

An Analysis of Expectations and Satisfaction of Online Shopping Customers with Special Reference to Tamil Nadu

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ABSTRACT

The On-line marketing is a popular marketing tool today. It is conducted through interactive on-line computer systems that link consumers with sellers electronically. There are two types of on-line marketing channels: commercial on-line services and the Internet. The on-line marketing products include Catalog Centre, Personalization Centre, Marketing Studio, and Syndication Centre. Many companies take one or more products that fit for Internet-style delivery, build a minimum number of pages and infrastructure to allow customers to purchase that product and then agree to deals with certain key media owners that target their prospective customers. Many of their approaches to on-line marketing can be practiced across a variety of expenditure brackets. In the traditional marketing method, consumer research into brand awareness and consumer need identification is highly developed within the TV and print media has created information aggregation and choice via direct marketing and transactions via POS. The On-line marketing includes all of the functions in the purchase decision process. . The present study takes 234 online shopping customers in Tamil Nadu to look after the perception of them.

Keywords: Online-Marketing, Expectation, Satisfaction.

INTRODUCTION:

In India, the Internet Shopping trend is still in its evolutionary stage. But nowadays increasing number of people who are inclining towards more serious use of the internet due to the accessibility of technology, the availability of information online, convince of making order, delivery of products on their door steps, various offers and discounted price offers and the ability to interact. Internet is making online shopping more popular among consumers. Better coverage of technology has enlarged the prospect of developing favorable attitudes of consumer towards this new shopping channel.

In India majority of consumers are product-sensitive. They still prefer to explore each and every option before making their final purchase to get the best product and they are not comfortable with idea of purchasing the product without its physical presence. So now a day's several companies are coming with the idea that consumer can try the product and in case if he don't like it they can send it back.

With nearly half of the Indian population being young and net savvy, there has been an extra ordinary rise in the numbers of online shoppers. The recent growth in the mall culture in the country has in fact made consumers more aware about different options and encouraged them to search and eventually purchase online. India has more than 100 million internet users out of which one half opts for online purchases and the number is rising sharply every year. The growth in the number of online shoppers is greater than the growth in Internet users, indicating that more Internet users are becoming comfortable to shop online. Until recently, the consumers generally visit online to reserve hotel rooms and buy air, rail or movie tickets, books and gadgets and gizmos,

but now more and more offline product like clothes - saris, kurtis, T-shirts - shoes, and designer lingerie, consumer durables are being purchased online. At present the market is estimated at Rs.46000 crore and is growing at 100 percent per year. The two most commonly cited reasons for online shopping have been convenience and price. The capability of purchasing without leaving the consumers' place is of great interest to many consumers. Not only does online shopping offer really good deals, but also brings optimum convenience to the consumers. Moreover, the use of Internet tools for price searching and comparison provides an additional advantage in consumers' final decision, as they can purchase their desired products in the lowest available price. On the contrary, privacy and security have been the great concerns, resulting many people to browse the Internet for informational matters than for buying online.

STATEMENT OF THE PROBLEM:

The nature of the remaining problems to the customers of online shopping is as follows:

- The ability to conduct law enforcement against the violators of individual privacy is very limited. Even though many countries have enacted similar privacy protection legislation, the enforcement of such local legislation is difficult without the aid of international treaties and collaboration since the Internet has no national boundaries. This difficulty is reflected by the inability of some nations in trying to impose selective censorship on the information content available on the Internet.
- Self-regulation might not provide the best solution to privacy concerns. The inability to enforce such regulation in the absence of a widely recognized accreditation system would be disastrous to the consumer's ability to choose creditable Internet merchants, and it would lead to an environment of chaos not dissimilar to the Web market of today.
- Today's privacy enhancing technologies are not only primitive in nature, but also lacking the integrated environment under which most of the Internet consumers' privacy concerns can be dealt with. Such technologies are often cumbersome to use, unfriendly and require a degree of knowledge exceeding that of the common Internet consumer.

In spite of being these benefits, the online shopping is difficult to the consumers, especially new buyers. Their level of awareness towards the online shopping makes their shopping as difficult. At the same time, the consumers who have awareness face the practical difficulties in placing the order through on line. Possibility for fraud is more in this line so that repeated usage of on line usage is brought into question. These are taken as the research problem of the present study.

