ARE CUSTOMERS LOYAL TO ONLINE SHOPPING WEBSITE?

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ABSTRACT

The study was designed to assess the loyalty of customers with respect to online websites they use for shopping. The data was collected from 100 respondents and was analyzed using descriptive statistics, F- test and ANOVA. The findings revealed that level of customer loyalty do not differ on the basis of gender, age, occupation and marital status, frequency of purchase, product purchased and shopping websites.

INTRODUCTION:

The advent of the internet has changed the traditional way the people shop. Now customers can purchase products and services round the clock, sitting at any place. At a click of mouse, the customers are able to make comparison with respect to prices, quality, quantity, delivery options, after sale services of the products or services they intend to buy. Additional benefits such as global reach of internet, door step delivery, convenient payment methods etc encourage customers to shop online instead of adopting traditional way of shopping. With an increase in the number of shopping websites, a challenge has emerged before the websites to retain its existing customer base. Acquiring new customer can cost many times more than retaining the existing customers, therefore Successful websites are continuously making efforts to boost the loyalty of their customers' base. Customer loyalty occurs when a customer buy a product or service repeatedly and holds positive attitude towards goods and services of a particular website.

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REVIEW OF LITERATURE:

Customer loyalty has a crucial role in the success of any organisation and it becomes crucial especially when customer acquisition alone does not equate to long term success. There are number of studies have been conducted to study the construct of customer loyalty. studies wiz. Rust and Zahorik (1993); (Rauyruen & Miller, 2007); (Kumar & Shah, 2004); (Vesel & Zabkar, 2009); Hallowell (1996) also emphasize the significance of customer loyalty.These studies highlight the role of various factors in retaining the customer loyalty. Kim & Yoon (2004) expressed the view that loyalty can be measure by the intention of repurchase,

recommending the product/services to other and patience towards price. They found that the brand value, handsets type, an intention to recommend the current carriers to others and the call quality having a significant explanatory power to measure the determinants of customer loyalty. Auh & Johnson(2005) opine that customer loyalty is use to measure repeated purchasing and forbearance for price. Chang & Chen (2007) found that Customer respect oriented business organization attract and develop loyal customers. Other studies viz Wong and Sohal (2003), Bloemer et al. (1998), Ehigie (2006) has found a positive relationship between service quality and customer loyalty.

OBJECTIVES:

1. To study online customer behaviour.
2. To understand customer loyalty with respect to shopping website.

Hypotheses:

1. There is no significant difference in the level of customer loyalty among male and female respondents.
2. There is no significant difference in the level of customer loyalty among married and unmarried respondents.
3. There is no significant difference in the level of customer loyalty among respondents from different age groups.
4. There is no significant difference in the level of customer loyalty among respondents from different occupation.
5. There is no significant difference in the level of customer loyalty with respect to frequency of online shopping.
6. There is no significant difference in the level of customer loyalty with respect to products purchased while online shopping.
7. There is no significant difference in the level of customer loyalty with respect to the sites used for making online purchase.
8. There is no significant difference in the level of customer loyalty with respect to factors affecting purchasing decision.

RESEARCH METHODOLOGY:

A self-administered questionnaire was used to measure the customer loyalty of the people who shop online. For measuring customer loyalty, three items have been adapted from Lin and Wang (2006). The questionnaire was divided into three parts. The first part of the questionnaire relates to the demographic data about the respondents. The second part was designed to assess the shopping behavior of the respondents. The third part of the questionnaire contained questions to determine the customer loyalty of respondents. Customer loyalty is measured on a five-point scale. The scale is ordered regressively as follows: Strongly agree (5), Agree (4), Neutral (3), Disagree (2), and strongly disagree (1).

A convenience sampling approach was employed, in which questionnaires were distributed to the people who agreed to participate in the survey. Questionnaire was distributed to 125 respondents, out of which 100 were found to be useful for the purpose of research. The respondents completed the questionnaires in the presence of the researchers. Data was analysed using descriptive statistics, F test and ANOVA

Table 1: RESULTS AND DISCUSSION

S No:	Demographic Variables	No: of Respondents	% age of respondents

1	Gender
	    (a) Male
	    (b) Female
		(a) 51
		(b) 49
			51
			49

2.	Age
	    (a) 20-30
	    (b) 30-35
	    (c) 35-40
	    (d) 40 & above
		(a) 67
		(b) 18
		(c) 8
		(d) 7
			67
			18
			8
			7

3.	Marital Status
	    (a) Married
	    (b) Unmarried
		(a) 40
		(b) 60
			40
			60

4.	Occupation
	    (a) Salaried
	    (b) Business
	    (c) Student
	    (d) Retired
	    (e) Home makers
		(a) 59
		(b) 5
		(c) 30
		(d) 2
		(e) 4
			59
			5
			30
			2
			4

Table I shows the demographics of the respondents. 51 respondents are male The highest proportion of the respondents (67%) fell into 20-30 year age group, followed by the 30-35 year age group (18%). The majority of respondents was unmarried (60%) and 59% of the respondents were salaried class.

Table 2: LEVEL OF CUSTOMER LOYALTY AND ITS DIMENSIONS

Variable	Mean	Standard Deviation
CUSTOMER LOYALTY	3.70	.639

Table 2 shows that level of loyalty is 3.70 which is above the average values. So we can say that all the respondents have very high level of loyalty.

Table 3: Mean, Standard deviation and t value of Customer loyalty with respect to Gender and Marital status

Criterion variable	Demographical status	N	Mean	Standard deviation	t -value	P value
Gender	Male	51	3.7	.66	.40	.68
	Female	49	3.62	.62		
Marital Status	Married	40	3.65	.64	-.64	.52
	Unmarried	60	3.73	.64		

As p value (.68) is greater than the level of significance (.05), therefore we can say that male and female respondents do not differ in level of loyalty with respect to online shopping. Hence hypothesis 1 is accepted.

