



An Empirical Study of Customer Expectation and Perception Towards Online Shopping

Dhirendra Kumar Gupta

Research Scholar, Dept. of Business Administration, MLSU, Udaipur

Dr. Pradeep Kumar Khincha

Lecturer, Govt. College, Nathdwara

ABSTRACT

Every customer faces two phases during shopping, first what he expects before shopping and second what he actually experience. The difference between these two phases is used to measure the service quality. This paper is an attempt to identify the difference between customers' expectation & perception in online shopping.

KEYWORDS

Customer expectation, Customer perception, online shopping

Introduction:

The time has gone when customers were moving only to the shops near by to their residence; the rapid modernization of Indian society has increased the share of online shopping in total retail industry. Everyday new shopping websites are emerging in market which has enhanced the neck to neck competition between the online retailers, so to sustain & enhance the market share they are trying to keep customers more happy & satisfied. A customer will be satisfied only when his/her expectations will be met, so it is essential for marketers to identify that what the customers are expecting and what they are actually experiencing. The negative gap score between the customers' perception & expectation reveals lacunas in service & helps retailer to improve the service which enhances the customers' satisfaction.

Literature Review:

Lee & Lin (2005) developed a research model to examine the relationship among e-service quality dimensions and overall service quality, customer satisfaction and purchase intentions and determine how the e-service quality dimensions affect overall service quality, customer satisfaction and purchase intentions. The analytical results showed that the dimensions of web site design, reliability, responsiveness, and trust affect overall service quality and customer satisfaction. The conclusions drawn from this study make contributions in two main areas. First, this study developed the instrument dimensions of e-service quality to consider online shopping context. Second, this study identified e-service quality dimensions that affect overall service quality and customer satisfaction, which in turn are significantly related to customer purchase intentions. This study suggested that to enhance customer purchase intentions, online stores should develop marketing strategies to better address the trustworthiness, reliability, and responsiveness of web-based services.

Rahman, et.al. (2010) concluded that identifying the perceptions of customers, the dimensions of service quality, and their relative importance for customers for each specific segment would definitely help managers in the challenge of increasing customer satisfaction.

Li & Krit (2012) revealed four important conclusions in their empirical study. First: Service quality has a positive effect on customer satisfaction, second: Customer satisfaction has a positive effect on customer loyalty, third: Service quality has a positive effect on customer loyalty, fourth: Customer loyalty, service quality & customer satisfaction has a positive effect on

brand image.

Kumar R & Barani (2012) said that "service quality has long been accepted as the most basic marketing tool for marketers to differentiate their offers, create competitive advantage and to enhance the customers' shopping experience. Nonetheless, maintaining excellent service quality is no simple task"

Kleinman (2012) survey was based on a view of perceptions on customer experience from Pre purchase through post delivery. This study also provides a clear picture of which shipping and post purchase service enhance customer experience. To reduce shopping cart abandonment, retailers should show the shipping costs, present how much more should be purchased to get free shipping, and give consumers the option of shipping time frames. Customers want e-mail or text alerts about their delivery. Also important to the customer is the feeling of control. Options such as "special delivery instructions," the ability to schedule a late delivery, or having a delivery window give the consumers the control they need to better their shipping experience.

Kushwah & Bhargav (2014) tried to know the difference between the expectations and perceptions of youngsters towards online shopping websites. A self-made questionnaire has been administered among 189 youngsters using online shopping websites in Delhi/ NCR region. The results of this study emphasize that the online shopping websites need to work on their performance to remove the gap between the expectations and perceptions of youngsters towards online shopping websites.

Objective:

The purpose of this research paper is to check the significance of difference between customers' expectations and perceptions in online shopping.

Hypothesis:

H₀: There is no significant difference in customers' expectation & perception

H₁: There is a significant difference in customers' expectation & perception

Research Methodology

(a) Research Design: - To have a better understanding about the issue descriptive research design was used. To get the primary data close ended questionnaire was administered.

(b) Sample Design: - 80 respondents were selected through convenience sampling.

(c) Analysis: - The data collected was analyzed with the help of various statistical tools like Arithmetic mean, t- test.

Analysis & Interpretations

1. Demographic Profile of Respondents:

Table 1: Demographic Profile

Particulars	Classification	Frequency	Percentage
Gender	Male	58	72.5
	Female	22	27.5
Education	Intermediate	11	13.75
	Graduate	32	40
	Post Graduate	20	25
	Professional	17	21.25
Age Group	Below 25	14	17.5
	25-35	44	55
	36-50	20	25
	51-60	2	2.5
Monthly Income	Less Than Rs. 10,000	6	7.5
	Rs. 10,001 - Rs. 20,000	8	10
	Rs. 20,001 - Rs. 30,000	40	50
	Rs. 30,001 - Rs. 40,000	16	20
	More Than Rs. 40,000	10	12.5
Average Monthly Purchase at Online Shopping Websites	Less Than Rs. 1,000	6	7.5
	Rs. 1,001 - Rs. 2,000	16	20
	Rs. 2,001 - Rs. 3,000	38	47.5
	Rs. 3,001 - Rs. 4,000	12	15
	More Than Rs. 4,000	8	10

As per shown in table demographics of respondents were classified according to their gender, education, age, monthly income & average monthly purchase from online shopping websites. Out of total respondents 72.5% are male & rests are female. Majority of respondents are graduate (40%) & 55% respondents belong to the age group of 25 to 35 years. 50% of respondents have their monthly income in the range of Rs. 20,001 to Rs. 30,000 and 20% respondents have their monthly income from Rs. 30,001 to Rs. 40,000. Majority of respondents (47.5%) spend Rs. 2001 to Rs. 3000 of their monthly budget towards their purchase in organized retail store.

