

# **Project Dissertation**

## **A STUDY ON THE SATISFACTION LEVEL OF CONSUMERS ON E-COMMERCE WEBSITES IN INDIA**

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## **CERTIFICATE**

This is to certify that the Project Report titled **A STUDY ON THE SATISFACTION LEVEL OF CONSUMERS ON E-COMMERCE WEBSITES IN INDIA**, is a bonafide work carried out by **Ms. Vini Pargain** of **MBA 2014-16** and submitted to Delhi School of Management, Delhi Technological University, Bawana Road, Delhi-42 in partial fulfilment of the requirement for the award of the Degree of Masters of Business Administration.

Signature of Guides

Signature of Head (DSM)

**Mr. Abhinav Chaudhary**

Seal of Head

**Mr. Anurag Tiruwa**

Date:

Place: **Delhi**

## **DECLARATION**

I **Vini Pargain**, student of MBA **2014-16** of Delhi School of Management, Delhi Technological University, Bawana Road, Delhi-42 declare that the Project Dissertation on **A STUDY ON THE SATISFACTION LEVEL OF CONSUMERS ON E-COMMERCE WEBSITES IN INDIA**, submitted in partial fulfilment of Degree of Masters of Business Administration is the original work conducted by me.

The information and data given in the dissertation is authentic to the best of my knowledge. This Report is not being submitted to any other University for award of any other Degree, Diploma and Fellowship.

Date:

Place: **Delhi**

**Vini Pargain**

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Especially, please allow me to dedicate my acknowledgment of gratitude toward the following significant advisors and contributors:

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Finally, I sincerely thank my friends and batch mates, who provided me with the support and advice to finish my research paper. The outcome of this research paper would not be possible without all of the above mentioned people.

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## **EXECUTIVE SUMMARY**

With advancement of Technology, E-commerce user and portals are increasing very rapidly in India. With increase in E-portal, the purchasing power and decision making power has increased, due to this switching speed has been increasing day by day which happens due to low satisfaction levels. In this research, I tried to analyze what are the main factors which are responsible for the satisfaction level of the consumers on the e-commerce websites.

For proving this theory, primary research was conducted on 122 respondents. They were asked a range of questions from Image of the portal to the sales offers influencing their purchase decision. The major positive correlations between Satisfaction and discounts at 38%, with privacy/ security at 36%.

But overall all the independent factors had a positive correlation with the dependant factor i.e. Satisfaction. And the primary data collected supported the calculations with a majority in favour of satisfaction level of the consumers using e-commerce websites.

In 1979 when English entrepreneur Michael Aldrich developed a system connecting a modified domestic TV to a real-time transaction processing computer via a domestic telephone line, he did not know what he had produced would be a multi-billion dollars industry after only a few decades. The foundations he laid down were later known as online shopping, one of the multiple forms of E-commerce. Just after the two years, Thomson Holidays UK became the first business-to-business (B2B) online shopping system. It took another two years to reach the customer when Gateshead's SIS (Shopping and Information System) was installed in 1984 it became world's first business-to-consumer (B2C) online shopping system.

When Tim Berners Lee invented World Wide Web, the long awaited impetus was given to E-commerce. In 1995, Jeff Bezos came up with his amazon.com which was followed by Pierre Omidyar's eBay in the same year.

### 1.1. What is E-commerce?

**Electronic commerce**, commonly known as **E-commerce**, is the trading or facilitation of trading in products or services using computer networks viz. the Internet. E-commerce employs technologies such as mobile commerce, internet marketing, inventory management systems, electronic funds transfer, supply chain management, electronic data interchange (EDI), automated data collection systems etc. Modern e-commerce typically uses the World Wide Web for at least one part of the transaction's life cycle, however it may also utilize other technologies such as e-mail.

E-commerce businesses may employ some or all of the following:

1. Online shopping web sites for retail sales direct to consumers (Example: Myntra)
2. Online marketplaces, which facilitates third-party business-to-consumer or consumer-to-consumer sales (Example: eBay)
3. Business-to-business buying and selling (Example: mjunction.in)
4. Gathering and using demographic data through web contacts and social media (Example: Facebook)

5. Business-to-business electronic data interchange
6. Internet marketing

According to the new Global B2C E-commerce Report 2015, which is created by the Ecommerce Foundation, worldwide B2C e-commerce of merchandise and services kept on growing significantly? The growth rate added up to 24.0% in 2014, which was in accordance with past trends. Subsequently, B2C e-commerce deals came to \$ 1.943 Trillion. For 2015, the B2C e-commerce growth rate is relied upon to diminish as compared to 2014, as the sector is developing maturity. In any case, it will in any case develop in two digits (around 16%), bringing about a turnover of \$ 2.251 Trillion (Comegys et al., 2006) (Scarborough et al., 2006).

## **1.2. Major E-commerce companies around the world:**

The Alibaba Group with its Alibaba (B2B), Taobao (C2C) and Tmall sites (B2C) accounting for 80 per cent of the market in China, Alibaba Group has long been the top player in e-commerce worldwide. With 350 million active users, most of its revenue comes from fees, advertising and sales commissions. As of April 28 2016 the Alibaba group's market capitalization was about \$190 Billion. According to Bloomberg Billionaires, Alibaba Founder Jack Ma, who is also executive chairman, is now China's second richest person with net worth of \$29 billion. However he holds only 8 per cent of Alibaba stock, also Ma retains the right to nominate more than half of the board members. Alibaba listed on the New York Stock Exchange in September 2014, raised \$25 billion making it the world's biggest initial public offering. Alibaba also picked up 25% share in the Paytm owner One97 Communications in February 2015 making its entrance in Indian e-commerce space.

Amazon.com headquartered in Seattle, was founded by Jeff Bezos in 1994 and began as online bookseller. Today, Amazon has expanded into full scale online retailing and cloud computing businesses. The current market capitalization of Amazon stands at \$280 Billion making it the biggest retailer in the United States. Amazon also produces consumer electronics such as Kindle eBook readers, Fire Tablets, Fire TV, Fire phone etc.

Amazon uses separate retail websites for United States, United Kingdom and Ireland, France, Canada, Germany, Italy, Spain, Netherlands, Australia, Brazil, Japan, China, India and Mexico. Amazon also offers international shipping to certain other countries for some of its products.

In June 2014 Amazon announced to invest \$2 billion in India to strengthen its operations in India.

Amazon founder Jeff Bezos's net wealth is estimated currently at \$52 Billion. Apart from Amazon he owns Blue Origin an aerospace developer and The Washington Post. His other investments are handled through Bezos Expeditions. He was also an early investor in Google through his \$250,000 investment in 1998.

eBay headquartered in San Jose, California eBay provides consumer-to-consumer and business-to-consumer sales services. It was founded by Pierre Omidyar in 1995. Today it is a multibillion-dollar corporation with operations localized in over 30 countries. Though it was started as an online auctioning website, today its market capitalization crosses \$29 billion. On its first day of trading, it managed to beat every Wall Street expectation and at the end of the day it reached \$47 way more than its target share price of \$18. It was one of the major companies who survived the dot-com bubble. Omidyar's net worth is now estimated at \$7.2 billion.

