



## CONSUMER SATISFACTION ON ONLINE SHOPPING – A STUDY WITH SPECIAL REFERENCE TO CHENNAI CITY

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### 1. Introduction

The internet has transcended us from the traditional shopping era into a new and more efficient era called “e-commerce”. Globally shoppers are gaining tremendous benefits from purchasing goods and services from cyberspace. The internet permits the 24/7 and 365 days availability of goods and services with little or no cost.

Surplus seeking consumers and retailers are always searching for markets that are more economically efficient hence, online purchasing. In 2016, about 69 million consumers purchased through online. According to an ASSOCHAM – Resurgent India study, the number is expected to cross 100 million by 2017 with the rise of digital natives, better infrastructure in terms of logistics, broadband and Internet-ready devices to fuel the demand in e-Commerce, according to an ASSOCHAM-Resurgent India study.

As per the findings of the joint study, Bangalore is on top among all other cities of India in online shopping during the year 2016. 69% of its population chose to buy daily routine products through e-shopping in 2015-16, which will go to 75% this year for apparel, gift articles, magazines, home tools, toys, jewellery, beauty products and sporting goods. Mumbai ranks second, Delhi ranks third in their preference for online shopping. Mumbai share was 65% in the year 2015-16, which may go up to 70% in the upcoming year for electronic gadgets, accessories, apparel, gifts, computer peripherals, movies, hotel booking, home appliances, movie tickets, health & fitness products and apparel gift certificates etc. 61% of Delhi’s population chose to buy daily routine products through e-shopping in 2015-16.

The study reveals, Indian e-Retail looks even more promising which is Up from \$ 3.59 billion in 2013 to \$ 5.30 billion in 2014, which is a phenomenal increase of 48%. In the end of 2018, it is expected to touch \$ 17.52 billion. In 2017, mobile commerce will become more important as most of the companies are shifting to m-commerce. Sale of mobile phones have already accounts for 30-35% of e-commerce sales, and its share will jump to 45-50% by 2017. Online shopping has been embraced by Indians with close to 25-30 million adults making a purchase via the internet in the 2015-16.

### 2. Literature Review

According to Kotler & Keller (2009), a buyer goes through five stages while making a decision to purchase. These stages are best explainable when a buyer goes for buying costly items, such as a house, a car, diamond jewellery etc. However, in day-to-day purchase, consumers may not go through all these stages, since some commodities do not need information, and based on buyer’s previous experience they will visit a store for the purchase. These stages are “problem recognition, information search, evaluation of alternatives, purchase decision, and purchase behaviour” (Kotler & Keller 2009).

Many marketing activities (e.g. relationship marketing, marketing research, data mining, promotion/communications, supply chain management, sales and purchasing and after sales support) are now technology enabled due to the increasing expansion of online marketing via the Internet (O’Connor & Galvin, 2001).

Companies are now using the Internet to build closer relationships with consumers and marketing partners. Besides competing in traditional marketplaces, they now have access to exciting new market spaces. Moreover, through the Internet, consumers can learn about design, order, and pay for products and services, without ever leaving home and then, through the wonders of express delivery, they can receive their purchases in short time. From virtual reality displays that test new products to online virtual stores that sell them, the technology explosion is affecting every aspect of marketing. The Internet has now become a truly global phenomenon (Srisuwan & Barnes, 2008; Teng et al., 2007).

Jayawardhena et al. (2007) in their study considered the purchasing orientation of potential buyers and assessed its impact on purchase behaviour, but found that individual orientation is independent of purchasing decision, which reinforces the views of Liu et al. (2008) and Sorce et al. (2005) that every stage of the purchasing decision making cycle may have impact on a potential buyer’s decision to buy online or not. Demangeot and Broderick (2007) reported that “information search experiences affect the attitudes towards the site and its brands”.

Koo et al. (2008) study, which was conducted on 279 online customers in Korea, it was found that “32.5 per cent use the internet for news and information, 32.5 per cent for communication, 7.5 per cent use it for entertainment while 7.1 per cent for online shopping”. Consumer-purchases are mainly based on the cyberspace appearance such as pictures, images, quality information, and video clips of the product, not on the actual experience (Brennan et al., 2008; Constantinides, 2004).