OBJECTIVES OF THE STUDY:

1. To examine expectation factors of the consumers during the online shopping.
2. To study the attitude of the customers and examine the influence of the attitude on the satisfaction of the online customers.
3. To probe into factors contributing to online shopping maturity of the customers.
4. To analyze the overall satisfaction of the customers towards online shopping.

REVIEW OF LITERATURE:

(Ho and Wu 1999; Jahng et al. 2001; Kim et al. 2001) Most consumers form expectations of the product, vendor, service, and quality of the website that they patronize before engaging in online shopping activities. These expectations influence their attitudes and intentions to shop at a certain Internet store, and consequently their decision-making processes and purchasing behaviour. If expectations are met, customers achieve a high degree of satisfaction, which influences their online shopping attitudes, intentions, decisions, and purchasing activity positively. In contrast, dissatisfaction is negatively associated with these four variables

Christian Schaupp (2005) examined the role of several technology, shopping, and product factors on online customer satisfaction. This is done by using a conjoint analysis of consumer preferences based on data collected from 188 young consumers. Results indicate 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. Privacy factors were found to be far and away the most important factor affecting the consumer's satisfaction, while security was deemed the least important.

(Andrade 2000; Bellman et al. 1999)Online purchasing is reported to be strongly associated with the satisfaction factors of personal characteristics, vendor/service/product characteristics, website quality, attitudes toward online shopping, intention to shop online, and decision making.

Ho and Wu (1999) found that homepage presentation is a major antecedent of customer satisfaction. The other antecedents; such as logical support, technological characteristics, information characteristics and product characteristics; are also predictive factors to satisfaction.

RESEARCH METHODOLOGY:

This is an empirical survey, based on primary data. For this study, Tamil Nadu is selected as the geographical area. The purpose of this chapter is to explain the methods used in this study. Items include the research design, pilot study, dimension of the study, hypothesis of the study, population and sample, instrumentation, reliability and validity of the instrumentation, data-gathering procedures, and the methods of statistical analysis.

Research Design:

Data were collected by means of a structured questionnaire comprising of various sections. This study employed the descriptive-comparative research design. Questionnaire served as the main instrument of the study in gathering the necessary data. The responses of customers were processed and analyzed with help of Friedman test and Multiple regression. The sample technique selected is convenience sampling.

Method of data collection:

Secondary and primary data have been used in the present study. The secondary data was collected at first form the text books, web sites, journals and other secondary sources. The primary data was collected then from the sample customers. The primary data collected from the 234 customers was put into reliability test accordingly.

Area of the study:

This study conducted on online shopping customers within the Tamil Nadu. Tamil Nadu is the geographical area of the present study. As the population is infinite one, the method of selecting of the sample customers is a difficult process

Population and sampling procedure:

The present research takes 234 sample customers from the different walks of life of the online shopping customers. Here, the buyers who have bought any product of service at least few times are considered as the appropriate sample customers for the study. So, those customers have been selected at random from every district of the State and from different walks of life. Representation has been given to every type of stratum viz., rural- urban, income category, occupation, educational qualification etc. The following table shows the district-wise samples of the present study.

Measurement scale:

Lastly overall satisfaction of the online customers is also measured by means of 7 point scale such as completely dissatisfied, mostly dissatisfied, somewhat dissatisfied, neither satisfied not dissatisfied, somewhat satisfied, mostly satisfied and completely satisfied.

Reliability and Validity of Data:

As the Cronbach's alpha of seven parameters (level expectations factors, attitude statements and overall satisfaction of the customers) reveal. 800 and more than. 800 as alpha. So, it is confirmed that the data are highly reliable and valid for analysis. The following table shows that, the Cronbach's alpha value for every dimension of online shopping behavior.

Table 1: Reliability and validity of data

Parameters	Cronbach's alpha	Number of Items
Expectation Factors	.853	6
Overall satisfaction of online shopping customers	.851	8

Source: Output generated from SPSS 19

ANALYTICAL TOOLS USED:

Multiple regression analysis:

Regression analysis is a mathematical measure of average relationship between two or more variables in terms of original units of data. Regression is used to create an equation (or) transfer function from the measurements of the system’s inputs and outputs acquired during a passive or active experiment.

Neural Network (NN) method:

Neural Network method is a modeling technique used to model problems having parameters with complicated mapping relationships. NN is a computing system made up of a number of simple and highly interconnected processing elements, which processes information through its dynamic state response to external inputs.

