

The mediating role of trust in consumers' service quality perceptions and loyalty
towards online service providers

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ABSTRACT

The research focused on the online retailing industry in the context of South Africa. It determined the perceptions of service quality and the consequential effect of the construct and dimensions on loyalty and trust. A quantitative study was conducted in the form of an electronic survey using existing scales. The final sample that was suitable for analysis comprised of 109 respondents of whom 63 were younger than 40 years. The percentage distribution of lower and middle- income, and high income was almost equal. The population representation was: 66.1% White, 19.3% Indian/ Asian, and 12.8% Black. The results based on exploratory factor analysis, internal consistencies, t-tests and regression analyses indicated that customers of online retailers in South Africa are generally satisfied with the service quality of online retailers and are therefore loyal towards the online retailers that they patronise. The study also confirmed previous research, in that trust in a retailer mediates consumers' service quality perceptions and eventual loyalty towards the retailer(s). Contrary to other research, conducted elsewhere, the demographic characteristics of the consumers were found to be insignificant in their perceptions of service quality. Considering all the influential factors, "Support" was identified as the dimension of online retailers' service offering that customers were the least satisfied with and it was evident both in the results of the assessment of service quality and service recovery. Therefore, in order to augment their service offering, online retailers need to devote more attention to how problems that are encountered are attended to, including promptness of attention and empathy demonstrated during the process of redress.

KEYWORDS

Online retailing, E-retailing, service quality, trust, loyalty, service recovery

DECLARATION

I declare that this research project is my own work. It is submitted in partial fulfilment of the requirements for the degree of Master of Business Administration at the Gordon Institute of Business Science, University of Pretoria. It has not been submitted before for any degree or examination in any other University. I further declare that I have obtained the necessary authorisation and consent to carry out this research.



Signed: Duan du Toit

11 November 2019

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CHAPTER 1: PROBLEM DEFINITION AND PURPOSE

1.1 Introduction

E-commerce, also referred to as e-retailing, e-tailing or online shopping (J. Chen & Murohy, 2019), has emerged as an alternative to traditional brick-and-mortar shopping. Online retailing competes directly with traditional retailing, and as a result has caused several shopping centres across the world to close down, reduce its footprint, and change its business model (Corkery, n.d.; Hagberg, Jonsson, & Egels-Zandén, 2017; Peterson, n.d.).

The popularity of online shopping is associated with multiple factors. From a customer's point of view, time saving, convenience, the opportunity to literally shop around the clock, access to products from a variety of stores across the world with a click of a button, and access to multiple payment options are very inviting (Bizcommunity.com, 2018; Carlson, 2017; Huseynov & Yildirim, 2016; Jiang, Yang, & Jun, 2013; Srinivasan, Anderson, & Ponnawolu, 2002). On the other hand, the benefit of generating sales at any time of the day (Merchant, 2018), cost-efficiencies (Nisar & Prabhakar, 2017), the increase in speed of transactions and high customisability (Srinivasan et al., 2002) has motivated many retailers and service providers to adopt e-commerce or to operate in multi-channels in order to serve their customers' needs (Goga, Paelo, & Nyamwena, 2019; Hagberg et al., 2017).

The needs of customers vary. Hedonic customers (customers who derive value from the experience) are more likely to avoid online shopping, whereas utilitarian customers (customers who derive value from the functional aspects) perceive greater benefits from online shopping such as the convenience, although they are more concerned with the associated risks (Sarkar, 2011). Rahman, Khan and Iqbal (2018) found that utilitarian motivators are greater than hedonic motivators to drive online purchases, which is important for both hedonic and utilitarian customers, while hedonic-driven customers highly regard trust.

Demographics were found to influence customers' online purchasing behaviour as well, for example Blut (2016) found that country culture plays a significant role in the evaluation of the perception of service quality, and that males, younger generations and families with higher income levels all have greater propensities to shop online (Akar & Nasir, 2015; Huseynov & Yildirim, 2016).

Notwithstanding the advantages of online shopping, there are mixed results concerning online shopping in South Africa. Bizcommunity.com (2018) cited year-on-year online retailing growth figures from research by PayPal and Ipsos of over 19% in 2018, while another report indicated a year-on-year growth of over 25% in 2018 (World Wide Worx, 2016) in South Africa. However, the explosive growth figures over the past few years can be misleading as there is a high turnover of online retailing businesses in South Africa. Some researchers suggest that this is due to only 20% of online retailers reinvesting 20% or more of their profits back into their business to support their growth (Bizcommunity.com, 2018). Other evidence suggests that the problem could perhaps be more nuanced and that the underlying causes are not fully understood.

1.2 Background to research problem

Customer loyalty is unequivocally one of the key competitive advantages for retailers, including retailers that operate online (Comline, 2008; Cox & Dale, 2001; Shin, 2001; Srinivasan et al., 2002; Zeithaml, 2002; Zeithaml, Parasuraman, & Malhotra, 2002). Customer loyalty is defined as an individual's intentions to repeatedly purchase from the same retailer (Kassim & Abdullah, 2008; Srinivasan et al., 2002). Loyalty is of particular concern to online retailers because they operate in an environment with lower barriers to entry than traditional retailers (Chiang, 2004; Shin, 2001; Porter, 2001). It is also possible for customers to switch to another online retailer, as switching is essentially as simple as a mouse 'click' (Chiang, 2004; Cox & Dale, 2001; Porter, 2001; Sarkar, 2011; Srinivasan et al., 2002; Zheng,

Lee, & Cheung, 2017). Attracting and retaining loyal customers is thus of critical importance to businesses within the online retailing industry.

Research further reports that customer loyalty largely depends on service excellence and associated trust in the traditional brick-and-mortar environment (Gefen, 2002). In online environments, there are indications that online customer retention strategies may differ from traditional brick-and-mortar retailing, with some authors even suggesting that trust (the ability to reduce risk to the customer) is of higher importance in online retailing environments (Akar & Nasir, 2015; Nguyen, de Leeuw, & Dullaert, 2018; Sarkar, 2011) to enhance loyalty. The antecedents of loyalty (or customer retention) have been extensively researched and evaluated in online retailing, and are widely acknowledged as a precondition for customer satisfaction that leads to, and encourages, customer loyalty (Blut, 2016; Blut, Chowdhry, Mittal, & Brock, 2015; P. Y. Chen & Hitt, 2002; Gefen, 2002; Kassim & Abdullah, 2008; Srinivasan et al., 2002). Essentially, customer satisfaction is a result of service excellence, which drives customer loyalty (Blut et al., 2015). Customer satisfaction, as a precursor of customer loyalty, represents the difference between consumers' expectations of a service offering (which includes the processes up to post-purchase experiences) and their subsequent experience (or perception of the experience) of the particular service offering (Grönroos, 1984). This process is also called the expectancy-disconfirmation phenomenon, where the aim is to achieve positive disconfirmation, which is when the service experience exceeds customers' expectations (Mill, 2011; Yuksel & Yuksel, 2008). Ensuring that the customer's service experience is positive (or alternatively, exceeds expectations), is therefore crucial for online retailers - not only in terms of their service offering, but also in terms of service recovery (post transaction), which cannot be initiated face-to-face as with traditional brick-and-mortar retail businesses (Cox & Dale, 2001; Fan, Wu, & Wu, 2010). Service recovery is particularly important for customer satisfaction and can be costly for an online retailer: Customers who experience service failures experience negative emotions and expect to be compensated (i.e. they seek justice) in order to be satisfied, which ultimately leads to repurchase intentions and positive word-of-mouth marketing (Kuo & Wu, 2012). It is, therefore, fair to say that the quality of the entire service of online retailers, i.e. pre- and post-transaction, delivery and after-sales service, is crucial to ensure customer satisfaction

and trust in the service, which may in turn result in customer loyalty. In addition, customer satisfaction often leads to word-of-mouth marketing, which is highly desirable for an online retailer (Kassim & Abdullah, 2008; Kuo & Wu, 2012).

1.3 Purpose of the research and research questions

The overarching research aim of this study, which is situated within the theoretical domains of consumer behaviour and retailing, is to determine how consumers' perceptions of the service quality of online retailers influences their loyalty towards a particular service provider, in order to create a better understanding of important aspects of customers' service experience that spur their return patronage. Since an online retailing experience can be viewed as a process rather than a single interaction, it is furthermore important to understand which service quality dimensions are important in initiating customer loyalty, and to explore the possible mediating influence of consumers' trust in an online retailer in the eventual relationship between perceived service quality and customer loyalty.

1.4 Research scope

This research focused on online consumers' post-purchase perceptions of the service quality of online retailers, in order to ultimately distinguish differences in their perceptions across the different dimensions of the construct. The rationale for focusing on post-purchase service quality perceptions was based on recommendations by Blut (2016), namely to evaluate the dimensions that are associated with customer service based on consumers' real experiences. Further support was provided through evidence of the top ten complaints that were reported to the Consumer Goods and Services Ombud of South Africa, which included online shopping. These complaints included: "Service not of expected quality", "Service not provided on time" and "Delivery not on time or reasonable" (Consumer Goods & Services Ombud, 2019). This supported the need to focus on actual experiences after a purchase encounter. Also, while the antecedents and outcomes of service quality have continued to be extensively researched over the past years (Al-dweeri, Obeidat, Al-dwiry, Alshurideh, & Alhorani, 2017;

Blut, 2016; Chang, Hsin-Hsin; Wang, 2017; Hult, Sharma, Morgeson, & Zhang, 2019; Jiang, Jun, & Yang, 2016; Kalia, 2017; Kim & Peterson, 2017; Lin, Luo, Cai, Ma, & Rong, 2016; Nisar & Prabhakar, 2017; Zehir & Narcıkara, 2016), very little research has been conducted in the context of South Africa, with its fairly immature and emerging online retailing market. The research thus focused on consumers' post-purchase service quality perceptions in a South African context.

The research was confined to an investigation of service quality in the retailing industry, which differs vastly from customer journey maps in other industries. This explains the existence of various SERVQUAL (Parasuraman, Zeithaml, & Berry, 1985) instruments for different contexts, such as the performance-only service quality scale (SERVPERF) (Cronin Jr & Taylor, 1992), and SITEQUAL to measure internet retail site quality (Yoo, Yoo, & Donthu, 2001), website service quality (Loiacono, Watson, & Goodhue, 2002) and electronic service quality (Parasuraman, Zeithaml, & Malhotra, 2005).

1.5 Research aim

The study aimed to investigate how consumers' service quality perceptions of online retailers in a South African context influence their customer satisfaction and subsequent customer loyalty, as well as to explore the possible mediating influence of trust in terms of customer loyalty towards a particular service provider. Since service recovery influences customer satisfaction and is only applicable to those who have experienced and acted upon service failures, the effect of service recovery on consumers' secondary service quality perceptions (that leads to customer satisfaction) was also explored.

Lemon and Verhoef (2016) described three distinct phases in a customer's journey, each with different types of interactions with the online retailer, namely:

- Pre-purchase phase: The phase where the customer obtains information, interacts with the retailer and makes a decision to act on the desire to purchase (or not).
- Purchase phase: The phase during which the customer acts to select a product, places an order and makes a payment to conclude the transaction.
- Post-purchase phase: The phase where the customer interacts with the product, engages with the online retailer for after-sales services (if needed) and reviews the entire service.

The research focused on the post-purchase aspects of the customer's online purchase journey (Lemon & Verhoef, 2016). This is similar to the research of Kassim and Abdullah (2008), who found that website design and ease of use were less necessary to build trust, with customers being more likely to use internet shopping in general as a result of their familiarity and positive experiences with online retailing.

1.6 Theoretical need for the study

Customer satisfaction and trust, which are important in enhancing customer loyalty, are increasingly important in the online retailing environment due to the low barriers to entry, ease of switching, and almost overnight entry of competitors into the environment. Trust is seen as an antecedent of customer loyalty, and negative service experiences can be improved or even overturned by positive service recovery efforts (Akar & Nasir, 2015; Elbeltagi & Agag, 2016; Jung & Seock, 2017). Service quality is an involving construct that is comprised of different dimensions that have all been thoroughly researched. The antecedents and consequences of service quality have also been extensively covered in research over the past 30 years. The research have resulted in various conceptual models that now exist in literature (Blut et al., 2015; Ladhari, 2010). Further evidence, however, indicates that customer satisfaction is influenced by contextual variables, especially country culture (Akroush & Al-Debei, 2015; Blut et al., 2015; Elbeltagi & Agag, 2016; Gefen, 2002; Kassim & Asiah Abdullah, 2010; Kim & Peterson, 2017; Lim, Osman, Salahuddin, Romle, & Abdullah, 2016; Ma Sabiote, Ma Frías, & Castañeda, 2012). The abundance of research on service quality (in different service contexts), customer satisfaction and customer loyalty in recent years, is mostly limited to countries outside of South Africa, as shown in

Table 1.1. This finding was confirmed by a study of 208 peer reviewed articles published between 2005 and 2014 on e-commerce, of which 94.71% were from a single country, namely the United States of America (Huseynov & Yildirim, 2016).

Table 1.1: Service quality studies performed in various contexts during the past decade

Year	Authors	Context and Limitations
2010	Kassim and Asiah Abdullah, 2010	Researched in Qatar and Malaysia
2010	Ladhari	Meta-Analysis
2010	Udo, Bagchi and Kirs	Research conducted in United States of America on website quality only
2011	Ding, Hu and Sheng	Performed in United States of America
2012	Mā Sabiote	Performed on Spanish and British nationals on the tourism industry
2015	Sharma and Lijuan	Performed in Nepal on telecommunication industry, on website quality only
2016	Blut	Performed in United States of America
2016	Jiang, Jun and Yang	Research conducted in United States of America, on males in the finance sector
2016	Lin, Luo, Cai, Ma and Rong	Research conducted in China
2016	Zehir and Narcıkara	Research conducted in Turkey
2017	Al-dweeri, Obeidat, Al-dwiry, Alshurideh and Alhorani	Research conducted in Jordan

Blut (2016) recommended that the conceptual model of service quality should be contextualised and adapted for country culture as well as regulatory environments. It can thus be said that ‘generic’ measurement instruments are unlikely to be relevant throughout the world (Kalia, 2017; Ladhari, 2010). It is against this background that more research, especially in the context of the plural South African environment, should be conducted. It is not yet clear which dimensions of service quality are more pertinent for online retail in South Africa, as online retailing is still in the infancy stages locally (UNIDO, 2017), and limited research has been conducted to date to establish the antecedents of customer loyalty as well as the relationship of customer loyalty with other constructs such as service quality and trust in South Africa. Although there has been vibrant interest in this topic throughout the world in

recent years, literature on this topic relating to South Africa is lacking. Only two studies (Comline, 2008; Rudansky-Kloppers, 2014) could be found, despite several calls by researchers for the topic to be contextualised. Furthermore, only a small quantity of research papers could be found that focus on the mediating effects of service recovery on customer satisfaction and loyalty (Akar & Nasir, 2015; Jung & Seock, 2017; Khalifa & Liu, 2007), with no research having been conducted in the context of South Africa. This study thus contributes to the body of knowledge on service quality, trust and loyalty by contextualising and verifying the interactive effect of the relevant constructs (service quality, trust, customer loyalty, service recovery) in an emerging market with a diverse cultural mix (Hofstede, 2016).

1.7 The business need for the study

This study has significant business implications in terms of indicating how customers' trust as a consequence of their satisfaction with the service offering (service quality) of online retailers (as a culmination of various dimensions of the service), as well as successful service recovery, could enhance their satisfaction to ultimately increase retention, i.e. customer loyalty. If customers were hesitant to seek alternative suppliers, it would enable a retailer to survive and grow in what is now a globally competitive marketplace.

From a business perspective, several benefits are associated with online retailing in comparison to traditional brick-and-mortar trade, such as sales not being constricted to specific operating hours or geographic contexts, irrelevance of high rental and maintenance costs of premises, no need for stock keeping throughout physical stores in the operating area, and less need for highly trained staff to facilitate and support sales (Botha et al., 2019). Theoretically, these benefits can be leveraged to create a competitive advantage that should encourage retailers to offer their services online (Akroush & Al-Debei, 2015).

Globally the e-commerce industry is expected to be worth US\$2 674 Billion by 2023 in revenue (Statista, 2019). In the United States of America alone, e-commerce sales reached

an estimated \$513.6 billion in 2018 (U.S. Department of Commerce, 2019). In terms of adoption of online retailing as an alternative to traditional retailing, the adoption rate is especially high in Europe (including the UK), where 69% of internet users shopped online in 2018 (European Commission, 2018). Comparatively, certain BRICS countries have seen their share of explosive increases in online retailing. For example, China's online retailing as a share of total retailing skyrocketed to 31% in 2014, in Russia to approximately 14%, and in Brazil to about 8% (Bronnenberg & Ellickson, 2015). This is in stark contrast to the adoption of online shopping as an alternative to traditional brick-and-mortar shopping in South Africa, which has been remarkably slow in comparison with the rest of the world.

According to UNIDO (2017), only 10% of the 33 million adult population in South Africa made use of online shopping in 2015, and compared to other BRICS countries, South Africa's percentage of online retail as a share of the total retail industry has remained relatively unchanged, never exceeding 3% between 2000 and 2014 (Bronnenberg & Ellickson, 2015). Some research even indicated that South Africa is five to seven years behind countries such as America, Australia, Britain and countries in Europe (Rudansky-Kloppers, 2014). The industry size is also relatively small in South Africa; it is estimated to be worth around R14 billion according to Investec (2019), not the R53 billion that the International Trade Administration (ITA), (2018) expected the industry size to be at in 2018. Online retailing is still only 1% of the total retail industry size in South Africa (Investec, 2019; The International Trade Administration (ITA), 2018) which is only a fraction of the size of other BRICS countries. It is also fair to say that South African online retailers are still awaiting the 'boom' of e-commerce. This is evident from reports that one of the largest online retailers in South Africa, Takealot.com, which has been operational for the past eight years and has revenues of approximately R5.5 billion, has never broken even (le Roux, 2019). Any indication of how consumers could be encouraged to pursue online shopping and how their hesitance could be negated would therefore be useful to retailers.

Recent research conducted in South Africa cited customer service as the number one most critical factor for the success of businesses' online retailing (World Wide Worx, 2016). This

was supported by the findings of the Consumer Goods and Services Ombud, who cited “Service not of expected quality” as the highest ranking complaint category (Consumer Goods & Services Ombud, 2019).

Two of the contextual issues that may jeopardise the growth of online shopping in South Africa, of which most are beyond the control of consumers who may be interested in online shopping, are geographical limitations that negatively influence access to stable Internet connections, and poor delivery services (Javadi, Dolatabadi, Nourbakhsh, Poursaedi, & Asadollahi, 2012; UNIDO, 2017). Individual and societal circumstances may also discourage many South African consumers from actually trying out, or continuing with, online shopping. These may include a lack of access to relevant technology to enable online shopping, lower education levels which makes online browsing more challenging, and a lack of suitable payment methods (UNIDO, 2017).

Apart from economic and practical issues, it is not clear why certain demographic classes, i.e. middle-income, urban consumers with higher education levels who are not necessarily severely affected by the aforementioned obstacles and practical issues, are not yet actively pursuing online shopping, and why they are refraining from supporting a phenomenon that has become so popular elsewhere in the world. Statistics from Bronnenberg and Ellickson (2015) show that South Africa has experienced a slower uptake (3%) of online retailing compared to other BRICS countries (8%), suggesting that different factors may create hesitance among local consumers from following in the footsteps of consumers elsewhere in the world, who are increasingly diverging from brick-and-mortar shopping to gain from the many benefits that are associated with online shopping.

Evidence is lacking regarding whether certain dimensions of online service offerings, including post-service recovery, should be augmented to enhance customers’ satisfaction and trust in online retailing, to ultimately boost the growth of online retailing businesses in

South Africa to reach the once anticipated levels of R53 billion in revenue in 2018 (The International Trade Administration (ITA), 2018).

The adoption of online shopping is influenced by a number of factors, including product category, consumer demographics, payment options, device used to access the internet and the perception of risk (Botha et al., 2019). The challenges are significantly higher in developing countries where additional issues such as affordable technology and access may jeopardise consumers' willingness and ability to shop online (UNIDO, 2017). As with traditional brick-and-mortar stores, the cost involved to acquire new customers exceeds the cost of retaining existing customers (Khalifa & Liu, 2007; Pfeifer, 2005; Reichheld & Scheffer, 2000). Gefen (2002) reported that previous studies found online customer acquisition costs are 40% higher for businesses in comparison to the cost to acquire "walk-in" customers in a traditional brick-and-mortar store.

Although online retailing has grown in South Africa over time, the levels of growth that were seen throughout the rest of the world have remained elusive in South Africa, with the online retailing industry accounting for less than 2% of retail sales locally (World Wide Worx, 2016). The small percentage of online retail in comparison with traditional retail has also been seen in the number of shopping malls that are being erected in the country, whilst there is a general reduction of malls throughout the rest of the developed world (Gilbert, 2019; May, 2017).

This topic is important in a changing global economy as it has the potential to spur growth in the online retailing industry in South Africa. An alternative to traditional retail would improve competition in the general retailing environment, which has suffered from economic setbacks since the turn of the century.

1.8 Limitations

Several limitations are associated with the study:

- The literature review indicated that limited consensus exists between researchers in the field of the topic regarding the dimensions that describe the construct. The selection of the scales was based on the most recent research found in top journals. Since many of these models were not empirically tested by other authors, the study remained at risk of improperly assessing the constructs.
- The constructs that describe customer loyalty are generally difficult to measure. Questionnaires also lack the richness of information that you can extract from respondents that could assist to adequately describe the constructs (Saunders & Lewis, 2018, p. 121).
- The research was limited to South Africa. Although this was intentional in order to understand the causal relationship of context on the constructs, it limited the generalisations that can be drawn from the results.
- The research was limited to tangible products other than books and tickets (movies, theatre, flights) purchased from an online store, thus the results are not necessarily generalisable.
- One of the biggest challenges for this study was access to the population. Since the population exists in cyberspace, there was no direct way of accessing it without using a convenience sample and letting it snowball.
- The aforementioned issue was further aggravated by the time constraints for the study. Since this study was done as partial fulfilment of the requirements for a Master's degree, the allotted time severely constrained the collection of a sample size that would have been more appropriate for the study.

1.9 Layout and presentation of the research report

The subsequent chapters of the research report are structured as follows:

Chapter 2 presents a review of recent and relevant literature to define and conceptualise the different constructs that were identified for this research topic.

Chapter 3 introduces the hypotheses as well as the conceptual model that was later analysed statistically.

Chapter 4 provides information regarding the research design and research methodology used, explaining the population, sample, measuring instrument and how the data were collected and analysed.

Chapter 5 presents the data analyses and statistical results that were used to draw inferences from.

Chapter 6 discusses the results in terms of extant literature and reflects back on the hypotheses.

Chapter 7 concludes the research by elaborating on the findings, the impact of the research on theory, as well as the impact on business. It summarises the outcome of the research and provides direction for future research, while also listing the limitations that were encountered during the course of the research process.



CHAPTER 2: LITERATURE REVIEW

The literature review presents an overview of extant literature to expand on the relevant constructs in this study.

