

A STUDY ON CONSUMER SATISFACTION TOWARDS ONLINE SHOPPING WITH SPECIAL REFERENCE TO NAMAKKAL DISTRICT

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ABSTRACT

In this era of fast moving lifestyle, customers are busier than what they were few years back. It is precisely for this reason customers are also purchasing their products and services through online shopping. Marketplace is fast turning into e-marketplace. With new and new players coming in, it is but natural for the existing players as well as new entrants to come up with innovative techniques to sell their goods and services. It is very difficult to understand the online consumer behavior as each day businesses and the marketing place is being transformed has also examined if the emotional responses to a website may affect customers to visit the website again. The factors affecting the intention to return to a website are the enjoyment of the shopping experience and the usefulness of the web site. It is a very important issue for the marketer to review the factors influencing consumer behavior since different types of websites may need to accommodate different types of consumers with unique attributes. Online consumer behavior has been gradually noticed in different spheres of goods and services, where people can have what they want sitting in their closed premises. Almost all types of products are available on the internet. Almost all types of commodities and services are being sold through the websites. Goods and services, consumer durables, books, audio and video cassettes and services like and air tickets can also be purchased online.

Keywords: Consumer behavior, Online Shopping, Consumer Satisfaction, Shopping behavior, online payment, Brand Preference.

INTRODUCTION TO ONLINE SHOPPING

India is the second biggest consumer market in the world. The Indian consumer profile has changed in education, wage, profession, comparative community and media preferences. With the advent of new technologies, the consumer brand preferences for sustainable products have changed during the past decade. With acculturation, consumer preferences evolve and move on to high-end technological products. As the lives and economic levels changed, things previously thought to be luxury items became necessary. The demand for high-end products such as TV, washing machines, fridges and air conditioners has grown significantly as disposable incomes have climbed. The widespread availability of credit and the presence of nuclear families further simplify it. Increased demand for sustainable consumer products on the market, leading to reduced prices, because Indian consumers continue to put a premium on value for money. The consumer is brand-aware but not brand-

loyal and may choose a respected private label if it delivers excellent value for money and quality.

CUSTOMER SATISFACTION

Customer satisfaction is a function of perceived performance and expectations. Perceived performance is the consumer's belief about the product or service experience. Buyer's expectations, on the other hand, are influenced by Performance of the product in the recent past, Word of mouth, recommendations or testimonials, Reviews, What competitors say about the product or service, What its own marketers promise. The satisfaction goals are established by the customers themselves before they set out to make a purchase. This is also why they start looking for more information at this point — reviews, comparisons, alternatives, etc. Their website, content marketing efforts, and presence on other review sites make a difference at this point. So do customer stories and testimonials.

Once the customer selects the product or service, they'll start evaluating the actual experience against the expected one. This is where a trial period and a well thought out onboarding process make a difference for high ticket products and especially for low ticket products with low stickiness.

If the customer perceives that the performance is higher than their expectation from the product or service, it results in positive disconfirmation. Similarly, if the customer perceives the performance to be worse than what they expected, it results in negative disconfirmation. Positive disconfirmation results in customer satisfaction. Zero disconfirmation (when reality meets expectations) is likely to result in satisfaction. Negative disconfirmation leads to dissatisfied customers.

RESEARCH METHODOLOGY

SAMPLING DESIGN

Mall intercept survey method was used as the sampling technique for the research. The researcher went personally to all the taluks in Namakkal district and gathered information from the respondents who were randomly selected at the time of his visit. The approach of random sampling is used to collect independent responses.

POPULATION

The population included all the people living Namakkal district who were doing online shopping for purchase of items required by them.

Based on the pilot study, the researcher has arrived at a sample size of 600, on the basis of proportion of respondents who were satisfied and the detailed calculation is given below.

$$\text{Proportion of satisfied respondents (p)} = 0.673$$

$$\text{Proportion of satisfied respondents (1 - p)} = 0.327$$

Confidence level = 99%

Margin of error E = 5%

Z Value to assure every unit is taken for calculation = 2.576

$$\text{Required sample size } (n_0) = \frac{p \times (1-p) \times z^2}{E^2} = \frac{.673 \times .327 \times 2.576^2}{(.05)^2} = 585$$

The sample size is calculated to be 585. However, as the population was known in advance, finite population correction factor was used to arrive at the final sample size for the present study. The population of Namakkal district with age above 15 years was taken as 13,76,601 as per Namakkal District Statistical Handbook 201617. The calculations for determination of final sample are as follows:

Final sample size $n = \frac{n_0 N}{n_0 + (N - 1)}$, where n_0 is the initial sample size and N is population size.

$$\text{Therefore, final sample size } n = \frac{585 \times 1376601}{585 + (1376601 - 1)} = 584$$

Therefore, the sample size was fixed as 600 individuals for the sake of convenience of calculations. The individuals were selected randomly in all parts of the district. The researcher had personally contacted the individuals as well as through emails and gathered information from them using a pre-tested well-structured questionnaire.

