

Faculty of Commerce
Dept. of Business
Administration

Measuring the Role of E-Satisfaction and E-Trust on the Relationship between E-Service

Quality and E-Loyalty

(Empirical study on E-Tailers operating in the Egyptian market)

A Thesis submitted in partial fulfillment of the requirements for the Ph.D. degree in business administration

By:

Hebat Allah Mamdouh Mostafa

Supervisors

Professor. Dr. Aisha El-Menyawy

Professor of Marketing

Faculty of Commerce

Ain Shams University

Dr. Reem M. Elalfy

Assistant Professor

Faculty of Commerce

Ain Shams University



Name of the Researcher:

Hebat Allah Mamdouh Mostafa

Title of the Thesis:

"Measuring the role of E-Satisfaction and E-Trust on the relationship between E-Service Quality and E-Loyalty"

(Empirical study on E-Tailers operating in the Egyptian market)

Academic Degree:

Doctor of Philosophy (Business Administration)

Examining Committee:

Prof. Dr. Taalat Asaad "Chairman"

Professor of Marketing - Mansoura University

Prof. Dr. Aisha Moustafa El Meniawy "Supervisor"

Professor of Marketing - Ain Shams University

Dr. Madeeha Moutawe "Member"

Associate Professor of Business Administration - Ain Shams University

Date of Defense: 17/4/2018

Acknowledgement

First of all, I would like to sincerely thank **ALLAH** because this thesis would not exist without the motivation and encouragement of **ALLAH**.

I am grateful to **Prof. Dr. Aisha El-Menyawy** for her precious advice, patience, and guidance throughout the whole preparation of the study. I was blessed and lucky enough to have an outstanding supervisor like her. Also, I would like to thank my second supervisor **Dr. Reem Elalfy** for helping me to overcome many obstacles along the way. I am genuinely grateful for their mentorship all the time.

I am also grateful to **Prof. Dr. Talaat Asaad** for giving me the chance to learn from his discussion and great advices. Special thanks and appreciation to **Dr. Madeeha Moutawa** for agreeing to participate in the examining committee for my thesis and for her valuable recommendations and discussion.

This effort would not have been possible without the support and encouragement of my exceptional Ph.D. Colleague **Marwa Mahmoud**; she deserves many thanks.

I would like to thank my **Parents** and my **Sister Aya** for their help and support, also my **friends** for their inspiration, advices, and all of them were always a source of motivation from the beginning to the end.

Finally, my sincere thanks and special gratitude and appreciation to my husband: **Yasser Nabil** for his precious help and great support. My **Sons**; both of you are indeed the most precious gifts from heaven; whose brief life served as the inspiration for this journey. For this, I would like to dedicate this research to them. "**Yasser**, **Omar and Ali**"

ملخص

يرجع النمو الواضح للتجارة الإلكترونية العالمية إلى الزيادة الواضحة والمستمرة في الطلب على خدمات التسوق الإلكتروني من قبل العملاء.

ونظراً للتطور التدريجي للتسوق الإلكتروني من مرحلة الإبتكار إلى أن أصبحت إتجاهاً عاماً للتسوق ، تعد جودة المواقع الإلكترونية أساساً هاماً للمفاضلة بين المواقع المختلفة. كما تلعب الجودة دوراً هاماً في بناء ميزة تنافسية حيث تتميز جودة خدمات مواقع التجارة الإلكترونية بقدرتها على جذب المتصفحين والعملاء أكثر من مثيلاتها ذات الجودة الأدنى.

وتمثل مواقع التسوق الإلكتروني سوقاً إفتراضياً للسلع والخدمات حيث تتم جميع عمليات وأنشطة التسوق من خلال عالم التسوق الإلكتروني. كما أكدت الأدبيات التي تناولت جودة الأسواق التقليدية على إستخدام المستهلكين لجودة السوق كمؤشر لجودة المنتجات المعروضة من خلالها.

وقد أشارت الدراسات المرتبطة إلى دور وأهمية جودة الموقع الإلكتروني في تحفيز المستهلكين عن طريق التسويق الشفوي للموقع. وهناك عدة مقاييس لتقييم جودة المواقع الإلكترونية ولقد إعتمدت هذه الدراسة على مقياس NetQual لتقييم جودة مواقع التسوق الإلكترونية والتي تؤثر على ولاء العميل (Bresslloes, 2006).