2.1 Introduction

A high turnover of customers generally signifies that a company is not aligned to their expectations, yet the reasons for customers' dissatisfaction often remain unknown to many e-commerce (e-retailing or online retailing) businesses. Blut (2016) claimed that this is a direct result of their lack of understanding of service quality drivers, despite the fact that online retailing has been extensively researched for years, with a number of researchers conducting studies to determine what constructs, dimensions and characteristics drive online purchases (Akar & Nasir, 2015; Al-dweeri et al., 2017; Blut, 2016; Blut et al., 2015; Comline, 2008; Ding, Hu, & Sheng, 2011; Elbeltagi & Agag, 2016; Fan et al., 2010; Huseynov & Yildirim, 2016; Jiang et al., 2016; Kalia, 2017; Kassim & Asiah Abdullah, 2010; Ladhari, 2010; Lin et al., 2016; Ma Sabiote et al., 2012; Martínez & Martínez, 2010; Nisar & Prabhakar, 2017; Sharma & Lijuan, 2015; Udo, Bagchi, & Kirs, 2010; Zehir & Narcikara, 2016). Probably one of the most important constructs in e-commerce is customer loyalty, which is why there is such a vast array of research available on the topic. The majority of the research that focuses on loyalty has explored it in the traditional conceptual sense of the customer journey, where service quality excellence leads to customer satisfaction, which in turn leads to customer loyalty (Akar & Nasir, 2015; Al-dweeri et al., 2017; Blut, 2016; Blut et al., 2015; Ding et al., 2011; Elbeltagi & Agag, 2016; Fan et al., 2010; Huseynov & Yildirim, 2016; Jiang et al., 2016; Kalia, 2017; Kassim & Asiah Abdullah, 2010; Ladhari, 2010; Lin et al., 2016; Ma Sabiote et al., 2012; Martínez & Martínez, 2010; Nisar & Prabhakar, 2017; Sharma & Lijuan, 2015; Udo et al., 2010; Zehir & Narcikara, 2016). Yet despite the considerable research in this field, there has been very little agreement on the antecedents and consequences of the constructs, which has led to authors finding a number of different relationships between the different constructs (service quality, satisfaction and trust). Some authors have even tested certain

moderators such as the 4 Ps of marketing (Moriuchi & Takahashi, 2016), trust, and the Price-Tactic Theory (Zheng et al., 2017) to better comprehend the relationships between the constructs.

Amidst the different approaches, some facts have remained constant, such as the need for customer loyalty for business success (Gee, Coates, & Nicholson, 2008; Helgesen, 2006; Hult et al., 2019) and the need to fully understand the antecedents of customer loyalty (Akar & Nasir, 2015; Fan et al., 2010; Harris & Goode, 2004; Kassim & Asiah Abdullah, 2010). The majority of researchers concur that the antecedent for customer loyalty is consumer satisfaction, which is a result of positive disconfirmation (customer expectations being met or exceeded) (Mill, 1990; Oliver, 1980; Yüksel & Yüksel, 2001), which is due to service quality excellence that occurs as the consequence of the entire purchasing experience. However, research has now started to focus on the moderating and mediating influencers of loyalty. A fairly recent study by Akar and Nasir (2015) concluded that demographic factors also affect online purchasing intentions, for example most online shoppers are male; from a younger generation (due to their access and experience with technology from a younger age); and typically earn higher incomes. Other contextual studies have found that people who spent more time online are more likely to purchase online than to patronise traditional storefronts (Huseynov & Yıldırım, 2016). For this reason, it can be inferred that population groups with lower accessibility to the internet will be less likely to purchase from online retailers. Of further importance are customer perspectives such as trust, perceived risk, attitude and personal innovativeness. Akar and Nasir (2015) concluded that service quality and the quality of after-sales service are two of the strongest drivers of customer satisfaction, which, along with trust in a retailer, influence online purchasing intentions the most.

This rest of the chapter explores the literature that describes and supports the rationale for the study.

2.2 Service quality as an antecedent of customer loyalty

2.2.1 Service quality over time

The customer's experience of service quality has become a focus area for many successful businesses that understand the importance of the multiple touchpoints that a customer experiences during the customer journey (Lemon & Verhoef, 2016).

Service quality is an intricate construct that gained popularity as a research area in the early 1980s, when researchers such as Parasuraman, Zeithaml and Berry (1985) explored the construct. Moriuchi and Takahashi (2016) described customer satisfaction as the resultant evaluation of a customer's personal experience with a purchase transaction, while Khalifa and Liu (2007) explained it as the importance of the efficiency of the actual physical process of the service delivery that is critical for customer satisfaction. In the study by Parasuraman et al. (1985), service quality was defined as having three characteristics: intangibility – resulting from the fact that it is a measure of performance which cannot be measured before the transaction takes place; heterogeneity – a result of different approaches by different service providers and different human interactions; and inseparability – the production and consumption of the service as a single experience.

The construct of service quality is complex and as a result is difficult to manage as it is not known how a customer would evaluate a service due to its intangibility. There is general agreement amongst academics that the evaluation of service quality is typically a process that functions within the confirmation-disconfirmation paradigm. This paradigm is grounded in the understanding that consumers purchase goods based on a preconceived expectation of performance for the transaction. The consumer then assesses the performance of the transaction experience against their preconceived expectation. The result, i.e. the 'discrepancy' between the expectation and experience, is called disconfirmation (Parasuraman et al., 1985; Yüksel & Yüksel, 2001). Disconfirmation can be positive – where the experience exceeded the expectation, or negative – where the experience is worse than

expected (Mill, 2011; Yuksel & Yuksel, 2008; Yüksel & Yüksel, 2001). Positive disconfirmation from a service quality evaluation leads to satisfaction (positive outcome of perceived service quality), while negative disconfirmation leads to dissatisfaction (negative outcome of perceived service quality), although other findings suggest that the experience is also accumulative of past experiences that significantly influence the preconceived expectation (Oliver, 1980). Satisfaction is thus the perception that expectations have been met (Oliver, 1999), however the expectation of the customer is dynamic and evolves and changes over time (Anderson & Srinivasan, 2003).

The expectancy-disconfirmation paradigm method of assessing service quality has been found to have significant benefits over other methods of assessing service quality. Two of the most prevalent benefits of the expectancy-disconfirmation paradigm is the ability of the measurement to measure the customer's own expectation level against their own perception of the experience, and the ability to represent the relationship mathematically with the outcome indicating the level of customer satisfaction (Danaher & Haddrell, 1996). This research by Danaher and Haddrell (1996) also found that a scale based on the expectancy-disconfirmation paradigm outperformed other scales as a measure of customer satisfaction.

The scale can be applied in two ways: the measurement scale is used to obtain a singular view at a point in time (perceptions-only), or it can be applied to assess the difference between the customer expectations and their actual experience of the service quality (Hartline & Ferrell, 1996). The perceptions-only instrument is best used when the goal is to assess service quality, where the gap scale is best to identify areas where the service failed to meet expectations (Zeithaml, Berry, & Parasuraman, 1996). An alternative method of assessment is based on equity theory. Customer satisfaction (or the outcome of a positive service quality experience) is grounded in equity theory; it is based on the principle that humans seek an outcome that they believe is fair and reasonable for the input they provided (Jiang et al., 2016)

2.2.2 Service quality dimensions

As early as 1985, service quality was determined to comprise of underlying dimensions. Parasuraman et al. (1985) identified ten dimensions, which in combination represent the construct 'service quality': Access, Communication, Competency, Courtesy, Reliability, Responsiveness, Security, Tangibles and Understanding (knowing) the customer. The dimensions are a combination of classifications used to assign properties of tangible items: search properties, experience properties and credence properties (Nelson, 1974). Search properties are aspects that the consumer can determine upfront, prior to the purchase, experience properties are aspects that the consumer can determine after the purchase and during the consumption, while credence properties are those that are impossible to evaluate at any given time of the process. Of the dimensions identified by the study, only a few are measurable prior to the purchase situation. Consequently, consumers generally evaluate service quality based on their experience of the service.

Parasuraman et al. (1985) later refined their original scale for an online environment and included five dimension: tangibles, reliability, responsiveness, assurance and empathy. The scale was dubbed SERVQUAL and various empirical studies have confirmed the consequences of service quality when measured in terms of these dimensions on loyalty, satisfaction and purchase intentions (Ding et al., 2011).

Over time, researchers have defined service quality and applied it in different contexts, including an online environment. This has led to the development of numerous scales and disagreements on the dimensions that actually influence service quality (Blut, 2016; Gefen, 2002; Parasuraman et al., 1985, 2005; Wolfinbarger & Gilly, 2003; Zeithaml, 2002; Zeithaml et al., 2002), with some even questioning the applicability of the original measurements for an online environment (Wolfinbarger & Gilly, 2003). The disagreements resulted in a number of authors developing their own versions of the original dimensions that were defined by Parasuraman et al. (1985). A summary of the different scales are captured in Figure 2.1.

A consequence of the exhaustive list of studies that have defined scales are best summed up in the words of Jiang et al. (2016, p. 3): “It is a formidable task to identify the key e-service quality dimensions because of the tremendous number of studies in this arena.” Most of the online service quality research is limited in that it only focuses on online service quality in terms of the website experience (Parasuraman et al., 2005; Sharma & Lijuan, 2015; Udo et al., 2010), thus neglecting the entire online transaction (Wolfenbarger & Gilly, 2003). A more holistic approach is that of Wolfenbarger and Gilly (2003), who defined the entire online retailing experience from the point of information search, evaluation of the product, the decision to purchase, the transaction, delivery of the order, return, as well as customer experience. For this purpose, Wolfenbarger and Gilly (2003) developed the eTailQ model as a more comprehensive measurement scale that includes all these dimensions.

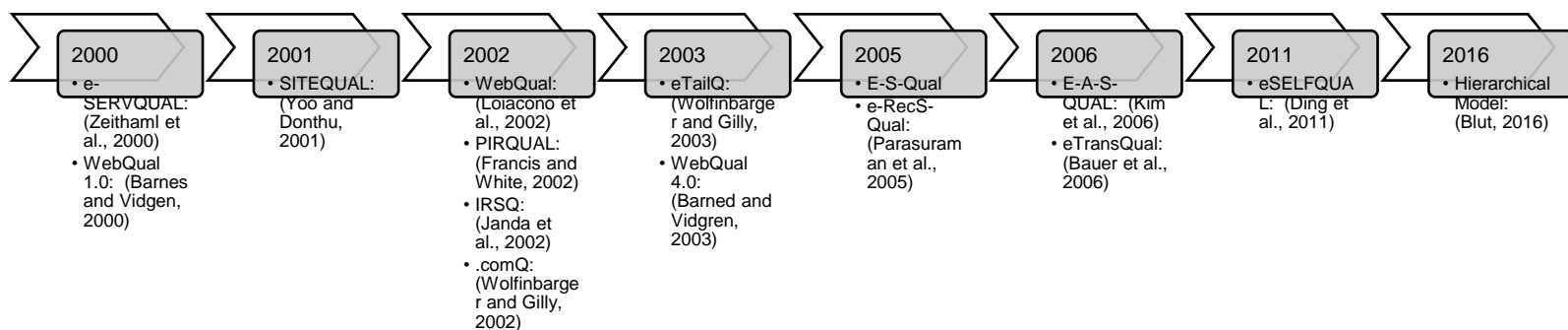


Figure 2.1: Service quality (as adapted from Ding et al., 2011 and Kalia, 2017)

Notwithstanding the popularity of models proposed by Parasuraman et al. (2005b) and Wolfenbarger and Gilly (2003), Blut et al. (2015) critiqued the models that were used prior to their research, and argued that a hierarchical model would be more appropriate to measure the construct. Blut (2016) further cautioned that a number of measurement scales of service quality have used reflective measurements which are inappropriate to properly measure the construct. In response to the vast differences in opinion and limitations of the different measurements, Blut (2016) performed a meta-analysis and developed a scale that is based on the means-end-chain theory. This posits that customers evaluate a service quality experience based on a specific occurrence and at attribute level, which relates to the higher order construct in a hierarchical manner. The attributes of the scale also relate to the

dimensions of the construct in a formative manner. The study concluded with a list of sixteen attributes that constituted four dimensions (website design, fulfilment, customer service and security) that have a significant impact on service quality in the online environment. The attributes of the dimensions were classified as information quality, website organisation, purchase process, website convenience, product selection, merchandise availability, price offerings, website personalisation, and system availability, timeliness of delivery, order accuracy, delivery conditions, and service level, return policies, security and privacy. Critically, the study also found that the attributes should not be treated as equally weighted, and that the four dimensions are moderated by contextual differences such as the country cultural dimensions of (Hofstede, 1983) and regulatory factors such as rule of law and financial secrecy (Blut et al., 2015). As Blut et al.'s (2015) study shows, culture in a country, the regulatory environment and industry play a significant role in the selection of service quality scales. The study further highlights that the service quality dimensions should be contextualised to ensure that they are relevant where they are applied.

Service quality differs quite substantially from product quality in that it lacks the measurable dimensions that are considered prior to the purchasing experience, consequently consumers only evaluate the service quality in an online service setting based on the experience properties of the service. Further to this, it was also found that in an online retail environment, fulfilment is of higher importance to customers compared to the traditional shopping environment, and all the dimensions of service quality are not equally relevant across different contexts. The dimension 'fulfilment' is apparently very important in countries with a culture of individualism (the level to which people are satisfied to act on their own) (Blut et al., 2015). In terms of reference, South Africa is ranked very low (35th out of 50 countries) on individualism. Ladhari (2010) recommended that online retailers should have a strong focus on the responsiveness and reliability of their service. This is in line with how service quality is assessed, since the responsiveness and reliability of a service are both aspects where an online retailer sets expectations (promises). As an example of how customer satisfaction is guaranteed, Reichheld and Schefer (2000) cited the success factors of Dell Computers, which focus on order fulfilment, performance of their product, and aftersales service and support. Therefore, if expectations are not met, i.e. the service quality is not perceived to be

at the standard that was envisaged by the customer, the resulting outcome will be disconfirmation or dissatisfaction, which will ultimately have a negative impact on customer loyalty.

Customer satisfaction is therefore the outcome of the perceived value (as a service quality dimension) that a customer derives from the purchasing experience (Jiang et al., 2016).

2.2.3 The relevance of different dimensions of service quality in terms of customer loyalty

Jiang et al. (2016) explained that consumers may value certain characteristics (features) as the largest contributor to perceived customer value, i.e. they expect those features to perform well, with other features being slightly less crucial. When their expectations are met (confirmation) or exceeded (positive disconfirmation) they will be satisfied, which is an important driver towards customer loyalty - a key differentiator for a competitive edge. Satisfaction is, however, not always required. Al-Maghrabi, Dennis and Halliday (2011) found that consumers might continue to use an online retailing service despite being dissatisfied with a service, purely because the consumer deems the service useful. Although this seems to contradict research on customer satisfaction as an antecedent of loyalty, it suggests that the customer is not necessarily loyal to the retailer in the true sense, but that the person might switch whenever a better alternative is identified that can offer the usefulness whilst producing a more satisfying service.

2.3 Service recovery

Service recovery is the process that a service provider follows in order to recover a failure in the delivery or expectations of a service (Gronroos, 1988). Service recovery has become more important in online retailing than ever before, especially in emerging markets. This is a result of the significant impact of social media on online retailers, where customers can easily

share negative experiences of a service failure with many potential and existing customers (Kuo & Wu, 2012; Lemon & Verhoef, 2016). Izogo and Jayawardhena (2018) suggested that online retailers can benefit significantly when investing in good service recovery processes. Cox and Dale (2001) concurred that service recovery in online retailing that occurs afterwards and that cannot be resolved face-to-face as is typically done in traditional retail environments should be important to an online retailer.

Service recovery is comprised of two dimensions (Smith, Bolton, & Wagner, 1999): social behavioural and economic intentions. Similar to service quality, customers expect a retailer's service recovery effort to match the inconvenience of the experience (Lemon & Verhoef, 2016), i.e. that it is fair, just and meets or exceeds expectations. Customers therefore seek justice in three dimensions: distributive justice – if the monetary compensation was fair; interactional justice – if an apology was offered; and procedural justice – if the policies associated with the recovery process is flexible and efficient for the inconvenience experienced (Kuo & Wu, 2012; Smith et al., 1999). The responses to a service failure can, therefore, be classified into two distinct approaches: tangible and psychological (Kuo & Wu, 2012). Service recovery is also present in the entire customer experience, i.e. the process of the service delivery as well as the outcome of the service (Smith et al., 1999). Although Smith et al. (1999) has found that customers place more weight on process failures than outcome failures, the research only looked at face-to-face encounters and was also conducted only in the restaurant and hotel industry prior to the dawn of online retailing. More recent research has found service recovery to be important after the transaction has taken place, as customers will likely make use of an alternative retailer if expectations are not met during the post-transaction processes (Cox & Dale, 2001).

Differences in the relationships among constructs and service recovery have been reported, for example some researchers have found that service failure is more prominent in the fulfilment/reliability dimension of service quality (Kuo & Wu, 2012). A study by Jung and Seock (2017) concluded that post-recovery satisfaction (that is, successful service recovery efforts) has a significant influence on word-of-mouth recommendations by customers. This

is further supported by the findings of Sciarelli, Nagm, Dakrory, Tani and Khashan (2017), who concluded that service recovery satisfaction has a significant influence on loyalty, while Fan et al. (2010) also found a positive relationship between service recovery and repurchase intentions. Elbeltagi and Agag (2016a) similarly concluded that a significant relationship exists between service recovery and customer satisfaction.

Service quality perceptions are highly influenced by contact between the firm and the customer (Parasuraman et al., 1985), and since service recovery typically involves interactions between the retailer and the customer, service recovery has an influence on the perceptions of the service quality as a whole. Some researchers have aptly named it 'secondary satisfaction' as it is distinguished from the first service quality experience before the failure (Kuo & Wu, 2012). Therefore, after-sales satisfaction is as important as the entire service process, as it is typically where repurchasing, loyalty and word-of-mouth marketing occur (Lemon & Verhoef, 2016). The type of recovery effort is also important, as higher value is placed on the efforts of recovery if it is appropriate for the type of inconvenience that was experienced (Smith et al., 1999). Smith et al. (1999) further cited research that indicates that equity theory is at play and that customers evaluate the compensation they receive against the loss; they can feel under-compensated, fairly compensated or over-compensated as a result. The service recovery experience creates emotions in the customer which can be positive (e.g. happiness) or negative (anger), and emotions are invoked during a service recovery experience as reported by Kuo and Wu (2012). Kuo and Wu (2012) further cited research that proves that a relationship exists between the emotions that are invoked and the perceived justice of the service recovery experience. High negative emotions and low positive emotions are experienced by the customer whenever the perception of justice is low, although this is only affected by the perceived distributed justice and perceived procedural justice dimensions of the construct. Kuo and Wu (2012) believe that this is a result of the online environment, where there is very little face-to-face interaction that can induce emotions in the customer. The emotions are further influenced by the outcome of the service recovery experience.

Few studies have looked at service recovery in different contexts, however the perceptions of service recovery efforts are very similar to the outcomes of the perceptions of service quality. A customer who views the perceived justice of a service recovery as positive (i.e. that the outcome was fair and just for the inconvenience) has an increased post-recovery sense of satisfaction, and the positive emotions of the experience also leads to post-recovery customer satisfaction (Kuo & Wu, 2012). However, only distributive justice influences both emotions and post-recovery out of all three of the dimensions of the construct. Finally, the results of post-recovery customer satisfaction have been found to influence post-purchase intentions, i.e. loyalty (Kuo & Wu, 2012). Kuo and Wu (2012) claimed that procedural justice highly influences positive word-of-mouth recommendations by customers to others, and higher interactional justice leads to stronger repurchase intentions.

2.4 Customer loyalty

2.4.1 The relevance of customer loyalty

Maintaining customer loyalty is one of the key competitive advantages for businesses in any industry, including online retailing (Comline, 2008; Cox & Dale, 2001; Shin, 2001; Srinivasan et al., 2002; Zeithaml, 2002; Zeithaml et al., 2002). Not only do loyal customers return for further purchases, but they become more profitable to a business (Kassim & Abdullah, 2008). In a study by Gefen (2002), the cost of obtaining new customers was cited to be between 20% and 40% more expensive than retaining existing customers. The same study reported that the return on investment in new customers is typically only realised after a year of repeat purchases by those customers.

2.4.2 Defining customer loyalty

Studies on the online retailing industry have defined loyalty in different forms, such as Kassim and Abdullah's (2008) research which stated that loyalty is, 'the favourable attitudes of a customer that results in repeat buying behaviour from an e-retailer'. Srinivasan, Anderson and Ponnayolu (2014), meanwhile, described it as, 'a customer's favourable attitude toward

the e-retailer that results in repeat buying behaviour'. These definitions are, however, only one dimensional; other studies have defined loyalty in terms of two dimensions: attitudinal commitment and behavioural commitment. Behavioural commitment refers to a consumer's repurchase or repeat purchase intentions, and attitudinal commitment is related to willingness such as positive word-of-mouth recommendations to other potential customers, which can also be seen as an element of emotional behavioural expressions of loyalty (Al-dweeri et al., 2017; Kassim & Abdullah, 2008; Shankar, Smith, & Rangaswamy, 2003). As a multi-dimensional construct, Bloemer, De Ruyter and Wetzels (1999) identified word-of-mouth marketing, purchase intentions, price sensitivity and complaint behaviour as relevant dimensions. Udo et al. (2010) also found similar results, and determined that satisfied customers are more likely to revisit an online service provider and to promote the online service provider to others through word-of-mouth feedback. Thus, behavioural and attitudinal loyalty are both methods that increase profitability, as they attract both existing customers to purchase from a business, and influence non-customers. However, behavioural loyalty such as repeat purchases from an online retailer can, in fact, represent false loyalty, as it could be the result of a lack of choice of alternative service providers. Furthermore, customers can be loyal without necessarily purchasing from an online retailer on a regular basis, as the consumption of the product that is purchased is not regular. Therefore, it is argued that attitudinal loyalty is a much better representation of loyalty as it represents an emotional connection to the retailer which is independent of purchasing behaviour. Ultimately, loyalty is important to a retailer as it is easier to meet and exceed a customer's needs and expectations if it is known (Gefen, 2002).

2.4.3 Antecedents of customer loyalty

The antecedents to customer loyalty are widely researched in literature. Some studies have focused on retention from a selection of factors, e.g. the research of Chen and Hitt (2002) which focused on customer retention from a switching cost perspective, or that of Srinivasan, Anderson and Ponnnavolu (2014), which determined the dimensions of customer satisfaction that serve as antecedents of loyalty based on the impact of customisation, contact interactivity, cultivation, care, community, choice, convenience and character (abbreviated as

the '8Cs' of e-loyalty). The study concluded that only seven of the eight Cs (all but convenience) have significant and direct relationships with customer loyalty. A more recent study by Jiang, Jun and Yang (2016) looked at the effects of service quality dimensions (care, reliability, product portfolio, ease of use and security), and found a strong positive relationship between customer perceived value (customer satisfaction) and loyalty, and that customer perceived value exercises a mediating effect on the relationship of service quality on customer loyalty. This view was supported by the findings of Jiang et al. (2016) who concluded that customer-perceived value (using equity theory to assess if the cost of the transaction was fair for the reward) played a partially mediating role on the relationship between each of the service quality dimensions and loyalty. Earlier, Danaher and Haddrell (1996) concluded that satisfied customers do not necessarily remain loyal. Also, there are situations where customers are loyal simply because they lack the choice of an alternative online provider (Shankar et al., 2003).

The relationship between loyalty and other constructs have also been researched, with multiple researchers (including a comprehensive meta-analytic review of literature) finding that trust is an antecedent to customer loyalty (Gefen, 2002; Huseynov & Yildirim, 2016; Kassim & Asiah Abdullah, 2010), and that loyalty leads to an increase in purchases from an online retailer. Again, as with service quality, there is little agreement in the literature on the consequences and antecedents of loyalty, and almost all the studies that were conducted had indicated limitations in advance. For example, the research of Kassim and Asiah Abdullah (2010) was limited to Malaysia and Qatar, despite the researchers' awareness of the relevance of cultural influences in terms of customer satisfaction and trust. Therefore, the relationships between loyalty and service quality, service recovery and trust are contextual, and can be impacted by demographical dimensions.

2.5 Trust as an antecedent or mediator for loyalty

Trust is defined as the extent to which the stakeholders or customers of a retailer believe that they can rely on the business activities of the retailer (Kim & Peterson, 2017). Trust has been

found to be more critical in the online environment in comparison to the traditional retailing environment due to the fact that there are higher risks that an online retailer could behave unethically and exploit a customer (Gefen, 2002). Additional risks make consumers more hesitant to purchase from a retailer and affect their repurchase intentions, especially if they found the online retailer to be untrustworthy. One way that online retailers can build trust, according to Akroush and Al-Debei (2015), is by reputation building and effective communication that emphasises the advantages that online shopping has over traditional retailers. Word-of-mouth marketing and social media use could also have a positive effect on an online retailers' reputation and consumer trust. Word-of-mouth marketing is a dimension of customer loyalty, with researchers finding that there is a particularly strong link between trust, customer loyalty and consumers' repurchase intentions (Akroush & Al-Debei, 2015; Sharma & Lijuan, 2015; Zheng et al., 2017). Therefore, consumer trust builds loyalty and loyalty leads to positive word-of-mouth recommendations, which in turn builds trust in the online retailer. The exact relationship of trust with loyalty is, however, still unclear (Anderson & Srinivasan, 2003).

