

## INVESTIGATING THE DETERMINANTS OF E-SATISFACTION AND E-LOYALTY AMONG YOUNG CONSUMERS IN CHENNAI: A STUDY OF E-SHOPPING BEHAVIOR

**Dr. D. VENKATESAN**

Assistant Professor, Department of Commerce, SRM institute of science and technology, Vadapalani campus, Chennai.

**Dr. T. SHALINI RANI**

Assistant professor & Head, Department of Corporate Secretary ship, Queen Mary's College, Chennai.

**Dr. J. SADEESH**

Assistant Professor, Department of Commerce, SRM institute of science and technology, Vadapalani campus, Chennai.

### Abstract

According to an internet survey (2016), they are stated that among the Indian population, 70% of internet users are young age group in India. Most youngsters are buying their products online. Similarly, many online shopping companies are coming up more and more. Online shopping attracts many young consumers and will also fulfill their demands. Hence, this study finds factors influencing consumer satisfaction and how this satisfaction leads to loyalty. The convenience sample used in this study and the sample size was 100—statistical tools used by SPSS. The following variables are used web design, security, information quality, e-service quality, and e-loyalty to measure the impact on customer satisfaction and e-loyalty. Overall, this study's findings help retailers formulate and implement effective online marketing strategies, as well as in the decision-making process.

**Keywords:** customer satisfaction, website design, security, e-service quality, information quality, e-loyalty, online shopping

### INTRODUCTION

Notwithstanding the current economic unpredictability, the online industry has experienced remarkable development in recent years. The retail internet business in Chennai is anticipated to reach more than INR.9 billion in 2016, according to a study done in 2012. (Ueno, 2012). The market will experience fierce competition as a result. Online firms must learn efficient methods for meeting their clients' demands and want to stay competitive. Ages 15 and older makeup roughly 11 million market participants who have access to the internet from anywhere (comScore Inc., 2011). The more significant number of online consumers demonstrates that customer happiness is a crucial component of profitability in an online firm (Guo, Ling & Liu, 2012).

Recent studies have demonstrated that customers are more likely to recommend a business or service to others when they are happy (Nelson, 2012). Consequently, the company must consider customers' satisfaction because doing so will encourage repeat business and potential clients (Guo et al., 2012). Online firms should be well-revised with the

antecedents of consumer happiness in the e-commerce market as a few key aspects impact customers' contentment (Guo et al., 2012). Customers' contentment will rise after these aspects are recognized, enhancing business performance.

In particular, the youthful generation, defined as those between the ages of 18 and 35, will be the focus of this study, which intends to investigate the numerous elements that affect customers' pleasure in an online shopping environment in Chennai. This study also identifies the association between consumer satisfaction and e-loyalty in online buying. The results of this study will help web marketers make wiser choices regarding their advertising campaigns. Moreover, the result of this study adds value to e-marketers. The available business resources may be fully utilized to improve the main features that can directly increase e-customer satisfaction and retain their loyalty toward online retailers. Most importantly, online marketers should save money by avoiding investing in online retail features that could not positively impact client loyalty and happiness. Online shops would greatly profit from this because it would foster the long-term expansion of their customer base.

## **LITERATURE REVIEW**

### **E-Customer satisfaction**

According to Khristianto, Kertahadi, and Suyadi (2012), E- customer satisfaction is generally viewed as a result of comparing consumer expectation and experience; E-customer satisfaction is achieved when the experience meets or exceeds a customer's expectation. Satisfaction and loyalty are essential factors that determine the success of market strategy performance (Khristianto et al., 2012). Satisfied customers are most likely to have the repurchase intention if the service provider reaches or exceeds their expectations (Alam & Yasin, 2010).

### **Website design**

According to Luo et al. (2012), a well-designed website enhances the customer experience and aids low-visibility e-retailers in post-purchase satisfaction, boosting customer happiness. According to Mustafa's (2011) study, consumer happiness favorably correlates with user-friendly features like website design. These studies are comparable to Park and Kim's (2003) research, which found that website design is crucial in demonstrating an online marketer's capability to provide clients with a convenient e-commerce environment, ultimately affecting customer satisfaction. Accordingly, the first hypothesis is framed as below:

### **Security**

Security is defined as the ability of the online to secure the customers' personal information from any unauthorized person's use of information disclosure during the electronic transaction (Guo et al., 2012). Online customers consider security a significant factor taken seriously (Mustafa, 2011).

