

# A Study on Consumer Satisfaction towards Online Shopping in Karur District

Dr. P. Senthilkumar

Assistant Professor, PG & Research Department of Commerce,  
Government Arts College, Paramakudi -623 701  
Tamilnadu, India

## Abstract:

*Online shopping is the process whereby consumers directly buy goods or services from a seller in real-time, without an intermediary service, over the Internet. It is a form of electronic commerce. Tamilnadu is an Indian state that lies in the southern part of India. It is the third largest contributor to India's Gross Domestic Product (GDP) and the most urbanized state in the country with the highest number of Business enterprises, pegged at 10.56%, compared to the overall population share of 6%. E-Commerce is exchange of information using network-based technologies. In the present high cost situation, e-Commerce can be used as a competitive strategy. It successfully includes the entire online process of developing, marketing, selling, delivering, servicing and paying for products and services. Online shopping is a vast growing technology. If it is properly utilized with assured safety and security for the transactions, it will thrive into a highly competitive and dynamic environment. In future, online shopping is bound to grow in a big way, given the growing youth population.*

## I. INTRODUCTION

A few years back, when online shopping was at its nascent stage, there were very limited sales as well as purchases on the online shopping arena. This was due to many reasons such as lack of internet friendly population, low penetration of computers and internet connections in India, low percentage of credit and debit cardholders, as well as non willingness of people to use their credit card on the internet due to the fear of being scammed. But with the passage of time, this scenario has improved tremendously as people have started gaining confidence about purchasing products through online and it has become an integral part of modern life across the world. In India, with abundance and diversity of information, easily found and conveniently shared facilities, Internet usage has grown exponentially by reshaping peoples' informational and social needs. There are around 71 million Internet users in India (IAMAI, 2009) 5. Consumers on one hand have the ease of choice, the comfort of shopping from home and an endless variety of products, while saving time and money.

Online shopping is the process whereby consumers directly buy goods or services from a seller in real-time, without an intermediary service,

over the Internet. It is a form of electronic commerce. An online shop, e-shop, e-store, Internet shop, web-shop, web-store, online store, or virtual store evokes the physical analogy of buying products or services at a bricks-and-mortar retailer or in a shopping centre. The process is called business-to consumer (B2C) online shopping. When a business buys from another business, it is called business – to – business (B2B) online shopping. Tamilnadu is an Indian state that lies in the southern part of India. It is the third largest contributor to India's Gross Domestic Product (GDP) and the most urbanized state in the country with the highest number of Business enterprises, pegged at 10.56%, compared to the overall population share of 6%.

## II. STATEMENT OF THE PROBLEM

Due to the rapid development of the technologies surrounding the Internet, companies which are interested to sell their products through their website even though buyers and sellers can be thousands of miles apart, may belong to different parts of world, might speak different languages also. Since Internet is a new virtual medium and so many potential consumers, the online retailers is most important to understand the wants and needs of consumers. The importance of analyzing and identifying the factors influencing the consumer when he or she decides to purchase on the Internet is vital because new virtual market will bring significant differences to the consumers. Analyzing consumer behaviour is not a new phenomenon. Many theories have been used for many years not only to understand the consumers' attitude, but also create a marketing strategy that will attract the consumer efficiently. However, some distinctions must still be made when considering traditional consumer behaviour and online consumer behaviour.

Even though there are many research topics in the field of business to consumer in the context of Internet business, online retailing is a new retailing medium and online consumer behaviour is diverse from traditional consumer behaviour, one must identify what influences the online consumer. Therefore, if the consumers like to do shopping, what factors are influencing to purchase goods through the Internet is quite meaningful. These factors need to be identified and taken into account by online retailers in

order to satisfy the consumer demands and compete in the online market. From this background the researchers work is primarily to identify and get insight the main factors that affecting online consumer when purchasing products and services through online.

### **III. REVIEW OF LITERATURE**

Sanjeev Kumar and SavitaMaan (2013), The Study provides insights into consumers' online shopping behaviors and preferences. Moreover, paper also identify the hurdles that customers' face when they want to adopt internet shopping as their main shopping medium. Present study is a descriptive study based on the detailed review of earlier relevant studies related to the various concepts of online shopping to explore the concept of online shopping. Findings reveals that online shopping brings optimum convenience to the consumers. Privacy and security risk emerges frequently as a reason for being wary about internet shopping. Shopping convenience, immediate possession, information seeking, social interaction, and variety affects the consumer attitude towards online shopping. The impossibility of product testing, problems with complaints, product return and misuse of personal data are the main uncertainties regarding on-line shopping.

