

A STUDY ON CUSTOMER INTENTIONS AND SATISFACTION TOWARDS SHOPPING ONLINE

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ABSTRACT

Online shopping refers to electronic commerce whereby consumers buy goods and services directly over the internet without any intermediaries anywhere. This process is called as a B2C business to consumer online shopping. When one business procures goods from another business online it's called as B2B business to consumer online shopping. Online customers must have access to a computer and a method of payment. It broadly includes consumer intention and refraining factors in shopping online where refraining refers to hindrances in shopping online. It facilitates the person to shop online round the clock and purchase any product effectively. The major problem in the online shopping lies in the credit card and other payment transactions which consumers does not trust as secure to traditional shopping. Hence the following study has been conducted to analyze not only the consumer preference towards shopping but also satisfaction towards shopping online. The objective of the study was to find preference of consumers while shopping online, evaluate the refraining factors towards shopping online and to find the satisfaction attained by customers shopped online and services required. The study was conducted over a period of one month with a sample size of 100 respondents covering college students and employees in Coimbatore. Simple random sampling is employed in this research and SPSS tools such as Percentage analysis, Graphical representations, One-way ANOVA and Correlation were used in analyzing the data. The study revealed that age has no influence on purchasing online. Gender has an influence in online purchasing behavior. Similarly there lies a relationship between amount spent and frustration in online shopping. Similarly age and gender has no influence on trust towards shopping online. Shoppers also expect features such as cash on delivery and an effective return policy. Consumers are more satisfied towards faster delivery and refund incase product not available. The study can also be conducted in different areas to ascertain the satisfaction of customers towards online shopping and factors refraining people to buy online.

Keyword: - Online shopping, satisfaction, frustration, Consumer willingness to shop online.

1. INTRODUCTION

The concept of online shopping is a newer but a fast growing concept in India. In a wider context online shopping is the preference of consumers to purchase goods over the internet rather than traditional shopping.

Online shopping is a form of electronic commerce whereby consumers directly buy goods or services from a seller over the internet without an intermediary service. An online shop, eshop, e-store, Internet shop, web shop, web store, online store, or virtual store evokes the physical analogy of buying products or services at a bricks-and-mortar retailer or shopping Centre. The process is called business-to-consumer (B2C) online shopping. When a business buys from another business it is called as business to business (B2B) shopping.

The act of purchasing products or services over internet is not familiar with people nowadays with the advancement of telecommunication. Online shopping has grown in popularity over the years, mainly because people find it convenient and easy to bargain shop from the comfort of their home or office. One of the most enticing factor about online shopping, particularly during a holiday season, is it alleviates the need to wait in long lines or search from store to store for a particular items it is called business-to-business (B2B) online shopping.

In India, e-commerce has been on a slow track in comparison to other parts of the world. There has been a visible growth in the e-retail sector yet the industry is being seen in its incipient stage. Earlier, the reasons cited for the weak response towards online shopping was blamed on the lack of Internet facilities and inadequate online transaction facilities available in the market. Since then, there has been technological boom in India. Now, the Internet is easily accessible to urban India and even rural pockets are getting Internet accessibility at select places. Growth in the credit card industry and other online transaction methods has also been a boon for e-shopping. Despite the recent developments, response to online trading and transaction has been feeble in this part of the world.

1.1 History in Brief

The history of online shopping comes from the advances such as online banking in 1994 and opening of an online pizza shop by pizza hut. The German company Intershop opened the world's first online store in the same year. In 1995 Amazon opened its site and in 1996 EBay appeared. Online customers must have access to a computer with internet and a method of payment. In general, higher levels of education, income, and occupation of the head of the household correspond to more favorable perceptions of non-store shopping. Also, increased exposure to technology increases the probability of developing favorable attitudes towards new shopping channels.

1.2 Problem Discussion

Online retailers fix prices of products based on its availability and success of the product. Sometimes the price differs on a large margin in online shopping which frustrates the customers. Until recently features such as cash on delivery, EMI option and online configuration facilities have not been introduced on a large extent. Customers also have difficulty in returning the items if there is a mismatch in product sent. The major problem in the online shopping lies in the credit card and other payment transactions which consumers does not trust as secure to traditional shopping. Hence the following study has been conducted to analyze not only the consumer preference towards shopping but also satisfaction towards shopping online.

1.3 Problem Identification

- Bargaining is not possible
- Product trial is generally unavailable
- Insecurity surrounding the credibility of a shopping portal
- Delays in product delivery
- Lack in the variety of products
- Preference to real-time shopping for get-togethers

1.4 Objectives of study

- To study preferences of customers towards online shopping.
- To study the reasons why people hesitate to buy online.
- To find the customer satisfaction towards on line buying.

