

# An Empirical Study of Customer Satisfaction in Online Shopping Experience of Tourism Products in India

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**Abstract:** *Customer satisfaction in online shopping has been an eminent research topic due to absence of face to face interface between the customer and service provider. The literature review has been done to uncover the varied factors affecting the mindset of the customers while shopping online. Survey has been conducted by distributing questionnaires selected cities of India to gather data for this research. An attempt has been made to study customer satisfaction after purchasing any tourism product or services online. The result of the study established that even though online purchasing is easier but there are factors which inhibit customers at times to make online purchase. Bivariate Correlation has been applied between customer satisfaction and key factors resisting online shopping. The study offers managerial implications to make the marketing of online tourism products more effective.*

**Key words:** Tourism, Online shopping, purchase experience, customer satisfaction, online services, websites

## 1. Introduction

Customer satisfaction is eminent topic in several fields like marketing, consumer research and psychology. Numerous authors have analyzed satisfaction is a feeling which is a consequence of the assessing process which notifies what has been received against what was expected, including the purchase decision and needs associated with the purchase. However, satisfaction is the evaluation made by customers about a product or service, whether it has met with needs or expectations (Zeithaml & Bitner, 2003).

Thus the customer satisfaction has always been important field for academicians and practitioners from past 3 decades as customers are the primary source of firms' revenues.

Online shopping is buying through electronic medium where one can make purchases over the internet at any point of time. An online shop where buying of products and services takes place directly with consumers is known as Business to Consumer (B2C) online shopping. On the contrary where business buys from another business is called business to business (B2B) online shopping. There are many online portals like Amazon.com, e-bay, Jabong.com, flipkart, Myntra, snapdeal etc. which offers a wide range of products for the consumers.

The rapid growth of online marketing has changed the customer shopping experience. Nowadays everybody wants to shop online due to its benefits, such as convenience, usefulness, ease-of-use, quick services, 24/7 availability and so on. People are keen to stay at home or office and prefer ordering the required products online may be to save time and to avoid standing in long queues.

### Tourism Industry: Online Market

Tourism is the world's largest service industry and accounts about 14% of the world's GDP. In spite of great

potential and significance of tourism industry, it is having untapped market yet. The wide usage of internet has increased its reach around the globe. Electronic medium is being used in tourism industry in many countries in several ways. Itinerary planning, costing, tickets, accommodation etc. are now available online. People all over the world are experiencing online medium as helpful for availing tourism products and services. Both tourism suppliers and tourism agencies have started to offer their products and services directly online to consumers (Standing & Vasudavan, 2004). Usage of web-based approaches help to reduce the service costs of the tourism service providers. On the contrary, the prospective consumers benefit from the online mechanism in the form of easy accessibility, getting up-to-date information, have detailed view of the tourist product catalogues, compare tourism packages and destinations, make bookings and online money transfers. Many studies have been conducted on tourism e-commerce in developed countries and their impact on customer satisfaction.

The paper aims to unveil the various priority factors affecting the customer satisfaction with reference to online purchasing of tourism products. The objectives of the study are as follows:

- To study correlation between customer satisfaction and key features affecting the online purchase of tourism products.
- To identify the ranking of factors based on Pearson correlation matrix in order to understand the consumer preferences.

## 2. Literature Review

The literature review has been done to know the customer satisfaction and the factors influencing customer satisfaction while online purchasing.

