A STUDY ONSERVICE RECOVERY QUALITY OF ELECTRONIC SHOPPING CUSTOMERS IN INDIA

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Abstract
Indian organized retail sector is growing at a faster pace and gaining popularity. Indian Brand Equity Foundation (IBEF) reveals that the current market size of Indian retail industry is about US$ 520 billion with for growth rate 14 to 15 percent annually by 2018 the Indian retail sector is likely to grow at a CAGR of 13% to reach a size of US$ 950 billion. Developments in Information Technology have enabled online Retail sector that empowers customers to order products, conduct transactions without the need to interact physically with the retailers. In recent years the online shopping industry has gained popularity to the point where certain categories of customers would consider buying electronic products online rather than visiting the stores. Conventionally the physical location of a store is seen as a source of competitive advantage. Online Retailing service sites provide virtual shopping space to the customers. Online Retail services is gaining momentum in India, with internet penetration improving in the country and smart phones becoming affordable along with changing life styles and preferences of customers. Although online shoppers prefer the convenience and choice available in online shopping, certain issues raised due to occurrence of service failure. The proposed study attempts to measure the service recovery and failure process of electronic goods in Indian retail channels.

Key Words: Service Recovery, Customer Satisfaction, E-Shopping, Service Failure.

Introduction to Indian Retail Sector
Retailing has played a major role the world over in increasing productivity across a wide range of consumer goods and services. In the developed countries, the organized retail industry accounts for almost 80 percent of the total retail trade. In contrast, organized retail trade accounts for merely 8-10 percent of the total retail trade in India. This highlights a lot of scope for further penetration of organized retail in India.

The sector can be broadly divided into two segments: Value retailing, which is typically a low margin-high volume business (primarily food and groceries) and Lifestyle retailing, a high margin-low volume business (apparel, electronics, footwear, etc.). The sector is further divided into various categories, depending on the types of products offered. Especially with India being one of the world's youngest markets. India has an internet user base of about 140.1 million as of Jan 2015 The penetration of e-Tailing is low compared to markets like the United States and the United Kingdom.

AT Kearney 2014 Global Retail Development Index (GRDI) said the Indian retail industry is one of the most vibrant industries in the country. It is currently ranked at 20th position among identified the top 30 developing countries.

India remains an appealing, long-term retail destination for several reasons starting with its demography – half of India's population is less than 30 years of age and roughly one-third of the population lives in cities. The disposable income of Indians is increasing - allowing them to spend more and try new products, brands, and categories.

As online medium of retail business is gaining more and more acceptance, there is a tremendous growth opportunity for retail companies, both domestic and international.

Retail Market Size
According to the Department of Industrial Policies and Promotion (DIPP) said the Indian retail industry in the single brand segment has received FDI equity inflows to the tune of US$ 159.17 million in the period April 2000—September 2014.

Indian Brand Equity Foundation (IBEF) reveals that the current market size of Indian retail industry is about US$ 520 billion with for growth rate 14 to 15 percent annually by 2018 the Indian retail sector is likely to grow at a CAGR of 13% to reach a size of US$ 950 billion.

ASSOCHAM-PwC study report that India is one the fastest growing Electronic shopping markets in the word. The average annual spending of, online shoppers is around Rs 6,000. Online apparel sales continue to capture a greater share of Indian retail ecommerce as category along with the computer and consumer electronics sector, fuelling the overall market growth, the smartphone and tablet shoppers will be strong growth drivers.

Research Paper
Impact Factor: 3.853
Peer Reviewed, Listed & Indexed

IJBARR
E- ISSN -2347-856X
ISSN -2348-0653

According to RNCOS Report said the online retail market is projected to grow at a compound annual rate of 40-45 per cent during 2014-18. Further, Indian online retail market is estimated to grow over 4-fold to touch USD 14.5 billion by 2018 on account of rapid expansion of e-retailing in the country.

Need and Importance of the Study
Indian retail service has emerged as a new avenue to consumers for retailing. Internet growing is spreading across for online business. With online shopping, consumers benefit from comparing product price and features instantaneously. There is a need to solve the service recovery aspects on electronic products while lead to customer experience, satisfaction, loyalty and image.
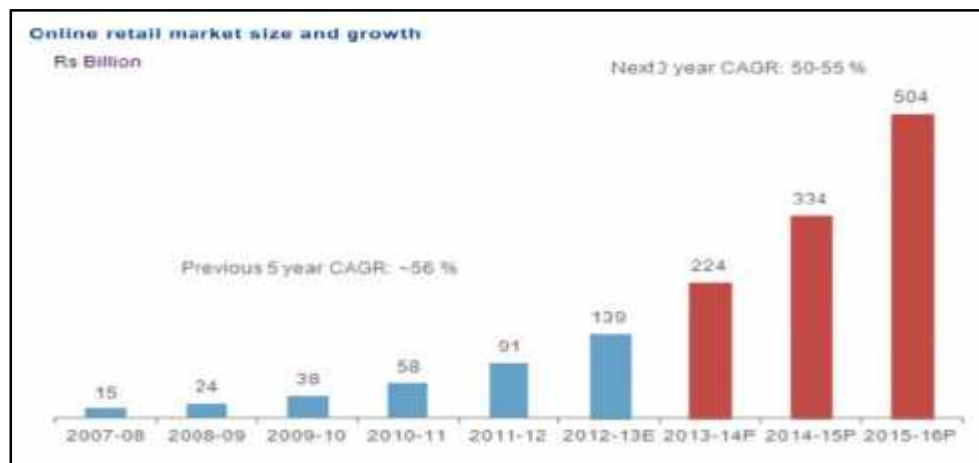
Source: CRISIL Research Report 2014

CRISIL Research says that the buoyant trend of online retail t will grow at 50-55 per cent CAGR to Rs 504 billion by 2015-16.

