

Investigating the Impact of E-Purchasing on Customer Satisfaction with reference to SERVQUAL Dimensions.

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Abstract

Customer is considered as integer part of every business. The marketing companies mainly focus on to find out the needs of the customer and fulfil those needs in best possible manner. In this paper the main focus has been given on customer satisfaction level with reference to E-Purchasing. The main objective of this study is to Investigating the Impact of E-Purchasing on Customer Satisfaction with reference to SERVQUAL Dimensions. For this purpose 150 respondents have been taken and Various Statistical tools have been applied to get the significant results. At the end, all the SERVQUAL dimensions were positively impacted on customer satisfaction.

Keywords: Customer satisfaction, service quality, E-Purchasing.

Introduction:

Since the previous few years, internet has changed the way persons buy and sell goods and services. E-commerce is changing the shopping experience of people. This sector has seen exceptional progress specifically in the last five years in India. India has the fastest developing online retail market among top worldwide economies. India's online selling market countersigned a compound annual growth rate (CAGR) of 53% for the period 2013 to 2017, according to a latest report by consultancy firm Bain & Company. India's total e-commerce retail sales in 2017 were pegged at around \$20 billion and studies have indicated that another \$50 billion of online e-commerce could be unlocked by adding new users and luring back internet users that do not currently shop online due to various reasons. Consumer electronics segment in India has the highest online penetration (17%, which is e-commerce sales as percentage of total retail sales) followed by apparel and footwear (9%) and beauty and personal care (1%). Food & grocery, with overall retail sales of around \$530 billion in 2017, has one of the lowest online penetrations at 0.1%.

Major Aspects Prompting the Growth of E-Retail In India

- Increase in the usage of internet
- Improved standard of living of the people with increase in per capita income.
- Change in the living pattern of the people
- Wide range of product range is being offered by different companies
- Lack of time for doing traditional shopping
- More offers and discounts due to competition which results in attracting more and more customer.
- Better quality of banking services. With more secure banking services consumers are now do not worry while doing online transaction.
- Facility of cash on delivery and home delivery services provided by different companies
- Various value added services offered by companies

Service Quality:

The service quality that a person gets while doing an online buying from a product website is called the e-service quality. Since the service is intangible it is very difficult to measure it. Research in this field shows that the consumer behaviour is prejudiced by the service quality provided by the company.it is the main feature that distinguish the two companies. Electronic service quality, as defined by Zeithaml et al.(2000) refers to the assessment of the website's quality at both-during the contact with the website and during the post contact stages like fulfilment of the order and

dealing with the product returns. Zeithaml et al. (2002) identified lot of website features and categorized them in to 11 e-SQual dimensions. Further in 2005 the number of dimensions of ESQual scale was reduced to 4 with a total of 22 items. The four dimensions are as follows:

Review of literature:

Internet shopping is still at evolutionary stage in India and very few studies have undertaken research exploring customer acceptance and satisfactions of internet shopping services in India. Although there has been a shortage of internet shopping related studies in Indian context, theoretical exploration can be based on various international studies carried out in other countries.

Maigan and Lukas (1997) did the study on the consumer perception towards e-shopping. The learning found that internet shopping involves more uncertainty and risk than the traditional brick and mortar shopping. Consumers' reluctance to provide their credit card information over the web has been mentioned as a major difficulty to online purchasers.

Lohse and Spiller (1999) studied on the online shopping and it was found that online shopping is a result of suitable access to greater amounts of information that increases customer decision making and increases market penetration for the merchants.

Chase and Franson (2000) in one of their study appealed that internet shopping is no different from any other innovation. It is simply a new/innovative method of purchasing products. Companies with online stores might be very interested to learn how innovative their customers are.

Chung Hoon Park and Young Gul Kim (2015) framed a model in which they defined the consumer's relational buying behaviour in online purchasing context. The major factors that affects user's inclination towards online purchasing are quality product and service information quality, security perception and site awareness. They explored that the information satisfaction and relational benefits play a major mediating role on consumers' relationship purchasing behaviour. This give emphasis to the significance of product information quality and users interface design in the online shopping site development.

Objective of the study

The primary objective of the study is to scrutinize the relationship of e-retailing structures and customer satisfaction

Hypothesis for the proposed framework

H1: Design has significant positive effect on Customer Satisfaction.

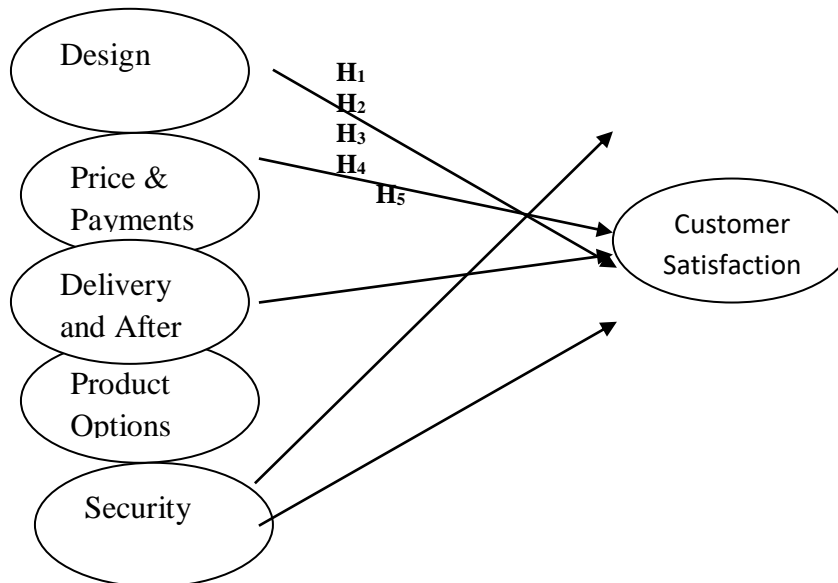
H2: Price & Payments Association has significant positive effect on Customer Satisfaction.

