

“E-COMMERCE BUSINESS” OF HOME APPLIANCES AND FACTORS AFFECTING CUSTOMER’S SATISFACTION

Singh_Bharti¹, Vishnu_Bose_N²

¹Sri Balaji University, S.No.55/2-7, Tathawade, Off Mumbai-Bangalore, bypass, Pune, Maharashtra 411033, e-mail: bhartibharti1303@gmail.com

²Sri Balaji University, S.No.55/2-7, Tathawade, Off Mumbai-Bangalore, bypass, Pune, Maharashtra 411033, e-mail: bose.vishnu99@gmail.com

Abstract: *Indian market is going digital as the country’s digital population is amounting to approximately 688 million active users as of January 2020, we can say that we are in digital era. Growing use of the Internet in India provides a developing prospect for E-marketers with relation to home appliances also as home appliance segment is one of the fastest-growing industries in the Indian market. So, this research paper is an attempt to explore the factors affecting customer satisfaction level towards online shopping for home appliances, so that any home appliances marketers can focus more on these factor to successfully take their business online. Primary data was collected from 210 respondents using a convenience sampling technique with the help of a structured questionnaire the same is finalized after conducting a pilot study and the data is analysed using SPSS and Excel. The factor analysis is performed for identifying the factors, the MRA and One way Anova test has been used for hypothesis testing. Result of this research reveals that there is a significant impact of reviews, offers & discount, the shopping experience on influencing customer satisfaction to purchase home appliances online, and there is a significant difference in the sense of security among consumers paying through different modes of payment. It is expected that this study will help online retailers in India to plan successful strategies for increasing their e-commerce business and they can build better relations with consumers.*

Keywords: *Online Shopping, Home Appliances, Customer Satisfaction*

1. INTRODUCTION

“Online shopping or e-shopping is a form of electronic commerce which allows consumers to directly buy goods or services from a seller over the Internet using a web browser. Alternative names are: e-web-store, e-shop, e-store, Internet shop, web-shop, web-store, online store, online storefront and virtual store”. The country’s digital population is increasing and effecting the modern business world. These days why people prefer online platform is because it’s easier now to find the most variety of all products, by easily typing in the product or item that a customer is looking for. No worry about the location because logistic companies are providing

best of their service, so it’s helps in making sure that products would be available to any and all destinations in the world. In fact, there are more and more advantages and benefits to online shopping and why people choose to do this type of shopping over traditional shopping. The growing use of Internet in India provides a developing prospect for E-marketers and increase competitive business environment.

Home Appliances are electrical & mechanical machines which helps in accomplishing some household functions, such as cooling & heating, cooking or cleaning. Some of the home appliances are Microwave, Clothes iron, Kettle, Water purifier, Vacuum cleaner, Air conditioner, Oven, Dishwasher, Television, washing machine, Refrigerator. The home appliance segment is one of the fastest-growing industries in the Indian market and it is basically driven by both large appliances and small appliances. The main key factor for growth in this industry are increased affordability, focus on energy-efficient products, increasing digital penetration and busy lifestyles. A number of researcher have investigated Customer behaviour and Customer Satisfaction in relation to buying products online. So, this empirical study, which was done during Covid-19 Pandemic in 2020, is an attempt to explore the factors affecting customer satisfaction level towards online shopping for home appliances and how there is a sense of security among consumers paying through different modes of payment.

2. RESEARCH METHODOLOGY

2.1 Objectives

PRIMARY OBJECTIVE:

1. To analyse the various factor affecting the online shopping of home appliances.
2. To identify factors that customer consider while purchasing home appliances online.

SECONDARY OBJECTIVE:

1. To study the effect of after sale service, reviews, offer and discount, mode of payment and security, shopping experience on customer satisfaction.
2. To study the behaviour of online customer of home appliances.
3. To study the importance of security while choosing mode of payment.

2.2 Data collection and data analyse

The descriptive research design type of study is done by collecting data with help of convenience sampling method. The data has been collected with the help of a questionnaire the same is finalized after conducting a pilot study. The questionnaire has been prepared with the help of developed scale, reliability and validity have been checked before the administration of the study. The factor analysis is performed for identifying the factors, the MRA and One way Anova test has been used for hypothesis testing.

