

# Research sheds light on Amazon vs. Wal-Mart competition

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After Amazon announced plans last week for a day of online retail discounts July 15 comparable to Black Friday, Wal-Mart is launching a rival sale online the same day. Who will win the e-commerce battle? Winning is a matter of consistent superior e-service quality—not just on one particular day of the year, according to new research from Rice University's Jones Graduate School of Business.

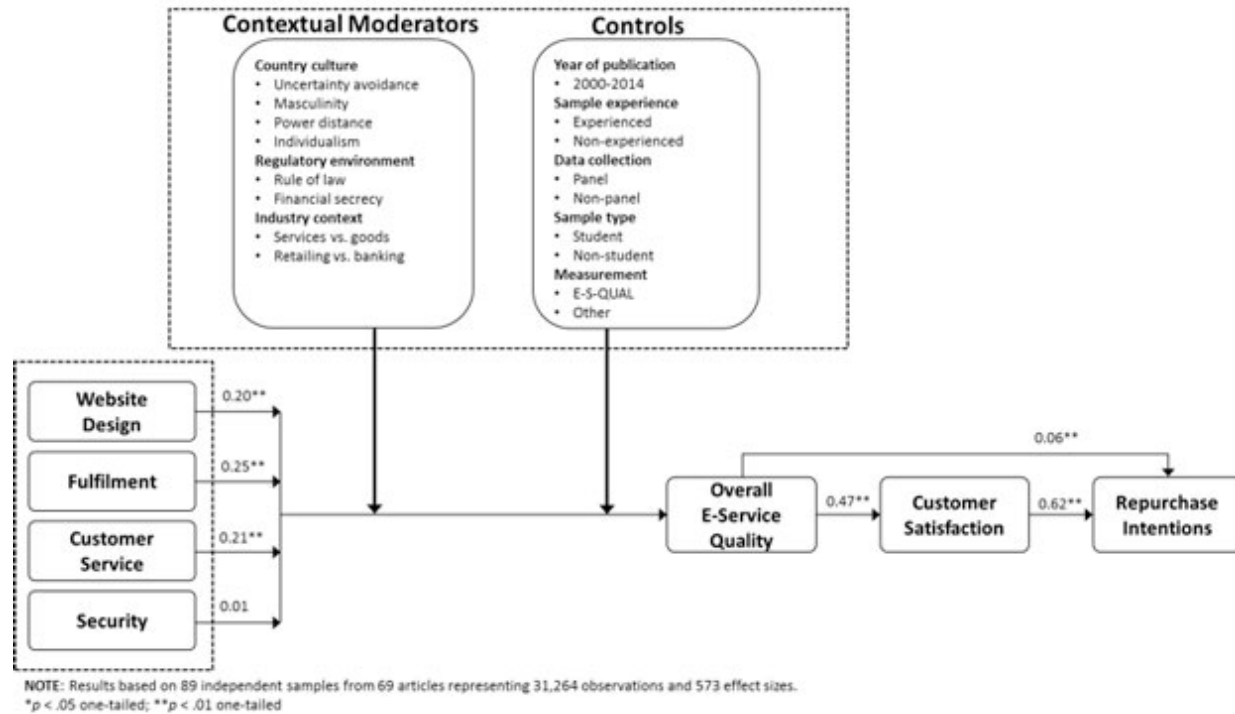
"Increased e-service quality is associated with increased customer satisfaction, which then leads to higher repurchase intentions," said Vikas Mittal, the J. Hugh Liedtke Professor of Marketing at the Jones School. "In other words, increasing e-service quality enhances [customer](#)

[satisfaction](#) and the likelihood of customer repurchase. If Amazon and Wal-Mart want to keep their customers coming back, they must focus on increasing satisfaction via e-service quality."

Mittal conducted the study with colleagues from the Jones School, Newcastle University Business School, U.K., and the University of Rostock, Germany. It will be published in the *Journal of Retailing*.

E-service quality is the "extent to which a website facilitates efficient and effective shopping, purchasing and delivery," according to one of the authors. E-service quality is "the beginning to the end of the transaction, including information search, website navigation, order, [customer-service](#) interactions, delivery and satisfaction with the ordered product," the study said.

As part of their study, the authors recently conducted a meta-analysis to understand the determinants and consequences of e-service quality. Meta-analysis is a statistical technique used to synthesize and summarize the findings of many published studies to gain a comprehensive view of an entire body of research. This meta-analysis represents 573 effects based on 31,264 individuals. These were obtained from 69 studies published between 2000 and 2014. The studies span different continents and represent sectors such as retailing and banking. The authors believe this is the most comprehensive examination of e-service quality.



The authors' conceptual model of superior e-service quality

The meta-analysis identified four core dimensions of e-service quality: website design, fulfilment, customer service and security/privacy. Together, these four dimensions strongly impact overall e-service quality, the authors found.

The researchers further examined specific attributes of each dimension and found that within website design, the five strongest attributes predicting overall e-service quality are product selection, price offerings, quality of information on the website, website convenience and website organization. Within fulfilment the main drivers of e-service quality are delivery condition and timeliness of delivery. For customer service, service level counts the most.

"Interestingly, the importance of these four dimensions in determining overall e-service quality shows global variability," Mittal said. "For example, both website design and customer service were more strongly associated with e-service quality in countries scoring higher on uncertainty avoidance. This makes sense as uncertainty avoidance is defined as the extent to which members of a culture feel threatened by uncertain or unknown situations. Thus having more information through superior website design and better service alleviates the negative emotions and ambivalence associated with decision making; hence, the stronger association."

Who will finally win—Wal-Mart or Amazon? "It is difficult to predict as these are strong, savvy rivals," Mittal said. "The study clearly shows the strategic road map for winning by satisfying and retaining customers. One main conclusion from this analysis is that price offerings—that is, competitive pricing—is important, but we believe it will simply create parity, not differentiation. To differentiate, Wal-Mart and Amazon will have to focus on and invest in delivery condition and timeliness of delivery, product selection, website organization and information quality. Beyond parity, these will create differentiation for enhancing customer loyalty."

**More information:** "E-Service Quality: A Meta-Analytic Review," *Journal of Retailing*, [papers.ssrn.com/sol3/papers.cfm?abstract\\_id=2630428](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2630428)

Provided by Rice University

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