A STUDY ON IMPORTANCE OF CUSTOMER SATISFACTION IN ONLINE SHOPPING

Ms. RupinaPopli* Prof. SubhashNath**

Abstract

The revolution in the field of communication channels and spreading of Covid-19 pandemic has facilitated the usage of e-commerce methods of doing online shopping worldwide including India. The online shopping is concerned with e-commerce environment which provides access to a lot of desired information at any time from any place of the world about all the products and services at the comfort of their place itself. The reviews of customers, variety of products, prices, quality, comparative analyses in less time as compared to the process of offline i.e. shopping by visiting the retail stores for buying the products and the prevailing situation of pandemic, all these factors have contributed in the mammoth growth of e-commerce trading all over the world. The upcoming of many e-retail stores and online payment modes have also helped in attracting the more and more consumers to embrace the online shopping in India. According to a survey by Oberlo, the number of online shoppers have increased to 2.64 Billion (updated in Feb.2023)- a 3.1% annual increase. It is estimated that by 2025, the number of online shoppers worldwide will be around 2.77 Billion.

In this research paper, a modest attempt has been made to explain the different ways of improving the customer satisfaction level through online shopping process by the retail companies. The paper also focuses on the factors which can influence the decision of prospective customers to shop online and the entrepreneurs and marketers in devising their strategies in attracting more and more customers by focusing on their satisfaction. From the findings of this study, it is evidently clear that online shopping helps the organizations to expand their business and profitability by improving the customer's satisfaction level through their products and services.

Keywords: E-commerce, customers,e-retail, pandemic, communication channels

*Assistant Professor, Faculty of Management Studies, Sri Sri University, Cuttack, India.
**Professor, Faculty of Management Studies, Sri Sri University, Cuttack, India.

Introduction

The way of shopping has been revolutionized by the emergence of very powerful electronic commerce systems. The entire process of online shopping can impart a very huge impact on customer satisfaction. Online shopping is the main part of electronic commerce and many customers are guided by this electronic commerce i.e. the way of buying products and services from the companies. The consumers can make a direct connection with the retailers through the

process of online shopping and by visiting the company's websites and other alternative apps available. Nowadays, online shopping is the very easy process of buying any products and services from the retailers for regular utility items as maximum people have some common tools of online shopping such as smart phones, computers, laptops, tablets and many others. The way of online shopping provides several facilities to the customers and for this reason, customers feel more satisfied while buying the required products and services from the retailers through online mode of shopping. The facilities are such as the customers can have several variations about any product and service.

In the retail industry online shopping is known as 'e-tailing' or 'electronic-retailing'. When thegoods are sold to the consumers for their own use or for reselling purpose, it is known as E-tailing. It is very important to focus on strong branding for successful E-tailing. The website of the company must be capable of engaging the customers in creative data which needs to be updated on regular basis. It should also be made user friendly so that they can navigate easily for meeting out their ever changing demands. The prices and quality of products should also be very competitive so that more customers are attracted on their portal and feel satisfied. E-tailers should focus on the efficiency of their distribution system for delivering the purchased products at the customer's place as fast as possible. Good customer service by providing good quality products with efficient service on competitive prices, all these arekey to success and will help in attracting more and more customers, ultimately resulting in increase in sales, revenues and reputation of the company.

Literature Review

According to Mohd. Suki (2013), "There are a lot of factors contributing to the growing popularity of online shopping in India. To name a few: youth population in India, convenience, easy comparison between prices and products, time factor and rising popularity of mobile phones/other gadgets making it very easy to shop online". **Pawan Kumar Kanchan (2017)** Online shopping has emerged in India as a new trend of shopping now a days and is quickly absorbed in our routine life. Due to wide spread internet access by shoppers and e-commerce widely usage by traders, online shopping is rapidly growing in recent years. **Lai Wang, Quoc Liem Le (2015),** examined the factors influencing online shoppers. The study revealed that customer's satisfaction on their online purchase depends on product features satisfaction, tangibility, empathy, efficient and understandability. **Gou X, Ling, K.C, Liu oj (2012),** examined the factors determining customer's satisfaction towards online shopping and identified that factors such as e-service quality, product quality, product variety and Delivery service are the important determinant of customer satisfaction level in online shopping. **Sathiya Bama Ragar Prabha (2016),** revealed in their study on online shopping that customer's satisfaction on their online shopping is associated with the area of residence, Age, Gender, Occupation and Cost of recent purchase. Furthermore, in consistent with **Gay at.al (2007), Yun and Good (2007), Lee and Lin (2007), Rajamma at.al (2007), Kim and Kin (2004), Ramus and Nilesan (2005), Ladson and Fraunholz(2005), Kramare and Kramer (1995), Welch (2005), Rathmell et al (1998), Johnstone (1999), Singh (2004), Smith and Chaffers (2002), Canvan et al (2007),** consumer satisfaction and purchase decision on online shopping depends on few more issues. These are e-store, image, delivery and customer services, service quality and purchase behavior,

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personalization, motivation for online purchase, trust, reliability, privacy, transaction and cost, incentive parameters, web-site design, online interaction, merchandise motivation, assurance, convenience, pragmatic motivation, responsiveness, consumer risk assessment etc.

Statement of the Problem

The main purpose of this study is toencourage the mode of onlineshoppingsystem for doing business in India by focusing on the importance of customer service. Nowadays, a large number of online shopping sites have been made available on the web portals of companies. From these sites,customers can do online shopping at the comforts of their homes itself. It has become very easy process to shop online now and one just needs a PCor a laptop, or a Smart Mobile Phone and any one payment transfer option to be able to do the required shopping online. The concept of online shopping and marketing has acquired a prominent place in the business world today. Though, we cannot think of business and shopping without e-commerce mode in the present scenario but its misuse by the fraudulent persons, emergence of various scams and various cases of cheating has put a big question mark on this online system. It has created a very negative impact and fear in the minds of online customers. There is an urgent need to address these issues to make it fully secure and viable mode of doing business in our country. This study has focused on addressing the main issues involved in customer satisfaction towards online shopping and help in determining the factors which influence the online shopping preference by the customers. The business leaders and marketers will also be able to introduce new strategies for attracting more customers by providing them the safe, convenient and trustworthy online shopping experience in our country also.

