# Asian Journal of Academic Research (AJAR)

ISSN-e: 2790-9379 Vol. 4, No. 3, (2023, Autumn), 1-15.



# The Impact of Online-Logistics Service Quality on Negative Word of Mouth and Repurchase Intention for Drop-Shipping Services in Food Industry

Shizra Khan,<sup>1</sup> Sidra Pervez,<sup>2</sup> Sadia Khanum,<sup>3</sup> & Muhammad Naeem Khan<sup>4</sup>

#### **Abstract:**

This study aims to examine the impact of various dimensions of online logistics service quality on customer reviews, with a specific focus on the role of customer satisfaction as a mediating variable. Additionally, the study also examines if the price offerings by the drop shipping service provider are a significant factor in determining online logistics service quality. A quantitative approach was used in this study with a cross-sectional survey design. Data was collected using a self-administered survey questionnaire. Participants were customers who had recently used the online logistics service, selected using a purposive sampling technique. The collected data was analyzed using statistical techniques such as frequency analysis, descriptive statistics, and inferential statistics. The study revealed that several dimensions of online logistics service quality were found to be significant factors in determining customer reviews. Additionally, customer satisfaction was found to play a mediating role in this relationship. The study also found the price offering by the drop shipping service provider were a significant determinant of online logistics service quality. This study has implications for other industries that could benefit from analyzing similar topics.

**Keywords:** O-LSQ, Online-Logistics service quality, price offering, customer satisfaction, negative word of mouth, purchase intention

<sup>&</sup>lt;sup>1</sup> MS Scholar, Department of Management Sciences, National University of Modern Languages (NUML), Islamabad, Pakistan. Email: shizra.khan@numl.edu.pk

<sup>&</sup>lt;sup>2</sup> Assistant Professor, Department of Business Administration, IQRA University, Islamabad, Pakistan. Email: sidra.pervez@igraisb.edu.pk

<sup>&</sup>lt;sup>3</sup> Assistant Professor, Department of Social Sciences, IQRA University, Islamabad. Email: sadia.khanum@iqraisb.edu.pk

<sup>&</sup>lt;sup>4</sup> Senior Lecturer, UCP Business School, University of Central Punjab, Lahore, Pakistan. Email: naeemkh84@gmail.com

#### INTRODUCTION

In recent years' e-commerce has grown rapidly across the globe, especially in emerging economies. The growing use of the internet and smart devices increased consumer confidence and become the reason for e-commerce to evolve and expand. Online retailers continue to do their best to create an improved and realistic shopping experience with technologies. With mobile, commerce is gaining speed and more users are using this service for purchasing from the palm of their hand (Kazmi et al., 2020). According to the United Nations Conference on Trade and Development (UNCTAD), Pakistan ranked 114 out of 152 economies in the B2C e-commerce index 2019. This index is used to measures an economy's awareness to use online shopping (Gidh, 2020). In developing countries, there is an important role of information and communication technologies (ICTs) for e-commerce development (Walsham, 2017). The E-commerce technology model brings innovation to business and helps businesses in rapid expansion. The company's operation effectiveness improves by the evolution of technology in the business and it increases the growth of business productivity (Gajewska et al., 2019).

The continuous development in information and communication technology (ICT) brought a cultural shift. For order booking in the modern era, people use mobile applications or websites rather than visiting physical stores. Technology now enables real-time communications throughout the entire supply chain (Murfield et al., 2017). As the number of Online shopping portals is rapidly increasing, the business trends are changing day to day between ICT companies, Shopping portals, and logistics and supply chain organizations (Vijay, et al., 2019). Moreover, Customers are more curious to search for data about food on the web than any other item (Liu & Lin, 2020).

Drop-shipping emerged as a new business opportunity as many people have tried to capture this untapped market. The gap arises when the business does not find enough reach and accessibility to the consumers and needs another partner who can cater to consumers belonging to the untapped market. Drop-shipping is the solution to this problem. Drop-shipper presents the products offered by manufacturers or suppliers and allows consumers to choose amongst them. The consumer does not get in touch with the business directly instead the drop-shipper plays the role of a mediator who forwards the order to suppliers. Once an order is received it is the drop-shipper's responsibility to ensure that the order is received in good condition. Mostly drop-shipper is responsible to deliver the goods that create pressure for them to manage the delivery quality. Drop shippers face several challenges for instance building trust and reliability among consumers, suppliers control over inventory, and it requires extra skill to manage marketing activities of the products which are also not under the direct control of businesses (Singh et al., 2018).

From the business perspective, maintaining customer satisfaction is the biggest challenge and important challenge because satisfied customers can spread positive WOM. For this purpose, companies are now more concerned about the service experiences that they are providing to their customers. Organizations that provide greater services gain more market share and more profits. In the restaurant sector, in a competitive environment, the firms need to achieve customer satisfaction for long-term survival. Building a relationship with satisfied customers means that they repeat the experienced service and become an active and competent communication resource of branding, at no cost to the firm (Kocoglu & Kalem, 2020).

Companies want their consumers to enjoy every purchase and want to retain them for a longer time. However, in addition to food taste and quantity consumers also notice how the order has been delivered to them which may be good or bad. If it is good the consumer will be satisfied but if it is not up to their expectation there are chances that they will not repurchase and would also spread negative word of mouth. That negative word of mouth and repurchase intention is significantly important for the business which is affected due to poor logistics services provided by the drop shipper. Therefore, it is important to understand which factor the logistics service quality might affect the repurchase intention and would become the reason to spread of negative word of mouth.

