

A STUDY ON THE CUSTOMER SATISFACTION TOWARDS ONLINE SHOPPING IN DARJEELING DT WEST BENGAL

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Abstract

This article explores the factors influencing customer's online shopping decisions and how these factors affect customer's satisfaction using Descriptive Research Design. This study also looks into the influences of online shopping perceived benefits namely convenience, pricing and wider selection towards online customer satisfaction. The results of this study will help the businesses or ventures which are looking to expand the online marketing and it is also beneficial for the academic enhancement. A well-structured questionnaire was designed and administered to collect samples across the district. Due to the need for the variety of respondents who have had previous experience with online shopping, judgement sampling technique was chosen. The study has been undertaken with reference to a sample size of 100 respondents. After collecting the data, the data was classified, tabulated and codified.

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1. Background of the Online Shopping Industry in India

Today competing in a high-pressure business scenario has become a huge challenge for the retailers. The business endeavours are looking at the internet, as an effective alternative sales channel which gives them direct access to target the 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 e-commerce. Almost all retailers are now actively uses World Wide Web for the business purposes.

Down through the years the online shopping environment has gone through a lot of changes and developing faster and in diversified ways. 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. It has become natural choice for retailers due to low investment cost, direct access to target customers, quick return on investment and speedy and more efficient delivery of products and services to the customer. The availability of the point of transaction data helps the retailers to analyze and interpret their target customers. It has become the most efficient way to offer valuable information to the customers like discounts, promotions, new and existing products as per the customer's requirements and past shopping behaviour.

The increasing purchasing power of the Indian customers leads to online shopping boom in India. In addition to Advertising through social media websites like Facebook, Twitter, Google+, Instagram etc

the retail leaders are also trying to adopt video, mobile and other social media strategies with a view to provide richer, more engaging and user-friendly experience. Online retailing is set to create sensation even in the rural areas of India. The change in the FDI (Foreign Direct Investment) strategies, is a wake-up call for retailers that have done too little to develop an online strategy as retail giants like Amazon, Flipkart, etc to develop action plans and strategies for implementing in the Indian retail market.

2. Online consumer buying behaviour

Everyone is a consumer because we buy and consume goods and services in life. Consumer behaviour is very complex which can be defined as those acts of individuals directly involved in obtaining, using and disposing of economic goods and services and it depends to a large extent by social and psychological factors.

To succeed in modern marketing one needs to understand the consumer behaviour. The needs of two consumers are not same. There is a great variation in their needs, wants and desires. To survive in the market, a firm has to be constantly innovative and also need to understand the latest needs, desire, wants, tastes and preferences of its customers. It will be extremely useful in exploiting marketing opportunities and in meeting the challenges that the Indian market offers. Online consumer behaviour parallels that of offline consumer behaviour. The stages of the consumer decision process are basically the same whether the consumer is online or offline. 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 plays a vital role. 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.

Consumer behaviour regarding the use of internet for shopping varies. Some customers either lack access or resist using this new channel of distribution, primarily due to privacy and security concerns. Other shoppers choose to browse the Web so as to gather information and then visit the stores to negotiate the purchase face to face with the retailer. Few shoppers visit retail stores first and then buy products online. Still there are customers who do all the shopping online: gathering information, negotiating, purchasing and either arranging for delivery or picking up the merchandise in the store.

It takes time for individuals to build up confidence to shop online. Initially shoppers may restrict themselves to searching for information only. As their confidence grows, their use of the Internet for purchase is likely to increase, with a move to higher value items and more frequent purchases.

3. SCOPE OF THE STUDY

The increased uses of the internet among customers have resulted in more and more retailers providing online avenues for customers to make purchases at the click of the mouse. Customers not only use the internet to make purchases but also to search for detailed information about the product or service being provided. Internet has changed business' strategies. The E-Marketers are weighing the possible options to analyze and understand the factors influencing Indian customers' online behaviour, to fine-tune their business strategies to cater to the needs and preferences of the customers.

This study deals with the customers' perceptions towards the following aspects of online shopping and how the presence or lack of these aspects in an online shopping environment affects customer satisfaction:

- Product categories that customers purchase online,
- Quality & availability of the product,

- Mode and Speed of delivery of the product,
- Product price / Offers provided for online shoppers,
- Payment options available for the customers,
- Shipping, Return and Exchange policies,
- Features of the shopping website such as:
 - Design,
 - Information provided,
 - Accessibility,
 - Ease of use.

4. 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 Darjeeling District, India.

The Secondary Objectives are:

- To identify product categories for which customers favour online shopping
- To identify the 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.