- Poh-Ming Wong Winnie (2014) investigated the direct impact of customer interface quality and trustworthiness on customer e-loyalty and e-satisfaction. It was found out that customer interface quality is positively related with e-loyalty and e-satisfaction.
- Nikhashemi et. al (2013) found out that customer perceived quality, perceived ease of use, perceived security and online payment process have significant positive effect on increasing customer satisfaction toward internet shopping.
- Masoomah Moharrer and Hooman Tahayori, Alireza Sadeghian (2013) illustrated a model where in key factors were identified which has an impact on e-satisfaction in tourism industry. These factors are convenience, site design, product information, product offering and financial security.
- Rashed Al Karim (2013) discovered that people are going for e-commerce due to convenience which comprises elements such as time saving, availability of information, opening time, ease in usage, website navigation, minimum shopping stress, less costly and fun in shopping. The major barriers in online shopping, identified in the research were security in online payment, personal privacy and trust, ambiguous warranties, unclear returns policies and lack of personalised service.
- Andrzej Kobylanski (2012) identified four important attributes which are having significant effect on overall customer satisfaction - quality of the offer, convenience, safety, comparison of delivered service with the advertising message. It was revealed that high level of customer satisfaction leads to positive word of mouth and customer loyalty.
- Ajitabh Dash (2012) identified the key factors influencing customers' satisfaction through online shopping. These factors are privacy, trust, complexity, product variety, risk, time utility and reliability. Multiple regressions were used to know impact of these factors on online shopping.
- Davoud Bagheri Dargah, Hamed Golrokhsari (2012) found out that time efficiency, convenience of purchasing any time and place, direct access to information and customer service are the factors which build convenience in e-tourism when there is comparison with traditional travel agencies.
- P.balasubramani, A. Rajamohan (2011) studied on tourist satisfaction through online shopping in puducherry. Online shopping is user-friendly, convenient, trust and security to saving lot of things to tourist. Thus he focused on key advantageous parameters of e-commerce usage in tourism products.
- Syed Shah Alam, Norjaya Mohd. Yasin (2010) identified key dimensions of customer satisfaction of online shopping; these are website design, reliability, product variety and delivery performances which influence consumers' satisfaction of online shopping. However, it was found that, is no significant relationship exists between saved time and satisfaction.

On the basis of extensive literature review, following key factors were identified:

**Table 1:** Factors influencing e-satisfaction

Factors	Author and year
Convenience, site design, product information, product offering and financial security.	Moharrer et. al, 2013
Convenience	Dargah, Golrokhsari, 2012
Convenience, security, merchandising and serviceability	Ranjbarian et. al, 2012
Time efficiency, possibility of purchasing anywhere and anytime, direct access to information and customer service	Szymansky and Hise, 2000
Time saving, information availability, opening time, ease of use, websites navigation, less shopping stress, less expensive and shopping fun	Rashed Al Karim, 2013
Privacy, trust, complexity, product variety, risk, time utility and reliability	Ajitabh Dash, 2012

### 3. Research Methodology

The present study is based on exploratory Investigation, where review of literature and various facts about online consumer behaviour has been explored out to give the current study a representative format. The paper represents an empirical study conducted on a sample of 100 respondents from various cities across India using simple random sampling. The average age of respondents is around 25 years. Thus the study will present a view of the Indian youth towards tourism e-commerce. The data has been collected through a well structured questionnaire via e-mail. The collected data has been analyzed using graphical representation and Pearson Bivariate correlation coefficient.

### 4. Analysis and Interpretation

The data has been collected on a five point Likert scale. Majority of the respondents were male. Students and employees of private organizations were the main respondents. The age of the respondents lie between 15 and 35 years, which indicates that youth was the target audience. The following table depicts demographic profile of respondents:

**Table 2:** Demographic profile of Respondents

Criteria	No. of Respondents
Male	63
Female	37
Age group 15-25	50
25-35	44
35-45 & above	6
No. of students or housewives	35
Self employed	21
Government service	8
Private service	36

The following parameters affecting online customer satisfaction were analyzed:

- Purchase experience during online booking
- Service quality of online seller
- Query resolving process
- Overall experience purchase experience after online booking

- Repeat purchase experience of customer

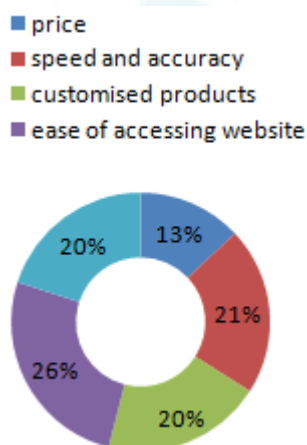
To study the preferences of factors affecting level of satisfaction after online purchasing of tourism products rank method using mean score has been calculated. The mean score along with the ranks has been stated in the following table:

**Table 3:** Mean score of customer satisfaction parameters

Factor	Mean score	Rank
Overall Purchase Experience after online booking	3.58	1
Purchase experience during online booking & Service Quality	3.53	2
Repeat purchase experience	3.52	3
Query Resolving process	3.31	4

It was found from analysis that overall purchase experience after online booking is having highest mean score, given rank 1 and the query resolving process having lowest mean score, therefore given rank 4.

The factors which satisfied customers most during online purchasing are price, speed and accuracy of information, online customized products availability, the ease of accessing website, the loyalty for online portals as understated in the figure below:



**Figure 1:** Customer Satisfaction Parameters

The survey results indicate 24% of people consider all these factors while purchasing online. Rest among 76% of people, 13% of them have low price in online shopping the most satisfying criteria, 21% consider speed, accuracy of information as satisfying factor, 20% of people consider online customized products as shopping criteria, 26% of people shop online mostly due to ease of accessing website and remaining 20% of people are loyal for online portals they use.