Scope of the Study

This study is focused on customer satisfaction involved in online shopping experience in India. This study covers the customers who practice the mode of online shopping in the areas of twin cities of Bhubneshwar and Cuttack of Oddisha State of India. Customer satisfaction in online shopping is the main area of concern in this study.

Research Objectives
  • Tofind out the satisfaction level of the customers in online mode of shopping.
  • Tostudy the customer preference towards online shopping.
  • To find out the specific factors/services responsible for success of online shopping.
  • To study the current and future online shopping trends and to make suggestions for business
    leaders and marketers.

Research Methodology of the Study

(a). Research Design :

The research design used for the study is descriptive in nature and is concerned mainly with describing the characteristics of a particular individual or group for decision making. It focuses on some specific prediction with narration of facts and characteristics concerning individual groups or situations. The present study is based on combination of both the Primary and Secondary data

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collection methods. The primary data has been collected through the sampling of buyers in the twin cities of Cuttack and Bhubhneshwer of Odishaa State. The buyer respondents have been selected through the random sampling method of research. It has been done intentionally to get representation from each age group, different income groups, education groups, sex groups and professional groups including unemployed persons, which are the major part of this study. The Primary data has been collected by a questionnaire and interviews of consumers, company employees, vendors and distributors. The secondary data has been collected from books, journals, reports, magazines, research papers and different web-sites.

(b). Sampling :

The target area consists of people from different age groups. It is because we wanted to know which group of people are involved more involved in the online shopping mode and which group of people is not using the online mode of shopping. There are four divisions of age group in the questionnaire to examine which group is going for more online shopping and which group is still using offline shopping mode.

(c). Sample size:

We have taken the sample size of 200 consumers for this study. It was done through a questionnaire and interview methods of Primary Study.

Data Analysis and Interpretation :

(A). Analysis of Secondary Data :

(a). Developments made by E-Commerce Industry in India :

Some of the major developments in the Indian e-commerce sector are as follows:

- According to e.commerce.edb.com, India is the 8th largest market for e-commerce with a predicted revenue of US $71291.1 Million by the end of 2023.
- It has been projected to touch this figure to US$ 119,967.oMillion by 2027.
- India contributed to the world growth rate of 17% in 2023.
- Five markets are considered by e-commerce Db within the Indian e-commerce market. These are Food & Personal Care (31.4%), Fashion Industry (27.9%), Electronics & Media (18.6%), Furniture & Appliances (12%) and Toy, Hobby & DIY with the remaining 10.1%.
- 63% of shopping occasions begin online (Think with google2018).
- Half of the consumers shop through Mobile than in store (IBOTTA, 2018).
- The Chinese platform Taobao is the biggest online market place with a GIVV of $711 Billion in 2021 (Statista,2022)
- Digital and Mobile Wallets are the most popular payment methods among online shoppers worldwide (49% of online shoppers as per World pay 2022).
- One of the biggest reason for preference of online shopping is the impact of Corona Virus 2019.
- Shoppers expect to see new products constantly. 75% of consumers search queries each

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month are brand new (Sales Force 2018).
- 79% of the online buyers shop at least once per month (IPC 2022).
- According to recent online shopping statistics 49% of Cart abandonments are due to high extra costs, which can include anything from shipping to taxes and fees (Baymard 2021).

(b). Government Initiatives

Government of India has launched an e-commerce portal called TRIFIED and an e-commerce portal called "Tribes India" which will enable 55000 tribal artisans to get access to the international markets. To increase the participation of foreign players in the e-commerce field, the Indian Government has extended the limit of FDI in the ecommerce market place for up to 100 percent. The Government of India has distributed rewards worth US $23.8 million to 1 million..

©. Online Shopping Trends to Watch out :

In an article titled as "15 Online Shopping Trends to watch out in 2022" by Geri Mileva, published in Influencer Marketing Hub, has suggested the following15 online shopping trends to watch out in 2022 and beyond for gaining the competitive edge through their updated business model.
- The continued growth on online selling.
- The rise of AI and Machine learning.
- What to do with one-time buyers?
- The growing need for customization.
- The upward trend of Mobile shopping.
- The growing popularity of local and independent businesses.
- The prevalence of Voice Search.
- The need of offering more payment options.
- Offering a better online shopping experience.
- Websites optimized for conversions.
- Interest and focus on sustainability.
- Leveraging chat bots.
- Adopting augmented and virtual reality technology.
- Social Media platforms as sales channels.
- Omni Channel Customer Support.

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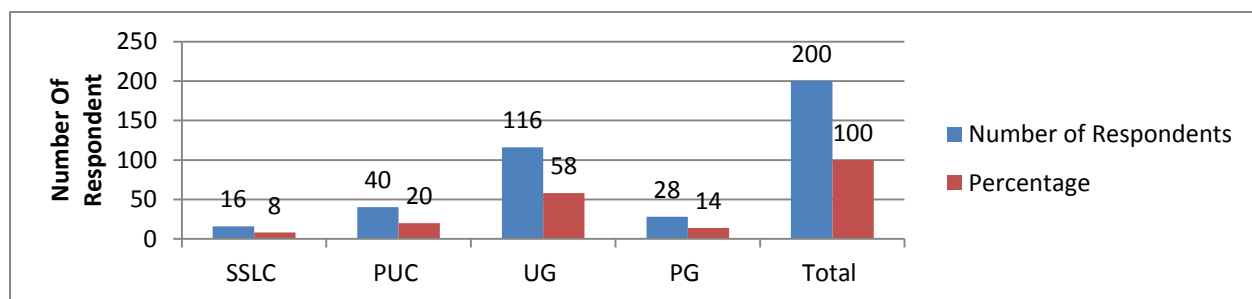
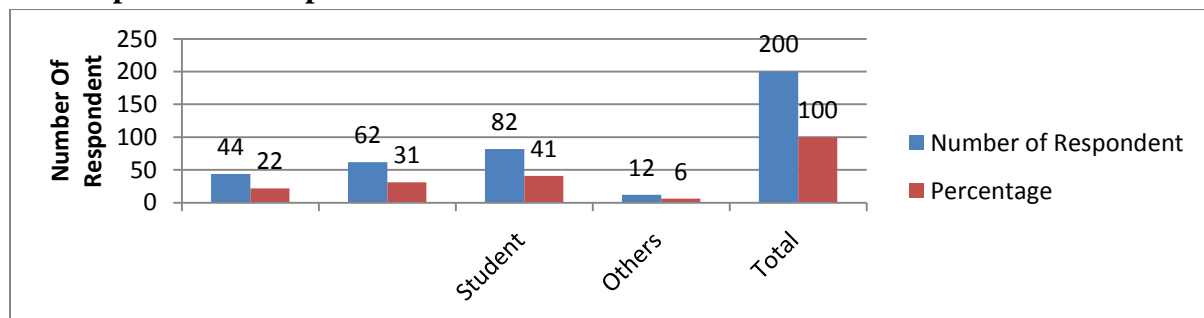**(B). Analysis of Primary Data :**

