

WEBSITE QUALITY DIMENSIONS ON CUSTOMER SATISFACTION IN
E-COMMERCE CONTEXT
(BOOKS INDUSTRY)

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SUPERVISORS' CONFIRMATION

I hereby declared that I had read through this thesis and in my opinion that this thesis is adequate in terms of scope and quality which fulfil the requirements for the award of Bachelor of Technopreneurship.

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DECLARATION OF ORIGINAL WORK

I hereby declared that this research project is the result of my own research except as cited in the references. This research project has not been accepted for any degree and is not concurrently submitted by candidature of any other degree.

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DEDICATION

I would like to appreciate the dedication of my beloved family who always been my constant source of inspiration and support when doing this research, the lecturers especially my supervisor, Assoc. Prof. Madya Dr. Haslinda binti Musa for the guidance during the completion of this project and last but not least, to my friends for their support and helps in complete this research study.

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ABSTRACT

The research study aims to investigate the website quality dimensions which are system quality, information quality and service quality that affects the customer satisfaction towards online bookstore website. A total of 150 completed a set of a questionnaire given out to respondents to get the data for the research. This study used a quantitative method and data collection from primary data and secondary data. The data that has been collected was analysed by using Statistical Package for Social Science (SPSS) and Microsoft Excel. The result of the study indicated that there is relationship between website quality dimensions of online bookstore website towards customer satisfaction.

Keywords: website quality dimensions, system quality, information quality, service quality, online bookstore website, customer satisfaction

ABSTRAK

Kajian penyelidikan ini bertujuan untuk menyiasat dimensi kualiti laman web iaitu kualiti sistem, kualiti maklumat dan kualiti perkhidmatan yang mempengaruhi kepuasan pelanggan terhadap laman web kedai buku dalam talian. Seramai 150 set soal selidik yang lengkap diberikan kepada responden untuk mendapatkan data bagi tujuan penyelidikan. Kajian ini menggunakan kaedah kuantitatif dan pengumpulan data dari data primer dan data sekunder. Data yang telah dikumpulkan dianalisis menggunakan Pakej Statistik untuk Sains Sosial (SPSS) dan Microsoft Excel. Hasil kajian menunjukkan terdapat hubungan antara dimensi kualiti laman web kedai buku dalam talian dan kepuasan pelanggan.

Kata kunci: *dimensi kualiti laman web, kualiti sistem, kualiti maklumat, kualiti perkhidmatan, laman web kedai buku dalam talian, kepuasan pelanggan*

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CHAPTER 1

INTRODUCTION

This research contain a few parts. Chapter 1 consists background of study to introduce the topic of this research. Besides that, the researcher states the problem statement, research questions, and research objectives in this research. Other than that, this chapter consists limitation of study to simplify the research problem and significance of the study which describe research contribution.

1.1 Background of Study

Business-to-consumer electronic commerce or known as B2C is a term used to explain a commerce transaction between a seller and an end customer. B2C e-commerce gives businesses to make full use of information in the network to perform activities of business and service activities with the customers. It is also a direct participant form in economic activities using the Internet for the consumer (Shi, 2016). Commerce system websites can help a business to grow. To make long-term business, the satisfaction of the customer is very important for a business to manage it. (Mutia et al, 2015).

E-commerce is an important role in the development of e-commerce revenue. Even though e-commerce gives high profitability to business, it also has inherent challenges. Customer is not likely to check the product when the transaction is executed in the context of e-commerce. In the end, the customer will evaluate the quality of the product based on website quality. Hence, the quality of the website plays an important role in the context of e-commerce. In addition, website quality is important as it has the same

significance as the store environment, which can influence customer perceptions towards the online seller. In general, the quality of the website equivalent to the quality of the website features. Similarly, satisfaction of customer can be improved if the website is excellent in quality. Website is usually used as a connecting tool between consumers and organisation so that the website quality in necessary important (Wong, 2014).

Customer satisfaction can be measured by of review of the customer regarding experiences related to product purchases which mean high customer satisfaction brings can increases business profits. Because customer satisfaction can give benefits to the business, the purpose of the research is to analyse whether website quality can increase customer satisfaction. Moreover, the contribution of website almost in all industry, including the books industry.

Customers are regarded as the most important stakeholders in an organisation. This is because, without customers, the organisation could not succeed. A successful company forms when its products and services meet customers' expectations and want. E-commerce has been known in global as a mechanism for business organisation to achieve market globally. Using the new marketing tools which is Internet, the organisations can collect data for planning the marketing of the business. Internet is not used for only advertising, businesses now use it for receiving customers' purchase order and provide 24 hours/7 days access for customers and sellers. (Iluno & Yakubu, 2017).

