
A STUDY ON EFFECT OF MULTI-CHANNEL SERVICE QUALITY ON CUSTOMER SATISFACTION AND LOYALTY.

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ABSTRACT

This paper is to study the effect of multi-channel service quality on customer satisfaction and loyalty. A research model is proposed based on previous research about retail service quality and internet site quality of specialty chain stores in Vietnam. Data collected from 250 respondents of people living in Hanoi (the Capital of Vietnam) and have experience of utilizing multiple channels in one buying process. The analysis then processed by using SPSS 25.0. The result shows that the components of retail service quality have stronger impact on customer satisfaction and loyalty than those of internet site quality. The result provides suggestions to practitioners to improve their website quality to have a higher overall multi-channel service quality.

Keywords: Multi-channel service, Specialty Chain Stores, Retail service quality, Website quality, Internet site quality.

1. Introduction

Service quality has been comprehensively studied, reviewed and revised among the scholar and research communities all over world in different fields. However, with the development of internet, and information technology, ecommerce's intruding into the market has changed customer behavior dramatically. There comes a new type of customers – 'research shoppers' who interchangeably use online channel and offline channel (store) in a single buying process, wherein one channel to search and the other channel to purchase (Verhoef et.al, 2007). In case customer choose to interact with products and employees physically in traditional stores then make purchase online, this is so-call showrooms (Verhoef et.al, 2015). When customer choose online to gather information, then make purchase in traditional store, this is webrooms (Heinemann, 2013). Therefore, showrooms imply the store and website function as decision point and purchase point respectively, and vice versa for webrooms. Bearing this in mind, retail stores in attempt to grab customer attraction, have distributed their product in multiple channels for they know one channel adds value to another channel (van Birgelen, de Jong, and de Ruyter 2006). The adding of another channel in distribution will provide customer with more service outputs, convenience, time savings, and reliability (Coughlan et al. 2001). This also leads to customers' satisfaction and loyalty. The evaluation requires the retail service quality to be extended by combining its components in both online and offline contexts. Such changes put retail service quality one step forward, to multichannel retail service quality.

Despite the comprehensive body of research on service quality, research on multichannel retail service quality has left an important issue – the attention too much to one single channel, online or offline. This study, therefore, will conduct an empirical research to find out perception of

Vietnamese customers on multichannel service quality of different providers, then explore the relationship between their perception and satisfaction and loyalty.

2. Literature review and hypothesis development

2.1. Multichannel retail service quality

Service:

Service is defined as “an act of performance that one party can offer to another that is essentially intangible and does not result in the ownership of anything. Its production may or may not be tied to a physical product” (Kottler, 2009).

Retail service:

Retail service happens in retail stores, where providing customer a combination of goods and services. It differs from pure service environment in terms of customers negotiating their way through the store, finding the merchandise they want, interacting with several store personnel along the way, and returning merchandise. These factors affect strongly to customers’ perception of overall service quality (Dabholkar, 1996).

Multichannel retail service:

In recent, days, thanks to the development of information technology and internet, retail industry has been dramatically changing, with the emergence of electronic distribution channel and electronic commerce, which enables the interaction between customers and sellers via computer or mobile devices (Hoffman and Bateson, 1997). The change in way products or services distributed leads to the change in customer behaviors, they response differently in different distribution channel of retail stores.

The ecommerce’s advantages and success require the traditional store to expand their business scope by establishing website or mobile application. However, this doesn’t mean that they will have absolutely competitive advantage over others in the market. Compare to e-retailer, traditional retailer with website/mobile apps still manage a physical store, which significantly costs, and lead to disadvantage in price.

Moreover, because the two distribution channels share the same market (Goolsbee, 2011), and there is always an exchange of information between them, customers can be interchangeable in choosing which channel to purchase (Verhoef, 2007). However, customers response differently in different distribution channel of retail stores even in single purchase process (Verhoef, 2015). For example, in searching and making decision phrase, as wanting to gather as much information as possible, customers will choose online channel. They also choose online channel for lower price. In purchasing phrase, with the advantages of convenience, service and high interaction, offline channel will be prominent. Customer often utilize multiple channels in a one purchase, they search information in one channel and buy in other. They blame online channel for

disability of physical check or trial when choose to buy in traditional store. And yet, not all the products or service can be distributed online.

