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Attribute Perceptions, Customer Satisfaction and Intention to Recommend E-Services☆

Adam Finn [a,*], Luming Wang [a] & Tema Frank [b]

[a] University of Alberta School of Business, Edmonton, Alberta, Canada T6G 2R6
[b] Web Mystery Shoppers International Inc., Canada

Abstract

Academic research has focused on the quality perceptions that drive customer satisfaction as the key to achieving e-service success. This paper develops a process-based model that relates perceptions of managerially actionable site characteristics to online satisfaction, which mediates the effects of site characteristics on intention to recommend e-services. A unique data set provided by Web Mystery Shoppers International Inc. (webmysteryshoppers.com), a market research supplier, enables the model to be refined using data from samples of responses to each of the competitive websites for one financial service, and then to be tested using similar data for another financial e-service and then for a travel e-service. The model, which accounts for most of the variance in online satisfaction and online intention to recommend in the fitted data, is largely confirmed on cross validation. Process evaluations and satisfaction mediate the effects of actionable website characteristics on intention to recommend e-services.

Keywords: E-services; Web interaction cycle; Intention to recommend; Online customer satisfaction; System disconfirmation; Offering disconfirmation; Website attribute perceptions; Online mystery shopping

Introduction

Companies have long viewed creating customer satisfaction as an important goal. Satisfaction is seen as the major determinant of subsequent loyalty, with positive consequences for company performance. The literature substantiates the positive effect of customer satisfaction on desirable outcomes. At the customer level it is positively related to various aspects of customer loyalty (Anderson and Sullivan 1993; Szymanski and Henard 2001; Fassnacht and Köse 2007; Blattberg, Malthouse and Neslin 2009), including behavioral intentions (e.g., Mittal and Kamakura 2001; Mittal, Kumar and Tsiros 1999), repeat purchase (Szymanski and Henard 2001), customer retention (Bolton 1998; Jamal and Bucklin 2006) and share of wallet (Cooil et al. 2007). At the firm level, customer satisfaction is related to profitability (Anderson, Fornell and Lehmann 1994; Bernhardt, Donthu and Kennett 2000), long-term financial performance (Mittal et al. 2005), and shareholder value, through its effects on future cash flows (Anderson, Fornell and Mazvancheryl 2004) that include increased growth and reduced variability (Gruca and Rego 2005).

Customer satisfaction is also an antecedent of positive word of mouth or recommendation (De Matos and Rossi 2008; Swan and Oliver 1989; Zeithaml, Berry and Parasuraman 1996). Consumers often turn to others for a recommendation when they are thinking of purchasing (Punj and Staelin 1983). Word of mouth has been described as a dominant force in the marketplace (Mangold, Miller and Brockway 1999) and the ultimate test of the relationship with a customer (Bendapudi and Berry 1997). Satisfied customers can create a viral effect if they recommend a company to their friends, families, and colleagues (Reichheld 2003).

The Internet is magnifying the availability and importance of word of mouth in the marketplace (Zinkhan et al. 2003; Dwyer 2007; Brown, Broderick and Lee 2007; Dellarocas, Zhang and Awad 2007; Sen and Lerman 2007). Online shoppers view

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* Corresponding author. 3-23, University of Alberta School of Business, Edmonton, Alberta, Canada T6G 2R6.
E-mail address: adam.finn@ualberta.ca (A. Finn).

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eWOM information as more credible, relevant and emphatic than corporate website information (Bickert and Schindler 2001). Dye (2000) attributes much of the success of companies such as Amazon, Google, and Hotmail to word of mouth. Thus Internet companies need to understand how to manage all the stages of the web interaction cycle (Messinger 2002; Farris 2003) to maximize customer satisfaction and encourage recommendation. Although customer satisfaction has been heavily researched in an e-service context, as discussed below, willingness to recommend has received less attention. Understanding the specific factors that influence how consumers interact with an e-service to produce consumer satisfaction and how they relate to willingness to recommend it is of great importance for web site design and management.

The purpose of this research is to develop and test a model that relates actionable site characteristics to intention to recommend e-services, while accounting for the stages in the web interaction cycle and the mediating role of online customer satisfaction. The model in which process evaluations and satisfaction mediate the effects of site characteristics accounts for most of the variation in online satisfaction and intention to recommend in an initial online bank dataset. The model is largely confirmed on datasets for another financial e-service, credit cards, and for a travel e-service, airline tickets.