5. LITERATURE REVIEW

Online shopping is fast growing. 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 e-Commerce hubs across the country.*

In India, people used internet to compare and evaluate options and went back to traditional approach for the actual purchase. But this trend is changing now due to increasing internet awareness and accessibility, PC penetration etc. 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,"

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 online market. The websites enables customers to search and compare products with ease, 24X7 shopping advantage and the home delivery of products. Shopping websites also provide discounts, vouchers and free gifts to attract customers.

It is believed that online shopping is only favoured by the customers from the metro cities. However, 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.

This article also talks about the different motivating factors that influence online shopping in metro cities and non-metro cities. “*While consumers in the metros buy products and services mainly because of convenience, those in the non-metros buy due to non-availability of products.*” Big brands cannot afford to open and maintain shops in small cities. Thus these branded items are not available for people living in smaller cities in stores. But online shopping provides a win-win situation for both the customers and the businesses. It is the easiest route for the big brands to cater to the needs of customers from the smaller cities. Increase in the usage of mobile internet is expected to increase in the online shopping in India.

Thus it is important that we understand factors influencing consumer behaviour in this growing industry.

6. RESEARCH METHODOLOGY

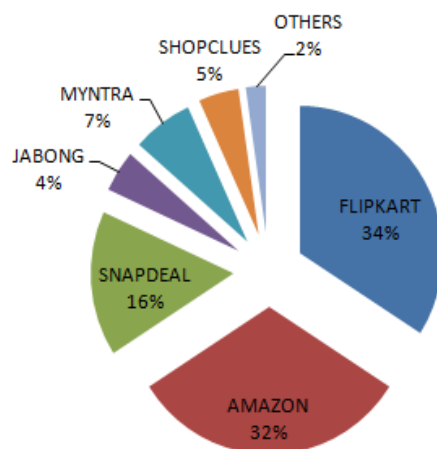
Descriptive research design adopted to identify and describe customer expectations, influencing variables etc. In Darjeeling Dt. Particularity in Siliguri town there are thousands of customers using online shopping sites for purchasing products. These customers constitute the study population. In the present study, 100 online shopping customers based in Siliguri of Darjeeling Dt. constitute the sample. For conducting this study, it is proposed to collect both primary and secondary data. The primary data is collected by administering a structured questionnaire to consumers who use internet for shopping. The questionnaire was circulated manually and information was completed from the respondents.

7. ANALYSIS AND INTERPRETATIONS

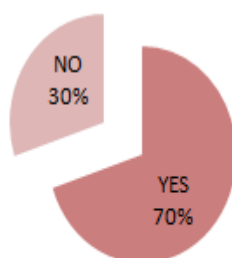
Most of the respondents use the Internet for more than 2 hours per day . The most popular activities for which the respondents use the Internet (based on percentage of responses) are: Browsing, Shopping, Banking, Chatting, Social Networking. A large percentage of the respondents use the Internet for information search prior to making purchase decisions.



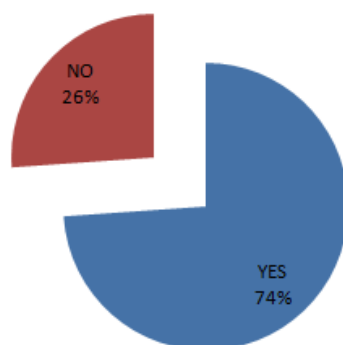
FREQUENTLY USED ONLINE SHOPPING WEBSITE



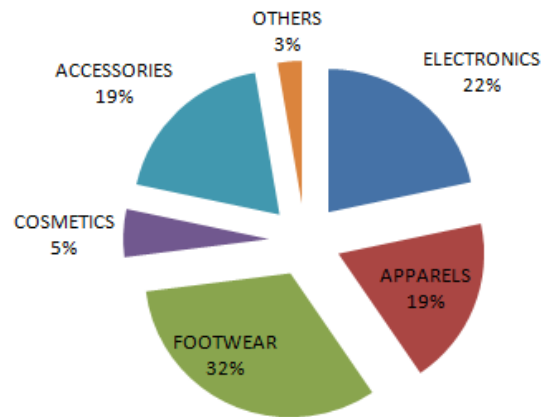
ARE THE INFORMATION PROVIDED ON THE WEBSITE EASY TO UNDERSTAND AND CORRECT?