إن فهم العوامل التى تؤثر على إرضاء العميل تقوم بدور كبير فى جذب العملاء السراء المنتجات من خلال شبكة الإنترنت. إن الدراسة تستهدف بناء نموذج متكامل لقياس مدى ولاء العميل عن خدمات التسوق من خلال شبكة الإنترنت. فضلاً عن تحليل العوامل الديموجرافية كمتغير وسيط يمكن ان يؤثر على طبيعة العلاقة بين جودة خدمات التسوق الإلكتروني و رضا العميل الالكتروني ومدى ثقته فيها واللذان بدورهما قد يؤثران على مدى ولاء العميل للخدمات الإلكترونية. وبالتالي سوف يتم تطبيق الدراسة على أهم مواقع التسوق الإلكتروني المتواجدة في السوق المصرى التي تقدم خدماتها لمستخدمي الانترنت.

اعتمد البحث كدراسة تحليلية على استخدام قائمة استقصاء ومقياس ليكرت وتم استكمال الإستقصاء من قبل ٣٨٧ مفردة من أصل ٤٣٩. ولإعداد المقاييس التي أستخدمت في هذا البحث فتمت الإستعانة بمقاييس تم استخدامها في دراسات سابقة وذلك من خلال تحليل النتائج بإستخدام تحليل AMOS .

توصلت الدراسة إلى نتائج تساهم إيجابياً وتضيف إلى أدبيات أبحاث جودة الخدمة الإلكترونية – الرضا والثقة الإلكترونية وتوافق النتائج على الإطار المفاهيمي للدراسة الذي يسلط الضوء على أن الجودة عنصر حاسم من شأنه أن يؤثر على رضا المستهلك عند التسوق على الإنترنت. أيضا، أظهرت النتائج أن رضا المستهلك عن أحدث تجارب التسوق على شبكة الإنترنت يؤثر على ولائهم للموقع الإلكتروني.

مصطلحات البحث:

الثقة الإلكترونية الولاء الإلكتوني

Abstract

Customers continuously show higher demand for online shopping which drives the apparent growth of global internet commerce.

As Internet shopping gradually moves from innovation to a standard way of shopping, the quality of the websites will play an essential role in the differentiation of the sites. High-quality sites are capable of attracting more customers than the competing sites of poor quality since the quality built a sustainable competitive advantage.

Internet shopping sites are virtual stores where all operations and its relevant activities take place in online cyberspace. The literature on the quality of traditional retail stores confirmed that consumers use the quality of the store as an indication of the quality of products from stores. Also, when consumers are satisfied with a high-quality website, they inspire powerful and positive word-of-mouth for the site. Various measuring instruments have been developed with the objective of evaluating the quality of websites. This study used the NetQual measurement scale (Bresslloes, 2006) as an instrument for measuring the quality of the websites and as a result, affect the user's electronic loyalty.

This study is an empirical investigation which proposes and tests an "E-Loyalty" model. The adopted model identified dimensions representing satisfaction with internet purchase experience and analyzed online-customers' demographics as a moderated variable that might alter the strength of the relationship between the electronic service quality, electronic satisfaction and electronic trust as it might affect the level of electronic loyalty.

A quantitative approach has been applied, using 5-point Likert scale questionnaire. The survey was distributed online and totally completed by 387 respondents out of 439 online surveys with a response rate 88%. 52 uncompleted surveys were excluded from the statistical analysis. Structural Equation Modeling has been used via AMOS to evaluate the relationship between variables. The statistical population of this research study was internet users and consumers of the most famous internet shopping websites (E-Tailers) operating in the Egyptian market.

Findings of the research contribute to the literature of E-Service Quality, E-Satisfaction E-Trust, and E-Loyalty .The outcomes approve the conceptual study framework that highlights that quality is a critical element that will impact consumer satisfaction when shopping on the web. Also, the results demonstrate that consumer satisfaction with the latest web-based shopping experiences impacts their loyalty to the web-based business site.