Multichannel retailing service is the set of activities involved in selling merchandise or services to consumers through more than one channel (Zhang, 2010). Multichannel customer, therefore, is defined as people utilizing multiple channels in different phrases of one purchase. Customer in recent time, prefer the retailers who enable them to have buying experience in various channels (Burke, 2002).

Multichannel retailing service quality:

According to International Organization for Standardization (1995), quality is the combination of all attributes of products or services that can satisfy existing or potential needs of customers. Because of intangibility, inseparability, heterogeneity, perishability attributes; service is more difficult to measure than a tangible product. Therefore, measurement of service quality relies mostly on customers' perception (Parasuraman, Zeithaml and Berry, 1985). Which leads to different explanation of service quality from views of service providers and customers. Holbrook and Corfman (1985) shows that service providers use the objective attributes of a service to evaluate its quality and form an 'objective service quality', whilst customers tend to evaluate service quality after having partial experience and form a 'perceived service quality'. Research on service quality also distinguish service quality in pure service environment (i.e. banking, tele customer service...), or retail service environment (selling tangible products along with the service), and electronic retail service environment (via website or mobile application, telephone, email... however, due to the emergence of internet, online channel via internet is more dominant than the other means of electronic).

As said, multichannel retailing involves both online and offline channels. The reality shows that, there's not only the tendency of traditional stores to establish websites/mobile apps but also online retailers to open physical stores. To measure multichannel retail service quality, the scholars and practitioners alike need to bear in mind that, it is totally different to that of in-store service quality or web-based/electronic service quality. In this case, the website or the store only play the half role of the touchpoint that the customer can interact with the retailer. Therefore, it is insufficient if a multichannel retailer to focus only on improving in-store service quality without paying attention to e-channel service quality and vice versa, or even to over-evaluate of one channel to another channel. So that, a comprehensive evaluation of multichannel retail service quality needs to be integrated both service quality of retail store and electronic service quality (website quality), and from the perspective of customers perception.

2.2. Components of multichannel retail service quality

Retail service quality:

Theories of service quality has been studied since 1980s, which leads to different service quality frameworks and models. The typical research models are: Technical and functional quality model (Gronroos, 1984), GAP model (Parasuraman et al., 1985), Synthesised model of service

quality (Brogowicz et al., 1990), Performance only model (Cronin and Taylor, 1992), SQ9. Attribute and overall effect model (Dabholkar, 1996), Retail service quality and perceived value model (Sweeney et al., 1997).

Among the above-mentioned models, SERQUAL (Parasuraman, 1985) is widely known and applied the most. It's also the foundation for the development of other research models in different fields. Serqual uses five criteria to evaluate service quality, i.e. tangibility, reliability, responsiveness, assurance and empathy. However, it was criticized of:

- (1) Adaptability and validity. It is suitable only in pure service environment (e.g. banking, telesale service...) not in retail service context, where providing a wide range of products and service, bringing customers more experience from searching and trying product, consulting and negotiating with employees, returning products which strongly affect to their perception of overall service quality (Dabholkar, 1996).
- (2) Length. The duplication of measurement instruments in evaluating customers' expectation and perception of service quality separately is inappropriate in terms of scale reliability and questionnaire length. A study of Cronin and Taylor (1992) has shown that the single perception measurement scale (SERPERF) outperformed the former scale - SERQUAL of Parasuraman (1985). And it is also shown that, customer often indicate their expectations of service higher than their perception, which is not often true in terms of reality (there are cases that retailer can bring about a surprisingly higher service quality than this of customer former expectation); and psychological constraint that former higher and later (Wall and Payne, 1973). Babakus and Boller (1992) found out that SERQUAL scale relies mostly in perception scores than those of expectation. The length and confusion in questionnaire will affect data quality.

Therefore, a retail service quality needs to capture additional dimensions apart from 5 dimensions of SERQUAL and should focus on perception of customer to be more applicable and realistic. Retail service quality model from Dabholkar (1996, 2000) with 5 dimensions will be utilized in this study, as following:

- (1) Physical aspect. The store's convenience, appearance and layout.
- (2) Reliability. The store employees' keeping their promise and doing things right.
- (3) Personal interaction. The store employees' showing of courteous, helpful, inspiration for confidence and trust from the customers.
- (4) Problem solving. The store employees' ability to handle potential problems, complaints, returns and exchanges.
- (5) Policy. The store's operating time, payment options, charge cards, parking and others.

