

An Analysis of Consumer Satisfaction in Laguna on Online Selling: Basis for a Marketing Strategy for Lazada

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ABSTRACT

Online selling or E-commerce had been in trend in this generation that greatly affected the behavior of consumers. The basis to measure the consumer satisfaction is the service quality dimensions (Reliability, Assurance, Tangibility, Empathy, and Responsiveness) and under these are the customer expectations and perceptions. This research focused on describing and determining the services of online selling and how it greatly affected today's generation. Through this study, it was also determined in what aspect were the consumers satisfied and dissatisfied regarding their online shopping experience and how to improve those gaps. Using quantitative research design, this study used an adapted survey questionnaire to gather data from 207 respondents using purposive sampling. Weighted mean and One-way Anova test were used to analyze the data gathered. This research study revealed that most online consumers are ages 19-30 years old, male, and are from Calamba City, Laguna. Most of the consumers revealed are satisfied with online selling services however, it was founded that tangibility has the largest gap between customer expectations and perceptions. Moreover, there is a significant difference on customer expectations and perceptions in terms of their profile variables except age and location where the respondents live.

Keywords: Online Selling, E-commerce, Servqual, Consumer Satisfaction, Online Shopping

INTRODUCTION

Filipinos are known for being cautious in terms of purchasing a product. They consider security, fast transaction, mode of payment convenience, price and values, return or exchange rules, website reputation, online reviews and feedback, good customer service, and low shipping charges. Filipino consumers value online shopping because of its convenience and accessibility. Product marketing and service marketing are equally significant because they both have the ability to be direct in providing a proof and specific information and features about the product and services a business provides (Leonard, 2018). Good Service marketing results to more customer satisfaction and good customer experiences. This furthermore results to good customer relationship and online shop reputation. When a customer was satisfied with a business service, their purchase intention rises.

According Sunita Jatav (2018), service marketing is how to satisfy clients or customers in different ways, good communication, proper service and in a good way that they will be remembered. Companies should make every service fine and proper for different type of customers. Services are intangible, there are some types of service quality that can be used to determine the behavior of consumers. Search quality relates to products and services, it is when a consumer searched for certain products prior to purchase. It is in their perception to check the quality of a product through multiple searches. Experience quality allows consumers to experience first the service before evaluating. Lastly, the reputation of a business relies on the credence quality which is based on the credibility of a service. (Marketing Teacher Ltd., 2014). Furthermore, there are also characteristics of services that can be a basis to elevate good business services. Marketing services can differ from marketing goods, so when it comes to services, there are characteristics

to consider namely, lack of ownership, intangibility, heterogeneity, perishability, inseparability, and user participation. (Claessens, 2015)

Responsiveness in a business is important to attain market growth. Lack of responsiveness can lead to issues achieving growth. It is not only necessary to be responsive towards your customers but also to people inside the company. The relationship between the people inside the company is important to be able to work well and serve the customers better (Holtzclaw, 2015). Assurance of a service and quality is making sure that a business is providing the proper service, quality, requirements that a customer need. It is necessary for a company to ensure that the customers' expectations were fulfilled (Russel, 2017). As per Kees De Vos (2016), it is better for online stores to show good communication with customers by showing delivery options display on their website as well as customers are delighted when the online website would send an email confirmation and information on how to track their orders. Through this, customers are assured that their items will be delivered in time.

Tangibility is an item that a person can detect using the senses. In a business, tangibility refers to tangible products and other things, like the purchased product of a customer or the facilities the business are using to provide the proper service and product quality a customer need (Hoare, 2014). Lennon (2011) stated that online website designs are important in increasing consumers. From logos, website colors, colored icons and many more help consumers revisit the same online shop and repurchase an item. Most female consumers are easily attracted by website designs and have high chances of revisiting the same online store. They consider the website designs before purchasing a product in an online application or website.