1. **Genders of Respondents**
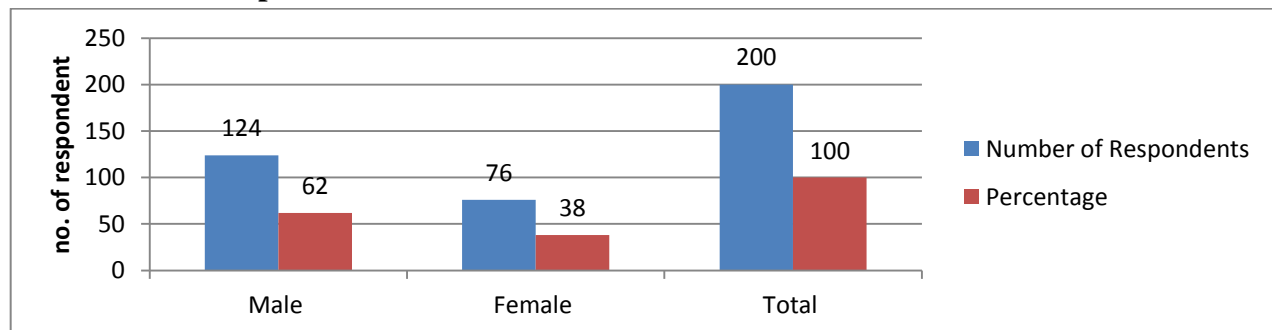
2. **Age of Respondents**
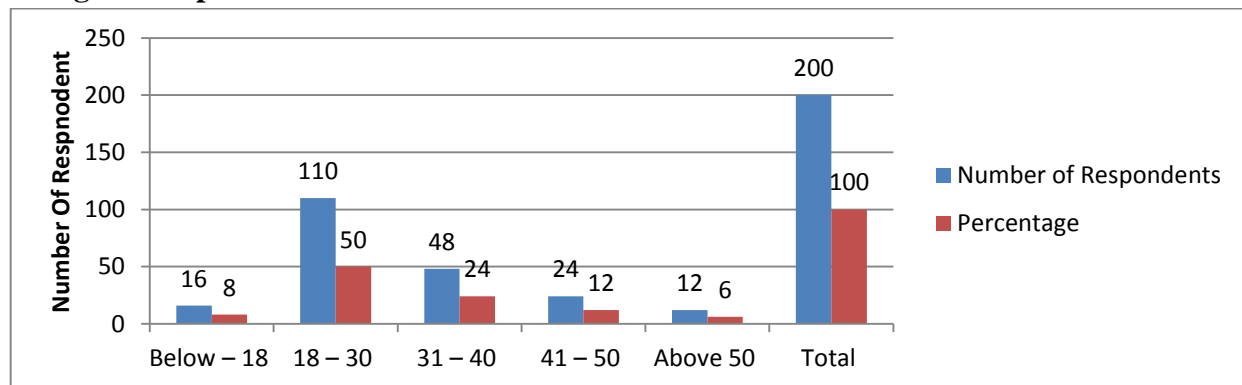
3. **Educational Qualification of Respondents**

