

A STUDY ON CUSTOMER SATISFACTION WITH SPECIAL REFERENCE TO ONLINE SHOPPING

M. Subair

Assistant Professor

Department of Management Studies

Dhanalakshmi Srinivasan College of Engineering, Coimbatore

ABSTRACT:

A Study on Customer Satisfaction towards Online Shopping in Coimbatore City” has been undertaken to understand the factors influencing customers’ online shopping decisions and how these factors affect customer satisfaction. Descriptive Research Design has been used for this study. A well-structured questionnaire was designed and administered to collect samples across Coimbatore. Due to the need for a variety of respondents who have had previous experience with online shopping, judgment sampling technique was chosen. The study has been undertaken with reference to a sample size of 105 respondents. After collecting the data, the data was classified, tabulated and codified. Necessary statistical tools such as Percentage Analysis and Chi Square tests have been used to interpret the data. The results of this study may be of great use to businesses which are looking to expand into or venture into the online shopping environment.

KEYWORDS: Online Shopping, Retail, E-Tailers,

1. INTRODUCTION

Background of the Online Shopping Industry in India

Competing in a high-pressure business scenario has become a challenge for retailers. As an effective alternative sales channel sellers are looking at the internet, which gives them direct access to target customers. Online retailing (also known as e-tail) is a web-enabled interface between a retailer and its target consumers for selling products and services on the web with the facility of ecommerce. These kinds of retailers are also known as e-tailers. Almost all big retailers are now electronically present on the World Wide Web. The online shopping environment has gone through a lot of transformation and today it is still developing in a much diversified way. It has become very popular in the areas of apparel, arts and handicrafts, books, car rentals, computers and electronics, cosmetics, financial services, gifts and novelties, etc. Some of the major advantages of e-retailing which makes it popular among the retailers are: low investment cost, direct access to target customers, quick return on investment

1.1 ONLINE CONSUMER BUYING BEHAVIOR

Everybody in the world is the consumer. Each of us buys and sells or consumes goods and services in life. Consumer behavior is very complex and is determined to a large extent by social and psychological factors. Consumer behavior can be defined as those acts of individuals directly involved in obtaining, using and disposing of economic goods and services. The relevance and importance of understanding consumer behavior is rooted in modern marketing. The needs of not even two consumers are the same. Therefore they buy only those products and services which satisfy their wants and desires. To survive in the market, a firm has to be constantly innovating and understanding the latest consumer needs and tastes. It will be extremely useful in exploiting marketing opportunities and in meeting the challenges that the Indian market offers.

Online consumer behavior parallels that of offline consumer behavior with some obvious differences. The stages of the consumer decision process are basically the same whether the consumer is online or offline. But the general model of consumer behavior needs modification to take into account new factors. In the online model, web site features along with consumer skills, product characteristics, attitudes towards online purchasing and perceptions about control over the Web environment play a vital role. There are parallels in the analog world, where it is well known that consumer behavior can be influenced by store design, and that understanding the precise movements of consumers through a physical store can enhance sales if goods and promotions are arranged along the most likely consumer tracks.

Consumer skills refer to the knowledge that consumer has about how to conduct online transactions. Product characteristics refer to the fact that some products can be easily described, packaged and shipped over the Internet whereas others cannot. Combined with traditional factors such as brand, advertising and firm capabilities, these factors lead to specific attitudes about online shopping.

1.2 OBJECTIVES OF THE STUDY

The primary objective of this study is to identify and understand the factors affecting customer satisfaction with respect to online shopping in India. The Secondary Objectives are:

- To identify product categories for which customers favor online shopping and product categories for which they still abide by the traditional approach.
- To identify features that customers expect at an online shopping portal.
- To identify the different payment and delivery systems preferred by the customers.
- To identify the inhibitions faced by customers during online purchases.
- To identify how these factors interact to influence customer purchase decisions.