In 2002, eBay acquired PayPal an online payment system. In September 2014, eBay announced to spin off PayPal into an independent company which was completed by July 2015.

Rakuten with the market cap of \$16.2 billion Rakuten is Japan's biggest e-commerce company. Rakuten has the sales of over \$6.6 billion. Hiroshi Mikitani founded the company in February 1997 as MDM, Inc., and is still its CEO. In Japanese Rakuten means Optimism (Devaraj et al., 2006).

### **1.3. E-commerce in India:**

India wasn't left untouched by this global revolution, Indiamart.com, a B2B marketplace was established in 1996. Since then e-commerce in India has taken quantum leaps. According to a report by the Confederation of Indian Industry and Deloitte Touche Tohmatsu India LLP, The B2B segment is expected to grow more than double from \$300 billion in 2014 to \$700 billion in 2020 and the B2C segment is expected to grow more than seven times from \$13.6 billion to

\$101.9 billion. The growth in B2C e-commerce is stated to be supported by a rise in the number of online shoppers, from 20 million in 2013 to 220 million in 2020, and with three times increase in average spending by online shoppers, from \$147 in 2013 to \$464 in 2020.

The report points out that the online retailers who have resorted to heavy discounting to acquire customers, a strategy that has helped them increase gross sales, will prove to be non-sustainable in the long run for them.

The report also states, “A majority of B2C e-commerce companies, globally, despite being operational for 5-20 years, report low profitability. The situation in India is no different, i.e, a growing gross merchandise (GMV) value but at an overall loss as the e-commerce companies establish themselves. This trend however does not hold true for the B2B e-commerce companies which are profitable with greater GMV values. The higher profitability in the B2B segment is attributed to reasons such as lack of heavy discounts, greater emphasis on quality rather than on price, and higher volumes of purchases” (Jarvelainen, 2009)

According to the report, India at 41% had the highest share of mobile based e-commerce sales, ahead of China (37%) and the US (15%) (Gloria Chan, 2003) (Liu et al, 2009).

“Cash-on-delivery remains a popular mode of payment for Indian e-commerce transactions. Cash transactions result in high administration costs even for the e-commerce companies, which reduce their margins. Hence, new digital payment solutions are evolving to address these challenges,” the report says.

All in all, the outlook on Indian e-commerce industry is very positive and it is poised for a phenomenal growth. With the increasing 3G penetration, the mobile commerce is ready for another revolution in the e-tailing space as well as in the mobile payment solutions such as mobile wallets. However few challenges as customer retention and customer care service are needed to be addressed, still I firmly believe that Indian e-commerce innovators can provide unique solutions to the Indian needs.

The top 10 e-commerce companies in India are:

1. Mjunction.in
2. Flipkart
3. Snapdeal
4. Amazon India
5. Paytm
6. Shopclues
7. Myntra
8. Infibeam
9. Jabong
10. Urban Ladder

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#### **1.4. Purpose of the study:**

The purpose of this study is to identify the potential of online purchases. Exactly what amount is thought about the preparation and acknowledgment of customers receiving web shopping on such item and the variables which impact consumers' satisfaction buying it on the web. This concentrate additionally analyzes whether demographic profile, past web shopping experience, saw advantages, customers' ways of life, saw traders' dependability impact purchasers' fulfillment towards web shopping. It is difficult to cover all the potential variables. The goal is to make sense of the most critical and important variables which may profoundly influence the purchasers' fulfillment towards web shopping.

### LITERATURE REVIEW

According to a report by the Confederation of Indian Industry and Deloitte Touche Tohmatsu India LLP, The B2B segment is expected to grow more than double from \$300 billion in 2014 to \$700 billion in 2020 and the B2C segment is expected to grow more than seven times from \$13.6 billion to \$101.9 billion. The growth in B2C e-commerce is stated to be supported by a rise in the number of online shoppers, from 20 million in 2013 to 220 million in 2020, and with three times increase in average spending by online shoppers, from \$147 in 2013 to \$464 in 2020.

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Goldman Sachs recently doubled its estimated value of the Indian e-commerce market for the 12 months ending March 2016. In a report in October 2015, it said the market would be worth \$23 billion by the end of the fiscal year as e-commerce companies announced stronger-than-expected

growth. In the year ended March 31, Goldman said India had around \$11 billion in online sales (Jiang P et al., 2008) (Norizan Kassim Nor Asiah Abdullah, 2010).

## **2.1. Major E-commerce companies in India**

### **2.1.1. Flipkart**

Founded by two Amazon employees Sachin Bansal and Binny Bansal in 2007, Flipkart is India's largest online retailer with \$4 billion in sales and market valuation at \$11 billion as per Morgan Stanley in February 2016. Flipkart has an in-house brand Digiflip which has own products including tablets, USBs, and laptop bags. They also started as an online bookseller like Amazon, later ventured into retail sales and finally converting into marketplace model.

Flipkart created WS Retail in 2009 as a seller on its website due to strict FDI guidelines. WS Retail bought goods from Flipkart India Pvt. Ltd, the B2B (business-to-business) arm of the main group holding company, and sold the same goods to customers on Flipkart's site. WS Retail also owned and ran Flipkart's key logistics business called ekart that delivered products to customers.

Until 2012, WS Retail was owned by Flipkart co-founders Sachin Bansal and Binny Bansal. However, they were forced to sell their stakes to a group of Indian investors which led to their resignation from the board in 2012. In a bid to simplify its corporate structure ahead of its speculated IPO, ecommerce marketplace Flipkart has bought back its logistics service company Ekart logistics from WS Retail.

By August 2015, after raising \$700 million, Flipkart had already raised a total of \$3 billion, over 12 rounds and 16 investors. They follow exclusive product launch system, started with Moto G from MOTOROLA and later Moto X, E and then with Xiaomi. Flipkart claims it has crossed 75 million registered customers in India, making it the first online retail marketplace to reach this milestone in a single country after United States and China. The e-commerce website had earlier crossed 50 million installs on the Android PlayStore. The company also claims that over 50 per cent of the traffic on Flipkart comes from non-metros, and that it has seen the fastest rise in terms of customer growth from Tier 2 and Tier 3 cities.



### **2.1.2. Amazon**

Amazon.com, Inc. often is an American electronic commerce and cloud computing company with headquarters in Seattle, Washington. It is the largest Internet-based retailer in the United States. It started as an online bookstore, later diversifying to sell DVDs, Blu-rays, CDs, video downloads/streaming, MP3 downloads/streaming, audiobook downloads/streaming, software, video games, electronics, apparel, furniture, food, toys and jewelry. The company also produces consumer electronics—notably, Amazon Kindle e-book readers, Fire tablets, and Fire TV—and is the world's largest provider of cloud infrastructure services (IaaS). Amazon also sells certain low-end products like USB cables under its in-house brand AmazonBasics.

Amazon only officially launched in the country in June 2013, but it's now the company's fastest growing geography in terms of sales. Amazon also says that it's the biggest online store in India with more than 25 million products for sale. That's about 5 million more than the most recent numbers from one of its biggest local competitors, Flipkart.

By double-down on its India operations, Amazon is clearly trying to make that region a more significant driver of growth. And not just on the ecommerce side: Amazon said it planned to bring its AWS cloud service to India in the future as well. Amazon, which has more 21 fulfillment centers in 10 states across India, is also betting on its recently launched hyper local initiative Amazon Now, which it now plans to take to other cities after Bangalore.