MingyaoHu , Elliot Rabinovich and HanpingHou (2014), while this paper focuses on online customer pre-purchase perceptions. In an online market, trustworthy online retailers send signals to separate themselves from retailers who are untrustworthy in the eyes of customers. However, untrustworthy online retailers can mimic trustworthy online retailers' behavior by sending similar signals without providing services indicated by the signals. Relying on expectation-confirmation theory and signaling theory, we study conceptually and empirically how signal credibility influences online customer complaint intentions. Signal credibility reflects customer pre-purchase perceptions of the quality of an online retailer. Data were collected from a Chinese online B2C market, Tmall.com. The results from this data indicate that signal credibility has a direct negative influence on online customer complaint intentions. Furthermore, signal credibility can moderate the relationship between customer satisfaction with post-purchase services and online customer complaint intentions.

ChiragParmar , (2015), The main objective of this research is to study, especially what is the major option for payments in online shopping. There is several option of payment in online purchasing such as credit card, debit card, cash on delivery, EMI option, gift voucher or wallet Rs. of particular site. To this end, a survey was conducted and the 120 questionnaires were distributed among the people of different markets and the general public in Bikaner.

The replies have been analyzed by table analysis. The results of study reveal that on-line shoppers in India are significantly affected by various payment options which are describe above. The results of the study could be further used by the researchers and practitioners for conducting future studies in the similar area.

### **IV. OBJECTIVES OF THE STUDY**

The following objectives are drawn to fulfill the aim of the study:

1. To study the factors influencing the consumers' preference for online shopping.
2. To analyze the consumers' satisfaction towards online shopping.
3. To study the problems faced by the consumers' towards online shopping.
4. To offer suitable suggestions for enhancing consumers' satisfaction through online shopping.

### **V. METHODOLOGY USED IN THE STUDY**

The study is intended to analyze the "Consumers satisfaction towards online shopping in Karur District". The methodology includes area of the study, sources of data, sampling design and statistical tools used.

#### **A. Sources of Data**

The study uses only primary data. For the purpose of collection of data, interview schedule has been prepared and data was collected from the consumers who have purchased products through online. Adequate care has been exercised to collect unbiased data from the respondents.

#### **B. Sampling Design**

For the purpose of this study, the data were collected from 100 consumers using convenience sampling technique.

#### **C. Tools for Analysis**

In the study, a structure of interview schedule consisting of 19 questions covering personal and opinion factors was prepared. The respondents were asked to fill-up the questionnaire and their opinions were consolidated. Statistical tools like percentage analysis, Chi-Square analysis, Analysis of Variance(ANOVA), T-test, Regression Analysis, Factor Analysis, Cluster Analysis, Kendall's Co-efficient of Concordance are used to analysis the data. All the tools were applied using SPSS (Statistical Package for Social Science) and the entire test were carried out at either 1% or 5% level of significance.

### **VI. FINDINGS OF THE STUDY**

In order to study the "Consumers Satisfaction towards Online Shopping in Karur", a structured questionnaire was prepared which consists

of questions covering personal, opinion and satisfaction factors, total of 100 consumers has been selected from Karur” for the purpose of the study. The consumers were asked to fill-up the questionnaire and their opinions were consolidated and suitable tables were also prepared. This chapter is to express the findings and conclusions of the study based on statistical tools are applied to analyze the data. It includes the result of each and every tables and tests.

#### **A. Socio – Economic Profile of the Respondents**

- 1) Majority of the respondents are male (68 %) who are married (64 %) and belonging to the age group of 25 to 35 years (64 %).
- 2) Among the total respondents of the study, the majority of the respondents (40 %) have their family size as four.
- 3) It has been observed that the majority of the respondents (48%) are qualified with a post graduate level of education.
- 4) On an average of 51% of the respondents are private employees.
- 5) Majority of the respondents (40 %) are having monthly income between Rs 15000 to 20000.
- 6) Based upon the study, the majority of the respondents (37 %) access Internet from their home.
- 7) It is understood from the table, that majority of the respondents (48%) are spending one to two hours per day to access Internet.