In consistent with Gay et al. (2007), Yun and Good (2007), Lee and Lin (2005), Rajamma et al. (2007), Kim and Kim (2004), Ramus and Nielsen (2005), Ladson and Fraunholz (2005), Kramarae and Kramer (1995), Welch (1995), Rathmell et al. (1998), Johnstone (1999), Singh (2004), Smith & Chaffey (2002), and Canavan et al. (2007),: consumer satisfaction and purchase decision on online shopping depends on few more issues. These are: e-store image, delivery and customer services, service quality and purchase behaviour, personalisation, motivations for online purchase, trust, reliability, privacy, transaction and cost, incentive programmes, web-site design, online interactivity, merchandise motivation, assurance, convenience (or Hassle Reduction), pragmatic motivation, responsiveness, consumer risk assessment etc.

As the Internet has now become a truly global phenomenon, the number of Internet users worldwide is expected to reach 1.8 billion by 2010 according to the survey of ClickZ Stats, cited in Kotler & Armstrong (2008). This growing and diverse Internet population means that people having diverse tastes and purposes are now going to the Web for information and to buy products and services. Thus, the impact of these online shopping environments on consumer response necessitates a critical understanding for marketing planning.

### 3. Objectives

- To exhibit the profile of the customers.
- To study customer perception on online shopping.

#### 3.1. Hypothesis

**H1:** Website design has positive influence on customer satisfaction towards online shopping in Chennai.

**H2:** Security has positive influence on customer satisfaction towards online shopping in Chennai.

**H3:** E-Service quality has positive influence on customer satisfaction towards online shopping in Chennai.

**H4:** Information quality has positive influence on customer satisfaction towards online shopping in Chennai.

**H5:** Customer satisfaction has positive influence on customer satisfaction towards e-loyalty in Chennai.

#### 3.2. Methodology

Six variables, namely website design, security, e-service quality, information quality, customer satisfaction and e-loyalty, were operationalised in this study to test the hypothesized relationships in the conceptual framework proposed. The items and scales in the questionnaire were adopted from literature related to the scope of this study, to ensure and enhance the validity of the questionnaire. In addition, the scales and measurements adopted from the existing literature were considered reliable, as Cronbach's Alpha value for these scales and measurements are above the recommended threshold value at 0.70 (Pallant, 2007).

A questionnaire survey was used for data collection. According to Forza (2002), questionnaire survey method triggers faster respond or decision from the respondents compared to the open ended questions. Furthermore, it is also easier to code the data for a range of statistical analyses. A convenience sampling method was used. 200 questionnaires were distributed to young adults, ages ranging from 18 to 35 throughout the Chennai city. 193 questionnaires were collected, yielding a 0.96 response rate. After preliminary data analysis, 13 responses were eliminated from the sample. Finally, 180 responses were retained for statistical data analyses.

### 4. Analysis and Interpretation

Table 1 shown below is a summary of demographic profile of the respondents. As presented in the table, 42.8% of the respondents are male, and 57.2% of them are female. In terms of age group, the majority of the respondents are between 24 and 29 (42.2%), followed by age between 18 and 23 (35.6%); while 22.2% of them are aged between 30 and 35. Overall, 57.8% of the respondents obtained undergraduate qualifications (e.g., diploma or degree), 13.3% are respondents with postgraduate qualifications (e.g., master or doctoral degree); and 11.1% with professional and other qualifications.

In response to frequency of online shopping, the respondents of this study are considered quite familiar with online shopping environment, as 46.2% of them have online shopping experience at least 1 to 3 times within a month, and 30% of the respondents have online shopping experience once every 2 to 3 months. Only 6.1% of the respondents shop online at least once a week.

**Table 4.1: Demographic Profile of Respondents**

Demographic Variable	Details	Frequency	Percentage (%)
Gender	Male	77	42.8
	Female	103	57.2
AGE	18-23 years old	64	35.6
	24-29 years old	76	42.2
	30-35 years old	40	22.2
Education Level	SPM or below	14	7.8
	Undergraduate	104	57.8
	Postgraduate	24	13.3
	Professional Qualification	18	10.0
	Other Qualifications	20	11.1
Frequency of Online Shopping	At least once a week	11	6.1
	1 to 3 times a month	83	46.2
	Once Every 2 -3 months	54	30.0
	Once Every 4 -6 months	17	9.4
	Twice a year or less	15	8.3

