Chapter 6

Summary of Conclusion & Suggestion
CHAPTER LAYOUT

6.1 INTRODUCTION
6.2 FINDINGS OF THE RESEARCH STUDY
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6.5 LIMITATIONS OF THE STUDY
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6.1 Introduction

Electronic Commerce has been defined as the distribution, marketing, sale or delivery of goods and services by electronic means. This definition includes commercial transactions that involve the electronic transmission of products, services, commercial information, commercial documents or funds, as well as electronic catalogues and advertising. It encompasses trade applications of newer technologies such as Electronic Data Interchange.

This final chapter is comprised of seven sections. Findings based on General Finding, supporting general data. Major findings based on hypotheses, supporting objectives, hypotheses, methods and procedures. Major findings based on SERVQUAL, supporting total view of service quality on methods on procedures. The conclusion presents the analysis of findings, motivation and difficulties for the acceptability of E-Commerce in Iranian Automobile Industry. Suggestion, supporting whole findings parts viz. general and major. Scope of further study, supporting suggestion for future research And limitation of study.

6.2 Findings of the Research study

6.2.1 General Findings

1. The researcher identified the nature of the two dominant Iranian Automobile companies i.e. Iran Khodro and Saipa with a total of 94% market share as well as the dealers servicing these two companies.

2. Based on the profile of study, the researcher found that the Iranian Automobile industry holds the second place after oil and gas industry and this is the result of chain of suppliers, which has made this industry one of the leaders in the job market.

3. From the study it is clear that the E-Commerce in automobile industry in Iran is still in the embryonic stage as the volume of online transactions compared to traditional ones is considerably low and the growth is slow, though positive.
4. With respect to the demographic distribution it was found that majority of respondents in E-Commerce-customers were from Social Studies with 19.5% and Information Technology with 14.1%. In e-dealer’s group, Engineers hold 22.7% of respondents followed by Social Studies with 13.6%. Just like E-Commerce demographic distribution, the majority of traditional commerce respondents come from the social studies with 19.5% and Information Technology with 14.6%.

5. In a chapter reflecting E-Commerce, the researcher found E-Commerce with a stunning technology presented to the world of business which opened a new approach for both customers and sellers. Both the vast structure of Internet and low cost of utilizing it introduced the interconnection of new and existing information and communication technologies. Such a chance not only offers businesses and consumers a new and powerful information system but also a new form of communication. This makes it possible for buyers and sellers to come together in more efficient ways.

6. Interestingly, it was found that most of the E-Commerce and traditional commerce respondents had the age of 31-35 years with the total distribution of 32% and 39% respectively. However, the majority of e-dealers respondents were aged between 26 and 30 comprising 50% of the total population.

7. When respondents were asked to report the time spent on different websites or an individual one, it was found that e-dealer customers spent considerably more time to find what they were looking for. This might be an indication of poor structural architecture of e-dealer’s websites.

6.2.2 Major Findings based on Hypotheses

1. It was found that in our study of the E-Commerce practices in Iranian Automobile companies, respondents who traditionally bought their desired product were 63.64% satisfied and had higher satisfaction compared to E-Commerce and E-dealers customers. Moreover, while comparing the importance of E-Commerce and E-dealers platform (76% and 75% respectively) with the-customer satisfaction of each platform i.e. 59% and 54% it is clear that there is huge gap between what customers expect and what they experience.
2. It was observed that when a website is more secure, the customers were more satisfied. In our study these two factors were highly and positively correlated, as the correlation coefficient for E-Commerce websites was 0.825 and for E-dealers was 0.732.

3. Interestingly, it was found that Price Promotion strategies were not properly followed either in E-Commerce or E-dealer websites compared to Traditional commerce, as there is a significant difference in customers’ perception of satisfaction between E-Commerce groups with 52.87% satisfaction and Traditional group which is 64.51% satisfaction.

4. One of the important factors found in this study is Service Quality in E-Commerce which has a powerful effect on the customer satisfaction. The analysis of data revealed that there is a very strong and positive correlation (overall 0.923) between Service quality and customer satisfaction. As the Service quality improves the satisfaction improves to a great extent.

5. It was found that customers perceived Payment Method in E-Commerce as one of the critical factors on the path of satisfaction. Correlation coefficient is significantly high i.e. 0.754 which is an indication of better Payment Methods, higher the satisfaction.

6. When E-Commerce and E-dealers websites were evaluated, it was found that customers were more satisfied with the Website navigation of E-dealers websites with 60% satisfaction compared to 52.27% satisfaction of E-Commerce websites.