#### **VII. FACTORS INFLUENCING THE CONSUMERS' PREFERENCE FOR ONLINE SHOPPING**

- 1) Majority of the respondents (45 %) are influenced to purchase products and services through online as per their own decision.
- 2) It is observed that the majority of the respondents (56%) are using credit card or debit card for their payments to shop online.
- 3) Chi-square test reveals that, the gender, age group and family members of the respondents have significant influence on the frequency of the purchase of products and services through online.
- 4) The study also reveals that the educational level, occupation, monthly income, time spent and internet access of the respondents have been influenced over the frequency of the purchase of products and services through online.
- 5) ANOVA test shows that the age, marital status, family members, educational qualification, occupational level, monthly income and internet access have significant difference on their pre-purchase decision making factors towards shopping online.
- 6) ANOVA test reveals that the age, marital status, family members, educational

qualification, occupational level and time spent on internet have significant differences upon their on-purchase decision making factors towards purchasing products and services in online.

- 7) ANOVA test indicates that the age, marital status, family members, educational qualification, occupational level, internet access and time spent on internet have significant differences upon their post-purchase decision making factors towards online shopping.
- 8) ANOVA test shows that the irrespective of the gender, age, marital status, family members, educational qualification, monthly income, internet access and time spent on internet have significant differences upon their other decision making factors towards online shopping .

#### **VIII. CONSUMERS' SATISFACTION TOWARDS ONLINE SHOPPING**

- 1) ANOVA table shows that the marital status, age, family members, educational qualification, occupational level, monthly income and time spent on internet has significant difference upon their online shopping satisfaction score towards online shopping.
- 2) It is observed from the study, the gender, marital status, age, family members, educational qualification, occupational level, monthly income and time spent on internet has significant difference upon their product knowledge towards online shopping.
- 3) ANOVA test reveals that the age, family members, educational qualification, monthly income, internet access and time spent on internet have significant differences upon their secured transaction towards online shopping.
- 4) Irrespective of the age, family members, educational qualification, occupational level, monthly income and internet access has significant difference upon their personalized attention towards online shopping.
- 5) ANOVA test reveals that the age, family members, educational qualification, occupational level, monthly income and time spent on internet has significant difference upon their reliability score towards online shopping.
- 6) The table results indicate that the gender, age, marital status, family members, educational qualification, occupational level and monthly income has significant difference upon their service support towards online shopping.
- 7) The factor analysis helps to identify five

factors/ statement instead of concentrating on fifteen factors/ statements such as product knowledge, secured transaction, personalized attention, reliability and service support for studying about consumer satisfaction towards online purchasing system.

- 8) Regression Analysis concluded that, the gender, family members, educational qualification, pre-purchase frequency score, on-purchase frequency score and other purchase decision factors had a positive effect on the consumer satisfaction whereas the other factors has a negative effect on the satisfaction level. However independent variables like gender, educational qualification, purchase frequency score, pre-purchase decision score, on-purchase decision score and other factors score had significantly affected the consumer satisfaction level.
- 9) It is concluded from the cluster analysis, the respondents who formed Cluster one can be termed as moderators based on their attitude, satisfaction and decision scores, and the members in Cluster two who have higher centre values in most of the factors can be termed as shopping specialists and the Cluster three members can be regarded as novice (new entrants), considering their scores in decision, attitude and satisfaction factors.

#### **IX. PROBLEMS FACED BY THE CONSUMERS' TOWARDS ONLINE SHOPPING**

- 1) Majority of the respondents (57 %) have showsmore interest repurchasing the products and services through online.
- 2) It is observed from Kendall's coefficient of concordance; among the various factors considered, the majority of the respondents have faced theft of credit card and private information. Difficulty to contact seller is the lowest problem that is faced by the respondents during the purchase of products through online. The other factors mentioned in the above table shows that, the value of 'W' is very low similarity between the factors. It is found that internet access and time spent on the internet have significant influence on the re-purchase of products and services through online and other personal factors are not significant.
- 3) Chi-square test reveals that, the gender, age, marital status, family members, educational level, internet access and time spent on internet have significant influence on the re-purchase of products and services through online purchasing system.