Amazon was India's second-largest online marketplace by shipments last month, industry estimates show, as it dislodged Snapdeal to become the only major player to increase share from a year ago.

Market leader Flipkart's share of shipments fell to 37% in March from 43% in the same month in 2015, and Snapdeal's fell to 14-15% from 19%, show estimates by an investor tracking the logistics market and the chief executive officer of a logistics company that handles shipments for online.

### **2.1.3. Snapdeal**

Snapdeal is an online marketplace, based in New Delhi, India. The company was founded by Kunal Bahl and Rohit Bansal. Snapdeal currently has 275,000 sellers, 30 million-plus products and a reach of 6,000 towns and cities across the country.

Snapdeal was started on 4 February 2010 as a daily deals platform but expanded in September 2011 to become an online marketplace. Snapdeal has grown to become one of the largest online marketplace in India offering an assortment of 10 million products across diverse categories from over 100,000 sellers, shipping to 5,000+ towns and cities in India. Total funding they received till date is \$2 billion in 10+inbound investment rounds.

### **2.1.4. Jabong**

Jabong.com is an Indian fashion and lifestyle e-commerce portal, selling apparel, footwear, fashion accessories, beauty products, fragrances, home accessories and other fashion and lifestyle products. Jabong sells shoes, apparel, accessories, home décor and furniture through its website. The e-store at present carries over 1000 brands and over 90,000 products. Other products include jewellery and gold coins.

Jabong.com follows both an inventory model and a managed marketplace model. In the inventory model, products are sourced from brands and stored in the Jabong warehouse. In the managed marketplace model, Jabong provides marketing, logistics and delivery.

Jabong also has an international online shopping store called Jabongworld.com, which sells Indian ethnic wear such as sarees, lehengas, salwar suits and dress materials. Jabongworld.com has introduced its Indo-Western wear range as well that includes dresses, tunics, jeans and other apparels for men, women and kids priced in foreign currencies like USD, MUR, MYR and more. Jabongworld.com receives highest amount of website traffic from The United States, closely followed by Malaysia and Mauritius and other countries. In two funding rounds, they received \$47.5M.

### **2.1.5. Myntra**

Myntra is an Indian e-commerce company of fashion and casual lifestyle products. The company was founded in 2007 with a focus on personalization of gift items. By 2010, Myntra shifted its focus to the online retailing of branded apparel.

2014 saw the merging of Myntra with another Indian e-commerce giant Flipkart.com in an estimated deal of ₹2000 crore (US\$300 million), though nothing in terms of value was officially disclosed by any of the company. Merger was majorly influenced by two large common shareholders, Tiger Global and Accel Partners. Myntra still continues to function and operate independently to increase its market share from 50 to 70 per cent of the market share. In 2014, Myntra's portfolio included about 1,50,000 products of over 1000 brands ranging from international brands to designer brands and distribution area of around 9000 pincodes in India.

In May 2015, Myntra moved on to app-only business model where in customers can only buy and transact in their site through smart phones. The move came after the site claimed that 95 percent of Internet traffic on their site came mobile and 70 percent sales were generated through smart phones. The move to app-only generated mixed reviews and saw 10% dip in sales initially.

However, in February 2016, the company retracted its app-only model in an attempt to win back lost customers. The company cited that the app-only strategy had backfired and Myntra would relaunch its website.

Myntra operate through a complex business model wherein Myntra Designs Pvt. Ltd, a wholly owned subsidiary of Flipkart owns the fashion brands. Vector E-Commerce Pvt. Ltd. is the company behind Myntra.com and the Myntra app.

All in all the entire outlook on Indian e-commerce industry is very positive and it is poised for a phenomenal growth. With the increasing 3G penetration, the mobile commerce is ready for another revolution in the e-tailing space as well as in the mobile payment solutions such as mobile wallets. However few challenges as customer retention and customer care service are needed to be addressed, still I firmly believe that Indian e-commerce innovators can provide unique solutions to the Indian needs.

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# RESEARCH METHODOLOGY

### 3.1. Significance and Scope of the study

This study attempts to identify factors which influence customer satisfaction and also focus on understanding disposition of customers towards online shopping. The study aims to empirically investigate the relationship between perceived service quality, satisfaction, image, discounts and user interface in e-commerce. The scope of this paper is however limited to the residents of India, chosen for their responses, on the principle of convenience sampling. And within India, the top players in the ecommerce segment in India were chosen based on their popularity.

### 3.2. Objectives

1. To identify the factors which are important to satisfaction level of the customer.
2. To understand the relation between the identified factors and the satisfaction level of the customer.

### 3.3. Hypotheses

Following are the proposed hypotheses for the study:

H<sub>A1</sub>: Image of the portal has significant relationship with customer satisfaction

H<sub>A2</sub>: Website design has significant relationship with customer satisfaction

H<sub>A3</sub>: Discounts have significant relationship with customer satisfaction

H<sub>A4</sub>: Reliability has significant relationship with customer satisfaction

H<sub>A5</sub>: Customer Service has significant relationship with customer satisfaction

H<sub>A6</sub>: Privacy/Security has significant relationship with customer satisfaction

H<sub>A7</sub>: Reduced Efforts have significant relationship with customer satisfaction

### **3.4. Research Design**

The research method used is a descriptive research using quantitative analysis. The main purpose of the study is to find out the relationship between variables, i.e. satisfaction versus online purchase intention, chosen factors (demographic, perceived benefits, previous online purchase experiences, consumers' lifestyles, and perceived merchant's trustworthiness). It also attempts to determine the relationship between two or more variables using statistical data and analysis.

### **3.5. Research Instrument**

A structured questionnaire was used for this research, as the information accumulation strategy included a review. As things in the survey included demographic inquiries (such as income, age and education level), respondents were permitted to assemble data and work at their own pace. The survey was partitioned into three segments, which were utilized to gather online purchasers' behavioral and attitudinal data, demographic data, furthermore to gauge their view of internet shopping. The organized poll comprised of settled option questions. Respondents were given various option reactions to look over. The fixed-alternative questions allowed for standardized administration.

**Questionnaire Design:** The main instrument for this study is a self-administered questionnaire for primary data collection to answer the research questions and objectives pertaining to online shopping.

Section 1: This section examines whether demographic profile could influence the consumers' satisfaction level towards online shopping behavior. Five demographic profile variables that could be linked to attitude were chosen: gender, age, education level, income and geographical location.

Section 2: This section tries to collect data regarding respondents' internet usage and lifestyle that might influence their satisfaction.

Section 3: Respondents were asked to indicate how much they agree or disagree with Internet shopping would provide them benefits such as the convenience of shopping without leaving home, shopping can be done at anytime, shopping can be done more quickly, shopping that can

reduce costs and shopping can eliminate the hassle of traditional shopping, trust, try to understand respondents' experience with online shopping.

