

Factors Affecting Customers' Satisfaction in the Environment of Online Shopping

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Abstract: Online shopping is a process of buying and selling of products and services through the Internet. Online shopping has become the fastest-growing industry and Internet users have reported that online shopping is one of their primary uses of Internet. With the help of online shopping, the consumers can purchase clothing, shoes, books, airline and events tickets, foods, computers hardware and so on. In the present study an attempt have been made to analyze the perception of the young people towards online shopping in Punjab. For the analysis of data descriptive statistics have been applied. Majority of the respondents assumed that transaction security, personal privacy, product price, product quality, convenience, accessibility, promotions and advertisement, delivery time, quality comparison and reputation of the company are the important variables in online shopping. With the growth of online shopping, there are various opportunities and challenges to online business retailers and consumers. If the online business retailers want to grow then they have to consider all these factors.

Key words: Online shopping, Customer Satisfaction, Website design, Convenience, Transaction security, Information quality, e-loyalty, Promotion

1. INTRODUCTION:

Enlarging numbers of people are moving towards more intensive use of the Internet as the accessibility of technology, the availability of information, and the ability to interact through the Internet increase and evolve. Obvious capabilities of the Internet include avenues for gathering information, purchasing a product, or rendering a service. The new invention in Internet technology allow for the expanding of shopping options beyond traditional methods that may be more time consuming. Issues with having to physically gather information with offline shopping methods are alleviated, and customers are better able to efficiently use their time. For instance, instead of having to physically visit different stores to compare prices or rely on circular pamphlets in newspapers, a consumer is able to search and retrieve needed information through the Internet (Changchiz, 2006).

The development of internet has created a paradigm shift of the traditional way people shop. A consumer is no longer bound to opening times for specific locations; he can become active at virtually any time and place and purchase of products or services. The number of internet users is constantly increasing which also signifies that online purchasing is increasing. The previous primary reason for shopping online was price, which has now changed to convenience.

The importance of analyzing and identifying factors that influence the consumer when consumer decides to buy on the internet is crucial Since the internet is a new medium, there have been new demands set by the consumer. That is why it is crucial for the online retailers to know the factors which influence the online consumer.

Internet is changing the way consumers shop and buy goods or services and has rapidly evolved into a global phenomenon. Many companies have started using the Internet with the aim of cutting marketing costs, thereby, reducing the price of their products and services in order to stay ahead in highly competitive markets. Customers use the Internet not only to buy the product online, but also to compare prices, product features and after sale service facilities, Many experts are optimistic about the prospect of online business (Shergill and Chen, 2005).

Consumers have different personalities, which may influence their perception and the way they perceive their online shopping behaviours orientations of utilitarian and hedonic.

Utilitarian consumers have goal-oriented shopping behaviours. Utilitarian shoppers shop online based on rational necessity. They look for task-oriented, efficient, rational, deliberate online shopping rather than an entertaining experience. They exercise purchase in efficient and timely manner to achieve their goals with the least amount of irritation. Such customers attach greater importance to the transaction related features of the website rather than the entertainment features.

Consumers who are hedonist have experiential shopping behaviour. Hedonists not only gather information by shopping online but also seek fun, excitement, arousal, joy, festive, escapism, fantasy, adventure etc. These experiential shoppers want to be immersed in the experience rather than to achieve their goals by shopping online and their perceived experiences also depend on the medium characteristics that induce enjoyable experiences. Hedonic (or experiential) shoppers are more attracted to well-designed online shopping sites that are easy-to-navigate and visually appealing (Narges, 2009).

2. REVIEW OF LITERATURE:

Delafrooz, Narges et al. (2010) analyzed that there were four main factors which influenced consumers' attitude towards online shopping. Those factors were utilitarian orientation, convenience, price and wider selection. He discussed that there were three more things which affected the sales of e-retailers. Those were personalities of consumers, online shopping perceived benefits and material of shopping sites. If a e-marketer wanted to utilitarian's as their consumers then they should be task oriented and if they wanted hedonics as their consumers, they should focus on the attractiveness and user friendly attributes of their shopping sites.