For logistics companies, satisfied customers provide the opportunity for seeking a competitive advantage in the market. Because the competition in the market is becoming high day by day. So, if the company fails to satisfy the expectations of customers, someone else will take their place in the market. Therefore, logistics companies are now more concerned about the attributes like acceptance of orders, order execution, and problem-solving. A customer of a service-providing company must want to be sure that the chosen company understands his/her needs. When any organization wants to remain competitive in the market, the most common challenge they faced is to meet customer needs. The collective experience of many customers built a business reputation for their service quality. (Landrum et al., 2009) mentioned that "Service quality impacts customer loyalty, satisfaction, and business performance."

Due to the increasing competition in the market, customer retention strategies are of great importance for businesses to maintain their competitive advantage and build long-term relationships and earn stable earnings in the future. Repurchase intention can be measured by analysing the customer's attitudes and emotions from their reviews (Syaifullah & Honantha, 2020). In the world of e-commerce technology, customer not only considers website quality and product quality but also consider previous customer reviews before deciding on purchasing and repurchasing over the online platform. In studies, it has been highlighted that good website quality, customer satisfaction with the product, and online user reviews content can help businesses to maximize profit for online retailers (Tandon et al., 2020). This modern computerized time allows companies to specifically interact with, track, and target customers through novel strategies (e.g., making free social media accounts where they can frequently post brand-specific substance) (Rummo et al., 2020).

This research takes dimensions of online logistics service quality from (Gligor, 2015) research model. Dimensions of online logistics service quality are as follow "Customer Service, Ordering procedure, Hedonic Aspect, Website design, Order Release Quantity, Flexibility, Information quality, Merchandising, Order value, Assurance/trust, System Availability, Order Accuracy, Order Condition, Order Quality, Timeliness, and Order Discrepancy Handling."

# LITERATURE REVIEW

The following literature discusses the LSQ than the o-LSQ. Logistics is an activity that relates to the management of the flow of products or services from the starting point to the point of use. In the past, logistics was considered as a cost generator but many researchers conducted researches to prove that it is beneficial for businesses. They analysed logistics companies' abilities to attain a

greater degree of customer satisfaction and trust through service quality (Choi et al., 2019). Researchers proposed different attributes and dimensions to measure o-LSQ.

# **Online-Logistics Service Quality and its Dimensions**

Definitions of logistics service quality were made from the logistics service provider's view, not from the customer's view. Later, Rahmat and Faisol (2016) considering customer logistics, described as the goods availability, delivery time, and service quality provided by the physical distributor. Their study became the base for later studies for the measurement of logistics service quality. While measuring and analyzing LSQ, it is very important to define suitable dimensions that describe the level of service quality. Different authors use a large scale of dimensions of LSQ. Whether it's online business or physical business, the experience customer get will predict the future behaviour of the customer (Chang & Wang, 2011). Therefore, it can be established that there is the use of a large number of dimensions in online logistics service quality. These dimensions should be used as standard (basic) dimensions for analyzing and measuring the o-LSQ.

From the traditional LSQ scale, the ordering procedure dimension is adopted. The efficiency and effectiveness of the ordering procedures are measured by this dimension (Rahmat & Faisol, 2016). Ease of use is also included in the ordering procedure. Further, this has emerged as an important benchmark in the review of online consumer satisfaction (Horváth & Adıgüzel, 2017).

The hedonic aspect is the third dimension. It is argued that fun and enjoyment are major determinants of internet usage behaviour. This measure specifically refers to the customer's sense of enjoyment with the online shopping experience (Horváth & Adıgüzel, 2017). Hedonic shopping motivations include the multisensory, imaginary, and sensitive aspects of consumption. According to this view, people consider shopping as entertainment providing activity and hedonic fulfilment, such as feeling fun, enjoyment, and imaginary stimulations (Babin & Krey, 2020). Hedonic packaging hints also play a significant role in building a consumer's perception of food quality and help to make the purchase decision. There are several studies conducted to focus on the hedonic benefits of food packaging (Sözer & Uzunoğlu, 2020).

The website design quality helps to attract customer. This component is very important in o-LSQ. The customer feels more satisfied when the website design is effective (Ganguly et al., 2010). All websites are not the same. They depend on the nature of the business. Good website design has the following characteristics; usability means that it is easy to use; visual features means it is attractive to see; technical capability means it is technically applied for the purpose it was designed; safety means customer feel secure while using it; communication means that customers can share their wants at real-time, and; esteem means businesses own their customers (Cebi, 2013). In other research, researchers demonstrate that typefaces, colours, and software features are central factors in Web site design (Ha & Im, 2012).

The Order Release Quantity/Availability measure is adopted from the traditional logistics service quality scale. By this dimension it the product availability is measured which is desired by the customer. Order availability is also one of the key elements of logistics improvement. It is estimated that product availability and stock-outs will have a major impact on customer satisfaction (Gligor, 2015). Customers want ease while shopping online. Customers not only use their gadgets for purchasing products but also use them for product evaluation (UPS & comScore). Flexibility is

another dimension of o-LSQ. It refers to having multiple-choice options provided during the order. The return item's availability is a critical component of flexibility (Gligor, 2015).

