A SYSTEMATIC ANALYSIS OF CUSTOMER SATISFACTION TOWARDS ONLINE PURCHASE

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Abstract: This systematic analysis investigates customer satisfaction towards online purchases, focusing on the Indian digital products market. Drawing from extensive literature, it explores the multifaceted nature of customer experience in online settings, emphasizing the significance of factors like psychological drivers, trust, pricing, website design, convenience, service quality, and ease of use. Through regression analysis, significant relationships between these factors and customer e-satisfaction are identified, highlighting their crucial role in shaping online customer experiences. Findings suggest that while certain factors like psychological drivers and trust exert a strong positive influence on e-satisfaction, others such as entertainment, quality, and perceived usefulness contribute to a lesser extent. Overall, this study contributes to a deeper understanding of customer satisfaction in the context of online purchases, offering insights for businesses to enhance their online customer experience strategies.

Keywords: Customer satisfaction, Online purchase, Digital products, Regression analysis, Indian market.

Introduction

Crafting a high-standard customer experience appears to be one of the dominant objectives in today's retailing environments globally [1-6]. Improving customer experience can positively affect crucial marketing outcomes like customer satisfaction, perceived value, loyalty (Pandey and Chawla, 2018; Kim et al., 2019), WOM (Klaus and Maklan, 2013), patronage intentions (Wang et al. 2007; Shobeiri et al., 2018), purchase/repurchase intentions (Rose et al., 2012; Bleier et al., 2019), etc. by which a firm can gain competitive advantage (Gentile et al., 2007). This calls for high research priorities in understanding and conceptualization of customer experience in both offline and online contexts (Marketing Science Institute [MSI], 2014-16 and 2020-2022). Though customer experience has been

conceptualized (Verhoef et al., 2009; Lemon and Verhoef, 2016) and empirically tested in various contexts including online (Rose et al., 2012), understanding its phenomenon is still limited due to a lack of conceptual clarity (Kranzbuhler et al., 2018; Becker and Jaakkola, 2020).

As far as the conceptualization of "online customer experience" is concerned, customer value (cf. Babin et al., 1994; Holbrook, 1999, 2006) has been consistently used as a base by scholars (e.g., Novak et al., 2000; Rose et al., 2012; Bleier et al., 2019). Marketers also seek to enhance customer experience by better understanding how the value is created, realized, and/or formed through markets (Meyer and Schwager, 2007).

Referring to "an interactive relativistic preference experience" (Babin et al., 1994, p. 645), customer value as experience formed is not only due to the customer's evaluations of market offerings (cf. Holbrook, 1999, 2006) but also due to some other related or unrelated activities beyond the firms' visibility (Heinonen et al., 2010; Helkkula et al., 2012; Tynan et al., 2014). Hence, conceptualizing online customer experience (hereafter, OCX) by taking value co-creation and value-in-use notions of service-dominant logic (Vargo and Lusch, 2004, 2008) may provide only a piece of the pie. These two notions focus more on the "service providers" rather than "the customers" (Heinonen et al., 2013), hence, capture only a few aspects of OCX like customers' flow, [2] informativeness, entertainment, and social aspects of experiences created during customer-firm interactions online (e.g., Rose et al., 2012; Bleier et al., 2019). The other aspects of experience including escapism, transcendence, etc. (Mathwick et al., 2001; Schouten et al., 2007) that are beyond the firm's visibility being neglected. Customer values as experiences (e.g., prior experience) formed outside the service provider's world and within customers' lifeworld (Helkkula et al., 2012) could be captured by taking a customer-dominant logic approach (Heinonen et al., 2010), but are not self-sufficing for OCX conceptualization. For instance, customers based on their prior experiences and/or the current experiences (developed due to the customer-firm or the customer-customer interactions) may give rise to a new form of experience and is dynamic (Verhoef et al., 2009; Lemon and Verhoef, 2016). Hence, the conceptualization of OCX from the customer perspective is still in a nascent stage.

The context (online shopping of digital products) is important because of the following reasons. In May 2019, Forrester conducted an online survey of 6,115 online adults of ages 18+ years in 15 countries to evaluate the nonphysical/digital product markets and the regionspecific purchase rates. It was found that "approximately 2/3rd , or 74% of the total online purchases are digital products as opposed to physical products in the worldwide E-commerce market" (Forrester, 2019; Statista, 2020).