To analyze customer satisfaction in online shopping a Pearson correlation has been applied between key factors resisting or affecting online shopping and customer satisfaction parameters.

The factors resisting online shopping in tourism industry are:

- **Complexity in online shopping** – Online shopping requires lot of mental effort and the website features are sometimes not easy to understand.
- **Perceived Security**- Online transactions requires your personal details like name, email, phone number, bank account number, that is the reason for perceived lack of security
- **Lack of human contact**- In online shopping there is lack of any face to face interaction, that s why some people resist to shop.
- **Failure of technology** – Many a times while shopping online technology failure errors are there, due to internet connection problem which a cause of embarrassment.
- **Existence of fake online portals**- There are several online portals which are fake and not trustworthy, such websites creates bad word of mouth among customers and resist for repeat purchase.
- **Variation in actual and expected services**- Many a times the tourism products or services shown online are different when we actually visit the site. This the reason people resist to shop online of tourism products.

The correlation matrix given ahead exhibits the following facts:

- There is significant correlation between Complexity in online shopping and customer satisfaction parameters, service quality, query resolving process, Overall purchase experience after online shopping and repeat purchase experience. This reflects although complexity in online shopping increases customer satisfaction also increases.
- There is a significant correlation between security and service quality, overall purchase experience after online shopping, repeat purchase experience. This shows if security is more customer satisfaction level will be more.
- There is a significant correlation between lack of human contact in online shopping and service quality, query resolving process, overall purchase experience after online shopping and repeat purchase experience. This reflects although there is no human contact in online shopping but customer satisfaction level does not get affected much and it increases.
- There is significant correlation between technology failure and query resolving process. It shows purchase experience during online shopping, service quality, overall purchase experience after online shopping, repeat purchase experience get affected by frequent technology failure as there is very low correlation but query resolving process has moderate effect.
- There is significant correlation between fake portals in online shopping and service quality, overall purchase experience after online shopping, repeat purchase experience. But there is low positive correlation, reflects fake portals existence have less effect on level of customer satisfaction.
- There is a significant correlation between end products vary in online shopping and customer satisfaction except purchase experience during online shopping. As there is low positive correlation, reflects variation in end products has less effect on customer satisfaction.

Table 4: Correlation Matrix

<i>Factors resisting online shopping→</i>						
<i>Customer satisfaction parameters</i> ↓	<i>complexity</i>	<i>Security</i>	<i>Lack of human contact</i>	<i>Technology failure</i>	<i>Fake portals</i>	<i>End products vary than original</i>
<i>Purchase experience</i>	.080	-.094	.124	.090	.071	.115
<i>Service Quality</i>	.454	.237	.328	.139	.203	.261
<i>Query Resolving process</i>	.388	.177	.323	.262	.133	.266
<i>Overall purchase experience after online shopping</i>	.305	.273	.297	.187	.281	.264
<i>Repeat purchase experience</i>	.392	.262	.237	.181	.233	.232

## 5. Discussion and Conclusion

The data analysis indicates that customer satisfaction parameters are moderately correlated by factors resisting online shopping. The factor which is showing highest correlation is complexity in online shopping with service quality, repeat purchase experience and query resolving process because more complexity means more features and facilities are there in web purchasing, hence more satisfaction level.

Among price, speed and accuracy of information, customized products availability, ease of accessing websites, loyalty for online portals- the ease of website assessing is the parameter which affect mostly the customer satisfaction as per 26% of 76 people are in favor of this.

Though online shopping, especially online booking of tourism products is done by many people but still there are people who are going to traditional stores for buying tourism products or services. Managers of online tourism booking stores are suggested to lessen the difficulties in online booking of tickets, hotels, taxi services like the website design should be such that it can be used easily by customers and there should be provision of attractive schemes like low price, discounts, instant services, and post purchase services which will result in more satisfied and loyal customers. While online purchasing, to overcome lack of human factor, interactive interface should be there for customer like online support system, instant help, online chat for any kind of query or problem while online purchasing.

## 6. Way Forward

The current study is limited to selected cities in India; it can be extended on large scale to add more information so that generalizations can be made for the Indian environment for online tourism products. The sample size was also limited in number which can be increased in further studies. Customer satisfaction in online shopping model can be developed to give this study a new shape.

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