Analysis and interpretation of data:

Analysis of data and interpretation are the important processes of any research. Expectation of online shopping customers and overall satisfaction of the online shopping customers in Tamil Nadu.

ANALYSIS OF FRIEDMAN TEST FOR EXPECTATIONS OF ONLINE SHOPPING CUSTOMERS:

Null Hypothesis (H₀): There is no significant difference between mean ranks towards expectation factors of online shopping customers.

Alternative Hypothesis (H₁): There is significant difference between mean ranks towards expectation factors of online shopping customers.

Table 2: Friedman test for significant difference between mean ranks towards the expectation factors of online shopping customers

Expectation Factors	Mean Rank	Chi-square Value	Degrees of freedom	Asymp. Significant
In house demonstration	3.64	73.890	5	0.000
Insurance coverage	3.61			
Offer/ concessions for next purchase	3.73			
New regulating laws	3.46			
Personal contact after making the order	3.31			
Supporting services	3.24			

Source: Output generated from SPSS 19

From the above table, it is found out that all the variables related to expectation factors of online shopping customers had significance value less than 0.05 at 1% level of significance, thus the null hypothesis is rejected. Thus, it is concluded that there is significant difference between mean ranks towards expectation factors of online shopping customers.

Analysis of Multiple Regression Model Development for Level of Satisfaction of Online Shopping Customers:

Regression analysis is a mathematical measure of average relationship between two or more variables in terms of original units of data. Regression is used to create an equation (or) transfer function from the measurements of the system’s inputs and outputs acquired during a passive or active experiment (Kazmier, 2004). The transfer function is then used for sensitivity analysis, optimization of system performance and tolerance the system’s components (Antis et al., 2006). A Path diagram represents the response (Overall satisfaction) and the predictors such as (1) Satisfaction with Vendor (2) Satisfaction with the price of the product (3) Satisfaction with supporting service (4) Satisfaction with offering (product, service on sale) (5) Satisfaction with website/technology (6) Satisfaction with an e-store as a whole (7) Satisfaction with a specific online shopping experience.

Figure 1: Path Diagram for satisfaction of online shopping customers



Multiple regression analysis was conducted using overall satisfaction Customers in online shopping as a dependent variable and (1) Satisfaction with Vendor (2) Satisfaction with the price of the product (3) Satisfaction with supporting service (4) Satisfaction with offering (product, service on sale) (5) Satisfaction with website/technology (6) Satisfaction with an e-store as a whole (7) Satisfaction with a specific online shopping experience. as the independent variables by using SPSS 19. The below table shows the summary of the regression results. The model has the following form:

$PAS = f \{ (1) \text{ Satisfaction with Vendor } (2) \text{ Satisfaction with the price of the product } (3) \text{ Satisfaction with supporting service } (4) \text{ Satisfaction with offering (product, service on sale) } (5) \text{ Satisfaction with website/technology } (6) \text{ Satisfaction with an e-store as a whole } (7) \text{ Satisfaction with a specific online shopping experience} \}$

Table 3: Model Summary for multiple regression models

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.760 ^a	.578	.575	.797

a. Predictors: (Constant), Satisfaction with a specific online shopping experience, Satisfaction with supporting service, Satisfaction with website/technology, Satisfaction with Vendor , Satisfaction with an e-store as a whole, Satisfaction with offering (product, service on sale), Satisfaction with the price of the product

b. Dependent Variable: Overall Satisfaction of Online Shopping

Source: Output generated from SPSS 19

Table 4: ANOVA table for multiple regression models

	Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	861.400	7	123.057	193.859	.000 ^a
	Residual	629.700	992	.635		
	Total	1491.100	999			

a. Predictors: (Constant), Satisfaction with a specific online shopping experience, Satisfaction with supporting service, Satisfaction with website/technology, Satisfaction with Vendor , Satisfaction with an e-store as a whole, Satisfaction with offering (product, service on sale), Satisfaction with the price of the product

b. Dependent Variable: Overall Satisfaction of Online Shopping

Source: Output generated from SPSS 19

Table 5: Coefficients for multiple regression models

Model	Un standardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.186	.164		1.133	.257
Satisfaction with Vendor	.271	.026	.274	10.573	.000
Satisfaction with the price of the product	.271	.027	.267	9.875	.000
Satisfaction with supporting service	.018	.025	.017	.704	.481
Satisfaction with offering (product, service on sale)	.233	.026	.237	9.003	.000
Satisfaction with website/technology	.235	.027	.234	8.869	.000
Satisfaction with an e-store as a whole	-.055	.026	-.054	-2.116	.035
Satisfaction with a specific online shopping experience	.000	.024	.000	-.013	.990