Hence this research is done to study the effect of website quality in e-commerce towards customer satisfaction in books industry.

1.2 Problem Statement

An organisation must build a long-term relationship with the customer because customer satisfaction is one of the keys to getting successful marketing including online marketing. If the customer's needs and wants are satisfied, sales and profit of the business can increase (Ali et al., 2017).

E-commerce is a key feature of sales channels of the future. The global e-market features create a distinctive opportunity for a business to achieve greater efficiency over existing and potential consumers by replacing conventional retail outlets with web-based businesses (Ummul & Tanzina, 2016).

According to export.gov, there are 25.08 million approximately active internet users which are 79% of the population in Malaysia in 2018. Ummul & Tanzina (2016) stated that, nowadays, retailers using online website medium to entice their target customers. In this competitive context, the way consumers decide to use certain shopping channels, especially the internet, it is fundamental to understand in terms of management. As users do not focus on their shopping activities in a certain shopping channel, it is important for marketers to know the drivers of the user preferences, which are important for retail strategies.

Problem identified is customer tend to go to the physical bookstore. They rather go to the physical bookstore because of many factors. Bojang (2017) examined that, traditional shopping is identified by physical touches such as viewing, touching and can directly interaction face-to-face with agents or salespersons. This can improve customer trust because in buying process or transaction, buyers feel more comfortable. Meanwhile, insufficiency information of product in online market environment makes potential customers difficult to feel comfortable as they need to face situations before they can make any purchase decision. Because of it, the seller needs to establish credibility and trustworthiness.

There are many problems related to online shopping and the main of the problem including customers are concerned that their personal information will not be handed over to third parties, or their bank information may be gullible to hackers. Every

consumer is assumed to be rational in his purchase decisions, therefore, they need to be more cautious especially involving online purchases. Despite that, online seller needs to put a good website quality and build customer satisfaction in the e-commerce shopping website. Because of that, customers more likely to choose to go to physical stores and buy (Bojang, 2017). The problem of this research is to find the effect of website quality towards customer satisfaction which will determine the factors that influence customers to online purchase (P. Jayasubramaniam et al., 2015). The website plays the main role in attracting the customer and give customer satisfaction. Wong (2014) indicated that website quality is absolutely necessary for the books industry which to serve effective and efficient communication between users and online seller and also a competitive advantage. An efficient website service can influence customer satisfaction.

1.3 Research Questions

1. Does system quality of the online bookstore website effect customer satisfaction?
2. Does information quality of the online bookstore website effect customer satisfaction?
3. Does service quality of the online bookstore website effect customer satisfaction?

1.4 Research Objectives

1. To identify the relationship between system quality of the online bookstore website and customer satisfaction.
2. To identify the relationship between information quality of the online bookstore website and customer satisfaction.
3. To identify the relationship between service quality of the online bookstore website and customer satisfaction.

1.5 Scope of Study

The purpose of this study is to identify the effect of website quality dimensions on customer satisfaction in e-commerce context in books industry. Since in Malaysia, there are many website shopping users, the researcher wants to find what factors that give satisfaction to the customers. The website dimensions consist of system quality, information quality and service quality which is researcher want to find out the effect of those concepts to customer satisfaction in online bookstore website.

1.6 Limitation of Study

In this research, there are a few limitations that will be faced. The first limitation is imprecise of data collection. As the sample size of data collection is distributed in Melaka, researcher cannot determine whether the data collection is accurately answered or not by respondents. Another limitation is the data not able to represent the overall e-commerce website users. The data distributed in Melaka which represent all the website e-commerce users in this research.

1.7 Key Assumption

The researcher will assume that all the data that being answer by respondents are honest. Other than that, the researcher assumes the respondents have understanding and knowledge about customer's satisfaction of website quality dimension. Researcher hopes the questionnaire being answered willingly by the respondent and gives researcher good feedback for this research.

1.8 Significant of Study

The findings of this study concentrate on the effect of website quality dimensions on customer satisfaction in the business-to-consumer e-commerce context. There are few categories in website quality dimension which are, system quality, information quality and service quality. All the categories of website quality dimension related to customer satisfaction.

1.9 Summary

The first chapter of this research states the background of study, problem statement, research question, research objectives, scope of study, limitation of study, key assumption and significance of study. The next chapter which is chapter 2 will explain about literature review.

