CUSTOMER SATISFACTION TOWARDS ONLINE SHOPPING FOR AN ORGANIZATION

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"I hereby declare that I have checked this project and in my opinion this report is
adequate in terms of scope and quality for the award of the degree of
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This report is submitted in partial fulfillment of the requirements for the award of a
Bachelor of Technology Management (High Technology Marketing)

Faculty of Technology Management and Technopreneurship
Universiti Teknikal Malaysia Melaka

JUNE 2016

DECLARATION

"I hereby declare that the work in this report is my own expect for quotations and summaries which have been duly acknowledged."

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DEDICATION

Special thanks to my parents, family members, supervisor, and panels for helping me throughout the project towards achieving its objective.

ACKNOWLEDGEMENT

ABSTRACT

The growth of internet opened space for the development of online shopping. The online shopping is one type of marketing were the marketing conducted through interactive online computer systems, which link consumers with sellers electronically. The online shopping is replacement of the conventional shopping. Additionally, the online shopping refers to market spaces instead of marketplaces in virtual shopping. This study takes places to identify the factors that influence customer satisfaction towards online shopping for an organization. Business does not exist without the customer. Since customers are plays key roles to bring success for the business, so the satisfaction of customer is essential. There are 100 questionnaire were well prepared for this survey purpose. The gather data analyzed through statistical techniques such as descriptive analysis, reliability, and validity. This paper contributes to an organization in order to understand customer expectation to overcome the competition among organization in the market.

Keyword: Online shopping, Organization, Customer Satisfaction

ABSTRAK

Pembangunan internet membuka ruang untuk perkembangan pembelian dalam talian. Pembelian dalam talian adalah salah satu jenis pemasaran dimana pemasaran jenis ini dijalankan melalui interaksi sistem komputer dalam talian yang menghubungkan pengguna dengan penjual secara elektronik. Pembelian dalam talian menggantikan pembelian tradisional yang berlaku selama ini. Kajian ini bertujuan untuk mengenal pasti faktor-faktor yang mempengaruhi kepuasan pelanggan ke arah pembelian dalam talian untuk organisasi. Perniagaan tidak akan wujud tanpa pelanggan. Sejak pelanggan memainkan peranan utama dalam sesebuah perniagaan untuk membawa kejayaan kepada perniagaan bagi kepuasan pelanggan. Seramai 100 soal selidik telah disediakan untuk tujuan kajian ini. Data dikumpul dari soal selidik dianalisis melalui teknik statistik seperti analisis deskriptif, kebolehpercayaan, dan kesahihan. Projek ini disumbangkan kepada organisasi bagi tujuan memahami kehendak pelanggan terhadap organisasi bagi mengatasi persaingan di pasaran.

Kata-kata: Pembelian dalam talian, Perniagaan, Kepuasan pelanggan

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LIST OF ABBREVIATIONS

SPSS   =   Statistical Package for Social Sciences

IQ   =   Information Quality

PQ   =   Purchase Quality

PPQ   =   Post Purchase Quality

CS   =   Customer Satisfaction

LIST OF SYMBOLS

%	=	Percent
<	=	Greater-than
>	=	Less-than
=	=	Equals

LIST OF APPENDIX

CHAPTER 1

INTRODUCTION

1.1   Introduction

This chapter will discuss about the background of study where reflect the brief explanation of the study. A specific problem was defined and research objectives were clearly formulated. Based on research objectives, research questions were created and the research objectives will meet by the end of this research. The main focus of study and to whom the research will benefit also discussed.

1.2   Background of study

In the era of high technology, the use of internet was growing tremendously around the world. According to the Internet World Stats, the internet users in Asia are highest rather than other region by year 2015. The region of Asia contributes 48% of internet users in the world while Europe is only 18% of internet users. In addition, Malaysia was listed under top 10 of Asian internet countries with the rank 10. As well as 20.6 millions of internet users are in Malaysia in year 2015. The use of internet increase rapidly.

The growing of internet usage around the world has opened new marketplace and revolutionized the process of buying and selling goods. Therefore the prospect for online shopping was developed. Online shopping create new opportunity for both customer and organization where it changing the way of doing business all over the world.

Online shopping is one of the forms of electronic commerce. In other words online shopping can defined as purchasing of goods via internet by using electronic devices such as smart phone, laptop, and many more. In short, the tagline more suit for online shopping is "anything, anytime, anywhere. Customers can purchasing any kind of product and services with the availability of 24 hours and wherever there are located by access to internet. Basically, customer using three types of payment methods for completes their online shopping, there are credit or debit card, e-wallet and cash on delivery.

Today, internet probably is a key contributor to the expansion of online shopping where most of customer prefers to shop through online. By the way, shopping through online shopping were build easier and convenience life for the customers. Online shopping be the best for the shopping since nowadays customers are more materialistic and running for their life and career with the limited of time. Online shopping was totally dissimilar with the physical retail store where it save the time and cost of the customers. For instance, customers who are going to consume goods through physical retail store must have to set up a time for shopping, need to prepare transportation fee other than the payment for the goods, search for the parking lot in conventional store, then stressed with crowded environment and lastly wait in the long queue for end the shopping process. However, online shopping is too easy and more efficient where customers can purchase goods whenever they free and wherever they are and they can enjoy window shopping without any buying pressure. In short online shopping enhance the life of customer by formulate easier simpler and happier life of shopping.

