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Customer Satisfaction And Customer Loyalty In Online Shopping: An Empirical Study

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Abstract: Concern on the metrics like user – interface, information quality, privacy and security are the top reason for many customers staying loyal to the company. The keen competitive in the E-Commerce field and increasing usage of mobile phones users all over the world has influenced to measure the customer satisfaction of the customer who shops in online. A conceptual framework of the relationship between satisfaction, belief, and customer loyalty in an E- Commerce industry is established to adapt with this study. The questionnaire is framed based on the metrics and also the children study year and age are also gathered. The questionnaire has distributed to over 80 customers of the website and analyzed. The analysis shows that customer satisfaction and belief was positively significant towards customer loyalty. This paper implements a SEM model to investigate the relationship between consumer satisfaction, belief and customer loyalty. The findings suggest that the model satisfies the conditions for being absolute and parsimonious fit. And google analytics report states that there is a returning back of customers to the website to make their repurchase. Therefore, it's evident that the loyal and satisfied customer returns back to make another purchase.

Keywords: Customer satisfaction, Belief, loyalty, Retention.

INTRODUCTION

In the case where a business buys from another business, the process is called business to business online shopping. An online shop evokes the physical analogy of buying products or services at a bricks and mortar retailer or shopping center, the process is called business to consumer online shopping. (Praveen Kumar, 2002). E-commerce also provides new opportunities to export goods and provide services more widely. Besides that, E-commerce can improve and raise the level of efficiency in an organization. If a company wants to stay ahead of its competitors, it must maximize its customer satisfaction. In online commerce customer-satisfaction may be even more important than in traditional commerce because the retention of loyal customers in the e-services market is more difficult than in traditional commerce (Hazlina et al., 2011).

The study mainly focusses on the digital marketing initiative taken by e-commerce website to improve the customer conversion rate & customer loyalty. So, the primary issue being found was to evaluate the customer satisfaction of the customers who are using the website. To address the factors like user interface quality, security, privacy, information quality which satisfies online customers. The objectives of the

present study aim to measure the satisfaction level of the online customers and also note the areas that they lack in order to improve in future to attain a higher level of satisfaction.

LITERATURE REVIEW

The process on how to evaluate the satisfaction level of the customers in the e-commerce is done by identifying the gap between the customer expectation and the degree to which their expectations are met by the providers of that online service platforms. A new approach called e-servqual is been employed that enables the measurement of customer expectations as the quality of key aspects of online services are being relative to the actual degree to which the customer expectations are met (Martyna Kostrzewska and Daria Wrukowska ,2019). Trust is a key element in the emergence and maintenance of social exchange relationships (Metilda and Malathi, 2016).In a long-term view, there is an importance given for the factors like satisfaction, belief and loyalty in the adoption of e-commerce in the business development. There has been a lack of study in the quality of e-commerce services and they have been promoted alone. A conceptual framework of relationship between the e-commerce service quality along with the satisfaction, belief and loyalty in the hotel industry of Malasiya is established to adapt the study (Mutia Sobihah, et al., 2015)

There has been a significant growth in the online shopping which makes the competition in the industry to become more intense. One of the essential factors for the business survival and growth are maintaining the customer loyalty and that is to be recognized. The examination of influence of satisfaction, trust and commitment are the main purpose of the study in the customer loyalty that prevails in online shopping. This paper also describes theoretically about the influence of satisfaction, trust and commitment on the customer loyalty (Sri Astuti Pratminingsih, et al., 2013). The purpose of the study is to identify and evaluate the effect of service quality on customer satisfaction. The survey is conducted among 100 respondents in the area of Chittagong and the respondents where the people who are using the beauty parlors in that area. The factors like customer perception on tangibility, reliability, responsiveness, assurance and empathy are identified in the study. All these factors are analyzed using a tool called SPSS to calculate the mean and the linear regression (Sharmin Sultana, et al., 2016). There are profound effects while analyzing the level of satisfaction. The present study provides only the necessary insights in order to retain and increase the base of the customers, increase the relationship between the customers and thus increases the satisfaction level and also provide an overview about the online shopping. Many researchers and academia have highlighted the importance of customers in today's market (S Praveen Kumar, 2015).

THEORETICAL BACKGROUND

A hypothesis is a tentative statement about the relationship between two or more variables. There are two types of variables they are dependent and independent variables. The independent variables are User – interface, Information quality, Security and Privacy. The dependent ones are Customer Satisfaction, Belief and Customer Loyalty. A complex hypothesis exists between Customer satisfaction and Belief as the metrics has relationship with the four different independent variables.