Customers also see empathy in a business service. Empathy is a communication that helps employees build good relationship with their customers. It would also help the business know the customer's demands. In line with this, empathy is also relevant to customer service experience which helps to gain number of satisfied customers as well as customer's trust and loyalty towards the store (Simons, 2017). Furthermore, empathy makes it possible to understand other people's perceptions and opinions. Knowing the opinions of customers is important for a business to be aware if their service is meeting the customers' needs and wants as well as their positive and negative feelings. Empathy is sharing what a person thinks or how a person thinks towards something, and it is necessary for a company to know these. Customers also have the right to know the business' background and information (Singer, 2014)

Reliability is a quality which measures how a customer trusts an online website. With the presence of reliability, an online store earns the trust and loyalty of customers and consumers. If the online website is performing well and continuously reaching the customers' needs, reliability is present. It is necessary for consumers to know the risks of purchasing products online. To check the reliability of an online website, consumers do some research first about the online shop, provide and double check their complete information to the website, they check if their payment is secured, and also the website or seller's private and returns policy (Vella, 2013).

Conceptual framework

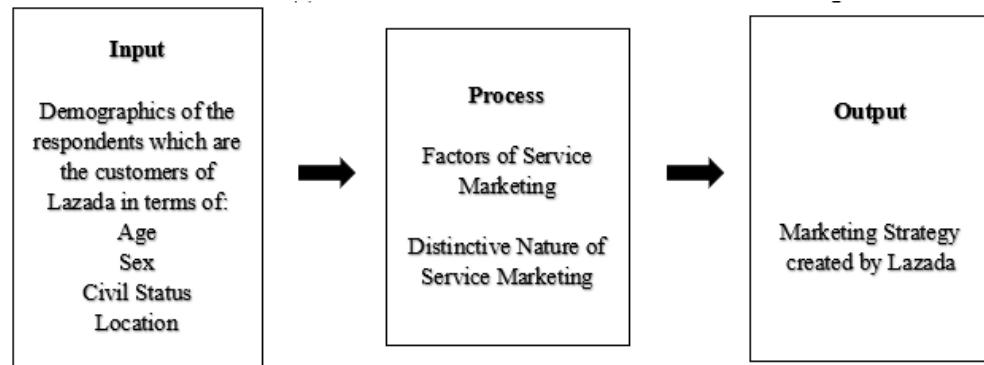


Figure 1. Conceptual framework of the study

Figure 1 shows the variables that are used in the study. The conceptual framework served as the paradigm for the entire research. The first part was the respondents' demographic profile. The second part includes the factors of service marketing and distinctive nature of service. The evaluated data and consumer reviews were the basis for Lazada to create a marketing strategy to attain customer delight.

Objectives of the study

The researchers sought to determine (1) the demographic profile of the respondents in terms of age, sex, civil status, and location; (2) the consumer satisfaction towards service online selling in terms of tangibility, empathy, responsiveness, reliability, and assurance; (3) the average gap between the consumers' expectations from perceptions on the service quality of online selling; and (4) if there is significant difference on the consumer satisfaction on online selling and the profile variables.

METHODOLOGY

This study used a quantitative research where the respondents used an adapted survey questionnaire from the research conducted by Baki et. al. entitled, *An application of integrating SERVQUAL and Kano's model into QFD for logistics services: A case study from Turkey*. The study started by asking permission to Lazada E-logistics Company to be the researcher's research company. The survey was performed in some places in Laguna and was distributed personally and through online with 207 respondents using purposive sampling. The respondents were the ones who are purchasing goods online and were knowledgeable enough on what their behavior are in terms of online selling. The effect size of 0.3 and margin of error of 0.05 were used to compute for the total sample size of 207 by using G-power. The collected data were tabulated, analyzed, summarized, and interpreted. Weighted mean was used to analyze the data gathered to determine the average responses of the respondents of different options and factors under the questionnaire. One-way Anova test was used to determine the significant difference on consumer satisfaction in terms of profile variables of the respondents.

RESULTS AND DISCUSSION

The following are the results of the data gathering using tables as well as the discussion of each table in relevance of the objectives of the study. For the demographic profile of the respondents. Based on the findings the results revealed that Majority of the respondents in terms of age were 19 – 30 years old (42%). The least number of respondents were ages 41 and above (9.2%). In terms of sex, the results show

that 116 out of 207 respondents were male with 56% while 91 out of 207 were female with 44%. On the other hand, in terms of civil status, most of the respondents were single with 67.6% while married is 42.4%.

