EXAMINING THE EFFECT OF ELECTRONIC SERVICES QUALITY ON LOYALTY OF IRAN CELL CORPORATION CUSTOMERS

Shayan Basir  
*Master of MBA, University of Guilan, Rasht*

Mohammad Doostar  
*Assistant Professor, Faculty of Guilan University, Rasht*

Mohsen Akbari  
*Assistant Professor, Faculty of Guilan University, Rasht*

Abstract

In this study, it was attempted to examine views of potential buyers of Iran cell products and identify the impact of electronic services’ quality on customers’ loyalty based on customers’ comments using a scientific method. The present study aimed to examine the effect of electronic services’ quality on loyalty of customers in Irancell Corporation. This is an applied research, which was performed using a descriptive survey method. Statistical population included all potential customers of Irancell Corporation in Rasht City. The sample size was equal to 150 individual. Research questionnaire was distributed among subjects after determining the sample size. Then, their views were analyzed using statistical concepts. Validity of the questionnaire was confirmed by counselors, instructors and several experts. In this regard, their views were applied to initial questionnaire. Then, the initial questionnaire was amended and approved. Reliability of the questionnaire was calculated using SPSS, which was equal to 0.921. This indicates reliability of the research tool. Finally, the data was analyzed using Amos Software. It was found out that electronic services’ quality is effective on customers’ loyalty in terms of statistical sample. In addition, impact factor was estimated as thirty-seven percent.

**Keywords:** customer’s loyalty, electronic services’ quality, eases of use, reaction time and visual appearance

1- Introduction

Nowadays, the role of customer loyalty is more prominent than before regarding the intensified competition in service sector. Nowadays, marketing is viewed as promoting and paying attention to satisfaction, quality from customer’s perspective, loyalty and effective communication with the customer. As a result, organizations are trying to have loyal customers nowadays. In addition, expanded interpersonal relationships between service providers and customers in service sector increased market share, profitability, returns on investment in service organizations. Nowadays, relationship with customer does not mean that the organization have attracted loyal customers. On the other hand, quality of this relationship should be considered. Quality of relationship with customer depends on customer’s perceptions and assessment of their interactions with personnel as well as personnel’s attitudes in dealing with the customers.
In classical economics, labor, capital and land are considered as three main elements of production and main sources of wealth. However, this model cannot verify how a product with similar efficiency, quality and beauty as other product is sold three times more than the corresponding product. New marketing approaches enlighten this phenomenon by taking into account identity of that brand, which customer has verified. One customer’s preference in selecting a product lies in a valid brand. In many markets, a brand creates a specific identity for a product and links those identities to specific groups of the population. In terms of psychology, such products are not only applicable on surface, but also bring dignity and confidence for the customer. Thus, the customer readily pays a distinct price for that item. Therefore, it can be stated that brand is manifestation of thought, identity, creativity, innovation, skill, credibility, reputation and capability of a company. Thus, organizations should use all their power and creativity to increase credibility of their brand. In the current era, application of such tools as e-commerce like websites is inevitable.

2- Theoretical and Experimental Principles
2-1. E-commerce
E-commerce has changed business activities’ styles. Possibility of commercial operation with the help of Internet and computer networks has led to changes in consumers’ environment and attitudes. Active companies and firms gain information in the field of electronic commerce through analysis of consumers’ attitudes, which may lead to success in the market. Therefore, investigating consumers’ attitudes is considerably important for companies since this issue can help them to accomplish their goals. Companies are forced to perceive appropriately changes in customers’ environment and attitudes in order to survive. As a result, they can adapt with environmental conditions in order to ensure their success.

Given that the number of Internet users is increasing day by day, scholars and researchers pay attention to following issue, which is how the users use this interactive tool. Internet is considered as an effective part of purchasing decisions and actions [12]. This is because nearly 72% of Internet users search online for various items at least once a month [6]. On the other hand, internal factors such as attitudes, habits and perceptions affect buyers’ preferences who purchase online. As a result, positive attitudes of the consumers regarding online shopping can lead to both survival and profitability of Internet retailers in a competitive market [11]. Considering many advantages of electronic commerce, frequent advertisement to use this kind of commerce and taking into account specific cultural, social and infrastructural characteristics of country, it should be investigated whether moving toward application of electronic commerce can cause changes in consumer attitudes, create customer satisfaction and bring profits for the firm or not.

