The impact of website quality on customer satisfaction and purchase intentions: Evidence from Chinese online visitors

Billy Bai\textsuperscript{a,}\textsuperscript{*}, Rob Law\textsuperscript{b}, Ivan Wen\textsuperscript{c}

\textsuperscript{a}William F. Harrah College of Hotel Administration, University of Nevada Las Vegas, 4505 Maryland Parkway, Box 456023, Las Vegas, NV 89154, USA
\textsuperscript{b}School of Hotel and Tourism Management, Hong Kong Polytechnic University, Hung Hom, Kowloon, Hong Kong SAR, China
\textsuperscript{c}School of Travel Industry Management, University of Hawaii at Manoa, 2560 Campus Road, George Hall, Honolulu, HI 96822, USA

Abstract

With the increasing popularity of online shopping and being the most populated country in the world, China is one of the major online markets now and is likely to become the largest market in the future. In the academic literature, website quality has generally been recognized as a critical step to drive business online. As such, numerous studies have been devoted to website quality and evaluations. Research efforts are, however, in need of understanding the use of websites in regards to online customers’ behavior, especially Chinese customers. This study developed and empirically tested a conceptual model of the impact of website quality on customer satisfaction and purchase intentions. Results indicated that website quality has a direct and positive impact on customer satisfaction, and that customer satisfaction has a direct and positive impact on purchase intentions. While the influence of website quality on purchase intentions exists, customer satisfaction does significantly mediate this effect. Drawing on the empirical findings, managerial implications and recommendations for future research are offered.

Keywords: Chinese online visitors; Customer satisfaction; Purchase intentions; Website quality

1. Introduction

At present, online purchases of travel-related products through web channels have experienced an unprecedented growth rate. Research by PhoCusWright anticipates that for the first time online travel bookings will comprise over half of all travel transactions in the United States in 2007 (Verikios, 2006). In order to capture this lucrative online business, hospitality and tourism managers have been, and will continue, enhancing their competitive advantages by focusing their resources on the virtual business environment.

In Mainland China (hereafter known as China), the development of e-commerce has great potential. It has been reported that there are 94 million Chinese online users, and this number will reach 140 million by 2007 (jResearch Inc., 2005). Richardson (2005) stated that China would become the world’s biggest online market in the next few years. Still, the increasing growth of online consumer purchases offers both challenges and opportunities for hospitality and tourism businesses. It is essential to provide well-perceived service quality, satisfy their customers, and build loyalty for long-term customer value in the virtual environment. Various studies have been devoted to the importance of service quality, customer satisfaction, and customer experience in the virtual environment (Al-Hawari and Ward, 2006; Parasuraman et al., 2005; Wolfinbarger and Gilly, 2003). However, as Fassnacht and Koese (2006) pointed out, substantial empirical research endeavors are needed for electronic services in terms of the positive impact of online service quality on other constructs including customer satisfaction and loyalty. This is certainly the case toward a full understanding of how website quality, customer satisfaction, and purchase intentions interact with each other in the hospitality and tourism fields. Prior studies in this area are especially scarce, particularly in regards to China, the most populated country in the world and with a promising growth in the field. This study attempted
to fill the void by developing a structural equation model to examine the interrelationships of website quality, customer satisfaction, and purchase intentions with Chinese online users.

2. Literature review

2.1. Website quality

2.1.1. Online store

Traditionally, the common definitions of a physical retail store image are based on consumer perceptions of various store characteristics (Arons, 1961; Kukel and Berry, 1968; Lindquist, 1974). Evidently, store image is an important input in the consumer decision-making process (Nevin and Houston, 1980). Nevin and Houston (1980) suggested, “Image, especially the assortment dimension, was found to exhibit a strong influence on consumers’ levels of liking for a shopping area” (p. 91). Also, store image encompasses various characteristics. These characteristics include physical environment of the store, service level, and merchandise quality (Baker et al., 1994; Zimmer and Golden, 1988).

In an e-commerce environment, the characteristics of a virtual store (e-commerce system) image are quite different from that of a physical retail store (Jahng et al., 2000).

According to Jahng et al. (2000), an e-commerce system is a one kind of information system. Recently, a number of studies have addressed the design of web-based e-commerce application systems and identified many different design features. For instance, Liu et al. (2000) identified some key design factors of e-commerce websites. These key design factors consist of information quality, service quality, playfulness, system design quality, and system use. In their study, Liu et al. (2000) found that a well-designed website would lead to better customer recall and recognition and a favorable attitude toward the site and its products.

Basically, the design of a website store is related to both information system and marketing. For this reason, the relevant literature from both areas is applicable for a research framework in this study. Liu et al. (2000) concluded that a well-designed e-commerce site is positively related to factors such as information quality, learning capability, playfulness, system use, and service quality.

As cited in DeLone and McLean (1992), the efforts by Shannon and Weaver (1949) and Mason (1978) proposed six distinct categories or aspects of information system, including system quality, information quality, use, user satisfaction, individual impact, and organizational impact. The focuses of this current research were on technical factors that could affect consumers’ satisfaction. Some scholars argued that it is necessary to evaluate the effectiveness of e-commerce website design from the consumer’s perspective (Kim and Lim, 2001; Liu et al., 2000). Based on their research, system quality and information quality played an important role in consumers’ satisfaction with Internet shopping. Therefore, these two factors will be discussed in the following section.

2.1.2. System quality

In evaluating the contribution of information systems to the organization, Kriebel and Raviv (1980) focused on the process itself, which is a productivity model for computer systems. On the other hand, other authors developed multiple measures of system quality. For instance, Swanson (1974) used several items to measure MIS appreciation among users. Basically, the items in his study included reliability of the computer system, online response time, ease of terminal use, and a few other factors. Similarly, Emery (1971) suggested that several system characteristics should be considered in the measure of system quality. These system characteristics include the content of the database, aggregation of details, human factors, response time, and system accuracy. Additionally, Hamilton and Chervany (1981) suggested that data currency, response time, turnaround time, data accuracy, reliability, completeness, system flexibility, and ease of use as part of a “formative evaluation” scheme to measure system quality.

2.1.3. Information quality

In the past, various studies have employed different measures of success for information systems. Those measures include user satisfaction (Amoako and White, 1993; Ives et al., 1983; Raymond, 1985), business profitability (Barua et al., 1995; Mukhopadhyay et al., 1995), improved decision quality and performance (Martin, 1982; Pearson and Shim, 1994; Rivard and Kaiser, 1989; Wilson, 1998), perceived benefits of information systems (Davis, 1989; DeLone and McLean, 1992; King and Teo, 1996; Purvis and Sambamurthy, 1997), and level of system usage (DeLone, 1988). All these studies emphasized the important point of information quality.

User information satisfaction (UIS) is one evaluation mechanism. According to Ives et al. (1983), UIS is defined as the extent to which users believe the information system that is available to them can meet their information requirements. In fact, UIS provides a useful measure of an information system. By applying the behavioral theory of the firm, Cyert and March (1963) proposed the concept of UIS. In relation to UIS, Cyert and March suggested that an information system, which meets the needs of its users, will reinforce satisfaction with that system. In contrast, if the system does not provide the needed information, its users will be dissatisfied and subsequently look somewhere else for information needs.

Although some researchers would like to evaluate the effectiveness of an information system based on its degree of use in decision making and the resulting productivity benefits, this approach does not seem feasible (Nolan and Seward, 1974). Ives et al. (1983) suggested that the “satisfaction of users with their information systems is a potentially measurable, and generally acceptable, surrogate for utility in decision making” (p. 785).
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