A retailer can improve the trust a customer has in them by, for example, offering a cash on delivery service for online shoppers (Akroush & Al-Debei, 2015). Offering customers options that would enhance their trust was found to be even more important for emerging market countries, where there is limited access to electronic payment options (Akroush & Al-Debei, 2015; Goldstuck, 2012; UNIDO, 2017). This is particularly true if the country exhibits a culture with high levels of uncertainty avoidance (Blut et al., 2015; Huseynov & Yıldırım, 2016; Kassim & Asiah Abdullah, 2010; Ma Sabiote et al., 2012). It was also found that individualism highly affects trust in retailers, and has a positive relationship with the initial trust that is established with the retailer, which increases consumers' purchasing intentions (Huseynov & Yıldırım, 2016). It can thus be said that trust is also influenced by contextual elements.

Some authors investigated the antecedents of trust and found that trust is a consequence of service quality perceptions, the implied cost to switch to another retailer, and perceived risk (Gefen, 2002). Apparently service quality and trust are the strongest antecedents of customer

loyalty, with trust alone having a significant direct effect on loyalty (Gefen, 2002; Kassim & Abdullah, 2008), irrespective of service quality perceptions (Gefen, 2002). Gefen (2002), however, conceded that further empirical evidence is needed to support this finding. In terms of individual dimensions, research conducted by Huseynov and Yıldırım (2016) found that privacy, security and return policy significantly influence customers' trust in an online retailer, as well as their intention to purchase.

Beyond the direct effect of service quality on loyalty, some scholars have argued that loyalty is built indirectly by first establishing and building a relationship with the customer, who will then exhibit loyalty (Kassim & Abdullah, 2008). A similar relationship was explored with some of the other constructs that are affected by trust. Oghazi, Karlsson, Hellström, and Hjort (2018) found that trust is enhanced when the return policies of an online retailer seem fair. The study furthermore explained that relationships cannot be built between a customer and an online retailer through the traditional face-to-face contact, thus the return policy of an online retailer could act as a signal that indicates to the customer whether or not the online retailer can be trusted. Trust, therefore, acts as a mediator which either builds or destroys the relationship with the customer. Enhanced trust has further been found to improve customers' repurchase intentions (Oghazi et al., 2018).

In the meta-analytic study of Kim and Peterson (2017), extant literature was reviewed and assessed to determine the antecedents and consequences of trust in an online setting. The authors concluded that, among the ten antecedents considered, perceived service quality is the most significant antecedent to online trust.

In terms of contextual factors, Kim and Peterson (2017) cited a number of studies that established that trust is influenced by both cultural aspects and individualism, and that trust is generally also influenced by gender, as males are more likely to exhibit trust than females.

2.6 Conclusion

The economic potential and benefits of online retailing in South Africa are numerous, yet compared to other BRICS and developed countries, South Africa is still lagging behind in both market share and industry size. Various potential factors exist that prevent online retailing from reaching its anticipated potential. Of all the factors, loyalty is one that online retailers can influence by creating and managing the service experience and their consumers' trust, which will enhance customer satisfaction and ultimately customer loyalty. Service failures can be turned around to become a positive service experience if they are managed and addressed well. Understanding what is desired by customers in terms of the service experience and trust is important to enhance loyalty. An understanding of customers' service recovery expectations in the event of service failure is also critical, as it can lead to positive outcomes such as customer satisfaction, loyalty, positive word-of-mouth marketing and favourable repurchase intentions among customers. Literature has shown that there is still room for improvement in terms of our understanding of the antecedents of customer loyalty, however. Furthermore, online shopping in the South African context is still under explored, despite calls from various researchers for studies to be repeated in a different contexts (Akroush & Al-Debei, 2015; Blut et al., 2015; Huseynov & Yildirim, 2016; Kassim & Asiah Abdullah, 2010; Ladhari, 2010; Ma Sabiote et al., 2012; Moriuchi & Takahashi, 2016; Wolfinbarger & Gilly, 2003; Zheng et al., 2017). An extensive review of literature revealed that only a few studies have been conducted in South Africa to-date (Comline, 2008; Rudansky-Kloppers, 2014), and of these, none explored the relationship between the constructs 'service recovery', 'service quality perceptions', 'trust' and 'customer loyalty', which this study aims to do.

This chapter explored extant literature pertaining to different constructs that are relevant in terms of customer loyalty. Despite a lack of agreement regarding the direct and indirect relationships between the different constructs with customer loyalty, there is agreement that loyalty can only be achieved if the customer's experience with the retailer is positive. In addition, the customer experience can only be positive if the customer has experienced the quality of the service favourably, in that it met or exceeded expectations. In the event of

failures in service delivery, it is important that the service recovery experience - although negative in itself– is positive. Literature further indicates that contextual factors and demographic characteristics, including gender, income level and country culture, are highly relevant in terms of consumers' service quality perceptions and trust in retailers.



CHAPTER 3: RESEARCH PURPOSE AND HYPOTHESES

3.1 Research purpose

As customer loyalty drives profits in retailing and is crucial for survival in a competitive marketplace, this research aimed to explore the relationships between consumers' service quality perceptions of online retailers and their loyalty towards online retailers in a South African context.

The researcher noted that the relevant different dimensions of service quality are important in the context of the study, and investigated the interactive contribution of the different dimensions of online service quality in terms of consumers' eventual perceptions. It is not clear whether or not a standardised model for service quality could be adopted in South Africa. Because service failure is inevitably part of any consumer's experience with any retailer, the study investigated the extent to which service recovery experiences influence consumers' service quality perceptions and future purchasing intentions. Trust was incorporated as a highly relevant issue – as noted in extant literature – in terms of its influence on customer loyalty

The study therefore deduced hypotheses based on the review of extant literature as summarised in Chapter 2.

With regards to consumers' service quality perceptions of online retailers:

H1.1: Online consumers' overall perceptions of service quality of online retailers is positive.

H1.2: The different dimensions of service quality all contribute towards consumers' positive perceptions of the service quality of online retailers.

H1.3: Consumers' perceptions of the service quality of online retailers differs in accordance with their demographic characteristics, specifically:

H1.3.1: Significant gender differences (male vs. female) exist in online consumers' perceptions of service quality of online retailers.

H1.3.2: Significant age differences (consumers ≥ 40 years vs. consumers < 40 years) affect online consumers' perceptions of service quality of online retailers.

H1.3.3: Significant education level differences (undergraduate and below vs. postgraduate) change consumers' perceptions of service quality of online retailers.

With regards to consumers' perceptions of the service recovery of online retailers:

H2.1: Online consumers' post recovery satisfaction with the service recovery of online retailers is positive/ favourable.

H2.2: Online consumers' intentions after a service recovery experience with online retailers will result in further purchases and recommendations.

H2.3: Online consumers' intentions to communicate via positive word-of-mouth feedback after a service recovery experience with online retailers is high.

H2.4: Online consumers' intentions to switch after a service recovery experience with online retailers is high.

With regard to consumers' trust in online retailers:

H3: Online consumers trust online retailers.

With regards to consumers' loyalty towards online retailers:

H4.1: Online consumers are loyal towards online retailers.

H4.2: There is a significant positive relationship between online consumers' overall perception of online retailers and their loyalty towards them.

With regard to the mediating influence of trust in terms of consumers' loyalty towards online retailers:

H5: Consumers' overall trust in online retailers significantly mediates their loyalty towards online retailers.

3.2 Conceptual Model

The conceptual model that defines the relationship between service quality, customer satisfaction and customer loyalty was established early on in research (Parasuraman et al., 1985). Two conceptual models were developed by the researcher to portray how hypotheses are linked in this study. These models are shown in Figure 3.1 and Figure 3.2.

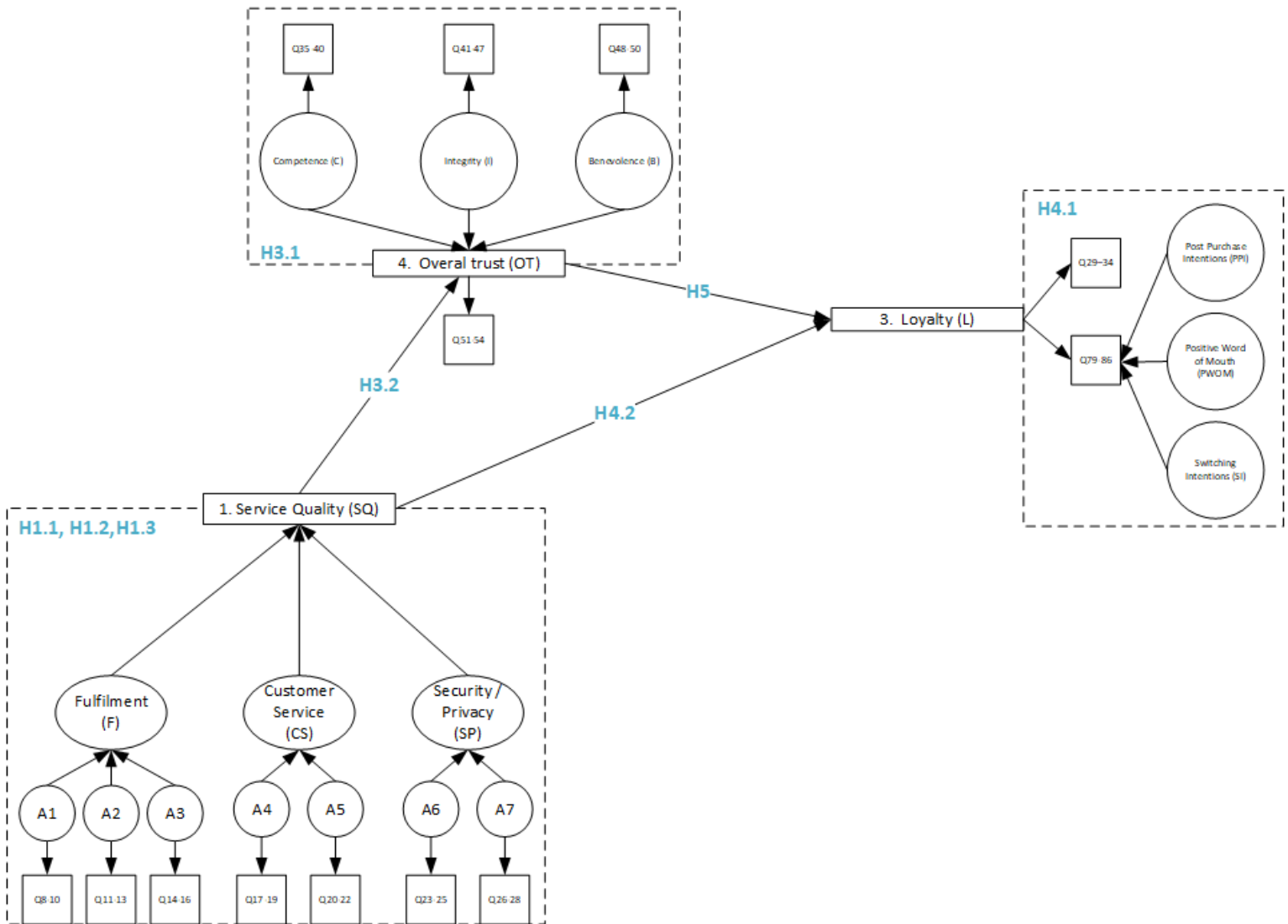


Figure 3.1: Main conceptual model

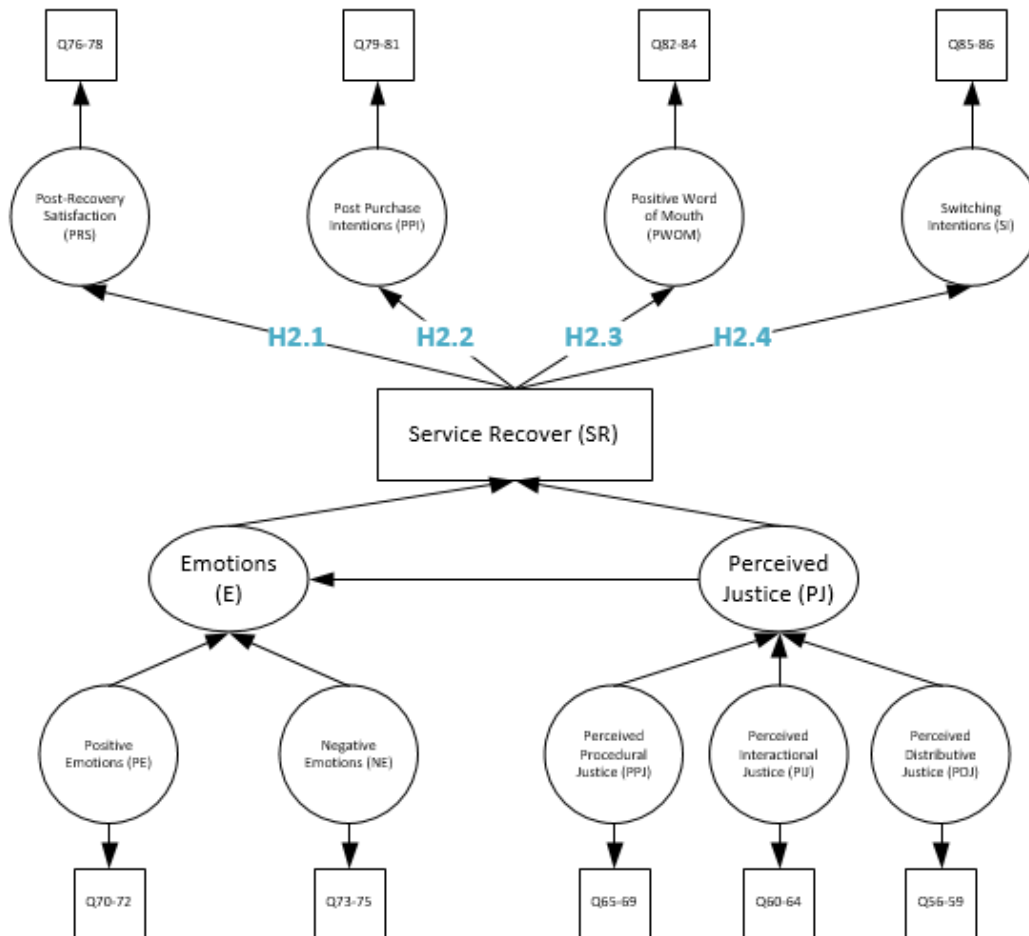


Figure 3.2: Conceptual model of service recovery

3.3 Conclusion

Extant research was used to compile an extensive literature review that resulted in the formulation of research questions and relevant hypotheses that could be supported by literature. It should be emphasised that Figures 3.1 and 3.2 present the theoretical dimensions of the constructs, assuming that they might change after statistical analytical procedures. The final model presented will be based on the dimensions of the constructs that were eventually extracted in the context of this research.



CHAPTER 4: RESEARCH PURPOSE AND HYPOTHESES

4.1 Introduction

The researcher used existing literature to summarise relevant theories, identify worthy research questions, conceptualise the constructs that are relevant to the study, and identify the relevant theoretical framework (expectancy-disconfirmation paradigm) that served as the theoretical lens that guided the formulation of research hypotheses. Subsequently, conceptual models that describe the relationships between the constructs were compiled (see Figure 3.1 and Figure 3.2). Since the constructs and theory describing the phenomena and which guided the research questions were deduced from literature, a deductive approach to the research was deemed appropriate (Saunders & Lewis, 2018, p. 112).

The research design and research methodology, including data collection procedures and data analyses, indicated the need for a quantitative, descriptive research approach. These are described next.

4.2 Research design and methodological approach

A philosophy of positivism was followed for the research design due to the nature of the study, which implied that a research philosophy should be used that is based on structured methods that can be repeated, generalised and based on a source of credible data (therefore also quantitative), while being uninfluenced by human perceptions, interpretations or biases (Saunders & Lewis, 2018).

The lens through which the research was conducted was deductive and grounded in literature, therefore it took a positive view aimed at establishing causal relationships from the data that were collected and analysed statistically (Saunders & Lewis, 2018).

A survey design was selected as the research instrument, and the data were obtained at a singular point of time to obtain a cross-sectional time horizon. Since perceptions of an experience were measured, a longitudinal time horizon for the research was not required as there was no evidence to support that a progression in time would yield a different response from the initial view of the sample (Saunders & Lewis, 2018).

4.3 Rationale for selection of the research design and methodology

Descriptive studies are required when there is an interest in including numerical measures to describe characteristics (Saunders & Lewis, 2018, p. 116; Zikmund, Babin, Carr, & Griffin, 2010), and it is furthermore used when there is a pre-existing understanding of the situation that is being assessed (Zikmund et al., 2010). This study made use of well-defined and established constructs, theory and conceptual models that were found in existing literature. Whilst the validity of the conceptual model was well tested in countries throughout the world (especially the United States of America), the researcher aimed to contextualise it for the South African environment. A descriptive, quantitative study was therefore deemed the most appropriate, as it would produce quantitative, numerical data from which conclusions could be drawn (Saunders & Lewis, 2018, p. 116; Zikmund et al., 2010).

Of key concern to quantitative, descriptive data is the use of appropriate measurement instruments. The literature provided an extensive list of measurement instruments that were developed by researchers in the past (Blut et al., 2015; Ladhari, 2010), but very little consensus existed among researchers with regard to the most appropriate scales to measure the chosen constructs, especially service quality. The model developed by Blut (2016) was found to be the most recent, and has been extensively tested for service quality. The primary data were collected through a structured questionnaire (Saunders & Lewis, 2018, p. 120; Zikmund et al., 2010), which was considered the most appropriate tool as it limits the responses to a predefined list of possible selections, making statistical analysis possible.

Despite indications in literature that customer expectations change over time (Oliver, 1980; Yüksel & Yüksel, 2001), a cross-sectional study was still deemed appropriate, as the population that was used for the study was required to have experience in online shopping. It was, therefore, not envisaged that time would have an impact on consumers' views. The intention was to present a questionnaire to possible respondents from various segments of the population at a single point in time, using non-random convenient snowballing to enhance diversity in the sample and recruit as large a sample as possible to limit sample selection error, which is a limitation of convenient sampling methods (Saunders & Lewis, 2018, p. 147–148; Zikmund et al., 2010).

4.4 The research methodology

4.4.1 The population

The population was considered any person of legal age (above 18 years), who had previous online purchasing experience in consumer goods and who were based in South Africa. The exact population size was not known because the available statistics did not classify the population according to the products they had purchased. However, the population in South Africa that has access to the internet and has purchased online, according to UNIDO (2017), is estimated to be about 3.225 million.

4.4.2 Unit of analysis

The unit of analysis was individuals who qualified for inclusion in the study as described in paragraph 4.4.1, who had prior experience of purchasing from an e-commerce retailer in South Africa.

4.4.3 Sampling method and size

A non-random convenient sampling technique was used to initiate the sampling process. Further use of a snowballing technique to gain access to the population (Saunders & Lewis, 2018; Zikmund et al., 2010) was critical, as it ensured that the sample addressed some of the critiques of previous research studies regarding convenience sampling techniques.

4.4.4 Measurement instrument

4.4.4.1 Design of the questionnaire

Data were collected through a survey, with the respondents participating by completing a self-administered questionnaire (Zikmund et al., 2010). The questionnaire was based on existing scales presented in literature to measure the constructs, although it was adapted with the inclusion of additional questions selected from similar scales of other authors to improve the reliability and validity in the context of this research. One dimension (website design) of the service quality construct was removed as it measured the service quality prior to the purchase, which was not relevant in this study; i.e. it was what Blut (2016) viewed as the service quality experience that is associated with access, navigation and information feedback processes up to the completion of an order.

The questionnaire was presented to the participants using the Google Forms platform. One of the qualifying requirements for participation was to have had access to the internet in the past to do online shopping. Seven increment Likert-type scales were used to limit input to a range between “I completely disagree = 1” to “I completely agree = 7” responses to ensure consistency (Saunders & Lewis, 2018). Demographic data were collected to allow for descriptive differences to be tested between the different demographic groups that described the profile of the sample.

Question screening was conducted beforehand with the research supervisor to ensure that the questions were correctly worded, unbiased and non-leading (Zikmund et al., 2010). Screening was also done to ensure that the questionnaire would lead to answers to the research questions.

Pretesting of the questionnaire was done with two willing respondents who met the prerequisites for completion of the questionnaire, in order to identify possible problems with the questionnaire design, instructions and wording. From the pretesting, the “date of birth” question was changed to a free text input box which requested the age, as the pre-test respondents had difficulty selecting their date of birth on a mobile device. A cover letter including a consent form was provided as the landing page of the questionnaire, which assured the respondents that the research would be conducted in an ethical manner, indicated the purpose of the research, and confirmed the participants’ anonymity and confidentiality.

4.4.4.2 Measurements used

Existing scales were adopted to test service quality, customer loyalty, service recovery and consumer trust. Extant literature was reviewed to identify scales from studies that had already developed and tested the validity and reliability of the measurement instruments (Blut et al., 2015; Ding et al., 2011; Gefen, 2002; Jiang et al., 2016; Kassim & Abdullah, 2008; Kassim & Asiah Abdullah, 2010; Ladhari, 2010; Lin et al., 2016; Martínez & Martínez, 2010; Rahman et al., 2018; Srinivasan et al., 2002; Udo et al., 2010; Zemblyté, 2015).

The measurements were divided into sections, each of which are presented in Appendix 1 and described below. Table 4.1 presents the operationalisation of these measurements.

4.4.4.2.1 Service quality

Service quality can be measured through self-reported perception scales or through a scale that measures service quality based on the customers' expectations and then experience (the disconfirmation-confirmation paradigm). As a perceptions-only scale, the instrument is applied at one point in time as a snapshot of perceived service quality (see Hartline & Ferrell, 1996; Zeithaml et al., 1996), or it can be applied to assess the gap between the service that customers expected and the service they actually received (see Watson et al., 1998). The difference in the experience versus the expectation is a measure of customer satisfaction that removes the potential concerns of self-reporting, however expectation versus experience questions makes the questionnaire twice as long, as each of the questions are required to first measure the expectation and then the actual experience of the customer. Self-reporting is also widely critiqued; it can best be summarised by the findings of Wilson and Peterson (1992), as cited in a study by Danaher and Haddrell (1996), that almost all self-reported customer satisfaction scales indicate that customers are satisfied with the service, which negatively skews the findings. Because the study of Blut (2016) was believed by the researcher to be the most recent and comprehensive model at the time to measure and assess service quality and other dimensions that affect the expectations of customers, such as culture, regulatory environment and industry, the scale was deemed the most appropriate. The scale was also formative, which, according to Ladhari (2010), is the best to measure constructs. Although the scale made use of perception measurement questions only, the research claimed that a perceptions-only instrument is deemed most appropriate when assessing the predictive validity of service quality, while the gap scale is most appropriate when diagnosing service pitfalls (Zeithaml et al., 1996). Since a central objective of the study was to examine the extent to which service quality influences customer trust and loyalty (i.e. to assess the predictive validity of service quality) (Gefen, 2002), the study made use of the perceptions-only instrument.

4.4.4.2.2 Loyalty

In the study, consumer loyalty was assessed based on the behavioural intentions of the consumers who indicated a willingness to recommend the retailer, as well as their intention

to repurchase from the company (Jiang et al., 2016). The scale was an exact, adapted version of the six item list used by Jiang et al. (2016). As a supplement to the aforementioned scale, additional behavioural and attitudinal measures of loyalty from a service recovery perspective were also added from a scale adapted from Kuo and Wu (2012). These questions measured the consumers' post-purchase intentions, word-of-mouth recommendations and switching intentions, which are all associated with loyalty (Kuo & Wu, 2012).