### **E-Service Quality**

Guo et al. (2012) state that service quality is the level of support for online retailers in providing efficient, effective online shopping, purchasing, and delivery of products and services. Christodoulides and Michaelidou (2011) explained that online retailers could give and exchange information via a formal or informal platform. Customers would most likely boost customer happiness and add value to the online shopping experience because quality management is crucial to preserving the standard of the entire business operation and ensuring that the best service possible is provided to satisfy the customers.

H3: E-service quality has a positive influence on customer satisfaction towards online shopping in Chennai

### **Information Quality**

According to Park and Kim (2003), customers' perceptions of the quality of the information provided by online e-retailers determine the information's quality. Customers are more likely to make wise decisions when provided with as much accurate information as possible. As a result, buyers might make better selections with less time and effort if online shops supplied more important quality information, boosting customer happiness.

H4: Information quality influences customer satisfaction with online Shopping in Chennai

### **E-Loyalty**

Ltifi and Jamel-- Eddine (2012) described loyalty as a continuous relationship between the customer and a particular brand. It could be interpreted as resistance to changing different brands despite any problem encountered during the business process (Ltifi & Jamel Eddine, 2012). Also, Mustafa (2011) defined loyalty as a repeat purchase behavior of the same brand. Loyalty is "a firmly held commitment to buy or re-patronize a chosen product/service repeatedly in the future, hence creating repetitive same-brand or same brand-set purchasing," according to Oliver (1999), who defined it from the perspective of internet marketing.

H5: Customer satisfaction has an impact on e-loyalty in Chennai.

### **Research Objectives**

1. To examine the factors influencing customer satisfaction in an online shopping environment among the young generation.
2. To analyze the relationship between customer satisfaction and E-loyalty.

### **Research Hypothesis**

Based on the research objectives, the hypotheses for the study are framed. The structural conceptual model showing the relationship between the constructs under study is shown in Figure 1

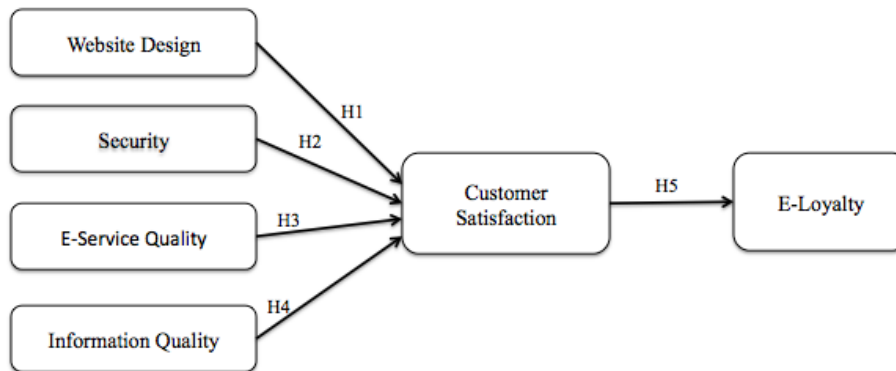
H1: Website design positively influences customer satisfaction towards online shopping in Chennai.

H2: Security positively influences customer satisfaction towards online shopping in Chennai.

H3: E-service quality positively influences customer satisfaction towards online shopping in Chennai.

H4: Information quality influences customer satisfaction towards online shopping in Chennai

H5: Customer satisfaction has a positive impact on e-loyalty in Chennai



**Figure 1: Conceptual Model**

## RESEARCH METHODOLOGY

In order to investigate the hypothesized links in the suggested conceptual framework, six variables—website design, security, e-service quality, information quality, customer happiness, and e-loyalty—were operationalized in this study. To ensure and enhance the questionnaire's validity, statements and scores were derived from earlier literature that linked to the study's focus. Also, the scales and measurements used in the current research had Cronbach's Alpha values of 0.70, so they were considered reliable (Pallant, 2007). This figure appears to be higher than the threshold limit.