Review of Literature

Vaggelis Saprikis et al. (2010) sought in their study that the perceptions towards online shopping among Greek University students' attitude. They had objectives were to examine the perceptions of students both adopters and non-adopters of online shopping in terms of demographic profile, expectations of online stores, advantages and problems related to online purchases. The research was primarily descriptive in nature. The primary data was collected by means of a questionnaire administered from January until March 2009 to students of Greek universities. In this study, a total of 427 respondents comprised the population of interest, where 220 had purchased online at least one time in the past, whereas 207 preferred to purchase from traditional stores. The observed sample data was analysed with the help of statistical techniques viz., descriptive statistics, chi-square analysis and t-tests. The results revealed that significant differences between the two groups of respondents. Additionally, adopters had higher expectations from online shopping on issues relating to privacy policy and risk.

Ellisavet Keisidou et al. (2011) tried in their research to examine consumers' attitude when making online purchases in the context of different product types. The sample of this study comprised of Greek internet users, who know how to make an online purchase, possibly had made one or were willing to make one in the future. In this study, the collection of the required data was done with the use of a questionnaire. This instrument was developed and

issued to the respondents besides the sample size was 232 internet users. For the study analysis purpose, the researchers had used the statistical techniques like reliability analysis, exploratory factor analysis, correlation analysis and regression analysis. From the study, it was cleared that different product types were responsible for the differentiations of the results. They concluded that consumer attitude towards online shopping was affected mainly by the product. Further, it had been stated that PIIT, perceived security and product involvement had an effect on the attitude towards online shopping, yet the results vary among the different product types.

Guo Jun and Noor Ismawati Jaafar (2011) discussed in their study about the consumers' attitude towards online shopping in China. The study was conducted on three major cities in China namely Beijing, Shanghai and Fuzhou. This research was accomplished by using the primary data source and the survey method was applied. The non-probability sampling technique was used for conducting the sampling process and the snowball sampling technique was used in this research. The sample size of this study was 405 respondents. The analysis had been processed by handling the statistical methods namely percentage analysis, multiple regression analysis and Anova analysis. This research found that there were relationships between the perceived usability, perceived security, and perceived privacy, perceived after-sales service, perceived marketing mix, perceived reputation and consumers' attitude to adopting online shopping in China. They concluded that marketing mix and reputation had a greater influence on consumers' attitude towards online shopping than the other independent variables.

Dahiya Richa (2012) analyses in this research that the impact of demographic factors of consumers on online shopping behavior in India. This study focused that the parameters like satisfaction with on-line shopping, future purchase intention, and frequency of on-line shopping, numbers of items purchased and overall spend on on-line shopping. This study had utilized qualitative and quantitative research methods. This study was undertaken among a sample size of 580 respondents from Delhi, Mumbai, Chennai, Hyderabad and Bangalore. The primary data was gathered through structured and distributed questionnaires for the study purpose. The tools, which were employed to analyze the primary data namely percentage analysis, mean analysis and ANOVA analysis to meet the research objectives and to test proposed hypotheses. The results revealed that gender impacted frequency of on-line shopping positively and family size impacted overall spend on on-line shopping. The study had concluded that the respondents had perceived online shopping in a positive manner.

Kanwal Gurleen (2012) prepared a study to find the consumer's perception towards online shopping in Punjab. The main objectives were to find the demographic profile of adopters and non-adopters of online shopping and the various reasons for adoption and non-adoption of online shopping by the consumers of Punjab. This study was primarily descriptive in nature. The questionnaire was developed and issued to the population of this study to collect the primary data. The study had been performed in three cities of Punjab like Jalandhar, Ludhiana and Amritsar. The survey was carried out among 400 respondents. The study data was collected personally (and via emails) in the months of January 2012 to March 2012. The

tools, which were applied to analyses the collected sample data namely percentage analysis, mean, chi-square analysis and factor analysis. The author found that the educated consumers were aware of the buying procedures online which they felt were pretty simple. Further, shopping online saved time and money along with lesser effort was required in comparison to store purchases. Furthermore, the factors were found to be significant price consciousness, convenience and variety, easy payment options and challenges of online shopping.