There is a unique feature of online shopping that the lack of physical interaction is there which tends to act as a critical feature as well. Many customers while making online decisions feel hesitation regarding the privacy and security in the financial transaction over the online platform. Customers don't usually feel it reliable (Rahman et al., 2018). The dimension of Timeliness refers to timely solve the problem that is occurring during online shopping. These problems may become the chance for business negative word of mouth. So firms have to consider two approaches to deal with such dimensions in an online environment. The proactive approach means the right people for the right work and the reactive approach means respond accurately. These approaches deal with the management of complaints. (Stevens et al., 2018).

Trust has been discussed in many types of research (Platt et al., 2018; Rasheed & Abadi, 2014; Wilkins, 2018) but very few discussed it in the context of online shopping. Trust has been associated with service quality as one of the key contributors (Rasheed & Abadi, 2014). In online shopping, consumer attitude is usually determined by the two most significant factors on is trust and other is perceived benefit (Rahman et al., 2018). There are different opinions on the definition of online trust and the impact of customer trust on customers who are shopping through an online platform. Online trust is all about customer will and that enables them to accept it according to their experience whether they are positive or they are negative (Kimery & McCord, 2002).

The customers usually by-products that provide hem sense of certain benchmarked prices (de Maeyer, 2012). Price is the financial value that one pays in exchange for any good or service. (Rita et al., 2019). Consumers prefer to buy products at low prices through an online platform as compared to physical stores. This builds the behavior of customers to expect low prices while purchasing through an online platform (Vasic et al., 2019). In online stores customers have to decide from a wide range of websites, price discounts help consumers to differentiate one online shopping platform from the other (Fu et al., 2020).

Great estimating measures influence client fulfilment and devotion. Clients have a high interest in keeping the information on prices for the items that they habitually buy. Their information on costs empowers them to assess the charm of the limited-time data and signals them to increments in costs and empowers them to make comparisons among items from distinctive organizations (Ulfah et al., 2020).

# **Customer Satisfaction**

By visiting the literature, it can be known that customer satisfaction refers to the fulfilment of customer expectations regarding the service and product in terms of quality. The satisfaction can only be attained when the perceived performance meets the customers' needs or it exceeds the expectation (Park et al., 2010). Companies can accomplish customer satisfaction and devotion by giving good-quality items and services. Satisfied clients tend to repurchase items and gotten to be faithful clients, and they are positively engaged in giving proposals to other clients and less delicate to cost (Zhong & Moon, 2020). Researchers consider customer satisfaction the most significant factor for business success. This satisfaction helps businesses to forecast the income and profits of

the businesses (Avgeli et al., 2008; Hitka et al., 2019). Customer satisfaction is something that is influenced by an individual's personality experienced events and expectations (Khulan et al., 2018).

Satisfactions refer to a consumer's positive experience which is driven by the use of a product or service which is fulfilling the consumer's need. Satisfaction reflects the consumers liking when it compares with the previous consumer's experience about social site shopping (Gan & Wang, 2017). Customer satisfaction depends on two things: one is the expectation and the other is experience. To determine the market success of business satisfaction is significant because these satisfaction factors act as a benchmark to evaluate business performance in the market (Vasic et al., 2019).

Research indicates credibility, price, warranty, services, functionality, and performance problems, customer satisfaction focuses on the quality of goods provided by the manager. Customer satisfaction is a problem that, because of the customer satisfaction challenge, is challenging for the company. The customer satisfaction is conceptualized as a customer's overall experience, formed over time about business performance (Rasheed & Abadi, 2014).

## **Negative Word of Mouth**

Negative WOM closely depends on the consumer's emotional exhaustion. Negative WOM also has more credibility of the message, a long-lived period, and easy to share with others than positive WOM. When any consumers share negative WOM on any Online platform it also affects the other's purchase decision (Jesuthasan et al., 2020).

Negative WOM becomes an important venue to evaluate the business experience. It's more effective in the online world as compared to the offline world due to its assess ability and high reach. The consumer's views constitute an important component while purchasing online (Jalilvand & Samiei, 2012). Consumer attitude and purchasing pattern building are built through Word of Mouth (WOM). It plays an important role (Yang et al., 2012). The satisfied customer's experience increased the possibility to influence others regarding the opinion of a product or a service. The reverse is the case in a situation where customers face a bad experience. They spread negative word of mouth about products and services (Rahman et al., 2018).

Word-of-mouth has been recognized as an important component in building customers purchasing behaviour. Researchers split negative and positive e-WOM into two particular concepts since the inspirations fundamental consumers' choices to post positive and negative e-WOM are likely to be distinctive (Fu et al., 2015). Word of mouth is the concept in which individuals engage in e-WOM communication to benefit themselves (egoism), a group (collectivism), one or more others (altruism), or to uphold a principle (principlism) (Cheung & Lee, 2012).

Negative reviews create a more rapid impact on customer cognition as compare to positive reviews, but the literature proves that positive word of mouth is more effective for customers to decide the future purchase intention rather than negative word of mouth (Moyal & Mishra, 2018). The rapid increase in the number of internet users affects the volume and reach of e-WOM which creates the opportunity for businesses and consumers to increasingly spread their opinion online (Nee, 2016). While shopping online customers viewed the disruptions that occur in supermarket and online business orders. Few of the changes are bought by business model developers to avoid negative

WOM spread by customers but these changes in the business model don't help them to reduce that issue (Liu & Lin, 2020).

