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FACTORS AFFECTING THE SERVICE QUALITY OF LAZADA IN VIETNAM

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In the context of long social distancing during months of the pandemic Covid-19, new trends in commerce and unprecedented consuming behaviors were created. One of them is the exponential growth of e-commerce all over the world. In Vietnam, the market has never observed such a prosperous condition for e-commerce companies before: the number of online shoppers, monthly e-commerce web visits, and consumers' spending on online purchases doubled or even tripled compared to the previous year. Nonetheless, staying strong in the competition requires companies to possess great differentiation from competitors, which usually comes from service quality. This study is conducted to assess factors influencing the service quality of Lazada, the second leading company in the market, hence suggesting a direction for the company to enhance its service quality factors. To identify and analyze the impact of factors on service quality, responses of 148 Lazada users in Hanoi and Ho Chi Minh City were collected through purposive sampling. Hypotheses will be validated by conducting linear regression analysis with SPSS software. The findings indicate that efficiency, fulfillment, compensation, responsiveness, and contact are all positively influential to Lazada's service quality.

Keywords: Service quality, Lazada, e-commerce, online shopping, online shoppers

1. Introduction

Since its first existence in 1995 and subsequent appearance in Vietnam in 2000, e-commerce has developed and become more widespread. E-commerce is all about business transactions that involve the use of the Internet, the World Wide Web, applications, and browsers running on mobile devices; thus, its extensive rise is not surprising (Laudon and Traver, 2017). As the usage of mobile devices grows, the Internet spreads across the country, and Covid-19 forces people to remain at home more, online shopping has fast become a trend, if not a daily habit, for many Vietnamese customers. According to a Statista analysis from 2022, more than half of survey respondents visited online shopping more than they had previously, while all types of retail outlets saw a drop in usage.

Over the last few years, the Vietnamese e-commerce market has seen significant growth with substantial results. Considering the e-commerce market condition in the past, various aspects of this market had steady growth up until 2020. In terms of income, Vietnam's e-commerce market grew from 2.97 billion to 11.8 billion dollars between 2014 and 2020 (Statista, 2022). In the online economy, the annual gross merchandise volume increased from 3 billion dollars in 2015 to 21 billion dollars in 2021. Statista (ecommerceDB, 2021) estimates 52 million

e-commerce users in 2021, based on a 74% Internet penetration rate and a 53% e-commerce penetration rate. Given a large number of consumers and their purchasing power, Vietnam is undoubtedly a promising market for e-commerce companies.

For e-commerce firms, a dynamic, open market like Vietnam is equivalent to a highly competitive market, requiring service providers to improve their service quality. In the report by Statista (2022), one-third of the respondents confirm the impact of quality of goods or services on their online purchases. It is the poor customer service and poor delivery service that prevent online shoppers from making decisions of buying. On the other hand, pleasant customer service experience is one of the main reasons for repeating purchases on e-commerce and online platforms. In literature in the field of e-commerce, there are studies proving the significant relation between service quality and customer satisfaction (Lin, 2010; Sharma and Lijuan, 2015; Dhingra, Gupta and Bhatt, 2020) and eventually customer' purchase intention (Dhingra, Gupta and Bhatt, 2020) or customer retention (Santos, 2003). On studying the case of Lazada in Bangkok, the study by Amati (2020) further confirms the effect of service quality on purchase decision among consumers.

Lazada is having a competitive edge in an extremely competitive market. Shopee, Lazada, Tiki, Facebook, and Sendo were the five most popular e-commerce sites among Vietnamese online shoppers in 2019. Among these sites, Shopee and Lazada stand out in terms of monthly visits and customer awareness (Statista, 2022). However, until the third quarter of 2021, Shopee was far ahead of Lazada with nearly 78 million monthly web visits, which is more than three times Lazada's figure. Nonetheless, all e-commerce companies must always strive to improve their service quality in order to maintain consumer loyalty and grow their market share.

Findings from this paper aim to identify factors that influence the service quality of Lazada in Vietnam and assess their impacts. Based on the assessment, Lazada can have a direction to improve its service quality factors.

2. Service quality and models for measuring service quality

2.1. Service quality

Service quality is a multifaceted concept that must be assessed from various angles. Different writers can have different conceptualizations of service quality based on their little or greatly different approaches to service quality. According to Parasuraman et al. (1988), service quality is defined as comparison between their expectations and perceptions of performance. To define service quality, Hoffman and Bateson (2010) believe it is necessary to distinguish it from customer satisfaction. The latter is a short-term and transaction-specific measurement. In contrast, the research subject is an attitude, a long-term appraisal of performance. Furthermore, both the final products and the process are likely to influence service quality (Lehtinen and Lehtinen, 1991; Parasuraman et al., 1985).

Implementing and evaluating service quality is critical since it may be the only way to differentiate services (or products), which can lead to increased market share and financial success. It is, however, a challenging task because service quality is evaluated in terms of both the outcome and process of the service. Unlike goods, which have quality control measures to rule out defects before clients encounter them, service quality is an ongoing component of service production and administration.

