



Customer satisfaction towards online shopping in Surat city

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Abstract

With the increasing usage of information technology in the field of commerce, more and more retailers have registered their presence in the online retail business. All the online stores are offering variety of products and services to customers and thus, it has become tough to capture a larger share of market for any e-store. Therefore, nowadays satisfaction of customers' has become a major aspect which will help e-retailers to increase their sales and profits by increasing the customer base. This study aims to measure the satisfaction level of customers in online shopping and the major factors which influence their satisfaction. The design of present study is descriptive and analytical. Primary data has been collected with the help of a structured questionnaire from 180 respondents. Result of factor analysis identified six major factors which influence online customers' satisfaction which are as follows: Security and Privacy, Website Design, Information Quality, Customer Service, Price and Quality of the product, Availability and Fulfillment. The findings of the study also revealed that majority of the customers are moderately satisfied from online shopping.

Keywords: e-retailers, e-stores, customer satisfaction, online shopping

1. Introduction

With the advent of internet, people are using it for the varied purposes and one of the uses of the internet is that people are using it to make purchase through websites. Many business houses have set up their websites to sell their products and reach the customers residing in remotest part of the country. This method of selling products to customer has completely changed the way of doing business for the retailers and buying goods for the customers. But one thing which is still a pre-requisite in this changed mode of business is satisfaction of customers. Satisfaction of customer is an important aspect whether it is selling through brick and mortar stores or it is selling through online medium. Satisfaction is a psychological feeling of contentment derived from the consumption of the product or service by the customer. Satisfaction can also be a feeling of pleasure or disappointment of a person that results from comparing a product's perceived performance or outcome with their expectations (Kotler, 2003)^[5].

This sense of satisfaction is experienced by customer when one evaluates its perception from the product or service with what he/she had expected before buying it and the perception comes out to be greater than or at least equivalent to its expectations. Thus, it is a process of evaluation and comparison of pre-purchase expectations and post-purchase experience of customer. In context of online shopping, customer satisfaction is also very crucial to all the online stores striving hard to stand in the ever rising competition. Online shopping offers many advantages to customers such as it saves their time by delivering products at the convenience of their door steps and serve variety of products at one web page with attractive offers and discounts, etc. All the online stores

provides these benefits to customers, thus, to attract customers to a particular store and persuade them to buy from it always, what is needed is, to keep them satisfied with their products and services. A dissatisfied customer can move to a competitor store just with a single click.

2. Problem Statement

This is the era of technology and the dependency of people on technology can be seen every field whether it is agriculture, commerce, education, health and service etc. Retailers have also found an easy medium to reach large number of customers with the help of business-to-customer (B2C) model of e-commerce. Unlike in the traditional method of selling products to customers through brick and mortar stores, B2C e-commerce uses internet technology to reach large number of customers through the websites of their stores. Thus, customers can buy the products just by seeing the product image and analyzing information about the product features and functions on the websites. This has eliminated the face to face communication of retailer and customers, which in traditional method was the trust building factor among both the parties and also played an important role in providing sense of satisfaction to customer. Due to this online buying method, it has become difficult for the retailers to gain the customers trust. Moreover, the competition in e-commerce market is rising day by day with more and more e-stores coming into existence and offering different product lines. Thus, creating satisfaction among online customers has become more cumbersome for online retailers. This arise the need to study the level of satisfaction among online customers and finding out the factors which are predominant in

influencing their satisfaction.

3. Review of literature

Numerous researchers in the past have carried out various studies on customer satisfaction examining different variables which had created some impact on level of customers' satisfaction and revealed different findings.

Cheung and Lee (2005) ^[2] proposed a research framework and suggested the key dimensions for customer satisfaction with respect to internet shopping which were information quality (Accuracy, Content, Format and Timeliness), system quality (Navigation, Ease of use, Response time and Security) and service quality (Responsiveness, Assurance and Empathy).

Yoon (2007) ^[7] in its study found out five determinants viz., customer services, fulfilment/reliability, ease of use, product/service portfolio, and security and privacy which affected customer behavioural intentions either directly or indirectly via overall satisfaction. Further, it was also observed that overall satisfaction played a key role in determining repurchase intentions of customer, their recommendations, and price sensitivity.

Lin *et al.*, (2011) ^[6] assessed that information quality, system quality, service quality, product quality, delivery quality and perceived price had direct significant influence on the online customer satisfaction. It was concluded from the study that to maintain the level of customer satisfaction online sellers must stress on providing quality delivery services such as timely and safe delivery as it was found to be the pivotal determinant followed by quality of product.

Guo *et al.*, (2012) ^[4] identified that eight determinants had positive relation with consumer satisfaction viz., website design, security, information quality, payment method, e-service quality, product quality, product variety and delivery service.

Dias and Ranwala (2015) ^[3] found out major factors which created satisfaction amongst customers with them e-procurement/online purchasing were: quality of information, user friendliness and variety of products, price of products, payment systems and customer service before sales. High response time, security, privacy, transaction ability, delivery speed, and customer service after sales were the factors responsible for dissatisfaction of customers.