Mehrdad Salehi (2012) made an effort to identify factors influencing consumers towards online shopping in Malaysia. The objectives were to understand association between website quality and online shopping behavior and between advertising and online shopping behavior. In this study, a prearranged survey was used to collect the primary data research to respond the questions of survey. This survey was undertaken generally via face-to-face interview and also handed over the questionnaire. The researchers had used questionnaire as an instrument to obtain required data for analysis of the hypothesis they developed. The convenience sampling method was considered to select the sample size of 60 respondents in the study area. The sample data of this study was analyses with the aid of statistic approaches like Factor Analysis and Correlation analysis. The results found that security and validity of website were widely approved by online consumers. Also, attractiveness had the minimum influence on online shopping intention and consumers were not interested or couldn't believe any advertisement in the internet.

Mohammad Hossein Moshref Javadi et al. (2012) explored a study to analyze factors affecting on online shopping behavior of consumers. This objective had been followed by using a model examining the impact of perceived risks, infrastructural variables and return policy on attitude toward online shopping behavior and subjective norms, perceived behavioral control, domain specific innovativeness and attitude on online shopping behavior as the hypotheses of study. This research was done from February, 2012 to June, 2012. In this study, 200 electronic questionnaires were sent randomly among consumers of 5 big online stores in Iran by email and the sample size had 107 usable questionnaires. For the analysis purpose, Durbin-Watson test was applied in order to check independence between errors and regression analysis was employed for testing hypotheses. The study results revealed that domain specific innovativeness and subjective norms positively affected online shopping behavior. As well, attitude toward online shopping positively affected online shopping behavior of consumers. Further, they concluded that financial risk and non-delivery risk had negative effect on attitude toward online shopping behavior.

Demographic profile of respondents

The profile of the respondents taken for study is studied based on their personal profile and internet access details. The personal profile of the respondents included the variables like Age, Gender, Marital status, Qualification, Occupation, Income, Number of family members etc. The profile also include the details of places where they access internet for online purchase of items, time spent on internet, etc. These details are listed in Table 4.1 and Table 1.0

Table 1: Personal profile of respondents

Demographic Profile		Count (N=600)	Percentage
Gender	Male	360	60.0%
	Female	240	40.0%
Age (in years)	Up to 25	85	14.2%
	26 to 35	313	52.2%
	36 to 45	158	26.3%
	Above 45	44	7.3%
Qualification	Up to schooling	5	.8%
	UG	64	10.7%
	PG	315	52.5%
	Professional	216	36.0%
Occupation	Government employee	47	7.8%
	Private employee	367	61.2%
	Self employed	55	9.2%
	Business	69	11.5%
	Homemaker	44	7.3%
	Others	18	3.0%
Marital status	Unmarried	121	20.2%
	Married	473	78.8%
	Widow	6	1.0%
Individual Annual Income	Nil	29	4.8%
	Up to 2 Lakhs	184	30.7%
	2 to 4 Lakhs	140	23.3%
	4 to 6 Lakhs	126	21.0%
	Above 6 Lakhs	121	20.2%
Family Annual Income	Up to 2 Lakhs	110	18.3%
	2 to 4 Lakhs	74	12.3%
	4 to 6 Lakhs	200	33.3%
	Above 6 Lakhs	216	36.0%
Number of members in family	Up to 2	28	4.7%
	3 to 4	361	60.2%
	5 to 6	175	29.2%
	Above 6	36	6.0%

FACTOR ANALYSIS FOR SATISFACTION ON ONLINE SHOPPING

Factor analysis was used to reduce the number of variables pertaining to the satisfaction of the customers on online shopping; the study included as many as 19 statements and in order to reduce the number of statements and to find the main underlying constructs of Satisfaction, factor analysis was carried out and the results of factor analysis are produced below.

The initial analysis with all the 19 statements resulted in a Measure of Sampling Adequacy (MSA) of .881, which indicates that a factor analysis can be applied to the data. It was also found that the statement Safety of the products was having MSA below .5 and may not contribute to the variation in the data set. The statement which does not contribute much to the total variation in the data set and has been removed from the analysis and the factor analysis was run again and found to have Measure of Sampling Adequacy of .871, and the results are presented from Table No.1.1. to Table No.1.5.

Table 2: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy	.871
Bartlett's Test of Sphericity	Approx. Chi-Square
	df
	Sig.
	7829.740
	153
	.000

By observing the above results it can be seen that the KMO is 0.871, therefore the data can be proceeded with factor analysis. Bartlett's Test of Sphericity with a p-value < .05 indicates that it makes sense to continue with the factor analysis. Since it was found that $p < .001$, it can be concluded that there are relationships between the variables.

Table 3: Communalities

Statements	Initial	Extraction
Reliability of product information	1.000	.731
Assuring product quality	1.000	.621
Affordable price of products	1.000	.656
Availability of more brands	1.000	.660
Display of product images	1.000	.648
Prompt delivery	1.000	.665
Security in payment process	1.000	.779
Simplicity of online transactions	1.000	.838
Easy accessibility of information	1.000	.743
Reliability of web advertisements	1.000	.773
Care and individualized attention	1.000	.818
Lesser cost of delivery	1.000	.750
Amount of time spent to gather information about products	1.000	.690
Quality of Customer Support Services	1.000	.615
Trust worthiness	1.000	.777
Quality of the product	1.000	.713
Products Returning Process	1.000	.662
Providing Solution/Resolving the Problems	1.000	.732

Extraction Method: Principal Component Analysis.