Although service quality is an elusive concept (Parasuraman et al., 1985; Snoj et al., 2004), it is important to distinguish between service quality and perceived quality for the purpose of proper evaluation. Perceived quality is the customer's judgment about the overall excellence or superiority of a product or service (Kirmani and Zeithaml, 1993) and is different from objective quality (Snoj, 2004). This concept is oriented towards customers and their perceptions while service quality, on focusing process and outcome, is about service performance by service provider.

2.2. Models for measuring service quality

The Gaps Model by Parasuraman et al. (1985) can be used to study the process of improving service quality. The approach comprises five gaps in expectations and views between management, employee, and customer views and expectations, to narrow or even eliminate service quality gaps. There are knowledge, standards, delivery, communications, and service gaps, with the final one being the most important. The service gap is the difference between what customers expect from service and how they perceive it when it is provided.

SERVQUAL

The SERVQUAL scale was developed by Parasuraman et al. (1988) as the fifth gap in the Gaps Model, the service gap. With a user-based

approach, it is a common measure of service quality since it indicates a company's broad strengths and weaknesses in terms of service quality. The five dimensions of the scale are tangibles, responsiveness, reliability, assurance, and empathy. This scale can examine customers' expectations, perceptions and to track performance of the service, making it potentially applicable to a wide range of service providers and retailers. However, this scale is no longer appropriate for services developed after the Internet's inception as privacy, time and compensation are some of the newly raised concerns. Other scales were created to better observe and manage service quality in the online environment.

WEBQUAL

With user-based and value approaches, Loiacono, Watson, and Goodhue (2002) developed the WEBQUAL scale, focusing on 12 characteristics to improve the interaction between a client and a company's website after extensive research and interviewing web designers and visitors. Interactivity, trust, reaction time, ease of understanding, intuitive operations, aesthetic appeal, innovativeness, flow-emotional appeal, consistent image, online completeness, and better than other channels are the factors to consider. This scale is not only a reliable, validated measure of website quality but also useful in adding up to the understanding of the Technology Acceptance Model. However, the subject of sampling undergraduate business students and unavailable repeated subjects challenge its capability of generalization.

SITEQUAL

SITEQUAL is a psychometrically rigorous instrument developed by Yoo and Donthu (2001) to measure the perceived quality of an Internet shopping site. The items were created primarily from customer descriptions, showing its user-based approach, resulting in a nine-item scale with four dimensions: ease of use, aesthetic design, processing speed, and security. SITEQUAL can be used to evaluate the quality of an Internet retail site and how it affects visitor behavior. Yet, the scale primarily focuses on shopping sites rather than any service by personnel.

ETAILQ

Wolfinbarger and Gilly (2003) created eTailQ to measure etail quality using online and offline focus groups, a sorting task, and an online survey of a consumer panel. Website design, fulfillment/reliability, privacy/security, and customer service are all strong predictors of customer quality, satisfaction, and loyalty toward the website. It can predict the customers' judgment of quality, satisfaction, and loyalty. A blend of user-based and value approaches is utilized in this scale development. Moreover, the findings will be based on not only web design and fulfillment/reliability factors but also technical interface between customers and the company instead of a representative employee, which is a new but important aspect of modern e-commerce. However, the applicability for general Internet users is challenged as the scale originally tested with a complicated online panel.

E-SERVQUAL

Combining the user-based and manufacture-based approaches, e-SERVQUAL scale considers service quality in the e-commerce industry with seven dimensions: efficiency, system availability, fulfillment, privacy, responsiveness, compensation, and contact. It was developed by Parasuraman et al. (2005) in an attempt to evaluate e-service quality from a broader, multidimensional perspective. This is the most extensively used scale since it encompasses the entire buying process, from pre-purchase to post-purchase. The advantage of this scale is its capability to evaluate the service quality of a web with either physical goods or pure services.

E-S-QUAL and E-RECS-QUAL

In the paper by Parasuraman et al. (2005), the seven e-SERVQUAL dimensions are divided into two scales: E-S-QUAL and E-RecS-QUAL. The first one covers the core service dimensions: efficiency, system availability, fulfillment, and privacy. The second is concerned with the recovery phase besides the core service: compensation, communication, and responsiveness. This helps companies to assess their service quality in a specific phase of the service production, allowing the improvement to be more specific with focused resources and effort.

3. Methodology

3.1. Research model

Considering the multidimensional and versatile applicability of the commonly used model by Parasuraman et al. (2005) compared to other scales of measuring service quality, this research utilizes the e-SERVQUAL model with some modifications. Instead of including all seven dimensions, this paper only studies five factors of those due to a risk of bias and ambiguity for the two eliminated factors. According to respondents of the authors' pilot survey among customers having experience buying on

Lazada, customers' perceptions of System Availability and Privacy are prone to be personal feelings rather than transparent, factual knowledge. Therefore, only Efficiency, Fulfillment, Contact, Responsiveness, and Compensation are retained to ensure the model's reliability. The item construct will be based on a user-based and value approach mix.