Global Scenario
The electrical and electronics industry comprises a variety of products, ranging from aerospace products, lamps and light fixtures including light-emitting diodes, consumer electronics such as television sets, electrical household appliances, electronic medical equipment, microelectronic components and automation systems to automotive telematics such as on-board diagnostics (OBD),in-car touch screens, park cameras and navigation systems. Globally, the industry is expected to grow by around six percent in 2013. Although the outlook for Japan's electrical and electronics industry continues to be bleak, Asia is predicted to experience the strongest growth. The European electrical and electronics market is projected to remain sluggish, hovering around three percent in 2013. In 2011, the market for electrical and electronic products was sized at about 4.6 billion US dollars (or around 3.4 billion euros). That year, China contributed some 1.2 billion US dollars (or about 875 million euros), and the US market was valued at almost 590 billion US dollars (or some 434 billion euros). In the consumer electronics segment, growing demand for selected products related to the 'connected home' concept, as well as for media tablets and smartphones is expected to offset declining sales of personal computers.

Walker Sands'2014 Future of Retail Study reveals that consumers are shopping online still has room to grow, certain industries, such as consumer electronics, books and clothing are seeing more than half of their shoppers going online to make a purchase. Some of these retailers are already reaping the benefits of solid online strategies, while some continue to fall behind. Retailers in other industries should take lessons from those already facing the majority of customers making online purchases as Consumer electronics Clothing their customers continue to become more virtual.

Review of Literature
In this section, the literature review is done for covering the areas like the ten key articles i) service recovery, ii) customer satisfaction, iii) E-Shopping and iv) Service Failure.

According to (Kotler & Keller, 2009) define service as "any intangible act or performance that one party offers to another that does not result in the ownership of anything".

According to (Christopher Lovelock2, 2010)"Services are economic activities that create value and provide benefits for customers at specific times and places as a result of bringing about a desired change in or on behalf of the recipient of the service."

According to (C. Bhattachargee, 2009) "Services are the production of essentially intangible benefits and experience, either alone or as part of a tangible product through some form of exchange, with the intention of satisfying the needs, wants and desires of the consumers."

Service Recovery

According to, (Zeithmaml et al. 2010), Service recovery can be defined as "the actions taken by an organization in response to a service failure". Service failure may occur for all kinds of reasons – unavailability of service at the right time, delay of service delivery, service outcome failure, or irresponsibility of employees, product failure, improper, package, damage, transaction failures.

According to, (Kuo and Wu, 2012; Holloway and Beatty, 2003), Service failure in online retailing service can be classified as service delivery, web site layout, online customer service, payment process, security of online transactions.

According to, (Kuo and Wu, 2012), the service provider can formulate appropriate recovery policies such as "apology and explanation for service failures, refund, free service, gift, discount, and coupon" to convert dissatisfied customers to the state of satisfied customers.

According to, (Miller et al. 2000), ultimately, the service recovery helps the service provider to retain the customers who have experienced service failure. Therefore, service recovery practices are more important for online retail service where customers are sensitive to the service failure particularly in India. So, online service recovery refers to the activities and programs designed by online retailer in response to a failure of online service.

According to, (Kahkonen et al., 2013, and Zakaria, et al., 2010), Online retailing is one of the fastest growing service sectors in India. The sector is more technology driven service and the characteristics of the services may influence the delivery of service at different levels. So, service failure is inevitable and may lead to customer dissatisfaction, disloyalty, and customer switching to competitors. Satisfied customers will communicate their service experience positively to other potential customers, whereas dissatisfied will pass negative word of mouth communication which intern effect the profitability and reputation of the online retailers. Therefore, online retailers should implement e-business technologies to streamline the operational efficiency and quality of logistics services of the business processes.

Research Objectives

Based on the literature review and research gap the proposed study has following objectives in the context of Indian online retail service recovery on electronic sector

The objective of this paper is to study the service failure & recovery patterns of electronic goods purchased by the customer. To understand different concepts of the online and offline service quality. It also provides the insights on the various dimensions of service quality and highlights the need to improve the service quality in the online and retail organizations. The methodology that adopted for the study is descriptive in nature and the secondary data such as published books and articles in related journals is utilized for the present study.

