



A study of customer satisfaction with online purchasing decisions

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ABSTRACT

The purpose of the study was to analyze the customer satisfaction with the online purchasing decisions and further to analyze the difference in customer satisfaction with respect to demographic variables. The data was collected from 100 respondents who agree to participate in the study using a self designed questionnaire. Data was analyzed using descriptive statistics, F test and ANOVA. The findings revealed many aspects of customer satisfaction with online purchasing decisions.

INTRODUCTION

Gone are the days when people used to visit the shops to buy the products and services. Today the world is on the verge on a great change with the advent of internet and more specifically with the changing trend of shopping. Nowadays, due to shortage of time, and many more factors it becomes difficult for people to move from one shop to another in search of desired products or services. In such scenario, internet has played an important role in transforming traditional era into new era called E- commerce and m-commerce. As more and more people are becoming tech savvy, the demand for facilities such as online banking, online ticket booking, online bill payment , online shopping etc is increasing.

Internet has revolutionized the customers shopping behavior. Every day we witness the entry of new online shopping website. This has led to the intense competition among these websites. In this situation, ensuring customer satisfaction has become one of the biggest challenges for these websites. Satisfaction can be achieved by meeting one's expectation. A customer is said to be satisfied when the firm is able to meet the requirements or expectations of the customer. To



retain the existing customers for a long period of time, the websites must focus their attention on satisfying their customer base.

The level of satisfaction is dependent on the extent to which the supply of product or services has been able to meet the expectations of the customer. Only the customers, who are satisfied with the services provided, can be expected to have long term association with the website. More satisfied customers will either buy same product again or different product from the same website. Customers are termed to be loyal when they make repetitive purchases, make recommendation to others and are not easily swayed by the competitors.

Customer satisfaction is a broad term which is influenced by a number of factors such as designing of the website, price, general discounts and offers, quality, ease of payment, delivery time, return and refund policy, after sale services etc. Therefore the websites must work on these parameters to attract new customers as well as to retain the existing ones. This paper attempts to study the level of customer satisfaction with relation to their latest online purchase.

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REVIEW OF LITERATURE

According to Limayen et al. (2000), the thinking and attitude of the customers with regard to security concerns and convenience have noteworthy effects on their intention to purchase online. The European Public Administration Network (EUPAN) has given a model which shows that customer satisfaction in respect to any service is concerned with his/her experience. The level of satisfaction is high in case the shopping experience and the products or services delivered exceeds the expectations of customer. A customer may indulge into repurchase of goods if he/she is satisfied with their earlier shopping experience.

Shanker et al. (2003) also highlighted the significance of services delivered when it comes to decision of future purchases. Similarly, studies undertaken in different fields have found various variables such as product factors, shopping factors and technology factors that affect customer



satisfaction towards online shopping. In addition to this, other studies lays emphasis on the factors such as convenience to use website, mode of payment, on time delivery, security and reduced cost of transaction, quality and variety of product, reliability. The design of website also has a favorable impact on the level of customer satisfaction as it simplifies the ease of accessing the products (Lee and Lin, 2005). Franzak et al.(2001), expressed the views that online shoppers expect websites to provide for secure payment, and maintain the privacy of online communication.

Kramarae and Kramer (1995), Gay et al. (2007), Rajamma et al. (2007) , Kim and Kim (2004) , Ramus and Nielsen (2005) , Ladson and Fraunholz (2005), Welch (1995), Rathmell et al. (1998), Singh (2004), Smith & Chaffey (2002),: consumer satisfaction in relation to online shopping depends on issues such as e-store image, delivery and customer services, service quality and purchase behaviour, personalisation, motivations for online purchase, trust, reliability, privacy, transaction and cost, incentive offered, web-site design, online interactivity, merchandise motivation, assurance, convenience, responsiveness, consumer risk assessment etc.

OBJECTIVES

1. To study the online customer behavior with respect to the last purchase.
2. To understand customer satisfaction with their online purchase decision.

HYPOTHESES

1. There is no significant difference in the level of customer satisfaction among male and female respondents.
2. There is no significant difference in the level of customer satisfaction among married and unmarried respondents.
3. There is no significant difference in the level of customer satisfaction among respondents from different age groups.
4. There is no significant difference in the level of customer satisfaction among respondents from different occupations.



5. There is no significant difference in the level of customer satisfaction with respect to their last online shopping.
6. There is no significant difference in the level of customer satisfaction with respect to product purchased on last online shopping.
7. There is no significant difference in the level of customer satisfaction with respect to the sites used for making online purchase.

RESEARCH METHODOLOGY

A self administered questionnaire was used to measure the customer satisfaction of the online shoppers. For measuring customer satisfaction, nine self designed items were used. The questionnaire was divided into three parts. The first part of the questionnaire relates to demographic data of the respondents. The second part is designed to access the shopping behavior of the respondents. Customer satisfaction is measured on five point scale. The scale is ordered regressively as follow: Strongly agree(5), Agree(4), Neutral(3), Disagree(2), 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 were distributed to 125 respondents, out of which 100 were found to be useful for the purpose of research. The respondents completed the questionnaire in the presence of researcher. Data was analyzed 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	(a) 54	54
	(b) Female	(b) 46	46

