

THE EFFECT OF WEBSITE QUALITY ON REPURCHASE INTENTION IN TRAVEL AGENCY'S WEBSITE IN MALAYSIA.

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Abstract

In the current competitive digital economy, repurchase intention has emerged as a much coveted element among online retailers. The website quality is believed to have an impact on repurchase intention. This study aims to examine the relationship between service qualities; information quality and security quality on repurchase intention. This study covers a quantitative research study. The target respondents of this study are Malaysian consumers who experienced purchasing through travel agency's website. In this research, the lowest respondents from the individual Internet consumers are not predicted to be less than 400. The data collection is carried out through an email questionnaire. Considering the nature of the study, the complexity of the research model and the relatively small size, analysis of Moment Structure (AMOS) is selected as the statistical tool to analyse the quantitative data. Theoretically, this study supported the contentions forwarded by the Technology Acceptance Model (TAM) and the Social Capital Theory (SCT) as well as S-D Logic Theory while expanding the central theme underlying most intention-based theories. As a note to research scholars, future research endeavours can perhaps extend this model to include non-commercial websites, covering a wider geographical region and various consumer cohorts while exploring web syndication, a spin-off from the repurchase-loyalty concept.

Keywords: Repurchase intention, quantitative research, Technology acceptance Model, Social capital Theory.

1. Introduction

The Internet has become a crucial business platform which is commonly known as e-commerce for trading, distributing, selling and promoting products or services between marketers, among marketers and consumers. Basically, e-commerce is a term for any type of business or commercial transaction that involves the transfer of information across the Internet. According to Van Vliet and Pota (2000/2001) e-commerce is defined as transacting the marketing, purchasing and selling of products or services and/or information through electronic means, such as the Internet and other computer networks.

The movement from Web 1.0's static, structured Internet services to more dynamic, flexible, user and/or community involving services under Web 2.0 have led to the development and evolution of web-based communities, hosted services and applications such as social networking sites, blog, and wikis (Morphy, 2007). Other ways of utilizing the novel tools of Web 2.0 to reach out to consumers include creating a company profile on social networking sites, uploading pictures, developing a company-controlled community or even engaging customers through collaborative efforts to conceive new product offerings and advertisement campaigns (Hoffman, 2009).

Currently, many web users have embraced Web 2.0 and its new applications. The term Web 2.0 was coined by O'Reilly (2005) which refers to the allowance of people to generate and control content and collaborate, as well as share information online in perceived new ways

for example social media's communication tools. Social media is the biggest change since the industrial revolution and it has now become the centre of many marketing strategies. According to Smith and Zook(2011) social media is not just a marketing tool, but rather it is effectively a new way of running a business through the internet where customers have started to accept this new phenomenon. More importantly, social media focuses on thinking the relationships and not just sales or transactional marketing. This, as a result, nurtures relationships, which is in the essence of good marketing in developing and strengthening relationships.

The Internet has fundamentally reshaped the way tourism related information is distributed and the way people plan for and consume travel (Buhalis & Law, 2008). In recent years, two "mega trends" have noticeably emerged on the Internet, underscoring changes that can significantly impact the tourism system. Social media represents various forms of consumer-generated content such as social networks, collaborations, wikis, blogs and even virtual communities have gained substantial popularity in online travellers' use of the Internet (Gretzel, 2006; Pan, MacLaurin & Crofts, 2007). Many of these social media websites assist consumers in posting and sharing their travel-related comments, opinions, suggestions and personal experiences which then serve as information for others. This supports the argument by Thomas Friedman (2006) who posits that "the world is flat" with consumers gaining substantially more power in determining the production and spreading of information due to the flattening of access on the Internet. At the same time, the web 2.0 also increasingly mediates tourism experiences as tourists use these social media sites to portray, reconstruct and relive their trips (Pudliner, 2007; Tussyadiah & Fesenmaier, 2009). Thus, due to the huge amount of information available, browsing has become an increasingly dominant mode of travellers' use of the Internet.

2. Literature Review

Repurchase Intention

Repurchase intention can be defined as an individual's willingness to make another purchase from the same company, based on his/her previous experiences (Hellier et al., 2003). It has been proved from the previous studies which supported that the primary factors of repurchase intention have been generated from the link between satisfaction and ultimately loyalty (Oliver, 1980). Therefore, one of the reasons why repurchase intention is crucial in online shopping is due to economically more advantages towards the marketer than constantly seeking new customers to purchase (Reichheld & Sasser, 1990; Sheth & Parvitiyar, 1995). In conclusion, the studies on repurchase intention, primarily in offline context, have been largely demonstrated and are mainly highlighted with regards to satisfaction, loyalty and also repurchase intention elements. For this reason, this study focused on the repurchase intention in an online context.