### **3.6. Population**

This paper targets a sample population drawn from consumers who have experienced online purchasing from Tier 1 (Delhi, Kolkata, Mumbai, Ahmedabad, Bangalore), Tier 2 (Agra, Lucknow, Bareilly, Chandigarh, Noida) and Tier 3 (Nainital, Haldwani, Patiala, Ambala) cities. The number of Internet users in India was expected to reach 402 million by December 2015, registering a growth of 49 percent over last year.

### **3.7. Sample Size**

The sample size for this study is 122.

### **3.8. Sampling technique**

This study uses convenience sampling, i.e. by utilizing any subjects that are accessible to take an interest in the study. Another wellspring of getting respondents from different states is by looking over associates through the Facebook account. Although this sampling method adopted has limitations, it is assumed that the sample may be able to represent the population of Internet users in India. This is on the grounds that the testing system that has been utilized as a part of this study was likewise a purposive testing as this study has picked respondents who are web clients and who like shopping through e-commerce websites.

### **3.9. Tool for Data Analysis:**

IBM SPSS STATISTICS was utilized for implementing Regression and correlation analysis on the data collected to check and analyze the various factors which affect the satisfaction of the customers.

ANALYSIS AND RESULTS

4.1. Charts and Deductions

The questionnaire was floated through various social websites and hosted on Google Forms. A total of 122 respondents contributed their insights through this questionnaire. The respondents were chosen by convenience sampling.

1. Gender

The survey showed that:

52.4% of the respondents were female and the other 47.6 were male.

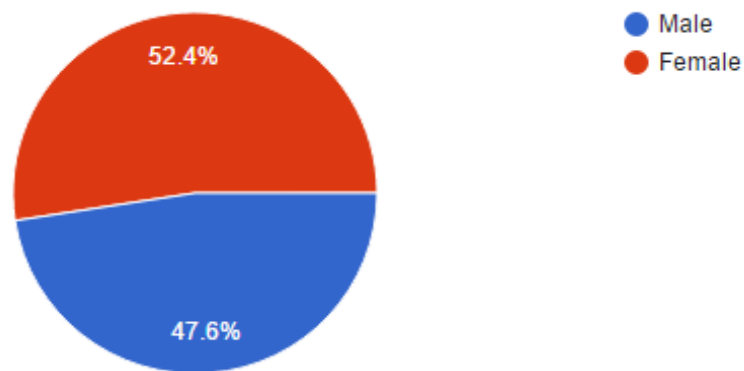


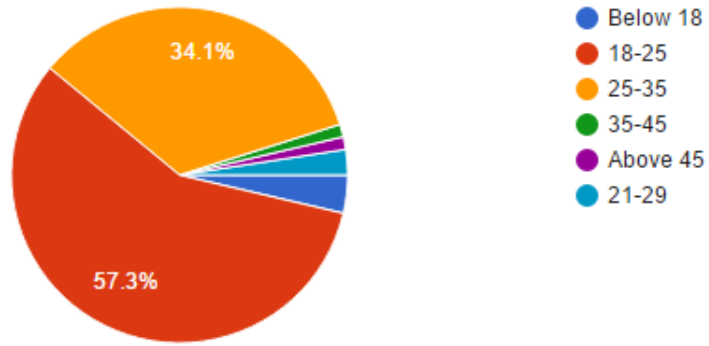
Figure: 4.1 Respondent’s Gender

Majority of people interested in online shopping is females as compared to the less percentage of males.

2. Age:

The survey showed that:

Majority i.e. 57.3% of the users are in the age group of 18-25 followed by the age group 25-35 i.e. 34.1% of the total.



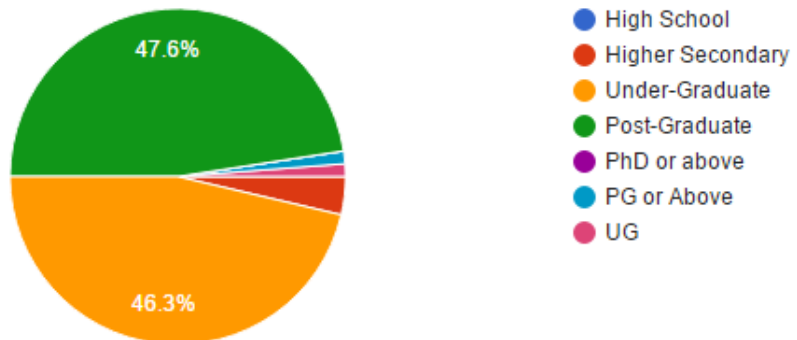
**Figure: 4.2 Age**

Most of the people who are interested in online shopping are the youth of the country as they have better access to the internet as well as they are tech savvy.

### 3. Education:

The survey showed that:

The education level for the people showing keen interest in online shopping is Under-graduate or Post-graduate with almost similar percentages of 46% and 47%.



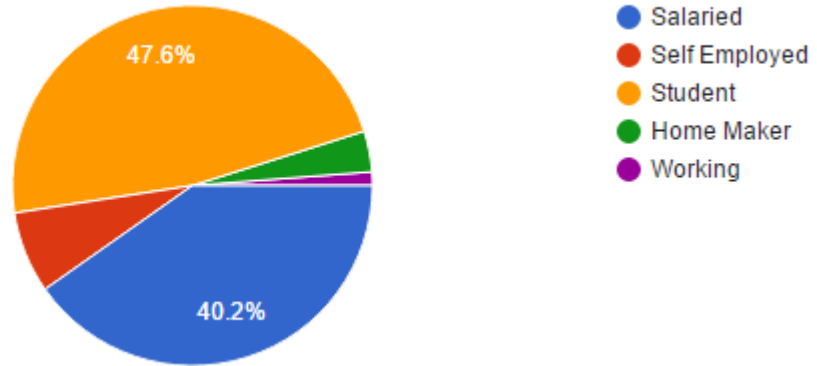
**Figure: 4.3 Education**



#### 4. Occupation:

The survey showed that:

The highest percentage is of students followed by the salaried people and then comes the self employed and home makers.



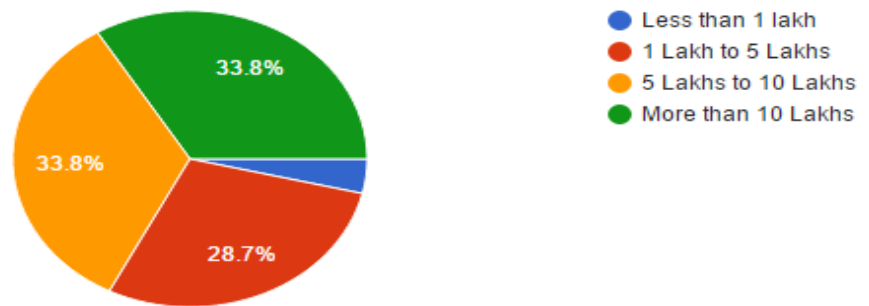
**Figure: 4.4 Occupations**

This shows that the students are the ones who are spending most of their time online as compared to the other classes and these are the ones who are most intimidated by the latest styles followed by the salaried people.