# **Repurchase Intention**

Repurchase intention is that intention that defines that consumer is willing to repurchase a product or service based on the experience (Liang et al., 2018). The repurchase intention is only the desire of satisfied consumers who felt it beneficial and felt that this business serves the consumer's needs (Ilyas et al., 2020). In online logistics, there are very few studies that have been conducted focused on online repurchase intention. On the other hand, there are more lot of researchers that have been conducted on online repurchase intention. Repurchase intention means "The customer judgment about buying again a chosen service from the same company, taking into account previous experience from that service" (Razak et al., 2014).

Customers choose to repurchase from the stores from where they get a good shopping experience. Businesses are considering repurchase intention as an important factor in purchases and sales (Ilyas et al., 2020).

The expectations of customers before purchase and after purchase performance of a product or service has a direct impact on customers repurchase intention. This is supported by Expectation-Confirmation Theory (ECT) (Sharma & Dhiman, 2019), consumers' intention to repurchase a product or service depends on customer's previous experience of using the product or service (Wu, 2013). The customers feel dissatisfied and the customer's anxiety while shopping will affect the customer's future shopping decision (Park et al., 2010). Repurchase intention is defined as consumers' subjective probability of revisiting an online store (wu & Wang, 2011). Customers consider price sensitivity to take repurchase decisions but this sensitivity doesn't influence them to change their perception about the perceived risks (Liang et al., 2018).

These all dimensions were associated with online logistics service quality which further leads to customer satisfaction. The key outcomes from this framework were repurchase intention and Negative word of mouth.

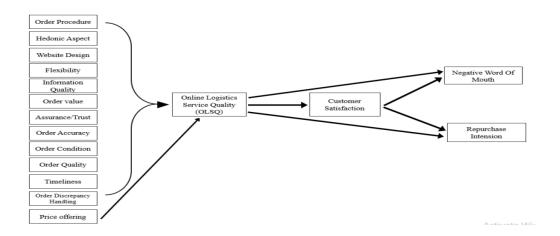


Figure 1: Research Model (developed for the study)

#### RESEARCH METHODOLOGY

The population for this was the people across Pakistan who use the services of drop shippers for ordering their food. The was conducted by using multiple online platforms. The web-based survey was circulated via the link to gather the data from all over Pakistan.

We gathered data from the minimum limit of 400 people (384+ respondents will give a statistical accuracy of +/-5% at 95% confidence interval) from the different cities of Pakistan who use the services of Foodpanda and Cheetay or any other drop shipper were the targeted sample. A total of 416 responses were received. Voluntarily, people filled this questionnaire and shared the survey link with their friends and family. Most of the responses were from the major cities of Pakistan like Islamabad, Karachi, and Lahore. And about 44.4% of responses from the age limit of 24 – 29 Years.

# **Reliability Analysis**

Reliability can be defined as the degree to which the measure of a construct is consistent or dependable (Ursachi et al., 2015). According to him, the value of the Cronbach Alpha coefficient, considered to indirectly indicate the degree to which a set of items measures a single unidimensional latent construct. Different descriptors use different values to interpret the Alpha values. According to Gliem & Gliem (2003) the following rules of thumb is applied to rank the value of Cronbach's Alpha coefficient: " > .9 - Excellent,  $_$  > .8 - Good,  $_$  > .7 - Acceptable,  $_$  > .6 - Questionable,  $_$  > .5 - Poor, and  $_$  < .5 - Unacceptable". There are references available for 0.6 above values that are acceptable. According to (Taber, 2018), the acceptable values are of 0.7 or 0.6."

**Table 1:** Summarized the reliability Statistics of different dimensions used in this study

Reliability Statistics				
Items	Cronbach's Alpha	N of Items		
IQ, OPC, HAC, ODH, T, OA, WAD, DC, TR, F, OV, OQ, PO1	.859	13		
OLSQ1, OLSQ2, OLSQ3	.879	3		
CST1, CST2, CST3	.802	3		
RI1, RI2	.756	2		
NWOM1, NWOM2, NWOM3	.666	3		

According to (Taber, 2018), the acceptable values are of 0.7 or 0.6". Here in the above-mentioned table, the Cronbach's Alpha for all the items is mentioned, and all of these values are above 0.6.

# **Ranking of Dimensions**

According to Table, the various dimensions of online Logistics Service Quality were ranked as significant or insignificant. The finding of the results shows that order procedure, order discrepancy handling, order accuracy, order value, order quality, and price offering were having P-value even less than .001, whereas hedonic aspect, trust, website/application design, delivery conditions, flexibility, and trust have P-value < .05 so these dimensions are significant in online Logistics Service Quality. According to the findings of the results, the dimensions, information quality, and timeliness are insignificant. P values of these two dimensions exceed the level of 0.05

(level of significance). And the estimate values of information quality and timeliness are 0.04 and 0.03 (As shown in Figure) which are also very low.