6.2.3 Major finding based on SERVQUAL

1. In table 13 the importance (expectations) and satisfaction (experiences) are summarized based on predefined aspects related to the quality of web sites. The top ten aspects seem to relate the basic infrastructure of E-Commerce. Responders believe that the most important aspect of service quality must be "fast Access", they are pretty satisfied with their own systems, and the main problem is the telecommunication system in Iran. Although 21% of Iranian population use internet (Based on Percentage of Individuals using the Internet 2000-2011); but the quality of service (QoS) is poor and not acceptable.

2. The second important factor ("Information is found with a minimum of clicks") is again related to the first problem. After having difficulties to access the Internet the
users wish to get the needed information as fast as possible without disturbing irrelevant information. It also refers to the design of the website; customers do not want complicated pages which they should spend lots of time to get simple information.

3. The third factor is "24 x 7 x 365 user accessibility" which shows how it is bothering to go on a website to buy an automobile and they ask you to come another day because today is weekend and their service is not available now!! It is a must that users have accessibility to the site at any time he or she wishes, 24 hours in any day.

4. The forth factor is "Brand image" customers want to be sure about what is behind websites. Customers who buy a product on the Internet, would like that the websites and the organizations behind them to be trustworthy. The next important web quality is design of web sites according to find our way on it must be easy; the privacy and security policies must be available for users; i.e. customers must be aware of, to what extend they have privacy and security.

5. In addition, from Table 13, it is clear that the price “deal factor” which is related to the price promotion strategies of a company, demonstrates a relatively high difference i.e. -1.331, between what people perceive as importance and how they are satisfied; when it is compared with traditional method of buying, responders may believe that E-Commerce websites do not attract them with price promotion strategies such as vouchers, bonuses and coupons.

6. Responders strongly believe that a website also should provide well programmed search options, direct instructions and a standard navigator bar.
Table 6-1: The top ten of service quality factors with highest scores of importance

<table>
<thead>
<tr>
<th>Service quality factors</th>
<th>Importance mean</th>
<th>Satisfaction mean</th>
<th>Delta S-I</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Access is fast</td>
<td>7.588</td>
<td>6.296</td>
<td>-1.292</td>
</tr>
<tr>
<td>2 Information is found with a minimum of clicks</td>
<td>7.372</td>
<td>6.302</td>
<td>-1.07</td>
</tr>
<tr>
<td>3 24 x 7 x 365 user accessibility</td>
<td>7.312</td>
<td>6.96</td>
<td>-0.352</td>
</tr>
<tr>
<td>4 Brand image is important</td>
<td>7.21</td>
<td>6.68</td>
<td>-0.53</td>
</tr>
<tr>
<td>5 Finding your way on the web site is easy</td>
<td>7.208</td>
<td>6.27</td>
<td>-0.938</td>
</tr>
<tr>
<td>6 The privacy policy is accessible</td>
<td>7.146</td>
<td>6.132</td>
<td>-1.014</td>
</tr>
<tr>
<td>7 The security policy is accessible</td>
<td>7.07</td>
<td>5.784</td>
<td>-1.286</td>
</tr>
<tr>
<td>8 This automobile is frequently promoted through price deal on the website</td>
<td>6.958</td>
<td>5.627</td>
<td>-1.331</td>
</tr>
<tr>
<td>9 Instructions are directly available</td>
<td>6.936</td>
<td>6.354</td>
<td>-0.582</td>
</tr>
<tr>
<td>10 A standard navigation bar, a home button and back/forward button are available on every page</td>
<td>6.914</td>
<td>6.804</td>
<td>-0.11</td>
</tr>
</tbody>
</table>

Source: survey data

7. The bottom ten aspects seem to relate to extra services such as "A customer platform is provided for exchange of ideas" or "Web site animations are meaningful" and information such as "Tax and/or other charges are clearly detailed" or "An email address for queries and complaints is provided". Apparently respondents do not find these extras very important in their use of the Internet.

8. The gaps between experiences and expectations (satisfaction minus importance) (see table 13 and 14) are widest for the aspects that respondents perceive as most important. The aspect with the largest gap is "access is fast" (satisfaction score 6.296 and importance score 7.588). In the top ten aspects there are no aspects with a positive delta, meaning that for every aspect the experience is less than expected.
Table 6-2: The bottom ten of service quality factors with lowest scores of importance

