

MEDIATING EFFECT OF E-SATISFACTION ON THE RELATIONSHIP BETWEEN E-SERVICE QUALITY AND E-LOYALTY OF PROFESSIONALS IN COLOMBO USING E-COMMERCE WEBSITES

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Abstract

Introduction of E-commerce and on-line consumer shopping trends has made it important to build and maintain e-loyalty in e-commerce market places. As the competition in e-commerce is intensified, it becomes more important to create loyal customers in online shopping platforms. The quality of e-services is identified as contributing towards e-loyalty. However, the mediating role of e-satisfaction in this context needs more empirical investigation. This research is an attempt to find the mediating role of e-satisfaction on the relationship between e-service quality and e-loyalty of customers in organized e-commerce sites. Professionals using e-commerce sites and residing in Colombo were subject to the study. The results confirm a positive impact of e-Service quality on e-Loyalty. E-Service quality also has a positive and significant impact on e-Satisfaction. A positive impact of e-Satisfaction is identified on e-Loyalty. Ultimately, the results provide evidence that there is a mediating effect of e-Satisfaction on the relationship between e-service quality and e-loyalty. The study contributes to knowledge by suggesting that e-retailers and e-sellers ought to build up value proposition, brand images, trust & security, and website technology that attract customers and most importantly a good customer service.

Keywords: Service Quality, Satisfaction, Loyalty, Commerce

Introduction

In the recent years, the growth of electronic commerce and the use of the internet in the consumer decision making process ensures that businesses make greater use of these tools. Although consumer behavior in e-commerce seems to be a complex subject, the consumer expectations are changing while challenging traditional patterns of supply of commercial websites. Loyal customers are those consumers of the brand who perform repeat purchases and recommend the brand to their families, friends, colleagues and acquaintances. Loyalty is at the heart of business firms and companies make great efforts to maintain their customer's loyalty.

These efforts become increasingly difficult and hard to serve in the online business to customer environment since online companies such as e-stores or e-retailers are facing competition not only from other similar sites but also from offline companies that offer similar products and services. Despite the importance of loyalty to business success in online consumer marketing, little theoretical research has been done so far in this field. Most of the research has been confined to practitioner-oriented suggestions on how to build loyalty in commercial websites. The significant factor in e-loyalty is the critical role of the first impression created by a website as well as its ease of use. Consumers can access instantaneous information and are able to compare competing products and services with minimal expenditure of personal time or effort. This results in fierce price competition and vanishing brand loyalty.

Further, most online shoppers now are literate in information technology. Therefore their judgment of e-service quality of B2C websites could be different, as compared to previous related studies. Thus, the effect of e-service quality on e-satisfaction and e-satisfaction on e-loyalty of online buyers in B2C market should be further researched. Many studies have found that customer satisfaction plays a mediating role in the relationship between service quality and customer loyalty. Akbar & Parvez (2009), in their study on Telecommunication customers in Bangladesh telecommunication industry, have found customer satisfaction to be an important mediator between perceived service quality and customer loyalty. In their study on bank customers in Malaysia it was found that satisfaction has a mediating effect on the relationship between service quality and loyalty in the banking industry. Therefore, this study focuses on the mediating effect of e-Satisfaction on the relationship between e-Service Quality & e-Loyalty.

The main objective of this study is to explore the mediation effect of e-satisfaction on the relationship between e-Service quality and e-Loyalty among professionals residing in Colombo using e-commerce websites.

Secondary objectives are to identify the relationships between,

1. e-Service quality and e-Satisfaction
2. e-Service quality and e-Loyalty
3. e-Satisfaction and e-Loyalty

Literature Review

The service-quality model introduced by Parasuraman in 1985, simplified the concept of service quality. Service Quality is defined as the contrast between customer's perceived expectations and the firm's actual service delivery and execution.

Popular definitions do not do full justice to the vast and multi-dimensional concept of service quality. Despite the difficulties and complexities attached in defining and measuring service quality, its' importance in various business aspects has compelled experts and academics alike to explore it. The meaning of service quality is difficult to understand given the fact that it is intangible, which is quite a different characteristic from that of product quality. But when observed in relation with

constructs such as customer satisfaction, it offers deep insights into the more complex concept of consumer behaviour.