4. **Occupations of Respondents**

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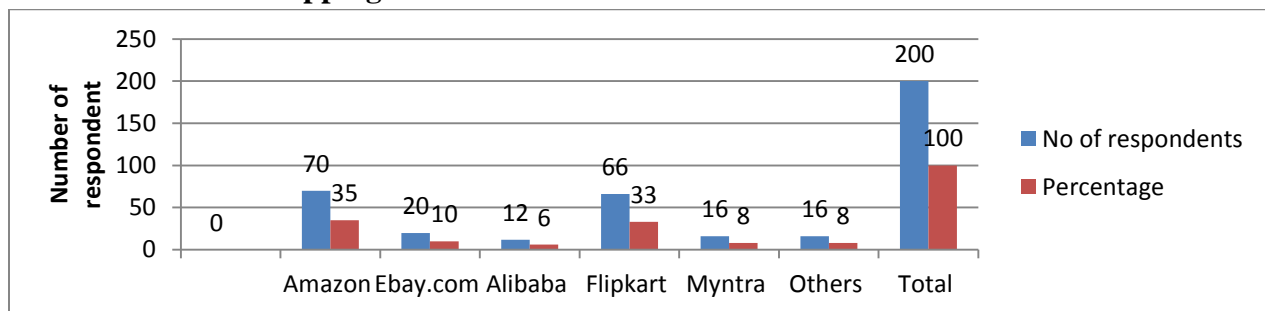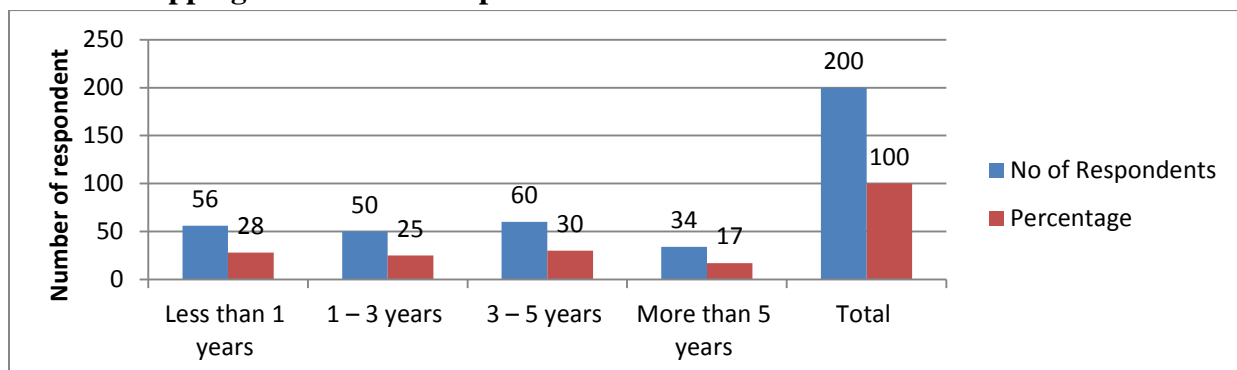
5. Monthly Income of Respondents
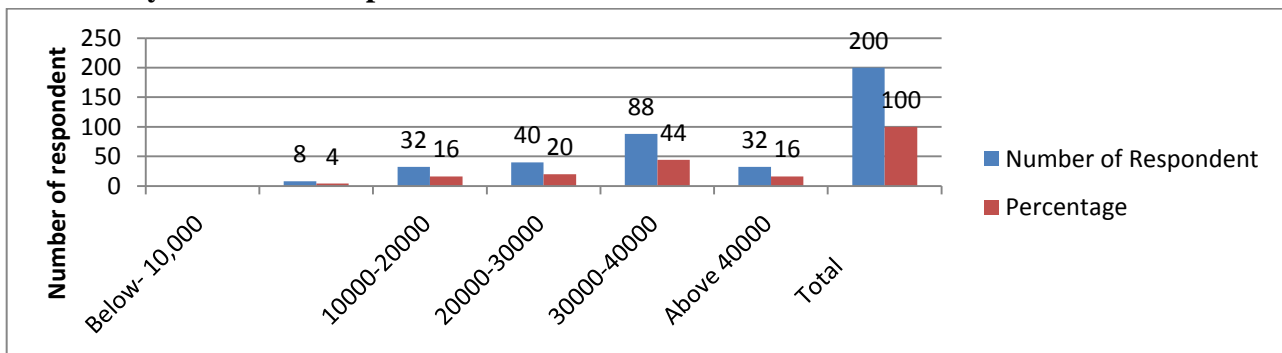
6. Time spent on online shopping by Rrespondents
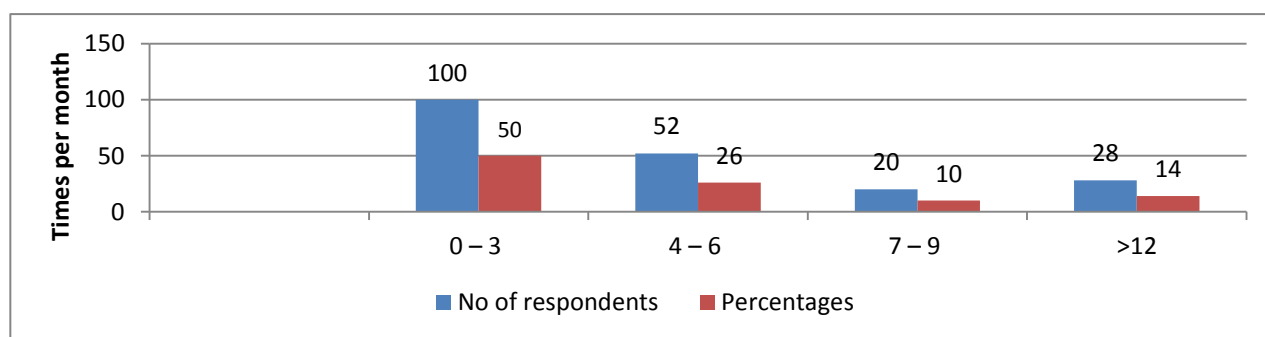
7. Preference of E-Shopping sites

