

The Effect of Site Quality on Electronic Word of Mouth Marketing Through Mediating Variable of Customer Satisfaction (Case Study: Tiwall Culture and Art Social Network Online Shop)

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Abstract: This study aim to understand how site quality influence electronic Word of Mouth (e-WOM) marketing as well as moderate effect of customer satisfaction e-WOM marketing in the Tiwall culture and art social network online shop. Questionnaires were designed to measure variables. The samples were selected randomly. Also, Atlas T, SPSS and Amos software were used to analyze data and test hypotheses. Studies show that customer satisfaction tends to behave as mediator on influence site quality that correlate to positive influence e-WOM. The study found that site quality affects customer satisfaction and customer satisfaction is one of the most effective factors influencing e-WOM marketing in the Tiwall culture and art social network online shop. While, this study outlines ways to effectively promote e-WOM marketing through customer satisfaction, there is a substantial research stream that examines marketing of consumers' goods and an increasing literature on product marketing, little is known about e-WOM marketing in the context of site quality and online communications. This study extends existing measurement of e-WOM marketing to a new setting, namely site quality. This study provides valuable insight into the measurement of site quality; customer satisfaction and e-WOM marketing in the Tiwall culture and art social network online shop and offers a foundation for future product marketing research.

Key words: Site quality, customer satisfaction, e-WOM, e-WOM marketing and online shop, Tiwall culture

INTRODUCTION

Over these past few decades, the penetration of internet technology and telecommunication devices enhancement has successfully made a significant alteration both for the social and the cultural of the community (Purnasari and Yulianto, 2015). It will be an advantage for marketing managers to realize this social phenomenon and to build an effective movement towards their customers since, there are a lot of evidences that marketers are able to gain a sales leverage from their customer in this era through Word of Mouth (WOM) (Chevailier and Mayzlin, 2006). WOM is suggested to have a significant role more than any other source in influencing consumers' perception of a firm and product (Allsop *et al.*, 2007). Due to the perceived benefits of internet use, quality is found to be the main determinant of customer satisfaction, especially from online context. Customers nowadays are smarter and more demanding, in fact, they evaluate the quality of internet technology based on how they perceive the quality criteria of the particular website. An effective website is generally

evaluated by overall perception towards website and customer intention to revisit the same website (Rosen and Purinton, 2004). In fact, if the online consumers satisfied with their past purchasing experience, they are likely to return back at same website (Reibstein, 2002).

Customer satisfaction has been recognized in marketing thought and practice as an important goal of all business activities (Wang and Lo, 2002). Besides of having an importance for businesses based on its effect on word of mouth communication, customer satisfaction is also labelled as the cheapest promotion tool (Pizam and Ellis, 1999). WOM can be seen as sub-dimensions of customer satisfaction. In marketing literature, researchers have reported that word of mouth plays an important role in the product choice process and in the selection of service providers (Gilly *et al.*, 1998). Word of Mouth (WOM) may be defined as an informal communication source among senders and receivers about service or good (Murray, 1991). Sweeney *et al.* (2008) suggest that the potential of WOM to impact on perceptions or on actions depends on the nature of the sender-receiver relationship, the richness and strength of the message

and its delivery. Word of mouth can be positive and negative. If a customer recommends to other people about service or good that is positive WOM. However, if a customer complains to other people about service or good that is negative WOM. Of course, marketers promote positive WOM rather than negative WOM. But in the real world, the situation is different. According to Wang (2011)'s study satisfied consumer may or may not result in positive WOM about service while a dissatisfied consumer has a strong tendency to tell others about his/her anger and even exaggerates the bad experience (Kitapci *et al.*, 2014).