H1(a) and H1(b): The influence has a positive relation between the User – Interface quality with Customer Satisfaction(a) and the influence between the User – Interface quality with Customer Belief(b)

The goal of user interface design is to make the user's interaction as simple and efficient as possible, in terms of accomplishing user goals. So, the user - interface plays an important role to determine the satisfaction among the customers. Study done by (Srinivansan et al., 2002) has shown that there is a strong

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relationship between the applications of e-commerce and customer loyalty and belief. According to (Kim and Lee, 2002), the appeal that the user interface design gives to their customers is illustrated in the form of web site design.

H2(a) and H2(b): The impact of Information quality with Customer Satisfaction(a) and the impact between the Information quality with Customer Belief(b)

Only when the information present on the site is true the customer tends to believe the site and make a purchase. The product description should always match the feature of the product. The images present should also be of high quality but the load time should be low. The results of the research by (Cyr, 2008), has found that the culture also plays a role in the quality of information for attaining customer satisfaction. The customers perception on quality of service or product information supplied to the website are known as the quality of the product or service information that appears on the website (Park and Kim, 2002)

H3(a) and H3(b): A positive relationship exists between both the Privacy with Customer Satisfaction(a) and the relationship between the Privacy with Customer Belief(b)

Privacy usually refers to the security of personal data of customers and the availability of known and proven payment methods, that the website has. Customer always respect privacy and they care that their purchase data or personal information should not be sold to others. Privacy is the main issue that attracts more online potential customers and retains the current customers from using the website without bouncing out (Park and Kim, 2003). The belief of the E-commerce websites is greatly influenced by the privacy content by based customers on how the organizations control their personal data, are given by (Flavia'n and Guinaly'u, 2006).

H4(a) and H4(b): The impact of relationship between the Security with Customer Satisfaction(a) and the relationship between the Security with Customer Belief(b) is positive

Security is defined as the ability of the website to protect personal information of the customers from any unauthorized use of information disclosure during the electronic transaction. Whereas the complete belief of a customer who buys in an E-commerce website depends on the customers notion of security of how the managers of the E-commerce website manages their personal data are said by (Flavia'n and Guinaly'u, 2006). E-commerce websites can increase the belief of the customers by enhancing system security of E-commerce website by using encryption technology for protecting the customers data, (Mustafa, 2011 and Warrington et al., 2000).

H5: The impact of Customer Satisfaction is highly positive on Customer Loyalty

Customer satisfaction means how well a customer is satisfied while using a product or servie. It has a close relationship with personal beliefs (Greyskens et al., 1996). And it also evident that a person with satisfaction can develop into a loyal customer. Studies of (Cyr,2008) led also found that satisfaction with E-commerce websites is a key factor in maintaining customer loyalty. However, the impacts of customer satisfaction on customer loyalty are complex. And it is also found that the customer satisfaction and loyalty use of E-commerce website are exaggerated by the belief and the perceived value which has been established by the company mutually.

H6: The impact of Customer Belief is highly positive on Customer Loyalty

A group of belief by online customers on online providers, and also the behavior of the suppliers in the upcoming (Coulter and Coulter, 2002). Loyalty has contributed to the process of connecting and maintaining the value and importance of the relationship must be formed by belief. The study has found that in foreign countries like Germany and China show that the belief in the E-commerce website have a strong relationship with customer loyalty (Cyr, 2008). According to the study it suggests that the belief encourage virtual purchasing and indirectly it will affect the attitude of the purchase from E-wholesalers.

RESEARCH METHODOLOGY

Sample Design & Sampling Technique

The questions are structured in such a way that the respondents will feel easy to understand the topic and answer properly. A structured questionnaire is prepared based on the metrics and ranking scale is given for marking the answers like 1 – 5(very bad, bad, moderate, good and very good). The metrics are: User – Interface quality, Information quality, Privacy, Security, Satisfaction, Belief and loyalty. Each metrics consists of five questions and there is a total of 35 questions that is present in the survey. The sample size is 125. The sampling technique used is convenient sampling. Where the Convenience sampling, is a type of nonprobability sampling in which the people are sampled because they are "convenient" sources of data for researchers. It is the most commonly used sampling technique as it's incredibly prompt, uncomplicated, and economical. The data is collected using Qualtrics – an online survey form. The questionnaire is distributed to two different kinds of group. Where, one group of people are the customers and employees of e-commerce site. The second set of groups are the common people, to whom the services provided by the normal e-commerce sites are described and asked them to rank the website based on the metrics.