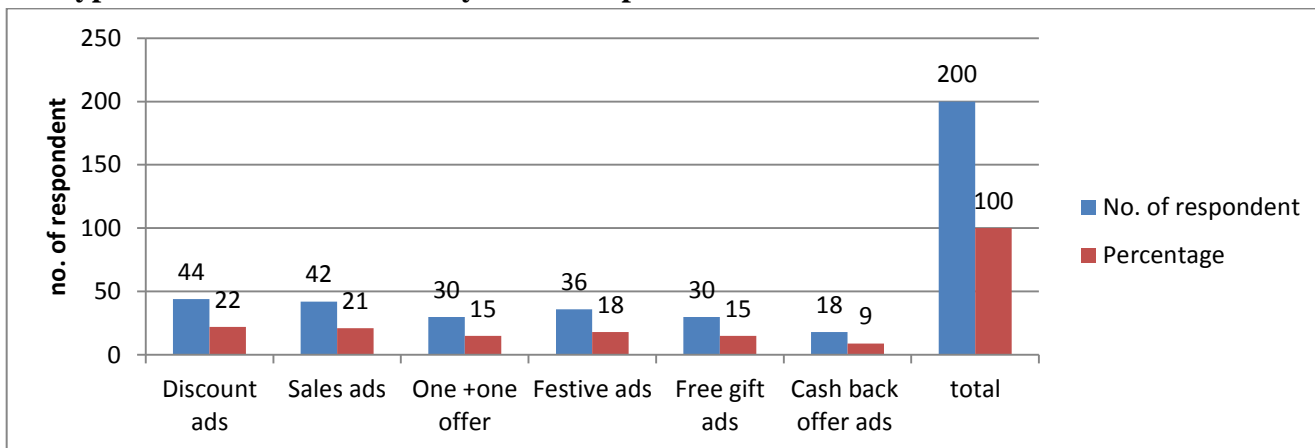## 8. Online shopping durations of Respondents
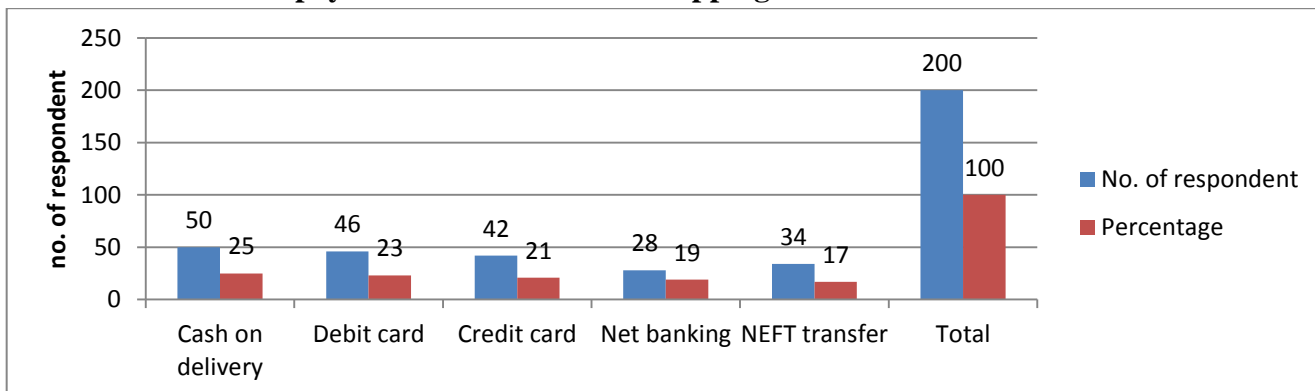
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9. Mostly purchased goods from online shopping
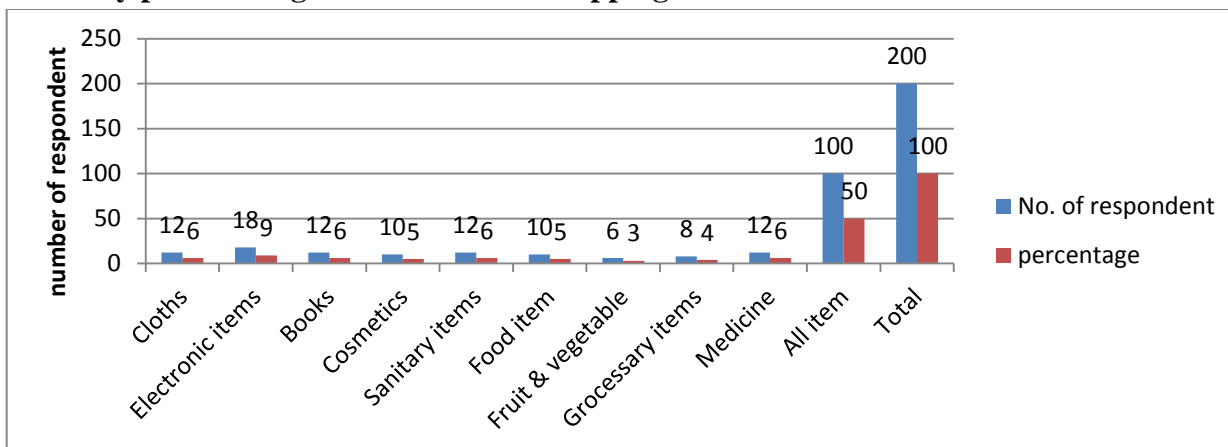
10. Types of Advertisement mostly attract to purchase online:

11. Preference of the payment mode for online shopping

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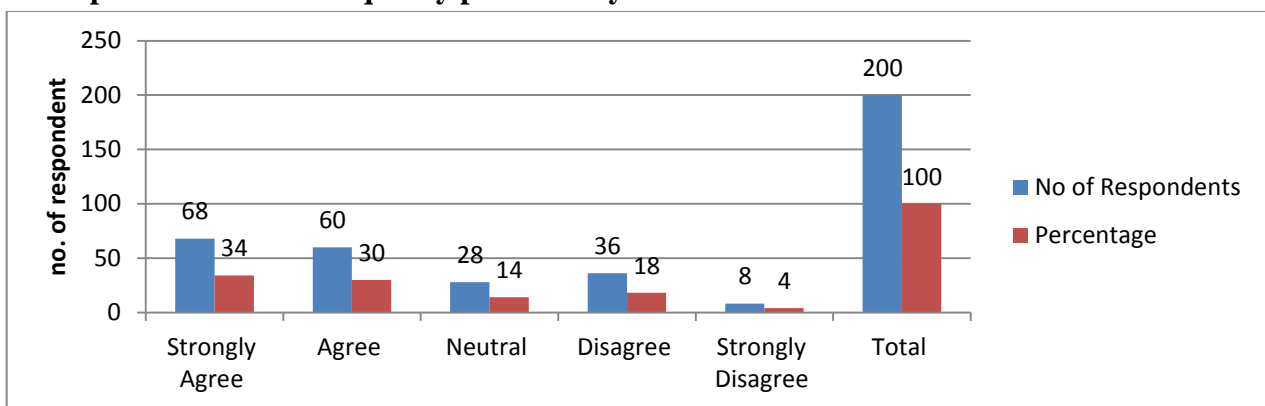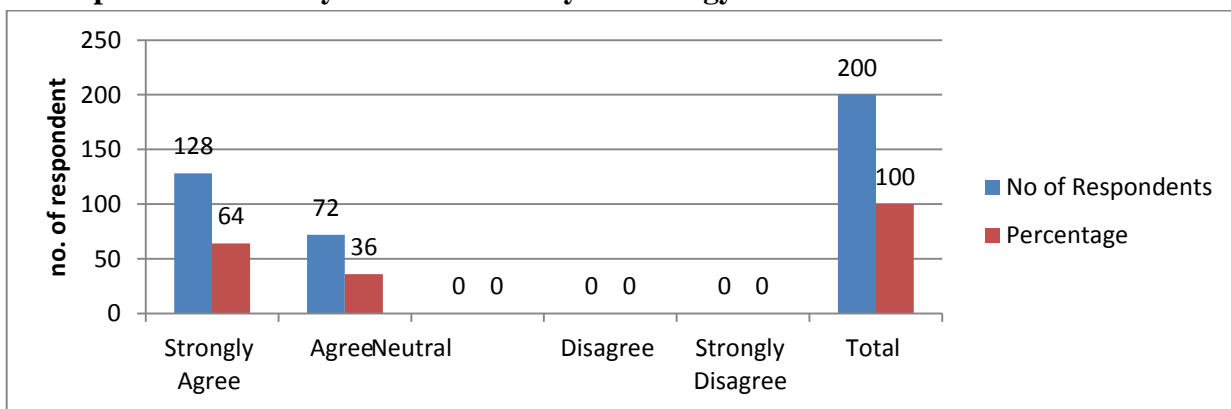Eur. Chem. Bull. 2023, 12(Special Issue 4), 15561-15575