Table 2 shows the mean, standard deviation and the values of skewness and kurtosis for the respective variables in this study. The mean scores of the variables are ranging from 3.160 to 4.168, and the scores for standard deviation are in the range of 0.193 to 1.371. Generally, the mean and standard deviation values show quite a narrow spread of data points around the mean. In terms of the normality of the data, both kurtosis and skewness statistics are in the range between -3 and 3, the results show that all the items that form the variables are normally distributed (Lawrence, 1997). Moreover, Table 2 also shows the results of the reliability test conducted on all the variables. Cronbach's Alpha values for the variables are: website design (0.870), security (0.923), e-service quality (0.932), information quality (0.873), customer satisfaction (0.700) and e-loyalty (0.750). Obviously, the reliability values fulfilled the recommended cutting point of 0.7 (Pallant, 2007). Collectively, the descriptive analysis showed that all items that make up the variables in this study fulfilled the statistical requirements.

**Table 4.2: Mean, Standard Deviation, Kurtosis and Skewness of the Variables**

Variable	Mean	Std. Deviation	Kurtosis	Skewness	Cronbach Alpha
Website Design	4.168	1.371	0.539	-0.788	0.87
Security	4.066	0.817	-0.122	-0.604	0.923
E-Service Quality	4.079	0.735	0.3	-0.557	0.932
Information Quality	3.212	0.659	0.523	-1.203	0.873
Customer satisfaction	3.16	0.193	2.304	-2.902	0.7
E-Loyalty	3.881	0.282	1.71	-1.55	0.75

Based on the Collinearity Statistics as presented in Table 3, all independent variables have tolerance value greater than 0.1: website design (0.452), security (0.426), e-service quality (0.441) and information quality (0.375). According to Bruin (2006), tolerance value exhibits the percentage of variance in the predictor that cannot be accounted for by other predictors. Tolerance values that is more than 0.1 indicates that the variable has a high tolerance level thus the predictors are not

redundant (Bruin, 2006). Meanwhile, all independent variables does not display any multi-collinearity problem because all variance inflation factors values (VIF) are not more than 10 (Robert, 2007). The VIF values for these valuables are: website design (2.214), security (2.347), e-service quality (2.265) and information quality (2.664).

**Table 4.3: Coefficient Summary**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	3.059	0.089		34.464	0.000		
WDi	0.024	0.029	0.089	0.828	0.409	0.452	2.21
Seci	-0.027	0.026	-0.114	-1.034	0.303	0.426	2.35
ESQuali	-0.062	0.024	-0.287	2.639	.009**	0.441	2.27
InfoQuali	0.088	0.031	0.335	2.839	.005**	0.375	2.66

**Notes:** Wdi= Website Design, Seci= Security, ESQuali= e---service quality, InfoQuali= Information Quality. \*\* = P < 0.05. Referring to Table 3, the t-statistic for website design construct was 0.828 (p-value > 0.05) and Beta is 0.089. Hence, there is sufficient evidence to commence that website design does not influence consumer satisfaction in online shopping environment. **Thus, H1 is rejected.** Besides, the t-statistic for security construct is 1.034 (p-value > 0.05) and Beta is 0.114. Hence, there is sufficient evidence to commence that security does not influence consumer satisfaction in online shopping environment. **Thus, H2 is rejected.**

Furthermore, the t-statistic for e-service quality construct is 2.639 (p-value < 0.05) and Beta is 0.287. The result indicated that e-service quality has a significant influence on consumer satisfaction in online shopping environment. **Thus, H3 is accepted.** Whereas, the t-statistic for information quality construct is 2.839 (p-value < 0.05) and Beta is 0.335. In other words, information quality is found to have a positive impact on consumer satisfaction in online shopping environment in Chennai. **Thus, H4 is accepted.**

#### 4. Conclusion

Two variables of online shopping features provide positive effects towards customers' satisfaction, and these variables are the e-service quality and the information quality. In addition to that, it has also been found that customers' satisfaction does positively influence e-loyalty in online shopping environment. Therefore, marketers or online retailers can use this information in their decision making process in order to achieve customers' satisfaction and consequently sustain the business.

On the other hand, website design and security do not show a significant relationship towards customers' satisfaction. Thus, it is suggested that online shopping customers in Chennai, particularly the young adults, do not perceive website design features as well as security to be important factors that would influence their overall satisfaction. The results for this study have proven that there is a difference in preference amongst the young adult generation. In conclusion, the rising number of online business in the market shows how important it is for business retailers to understand the business environment, to target customers in order to strive better and above the competitors, as well as to sustain their businesses in a longer run.

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