The loyalty construct was directly measured on a scale of 1 (I completely disagree) to 7 (I strongly agree) for six questions, and indirectly for seven questions associated with loyalty as part of the service recovery construct.

4.4.4.2.3 Trust

Trust was assessed based on the measurement instrument used by Oliveira et al. (2017), who distinguished three dimensions: competence, integrity and benevolence. The overall construct was also measured reflectively through measurements of overall trust.

All the questions that measured the four different dimensions of trust in the survey were measured on a scale of 1 (I completely disagree) to 7 (I strongly agree).

4.4.4.2.4 Service Recovery

Adapted versions of the scales of Kuo and Wu (2012) and Fan et al. (2010) were used to assess consumers' perceptions of their experiences of how service recovery was dealt with by retailers. Both studies verified the reliability of their measurements, which they developed from various sources. Nevertheless, this study verified the internal consistency of the scales in the context of this research.

The respondents were, firstly, requested to indicate if a service failure experience had ever occurred. If the respondent selected “yes” to the question they were taken to the next section, where service recovery was measured through 30 questions related to the six constructs of the chosen scale, with options ranging from 1 (I completely disagree) to 7 (I strongly agree).

4.4.4.2.5 Demographic details

Demographic data were obtained to categorise the respondents in terms of coherent subsets of the sample, in order to determine if any differences existed between the sub-categories within the sample.

The demographic data were collected by means of pertinent nominal and categorical scales. The “date of birth” question was changed to a free text input box as the pre-test respondents had difficulty selecting their date of birth on a mobile device. The demographics information provided an indication of the profile of the respondents in the sample as part of the population. The demographic information that was collected included gender, age, ethnicity, education level and household income level.

Table 4.1: Operationalisation of variables

Research Objective	Sub-objective	Constructs	Dimensions	Items	Data Analysis
To investigate the relationship between consumers' perceptions of the service quality of online retailers and the subsequent consequences for customer loyalty, incorporating the mediating influence of trust in terms of customer loyalty, as well as service recovery perceptions in terms of service quality perceptions in the South African context.	To determine the level of customer satisfaction with online retailers based on their service quality perceptions.	Service quality	Fulfilment (F)	Question 8 - 16	Descriptive statistics, Exploratory factor analysis (EFA), Cronbach's Alpha, % Variance in data, Means and standard deviations, t-test.
			Customer service (CS)	Question 17 - 22	
			Security / Privacy (SP)	Question 23 - 28	
	To determine the relationship between customer satisfaction and trust in online retailers.	Trust (T)	Competence (C)	Question 35 – 40	Descriptive statistics, Exploratory factor analysis (EFA), Cronbach's Alpha, % Variance in data, Means and standard deviations, t-test.
			Integrity (I)	Question 41 – 47	
			Benevolence (B)	Question 48 – 50	
			Overall Trust (OT)	Question 51 – 54	
To determine the relationships between customer satisfaction, online shopping and loyalty towards online retailers.	Loyalty (L)		Question 29 – 34	Descriptive statistics, Exploratory factor analysis (EFA), Cronbach's Alpha, % Variance in data, Means and standard deviations, t-test. Regression analysis	

Table 4.1 continued.....

Research Objective	Sub-objective	Constructs	Dimensions	Items	Data Analysis
To investigate the relationship between consumers' perceptions of the service quality of online retailers and the subsequent consequences for customer loyalty, incorporating the mediating influence of trust in terms of customer loyalty, as well as service recovery perceptions in terms of service quality perceptions in the South African context.	To determine the relationship between service recovery perceptions and customer satisfaction as a consequence of service quality perceptions.	Service recovery (SR)	Perceived Justice (PJ)	Perceived Distributive Justice (PDJ) Question 56 – 59	Descriptive statistics, Cronbach's Alpha, % Variance in data, Means and standard deviations.
				Perceived Procedural Justice (PPJ) Question 60 – 64	
				Perceived Interactional Justice (PIJ) Question 65 – 69	
			Emotions (E)	Positive Emotions (PE) Question 70 – 72	
				Negative Emotions (NE) Question 73 – 75	
			Post-recovery satisfaction (PRS)	Question 76 – 78	
			Post-Purchase Intentions (PPI)	Question 79 – 81	
			Positive word-of-mouth (PWOM)	Question 82 – 84	
			Switching intentions (SI)	Question 85 – 86	

4.4.5 Data collection process

The initial respondents were directly recruited by the researcher from his acquaintances, colleagues and fellow students. This initial convenience sample of respondents provided a mechanism for the questionnaire to be snowballed. The respondents were requested to forward the link to the questionnaire to their own networks of acquaintances. No personal information, apart from information required for the classification of the respondents (age, income level, education level, ethnicity) was collected or solicited at any given time to ensure compliance with the Protection of Personal Information Act (South Africa, 2013).

The respondents entered the survey through a hyperlink that was provided in an email. The hyperlink opened on a landing page, which provided an introduction letter, the contact details of the researcher and research supervisor, the topic, the intention of the study, and lastly a request for consent to include the respondents' answers in the batch of aggregated data for analysis. No personal contact details were collected or stored. The questions that followed the giving of consent were used to assess if the respondents belonged to the population of interest. Each of the different constructs were then measured as defined previously in this chapter. Lastly, demographic data were collected in the form of pertinent questions for classification and further validation of the sample as representative of the population. The respondents were then thanked for their participation and provided with a link to snowball the sample further.

4.5 Data analysis

The raw data obtained from Google Forms were imported into SPSS, reviewed for potential errors, and coded to allow for statistical evaluations (Zikmund et al., 2010). Post cleaning of the data and describing the sample, exploratory factor analysis (EFA) was conducted on service quality, consumer trust and customer loyalty to identify the factors that were relevant in the context of the study and to confirm which factors explained the construct. The EFA provided results that collapsed the multitude of factors that were measured into only a few that were relevant to the

construct, i.e. they described the variability in the construct fully (Pallant, 2011, p. 181).

Further multi-variate analyses were then conducted to establish relationships within the constructs. The causal relationships were then presented in a table and the conceptual model updated to show the causal links between the relevant constructs.

4.6 Measure to eliminate error

4.6.1 Reliability issues

Reliability is defined as a measure of internal consistency, where the repeated attempts to measure something results in similar results (Zikmund et al., 2010). The internal consistency of the questionnaire was, therefore, established by a coefficient (Cronbach's) alpha test. It was noted that a reliability coefficient of 0.70 or higher is considered to be acceptable (Zikmund et al., 2010). The coefficient alpha test was considered to be appropriate for the cross-sectional study as alternative methods such as test-retest reliability would not be able to be assessed (Zikmund et al., 2010) due to the nature of the survey that was conducted (anonymous and online). The study commenced with measurement scales that were considered reliable in terms of the sources of origin, but were nevertheless re-evaluated again in the context of this study.

4.6.2 Validity issues

Validity is defined as the accuracy to which a measurement represents a concept (Zikmund et al., 2010). The scales that were used to assess the constructs were particularly vulnerable to validity issues, as the consensus between the various researchers on the measurements of the underlying dimensions that define each of the constructs were lacking (Blut et al., 2015; Ladhari, 2010; Srinivasan et al., 2002). Content validity was ensured by verifying that the constructs supporting the conceptual model were fully assessed by the questionnaire and supported by

literature (Zikmund et al., 2010). The scales were further tested for discriminatory validity to ensure that the hypotheses did not measure more than one latent construct at the same time (this was done by ensuring that the different scales did not correlate above 0.75) (Lin et al., 2016; Zikmund et al., 2010).

The data obtained from the survey were imported into IBM SPSS for statistical analysis. Since most of the data collected were from a 7 point Likert-type scale, very little cleaning of the data was required, apart from the correction of data that were collected using free text, e.g. age. Some of the questions in the adapted scales were reverse coded to ensure that the respondents' attention was kept during completion of the questionnaire.

4.7 Limitations of the study

Several limitations have been identified that are associated with the study:

- The literature review indicated that limited consensus exists between researchers in the field of the topic regarding the dimensions that describe the construct. The selection of the scales was based on the most recent research found in top journals. Since many of these models were not empirically tested by other authors, the study remained at risk of improperly assessing the constructs.
- The constructs that describe customer loyalty are generally difficult to measure. Questionnaires also lack the richness of information that you can extract from respondents that could assist to adequately describe the constructs (Saunders & Lewis, 2018, p. 121).
- The research was limited to South Africa. Although this was intentional in order to understand the causal relationship of context on the constructs, it limited the generalisations that can be drawn from the results.
- The research was limited to tangible products other than books and tickets (movies, theatre, flights) purchased from an online store, thus the results are not necessarily generalisable.

- One of the biggest challenges for this study was access to the population. Since the population exists in cyberspace, there was no direct way of accessing it without using a convenience sample and letting it snowball. The researcher also attempted to reach the population by using social media to connect to customers of certain well-known online retailers. The soliciting of responses through this method yielded only a few additional responses, however. The snowballing technique also introduces the potential for similarity to the original respondent who forwarded the questionnaire, therefore skewing the sample and creating a non-ideal representation of the population (Zikmund et al., 2010).
- The aforementioned issue was further aggravated by the time constraints for the study. Since this study was done as partial fulfilment of the requirements for a Master's degree, the allotted time severely constrained the collection of a sample size that would have been more appropriate for the study.
- Lastly, because of the complexity of the constructs and the academic requirements, the questionnaire was exceptionally long, which could have influenced the answers the respondents provided. Because of the time duration, various potential respondents declined to start the questionnaire due to their own time constraints.

4.8 Conclusion

This chapter explained the research design, methodology and data analysis implemented in this single phase quantitative survey, which was inspired by extant research that identified gaps in the literature that should be explored, particularly in an emerging context. The results are presented in Chapter 5 in accordance with the objectives of the study.



CHAPTER 5: RESULTS

The results are presented in accordance with the research objectives and related hypotheses for the study. The majority of respondents to this study made use of online retailers on a regular/ periodic basis [at least once a month] (42%), or occasionally [a few times a year] (42%). The majority (61%) of the sample also indicated that they had purchased from an online retailer within the last 30 days, while 31.2% had done so within the previous 6 months. This confirmed that the respondents were eligible to express their views in this research. The majority of the respondents (57.8%) had made online purchases from Takealot.com, while the rest purchased from a number of other retailers, of which the percentage of patronage ranged between 0.9% to 5.5% of the sample.

The research followed a strict process to statistically evaluate the results. The first step of the statistical analysis was to evaluate the sample demographics and groupings, after which the scales were verified as being reliable for the study by performing exploratory factor analysis and assessing the internal consistency. The results proved that the scales were appropriate to measure the constructs.

5.1 Profile of the respondents

A total of 121 completed surveys were collected, of which 4 were discarded as the respondents did not live in South Africa. Of the remaining 117 respondents, 8 indicated that they did not have access to online retailing, resulting in a final sample size of 109 respondents.

5.1.1 Age

The ages of the respondents were widespread (ranging between 25 and 76 years of age). The sample was subsequently categorised into two groups for statistical comparison; the first group contained those younger than 40 years (57.8%) and included the Millennials and Centennials who were likely to be fairly tech savvy. The

second group contained consumers of 40 years and older (39.4%). The remaining 2.8% of the sample did not indicate their age.

Table 5.1: Representation of age groups

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Younger than 40 years	63	57.80	59.40	59.40
	40 years or older	43	39.40	40.60	100.00
	Total	106	97.20	100.00	
Missing	System	3	2.80		
Total		109	100.00		

5.1.2 Level of income

The majority of the respondents earned more than R60 000 per month (50.5%), with the rest of the respondents dispersed unevenly across the lower household income brackets. For the purpose of statistical analysis, household income was regrouped into two brackets: those who earned less than R60 000 a month (49.5%), i.e. the middle income group, and the upper income category as indicated in Table 5.2

Table 5.2: Representation of income groups

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	60 000 or less	54	49.50	49.50	49.50
	> 60 000	55	50.50	50.50	100.00
	Total	109	100.00	100.00	

5.1.3 Racial representation

The majority of the respondents were White (66.1%), followed by Indian/Asian (19.3%) and Black (12.8%). Only one respondent was Coloured and another did not indicate their race.

Table 5.3: Representation of different racial groups

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Black	14	12.80	13.00	13.00
	Coloured	1	0.90	0.90	13.90
	Indian / Asian	21	19.30	19.40	33.30
	White	72	66.10	66.70	100.00
	Total	108	99.10	100.00	
Missing	System	1	0.90		
Total		109	100.00		

5.1.4 Level of education

The majority of the respondents were well qualified, which was likely because the researcher recruited willing respondents among acquaintances and then asked them to snowball to others. The majority possessed postgraduate degrees or diplomas (62.4%), followed by respondents with an undergraduate degree or diploma (25.6%), and respondents with a matric certificate or less (11.9%).

Table 5.4: Representation of education groups

	Frequency	Percent	Valid Percent	Cumulative Percent
Matric or less	13	11.90	11.90	11.90
Undergraduate degree or diploma	28	25.70	25.70	37.60
Post graduate degree or diploma	68	62.40	62.40	100.00
Total	109	100.00	100.00	

5.2 Service quality (H1.1; H1.2; H1.3)

5.2.1 Discrimination of the dimensions of service quality (SQ) by means of Exploratory Factor Analysis

The sample consisted of 109 responses for the 20 questions that related to service quality. Exploratory factor analysis was therefore possible as the ratio of the sample

size versus the question count exceeded five, which is generally accepted as suitable (Pallant, 2011, p. 183). The output of the exploratory factor analysis is shown in the subsequent tables. Validity for the factorability of the correlation matrix was proven on the statistical output, as most factors showed high correlation values above 0.3 after question 14 was removed due to the measure of sampling adequacy of question 14 at 0.55. The Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy was high at 0.85 and the Bartlett's test of sphericity was statistically significant ($p = 0.00$). The anti-image matrices were all above 0.6 which showed strong relationships, while the communalities were assessed and all the values were ≥ 0.3 .

The extraction of values was done based on Kaiser's criterion, where an Eigen value above 1.0 was considered the norm. The five items explained a cumulative variance of 69.50% within the data before rotation and 59.95% after rotation. The extraction method was based on principle axis factoring, and the first order rotation method on Varimax with Kaiser Normalization.

The rotated factor matrix indicated the following groupings of questions under each factor in sequence of higher to lower loading. The factors were labelled in accordance with the content of the factors:

Factor 1 (Security / SEC): Q26, Q25, Q27, Q23, Q28, Q22

Factor 2 (Reliability / REL): Q9, Q10, Q8, Q12

Factor 3 (Support / SUP): Q19, Q18, Q17

Factor 4 (Dependability / DEP): Q11, Q15, Q13 (Q16 was removed due to low MSA)

Factor 5 (Post Purchase redress / PP): Q21; Q20

Table 5.5 presents the output of the exploratory factor analysis on service quality.

A second order factor analysis was performed, with the correlation matrix showing values above 0.3. Validity was proven with the KMO at 0.80 and a significant Bartlett's Test of Sphericity ($p = 0.00$).

The second order factor analysis showed a total variance within a single factor of 52.42%. The second order rotation was through Direct Oblimin Rotation.

Table 5.5: Factor analysis output of service quality

Factor	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	7.70	38.49	38.49	7.34	36.68	36.68	4.20	20.97	20.97
2	2.02	10.08	48.57	1.68	8.38	45.07	2.73	13.66	34.63
3	1.54	7.72	56.29	1.13	5.64	50.71	1.90	9.47	44.11
4	1.43	7.13	63.43	1.00	5.02	55.73	1.79	8.95	53.06
5	1.21	6.07	69.50	0.84	4.22	59.95	1.38	6.90	59.95
6	0.88	4.41	73.91						
7	0.75	3.76	77.67						
8	0.65	3.27	80.94						
9	0.54	2.71	83.65						
10	0.52	2.58	86.23						
11	0.44	2.18	88.41						
12	0.41	2.02	90.43						
13	0.37	1.87	92.30						
14	0.32	1.58	93.88						
15	0.29	1.43	95.30						
16	0.26	1.31	96.61						
17	0.24	1.19	97.81						
18	0.18	0.90	98.70						
19	0.15	0.77	99.47						
20	0.11	0.53	100.00						

Extraction Method: Principal Axis Factoring

5.2.2 Reliability test on Service Quality

Reliability tests were conducted on the empirical factors that were determined. The table below shows a summary of the Cronbach's Alphas that were achieved.

Table 5.6: Internal consistency of service quality factors

Dimensions	Items	Mean	Std. Deviation	N	Cronbach's Alpha
F1 Security	Q26	5.30	1.71	109	0.91
	Q25	5.63	1.45	109	
	Q27	5.10	1.72	109	
	Q23	5.69	1.40	109	
	Q24	5.51	1.32	109	
	Q28	4.66	1.69	109	
	Q22	5.38	1.48	109	
F2 Reliability	Q9	5.83	1.30	109	0.82
	Q10	5.93	1.25	109	
	Q8	5.90	1.46	109	
	Q12	6.18	1.19	109	
F3 Support	Q19	4.28	1.78	109	0.75
	Q18	4.42	1.76	109	
	Q17	5.09	1.80	109	
F4 Dependability	Q11	6.13	1.08	109	0.70
	rQ16	5.61	1.78	109	
	Q15	6.22	1.04	109	
	Q13	5.73	1.14	109	
F5 Post-Purchase Redress	Q21	5.32	1.44	109	0.73
	Q20	5.46	1.46	109	

The scale was deemed reliable as all the Cronbach's Alphas exceeded 0.73. None of the reliabilities of the factors were significantly improved with the exclusion of certain items.

The total scale of 20 items were deemed reliable with a Cronbach's Alpha of 0.91. This yielded a slightly better reliability when compared to the theoretical scale, which resulted in a Cronbach's Alpha of 0.90 from 21 items (as a result of the inclusion of Q14).

Table 5.7: Comparison of internal consistencies for service quality

Empirical		Theoretical	
Cronbach's Alpha	N of Items	Cronbach's Alpha	N of Items
0.91	20	0.90	21

Reliability testing on the theoretical factors (dimensions) of service quality was also conducted to test the internal reliability of the theoretical model; the Cronbach's Alphas of the statistical analysis are shown in Table 5.8.

Table 5.8: Internal consistency of theoretical service quality construct and factors

Factor / Sub-scale	Cronbach's Alpha	N of Items
Fulfillment	0.82	9
Customer service	0.76	6
Security/Privacy	0.92	6

The theoretical model was proven to be reliable as all the factors had Cronbach's Alphas exceeding 0.7.

5.2.3 Relevant hypotheses for the Service Quality investigation

Three hypotheses were proposed for the Service Quality investigation which are addressed in the following section.

5.2.3.1 H1.1: Online consumers' overall perception of service quality of online retailers is positive

The means for the six factors that were extracted are presented in Table 5.9 and visually presented in **Error! Reference source not found..**

Table 5.9: Descriptive statistics for service quality construct and factors (N=109)

	Mean	Median	Mode	Std. Deviation	Min	Max
F1 Security	5.33	5.57	6.00	1.24	1.57	7.00
F2 Reliability	5.96	6.25	7.00	1.05	1.75	7.00
F3 Support	4.60	4.67	4.00	1.45	1.00	7.00
F4 Dependability	5.92	6.25	7.00	0.94	3.00	7.00
F5 Post-Purchase Redress	5.39	5.50	7.00	1.29	1.50	7.00
Service Quality overall	5.47	5.55	5.85	0.89	2.80	7.00

5.2.3.1.1 Operationalisation of service quality perceptions based on the means that were calculated across the five dimensions of service quality.

Where it is considered to have a maximum Mean = 7 and a Minimum M = 1, one can assume that: $M < 3$ indicates negative perceptions; $3 \leq M < 4$ indicates indifference; $4 \leq M < 5$ indicates fairly positive perceptions; $5 \leq M < 6$ indicates positive perceptions; and $M \geq 6$ indicates highly positive perceptions.

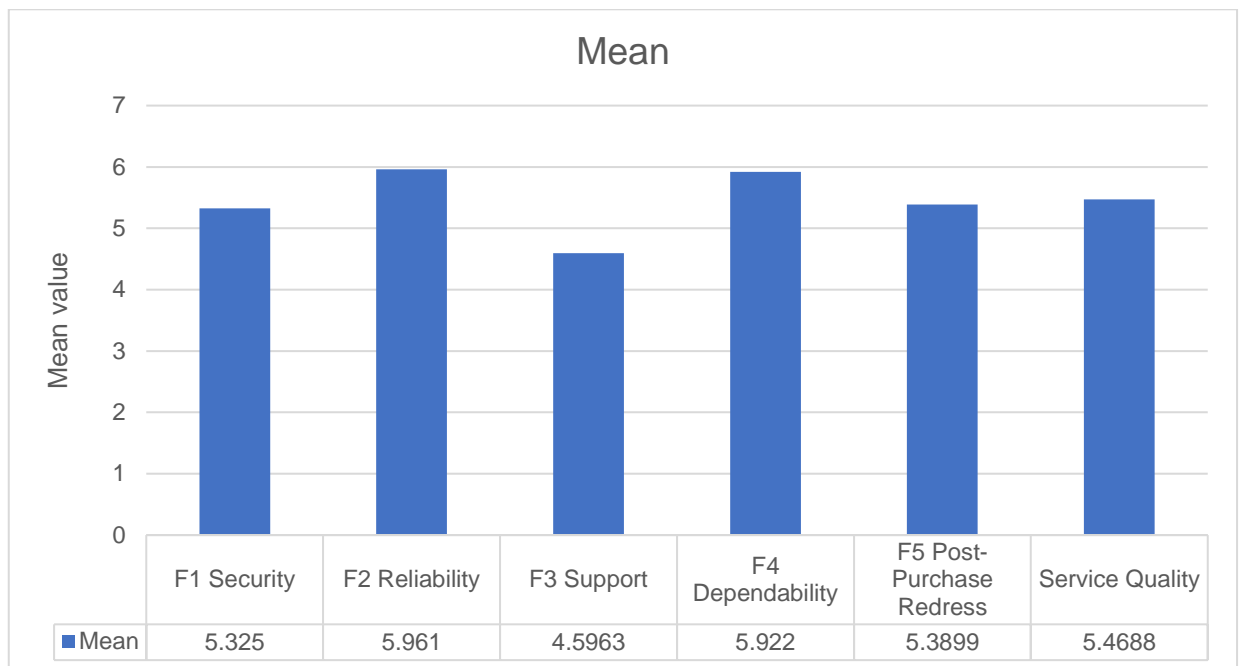


Figure 5.1: Comparison of service quality factor means

Overall, the mean rating of the service quality construct indicated that the perception of service quality was positive with a mean of 5.47 ($\sigma = 0.89$). All but one of the dimensions (support) showed perceptions that were rated as positive, namely reliability with a mean = 5.96 ($\sigma = 1.05$); dependability with a mean = 5.92 ($\sigma = 0.94$); post-purchase redress with a mean = 5.39 ($\sigma = 1.29$); and security with a mean = 5.33 ($\sigma = 1.24$). Support with a mean = 4.60 ($\sigma = 1.45$) indicated fairly positive perceptions. Because all the dimensions of service quality were evaluated positively and the overall mean = 5.47, this indicates positive perceptions. The results suggest that online consumers are satisfied with all the dimensions of online retailers' service offerings, apart from the aspects that relate to obtaining assistance with the order through telephonic or electronic means, and returning a product.

H1.1, which proposed that online consumers' overall perception of service quality of online retailers is positive, is thus supported.

5.2.3.2 H1.2: The different dimensions of service quality all contribute towards consumers' positive perceptions of the service quality of online retailers

The means obtained and visually represented in Figure 5.1 were used as the basis of the analysis. Since the overall satisfaction of service quality (see Table 5.9) exceeded $M = 5$ ($\sigma = 0.89$), a factor mean that exceeded a value of at least $M = 5$ was interpreted as contributing equally to the overall satisfaction of service quality. All the factors except for "Support" exceeded $M = 5$, therefore it can be concluded that:

Hypothesis H1.2, which proposed that the different dimensions of service quality all contribute equally towards consumers' positive perceptions of the service quality of online retailers, is not supported.