3. LITERATURE REVIEW

Customer Satisfaction: “Customer satisfaction is a summary psychological state when the emotions surrounding disconfirmed expectations are coupled with the consumer’s prior feelings about consumption experience” [1]. Researcher studied to identify the factors that may influence customer’s online shopping satisfaction. The study has concluded access to online shopping has truly revolutionized and influenced our society as a whole. The use of technology has opened new doors and opportunities that enable for a more convenient lifestyle today [2].

Reviews: Online product reviews affect purchasing behaviour in many ways. It helps company to generate plenty of reviews and manage them effectively. Researcher with the help of expectation-disconfirmation theory, they have analyses the effect of online reviews on customer satisfaction. The study concludes that (1) the confirmation of the success of expectation-disconfirmation theory to assess customer satisfaction, (2) the support of the importance of online reviews in online shopping [3].

H1: There is a significant impact between reviews and customer satisfaction.

Offers & Discount: Online shopping websites provide various offer discounts and promotions to attract online shoppers. Researcher studied examines influence of deal proneness on Indian consumers' online shopping behaviour. The results indicate that Indian consumers are not influenced by deals, offers or other promotional tools being used by online retailers. Promotions may not be necessarily viewed by consumers as an important attribute while purchasing products or services online [4].

H2: There is a significant impact between offers and discount and customer satisfaction.

Security: Cybersecurity is one of the most important ecommerce features. Without the proper protocols, online store owners put themselves and their customers at risk for payment fraud. Resercher has done explorative study of the novel design and security that contribute to consumers’ adoption of an integrated, single platform payment system encompassing card, Internet and mobile technologies in the ASEAN. The results suggest that

design, security, perceived usefulness as well as perceived ease of use are significant factors that contribute to consumers’ intention to utilize a single platform payment System [5].

H3: There is a significant difference in the sense of security among consumers paying through different modes of payment.

After Sale Service: After sales services include all matters that companies selling goods to the customers are doing to create greater value of goods and services. Like services warranty, commodity services shipping, installation services, supplying parts goods, repairs services. Researcher have analysed availability of service centres for the online shopping of electronic items. In the survey conducted most of the customers are not benefited and even not satisfied with service after sales of online shopping products [6].

H4: There is a significant impact between after sale service and customer satisfaction.

Shopping Experience: “Online shopping experience moderates the effect of the perceived usefulness of behavioural intentions [7]”. Researcher has examined the determinants of online purchasing intention towards household appliances among Malaysians in the Klang Valley. which found that the online shopping experience has a significant influence on purchasing intention [8].

H5: There is a significant impact between shopping experience and customer satisfaction.

Mode of Payment: E-Commerce businesses have a number online payment methods to consider along with COD (cash on delivery), each promising to provide an intuitive and secure checkout experience. A good online payment gateway makes the process simple and intuitive so you capture most of those sales rather than losing them. Researcher has researched to identify the determinants of consumer satisfaction towards online shopping in China. Their study indicated that website design, security, information quality, payment method, e-service quality, product quality, product variety and delivery service are positively related to consumer satisfaction towards online shopping in China [9].

H6: There is a significant difference in sense of Satisfaction among consumers paying through different modes of payment.

4. DATA ANALYSIS

4.1 Frequency distribution

Table 1 was drawn to understand the socioeconomic background of the respondents and it was found that out of the total sample (n=210) 55.24% consisted of male and 44.76% of female. Further we have divided the age group in four categories and we found that more than half (66.19) of respondents were 18-25 years of age, while (9.05%) belonged to the age group of 26- 30, (4.76) respondents belonged to the age group of above 36 years of age. We then found out that most of the respondent purchased from

Flipkart (44.76%) then from Amazon (31.90%) then from the companies (18.10) and then (5.24%) from others.

We have categorized from where our respondent review for the products most of the time they take review from Retailing Website (48.57%) then from the independent site (27.14%) then from their family and friend (20.48%) and (3.81%) from other source. We have also categorized the frequency of shopping online of respondents in four categories i.e. During festive season, monthly, Occasionally, and yearly. It was observed that almost half (45.71%) of respondents were having Occasionally, (20.95%) of respondents were having During Festive Season, (18.10%) of them were having Yearly and (15.24%) of them were having Monthly online shopping.