Website quality:

The adoption of internet in searching information or buying among customers is gradually become substitutes for conventional retailing channels. The retailers can provide more information of products online, be transparent in price comparison, lower price, no limitation of service time and distance to customers... is said to have more effective performance than the

traditional ones (Herhuasen et.al, 2015). Multichannel customers tend to utilize both online and offline channel in their single buying process.

The research body of online service quality is divided into 2 separate schools. One school studies the online service quality by adapting and extending offline scales (Parasuraman et.al 1988, 1991; Li et.al, 2007; Loiacono et al., 2002; Parasuraman et al., 2005), whilst the other assesses e-SQ mainly in terms of the design and quality of websites (Hoffman and Novak 1996, Rice, 1997; Muylle et al.,1999; Szymanski and Hise, 2000; Liu and Arnett, 2000; Szymanski and Hise, 2000; Alpar, 2001, Yoo and Donthu, 2001).

In this case, customers use online and offline interchangeably and perceive overall service quality by evaluating the combination of both channels' attributes. So that, the evaluation of e-channel that adapting and extending offline scales can be redundant, and should rather focus on website quality only. Among the developed scales for website quality, that of Yoo and Donthu (2011) best fits with our study because of 2 reason:

- (1) Scales were developed mostly for general web sites rather than Internet shopping sites (Hoffman and Novak 1996; Liu and Arnett, 2000; Alpar, 2001). Whilst Yoo and Donthu (2001) define websites as internet shopping sites or online versions of physical retail stores that enable customers to browse, evaluate, order, and purchase a product or service. Clark 1997 classified sites into six models: manufacture site, off-line, brick and mortar retailer sites, catalog hybrid sites, pure dot-com retail sites, mall sites, and brokerage sites. Sitequal scale developed by Yoo and Donthu (2001), though designed to capture the perceived quality of any type of web retail site, is adopted in this studied for the types of off-line, brick and mortar retailer sites.
- (2) Many of them are developed to measure site efficiency rather than site quality, and they are not customer-based measurement of quality (Szymanski and Hise, 2000).

Therefore, Site quality model from Yoo and Donthu (2001) with 4 dimensions will be utilized in this study, as following:

- (1) Ease of use. The ease of usage and ability to search for information.
- (2) Aesthetic design. The creativity of a site with excellent multimedia and color graphics.
- (3) Processing speed. The promptness of online processing and interactive responsiveness to a consumer's requests.
- (4) Security. The security of personal and financial information.

2.3. Customer satisfaction

The services literature distinguishes 2 types of satisfaction: transaction-specific satisfaction and overall satisfaction (Boulding, et al., 1993; Andreassen, 2000). The transaction-specific customer satisfaction is viewed as customers evaluating specific encounters; whilst, cumulative customer satisfaction is an overall evaluative judgment emerging on the basis of multiple service encounters. It is the cumulative customer satisfaction that motivates a firm's investment in customer satisfaction because it is more fundamental and useful than transaction specificity

customer satisfaction in predicting customer subsequent behavior and firm's past, present and future performances. In a multi-channel service setting, the concept of overall satisfaction as the consequence of transaction-specific satisfaction with the performance of the channels is used.

Generally, satisfaction and service quality result from the comparison of customer's expectation and perception of consuming or experiencing a product or service. However, satisfaction generally is a broader concept, whereas service quality focuses specifically on dimensions of service (Wilson et al., 2008).

Some authors have agreed that service quality determines customer satisfaction. Parasuraman et al., (1985) proposed that when perceived service quality is high, then it will lead to increase in customer satisfaction. Oliver (1993) suggested that service quality would be antecedent to customer satisfaction regardless of whether these constructs were cumulative or transaction-specific. "Customer satisfaction is based upon the level of service quality that is provided by the service providers" (Saravana & Rao, 2007; Lee et al., 2000). Other researchers found out that there is a relationship between customer satisfaction and service quality Sivadas & Baker-Prewitt (2000). Sivadas & Baker-Prewitt, 2000; Sureshchandar et al., 2002) also explored the relation between these two variables.