#### 5. Annual Family Income:

The survey showed that:

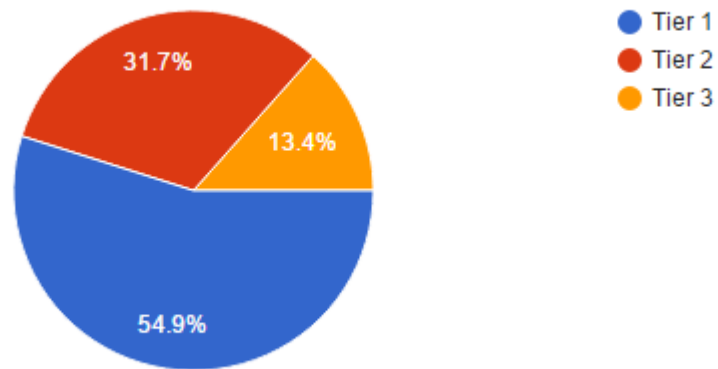
The majority lies between the group of 5-10 Lakhs and more than 10 Lakhs.



**Figure: 4.5 Family Income**

## 6. City Type:

Majority comes from the Tier 1 cities like Mumbai, Pune, Delhi, Bangalore etc.

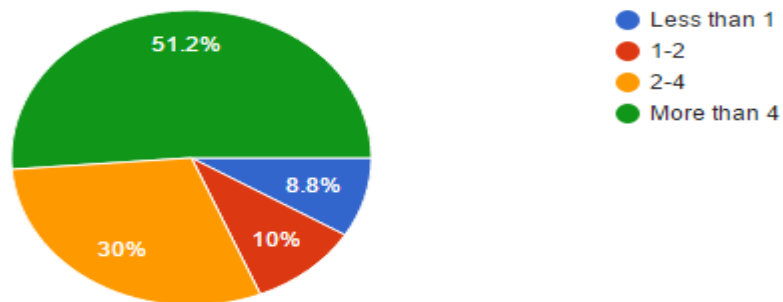


**Figure: 4.6 City Type**

This is so because the awareness as well as the services provided by the e-commerce portals are of the best quality in these cities.

## 7. Internet Usage (Hours)

More than 50% of the population spends 4 or more hours over internet followed by 30% people who spend 2-4 hours online.



**Figure: 4.7 Internet Usage (Hours)**

This shows that people have a lot of free time and they spend this time by browsing the internet.

### 8. Frequency of Online Shopping:

The survey showed that:

Majority of the people make an online purchase once a month, followed by once every three months.

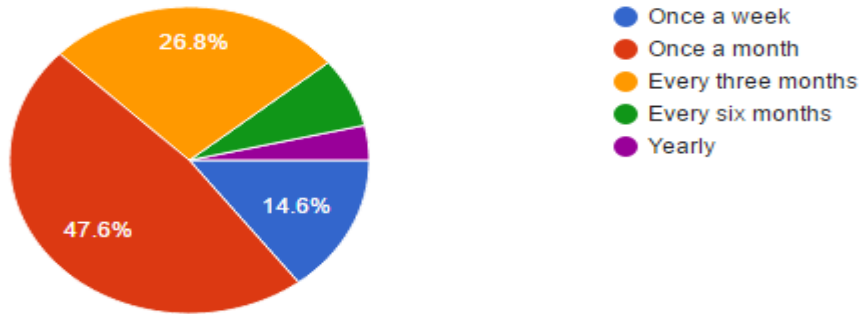


Figure: 4.8 Frequency of shopping

### 9. For How Long They Have Been Shopping Online:

The survey showed that:

50% of the people don't remember the time they started online shopping.

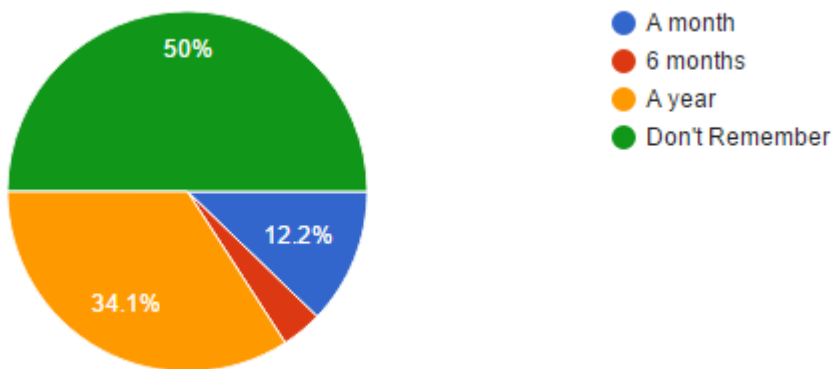


Figure: 4.9 Times they shop online

Online shopping has been in trend since a very long time and this is here to stay.

## 10. Basic Factor:

The survey showed that:

Quality, Brands and Price are share the same importance level and in this context usage is not that important.

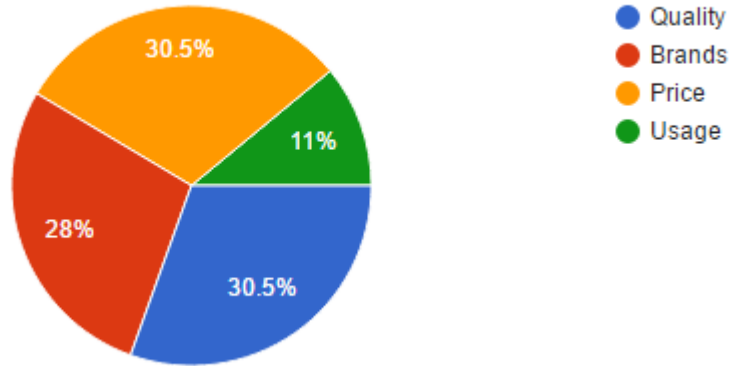


Figure: 4.10 Basic factor

In India, people are more price and quality sensitive giving more importance to brands as compared to usage of the product.

## 11. Image of the Portal ( Flipkart, Amazon, Myntra, Jabong)

38.52% people agree that image of the portal influences their buying decision stating a point that majority believe in the same.

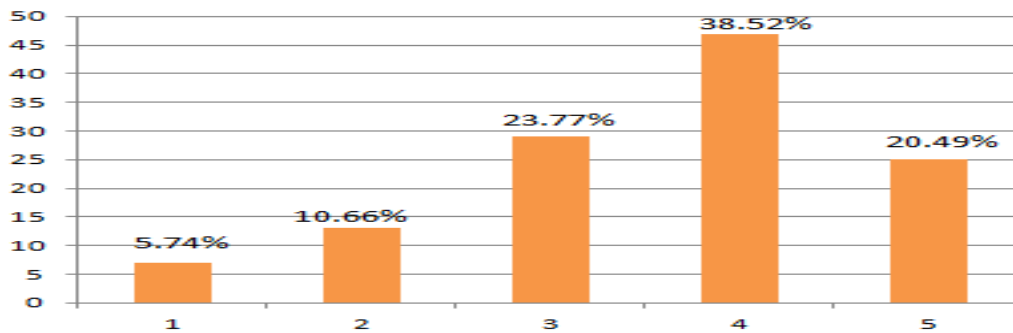


Figure: 4.11 Image of portal

The image which influences the decisions is made by the operations of the portals only so this shows that if they perform well then more people will purchase from them.

### 12. Discounts:

The survey shows that:

Discounts affect the buying decisions of public up to a great level.