Table 2: Ranked dimensions of o-LSQ

Ranking	Dimensi	ons	Estimates	P- value	Decision
			1 = 0		
1	OLSQC	<opc< td=""><td>.159</td><td>***</td><td>Significant</td></opc<>	.159	***	Significant
2	OLSQC	<odh< td=""><td>.200</td><td>***</td><td>Significant</td></odh<>	.200	***	Significant
3	OLSQC	<oa< td=""><td>.156</td><td>***</td><td>Significant</td></oa<>	.156	***	Significant
4	OLSQC	<ov< td=""><td>.173</td><td>***</td><td>Significant</td></ov<>	.173	***	Significant
5	OLSQC	<0Q	.201	***	Significant
6	OLSQC	<p0< td=""><td>.203</td><td>***</td><td>Significant</td></p0<>	.203	***	Significant
7	OLSQC	<dc< td=""><td>.138</td><td>.001</td><td>Significant</td></dc<>	.138	.001	Significant
8	OLSQC	< WAD	.119	.006	Significant
9	OLSQC	<hac< td=""><td>.108</td><td>.012</td><td>Significant</td></hac<>	.108	.012	Significant
10	OLSQC	<tr< td=""><td>.106</td><td>.014</td><td>Significant</td></tr<>	.106	.014	Significant
11	OLSQC	<f< td=""><td>102</td><td>.018</td><td>Significant</td></f<>	102	.018	Significant
12	OLSQC	<iq< td=""><td>.040</td><td>.355</td><td>Insignificant</td></iq<>	.040	.355	Insignificant
13	OLSQC	<t< td=""><td>.032</td><td>.462</td><td>Insignificant</td></t<>	.032	.462	Insignificant

### **Model Fit Indices**

Researchers use several indicators to measure the Goodness of Model fit. Some of them are Normed Fit Index (NFI), Tucker Lewis Index TLI, Comparative Fit Index (CFI), and Root Mean Square Error of Approximation (RMSEA). The cutoff for GFI and AGFI tests is > 0.90. The GFI & AGFI of this study reported by AMOS is 0.947 & 0.907, respectively which could pass cutoff shows it as a Good Model Fit.

**Table 3:** Model Fit indices

	Test Statistics	Results	Good fit?
Root Mean Square Error of Approximation	RMSEA	.077	Good
Goodness of Fit Index	GFI	.947	Good
Comparative Fit Index	CFI	.958	Good
Adjusted Goodness of Fit Index	AGFI	.907	Good
Normed Fit Index	NFI	.942	Good
Tucker Lewis Index	TLI	.940	Good
Parsimonious Fit	CMIN/DF	3.326	Good

The table shows CFI, TLI, and NFI for this study. The Comparative Fit Index (CFI), Tucker Lewis Index (TLI), and Normed Fit Index (NFI), should be equal to or greater than 0.90 to accept the model (Xia & Yang, 2019). However, the CFI of this study model is 0.958, TLI is 0.940, and NFI is 0.942, which indicates it is a Good Model Fit. Root Mean Square Error of Approximation (RMSEA) is a popular measure to check the Goodness of Model fit. According to (Xia & Yang, 2019) when the

value is < 0.08 it is a Good Model Fit. In this study, the RMSEA value is .077 which indicates a Good Model Fit. 3.326 CMIN/DF is just below the upper threshold of 5.0 so it's a good fit.

#### **Measurement Model**

When the Chi-square value comes insignificant, the model is considered good (Lei & Wu, 2007). In the table--- the value of Chi-square is 7.006, which is insignificant making the model acceptable. Here again when the values of GFI and AGFI tests are > 0.90 will consider good. The GFI & AGFI of measurement model in this study reported by AMOS is 0.991 & 0.912, respectively which could pass cutoff shows it's Good. The table shows CFI, TLI, and NFI for the measurement model.

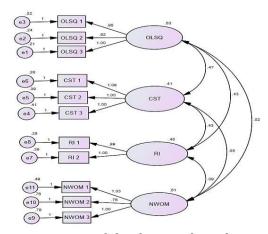


Table 4: Measurement model indices with mediating variable.

	Test Statistics	Results	Discussion
Chi-Square	<b>X</b> <sup>2</sup>	7.006	Insignificant
<b>Goodness of Fit Index</b>	GFI	.991	Good
Comparative Fit Index	CFI	.992	Good
Adjusted Goodness of Fit Index	AGFI	.912	Good
Normed Fit Index	NFI	.991	Good
Tucker Lewis Index	TLI	.953	Good

Figure 2: Model Fit

The Comparative Fit Index (CFI), Tucker Lewis Index (TLI), and Normed Fit Index (NFI), should be equal to or greater than 0.90 to accept the model (Xia & Yang, 2019). However, the CFI of the

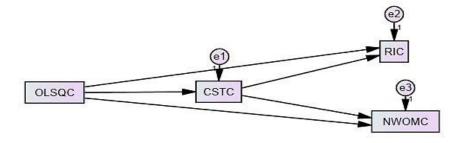


Figure 3: Measurement Model with Mediating variable.

measurement model is 0.992, TLI is 0.953, and NFI is 0.991, which also indicates it is good. The Measurement Model diagram is as follow:

In Table 5, the relationship of OLSQC with RIC was significant but with NWOMC, it was insignificant. As the researcher added the CSTC (Customer Satisfaction) as a mediating variable the relationship of NWOMC become significant.