Besides all, in actuality, positive WOM is a very important advertising tool for firms. According to early studies, it is nine times as effective as traditional advertising (Mazzarol *et al.*, 2007). Though, the relationships between the concepts in question, there is a gap in marketing literature related to impact of site quality dimensions on satisfaction and word of mouth, particularly in the online shops. Therefore, one of the most important duties of a marketing manager is to create customer satisfaction. In this context, the purposes of this study are to investigate the effect of site quality on electronic word of mouth marketing through mediating variable of customer satisfaction. This study has evaluated the effect site quality on electronic word of mouth marketing through mediating variable of customer satisfaction in the Tiwall culture and art social network online shop.

Literature review

Site quality: The internet has had a profound impact on marketing. These days, most consumers are comfortable buying goods online. To attract customers to visit and revisit their sites, online retailers attempt to build web-sites that meet customers' needs according to the customer's perspective. A wide variety of studies work to identify factors that could affect customers' satisfaction on the web (Poddar *et al.*, 2009). Competition has an important place for the improvement of quality and customer satisfaction in web-sites. In the environments, where there is no competition that's to say when demand surpasses the supply, web-sites offer their customers unsatisfactory services because of the idea that the customers have no other alternatives and they would accept the present services unconditionally. Online shops provide the same types of service but they are differentiated based on the quality of service (Chaniotakis and Lymperopoulos, 2009). Herein, WOM is a very important promotion tool to share this service quality with other people.

Some researchers have developed alternate concepts for service quality. From the two internationally recognized schools of service management, the Nordic school view (Gronroos, 1984) and the American school view; the Nordic school explains the service quality on two dimensions as functional and technical quality. Ever then, the American school defines service quality on five dimensions: tangibles (physical facilities, equipment and appearance of personnel); reliability (ability to perform the promised service dependably and accurately); responsiveness (willingness to help customer and provide prompt service); assurance (knowledge and courtesy of employees and their ability to inspire trust and confidence); empathy (caring, individualized attention the firm provides its customers).

Parasuraman *et al.* (1988) defined service quality as the gap between customers' expectations of service and their perception of the service experience. The Gap Model which was first developed by Parasuraman and his colleagues and is considered the most eminent work done on the topic (Jun *et al.*, 2004) and focuses on the differences between consumers' viewpoints and marketers' viewpoints (Svensson, 2006) has evoked a revolution (Redman *et al.*, 1995) and encouraged many researchers to investigate service quality constructs as part of the marketing concept (Chowdhary and Prakash, 2007). The debates and contributions within the framework of measuring and conceptualizing service quality have evolved around the SERVQUAL scale (Espinoza, 1999) and the roots of the efforts of conceptualizing service quality have now reached to that model and scale (Hamer, 2006).

e-WOM marketing: With the rapid growth of the internet, electronic communication has become a critical phenomenon. According to Buttle (1998), computer-mediated communication such as blogs, message boards and emails can also be included in the definition. Following the notion, Hennig-Thurau *et al.* (2004) described electronic word of mouth as "any positive or negative statement made by potential, actual or former customers about a product or company which is made available to a multitude of people and institutions via the internet (p. 39)". Comparing with WOM, Bickart and Schindler (2001)'s showed that e-WOM may have higher credibility, empathy and relevance to customers than marketer-created sources of information on the web (Lin *et al.*, 2010) because it is perceived to provide comparatively reliable information (Gruen *et al.*, 2006).

Word of mouth has been defined as exchanging ideas, thoughts and beliefs between two or more consumers positive word of mouth has a strong effect on consumer's behavior. Word of mouth is the way that a customer expresses positive points to others. Word of mouth related to services are considered more crucial and evaluation of them before purchase is difficult. Customers rely on positive WOM while benefiting services rather than purchasing goods (Vazifehdust and Asadi, 2014). In some studies, word of mouth has been identified as a primary source of informational influence in consumer repurchase decision making as well as a vehicle for expressing satisfaction or dissatisfaction with a service experience.

