; Almogbil, 2005). It’s reasons lead to development of information technology in the bank system. Several researches, the bank attempt to building opportunity from technology, especially the new service through mobile phone. One of new product of online banking in Thailand is OR code application. It can pay money at the market place with unique features that replace cash, easy and no fee to use. OR code application is a money transfer through the mobile operating system and consistent with today’s lifestyle of young customer.

According, the growth of communication technology in Thailand, it showed that customers increase to need communications through mobile phone, which it had efficiency and convenience for communications information between the people in society. The report showed that to mobile smartphone users in Thailand in 2017 have about the 113.1 million numbers (South East Asia and Oceania Report, Ericsson Company, 2016), smartphone is so easy and convenience for them. Especially, young consumer is likely to play a role in the relevance to using mobile banking, age is important factor to acceptance and use technology (Venkatesh et al, 2000). The young generation is unique, as it is tech-savvy and most young individuals are willing to adopt new technology (Freestone and Mitchell, 2004, Goi and Ng, 2011) more than other generations. Also, members of this age group usually find and consume information through their mobile phone. They are able to select a suitable technology and learn how to use it, and thus may find conducting financial transactions online easier compared to previous generations. The rate of used mobile phone of young consumers had higher continually. Therefore, mobile phone is appropriate to support their needs, as it provides convenience in executing banking transactions (Goi and Ng, 2011). For young customer as a new generation have lifestyle matching to new technology and looking that
banking transactions through mobile phone is a common in today. The bank should be understand factor to make young consumer satisfaction and enhancing young consumer perceive service quality of application though online banking service and in order to service loyalty.

However, the complex nature of service has increased the need to improve the quality of service in companies that are looking to improve their performance and attract customers in a highly competitive environment (Rostami et al., 2016). Several studies in the service marketing literature about offline and online loyalty, mostly satisfaction have been studied extensively in the offline service. For the relation to service quality and loyalty in the online channel has received limited attention and mostly focus on the offline service quality, but use offline dimension of service quality in online service quality context, which there are difference between offline and online service quality concept. Today, the popular dimension of online service quality obtained following four dimensions from Parasurament et al. (2005), include efficiency, fulfillement, system availability, and Privacy. Moreover, developing customer relationships focus on creating service quality with online service users is essential for banking service providers, reduces costs and increases profits (Reichheld and Sasser, 1990)

The purpose of this study to examine the influence of e-service quality on word of mouth on QR code application through mobile phone of young customer’s commercial bank and key research question how does e-service quality influence on customer satisfaction to using application through Mobile Phone. The study aims to fulfill in the e-service quality literature and testing model of drives and outcomes of e-service quality.

2. Literature Review

2.1 E-Service Quality

The study to service quality has been popular in marketing literature, it is one of the most important and complex of business strategy, key force leading to customers enjoyable, firm profitability and the economic growth of countries (Golder et. al., 2012). The customer expectation on service is the basic of quality-driven to organizations development (Evans and Lindsay, 2011). Several researcher defined e-service quality is basic that facilitates effective and efficient purchase, sale and delivery of goods and service on online (Zeithaml et al., 2002), and customer perception of electronic service experience, evaluation and judgment of the excellence and e-service quality offering in the virtual marketplace (Santos, 2003). Currently studies on e-service quality mostly focused on identifying that define perception of customer on service quality, and building models that outline the differences between customer’s expectations and the real service experience (Janda, Trocchia and Gwinner, 2002; Zeithaml et al., 2002). Therefore, the scale of e-service quality has will be differences face to
face service and online service. Parasuraman et al. (2005) obtained following: (1) Efficiency: The ease and speed of accessing and using the site. (2) Fulfillment: The extent to which the site’s promises about order delivery and item availability are fulfilled. (3) System availability: the correct technical functioning of the site. (4) Privacy: The degree to which the site is safe and protects customer information. Similarly, Zeithaml et al. (2002) defined four dimensions as follow: (1) Efficiency refers to the ability of the customers to get to web site, find their desired product and information associated with it and check out with minimal effort. (2) Fulfillment incorporates accuracy of service promises, having products in stork and delivering the products in the promised time. (3) Reliability is associated with the technical functioning of the site, particularly the extent to which it is available and functioning properly. (4) Privacy dimension includes assurance that shopping behavior data are not shared and that credit card information. Between dimensions of e-service quality of two researches, this study focused core four dimensions of e-service quality by Parasuraman et al. (2005), because it very widely accepted by academic researchers. Several study revealed that service quality are significant predictors to consumer satisfaction (Huang et.al., 2017; Wang and Shieh, C., 2006) Moreover, the research indicated four dimensions of e-service quality efficiency, system availability, fulfillment and privacy positively related to consumer satisfaction (Ladhai and Leclerc, 2013)

Likewise, consumers respond to marketing about technology services is relatively new to most consumers. Therefore, the more e-service quality will influence a consumer’s satisfaction with the technology. Consumers who learn about the potential benefits and use mobile phone are as likely to be increasingly satisfied. For this research focuses on e-service quality consist four dimensions were efficiency, system availability, fulfillment, and privacy. It is very important role to encourage consumer’s behavior to service loyalty of young customer to using OR code application through mobile phone. Therefore, the hypotheses are as follows

H1: More e-service quality focused on consumer will positively influence on customer satisfaction of young customer to using QR code application.