**Table 5:** Measurement Model Variable's Estimates and P Values

Relationship	Estimates	P-Value	Decision
CSTC < OLSQC	.816	***	Significant
RIC < CSTC	.523	***	Significant
NWOMC < CSTC	190	.029	Significant
RIC < OLSQC	.265	***	Significant
NWOMC < OLSQC	122	.160	Insignificant

#### **Indirect Effects**

Further, indirect mediating effect is measure using Amos, Gaskin plugin for specific indirect effects. The results, as presented in table 6, show the significant mediating effect of customer satisfaction. While the first path from o-LSQ to customer satisfaction leading to repurchase intention is simpler and describes that ultimate goal of o-LSQ shall be to satisfy customer. The other path of o-LSQ to customer satisfaction leading to negative WOM is significant and fully mediates. We observed the relationship of o-LSQ and NWOM was insignificant but if combined with satisfaction, the impact is significant and also reduce the possibilities of NWOM.

Table 6: Specific Indirect effect

Indirect Path	Unstandardized Estimate	Lower	Upper	P-Value	Standardized Estimate
OLSQC> CSTC> RIC	0.455	0.365	0.551	0.001	0.427***
OLSQC> CSTC> NWOMC	- 0.169	0.041	0.290	0.040	0.155*
Significance	00500100	of			Estimates:

<sup>\*\*\*</sup> p < 0.001, \*\* p < 0.010, \* p < 0.050, p < 0.100

## **DISCUSSION**

Investigations found from the research that price offer has a significant relationship with online Logistics Service Quality in the food industry. As in the literature when it is taken as one dimension of a website design which further leads towards the overall e-service quality. It also shows the significant value (Rita et al., 2019). So, the first hypothesis H1 of the study is supported and accepted.

There are shreds of evidence available that negative word of mouth creates an inverse impact on customer satisfaction. The negative experience of the customers will increase the opportunity to spread negative word of mouth (Nee, 2016). Negative reviews create a more rapid impact on customer opinion and future purchase intention (Moyal & Mishra, 2018). The results finding of this

research proves that customer satisfaction reduces the spread of negative word of mouth, as the results become significant after testing customer satisfaction as a mediator.

Providing the evidence from literature, consumer's intentions to repurchase a product or service depends on the previous experience of the consumers with the product and the service (Wu, 2013). Customer satisfaction or anxiety while shopping will affect the future purchase decision (Park et al., 2010). In this research, the finding suggests that when the customers feel satisfied, they show intentions to repurchase. As the mediating variable, customer satisfaction tested in the model, the repurchase intention remains significant.

#### **CONCLUSION**

This study investigates the online Logistics Service Quality provided by the drop shipping businesses in the food industry. In the era of technology, many researchers have done work on the improvement of business operations. The business also gets the opportunity to engage drop shippers to deliver the services to the vast market, whereas the chances of spread of negative word of mouth would be increased when customers experience poor services. This research examines the various dimensions of online Logistics Service Quality and identified the most significant one from the following dimensions. According to the findings from the data, the dimension of price offer is significant. This means that people prefer to order through drop shippers when they offer discounted deals/prices. Another contribution of this research is to add customer satisfaction as a mediator in the model. Customer satisfaction mediates the relationship of o-LSQ and repurchase intention by working on the phenomenon, as customer satisfaction increases the customer's repurchase intention also increases. Satisfied customers will repurchase from the business. In the context of negative word of mouth, by adding CST (Customer Satisfaction) as the mediator the relationship of negative word of mouth becomes significant with the independent variable o-LSQ (online Logistics Service Quality). As the negative word of mouth has an inverse effect so the results will be as when customers are dissatisfied the chances of spread of negative word of mouth will increases.

## **References:**

- Avgeli, V., Smarianakis, D., & Sotiriades, M. (2008). Correlating customer satisfaction and customer loyalty: The case of international tourists in Cretan resort hotels. *Journal of Tourism and Hospitality Management*, 8(2), 43-59.
- Babin, B. J., & Krey, N. (2020). Meta-analytic evidence on personal shopping value. *Recherche et Applications En Marketing*, *35*(3), 124-32.
- Cebi, S. (2013). Determining importance degrees of website design parameters based on interactions and types of websites. *Decision Support Systems*, *54*(2), 1030-43.
- Chang, H. H., & Wang, H. W. (2011). The moderating effect of customer perceived value on online shopping behaviour. *Online Information Review*, *35*(3), 333-59.
- Cheung, C. M. K., & Lee, M. K. O. (2012). What drives consumers to spread electronic word of mouth in online consumer-opinion platforms. *Decision Support Systems*, *53*(1), 218-25.
- Choi, D., Chung, C. Y., & Young, J. (2019). Sustainable online shopping logistics for customer satisfaction and repeat purchasing behavior: Evidence from China. *Sustainability*, 11(20).
- de Maeyer, P. (2012). Impact of online consumer reviews on sales and price strategies: A review and directions for future research. *Journal of Product and Brand Management, 21*(2), 132-39.

