



## Website Quality, Store Image and Customer Satisfaction of E-Commerce in Myanmar

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### ABSTRACT

This study intends to analyze the effect of website quality and store image on customer satisfaction with e-commerce in Myanmar. **Methodology** The convenience sampling method was applied in this study. The 175 participants involved in this research process. The majority of the participants live in Yangon city which largest commercial city in Myanmar. The survey method is a major research strategy for this study, with a well-designed, structured questionnaire. The descriptive statistics, Pearson correlation test and multiple linear regression test used for analysis the collected data. **Findings** – The major findings of this study are that system quality, service quality, and store image have a positive and significant effect on customer satisfaction. **Novelty/value** – Based on this finding, some suggestions were made for the practical and academic fields. The web creators and marketers should align the tech factors and non tech factors in order to create the more quality e-commerce sites in Myanmar market which are infant industry for e-business. The origin of this research is store image, which is considered another antecedent factor for determining the success of the information system (IS) model (customer satisfaction).

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### INTRODUCTION

The government liberalized the telecom industry in 2013 as a result of democratic transactions in Myanmar under the H.E. Thein Sein administration. The booming telecom industry dropped the opportunities for the Myanmar e-commerce industry. The growing stage of the Myanmar e-commerce industry peaked in 2015 under the NLD administration. At the same time, information technologies are also developing over time. In 2019, COVID-19 disease spread around the world, and Myanmar faced the challenges of COVID-19 disease in March 2020. The Ministry of Health and Sports, Myanmar, announced the new regulations for COVID-19 prevention to the public, including the private business sector. The private business is changing its business operations. They moved to an online platform for conducting business. Particularly, Myanmar's businesses initiated the e-commerce platform, as did consumers' changing consumption habits.

The e-commerce industry has increasingly gained popularity in Myanmar due to various environmental and contextual factors. International Trade Associations (ITS) published that nearly 40 million Myanmar people use mobile phones and that 80% of the country population has access to e-commerce platforms such as online shopping, online payments, and other online business activities (International Trade Association, 2022). It is the same coin of mobile phone usage rate, and the e-commerce industry



is booming. According to the Electronic Chart Data Base (ECDB) review, Myanmar's seventy-fifth e-commerce market will earn US\$1,159.1 million by 2023 (ECDB, 2023). The Electronic Chart Data Base (ECDB) reported that seven industries were majority in Myanmar e-commerce market: the first is the electronic industry with 23.5% market share, followed by hobby & leisure (23.4%), fashion (18.8%), furniture & homeware (11.1%), grocery (7.9%), care products (7.9%), and DIY products (7.4%), respectively.

The e-commerce industry has been booming and intensifying competition over the years. Thus, numerous businesses developed the e-commerce platform to gain competitive advantages by arranging close interactions with customers. Ahmed & Kumari (2022) and Iskanto (2024) proposed that online retailers should offer practical features at a reasonable price compared with offline retailers. The Internet has a profound effect on people's communication and interaction. Although information technologies highly encourage people's interaction, they can't replace conventional communication such as friendship, courtesy, helpfulness, and so on. Therefore, online shopping and e-business mainly focus on web factors and virtual store image in order to meet and maintain customer satisfaction (Indrawati, 2024; Iskanto, 2017; Iskanto et al., 2022; Samsul et al., 2022). There have been numerous studies on excellence in web factors and customer satisfaction in the e-commerce industry, but there is still a lack in the Myanmar context. Thus, this study is based on the current Myanmar e-commerce context. This study intends to deeply understand the Myanmar e-commerce industry from website factors, store image, and customer satisfaction perspectives. The specific objectives developed for this study are as follows:

1. To study the website quality factors, namely system quality, informational quality, and service quality, of e-commerce in Myanmar.
2. To examine the store image of e-commerce platforms in Myanmar.
3. To analyze the relationship between website quality, store image, and customer satisfaction in e-commerce in Myanmar.

The next section reviews the previous literature that is relevant to the current study. The findings of this research work will help marketing practitioners make effective marketing strategies and know how to enhance customer satisfaction within the Myanmar e-commerce industry. Moreover, web designers will know how to make effective features for e-commerce platforms. Finally, this study will provide useful information for other research scholars who are highly interested in website quality, store image, and customer satisfaction among e-commerce users in Myanmar.