The satisfaction of a customer with reference to a transaction heavily depends upon the level of service they received during the exchange. A previous study conducted by Lin (2005) showed that customer service could satisfy customers while it was investigated that satisfied customers tended to be loyal customer. A high quality of customer service has resulted in e-satisfaction and finally created repeated purchasing behavior in an online environment. Customer service is defined as a consumer's perception of the net benefits gained in exchange for costs incurred in obtaining the desired benefit. Moreover, Heinonen (2006) defined customer service as the perceived outcome of the trade-off of benefit and sacrifice of technical, functional, temporal, and spatial dimensions. Some researchers have found that customer service has a significant direct impact on e-satisfaction.

Customer perceptions of high service quality and high service satisfaction results in a very high level of purchase intentions. E-service quality can help firms to differentiate themselves by offering enhanced satisfaction, encouraging repeat purchases and building loyalty. Each service element in e-commerce offers an opportunity for such differentiation. e-Service quality may also affect customers' emotional responses such as liking, joy, pride, dislike and frustration. Therefore, we can hypothesize:

H₁: E-service quality positively influences the e-Satisfaction of professionals in Colombo using e-commerce websites.

In services, the relationship between satisfaction and loyalty seems almost intuitive, and several researchers have attempted to confirm this idea. Satisfaction affects a user's behavior and his or her assessment of the service, and this in turn affects loyalty. However, a few studies have addressed this relationship for e-services. Moreover, using a development of the e-SERVQUAL scale for measuring the quality of service, Aladwani (2006) demonstrated a positive relationship between satisfaction and loyalty. Similarly, using the same scale, Dunn et al (2009) demonstrated the relationship between the three constructs. Clotey et al., in their study of 1972 on retail customers of United States retail industry, have found the strong statistical evidence that service quality has a great influence where it positively and significantly correlated with customer loyalty. Jamal and Anatassiadou (2007) besides studying the relationship between service quality and customer satisfaction in the banking industry in Greece, studied the relationship between service quality and customer loyalty and found that service quality has a strong impact and a positive and significant relationship with customer loyalty in the banking industry in Greece. In view of that we can hypothesize:

H₂: E-Service quality positively influences the e-loyalty of professionals in Colombo using e-commerce websites.

e- Loyalty is an important issue in the competitive environment of e-marketing. Different studies show that e-loyalty is influenced by e-Satisfaction, e-trust and e-service quality. Customer loyalty has been defined as a deeply held commitment to rebuy or re-patronize a preferred product/service consistently in the future, thereby causing repetitive same-brand or same brand-set purchasing, despite situational influences and marketing efforts having the potential to cause switching behavior. Numerous researchers have tried to find relevant antecedents and their role in creating e-loyalty. E-service quality, e-satisfaction, corporate image, word-of-mouth communication, perceived value has been proposed as antecedents of loyalty and these variables are also taken as a motivating force of competitive advantage and corporate success. Satisfaction is created when an individual believes that the other person has useful indices besides profitability. Earlier views of brand loyalty focused on repeated purchase behaviours. For example, loyalty can be classified in to four categories. Undivided loyalty, divided loyalty, unstable loyalty & No loyalty are revealed by the purchasing patterns of the consumers. Consumer loyalty can be measured by the probability of product repurchasing. We can hypothesize:

H₃: E- satisfaction positively influences e-loyalty among professionals in Colombo using e-commerce websites.

Many studies that have been done outside of Sri Lanka have proven that Customer Satisfaction intervenes or mediates the relationship between service quality and customer loyalty. This will be the same for e-Service quality and e-Loyalty. The process of measuring e-satisfaction has been found to be both difficult and somewhat controversial. Researchers have employed various approaches, including attribute-level performance, prior experiences with the service, frequency of service usage, and expectation-disconfirmation approaches, to measure e-satisfaction. The results of their investigation showed that when a customer is satisfied with an online service provider, is inclined to repeat his purchase by the same provider and this increases the trust between them.