H4: There is a significant positive impact of responsiveness on Lazada's service quality.

H5: There is a significant positive impact of compensation on Lazada's service quality.

3.3. Characteristics of factors affecting service quality of Lazada in Vietnam

Efficiency
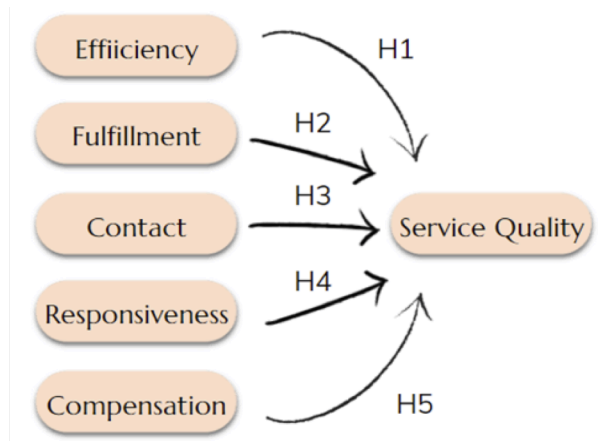
Source: *Compiled by the author*

Figure 1: *Research model*

Efficiency: the ease of finding information and taking actions on the (app) or (web)

Fulfillment: the company's level of giving accurate information and fulfilling its promises

Contact: the ease of contacting merchants and customer service agents on the platform

Responsiveness: the speed and effectiveness of providing responses by merchants and customer service agents

Compensation: the variety and fairness of compensating methods by Lazada on the occasion of order problems

Service quality: customers' opinions of product and service quality of Lazada in Vietnam with price and time they spent in mind

This model is based on user-based, manufacture and value approaches to study the service quality as comprehensive as possible.

3.2. Hypotheses

H1: There is a significant positive impact of efficiency on Lazada's service quality.

H2: There is a significant positive impact of fulfillment on Lazada's service quality.

H3: There is a significant positive impact of contact on Lazada's service quality.

Customers transact on Lazada via its web or phone app. They can find product information in the Detail section of a product page, chat with sellers or customer service to have a consultation before adding items to the shopping cart and making purchases. To save money, buyers can find vouchers from the Voucher section on Lazada main page, on the product page or from livestream on the LazLive section. Coins collected from playing games on the app can be exchanged for vouchers or discounted deals.

To complete an order, customers can pay via bank cards, e-wallets including Momo and Zalopay, Viettel Money or Cash on Delivery. Normal delivery duration is two to eight working days, and buyers can track their order transporting route on their account. However, there are some criticisms that the interface design is too complicated in terms of structure and color to easily find what they need.

Besides the app and web, buyers are informed about sales campaigns through Lazada's social media channels like Facebook and TikTok or through television advertising.

Fulfillment

Lazada now sells items of 12 categories, including Electronic Devices, Electronic Accessories, TV and Home Appliances, Health and Beauty, Babies

and Toys, Groceries and Pets. Home and Lifestyle, Women's Fashion, Men's Fashion, Fashion Accessories, Sports and Travel, and Automotive and Motorcycles. Quality, model and images of the products are usually the same as delivered ones. Moreover, Lazada has already utilized Augmented Reality technology to let customers virtually try clothes and make-up products online.

Unless there is a force majeure case, the orders are delivered within the estimated time announced by Lazada. If there is any late delivery, order mistake, or product defect, customers will be compensated according to Lazada policy.

Contact

Buyers can contact sellers directly and only via the Chat function of the platform by clicking the "Chat" section on the product page, seller page, and order page. As for contacting the customer service department, customers can pick one out of three following options: Chatting with CLEO, its 24/7 virtual customer officer, chatting with 24/7 Customer Care Specialists by texting "CSKH" in the "Chat with Lazada '' section, and calling hotline 19006509 at any time at the cost of 1000 VND per minute.

Table 3.1: *English Version of Questionnaire for Vietnamese customers*

Factors	Statements	Code	Source
Efficiency	I can easily find necessary information (products, promotions, processes, etc.) on Lazada	EFF1	Parasuraman et al. (2005), Kim and Jackson (2009), Author's proposal
	I can easily take actions (information look-up, order making, order cancellation, etc.) on Lazada's web and app	EFF2	
	Lazada's web design is well-organized	EFF3	
	I can save money by shopping on Lazada instead of its competitors	EFF4	
	I can save time by shopping on Lazada instead of its competitors	EFF5	
Fulfillment	Lazada always provides products suitable for my needs	FUL1	Parasuraman et al. (2005), Kim and Jackson (2009), Ha (2017), Author's proposal
	Lazada always displays accurate information about products sold on the platform	FUL2	
	Lazada always deliver the right products of the right quantity that I have ordered	FUL3	
	Lazada always deliver on time as it has announced	FUL4	
Contact	I can easily contact sellers on Lazada	CON1	Author's proposal
	I can easily contact the customer service officers of Lazada	CON2	
Responsiveness	I always receive responses about my complaints quickly from sellers on Lazada	RES1	Parasuraman et al. (2005), Author's proposal
	I always receive responses about my complaints quickly from customer service officers of Lazada	RES2	
	All responses I have received always solve my problems	RES3	
Compensation	I always receive compensation in case of problems occurring (wrong delivered orders, missing items, damaged delivered package, etc.)	COM1	Parasuraman et al. (2005), Ha (2017), Author's proposal
	I find compensation by Lazada fair and satisfactory	COM2	
	Methods of compensation by Lazada are various (product changing, return and refund, voucher for next purchase, etc.)	COM3	
Service Quality	The quality of products on Lazada is as good as I expected	SQ1	Ha (2017), Author's proposal
	The quality of services by Lazada is as good as I expected	SQ2	