## LITERATURE REVIEW

This study constructed the study framework based on both a technology-centered approach and a consumer-centered approach. The technology-centered approach tries to explain the nature of consumers' decision processes from technical perspectives such as website systems and the usability of information systems. The market-centered approach has been designed to explore consumers' perceptions of information systems from a market perspective, such as shopping experiences and service quality. William H. DeLone and Ephraim R. McLean developed the information system (IS) model in 1992 to explore the dependent variables for information system success (McLean, 1992). Actually, DeLone and McLean got their research idea from Peter Keen, who pointed out the five issues in the management information system field (MIS):

1. What are the reference documents for management information systems (MIS)?
2. What are the dependent variables for information system success?
3. How does MIS change the traditions?
4. What is the relationship between MIS and practical?
5. Where should MIS researchers publish their findings? (Keen, 1983)

DeLone and McLean assumed the second issue was critically important to information system success. IS scholars assumed that information is the outcome of an information system that can be measured at three different levels: technical level, systematic level, and effectiveness level. DeLone and McLean updated the information system success (IS) model associated with business practices as well as the e-commerce concept in 2003. The new dimensions—information quality and service quality—are added to the original dimensions of system quality.

**(a) System Quality**

The original definition of 'system quality' refers to user-friendliness, convenience, and ease of use. System quality is an important aspect of the success of e-commerce (Choi, 2014). Choi (2014) suggested that system quality mainly focuses on the performance of the e-commerce system, which provides feasibility, is user-friendly, and gets the necessary information from firms as well. In those decades, there was so much competition in the e-commerce world that ease of use, accessibility, and user friendliness were not sufficient to measure e-commerce performance. Thus, e-commerce scholars added new dimensions for system quality such as web appearance, effective imagery, striking colors, modernized graphics, and visitors' security (Choi, The Effect of Website Quality and Image on Customer Satisfaction and Intention to Use C2C Websites: An Empirical Study, 2014).

**(b) Information Quality**

Today, the economy is recognized as an information economy because businesses try to sell their products and services by providing the right information. Thus, information quality can affect firms' performance. Up-to-date information, information richness, accuracy, accuracy and usefulness are key attributes for information quality. E-commerce scholars assume that 'information quality' is the key determinant factor for e-commerce success (Iskamto & Zumarnis, 2024).

**(c) Service Quality**

'Service quality' is defined as how customers' perceive that an e-commerce system provides the services for the user's expectations during and after using the system. Today, e-commerce sources provide numerous services for customers. E-commerce provides services for consumers not only during usage times but also after usage. E-commerce service quality is concerned with reliability, accuracy, responsiveness, and accessibility (Agaba & Mugarura, 2023; David et al., 2023; Iskamto et al., 2020; Samsul et al., 2022).

In various marketing literature, customer satisfaction is an important factor for business. The nature of the e-commerce system normally does not permit much or no human involvement in commercial transactions such as purchasing, after-sale service, and so on. Thus, customer satisfaction or user satisfaction in an e-commerce system refers to how consumers perceive the outcome of the firm's established information system. The previous literature proved that customer satisfaction or user satisfaction is the individual effect of a well-designed information system. Therefore, this study proposes the following hypotheses:

Hypothesis: H1: System quality will positively and significantly affect customer satisfaction on Myanmar e-commerce sites.

H2: Information quality will positively and significantly affect customer satisfaction on Myanmar e-commerce sites.

H3: Service quality will positively and significantly affect customer satisfaction on Myanmar e-commerce sites.

**(d) Store Image**

Javalgi, M.B. Traylor, A.C. Gross, and E. Lampman (1994) investigated the store image from an e-commerce perspective. They developed the product and service quality and consumer's awareness of the e-market place as online store image dimensions. Store image is recognized as a critical factor in conventional marketing literature that was recently acknowledged in information system literature. Y. Lee and K.A. Kozar (2006) showed that store reputation significantly contributes to customer satisfaction and e-market place success. Moreover, various e-marketplace scholars proved that online store image was shaped by consumers' perceptions of store performance, quality of product and service, store reputation, and brand image. If consumers have a positive perception of store image, that can enhance their satisfaction level with e-commerce sites. Therefore, this study intends to propose the following research hypothesis:

H4: Store image will positively and significantly increase customer satisfaction on Myanmar e-commerce sites.