Akbar & Parvez (2009) , in their study on 302 Telecommunication customers in Bangladesh telecommunication industry have found customer satisfaction to be an important mediator between perceived service quality and customer loyalty. Ismail et al (2006) in their study of 115 public companies in Malaysia have revealed that customer satisfaction partially mediates the relationship between reliability and customer loyalty. Therefore, we can develop the hypothesis:

H₄: E-satisfaction mediates the relationship between e-Service quality and e-Loyalty among Professionals in Colombo using e-commerce websites.

The conceptual framework graphically presents the above hypothetical relationships.

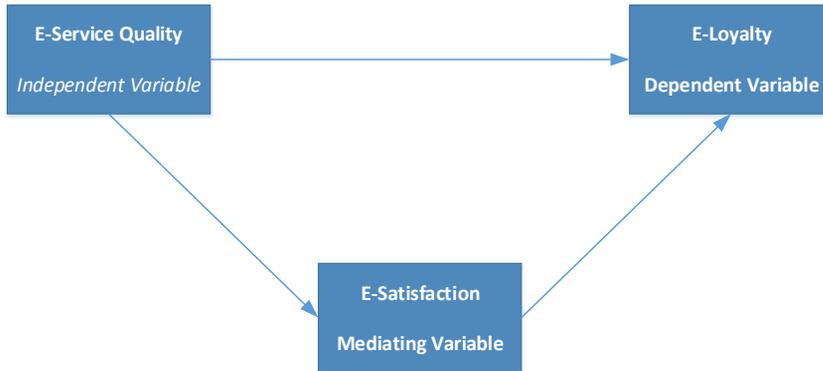


Figure 1: The Conceptual Framework

Methodology

The questionnaire consists of two major sections. First section is to obtain the demographics of the respondents such as gender, education level, age, profession, income, e-commerce websites they access and the frequency of online shopping. The second part consists of the questions aimed to quantify the three main variables e-Service Quality, e-Satisfaction and e-Loyalty. The questions were prepared in order to convert the indicators in to quantifiable parameters in the form of a 1-5 Likert Scale questionnaire.

Table 1: Conceptualization of Variables

Concept	Variable	Indicators
Quality of E-Services	Value Proposition	Customizable products, Large set of product choices, Product quality, Warranty / Guarantees, Well-known brands, Pricing
	Brand Building	Brand image building, Community building
	Trust & Security	Trust & Reliability, third party payment approvals, Customer Privacy, Settling E-Transaction Disputes
	Website Technology	Fast page loads & Server reliability, Easy to navigate/browse, Personalized website features, Language options, Effective search functions, Rich web Content
	Customer Service	Easy to contact & fast response to customer inquiries, Free online applications, Easy payment methods, Convenient Delivery options, Customer reward system

e-Satisfaction	Purchase Experience	Speed of transaction, Description of Product and how well they match actual product
	Promos and Offers	Bundled offers, Seasonal Discounts, Free shipping / delivery
e-Loyalty	Favored attitude	Favored option for the next purchase even at slightly higher prices
	Repeated Purchase	Purchase for self, friends and family
	Positive Word of Mouth	Recommendation to family, friends and colleagues, Sharing information in social media and reviews and feedbacks on retailer’s website

Data Collection

Primary data was obtained from the questionnaire prepared based on the online shopping experience of the above-mentioned employee groups who are employed as executives or above with easy access to technology and internet. The questionnaire was an online google form where respondents can fill using either a computer, a tablet PC or even their mobile phones. Once the respondents fill in and submit their answers, a response summary can be obtained in the format of an excel file for easy conversion to be used in statistical analysis. The main focus here was to assess their personal opinion on online shopping experience and how their satisfaction made them loyal to certain e-commerce websites. The questions were in the form of a “Likert scale” allocating marks for each response as follows. This Likert Scale is a 5 point scale that offers answer options — from one extreme attitude “Strongly Disagree” to another, “Strongly Agree”.

The scope of the study is to find out the mediating effect of e-Satisfaction in the relationship between e-Service quality and e-Loyalty in the e-commerce websites used by Sri Lankans. Due to its complex nature and time limitations, the study was limited to the professionals (Engineers, Doctors, Lawyers, Bankers, Executives...etc.) who live in the Colombo district.