5.2.4 H1.3: Consumers' perceptions of the service quality of online retailers differ in accordance with their demographic characteristics.

Testing for differences using a parametric test like a t-test assumes the data are normally distributed. Therefore, tests for normality were conducted using Kolmogorov-Smirnov and Shapiro-Wilk testing. A normal distribution was observed if non-significance were found ($p > 0.05$) and a violation of normality with significance ($p \leq 0.05$).

T-tests were conducted to compare the groups on the assessment of the constructs. Despite violation of normality, t-tests are very robust and can be used to assess differences between groups, provided that the size of the groups are relatively similar and sample sizes exceed $n = 30$ (the largest group to smaller group ratio not being larger than 1.5) (Pallant, 2011, p. 245).

Normal distributions are marked in bold below for each of the dimensions under each of the categories, and the results of the t-tests for the different groups are discussed below.

5.2.4.1 H1.3.1 Significant gender differences exist in online consumers' perceptions of service quality of online retailers

The tests for normality revealed that it could only be assumed for "Support" factors as the Shapiro-Wilk significance was higher than $p = 0.05$. T-tests were, however, possible due to the robustness of the analysis, irrespective of normality.

Table 5.10: Test for normality - service quality: gender

		Kolmogorov-Smirnov ^a			Shapiro-Wilk		
		Statistic	df	Sig.	Statistic	df	Sig.
F1 Security	Male				0.89	49	0.00
	Female	0.15	60	0.00			
F2 Reliability	Male				0.84	49	0.00
	Female	0.19	60	0.00			
F3 Support	Male				0.96	49	0.08
	Female	0.10	60	0.18			
F4 Dependability	Male				0.93	49	0.00
	Female	0.18	60	0.00			
F5 Post-Purchase Redress	Male				0.92	49	0.00
	Female	0.16	60	0.00			
Service Quality overall	Male				0.96	49	0.06
	Female	0.09	60	.200*			

*. This is a lower bound of the true significance.

a. Lilliefors Significance Correction

Table 5.11: Service quality gender difference

Q87		N	Mean	Std. Deviation	Std. Error Mean
F1 Security	Male	49	5.33	1.12	0.16
	Female	60	5.32	1.34	0.17
F2 Reliability	Male	49	5.82	1.11	0.16
	Female	60	6.08	0.99	0.13
F3 Support	Male	49	4.50	1.39	0.20
	Female	60	4.68	1.51	0.19
F4 Dependability	Male	49	5.86	0.85	0.12
	Female	60	5.97	1.01	0.13
F5 Post-Purchase Redress	Male	49	5.21	1.16	0.17
	Female	60	5.53	1.38	0.18
Service Quality overall	Male	49	5.40	0.83	0.12
	Female	60	5.53	0.93	0.12

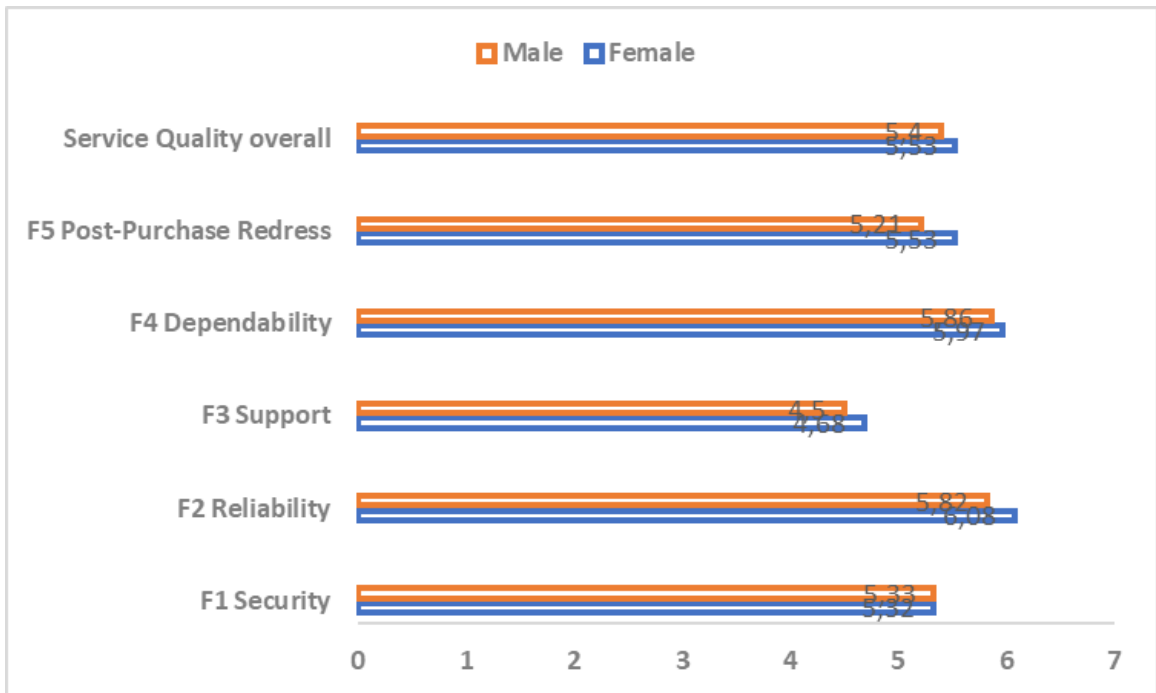


Figure 5.2: Gender comparison of the dimensions of service quality

The sample size for males (N = 49) and females (N = 60) fell within the 1.5 ratio that is required for a t-test. The differences between the means of the different groups were very small, ranging from M = 0.01 (Security) to M = 0.32 (Post Purchase Redress), with marginal differences in the spread of dates between the groups and

the different dimensions. Equal variances were assumed for the Levene's test for the construct as well as its dimensions (see p-values and t-values in Appendix 3 Table 27 and Table 28). Although females were more positive than males with respect to all the dimensions of service quality, the means differences were small and fell within the upper and lower interval levels for 95% confidence, and were therefore found to be statistically insignificant.

H1.3.1, which proposed that significant gender differences exist in online consumers' perceptions of service quality of online retailers, is thus not supported.

5.2.4.2 H1.3.2 Significant age differences (consumers \geq 40 years versus consumers < 40 years) affect online consumers' perceptions of service quality of online retailers

The tests for normality revealed that it could only be assumed for "Support" factors as the Shapiro-Wilk significance was higher than $p = 0.05$. T-tests were, however, possible due to the robustness of the analysis, irrespective of normality.

Table 5.12: Test for normality - service quality: age

		Kolmogorov-Smirnov ^a			Shapiro-Wilk		
		Statistic	df	Sig.	Statistic	df	Sig.
F1 Security	Younger than 40 years	0.14	63	0.01			
	40 years or older				0.88	43	0.00
F2 Reliability	Younger than 40 years	0.15	63	0.00			
	40 years or older				0.77	43	0.00
F3 Support	Younger than 40 years	0.09	63	0.20			
	40 years or older				0.96	43	0.19
F4 Dependability	Younger than 40 years	0.14	63	0.00			
	40 years or older				0.91	43	0.00
F5 Post-Purchase Redress	Younger than 40 years	0.15	63	0.00			
	40 years or older				0.93	43	0.01
Service Quality overall	Younger than 40 years	0.07	63	0.20			
	40 years or older				0.96	43	0.16

a. Lilliefors Significance Correction

Table 5.13: Service quality age difference

rQ88		N	Mean	Std. Deviation	Std. Error Mean
F1 Security	Younger than 40 years	63	5.32	1.09	0.14
	40 years or older	43	5.34	1.37	0.21
F2 Reliability	Younger than 40 years	63	5.96	0.99	0.13
	40 years or older	43	5.98	1.08	0.16
F3 Support	Younger than 40 years	63	4.62	1.42	0.18
	40 years or older	43	4.50	1.48	0.23
F4 Dependability	Younger than 40 years	63	5.88	0.96	0.12
	40 years or older	43	5.92	0.93	0.14
F5 Post-Purchase Redress	Younger than 40 years	63	5.48	1.30	0.16
	40 years or older	43	5.22	1.24	0.19
Service Quality overall	Younger than 40 years	63	5.47	0.78	0.10
	40 years or older	43	5.45	0.97	0.15

The sample size for the two groups (those younger than 40 years of age: N = 63; those 40 years and older: N = 63) were within the 1.5 ratio required for a t-test to be valid. Very small means differences and similar spreads were observed between the two groups and the different dimensions of the construct. Equal variance was assumed for the Levene's test for the construct and the dimension (see p-values and t-values in Appendix 3 Table 29 and Table 30). The mean differences were small and fell within the upper and lower interval levels for 95% confidence. No statistical significance was found between the two groups.

H1.3.2, which proposed that significant age differences affect online consumers' perceptions of service quality of online retailers, is therefore not supported.

5.2.4.3 H1.3.3 Significant education differences (undergraduate and below vs. postgraduate) change consumers' perceptions of service quality of online retailers

The tests for normality revealed that it could only be assumed for "Support" factors and the overall service quality construct, as the Shapiro-Wilk significance was higher

than $p = 0.05$. T-tests were, however, possible due to the robustness of the analysis, irrespective of normality.

Table 5.14: Test for normality - service quality: qualifications

rQ90		Kolmogorov-Smirnov ^a			Shapiro-Wilk		
		Statistic	df	Sig.	Statistic	df	Sig.
F1 Security	Undergraduate or less				0.92	41	0.01
	Postgraduate	0.15	68	0.00			
F2 Reliability	Undergraduate or less				0.82	41	0.00
	Postgraduate	0.17	68	0.00			
F3 Support	Undergraduate or less				0.96	41	0.16
	Postgraduate	0.09	68	0.20			
F4 Dependability	Undergraduate or less				0.92	41	0.01
	Postgraduate	0.18	68	0.00			
F5 Post-Purchase Redress	Undergraduate or less				0.87	41	0.00
	Postgraduate	0.13	68	0.00			
Service Quality overall	Undergraduate or less				0.97	41	0.38
	Postgraduate	0.08	68	0.20			

a. Lilliefors Significance Correction

Table 5.15: Service quality education differences

rQ90		N	Mean	Std. Deviation	Std. Error Mean
F1 Security	Undergraduate or less	41	5.47	1.10	0.17
	Postgraduate	68	5.24	1.32	0.16
F2 Reliability	Undergraduate or less	41	6.01	1.09	0.17
	Postgraduate	68	5.93	1.03	0.13
F3 Support	Undergraduate or less	41	4.60	1.62	0.25
	Postgraduate	68	4.59	1.36	0.16
F4 Dependability	Undergraduate or less	41	5.87	0.93	0.15
	Postgraduate	68	5.95	0.96	0.12
F5 Post-Purchase Redress	Undergraduate or less	41	5.90	1.06	0.17
	Postgraduate	68	5.08	1.32	0.16
Service Quality overall	Undergraduate or less	41	5.57	0.86	0.13
	Postgraduate	68	5.41	0.90	0.11

The group of respondents with an undergraduate degree or lower education level (n = 41) and the group of respondents with a postgraduate qualification (n = 68) were compared. The ratio of 1.5 for the difference between the sample sizes was upheld, thus a t-test was possible. The means between the groups for each dimension as well as the construct was small, ranging from M = 0.01 to M = 0.82, with marginal differences between the standard deviations. The Levene's test for equality of variances revealed that equal variances were assumed between the different groups for each dimension (see p-values and t-values in Appendix 3 Table 31 and Table 32). The mean difference fell between the upper and lower 95% confidence level, but were found to be insignificant for all the dimensions of the construct ($p > 0.05$), except for "Post Purchase Redress" which was significant between the two groups. Consumers' perceptions of "Post Purchase Redress" were significantly lower among consumers with a postgraduate qualification (M = 5.08) compared to their lower qualified counterparts (M = 5.90). Nevertheless, both were still relatively positive about their perception of the "Post Purchase Redress" measurement (M > 5).

H1.3.3, which proposed that significant education differences change consumers' perceptions of service quality of online retailers, is not supported as significant differences could only be found for one of the five dimensions of the construct

5.2.5 Service recovery (H21; H2.2; H2.3; H2.4)

5.2.5.1 Reliability tests on Service Recovery

Service recovery was only assessed for internal reliability using the theoretical model. This is due to the smaller sample size which made exploratory factor analysis not possible.

Table 5.16: Internal consistency of service recovery construct and dimensions

	Cronbach's Alpha	N of Items
Service recovery construct	0.98	31
Perceived Justice	0.98	14
Perceived distributed justice	0.95	4
Perceived procedural justice	0.95	5
Perceived interactional justice	0.95	5
Emotions	0.84	6
Post-recovery satisfaction	0.95	3
Post-purchase intentions	0.94	3
Positive Word-of-Mouth	0.56	3
Switching intentions	0.68	2

The internal consistencies of the scales were acceptable with all but two sub-scales producing Cronbach's Alphas above 0.7. Positive word-of-mouth marketing and switching intentions did not show internal consistencies using Cronbach's Alpha, however due to the limited items in some of the sub-scales, additional statistics were used to assess if the sub-scales were internally consistent.

5.2.5.2 Positive Word-of-Mouth Feedback

The consistency of the "Positive Word-of-Mouth" feedback factor was evaluated using Inter-Item Correlations. The result is shown in

Table 5.17, with the effects on the Cronbach's Alpha when items are removed from the factor being shown in Table 5.18.

Table 5.17: Positive word-of-mouth feedback: summary item statistics

	Mean	Minimum	Maximum	Range	Maximum / Minimum	Variance	N of Items
Inter-Item Correlations	0.31	0.14	0.45	0.31	3.21	0.02	3

Table 5.18: Positive word-of-mouth feedback: item-total statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
rQ82	8.07	6.86	0.35	0.21	0.48
rQ83	8.07	6.58	0.51	0.27	0.25
Q84	7.00	7.49	0.26	0.10	0.62

The inter-item correlations showed a mean of 0.31 which is higher than 0.25. The corrected item-total correlation had values that were all positive, therefore the internal consistency of the subscale was deemed acceptable.

5.2.5.3 Switching Intentions

The consistency of the “Switching Intentions” factor was evaluated using Inter-Item Correlations. The result is shown in Table 5.19, with the effects on the Cronbach’s Alpha when items are removed from the factor being shown in Table 5.20.

Table 5.19: Switching intentions: summary item statistics

	Mean	Minimum	Maximum	Range	Maximum / Minimum	Variance	N of Items
Inter-Item Correlations	0.51	0.51	0.51	0.00	1.00	0.00	2

Table 5.20: Switching intentions: item-total statistics

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Squared Multiple Correlation	Cronbach's Alpha if Item Deleted
Q85	4.34	2.88	0.51	0.26	
rQ86	4.43	3.27	0.51	0.26	

The inter-correlation mean was higher than 0.25 for the switching intentions sub-scale, while the corrected item-total correlation was positive. The internal consistency of the sub-scale is acceptable with these results.

5.2.6 Relevant hypotheses for the service recovery investigation

Three hypotheses were proposed for the service recovery investigation. These are addressed in the following section and relate to the results contained in Table 5.21.

Table 5.21: Descriptive statistics on theoretical service recovery (N = 44)

	Mean	Median	Mode	Sd	Min	Max
Service recovery construct	4.17	4.19	4.00	1.39	1.00	6.58
Perceived Justice dimension	4.12	4.11	4.00 ^a	1.58	1.00	6.71
Perceived Distributive Justice	4.01	4.00	4.00	1.65	1.00	6.75
Perceived Procedural Justice	4.17	4.20	4.00 ^a	1.66	1.00	7.00
Perceived Interactional Justice	4.15	4.10	5.00	1.59	1.00	6.80
Emotions dimension	4.18	4.17	4.00	1.28	1.00	6.83
Post-Recovery Satisfaction dimension	4.20	4.00	4.00	1.68	1.00	7.00
Post-Purchase Intentions dimension	4.55	5.00	5.67	1.69	1.00	7.00
Positive Word-of-Mouth dimension	3.86	4.00	4.33	1.20	1.00	6.33
Switching Intentions dimension	4.39	4.25	4.00	1.52	1.00	7.00
^a . Multiple modes exist. The smallest value is shown						

5.2.6.1 H2.1 Online consumers' post recovery satisfaction with service recovery of online retailers is positive/ favourable

The assessment service recovery was done on the theoretical model since the sample data were insufficient to perform an exploratory factor analysis. Overall, customer satisfaction with service recovery (Mean_{Max} = 7) with online retailers was neutral (neither satisfied nor dissatisfied: Mean = 4.20, σ = 1.40), as shown in Table 5.21.

Based on the results obtained from the analysis, hypothesis H2.1, which proposed that online consumers' post recovery satisfaction with the service recovery of online retailers is positive/ favourable, is not supported.

5.2.6.2 H2.2 Online consumers' post purchase intentions after service recovery of online retailers is positive/ favourable

Respondents' post purchase intentions after a service recovery experience were not completely positive ($M = 4.55$), which explained why their willingness to recommend the online retailers by word-of-mouth feedback was weak/ low ($M = 3.86$), with an inclination (although only moderately strong) to switch to another retailer ($M = 4.39$). (See Table 5.21.)

The H2.2 hypothesis – online consumers' intentions after a service recovery experience with online retailers will result in further purchases and recommendations – is therefore unsupported based on the results.

5.2.6.3 H2.3 Online consumers' word-of-mouth communication after a service recovery experience with online retailers is positive/ favourable

The results seen in Table 5.21 indicate that it is unlikely that respondents who have had a service recovery experience would promote the retailer through positive word-of-mouth communications ($M = 3.86$; $\sigma = 1.2$).

Hypothesis H2.3, which proposed that online consumers' intentions to communicate via positive word-of-mouth after a service recovery experience with online retailers is high, is not supported based on the data.

5.2.6.4 H2.4 Online consumers' switching intentions after a service recovery experience with online retailers is positive/ favourable.

The results for switching behaviour following a service recovery experience showed some degree of hesitance ($M = 4.39$; $\sigma = 1.52$). It is, however, not clear whether the respondents thereby indicated that they are not enthusiastic about online retailers and are therefore not interested to switch, or whether they are uncertain and therefore hesitant to switch.

Hypothesis H2.4, which proposed that online consumers' intentions to switch after a service recovery experience with online retailers is high, is therefore unsupported.

5.3 Trust

5.3.1 Discrimination of the dimensions of Trust (T) by means of Exploratory Factor Analysis

The trust construct was measured through 20 questions involving 109 respondents. The requirement for exploratory factor analysis is that the sample size to question ratio be larger than five (Pallant, 2011, p. 183), therefore exploratory factor analysis was possible, and was conducted on the trust construct. The results of the analysis is shown in the subsequent tables. The correlation matrix showed a factor above 0.3, and along with the Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy at 0.93 and the Bartlett's test of sphericity that was statistically significant ($p = 0.00$), the analysis was deemed valid. Across the questions there were strong relationships, with the lowest value in the anti-image matrices showing 0.89 for measures of sampling adequacy. All the communalities exceeded 0.3.

Kaiser's criteria were used to extract the factors; only Eigen values above 1.0 were considered. The variance was explained by two factors providing a cumulative variance of 72.89% before rotation and 70.00% after rotation. The extraction method was based on principle axis factoring and the first order rotation method on Varimax with Kaiser Normalization.

The rotated factor matrix grouped the items under two factors, namely:

Factor 1 (Honesty / HON): Q48, Q44, Q42, Q43, Q50, Q45, Q49, Q54, Q47, Q51, Q52, Q41, Q40, Q46

Factor 2 (Competence / COMP): Q36, Q35, Q38, Q37, Q53.

All factor loadings exceeded 0.4 and no second order factor analysis was performed as only one factor was extracted, which made rotation impossible.

Table 5.22: Factor analysis output of trust

Factor	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	13.060	65.299	65.299	12.774	63.869	63.869	7.430	37.149	37.149
2	1.518	7.591	72.890	1.226	6.129	69.998	6.570	32.849	69.998
3	0.807	4.034	76.923						
4	0.607	3.036	79.959						
5	0.527	2.633	82.592						
6	0.513	2.563	85.155						
7	0.449	2.246	87.402						
8	0.413	2.065	89.466						
9	0.336	1.680	91.147						
10	0.296	1.480	92.627						
11	0.252	1.260	93.887						
12	0.223	1.117	95.004						
13	0.203	1.013	96.017						
14	0.186	0.931	96.947						
15	0.142	0.711	97.659						
16	0.132	0.658	98.317						
17	0.114	0.569	98.885						
18	0.098	0.490	99.376						
19	0.066	0.331	99.706						
20	0.059	0.294	100.000						

Extraction Method: Principal Axis Factoring.

5.3.2 Reliability test on Trust

Trust was assessed both empirically (from the exploratory factor analysis) as well as theoretically. The reliability of both scales were deemed acceptable with Cronbach's Alphas above 0.7 as shown in Table 5.23.

Table 5.23: Comparison of internal consistencies for the 'trust' construct

Empirical		Theoretical	
Cronbach's Alpha	N of Items	Cronbach's Alpha	N of Items
0.96	14	0.97	20

Each of the two empirical factors were also assessed for their reliabilities; both were accepted with Cronbach's Alphas exceeding 0.7 at 0.94 for Factor 2 and 0.96 for Factor 1.

The theoretical factors yielded similar results with all Cronbach's Alphas exceeding 0.7. The lowest Cronbach's Alpha was for Benevolence at 0.82 and the highest for Integrity at 0.93.

5.3.3 Relevant hypotheses for the 'trust' investigation (H3.1)

5.3.3.1 H3.1: Online consumers trust online retailers

Table 5.24 indicates consumers' level of trust in online retailers. The mean ($M = 5.63$, $\sigma = 1.01$) indicates that consumers' trust in the online retailers that they have patronised is fairly high. Means for the two empirical factors, i.e. Honesty ($M = 5.47$, $\sigma = 1.10$) and Competence ($M = 5.99$, $\sigma = 0.95$), suggest that online retailers are capable and trustful.

Table 5.24: Descriptive statistics on the ‘trust’ construct

	Mean	Median	Mode	Std. Deviation	Min	Max
Trust_F1 Honesty	5.47	5.64	6.00 ^a	1.10	2.43	7.00
Trust_F2 Competence	5.99	6.00	7.00	0.95	2.33	7.00
Trust construct	5.63	5.80	7.00	1.01	2.65	7.00
^a . Multiple modes exist. The smallest value is shown						

Hypothesis H3.1, which proposed that online consumers trust online retailers, is supported by the data.

5.4 Loyalty (H4.1; H4.2)

5.4.1 Discrimination of the dimensions of service quality (SQ) by means of Exploratory Factor Analysis

With six questions measuring the loyalty construct (n = 109), the ratio of sample size versus questions asked far exceeded the minimum required (five), which was deemed acceptable to perform exploratory factor analysis (Pallant, 2011, p. 183). The output of the exploratory factor analysis is shown in the subsequent tables. Validity for the factorability of the correlation matrix was proven on the statistical output as all of the factors showed high correlation values above 0.3. The Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy was high at 0.891 and Bartlett's test of sphericity was statistically significance (p = 0.00). All of the anti-image matrices across the questions were above 0.86 which showed strong relationships. The communalities were assessed and all the values were found to be above 0.3, with the exception of Q32 after extraction. Q32 was maintained in the assessment due to a high MSA.

Extraction of values was done based on Kaiser's criterion, where only Eigen values above 1.0 were considered. Almost three-quarters (73.73%) of the variance was described by only one factor before rotation and 69.54% after rotation. The extraction method was based on principle axis factoring and the first order rotation method on Varimax with Kaiser Normalization.

The rotated factor matrix grouped the questions as a single factor, namely:

Factor 1 (Loyalty (L)): Q30, Q31, Q33, Q34, Q29, Q32.

All the factor loadings exceeded 0.4. No second order factor analysis was performed as only one factor was extracted which made rotation impossible.

5.4.2 Reliability test on Loyalty

Reliability tests on loyalty resulted in a Cronbach's Alpha of 0.9. This is significantly higher than the acceptable norm of 0.7, thus it is concluded that the scale was reliable and internally consistent.