A questionnaire was used for data collection. According to Forsa (2002), the questionnaire survey method quick response or decision from the respondents compared to the open-ended questions. Furthermore, the data was coded quickly for a range of statistical analyses. A convenience sampling method was applied in this study. 100 questionnaires were distributed to young age groups aged 18 to 35 throughout Chennai. After the pilot study, 20 responses were removed from the sample. Finally, 80 responses were used for statistical data analyses.

**Table 1:**

Demographic Variable	Details	Frequency	Percentage (%)
<b>Gender</b>	Male	35	44
	Female	45	56
<b>Age</b>	18-23 years	24	30
	24-29 years	44	55
	30-35 years	12	15
<b>Education Level</b>	Higher Secondary	14	18
	Undergraduate	36	45
	Postgraduate	20	25
	Professional Qualification	10	13
<b>Frequency of Online Shopping</b>	At least once a week	11	14
	1 to 3 times a month	33	41.25
	Once every 2-3 months	24	30
	Once every 4-6 months	12	15

## RESULTS

Table 1 shows a summary of details of the personal profile of the respondents. The table shows that 44% of the respondents are male, and 56% are female. Regarding age, most respondents are between 24 and 29 (55%), followed by 18 and 23 (56%); while 15% of respondents are between 30 and 35. Next, 45% of the respondents have undergraduate qualifications, 25% are respondents with postgraduate qualifications and followed by 13% with professional qualifications (ex. Ph.D., Doctor).

The respondents to this study shop online frequently; 41.25% do so at least once every one to three weeks, followed by 30% who shop online once every two to three months, and only 14% do so at least once a week. These results indicate that this study's respondents are somewhat accustomed to the online shopping environment.

**Table 2: Mean, Standard Deviation, Kurtosis, and Skewness**

Variables	Mean	Standard Deviation	Kurtosis	Skewness	Cronbach Alpha
<b>Website Design</b>	5.158	1.071	0.439	0.758	0.869
<b>Security</b>	5.068	0.827	-0.152	0.614	0.926
<b>E-Service Quality</b>	5.080	0.755	0.305	-0.567	0.937
<b>Information quality</b>	4.212	0.679	0.528	-1.243	0.879
<b>Customer satisfaction</b>	4.161	0.183	2.364	2.962	0.707
<b>E-Loyalty</b>	4.801	0.289	1.780	-1.550	0.759

Table 2 shows the mean value standard deviation, skewness, and kurtosis values for this study's corresponding variables. The mean scores of the variables fall between 4.161 to 5.158, and the standard deviation values range from 0.183 to 1.071. Generally, the mean and standard deviation values explain a relatively spread of data points

around the mean. In the normality test of the data, both kurtosis and skewness values are in the range between 0 and 3; the outcome shows that the items that form the variables are normally distributed (Lawrence, 1997).

Furthermore, Table 2 also shows the reliability test results conducted on all the variables. The values of the Cronbach alpha variables are website design (0.869), security (0.926), e-service quality (0.937), information quality (0.879), customer satisfaction (0.707), and e-loyalty (0.759). The reliability values satisfied the recommended scale of 0.7 (Pallant, 2007). Finally, the analysis demonstrated that every component of the variables in this study met the statistical standards.

**Table 3: Coefficient Summary**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	2.059	.085		33.464	.000		
WD	.020	.025	.090	.829	.411	.453	2.214
Sec	.029	.028	.118	1.038	.005**	.427	2.347
ESQ	.052	.023	.297	2.679	.009**	.435	2.265
IFQ	.089	.035	.338	2.889	.005**	.386	2.664

Notes: WD = Website Design, Sec = Security, ESQ= e-service quality, IFQ = Information Quality. \*\* = P < 0.05.

The Collinearity Statistics, as shown in Table 3, all independent variables contain tolerance values greater than 0.1: website design (0.453), security (0.427), e-service quality (0.435), and information quality (0.386). According to Bruin (2006), tolerance value shows the percentage of variance in the predictor that could not be accounted for by other predictors. Tolerance values greater than 0.1 indicate that the variables have a high tolerance level; thus, the predictors are not required (Bruin, 2006). Similarly, overall independent variables do not display any multicollinearity problem because all variance inflation factor values (VIF) are not higher than 10 (Robert, 2007). The VIF values are website design (2.214), security (2.347), e-service quality (2.265), and information quality (2.664).