Data Analysis

The analysis was carried out based on deductive method. Analysis included: descriptive analysis, hierarchical regression analysis, Baron & Kenny’s approach for mediation, correlation analysis. A summary of the results obtained can be tabulated with respect to each of the constructs of the study as shown in Table 2, 3, and 4.

Table 2: Descriptive statistics of e-Service Quality (n=97)

e-Service Quality	Mean	Standard Deviation
Value Proposition	3.80	0.43
01. Product Customization	3.31	0.91
02. Large Product Choices	4.07	0.63
03. Product Quality	4.04	0.91
04. Product warranty/guarantee	3.53	0.96
05. Buying Branded products	3.56	0.95
06. Price of the product	4.28	0.66
Brand Image Building	3.58	0.68
07. Brand Image Building	3.47	0.87
08. Community building	3.68	0.74
Trust & Security	3.48	0.55
09. Trustworthiness & reliability	3.73	0.78
10. Third party payment approval systems	3.18	1.08
11. Protecting customer privacy	3.43	0.84
12. Settling electronic transaction disputes	3.59	0.72
Website Technology	3.63	0.41
13. Fast loading website and reliable web server	3.88	0.73
14. Easy navigation through the website	4.02	0.54
15. Personalized website features	3.62	0.74
16. Multiple language support (Sinhalese, Tamil, English)	2.56	0.91
17. Effective search functions like filtering results	3.88	0.68
18. Rich web content to attract customers	3.86	0.66
Customer Services	3.40	0.59
19. Easily contactable & quick responding customer service	3.16	1.03
20. Online inquiry application systems	3.40	0.91
21. Easy payment methods	3.91	0.72
22. Convenient delivery options to customers	3.46	0.96
23. Attractive customer reward systems	3.08	0.92
Overall Quality	3.60	0.34

Table 3: Descriptive statistics of e-Loyalty (n=97)

e-Loyalty	Mean	Standard Deviation
Favoured Attitude	3.24	0.98
24. Favoured option for the next online purchase even at a slightly higher price	3.24	0.98
Repeated Purchase	3.93	0.62
25. Repeated purchase for self, friends and family	3.93	0.62
Positive Word of Mouth	3.45	0.64
26. Recommend to family members, friends and colleagues	3.95	0.62
27. Sharing shopping experience in social media and post reviews/feedback in the website	2.96	1.09
Overall Loyalty	3.52	0.52

Table 4: Descriptive statistics of e-Satisfaction (n=97)

e-Satisfaction	Mean	Standard Deviation
Purchase Experience	3.54	0.65
28. Speed of transactions	3.68	0.74
29. Product descriptions and how well they match actual product	3.40	0.82
Promos & Offers	3.88	0.71
30. Special seasonal promotions, bundled offers and free shipping/delivery frequently	3.88	0.71
Overall Satisfaction	3.65	0.56

Table 5 : Analysis between independent variable and dependent variable

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	1.237	.525		2.359	.020
PMean	.634	.145	.409	4.367	.000

a. Dependent Variable: RMean

The beta coefficient for the relationship between the independent variable and the dependent variable was 0.634 before standardization and 0.409 after standardization with a significance of 0.000, which can be characterized as a positive linear relationship.

Table 6: Analysis between independent variable and mediating variable

Model	Coefficients			t	Sig.
	Unstandardized Coefficients	Std. Error	Standardized Coefficients		
1 (Constant)	.020	.485		.042	.967
PMean	1.010	.134	.611	7.526	.000

a. Dependent Variable: QMean

The beta coefficient for the relationship between the independent variable and the mediating variable was 1.010 before standardization and 0.611 after standardization with a significance value of 0.000, which can be characterized as a positive linear relationship.

Table 7: Analysis between mediating variable and dependent variable

Model	Coefficients			t	Sig.
	Unstandardized Coefficients	Std. Error	Standardized Coefficients		
1 (Constant)	2.114	.325		6.513	.000
QMean	.384	.088	.410	4.376	.000

a. Dependent Variable: RMean

The beta coefficient for the relationship between the mediating variable and the dependent variable was 0.384 before standardization and 0.410 after standardization with a significant value of 0.000, which can be characterized as a positive linear relationship.