Product reviews that consumers post on the internet constitute one of the most important forms of online WOM communication (Sen and Lerman, 2007) and for consumers it is increasingly common to look for online product reviews when gathering pre-purchase product information (Adjei *et al.*, 2010; Zhu and Zhang, 2010) and forming purchase intentions (Zhang *et al.*, 2010). Furthermore, the issue of branding has been deemed as primary capital for many industries. Strong brands can increase customers' trust in the product or service purchased and enabling them to better visualize and understand intangible factors. According to Yoo and Donthu (2001), brand image can influence a company's future profits and long-term cash flow, a consumer's willingness to pay premium prices, merger and acquisition decision making, stock prices, sustainable competitive advantage and marketing success.

Customer satisfaction: Companies are now a day's not just focus on achieving on customer satisfaction also focuses on customer delight because customer loyalty can be increase by giving more value. Customer satisfaction is the reaction of the state of satisfaction and judgment of satisfaction level by customer (Kim *et al.*, 2004). Satisfied customer become loyal and dissatisfied go to another brand or product (Kuusik, 2007). Many researches explore that customer satisfaction play an effective role in enhancing and maintaining long term profitable relationship among customers and organizations (Hoq and Amin, 2010). Customer satisfaction is achieved by delivering superior product and service quality by maintaining and building reputation of firm leads towards customer loyalty (Zaman *et al.*, 2012).

Customer satisfaction is a marketing term that measures how products or services supplied by a

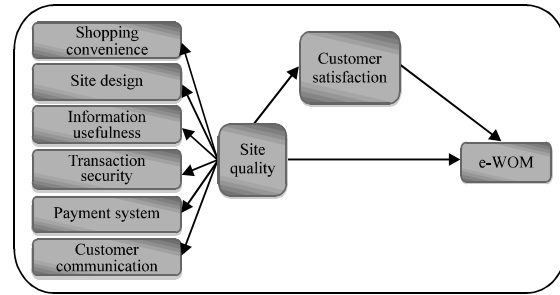


Fig. 1: Research conceptual model

company meet or surpass a customer's expectation. Customer satisfaction is important because it provides marketers and business owners with a metric that they can use to manage and improve their business. Customer satisfaction have a positive relationship with brand loyalty, companies have to more focus on comprehensive approach to relationship marketing that includes customer satisfaction and result will be retaining current customer and generation of positive word of mouth (Kiyani *et al.*, 2012). Satisfied customer provide value to brand and spread positive word of mouth that will help out in good brand reputation, satisfaction leads customers towards long term profitable relationship with brand (Hanif *et al.*, 2010). According to the theoretical literature, the hypotheses of this research are:

- H₁: site quality will have a positive effect on electronic word of mouth marketing in the Tiwall culture and art social network online shop
- H₂: site quality will have a positive effect customer satisfaction in the Tiwall culture and art social network online shop
- H₃: customer satisfaction will have a positive effect electronic word of mouth marketing in the Tiwall culture and art social network online shop

Considering available theoretical literature in the study and mentioned hypotheses, the conceptual model of this research is shown in Fig. 1.

MATERIALS AND METHODS

Research population and sample: This research, from the viewpoints of practical purposes and methods of data collection is a descriptive survey research. The research's statistical population is customers of Tiwall culture and art social network online shop who purchase >2 times in last 2 years. For data collection, based on the subject's

literature, a questionnaire was designed. The 382 questionnaires were distributed randomly among customers of Tiwall culture and art social network online shop. The questionnaires used in this study had two parts. The first part included demographic variables such as gender, age and educational level and the second part was devoted to measure this research's considered variables. Rating scale for each question was prepared based on a score of 1-5 that is from very agreeing to strongly disagree.

Research variables measurement: Content validity of this questionnaire was approved by Tehran University authorities and professors. Cronbach's alpha was used to determine the reliability of the test. For this purpose, an initial sample of 50 questionnaires was distributed. By using obtained data, Cronbach's alpha was calculated. Cronbach's alpha for all the questions related to the variables in the research analytical model was calculated as 94% which is acceptable. Criteria used in evaluating research variables are shown in Table 1.