By observing the above table, it can be seen that all the variance of the statement Reliability of product information is initially given a communality value of 1.000, but after extracting the factors we find it has a communality of .731, which indicates that about 73 per cent of its

variability is explainable by the factors. Further, it can also be noted that the statement Simplicity of online transactions has the highest communality of .838, which indicates that 84 per cent of its variability is explainable by the factors.

The following table shows the number of components extracted with eigenvalues and cumulative variance explained by them. Using the criterion of selecting eigenvalues over 1, it can be seen from the highlighted numbers in the Total Variance Explained table that **four** components (or factors) have been produced that have eigenvalues greater than this amount.

Table 4: Component Matrix^a

	Component			
	1	2	3	4
Security in payment process	.782			
Safety of the products	.779			
Trust worthiness	.756	-.418		
Easy accessibility of information	.741			
Reliability of web advertisements	.718		.408	
Care and individualized attention	.716	-.387		
Amount of time spent to gather information about products	.712			
Prompt delivery	.699	.407		
Simplicity of online transactions	.688	.440		
Reliability of product information	.684			.435
Lesser cost of delivery	.683		.391	
Products Returning Process	.672	-.390		
Display of product images	.671			
Quality of Customer Support Services	.659			
Providing Solution/Resolving the Problems	.658	-.427		
Quality of the product	.648	-.439		
Affordable price of products	.617			
Availability of more brands	.617	.485		
Assuring product quality	.612			

Extraction Method: Principal Component Analysis.

a. 4 components extracted.

The above table gives the initial picture of the loadings of the variables onto the factors, but it can be made clearer by rotation. It can be seen that several variables appear to load onto factor 1 to a reasonable extent. However, rotation will simplify the picture and shown which variables really are important to factor 1.

As the researcher has selected the Principal Component Analysis with a Varimax rotation, the Rotated Component Matrix gives a clearer picture than the Component Matrix of factor loading onto the four factors.

Table 5: Rotated Component Matrix^a

Statements	Component			
	1	2	3	4
Simplicity of online transactions	.885			
Security in payment process	.772			
Easy accessibility of information	.760			
Prompt delivery	.669			
Display of product images	.646			
Providing Solution/Resolving the Problems		.817		
Quality of the product		.805		
Trust worthiness		.764		
Products Returning Process		.722		
Quality of Customer Support Services		.711		
Reliability of web advertisements			.776	
Care and individualized attention			.771	
Lesser cost of delivery			.713	
Amount of time spent to gather information about products			.630	
Reliability of product information				.742
Assuring product quality				.716
Affordable price of products				.694
Availability of more brands				.588

The above table provides a much clearer picture of the four factors. Rotation has shown that different variables load onto different factors. We can now look at the variables loading onto each factor and choose suitable names for factors.

Factor 1 seems to be related to variables that deal with **Delivery and Payment**

Factor 2 seems to be related to variables that deal with **Customer Support**

Factor 3 seems to be related to variables that deal with **Comfort**

Factor 3 seems to be related to variables that deal with **Product Information.**

Table 6: Internal Consistency of Factors extracted

Factor	Statements	% of Variance explained	Cumulative % of Variance explained	Reliability coefficient
1.Delivery and Payment	Simplicity of online transactions	21.070	21.070	0.865
	Security in payment process			
	Easy accessibility of information			
	Prompt delivery			
	Display of product images			
2.Customer Support	Providing Solution/Resolving the Problems	20.892	41.962	0.753
	Quality of the product			
	Trust worthiness			
	Products Returning Process			
	Quality of Customer Support Services			
3.Comfort	Reliability of web advertisements	15.019	56.981	0.712
	Care and individualized attention			
	Lesser cost of delivery			
	Amount of time spent to gather information about products			
4.Product Information	Reliability of product information	14.525	71.506	0.712
	Assuring product quality			
	Affordable price of products			
	Availability of more brands			

Conclusion:

The study examined how consumers are satisfied with their online shopping based on related benefits. By measuring and analyzing their customer satisfaction metrics within a single platform, marketers not only benefit from powerful analytic tools and easy-to-interpret results, but marketers also be able to integrate their findings with other elements of their customer experience data. But most importantly, marketers be able to take action on their insights across the organization far more easily. CPG companies will need to understand how their own consumers are reacting, and develop customized and personalized marketing strategies for each.

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