Alshamyleh *et al.*, (2015) ^[1] examined the following dimensions of E-services to know its impact on satisfaction level of students: website design, reliability, efficiency, responsiveness, ease of use, availability and privacy. The outcomes of the study suggested that all the dimensions except ease of use had an impact on satisfaction of Jordanian students.

On the basis of in-depth review of available literature, 18 variables which were found important in previous studies are considered in the present study to know its influence on online customer satisfaction in Surat city. Variables undertaken in the study are as follows: System availability, Fulfillment, Time saving, Navigation, Ease of use, Understandability, Accuracy and reliability, Product quality, Price competitiveness, Discount/offers, Privacy of personal information, Security of financial information, Privacy of shopping behavior, Adequacy of security features, Order Confirmation, Compensation, Responsiveness, and Empathy.

4. Objectives of the study

1. To know the most predominant factors influencing customers' satisfaction towards online shopping.
2. To analyze the customers' satisfaction towards online shopping in Surat City.

5. Methodology

The design of the study is descriptive and analytical in nature. Primary data has been collected through a structured questionnaire, framed on the basis of five point Likert's scale where 5 = strongly agree, 4 = agree, 3 = neutral, 2 = disagree and 1 = strongly disagree. A total of 180 online buyers were approached and questionnaires have been filled up interviewing them personally. Customers who are aged above 18 years and have shopping experience of at least six months are selected as sample units in Surat City. Non-probability snow ball sampling is used to select samples for this study due to unavailability of proper information and identification which is to be needed about the total number of online shoppers in the selected research area. The sample for the study includes respondents of different age groups, gender, education level, and occupation to minimize any bias.

6. Data Analysis and Interpretation

The general profile of respondents, their experience of online buying and main findings of the study are discussed under the following sub-heads:

Table 1: Demographic Profile of Respondents

S. No.	Demographic Variables	Number of Respondents	Percent (%)
Gender			
1	Male	82	45.6
	Female	98	54.4
	Total	180	100.0
Age (in years)			
2	18-28	106	58.9
	28-38	45	25.0
	38-48	19	10.6
	>48	10	5.6
	Total	180	100.0
Qualification			
3	High School	27	15.0
	Graduate	95	52.8
	Post-Graduate	48	26.7
	Others	10	5.6
	Total	180	100.0
Occupation			
4	Student	51	28.3
	Professional	67	37.2
	Businessman	39	21.7
	Housewife	23	12.8
	Total	180	100.0
Experience of Online Shopping			
5	6-12 months	37	20.6
	12-18 months	38	21.1
	18-24 months	21	11.7
	more than 24 months	84	46.7
	Total	180	100.0

In Table 1, majority of the respondents are found to be female

with 54.4% and 45.6% respondents are found to be male. Maximum number of respondents i.e. 58.9% belongs to the age group 18-28 yrs. followed by 25.0% of the age group 28-38 yrs. Qualification of the respondents revealed that majority of the customers are either graduates or post graduates with 52.8% and 26.7% respectively. Occupation of the customer's shows that majority of online buyers i.e. 37.2% are engaged in some profession/service followed by 28.3% students. With respect to their experience of online shopping maximum 46.7% customers are having experience of more than 24 months followed by 21.1% customers with an experience of 12-18 months.

6.1 Most Predominant Factors Influencing Customers' Satisfaction towards Online Shopping

Factor Analysis

Factor analysis is a technique of reducing data which reduces a large number of variables into a smaller set of factors. In

B) KMO and Bartlett's Test

Table 3: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.733
Bartlett's Test of Sphericity	Approx. Chi-Square	1162.690
	df	153
	Sig.	.000

The result of KMO (Kaiser-Meyer-Olkin) and Bartlett's Test is shown in Table 3. KMO value is 0.773 in table which is much higher than the standard value 0.5. Thus, it indicates that to carry out the factor analysis the sample size is adequate. As exhibited in Table 3, probability value of Bartlett's test is 0.000 which is less than significance value 0.05. This interprets that correlation matrix is not an identity matrix and there exists relationship amongst variables and thus, factor

this, it involves the study of order and structure in multivariate data settings. In the present study, factor analysis is carried out on 18 variables undertaken in the study and these variables are converted into smaller set of factors.

A) Reliability Test

The reliability statistics for 18 items undertaken for carrying out factor analysis is represented in Table 2. Reliability test is useful to check the reliability of scale i.e. it shows that the instrument reflects the construct which it aims to measure.

Table 2: Reliability Test

Cronbach's Alpha	Number of Items
.819	18

In Table 2, Cronbach's Alpha value is 0.819 which is higher than the standard value 0.7. So, with the help of surveyed instrument factor analysis can be carried out further.

analysis can be carried out on these variables.

C) Extraction of factors: Principal component analysis method

The foremost step towards factor extraction is to determine the linear component within the data set. For this purpose, the eigen value of the matrix is calculated. The magnitude of the associated eigen value is taken into consideration and on that basis, the importance of a particular factor is determined.