Keywords:

- E-Service Quality - E-Satisfaction

- E-Trust - E-Loyalty

Table of Contents

Chapt	er 1 - S	tudy F	ramework1	
	1.1	Introduction2		
	1.2 Scope of the Topic			
		1.2.1	Online Shopping4	
		1.2.2	Online Shopping Definition5	
		1.2.3	The Benefits of Online Shopping6	
		1.2.4	Online Shopping Limitations6	
		1.2.5	Nature of online buyers	
		1.2.6	Nature of Products Bought Online8	
	1.3	Pilo	ot Study9	
		1.3.1	Pilot Study Objectives9	
		1.3.2	Pilot Study Results	
	1.4	Res	earch Importance10	
	1.5	Res	earch Problem11	
	1.6	Res	earch Questions 12	
	1.7	Res	earch Variables12	
	1.8	Res	earch Objectives	
	1.9	Res	earch Hypothesis	
	1.10	Pro	posed Research Framework17	
	1.11	Pop	oulation and Sampling	
		1.11.1	Population	
		1.11.2	Sampling	
	1.12	Co	nclusion19	
Chapt	e 2 - Li	teratur	re Review20	
	2.1	Intr	oduction21	
	2.2	E-S	ervice Quality22	

		2.2.1	Definition of E-Service Quality	23
		2.2.2	Difference between Traditional Service Quality and E-Service Quality.	24
		2.2.3	Dimensions of E-Service Quality	27
		2.2.4	Dimensions of NetQual as a measurement scale of E-Service Quality	32
	2.3	E-S	Satisfaction	38
		2.3.1	Definition of E-Satisfaction	42
		2.3.2	Difference between Traditional Satisfaction and E-Satisfaction	43
		2.3.3	Dimensions of E-Satisfaction	44
	2.4	E-7	Γrust	48
		2.4.1	Definition of E-Trust.	49
		2.4.2	Difference between Traditional Trust and E-Trust	51
		2.4.3	Dimensions of E-Trust	53
	2.5	E-S	Service Quality as an Antecedent of E-Satisfaction and E-Trust	54
	2.6	The	e relationship between E-Trust and E-Satisfaction	55
	2.7	E-I	Loyalty	55
		2.7.1	Definition of E-Loyalty	58
		2.7.2	Difference between Traditional Loyalty and E-Loyalty	59
		2.7.3	Dimensions of E-Loyalty	60
	2.8	E-S	Satisfaction and E-Trust as Antecedents of E-Loyalty	66
	2.9	De	mographics Variables	68
		2.9.1	Dimensions of Demographics	69
		2.9.2	Nature of Demographics in the Online Context	71
		2.9.3	Online customer needs	72
	2.10	Co	nclusion	74
Chap	er 3 - C	Concept	ual Framework of the Study	75
	3.1	Int	roduction	76
	3.2	Pre	evious Studies	76

	3.2.1	Previous Studies on Online Shopping	76
	3.2.2	Previous studies on E-Service quality	79
	3.2.3	Previous studies on E-Satisfaction	83
	3.2.4	Previous studies on E-Trust	86
	3.2.5	Previous studies on E-Loyalty	89
	3.2.6	Previous studies on demographics in the online context	93
	3.2.7	Relationship between E-Service quality, E-Satisfaction, E-	Trust, and E-
Lo	yalty		97
3.3	Co	nclusion	101
Chapter 4	- Researc	ch Methodology	102
4.1	Int	roduction	103
4.2	E-0	Commerce in Egypt: A market overview	103
4.3	Re	search Methodology	109
	4.3.1	Research Problem	109
	4.3.2	Research Objectives and Developing Research Hypothesis	110
	4.3.3	Research Constructs	115
	4.3.4	Research Design	116
	4.3.5	Research Methodology Plan	117
4.4	Co	nclusion	124
Chapter :	5 - Resear	ch Findings	125
5.1	Int	roduction	126
5.2	De	scriptive Statistics	127
	5.2.1	General Online Shopping Questions	127
	5.2.2	Respondents' Demographic Variables	130
	5.2.3	Descriptive Statistics for Independent, Mediator, and Dependent	lent variables
			132
5.3	Re	liability and Validity of Research Constructs	141
	5 3 1	Alpha- Crophach	1/11