Source: Compiled by the author

Responsiveness

Not all sellers on Lazada will respond, and some may give a reply after a while. However, the customer service officers of Lazada, virtual or real, are available all day during the week except national holidays.

Compensation

Customers can check the return policy for each product on the product page only in the web version. After being purchased, a product can be returned within 7 or 15 days from the day of receiving the package with the reason "Not satisfied" or cannot be returned. If the product is able to return and there is time left for the return, customers can send it back to the seller or to Lazada. The product should not be used or damaged and should be sent back in the initial condition.

3.4. Questionnaire design

On the basis of previous research in the field of service quality in the context of e-commerce and responses from a pilot survey among 10 people who usually purchase or go "window shopping" on Lazada, the author proposes the following observed variables as in the table below.

Each statement below will be answered by the five-point Likert scale. Participants will choose one out of five options, which are: (1) Strongly disagree, (2) Disagree, (3) Neutral, (4) Agree, (5) Strongly Agree.

3.5. Data collection and analysis method

This study uses the survey method to ask online shoppers buying on Lazada about their opinions of Lazada's service quality. The purpose is to identify and analyze the effect of factors affecting service quality. The survey was conducted and spread in the form of a Google Form. The writer used purposive sampling while spreading the survey on social media channels, including Facebook, Instagram, and TikTok. These channels are common platforms for e-commerce customers in general and Lazada buyers in particular.

Because the sample size must be five times the number of the studied items, the minimum sample size is 95. As a result, the survey aims to engage approximately 100 or more Lazada users at the age of 18 and above, living in Hanoi and Ho Chi Minh city. This selection is based on the fact that the most prominent segment of online shoppers is the age group of 18 and above. Moreover, the two cities are the locations of Lazada's offices in Vietnam and this brand's two biggest market regions.

After responses are collected, the data will be refined and tested by SPSS software. After the sample description, the Cronbach's Alpha test will be used to examine the model's reliability. As for passed variables, they will continue with Exploratory Factor Analysis (EFA) to detect any observed variables loaded with multiple factors or variables falsely factored originally. The Pearson correlation test will be conducted to evaluate the linear correlation between independent and dependent variables. At this stage, exploring any collinearity risk is another purpose. Lastly, the final step is to run the linear regression analysis. The correlation between the observed variables and the service quality is tested based on the standardized beta coefficients. The R Square and adjusted R Square before that will suggest whether the model is fit. The regression model is as follows:

Service Quality = β0 + β1*Efficiency + β2*Fulfillment + β3*Contact + β4*Responsiveness + β5*Compensation

4. Results and discussion

4.1. Empirical results

Sample description

Among the 148 responses, people at the age of 18-24 accounted for the largest segment of over 50%. The segment of people aged 25 to 34 is medium, with nearly 35% of the participants. In terms of accommodation, the ratio of Hanoi and Ho Chi Minh City residents is nearly 1:1.

Moreover, women, in comparison to men, and people with lower monthly incomes comprise the biggest section impressively. The attractiveness of an economical shopping channel is understandable for those who normally go shopping and hunt for low-price deals.

Cronbach's Alpha reliability test

Variables with corrected item-total correlation less than 0.3 will be eliminated. The condition of choosing the model is having a qualified Cronbach's Alpha coefficient ranging from at least 0.6.

Results from the test show that every factor has a qualified Cronbach's Alpha, which ranges from 0.714 to 0.896. However, not all 19 observed variables have corrected item-total correlation higher than 0.3. The variable with the code EFF3 has the statistic of 0.243; therefore, it is eliminated. The remaining variables are linked together for one factor group they are in, contributing to the scale reliability. In short, all observed items proposed, except EFF3, meet the standard to be used for EFA analysis.