2. LITERATURE REVIEW

- Online shopping, referred to as online retailing or e-tailing, is growing every day in India. According to eBay India Census (2011) published on September 28th 2011 at Bangalore,
- Online Shopping is mainstream & a nationwide phenomenon: India had over 3,311 eCommerce hubs across the country

- In India, traditionally people used internet to compare and evaluate options and went back to traditional approach for the actual purchase. But this trend is changing now. Several factors like the increasing internet awareness and availability, PC penetration etc have caused an increase in online shopping. According to The Times of India's - article on Online Retail Industry published on July 3rd 2011-
- "A booming economy and rising disposable incomes have contributed to the evolution of online shopping," said Associated Chambers of Commerce and Industry of India (ASSOCHAM) Secretary General, D S Rawat.
- According to an article published in The Economic Times about an ASSOCHAM survey dated October 19th 2011,
- "Products like mobile phones, e-tablets, consumer electronics, gift articles, apparel and ornaments are the major attractions for consumers who shop online".
- One of the main reasons why customers prefer online shopping for such products is because of the large variety of these items available in the market. The websites enables customers to search and compare products with ease. Another important reason for the number of online shoppers to constantly multiply is because of 24X7 shopping advantage and the home delivery of products. Shopping websites also provide discounts, vouchers and free gifts to attract customers. A common misconception is that online shopping is only favored by the customers from the metro cities. But there are several surveys and studies which disprove that belief. An article published in The Economic Times about the growth of E-Commerce in smaller cities in India dated February 5th
- 2012 states that companies selling products and services online are targeting the non-Metro cities. This article states that among the 3311
- Indian cities identified as E-Commerce hubs in the eBay India census 2011, 1267 are non-metro cities. According to this census, while metros contributed the largest share to online purchases in India in 2011, Tier 2 and Tier 3 cities are catching up fast.

3. RESEARCH METHODOLOGY

3.1 Sample Size and Design

A sample of 105 people was taken on the basis of convenience.

3.2 Primary Sources

Primary data comprises information survey of "study of consumer satisfaction towards online shopping" the data has been collected directly from respondents with the help of structured questioner.

4. ANALYSIS AND INTERPRETATION

4.1 HYPOTHESIS 1

- Null Hypothesis H0: There is no association between Age group and Internet proficiency.
- Alternate Hypothesis H1: There is association between Age group and Internet proficiency.

Table 4.1

Age Group	Internet Beginner	Intermediate	Advanced	Total
15-20	0	4	1	5
21-25	2	22	11	35
26-34	2	12	25	39
35-44	1	3	3	7
45+	11	8	0	19
Total	16	49	40	105

Expected Value $E = (\text{Row Total} * \text{Column Total}) / \text{Grand Total}$

The critical value χ^2 at 0.05 level of significance for degree of freedom 8.

Table 4.2

Calculated Value	48.572
Degree of Freedom	8
Level of Significance	0.05
Table value	15.5

Since the calculated value is greater than the table value, the Null Hypothesis H_0 is rejected. Therefore there is association between Age group and internet proficiency.

4.2 HYPOTHESIS 2

Null Hypothesis H_0 :

There is no association between Age group and the frequency of online shopping.

Alternate Hypothesis H_1 :

There is association between Age group and the frequency of online shopping

Table 2.3

Age Group	Quite often	Often	Sometimes	Rarely	Total
15-20	0	0	5	0	5
21-25	6	4	16	9	35
26-34	10	12	15	2	39
35-44	3	0	4	0	7

45+	0	1	12	6	19
Total	19	17	52	17	105

Expected value $E = (\text{Row Total} * \text{Column Total}) / \text{Grand Total}$

The critical value χ^2 at 0.05 level of significance from the table is 21.026 for degree of freedom 12.

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Table 2.4

Calculated Value	30.9838
Degree of Freedom	12
Level of Significance	0.05
Table value	21.026

Since the calculated value is greater than the table value, the Null Hypothesis H_0 is rejected. Therefore there is association between Age group and the frequency of online shopping. As in our sample we do not consider respondents who never use online shopping. So we are excluding the 'Never' column from our analysis.

5. CONCLUSION

Online shopping is becoming more popular day by day with the increase in the usage of World Wide Web known as www. Understanding customer's need for online selling has become challenge for marketers. Specially understanding the consumer's attitudes towards online shopping, making improvement in the factors that influence consumers to shop online and working on factors that affect consumers to shop online will help marketers to gain the competitive edge over others.

In conclusion, having access to online shopping has truly revolutionized and influenced our society as a whole. This use of technology has opened new doors and opportunities that enable for a more convenient lifestyle today. Variety, quick service and reduced prices were three significant ways in which online shopping influenced people from all over the world. However, this concept of online shopping led to the possibilities of fraud and privacy conflicts. Unfortunately, it has shown that it is possible for criminals to manipulate the system and access personal information. Luckily, today with the latest features of technology, measures are being taken in order to stop hackers and criminals from inappropriately accessing private databases.

Through privacy and security policies, website designers are doing their best to put an end to this unethical practice. By doing so, society will continue to depend upon online shopping, which will allow it to remain a tremendous success in the future.

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