- 4) The majority of the respondents (27.75 %) have suggested that, to improve good security measures for the online payment system.

#### **X. SUGGESTIONS**

The researcher has made personal contact with the respondents who have purchased products and services through online. It is concluded that most of the respondents have a good opinion about online shopping, though there are so many problems to be improved by the vendors and service providers.

##### **These suggestions are as follows:**

- 1) As there are no proper laws for online purchases, they have to be implemented to prevent the anonymous intruders. This will help to maintain security and private information properly concerning the respondents. So the website developers and service providers should take necessary steps to overcome this problem.
- 2) Web based technologies upgrades creative conceptualization that would improve the response from technology savvy consumers. So the firms have to invest in such new technologies. Internet environment has to be improved in the areas of art, dynamic and interactive techniques. This improvement will give more visual appeal.
- 3) One of the major drawbacks that the respondents have felt is no proper returning policy to the product. After getting opinion from the respondent if the above said problem occurs, then they should be guided in a proper way to return the product. This will create a good website reputation and repurchasing power of the respondents.
- 4) The vendors and service providers should avoid hidden charges. This will help to avoid increase in price of product.
- 5) The corporate vendors and other types of online vendors should start service centers in all major cities. In case of foreign companies, they should direct the nearest service centers. This could help to rectify the consumer problem within a short span of time. This will create consumer confidence on online vendors and service providers.
- 6) Due to the technological development the service providers should implement new innovative ideas to display information about the product. Now-a-day's 360 degree method is mostly helpful to know about all the position of the product. This method will help to create confidence about the product. So all the service provider's should implement these kinds of innovative methods.
- 7) Website design and quality creates a positive impact on online shopping satisfaction. So



the vendor companies should concentrate more on the designing part of the websites.

- 8) In most of the websites the given information, features about the product on the website and product received from the online vendor are different. This will create lack of customer satisfaction. So the online vendor should take necessary steps before dispatching the products to the consumer site. It creates good opinion about the online vendor and creates repurchasing power of the respondents.
- 9) Even though consumers are educated they are not interested to purchase products through online because of infrastructure shortage, they do not know how to order the product online and they have lack of confidence on payments. So the vendor companies and online service providers have to create awareness to consumers as how to order the product online.
- 10) Majority of the users among higher income groups shops online only. But in India middle income and low income groups are very high. So the online marketers can concentrate on innovative ideas to increase online business through middle and low income group. This will be possible only through price fixation of the product based on this group.
- 11) Online shopping follows international market standards and do not know about the local market standard. So the online vendors should introduce the products according to the local market standard. This will help to increase consumers buying pattern and help the vendors to increase the sales.
- 12) The respondents face major problems on theft of credit card information, and lack of security on online payments. Implementing precautionary steps to solve these problems shall create consumer confidence on online shopping.
- 13) The reliability and responsiveness of the delivery system is the key success factor for any online business and this will attract the consumers repurchase intention.
- 14) Even though the consumers have a basic knowledge about online shopping, they are unable to implement it because the language becomes a barrier. Developing regional language oriented websites would help new comers to enhance their knowledge and also to increase the online purchasers.
- 15) Most of the Indian consumers are traditional buyers with long term usage behaviour. But most of the buyers of online shopping products are in the nature of short term product users. Hence, it is suggested that the vendor can concentrate on offering more of

durable products with guarantee.

## XI. CONCLUSION

In the past, consumers had sufficient time to visit shopping centers, searching for various products. Many consumers prefer bargaining and decide the purchases after physical examination of the commodities. The entire process can range from a few hours to weeks depending on the product, quantity, quality and source of purchase. Today there is radical change in the entire scenario. Everything in today's world is Internet oriented like Electronic Data Interchange, E-Mail, E-Business and E-Commerce. E-Commerce is exchange of information using network-based technologies. In the present high cost situation, e-Commerce can be used as a competitive strategy. It successfully includes the entire online process of developing, marketing, selling, delivering, servicing and paying for products and services. Online shopping is a vast growing technology. If it is properly utilized with assured safety and security for the transactions, it will thrive into a highly competitive and dynamic environment. In future, online shopping is bound to grow in a big way, given the growing youth population.

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