Table 4.1: *Sample description*

Scope	Detail	Frequency	Percent
Age	18 – 24	77	52%
	25- 34	51	34.5%
	>= 35	20	13.5%
Accommodation	Hanoi	76	51.4%
	Ho Chi Minh City	72	48.6%
Gender	Male	50	33.8%
	Female	98	66.2%
Monthly income	< 5 million VND	46	31.1.%
	5 - 10 million VND	44	29.7%
	10 - 20 million VND	38	26.7%
	20 - 30 million VND	14	9.6%
	> 30 million VND	6	4.1%

Source: Compiled by the author

Table 4.2: *Cronbach's Alpha reliability test*

Factor	Cronbach's Alpha
Efficiency (EFF)	0.816 (after eliminating EFF3)
Fulfillment (FUL)	0.752
Contact (CON)	0.815
Responsiveness (RES)	0.853
Compensation (COM)	0.896
Service Quality (SQ)	0.714

Source: Compiled by the author

Exploratory factor analysis

The EFA was conducted twice in this paper as one observed variable, FUL2, had two factors loaded simultaneously even though there is no problem with the results of the KMO and Barlett's tests . However, the difference between the two factor loading coefficients was lower than 0.3 at the first attempt.

At the second time, the KMO efficient is 0.818, satisfying the condition of KMO being not greater than 1. The Barlett's test is statistically significant with sig equals 0.000, lower than 0.05. This indicates that there are correlations among observed variables. With all variables, all the factor loadings

Table 4.3: *Rotated Component Matrix*

	Component				
	1	**2**	**3**	**4**	**5**
EFF4	.824				
EFF1	.822				
EFF5	.738				
EFF2	.707				
COM2		.885			
COM1		.839			
COM3		.834			
RES2			.830		
RES1			.821		
RES3		.338	.715		
FUL3				.826	
FUL4				.751	
FUL1				.678	
CON1					.872
CON2					.827

Source: Compiled by the author

are higher than 0.5, or the difference between two simultaneous factor loading coefficients was higher than 0.3 (0.377 for RES3).

Five factors were extracted with the total variance being up to 74.751 percent, suggesting 74.751 percent of the data variation is explained by the five extracted factors. The figure is greater than 50 percent, meaning it is acceptable. The five extracted factors also mean consistency with the structure of the five constructs. Reliability and convergent validity are ensured for the constructs of this model.

Pearson correlation

Analyzing the correlation between the variables in Table 3.4 above, all the independent variables are positively correlated with the service quality variable. However, there are coefficients greater than 0.5, which means there are variables with a strong correlation with one another, leading to a concern over a risk of multicollinearity.

Linear regression analysis

As the R Square is 0.546 and the adjusted R Square is 0.530, 53 percent of the data fit the regression model. Five independent variables affect 53 percent of the dependent variable change. At the same time, the remaining resulted from variables out of the model and random error.

The F-test in the ANOVA table ensures the linear regression model is generalizable and applicable to the population, especially considering the humble sample of 148. The p-value is 0.000, less than 0.05; therefore, the model is suitable for the population.

Table 4.4: *Correlations*

		SQ	EFF	COM	RES	FUL	CON
SQ	Pearson Correlation	1	.530**	.554**	.560**	.543**	.476**
	Sig. (2-tailed)		.000	.000	.000	.000	.000
EFF	Pearson Correlation	.530**	1	.352**	.435**	.341**	.321**
	Sig. (2-tailed)	.000		.000	.000	.000	.000
COM	Pearson Correlation	.554**	.352**	1	.497**	.412**	.407**
	Sig. (2-tailed)	.000	.000		.000	.000	.000
RES	Pearson Correlation	.560**	.435**	.497**	1	.468**	.480**
	Sig. (2-tailed)	.000	.000	.000		.000	.000
FUL	Pearson Correlation	.543**	.341**	.412**	.468**	1	.357**
	Sig. (2-tailed)	.000	.000	.000	.000		.000
CON	Pearson Correlation	.476**	.321**	.407**	.480**	.357**	1
	Sig. (2-tailed)	.000	.000	.000	.000	.000	
**. Correlation is significant at the 0.01 level (2-tailed).							

Source: Compiled by the author

Table 4.5: *Model Summary[b]*

Model	R	R Square	Adjusted R Square	Adjusted R Square	Durbin - Watson
1	.739[a]	.546	.530	1.702	1.702
a. Predictors: (Constant), CON, EFF, FUL, COM, RES					
b. Dependent Variable: SQ					

Source: Compiled by the author

In the regression model, the p-value coefficients of the independent variables are all less than 0.05, indicating that relationships are all statistically significant. All hypotheses achieved statistical value at a 5 percent significance level. VIF coefficient is under 2, meaning no multicollinearity. The standardized beta coefficient will be used to evaluate the level of influence of the independent variables on the dependent one.

From the results in the above table, a model is taken as follow:

Service Quality = 0.255*Efficiency + 0.237*Fulfillment + 0.141*Contact + 0.155*Responsiveness + 0.232*Compensation

The result suggests that five factors have a significant positive influence on SQ. Among them, EFF, COM, and FUL have the biggest impact.