India has also witnessed a rise in online purchases of digital products that are prevalently backed up by the rapid rise in internet users. According to the India Brand Equity Foundation report (IBEF, 2020), due to the rapid rise in internet users in India (which is expected to reach 829 million by 2021 from 636.73 million in 2019), India's e-commerce market is expected to reach US$ 200 billion by 2026 at a CAGR more than 51% over 2020-26. Rapid advances in internet connectivity and digital technologies have dramatically increased online consumption of digital products as many products could be transformed and consumed in a digital format (Bhattacharjee et al., 2003, 2011). For instance, e-books (from print versions to e-books), digital music (from vinyl discs to MP3 files), digital movies (from reels of celluloid to digital), etc. can be consumed and shared at any time at any places (Bhattacharjee et al., 2011). According to Bhattacharjee et al. (2011), the key digital products market site is the Internet, where these can exist without embodiment in a physical form. However, to be used or consumed, digital products must be re-embodied in the sense that they must be linked to a physical platform or device (e.g., computer platform, web accessing platform). A few qualitative research (e.g., Bardhi et al., 2012) revealed that digital products like e-books, MP3 music, virtual financial products, electronic pictures, etc. may provide greater utilitarian and hedonic values [7-12]. Though few researchers like Bhattacharjee et al. (2003) have studied (with a sample size of 200 students) customers' attitudes toward digital products (online free music) by considering their usability experiences online, the focus was to investigate their likelihood of online music piracy. To the best of the researcher's knowledge, no studies have explored customers' online experiences and behavioral intentions in the context of online shopping of digital products in India [13-18].

Result Analysis

Through a formal questionnaire, the information was collected through several platforms, including social media, emails, Watts App, LinkedIn, and shared Google Form links. Respondents may react at their own pace, producing responses of higher quality. The automatically generated Excel document with the related data was available for download. While creating the Google Forms questionnaire, there were no duplicate responses because a filter was applied.

The Kolmogorov-Smirnov and Shapiro-Wilk tests, which compare the sample results to a set of scores that are normally distributed and have the same mean and standard deviation, are considered normality tests. Kolmogorov-Smirnov Test is used for a very large sample (size >2000) and Shapiro-Wilk Test is more appropriate for small sample sizes (< 50 samples), but can also handle sample sizes as large as 2000. Two statistical methods were used to investigate the data normality test: (1) the Shapiro-Wilk

test and (2) an assessment of skewness and kurtosis. The Shapiro-Wilk test reveals that all variables have significant values above 0.05 (i.e., p> 0.05) suggesting that the data is normally distributed. Additional tests were undertaken by determining the skewness and kurtosis values of the data. This test verified that the distribution of the data was normal.

The demographic profile consists of 600 participants, predominantly male (65%) and aged between 31-40 years (45.2%). Most participants are graduates (54.7%), followed by postgraduates (40.5%). A small percentage holds doctoral degrees (4.8%). In terms of annual income, the majority earn between 5-10 lakhs (25%), followed by 11-15 lakhs (20.3%). The sample is evenly distributed across three major cities: Delhi NCR, Mumbai, and Bangalore, with 33.33% each.

The study tested multiple hypotheses related to the impact of various drivers of online customer experience on customer e-satisfaction and e-loyalty. Most hypotheses showed a significant positive impact on both e-satisfaction and e-loyalty, including informativeness, pricing, convenience, financial security, entertainment, customer support, tracking, delivery, return, exchange, trust, social presence, perceived usefulness, and ease of use. However, hypotheses related to product assortment and the mediation effect of e-satisfaction on the relationship between product driver and e-loyalty were not significant.
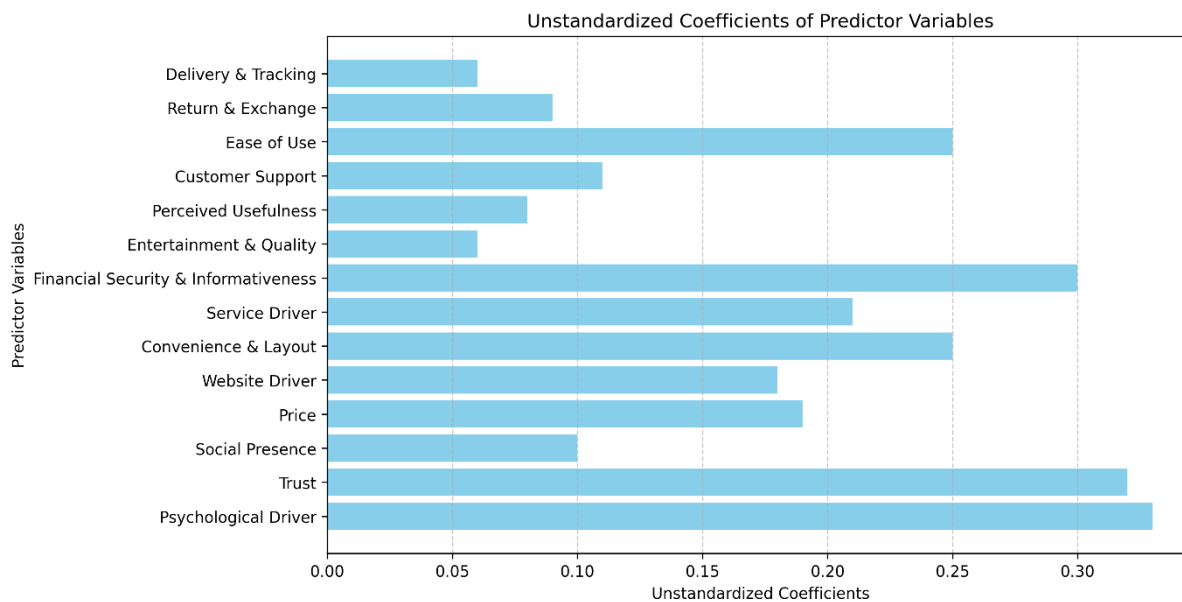