H1a: More efficiency focused on consumer will positively influence on customer satisfaction of young customer to using QR code application

H1b: More system availability focused on consumer will positively influence on customer satisfaction of young customer to using QR code application.

H1c: More fulfillment focused on young consumer will positively influence on customer satisfaction of young customer to using QR code application.

H1d: More privacy focused on young consumer will positively influence on customer satisfaction of young customer to using QR code application.
2.2 Customer Satisfaction

Moreover, marketing research had always paid large attention to the study of satisfaction. Kotler (2003) examined that “satisfaction is a person’s feeling of pleasure or disappointment resulting from comparing a product’s perceived performance (or outcome) in relation to his or her expectations”. The generally study confirmed that the positively effect of customer satisfaction on service loyalty (Ladhari and Leclerc, 2013; Kim and Kim, 2010; Lin and Sun, 2009; Harris et al., 2004) For this study in online server area, satisfied customers visit a website more frequently due to enhanced loyalty (Alba and Hutchinson, 2007). Customer satisfaction widely recognized as a key predictor to customer loyalty (Taylor and Baker, 2004), more likely to tell others of their favorable experience and engage in positive word-of-mouth advertising (File and Prince, 2002). Moreover, customer satisfaction of electronic service has a positive effect on electronic service loyalty of customer (Cristobal et al., 2007). This research focuses on customer satisfaction is very important role to encourage customer’s behavior to service loyalty of young customer to using OR code application for pay money through mobile phone. Therefore, the hypotheses are as follow:

2.3 Conceptual Framework

The model showed that independent and dependent variables. The e-service quality is a key independent of this study. They are hypothesized to have positive impact relationship between E-service quality, customer satisfaction and service loyalty as shown in Figure 1.

Figure 1: Showed that the Influence of E-service Quality on Word of Mouth of Young Customer using QR Code Application to Pay Money through Mobile Phone

3. Methodology

3.1 Research Questions

This research focused to influence of e-service quality on service loyalty of young customer’s commercial bank using application through mobile phone. The data set for study was collected survey consumers were selected as the respondents in shopping at Chang Mai.
night market and selected by convenience sampling method. A questionnaire used as a primary data collection tool. The researcher collected the data from 271 customers by purposive sampling. This research tool, each item was measure on a five-point likert scale, ranging from “strongly disagree” (1) and “strongly agree”(5). Moreover, the reliability of the measurements was evaluated by Cronbach Alpha coefficient. In the scales reliability, Cronbach alpha coefficients between 0.70 – 0.93 are greater than 0.70 all construct (Nunnally and Berstein, 1994). In this study hypotheses testing analyzed by multiple regression analysis by enter method from statistical package computer program.

3.2 Statistical Techniques

The ordinary least squares (OLS) regression analysis is used to test the hypothesized relationships and estimate factors influencing the business performance. OLS is appropriate method for investigating the hypothesized association because independent and dependent variables were metric scales (Hair Joseph, Black, William, Babin, Barry, Anderson, Rolph, and Tatham, 2006).

4. Results and Discussion

For this research descriptive analysis the total 271 young customers, majority of majority of respondents were female (91.90%) student in graduate of university (83.80%), pay money by QR code application lower 200 per times (72.80%) and used SCB bank easy pay (77.60%). Also, they have a purpose to used QR code application for pay money because easy pay, no fee and no need to carry cash, respectively.

Table 1: Shows the Correlation Coefficient of the Relationship between E-service Quality and Word of Mouth of Young Customer using QR Code Application Pay Money through Mobile Phone

<table>
<thead>
<tr>
<th>Variable</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Efficiency</td>
<td>1.00</td>
<td>0.27***</td>
<td>0.19***</td>
<td>0.67***</td>
<td>0.38***</td>
</tr>
<tr>
<td>2. System Availability</td>
<td>1.00</td>
<td>0.45***</td>
<td>0.37***</td>
<td>0.59***</td>
<td></td>
</tr>
<tr>
<td>3. Fulfillment</td>
<td>1.00</td>
<td>0.33***</td>
<td>0.53***</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Privacy</td>
<td></td>
<td>1.00</td>
<td>0.38***</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Customer Satisfaction</td>
<td></td>
<td></td>
<td></td>
<td>1.00</td>
<td></td>
</tr>
</tbody>
</table>