2.	Age		
	(a) 20-30	(a) 65	65
	(b) 30-35	(b) 18	18
	(c) 35-40	(c) 10	10
	(d) 40 & above	(d) 7	7
3.	Marital Status		
	(a) Married	(a) 42	42
	(b) Unmarried	(b) 58	58
4.	Occupation		
	(a) Salaried	(a) 57	57
	(b) Business	(b) 5	5
	(c) Student	(c) 31	31
	(d) Retired	(d) 2	2
	(e) Home makers	(e) 5	5

Majority of respondents are male (54%) and unmarried (58%). 65% of respondents belong to the age group (20-30) and 57% are salaried respondents

Table 2: LEVEL OF CUSTOMER SATISFACTION AND ITS DIMENSIONS

Variable	Mean	Standard Deviation
CUSTOMER SATISFACTION	3.89	.67

Mean score of customer satisfaction is 3.89 which is higher than the average so we can say that customer are highly satisfied with their online shopping decisions

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

Criterion variable	Demographical status	N	Mean	Standard deviation	t -value	P value
GENDER	Male	54	3.81	.78	-1.319	.001
	Female	46	3.99	.50		
Marital Status	Married	42	4.07	.73	2.3	.072
	Unmarried	58	3.76	.61		

There is a significant difference in the level of customer satisfaction among male & female respondents ($p < 0.05$). In case of marital status, there is no difference in the level of customer satisfaction because P value (0.072) is greater than the level of significance (0.05).

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

Criterion variable	Age	N	Mean	Standard deviation	F –value	p value
Customer Satisfaction	20-30	65	3.83	.62	1.068	.367
	30-35	18	4.05	.83		
	35-40	10	3.82	.79		
	40 and above	7	4.21	.39		

Source: Authors' compilation

N= 100

d.f = 99

Level of significance = 5%

There is no significant difference in the level of customer satisfaction among the respondents belonging to different age groups because p value (.378) is greater than level of significance (0.05)

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

Criterion variable	OCCUPATION	N	Mean	Standard deviation	F –value	p value
Customer Satisfaction	Salaried	57	3.89	.72	.825	.512
	Business	5	4.00	.68		
	Student	31	3.80	.63		
	Retired	2	3.95	.54		
	Home makers	5	4.38	.10		

Source: Authors' compilation

N= 100

d.f = 99

Level of significance = 5%

There is no significant difference in the level of customer satisfaction among the respondents belonging to different occupations because p value (.512) is greater then level of significance (0.05)

Table 6: One –Way ANOVA for Customer satisfaction on the basis of period of their last online purchase

Criterion variable	Time period	N	Mean	Standard deviation	F –value	p value
Customer Satisfaction	Last week	30	4.12	.46	2.026	.115
	Last month	34	3.80	.90		
	2 months ago	13	3.94	.53		
	More than 2 months ago	23	3.70	.50		

Source: Authors' compilation

N= 100

d.f = 99

Level of significance = 5%

There is no significant difference in the level of customer satisfaction if we consider the time period of their last purchase because p value (.115) is greater then level of significance (0.05).

Table 7: One –Way ANOVA for Customer satisfaction on the basis of last purchased product

Criterion variable	Products	N	Mean	Standard deviation	F –value	p value
Customer Satisfaction	cosmetic/jewellery	7	4.22	.29	1.80	.120
	CD's and books	3	4.07	.74		
	clothes/shoes	60	3.74	.73		
	household furniture	4	4.06	.32		
	Toys	2	4.28	1.018		
	electronic gadgets	24	4.11	.67		

Source: Authors' compilation

N= 100

d.f = 99

Level of significance = 5%

There is no significant difference in the level of customer satisfaction among the respondents on the basis of last purchased product because p value (.120) is greater then level of significance (0.05)

Table 8: One –Way ANOVA for Customer satisfaction on the basis of amount spend

Criterion variable	Amount spend	N	Mean	Standard deviation	F –value	p value
Customer Satisfaction	<500	4	3.67	.26	6.471	.000
	500-1500	41	4.06	.63		
	1500-3000	33	3.53	.66		
	>3000	22	4.18	.57		

Source: Authors' compilation



N= 100

d.f = 99

Level of significance = 5%

There is a significant difference in the level of customer satisfaction if we consider the amount spend on their last purchase because p value (.00) is less than level of significance (0.05)

Table 9: One –Way ANOVA for Customer satisfaction on the basis of shopping sites visited for making last purchase

Criterion variable	Web Sites	N	Mean	Standard deviation	F –value	p value
Customer Satisfaction	Flipkart	43	3.89	.71	.601	.699
	Jabong	3	3.44	.48		
	Snapdeal	13	3.89	.84		
	Myntra	4	3.75	.26		
	Amazon	28	4.02	.64		
	Homeshop18	9	3.74	.49		

Source: Authors' compilation

N= 100

d.f = 99

Level of significance = 5%

There is no significant difference in the level of customer satisfaction on the basis of shopping sites visited for making last purchase because p value (.699) is greater then level of significance (0.05)

FINDINGS AND CONCLUSION

- 1.Level of customer satisfaction is high among the online shoppers.
- 2.Flipkart is the most often used website for online shopping.
- 3.Customers spending Rs. 3000 are more satisfied.
- 4.Most of the respondents buy clothes/ shoes while online shopping.
- 5.Respondents belonging to salaried class are the ones using online shopping the most.
- 6.Level of customer satisfaction does not differ in relation to gender, age, marital status and occupation.



7.The product purchased and shopping website used do not affect the level of customer satisfaction.

8.Customer satisfaction differ significantly with the amount spend on shopping.

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