Figure 1. Relationship between product driver and e-loyalty

The model summary presents the unstandardized coefficients, standardized coefficients, t-values, and significance levels for each predictor variable in the regression model. The coefficients indicate the strength and direction of the relationship between each predictor variable and the dependent variable.

Significant predictors include Psychological Driver, Trust, Social Presence, Price, Website Driver, Convenience & Layout, Service Driver, Financial Security & Informativeness, Entertainment & Quality, Perceived Usefulness, Customer Support, Ease of Use, Return & Exchange, and Delivery & Tracking. These variables demonstrate a positive impact on the dependent variable, with varying degrees of influence.
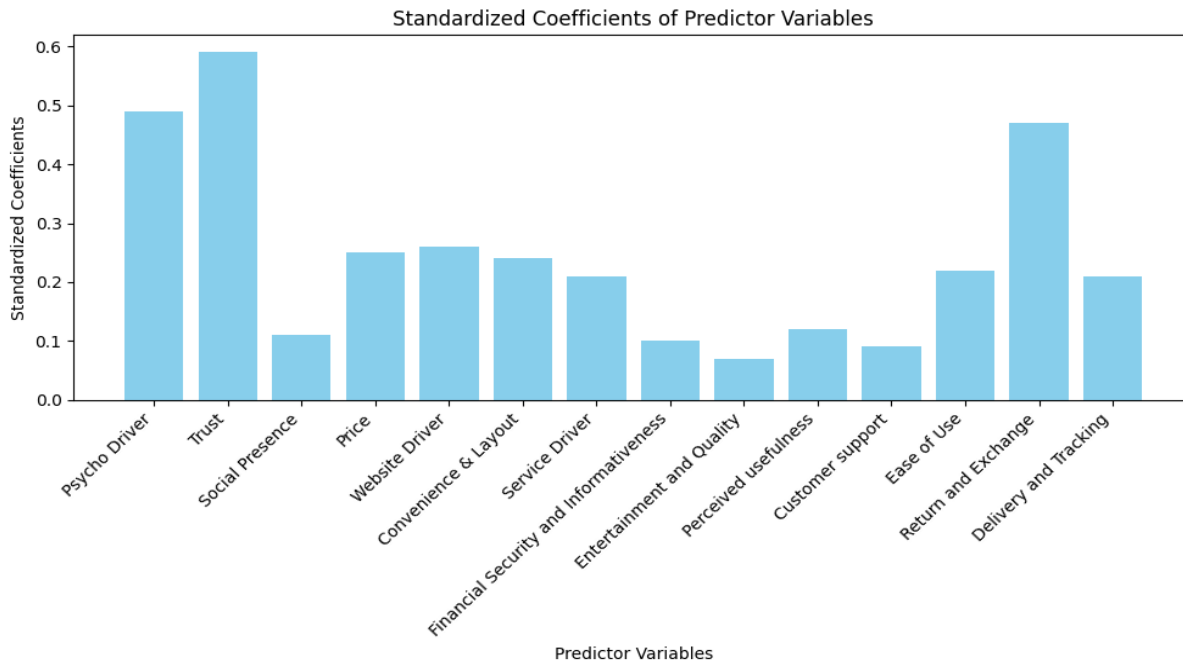

