

CUSTOMER'S SATISFACTION TOWARDS ONLINE SHOPPING: A CASE STUDY AMONG UNIVERSITY'S STUDENTS

Khairil Aiman Faris Salim¹, Ahmad Nur'Alif Mohamad Nadzir², Shamsunarnie Mohamed Zukri^{3*},
Noor Zafarina Mohd Fauzi⁴, Nur Safwati Ibrahim⁵, & Nurul Bariyah Ibrahim⁶

^{1,2,3,4,5,6}Faculty of Computer and Mathematical Sciences, Universiti Teknologi MARA (UiTM),
Kota Bharu, Kelantan, Malaysia

*E-mail: shamsunarnie077@uitm.edu.my

1. INTRODUCTION

Online shopping can be defined as the process a customer takes to purchase a service or product over the internet (Veerraju, 2019). Vadivu (2015) also defined online shopping as a process of consumers directly buy goods, services from sellers interactively in real-time without an intermediary service over the internet. Online shopping is the easy solution for busy life in today's world. Growth in online shopping was from growth in using of smartphones. The report reveals that 78% of customers shopping through mobile phones (Veerraju, 2019).

In the present world, online shopping has become the trendiest phenomenon. Rather than moving from place to place, it is more convenient to sit at one place and shop. It all began back in 1979 when Michael Aldrich 'invented' online shopping by using videotext, a two-way message service. In 1994, the first online shopping system was introduced by the German company Inter shop. Over the past years, online shopping usage has grown rapidly and grown enormously for delivering, trading information, service, and goods in the current business scenario (Kumar & Mohan, 2018). Nowadays in the twenty-first century, online shopping has increased significantly throughout the world. Globally, e-commerce constituted about a 2.29 trillion-dollar market and is expected to reach 4 trillion dollars by 2020 (Rahman et al., 2018).

With the advancement of technology and the huge role of the internet, online shopping has been fulfilled customer and business needs. In Malaysia, online shopping has begun to grow, thus it is essential to embrace issues that influence the customer's satisfaction. It is a good strategy for retailers to attract potential customers by advertising their products. This strategy can help to ensure that the customers have a better shopping experience that is meet their requirements and to attract customer to visit retailer's site again in the future. In 2016, online sales for the Asia Pacific region made about \$1 trillion in and most of it came from China constituting about \$899 billion. On the other hand, Malaysia had made about \$124 billion (Rahman et al., 2018).

Nowadays, the Covid-19 virus has been declared a pandemic by the World Health Organization (WHO). Therefore, this leads to the enforcement of the Movement Control Order (MCO) that restricts people from doing outdoor activities include purchasing an item from a physical retail store. Thus, online shopping has become the primary method for Malaysians to make purchases. So, the expectation of online shopping increases drastically throughout this pandemic season.

As the expectation of online shopping transactions increase, this led to new problems aside from the pandemic issue itself. The problem that arises is about the customer's satisfaction when making purchases. Customer satisfaction is an important thing to the online shopping business.

Satisfaction is the outcome of the customer's experience during different purchase phases. Consumer satisfaction has been found to rely on consumer perception and the online store experience.

From the previous study, the survey found that 39% of respondents were dissatisfied with the current delivery systems. Within the delivery services group, 50% complained about slow or late delivery, 38% thought delivery providers were inefficient or ineffective, 12% stated tracking issues and 7% complained about missing or damaging products (Rajendra et al., 2018). According to Shafiee and Bazargan (2018), the study of the relationship between richness of information and satisfaction of participants in online communities indicates that the abundance of channels of communication and the completeness of information contribute to the trust and satisfaction of participants.

Once the customer's satisfaction is not fulfilled through online shopping, the customer may lose intention to make online purchasing. Dissatisfaction would occur if the perceived quality does not meet the customer's expectations (Perera & Sachitra, 2019). Satisfied consumers are the ones who repeat the purchase when the service provider greatly exceeds their demands (Vasić et al., 2019).

