

**E-FULFILMENT DIMENSIONS AND THEIR LINKAGES WITH
CUSTOMER SHOPPING SATISFACTION AND REPURCHASE
INTENTION IN E-TAILING**



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2011 FPM 07

A Doctoral Dissertation Submitted for Partial Fulfilment of the requirements for the

Fellow Programme in Management

of the

Indian Institute of Management Indore

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DECLARATION

I hereby declare that this written submission represents my ideas in my own words and wherever others ideas or words have been included; I have adequately cited and referenced the original sources. I also declare that I have adhered to all the principles of academic honesty and integrity and have not misrepresented or fabricated or falsified any idea\ data\ fact\ source in my written submission. I understand that any violation of the above will cause for disciplinary action by the institute and can also evoke penal action from the source which has thus not been properly cited or from whom proper permission has not been taken when required.

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ABSTRACT

Online retailing has become more popular amongst the customers across the world and is rapidly growing due to increased penetration of Internet and smart mobile phones, shopping convenience, improved IT and logistics infrastructure; and better e-fulfilment services. In developing country like India, online retail has started registering a large footprints into overall retail market and it is poised to grow further. Leading pure play e-tailers like Flipkart, Snapdeal, Jabong, etc. have started offering cash-on-delivery (COD) payment options; easy return and replacement policies; and free and rapid order fulfilments and flash discount sales to acquire the customers in order to increase their firm's valuation. This study examines the essential part of e-tailer's operations i.e. e-fulfilment process (order procurement, order fulfilment and reverse service exchanges) and explores the key e-fulfilment dimensions. Further, this study has proposed empirical framework to establish the linkages between the key e-fulfilment dimensions (e-business quality, product quality, availability, timeliness, condition, billing accuracy and ease of return) and shopping satisfaction and repurchase intention of customers in pure e-tailing.

Two types of sample were collected from online shoppers; (i) non-returns (customers who had experienced online shopping) and (ii) returns (customers who had experienced online shopping and also encountered product return/replacement experience). In India, product returns in e-tailing has an industry average of 25% of the sales; therefore return satisfaction construct, in addition to shopping satisfaction, was added into the model to measure customer satisfaction with respect to the return process. The analysis of the proposed structural equation model showed that e-fulfilment dimensions significantly influence shopping satisfaction and repurchase

intention both in non-returns and returns case. The results also identified that shopping satisfaction partially mediated the relationship between e-fulfilment dimensions (product quality, timeliness and billing accuracy) and repurchase intention in the non-returns case. In case of returns, shopping satisfaction partially mediated the relationship between condition of the shipment and repurchase intention; whereas return satisfaction partially mediated the relationship between ease of return and repurchase intention.

Comparative analysis between respondents of non-returns and returns showed that the relationship between condition of the shipment and repurchase intention differs significantly between these groups. Further, multi-group analysis based on cash-on-delivery (COD) payment option vs. other payment options (internet banking, debit cards, credit cards), established that condition do not influence repurchase intention for customers who prefers COD payment option. In terms of relative contributions of e-fulfilment dimensions towards repurchase intention (taking importance and performance of exogenous latent variables into consideration), descending order of the key dimensions in the returns case is as follows: product quality, condition, availability and ease of return. This finding can help e-tailers and their logistics service providers (LSPs) to focus on broader areas of investment and improvement for designing customer-centric e-fulfilment architecture. This may further enable pure e-tailers to differentiate themselves well in an extremely competitive e-tail market by excelling on one or more e-fulfilment dimensions. This study also contributes to academic literature by linking service operations; logistics service quality; and reverse logistics literature in e-tailing context.

Keywords: e-tailing, e-fulfilment process, e-fulfilment dimensions, shopping satisfaction and repurchase intention

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