

# Investigating and Comprehending the Value of Effective E-WOM for Improving E-retailer Services in India

Shantanu Kumar Sahu

Department of Business Studies, Hindustan Institute of Management and Computer Studies, Farah, Mathura, Uttar Pradesh, India.

## ABSTRACT

This study aims to comprehend and explore the beneficial electronic word-of-mouth (E-WOM) for enhancing e-retailer services in India. It looks into the elements that affect consumers' e-women and e-satisfaction with online store services. One aspect of e-wom that distinguishes it from conventional marketing communication is the mechanism for the positive feedback. This study investigates why e-wom will be a strategic choice for Indian e-retailers by looking at current research on the service quality construct and e-satisfaction. With the positive benefits of e-women in mind, this research will help marketers devise a plan to enhance the services offered by online merchants. The insights can help online retailers and other marketers grow their companies.

**Keywords:** E-wom, E-satisfaction, E-retailers, E-service.

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## INTRODUCTION

The major component of marketing is retailing, where the marketer meets the unique consumer who exchanges an incentive for the product and so supports the existence of the firm itself. Retailing is a straightforward industry with low startup costs and minimal infrastructure requirements. The fifth-largest retail market in the world is in India, which comprises both organized and unorganized sectors. The Indian retail sector is promising, and competition is now growing. Competition for a unified retail space comes from all-encompassing keep assortments, deep discounters, numerous types of retail spaces, and non-store providers. This fundamental task is to figure out how to steer business away from this constantly competitive environment while undercutting opposition and preserving one's base of loyal customers. Present day purchasers are smart enough on various parameters such as education status, offer significance to value for money, human sympathies, extra perceiving, and substantially more. Consequently, retailing is normally a significant promotion with developing importance to marketers and consumers.

Besides e-service quality, customer satisfaction is a pivotal antecedent in marketing, measuring consumer expectations. Customer expectation is a function of all essential components that deliver happiness among the

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**Corresponding Author:** Shantanu K. Sahu, Department of Business Studied, Hindustan Institute of Management and Computer Studies, Farah, Mathura, Uttar Pradesh, India, e-mail: shantanu.himcs@sgei.org

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consumer. Moreover, it is a term that's regularly used in marketing. Fundamentally, this is a degree to which the products and services carried by any organization in terms of matching consumer expectations. It provides customer satisfaction as a prime indication of consumer buying and positive electronic word of mouth. To understand the concept of service quality, it is inevitable to gauge factors related to service quality (Ghobadian et al., 1994; Misnan et al., 2018).

This document compiles and summarizes the information that is currently available regarding the impact of the e-wom. The current study has applications for India's offline and online e-commerce industry.

## Literature Review

The French verb "Retailer," from which the name "retail" is derived, implies to reduce in size. A retailer could be

**Table 1:** Construct, Items, Cronbach's Alpha and Reliability Analysis with Factor Loadings

Construct (alpha)	Item	Item Description	Reliability/Factor Loading
Convenience (CO) alpha=0.713	CO1	Ease in accessibility	0.632
	CO2	Ease in product searching	
	CO3	Ease in process	0.874
	CO4	Ease in checkout	0.465
Security (SC) alpha=0.723	SC1	Feeling secure in e-payment	0.495
	SC2	Having various payment options acceptability	0.693
	SC3	Feel secure when share private information	0.765
	RS1	Retailers communicate about orders and availability of items	0.699
	RS2	Retailers sensible to anticipate brief help from workers	0.782
Responsiveness (RS) alpha= 0.658	RS3	Retailers quickly informed about the delivery of products	0.832
	CV1	I get value of money from e-retailer	0.824
	CV2	I prefer discount offers	0.744
	CV3	I prefer coupons to get redeemed	0.668
Customer Value (CV) alpha= 0.638	CV4	I prefer cash back offers	0.842
	ES1	Retailers could be anticipated to give each customer customised attention at retail outlet.	0.788
	ES2	It is truthful to expect retailers to fully comprehend the modified and individual attention to consumers	0.791
	ES3	Retailers should necessarily have to operate at hours convenient to all customers.	0.864
E-satisfaction (ES) alpha= 0.762			0.562