12. Factors/Services that influence online purchase of Respondents
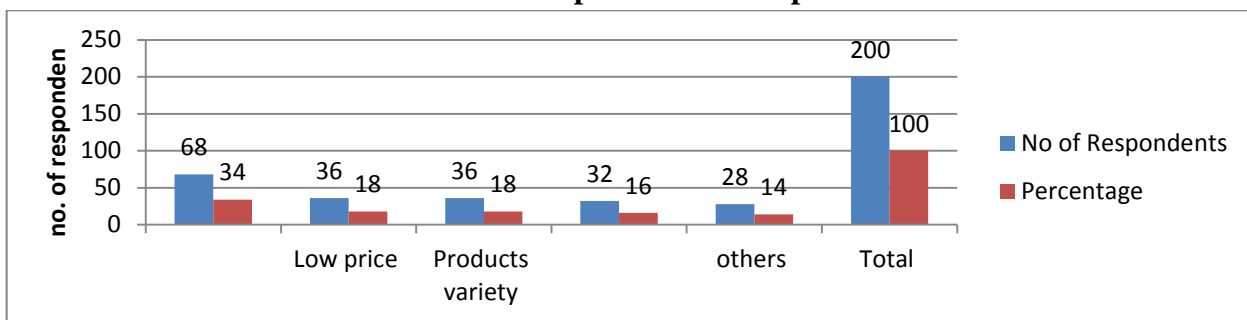
13. importance of service quality provided by the sellers

14. Importance of safety and user friendly technology

15. Satisfaction due to availability of best quality products through online shopping

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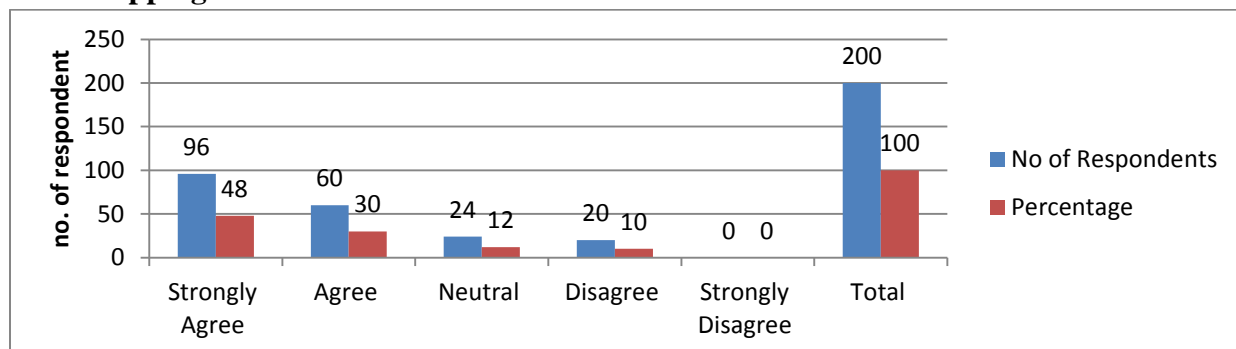
16. Satisfaction with the speed of delivery for online shopping
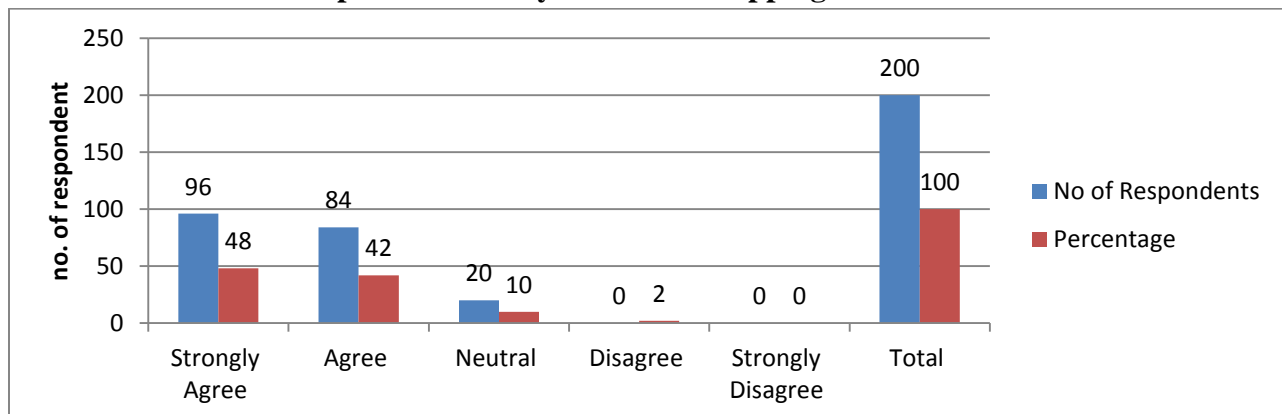
17. Preference of buying the products again from same shop, if satisfied