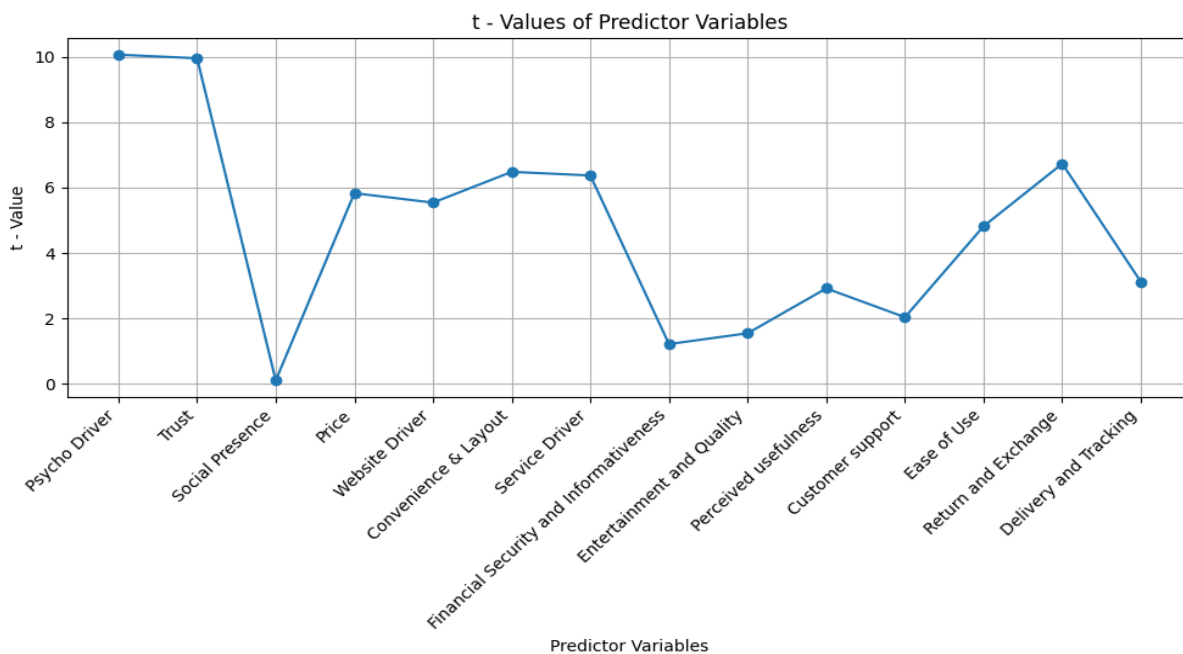Figure 2. Predictor variables and their standardized coefficients

Figure 3. T-Value

The multiple regression analysis predicts customer e-satisfaction based on several predictor variables, revealing significant relationships between customer e-satisfaction and various drivers of online customer experience. Key findings from the regression analysis are as follows: Psychological Driver (Psycho Driver) and Trust have the highest standardized coefficients (0.49 and 0.59, respectively), indicating a strong positive impact on customer e-satisfaction, with both predictors highly significant ($p < 0.001$). Price, Website Driver, Convenience & Layout, and Service Driver also demonstrate a significant positive influence on customer e-satisfaction, with standardized coefficients ranging from 0.21 to 0.26 ($p < 0.001$). Entertainment & Quality, Perceived Usefulness, Customer Support, Ease of Use, Return & Exchange, and Delivery and Tracking exhibit significant but relatively lower standardized coefficients, ranging from 0.07 to 0.47 ($p < 0.05$). However, Social Presence and Financial Security and Informativeness show non-significant relationships with customer e-satisfaction, as indicated by their p-values (> 0.05). Overall, the analysis highlights the importance of various factors in influencing customer e-satisfaction in online settings, emphasizing the significance of psychological drivers, trust, pricing, website design, convenience, service quality, and ease of use in online customer experience management.

Conclusion

In conclusion, this systematic analysis sheds light on the complexities of customer satisfaction in the online purchase landscape, particularly focusing on the Indian market for digital products. By examining various drivers of online customer experience and their impact on e-satisfaction and e-loyalty, valuable insights have been uncovered. The findings underscore the critical role of factors such as psychological drivers, trust, pricing, website design, convenience, service quality, and ease of use in shaping customer satisfaction in online settings. While some drivers exerted a strong positive influence on e-satisfaction, others contributed to a lesser extent. Notably, certain variables like social presence and financial security did not exhibit significant relationships with e-satisfaction. These findings have significant implications for businesses operating in the online space, emphasizing the importance of prioritizing customer-centric strategies to enhance overall customer experience and drive competitive advantage.

Future research endeavors could further explore the nuanced dynamics of online customer experience, delving deeper into the intricacies of drivers such as social presence and financial security to uncover potential underlying factors that may influence e-satisfaction. Additionally, longitudinal studies could be conducted to track changes in customer satisfaction over time and identify emerging trends or shifts

in consumer behavior patterns. Furthermore, qualitative research methods such as interviews or focus groups could complement quantitative analyses by providing rich contextual insights into customers' perceptions and experiences. Moreover, comparative studies across different geographical regions or cultural contexts could offer valuable cross-cultural insights into the universality or specificity of drivers affecting customer satisfaction in online purchases. Overall, these future enhancements can contribute to a more comprehensive understanding of customer satisfaction dynamics in the evolving landscape of online retailing.

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