a person, organization, or dealer engaged in the trade of goods for money. The idea of retailing announced a lot of new opportunities. Customers who purchase goods at retail levels are responsible for the existence of retailers. Additionally, it can be described as a retail establishment that concentrates mostly on products or services that customers can utilise on their own. There are many different sorts of retailers in India, including department stores, grocers, quick-service restaurants, specialty shops, etc. As opposed to emerging countries like India, industrialized countries like the United Kingdom, the United States, and Japan have more than 80% of their population online. India is the country with the second-highest percentage of internet users. However, by 2021, total internet users in India are projected to reach 829 million, up from 627 million in March 2019. (ICUBE). By 2021, it is anticipated that India will have as many internet users as the combined populations of the other six G7 nations. (Invest India, 2018).

The internet is transforming from a “medium of communication” to a “marketing channel.” It empowers consumers to search, evaluate, and shop for products and services from e-retailers. Besides, social media marketing plays a significant role in expressing information regarding the services of e-retailers by

customers. E-retailing sites are showing their presence over the internet, mainly on social media networking sites, because of the significant potential customer base (Kim and Lennon, 2013).

Customer value is the amount of satisfaction a customer gets from taking a specific activity compared to the cost of that action. The term “e-satisfaction” refers to a general assessment of the purchasing scenario. Satisfaction is influenced by satisfaction, service quality, and customer value directly and indirectly.

After a detailed literature review, it can be understood that there is a scope for further research for understating and analyzing e-wom and formulating a strategy for e-retailers accordingly. Based on the detailed analysis, the following research hypothesis was developed.

**Hypothesis development on the basis of conceptual framework**

**H<sub>1</sub>1:** In general, the convenience offered by e-retailers significantly influences e-satisfaction.

**H<sub>1</sub>2:** Security offered by e-retailers has a significant influence on e-satisfaction.

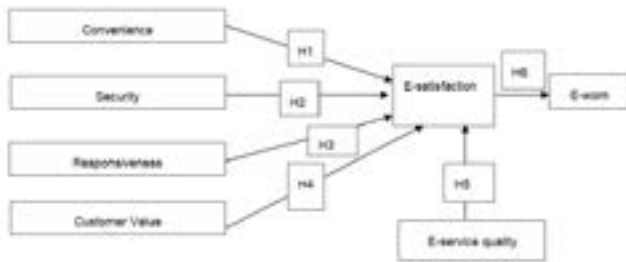
**H<sub>1</sub>3:** Responsiveness offered by e-retailers has a significant influence on e-satisfaction.

**H<sub>1</sub>4:** Customer value by e-retailers has a significant influence on e-satisfaction.



**Table 2:** Results of retailer’s delivery perceived by customers

Constructs	Weightage (%)	Expectation		Perception		GAP	
		Mean	Standard deviation	Mean	Standard deviation	Mean	Standard deviation
Convenience(CO)	18.430	4.430	0.828	2.419	0.510	2.020	0.965
Security (SC)	16.505	4.430	0.828	1.774	0.508	2.645	0.914
Responsiveness (RS)	19.978	4.065	0.710	3.258	0.398	0.806	0.817
Customer Value (CV)	24.570	4.366	0.903	1.774	0.512	2.591	1.083
E-satisfaction(ES)	28.043	4.409	0.817	1.785	0.486	2.613	0.980



**Figure 1:** Conceptual Framework of Hypothesized Model

**H<sub>1,5</sub>:** Overall e-service quality offered by e-retailers leads to e-satisfaction.

**H<sub>1,6</sub>:** E-satisfaction by e-retailers leads to positive e-wom.

**METHODOLOGY**

The Agra University’s registered e-buyers, which totaled about 1500 persons, were used to pick 250 respondents using the convenience sample approach, a non-probability selection method. It was proposed to use a structured survey based on a five-point Likert scale. 180 of the 250 responses were fully completed, and the rests were not included in the analysis.