a. Dependent Variable: Overall Satisfaction of Online Shopping

Source: Output generated from SPSS 19

SPSS 19 based on the analysis, formulated the transfer function for satisfaction of Customers online shopping shown in the equation:

$$\text{Satisfaction of Online shopping} = .186 + 0.271 (\text{Satisfaction with Vendor}) + 0.271 (\text{Satisfaction with the price of the product}) + 0.018 (\text{Satisfaction with supporting service}) + 0.233 (\text{Satisfaction with offering (product, service on sale)}) + 0.235 (\text{Satisfaction with website/technology}) - 0.055 (\text{Satisfaction with an e-store as a whole}) + 0.000 (\text{Satisfaction with a specific online shopping experience}) \dots\dots\dots (1)$$

Model validation:

The regression model has explained the variation accounts for 95 percent (R Square 0.578 of the total Variation seen in the experiment (Ng et al., 2004). The F ratio is significant value is less than 0.000 at the 1% level, which means that the results of the regression models could hardly have occurred by chance (Chacker and Jabnoun, 2003). The quality of the regression can also be assessed from a plot of residuals versus the predicted values.. The above three points indicate that the model is good and acceptable one. (Antis et al., 2003).

Figure 2: Regression standardized residual for overall satisfaction of online shopping customers

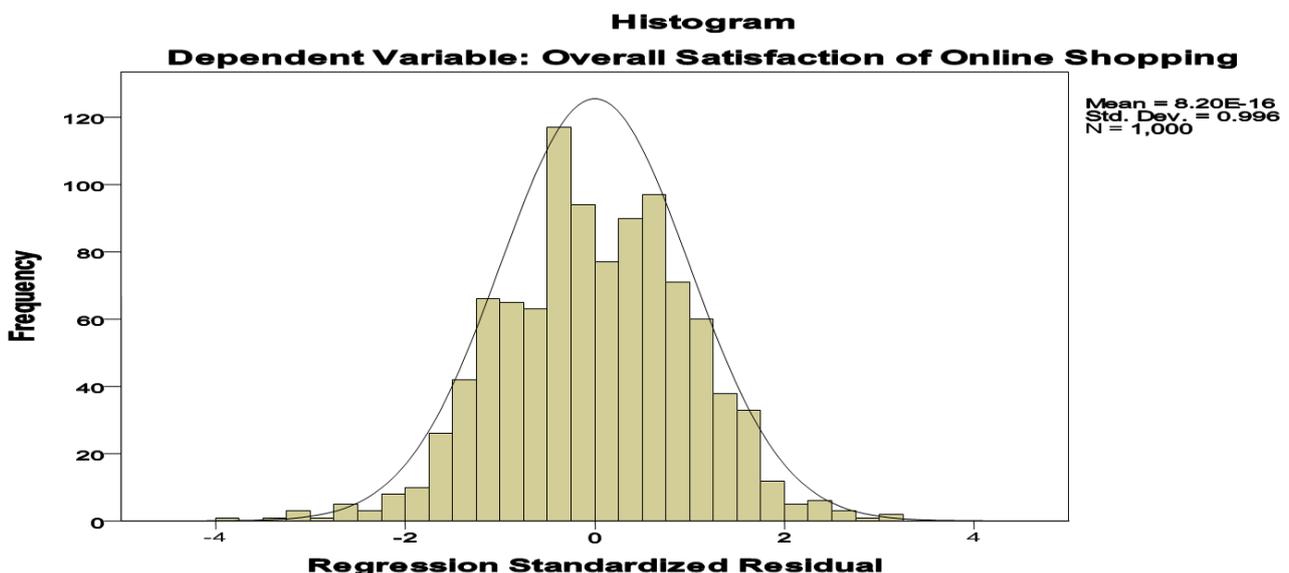
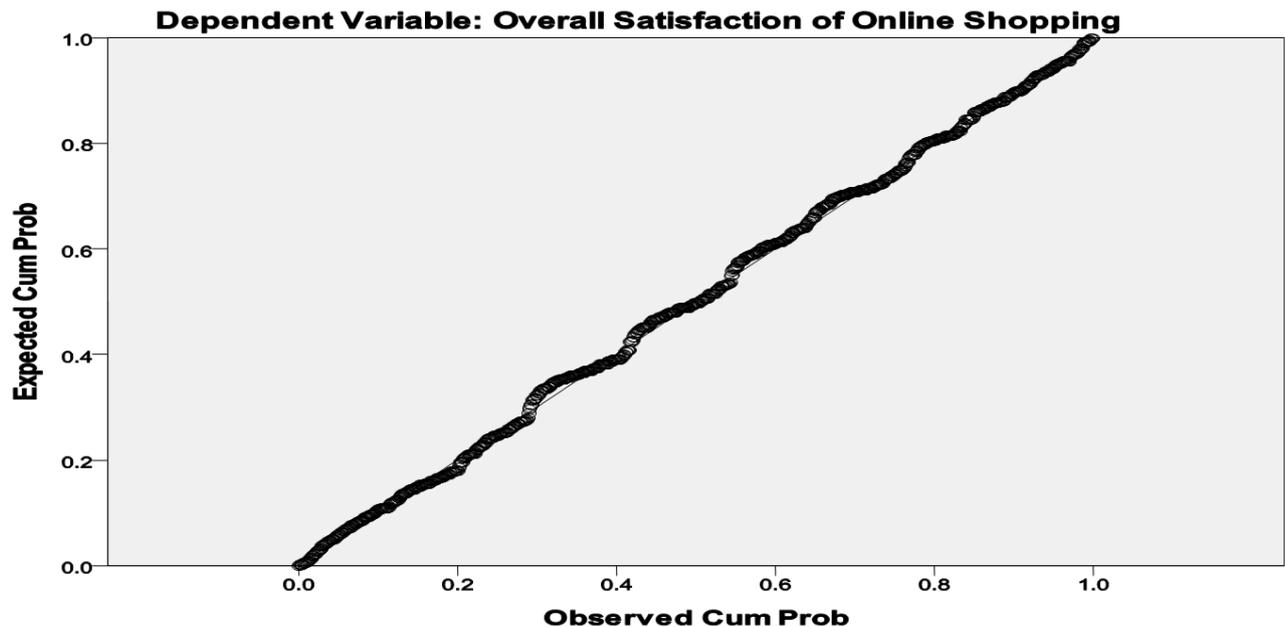