<table>
<thead>
<tr>
<th>Service quality factors</th>
<th>Importance mean</th>
<th>Satisfaction mean</th>
<th>Delta S-I</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Web site animations are meaningful</td>
<td>6.264</td>
<td>6.026</td>
<td>-0.238</td>
</tr>
<tr>
<td>2 It is easy to print from the web</td>
<td>6.212</td>
<td>5.994</td>
<td>-0.218</td>
</tr>
<tr>
<td>3 An email address for queries and complaints is provided</td>
<td>6.21</td>
<td>6.52</td>
<td>0.31</td>
</tr>
<tr>
<td>4 Different payment options are stated clearly</td>
<td>6.158</td>
<td>6.408</td>
<td>0.25</td>
</tr>
<tr>
<td>5 The home page features options for new and registered users</td>
<td>6.118</td>
<td>6.148</td>
<td>0.03</td>
</tr>
<tr>
<td>6 A customer platform is provided for exchange of ideas</td>
<td>6.116</td>
<td>6.634</td>
<td>0.518</td>
</tr>
<tr>
<td>7 Web sites that focus on brand awareness have a store locator</td>
<td>6.012</td>
<td>6.304</td>
<td>0.292</td>
</tr>
<tr>
<td>8 The user is invited into a frequent buyer program</td>
<td>5.964</td>
<td>6.428</td>
<td>0.464</td>
</tr>
<tr>
<td>9 Links are provided to pages on related products and services</td>
<td>5.938</td>
<td>6.296</td>
<td>0.358</td>
</tr>
<tr>
<td>10 The user can make a purchase without web site registration</td>
<td>5.676</td>
<td>6.2</td>
<td>0.524</td>
</tr>
</tbody>
</table>

*Source: survey data*

9. It was found that respondents believe all the aspects of web quality are important (Importance mean starts from 5.676) but the "Access is fast" is the most important factor among the others and they are not satisfied with current connection speed but feel pretty fine with extra services.
6.2.4 Major findings based on dimensions of SERVQUAL

Ios Van Iwaardenm and Ton Van der Wiele, (2003) clustered the aspects of service quality in table 15 and showed how they are compatible with five factors of the SERVQUAL. The importance mean was brought in order to find each SERVQUAL dimension an importance mean and in table 15, which is the summery of table 15, illustrate the ranked SERVQUAL factors based on their importance scores.

1. Tangible is recognized as the most important factor; therefore, a well-functioning and good-looking web site is paramount. Assurance is the second one. Responders want a website to have a formal privacy, confidentiality policy, secure access and certifications or guarantees of assurance. Looking at tables 13 and 14 we come to this conclusion that Iranians are more concerned about security.

2. Also Iranian online shoppers ask organizations to honor their promises such as on time delivery and after sale services. In other words they ask for reliability of the company.

3. Responsiveness is the next thing they do care about; how websites give prompt services. Online shoppers expect good responses when they contact web sites through e-mail or phone call.

4. And after all of the other web quality factors they want is personal attention which Empathy refers to. Customization has the last priority among the other aspects through Iranian online shoppers.

Table 6-3: Ranked SERVQUAL factors according to their importance mean

<table>
<thead>
<tr>
<th>SERVQUAL factors</th>
<th>Importance mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>1   Tangible</td>
<td>7.701</td>
</tr>
<tr>
<td>2   Assurance</td>
<td>7.681</td>
</tr>
<tr>
<td>3   Reliability</td>
<td>7.576</td>
</tr>
<tr>
<td>4   Responsiveness</td>
<td>7.453</td>
</tr>
<tr>
<td>5   Empathy</td>
<td>7.337</td>
</tr>
</tbody>
</table>

*Source: survey data*
5. Finally, it was found that there is a very little difference between importance scores of SERVQUAL factors. Respondents expect a web site to provide all of the web quality factors (the last factor has 7.337 score) but above all a web site should function properly.
6.3 Conclusion

Iranian customers were assumed to be in need of basic facilities, infrastructures, of electronic commerce throughout this theses and it is understood from our findings that E-Commerce is lagging behind the traditional commerce and this gap still makes people prefer all the difficulties of traditional commerce to E-Commerce. Moreover, the exclusivity of Iranian automobile industry and the absence of a healthy competition with international automobile companies have contributed to the expansion of this gap.

It seems that Customer Relationship Management; somehow, does not play a big role in attracting customers and make them stick to websites by this time. They mostly care about speed of connection and safekeeping and safety of their visits and shopping.

6.4 Suggestions

1. Customers have access to almost unlimited information about what they want to buy with variety of products available for them by the emergence of Internet and Web technology. Hence, it is not easy for break-and-mortar or online portals of Automobile companies to gain and sustain competitive advantages based only on a cost strategy in retailing market. Rather, defining customers' needs and preferences, and their related quality dimensions have increasingly become a key driving force in enhancing customers' satisfaction and attract more-customers. Identification and ranking of customers' expectations of the online retailer services provide a frame of reference for ranking customers' preferences of service quality.

