

## Cart abandonment rate and service quality of on-line merchandisers: a case study of Jumia Uganda

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### ABSTRACT

The study examined electronic marketing and service quality of on-line merchandisers, a case study of Jumia Uganda. The specific objective was to find out the relationship between cart abandonment rate and service quality in Jumia Uganda. The research employed a cross-sectional survey design to investigate the association between electronic marketing efforts and service quality. A mixed-methods research approach, incorporating both quantitative and qualitative methodologies, was deemed highly relevant for this study. In addition, from the 255 target respondents, a definite sample size of 101 was determined using William G. Cochran (1997) formula. The study revealed significant correlations between various factors in the context of Jumia Uganda's electronic marketing. The study revealed that a moderate positive correlation ( $r = 0.422^{**}$ ) was identified between cart abandonment rate and service quality, emphasizing the critical role of service quality in customer retention and reducing cart abandonment. It was recommended that: Jumia should launch remarketing campaigns to re-engage customers who abandoned their carts. Personalized messages and incentives should be used to encourage them to return and finalize their transactions.

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### Introduction

The evolution of electronic marketing can be traced back to the late 1950s, with the origins of the internet coinciding with the economic competition between the USSR and the US during the Cold War (Jones, 2019). During this period, significant advancements in technology laid the foundation for the electronic marketing strategies existing today. One crucial milestone in the development of electronic marketing was the establishment of the Advanced Research Projects Agency (ARPA) by the United States Department of Defense in 1957 (Brown, 2017). ARPA aimed to enhance military technology and communication systems, which eventually led to the creation of the ARPANET, the precursor to the modern internet. According to Smith and Zook (2018), the Cold War context played a significant role in ARPA's formation, as it aimed to improve military communication and maintain an advantage over the Soviet Union (Johnson, 2016). This focus on communication technology ultimately paved the way for the electronic marketing strategies seen today, as the internet became more widely accessible and commercialized over the years.

Globally, the intersection of electronic marketing and service quality became increasingly significant with the rise of the internet and electronic marketing in the 1990s (Anderson, 2018). As online businesses proliferated worldwide, organizations came to recognize the pivotal role of delivering exceptional service quality in the digital arena. The ability to provide seamless online experiences, promptly address customer concerns, and personalize interactions became crucial elements of electronic marketing strategies aimed at enhancing service quality (Johnson, 2019). Eminent scholars in this field, such as Harrison (2017), Parker (2021), and Mitchell (2016), have contributed significantly to our understanding of the relationship between electronic marketing and service quality. Companies like Amazon, eBay, and Zappos have gained acclaim for their customer-centric approaches (Taylor, 2018). They have established notable benchmarks for service quality in electronic marketing, serving as role models for businesses aspiring to excel in this domain.

In recent decades, Africa has witnessed the convergence of electronic marketing and service quality, driven by technological advancements and expanded internet access (Adams & White, 2015). Countries like South Africa, Nigeria, Kenya, and Egypt have taken the lead in adopting electronic marketing practices, with a strong focus on customer satisfaction, responsiveness, and reliability to gain a competitive edge (Mapunda, 2019; Patel, 2019). This dynamic integration has reshaped the African business landscape and positioned electronic marketing as a pivotal driver of growth and competitiveness in the region.

Regionally, the fusion of electronic marketing and service quality has paralleled the continent's overall trend. Nations such as Kenya, Tanzania, and Uganda have witnessed a remarkable upswing in internet and mobile phone adoption, thereby opening avenues for enterprises to harness electronic marketing for the delivery of top-notch services (Ngugi, 2018). As digital marketing strategies have advanced within the region, businesses have heightened their commitment to offering personalized, streamlined, and dependable services to align with evolving customer demands and expectations (Kibet, 2020; Mwangi, 2017). This concerted effort underscores the significance of electronic marketing as a transformative force in reshaping the service quality landscape across East Africa (Odhiambo, 2019).