2. Customers' Expectation & Perception towards Online Shopping

This Section explored customer's expectation and perception levels towards service quality of Online shopping websites. The degree of expectation & perception towards service quality of Online shopping websites was set from 1 to 5 (5 denotes the highest expectation/perception, whereas, 1 is the lowest expectation/perception).

In addition following criteria is used for analysis part:-

The score among 1.00-1.80 mean lowest expectation/perception The score among 1.81-2.61 mean low expectation/perception

The score among 2.62-3.41 mean average expectation/perception

The score among 3.42-4.21 mean high expectation/perception

The score among 4.22-5.00 mean highest expectation/perception

Table 2: Customers' Expectation & Perception towards Online Shopping

Statement	Level of Expectation		Level of Perception		Mean Quality Gap Score
	Mean	Level	Mean	Level	
Online shopping websites provide you service as promised	4.26	Highest	4.12	High	-0.14
Online shopping websites perform the service at right time	4.32	Highest	4.5	Highest	0.18
Online shopping websites always have the merchandise available when customer wants it	4.74	Highest	4	High	-0.74
Online shopping websites services are error free	4.1	High	4	High	-0.1
Employees of Online shopping websites are able to handle customer complaints directly and immediately	4.38	Highest	4.19	High	-0.19
Online shopping websites are providing sufficient product knowledge	4.2	Highest	4.42	Highest	0.22
Online shopping websites are having reliable methods of payment	4.4	Highest	4.23	Highest	-0.17
Online shopping websites are having convenient exchange process	4	High	3.86	High	-0.14

Statement 1:

Customers are expecting highest (4.26) that online shopping websites should provide promised services while there perception is high (4.12), that leads to negative gap score and projects the scope of improvement.

Statement 2:

It can be stated from the positive gap score (0.18) that customers are satisfied with the timely services provided by online shopping websites.

Statement 3:

The mean quality gap score between customers' expectations and perceptions is found to be -0.74 which shows that customers are not able to find merchandise available at online shopping websites when they need it.

Statement 4:

Customers expectations as well perception are at high level for the statement that online shopping websites are error free so gap score is not very much significant.

Statement 5:

Customers are expecting highest (4.38) that Employees of Online shopping websites are able to handle customer complaints directly and immediately while there perception is high (4.19), that leads to negative gap score and projects the scope of improvement.

Statement 6:

It can be stated from the positive gap score (0.22) that Online shopping websites are providing sufficient product knowledge.

Statement 7:

The mean quality gap score between customers' expectations and perceptions is found to be -0.17 which shows that Online shopping websites are not having reliable methods of payment.

Statement 8:

Customers expectations as well perception are at high level for the statement that Online shopping websites are having convenient exchange process so gap score is not very much significant.

3. Hypothesis Testing: -

H₀: There is no significant difference in customers' expectation & perception

H₁: There is a significant difference in customers' expectation & perception

Although that there is a negative difference between customer expectation & perception for few parameters which leads to the customer dissatisfaction, still the significance of difference between mean scores should be identified. The t-test is applied as shown in table-3

Table 3: t-test results

Statement		Mean	S.D.	z-values	P-value	Result
State-ment 1	Expectation	4.26	0.94	1.738	0.0835	NS
	Perception	4.12	0.84			
State-ment 2	Expectation	4.32	0.94	0.113	0.9104	NS
	Perception	4.5	1.05			
State-ment 3	Expectation	4.74	0.97	0.668	0.5045	NS
	Perception	4	0.93			
State-ment 4	Expectation	4.1	0.97	0.514	0.608	NS
	Perception	4	0.93			
State-ment 5	Expectation	4.38	0.95	0.814	0.4162	NS
	Perception	4.19	0.99			
State-ment 6	Expectation	4.2	0.94	1.65	0.0786	NS
	Perception	4.42	0.89			
State-ment 7	Expectation	4.4	1.01	0/174	0.985	NS
	Perception	4.23	1.05			
State-ment 8	Expectation	4	0.98	0.564	0.653	NS
	Perception	3.86	0.93			

Level of significance is 5%, S- Significant, NS- Not Significant, Tabulated Value: - 1.96

Table shows that all the calculated vales of z-test are less than tabulated value, which proves that there is no significant difference between the mean scores or the difference is negligible which can be removed by putting little efforts.

Conclusion:

In this paper gap has been identified between expectation & perception of customers towards the online shopping websites, which revealed dissatisfaction among customers. t-test results projected the insignificance of differences it means gaps can be easily removed by improving the level of service quality.

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