

# Effective Website to Provide Total Customer Satisfaction: An Empirical Study on the public Quoted Companies in Sri Lanka

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**Abstract.** The rapid development of Information and Communication Technology (ICT) along with the globalisation forced the firms to become online business seekers. Late 1990s Online businesses were opening up in each and every corner around the world. All the business activities, logistics, processing, selling and even payments were completed online. The study has identified that the recent trend in the online business in today's business world is to search online and purchase offline. Hence website is the one that locks in the customer. An effective website should provide information what the customer is looking for, to give total customer satisfaction. This paper was conducted to fill the void in the research area on the online presence of public quoted companies in Sri Lanka. It was revealed that as Fortune 500s' websites, majority of Sri Lankan company websites also are informational but the quality of way in which the content provided by them is questionable.

## 1. Introduction

The rapid development of Information and Communication Technology (ICT) along with the globalisation forced the firms to become online business seekers. E-Commerce is the buzzword in the business world today. Companies that use computers just for data entry purposes is now far behind the global business race. Going global through the internet has made ways of making business, irrespective of physical boundaries of nations. On the other hand customers became well aware of the products and services. They are armed with a handy package of information when they go for shopping thanks to the internet. Ruling governments now eased the use of internet by legalising online business activities, by imposing laws and enacting necessary provisions for security purposes. Authorities of most of the nations have now opened their doors to online businesses, thinking it as a business necessity.

This article focuses on evaluating readiness of Sri Lankan public quoted companies to survive in current trends of online business.

## 2. Background to the study

Late 1990s Online businesses were opening up in each and every corner around the world. All the business activities, logistics, processing, selling and even payments were completed online. Surprising to all, the bubble burst in no time that the online companies had little hope to enjoy profits. In the recent days a new wave has risen and most of the online businesses have faced difficulties. Some survived while the others had to close their doors. There was a question in everybody's mind, "To what extent the firms have to be online?" It is a major strategic decision that has to be made with due care and wits by the decision makers.

In today's highly turbulent business environment, on-line presence can be used as a strategic weapon to gain competitive advantage over and above the competitors. The companies those who have developed and maintained valuable websites can derive enormous benefits such as to achieve competitive advantage. Properly designed webpage together with highly sophisticated content management can indeed bring a company to the forefront in the business world in the domestic as well as global business arena. Success or failure of a website totally depends on the content of the website. A website of a firm becomes valuable to the customer and to the firm depending on the content of it. Properly designed lay out and content will attract potential customers and the same will make them return to the website in the future. Whenever the customer feels bored with searching one website it is just a matter of a click to move on to a competitor's website. The companies should therefore keep in mind that the website is designed in such a manner that it gives a novel experience of searching and should provide timely response to what the customer wants.

Maintaining an effective web page is a challenging task to any institution. A winning web page can drag the attention of an unbelievable number of potential buyers, because it reaches a millions of internet users around the universe. The content on a web site should be relevant. Unnecessary information will overload the reader and might deviate from the web site and miss important information. Despite information overload, the web site should give all the required information that the potential viewer seeks. Lack of information will kill the company's business, losing its customers and potential customers to its competitor who is just a mouse click away.

Taking into consideration all of the above, it is obvious that a company should develop an effective website to survive in the future. Putting up a successful web site is the upcoming

issue and an attractive website will mine-up business from domestic as well as foreign markets.

### 3. Objectives of the study

#### Primary Objective

Identify the nature of on-line presence of the public quoted companies in Sri Lanka.

#### Secondary Objectives

1. Analyse the contents of each web page in the web site of each of the company in the sample that possess a site.
2. Compare the Sri Lankan companies' website content against the Fortune 500 companies' web content.

### 4. Literature Review

Jargon confusion is always there with the E-Commerce. Different terms are used in relation to e-commerce interchangeably. E-Commerce is defined as the use of internet technology to perform financial transactions. [1] E-business, which is slightly different from e-commerce, is defined as the business activities performed using internet technology. For example, if a business uses internet technology to implement and maintain Enterprise Resource Planning (ERP) or Customer Relationship Management (CRM) it can be categorised under e-business. In contrast, on-line business is a business that has any kind of on-line presence with or without doing financial transaction through Internet.