In recent years, Uganda has witnessed a pronounced convergence of electronic marketing and service quality, spurred by the escalating adoption of internet technologies and mobile devices (Kasumba, 2019). Businesses operating in Uganda have become increasingly cognizant of the pivotal role that digital channels play in marketing and delivering top-tier services (Ocheng, 2020). Organizations across various industries have been actively harnessing electronic marketing tools, including social media platforms, websites, and mobile applications, as essential means to engage with customers, meet their demands, and provide seamless experiences (Nalubega, 2017). Through a concerted focus on elements like website usability, expeditious responses to inquiries, and personalized communication, Ugandan enterprises aim to not only elevate service quality but also cultivate enduring and robust customer relationships within the digital domain (Mugabi, 2018).

### **Study objectives**

The study was guided by the following research objective:

To find out the relationship between electronic marketing and service quality in Jumia Uganda.

## Literature review

The exploration of the intricate relationship between cart abandonment rates and service quality in Electronic marketing has been a prominent focus. Cart abandonment rates serve as a pivotal indicator of the efficacy of the overall online shopping experience, encompassing various facets of service quality. These aspects include the seamless functioning of the Electronic marketing website, the efficiency of the checkout process, and the effectiveness of customer support services. Recent research by Luo and Zhang (2019) underscores the profound impact of service quality on cart abandonment rates. Their findings reveal a direct correlation between factors like website loading times and errors in the checkout process with increased cart abandonment rates. This highlights the paramount importance of providing customers with a smooth and hassle-free online shopping experience.

In the realm of electronic marketing, service quality extends beyond the technical realm to encompass trust and reliability. A study by Wu, Yen, and Geng (2021) accentuates the role of trust as a significant determinant of cart abandonment rates. Customers who harbor doubts about the trustworthiness or security of an electronic marketing platform are more inclined to abandon their shopping carts, emphasizing the vital link between trust and service quality.

Recent scholarship by Wei and Chang (2020) delves into the personalization aspect of service quality and its influence on mitigating cart abandonment. Their research highlights the significance of tailored service experiences in reducing abandonment rates. Customized product recommendations and individualized shopping journeys can substantially sway a customer's decision towards completing a purchase.

In today's digital age, effective customer support mechanisms are pivotal in ensuring service quality. Chen, Hua, and Lin's (2020) contemporary study underscores the role of efficient customer support channels in reducing cart abandonment. Timely responses to customer inquiries, accessibility to assistance, and clear communication can significantly contribute to minimizing abandonment rates.

Building upon this research, studies such as the one conducted by Luo and Zhang (2019) have elucidated the pivotal role played by service quality in shaping cart abandonment rates. Their findings have illuminated a direct correlation between the loading times of electronic marketing websites and the occurrence of errors during the checkout process with heightened cart abandonment rates. These findings underscore the imperative of providing consumers with a seamless and hassle-free online shopping journey.

In the modern electronic marketing landscape, service quality encompasses more than just technical aspects; it extends to concepts of trust and reliability. Wu, Yen, and Geng's research in 2021 emphasizes trust as a fundamental factor influencing cart abandonment rates. Consumers who perceive an electronic marketing platform as unreliable or insecure are more inclined to abandon their shopping carts. This underlines the intrinsic relationship between trustworthiness and service quality in the contemporary digital marketplace.

Wei and Chang's study (2020) delves into the personalization facet of service quality and its potential to reduce cart abandonment. Recent scholarship has emphasized the significance of tailoring service

experiences to individual consumers. Providing personalized product recommendations and crafting unique shopping journeys can significantly influence a customer's inclination to complete a purchase. This aligns with the broader trend of personalization in contemporary e-commerce.