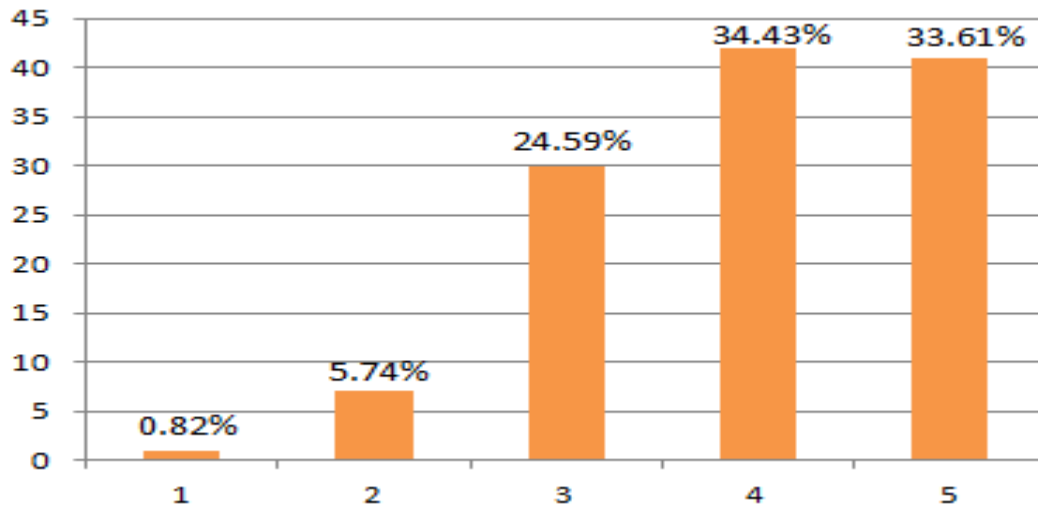


Figure: 4.12 Sales Offers

This shows that India is a very price sensitive country and people give a lot of importance to the sales offers.

### 13. UI Design:

None of the people say that the buying decision does not depend on the UI.

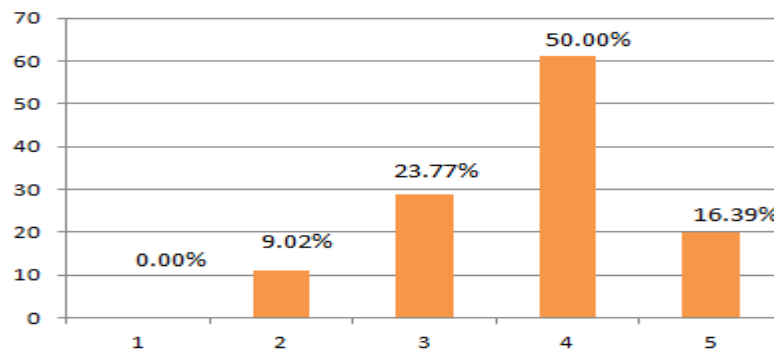


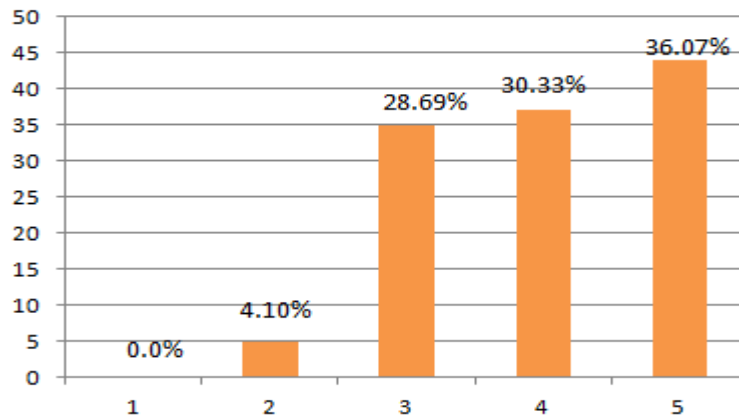
Figure: 4.13 UI Design

User Interface is one of the very important aspect which influences the buying decision as the percentage of people who agree with this is more.

**14. Reliability (Correct description, Correct item delivered, Delivery time, Returns etc.):**

The survey shows that:

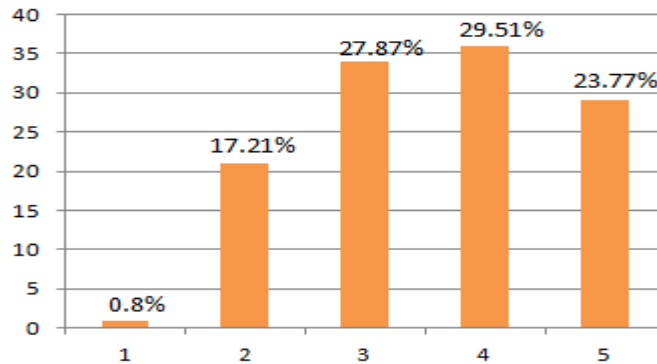
It influence the buying decision of the people.



**Figure: 4.14 Reliability**

**15. Customer Service:**

The effect of customer service on the buying decision of the people.

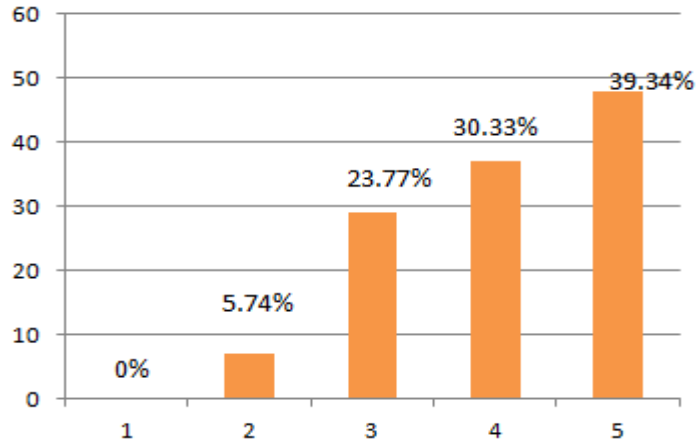


**Figure: 4.15 Customer Service**

Majority goes with the notion that it affects the buying decision.

## 16. Privacy and Security:

The survey shows that:

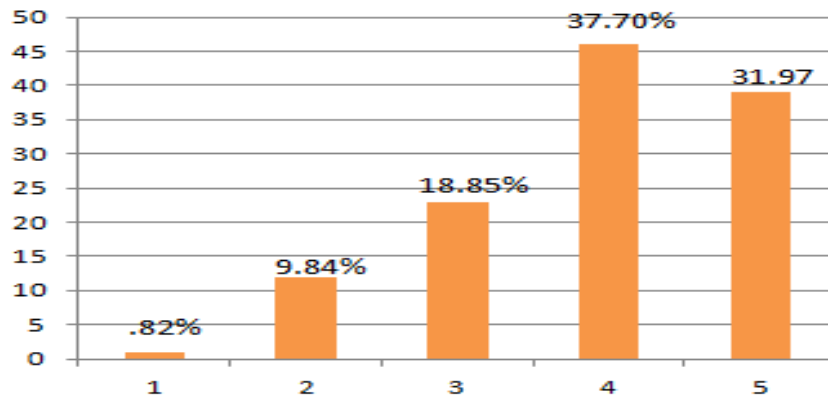


**Figure: 4.16 Privacy and Security**

Majority of the people are affected by the privacy and security settings and services provided by the websites.