- Fu, H., Manogaran, G., Wu, K., Cao, M., Jiang, S., & Yang, A. (2020). Intelligent decision-making of online shopping behavior based on internet of things. *International Journal of Information Management*, *50*, 515-25.
- Fu, Ju, P., & Hsu, C. (2015). Electronic commerce research and applications understanding why consumers engage in electronic word-of-mouth communication: Perspectives from theory of planned behavior and justice theory. *Electronic Commerce Research and Applications*, 14(6), 616-30.
- Gajewska, T., Zimon, D., Kaczor, G., & Madzík, P. (2019). The impact of the level of customer satisfaction on the quality of e-commerce services. *International Journal of Productivity and Performance Management*, 69(4), 666-84.
- Gan, C., & Wang, W. (2017). The influence of perceived value on purchase intention in social commerce context. *Internet Research*, *27*(4), 772-85.
- Ganguly, B., Dash, S. B., Cyr, D., & Head, M. (2010). The effects of website design on purchase intention in online shopping: The mediating role of trust and the moderating role of culture. *International Journal of Electronic Business*, 8(4/5), 302-30.
- Gidh, P. G. (2020). A multi-dimensional research study in e-commerce to capture consumer expectations. *International Journal for Research*, 8(11), 411-15.
- Gligor, D. M. (2015). Identifying the dimensions of logistics service quality in an online B2C context. *Journal of Transportation Management*, 26(1), 61-76.
- Ha, Y., & Im, H. (2012). Role of web site design quality in satisfaction and word of mouth generation. *Journal of Service Management*, 23(1), 79-96.
- Hitka, M., Pajtinkova-Bartakova, G., Lorincova, S., Palus, H., Pinak, A., Lipoldova, M., Krahulcova, M., Slastanova, N., Gubiniova, K., & Klaric, K. (2019). Sustainability in marketing through customer relationship management in a telecommunication company. *Marketing and Management of Innovations*, *4*, 194-215.
- Horváth, C., & Adıgüzel, F. (2017). Shopping enjoyment to the extreme: Hedonic shopping motivations and compulsive buying in developed and emerging markets. *Journal of Business Research*, 86, 300-10.
- Ilyas, G. B., Rahmi, S., Tamsah, H., Munir, A. R., & Putra, A. H. P. K. (2020). Reflective model of brand awareness on repurchase intention and customer satisfaction. *Journal of Asian Finance*, 7(9), 427-38.
- Jalilvand, M. R., & Samiei, N. (2012). The effect of electronic word of mouth on brand image and purchase intention: An empirical study in the automobile industry in Iran. *Marketing Intelligence and Planning*, 30(4), 460-76.
- Jesuthasan, S., Umakanth, N., & Dineshkumar, S. (2020). The impact of negative e-WOM on consumer purchasing intention through virtual snowball sampling method: A special reference from northern province at Srilanka. *Journal International Journal in Management and Social Science*, 8(7),
- Kazmi, S. H. A., Raza, M., & Ahmed, J. (2020). Impact of destination service quality on revisit intention in tourism. *Journal of Organisational Studies and Innovation*, *7* (3), 26-45.
- Khulan, G., Odsvren, B., Ariunaa, M., & Enkhbileg, T. (2018). Service quality influences on customer satisfaction and brand loyalty: In case of Mongolian banking sector. *International Journal of Management and Applied Science*, 4(7), 103-07.
- Kimery, K. M., & McCord, M. (2002). Third-party assurances: The road to trust in online retailing. *Proceedings of the Annual Hawaii International Conference on System Sciences*, 2002-Jan., 10.

- Kocoglu, C. M., & Kalem, M. Y. (2020). Research on the impact of perceived service fairness and price fairness on the complaining behaviour of restaurant customers. *Kocoglu, Kalem Journal of Business, Economics and Finance-IBEF*, *9*(1), 1–11.
- Landrum, H., Prybutok, V., Zhang, X., & Peak, D. (2009). *Informing science: The international journal of an emerging transdiscipline measuring IS system service quality with SERVQUAL: Users' Perceptions of Relative Importance of the Five SERVPERF Dimensions.*
- Lei, P. W., & Wu, Q. (2007). Introduction to structural equation modeling: Issues and practical considerations. *Educational Measurement: Issues and Practice*, 26(3), 33-43.
- Liang, L. J., Choi, H. C., & Joppe, M. (2018). Exploring the relationship between satisfaction, trust and switching intention, repurchase intention in the context of Airbnb. *International Journal of Hospitality Management*, 69, 41-48.
- Liu, C.-F., & Lin, C.-H. (2020). Online food shopping: A conceptual analysis for research propositions. *Frontiers in Psychology*, *11*, -1-8.
- Moyal, P., & Mishra, Dr. S. (2018). Factor affecting positive and negative word of mouth in restaurant industry. *International Journal of Trend in Scientific Research and Development*, *2*(4), 985-89.
- Murfield, M., Boone, C. A., Rutner, P., & Thomas, R. (2017). Investigating logistics service quality in omni-channel retailing. *International Journal of Physical Distribution and Logistics Management*, 47(4), 263-96.
- Nee, I. (2016). *Managing negative word-of-mouth on social media platforms.* Springer.
- Park, I., Bhatnagar, A., & Rao, H. R. (2010). Assurance seals, on-line customer satisfaction, and repurchase intention. *International Journal of Electronic Commerce*, *14*(3), 11-34.
- Platt, J. E., Jacobson, P. D., & Kardia, S. L. R. (2018). Public trust in health information sharing: A measure of system trust. *Health Services Research*, *53*(2), 824-45.
- Rahman, M. A., Islam, M. A., Esha, B. H., Sultana, N., & Chakravorty, S. (2018). Consumer buying behavior towards online shopping: An empirical study on Dhaka city, Bangladesh. *Cogent Business & Management*, *5*(1), 1-22.
- Rahman, M. A., Islam, Md. A., Esha, B. H., Sultana, N., Chakravorty, S., & Molnar, A. (2018). Consumer buying behavior towards online shopping: An empirical study on Dhaka city, Bangladesh. *Cogent Business & Management*, *5*(1), 1-22.
- Rahmat, A., & Faisol, N. (2016). Manufacturers satisfaction on logistics service quality: Operational, relational and national culture. *Procedia Social and Behavioral Sciences*, 224, 339-46.
- Rasheed, F. A., & Abadi, M. F. (2014, Aug.). Impact of service quality, trust and perceived value on customer loyalty in Malaysia services industries. *Procedia Social and Behavioral Sciences*, 164, 298-304.
- Razak, N. S. A., Marimuthu, M., Omar, A., & Mamat, M. (2014). Trust and repurchase intention on online tourism services among Malaysian consumers. *Procedia Social and Behavioral Sciences*, 130, 577–582.
- Rita, P., Oliveira, T., & Farisa, A. (2019). The impact of e-service quality and customer satisfaction on customer behavior in online shopping. *Heliyon*, *5*(10), e02690.
- Rummo, P. E., Cassidy, O., Wells, I., Coffino, J. A., & Bragg, M. A. (2020). Examining the relationship between youth-targeted food marketing expenditures and the demographics of social media followers. *International Journal of Environmental Research and Public Health*, *17*(5), 1-12.

