RESEARCHERS DEVELOP TOOLS TO GAUGE WEB CUSTOMER SATISFACTION

FAYETTEVILLE, Ark. – The U.S. economic downturn has produced a strange paradox: online retailers and dotcom companies are failing in record numbers, but online purchasing increased 24 percent in the past year. University of Arkansas researcher Vicki McKinney has developed a tool to help online retailers stay on the profitable side of this puzzle.

“In a turbulent e-commerce environment, Internet companies need to understand how to satisfy customers to sustain their growth and market share,” explained McKinney, assistant professor of information systems (IS) in the Sam M.Walton College of Business. “Customer satisfaction is critical for establishing long-term client relationships and, consequently, sustaining profitability.”

McKinney conducted her research along with Kanghyn Yoon and Fatemeh Zahedi of the University of Wisconsin, Milwaukee. Their results appear in the current issue of the journal Information Systems Research.

While a great deal is known about measuring customer satisfaction in the traditional retail environment, very little is know about online customer satisfaction. Technological approaches, which include recording information about the customer and making “offers” or suggestions
based on previous purchases, have not been proven to increase customer satisfaction and may actually have a negative effect.

“We know that information search comes early in the purchase decision and the Internet offers customers extensive benefits to customers,” said McKinney. “However, online shopping depends on website information to compensate for the lack of physical contact and causes customers to rely heavily on technology and system quality. Improving customer satisfaction at this stage could enhance the effectiveness of e-commerce for both sellers and buyers.”

To measure customer satisfaction, the e-commerce retailer must first know what counts toward online customer satisfaction. In her initial research, McKinney identified two primary components: information quality (IQ) and system quality (SQ). Although distinguishing between information and system quality is not common in IS research, McKinney found that the distinction between IQ and SQ as it relates to customer satisfaction had practical implications for the Web-design process.

“For example, customers dissatisfied with site retrieval and delivery mechanisms are likely to leave the site even if the information available on the Web site is of high quality,” she explained. “Conversely, if a Web site lacks the information that customers need, its entertaining design or ease of search will not keep customers from leaving the site.”

The researchers looked at a number of issues related to IQ satisfaction, including relevance, timeliness, reliability and usefulness. SQ factors included access, usability, navigation and interactivity. They designed a series of experiments to assess the importance of these qualities. The first pilot test had 568 respondents. Results were analyzed and the instruments was modified and evaluated for internal and external validity. The second instrument was tested on 312 subjects.

A key element in the research was measuring customer expectations and how the Web site failed or succeeded in meeting those expectations. Online customers typically have repeated experiences with various Web sites. Including this component gives online retailers the ability to see if their Web sites meet their customer’s expectations, both for IQ and SQ components.

“These elements bring the marketing aspect of Web sites into focus for retailers,” said McKinney. “This is crucial to the effective design of Web sites for online business.”

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