

## A STUDY ON FACTORS INFLUENCE ON CUSTOMER SATISFACTION IN ONLINE SHOPPING

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### **ABSTRACT:**

Online shopping has rapidly become a key driver of the global retail industry, transforming consumer behavior through convenience, competitive pricing, and a wide selection of products. The Indian e-commerce market is growing rapidly, fueled by digital adoption, rising internet and smartphone penetration, and supportive government policies. Customer satisfaction, influenced by product quality, website usability, service efficiency, and trust, has become a critical factor for success. Retailers who effectively manage these elements are more likely to enhance customer experiences, build loyalty, and succeed in the competitive e-commerce environment. This study seeks to examine the factors influencing customer satisfaction in online shopping, with particular emphasis on convenience, pricing, and wider product selection. By analyzing these variables, the research aims to provide insights that will help online retailers design strategies to improve customer experiences and sustain growth in the highly competitive digital marketplace. This study was conducted using structured questionnaires and interviews among 60 online shopping customers in Madikeri City, Kodagu district, who place a minimum of four orders per month. This study tries to investigate the impact of perceived online shopping benefits (convenience, pricing, wider selection) on customer satisfaction in the study area. The regression analysis shows that Convenience, Pricing, and Wider Selection significantly influence customer satisfaction in online shopping. Among these, Pricing has the highest impact, followed by Convenience and Wider Selection. The model explains a substantial portion (62.2%) of the variation in customer satisfaction, making it a strong and reliable model.

**Key words:** E-commerce, Online Shopping, Customer Satisfaction

### **INTRODUCTION**

In recent years, online shopping has emerged as one of the most dynamic and rapidly growing sectors in the global retail industry. The convenience of purchasing products and services from anywhere at any time, coupled with competitive pricing and access to a wider selection of goods, has transformed consumer buying behavior. With the proliferation of e-commerce platforms, understanding customer satisfaction has become a critical success factor for online retailers.

Customer satisfaction in online shopping is influenced by multiple factors that determine whether consumers develop loyalty and repeat purchase intentions. Unlike traditional retail, online shopping relies heavily on service quality dimensions such as website usability, transaction security, delivery efficiency, product variety, and pricing strategies. Among these, convenience, pricing, and wider selection stand out as key determinants shaping customers' overall experience and satisfaction levels.

As competition in the e-commerce market intensifies, businesses are compelled to enhance their value proposition by focusing not only on offering affordable prices but also on ensuring seamless shopping experiences and diverse product assortments. Satisfied customers are

more likely to return, provide positive reviews, and recommend platforms to others, making customer satisfaction a decisive factor for long-term success.

## Online Shopping

Online shopping is the process of purchasing goods or services over the internet using a computer, smartphone, or other digital devices. It allows consumers to browse, compare, and buy products from e-commerce websites or mobile apps without physically visiting a store, often providing convenience, wider selection, and competitive pricing.

## Customer Satisfaction in Online Shopping

Customer satisfaction in online shopping refers to the degree to which a consumer's expectations are met or exceeded while purchasing products or services through e-commerce platforms. It depends on factors such as product quality, website usability, pricing, delivery speed, customer service, payment security, and trustworthiness. High customer satisfaction leads to repeat purchases, loyalty, positive reviews, and overall growth for online retailers.

## REVIEW OF LITERATURE

**Dr. Sunil Patel (2015)** "Evolution of Online shopping in India & its Unparallel Growth" In this paper, an attempt has been made to study the evolution of online shopping in India, along with an analysis of its advantages and disadvantages in the present retail landscape. The study also examines the various factors influencing the growth of online shopping in India, including consumer preferences, technological adoption, and market dynamics. The findings indicate that online retailing is expected to strengthen further in the coming years, driven by changing consumer behavior, advancements in information technology, increasing penetration of credit and debit cards, secure and user-friendly payment gateways, and the widespread accessibility of internet-enabled devices. These developments highlight the growing importance of e-commerce in shaping the future of retail in India, while also emphasizing the need for businesses to continuously innovate and adapt to remain competitive in this rapidly transforming market.

**Dr. Shad Ahmad Khan and others (2020)** "Customer Satisfaction and Customer Loyalty in Online Shopping: A study on University Students of Bhutan" This study explores the evolution and current trends of online shopping in India, focusing on consumer behavior and preferences. It highlights both the advantages and challenges of online retailing in the Indian context. Key factors influencing customer satisfaction, such as product quality, website usability, pricing, and service quality, are identified. The research emphasizes the role of technology acceptance in shaping online shopping experiences. Service quality is found to have a strong positive impact on customer satisfaction and loyalty. The study uses descriptive statistics, correlation analysis, and SEM to analyze data from respondents. Findings indicate that higher service quality enhances satisfaction more than technology acceptance alone. Trust, secure payment options, and reliable delivery are highlighted as essential for e-loyalty. Limitations include the focus on specific demographics, restricting generalization to broader populations. Overall, the study provides insights for retailers to improve online platforms and strengthen customer satisfaction and loyalty.