- Sharma, R., & Dhiman, N. (2019). E learning continuance usage intentions: An expectation confirmation theory perspective. *Manthan Journal of Commerce and Management*, 6(1), 178-86.
- Singh, G., Kaur, H., & Singh, A. (2018). *Dropshipping in E-Commerce*. 7–14.
- Sözer, E. G., & Uzunoğlu, İ. (2020). Do Hedonic cues on product packages influence consumer behavior? A study on utilitarian retail food products. *Journal of Tourism and Gastronomy Studies*. *Article in Journal of Tourism and Gastronomy Studies*, 8 (3), 1668-84.
- Stevens, J. L., Spaid, B. I., Breazeale, M., & Jones, C. L. E. (2018). Timeliness, transparency, and trust: A framework for managing online customer complaints. *Business Horizons*, *61*(3), 375-84.
- Syaifullah A, A., & Honantha, C. R. (2020, Feb. 12). *The effect of social network marketing, attitudes toward social network marketing and consumer engagement on consumer purchase intention on Batik.* Proceedings of the 17<sup>th</sup> International Symposium on Management (INSYMA 2020).
- Taber, K. S. (2018). The use of Cronbach's Alpha when developing and reporting research instruments in science education. *Research in Science Education*, 48(6), 1273–96.
- Tandon, A., Aakash, A., & Aggarwal, A. G. (2020). Impact of EWOM, website quality, and product satisfaction on customer satisfaction and repurchase intention: moderating role of shipping and handling. *Int. Journal of Systems Assurance Engineering and Management*, 11, 349-56.
- Ulfah, R., Simarmata, J., Keke, Y., Amonalisa, S., & Amin, A. F. (2020). The influence of service quality and customer satisfaction through customer loyalty (study case Lionair Airline, Indonesia). *Advances in Transportation and Logistics Research*, *3*, 828-35.
- Vasic, N., Kilibarda, M., & Kaurin, T. (2019). The influence of online shopping determinants on customer satisfaction in the Serbian Market. *Journal of Theoretical and Applied Electronic Commerce Research*, *14*(2), 0–0. https://doi.org/10.4067/s0718-18762019000200107
- Vijay, T. S. Prashar, S., & Sahay, V. (2019). The Influence of Online Shopping Values and Web Atmospheric Cues on E-Loyalty: Mediating Role of E-Satisfaction. Journal of Theoretical and Applied Electronic Commerce Research, 14(1), 2019-20.
- Walsham, G. (2017). ICT4D research: Reflections on history and future agenda. *Information Technology for Development*, 23(1), 18-41.
- Wilkins, C. H. (2018). Effective engagement requires trust and being trustworthy. *Medical Care* 56(10, Supp. 1), S6–S8.
- Wu, I.-L. (2013). The antecedents of customer satisfaction and its link to complaint intentions in online shopping: An integration of justice, technology, and trust. *International Journal of Information Management*, *33*, 166-76.
- Wu, P. C. s., & Wang, Y. C. (2011). The influences of electronic word-of-mouth message appeal and message source credibility on brand attitude. *Asia Pacific Journal of Marketing and Logistics*, 23(4), 448-72.
- Xia, Y., & Yang, Y. (2019). RMSEA, CFI, and TLI in structural equation modeling with ordered categorical data: The story they tell depends on the estimation methods. *Behavior Research Methods*, *51*(1), 409-28.
- Yang, S. A., Hu, M., Winer, R. S., Assael, H., & Chen, X. (2012). *Articles in advance*. 1–12.
- Zhong, Y., & Moon, H. C. (2020). What drives customer satisfaction, loyalty, and happiness in fast-food restaurants in china? Perceived price, service quality, food quality, physical environment quality, and the moderating role of gender. *Foods*, *9*(4), 1-20.

Date of Publication	October 01, 2023
---------------------	------------------