Table 8: Analysis for mediating effect (Results of Coefficients)

Model	Coefficients			t	Sig.
	Unstandardized Coefficients	Std. Error	Standardized Coefficients		
1 (Constant)	1.123	.581		1.933	.056
Pmean	.266	.169	.162	1.575	.119
Qmean	.428	.107	.414	4.016	.000

a. Dependent Variable: Rmean

Based on the coefficient analysis above, the independent variable which was significant with dependent variable is now insignificant and the beta value has reduced from 0.409 to 0.162. In the meantime, the mediating variable is now significant with the dependent variable and its beta value has also increased from 0.384 to 0.414

Table 9. Results summary of Mediation Analysis (Baron and Kenny’s approach)

Model	R2	Ad.R2	F value	Beta (β)	Significance
IV vs. DV				0.409	0.000
MV vs. DV				0.410	0.000
IV, MV vs. DV	0.268	0.252			
IV			0.162	0.119	
MV			0.414	0.000	

The results of the regression analysis putting both Independent variable and mediating variable as predictors and alongside dependent variable also matches the conditions of the Baron and Kenny’s method on mediation.

1. Correlation between the Independent Variable and the Dependent Variable is now insignificant.
2. Correlation between the Mediator Variable and the Dependent Variable is significant and the beta values increased to 0.414

Mediation is said to be existent when the direct path coefficient between the independent variable and dependent variable is decreased when the indirect path through the mediator is established in the model. The direct path is assessed without the intervention of mediator and with the intervention of mediator. The direct path standardized beta was 0.409 and change to 0.162 after the introduction of customer satisfaction as a mediator. The amount of the decrease of the relationship between satisfaction and loyalty accounted by the mediator was 0.247 which represent 60.39% of the direct effect.

Table 10: Correlation Analysis

	e-Loyalty	e-Service Quality	e-Satisfaction
e-Loyalty	1	.409**	.410**
e-Service Quality	.409**	1	.611**
e-Satisfaction	.410**	.611**	1

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

Table 10 shows the association between e-Service Quality and e-Satisfaction with e-Loyalty of online customers. Hypothesis testing for the entire sample (n=97) between “e-Service Quality” & “e-Satisfaction” variables together with “e-Loyalty” reveal a linear, positive and a significant relationship (2-tailed) at 0.01 level. This means the impact of e-Service Quality is moderate and positive on e-Loyalty of customers and e-Satisfaction mediates this relationship with the results obtained in the regression analysis using “Baron and Kenny’s” approach. Hence, we can accept the hypothesis (H₄) and reject the null hypothesis (H₀). E-satisfaction positively mediates the relationship between e-Service quality and e-Satisfaction of customers.

Table 11: Conclusion of the hypothesis in the study

H	Relationship	F value	p	Conclusion
H1	e-Service Quality → e-Loyalty	19.067	<0.001	Supported
H2	e-Se. Quality → e-Satisfaction	56.643	<0.001	Supported
H3	e-Satisfaction → e-Loyalty	19.148	<0.001	Supported
H4	Mediation by e-Satisfaction	17.169	<0.001	Supported

Table 11 shows the summary of the hypotheses tested in the study and their relationships. All hypotheses having significant p values (<0.001) concluded that all four hypotheses developed in this study are accepted.

Table 12: Customer e-Loyalty compared with demographics

	N	Mean	SD	Median	P(Anova)
Gender					
Male	71	3.5035	.56140	3.5000	0.655
Female	26	3.5577	.41417	3.7500	
Age					
23-35	68	3.5625	.50441	3.5000	0.433
36-45	27	3.4074	.56818	3.5000	
46-55	02	3.5000	.70711	3.5000	
Education					
Diploma / course / vocational qualification	05	3.5000	.58630	3.7500	0.710
Bachelor's degree	34	3.5735	.51687	3.5000	
Master's degree	54	3.4398	.51381	3.5000	
Ph.D.	04	4.1250	.32275	4.1250	
Profession					
Engineer	55	3.4909	.49760	3.5000	0.625
Doctor / consultant	14	3.4107	.63251	3.3750	
Lawyer	05	3.7500	.39528	3.7500	
Banker / accountant	02	3.3750	.53033	3.3750	
Lecturer / teacher	07	3.4643	.78300	3.7500	
Others	14	3.6964	.41808	3.7500	
Income					
25,000.00 - 49,000.00	08	3.5000	.50000	3.6250	0.924
50,000.00 - 74,000.00	05	3.7000	.41079	3.7500	
75,000.00 - 99,000.00	14	3.5179	.52316	3.7500	
100,000.00 - 149,000.00	22	3.5568	.53969	3.5000	
150,000.00 or above	48	3.4844	.54677	3.5000	