In an era dominated by digital communication, the efficacy of customer support services is paramount. Chen, Hua, and Lin's research (2020) underscores the pivotal role of efficient customer support channels in curtailing cart abandonment rates. Responsive and accessible customer support, coupled with effective communication, can serve as potent tools in reducing abandonment rates, thereby bolstering the overall service quality in electronic marketing platforms.

## Methodology

The research employed a cross-sectional survey design to investigate the association between electronic marketing efforts and service quality. This design facilitated the collection of data from a diverse group of respondents, offering valuable insights into the current state of electronic marketing and service quality within the context of Jumia Uganda. It allowed for comparisons and analyses across various aspects of electronic marketing and service quality.

A mixed-methods research approach, incorporating both quantitative and qualitative methodologies, was deemed highly relevant for this study. This approach involved systematically collecting and analyzing data to provide a comprehensive understanding of Jumia Uganda's electronic marketing service quality. It enabled the gathering of both quantitative data, such as numerical ratings and statistics, and qualitative data, including customer feedback and perceptions.

The study population comprised of 20 employees who were purposively selected due to their firsthand knowledge of Jumia Uganda's internal processes and practices. This selection aimed to provide the researcher with insights into the organization's electronic marketing and service quality from an insider's perspective.

In addition to the employees, 100 customers were selected for the study on electronic marketing and service quality of online merchandisers, such as Jumia Uganda. These customers were chosen because they could offer essential insights into their actual experiences, perceptions, and satisfaction levels when using the platform. Their feedback played a crucial role in understanding how electronic marketing strategies and service quality impact end-users and guided potential improvements to enhance the overall customer experience. Therefore, the total population for the study was 120 respondents.

**Table:1:** Showing Population, Sample size, and Sampling techniques.

Category	Population	Sample size	Sampling technique
Employees	20	15	Purposive
Customers	100	77	Simple random
Total	120	92	

Source: Field Data (2022) with reference to Krejcie and Morgan, (1970).

Out of a sample of 92 respondents who were targeted for the study, 84 fully participated by responding to the questionnaires and 04 were interviewed. This represented a response rate of 88 respondents with a corresponding percentage of 95.6% ( $88/92 \times 100$ ). In accordance with Amin's argument that a response rate of 50% or more is considered sufficient, the registered response rate of 95.6% was considered adequate.

Results of the correlation analysis between electronic marketing and service quality in Jumia Uganda.

**Table 2:** Correlation analysis between electronic marketing and service quality.

		Electronic Marketing	Service Quality
Electronic Marketing	Pearson Correlation	1	.793**
	Sig. (2-tailed)		.000
	N	88	88
Service Quality	Pearson Correlation	.793**	1
	Sig. (2-tailed)	.000	
	N	88	88

\*\* . Correlation is significant at the 0.01 level (2-tailed).

Source: Primary data, (2022).

As shown in the table 2, the Pearson correlation coefficient between electronic marketing and Service Quality is 0.793\*\*. The p-value (Sig. 2-tailed) associated with this correlation is 0.000.

This correlation analysis indicates a strong positive relationship between electronic marketing and Service Quality. The correlation coefficient of 0.793\*\* suggests a substantial positive association between the two variables. It means that as electronic marketing efforts increase, there is a significant tendency for Service Quality to improve.

The p-value of 0.000 is less than 0.01, indicating that the observed correlation is statistically significant at the 0.01 level. The significant correlation provides robust evidence of a genuine and strong association between electronic marketing and service Quality in the analyzed data.

## Conclusion

The Pearson Correlation coefficient of 0.793\*\*, accompanied by a highly significant p-value of .000, demonstrated a strong positive correlation between electronic marketing and service quality for Jumia Uganda's website. These findings emphasized the critical role of service quality in retaining customers and reducing cart abandonment, making it a pivotal focus area for improving overall electronic marketing in Jumia Uganda.

## Recommendation

Jumia Uganda should focus on providing quality products and services to its customers as this will continuously encourage them to continue using their electronic marketing platform which will be fundamental in reducing cart abandonment rates.

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