Saprikis, Vaggelis et al. (2010) analyzed the perceptions of Greek university Student's on online shopping in terms of demographic profile, expectations of online stores, advantages and problems related to online purchases. He found that there were lot of differences regarding online purchases due to the various consumers' characteristics and the types of products and services. The results showed significant differences between the two groups of respondents, the adopters who were involved in the online shopping and the non-adopters who were not interested in online shopping. Adopters were having higher expectations from e-marketers on issues related to privacy policy and risk. The differences found were related to their particular perceptions on advantages and problems of online shopping.

Syed et al. (2008) analyzed that there were four key factors which influenced the young consumers' perceptions towards online shopping. They found that those factors were website design, website reliability, customer service and privacy. They also discussed that there was no difference among the perceptions of various races towards online shopping in Malaysia. The most consistent factor that influenced buyer's behavior towards online shopping was found to be Trust. E-retailers need to add trust and reliability which is everything for the buyers.

Asakawa and Okano (2007) analyzed the factors influencing consumers' perception of online shopping and explained how this perception affects their online-shopping behaviour. From the research, they found that those factors were convenience, anxiety regarding security and poor navigation. He found that convenience had a positive influence on online shopping whereas anxiety regarding security and poor navigation had a negative influence.

Shergill and Chen.(2005), discussed the relationship between the factors affecting the buyers' behavior towards online shopping and the type of online buyers. They also investigated the different perceptions of different types of online buyers towards the online shopping. They found website design, website reliability, website customer service and website security or privacy were the factors which were influencing their buying behavior of different people. This research also found the different perceptions and evaluation criteria of the four types of online buyers; i.e., trial, occasional, frequent and regular online buyers.

Khalifa and Liu (2007), analyzed a model named the information systems continuance model in the field of online shopping with the use of contingency theory which showed the roles of online shopping habit and experience of the same and found that they both were having positive effects, if there was satisfaction in the e-buyers due to these two factors. They analyzed that the effects of online shopping habit on online repurchase intention were mediated through satisfaction. The final outcome of this research was online repurchase intention was not only an outcome of a rational analysis of satisfaction, both habit and experience were also the factors which attracted the buyers.

Adams et al. (2004) discussed the underlying factors related to personal online shopping in the workplace. They also gave the reasons for online shopping at work and those were boredom, connection speed, convenience, work life balance, efficiency etc. In their study they found that Americans were more fond of shopping online at workplace than Canadians. The main reason that they realized was faster connection. They said that corporate monitoring had an average effect on online shopping at workplace as job satisfaction was less or average at the place where monitoring was there.

Changchit (2006), examined the perception of customers towards online shopping and the various factors which were perceived in different manners by those who were e-buyers and those who were not in online shopping. By this study he found that there were five factors which were perceived differently by the above mentioned two groups of consumers. Those factors were perceived risk with online shopping, past experience with online shopping, perceived benefits of online shopping, perceived ease of online shopping, perceived uncertainty of online shopping.

3. OBJECTIVE OF THE STUDY:

To examine the factors affecting customer satisfaction towards online shopping.

3.1 Hypothesis of the Study

H₀: There is no association between the factors affecting customer satisfaction and online shopping.

H_a: There is association between the factors affecting customer satisfaction and online shopping.

4. RESEARCH METHODOLOGY:

The study involves different types of online shoppers based on frequency in business to consumer (B2C) market segment.

5.1 RESEARCH DESIGN:

Descriptive research design is used in this study.

5.2 Sampling Frame

The study targets the sample population of consumers (i.e. students, servicemen, businessmen, professionals) drawn from Punjab who have previous experience of online shopping. Sample size for the study is five hundred respondents.

For this research, since it is not possible to cover such a vast State as Punjab on account of impediments of time, finance and other resources required for the purpose. Hence, the geographical area for the survey to the questionnaire been selected in such a manner that the whole Punjab is represented and the conduct of research work gets convenient in handling and for completion, collected from the five districts (Bathinda, Patiala, Ludhiana, Mohali, Amritsar) through a structured questionnaire on the basis of 5 point likert scale from strongly agree to strongly disagree i.e. 5 to 1. Non probability sampling (Convenience) is used to collect the data from the respondents.