1.5 Need for the study

The study covers the online shopping behavior of the respondents and covers the students of various colleges and employees in and around Coimbatore.

2. LITERATURE REVIEW

The research study of (Kwon Jung and Clement Lim, 2006) finds that the consumers are interested in acquiring product information and price rather than concentrating on the multimedia presentations in the site. The consumers are interested in acquiring product information and price rather than concentrating on the multimedia presentations in the site.

(Christian Schaupp and France Belanger, 2005) argues that the three most important attributes to consumers for online satisfaction are privacy (technology factor), merchandising (product factor), and convenience (shopping factor). These are followed by trust, delivery, usability, product customization, product quality, and security.

(In the research of Minjoon Jun, Zhilin Yang and DaeSoo, 2000) Kim they infer that online service quality is one of the key determinants of the success of online retailers. This study discovered a significantly positive relationship between overall service quality and satisfaction.

(A.F.Salam, L.Iyer, P.Palvia and R.singh, 2005) views that trust is an important factor to facilitate online transactions. The role of trust is essential for online retailers to make customers buy online.

(Abdul Naveed Tariq and Badr Eddaoudi, 2009) analyze the importance of demographic factors as well as trust, and security-related factors while buying online. The customers' willingness to shop online is backed by trust, security, awareness and piracy factors.

The study of (Shergill, Gurvinder.S, Chen ad Zhaobin, 2005) finds that website design, website reliability/fulfillment, website customer service and website security/privacy are the four dominant factors which influence consumer perceptions of online purchasing.

In the views of (Tzy-Wen Tang and Wen-Hai Chi, 2003) trust is an important factor to facilitate online transactions. The empirical indicated that perceived ease of use and perceived usefulness affect have a significant impact on trust in e-commerce.

The research of (Christy M K Cheung and Matthew K O Lee, 2005) infers that information quality, system quality, and service quality is the key dimensions of consumer satisfaction with internet shopping.

(Syed Shah, Alam and Norjaya Mohd. Yasin, 2005) views that website design, reliability, product variety and delivery performances are the four key factors which influence consumers' satisfaction towards online shopping. However, there is no significant relationship between saved time and satisfaction.

The research papers of (Vasja Vehovar,2003) overviews the relationship between concern for security and on-line Shopping. The issues of confidentiality, privacy and credibility are also briefly discussed.

(Janice Tsai, Serge Egelman, Lorrie Cranor and Alessandro Acquisti, 2007) argue that providing accessible privacy information reduces the information asymmetry gap between merchants and consumers. Additionally, our study indicates that once privacy information is made more salient, some consumers are willing to pay a premium to purchase from more privacy protective websites.

The research study of (Carol xiaojuan ou, Choon ling sia and Probir Banerjee, 2007) finds that the major deterrents to online shopping in China are consumers' lack of trust in online vendors, legal concerns, low-price-oriented market stimuli, limited choice of goods, and infrastructural inadequacy like under-developed payment systems and system insecurity.

(Wu, Shwu-Ing, 2005) reveals that the attitude of consumer plays a major role in making the consumer to shop online.

In the research of (Momtaz, Hasina; Islam, Md Aminul; Ariffin, Ku Halim Ku; Karim, Anayet, 2011) found that internet in Malaysia is still considered as a new medium toll between the retailers and the consumers, and

also retaining customers on e-retail is the most issue that is faced any e-retail store. The survey relates to the fact although customers are willing to shop online what are all the facts refraining the customers from shopping online.

The study by (Grace T.R.Lin, Chia-Chi, 2011) explores how customer satisfaction and loyalty can be associated with each other and how they are affected by these dynamics such as technology and website service quality. The research results point to the following, firstly customer e-satisfaction will positively influence customer e-loyalty directly, secondly technology acceptance factors will positively influence customer e-satisfaction and e-loyalty directly and finally specific holdup cost can positively influence customer e-loyalty directly.

In the research of (Pablo Fernandez, 2001) it's inferred that Business ideas related with internet must be analyzed with the same rigor as any other business initiative. He also found that selling below cost gets more customers but not an increase in revenue.

The research study of (Maarten C.W. Janssen and Rob, 2005) van der Noll finds that a low cost of building up an online retail channel or online shopping conveniences may not be to the benefit of online shopping as the strategic interaction between firms may be such that no online retail channel is built when the circumstances seem to be more favorable.