Online repurchase intentions represent the customer's self-reported likelihood of engaging in further repurchase behaviour (Seiders et al., 2005). Consequently, online shopping consumers will depend heavily on experience quality in which the experience quality can be obtained only through prior purchase experience. In the online shopping environment, consumers evaluate their online repurchase intention in terms of perceptions regarding product information, form of payment, delivery terms, service offered, risk involved, privacy, security, personalization, visual appeal, navigation, entertainment and enjoyment (Burke, 2002; Parasuraman & Zinkhan, 2002; Mathwick et al., 2001).

Website Quality

Website quality can greatly impact website usage (Montoya-Weiss, Voss & Grewal, 2003). In e-commerce, the website plays an important role in attracting, sustaining and retaining the

interest of a consumer at a site (Ranganathan & Ganapathy, 2002). It is believed that consumers are more likely to visit; purchase and repurchase from better designed online stores (Liang & Lai, 2002). There are some researchers who have devised measurements for the website quality of retailing websites. The eTailQ (e-retailing quality) scale established by Wolfinbarger and Gilly (2003) includes four major factors, namely website design, fulfilment, privacy and customer service. The eSQ (electronic service quality) scale developed by Zeithaml, Parasuraman and Malhotra (2000) developed eleven dimensions of service quality by using focus group interviews of consumers. They are access, ease of navigation, efficiency, flexibility, reliability, personalization, security, responsiveness, assurance/trust, site aesthetics, and price knowledge. SITEQUAL (site quality), the work of Yoo and Donthu (2001), has four dimensions which are ease of use, aesthetic design, processing speed and security. In order to showcase a more systematic presentation of all the features, pertinent to successful website quality, Lin (2007) classified all the features in three main categories which are system quality (comprising website design and interactivity), information quality (comprising informative information and security) and service quality (comprising responsiveness, trust and empathy).

Dimensions of Website Quality

In the context of B2C e-commerce, the website features of online retailers can be categorized into three marketing stages, namely presales, online sales and after sales (Liu & Arnett, 2000). The presales stage includes the online retailer's efforts to attract customers by providing product and price-related information to reduce customers' search cost. Customer electronic purchasing activities occur during the online sales stage, in which orders are placed and payments are made electronically. The after-sales stage comprises customer service, delivery and problem solutions. These stages should generate or foster customer satisfaction and repurchase intention if the various needs and expectations of customers are met.

Most studies have either adopted a technical or customer-oriented perspective in attempting to identify the key features of online shopping environment. An Information System (IS)-oriented view assumes that the determinants of customer acceptance are based on system's features such as website usability, accurate information and transaction security (Janda et al., 2002; Palmer, 2002; Park & Kim, 2003). The services marketing-oriented view argues that to attract and retain customers, online retailers need to have a clear knowledge of what online customers expect for service quality (Long & McMellon, 2004). Moreover, Jarvenpaa & Todd (1997) identified that the success of virtual stores is determined by both a technology-centred view and consumer-centred view. The technical components of online retailing are system quality and information quality, while customer support is a product of service quality. Similarly, DeLone and McLean (2003) introduced the e-commerce success model which includes system quality, information quality and service quality as antecedents of website effectiveness. Despite identifying various attributes of website quality in the online shopping context, the above studies asserted that website quality is a multi-dimensional construct comprising of system quality, information quality and service quality. However, for the purpose of this study, website quality will be measured on four dimensions, namely system quality, information quality, service quality and security quality.

System Quality

System quality represents the quality of the information system processing itself, which includes software and data components, and it is a measure of the extent to which the system is technically sound. Seddon (1997) notes that "system quality is concerned with whether there are bugs in the system, the consistency of user interface, ease of use, quality of documentation and sometimes, quality and maintainability of program code (p. 246).

According to DeLone and McLean, (2003), system quality is measured by attributes such as ease of use, functionality, reliability, data quality, flexibility and integration.