5.3 Source of Data Collection

5.3.1 Primary Data Source

Primary data has been collected through structured Questionnaire on the basis of 5 point likert scale from strongly agree to strongly disagree i.e. 5 to 1.

5.3.2 Secondary Data

The main source of secondary data was published research papers, research journals, unpublished papers, magazines.

6. ANALYSIS OF DATA:

Analysis of data has been using various descriptive and inferential statistical tools like Frequency distribution, Percentage, Arithmetic Mean, Standard Deviation Reliability Analysis (Cronbach's Alpha). For hypothesis testing and analyzing significant difference Analysis of Variance test using General Linear Model (Multivariate Analysis) applied employing SPSS 22.

6.1 Demographic Analysis

In this section, demographic analysis was performed for Age, Gender, Marital Status, Monthly Income, Occupation category & Education category among all five hundred respondents those who participated in research. The demographic analysis of sample presented in Table1, among five hundred respondents, According to age of respondents, 465(96.4%) respondents are aged from ($\geq 20 < 40$), 18(3.6%) respondents aged of (≥ 40) years old & 17(3.4%) respondents are in age group (< 20) years old.

The distribution of sample by Gender, there are 403 (80.6 %) male respondents and 97(19.4%) female respondents used in sample.

According to marital status, 80(16 %) respondents are married and 420(84%) respondents are found to be single.

Table1: Frequency distribution of Demographic Variables

Variables	Group	Frequency	Percentage %
Age	< 20	17	3.4
	$\geq 20 < 40$	465	96.4
	≥ 40	18	3.6
Gender	Male	403	80.6
	Female	97	19.4
Marital Status	Single	420	84
	Married	80	16
Average Monthly Income	No Income	28	5.6
	15000-25000	78	15.6
	25001-35000	338	67.6
	35001-45000	48	9.6
	45001 and above	8	1.6
Occupation	Business/Self Employed	33	6.6
	Service/Executive	429	85.8
	Student	29	5.8
	any other, specify	9	1.8
Education Level	High school degree or Less	8	1.6
	Bachelor degree	75	15
	Master degree	408	81.6
	Ph.D degree	9	1.8

Source: Analysis of SPSS Version 22

In average monthly income 338(67.6 %) respondents described themselves from income group (25001-35000), 78(15.6%) respondents from income group (15000-25000), 48(9.6%) respondents from income group (35001-45000), 28(5.6%) respondents of income group (No income), 8(1.6%) respondents from income group (45001 and above).

According to occupation category, 9(1.8%) respondents classified themselves to others category, 429(85.8%) respondents in occupation category of (Service/Executive) and 33(6.6%) respondents in occupation category of (Business/Self Employed) & 29(5.8%) respondents in the occupation category of (Student).

In education category, 8(1.6 %) respondents of the total respondents are up to the school level of their education, 9(1.8 %) respondents in education level of (doctorate), 75(15 %) respondents in education level of (Graduates), 408(81.6 %) respondents in education level of (Post graduates).

6.2. Levene's Test of Equality of Error Variances

Table : 2 Levene's Test. Age wise¹, Gender Wise², Income Wise³

Research Statements	¹ Sig.	² Sig.	³ Sig.
Online Buyer willing to give personal information.	.110	.000*	.053
Save time while shopping on the internet.	.030*	.002*	.214
Save money while shopping on the internet.	.001*	.704	.499
Internet shopping is easy to do for Customer	.350	.398	.521
Customer is concerned about possible interception of financial information by an unidentified third party.	.703	.518	.934
Internet promotions such as banner advertisement, sales, or free gifts are attractive to Customer.	.463	.414	.263

Source: Analysis of SPSS Version 22

*Significant at 5% level of significance

Table 2. Points to the affirmation of the hypothesis (H_{01}) by Levene's test of equality is that majority of respondent category (age wise), there is no significant difference in respondent opinion towards research statements, give personal information on internet, easy shopping, financial information, internet promotions but there is significance difference w.r.t research statements, save time on online shopping, save money on online shopping (p-value is less than 0.05).