5.4.3 Relevant hypotheses for the Loyalty investigation

The mean calculated for the construct overall was moderate to high considering a $\text{Mean}_{\text{max}} = 7$; $M = 5.79$, $\sigma = 1.08$ along with favourable outcomes for the two dimensions, namely: honesty ($M = 5.47$, $\sigma = 1.10$) and competence ($M = 5.99$, $\sigma = 0.95$).

With regards to consumers' loyalty towards e-retailers, the hypotheses were then considered for the two dimensions of the construct.

5.4.3.1 H4.1: Online consumers are loyal towards online retailers

The results indicate that online customers are very loyal towards online retailers ($\text{Mean} = 5.79$, $\sigma = 1.08$).

Table 5.25: Descriptive statistics on customer loyalty

	Mean	Median	Mode	Std. Deviation	Min	Max
Loyalty construct	5.79	6.00	7.00	1.08	2.00	7.00

Hypothesis H4.1, online consumers are loyal towards online retailers, is supported.

5.4.3.2 H4.2 There is a significant positive relationship between online consumers' overall perception of online retailers and their loyalty towards them

A regression analysis was performed using a plug-in model called PROCESS Procedure for SPSS Version 3.3 to determine the relationships between the constructs. The analysis method was based on the methodology described by Frazier, Tix and Barron (2004), which is depicted in Figure 5.3. The results of the regression analysis is summarised in Appendix 6. A brief discussion of the results and validity follows.

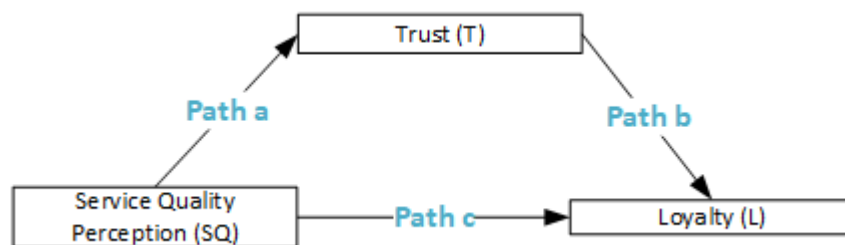


Figure 5.3: Model with outcome variable, mediator variable and predictor variable

Mediation is best established through regression whenever the sample size is less than 200 (Frazier et al., 2004), as was the case in this study. In order to establish if service quality and loyalty is mediated by trust, a regression analysis was conducted to establish the correlation of data on each path.

The relationship between service quality and loyalty was visually displayed and visual linearity was evident, despite an indication of some data outliers.

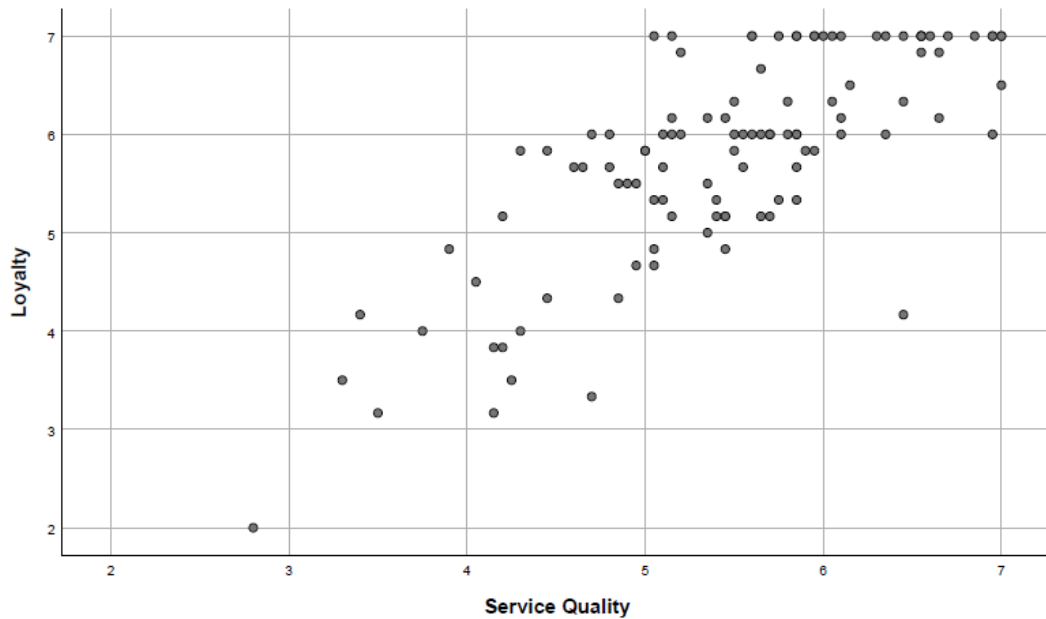


Figure 5.4: The relationship between service quality and loyalty

The results of the regression analysis on path c indicated that the data explained almost 60% of the variance ($r^2 = 0.5918$), which was significant at $p = 0.00$. The coefficient that described the relationship was established as 0.94 and was significant at $p = 0.000$. The constant was insignificant at $p = 0.11$.

Based on the presented data, hypothesis H4.2, which posits that there is a significant positive relationship between online consumers' overall perception of online retailers and their loyalty towards them, is supported.

The relationship between service quality and trust was illustrated visually and clear visual linearity was evident, despite an indication of some data outliers.

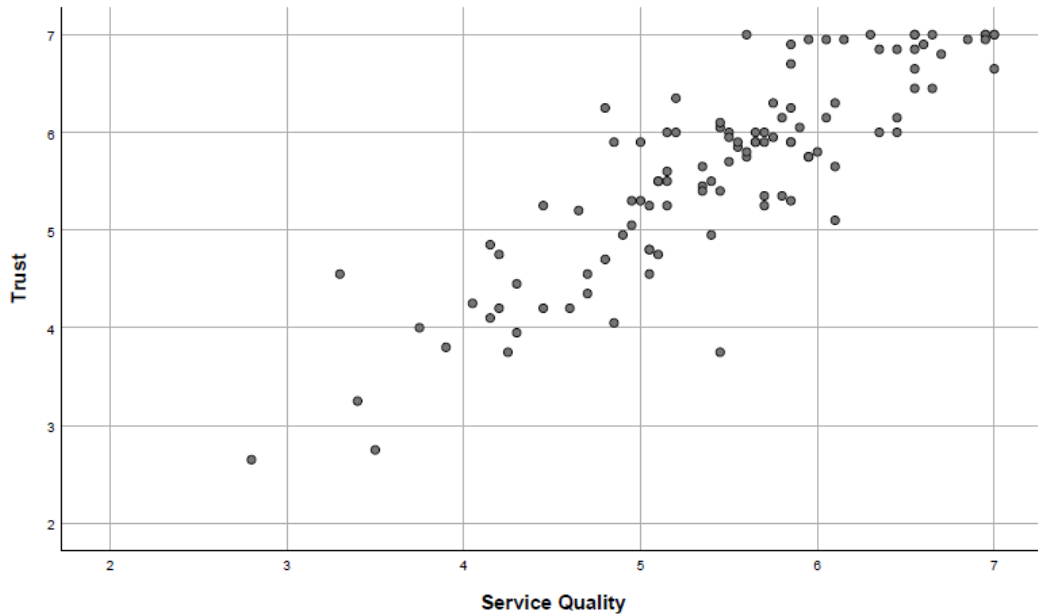


Figure 5.5: The relationship between service quality and trust (H5)

5.4.3.3 H5: Consumers' overall trust in e-retailers significantly mediates their loyalty towards e-retailers

A regression analysis was performed on path a, which yielded an $r^2 = 0.75$ and was statistically significant at $p = 0.00$. The relationship between service quality and trust was explained by a coefficient of 0.99 with a t-value of $t = 18.05$, which was significant at $p = 0.00$. The constant was insignificant at $p = 0.47$.

Lastly, the combined effect of service quality and trust on loyalty was assessed through a regression analysis through Path b and c', which yielded a data fit of $r^2 = 0.67$ and significance of $p = 0.00$. The coefficients that explained the relationship with loyalty was service quality at 0.3537 with a t-value of $t = 2.58$, which was significant at $p = 0.01$, and trust at 0.59 and a t-value of $t = 4.89$, which was significant at $p = 0.00$. The results of this path indicated that trust had a more significant relationship than service quality with loyalty. This indicates partial mediation. In order to determine the strength of the mediation, the method of Kenny, Kashy and Bolger (1998), as cited by Frazier et al. (2004), was used to determine the

significance of the mediation effect. The calculation resulted in a value of 62.2% of the total effect of service quality on loyalty mediated by trust.

The results indicate that hypothesis H5, i.e. consumers' overall trust in online retailers significantly mediates their loyalty towards online retailers, is supported.

5.5 Chapter summary

This chapter provided a detailed oversight of the data analyses and results that were obtained in the study. Descriptive data were presented to describe the profile of the sample. Further tests were then conducted to assess the validity of the scales that were used; Exploratory Factor Analyses (EFA) were performed on the 'service quality', 'loyalty' and 'trust' constructs, which complied with the prerequisites for the statistical analyses with large enough sample sizes. The results of the EFA on service quality yielded dimensions named Security, Reliability, Support, Dependability and Post Purchase Redress. The EFA procedure on loyalty corresponded with the theoretical items of the construct. Trust yielded two dimensions that were described as 'honesty' and 'competence'. The internal reliabilities of the empirically obtained scales, as well as the theoretical scales, were assessed and confirmed through their Cronbach's Alphas. With the empirical scales confirmed, descriptive statistics were performed on the constructs, described by the data obtained from the sample. Finally, the conceptual model was evaluated using regression analyses and techniques described by literature that determined the level of mediation.

A summary of the outcomes of the hypotheses testing is presented in Table 5.26

Table 5.26: Summary of research hypotheses and results

#	Hypothesis	Supported	Results section
H1.1	<i>Online consumers' overall perception of service quality of online retailers is positive.</i>	Supported	5.2.3.1
H1.2	<i>The different dimensions of service quality all contribute equally towards consumers' positive perceptions of the service quality of online retailers.</i>	Not Supported	5.2.3.2
H1.3.1	<i>Significant gender differences (male versus female) exist in online consumers' perceptions of service quality of online retailers.</i>	Not Supported	5.2.4.1
H1.3.2	<i>Significant age differences affect online consumers' perceptions of service quality of online retailers.</i>	Not Supported	5.2.4.2
H1.3.3	<i>Significant education differences change consumers' perceptions of service quality of online retailers.</i>	Not Supported	5.2.4.3
H2.1	<i>Online consumers' post recovery satisfaction with service recovery of online retailers is positive/ favourable.</i>	Supported	5.2.6.1
H2.2	<i>Online consumers' intentions after a service recovery experience with online retailers will result in further purchases and recommendations.</i>	Not Supported	5.2.6.2
H2.3	<i>Online consumers' intentions to communicate positively via word-of-mouth after a service recovery experience with online retailers is high.</i>	Not Supported	5.2.6.3
H2.4	<i>Online consumers' intentions to switch after a service recovery experience with online retailers is high.</i>	Not Supported	5.2.6.4
H3.1	<i>Online consumers trust online retailers.</i>	Supported	5.3.3.1
H4.1	<i>Online consumers are loyal towards online retailers.</i>	Supported	5.4.3.1
H4.2	<i>There is a significant positive relationship between online consumers' overall perceptions of online retailers and their loyalty towards them.</i>	Supported	5.4.3.2
H5	<i>Consumers' overall trust in online retailers significantly mediates their loyalty towards them.</i>	Supported	5.4.3.3

The next chapter discusses and interprets the results that were reported in this chapter.



CHAPTER 6: DISCUSSION OF RESULTS

6.1 Introduction

This chapter reflects on the results presented in Chapter 5, followed by a discussion in accordance with the hypotheses and literature review set out in Chapters 2 and 3.

6.2 Hypothesis 1.1: Online consumers' overall perception of service quality (SQ) of online retailers is positive

Hypothesis 1.1 focused on consumers' service quality perceptions of online retailers. Understanding if consumers are satisfied with online retailers is important, as research has indicated that satisfied customers are loyal customers, and loyalty is necessary for a business to obtain a competitive advantage (Comline, 2008; Cox & Dale, 2001; Shin, 2001; Srinivasan et al., 2002; Zeithaml, 2002; Zeithaml et al., 2002) be successful (Gee et al., 2008; Helgesen, 2006; Hult et al., 2019), and be more profitable (Heskett, Sasser, & Schlesinger, 1997; Kassim & Abdullah, 2008), as cited in Cyr, Hassanein, Head, & Ivanov, 2007).

The results presented in Chapter 5 indicate that South African consumers are generally satisfied with the customer service offered by the online retailers they have patronised ($M = 5.47$). This is despite evidence that the "support" dimension of service quality is important, while the results showed that "support" was the dimension that the respondents were the least satisfied with (albeit still ranked as satisfactory). The research further indicated that "support" is also one of the more critical dimensions for online retailers to get right; in the case of Dell Computers, the company attributed their "support" to customers as one of their key success factors (Blut et al., 2015; Ladhari, 2010; Reichheld & Scheffer, 2000).

6.3 Hypothesis 1.2: The different dimensions of service quality all contribute towards consumers' positive perceptions of the service quality of online retailers

The intention of hypothesis 1.2 was to determine if all the dimensions of service quality contribute to a customer's satisfaction with retailers' service offerings. It is important for online retailers to understand the dimensions of service quality that drive customer satisfaction the most, as these are the dimensions of the service quality offering that they should be focusing on to ensure loyalty and repeat purchases.

Through exploratory factor analysis, five dimensions were extracted to describe the service quality construct. The five dimensions clustered and regrouped to form "Security", "Reliability", "Support", "Dependability" and "Post purchase redress". Compared to the hierarchical model of Blut (2016), the results showed that in the context of South Africa, "Fulfilment" and "Customer Service" both expanded to form two dimensions each: Fulfilment = Reliability + Dependability, and Customer Service = Support + Post purchase redress. Surprisingly, the results indicated that South African consumers see the attributes of the service quality constructs as slightly more distinct and as separate dimensions, with more nuance than the hierarchical model of the construct.

The results presented in Chapter 5 indicate that all the service quality dimensions did not contribute favourably towards the overall service quality perception, despite the respondents indicating that they were highly satisfied overall with the service quality of online retailers. The different weights assigned to the service quality dimensions were expected as the literature indicated that the dimensions are not all evaluated equally favourably and that this is highly contextual (Blut et al., 2015; Jiang et al., 2016). The analysis has shown that "Reliability" and "Dependability" are the two most favourably assessed dimensions, while "Security" and "Post-purchase redress" are less favourable and "Support" is the least favourable. It is, however, important to note that being less satisfied with one or more dimensions does not necessarily mean that the customer is going to assess the entire service offering

negatively, or will stop making use of the service. As Al-Maghrabi et al. (2011) explained, customers may continue to use a service purely because they deem it to be useful, irrespective of their negative feelings. It can, therefore, be concluded that although the respondents were less satisfied with the support provided by online retailers, they continued to use the online retailers as their overall perception was favourable.

6.4 Hypothesis 1.3: Consumers' perceptions of the service quality of online retailers differ in accordance with their demographic characteristics

The research indicated that consumers' demographic characteristics influence their perceptions of service quality. This hypothesis thus aimed to discover which demographic characteristics are relevant in terms of consumers' SQ perceptions.

6.4.1 Hypothesis 1.3.1: Significant gender differences (male versus female) exist in online consumers' perceptions of service quality of online retailers

The hypothesis aimed to confirm if there are gender differences in consumers' perceptions of the service quality of online retailers. This was important to understand, as research has indicated that there are more male consumers who support online retailing than females (Akar & Nasir, 2015). Understanding if the perceptions of service quality differ between males and females is important, as it would imply that an online retailer would need to customise its service to meet the expectations of the typical gender profile of its consumers. The results indicated that there is only a marginal difference in the perceptions of service quality between males and females, i.e. the differences were not statistically significant. This thus means that retailers do not need to distinguish between the perceptions of males and females in their marketing strategies.

6.4.2 H1.3.2: Significant age differences affect online consumers' perceptions of service quality of online retailers

The research has shown that online retailing is typically used by younger generations (Akar & Nasir, 2015; Huseynov & Yıldırım, 2016), therefore it is important to understand if the perceptions of service quality differ across the various age groups, as it would again indicate that the service offering should be tailored to meet the expectations of consumers. Contrary to expectations, this study found no significant differences in the perceptions of service quality between the age groups (participants younger than 40 years and those aged 40 years and older), i.e. age is not relevant in terms of effort to enhance service quality.

6.4.3 H1.3.3: Significant education level differences exist in terms of consumers' perceptions of service quality of online retailers

The results did not support the hypothesis that significant education level differences exist between customers when it comes to service quality, as only one of the five dimensions of the construct was assessed significantly differently among people with different levels of education. For this reason, online retailers can apparently pride themselves on the fact that their service offerings are not discriminating in terms of consumers' education level.

6.4.4 H2.1: Online consumers' post recovery satisfaction with the service recovery of online retailers is positive/favourable

Research has shown that the consequences of failed service recovery efforts are severe as it results in consumer unhappiness (Cox & Dale, 2001), as well as bad publicity through negative word-of-mouth communication and criticism (Fan et al., 2010; Jung & Seock, 2017; Kuo & Wu, 2012; Lemon & Verhoef, 2016).

Service recovery was measured separately from the service quality, trust and loyalty section of this study. The respondents were asked to assess any online retailer they

had previously experienced a service failure with, thus it was not clear whether the respondents rated the same online retailers they had rated for service quality perceptions. Based on the results, it is likely that the respondents were assessing a different online retailer, as the influence of service recovery on service quality perceptions in the regression model showed no correlation between the constructs (see depiction of correlation in 0), which other scholars have reported (Elbeltagi & Agag, 2016; Parasuraman et al., 1985; Smith et al., 1999).

The perceptions of service recovery were, therefore, assessed as secondary customer satisfaction (Kuo & Wu, 2012, p. 129), and the analyses in Chapter 5 concluded that online consumers are fairly satisfied with the service recovery efforts of online retailers. A further in-depth look at the different dimensions and attributes of service recovery indicated that consumers were the least satisfied with perceived distributed justice. This would explain their lower assessment of satisfaction with post recovery, as research has indicated that distributed justice influences both emotions and post-recovery satisfaction the most (Kuo & Wu, 2012). In addition, higher value is placed on the recovery effort in comparison to the inconvenience that was experienced (Smith et al., 1999).

According to literature, the consequences of service recovery efforts influence post-service recovery satisfaction, post-purchase intentions, positive word-of-mouth and switching intentions of consumers (Elbeltagi & Agag, 2016; Fan et al., 2010; Jung & Seock, 2017; Sciarelli et al., 2017). Hypothesis 2.2.1 postulated that the service recovery effort would have a significant effect on future purchases and recommendations of the online retailer. It is, therefore, expected that the result of the analysis would reveal that future purchases and recommendations would linearly be affected by the underlying dimensions of service recovery, as well as the consequential service recovery satisfaction. The analyses supported the expectation and it was concluded that further purchases and recommendations were not influenced negatively due to the neutral assessment of the service recovery experience.

Positive word-of-mouth communication concerning the outcomes of service recovery was negatively affected by neutral assessments of service recovery. With regards to switching intentions, the results showed that consumers were also hesitant to switch, which supports their positive perceptions of service recovery and service quality (i.e. a positive perception of the experience leads to satisfaction). Therefore, dissatisfaction with a service recovery experience whenever a service failure occurs does not necessarily mean that the consumer will stop patronising an online retailer in the future, because the advantages of online shopping are considered to exceed negative experiences (Al-Maghrabi et al., 2011).

6.5 Online consumers' trust in online retailers

This study was the first time that the trust scale of Oliveira et al. (2017) was used in a South African context. Given that many scholars conclude that trust is highly contextual (Akroush & Al-Debei, 2015; Goldstuck, 2012; Huseynov & Yildirim, 2016; UNIDO, 2017), exploratory factor analysis (EFA) was done to determine the dimensions of the scale as well as the internal consistency of the items that measured the relevant constructs. The EFA procedure resulted in the extraction of two dimensions that were named "honesty" and "competence". The scale differed substantially from the original scale of Oliveira et al. (2017) in that it did not recognise the original scale's "Integrity" and "Overall Trust" as separate dimensions.

The results indicated that consumers perceive online retailers to be highly trustworthy as the means of the dimensions, and the overall construct was close to the upper limit of the 7 point Likert-type scale. This was surprising for a number of reasons, i.e. prior research indicated that trust is highly important to consumers in emerging markets (Akroush & Al-Debei, 2015), and trust is highly affected by countries that exhibit high "uncertainty avoidance" and "individualism" (Blut et al., 2015). In this case, the two elements were in contrast to each other as South Africa is an emerging market with low uncertainty avoidance and individualism (Hofstede, 1983). Secondly, trust was found to be significantly influenced by "return policy" (Huseynov & Yildirim, 2016; Oghazi et al., 2018), which, in the context of this study, was less relevant than any of the other dimensions of service quality. The results

therefore seem to contradict the findings of previous research as summarised in Chapter 2.

6.6 Online consumers' loyalty towards online retailers

The EFA procedure for the construct "loyalty" yielded exactly the same factors as were described theoretically. Research clearly indicates that loyalty provides a key competitive advantage for online retailers, which further leads to business success and profitability (Comline, 2008; Cox & Dale, 2001; Kassim & Abdullah, 2008; Shin, 2001; Srinivasan et al., 2002; Zeithaml, 2002; Zeithaml et al., 2002). The research indicated a causal link between service quality and trust. As the customers were highly satisfied with the service quality of online retailers, and because they trust the online retailers that they patronise, it was expected that they would be very loyal. Extant research indicates that both service quality and trust are antecedents of loyalty (Gefen, 2002; Huseynov & Yildirim, 2016; Jiang et al., 2016; Kassim & Asiah Abdullah, 2010). This was indeed the case in this study, as the results showed that the respondents were very loyal towards the online retailers that they patronised. The descriptive statistics were, however, not enough to prove a causal link, therefore regression analysis was performed to assess the relationship between the two constructs as postulated by Hypothesis 4.2. The regression analysis was statistically significant and the data explained 59.18% of the variance, with an almost linear causal relationship at a coefficient of 0.94. It is, therefore, concluded that service quality has a direct, positive and almost completely linear effect on loyalty. As service quality is an antecedent to loyalty, in order for retailers to succeed they should further augment their service offering (service quality) to meet the expectations of their customers.

6.7 Consumers' overall trust in online retailers and its mediating influence on their loyalty towards online retailers

The literature reviewed in Chapter 2 indicates that there are differences between trust having a mediating influence in terms of consumers' perceptions of service quality and their eventual loyalty towards a retailer. As trust is deemed more

important in an online retailing environment due to the inherently higher risk of unethical behaviour and exploitation of customers (Gefen, 2002), it is critical for online retailers to understand the relevance of trust in terms of customer loyalty.

Regression analysis was performed based on the method proposed by Frazier et al. (2004) to determine the mediating influence of trust. The results showed that trust mediates the relationship between service quality and loyalty (62.2%), i.e. trust is a strong mediator. This supports the findings of those researchers who concluded that service quality is an antecedent of trust and that trust has a mediating influence on loyalty. Customer loyalty has affirmative outcomes such as positive word-of-mouth feedback, favourable perceptions of retailers' reputations, and enhanced consumer purchase intentions (Gefen, 2002; Kassim & Abdullah, 2008; Kim & Peterson, 2017; Oghazi et al., 2018). For online retailers to ensure loyalty, trust should thus be enhanced, which can be done by an online retailer augmenting its service quality (Kim & Peterson, 2017), in particular through effective communication and better payment offerings such as cash-on-delivery (Akroush & Al-Debei, 2015), privacy and security (Huseynov & Yildirim, 2016), and a better return policy (Huseynov & Yildirim, 2016; Oghazi et al., 2018).