2. This study ranked fifty factors of service quality based on Iranians' perspective. Obviously, in order to maintain a high level of overall service quality, online portals of Automobile companies should pay attention to all these dimensions brought in this study. A proof for this claim is the importance scores mean that starts with 5.676, given by responders, that is even the last factor is seen important. However, to strengthen competitiveness in the extremely competitive market, given limited organizational resources, it is recommended that online portals of Automobile companies should focus on the main five key dimensions, reliability; tangibles; empathy; assurance; and responsiveness, in order to achieve high level of service quality and customer satisfaction simultaneously.
More specifically, the following implications are recommended to online portals of Automobile companies in Iran:

3. Above all, speed of access to the web site may be the critical determinant of success of the online portals of Automobile companies. Since the access to the Internet is not so fast in Iran, online visitors prefer to connect to those web sites which could be opened easier and faster. Therefore, to satisfy the customers, online portals should build web sites without huge flashes, graphics, and images which may increase the size of page and take more seconds to appear. Besides, the structure of the website plays a big role here, as the number of clicks for achieving the desired information depends on the design of the website. Hence, it is important for managers to consider the different ways of reaching specific information on the website.

4. In addition, 24 hours user accessibility factor indicate that web sites are expected to be available all the time and all the days of the week. Managers should insist on reputation of website and try to avoid the non-responding situations. If anything happened that made the website down for a while; relevant information about the problem and the time it would be backed should be provided.

5. Assurance dimension implies that customers should be aware of privacy limits and security policies. Managers should allocate specific space for introducing protection and privacy policies that are accessible for customers and give a thorough understanding about the way website is kept secure.

6. Knowledge about E-Commerce and implementing it in various sectors brings a chance to gain a greater share of the global market, increase their efficiency and be able to expand vertically and horizontally.

7. The researcher perceives that E-Commerce has not reached many industrial, automobile units, etc., it would be better for these sectors to expose their employees to be involved in E-Commerce.

8. The main purpose of the study is to rank the online service quality dimensions through Iranian customers' perspective in online retailing sector and aim to describe how different environments could affect preferences of service quality factors. Theoretically this study extends the knowledge body of service quality and customer satisfaction by enriching the Iranian's preferences in online retailing sector, and based
on existing theories, this study tested five key service quality dimensions in electronic shopping context.

9. In particular, concerning research question one the majority of the findings for this study supported the existing literature. The new findings were discovered from quantitative empirical data and helped us rank the Iranian's perspective of service quality. It also increased and enhanced understanding about relative importance service quality dimensions.

6.5 Limitations of the study

1. Various cultures and a host factors may be important to user impression of these variables.
2. Data gathered from the questionnaires is subjective and due to ambiguity in the voice of automobile users, data analysis might be affected and hard to interpret.
3. The research instruments are translated from English to Persian and after the study the conclusion will be translated back to English again. Some deviation may occur in both validity and reliability due to the accuracy of the Persian and English language translation.
4. Low internet connection speed and high prices of connecting to the internet. Although new ISPs (internet service providers) are being introduced every day and broad band connections like ADSL with up to 2 Mb/sec speed are available in recent years, there still are lots of people who have access only to low speed internet connection at high prices which makes the electronic transactions vulnerable.

6.6 Scope for Further Research

With the development of E-Commerce and web technology, some areas which are not covered in this study are interesting and need to be explored. In addition, the limitation and shortcoming of this study also provide implications for future research. Future research could add extensions to this study.

This research needs further analysis. While this research yields a number of very interesting results, we believe that there are a number of things that should be done to confirm our results as well as to expand our hypotheses.
Firstly, with the number of Internet users now over one billion, a small group of online users in Tehran is not enough. Hence, research with larger samples that pose the same or similar questions would be appropriate.

Secondly, various languages, religions, cultures and a host of other factors may be important to user's impression of the quality of a web site.

Thirdly, in this competitive market, service quality is one of the key elements which bring value added for companies. E-Commerce and E-dealers portals are focusing on making their web sites more appealing in order to increase their stickiness. Practitioners need to understand the factors that make people to visit a website; spend some time and make them purchase online. Researchers all around the world are talking about "loyal customers": they spread the good word-of-mouth, not to shift to competitor easily, spend more money and are cheaper to attract. Practitioners should be aware of all factors which are affecting the behavior of their customers.

Fourthly, further researches can focus on the effective means to educate, inform and motivate the employer and employees to take a proactive stance with regard to use of E-Commerce.

At the end, the present study examined only E-Commerce practices in Iranian automobile companies. Future studies can study effectiveness of E-Commerce applications in automobile industries of Iran.

Respecting this critical issue for e-business, we believe more studies are needed to fulfill our e-world with superior facilities and make life easier and better.