Table 1: Overall indexes of fit in measurement models

Variables indexes	CMIN/df	GFI	AGFI	CFI	RMSEA
Shopping convenience	1.58	0.957	0.917	0.957	0.045
Site design	1.96	0.941	0.922	0.931	0.055
Informativeness	3.15	0.934	0.935	0.964	0.067
Security	2.35	0.961	0.958	0.907	0.060
Payment system	3.84	0.990	0.919	0.941	0.077
Communication	2.61	0.908	0.934	0.935	0.078
Customer satisfaction	1.59	0.935	0.950	0.954	0.067
e-WOM marketing	2.57	0.910	0.984	0.971	0.056

Table 2: Model fitness indexes

RMR	PCFI	PNFI	CFI	TLI	RMSEA	CMIN/df	df	CMIN
0.024	0.655	0.647	0.974	0.961	0.073	3.062	35	113.298
Close to zero	0.90>	0.90>	0.90>	0.90>	0.08<	1>	Reception area	Close to zero
						3<		

Table 3: Hypotheses testing results

Hypotheses	Sample size	Significance number	Corroboration coefficient	Critical ratio	Test result
Site quality~e-WOM marketing	389	0.002	0.36	2.840	Accepted
Site quality~customer satisfaction	389	0.000	0.88	12.401	Accepted
Customer satisfaction~e-WOM marketing	389	0.026	0.35	3.796	Accepted

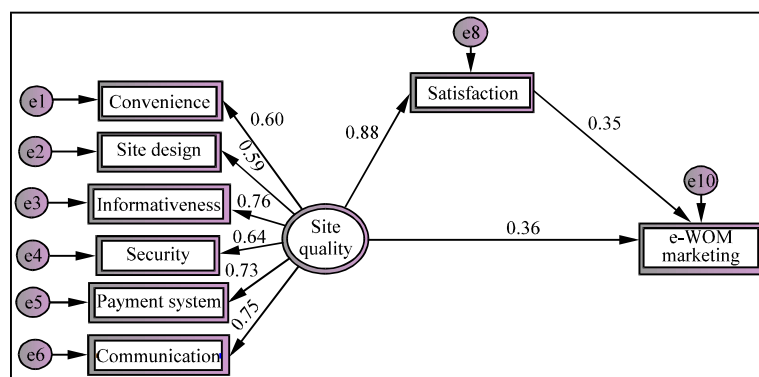


Fig. 2: Amos output

RESULTS AND DISCUSSION

Analytical findings of the research conceptual model: In the first step, measurement models get fitted. Models' fit indexes are listed in Table 1.

Measurement models have a good fit, in other words, overall indexes confirm that models are clearly supported by data. Variables' loading factor as the most important fit index has been considered in the consumer attitude model and is widely used in results' interpretation.

The results of structural equation modeling analysis: After evaluating and verifying the measurement models in the first step, in the second step, to test hypotheses, structural equation model is fitted and analyzed. Overall indexes of model fitness are presented in Table 2. Results obtained from the information provided in Table 2.

Amos output results in estimating the standard model indicates that path analysis model is an appropriate model. The normal Chi-square value is 3.062 which stand between two values of 1 and 3, 3 and 5, 5 and 7. RMSEA value is 0.073 which is appropriate, also the values of TLI, CFI and IFI are all above 90% and finally RMR value is close to zero. All the values of model fitness indexes are in the reception area and these indexes indicate that model has a goodness-of-fit which is obtained by data and model is well supported by collected data. Hypotheses and regression coefficients as well as partial indexes values for each hypothesis are shown in Fig. 2 and Table 3.

In the significance level of 0.05, if the table's significance number is <0.05 , relationship between each pair of variables is confirmed.