Further, Table 3 shows that the value of the t-statistic for website design is 0.829 (pvalue > 0.05), and the Beta is 0.090. Hence, the website design does not influence consumer satisfaction in an online shopping environment. **Thus, H1 is rejected.** Besides, the t statistic for security value is 1.038 (pvalue < 0.05), and the Beta is 0.114. Hence, security does influence consumer satisfaction in an online shopping environment. **Thus, H2 is accepted.**

Furthermore, the tstatistic for e-service quality value is 2.679 (p-value < 0.05), and the Beta is 0.297. The result showed that e-service quality significantly impacts consumer satisfaction in online shopping. **Hence H3 is accepted.** Followed by the t-statistic for information quality value is 2.889 (p-value < 0.05), and the Beta is 0.338. So, information quality is found to have a positive influence on consumer satisfaction in an online shopping

environment in Chennai. **Hence, H4 is accepted.**

#### **Discussions and implementation of the study**

Alam, Bakar, and Ismail (2008) examined the findings of a similar study that was also carried out in Malaysia on the correlation between website design and customer happiness. Younger clients are increasingly involved in online purchases of products and services, according to Alam et al. (2008). For instance, 41.25% of research participants said they had shopped online at least once or twice a month. This result showed that several young age persons are frequently shopping online. However, some of the online website designs are not user-friendly environment. Hence, there is no significant relationship between web design and customer satisfaction.

The relationship between security and customer satisfaction is highly significant. The previous study found that security did not impact customer satisfaction (Mustafa 2011). In this study, the security value significantly impacts customer satisfaction. The reason is that the majority of buyers are making payments online. Young buyers are getting more satisfaction from online companies that provide sound security systems. Hence, hypothesis 2 shows significant acceptance of the relationship between security and customer satisfaction.

According to Chang et al. (2009), who conducted the research, an online retailer could offer customers a variety of channels for communication to improve the effectiveness of customer service. The various communication channels influence customers' pleasure since they offer them flexibility and ease in contacting online merchants. As a result of these findings, online retailers must place a stronger emphasis on these requirements. An online retailer's e-service should include both the pre-and post-purchase phases. Consequently, raising the quality of e-services might contribute to a rise in consumer satisfaction.

Delarosa and Susilo (2013) explain that information quality is essential in the information search and evaluation stages. It is because the information provided on a website influences customers' purchasing decisions. In addition to that, the information presented should be relevant and straightforward with the products offered because customers do not want to be puzzled or confused by information. Therefore, the quality of information leads to a better purchasing decision, which nurtures the purchasing intention, subsequently increases customer satisfaction

Customers' want is fulfilled, leading to excellent satisfaction; when satisfied, they continuously purchase or become loyal to the online e-retailer (Lin, 2013). It occurs because happy customers are confident they will receive fantastic service when making their next purchase. Also, delighted customers will tell others about their excellent experiences once they purchase online. Customers' trust in online merchants and the resulting positive influence on an action or behavior, known as e-loyalty, are the usual causes of consumer satisfaction.

The retailer must enhance its business features; based on that, customer satisfaction will

increase tremendously. The e-retailer must satisfy the customer in all aspects. Young age consumers have more demands when buying a product online. So the retailer should fulfill their aspiration, which leads to more satisfaction and continuous product purchases.

### **Limitations and future studies**

The study is conducted only within Chennai city. The sample size was collected only from those who regularly bought the product online and was small. The study focused on young age consumers. Future studies may conduct on another age consumer, and further research could also conduct on the same study in another city.

### **CONCLUSION**

Three variables of online shopping features positively impact customers' satisfaction: security, e-service quality, and information quality. In addition, it has been found that customer satisfaction positively influences e-loyalty in the online shopping area. Therefore, online retailers can use this information in their decision-making process to achieve customer satisfaction and consequently sustain the business. On the other hand, Web design variables do not have a significant positive relationship with customer satisfaction. Thus, it recommended that online shopping customer in Chennai, particularly young adults, does not perceive website design features as significant factors influencing their overall satisfaction. The findings of this study have demonstrated that the preferences of the young adult generation vary. In conclusion, the growth of online businesses demonstrates how critical it is for business retailers to comprehend the business climate, focus on their target markets to outperform their rivals and sustain their enterprises over the long term.

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