It is clearly evident that gender, age, education, profession or income have no association with customers' e-Loyalty. All the p [anova] values were insignificant. Similarly, the "One-way" Anova test carried out between the demographics and the

means of e-Service Quality and e-Satisfaction also prove that there's no significant relationship with each other. Analysis was done in three steps. Descriptive analysis was carried out at first stage to extract the underlying factors of e-Service Quality, e-Satisfaction and e-Loyalty. At the second and third stages, hierarchical regression analysis and correlation analysis were performed to understand the relationship among each of the three main variables of the study and was proven that all the hypotheses developed in the study were positive and the null hypotheses were rejected. The main aim of the study which was to check the mediating effect of e-Satisfaction between the relationship of e-Service Quality and e-Loyalty was tested to be positive and significant.

Descriptive statistics such as mean, standard deviation, correlations and coefficients were computed on all variables and frequency distributions were developed to compare the demographics. Correlation was used to determine the direction and the strength of the relationship between the variables.

Key Findings

Out of every four people who do online shopping, three will be male. Thus, it can be concluded, that most women still prefer to do the traditional shopping with the actual look and feel over online shopping. Most of the online shoppers fall in to the 23-35-year age group. This is the age group which has more access to technologies like internet, smart phones, Wi-Fi...etc. who would have just started their higher education in a university or a private institute or who had just started working fresh out of the university or still in the early stages of their long careers.

Majority of the online shoppers consist of a Post Graduate Diploma or degree holder. People who passed out from a university or still in touch with further education will have more access to the above-mentioned technologies which eventually bring them closer to online shopping. Engineers do most of the shopping online when compared to those in other professions. Out of other professions included in the study, Engineers spend more time in front of a computer or use smart electronic devices to get their work done.

Higher income levels contribute to more online shopping. Higher your income is; there is more access to afford and enjoy technologies like mobile electronics and computers at your fingertips. Most popular website among the population was www.ebay.com. Ebay.com has been known to many Sri Lankans as the most popular online gadget store to purchase small electronic devices, accessories and spares. Until few years ago it was the only online retail store which shipped their items to Sri Lanka. Other e-retailers charged high shipping costs or did not send unless the order quantity was a minimum of either 5,10,50 or even 100 items (only wholesale purchasing was possible). 54% of the respondents do online shopping related activities at least once a month. This is a positive indication of how well and how frequent these professionals use online shopping to do their purchasing ahead of traditional “brick and mortar” shopping.

The customers are satisfied with the website technology, the reliability and minimal downtime of these e-commerce sites they use for online purchasing. They are able to maintain proper standards however, with increasing technological advancements and demand, it need to be revamped and updated frequently in order to stay ahead of the competition. The managers need to put an extra effort to improve their customer services; especially the after-sales dispute handling, customer care and warranty/returns acceptance issues. However, most of them were reluctant to publish their purchase experience, the quality of service they got in either social media or the e-commerce websites themselves even though they would recommend the website to their families, friends and colleagues. According to the extra analysis conducted on the obtained data using “One-way-Anova” test, there is no significant relationship between the customer demographics and the loyalty of customers towards these ecommerce websites in this particular study; even though earlier studies have proven it to be positive.