ANALYSIS AND DISCUSSIONS

The research study was conducted in order to gain insights into and understanding the impact of customer satisfaction and loyalty by the implementation of digital marketing strategies. A structured questionnaire was prepared with constructs from the model. The questionnaire was given to 125 respondents, are the customers who viewed and engaged to the SchoolBasix website.
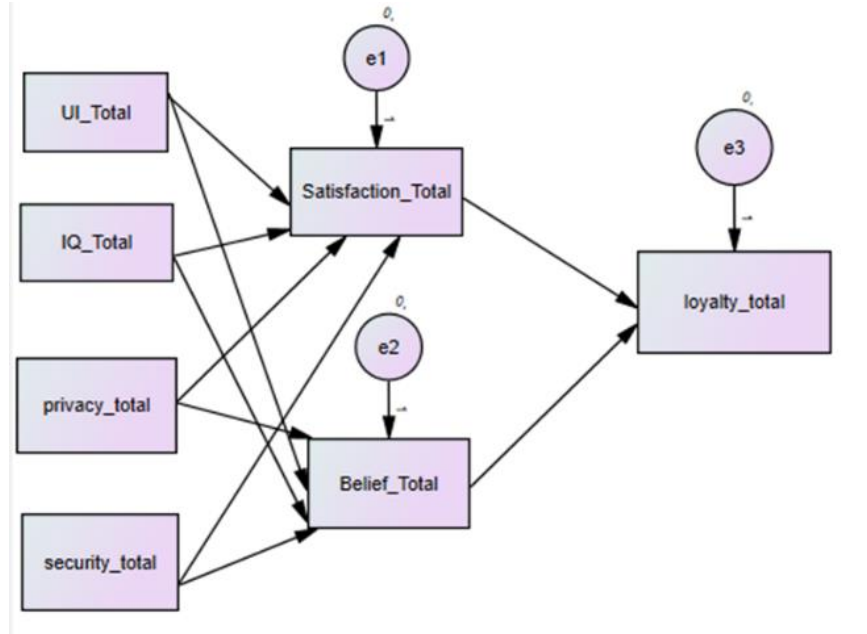
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Fig No. 1Conceptual Model

The first objective of the study is to analyze the Customer Satisfaction for the customers in the digital market place. So, the data has been collected in the questionnaire form from the customers those who have used the website. And then, the study model is implemented on AMOS software.

Chi – Square and Probability

The degree of freedom value of 4 indicates that each of a number of independently variable factors affecting the range of states in which a system may exist, in particular any of the directions in which independent motion can occur. The probability values should always be less than 0.05 that makes the model to be in a good fit. And here the value of probability is only of 0.013. Value ranges from zero for a saturated model with all paths included to a maximum for the independence model (the null model or model with no parameters estimated).

Table No. 1: Chi – Square and Probability Value of the Model

Computation degrees of freedom (Default model)
Number of distinct sample models: 35
Number of distinct parameters to be estimated: 31
Degree of freedom (35-31): 4
Result (Default model)
Minimum was achieved
Chi – Square = 12.612
Degree of Freedom = 4
Probability level = 0.013

Tests of Absolute Fit and Parsimonious Fit

The Tucker-Lewis Index (TLI) and the Comparative Fit Index (CFI) compare the absolute fit of your specified model to the absolute fit of the Independence model. The root means square error of approximation (RMSEA) avoids issues of sample size by analyzing the discrepancy between the hypothesized model. CMIN/DF ($\chi2$. / df) is the minimum discrepancy divided by its degrees of freedom; the ratio should be close to 1 for correct models.

Table No. 2: Absolute Fit Value

Model Fit Summary CMIN					
Model	**NPAR**	**CMIN**	**DF**	**P**	**CMIN/DF**
Default model	31	12.612	4	0.013	3.153
Saturated model	35	0	0		
Independence model	14	529.375	21	0	25.208

For absolute fit, the values of NFI, TLI, CFI should be of more than 0.9. The value we obtained is of 0.976, 0.911, 0.983 and hence it proves the model to be in good fit. The fit output contains a large array of model fit statistics. All are designed to test or describe overall model fit. For parsimonious fit, the values of CMIN/DF should be less than 5.00. The value we obtained is to be of 3.153 and it shows that this model is parsimoniously fit.

CONCLUSION

From the above study, we were able to conclude that the main metrics that support and affect the customer satisfaction are known. The factors that affect the satisfaction level are: the privacy lacks in its functioning and it's needed to be improved because the significance value higher than 0.05 and thus affects the satisfaction of the consumer. Information quality should also be improved as the value is of 0.152 which is also greater than 0.05. This research study is in the context of the only customers in a particular region and customers of the e-commerce site. Therefore, there is more chance for future research, the wider area in different regions, different states should be conducted in order to gain more reliable results. The researchers or academicians who are interested in this topic might add other relevant external influence factor, such as word-of-mouth, customer retention, responsiveness of the company and trust for future study. Improving with deeper study of consumer behaviours and feedback after sales, the target sample could be based on different ranges of age, educational backgrounds, and average income. As the different criteria, factors and different environments could generate different perspectives and research results.

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