Table 4.6: *ANOVA^a*

Model		Sum of Squares	df	Mean Square	F	Sig
1	Regression	41.336	5	8.267	34.167	.000^b
	Residual	34.359	142	.242		
	Total	75.694	147			
a. Dependent Variable: SQ						
b. Predictors: (Constant), CON, EFF, FUL, COM, RES						

Source: Compiled by the author

Table 4.7: *Coefficients^a*

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	.484	.274		1.765	.080		
	EFF	.224	.057	.255	3.948	.000	.765	1.308
	COM	.192	.057	.232	3.368	.001	.676	1.479
	RES	.145	.070	.155	2.078	.040	.577	1.732
	FUL	.245	.069	.237	3.547	.001	.715	1.399
	CON	.115	.055	.141	2.113	.036	.714	1.400
a. Dependent Variable: SQ								

Source: Compiled by the author

4.2. Discussion of results

After analyzing theoretical frameworks for measuring service quality, the study proposed a model of six independent variables based on the e-SERVQUAL model, with 17 items in total. This suggested model aims to investigate the impact of five independent factors on Lazada's service quality in Vietnam. However, only 15 items are kept after the tests of reliability and validity. Five elements, efficiency, fulfillment, contact, responsiveness, and compensation, all remain as factors influencing the dependent variables. According to the empirical results, all p-value coefficients less than 0.05 suggest that all five parameters have a statistically significant relation with the service quality of Lazada web and app.

Furthermore, all the positive standardized beta coefficients confirm that no hypothesis is rejected. Customers score all five characteristics as good or "agree" with provided statements in the survey, based on mean values ranging around 4.0. Despite this, only 53 percent of service quality variations can be explained by these five criteria.

Based on the apparent difference between the standardized beta coefficients, three of the five criteria had a stronger impact on service quality. While the coefficients for Contact and Responsiveness are about 0.15, the standardized beta coefficients for Efficiency, Fulfillment, and Responsiveness range from 0.232 to 0.255. Contact will have the least impact based on these factors, whereas Efficiency will have the most significant impact. This finding could stem from the fact that few customers contact merchants and customer support agents for further information or difficulties, resulting in a limited assessment of these two aspects when judging the platform's service quality. If the rationale is correct, product and process information is displayed clearly

on the interface, and package preparation and delivery to clients must be error-free. Looking up the mean values, the Efficient variable in the factor group with the highest mean values is "I can easily find necessary information (items, promotions, processes, etc.) on Lazada," confirming the previous premise.

Apart from Efficiency, the other factor in Parasuraman et al. (2005)'s core service scale, Fulfillment, can be rated the second most influential with a standardized beta coefficient of 0.237 and is highlighted by two items scoring mean values of 4.18 and 4.13. "Lazada always delivers the right products of the right quantity that I have ordered," and "Lazada always delivers on time as it has announced." This success can be credited to Lazada's strong seller management, which includes programs encouraging vendors to prepare orders quickly. Furthermore, the well-run Lazada Express, which has a broad network of transporting routes throughout Vietnam and between Vietnam and other countries, is a huge factor in the favorable ranking of delivery speed. These are the two aspects that Lazada in Vietnam should maintain and improve its performance to provide better client experiences in the future.

The ranking, which is based on the order of standardized beta coefficients, exhibits the priority of Vietnamese customers' concerns about online shopping through an intermediary platform. It is evident that items related to the e-commerce company's core service have a greater influence on the service quality evaluation than items on the recovery scale that evaluate managing inquiries and difficulties. Even though customers place a high value on Compensation, Contact, and Responsiveness, the mean values suggest that if their perceptions of the core service alter, they are prone to modify their thoughts on service quality accordingly.

The survey results also suggest that Lazada buyers are generally satisfied with the goods and services given by Lazada Vietnam for the price and time spent. After Lazada's recent major investment in marketing campaigns and logistics improvements, this is a positive result to recognize. During mega sale seasons, the methods of giving a range of vouchers, utilizing logistics technology, and extending delivery networks clearly take effect. They are even more timely because Shopee, its major competitor, has shown signs of cutting prices during sale seasons and occasionally having shipping issues. Shopee is still heavily reliant on third-party logistics businesses, and its internal function, Shopee Express, sometimes struggles to manage large volumes of orders. This is another area where Lazada Vietnam will continue to work.

Efficiency, Fulfillment, and Compensation are the three factors that impact the opinion of service quality most. As a result, recommendations to improve Lazada's service quality in Vietnam will have them as focus. However, because Contact and Responsiveness are statistically significant and vital for preserving consumers' opinions about service quality, they must be maintained and elevated.

As previously stated, Lazada has risen to second place in the Vietnamese e-commerce business, with recent revenue and order growth. It is likely due to its ability to maintain a positive public image by providing generous discounts, appealing delivery policies, and reasonable costs, which are the four most-concerned factors among online shoppers to consider when selecting e-commerce platforms. Another factor driving growth is the shift from traditional shopping to online purchasing among consumers in the context of Covid-19. However, in a market crowded with active companies and potential newcomers, Lazada must move to protect its position. There are no endless financial, human, or time resources for a corporation to invest in all areas. As a result, its resources should be allocated exclusively to the most critical components that will have the greatest impact on performance. Efficiency, Fulfillment, and Compensation must be the emphasis of investment for progress in the case of Lazada in Vietnam, among the five constructed components.