Factors	Category	Number of respondents	Percentage
Gender	Female	94	44.76
	Male	116	55.24
Age Group	18-25	139	66.19
	26-30	42	20.00
	31-36	19	9.05
	Above 36	10	4.76
Online Shopping Website	Amazon	67	31.90
	companies Website	38	18.10
	Flipkart	94	44.76
	Others	11	5.24
Review source	Family and Friend	43	20.48
	Independent Website	57	27.14
	Others	8	3.81
	Retailing Website	102	48.57
How often do you purchased home appliances online	During Festive Season	44	20.95
	Monthly	32	15.24
	Occasionally	96	45.71
	Yearly	38	18.10

4.2 Measures Reliability and validity assessment

4.2.1 RELIABILITY ANALYSIS: Cronbach's alpha, α (or coefficient alpha), developed by Lee Cronbach in 1951, measures reliability, or internal consistency. The value of Cronbach's alpha is more than .8, we can say that the consistency of the variable in the scale is good and constructs are reliable.

3.3.1 Anova

Table2: Coefficients table of MRA to accept or reject Hypothesis.

Model	Unstandardized Coefficient		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.0	.041		.00	1.
OD	.24	.054	.242	4.5	.00
R	.27	.061	.266	4.2	.00
SE	.42	.058	.423	7.3	.00
ASS	-.0	.042	-.004	-1	.93

INTERPRETATION

- Alpha value (0.05) is more the P value of Review (.00) we will reject the null hypothesis. So, there is a significant impact between reviews and customer satisfaction.
- Alpha value (0.05) is more the P value of Offer and Discount (.00) we will reject the null hypothesis. So, there is a significant impact between offers and discount and customer satisfaction.
- Alpha value (0.05) is less the P value of After Sale Service (.929) we are fail to reject the null hypothesis. So, there is no significant impact between after sale service and customer satisfaction.
- Alpha value (0.05) is more the P value of Shopping Experience (.00) we will reject the null hypothesis. So there is a significant impact between shopping experience and customer satisfaction.

4.3.3 One way Anova Analysis

(a) between Security and Mode of payment

Test of Homogeneity of Variances

Table3: Test of Homogeneity of Variances of Security and Mode of Payment. The p-value (0.171) > Alpha 0.05 suggests that the assumption of homogeneity of variance is held true, group variance is statistically not significantly different.

Security

Levene Statistic	df1	df2	Sig.
1.688	3	206	.171

Table4: ANOVA Test for Security and Mode of Payment, the p-value = 0.00 < Alpha 0.05, suggest a significant difference among consumers paying through different modes of payment. Therefore, we reject the null hypothesis. So there is a significant difference in the sense of security among consumers paying through different modes of payment

Security

	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	30.455	3	10.152	10.185	.000
Within Groups	205.323	206	.997		
Total	235.779	209			

(B) Between Customer Satisfaction and Mode of Payment

Test of Homogeneity of Variances

Table5: Test of Homogeneity of Variances of Customer Satisfaction and Mode of Payment. The p-value (0.562) > Alpha 0.05 suggests that the assumption of homogeneity of variance is held true, group variance is statistically not significantly different.

Levene Statistic	df1	df2	Sig.
.685	3	206	.562

Table 6: ANOVA Test of Customer Satisfaction and Mode of Payment, the p-value = 0.286 > Alpha 0.05, suggests no significant difference among consumers

paying through different modes of payment. Therefore, we fail to reject the null hypothesis. So there is no significant difference in sense of Satisfaction among consumers paying through different modes of payment.