#### 4.1. Recent trends in the global arena.

“Web site is increasingly becoming the gateway to a company's brand, products and services- even if the firm does not sell online.....if the company don't have a web site they can not survive....” [2]

E-commerce is involved in the fields of retail sales, travel, books, domestic appliances, holidays and even technical products like motor cars. The *survey of E commerce* conducted by The Economist magazine in 2004 shows that Three out of four Americans start shopping for new cars online and end buying them from traditional dealers. The difference is that these customers are knowledgeable about the cars and the best available deals. This trend is spread throughout the world and it is no different in Europe, Canada, Italy, Spain.

The Figure 01 depicts the current trend discussed above.

#### 4.2 Role of website in the current trend

A website tells the whole story about a company. It incorporates everything and anything that the company offers to customers, potential customers, financial information to investors, potential investors and ethical behavioural information for the society at large. Therefore a company who does not have a website means committing suicide in to day's business world. [2]. According to a research carried out regarding the on-line presence in South African countries it was found that 77% of the firms have never used web sites to do their business [3] indicating that there is lack of usage of internet in doing business among the developing countries.

■ Online Purchase      ■ Offline purchase after online research

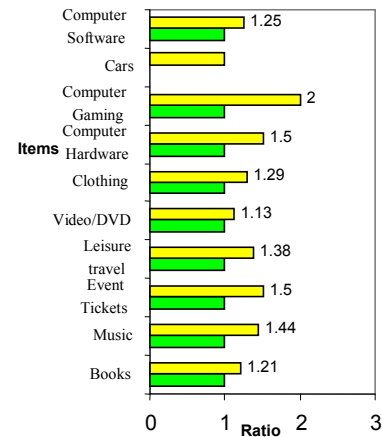


Figure 01: Ratio between online purchase and offline purchase  
(Source: A survey of E commerce, The Economist, 15th May 2004)

#### 4.3. Online Business in Sri Lanka

Information and Communication Technology Act No: 27 of 2003, enacted by the Parliament of the Democratic Socialist Republic of Sri Lanka is the ruling and guidance policy in ICT technology related to online business. The Act provides for the following;

1. To provide for the setting up of a national policy on information and communication technology.
2. Preparation of an Action plan for ICT development.
3. Appointment of a task force to improve the ICT standard.
4. Appointment if an ICT agency to implement national policy.
5. To deal with the matters connected to any related issue.

As per the provisions given in the Act, the task force is enabled to perform several functions at the best interest of the development of the ICT in the nation. Furthermore, there is the Information and Communication Technology Agency (ICTA) of Sri Lanka to assist and monitor the Activities of the task force. The Council for Information Technology (CINTEC), which was established under the Science and Technology, Act No: 11 of 1994 have been converted to ICTA from the ICT Act. The respective authorities in Sri Lanka have done their job by setting up rules and policies required for online business.

The Economist Intelligence Unit is the information arm of the Economist Group, publisher of The Economist Magazine. E-readiness rankings provide an established benchmark for countries to compare and assess their e-business environments. E-readiness evaluates the conduciveness of the market in a particular country to engage in internet based business activities. The evaluation is concerned about 60 largest countries in terms of internet usage.

It is an honour that Sri Lanka has been able to enter in to these 60 largest countries. “the e-readiness framework provides a mechanism to help business and government executives fuse business and technology decisions to create focused, resilient and responsive organisations” [4]. The ranking are awarded based on a score calculated taking in to considerations various quantitative and qualitative factors. These criteria are organised into six distinct categories namely, connectivity and technology infrastructure (25% weight), business environment (20% weight), consumer and business adoption (20% weight), legal and policy environment (15% weight), social and cultural infrastructure (15% weight) and supporting e-services (weight 55%). Sri Lanka has scored 4.1 (out of 10) making its position as 44<sup>th</sup> among the 60 countries in year 2003. China 3.8 and India 3.9, both were falling behind Sri Lanka. It can be concluded that there is a myth among the business community that Sri Lankan’s ICT infrastructure is poor.

The world first global ICT ranking, the Digital Access Index (DAI) measures the overall ability of citizens to access and use ICT. This measure has taken eight variables (divided into five main groups) into consideration when calculating the index. Availability of infrastructure, affordability of access, educational level, quality of ICT services and internet usage are the five groups. [5] DAI rankings hence have identified the countries into one of four digital access categories: High, Upper, Medium and Low. Sri Lanka has fallen into the medium access category then again out performing even India. Apparently Sri Lanka has reached a higher standard when compared to other countries in the region and some of the Asian countries. These evidences show that if Sri Lankan companies are lagging behind in online business it is not due to poor infrastructure.