Figure (1) presents the study framework of this research. Website quality namely system quality, information quality, service quality and store image were regressor and customer satisfaction is regressand variable.

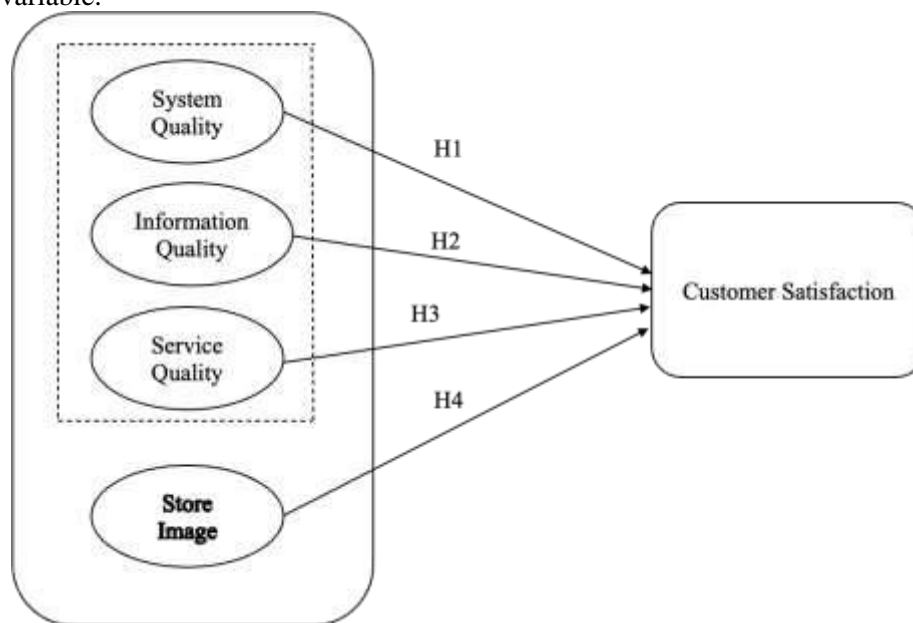


Figure (1) Study Framework

## METHODS OF THE STUDY

This section is composed of two parts: the respondents and measurement factors. This study intends to test the four proposed hypotheses and address three research objectives.

### (a) Respondents

This study employed the convenience sampling method for data collection. The target population is consumers who have experience using e-commerce sites. The data collection time is four months, from 2023 September to 2023 December. The majority of respondents are female, which is 73% of the required sample size. 63% of respondents were 21–26 years old, and most of them were buying clothing and electrical appliances, compared to 53% of the participants. The 175 consumers were valid for this study. Most of them live in the Yangon region; the second is Nay Pyi Taw, and the others are from other states in Myanmar. 78% of the respondents live in urban areas.

### (b) Measurement Factors

This research was conducted with descriptive and explanatory research strategies. The survey method was the majority used for this study. The survey questionnaire was prepared as a self-administrative question. The questionnaire has two parts: the first is general information about respondents, and the second is five-point Likert scale-type questions ranging from 1 to strongly disagree, 2 to disagree, 3 to neither agree nor disagree, 4 to agree, and 5 to strongly agree. The measurement items of website quality (system quality, information quality, service quality), store image, and customer satisfaction were adopted directly and adjusted to the study context in Table 1.

## RESULT

Table 1 shows the mean value of each item, the standard deviation, and the Cronbach alpha value. The reliability of each scale item was good because the alpha value ranged from .825 to .924. This is a good result for the reliability test because the alpha value is nearly "1," which highlights the internal consistency of statements in each variable. The mean value of system quality ranges from 3.10 to 3.61. The other three are nearby and explain that respondents were neither agreeing nor disagreeing with system quality statements. In information quality, the respondents agree that "the e-commerce sites provide useful information" and get a mean value of 3.41. Regarding the service quality, "This e-marketplace provides reliable service." "This e-marketplace is responsive to my inquiry" achieved a mean value of 3.19 and 3.14, respectively. Concerning store image, the highest mean value is 3.35, and I think this e-marketplace is well known for the quality of its products. The mean value of customer satisfaction ranges from 3.15 to 3.26. Overall, the mean value of all statements near 3 that indicate the respondents perceive the website quality factors, store image, and their satisfaction level on an e-commerce site is average and does not reach positive or negative extremes.