2-2. Electronic Services Quality
Satisfying customers’ service needs is the main service index in retail industry. Vendors are trying to design several standards in order to provide the best kind of services for their customers. However, a gap always exists between customers’ expectations and provided services. The 21th century is an era in which people had experienced economy. The concept that lies behind this statement is that individual affordability and decisions have improved for the sake of economic growth and promoted living standards. Unlike traditional consumption habits, customers not only rely on both price and function of the product, but also take into account the kind of services that is provided for them during the course of purchase nowadays [3].

In other words, vendors should provide these services because an added value of a product can result in high levels of satisfaction and fulfillment of customers’ demands. Customers are willing to buy again and increase their satisfaction after their expected demands were satisfied. In addition, there are various service industries, particularly in similar retail industry such as supermarkets branches, facilities retailers and branches and departmental retailers. When it is not possible to make
a discrimination in a particular market, the vendors can make a distinction between diversity and differences (make a distinction among their items) in each company by providing high quality services such as representing the company and maintaining a deep impression in customers’ minds for the sake of development and enhancement. Therefore, the style used to increase quality of services is improved. Variety of customers is important in customer satisfaction. In addition, those who are the first provider in the first stage are the key factors who influence customers to gain their satisfaction. Providers’ attitudes, behaviors as well as the way they communicate can contribute to customer satisfaction. For this reason, service training for the sake of delivering the best services is considered as the most important issue within the companies, which leads to customer satisfaction and loyalty [1].

2-3- Customer Satisfaction
Customer satisfaction is a positive feeling, which is created after demands and expectations of the customers are met. In other words, customer satisfaction is defined as a desirable limit, which the customer gain based on product specification [3]. Principally, after sales service is one criterion used to measure customer satisfaction. It should be noted that customer satisfaction is a necessary condition but not sufficient one. On the other hand, after this step, the satisfied customer should become a regular customer. Customer or consumer continuity occurs when a customer or consumer maintain a close relationship with the vendor’s company and organization. Customer’s relationship with an organization’s employees is considered as a special case of this relationship [5].

2-4- Customer Loyalty
Ranjbarian and Gholami Crein [9] stated that the main goal of any organization is beyond high levels of product sales. Instead, the main goal of any organization lies in establishment of a permanent relationship between a product and a particular group of customers whose extract is customer’s commitment and loyalty towards the product. Such commitment takes place during a process, which includes getting familiar the customers with product, recognizing the product and product preferences. If this process was successful, customer loyalty to the organization and the organization’s success and failure of other competitors will be ensured [9].

Nowadays, companies with superior performance in various industries are moving toward customer retention and attracting customer loyalty because most markets are in their maturity stage, competition in increasing and costs of attracting new customers has increased sharply. Customer retention and attracting customer loyalty is considered as a vital issue for business continuity. Therefore, companies should also seek different management strategies to improve loyalty of their customer. Nowadays, corporate managers seek to understand their customers’ needs more than ever, so that their customers would not turn to their competitors. As a result, they can better meet their customers’ needs and establish long-term relationships with their customers [8].

3- Problem Statement
Nowadays, business has changed considerably around the world due to advances in information technology. The most important changes can be observed in increasing application of e-commerce in both business and electronic services. Using e-commerce techniques on one hand leads to simplicity of business activities and reducing costs of these economic institutions and on the other hand, it may increase the number of customers and level of customer satisfaction. In this case, companies respond to their customers' expectations in terms of quality of electronic services products; as a result, they provide a desirable level of quality. E-commerce involves several areas including Internet banking, buying and selling at home, buying and selling stocks, conducting tenders and trading, marketing and after-sales service and other services. Various types of e-commerce include body corporate to body corporate (B2B) and body corporate to customer (B2C). Certainly, there are considered as common characteristics between company to company and company to customer e-commerce. The most important characteristics of electronic commerce lie in the fact that the customer establishes a
direct relationship. In fact, the dealer should be eliminated. There is low-level customer loyalty in e-commerce due to great number of competitors. Therefore, attracting and gaining loyalty and satisfaction of the customers as well as retaining the customers are considered as important and difficult issues in e-commerce within the organizations. In addition, measuring quality of electronic services is considerably important since it proves whether those organizations and companies who claim they provide electronic services and are electronicized are truly so or not.