5. Recommendations to improve factors affecting the service quality

No company has unlimited financial, human, or time resources to invest in all areas. As a result, Lazada's resources should be allocated only to the critical aspects that will have the greatest impact on performance. Efficiency, Fulfillment, and Compensation must be the focus of investment for progress, among the five constructed factors. Suggestions for improving each factor are provided below.

Efficiency recommendations

There are four major aspects to improve in order to increase efficiency. They are the app and website design, system loading speed, pricing compared to competitors, and product assortment.

To begin, Lazada should invest more in improving the interface design. The current complicated, messy color palette can confuse users' eyes. The area on a phone screen is limited, resulting in a jumbled arrangement of various shopping and entertainment features. Taking action on such an interface is

challenging, making people hesitant to continue using the app. As a result, Lazada should reconsider its color palette and restructure its feature placement. The changes will need several tests with real Lazada customers before officially launching.

Another issue that Lazada is working on is system loading, which helps customers take action faster and save more time. During peak seasons, when users are doubled or tripled, the system may experience loading issues due to a sudden surge in traffic. It will be an essential task for Lazada's web and app developers to continuously review and reduce the loading time as much as possible.

Keeping prices low or affordable is an effective way to retain current customers and attract new ones. Lazada must collaborate with three stakeholders: competitors, sellers, and Lazada itself to meet this goal. It is necessary to maintain relatively competitive prices because consumers nowadays can quickly check and compare prices with a few clicks. The company can form a team to check and compare prices with technology to ensure the price is appealing. That technology will identify products and prices offered by competitors before suggesting competitive prices, allowing Lazada to offer the most attractive prices. Other methods for comparing prices and determining the reasons behind price settings include conducting surveys among Lazada user social media groups or contacting merchants through Key Account Managers, who are Lazada employees in charge of them. With these insights, Lazada can adjust prices by offering vouchers, persuading sellers to lower prices in exchange for benefits, or rebating top-selling products on the platform. The fact that over 6 million users collect vouchers and 70% of customers choose items with applicable vouchers (Lazada, 2022) demonstrates the effectiveness of this marketing method.

Finally, offering a diverse range of items, especially those not sold on other platforms, allows consumers to quickly discover the products they demand. This will enable Lazada to outperform its competitors. One method for improving product assortment is similar to the mentioned method: using technology to identify products that have recently been exclusive to other channels and convincing sellers to upload these items on Lazada. On the other hand, attracting new domestic and international sellers to this platform is advantageous. Indeed, the company is working toward this goal through various initiatives such as no fee for local sellers, gifts for new shop openings, and support throughout the selling journey with Lazada via serv-

ice officers and the seller community (Lazada, no date a). Improving these initiatives and sharing this information among online sellers will undoubtedly attract new sellers.

Saving shopping time compared to other e-commerce platforms and offline stores is now sufficient. Except for express delivery, the estimated delivery time for local products is two to eight days (Lazada, no date b) and eight to fifteen days for overseas products (Lazada, no date c). This time is comparable to that of competitors such as Shopee. In reality, during Covid-19, Lazada is recognized as a platform with the shortest delivery time among the big names, thanks to appropriate logistics expansion and strict requirements of order preparation duration for sellers (Lazada, 2022). To elevate this excellent performance, Lazada can shorten the cross-border delivery time by developing a vast network of transporting points between countries or opening more warehouses at strategic locations.

Fulfillment recommendations

To some extent, Lazada is fulfilling its commitment to "match the right products to the right person at the right price." Aside from providing the correct products, Lazada has succeeded in accurately displaying them and delivering them correctly and on time, as promised.

There are several suggestions to improve the fulfillment of Lazada's service quality in Vietnam. Suppose the company wants to provide products suitable for customers even more. In that case, the previously mentioned methods of expanding product assortment and adjusting product prices can produce the desired results. To ensure that the product information posted by sellers is correct, Lazada can impose a regulation on product listing based on national e-commerce and cyber-security laws. Using a product listing-control system, building a filter of banned keywords to hide any item violating the rules automatically, and organizing a team to check all the products regularly are helpful for that purpose. To become more cautious with their online shops, accounts with frequent uploads of incorrect information must be warned, restricted, and banned from Lazada for a fixed or unlimited period.

When it comes to service quality, Lazada currently excels at delivering the right products in the right quantity within the stated delivery time. Lazada must maintain its current performance over the long term. As the number of sellers and daily orders grow, the company must ensure that the management system functions properly. They must also train and manage their delivery team and third-party

companies to handle the increasing volume of orders responsibly and effectively.

Compensation recommendations

When there is a demand for compensation, as a middleman, Lazada must respond quickly and provide reasonable solutions. The feature of providing feedback for received orders must be easily accessible and used by customers so that they feel taken care of even after paying. Lazada service agents must ensure that customers reporting an order error understand who is responsible for the wrongful act and how they will be compensated if necessary. The process must be transparent, quick, and between related parties, with Lazada acting as an intermediary most of the time.