	Sum of Squares	Df	Mean Square	F	Sig.
Between Groups	2.662	3	.887	1.269	.286
Within Groups	143.978	206	.699		
Total	146.640	209			

5. FINDINGS

This research conducted a conclusive study of determinants which have been studied by previous researchers that Review, offers, and Discount, After-Sale Service, Mode of Payment, and Shopping experience have an impact on consumer satisfaction and this research also study that if there is any association between Security and Mode of payment Selection while purchasing Home Appliance from the aspect of online shopping. In my study we can see there is a significant impact of Review on Customer Satisfaction and this is supported by established Literature Picazo-Vela (2009) And in my study, we can also see a significant impact of Offers and Discount on Customer Satisfaction and this is also supported by literature Rakesh & Khare (2012). My research shows there exists no significant impact of After-Sale Service on Customer Satisfaction while purchasing home appliances online and my results is supported by findings of the D. Mary Prema, IIR. Kinsa Jenifer (2017). We can also say that there is no significant difference in sense of Satisfaction among consumers paying through different modes of payment and this result is supported by finding of Guo et al.(2012). In my study, we can see the significant impact of shopping experience on Customer Satisfaction and my results confirm the findings of Azween Abdullah(2018). My research also shows there is a significant difference in the sense of security among consumers paying through different modes of payment an and this finding is supported by Lai (2016).

6. DISCUSSION AND CONCLUSION

In this study, we found that various factors have an impact on Customer Satisfaction and the choice of online payment while shopping Home appliances online. These factors are reviews, Offers and discounts, Mode of Payment, Shopping Experience, and Security and we can also say that Security can be one of the major factor for Customer to Choose a particular Mode of payment and they are conscious to make online payment and share cards details online. From my study I have found out that Choosing a particular Mode of Payment doesn't affect customer satisfaction. In this study, we also find out that there is no impact of after-sale Service on Customer Satisfaction. So it can be concluded

that respondent may or mayn't got satisfied after sale service while purchasing home appliances online. There is a significant difference in the sense of security among consumers paying through different modes of payment (Lai, 2016). The study suggest that security can lead to affect the consumers' choice to use the particular mode of payment. 66.19% respondent was from age group of 18-25 years. 48.57% respondent collect information from Retailing website followed by Independent Website (27.14%). 45.71% respondent purchase home appliances Occasionally from online followed by During Festive Season (20.95%). Most preferred online website of the respondent is Flipkart (44.76%) than Amazon (31.90%).

Study Implications

Many theoretical and managerial insights can be drawn from the model which will be discussed in detail in the following sections.

Theoretical:

The study has a multi-fold theoretical contribution in the emerging areas of online shopping, customer satisfaction, review, Offers and discount, shopping experience, security, and mode of payment.

The growing use of the Internet in India provides a developing prospect for E-marketers with home appliances and also Online shopping allows consumers to directly buy home appliances from a seller over the internet using a web browser or a website. That's why there is an increasing interest among scholars on various factors that increase customer satisfaction related to online shopping (Wang & Liem Le, 2016), and also the major concern for most of the customers is related to security while selecting the mode of payment (Lai, 2016). The result of this research enriched the theoretical body of knowledge related to the factors that affect customer satisfaction and choice of mode of payment while purchasing Home Appliances online.

Managerial

Through empirically testing the key logics, this research seeks to provide managers with strategic tools that drive customer satisfaction and their security concern in online shopping of home appliances. Online retailers need to thoroughly consider all these determinants of customer satisfaction and customer security concerns that make them choose a particular mode of payment for their business planning in the online business environment. Also, online retailers need to incorporate these determinants into the process of evaluating the level of consumer satisfaction as part of the corporation performance measurement and Organizations will be able to utilize the study information for developing various services and deals that impact the consumer's satisfaction and solve their security-related issues for E-payment system and also fulfil their objective of corporate social responsibility.

Limitations

Due to the Covid-19 pandemic situation, it was difficult to motivate respondents to provide true information and opinion on each question as this research is fully dependent on the online form. The Sample used cannot be representative of the entire population of the country, thus it's difficult to conclude about the whole population purchasing home appliances online. This research is also limited because it investigates the situation of a restricted amount of respondents.

Suggestions & Further Research Directions

It is highly recommended that future researchers consider a more number of the respondent representing multiple types of customer. The study looked at factors like reviews, after-sale service, offers and discounts, security, mode of payment, and customer satisfaction, so future researcher can consider other factors like price, comparison etc. Future researcher may consider culture aspects also of buyer. However, the findings of this research are the foundation for further study.

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