According to Khan et al. (2020), the existence of online shops has made Bhutanese people feel more convenient without them having to physically visit the stores. From their research, 38% of the active internet users are university students of Bhutan. This has led to a major contributor to online shopping. Most students that are 91% strongly agreed that personal privacy and security have a great role when buying online (Chai et al., 2018). Since online shopping has become more convenient to people nowadays, this study will provide insights into the factors that affect the Universiti Teknologi MARA Cawangan Kota Bharu Campus (*UiTMKB*) student's satisfaction towards online shopping. The study finding will be beneficial for the online shopping companies, consumers of online shopping, and the country.

2. METHODOLOGY

The cross-sectional study was conducted among all full-time undergraduate students in Part 2 to Part 6, Semester October until February 2021, studying at UiTMKB. A proportionate stratified random sampling method was used to enroll 336 samples from 1464 of population size. This study was divided the target population into two strata which were the Faculty of Computer and Mathematical Sciences (FSKM) and Faculty of Business Administration (FPP). The percentage of Strata I (FSKM) and Strata II (FPP) were 30.05% and 69.95% respectively. The sample size was determined by using Sample Calculator Online by RaosoftInc. with a 5% margin of error and 95% confidence interval. An additional 10% of the sample was considered for non-response.

A self-administered structured questionnaire was used as a research tool in this study. The questionnaire was adapted mostly by using four main sources which were Vasić et al. (2019), Guo et al. (2012), Tandon et al. (2018), and Jukariya and Singhvi (2018). The questionnaire was divided into three sections: Section A for Demographic, Section B for factors (Product and Service Quality; System Security; and Delivery Service), and Section C for Customer's Satisfaction Towards Online Shopping. For Section B and Section C, the questions were construct using a 10-Likert scale from strongly disagree to strongly agree. The questionnaire was pre-tested on 30 students in December 2020 and was modified based on the feedback.

Multiple linear regression with a stepwise variable selection procedure was used to determine the factors that contribute to university student's satisfaction towards online shopping. The significant variables were checked for multicollinearity. Meanwhile, the assumptions of multiple linear

regression, the significance of the regression model, and model adequacy were assessed. The estimated multiple linear regression model is shown in Eq. [1].

$$\hat{Y} = \hat{\beta}_0 + \hat{\beta}_1 X_1 + \hat{\beta}_2 X_2 + \hat{\beta}_3 X_3 \quad [1]$$

Where:

\hat{Y} : Customer's satisfaction

X_1 : Product and service quality

X_2 : System security

X_3 : Delivery service

$\hat{\beta}_0$: y-intercept

$\hat{\beta}_j$: regression coefficients

A two-sided hypotheses testing was used in all analyses with $p < 0.05$ was considered statistically significant. All the analyses were done by using Statistical Package for the Social Sciences (SPSS) version 23 (SPSS 23.0).

3. RESULTS AND DISCUSSION

The regression model obtained in this study was statistically significant with a p -value less than 0.001. The model was adequate since the assumption of normality of residuals, linearity, independence of residuals, and homoscedasticity for the model were met. The multicollinearity does not exist among the significant variables since the value of Variance Inflation Factor (VIF) and tolerance were satisfied which were smaller than 10 and larger than 0.1 respectively for each variable.

Moreover, about 78.2% ($R^2 = 0.782$) of the total variation of the customer's satisfaction towards online shopping is explained by the significant independent variables (Product and service quality; and Delivery service). Meanwhile, the 21.8% of total variation can be explained by other factors. Since the R Squared value is more than 75%, it can be concluded that the model explains well the university student's satisfaction towards online shopping.

Table 1 shows that Product and service quality; and Delivery service were found to be significantly influenced the student's satisfaction towards online shopping. If all values of significant factors (Product and service quality; and Delivery service) are equal to 0, the mean score of student's satisfactions towards online shopping will be increased by 1.288. It can be concluded that, for every one-unit increase of the mean score of factors Product and service quality; and Delivery service, the mean score of student's satisfactions will be increased by 0.525 and 0.376 respectively. This interpretation is valid for each significant factor provided that the other factors are held constant.

