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Customers' online website satisfaction in online apparel purchase: A study of Generation Y in Malaysia

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ABSTRACT

Internet has grown exponentially in recent years, turning into popular tools for consumer to search for information, make payment, shopping and so on. This study focuses on Generation Y's online website satisfaction in the apparel industry. This study identified four important factors affecting the consumer satisfaction on website: usability, credibility, service quality and transaction costs. The results show that usability, credibility and service quality will affect the customers satisfaction when they purchase via website.

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1. Introduction

Internet usage has increased rapidly in recent years. In 2012, there were 2405 million Internet subscribers worldwide, representing 34.3% of the total world population (Internet World Statistics, 2014). The increasing number of Internet users worldwide has created huge opportunities for online business. The rapid expansion of internet adoption throughout the world has created an extraordinary pace of change in the marketing landscape and opened business opportunities for marketers (Lee, Cyril Eze, & Ndubisi, 2011). For example, online business or e-commerce was never heard of two decades ago. However, these are considered the most exciting and efficient channels available in the markets this century.

As online business or electronic business became important and continues to grow, the numbers of consumer purchases online has also increased amazingly. Among all products purchased online, apparel purchases represent one of the increasing trends in online shopping (Goldsmith & Goldsmith, 2002). Critics said online apparel purchasing was unlikely to be successful in the early days of e-commerce due to the habits of consumers who like to touch and

physically try on clothes. However, this changed recently when the volume of apparel sold, including shirts, footwear and fashion adornments increased steadily and online revenues for fashion or apparel websites have grown also. Clothes retailers, such as LandsEnd.com, GreatUniversal.com, and Littlewoodsdirect.com have been jostled online by 'brick' apparel retailers as these businesses develop their multi-channel strategies and build their existence online (Rowley, 2004).

When online apparel purchase became common, consumers became more accepting of it. Park and Stoel (2005) claimed that many shoppers show strong enthusiasm and confidence in purchasing apparel using the Internet. In the USA, online apparel provides the highest revenue amongst online product categories (Park & Stoel, 2005). eMarketer (2012) reported that online apparel merchandise in the USA reached \$34.2 billion in 2012. The same phenomenon happened in Asia, for example in Taiwan, online apparel has become the biggest category of merchandise in online sales (Cho & Wang, 2010). Annual sales in Taiwan have shown the increasing rate of over 30% of total online sales every year.

Despite the growth of online apparel purchases globally, things did not perform as expected in the Malaysian market. Many online shoppers in Malaysia still hesitate to purchase apparel online. Malaysia Crunch (2011) reported that Malaysian online consumers have a relatively low adoption rate towards online apparel purchases, providing only 10% of overall e-commerce sales in Malaysia. Many Malaysians are still hesitant about the concept of online shopping as an alternative channel to make their apparel

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purchases. They believe that apparel purchase needs direct customer involvement (Ha & Stoel, 2004). Ha and Stoel (2004) stated that consumers are likely to examine clothes physically to assess colour, design, size and fabric during apparel shopping. Besides, such clothing products differ extensively according to price, quality, design and body fit (Hansen & Jensen, 2009). Consumers perceive that online apparel purchase is particularly risky compared to traditional shopping because of uncertainty regarding the product and trustworthiness of online purchasing websites. Even though consumers' perceptions of the risk of purchase is important in affecting their online apparel purchase, many online marketers still overlook how website characteristics will impact customer purchasing.

1.1. The importance of website characteristics

In the USA, the steady growth in numbers of online shoppers has boosted online business sales. Rueter (2012) identified that most growth in e-commerce has resulted from website and service improvements especially in the apparel and jewellery industries. The large sales volume of online apparel was the main cause of the rapid growth in online sales in the USA. However, despite this rapid growth in the USA, online apparel retailers in Malaysia are still facing difficulties in improving sales, where the industry only managed to obtain 10% of overall e-commerce sales (approximately RM181 million). Malaysian shoppers' continued hesitation to buy apparel online is the main impact factor on online apparel sales and has become the biggest challenge for the online apparel industry.