Figure 3: Normal P-P Plot regression standardized residual for overall satisfaction of online shopping customers
Normal P-P Plot of Regression Standardized Residual



Satisfaction of Online shopping = .186 + 0.271 (Satisfaction with Vendor) + 0.271 (Satisfaction with the price of the product) + 0.018 (Satisfaction with supporting service) + 0.233 (Satisfaction with offering (product, service on sale) + 0.235 (Satisfaction with website/technology) -0.055 (Satisfaction with an e-store as a whole) + 0.000(Satisfaction with a specific online shopping experience) (2)

There is positive relationship between the Satisfaction with Vendor and Overall Satisfaction of Online shopping as the regression coefficient is 0.271. Mathematically, it means that the Overall Satisfaction of Online shopping will increase 0.271 Per cent if the Satisfaction with Vendor increases 1 Per cent without change of all other predictors.

There is positive relationship between the Satisfaction with the price of the product and Overall Satisfaction of Online shopping as the regression coefficient is 0.271. Mathematically, it means that the Overall Satisfaction of Online shopping will increase 0.271 Per cent if the Satisfaction with the price of the product increases 1 Per cent without change of all other predictors.

There is positive relationship between the Satisfaction with supporting service and Overall Satisfaction of Online shopping as the regression coefficient is 0.018. Mathematically, it means that the Overall Satisfaction of Online shopping will increase 0.018. Per cent if the profitability Satisfaction with supporting service increases 1 Per cent without change of all other predictors.

There is positive relationship between the Satisfaction with offering (product, service on sale) and Overall Satisfaction of Online shopping as the regression coefficient is 0.233. Mathematically, it means that the Overall Satisfaction of Online shopping will increase 0.233 Per cent if the Satisfaction with offering (product, service on sale) increases 1 Per cent without change of all other predictors.

There is positive relationship between the Satisfaction with website/technology and Overall Satisfaction of Online shopping as the regression coefficient is 0.235. Mathematically, it means that the Overall Satisfaction of Online shopping will increase 0.235 Per cent if the Satisfaction with website/technology increases 1 Per cent without change of all other predictors.