As it is perceived from the results in Table 3, it can be concluded that brand commitment in any condition has affected brand image. Also, the following results were obtained through testing hypotheses:

- H_1 : site quality will have a positive effect on electronic word of mouth marketing in the Tiwall culture and art social network online shop

Based on testing research hypotheses and the Sig. of this relationship which is <0.05 , it can be said that site quality with a certainty of 95%, positively influences electronic Word of Mouth (e-WOM) marketing in the Tiwall culture and art social network online shop. As expected with a more favorable site quality, electronic Word of Mouth (e-WOM) marketing is increased. Site quality can affect (e-WOM) marketing by enhancing or attenuating quality. This research's result is in line with the results of Celliford and Wells and Shin:

- H_2 : site quality will have a positive effect customer satisfaction in the Tiwall culture and art social network online shop

Based on testing research hypotheses and the Sig. of this relationship which is <0.05 , it can be said that site quality with a certainty of 95%, positively influences customer satisfaction in the Tiwall culture and art social network online shop. According to a study conducted in past website quality is an important marketing tool for inducing more positive behaviors as well as a critical factor for customer satisfaction. Previous studies have viewed the scale development of website as a predictor for satisfaction or customer loyalty. This research's result is in line with the results of Anderson and Mittal (2000), Herington and Weaven (2009), Kim and *et al.* (2004) and Zeng *et al.* (2009):

- H_3 : customer satisfaction will have a positive effect electronic word of mouth marketing in the Tiwall culture and art social network online shop

Based on testing research hypotheses and the Sig. of this relationship which is <0.05 , it can be said that customer satisfaction with a certainty of 95%, positively influences electronic Word of Mouth (e-WOM) marketing in the Tiwall culture and art social network online shop. Result explores that customer with higher level of satisfaction more will be motivated. Customer with low

level of satisfaction will be low motivated. The result explains that more motivated customer will be more willing to remain with the present online shop. This research's result is in line with the results of Vazifehdust and Asadi (2014).

In this study, the effect of site quality on customer satisfaction and e-WOM marketing has been the subject of discussion. According to the results of this study, website content was positively related to customer satisfaction. Previous studies are in line with this finding with content found to be an important determinant of website performance and the most critical attribute of a professional website. This implies that the more consumers satisfy from site, the more they are retaining at the same website in near future. Effective web site quality requires an examination of factors from user's viewpoint to ensure web sites provide required elements. Guidelines for creating more effective online shopping experiences come from Chen who suggest e-Taliers must: make users feel comfortable, create sites that are fun to use, entice consumers to spend more time and revisit and increase the likelihood of a purchase.

Our research reviews, the previous studies and identifies site quality factors important to consumers as follows: shopping convenience, site design, informativeness, security and communication. In general, shopping convenience is one of the reasons that many shoppers enjoy online shopping. Site design serves as a physical environment of a store which has a positive effect on consumers' shopping. Before consumers purchase some products, they try to search for information on the products. Thus, informativeness can be a very important factor when online shoppers visit online retail sites. The security of online transaction systems and the protection of privacy are important to increase online purchasing. In addition, when consumers visit online retail sites to buy some products, online quality compared to other sites can be considered an important factor. Because online shoppers who tend toward collectivism, prefer to build community through internet usage, the communication factor is included as an online quality.

CONCLUSION

The findings of this study should be interpreted with caution because there are some limitations. First, this study has the limitation of being a cross-sectional research design. With a cross sectional design, the implications of customers' changed attitude on site quality over time would not be detected. A longitudinal and qualitative study would provide further theoretical

details underlying the findings of this study. Second, this study was conducted with a limited sample recruited from customers of Tiwall culture and art social network online shop. Further studies would be necessary in other demographics in order to make the results more generalizable. Customers may exhibit different behaviors compared with each other in forming perceptions on site quality and e-WOM. Third, other dimensions of site quality such as perceived enjoyment and reliability might work with the constructs identified in this study.

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