Theoretical perspective

Online customer satisfaction

Academic research has typically portrayed the evaluation of customer satisfaction as disconfirmation of expectations (see Oliver 1997 for a full review). In the multi-attribute model of customer satisfaction (Oliver 1997, Ch.2–4; Mittal, Ross and Baldasare 1998), a consumer compares the perceived performance on an attribute with a pre-consumption standard or expectation, formed from prior purchase experience and external information. Overall satisfaction is a function of the extent of the multiple attribute disconfirmations, and mediates their effects on behavioral intentions. The determinants of online consumer satisfaction could be different from those for offline consumer satisfaction (Shankar, Smith and Rangaswarmy 2003), as the online consumer is both a shopper and a computer user (Koufaris 2002). Consumers cannot use all five senses to make online purchase decisions; instead, they are confronted by limited representations such as photographs and text descriptions. Therefore, online decisions are also responsive to well designed web pages and powerful web features, such as recommender systems and one-click checkouts (Koufaris 2002).

The dual identity of the online consumer as a traditional shopper and a computer user means that attracting and retaining customers not only depends on marketing appeal, but also on the technical support provided (Straub and Watson 2001). The online customer not only has expectations about the marketing mix (e.g., prices, product assortment), but also has expectations about system issues, such as loading speed. To fully understand online customer satisfaction, we need to look at consumers' interaction with the web site both as a store and as a system interface.

Determinants of online service customer satisfaction

The empirical literature on e-service satisfaction has focused on two questions. First, along what dimensions do customers evaluate an e-service organization? Second, what are the relationships between quality of performance on those dimensions and measures of overall service performance, such as customer satisfaction?

The work on what dimensions are evaluated has generally followed the precedent that SERVQUAL (Parasuraman, Berry and Zeithaml 1988) established for expectations and/or perceptions of service quality (Rowley 2006). Scales such as SITEQUAL (Yoo and Donthu 2001), eTailQ (Wolfinbarger and Gilly 2003) and E-S-QUAL (Parasuraman, Zeithaml and Malhotra 2005) follow the classical test theory approach to scale development (Churchill 1979; Gerbing and Anderson 1988) and treat individual items as reflective of quality dimensions that are identified using exploratory factor analysis. Rowley (2006, Table II) shows the considerable variability in the dimensions identified in 29 such e-service studies published between 1996 and 2006. In order of frequency of appearance, the e-service dimensions identified are site features (used as an umbrella term for such descriptors as site aesthetics, ease of use, ease of navigation, appearance, design, intuitiveness, visual appeal, ease of ordering, structure, and interaction and sensation, which are reported in 25 sources), security (24), responsiveness (15), reliability (13), accessibility (13), information (10), communication (8), delivery (7), personalization (7), customer support (5), and other (18).

Numerous researchers have investigated the contribution such quality dimensions make to measures of overall service performance (Bolton and Drew 1991; Bolton and Saxena-Iyer 2009). Table 1 summarizes the results reported in 17 articles that used a general measure of customer satisfaction as their measure of overall service performance. Most of these studies regress customer satisfaction ratings for a service on customer perceptions of a set of e-service quality dimensions.

The dimensions that were significantly related to customer satisfaction the majority of times they were investigated are reliability (6/7), navigation (5/6), information (12/15), responsiveness (4/5), site design (5/7), customer support (5/7), ease of use (7/10) and security (6/11). These studies rely on retrospective reports, asking about the website experience at the conclusion of the interaction cycle (or sometimes even later). For example, Szymanski and Hise (2000) and Evanschitzky et al. (2004) recruited respondents who reported on their cumulative online experience, and Wolfinbarger and Gilly (2003) used data collected from respondents who had received a physical product purchased from an online store. As a result, these studies have several limitations.

First, there is no recognition of the extended service experience and the multiple stages in the web interaction cycle (Messinger 2002). As a result, the models only consider direct effects on final customer satisfaction, not differential effects at different stages of the interaction with the website. Nor do they consider whether customer satisfaction fully mediates the effects of the quality dimensions on future intentions.