18. Intentions of recommending to friends/relatives or toshop again, if experience is overall satisfactory

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19. Table showingexperience of online shopping : Better than conventional shopping

Findings :

- 62% of the respondents of our survey are from the Males category, which is in majority as far as online shopping, is concerned.
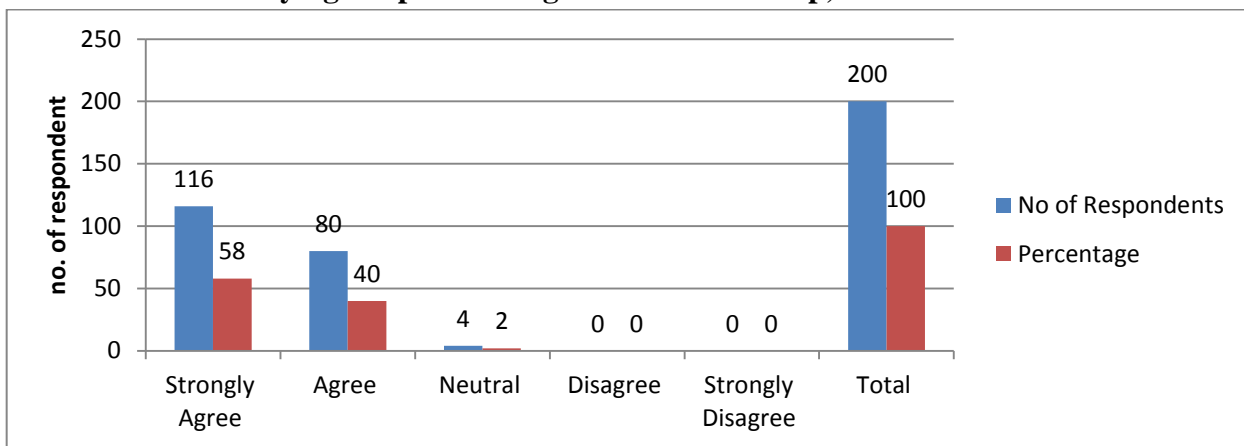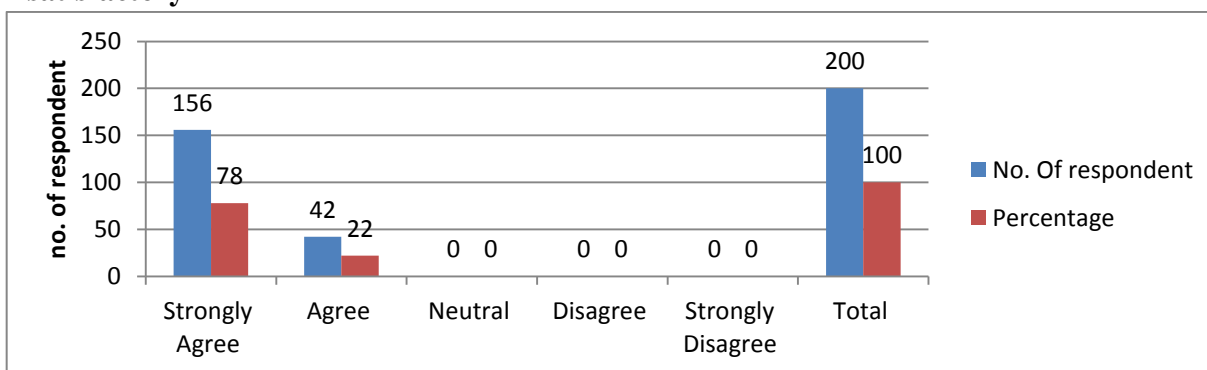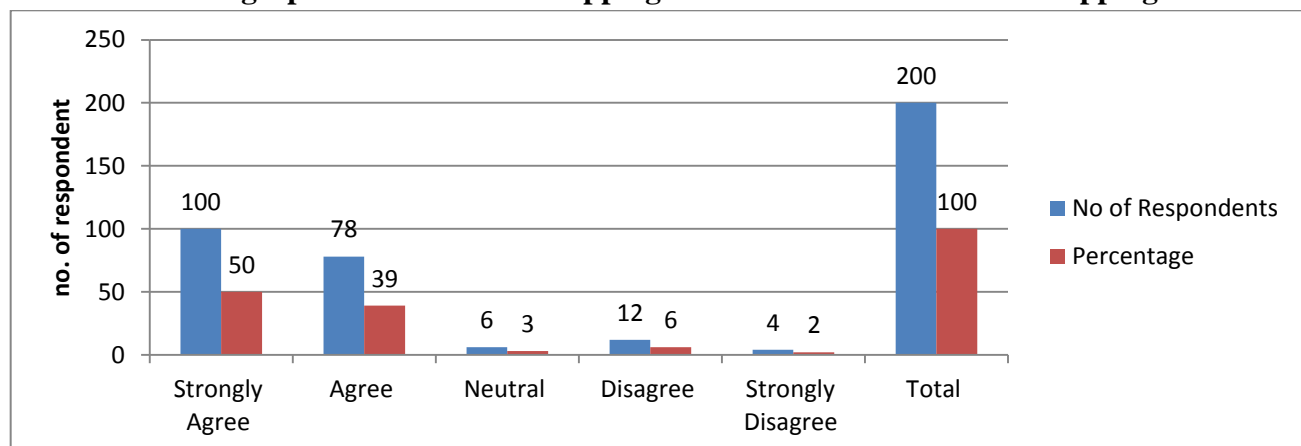
- The results of our primary survey indicate that the majority of respondent in online shopping i.e. 50% are from the age group "between 18-30years".

- The Educational Qualification of majority respondents (i.e.58%) are under graduates, who are using online mode of shopping.

- Students i.e. 41% of the respondents are in majority, in online shopping in this area as per our study.