Small and Medium size Enterprises (SMEs) in Sri Lanka have taken steps to implement e-commerce to a satisfactory level despite the inhibiting factors such as inadequate finance, access to internet and availability of ISP providers etc. [6] and also survey on e-commerce implementation in the SME sector of Sri Lanka, conducted by the SLBDC for the Asia Foundation has shown that 83% of SMEs use internet for business work, especially the e-mail. 35% have their own websites while 61% used the services of web hosting companies. 3% used freelance designer for the hosting of the site. From usage point of view 97% used the web site to promote the company to potential customers while 3% used it for collecting visitor information for market intelligence. Hence the SME sector in Sri Lanka is emerging in online business.

Published research specifically in relation to on-line business in public quoted companies is lacking in Sri Lanka. This research is therefore focused its attention on the use of on-line business by public quoted companies. It emphasises on the effectiveness of websites as a strategic weapon in on-line business.

### 5. Methodology

A sample of 45 companies was derived out of 247 public quoted companies in the Colombo Stock Exchange (CSE). This sample was selected randomly representing 14 sectors among the prevailing 20 sectors (Table 1). This sector wise

selection was done in order to keep in line with the Fortune 500 study conducted by Young & Benamati in year 2000. [7]

Sector	#	Sector	#
Banks, Finance & Insurance	9	Manufacturing	6
Beverage, Food & Tobacco	4	Motors	4
Construction & Engineering	1	Plantation	1
Diversified Holdings	6	Stores & Supplies	1
Footwear & Textiles	1	Trading	3
Hotels & Travels	4	Telecommunication	2
Land & Property	1	Health Care	2

The world recognised search engine, Google was used to find the Uniform Resource Language (URL) of each of the company. The company’s full name as per the handbook published by the Colombo Stock Exchange was given as the search hint to the [www.google.com](http://www.google.com) the web site of each of the sample company was thoroughly scrutinised to collect the data necessary to fill the questionnaire. The questionnaire that was designed by Young & Benamati to analyse the Fortune 500 companies was used after some modifications. Conclusions were made by quantifying certain aspects of web site hence measuring the effectiveness of each of the website based on the conceptual framework depicted by figure 2.

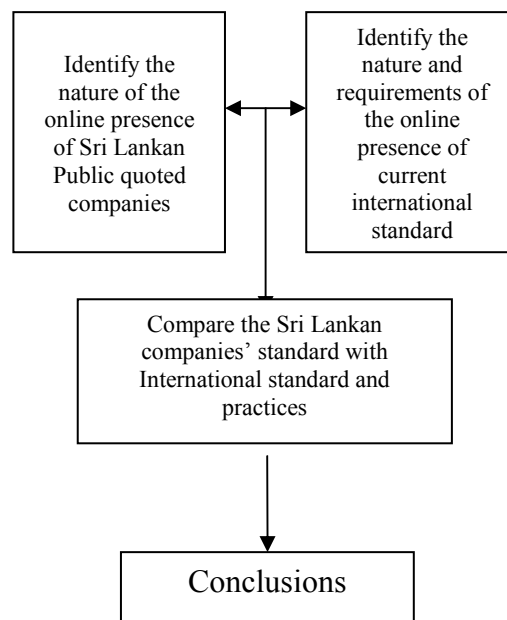


Figure 2: Conceptual Framework of the Study.

### 6. Data Analysis

This section has focused its attention on existence and the nature of on-line presence of public quoted companies in Sri Lanka.

### 6.1. Nature of on-line presence

As per the Google search results, 36% of public quoted companies do not have web sites. In contrast only 2% of Fortune 500 does not have web sites. According to this, it can be said that Sri Lankan companies have not identified the importance of web presence. And little effort has been made to this.

A sectoral comparison was then carried out to evaluate the kind of sectors that have paid attention to on-line presence. 100% of the telecommunication companies, 67% of banking finance and insurance companies, 83% of the diversified companies, 67% of manufacturing companies have on-line presence.

### 6.2. Site content classification

As discussed earlier, properly designed web site together with sophisticated content management will bring a business to the forefront of the business world. Customers use companies' websites to look into product information. They log on to internet to find out about the products that provide value for money. Attributed after sales service component attached to the product makes the difference of purchase or not purchase. Then the customer goes to the shop well armed with all the dealers' prices, services etc. this is very popular in the automobile industry, where the potential customers seek information from the websites and then do the purchase from the outlets.

Young and Benatami have categorised the content of a web site in to four main areas, namely: Informational, Communication, Customer Service and Customer Sales (Transactional).