**Table (1) Mean, Standard Deviation and Cronbach Alpha**

No.	Variable	References	Factors	Cronbach Alpha	Mean	S.D
1	System Quality	Lee & Kozar (2006)	SY 1	.846	3.22	.989
2			SY 2		3.61	.906
3			SY 3		3.37	.837
4			SY 4		3.42	1.03
5			SY 5		3.49	.993
6			SY 6		3.10	.918
7	Information Quality	Lederer et al (2000)	IQ 1	.924	3.27	.943
8			IQ 2		3.40	1.005
9			IQ 3		3.25	.901
10			IQ 4		3.29	.866
11			IQ 5		3.32	.923
12			IQ 6		3.41	1.001
13	Service Quality	DeLone and McLean (2003)	SR 1	.825	3.19	.963
14			SR 2		3.14	.941
15			SR 3		2.90	1.009
16			SR 4		2.89	.959
17	Store Image	Javalgi et al. (2002)	SI 1	.848	3.16	1.05
18			SI 2		3.20	1.03
19			SI 3		3.12	1.02
20			SI 4		3.35	1.02
21	Customer Satisfaction	McKinney et al. (2002)	CF 1	.923	3.26	1.04
22			CF 2		3.26	.89
23			CF 3		3.20	.97
24			CF 4		3.30	.94
25			CF 5		3.15	1.07

**Source : Survey Data (2023)**

The result of correlation analysis shown in Table (2). This correlation test tried to test the relationship of dependent variable (customer satisfaction) and independent variables (website quality, store image) before making the regression test. The Pearson correlation test of system quality and customer satisfaction produced  $r = .521$ ,  $P < .001$  that indicates the service quality and customer satisfaction is strongly positive relationship. The outcome of information quality and customer satisfaction yields  $r = .569$ ,  $P < .001$  which reveals the strong relationship of information quality and customer satisfaction. Moreover, there is positive relationship between service quality and customer satisfaction ( $r = .668$ ,  $P < .001$ ). Finally, the Pearson correlation analysis of store image and customer satisfaction found that



positive relationship. Overall, all independent variables and dependent variable are significantly relationship.

**Table (2) Pearson Correlation Test**

Observed Variable		Latent Variable			
		System Quality	Information Quality	Service Quality	Store Image
Customer Satisfaction	Person	.521**	.569**	.668**	.744**
	Correlation				
	Sig (2 tailed)	.000	.000	.000	.000

Notes : P < .001 (1% Significant), .001 < P < .005 (5%), .005 < P < .01 (10%)

**Source: Survey Data (2023)**

To test the proposed hypotheses, the multiple linear regression analysis method used in this study. The regression model reveals the independent variables has partially significant effect on dependent variable. The result obtained can be seen in the following Table.

**Table (3) Regression Model**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.276	.204		1.355	.177
	System Quality Mean	.151*	.090	.129	1.678	.095
	Information Quality mean	-.102	.104	-.095	-.975	.331
	Service Quality Mean	.366***	.089	.332	4.128	.000
	Store Image Mean	.523***	.064	.520	8.215	.000
R Square		.472				
Adjusted R Square		.463				
F Value		50.984***				

Based on the Table above R square and adjusted R<sup>2</sup> are .472, .463 or 47% or 46 % respectively. This shows that the strength or predictive ability of the dependent variable (customer satisfaction) to the independent variable (system quality, information quality, service quality, store image) is 47%.