2.4. Customer loyalty

Customer loyalty is defined as the preference behavior of a product or service's brand over the other (Chestnut, 1978). In attempt to study about loyalty, Reichheld (1996) shows that: there are two types of loyalty: loyal to the point of sale (feeling of preference and safeness towards buying products and service in a certain place); and loyal to the brand (feeling of preference and safeness towards buying products and service of a certain brand). Seth and Sobel (2001) refer to two types of loyalty: attitude loyalty (feeling of convenience, or force of habit) and behavior loyalty (feeling of satisfaction with the product, leading to re-purchasing). Therefore, it is important to point out that loyal customers are not necessarily satisfied but that satisfied customers tend to be loyal (Fornell, 1992). That is to say satisfaction allows the client to gain confidence and start a loyal relationship.

In marketing, customer loyalty is crucial to the business's success and substantial growth (Divett, Crittenden and Henderson, 2003). Researches show that customer loyalty is the direct outcome of service quality (Zeithaml et.al, 1996; Cronin, Brady and Hult, 2000; Kheng et.al, 2010; Yuen and Chan, 2010) and indirect outcome of service quality, moderated by customer satisfaction (Yuen and Chan, 2010; Chu et al., 2012; Chodzaza & Gombachika, 2013; Ivanauskiene and Volungenaite, 2014; Demirci-Oerl and Kara, 2015).

2.5. Hypothesis development

Prior research on customer satisfaction has showed that there is a relationship between this factor and perception of service quality (Parasuraman et al., 1985; Oliver 1993; Saravana & Rao, 2007; Lee et al., 2000; Sivadas & Baker-Prewitt, 2000; Su et al., 2002). Since satisfaction generally is a broader concept, whereas service quality focuses specifically on dimensions of service (Wilson et al., 2008). In multichannel setting, multichannel service quality encompasses components

adapted from Retail service quality (Dabholka, 1996) to measure service quality in in-store context and Sitequal (Yoo and Donthu, 2001) to measure the quality of the company’s internet shopping site. In this study, we posit that:

H1. There is a positive relationship between multichannel service quality and customer satisfaction.

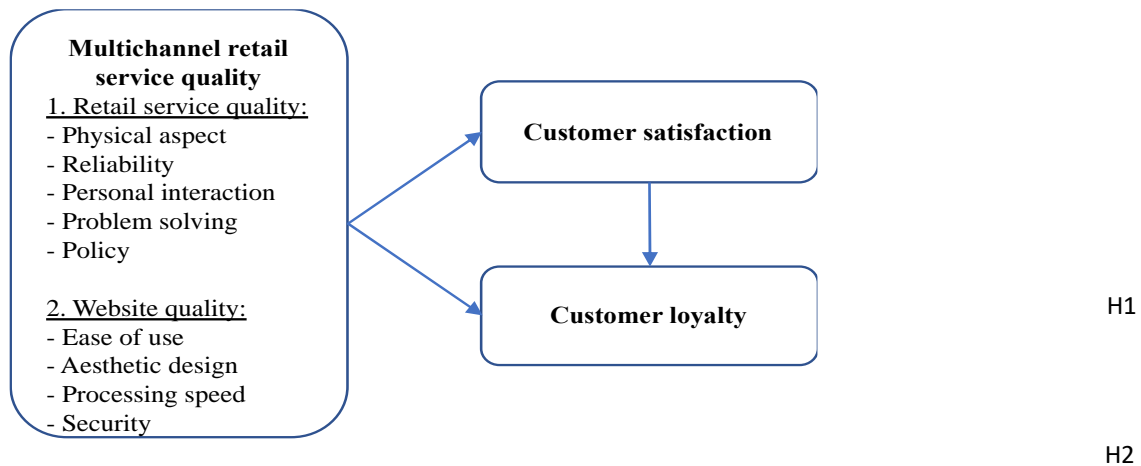
And yet, literature review of customer loyalty also shows the direct and indirect of service quality and customer loyalty (Zeithaml et.al, 1996; Cronin, Brady and Hult, 2000; Kheng et.al, 2010; Yuen and Chan, 2010; Yuen and Chan, 2010; Chu et al., 2012; Chodzaza & Gombachika, 2013; Ivanauskiene and Volungenaite, 2014; Demirci-Oerl and Kara, 2015). Therefore, we expect:

H2. There is a positive relationship between multichannel retail service quality and customer loyalty.