H3: Product Options has significant positive effect on Customer Satisfaction.

H4: Security has significant positive effect on Customer Satisfaction.

H5: Delivery and After sales Services has significant positive effect on Customer Satisfaction.

Conceptual Model



Research Methodology

The structure is based upon the five Features of e-retailing : Design, Price & Payments, Product options, Security and After sale services. The entire ideas were measured using Five point Likert scale. The statements were collected with the help of reviews. And data was collected through structured questionnaire from 150 respondents.

Data Analysis: Reliability of the Constructs

The **reliability analysis** of the all the constructs such as brand awareness, brand association, perceived quality and brand loyalty indicates high reliability as it is above 0.6, which is a good signal for proposed model.

Reliability Analysis of Constructs

S. No	Constructs	Cronbach's α
1	Design	0.85
2	Price & Payments	0.81
3	Product Options	0.82
4	Security	0.79
5	After sales Services	0.92
6	Customer Satisfaction	0.85

Goodness of Fit Indices of Proposed Structural Linear Model

S.No	Name of Index	Results
1	Chi-square	180.28
2	Degree of freedom	125
3	Chi-square/ Degree of freedom	1.44
4	Comparitive Fit Index CFI	0.93
5	Goodness of Fit Index GFI	0.92
6	Adjusted Goodness of Fit Index AGFI	0.87
7	Normed Fit Index NFI	0.89
8	Incremental Fit Index IFI	0.91
9	Root Mean Square Error of Approximation ,RMEA	0.03
10	Root Mean Square Residual, RMR	0.05

After testing reliability and validity of the constructs, the next step is related with path analysis, which helps in examining the overall fit measures. Analysis of path model (Chi-Square=170.243, CFI= 0.93, GFI= 0.92, AGFI=0.87, NFI=0.89, IFI=0.91, RMSEA=0.03, RMR=0.05) yielded a reasonable fit to data.

Result of structural Model for Hypotheses Testing

Hypotheses	Standardized Beta (t)	Significant level	Hypotheses Support
Design to Customer Satisfaction	0.038 (4.91)	0.001	Supported (Yes)
Price & Payments to Customer Satisfaction	0.072 (5.80)	0.001	Supported (Yes)
Product Options to Customer Satisfaction	0.069 (4.29)	0.001	Supported (Yes)
Security to Customer Satisfaction	0.053(4.63)	0.001	Supported (Yes)
After Sale Services to Customer Satisfaction	0.043(5.63)	0.001	Supported (Yes)

Note: significant $p \leq .05$

Output Generated from AMOS 20.0

From table it can be analysed that among **Design** category, respondents agreed that they would like to shop from those online shopping sites which are “user friendly and hence are easier to navigate”

It can be analysed that among **Price and payment options** category, respondents agreed that they would like to shop from those online shopping sites which gave them the option of “cash on delivery” feature

It can be analysed that among **Product options category**, respondents agreed that they would like to shop from those online shopping sites which provides them the “detailed reviews and information about the products” they are buying as this feature

It can be analysed that among **Security category**, respondents agreed that they would like to shop from those online shopping sites which gives them a “call for order confirmation”

It can be analysed that among **Delivery and after sales service** category, respondents agreed that they would like to prefer purchasing from those online shopping sites which gives them “replacement or money back guarantee” in case of any faulty product

FINDINGS OF THE STUDY

The present reading shows that Majority of respondents are well educated and are either graduates or post graduates. Most of them are students. The maximum respondents are proficient in using internet. Majority of respondents find online shopping convenient than traditional shopping.

Many of respondents find price of products purchased online to be cheaper than that of traditional shopping. They feel secure to shop online.

Research revealed that most preferred feature selected by the respondents is product variety closely followed by the value for money and hence customers prefer to shop online because of more variety available for a product with more value for money

The study revealed that the various features of website designs affects the customer satisfaction. customer consider various other features also like price and payment options, security , delivery and after sale services also to shop online and these service quality dimensions affects the customer satisfaction level.

CONCLUSION

The number of internet operator base in India is increasing on an exponential rate. With deviations in financial side and the economy the purchasing power of consumers is rising day by day that will leads to increase in desires of various goods and services. With this change the e-commerce will be witnessed as one of the favourite platform for the Indian consumer by 2020.

In the present study we tried to highlight the work which is being done in the field of the online shopping service quality and its effect on the customer satisfaction. Some of the imperative elements of the E-S-QUAL model have been highlighted. Although in India not much work has been done by the scholars in the area of service quality especially e service quality, we have tried to bring forth some important conceptions which provides ground for more extensive research in the given area. As the use of internet is cumulative and the numbers of online shoppers are also growing at a marvellous rate in India, the importance of quality in e commerce has increased many folds. So with the huge potential in the market more and more sellers are coming in this field and competition is increasing so providing good service quality helps in making a good customer base. Further the more extensive study can be done by studying the relation between the service quality and loyalty of the customer with respect to the online shopper's behaviour.

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