Table 4: Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	4.790	26.611	26.611	4.790	26.611	26.611	2.472	13.731	13.731
2	1.990	11.053	37.664	1.990	11.053	37.664	2.190	12.165	25.896
3	1.640	9.114	46.778	1.640	9.114	46.778	2.109	11.715	37.612
4	1.455	8.081	54.859	1.455	8.081	54.859	2.046	11.364	48.976
5	1.221	6.781	61.640	1.221	6.781	61.640	1.924	10.688	59.664
6	1.101	6.115	67.755	1.101	6.115	67.755	1.456	8.091	67.755
7	.990	5.501	73.255						
8	.852	4.733	77.989						
9	.658	3.658	81.646						
10	.592	3.290	84.936						
11	.517	2.872	87.808						
12	.459	2.547	90.355						
13	.401	2.228	92.584						
14	.327	1.814	94.398						
15	.321	1.785	96.183						
16	.257	1.427	97.610						
17	.246	1.365	98.975						
18	.184	1.025	100.000						

Extraction Method: Principal Component Analysis.

The result of total variance explained by all extracted factors

by using Principal Component Analysis (PCA) method is

presented in Table 4. On the basis of Kaiser’s criteria used by SPSS, factors with eigen value greater than 1 are retained and others are discarded. The eigen value associated with each factor reflects the variance explained by that particular factor in dependent variable i.e. customer satisfaction. In first column under the head rotated sum of square loadings, SPSS has identified six factor/components by extraction method whose eigen value is greater than 1. Second and third column exhibits variance in percentage for each factor and their

cumulative values respectively. The percentage value indicates that 1st factor explains 13.731% of variance in dependent variable, 2nd factor explains 12.165%, 3rd factor explains 11.715%, 4th factor explains 11.364% and so on.... Together all six factors explains 67.755% of the total variance in dependent variable i.e. customer satisfaction. The factors extracted with variables falling under them are presented in Table 5.

Table 5: Rotated Component Matrix

	Component					
	1	2	3	4	5	6
Security of Financial Info	.777					
Privacy of Personal Info	.733					
Privacy of Shopping Behaviour	.662					
Adequate Security Features	.643					
Order Confirmation						
Navigation		.811				
Ease of Use		.763				
Time Saving						
Accuracy and Reliability			.810			
Understandibility			.793			
Empathy				.800		
Responsiveness				.676		
Compensation				.642		
Discounts/ Offers					.802	
Price Competitiveness					.778	
Product Quality					.557	
System Availability						.857
Fulfillment						.608
Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization.						

As a result of Varimax rotation, Table 5 represents the list of all grouped variables and their loadings. A variable with no loading means that they are suppressed by SPSS because their loading is less than 0.5. Thus, out of 18 variables 2 variables are suppressed and remaining 16 variables are grouped into smaller set of six factors.

Six predominant factors which influences satisfaction level of customers towards online shopping in Surat City is presented in the table rotated component matrix. Followings are the names given by researcher to the extracted factors:

Factor 1: Security and Privacy, Factor 2: Website Design,

Factor 3: Information Quality, Factor 4: Customer Service, Factor 5: Price and Quality of the product, Factor 6: Availability and Fulfillment.

6.2 Customer Satisfaction in Online Shopping in Surat City

H₀: There is no significant difference in observed and expected frequency of customer satisfaction.

H₁: There is significant difference in observed and expected frequency of customer satisfaction.

Table 6: Frequency Distribution and Chi-Square Test for Customer Satisfaction

Customer Satisfaction	Strongly Disagree	Disagree	Neutral	Agree	Strongly Agree	Total
Observed Frequency	1	1	16	120	42	180
Percent (%)	0.6	0.6	8.9	66.7	23.3	100.0
Chi-Square Test Statistics	276.167 (0.000)					

Interpretation

The results for Chi-Square test statistics and observed frequency for customer satisfaction level is represented in Table 6. Out of total 180 customers, 66.7% and 23.3% customers respectively, agree and strongly agree that they are satisfied with their shopping on the websites and 8.9% customers are neutral about their satisfaction level whereas the percentage of dissatisfied customers is negligible. Thus, the

observed frequency of customer satisfaction indicates that majority of customers of Surat City are moderately satisfied with online shopping.

Also, in the Table 6 probability value is indicated as 0.000 which is less than 0.05. Thus, the null hypothesis is rejected by the researcher and it is interpreted that there is some statistically significant difference in observed and expected frequency of customer satisfaction.

7. Conclusion

The findings of the study revealed that the participation of male and female is almost similar in online shopping and younger generation who are reasonably qualified and engaged in some profession are more interested in shopping online. It can also be concluded from the results of the data analysis that customers are moderately satisfied from online shopping and security and privacy, website design, information quality, customer service, price and quality of the product, availability, and fulfillment are the key factors which influence the satisfaction of the customers. Thus, to create a highly satisfied customer base, the online stores must concentrate on these six factors

8. References

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