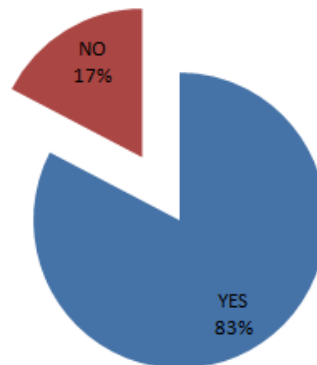
ARE THE MISTAKES DURING THE PROCESS RECTIFIED



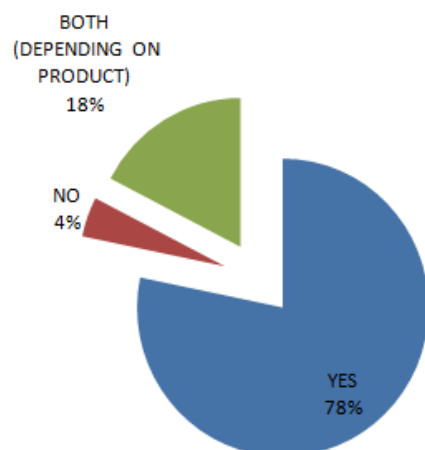
PRODUCTS FREQUENTLY ORDERED



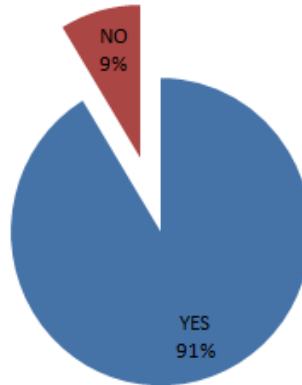
ARE THE PRICES CHARGED REASONABLE ?



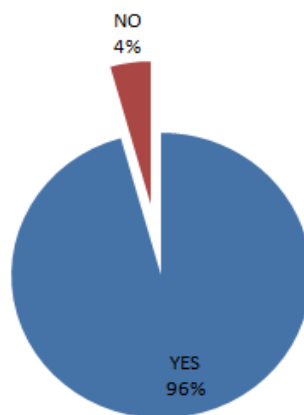
DELIVERY OPTION AVAILABLE ?



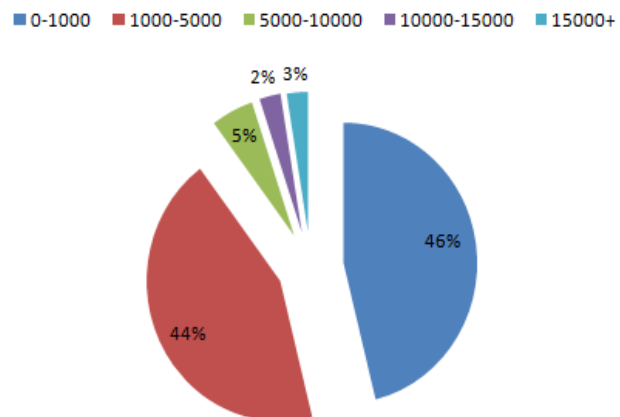
DELIVERY WITHIN TIME FRAME ?



CASH ON DELIVERY OFFERED ?



AMOUNT SPENT MONTHLY



Features of shopping portals that the respondents consider most important (based on percentage of responses) are: Payment Options, Product Variety or Availability, Speed & Quality of Delivery, Security and User Friendly Presentation.

Most preferred payment options of the respondents are Cash on Delivery and Internet Banking. Factors that annoy customers the most, (based on percentage of responses) while shopping online are failed transactions and insecure payment options. Most frequented shopping portals in India (based on percentage of responses) are: Amazon, FlipKart and Snapdeal.

Majority of the customers are willing to spend Rs 1000- Rs 5000 monthly (44%) on purchasing goods online. Almost all the respondents (78%) agree that online shopping helps save time and is convenient. Majority of the respondents agree that it is easier to search for and compare products online (90% approximately). 41% of the respondents believe that online shopping will supersede traditional shopping eventually.

Majority of the respondents miss the touch and feel of the products while shopping online and they do not like to wait for products to be delivered to them. Respondents below 35 years of age consider themselves more aware of the Internet. This strongly influences their confidence towards online shopping behaviour. Respondents in the age group of 18-34 years shop online more often than respondents of other age groups.

Frequency of shopping online is independent of respondents' gender. 60% of the respondents expect discounts and better deals while shopping online when compared to what is offered at traditional stores. 43% of the respondents hesitate to give out debit or credit card information due to privacy and security issues.

8. CONCLUSIONS AND SUMMARY

The findings and results reflect the perceptions, preferences and factors influencing satisfaction of online shoppers in Siliguri. The results indicate that the respondents are becoming more internet savvy by the passing of each day. As they become more confident they are ready to buy high value products through online portals. Businesses venturing into or expanding into the online market need to reduce the customer perceived risks by making shopping portals easier to navigate, providing secure payment options as per norms, ensuring speed and quality of delivery to gain and maintain customer trust, better presentation and categorization to make up for the missing touch and feel experience etc.

Efforts need to be made to educate the online buyers on the steps that need to be undertaken while making an online purchase. Moreover, the feedback of an online buyer should be captured to identify flaws in service delivery. This can be done through online communities and blogs that serve as advertising and marketing tools and a source of feedback for enterprises.

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