## 17. Reduces the efforts:

The survey shows that:



**Figure: 4.17 Reduction in efforts**

This survey shows that people are influenced by the fact that online shopping reduces the efforts that makes shopping hectic.

#### 4.2. Regression Analysis

Regression analysis is a statistical process for estimating the relationships among variables. In this research we are trying to find the relationship between 7 independent factors/variable and 1 dependant factor/variable. The factors/variables are:

1. Image of the portal (Flipkart, amazon etc.) (Image)
2. Sales offers (Discounts)
3. UI (Design)
4. Reliability
5. Customer Service
6. Privacy/ Security
7. Reduced Efforts
8. Satisfaction

Among the above factors/variables satisfaction is the only dependant variable while all the earlier 7 factors are independent and are not affected by any other factor/variable.

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.764 <sup>a</sup>	.583	.556	.56276	.583	51.896	7	213	.000

a. Predictors: (Constant), reduces the efforts, Privacy/Security, Image , discounts, design, Customer Service , reliability

**Table 4.1: Model Summary**

A multiple linear regression was calculated to predict Adoption based on Image, Discounts, Design, Reliability, Customer service, Reliability & Reduced efforts.



We look at the adjusted  $R^2$ , and we can say that 58% of total variance in satisfaction is explained by the factors.

We also see that the difference between  $R^2$  and adjusted  $R^2$  isn't a lot, so we can say that no redundant independent variables were added.

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	112.950	7	3.279	51.896	.000 <sup>b</sup>
Residual	69.017	213	.611		
Total	181.967	220			

a. Dependent Variable: satisfied

b. Predictors: (Constant), reduces the efforts, Privacy/Security, Image , discounts, design, Customer Service , reliability

**Table 4.2: ANOVA**

A significant regression equation was found ( $F(7+213)=51.996$ ,  $p<.000$ ) with an  $R^2$  of .583. Also with the Sig value of .000, which is way less than .05 or even .01, we can conclude with strong evidence that the Independent variables help the dependant variable.

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	-0.064	0.202		-0.317	0.752
Image	0.438	0.083	0.433	5.284	0.248
discounts	0.114	0.081	0.112	1.417	0.158
design	0.186	0.051	0.191	3.668	0.006
reliability	0.097	0.067	0.097	1.452	0.008

Customer Service	0.037	0.061	0.037	0.605	0.546
Privacy/Security	0.044	0.04	0.052	1.092	0.009
reduces the efforts	0.143	0.051	0.152	2.787	0.148

**Table 4.3: Coefficients**

Consumers' satisfaction is equal to

$-.064 + .438(\text{Image}) + .114(\text{Discounts}) + .186(\text{Design}) + .097(\text{Reliability}) + .037(\text{Customer Service}) + .044(\text{Privacy/ Security}) + .143(\text{Reduces the efforts})$ , where the factors are coded as

1- Strongly Disagree

2- Disagree

3- Neutral

4- Agree

5- Strongly Agree

Among the factors, it was seen that Design (.006), Privacy/ Security (.009) and Reliability (.008) were significant predictors of Adoption, while Image (.248), Reduced efforts (.148), Customer service (.546) and Discounts (.158) weren't.

### 4.3. Correlation Analysis

Correlation and regression analysis are related in the sense that both deal with relationships among variables. The correlation coefficient is a measure of linear association between two variables. Correlation coefficients are always between +1 and -1. +1 means perfect positive and -1 means perfect negative correlation, which means they are exactly on a straight line.

## 1. Image and Satisfaction

Correlations

		Image	satisfied
Image	Pearson Correlation	1	.096
	Sig. (2-tailed)		.296
	N	121	121
satisfied	Pearson Correlation	.096	1
	Sig. (2-tailed)	.296	
	N	121	121

**Table 4.4: Correlation with Image**

We can see that Image has a correlation of .096 with Satisfaction, which shows a positive linear relationship between the two variables.

Also, the level of significance chosen was 0.05. And studying the table it can be seen that the significance value (Sig) is over 0.05. So the correlation is not statistically significant.

There is enough evidence to suggest that the correlation we observed does not exist in the population and they did occur by chance.

**$H_{A1}$  is rejected and thus this suggests that Image of the portal does not have significant relationship with satisfaction level of the customers.**

## 2. Discounts and Satisfaction

Correlations

		discounts	satisfied
discounts	Pearson Correlation	1	.381**
	Sig. (2-tailed)		.000
	N	121	121
satisfied	Pearson Correlation	.381**	1
	Sig. (2-tailed)	.000	
	N	121	121

\*\* . Correlation is significant at the 0.01 level (2-tailed).

**Table 4.5: Correlation with Discounts**

We can see that Discounts has a correlation of .381 with satisfaction, which shows a positive and strong linear relationship between the two variables.

Also, the level of significance chosen was 0.01. So the correlations are statistically significant.

There is enough evidence to suggest that the correlation we observed does exist in the population and they did not occur by chance.

**H<sub>A2</sub> is supported thus showing a significant relationship between these two.**

### 3. Design and Satisfaction

Correlations

		satisfied	design
satisfied	Pearson Correlation	1	.232 <sup>*</sup>
	Sig. (2-tailed)		.011
	N	121	121
design	Pearson Correlation	.232 <sup>*</sup>	1
	Sig. (2-tailed)	.011	
	N	121	121

\*. Correlation is significant at the 0.05 level (2-tailed).

**Table 4.6: Correlation with Design**

We can see that Design has a correlation of .232 with satisfaction, which shows a positive linear relationship between the two variables.

Also, the level of significance chosen was 0.05. So the correlations are statistically significant.

There is enough evidence to suggest that the correlation we observed does exist in the population and they did not occur by chance.

**H<sub>A3</sub> is supported thus showing a significant relationship between these two.**

#### 4. Reliability and Satisfaction

Correlations

		satisfied	reliability
satisfied	Pearson Correlation	1	.325**
	Sig. (2-tailed)		.000
	N	121	121
reliability	Pearson Correlation	.325**	1
	Sig. (2-tailed)	.000	
	N	121	121

\*\* . Correlation is significant at the 0.01 level (2-tailed).

**Table 4.7: Correlation with Reliability**

We can see that Reliability has a correlation of .325 with satisfaction, which shows a positive and strong linear relationship between the two variables.

Also, the level of significance chosen was 0.01. So the correlations are statistically significant.

There is enough evidence to suggest that the correlation we observed does exist in the population and they did not occur by chance.

**H<sub>A4</sub> is supported thus showing a significant relationship between these two.**

## 5. Customer Service and Satisfaction

Correlations

		satisfied	CustomerService
satisfied	Pearson Correlation	1	.118
	Sig. (2-tailed)		.197
	N	121	121
CustomerService	Pearson Correlation	.118	1
	Sig. (2-tailed)	.197	
	N	121	121

**Table 4.8: Correlation with Customer Service**

We can see that Customer Service has a correlation of .118 with satisfaction, which shows a positive linear relationship between the two variables.