	5.3.2	Confirmatory Factor Analysis (CFA)	142
5.4	Tes	sting the Research Hypothesis	145
5.5	Sta	tistical techniques used in Testing Hypothesis	146
	5.5.1	Pearson Correlation Coefficient	147
	5.5.2	Multiple regression analysis	149
	5.5.3	Structural Equation Modeling (SEM)	156
	5.5.4	Assessing Direct and Indirect effects between Research Variables .	160
	5.5.5	Goodness of Fit of the Estimated Model (SEM)	164
5.6	Sui	mmary of Research Findings	165
5.7	Con	nclusion	165
Chapter 6	- Discuss	sion, Implications and Recommendations	167
6.1	Inti	oduction	168
6.2	Dis	cussion, Interpretation, and Achieving Research Objectives	168
	6.2.1	First Objective and First Hypothesis	168
	6.2.2	Second Objective and Second Hypothesis	169
	6.2.3	Third Objective and Third Hypothesis	171
	6.2.4	Fourth Objective and Forth Hypothesis	172
	6.2.5	Fifth Objective and Fifth Hypothesis	174
	6.2.6	Sixth Objective and Sixth Hypothesis	175
6.3	Con	nclusion of the Findings	177
6.4	Res	search Contributions and Implications	183
	6.4.1	Theoretical Implications	183
	6.4.2	Managerial Implications	184
	6.4.3	Marketing Implications	185
6.5	Res	search Limitations	186
6.6	Red	commendations	189
6.7	Action Plan		

6.8	Conclusion	192
7References		193
8Appendices		1
Append	lix 1: Pilot Study Survey	2
Append	lix 2: Customer Questionnaire	4
Append	استبيان العميل 3	10
Append	lix 4: Amazon Buys Souq.com	16
Append	lix 5: Amazon Completes acquisition with Souq.com	18

List of Figures

Figure (1-1) Proposed Research Framework	17
Figure (3-1) Conceptual Framework of (Li et al., 2010) Research	80
Figure (3-2) Conceptual Framework of (Ziaullah et al., 2014) Research	81
Figure (3-3) Conceptual Framework of (Sharma and Lijuan, 2015) Research	82
Figure (3-4) Conceptual Framework of (Haliru et al., 2015) Research	83
Figure (3-5) Conceptual Framework of (Harvir and Bansal 2004) Research	84
Figure (3-6) Conceptual Framework of (Carmen et al., 2012) Research	85
Figure (3-7) Conceptual Framework of (Barham and Saeed, 2012) Research	86
Figure (3-8) Conceptual Framework of (Colesca, 2009) Research	87
Figure (3-9) Conceptual Framework of (Naoui and Zaiem, 2013) Research	88
Figure (3-10) Conceptual Framework of (Wong and Ming, 2014) Research	89
Figure (3-11) Conceptual Framework of (Younjin and Yong 2011) Research	90
Figure (3-12) Conceptual Framework of (Moez and Jamel, 2012) Research	91
Figure (3-13) Conceptual Framework of (Maizatl and Nader, 2014) Research	92
Figure (3-14) Conceptual Framework of (Romadhoni et al., 2015) Research	93
Figure (3-15) Conceptual Framework of (Erlane and Jamliah, 2009) Research	93
Figure (3-16) Conceptual Framework of (Dahiya, 2012) Research	94
Figure (3-17) Conceptual Framework of (Tonjia and Allison, 2013) Research	95
Figure (3-18) Conceptual Framework of the (Roza et al., 2013) Research	96
Figure (4-1) Percentage of products & services sold online in the Egyptian market	105
Figure (5-1) Path Analysis Diagram for testing the difference in the relationship between	ween E-
Service quality and E-Loyalty in the existence of the demographic variable	158