### 6.3. Findings on site content classification.

#### 6.3.1. Customer sales

Customer sales component includes product or service order facility with or without the user login. Once the customer visits a web site it provides the option to the viewer to register with web site. Once he is registered, the next time he does not have to go through the procedure from the beginning instead can be logged-in by giving the pass word. It will reduce the time need to spend for continuous buyers. Study found that the 30% of Sri Lankan companies provide online order facilities but from that only 7% register the customers for future transactions. (Table 2.) It is giving inconvenient experiences to the customers who visit to buy.

Category	Sri Lankan Companies	Fortune 500
Product/ service order	30%	35%
Customer-Registration/Login	7%	29%

#### 6.3.2. Customer Service

Customer service components consist of any aid that facilitates a customer service. The content in this section helps the buyer to search for dealers before the sale is made. Site can provide the calculator function enabling the customer to do their own calculations during the sales. This is important in the case of financial products, for e.g. insurance premiums can be

calculated. Customer will be able to get an idea regarding the shipment status after the purchase has been made. Customer service content facilitates the customer before, during and after the sale is made.

Search for dealers facilities are relatively unpopular with in Sri Lankan websites, but the majority of financial institutions included in the sample give calculation facilities for the customers (Table 3.)

Category	Sri Lankan Companies	Fortune 500
Search for dealers	22%	48%
Shipment status	4%	4%
Calculator function	11%	15%

#### 6.3.3. Customer Communication

Classification of communication fulfils the individual customer requirements while the informational content exists in a non-individual manner. The visitor to the web site can e-mail to required personnel to obtain any particular information or the customers can have interactions with the firms via e-mail through this communication component of the site. The customer has the opportunity to seek expert service from the company and obtain clarification required. From the company's point of view it enables to build and maintain long term customer relationships by having continuous interactions with the customers.

Study found that most of the Sri Lankan companies provide contact information for the visitors by giving e-mail address and provide information about the company and related affairs through their bulletin boards. (Table 4.)

Category	Sri Lankan Companies	Fortune 500
e-mail to company	92%	92%
Bulletin board	8%	3%
Personalisation	4%	6%

#### 6.3.4. Informational content

Informational content consists of the information regarding the product or service description. This includes mainly the features and attributes of the products and services the company offer. Links can be developed under this category of content to connect other divisions of the same firm and some external organisations where the customer might need the services of, such as customs department, banks etc. The firm can post job opportunities in their web site. It is popular to incorporate key word search with in the site so that the customer has the ability to search by the word with out reading the whole site which saves ample amount of time and cost. When the percentages are compared it can be seen that there is only a 8 percentage points difference in the category of

Describe Product as per Table 5, but Sri Lankan websites do not include alternative product details, related product details, related technical tips etc. Therefore these websites are not giving information that a customer would get if he step in to a physical shop floor from the web. Further more Sri Lankan websites do not provide necessary privacy arrangements; this discourages customers to provide their important personal information over a public website.

<b>Table 5. Results of Informational components</b>		
<b>Category</b>	<b>Sri Lankan Companies</b>	<b>Fortune 500</b>
News updates	48%	89%
Job opportunities	22%	88%
Financial information	33%	95%
Describe product	89%	97%
Key word search	26%	59%
Internal links	48%	59%
External links	11%	48%
privacy	0%	53%

### 7. Conclusion

The study has identified that the recent trend in the online business in today's business world is to search online and purchase offline. Hence website is the one that locks in the customer. The intense competition and the development of internet technology are forcing firms to develop websites effectively by giving special attention to the relevance and attractiveness of the content facilitating to lock in customer. As a result of globalisation, Sri Lankan companies have to keep in par with this trend. It was revealed that the Legal background and the domestic IT infrastructure in Sri Lanka are satisfactorily up to the standard. Some sectors such as SMEs have made use of the available infrastructure and the legal background in order to promote their product and services internationally.

This research was conducted to fill the void in the research area on the online presence of public quoted companies in Sri Lanka. It was revealed that as Fortune 500s' websites, majority of Sri Lankan company websites also are informational but the quality of way in which the content provided by them is questionable. So far Sri Lankan companies did not understand the importance of the website as a main information provider. Lack of attention has been given to the customer registration facilities, search facilities with in the website, financial information, links etc. Product and service information are also not enough to give total customer satisfaction. Since the companies have already spent the initial investment, it is matter of identifying the information needs of the customers and encompasses these in to the web content. It will give total customer satisfaction and company can enjoy the glory of having totally satisfied customer gaining competitive advantage.

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