Furthermore, according to Ahmad, Omar, and Ramayah (2010), online apparel retailers in Malaysia are struggling to build the pool of repeat customers since customers do not return even after making a purchase. In fact, this difficulty may be caused by the online retailers themselves. Most online apparel retailers are unable to instil confidence in customers and fail to persuade them to return to their websites. This may be caused by the failure to satisfy their customers. Therefore, every online industry and firm tries its best to meet customers' needs and wants to establish and maintain a positive long-term relationship with their online shoppers. However, many tend to overlook the significance of the website element that plays a role in satisfying customers in addition to being a channel for advertisement and promotion. Once a customer is dissatisfied, they will be reluctant to engage further with the website. According to Fang, Chiu, and Wang (2011), customer satisfaction is especially important to the success of online stores as it is the key antecedent influencing repurchase intention, something most online retailers have overlooked.

In addition, most online marketers in Malaysia tend to spend a huge amount of money on online advertisements to attract more online shoppers to the online business environment. However, most have overlooked website elements that are critical to fulfil customer satisfaction. Research has proved that website quality favours development of profitable consumer behaviours, such as satisfaction and loyalty (Casalo, Flavián, & Guinalíu, 2008). Therefore, instead of throwing money at website advertising, they should first consider how to improve website quality before online traffic.

Looking at the issues highlighted above, this research focuses on factors that affect customer online website satisfaction in the online apparel industry. In particular, it identifies website quality as the main cause of online apparel business failure in Malaysia. In addition, few studies have been conducted in Malaysia in the area of online website satisfaction in the apparel industry that involve Generation Y. Hence, this study tries to fill this research gap.

2. Research methodology

Online website satisfaction can be described as customer satisfaction towards online website attributes or quality. Oliver (1980) defined customer satisfaction as customer evaluations of a product or service based on individual expectations and perceived performance.

Online businesses face difficulties retaining existing online shoppers' satisfaction and loyalty to current websites due to intense competition in the market. According to Wolff (1998), business failures are increasing because most customers are dissatisfied with online website performance. Customer satisfaction has been regarded as the key to success for online businesses (Fang et al., 2011). Researchers said elements of website quality have different impacts on customers' online satisfaction.

Website usability can be defined as the extent to which it allows online users to reach specified objectives with effectiveness, efficiency, and satisfaction when undertaking a goal directed task on the website (Jenny, Frances, & Geoff, 2010). Flavian, Guinalíu, and Gurrea (2006) found that website usability was one of the key antecedents for defining website quality. Website interface or usability impacts on customer satisfaction with the website interface (Cho & Fiorito, 2009; Maditinos & Theodoridis, 2010). Hence, the hypothesis below:

H1. There is a significant relationship between usability and customer online website satisfaction.

Many studies have defined website credibility as believable, trustworthy, reliable information provided on the website (Fogg & Tseng, 1999; Alam, Bakar, Ismail, & Ahsan, 2008), secure and with privacy (Wang, Wang, Lin, & Tang, 2003) during the online purchase. Previous studies have stated that elements of online business website quality, such as security and privacy, influences e-trust as well as e-satisfaction (Kim, Jin, & Swinney, 2009; Maditinos & Theodoridis, 2010). Thus, the hypothesis below:

H2. There is a significant relationship between credibility and customer online website satisfaction.

Service quality is defined as corresponding to the customer's expectation and perception according to his/her needs and wants (Edvardsson, 1998; Parasuraman, Zeithaml, & Berry, 1988; Pizam & Ellis, 1999).

Service quality in online business websites can influence customers' satisfaction, retention, and long-term relationship. As reported by Chang and Chang (2011), the failure of most online businesses is due to poor service quality as service performance does not meet customer expectations during the transaction and delivery process. Service failures tend to create customer dissatisfaction and decrease their confidence in and commitment to the particular website. Hence, the hypothesis below:

H3. There is a significant relationship between service quality and customer online website satisfaction.

Williamson (1975) defined online transaction costs as the total costs of completing transactions either by one organizational form or another through the internet. Transaction costs include searching, finding, negotiating, and supervising the actions of potential partners, such as suppliers and customers. Devaraj, Fan, and Kohli (2002) identified that lower transaction costs result in higher customer satisfaction towards a website and create repeat purchase intention. Furthermore, Yang, Wu, and Wang (2009) showed that transaction cost influences online satisfaction. Therefore, the hypothesis below:

H4. There is a significant relationship between transaction costs and customer online website satisfaction.

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