Dimensions of Online Service Recovery

The study adopted the E-RecS-QUAL scale developed by Parasuraman et al. (2005). The scale has total 11 items on three dimensions:

1. *Responsiveness*: this dimension includes five items to measure effectiveness of service problems and return policies.
2. *Compensation*: this dimension measures compensation for service failures by three items.
3. *Contact*: this dimension has three items to capture how the service provider is available to customers for seeking assistance.

Proposed Research Framework Model

Service recovery influence to customer satisfaction, customer satisfaction leads to customer loyalty, service recovery leads to customer image, customer image leads to customer loyalty and service recovery refers to customer loyalty. The proposed model depend up recovery of electronic goods on online retailing how to satisfy customer, customers feelings, opinions, image, customer preference and loyalty descriptions to this proposed study.
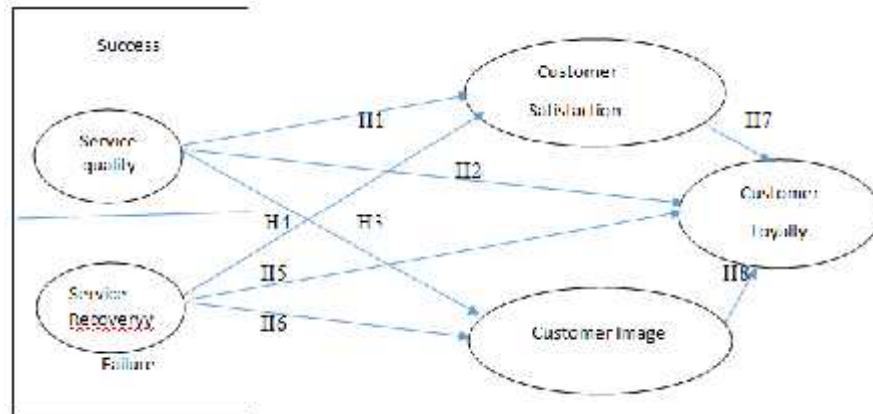
Empirical Studies Testing the Service Recovery Paradox

Author(s)	Methodology, Sampling, Statistics	Main Results	Paradox
Bolton and Drew (1992)[190]	Telephone survey of 1,064 small-business customers of a tele-communications service. Between-subject. Regression analysis.	A repair incident that is rated as "excellent" causes a recovery paradox.	Yes
Boshoff (1997) [16]	Scenario-based experiment in the airline industry, 540 interna-tional tourists. Between-subject. ANOVA	Service recovery paradox was found when the supervisor immediately offered the customer a full refund and an additional free airline ticket. Recovery paradox found.	Yes
Hocutt, Chakrborty and Mowen (1997) [191]	$2 \times 2 \times 2$ factorial design experiment with 251 students in a restaurant setting. Between-subject. MANOVA.	Paradox not found when it was the provider's fault, but the paradox was found when the mistake was customer's fault.	Yes
Smith and Bolton (1998) [138]	Written survey based on failure/recovery encounter scenarios in hotels (602 respondents) and restaurants (375 respondents). Withinsubject. Mean analysis.	Cumulative satisfaction and repatronage intention after a very satisfactory service recovery is higher than prior cumulative satisfaction and repatronage intention.	Yes
McCollough (2000) [187]	2×2 factorial design experiment with 128 students in a hotel setting. Betweensubject. ANOVA and multiple linear regressions.	A recovery paradox with respect to transaction satisfaction is possible after a low-harm service failure where complete recovery is possible (e.g., room upgrade because of overbooking).	Yes
Berry, Zeithaml and Parasuraman (1990) [193]	Survey of 1,936 customers in different industries. Betweensubject. Mean analysis.	"No service problem" is better than "service problem resolved satisfactorily	No
Brown, Cowles and Tuten (1996) [49]	Experimental design in a retail setting with 424 students. Between-subject. ANOVA.	Service recovery has a positive impact on encounter satisfaction, but reliability is important for long-term success.	No
Andreassen (2001) [147]	Telephone interviews in various industries (selfselected) based on the Norwegian Customer Satisfaction Barometer (NCSB). Be-tween-subject. ANOVA.	Moderate degree of satisfaction with the recovery makes up for the service failure. Image is restored more easily than intent. Even with very high scores of satisfaction with the recovery, image and intent were not higher than for satisfied customers.	No

Conclusions

The quality of service is key factors in the efficient and effective management of online and offline electronic retail shopping. Studies have been exposed that the high-quality service is directly proportionate to surplus of the shoppers. The nature of online shopping setting in India encourages customers to demand the highest possible quality of service. In order to achieve this, it is essential to capture information on consumer needs, expectations and perceptions, because for "too long people have been made to fit the services rather than services being made to fit the people".

Service quality becomes the most critical consumer issue in Indian retail electronic sector. Though there are different models to study the service quality, still there is need to develop the models which are much suitable to the Indian electronic retail shopping. In principle, the clinical quality and the service quality both together would lead to the customer satisfaction. Indian electronic retail sector have to understand the significance of service quality and its dimensions in order to improve the service delivery they offered to customers. There has been an increase in the number of consumers to buy the online shopping products in India. For many consumers cost may not be the only factor determining their decision to select a hospital but also the quality of the services.

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