There is no significant difference in the level of customer loyalty among married and unmarried respondents because p value (.52) is greater than the level of significance (.05). Therefore hypothesis 2 is accepted.

Table 4: One –Way ANOVA for Customer loyalty on the basis of age

Criterion variable	Age	N	Mean	Standard deviation	F –value	p value
Customer Loyalty	20-30	67	3.73	.64	.16	.92
	30-35	18	3.61	.717		
	35-40	8	3.71	.416		
	40 and above	7	3.67	.667		

Source: Authors' compilation

N= 100   d.f = 99   Level of significance = 5%

Table 4 shows the result of one way ANOVA in customer loyalty in different age groups. Results also reveal that the construct of customer loyalty do not differ among the respondents of different age group. As shown in table 3, in case of customer loyalty, when age is taken as demographic variable, p value (.92) is greater than the assumed level of significance (.05). Therefore hypothesis 3 is accepted.

Table 5: One –Way ANOVA for Customer loyalty on the basis of Occupation

Criterion variable	OCCUPATION	N	Mean	Standard deviation	F –value	p value
Customer Loyalty	Salaried	59	3.64	.617	.768	.549
	Business	5	4	.624		
	Student	30	3.77	.718		
	Retired	2	3.34	.474		
	Home makers	4	3.92	.316		

Source: Authors' compilation

N= 100   d.f = 99   Level of significance = 5%

One way ANOVA was again used to test the significance of difference in customer loyalty among respondents from different occupations. A glance at Table 5, reveals that respondents from different occupations namely salaried, business, students, retired persons and home makers do not differ significantly as far as customer loyalty (F=.768; p >.05) is considered. Hence hypothesis 4 is accepted.

Table 6: One –Way ANOVA for Customer loyalty on the basis of frequency of online purchase

Criterion variable	Frequency	N	Mean	Standard deviation	F –value	p value
Customer Loyalty	weekly	6	3.67	.422	.591	.622
	Once for 2 weeks	13	3.72	.357		
	Monthly	25	3.56	.927		
	occasionally	56	3.76	.549		

Source: Authors' compilation

N= 100   d.f = 99   Level of significance = 5%

Using One way ANOVA, it was found that there exists no difference in loyalty score with the change in frequency of shopping (F= .591, p > .05). The results support our hypothesis that online customers are loyal to the websites they visit irrespective of their frequency of their shopping. Hence hypothesis 5 is accepted.

Table 7: One –Way ANOVA for Customer loyalty on the basis of products purchased

Criterion	Products	N	Mean	Standard	F –value	p value

variable				deviation		
Customer Loyalty	cosmetic/jewellery	8	3.71	.722	.647	.664
	CD's and books	6	4.06	.248		
	clothes/shoes	58	3.64	.664		
	household furniture	2	3.33	.000		
	Toys	5	3.80	.448		
	electronic gadgets	21	3.76	.676		

Source: Authors' compilation

N= 100   d.f = 99   Level of significance = 5%

Results of table 7 show that customers opting for different types of product remain loyal to the website. As p value (.664) is greater than the assumed level of significance (.05). Therefore hypothesis 6 is accepted.

Table 8: One –Way ANOVA for Customer loyalty on the basis of shopping sites visited

Criterion variable	Web Sites	N	Mean	Standard deviation	F –value	p value
Customer Loyalty	Flipkart	54	3.7	.74	.98	.43
	Snapdeal	8	3.9	.21		
	Myntra	12	3.6	.64		
	Amazon	23	3.6	.42		
	Homeshop18	3	3.3	.66		

Source: Authors' compilation

N= 100   d.f = 99   Level of significance = 5%

Table 8 is related to the significance of customer loyalty score on the basis of websites visited for online shopping. It has been found that level of customer loyalty is same for all the websites. Hence there is no significant difference in customer loyalty score for different websites. Hence hypotheses 7is accepted.

Table 9: One –Way ANOVA for Customer loyalty on the basis of factors influencing purchasing decision

Criterion variable	Factors	N	Mean	Standard deviation	F –value	p value
Customer	Own Past	50	3.85	.565	2.664	.042

Loyalty	experience					
	Opinion & experience of family	24	3.44	.679		
	Opinion & experience of friends	17	3.74	.548		
	Opinion & experience discussed in online forum	9	3.48	.885		

Source: Authors' compilation

N= 100   d.f = 99   Level of significance = 5%

Using One way ANOVA, it was found that there exists difference in loyalty score with the opinion and experience of self or others used in online shopping (F= 2.66, p < .05). Hence hypothesis 8 is not accepted. It is found that customers visiting the websites on the basis of their own experience remain more loyal to the website and customers visiting the websites on the basis opinion and experience expressed in online forums remain less loyal toward the website.

Conclusion:

1. Level of customer loyalty is high among the online shoppers.
2. Most of the respondents use online shopping occasionally.
3. Flipkart is the most popular website used for online shopping.
4. Most of the respondents use online shopping websites for purchasing clothes and shoes.
5. Most of the consumers rely upon their own past experiences for online shopping rather than their friends and family.
6. Majority of the respondents are salaried class and students.
7. Level of customer loyalty do not differ on the basis of gender, age, occupation and marital status.
8. Frequency of purchase, product purchased and shopping websites used do not effect the level of loyalty toward the shopping websites.
9. Customer loyalty differs significantly with respect to the fact that whose experience is relied upon while choosing the website for online shopping.

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