Based on research results in service organizations, service quality is the most important factor in increasing level of customer satisfaction; as a result, it increases customer loyalty. In recent years, a variety of economic institutions from small companies to newly established multinational companies have realized the importance of customer loyalty. They all understood that retaining current customers is more profitable than attracting new customers. As a result, marketing units no longer spend time and money on aimless advertisement; rather, they have focused on the techniques, which help them to maintain customers.

Due to impact of e-service quality on customer loyalty and recognizing that loyalty factors are hallmarks of success an organization [13], it is important to know what factors influence customer loyalty. Environmental changes force businesspersons to focus more on communal-dependent positions [4] rather than traditional marketing and product positioning. According to above-mentioned material, we are looking for an answer to following question: is e-service quality in websites effective on customer loyalty.

4- Research Methodology

This is an applied research regarding the goal. Applied researches are those kind of researches whose developed theories and principles were used in basic researches to solve practical problems [7]. This is a descriptive - survey research regarding the methods. In descriptive study, researchers study how the issue is. In other words, this study analyzed the status quo, described the current situation regularly and systematically, and examined features and attributes of the current situation. If it was necessary, the researcher examined the relationship between variables. On the other hand, it is defined that survey researches are systematic and standardized, which are used to collect information about individuals, families or larger communities. This can be considered as a survey research since individual views within a large population and a questionnaire were used to conduct the study.

In this study, library resources such as books, articles, journals and dissertations were used to collect data. Several meetings were held in which views of professors and experts were used in order to collect more information required to formulate hypotheses and to design the research questionnaire. Finally, the questionnaires were prepared and modified using views of instructors and counselors.

Likert Scale was used to assess the effect of independent variables on dependent ones. In this study, respondents expressed their views on a range of options from very high to very low, which were scored in a five-point Likert scale. Each one of the options in every question was assigned a specific number for statistical analysis. Considering the importance of positive responses for researcher, very low option was assigned number one while low option was assigned number two, medium was assigned number three, high was assigned number four and very high was assigned number five.

In this study, it was attempted to benefit from standard questionnaires used by previous researchers in order to increase validity of the questionnaire. Views of instructors, counselors and several experts were used to determine face validity of the questionnaire as well as ensuring validity of data collection tool (questionnaire). Then, the initial questionnaire was amended and approved. Cronbach's Alpha method (formula (1)) was used to calculate the reliability.
\[ P_{xx'} = \frac{K}{K-1} \left( 1 - \sum \frac{S_k^2}{S_x^2} \right) \]  

(1)

In this formula, K represents the number of tests, \( S_k^2 \) denotes variance of responses of all subjects to K question, \( S_x^2 \) represents variance of sum of scores of every subject to all question [7]. In order to calculate reliability of the questionnaire, 30 questionnaires were distributed among 30 members of statistical population. Then, the completed questionnaires were collected. Then, Cronbach’s alpha was calculated using SPSS, which was obtained as 0.92. This suggests reliability of the research tool.

Statistical population included agencies in Rasht City [in spatial term]. The sample size was estimated as 150 subjects with 95% level of confidence and 8% level of error in this study.

In this study, it was attempted to answer the following question: what factors are affective on e-service quality and loyalty?

In order to answer the research question, seven components were developed in the conceptual model. Several questions were designed for each of these components. Finally, the questionnaire was designed and distributed among members of statistical population. Then, the questionnaires were completed and collected. The findings were analyzed using AMOS Software. Then, final results were obtained.

2-5-  Research Hypotheses

There are a main hypothesis and six secondary hypotheses in this study.

Main hypothesis of the research
1) E-service quality has an impact on customer loyalty.

Secondary research hypotheses
1) Ease of use has an impact on customer loyalty.
2) Data quality has an impact on customer loyalty.
3) Reaction time depends on customer loyalty.
4) Visual appearance has an impact on customer loyalty.
5) Accountability has an impact on customer loyalty.
6) Trust has an impact on customer loyalty.

2-6-  Testing the hypotheses

Final model and research hypotheses were analyzed using Amos Software. Regression estimates of the final model are described in Table 1.

5-  Research Results

The main hypothesis 1: the quality of electronic services has an impact on customer loyalty.
H0: E-service quality has no impact on customer loyalty.
H1: Quality of electronic services has an impact on customer loyalty.