The F test is used to determine whether the independent variable (system quality, information quality, service quality, store image) together have a significant effect on the dependent variable (customer satisfaction), or to find out whether the regression model can be used to predict the dependent variable or not. The results of the F test can be seen in above Table .Its probability value less than .005

Testing the regression coefficient of service quality and store image have positively significant effect on customer satisfaction at 1% level. In one side system quality is significant effect on customer satisfaction at 5% level. Information quality is no effect on customer satisfaction. Thus, the alternative hypothesis of 1,3 and 4 is accepted. In contract, the alternative hypothesis 2 is rejected.

## DISCUSSION

The study provides crucial insights into the interplay between system quality, service quality, store image, and their impact on customer satisfaction in the e-commerce sector. The findings of the study reveal that all three factors—system quality, service quality, and store image—have a positive and significant effect on customer satisfaction.

System quality encompasses the functionality, usability, and reliability of an e-commerce platform. A well-designed system allows for smooth navigation, faster load times, and secure transactions. These factors ensure a seamless user experience, thereby enhancing customer satisfaction. For instance, previous studies, such as DeLone and McLean's Information Systems Success Model (1992, 2003), emphasize the role of system quality as a critical determinant of user satisfaction and success in digital environments. The quality of service provided by e-commerce platforms, including responsiveness, accuracy of support, and after-sales service, is another key factor. As Parasuraman et al. (1988) highlighted through the SERVQUAL model, service quality is a direct contributor to perceived value and customer satisfaction. This study underscores the importance of efficient and customer-centric services in fostering trust and loyalty among users. Store image relates to the perception customers hold regarding an e-commerce platform's brand identity, reputation, and reliability. A strong store image builds confidence in customers and reduces perceived risk, especially in markets like Myanmar, where e-commerce adoption is still growing. This finding aligns with studies like those of Berman and Evans (1995), which argue that a positive store image enhances customer loyalty and repeat purchases. The e-commerce landscape in Myanmar is rapidly evolving, with increasing internet penetration and digital literacy. This study's findings highlight the critical need for businesses to invest in robust website infrastructure, superior customer service, and strategic branding efforts to enhance their store image. By addressing these factors, e-commerce platforms can not only attract new customers but also retain existing ones, driving long-term growth and sustainability. While this study sheds light on essential aspects of e-commerce quality and customer satisfaction, future research could explore additional variables, such as product diversity, pricing strategies, or cultural factors, that may influence customer satisfaction. Moreover, longitudinal studies could provide insights into how these relationships evolve over time as the e-commerce sector in Myanmar matures.

## **CONCLUSIONS**

This study examines website quality factors such as system quality, service quality, information quality, store atmosphere, and customer satisfaction in e-commerce in Myanmar. The descriptive result shows the consumer perceptions of each variable spread out naturally and agree with each variable. The analytical results reveal that service quality and store image have a positive and significant effect on customer satisfaction at a confidence level of 99%, and system quality also has an effect on customer satisfaction at a confidence level of 90%. Thus, this study concluded that Hypotheses 1, 3, and 4 are accepted. This study makes some suggestions for industry experts and academic experts in the information systems field. This study can provide critical points for managerial implications. The owners and web designers of e-commerce platforms in Myanmar should keep up with easy-to-use functions. Moreover, security and data privacy functions should be modified for customers to align with innovative technology functions in order to avoid fraud and insecure cases. They have to ensure that the e-commerce platform provides easy-to-understand and relevant information in professional ways to provide a high-quality image. With respect to service quality, e-commerce sites in Myanmar should be responsive to customer inquiries and requests, and their problems and issues should be addressed. Designers of e-commerce sites should create functions that well serve follow-up services for their customers. The owners of e-commerce sites should be aware that e-business operations operate not only on cloud systems; some parts of business functions operate in person, which is well prepared for improving customer service. For the aspect of store image, owners and web designers should create the store image by aligning with technical and non-tech functions such as product image, demonstrating the quality of products and services, and other branding activities. Despite the limitations, this study highlights some contributions to the academic world. Firstly, this study extends store image as the independent variable for information system model (IS model) success and customer satisfaction.





Secondly, the findings of this study are consistent with those of other information systems studies. Finally, this study draws up the individual impact (customer satisfaction) on the success of the information system. Further studies should imply the other antecedent factors for customer satisfaction and also consider what will happen after customer satisfaction.

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