CHAPTER 2

LITERATURE REVIEW

This chapter which is a literature review consists of a few parts. This chapter discusses the literature review on the effect of the website quality dimension in e-commerce towards customer satisfaction. This chapter also includes research model for study.

2.1 Customer Satisfaction

2.1.1 Definition

Kabu & Soniya (2017) defined customer satisfaction as an overall evaluation based on the total purchase and consumption experience with good or service over time.

Customer satisfaction is when the product or service reach customer's demand or expectation (Njei, 2018).

Customer satisfaction is the perception of the customer after using the service in service providers. Specifically, customer satisfaction is the state of mind that customers are happy with the current performance of the services that company

conveys and the customer creates it when comparing the actual services performed and the previous demand or expectation of the customer (Thuy, 2014).

Because of the customer satisfaction definition has been broadly argued as organisation growingly trying to measure it, customer satisfaction can be knowledgeable in variable situations and connected to both products and services (Alotaibi et al., 2018).

2.1.2 Importance of Customer Satisfaction

According to Minh & Huu (2016), for a long-term relationship with customer, the important objective that firms attempt to find is customer satisfaction and it became as the top priority.

Customer satisfaction is very crucial because it is one of the way for getting feedback from customer so that the business can improve their performance (Kabu & Soniya, 2017). Customer satisfaction can depends on several of aspects for example, marketing, production, product quality and others. Despite that, Kabu & Soniya (2017) also stated that the satisfaction of customer depends on various aspects of business such as customer service, quality of products and services, marketing etc. However, features, functions, sales, reliability of the product and support from the customer are most crucial things to meet the customers satisfaction.

Satisfied customers will generate additional profits as they tend to be loyal customers. They will become a regular customer and have high potential to buy new product that company offered. The customers that satisfied with the product and services provided by website can be a loyal customer and have big probability to buy again that will raise e-commerce businesses' sales and profit (Taweerat et al., 2014).

Customer that satisfied will tend to share the benefits and their satisfaction to their mutual. Thorough their personal experiences will be able to attract more new customers to get the products or service. Hague & Hague (2016) also states besides

buying, customers also work as a network that can share experiences to the other potential buyer. So that, it is important for a business to get customer satisfaction for their profit in the business.

Customer satisfaction is an important in determine the success of companies in business world. In competitive business nowadays, satisfaction of customer is fundamental performance of business strategy and for that reason, high satisfaction of customer effect can bring advantages for organization (Kabu & Soniya, 2017).

2.2 E-Commerce

2.2.1 Definition

E-commerce can also define as purchase and selling products and services through Internet which is digitally transaction between organizations and individual is the focus in e-commerce (M. Danish et al., 2014).

Any transaction made through the internet that most frequently involves the transfer of goods, services or information is also the definition of e-commerce. The purchasing and selling of products and services, or the data transmitting, through electronic networks, especially the internet (Iluno & Yakubu, 2017).

Ecommerce is a commerce field with the different networks used, for example, the Internet for e-commerce to provide online sales support operations and customer service (Alotaibi et al., 2018).

2.2.2 E-Commerce in Business-to-Consumer (B2C)

World Wide Web or known as WWW is typically used for a part of the life cycle transaction by modern electronic commerce even though other technologies, for instance, e-mail, may also be used and it specifically defined as making a transaction of business in electronic format (Shahriari et al., 2015).

Electronic commerce or known as e-commerce is a purchase on the Internet of products and services. Many customers use an Internet medium to gain information about the products or services or see the latest products offers beside than go and buy at the physical store. Other than that, it used to determine a broader process of how the Internet transforms the way of business operate, how they engage to their customers and how they think of functions, for instance, marketing. Khan (2016) stated that an e-commerce study purpose is taken to mean doing business electronically.

Buying online which is e-commerce give a meaning that customer mainly interacts with the website as a substitute of the person as the service provider (Mihajlovic, 2017). Alotaibi et al. (2018) analysed that there are many benefits offered by e-commerce; which is for individually and also for the people community and institutions to many Internet access and the website is easy to access via secure electronic payment channels.

E-commerce functioning in how online stores efficient and effective in facilitating shopping, buying and delivery the product and service (Salameh et al., 2015). In view of Ting et al. (2018), this sales channel are broadly used by many companies to compete with their competitors in the e-commerce market. B2C or business to consumer is one of the natures of transactions in e-commerce. Business-to-consumer explained as any transaction that gives products and services to end customers without intermediately. Business-to-consumer can apply in any business that involves the selling of products and services to the customers through Internet medium. The online site consists of information of offered products and services that represent as catalogue through online which the information saved in the database, including bookstores online (Sahal & Mehmet, 2015).