That satisfaction allow the client to gain confidence and start a loyal relationship and satisfied customers tend to be loyal (Fornell, 1992) was demonstrated by various scholars and researchers (Yuen and Chan, 2010; Chu et al., 2012; Chodzaza & Gombachika, 2013; Ivanauskiene and Volungenaite, 2014; Demirci-Oerl and Kara, 2015). Therefore, we hypothesize that:

H3. Customers satisfy with multichannel retail service quality will be loyal to the service providers.

In the light of these issues above, a research framework is built as following:



3. Materials and Method

The research was conducted among customers multichannel retail stores in Vietnam. We spread questionnaires to 250 customers of the multichannel retail stores directly and indirectly via email, facebook links with the confirmation of their past experience of applying both online and

offline channels of a service provider in a single purchase. 202 of 250 questionnaires sent were returned, representing a response rate of 80.8 percent. The profile of the sample is following: The majority of the respondents were female (69.8%) and in range of 19-30 years old (50.5%), with under-graduated education level (56.9%). Most of them are office staff (53.0%), with income in range of 500-1000USD (40.1%). 132 out of 202 (equal to 65.3%) respondents choose to use multichannel for shopping fashion products.

The questionnaire has three main sections. In the first section, 31 items were used to measure multichannel retail service quality, presented as follows: 23 items from RSQ of Dabholka (1996) for in-store service quality and 9 items from Sitequal of Yoo and Donthu (2001) for website quality. The second and third sections contain 4 and 5 items aiming at measuring customer satisfaction and customer loyalty respectively, adopting from Davis-Sramek et.al (2009). These 40 items were measured based on five-point Likert scales, which is ranged from 1 (strongly disagree) to 5 (strongly agree). In this research, we use the SPSS 25.0 for analyzing.

4. Research Analysis and Results

4.1. Reliability and validity testing

Prior to the hypotheses testing, the constructs were tested for reliability, using Cronbach’s alpha. Cronbach’s alpha is a factor extraction method that considers the variables in the analysis to be a sample from the universe of potential variable. Items with Cronbach’s alpha exceed 0.7 will be deemed to be acceptable.

Table 1. Cronbach’s alpha

Constructs	Cronbach’s alpha
<i>A. Multichannel Retail service quality</i>	
1. Personal interaction	0.848
2. Physical aspect	0.848
3. Policy	0.882
4. Reliability	0.806
5. Problem solving	0.785
6. Ease of use	0.819
7. Aesthetic design	0.882
8. Processing speed	0.785
9. Security	0.832
<i>B. Customer satisfaction</i>	0.870
<i>C. Customer loyalty</i>	0.786

Table 1 shows that all 4 constructs gain the significant Cronbach’s alpha, ranging from 0.782 to 0.882, which is strong enough to carry out further analysis.

Convergent and discriminant validity are assessed by employing exploratory factor analysis (EFA) with varimax rotation. This approach helps us examine the correlation between items of a same construct and items of different constructs respectively.

Table 2. Factor Analysis

Construct	Items	Factor loading	Eigen value	Cumulative Percent of Variable (%)
<i>A. Multichannel Retail Service Quality</i>				
1. Personal interaction	PI1	0.673	6.510	12.763
	PI2	0.736		
	PI3	0.771		
	PI4	0.793		
	PI5	0.743		
	PI7	0.628		
	PI8	0.633		
2. Physical aspect	PA1	0.683	3.451	23.217
	PA2	0.765		
	PA3	0.759		
	PA4	0.772		
	PA5	0.785		
3. Reliability	RE1	0.865	2.965	32.818
	RE2	0.820		
	RE3	0.893		
	RE4	0.785		
4. Policy	PO1	0.850	2.143	40.894
	PO2	0.878		
	PO3	0.864		
5. Problem solving	PV1	0.843	1.678	55.618
	PV2	0.763		
	PV3	0.866		
6. Aesthetic design	AD1	0.869	1.932	48.601
	AD2	0.775		
	AD3	0.862		
7. Ease of use	EOU1	0.825	1.478	61.394
	EOU2	0.834		
8. Processing speed	PS1	0.873	1.201	66.967
	PS2	0.909		
9. Security	SE1	0.831	1.112	72.486
	SE2	0.874		
<i>B. Customer satisfaction</i>	CS1	0.860	2.877	71.921
	CS2	0.822		
	CS3	0.867		
	CS4	0.843		
<i>C. Customer loyalty</i>	CL1	0.832	2.743	54.866
	CL2	0.859		
	CL3	0.743		
	CL5	0.620		
	CL6	0.613		

After 5 runs of factor loading to eliminate the items that load small than 0.5; Table 2, validities of 37 items are high, as factor loadings all far exceed 0.5. The results consistently supported the factor structure for the constructs as noted earlier. Thus, three factors - with eigenvalues are all greater than 1: are extracted from the 37 initial items.