There is negative relationship between the Satisfaction with an e-store as a whole and Overall Satisfaction of Online shopping as the regression coefficient is -0.055. Mathematically, it means that the Overall Satisfaction of Online shopping will decrease -0.055. Per cent if the Satisfaction with an e-store as a whole decreases 1 Per cent without change of all other predictors.

There is no relationship between the overall Satisfaction with a specific online shopping experience and Overall Satisfaction of Online shopping as the regression coefficient is 0.000.

Two predictors such as Satisfaction with Vendor, Satisfaction with the price of the product have large coefficient, which strongly affect the response. Small variation in this input causes large variation in the response of overall satisfaction Online Shopping.

FINDINGS:

- Found out that all the variables related to expectation factors of online shopping customers had significance value less than 0.05 at 1% level of significance, thus the null hypothesis is rejected. Thus, it is concluded that there is significant difference between mean ranks towards expectation factors of online shopping customers.
- There is positive relationship between the Satisfaction with Vendor and Overall Satisfaction of Online shopping as the regression coefficient is 0.271. Mathematically, it means that the Overall Satisfaction of Online shopping will increase 0.271 Per cent if the Satisfaction with Vendor increases 1 Per cent without change of all other predictors.
- There is positive relationship between the Satisfaction with the price of the product and Overall Satisfaction of Online shopping as the regression coefficient is 0.271. Mathematically, it means that the Overall Satisfaction of Online shopping will increase 0.271 Per cent if the Satisfaction with the price of the product increases 1 Per cent without change of all other predictors.
- There is positive relationship between the Satisfaction with supporting service and Overall Satisfaction of Online shopping as the regression coefficient is 0.018. Mathematically, it means that the Overall Satisfaction of Online shopping will increase 0.018. Per cent if the profitability Satisfaction with supporting service increases 1 Per cent without change of all other predictors.
- There is positive relationship between the Satisfaction with offering (product, service on sale) and Overall Satisfaction of Online shopping as the regression coefficient is 0.233. Mathematically, it means that the Overall Satisfaction of Online shopping will increase 0.233 Per cent if the Satisfaction with offering (product, service on sale) increases 1 Per cent without change of all other predictors.
- There is positive relationship between the Satisfaction with website/technology and Overall Satisfaction of Online shopping as the regression coefficient is 0.235. Mathematically, it means that the Overall Satisfaction of Online shopping will increase 0.235 Per cent if the Satisfaction with website/technology increases 1 Per cent without change of all other predictors.
- There is negative relationship between the Satisfaction with an e-store as a whole and Overall Satisfaction of Online shopping as the regression coefficient is -0.055. Mathematically, it means that the Overall Satisfaction of Online shopping will decrease -0.055. Per cent if the Satisfaction with an e-store as a whole decreases 1 Per cent without change of all other predictors.
- There is no relationship between the overall Satisfaction with a specific online shopping experience and Overall Satisfaction of Online shopping as the regression coefficient is 0.000.
- Two predictors such as Satisfaction with Vendor, Satisfaction with the price of the product have large coefficient, which strongly affect the response. Small variation in this input causes large variation in the response of overall satisfaction Online Shopping.

SUGGESTIONS :

- The online shopping companies may reduce profit margin to some extent to attract the existing customers at the time of repeated purchases by them. At the same time the companies should advertise their website in print media also.
- The companies should make proper arrangements for customer relationship management at the time of attending the calls made by the customers, receiving the SMS or e-mail and making proper response or feedback to them.
- The companies should offer the details regarding the cyber laws voluntarily at their web pages for the benefits of customers and securing customer education. This will help to the customers to get remedies in the case of any problems or difficulties.
- The companies should make a separate survey among the customers of the past period in order to find out the expectation, dissatisfaction and discouraging issues related to the online shopping. The survey may be conducted thorough online or thorough post by sending questionnaire to them.

CONCLUSION:

In the light of the overall findings of current research, this study concludes that, most of the consumers were positive towards online shopping. The study concludes that the higher the income of consumers, the more favorable is the attitude towards online shopping. The online shopping has grown with popularity over the years, mainly because people find it convenient and easy to stay at their home or office. This research shows

that the perception towards online shopping is getting better among the online shopping customers in Tamilnadu.

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