Therefore, the rate of Malaysia online shoppers was increase rapidly with the growth of internet. PayPal instructed the Nielson Company to conduct a survey to

review on the online shopping trends of Malaysia's online shoppers. The findings of the survey indicated that there are almost 1.1 million Malaysians had been shopping through online and spending RM1.8 billion in year (Daniel Goh, 2011). Addition to that, during the time launching 5th Asia E-commerce Conference on 27 May 2015 Mr. Tan points out that in Malaysia the number of online shoppers rise and the online industry also growing steadily. Meanwhile, he express that the following conference open opportunity to encourage shoppers and companies to venture into the e-commerce market (The Star, 2015).

As a result many business organizations grab this opportunity and start to sell their product and services through online. For instance, Groupon, Lazada, Zalora are examples of the business organization. Most of the Malaysia online shoppers would like to consume goods such as food and beverages, fashion and accessories, and healthy and beauty care (Wong, 2014). Besides that, Groupon, Facebook, and Livingsocial are the famous online shopping destination of Malaysia (CK Wong, 2014). In this fast and pace competition, business organization should compete in the marketplace to make sure its business sustain. The organization able o competes in the marketplace by satisfying its customers.

The business organization does not exist without the presence of customers. Customers are the key players for every business organization. So, satisfying the customers are must be done by the business organization. Customer satisfaction defined as the way business organization fulfill customer needs and wants based on customer expectations. Additionally, customer satisfaction involving experience gain by customer during the ongoing process of purchasing. Customer satisfaction are the key important factors in the business world were brings success for a business organization. Moreover, the philosophy for business is that mainly focus on creating and delivers value to customers. The business organization which able to satisfy customer where will get good reputation at the industry. Customer satisfaction was essential to build up long term relationship with customers and to grow up loyal customer who retains their purchase.

However, customer was switching the brand if they are not satisfied with their online shopping.

Lastly, customer are spending time and shopping through online without asking any questions. So they expect the same experience or better experience that they enjoying from conventional shopping. Business organization must be act smarter and able to offer best customer experience and satisfy the customers. As a conclusion online shopping has become a trend in Malaysia. The increase in number of online shopping sites creates high competition among businesses in the market. So, to overcome the market competition customer satisfaction is essential. Therefore, this research aimed at identifying the factors contribute to the customer satisfaction towards online shopping. The outcome of this research essential for the business organization to enhances success of the business.

1.3 Problem statement

In Malaysia the online buying and selling become more preferable with people leading busy lifestyles. The growth of online shopping provides greater opportunities for organization to conduct the online business through the internet. More and more businesses continue to open online shopping sites in Malaysia. Additionally, there are more quality online shopping sites emerging with improved product offerings. Normally, the online business should be registered with the Registrar of Sociecties (ROC).So far, there are 616 companies and 19198 traders who conduct business online have registered with Registrar of Sociecties (ROC). There seen the competition among the businesses high in the market. The organization faces the challenges through the market competition. The one way to overcome this problem the organization should satisfy the customer based on their expectation. In order to that, the organization should identify what are the factors that contribute to customer satisfaction towards online shopping. Therefore, this research will look into the factors which is most reliable for

bring satisfaction among online customers in the most effective way. Customer satisfaction is essential for business organization to sustain its business.

Figure 1.1: Online shopping destination in Malaysia

1.4   Research objective

The research on factors that influence customer satisfaction towards online shopping is developed with several objectives. Those objectives are:

a)   To determine the factors that should be consider by an organization to satisfy the online customers

b)   To identify the most significant factor that an organization should be consider to enhance customer satisfaction towards online shopping

c)   To examine the relationship between the factors and customer satisfaction

1.5   Research questions

Based on the above research objective, the research questions are as follow:

a)   What are the factors that should be consider by an organization to satisfy the online customers?

b)   What is the most significant factor that an organization should be considers enhancing customer satisfaction towards online shopping?

c)   What are the relationship between factors and customer satisfaction

1.6   Scope of study and limitation

This research analyzes the customer satisfaction towards online shopping for the success of the business organization. The main focus of this research is to review the factors that contribute to the online customer satisfaction. Besides, this research studies the most significant factor that improves customer satisfaction towards online shopping. Consequently, this research also studies the relationship between the factors and customer satisfaction. Next, in the literature review, there are information about customer satisfaction and online shopping. Furthermore, the information regarding factors that should be considers by an organization to satisfy the online customers were discussed. Furthermore, the proposed integration of those factors, theoretical framework is presented together with the objectives of this research followed by hypotheses.

The present research has few limitations. One limitations among them is that the sample size. The sample size for this research is 100 respondents. Aside from that, this study can also be context specific. The respondents for this research were principally from Selangor state. This research is limit on the respondent who are purchase goods

through online. Future research is advised to increase the sample and should cover other state to increase the validity. Last but not least, the discussion of this research is carried out and followed by main conclusion and recommendation.

1.7   Significance of study

This research aims to outline the factors that affect customer satisfaction towards online shopping. The outcome of this research is beneficial to organization to make sure the available business resources utilized for the factors that can directly increase customer satisfaction. Meanwhile, online marketers enable to avoid used its available business resources for non influence factors where it can waste the valuable business resources. Furthermore, this research focus on customer satisfaction where provide the organization the right factors which should be consider in order to retain its existing customers and attract more new or potential customers. In addition, through customer satisfaction organization able to promote long term business growth where they can avoid their customers from switch brand.

The findings of research are valuable for marketers to create better decisions on their online marketing strategic plan. Marketers able to improve and re-plan their marketing strategies to make sure satisfied the customer based on customer expectations. Through this research marketers able to develop advertising and marketing strategies to convert potential customers into active customers, meanwhile retaining existing customers. This research is beneficial for marketers to make better decisions regarding online customer satisfaction. Finally, by fulfilling customer satisfaction, customers will repeat the purchasing and it will become bridge between the customer and firms.