According to Amos Software output regarding the effectiveness of electronic services’ quality on customer loyalty, the level of significance was obtained as 0.039, which is less than 0.05. Then, it can be stated that null hypothesis is rejected, which stated that e-service quality has no impact on customer loyalty. Then, research hypothesis is accepted, which state that e-service quality is effective on customer loyalty. This means that electronic services’ quality is effective on customer loyalty regarding statistical sample. The impact factor was estimated as 37%.

Secondary hypothesis 1: Ease of use has an impact on customer loyalty.
H0: ease of use has no impact on customer loyalty.
H1: Ease of use has an impact on customer loyalty. According to Amos Software output regarding effectiveness of ease of use on customer loyalty, level of significance was obtained as 0.06, which is higher than 0.05. Then, it can be stated that the null hypothesis is accepted, which state that ease of use has no impact on customer loyalty. Then, research hypothesis is rejected, which state that ease of use has an impact on customer loyalty.

Secondary Hypothesis 2: data quality has an impact on customer loyalty. 
H0: data quality has no impact on customer loyalty. 
H1: data quality has an impact on customer loyalty. 
According to Amos Software outputs regarding the impact of data quality on customer loyalty, the level of significance was obtained as 0.002, which is less than 0.05. Then, it can be stated that the null hypothesis is rejected, which state that data quality has an impact on customer loyalty. This means that data quality is effective on customer loyalty regarding statistical sample. Impact factor was estimated as 39%, which is a medium one.

Secondary hypothesis 3: reaction time has an impact on time on customer loyalty. 
H0: reaction time has no impact on customer loyalty. 
H1: reaction time has an impact on customer loyalty. 
According to Amos software output regarding the effectiveness of reaction time on customer loyalty, the level of significance was obtained as 0.07, which is higher than 0.05. Then, it can be stated that the null hypothesis is confirmed, which state that reaction time has no impact on customer loyalty. Then, the research hypothesis is rejected, which state that reaction time has an impact on customer loyalty.

Secondary Hypothesis 4: The visual appearance has an impact on customer loyalty. 
H0: the visual appearance has no impact on customer loyalty. 
H1: the visual appearance has an impact on customer loyalty. 
According to Amos Software output regarding the effectiveness of visual appearance on customer loyalty, the level of significance was obtained as 0.75, which is higher than 0.05. Then, it can be stated that the null hypothesis is confirmed, which state that visual appearance has no effect on customer loyalty. Then, the research hypothesis is rejected, which state that visual appearance has impact on customer loyalty.

Secondary Hypothesis 5: Accountability has an impact on customer loyalty. 
H0: accountability has no impact on customer loyalty. 
H1: accountability has an impact on customer loyalty. 
According to Amos Software output regarding the effectiveness of accountability on customer loyalty, the level of significance was obtained as 0.91, which is higher than 0.05. Then, it can be stated that the null hypothesis is confirmed, which state that accountability has no impact on customer loyalty. Then, the research hypothesis is rejected, which state that accountability has an impact on customer loyalty.

Secondary Hypothesis 6: trust has an impact on customer loyalty. 
H0: trust has no impact on customer loyalty. 
H1: trust has an impact on customer loyalty. 
According to Amos Software output regarding effectiveness of trust on customer loyalty, the level of significance was obtained as 0.004, which is less than 0.05. Then, the null hypothesis is rejected, which state that trust is effective on loyalty of customers. Then, the research hypothesis is confirmed, which state that trust is effective on customer loyalty. This means that trust is effective
on customer loyalty regarding statistical sample. The impact factor was estimated as 34 percent, which is a medium one.

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<tr>
<th>Table 1. regression estimates off final research model</th>
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<tr>
<td><strong>Non-standard estimate</strong></td>
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<td>Trust → loyalty</td>
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<td>Accountability → loyalty</td>
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<td>Visual appearance → loyalty</td>
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<td>Reaction time → loyalty</td>
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<td>Data quality → loyalty</td>
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<td>Ease of use → loyalty</td>
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Acknowledgments

I would like to express my very great appreciation to Dr. Mohammad Doostar and Dr. Mohsen Akbari for their valuable and constructive suggestions during the planning and development of this research work. Their willingness to give their time so generously has been very much appreciated.