List of Tables

Table (1-1) Categories of Products Bought Online	8
Table (1-2) Research Variables	13
Table (1-3) Research Variables' Definition	13
Table (3-1) Dimensions of E-Satisfaction, E-Trust, and E-Loyalty	99
Table (4-1) Major E-Commerce Tailers in Egypt	107
Table (4-2) Demographic characteristics of the Egyptian online buyers	117
Table (4-3) Questionnaire Structure	121
Table (4-4) Variables Dimensions and Measurements	122
Table (5-1) Common E-Tailers operating in Egypt	127
Table (5-2) Common Payment Methods	128
Table (5-3) Frequency of Purchasing Online	128
Table (5-4) Catgories of Products Bought Online	129
Table (5-5) Descriptive Statistics for Respondent's Demographic Variables	130
Table (5-6) Descriptive Statistics for Information as a construct of E-Service Quality	133
Table (5-7) Descriptive Statistics for Ease of Use as a construct of E-Service Quality	133
Table (5-8) Descriptive Statistics for Reliability as a construct of E-Service Quality	134
Table (5-9) Descriptive Statistics for Security & Privacy as a construct of E-Service Q	u ality
	135
Table (5-10) Descriptive Statistics for Reliability as a construct of E-Service Quality	135
Table (5-11) Descriptive Statistics for E-Satisfaction	136
Table (5-12) Descriptive Statistics for E-Trust	136
Table (5-13) Descriptive Statistics for overall Loyalty as a construct for E-Loyalty	137
Table (5-14) Descriptive Statistics for Word of Mouth as a construct for E-Loyalty	138
Table (5-15) Descriptive Statistics for Complaint as a construct for E-Loyalty	138
Table (5-16) Descriptive Statistics for Intention to Repurchase as a construct for E-L	oyalty
	139
Table (5-17) The Mean and Standard Deviation for Research Variables	140
Table (5-18) Reliability and Intrinsic Validity of Research Constructs	141
Table (5-19) Confirmatory Factor Analysis (CFA)	143
Table (5-20) Correlation between Research Variables	147
Table (5-21) Correlation between E-Service Quality Dimensions	148
Table (5-22) Correlation between E-Loyalty Dimensions	149

Table (5-23) Multiple Regression analysis between E-Service Quality and E-Loyalty1:
Table (5-24) Multiple Regression analysis between E-Service Quality and E-Satisfaction .1:
Table (5-25) Multiple Regression analysis between E-Satisfaction and E-Loyalty1
Table (5-26) Multiple Regression analysis between E-Service quality and E-Trust1:
Table (5-27) Multiple Regression analysis between E-Trust and E-Loyalty1:
Table (5-28) Regression Weights: (Group number 1 - Default model)1:
Table (5-29) Direct and Indirect Effect between E-Service Quality and E-Loyalty Mediate
by E-Satisfaction
Table (5-30) Direct and Indirect Effect between E-Service Quality and E-Loyalty Mediat
by E-Trust
Table (5-31) The direct and indirect effect of E-Service quality on E-Loyalty through
significant moderators
Table (5-32) Moderator test result for marital status as a moderator variable10
Table (5-33) Moderator test result for Education as a moderator variable10
Table (5-34) Goodness of Fit Indices for the estimated SEM
Table (5-35) Summary of Research Findings
Table (6-1) Research Results and Comparison with Previous Studies
Table (6-2) Action Plan

Research Terminologies

Abbreviation	Terminology	Definition
E-Service Quality	Electronic service quality	Overall customer evaluations and judgments regarding the excellence and quality of eservice delivery in the virtual marketplace (Zemblyto, 2015)
E-Satisfaction	Electronic Satisfaction	Customer perception of service quality provided by an online store. (Sharma and Lijuan, 2013)
E-Trust	Electronic Trust	Getting consumers to feel confident, to trust doing business online. (Sukanya and Kumar, 2015)
E-Loyalty	Electronic Loyalty	Customer's favorable attitude, behavior and commitment towards the online retailer that results in repeat purchase behavior. (Javier et al., 2017)
E-Tailer	Electronic Retailers	A retailer offering products by electronic exchanges on the web. (Oxford Dictionary, 2013)
NetQual	NetQual	Measuring scale of electronic service quality contains five main dimensions (information, ease of use, interactivity, security, and reliability. (Bressolles, 2006)

Chapter 1

Study Framework