Discussion

The findings indicate that the questionnaires identified to measure service loyalty, customer satisfaction and service quality exhibit acceptable psychometric properties in terms of both reliability and validity. The results confirm the hypothesized relationships in the research model. Service quality is found to act on service loyalty via customer satisfaction. The results also show that while gender and marital status provided no basis for differentiation among constructs, education and age play a major role in determining the different perceptions of customers about the constructs investigated. Identification of various elements, besides e-Service quality, that contribute to overall e-Satisfaction becomes critical. Other elements that could be contributing to e-Satisfaction could include other constructs such as transaction satisfaction, value and corporate reputation or image. Similarly, it is just as critical to identify other elements, in addition to e-Satisfaction, that have a direct impact on e-Loyalty. It is likely that the variable of influence on e-Loyalty could quite well be through social class. Knowing whether the different social class groupings exhibit different levels of e-Loyalty could have considerable marketing implications.

This type of analysis can help identify segments that have the highest potential of defection and where best to target limited marketing resources. It is crucial for service firms to establish benchmarks for the constructs under consideration and to regularly and systematically monitor its performance among its customers in the same manner that the firm monitors its management accounts.

Conclusion

This study attempted to discover the mediating effect of e-Satisfaction on the relationship between e-Service Quality and e-Loyalty for e-commerce websites that are being accessed by Sri Lankan Professionals in Colombo district. Although the literature reviewed pointed out several interconnections and relationships between the constructs of this study, there are some ambiguous responses. The discrepancy may be caused due to fabrication by the respondents or the mismatch of literature to the local

context since all the literature were collected from studies done in other countries due to unavailability of previous researches done on this particular area in the Sri Lankan context. However, this particular study concluded that a greater percentage of the professionals tend to do more online transactions and their satisfaction levels have made them loyal to the respective e-commerce websites they deal with.

The professionals covering many fields of expertise and representing many industries were included in this study and various methods and techniques were used in combination to obtain and analyze data. Therefore, this study was able to provide deeper insights into the subjects of e-Service Quality, e-Satisfaction and e-Loyalty in the e-commerce website existing in Sri Lankan context. Moreover, the study stressed the importance of customer service level, especially the after-sales customer service requirements to the e-commerce website owners. Like in many previous studies conducted it was proven once again that retaining a customer is much easier than creating a new customer. Therefore, the offline storefronts of these e-commerce websites, especially the local websites in Sri Lanka should put an extra effort on improving customer service, dispute handling, punctuality and speed of service...etc. in order to survive in the rapid growing e-commerce industry. The organizations should empower the youth with proper education, training and skill development and ultimately bring in organizational reforms in the corporate culture in order to provide positive diversity. Furthermore, it is also recommended that to improve these services, proper infrastructure improvements should be introduced in a timely manner and customers should also change their attitudes towards the “Click and Mortar” and “Pure Play” concepts instead of the typical “Brick & Mortar” storefronts.

Recommendations

This research was limited to a certain group of professionals who lived in a small geographical location in the country. Apart from the employed individuals, there are many self-employed personnel who do a lot of online shopping to support their businesses. Furthermore, experimental web site designs are often recommended in this context to allow researchers to examine more closely whether the manipulation of the e-Service Quality elements would lead to an enhanced sense of trust and loyalty. Additionally, the model was validated in this study with reference to the measurement of e-service quality in the case of a Business to Customer (B2C) relationship; other studies could attempt to validate this model with a B to Business (B2B) relationship. Finally, this model could also be adapted to evaluate the perceived quality of services through social media platforms.

The R² value for few indicators of each variables were as low as 16%. Therefore, in a future study these indicators can be modified or replaced with more appropriate indicators to enhance the quality of the outcome. Also due to the limitations of the study, the population of the study was restricted to professionals employed in either the state sector or the private sector. However, due to the boom of online business industry, lots of self-employed individuals and SMB (Small & Medium Business) market places do use a lot of e-commerce websites for their supply chain. Therefore, the population can be enhanced to cover these market segments as well in a future

study. This study has provided a new concept to Sri Lankan e-commerce websites that was not foreseen by them. Though this research was limited to “click and mortar” e-commerce websites it can be further expanded to the complete transformation from “click and mortar” to “pure play” which would be an interesting area to be researched expanding the current topic. In “Pure Play” concept, the owners can worry less about overheads, taxes, warehouses, logistics...etc. and focus more on creating customer satisfaction and loyalty through their service quality.

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