Moreover, system quality, in terms of web-based, identifies the desired characteristics for an online retailer. Website design, access convenience, ease of use and reliability are examples of qualities valued by online customers (DeLone & McLean, 2003; Bharati&Chaudhury, 2004). User manipulation and utilization of the information provided through a website is significantly influenced by levels of interactivity (Palmer, 2002). The features of a website interface are an attractive medium for the interaction between an online retailer and its customers (Hoffman & Novak, 1997). Moreover, customers should be provided with a feedback mechanism through an email link or frequently ask-questions (FAQ) section for product-related information.

Information Quality

Information quality is a construct that has been measured in various ways over the past three decades and is considered a critical construct in determining information system success (DeLone & McLean, 1992). According to Doll and Torkzadeh(1988), information quality can be defined as the degree to which the user believes that the information at the website possesses the attributes of content, accuracy, format (Rai et al., 2002) and timeliness. Palmer (2002) revealed that high information quality is positively associated with website success. In the e-commerce context, consumers are not fully informed about the quality of products and services offered at a website. As such, consumers seek information that allows them to distinguish a seller of high quality goods and services from a seller of low-quality goods or services (Boulding & Kirmani, 1993). As there can be several websites offering information about similar products and services, what may draw users to a particular website to make purchases are the attributes of the information provided by the website (Raganathan & Ganapathy, 2002).

Service Quality

Service quality has been defined as the degree of discrepancy between customers' normative expectations for service and their perceptions of service performance. The seminal work on service quality is that of Parasuraman et al. (1988), which culminated in the development of the SERVQUAL instrument. In the online shopping environment, service quality can be described as overall customer evaluation and judgements regarding the quality of online service delivery (Santos, 2003). Moreover, Zeithaml et al. (2002) defined e-service quality as the extent to which a website facilitates efficient and effective shopping, purchasing and product delivery. Service quality is increasingly recognized as playing an important role in influencing the purchase intentions of online customers.

There is another view with regards to the definition of service quality from Palmer (2002) which revealed that service quality is the degree to which the user believes the website is responsive and interactive. Vassilopoulou et al. (2001) mentioned that service quality is clear about security and policies, and effective in its search and comparison capabilities. Customer service on the web can take many forms, such as answering customer enquiries and providing search and comparison capabilities (Koufaris et al., 2001; Vassilopoulou et al., 2001). Tools that enhance customer service include personalized web pages, listings of frequently asked questions and web-based helpdesks. These tools may be classified under the service categories of interactivity and responsiveness. Interactivity includes the ability to customize the look, feel and content of the site, as well as the provision for interaction with the user (Palmer, 2002).

Security Quality

Security quality can be defined as quality of services that ensures “freedom from danger, risk or doubt” (Parasuraman, Zeithaml & Berry, 1985, pp.47-48). However, plenty of previous researches have been focused on assurance on the perspective of security as well as privacy. Security and privacy are serious concerns in e-service customers (Rust & Kannan, 2002). Security concerns the risk of third parties obtaining critical information about the customer (e.g. access to credit card or bank account details), whereas privacy relates to the concern on the potential misuse of personal information by marketers (Milne & Rohm, 2000). Privacy exists when customers can restrict the use of personal information.

The Relationship between Website Quality and Repurchase Intention

a) System Quality and Repurchase Intention

On the Internet, the online retailer is ‘faceless’. Hence, the website itself is a representation of the retailer with the website’s interface serving as the online storefront upon which first impressions are formed. Consumers are known to be fickle in their online allegiances and loyalties, thus, the probability of that website being able to continue to attract the same group of consumers if its interface is unsatisfactory is remote indeed (Heba, 2007). Should consumers perceive the website’s interface to be of high quality, they will more likely develop high trust beliefs towards the website that lead to a willingness to return to the website for subsequent visits. Some studies have identified system design quality and interactivity between the customer and online marketer as leading to a website’s success (Liu & Arnett, 2000; Udo & Marquis, 2002). Similarly, this study expected that an increase in system quality would increase customer satisfaction and repurchase intention levels in the context of customer-to-customer (CCI) e-commerce. Hence, the following hypothesis is proposed:

H1: System quality has a direct positive influence on repurchase intention.