The structural model was tested using SEM on AMOS, and the findings revealed that five of the six expected relationships between the latent constructs were statistically significant.

The results of structural equation modeling revealed that retailers convenience has a statistically significant impact on customers’ total e-satisfaction. (C.R. = 2.802, P=.026). So the alternate hypothesis H<sub>1,1</sub> is supported.

Security of the transaction system of e-retailers has a significant impact on e-satisfaction (C.R. = 3.269, P=.003). So the alternate hypothesis H<sub>1,2</sub> is supported.

Responsiveness does not impact e-satisfaction as (C.R. = 0.623, P=.602). So the alternate hypothesis H<sub>1,3</sub> has not been supported.

Customer value positively impacts e-satisfaction (C.R. = 3.628, P=0.001). So the alternate hypothesis H<sub>1,4</sub> has been supported.

Overall, e-service quality offered by e-retailers leads to e-satisfaction has been supported the H<sub>1,5</sub> as (C.R. = 4.632, P=0.000).

E-satisfaction by e-retailers leads to positive e-wom, which also supported the H<sub>1,6</sub> as (C.R. = 5.862, P=0.000). Furthermore, the results of structural equation modeling are given below:

**DISCUSSION**

The quantitative approach of research was used in the present study; data was collected through survey method with GOOGLE form; the link was shared to the people of Agra and Mathura region to know their responses. Total 180 responses were gathered.

The entire scale was separated into six aspects by factor analysis: convenience, security, responsiveness, customer value, e-satisfaction, and e-wom. Cronbach’s alpha reliability test based on the above structures was used to examine the dependability of all items measuring the online service quality. The result of Cronbach’s alpha of all teams measuring the e-wom

**Table 3:** Hypothesis testing

Hypothesis	From	To	Standardized estimate	C.R.	P-value
H1*	Convenience	E-satisfaction	0.483	2.802	0.026
H2*	Security	E-satisfaction	0.402	3.269	0.003
H3*	Responsiveness	E-satisfaction	0.082	0.623	0.602
H4*	Customer Value	E-satisfaction	0.542	3.628	0.001
H5**	Overall Service Quality	E-satisfaction	0.854	4.632	***
H6**	E-satisfaction	e-wom	0.982	5.862	***

\*Significant at P<0.01 and \*\*Significant at p<0.05

based on six dimensions indicates that the scale and items used to assess the level of service provided to internet customers The KMO value (Kaiser-Meyer-Olkin) was greater than 0.6 after determining the scale's dependability, and Bartlett's Test of Sphericity was significant.

## CONCLUSION

Electronic Word-of-Mouth (e-wom) communication indicates that Indian online shoppers trust positive reviews. E-wom has significantly aided in the evaluation of the Indian retailer's e-service framework. In order to better understand their purchase preferences, customers have studied the several components of excellent e-service. Positive e-wom development depends on e-satisfaction. This study shows that consumers are paying closer attention to reviews that are acquired electronically. The results of this study also suggest that improving overall service quality can help online clients form positive e-wom. Finally, this study explains how e-satisfaction and e-service quality work as antecedents of favorable e-wom. The e-wom, which leads to e-satisfaction, is influenced by the customer's sense of online convenience with respect to the website. When clients shop online, security refers to how safe they feel and how much trust they have in the company. Mailing transaction slips, customer service help, and their rapid response are all examples of responsiveness. It is used to determine how well problems are handled and how quickly customers return to the site after making a payment.

## Limitations and direction for future research

Very little work has been done in creating economies that exhaustively explore the e-administration nature of e-retail areas in India, especially. According to the best information on the specialist (through Google, Proquest) has part of the potential for e-wom, which may support strategy formulation. Future research could be conducted in a variety of socio-cultural settings. To quantify the e-wom, the researcher can refer to various service quality constructs.

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