The result of this study shows that single people do online shopping and purchasing more than married people because most of those single people belong to millennial group which are more likely to follow the market trends and they tend to buy any item that catches their attention. As per Markelz (2018), single people tend to consume more than married couples. They are brand-conscious but less price conscious and wanted an active lifestyle so whether online or physical store, they shop and purchase products. However, in a study conducted by DePaulo (2014) in U.S., it was said that married people spend more time on buying things (whether in-store, online, or any other way) because they are busier working full time so, through online they get to purchase items conveniently equivalent to a one whole group, which is their family. Furthermore, it was said that for single group, those divorced and widowed are also included and counted.

Majority of the respondents were from Calamba City with 51 respondents (24.6%). The least number of respondents were from Los Baños City with 7 respondents (3.4%). Moreover, other respondents were from Batangas province, which is already outside of Laguna province. Calamba City is a first-class city that has many establishments and is continuing to rise many establishments in the future. It is a city known for having many buildings that may recall the historical culture of Filipinos (Pa-a, Saul, 2018). As per the result, most of the respondents were satisfied with the services provided by online stores. However, still some respondents found a gap in some of the services given by their preferred online store because it didn't meet their expectations.

Table 1 shows the average gap score between the customer expectations and perceptions in terms of the five dimensions of service quality which are reliability, assurance, tangibility, empathy, and responsiveness. Tangibility has the highest gap score with -31 and assurance with the lowest gap score with -0.22. The average gap score between the five dimensions is -0.268 which means that the service of the respondents' preferred online store did not meet their expectations.

Table 1. Average gap between expectations and perceptions

Dimension	Expectations	Perceptions	Gap Score
Reliability	3.63	3.38	-0.25
Assurance	3.63	3.41	-0.22
Tangibility	3.7	3.39	-0.31
Empathy	3.68	3.38	-0.3
Responsiveness	3.67	3.41	-0.26
Average	3.662	3.394	-0.268

Table 2 exhibits that there is a significant difference on customer expectations on tangibility in terms of sex since it has a p-value of 0.025. In the study of Zorzini (2017), female wanted a product that has a high-quality visual or appealing packaging while men only look for product descriptions and features and customer reviews and let it be the basis for the quality of the product.

Table 2. Difference on customer expectations in terms of sex

Dimension	F-value	P-value	Interpretation
Reliability	1.153	0.284	Not Significant
Assurance	1.165	0.282	Not Significant
Tangibility	5.095	0.025	Significant

Empathy	2.366	0.126	Not Significant
Responsiveness	1.787	0.183	Not Significant

If p-value is <0.05 – Significant; If p value is > 0.05 - Not Significant

According to Table 3, there is a significant difference on customer expectations on assurance in terms of civil status since it resulted to a p-value of 0.006. In a study conducted by Razzouk et. al. (2016), married couple are more sensitive than single consumers when it comes to buying items because they are syncretic. Their savings are joint and are at risk every time they purchase products so it is important for them to know the assurance of the product as well as the service of the store.

Table 3. Difference on customer expectations in terms of civil status

Dimension	F-value	P-value	Interpretation
Reliability	3.233	0.074	Not Significant
Assurance	7.843	0.006	Significant
Tangibility	3.404	0.066	Not Significant
Empathy	0.534	0.466	Not Significant
Responsiveness	1.882	0.172	Not Significant

If p-value is <0.05 – Significant; If p value is > 0.05 - Not Significant

Table 4 shows that there is a significant difference on customer expectations on reliability in terms of location with a p-value of 0.046 and tangibility with 0.045.

Table 4. Difference on customer expectations in terms of location

Dimension	F-value	P-value	Interpretation
Reliability	2.089	0.046	Significant
Assurance	0.689	0.682	Not Significant
Tangibility	2.104	0.045	Significant
Empathy	1.651	0.123	Not Significant
Responsiveness	1.532	0.158	Not Significant

If p-value is <0.05 – Significant; If p value is > 0.05 - Not Significant

Table 5 shows that there is a significant difference on customer perceptions on reliability with p-value of 0.001 and empathy with 0.018 in terms of sex. In the study of Buyvoets (2016), male and female have both different experiences and perceptions when it comes to online shopping. To know the reliability of an online shop, male customers tend to research and browse first compare to female customers that go directly to different categories and proceed to online purchasing.