b) Information Quality and Repurchase Intention

Information quality is likely to help customers compare products, make informed purchases and enhance transaction security (Liu & Arnett, 2000; Park & Kim, 2003). The informational components present in the website must succeed in projecting a sense of trustworthiness in the site. Cyr (2008) has empirically proven that information design generates retain customers of the online portals. This is because the gist of the website represents the source of the information which comprises of companies, organizations, service providers etc. advocating their products, ideas or propositions. In addition, customer relationship aspects specifically the company’s competence, security, privacy, financial and legal concerns would also be typically incorporated into the website, along with seals of approval or third-party certificates (Cheskin Studio & Archetype/Sapient, 1999; Nielsen, 2000; Shneiderman, 2000; Egger, 2001). This study expected that improved information quality would lead to high levels of online repurchase intention. Thus, the following hypothesis is proposed:

H2: Information quality has a direct positive influence on repurchase intention.

c) Service Quality and Repurchase Intention

Based on the customers’ choices and actions, online marketers providing real-time services and personalized information to customers may become a source of competitive advantage to gain customer’s repeats visits and repurchase (Luo & Seyedian, 2003). Additionally, trust is defined as a customer’s willingness to accept vulnerability in an online transaction based on their positive expectations, regarding future online marketer behaviours (Kimery & McCard, 2002), because customers rely on trust as primary mechanism to reduce

transaction uncertainty. Consequently, increased service quality on the website can make online marketers more affective and appealing, as well as helping online marketers achieve higher levels of repurchase intention (Gronroos et al., 2000). The following hypothesis proposed.

H3: Service quality has a direct positive influence on repurchase intention.

d) Security Quality and Repurchase Intention

Security quality often constitutes the purchase experience of customers with an online retailer, as well as their expectations of it (Parasuraman et al., 1985), which cannot be evaluated easily until the transaction is experienced. The relationship marketing literature emphasizes the importance of purchase experience for retaining existing customers over acquiring customers (e.g. Ganesan, 1994; Doney & Cannon, 1997). Rogers and Peppers (1997) advocated that learning relationships in which web technology is used to maintain records of customer preferences and taste can enhance customer convenience. For example, personalization, transaction history, recommendations and customized search can benefit the customer in various ways. Hence, the following hypothesis proposed:

H4: Security quality has a direct positive influence on repurchase intention.

3. Methodology

In terms of the method, a single method using a quantitative online survey is chosen for data collection. The empirical study is conducted in the context of the travel agency's website. Population sampling frame refers to online users who participate in online communities in the travel agency's website. Pilot study is conducted in the measurement and survey development process which enhances validity and reliability. Finally, the collected data is used to generate methodical items that supports the model and measures the relationship between constructs within theoretical framework, using Structural Equation Modelling.

Conclusion

As with any other offline businesses, e-marketers also seek ways to get customers to remain to their websites. The ability to keep and retain consumers at the site is an essential factor of online websites (Mummalaneni, 2005). However, generating consumer retention online can, at times, prove to be more challenging because of the lack of face-to-face interactions.

The current diffusion of the Internet in western countries is far removed from the context which shaped studied in the 1990s. Consequently, academic research must constantly be adapted to its existing level of development and acceptance. In contrast to the majority of research on this subject, the current study considers the current development of the online environment and the experiences acquired by consumers with the online shopping channel attenuate or nullify the crucial of their socioeconomics characteristics as exploratory behaviour of their behaviour. Therefore, one main conclusion of this study is that socioeconomics variables, traditionally considered being important, have ceased to be discriminating. The experience acquired by consumers during the online purchasing process causes their behaviour to evolve and initially significant variables cease to be so when it comes to making repurchasing decisions. Thus, when defining target markets, e-marketers must turn their attention away from socioeconomics variables and focus on other behavioural factors. For the e-marketers, particularly for the travel agency's websites, they need to understand that repurchase intention is crucial because the more frequent one visits a site, or the longer one lingers around in a site, the higher the eventuality of one transacting with the website. Gaining consumers' website stickiness and retain on purchase again in this current era can be implemented by inculcating sharing experience among consumers.

In conclusion, e-marketers must simply do a better job of designing their websites to hold consumer interest (Mummalaneni, 2005). It is pertinent that both e-marketers, specifically the travel agency's websites, keep themselves informed of the latest technological progress within the web environment and they should aspire to survive and achieve e-commerce success. Due to changes in web technology also, websites are no longer static but have dynamic personalities that appeal to consumers. This study serves as a testimony to that and also stands as a reminder that sharing experience is a fundamental ingredient that determines consumers' repurchase intention to a website, beginning from their very first encounters with the quality of the website.

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