Also, the level of significance chosen was 0.05. And studying the table it can be seen that the significance value (Sig) is over 0.05. So the correlation is not statistically significant.

There is enough evidence to suggest that the correlation we observed does not exist in the population and they did occur by chance.

**$H_{A5}$  is rejected and thus this suggests that customer service does not have significant relationship with satisfaction level of the customers.**

## 6. Privacy/ Security and Satisfaction

Correlations

		satisfied	Privacy/Security
satisfied	Pearson Correlation	1	.368**
	Sig. (2-tailed)		.000
	N	121	121
Privacy/Security	Pearson Correlation	.368**	1
	Sig. (2-tailed)	.000	
	N	121	121

\*\* . Correlation is significant at the 0.01 level (2-tailed).

**Table 4.9: Correlation with Privacy/ Security**

We can see that Privacy/ Security has a correlation of .368 with satisfaction, which shows a positive and strong linear relationship between the two variables.

Also, the level of significance chosen was 0.01. So the correlations are statistically significant.

There is enough evidence to suggest that the correlation we observed does exist in the population and they did not occur by chance.

**H<sub>A6</sub> is supported thus showing a significant relationship between these two.**



## 7. Reduced Efforts and Satisfaction

Correlations

		satisfied	reduces the efforts
satisfied	Pearson Correlation	1	.296**
	Sig. (2-tailed)		.001
	N	121	121
reduces the efforts	Pearson Correlation	.296**	1
	Sig. (2-tailed)	.001	
	N	121	121

\*\* . Correlation is significant at the 0.01 level (2-tailed).

**Table 4.10: Correlation with Reduced Efforts**

We can see that Reduced efforts has a correlation of .296 with satisfaction, which shows a positive linear relationship between the two variables.

Also, the level of significance chosen was 0.01. So the correlations are statistically significant.

There is enough evidence to suggest that the correlation we observed does exist in the population and they did not occur by chance.

**H<sub>A7</sub> is supported thus showing a significant relationship between these two.**

### LIMITATIONS AND RECOMMENDATIONS

#### 6.1 Limitations:

During the research paper certain limitations were faced, which include

1. There was a time limit for this research that was close to 3 months.
2. The questionnaire filled by the respondents may be filled with a casual approach and not taken seriously.
3. This study only considered forms of social media which consumers mostly use
4. Sample size can be one of the limitations of the study.
5. There may be biasness by the respondent to keep his good image and he/she may have filled the answers which are most likely to represent his good image.
6. This research is limited to the audience of India, and it may yield different results with consumers outside India

#### 6.2 Recommendations:

From the analysis done on the primary data and after going through the secondary data, a conclusion was reached. Based on that, the following recommendations can be given.

1. A strong correlation was found between Satisfaction and discounts. It can be said that organizations should target consumers focusing on discounts offered by them.
2. Using the correlation between Satisfaction and UI design it can be recommended that more focus on depth information, Good selection, Competitive Prices, Quick & easy transaction, Level of personalization will increase the level of satisfaction.
3. The satisfaction and reliability factors have a strong relation too, Correct description, Correct item delivered, Delivery time, Returns play a significant role so should be targeted upon.

4. Organizations need not devote a lot of resources into making the image of the portal relevant. The relation between satisfaction and image isn't marginal and can be set aside on a low priority.
5. To increase the level of customer satisfaction, companies should analyse the customer buying behavior first behind on that customize offer should be given to customers so that they can take benefit of it.

Since the main objective of the study is to understand the factors affecting the customer satisfaction level in the e-commerce websites, at first, literature review was carried out. Based on the literature review it is concluded that, there is a relationship between Use behavior and the satisfaction level. Hypotheses were developed from the study of the literature review in order to find out the relationship between Use behavior and satisfaction level. A theoretical model was developed based on the literature review by taking into account the identified dimensions of Use behavior and Immersion and dependent variable satisfaction level and perceived relation among them.

In addition, this study also examines whether demographic profile (gender, age, education level, income, geographical location), previous online shopping experience, perceived benefits, consumers' lifestyles, perceived merchants' trustworthiness influence consumers' satisfaction level.

For the study of the variables, questionnaire was used.. A total of 122 questionnaires were used for analysis and SPSS was used for finding out result of data analysis.

The study utilized a descriptive research method with a 19 question survey to gain in depth knowledge regarding the factors chosen. Such an in depth approach gives a thorough base for future exploration supporting the satisfaction level of the consumers. The findings give helpful knowledge to ecommerce organizations and others to create proper business techniques to enhance the satisfaction level.

From the correlation, it is clear that all the factors have strong correlation with satisfaction level. Also from the study it is safer to say that, there is a significant relationship between overall Use Behavior and Immersion and satisfaction level of the consumers. Hence, we can infer that consumers' satisfaction is influenced by the factors that have been considered in the study.

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## APPENDIX

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### 1. Gender

- Male
- Female

### 2. Age

- Below 18
- 18-25
- 25-35
- 35-45
- 45 and above

### 3. Education

- High School
- Higher Secondary
- Under-Graduate
- Post-Graduate
- PhD or above

### 4. Occupation

- Salaried
- Self Employed
- Student
- Home Maker

### 5. Annual Family Income

- Less than 1 Lakh
- 1-5
- 5-10
- More than 10

### 6. City Type

- Tier 1
- Tier 2
- Tier 3

7. How many hours per day do you use the internet (estimate)?

- Less than 1
- 1-2
- 2-4
- More than 4

8. How frequently do you shop online?

- Once a week
- Once a month
- Every three months
- Every six months
- Yearly

9. How long have you been shopping online?

- A month
- 6 months
- A year
- Don't Remember

10. The basic thing you look for while shopping online?

- Quality
- Price
- Brands
- Usage

11. Which medium do you prefer using?

- Mobile Applications
- Website
- Both are equally used

Rest are answered on the scale of 1 to 5 (**1=strongly disagree and 5 =strongly agree**)

12. Image of the E-commerce portal influences your buying decision (Amazon, Flipkart, Myntra, Jabong etc.)
13. The discounts offered on the E-commerce portal influences your buying decision
14. The design of the E-commerce portal influences your buying decision (In-depth information, Good selection, Competitive Prices, Quick & easy transaction, Level of personalization etc.)
15. The reliability of the E-commerce portal influences your buying decision ( Correct description, Correct item delivered, Delivery time, Returns etc.)
16. The Customer Service of the E-commerce portal influences your buying decision (Shows interest in solving problems, ready to answer promptly etc.)
17. The Privacy/Security of the E-commerce portal influences your buying decision (Adequate security features, Safe transactions etc.)
18. Shops online as it reduces the efforts in travelling, walking, waiting , carrying and saves money ( Petrol, Parking)
19. How satisfied are you in general with your online shopping experience?



## ADHERENCE SHEET

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Particulars	Last Date	Signature of Mentors	
Title of the Project/Area of Topic Finalization	21/1/16		
Literature Review/Objectives of the study	02/2/16		
Methodology	18/2/16		
Questionnaire/Data Collection tools	03/3/16		
Data Collection	17/3/16		
Analysis	24/3/16		
Conclusion and Recommendations	01/4/16		
First Draft	15/4/16		
Final Report/Binding and Submission	03/5/16		