According to the research conducted by (Gerald L Lohse, Steven Bellman and Eric J Johnson, 2000) it was found that online buyers fall under 4 categories namely never buy, dropouts, newbies and steadfast buyers.

The research conducted by (Dhanila Veena Parboteeah, 2005) found that any negative cognitive reactions should be minimized by ensuring that the website is secure and easy to navigate.

In the research of (Mahmud Alkailani, 2009) it was found that online buying pattern differs found that there lies a significant difference between people of different country in means of risk perception and loss of control while buying online.

3. RESEARCH METHODOLOGY

The research methodology broadly undertakes an extensive literature reviews which included the scholarly observations and analysis of other information collected from reliable secondary sources of data. Primary data is collected from the survey of 84 respondents through questionnaire, selected from Random probability sampling. Respondents had a good recall of the brands advertised in the movies this shows that in film advertising has gain acceptance among Indian people. They get noticed and this form of advertising is growing very rapidly as it is altogether a new mode and a reactive way to advertise any brand.

4. DATA ANALYSIS

ANOVA – SINGLE FACTOR
Table No 4.1

Demographic variable	Dimension of satisfaction	P Value	Result
Age	delivery of goods	0.467	Accepted
Age	Security features provided by websites	0.007	Rejected
Age	Bad experience	0.011	Rejected
Gender	Security features provided by websites	0.442	Accepted
Education	handling of privacy information by websites	0.029	Rejected
Occupation	handling of privacy	0.716	Accepted

	information by websites		
Monthly income	Satisfaction with credit card information	0.901	Accepted
Occupation	Satisfaction with credit card information	0.242	accepted

CORRELATION ANALYSIS:**TABLE NO 4.2**

Demographic variable	Dimensions of satisfaction	r Value	Result
Gender	Product sensibility	-0.068	Negatively correlated
Customer care	Recommendation to others	0.248	Positively correlated
Education	Lack of trust	0.137	Positively correlated
Monthly income	Price of product	-0.019	Negatively correlated

5. FINDINGS**From ANOVA,**

- Following hypothesis were set to study the relationship between demographic variables and satisfaction of online customers,
- H_0 There is no significant relationship between age and satisfaction towards delivery of goods.
- H_0 There is no significant relationship between age and satisfaction towards security id and password provided by websites.
- H_0 There is no significant relationship between gender and satisfaction towards security id and password provided by websites.
- H_0 There is no significant relationship between education and satisfaction towards handling privacy information.
- H_0 There is no significant relationship between occupation and satisfaction towards handling privacy information.
- H_0 There is no significant relationship between monthly income and satisfaction towards risk of credit card transactions.
- H_0 There is no significant relationship between occupation and satisfaction towards risk of credit card transactions.
- H_0 There is no significant relationship between age and satisfaction towards getting a bad experience towards online shopping.

From Correlation Analysis,

1. It is found from the above table that gender and product sensibility does not have any correlation. There lies a negative correlation between gender and product sensibility ($r = -0.068$). Satisfaction on product sensibility is irrespective of gender.
2. From the above table it is inferred that customer care response influences recommending the online shopping to others. There lies a weak positive correlation between customer care response and recommending the website to others ($r = 0.248$). If the customer care response personnell clarifies the queries of the customers well, the customers will automatically recommended the website to others which will guide people to purchase online.
3. It is found from the above table that education and lack of trust in online shopping have a positive correlation. There lies a weak positive correlation between education and trust towards shopping online ($r = 0.137$). Educated people will have an adequate knowledge of the security features provided by the websites which helps them to trust shopping online.
4. From the above table it is inferred that that income and satisfaction towards price of product does not have any correlation. There lies a negative correlation between income and satisfaction towards price of product ($r = -0.019$). Monthly income of customers does not influence satisfaction towards price of product.

5. CONCLUSIONS

The act of purchasing products or services over the Internet is called online shopping. Online shopping has grown in popularity over the years, mainly because people find it convenient and easy to bargain shop from the comfort of their home or office. Most respondents have undergone bad experience in delivery of goods. To reduce this, websites must maintain a proper delivery window to the customers. Most of the respondents hesitate shopping online for fear over credit card transactions, so websites can provide additional feature of cash on delivery. Respondents require additional features from websites such as customizing certain products and providing guarantees for goods purchased. Websites need to verify the retailers before making them sell goods from the website which increases security of the customers. Overall satisfaction towards shopping online is moderate among the respondents and if more convenience is provided they might choose online over traditional shopping.

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