Table 1: Regression Coefficients of the Regression Model

Variable	Beta Coefficient	t- statistics	p-value
Constant	1.288	3.661	<0.001
Product and Service Quality	0.525	9.146	<0.001
Delivery Service	0.376	6.673	<0.001

Hence, the estimated regression model for this study is shown in Eq. [2].

$$\hat{Y} = 1.288 + 0.525X_1 + 0.376X_2 \quad [2]$$

Where:

\hat{Y} : Customer's satisfaction towards online shopping

X_1 : Product and service quality

X_2 : Delivery service

4. CONCLUSION

This study finding can be used as an ongoing framework to enhance more optimal findings to customer's satisfaction towards online shopping in Malaysia especially for those who are directly involved in buying behaviour. The suggestions that can be put into action from this study are that the researcher is suggested to employ another study by broader the population and demographic characteristics for an efficient comparison and better scope of representative. Other methods of analysis are also recommended for future studies to obtain a more comprehensive model. Hence, the finding of this study might be changed accordingly depending on the future expansion of customer satisfaction towards the online shopping model.

5. REFERENCES

- Chai, K. Y. S., Li, Y. Y., Lim, W. L., & Ong, S. P. (2018). *Factors influencing consumer satisfaction in online shopping* (Doctoral dissertation, UTAR).
- Guo, X., Ling, K. C., & Liu, M. (2012). Evaluating factors influencing consumer satisfaction towards online shopping in China. *Asian Social Science*, 8(13), 40.
- Jukariya, T., & Singhvi, R. (2018). A study of factors affecting online buying behaviour of students. *Int. J. Curr. Microbiol. App. Sci*, 7(1), 2558-2565.
- Khan, S. A., Buraimi, A., Devi, T. P., Ligor, T. A. A., & Saleem, M. M. (2020). Customer satisfaction and customer loyalty in online shopping: A study on university students of Bhutan. *Delhi Business Review*, 21(2).
- Kumar, S., & Mohan, K. L. C. (2018). A study on customer satisfaction towards online shopping concerning Namakkal District. *International Journal of Current Research and Modern Education*, 3(1), 349-350.
- Perera, G. A. B. S., & Sachitra, K. M. V. (2019). Customer satisfaction towards online shopping in Sri Lanka: Moderating effect of income level. *Asian Journal of Advanced Research and Reports*, 1-10.
- Rahman, M. A., Islam, M. A., Esha, B. H., Sultana, N., & Chakravorty, S. (2018). Consumer buying behaviour towards online shopping: An empirical study on Dhaka city, Bangladesh. *Cogent Business & Management*, 5(1), 1514940.
- Rajendran, S. D., Wahab, S. N., Ling, Y. W., & Yun, L. S. (2018). The impact of logistics services on the e-shoppers' satisfaction. *International Journal of Supply Chain Management*, 7(5), 461-469.
- Shafiee, M. M., & Bazargan, N. A. (2018). Behavioural customer loyalty in online shopping: the role of e-service quality and e-recovery. *Journal of Theoretical and Applied Electronic Commerce Research*, 13(1), 26-38.
- Tandon, U., Kiran, R., & Sah, A. N. (2018). The influence of website functionality, drivers, and perceived risk on customer satisfaction in online shopping: An emerging economy case. *Information Systems and e-Business Management*, 16(1), 57-91.

- Vadivu, T. S. (2015). A study on customer satisfaction towards online shopping. *Sumedha Journal of Management*, 4(2), 4-15.
- Vasić, N., Kilibarda, M., & Kaurin, T. (2019). The influence of online shopping determinants on customer satisfaction in the Serbian market. *Journal of Theoretical and Applied Electronic Commerce Research*, 14(2), 70-89.
- Veerraju, Dr. B. (2019). Customers' satisfaction towards online shopping with special reference to Vijayawada City. *Journal of Business and Management*, 21(3), 40-44.