Table 5. Difference on customer perception in terms of sex

Dimension	F-value	P-value	Interpretation
Reliability	10.547	0.001	Significant
Assurance	2.419	0.121	Not Significant
Tangibility	1.329	0.25	Not Significant
Empathy	5.683	0.018	Significant
Responsiveness	2.956	0.087	Not Significant

If p-value is <0.05 – Significant; If p value is > 0.05 - Not Significant

There is a significant difference on customer perceptions on empathy with a p-value of 0.007, assurance with 0.03, and tangibility with 0.049 in terms of civil status; as shown in Table 6. As per Melkis et. al. (2014), single and married customers have different opinions and measurement of satisfaction when it comes to their service experiences. They have different level of satisfaction because they purchased different products but both have good quality, at the same time the service providers gave fast-services.

Table 6. Difference on customer perception in terms of civil status

Dimension	F-value	P-value	Interpretation
Reliability	1.172	0.28	Not Significant
Assurance	4.415	0.037	Significant
Tangibility	4.187	0.049	Significant
Empathy	7.406	0.007	Significant
Responsiveness	3.566	0.06	Not Significant

If p-value is <0.05 – Significant; If p value is > 0.05 - Not Significant

CONCLUSION AND RECOMMENDATION

Majority of the respondents which are online buyers in Laguna were ages 19 to 30, male, and from Calamba City. Researchers ascertained that it is important for online store services to meet the customer expectations for the sake of their satisfaction, with the basis of the five dimensions of service quality. Online selling is a trend in this generation with the rise of e-commerce. The researchers found out that the gap between the customer expectations and perceptions when it comes to online selling is tangibility which means that there are some products that customers expected to have better quality while they receive a product that is not beyond their expectation and they feel somehow dissatisfied. Tangibility, specifically the product quality and size, is what the customers look forward to when they are purchasing an item online so it is most normally for them to expect more when it comes to tangibility. The more they expect, the higher the chance that they would get dissatisfied or satisfied.

Based on the results, there is a significant difference between customer expectations and profile variables except the age of the respondents. There is also a significant difference between customer perceptions and profile variables except the age and location where the respondents live. Based on the results, most of the respondents were satisfied on the service provided by online selling. On contrary, still some respondents found a gap in some of the services given by their preferred online store because it didn't meet their expectations. To resolve this issue, there should be an action plan to gain customers' full trust towards online stores and websites to be able to fill the gap.

The researchers recommend that the Lazada Company's advertisement must be more attractive, pleasing, have enough information, and will catch the attention of customers and with this, it would help them expand possible target market. Also, they should improve their integrated marketing communication (IMC) program for more effective and efficient method of making plans, executing, comparing and controlling the usage of various promotional mix elements to communicate with their customers.

For more effective communication with customers, they should have a strong interactive media where there is a back and forth flow of information. This is through social media that provides a direct marketing approach. Since most people use Facebook everyday, as part of giving individual attention to customers, they should allow customers to message them through their different social media pages, customers find it very easy for them to ask concerns through social media rather than the application. To be able improve assurance, they hear directly the customers' feedbacks, they could build kiosks in some events and give out surveys, in return, they could provide some small sample products and freebies.

To improve tangibility, since it got the highest gap score between customer expectations and perceptions, they should improve and be stricter in monitoring, screening, and securing of products, including the qualities and product shipment packaging, before delivering to customers. It was found that customers who have higher income level are more likely to shop online (Akar, 2015), considering the high-income level of consumers, they want assurance towards the product they want to purchase online, most specially the service towards the online store. In line with this, the researchers recommended that online shops should improve more the assurance that they are giving to the customers because they want to get what they paid for. Consumers from UAE, culture and religion are the most important factor in purchasing goods (Migdalis, 2014), so it means that for some consumers, they consider their religion and culture before buying an item, specially clothes, knowing and considering the religion and even nationality of a consumer is an important aspect, regarding this the researchers recommended that online stores should be more careful and sensitive when it comes on selling their products , it must be respectful to the culture and religion of their possible customers.

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