With the percentage of 72.486% cumulated in Table 2, indicating that the 9 factors (Personal interaction, Physical aspect, Reliability, Policy, Problem solving, Aesthetic design, Ease of use, Processing speed, Security) well represent for Multichannel Retail Service Quality construct.

Two factors, with cumulative percent of variable at 71.921% and 54.866% for customer satisfaction and customer loyalty respectively, therefore are deemed to be counted by the original data set.

4.2. Regression Analysis

Testing for hypothesis 1

The relationship between Multichannel Retail Service Quality and Customer Satisfaction was analyzed using multiple regression analysis. The results are shown in Table 3.

Data first will be tested for multicollinearity. the Variance Inflation Factor (VIF) refers to the correlations among the independent variables and should be less than 10 (Kleinbaum et.al,1988).

Table 3. Linear Regression Analysis for H1

Construct	Standardized Coefficients β	t value	VIF	Sig	F value	Adj-R2	p
1. Personal interaction	-.273	-1.116	24.482	.266	24.024	.508	0.000
2. Physical aspect	.265	4.358	1.508	.000			
3. Reliability	.410	1.636	25.697	.104			
4. Policy	.291	5.164	1.294	.000			
5. Problem solving	.228	4.303	1.145	.000			
6. Aesthetic design	.255	4.451	1.338	.000			
7. Ease of use	.096	1.698	1.316	.091			
8. Processing speed	.017	.135	6.434	.892			
9. Security	-.059	-.471	6.400	.638			

Dependent variable: Customer satisfaction.

According to Table 3, there are 2 variables with VIF values greater than 10, deemed to have problem of multicollinearity. Other variables are accepted and have no multicollinearity in the data set. Moreover, there are 4 variables (Personal interaction, Reliability, Processing speed,

Security) that have no statistical significance for pvalue greater than 0.05. Therefore, it is assumed that Personal interaction, Reliability, Processing speed, Security have no relationship and effect with/to Customer satisfaction.

Based on Table 3, five dimensions of multichannel retail service quality (Physical aspect, Policy, Problem solving, Aesthetic design, Ease of use) are found to be significantly related to the Customer satisfaction. In total, the multiple regression model explained 50.8% (Adjusted R2 = 0.508) by Multichannel retail service quality dimensions to Customer satisfaction. The linear combination of the Multichannel retail service quality characteristics measures was significantly related to the Customer satisfaction (F = 24.024, p<0.001). This result shows that Multichannel retail service quality characteristics will significantly influence Customer satisfaction.

Of all nine Multichannel retail service quality dimensions, the analysis indicates that Policy has the strongest influence on Customer satisfaction ($\beta = 0.291$, $t = 5.164$, $p < 0.05$); Ease of use has smallest influence on Customer satisfaction ($\beta = 0.096$, $t = 1.698$, $p < 0.05$).

The multiple-regression model is illustrated as follows:

$$\text{Customer Satisfaction} = 0.291\text{Policy} + 0.265\text{Physical Aspect} + 0.255\text{Aesthetic Design} + 0.228\text{Problem Solving} + 0.096\text{Ease of Use}$$

Testing for hypothesis 2

Table 4. Linear Regression Analysis for H2

Construct	Standardized Coefficients β	t value	VIF	Sig	F value	Adj-R2	p
1. Personal interaction	-.838	-3.502	24.482	.001	26.228	.530	0.000
2. Physical aspect	.269	4.531	1.508	.000			
3. Reliability	1.047	4.272	25.697	.000			
4. Policy	.140	2.538	1.294	.012			
5. Problem solving	.191	3.692	1.145	.000			
6. Aesthetic design	.247	4.426	1.338	.000			
7. Ease of use	.068	1.220	1.316	.224			
8. Processing speed	.078	.636	6.434	.525			
9. Security	.043	.350	6.400	.727			

Dependent variable: Customer loyalty.