6.8 Chapter summary

This chapter discussed the research outcomes pertaining to consumers' satisfaction with, trust in, and loyalty towards online retailers in South Africa based on personal experiences. Outcomes were discussed in terms of extant literature on the related topics. The measurement that were used were proven to be appropriate and reliable to produce useful results that could be used to augment online retailers' service offering. Most importantly, the results showed that customers of online retailers in South Africa are highly satisfied with the service quality of those retailers that they have patronised in the past, and online customers perceive them to be trustworthy. For this reason, they are also loyal towards the online retailers that they patronise.

However, where online retailers fell short was with regard to the dimension of "support". This was evident in the dimensions of service quality, as well as amongst

those customers who had experienced service failure in the past. It can be argued that an improvement in the area of support will enhance customers' satisfaction, trust and loyalty towards online retailers, as was concluded by several researchers in other contexts.

Although many researchers have found certain aspects such as loyalty and trust to be contextual, no evidence could be found that the outcomes in South Africa differ from those reported elsewhere in the world. This study could also not confirm significant differences between gender or age categories, as were reported by other researchers in different contexts. While the study also found no differences in education level on the perceptions of service quality in South Africa, the level of education of the sample was relatively high and the sample size of lower educated consumers was relatively small, which may have influenced the results.



CHAPTER 7: CONCLUSIONS, RECOMMENDATIONS AND LIMITATIONS

Chapter 6 provided an interpretation of the analysis according to previous research. This chapter concludes the study with the principle findings, implications for management, limitations of the study, as well as suggestions for future research.

7.1 Principle findings

Online retailing in South Africa has not grown as aggressively as was expected and as has been seen elsewhere in the world. The primary objective of this research was thus to further the understanding of consumer behaviour in terms of online retailing in South Africa, in particular, assessing consumers' perceptions of service quality and how these perceptions influence their loyalty towards online retailers, as this was understood to be a key success factor for online retailing businesses. The research further aimed to understand the relationship between service quality and loyalty, and whether trust has a mediating influence on this relationship. The key findings are summarised below:

1. Existing scales for service quality, trust and loyalty can be used in South Africa.
2. Customers of online retailers generally seem highly satisfied with online retailers' service quality, while also trusting them and being loyal towards the retailers that they patronise.
3. In the South African context, online customers generally perceive retailers' support to be lacking, especially following unfortunate service experiences.
4. Demographic characteristics of online consumers are apparently not significant in terms of their service quality perceptions.
5. Service quality has a strong, direct and linear relationship with loyalty, and the relationship is mediated by trust.

These findings are now discussed in more detail:

7.1.1 Existing scales for service quality, trust and loyalty can be used in South Africa

The study set out to establish if existing scales that were found in literature could be used to assess service quality, trust and loyalty in South Africa. For service quality, the researcher used one of the more recent scales from Blut (2016), and found that the existing scale could be used in its original form, however after it was subjected to an exploratory factor analysis (EFA), the scale was slightly adapted to be more appropriate in the South African context, with five factors that collectively explained the service quality construct. In terms of the service quality dimensions, the results indicate that the underlying structure of service quality is slightly more nuanced than the hierarchical model it is based on.

The trust scale was found to be less sophisticated in South Africa, with the original scale collapsing in only two dimensions that were reliable for the assessment of the construct, namely honesty and competence. The results were surprising, especially since the respondents indicated that support was lacking – a dimension of service quality that was identified as a strong antecedent for trust. This could potentially mean that there are different underlying causes that influence trust in the context of South Africa.

The scale for loyalty was found to be applicable and reliable in its original form in South Africa.

It can also be said that this study has found no reason to believe that the service quality and customer loyalty scales should be contextualised, as the original scales were found to have acceptable internal consistencies.

7.1.2 Customers of online retailers are highly satisfied with online retailers' service quality, but generally perceive support as lacking in the service experience

According to prevailing research on the topic, customer satisfaction is a precursor to customer loyalty. Loyalty largely determines business profitability, success and market growth, and is even more prominent in an online environment where customers can easily switch to alternative online retailers. Although South Africa's

current online retailing market is relatively small in comparison to other countries around the world, it shows significant potential for retailers that are willing to adopt an online business model and invest in the necessary processes to gain market share and industry growth. This is despite the significant challenges associated with doing business in a developing country, which has limited access to infrastructure and affordable technology that is necessary for businesses to thrive. It was, therefore, surprising to find that the general perception of service quality in South Africa is high, especially since very little research has been done in the South African context to understand the phenomenon in order for online retailers to better manage it. The results indicated that customers perceive service quality positively, thus they are generally trusting and highly loyal to their online service providers.

7.1.3 In the South African context, online customers generally perceive retailers' support to be lacking, especially following unfortunate service experiences.

Online retailers did, however, fall short in certain service quality dimensions, as customers were less satisfied with retailers' support during the service experience, as well as after a service failure. The results clearly showed that support was lacking in terms of the online retailers' overall offering, yet despite this lack of support, consumers' overall perception of service quality remained high. This could indicate that consumers' expectations are not very high, or that South African consumers have grown accustomed to low levels of service quality and remained satisfied with the service due to a lack of alternatives.

7.1.4 The relevance of demographic characteristics in terms of consumers' perceptions of the service quality of online retailers

Despite evidence from extant research, demographic characteristics did not influence consumers' service quality perceptions significantly in the context of this research. It could, however, be a result of the convenient sample and snowballing technique that was used or the fact that the original groups had to be regrouped in order to form adequately sized groups for statistical analysis.

7.1.5 The relationship between service quality, loyalty and trust

The results confirm and expand the current academic understanding of the relationship between service quality, loyalty and trust. The study confirms the vast majority of research conducted elsewhere in the world, which indicates that service quality is an antecedent of customer loyalty. There is a near perfect linear relationship between the perceptions of service quality and loyalty. The relationship is also mediated by trust, therefore as the literature has shown, retailers should aim to establish trust by building relationships with their customers in order to achieve return patronage and positive word-of-mouth recommendations. As trust is also highly influenced by after-sales support, which includes the return process and complaints handling process, online retailers should focus on their support to improve their service offering and spur loyalty.

7.2 Implications for managers

The research has indicated that service quality is measured by customers throughout the entire process, from the moment of the transaction taking place up the point of delivery and after-sales service. Based on the findings of this research, it is evident that online retailers generally offer lower service quality post-transaction which results in the customer feeling unsupported whenever the customer experiences a problem. Therefore, the manager should enhance their offering by improving the after sales support they offer. This can be done by offering improved methods for a customer to contact a customer support agent, by offering online support and the ability for a customer to speak to a customer service representative directly. Managers should ensure that they manage and enhance the way they handle returns and the returns handling policies should be clearly stipulated and followed by an online retailer to ensure that a customer knows what to expect. Service failures should be appropriately resolved by offering genuine consideration and fair compensation for the inconvenience that a customer experienced within a reasonable turnaround time. The research has shown that this is critical in order to

turn a negative experience into customer satisfaction. As such, it would be worth the effort and investment from the online retailer.

The research has clearly highlighted the areas where online retailers should improve in order to offer a service that would lead to customer satisfaction and loyalty. Online retailing managers can augment the support they offer to improve trust that ultimately lead to loyalty and therefore higher profitability.

Despite the area for improvement, managers are generally doing well in South Africa to offer a service that meets the expectations of their customers. It does however, also mean that a new entrant could completely change the online retailing landscape if a service is offered that is of higher quality as it would raise the expectations that customers would have in other retailers. It is, therefore, important for managers to continually assess their service quality against the service quality that is offered by other online retailers.

7.3 Future research

This research provided sound evidence to support the relationship between service quality and customer loyalty, however it also found that the online retail environment is more complex and intricate than initially thought or explained by existing research. This opens up an opportunity for further research to be conducted on online retailing. A number of interesting and promising research directions are listed below:

1. If customers are generally satisfied with service quality and they are loyal, what else is preventing online retail growth in South Africa? Since customers do not generally perceive the current service offering by online retailers as negative, what is preventing the industry from growing to the same levels seen elsewhere in the world? How do other economic and contextual factors influence the online retailing industry, for example, does access to infrastructure and technology prevent the adoption of online retailing? Other factors such as logistical issues, formal housing, etc. can also be investigated and compared to the growth factors elsewhere in the world.
2. Do customers perceive online retailers as trustworthy, or is trust high because customers are ignorant about the risks? Trust is a highly complex construct that

is also contextual, and a number of factors that influence trust have not been investigated in this study. These include factors such as cultural influence and the legislative and regulatory environment.

3. What can be improved in support and service recovery to adequately turn a dissatisfied customer into a satisfied and loyal customer? The research has shown that customers are generally more sensitive to a negative experience than a positive experience. A particularly interesting research direction would be to understand what compensation tactics are most appropriate for different types of service failures, especially over a period of time.
4. What are the expectations of customers, and do customers in South Africa perceive service quality as high because their expectations are low in general? The scales that were used measured service quality on a self-reflecting perceptions-only scale. They did not first measure what the customer expected and then what the customer experienced to determine the 'gap' (Danaher & Haddrell, 1996), as this would have lengthened the questionnaire substantially.
5. Why do consumers trust online retailers despite their poor evaluation of their support services? The research shows that support is critical to generate trust, yet this study found that customers trust online retailers, despite not rating their support very high. Further research could explore why this precondition was not observed amongst the sample.
6. Hedonic versus utilitarian customer experiences is another topic that would merit further investigation. How can service be enhanced to create value for both groups of people? There is a distinct difference between the perceived values that a hedonic versus a utilitarian customer obtains from online shopping. Additional research could explore the typical profile of an online retailing customer, and whether or not the online retailing experience could be adapted to create value for both type of customers.
7. What other dimensions of Hofstede's six dimensions influence the expectations of service quality? Despite not finding any evidence of a moderating influence from the dimensions that were identified by research ('uncertainty avoidance' and 'individualism') on service quality perceptions, there are four other dimensions that could also affect service quality perceptions. More research could establish if any of the other dimensions have an effect on the overall perceptions of service quality.

7.4 Limitations

The study had a few limitations that influenced the results and interpretation of the results that were obtained from the research, which are listed below:

1. Under the time constraints of the study, the sample size was particularly small and not representative of the population. The researcher found it very challenging to gain access to the population, since the population existed in cyberspace. There were no known methods available to the researcher to access the population without using a convenient sampling and snowballing method. This limited the representation of the population of the sample.
2. Length of questionnaire. The questionnaire was particularly long and tedious to answer as a result of the complexity of the four constructs that were measured. Some questions were also repeated due to the fact that existing scales were used that incorporate questions that were similarly worded.
3. Phrasing of service recovery qualifier question: As existing scales were used, the wording and phrasing of certain questions were ambiguous and at times difficult to interpret. The scale was adapted and tested but during the initial trials before the questionnaire send out, the respondents mentioned that they had difficulties with some of the questions. In retrospect, the qualifying question for service quality should have been differently phrased. Because the question asked if the respondent ever experienced a service failure from *any* retailer, it was not clear during the statistical analysis if the respondent was referring to the same or different online retailer that was used to answer the other questions on the other constructs. It was, therefore, not possible to establish relationships with the other constructs and the service recovery construct had to be reported independently even though it might have had an impact and relationship with the other constructs.
4. Access to data from consumer interest groups: A vast amount of data exist in some institutions that would have provided valuable insights. For example, the Consumer Goods and Services Ombudsman has a large dataset of information. The institution was approached but due to confidentiality reasons, the data was not available for public research use.

5. Group sizes: A number of groups were identified prior to the survey being conducted. However, post closure of the survey, the different groupings had to be formed in order for statistical analysis to be conducted. As a result, comparative analyses were not obtained in all instances for review against the literature, especially against demographic and contextual findings.
6. Generalisability of the results: Due to the aforementioned issue of group sizes as well as the selected industry for analysis, the data is not necessarily generalisable to different industries, markets and countries. One of the aims of the study was to compare the findings against literature, the study was therefore quantitative and not exploratory. Care should be taken when analysing and applying the findings in a different context.

7.5 Conclusion

It is unlikely that online retailing would lose its appeal any time soon. It is, therefore, important for retailers to ensure that they adapt their service offering to meet (or exceed) customer expectations. This study has shown that service quality perceptions directly influence trust and loyalty. Trust and loyalty are important success factors for online retailers as it was evident from the literature review. Online retailers can improve their trustworthiness by offering a service to their customers that is of quality and value. This research has shown that 'support' is generally lacking in the current offerings from online retailers in South Africa and perhaps could be attributed to the high turnover of online retailing businesses in South Africa. The research has shown that 'support' is critical from a customers' perspective to instil trust in the online retailer. The research has also shown that a negative experience is usually perceived to be worse than it actually is which results in dissatisfaction which inhibits trust to be created. Consequently, service failures should be avoided at all cost by online retailers and if a customer experience a service failure, adequate support should be provided to turn the failure into customer satisfaction. It is particularly difficult to achieve this in an online environment, and the research has provided evidence that it is more important in an online environment as a failure cannot be resolved in a face-to-face engagement like it is typically done in the traditional retailing environment. It was evident from this study that trust has a

mediating influence on customer loyalty, therefore, trust is a critical indicator of future purchases that can be expected from a customer. In an industry with exceptionally low barriers to entry, it is critical for the online retailer to retain customers to ensure their business' survival and growth. Online retailers only realises investment in customers if the customer returns for further purchases in the future, therefore, loyalty is critical and of utmost importance to manage by them.

Lastly, this study has successfully contextualised and measured service quality, trust, loyalty and service recovery, as per the objectives of the study. The study has shown that the perceptions of service quality in South Africa is high and customers are generally satisfied as a result. Because they are satisfied, they also trust their online retailer and they are, therefore, loyal – often returning for future purchases.

The study has answered the calls of other researchers and contextualised service quality and its consequences in the emerging market of South Africa. It has contributed to literature by contextualising the complex and intricate nature of the constructs in a different environment, by verifying or contradicting some of the findings by other researchers and by clarifying the disagreements on the relationship of service quality with loyalty with trust as a mediator.



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Appendix 1. Invitation Letter AND questionnaire

Note: The questions appeared in random order to the respondents in each section, but for reference purposes the questions were left in sequence

9/22/2019

Customer Satisfaction with online retailing in South Africa

Customer Satisfaction with online retailing in South Africa

I am currently a student at the University of Pretoria's Gordon Institute of Business Science and completing my research in partial fulfillment of the degree of Masters in Business Administration (MBA).

I am conducting research on the role of customer satisfaction and trust on loyalty in online retailing. The research will help to create a better understanding of customer service expectations for online retailing in South Africa.

Your participation is voluntary, and you can withdraw at any time without penalty. Your participation is anonymous and only aggregated data will be reported. No personal identifying information will be collected or stored.

By selecting the "I agree and wish to participate" option below and by completing the survey, you indicate that you voluntarily participate in this research. If you have any concerns with the research, please contact the research supervisor or me through the details provided below.

The questionnaire will take you no more than 20 minutes to complete. At the end of the questionnaire, a link will be provided for you to forward the questionnaire to known acquaintances that had purchased from an online retailer before.

Researcher's name: Duan du Toit
Email: 18377824@mygibs.co.za
Phone: 076 083 4373

Supervisor's name: Prof. Alet Erasmus
Email: ErasmusA@gibs.co.za
Phone: 082 784 2467

***Required**

1. Do you wish to continue? *

Mark only one oval.

- I agree and wish to participate
- I do not consent and would like to exit *Stop filling out this form.*

Do you live in South Africa

https://docs.google.com/forms/d/1DHJDP1e2fwHXrq7V_BTARGPJKLles8srXW57Q1WCM/edit

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Please note that this research only relates to service experience in South Africa

2. Please confirm you are living in South Africa

Mark only one oval.

- Yes, I live in South Africa
- No, I do not live in South Africa *Stop filling out this form.*

Access to online shopping platforms

3. Do you have access to online retailing through Apps or websites? *

Mark only one oval.

- Apps
- Websites
- Both Apps and Websites
- I don't have access *Stop filling out this form.*

Purchases

4. Have you ever purchased any other items other than books & ticket (movies, theater, flights) from an online store? *

Mark only one oval.

- Yes
- No *Start this form over.*

Frequency

5. How often do you shop online? *

Mark only one oval.

- Regularly / Periodically (At least once a month)
- Occasionally (A few times a year)
- Rarely (As and when required)

https://docs.google.com/forms/d/1DHJDP1e2fwHXrq7V_BTARGPJKLles8srXW57QIWCM/edit

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Last purchase

6. How far back was your last online purchase? *

Mark only one oval.

- Between 1 – 30 days
- Between 1 month and 6 months back
- Within a year

For the remainder of the questions, please think of the online retailer where you purchase from most frequently.

7. Please type the retailer from which you purchase from most often: *

Skip to question 8.

Service Quality

For the online retailer where you purchase from the most:

8. The product is delivered by the time promised by the online retailer. *

Mark only one oval.

	1	2	3	4	5	6	7	
I completely disagree	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	I strongly agree

9. This website of the online retailer makes items available for delivery within a suitable time frame. *

Mark only one oval.

	1	2	3	4	5	6	7	
I completely disagree	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	I strongly agree

https://docs.google.com/forms/d/1DHJDP1e2fwHXrq7V_BTARGPJKLles8srXW57QIWCM/edit

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10. The online retailer quickly delivers what I order. *

Mark only one oval.

1 2 3 4 5 6 7

I completely disagree I strongly agree

11. You get what you ordered from the website of the online retailer. *

Mark only one oval.

1 2 3 4 5 6 7

I completely disagree I strongly agree

12. The website of the online retailer sends out the items ordered. *

Mark only one oval.

1 2 3 4 5 6 7

I completely disagree I strongly agree

13. The website of the online retailer is truthful about its offerings. *

Mark only one oval.

1 2 3 4 5 6 7

I completely disagree I strongly agree

14. On occasion, the product I ordered was damaged during delivery. *

Mark only one oval.

1 2 3 4 5 6 7

I completely disagree I strongly agree

15. The ordered products arrived in a good condition. *

Mark only one oval.

1 2 3 4 5 6 7

I completely disagree I strongly agree

16. It has happened that the product I ordered arrived damaged. *

Mark only one oval.

1 2 3 4 5 6 7

I completely disagree I strongly agree

17. This website of the online retailer provides a telephone number to reach the online retailer. *

Mark only one oval.

1 2 3 4 5 6 7

I completely disagree I strongly agree

18. This website of the online retailer has customer service representatives available online. *

Mark only one oval.

1 2 3 4 5 6 7

I completely disagree I strongly agree

19. The online retailer offers the ability to speak to a live person if there is a problem. *

Mark only one oval.

1 2 3 4 5 6 7

I completely disagree I strongly agree

20. The online retailer provides me with convenient options for returning items. *

Mark only one oval.

1 2 3 4 5 6 7

I completely disagree I strongly agree

21. This website of the online retailer handles product returns well. *

Mark only one oval.

1 2 3 4 5 6 7

I completely disagree I strongly agree

22. This online retailer offers a meaningful guarantee. *

Mark only one oval.

1 2 3 4 5 6 7

I completely disagree I strongly agree

23. I feel safe in my transactions with the website of the online retailer. *

Mark only one oval.

1 2 3 4 5 6 7

I completely disagree I strongly agree

24. The website of the online retailer has adequate security features. *

Mark only one oval.

1 2 3 4 5 6 7

I completely disagree I strongly agree

25. This website of the online retailer protects information about my credit card. *

Mark only one oval.

1 2 3 4 5 6 7

I completely disagree I strongly agree

26. I trust the website of the online retailer to keep my personal information safe. *

Mark only one oval.

1 2 3 4 5 6 7

I completely disagree I strongly agree

27. I trust the website administrators of the online retailer will not misuse my personal information. *

Mark only one oval.

1 2 3 4 5 6 7

I completely disagree I strongly agree

28. The online retailer protects information about my web-shopping behavior. *

Mark only one oval.

1 2 3 4 5 6 7

I completely disagree I strongly agree

Loyalty

For the online retailer where you purchase from the most:

29. I say positive things about the online retailer to other people *

Mark only one oval.

1 2 3 4 5 6 7

I completely disagree I strongly agree

30. I would recommend the online retailer to those who seek my advice about such matters *

Mark only one oval.

1 2 3 4 5 6 7

I completely disagree I strongly agree

31. I would encourage friends and relatives to use the online retailer *

Mark only one oval.

1 2 3 4 5 6 7

I completely disagree I strongly agree

32. I would post positive messages about the online retailer on some internet message board *

Mark only one oval.

1 2 3 4 5 6 7

I completely disagree I strongly agree

33. I intend to continue to do shopping with the present online retailer *

Mark only one oval.

1 2 3 4 5 6 7

I completely disagree I strongly agree

34. I intend to do more shopping with the present online retailer. *

Mark only one oval.

1 2 3 4 5 6 7

I completely disagree I strongly agree

Trust

For the online retailer where you purchase from the most:

35. I believe this online retailer has the ability to handle sales transactions on the Internet. *

Mark only one oval.

1 2 3 4 5 6 7

I completely disagree I strongly agree

36. I believe this online retailer has sufficient expertise to do business on the Internet. *

Mark only one oval.

1 2 3 4 5 6 7

I completely disagree I strongly agree

37. The online retailer was competent and effective in providing products online. *

Mark only one oval.

1 2 3 4 5 6 7

I completely disagree I strongly agree

38. **The online retailer performed its role of selling online products very well. ***

Mark only one oval.

	1	2	3	4	5	6	7	
I completely disagree	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	I strongly agree

39. **Overall, this online retailer was a capable and proficient Internet retailer. ***

Mark only one oval.

	1	2	3	4	5	6	7	
I completely disagree	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	I strongly agree

40. **In general, this online retailer was very knowledgeable about its products. ***

Mark only one oval.

	1	2	3	4	5	6	7	
I completely disagree	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	I strongly agree

41. **I believe this online retailer will not charge more for Internet shopping. ***

Mark only one oval.

	1	2	3	4	5	6	7	
I completely disagree	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	I strongly agree

42. **I believe this online retailer is honest to its customers. ***

Mark only one oval.

	1	2	3	4	5	6	7	
I completely disagree	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	I strongly agree

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43. **I believe this online retailer acts sincerely in dealing with customers. ***

Mark only one oval.

	1	2	3	4	5	6	7	
I completely disagree	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	I strongly agree

44. **I believe this online retailer will not overcharge me during sales transactions. ***

Mark only one oval.

	1	2	3	4	5	6	7	
I completely disagree	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	I strongly agree

45. **I believe this online retailer is truthful in its dealings with me. ***

Mark only one oval.

	1	2	3	4	5	6	7	
I completely disagree	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	I strongly agree

46. **I believe this online retailer would keep its commitments. ***

Mark only one oval.

	1	2	3	4	5	6	7	
I completely disagree	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	I strongly agree

47. **I believe this online retailer is genuine. ***

Mark only one oval.

	1	2	3	4	5	6	7	
I completely disagree	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	I strongly agree

https://docs.google.com/forms/d/1DHJDP1e2fwHXrq7V_BTARGPJkLles8srXW57QIWCM/edit

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48. I believe this online retailer would act in my best interest. *

Mark only one oval.

	1	2	3	4	5	6	7	
I completely disagree	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	I strongly agree

49. If I required help, I believe this online retailer would do its best to help me. *

Mark only one oval.

	1	2	3	4	5	6	7	
I completely disagree	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	I strongly agree

50. This online retailer was interested in my well-being, not just its own. *

Mark only one oval.

	1	2	3	4	5	6	7	
I completely disagree	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	I strongly agree

51. I like to trust this online retailer. *

Mark only one oval.

	1	2	3	4	5	6	7	
I completely disagree	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	I strongly agree

52. I find this online retailer trustworthy. *

Mark only one oval.

	1	2	3	4	5	6	7	
I completely disagree	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	I strongly agree

53. I like the reliability of this online retailer. *
Mark only one oval.

1 2 3 4 5 6 7

I completely disagree I strongly agree

54. I value the trustworthy characteristics of this online retailer. *
Mark only one oval.

1 2 3 4 5 6 7

I completely disagree I strongly agree

Service delivery dissatisfaction

55. Were you ever dissatisfied, or have you ever complained about any online retailer's service delivery? *
Mark only one oval.

Yes Skip to question 56.
 No Skip to question 87.