Given Lazada's recent return and refund process, the time after customers send back the package should be changed from within two working days minimum (Lazada, no date d) to within a day or immediately. Because Lazada does not directly provide any current online payment methods, customers may not receive their money for several days due to payment partners' working timelines. Reducing refund time is hence necessary. It is a disadvantage as Shopee has its own ShopeePay, allowing the platform to send refunds as soon as the final decision is announced.

Nonetheless, Lazada may want to think about how returnable products are classified. It is understandable to have different return policies for different types of stores; however, that some products are not returnable can be interpreted as an alarming sign of irresponsibility. All products should be returnable, which will also help Lazada identify more sellers engaging in illegal business practices, thanks to customer reports.

If all operational solutions prove ineffective, the problems may be due to a lack of quality human resources or a financial budget. Human resources may be scarce, employees' knowledge and skills may be inadequate, and work motivation is perhaps low. As a result, the most important solutions are: timely planning and execution of appropriate recruitment; providing training sessions and maintaining an online internal learning hub; offering appealing incentives and a fair working environment. If financial resources are the root cause, the company may want to adjust its cost structure and revenue streams and prepare for capital calls. The ability to identify problems and bottlenecks, their root causes, and practical solutions with measurable goals throughout the organization is critical in adjusting for improvements.

6. Conclusions and limitations

By proposing a research model based on the e-SERVQUAL model, one of the reviewed theoretical frameworks for measuring service quality, and conducting a quantitative analysis with data collected from the survey, all five factors, including Efficiency, Fulfillment, Contact, Responsiveness, and Compensation, have a significant positive impact on Service Quality. The most influential is Efficiency, followed by another core-service factor, Fulfillment. Compensation comes in third as a recovery-phase variable, having a similar impact to Fulfillment. Finally, responsiveness and contact are at the fourth and last position of impact magnitude. That means Efficiency, Fulfillment and Compensation are the three most important factors to focus while trying to enhance Lazada's service quality in Vietnam, allowing the brand to remain competitive as recommendations given above.

Aside from the findings, this paper inevitably has some limitations. Because of the short research time and restricted resources, the study only looked at a segment of Lazada customers in Hanoi and Ho Chi Minh City rather than the entire country. Future research will require a larger sample size of a more diverse population to gain a more comprehensive knowledge of Lazada's service quality. The bigger sample size also allows for more precise demographic and independent variable relationships.

On the other hand, other elements or factors that are relevant to service quality can be added. As the adjusted R Square of the model is 0.53, 47% of variation in service quality can be explained by other factors. At least two more independent variables can be added to explain service quality. One of those is customer perceived risk, a complicated, multidimensional yet neglected concept found to have an impact on the relation between perceived quality and perceived value (Snoj et al, 2004). In addition, other variables in the model can develop more detailed items to more comprehensively evaluate Lazada's services. Those additionally include offerings, marketing communications, interactive activities, post-purchase service, and so on. Because the model is based on e-SERVQUAL, it is solely used to assess service quality in general, not other factors like entertainment. This is an area where additional research may need investigation, as Shoppertainment like livestream or games is becoming increasingly popular among e-commerce platforms. Finally, although evaluating a dependent variable with two items is acceptable, it could be supplemented by adding more items relating to service quality.◆

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Summary

Trong bối cảnh giãn cách xã hội nhiều tháng đã xuất hiện các xu hướng mới trong thương mại và trong hành vi của người tiêu dùng. Một trong số các sự thay đổi đó là sự phát triển vượt bậc của thương mại điện tử trên toàn thế giới. Ở Việt Nam, thị trường trở nên vô cùng khởi sắc cho các công ty hoạt động trong lĩnh vực này: số lượng người mua sắm trực tuyến, lượt ghé thăm các trang web, mức tiêu dùng cho mua sắm trực tuyến đã tăng gấp hai hoặc ba lần so với cùng kỳ năm trước đó. Để giữ vững vị thế cạnh tranh, các công ty phải tạo được điểm khác biệt, mà thường là về chất lượng dịch vụ. Nghiên cứu này được thực hiện nhằm đánh giá các nhân tố ảnh hưởng đến chất lượng dịch vụ của Lazada, công ty đứng thứ hai trong thị trường thương mại điện tử, từ đó vạch ra hướng đi cho công ty cải thiện các nhân tố chất lượng dịch vụ. Để xác định và phân tích các nhân tố ảnh hưởng chất lượng dịch vụ, một khảo sát đã được thực hiện với phương pháp lấy mẫu có mục đích, thu về 148 phản hồi từ người dùng Lazada tại Hà Nội và Thành phố Hồ Chí Minh. Các giả thuyết được kiểm chứng bằng phương pháp phân tích hồi quy tuyến tính với phần mềm SPSS. Các phát hiện chỉ ra rằng độ hiệu quả, khả năng đáp ứng, hoạt động bồi thường, sự phản hồi và khả năng liên lạc đều tác động tích cực tới chất lượng dịch vụ của Lazada.

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