Table 4 shows that, there are 2 variables (Personal interaction and Reliability) with VIF values greater than 10. Also learnt from table 4, there are 3 other variables of Website Quality (Ease of use, Processing speed, Security) has no statistical significance for their p value far greater than 0.05 ($p = .224, .525, .727$ respectively); means that they have no relationship to Customer loyalty.

According to Table 4, the dimensions of Multichannel retail service quality are significantly related to Customer loyalty, can explain for 53% for Customer Loyalty (Adj R² = 0.503, F = 26.228, p<0.001).

As shown in table 4, there are 3 variables of Retail service quality (Physical aspect, Policy and Problem solving) and only one variable of Website quality (Aesthetic) have positive relationship with Customer loyalty. Among these 4 variables, Physical aspect has strong influence on Customer loyalty ($\beta = 0.69.291$, $t = 4.531$, $p < 0.05$); Problem solving has the smallest influence on Customer loyalty ($\beta = 0.191$, $t = 3.692$, $p < 0.05$).

Thus, the multiple regression model is illustrated as follows:

$$\text{Customer loyalty} = 0.269\text{Physical aspect} + 0.247\text{Aesthetic design} + 0.191\text{Problem solving} + 0.140\text{Policy}$$

Testing for hypothesis 3

Table 5. Linear Regression Analysis for H3

Construct	Standardized Coefficients β	t value	VIF	Sig	F value	Adj-R2	p
Customer satisfaction	0.537	9.004	1.000	.000	81.063	.288	0.000

Dependent variable: Customer loyalty.

Table 5 indicates that the relationship between Customer satisfaction and Customer loyalty is significant (F=81.063, p=0.000).

According to Table 5, Customer satisfaction was positively influence Customer loyalty ($\beta = 0.537$, $t = 9.004$, $p < 0.05$), which means that Customer with more satisfaction will be more loyal to multichannel retailer. However, the regression explains only 28.8% of the variance by Customer satisfaction on Customer loyalty.

Thus, we have the regression model as follows:

$$\text{Customer loyalty} = 0.537\text{Customer satisfaction}$$

5. Research Conclusion

This study is to explore the relationship between Customer Satisfaction and Loyalty and Multichannel Retail Service Quality formed by combining the components of Retail service quality and Website quality. By doing so, we aim at a conclusion that the store-related factors and the website-related factors will have a certain influence on Customer satisfaction and loyalty.

However, the research result shows little support with 4 and 5 out of 9 variables of Multichannel Retail Service Quality are not statistically significant when checked its relationship with Customer Satisfaction and Loyalty respectively.

Our finding shows that among 5 store-related dimensions of Multichannel Retail Service Quality, Policy, Physical aspect and Problem solving are more significant, however they weight differently when checked in the relationship with Satisfaction and Loyalty. The implication is that practitioners to focus more on these aspects of their store service to improves the overall perceived quality. Surprisingly, Vietnamese customers when shopping online pay more attention on the Aesthetic design and Ease of use rather than Process speed or Security of the web.

This may be explained by the profile of the sample. Most of them are office staff with income from 500-1000USD, utilizing multichannel retail service for shopping fashion product. Therefore, they may want to shop in a well-design store or surf in a trendy and modern-look website. Many of Vietnamese people go shopping for fun without pre-determined purpose of buying a specific product. Thus, they feel hesitate if being approached by the store's employees. That is to say, Personal interaction, here is of course having no relation to Customer Satisfaction or Loyalty. Payment method of COD (Cash on Delivery) rather than via electric-based payment may be useful in explaining that customers devalue Security of Web.

By applying Sitequal, this study assumes that in most cases customer utilize store's website as the decision point purchase point where they only search for product's information rather than making a purchase. As a consumer, when shopping online, one may focus more on the range of the product, the transparence of price list in the website.

In line with the findings, a more comprehensive further study is strongly recommended to be conducted that explore more accurate characteristics of Multichannel Retail Service Quality. When it comes to the need of exploring the characteristic of a website's role in multichannel retail may lead to a qualitative research that can develop items by a deep interview with knowledgeable and experienced customer.

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