The result showed that correlation coefficient of the relationship among e-service quality and customer satisfaction of young customer using application for payment on mobile phone. Overall, the four dimension of e-service quality related to customer satisfaction and word of mouth. Moreover, table 1 shows the result of multiple regression analysis of e-service quality influence significant positive related to customer satisfaction.
Table 2: The Result of Multiple Regression Analysis of E-service Quality and Customer Satisfaction

<table>
<thead>
<tr>
<th>E-Service Quality</th>
<th>Customer Satisfaction</th>
<th>β</th>
<th>Std. Error</th>
<th>Beta</th>
<th>t</th>
<th>p-value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Constant</td>
<td></td>
<td>0.30</td>
<td>0.28</td>
<td>-</td>
<td>1.09</td>
<td>0.28</td>
</tr>
<tr>
<td>1. Efficiency</td>
<td></td>
<td>0.28</td>
<td>0.07</td>
<td>0.23</td>
<td>3.82</td>
<td>0.00***</td>
</tr>
<tr>
<td>2. System Availability</td>
<td></td>
<td>0.39</td>
<td>0.05</td>
<td>0.39</td>
<td>7.67</td>
<td>0.00***</td>
</tr>
<tr>
<td>3. Fulfillment</td>
<td></td>
<td>0.31</td>
<td>0.04</td>
<td>0.32</td>
<td>6.79</td>
<td>0.00***</td>
</tr>
<tr>
<td>4. Privacy</td>
<td></td>
<td>0.02</td>
<td>0.07</td>
<td>0.02</td>
<td>0.32</td>
<td>0.74</td>
</tr>
</tbody>
</table>

R = 0.69  \( R^2 = 0.58 \)  Adjusted \( R^2 = 0.47 \)

The results showed that e-service quality consist efficiency, system availability and fulfillment have influence significant positive on customer satisfaction (\( \beta = 0.28, p \leq 0.01; \beta = 0.39, p \leq 0.01; \beta = 0.31, p \leq 0.01 \)), but privacy has not influence on customer satisfaction (\( \beta = -0.02, p \geq 0.05 \)). Therefore, hypothesis 1.1,1.2 and 1.3 are supported, but hypothesis 1.4 is not supported. This result according to pervious study found that the e-service quality influence on customer satisfaction (Huang et.al., 2017; Wang and Shieh, C., 2006; Ladhai and Leclerc, 2013) Moreover, the research indicated three dimensions of e-service quality efficiency, system availability, and fulfillment positively influence to consumer satisfaction (Ladhai and Leclerc, 2013), Several empirical studies confirmed that a higher level of e-service quality leaded to higher level of customer satisfaction, the mobile banking provider concerns to creating e-service quality for response to young consumer and lead to using QR code application pay money through mobile phone contently.

5. Conclusions and Recommendations

5.1 Theoretical Contributions

This research attempts to gain clear understanding on the influence of e-service quality on service loyalty by applying principal theoretical frameworks to explain the relationships. This research investigated the direct link in e-service quality and customer satisfaction to service loyalty of customer bank on QR code application of young customer at Chang Mai night market of Thailand. More interestingly, this study attempts to integrate the influence of e-service quality: efficiency, system availability, fulfillment and privacy. Overall, the results reveal that the hypotheses are accepted. It implies that this study can apply and encouraging developments in e-service quality. This study confirmed that the influence of e-service quality on customer satisfaction and word of mouth was significantly. In fact, the e-service quality of QR code application on mobile phone providers emphasized on supported customer satisfaction and word of mouth, lead to acceptance form customer. More possibly, e-service quality can achieve the response of customer need and loyalty. QR code application on
mobile phone of commercial bank will create higher differentiation than other competitors and greater profitability in the short and long term.

5.2 Managerial Contributions

This study enhances commercial bank providers understanding of the influence of e-service quality on service loyalty. Under pressure of communication technology growing and competition in financial industry becoming increasingly difficult responded to customer needs and achieve business goal. For this reason, the business attempts to find the best practice in order to create effective marketing implementation in the online. In the context of marketing, the marketing director must be effectively manage and utilize the factors which emphasize e-service quality both short-term and long-term loyalty on online service. Moreover, the providers should also plan to expand their other implementations to advanced business operations to continuously maintain and increase the level of customer satisfaction on online service. This empirical study helps to create solutions to business problems that provide the foundation for the business’s survival and achievement to competition. The benefit of e-service quality, the executive of commercial bank should provide value resources and expand the capability of their business to encourage building effectiveness and creating new opportunities in market.

References