- The results of our survey indicate that 44% of the total respondents, which are in majority come in the income bracket of Rs.30,000/- to Rs.40, 000/-per month, followed by 20% of the respondents in the income bracket of 20,000 to 30,000 and 16% in the income bracket of Rs.10,000 to20,000 per month.

- 50% of the respondents, which are in majority,have conveyed that they spent 0-3 times in a month in online shopping, followed by 26%, spending 4-6 times and 14% spending 12 times.

- Amazon e-shopping site has been preferred by majority of the online shoppers with 35% respondents, Flip kart by 33% of the respondents and E-Bay by 10% of the respondents.

- The results of our study indicate that 30 of the respondents, which are in majority,have been doing online shopping for the last 3 to 5 years, followed by 28% of the respondents doing online shopping for less than one year and 25% fall in the category of 1 to 3 years.

- The mode of shopping onlineis being used by the 65% of our respondents and the remaining 35% still prefer the conventional ways of offline shopping.

- The results of our survey indicate that 50% of the total respondentshave been doing online shopping for purchase of all the items of their use.

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- 22% of the respondents have conveyed that the advertisement of discount offer attracts them towards online shopping, followed by 21% being attracted by Sales Ads and 18% of the respondents with festival ads.

- The payment process of Cash on delivery has been preferred by 25% of our respondents, Debit card by 23% and Credit card by 21% of our respondents.

- It has been conveyed by 34% of the respondents, which are in majority that they prefer online shopping due to the convenience and time saving factor, followed by 18% each due to the price factor and availability of product variety, through online shopping.

- 64% of our respondents have conveyed that the service quality provided by the sellersplay a very important role for satisfaction in online mode of shopping.

- The importance of safety factor in online transactions and user friendly technology has been considered very important by 100% of the respondents, i.e.64% with "Strongly Agree" and 36% with Agree remarks.

- 78% of the respondentshave conveyed that the online shopping provides the option of choosing the best quality products by comparing it with other available products.

- The results of our study show that 90% of the respondents consider the speed of delivery of the products one of the main factors associated with customer's satisfaction.

- 98% of the respondents have conveyed that they will buy the products again from the same shop, if the customers are satisfied with the previous buying experience.

- 98% of the respondents i.e. 62% "Strongly Agree and 36% "Agree" category conveyed that they will neither shop from them in future nor will recommend their name to friends and family members, if they are not satisfied with their previous online shopping.

Suggestions:

The analysis of this study reveals that customer service plays a very important role in e-commerce industry. The E-Retailers, service providers and Government must take into account the following suggestions to make it a happy and enjoyable experience of online shopping.

- To ensure full safety in online transactions such as confidentiality, privacy of data and safeand hassle free transactions.
- The complaints of the customers on frauds and misuse of their accounts must be resolved fast and without any frustration to the customers.
- The organizations must keep on doing up-gradation of user friendly technology from time to time.
- The Government and companies should ensure providing of fast internet connections to the users for doing online shopping.
- The organizations should ensure timely delivery of products and services
- Training of the staff involved with dealing and delivery of the products from time to time

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- Delivery of same products for which the customer has made the payment

- To offer attractive discounts and different schemes on festivals and season off sales of the products to meet the price expectations of the customers

- More focus on providing the detailed information about the product likely, price and quality of the products.

- The Companies should spend their resources in advertisement, branding, logistics, reverse logistics, supply chain management and customer services, if they want to expand their e-commerce business.

- There is need of depth understanding of security requirements of customers such as confidentiality, privacy of data etc.

- To retain loyal customersbase, the companies need to provide superior website experience coupled with good customer service.

- The E-retailers who want to reach more consumers and want to cater to the needs of the local people must develop website in local languages also.

The growth of e-commerce business is inevitable in India as it has access to funds both from the Government, financial institutions and ample opportunities of international investments. The e-commerce industry in India is bound to face somemore challenges also with the growth in online shopping business. The Indian companies will have to work very hard on matching their business modules with the international e-commerce standards by focusing more on all the major aspects of bettercustomer service to stay in contention in this cut throat competitive world.

Conclusions :

The E-commerce business has grown very fast in India. Our country is the 8th largest market for e-commerce with a predicted revenue of US \$71291.1 Million by the end of 2023. It has been projected to touch this figure to US\$ 119,967.o Million by the end of 2027. We contributed to the world growth rate of 17% in 2023. India's ecommerce revenue is expected tojump from US\$46.2 billion in 2020 to US \$111 billion by 2024 and US \$200 billion by 2026, growing at an annual rate of 51%,which is rated as the highest in the world. According to a report published by IAMAI and Karter Research India, the internet users are expected to reach 900 Million by 2025 from 622 Million in 2020, increasing at a CAGR of 45%.

As per the opinions of the experts in the world, the digital payment system will work as a game-changer for the e-commerce business in India and the prevailing trend of the preferred mode of payment of cash on delivery definitely stand to be reversed during the next five to six years. The financial institutions and Government have been providing full support to micro, small and medium sector enterprises and other industries the ample availability of meansoffinancing,technological up gradation andfocus on training of the staff involved in all the aspects of online shopping. The experts have also predicted that it will have a cascading effect on the development of e-commerce industry of India and help in placing it at the position of second largest e-commerce market in the world by year

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2034. It will also contribute in providing the better customer services and ultimately thelongterm relations with them. It will also contribute in providing the better customer services and ultimately thelongterm relations with them. The growth in thee-commerce industry in India will also boost the employment opportunities, increase revenues from exports, increase in taxcollectionsand ultimately the overall economic development of the nation.

This study helps to understand that customer satisfaction is one of the essential things for any organization because it helps the organizations to enhance their positive reputation in the market as well as it helps the organizations to enable more financial benefits in the organizational context. It also helps to understand the importance of the online shopping on improvising the customer satisfaction inthe retail companies. The proper strategies help to understand that how an organization shouldimplement the online shopping concept in the organizational context and the key factors which theorganization must need to ensure at the time of implementing strategies for enabling online shopping in the organizational context.

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