It concluded that validate the null hypothesis "There is no significant difference among respondent opinion (age-wise) regarding the factors affecting customer satisfaction and online shopping."

According to gender wise is that there is no significant difference in respondent opinion towards research statements, Save money on online shopping, easy shopping, financial information by unidentified third party, internet promotions but there is significance difference towards research statements, give personal information on online shopping, save time on online shopping (p-value is less than 0.05).

Statistically concluded that validate the null hypothesis "There is no significant difference among respondent opinion (gender-wise) regarding the factors affecting customer satisfaction and online shopping."

According to income wise, there is no significant difference in respondent opinion towards research statements, give personal information on online shopping, save time on online shopping, Save money on online shopping, easy shopping, financial information by unidentified third party, internet promotions.

It concluded that the across categories validate the null hypothesis "There is no significant difference among respondent opinion (income-wise) regarding the factors affecting customer satisfaction and online shopping."

6.3. Multivariate Test Analysis

Table : 3 Multivariate Test

Hypothesis Summary				
Hypothesis number	Statement of Null hypothesis	Variables	Sig.	Test Results
H_0	There is no association between the factors affecting customer satisfaction and online shopping	Age Gender Income	.641* .299* .312*	Accepted Accepted Accepted

Source: Analysis of SPSS Version 22

*Significant at 5% level of significance

It concluded that the across categories (Age-wise, gender-wise and income-wise) validate the null hypothesis "There is no significant difference among respondent opinion regarding the factors affecting customer satisfaction and online shopping." Hence H_0 is accepted.

7. FINDINGS:

- Online shopping provides them more convenient and comfort zone to access all needful goods & services at a single platform.
- They found that shopping through internet from home is more time saving in comparison of consuming time to go to near market for shopping.

- They found that shopping through internet is provide new schemes & more discount on the products in comparison of spend money to go to near market for shopping.
- They found that they can easily access the shopping websites from home and fulfil their necessity.
- They found that it is a risk of give financial information at the time of online shopping which can be misused by unidentified third party.
- They found that pop-up of ads, free gifts on the social websites are the main attraction to the customers to do online shopping.

8. RECOMMENDATION:

- Companies should have more risk reduction activities as perceived risk could strongly influence consumers' online purchase decisions and specific types of perceived risk like online frauds should be taken care of in different scenarios. Hence, the shopping sites should sport a Certificate of Authenticity (a seal or small sticker designed to demonstrate that the item is genuine and risk free) and should have a security symbol in order to safe shopping.
- The study suggests that the customers give the most importance to security and privacy to generate trust. Perceived privacy of customer information can be improved by ensuring that at no point of time the customer is asked for irrelevant personal information.
- People are averse to online shopping because there is a difficulty in returning the faulty products. Hence the companies should make the arrangement so that try and buy facility is available at the customer doorstep and one can return if the product is faulty
- Government should establishment consumer protection machinery to monitor internet purchasing, which could enhance the confidence of public in virtual shopping system.

9. CONCLUSION:

This research shows that online shopping is having very bright future in Punjab. Perception towards online shopping is getting better in Punjab. With the use of internet, consumers can shop anywhere, anything and anytime with easy and safe payment options. Consumers can do comparison shopping between products, as well as, online stores. Based on this information obtained in the course of the project there is a sincere effort to drawn a meaningful conclusion.

This study is mainly focus on the factors from the Internet and examines those factors that affect the consumer's online shopping behaviour. The research focus on the Internet shopping (include the nature of Internet shopping, E-commerce website, and online security, privacy, trust and trustworthiness) and online consumer behaviours (include background, shopping motivation and decision making process). Those factors were looked at, and examined to reveal the influence at online consumer behaviours. In addition, the previous researches were used to help researchers understanding more comprehensively.

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