Experience with online retailer that failed to meet your service expectations

Please think of the online retailer that failed to meet your expectations:

56. Considering the trouble caused and the time lost, the compensation I received from this online retailer was acceptable. *
Mark only one oval.

1 2 3 4 5 6 7

I completely disagree I strongly agree

57. The online retailer took good compensation measures to solve the problem. *
Mark only one oval.

1 2 3 4 5 6 7

I completely disagree I strongly agree

58. The online retailers' efforts were sufficient to offer a satisfactory compensation *
Mark only one oval.

1 2 3 4 5 6 7

I completely disagree I strongly agree

59. I think this online retailer was quite fair when compensating me for the problem that occurred. *
Mark only one oval.

1 2 3 4 5 6 7

I completely disagree I strongly agree

60. I think my problem was resolved in the right way. *
Mark only one oval.

1 2 3 4 5 6 7

I completely disagree I strongly agree

61. Despite the trouble caused by the problem, this online retailer was able to respond adequately. *
Mark only one oval.

1 2 3 4 5 6 7

I completely disagree I strongly agree

62. **This online retailer proved flexible in solving the problem. ***

Mark only one oval.

	1	2	3	4	5	6	7	
I completely disagree	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	I strongly agree

63. **I think the online retailer has good online procedures (e.g. FAQs, help pages, online community) for handling late deliveries/poor service. ***

Mark only one oval.

	1	2	3	4	5	6	7	
I completely disagree	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	I strongly agree

64. **By following the online retailer's online procedures, the problem with the late delivery/poor service was resolved within a short time period. ***

Mark only one oval.

	1	2	3	4	5	6	7	
I completely disagree	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	I strongly agree

65. **The employees of this online retailer showed interest in my problem. ***

Mark only one oval.

	1	2	3	4	5	6	7	
I completely disagree	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	I strongly agree

66. **The employees of this online retailer did everything possible to solve my problem. ***

Mark only one oval.

	1	2	3	4	5	6	7	
I completely disagree	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	I strongly agree

https://docs.google.com/forms/d/1DHJDP1e2fwHXrq7V_BTARGPJkLies8srXW57QIWCM/edit

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67. **The employees of this online retailer proved able and to have enough authority to solve the problem. ***

Mark only one oval.

	1	2	3	4	5	6	7	
I completely disagree	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	I strongly agree

68. **The employees of this online retailer showed interest in being fair when solving the problem. ***

Mark only one oval.

	1	2	3	4	5	6	7	
I completely disagree	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	I strongly agree

69. **The treatment and communication with employees of this online retailer to solve the problem were acceptable. ***

Mark only one oval.

	1	2	3	4	5	6	7	
I completely disagree	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	I strongly agree

70. **I feel happy after my complaint was handled by this online retailer. ***

Mark only one oval.

	1	2	3	4	5	6	7	
I completely disagree	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	I strongly agree

71. **I have a warm feeling after my complaint was handled by this online retailer. ***

Mark only one oval.

	1	2	3	4	5	6	7	
I completely disagree	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	I strongly agree

https://docs.google.com/forms/d/1DHJDP1e2fwHXrq7V_BTARGPJkLies8srXW57QIWCM/edit

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72. I am being valued after my complaint was handled by this online retailer. *

Mark only one oval.

	1	2	3	4	5	6	7	
I completely disagree	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	I strongly agree

73. I feel angry after my complaint was handled by this online retailer. *

Mark only one oval.

	1	2	3	4	5	6	7	
I completely disagree	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	I strongly agree

74. I am in a bad mood after my complaint was handled by this online retailer. *

Mark only one oval.

	1	2	3	4	5	6	7	
I completely disagree	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	I strongly agree

75. I feel upset after my complaint was handled by this online retailer. *

Mark only one oval.

	1	2	3	4	5	6	7	
I completely disagree	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	I strongly agree

76. Overall, I felt that the complaint handling would have been good. *

Mark only one oval.

	1	2	3	4	5	6	7	
I completely disagree	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	I strongly agree

77. Overall, I was satisfied with the way this complaint was resolved. *

Mark only one oval.

	1	2	3	4	5	6	7	
I completely disagree	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	I strongly agree

78. Overall, I was pleased with the experience from the handling of the complaint . *

Mark only one oval.

	1	2	3	4	5	6	7	
I completely disagree	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	I strongly agree

79. I intend to purchase from this online retailer at a next opportunity. *

Mark only one oval.

	1	2	3	4	5	6	7	
I completely disagree	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	I strongly agree

80. I will recommend this online retailer to my friends or relatives. *

Mark only one oval.

	1	2	3	4	5	6	7	
I completely disagree	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	I strongly agree

81. I intend to continue to purchase from this online retailer in the future. *

Mark only one oval.

	1	2	3	4	5	6	7	
I completely disagree	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	I strongly agree

82. I am likely to talk to friends and family about the way the late delivery/poor service was resolved. *

Mark only one oval.

	1	2	3	4	5	6	7	
I completely disagree	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	I strongly agree

83. I am likely to share negative opinions about my online experience with this online retailer with friends and family *

Mark only one oval.

	1	2	3	4	5	6	7	
I completely disagree	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	I strongly agree

84. I am likely to share positive opinions about my overall online experience with this online retailer with friends and family. *

Mark only one oval.

	1	2	3	4	5	6	7	
I completely disagree	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	I strongly agree

85. I will not switch to another online retailer because of the late delivery/poor service. *

Mark only one oval.

	1	2	3	4	5	6	7	
I completely disagree	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	I strongly agree

86. In the future, I will try to reduce my use of this online retailer due to this inconvenience. *

Mark only one oval.

	1	2	3	4	5	6	7	
I completely disagree	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	I strongly agree

https://docs.google.com/forms/d/1DHJDP1e2fwHXrq7V_BTARGPJkLies8srXW57QtWCM/edit

19/21

Demographics

87. Gender *

Mark only one oval.

- Female
 Male

88. Please enter your age *

89. Population groups *

Mark only one oval.

- Black
 Coloured
 Indian / Asian
 White
 Other: _____

90. Highest formal education *

Mark only one oval.

- Lower than grade 12
 Matric / Grade 12 certificate
 Diploma / Bachelor's degree
 Post-graduate degree or diploma

https://docs.google.com/forms/d/1DHJDP1e2fwHXrq7V_BTARGPJkLies8srXW57QtWCM/edit

20/21

91. Net household income per month *

Mark only one oval.

- Less than R10 000
- Between R10 001 – R20 000
- Between R20 001 – R30 000
- Between R30 001 – R40 000
- Between R40 001 – R50 000
- Between R50 001 – R60 000
- Above R60 000

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Appendix 2. Ethical Clearance Letter



17 July 2019

du Toit Duan

Dear Duan

Please be advised that your application for Ethical Clearance has been approved.

You are therefore allowed to continue collecting your data.

Please note that approval is granted based on the methodology and research instruments provided in the application. If there is any deviation change or addition to the research method or tools, a supplementary application for approval must be obtained

We wish you everything of the best for the rest of the project.

Kind Regards

GIBS MBA Research Ethical Clearance Committee

Appendix 3. t-tests statistical output

Table 27: T-test for gender on service quality

Q87		N	Mean	Std. Deviation	Std. Error Mean
ServQual_F1	Male	49	5.33	1.123	0.160
	Female	60	5.32	1.342	0.173
ServQual_F2	Male	49	5.82	1.110	0.159
	Female	60	6.08	0.992	0.128
ServQual_F3	Male	49	4.50	1.391	0.199
	Female	60	4.68	1.508	0.195
ServQual_F4	Male	49	5.86	0.852	0.122
	Female	60	5.97	1.015	0.131
ServQual_F5	Male	49	5.21	1.164	0.166
	Female	60	5.53	1.377	0.178
ServQual	Male	49	5.40	0.829	0.118
	Female	60	5.53	0.934	0.121

Table 28: Levene's test for gender on service quality

		Levene's Test		t-test for Eq of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Diff	Std. Error Dif	95% Conf level of the Difference	
									Lower	Upper
ServQual_F1	Equal vari assumed	2.111	0.149	0.055	107	0.956	0.013	0.240	-0.463	0.490
	Equal var not assumed			0.056	106.925	0.955	0.013	0.236	-0.455	0.482
ServQual_F2	Equal vari assumed	0.183	0.670	-1.259	107	0.211	-0.254	0.201	-0.653	0.146
	Equal vari not assumed			-1.244	97.342	0.216	-0.254	0.204	-0.658	0.151
ServQual_F3	Equal var assumed	0.039	0.843	-0.646	107	0.520	-0.181	0.281	-0.737	0.375
	Equal var not assumed			-0.651	105.379	0.516	-0.181	0.278	-0.733	0.371
ServQual_F4	Equal var assumed	2.787	0.098	-0.596	107	0.552	-0.109	0.182	-0.469	0.252
	Equal var not assumed			-0.607	106.904	0.545	-0.109	0.179	-0.463	0.246
ServQual_F5	Equal var assumed	1.957	0.165	-1.289	107	0.200	-0.319	0.248	-0.810	0.172
	Equal var not assumed			-1.311	106.863	0.193	-0.319	0.243	-0.802	0.164
ServQual	Equal variances assumed	0.987	0.323	-0.742	107	0.460	-0.127	0.171	-0.466	0.212
	Equal variances not assumed			-0.750	106.213	0.455	-0.127	0.169	-0.462	0.208

Table 29: t-test for age on service quality

rQ88		N	Mean	Std. Deviation	Std. Error Mean
ServQual_F1	Younger than 40 years	63	5.32	1.090	0.137
	40 years or older	43	5.34	1.366	0.208
ServQual_F2	Younger than 40 years	63	5.96	0.994	0.125
	40 years or older	43	5.98	1.081	0.165
ServQual_F3	Younger than 40 years	63	4.62	1.424	0.179
	40 years or older	43	4.50	1.477	0.225
ServQual_F4	Younger than 40 years	63	5.88	0.963	0.121
	40 years or older	43	5.92	0.925	0.141
ServQual_F5	Younger than 40 years	63	5.48	1.298	0.164
	40 years or older	43	5.22	1.241	0.189
ServQual	Younger than 40 years	63	5.47	0.784	0.099
	40 years or older	43	5.45	0.966	0.147

Table 30: Levene's test for age on service quality

		Levene's Test for Equality of Variances		t-test for Equality of Means		Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
		F	Sig.	t	df				Lower	Upper
		ServQual_F1	Equal variances assumed	1.362	0.246				-0.075	104
	Equal variances not assumed			-0.072	76.625	0.943	-0.018	0.250	-0.515	0.479
ServQual_F2	Equal variances assumed	0.453	0.502	-0.090	104	0.929	-0.018	0.204	-0.422	0.386
	Equal variances not assumed			-0.088	85.240	0.930	-0.018	0.207	-0.430	0.393
ServQual_F3	Equal variances assumed	0.112	0.738	0.421	104	0.674	0.120	0.286	-0.447	0.687
	Equal variances not assumed			0.418	88.141	0.677	0.120	0.288	-0.452	0.693
ServQual_F4	Equal variances assumed	0.138	0.712	-0.232	104	0.817	-0.043	0.187	-0.415	0.328
	Equal variances not assumed			-0.234	92.732	0.816	-0.043	0.186	-0.413	0.326
ServQual_F5	Equal variances assumed	0.158	0.692	1.043	104	0.299	0.263	0.252	-0.237	0.763
	Equal variances not assumed			1.052	93.031	0.295	0.263	0.250	-0.233	0.760
ServQual	Equal variances assumed	0.872	0.353	0.151	104	0.880	0.026	0.170	-0.312	0.364
	Equal variances not assumed			0.145	77.621	0.885	0.026	0.177	-0.327	0.379

Table 31: t-test for education on service quality

rQ90		N	Mean	Std. Deviation	Std. Error Mean
ServQual_F1	Undergraduate or less	41	5.47	1.096	0.171
	Postgraduate	68	5.24	1.324	0.161
ServQual_F2	Undergraduate or less	41	6.01	1.090	0.170
	Postgraduate	68	5.93	1.031	0.125
ServQual_F3	Undergraduate or less	41	4.60	1.616	0.252
	Postgraduate	68	4.59	1.358	0.165
ServQual_F4	Undergraduate or less	41	5.87	0.931	0.145
	Postgraduate	68	5.95	0.955	0.116
ServQual_F5	Undergraduate or less	41	5.90	1.062	0.166
	Postgraduate	68	5.08	1.323	0.160
ServQual	Undergraduate or less	41	5.57	0.864	0.135
	Postgraduate	68	5.41	0.901	0.109

Table 32: Levene's test for education on service quality

		Levene's Test for Equality of Variances		t-test for Equality of Means		Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
		F	Sig.	t	df				Lower	Upper
ServQual_F1	Equal variances assumed	0.919	0.340	0.947	107	0.346	0.233	0.246	-0.255	0.720
	Equal variances not assumed			0.993	96.675	0.323	0.233	0.235	-0.233	0.699
ServQual_F2	Equal variances assumed	0.127	0.722	0.347	107	0.729	0.072	0.208	-0.341	0.485
	Equal variances not assumed			0.342	80.731	0.733	0.072	0.211	-0.348	0.493
ServQual_F3	Equal variances assumed	1.030	0.312	0.029	107	0.977	0.008	0.289	-0.564	0.581
	Equal variances not assumed			0.028	73.354	0.978	0.008	0.301	-0.592	0.609
ServQual_F4	Equal variances assumed	0.058	0.811	-0.429	107	0.669	-0.080	0.187	-0.451	0.291
	Equal variances not assumed			-0.432	86.209	0.667	-0.080	0.186	-0.450	0.289
ServQual_F5	Equal variances assumed	1.770	0.186	3.372	107	0.001	0.822	0.244	0.339	1.304
	Equal variances not assumed			3.560	98.439	0.001	0.822	0.231	0.364	1.279
ServQual	Equal variances assumed	0.118	0.732	0.931	107	0.354	0.163	0.175	-0.184	0.511
	Equal variances not assumed			0.941	87.191	0.349	0.163	0.174	-0.182	0.508

Table 33: T-test for income on service quality

rQ91		N	Mean	Std. Deviation	Std. Error Mean
ServQual_F1	60 000 or less	54	5.44	1.317	0.179
	> 60 000	55	5.21	1.166	0.157
ServQual_F2	60 000 or less	54	6.10	1.036	0.141
	> 60 000	55	5.83	1.054	0.142
ServQual_F3	60 000 or less	54	4.66	1.547	0.210
	> 60 000	55	4.53	1.366	0.184
ServQual_F4	60 000 or less	54	6.02	1.037	0.141
	> 60 000	55	5.83	0.839	0.113
ServQual_F5	60 000 or less	54	5.76	1.169	0.159
	> 60 000	55	5.03	1.310	0.177
ServQual	60 000 or less	54	5.60	0.904	0.123
	> 60 000	55	5.34	0.857	0.116

Table 34: Levene's test for income on service quality

		Levene's Test for Eq of Var	t-test for Eq of Means							
		F	Sig	T	Df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Conf Interval of the Difference lower	upper
ServQual_F1	Equal variances assumed	0.457	0.500	0.971	107	0.334	0.231	0.238	-0.241	0.704
	Equal variances not assumed			0.970	104.958	0.334	0.231	0.238	-0.241	0.704
ServQual_F2	Equal variances assumed	0.765	0.384	1.348	107	0.180	0.270	0.200	-0.127	0.667
	Equal variances not assumed			1.348	107.000	0.180	0.270	0.200	-0.127	0.667
ServQual_F3	Equal variances assumed	0.600	0.440	0.455	107	0.650	0.127	0.279	-0.427	0.681
	Equal variances not assumed			0.455	104.893	0.650	0.127	0.280	-0.427	0.682
ServQual_F4	Equal variances assumed	2.063	0.154	1.060	107	0.292	0.191	0.180	-0.167	0.549
	Equal variances not assumed			1.058	101.752	0.293	0.191	0.181	-0.167	0.550
ServQual_F5	Equal variances assumed	0.277	0.600	3.076	107	0.003	0.732	0.238	0.260	1.204
	Equal variances not assumed			3.079	106.031	0.003	0.732	0.238	0.261	1.203
ServQual	Equal variances assumed	0.019	0.892	1.574	107	0.118	0.266	0.169	-0.069	0.600
	Equal variances not assumed			1.573	106.454	0.119	0.266	0.169	-0.069	0.600

Appendix 4. Effect of deletion of items on reliability: Service quality

Table 35: Effect of deletion of items on reliability: Service quality

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Q26	104.07	269.365	0.752	0.895
Q25	103.74	282.304	0.616	0.899
Q27	104.28	275.442	0.633	0.899
Q23	103.69	278.291	0.733	0.896
Q24	103.86	279.842	0.742	0.897
Q28	104.72	275.576	0.642	0.898
Q22	104.00	285.796	0.530	0.901
Q9	103.54	286.454	0.600	0.900
Q10	103.45	291.213	0.510	0.902
Q8	103.48	284.363	0.568	0.900
Q12	103.19	296.268	0.410	0.904
Q11	103.25	295.281	0.484	0.903
rQ16	103.77	297.049	0.232	0.911
Q15	103.16	294.448	0.530	0.902
Q13	103.64	287.862	0.656	0.899
Q19	105.10	277.888	0.561	0.901
Q18	104.95	281.044	0.513	0.902
Q17	104.28	285.798	0.418	0.905
Q21	104.06	294.182	0.368	0.905
Q20	103.92	285.373	0.545	0.901

Appendix 5. Service recovery relationship with service quality

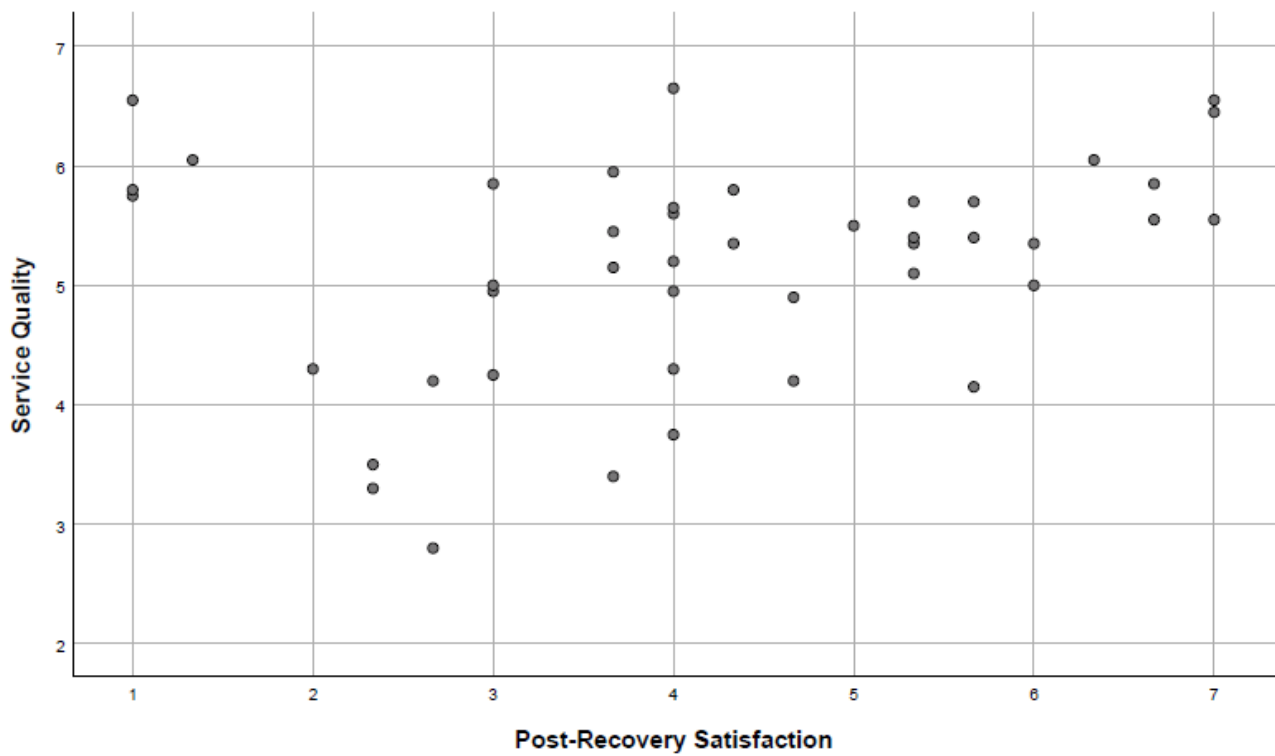


Figure 9: Depiction of correlation between service recovery and service quality in the study

Appendix 6. Model testing using regression analysis to determine relationship including mediation

Run MATRIX procedure:

***** PROCESS Procedure for SPSS Version 3.3 *****

Written by Andrew F. Hayes, Ph.D. www.afhayes.com

Documentation available in Hayes (2018). www.guilford.com/p/hayes3

Model : 4
 Y : Loyalty
 X : ServQual
 M : Trust

Sample
 Size: 109

Path a OUTCOME VARIABLE: **Trust**

Model Summary

R	R-sq	MSE	F	df1	df2	p
,8677	,7528	,2547	325,9037	1,0000	107,0000	,0000

Model

	coeff	se	t	p	LLCI	ULCI
constant	,2204	,3034	,7265	,4691	-,3810	,8219
ServQual	,9887	,0548	18,0528	,0000	,8801	1,0973

Standardized coefficients

	coeff
ServQual	,8677

Covariance matrix of regression parameter estimates:

	constant	ServQual
constant	,0920	-,0164
ServQual	-,0164	,0030

Paths b and c' OUTCOME VARIABLE: **Loyalty**

Model Summary

R	R-sq	MSE	F	df1	df2	p
,8167	,6670	,3951	106,1817	2,0000	106,0000	,0000

Model

	coeff	se	t	p	LLCI	ULCI
constant	,5352	,3788	1,4127	,1607	-,2159	1,2862
ServQual	,3537	,1372	2,5776	,0113	,0816	,6257
Trust	,5893	,1204	4,8943	,0000	,3506	,8281

Standardized coefficients

	coeff
ServQual	,2906
Trust	,5517

Covariance matrix of regression parameter estimates:

	constant	ServQual	Trust
constant	,1435	-,0223	-,0032
ServQual	-,0223	,0188	-,0143
Trust	-,0032	-,0143	,0145

***** TOTAL EFFECT MODEL *****

Path c OUTCOME VARIABLE: **Loyalty**

Model Summary

R	R-sq	MSE	F	df1	df2	p
---	------	-----	---	-----	-----	---

,7693 ,5918 ,4798 155,1304 1,0000 107,0000 ,0000

Model

	coeff	se	t	p	LLCI	ULCI
constant	,6651	,4165	1,5970	,1132	-,1605	1,4907
ServQual	,9364	,0752	12,4551	,0000	,7873	1,0854

Standardized coefficients

	coeff
ServQual	,7693

Covariance matrix of regression parameter estimates:

	constant	ServQual
constant	,1734	-,0309
ServQual	-,0309	,0057

***** TOTAL, DIRECT, AND INDIRECT EFFECTS OF X ON Y *****

Total effect of X on Y

Effect	se	t	p	LLCI	ULCI	c_ps	c_cs
,9364	,0752	12,4551	,0000	,7873	1,0854	,8677	,7693

Direct effect of X on Y

Effect	se	t	p	LLCI	ULCI	c'_ps	c'_cs
,3537	,1372	2,5776	,0113	,0816	,6257	,3277	,2906

Indirect effect(s) of X on Y:

	Effect	BootSE	BootLLCI	BootULCI
Trust	,5827	,1254	,3555	,8506

Partially standardized indirect effect(s) of X on Y:

	Effect	BootSE	BootLLCI	BootULCI
Trust	,5399	,1189	,3338	,8043

Completely standardized indirect effect(s) of X on Y:

	Effect	BootSE	BootLLCI	BootULCI
Trust	,4787	,0995	,2982	,6912

***** ANALYSIS NOTES AND ERRORS *****

Level of confidence for all confidence intervals in output:

95,0000

Number of bootstrap samples for percentile bootstrap confidence intervals:

5000

----- **END MATRIX** -