**Anusha Thakur (2021)** "A Study on Consumer Behavioural Analysis of Online Shopping Trends in India" This study presents a descriptive review aimed at understanding the current scenario of online shopping trends in India, with a particular focus on consumer preferences and behavioral patterns during online purchases. The research is based on a questionnaire survey conducted with approximately 100 respondents representing different age groups, thereby capturing diverse perspectives across demographics. The study not only explores the

key factors that drive customer satisfaction but also examines the challenges faced by both retailers and consumers in the online shopping process. Furthermore, the research highlights areas where retail businesses need to improve, including website design, customer service, delivery performance, and payment systems, to enhance consumer experiences. By identifying these gaps, the study seeks to provide insights into how retailers can adapt and innovate in order to survive and remain competitive in the fast-growing and highly dynamic e-commerce sector in India.

## RESEARCH GAP

Most of the existing studies on customer satisfaction in online shopping has been widely studied, the literature survey revealed some of the study was related to issues like broad factors such as product quality, price, convenience, and website design, but emerging aspects like AI-driven personalization, digital wallets, UPI, and Buy Now Pay Later services are still underexplored in shaping satisfaction. Similarly, studies have often emphasized pre-purchase and purchase experiences, while post-purchase factors such as return processes, refund speed, and after-sales service remain inadequately addressed. Thus, the review of literature clearly shows that there is dearth of studies relating to Factors Influence on Customer Satisfaction in Online Shopping. This study tries to investigate the impact of perceived online shopping benefits (convenience, pricing, wider selection) on customer satisfaction in the study area.

## OBJECTIVES OF THE STUDY

1. To study Growth and Performance of Indian E-commerce Market
2. To study the Factors Influencing Online Customer Satisfaction.
3. To investigate the impact of perceived online shopping benefits (convenience, pricing, wider selection) on customer satisfaction in the study area.

## Hypothesis of the Study

❖ There is Significant Influence of Convenience, Pricing and Wider Selection in Customer Satisfaction in Online Shopping.

## METHODOLOGY

The study will be based on both primary and secondary data. Primary data will be collected through structured questionnaires and interviews was conducted using structured questionnaires and interviews among 60 online shopping customers in Madikeri City, Kodagu district, who place a minimum of four orders per month. Covering factors Influence such as gender, age, Education, and Locality on Customer Satisfaction in Online Shopping. A multistage stratified Random sampling method will be used to select respondents. Secondary data will be sourced from financial reports, publications, government statistics, and research articles. For analysis, descriptive statistics mean, percentage, growth rate will be used to examine trends, while regression analysis and ANOVA tools is used to Hypothesis testing. This will assess the examine influence of convenience, pricing and wider selection in customer satisfaction in online shopping in study area.

## Indian E-Commerce Industry

The Indian e-commerce market is experiencing a significant boom, driven by rapid digital adoption, increasing internet and smartphone penetration, and supportive government policies. Key drivers include the rise of online shoppers in Tier-2 and Tier-3 cities, the surge in quick commerce, and the growth of digital payments.

**Table 1: Growth of Internet Users, Online Buyers, and Online Spending in India (2015–2024)**

Years	Internet Users (in Millions)	Online Buyers (in Millions)	Online spending (in USD Billions)
2015	2015	258.88	12.1
2016	2016	295.39	22.7
2017	2017	437.4	35.2
2018	2018	499.95	48.9
2019	2019	644.55	62.8
2020	2020	757.98	74.7
2021	2021	900.35	190
2022	2022	1060.09	230
2023	2023	1240.78	250

Source: India Brand Equity Foundation Report 2023.

The data highlights the remarkable growth of India's digital ecosystem over the past decade, demonstrating how the increasing number of internet users has directly contributed to the rise in online buyers and overall online spending. Between 2015 and 2023, India's digital ecosystem has grown rapidly, with internet users increasing from 258.88 million to 1,240.78 million. Online buyers rose from 12.1 million in 2015 to 250 million in 2023, showing widespread adoption of e-commerce. Online spending surged from US\$14 billion to US\$102 billion, reflecting growing consumer confidence in digital transactions. From 2015 to 2017, steady growth in users and buyers led spending to rise to US\$39 billion. In 2018, despite more users and buyers, spending dipped to US\$21.9 billion, likely due to economic or market factors. By 2019–2020, user and buyer numbers continued to rise, though spending fluctuated slightly. The pandemic period (2021) marked a turning point, with buyers jumping to 190 million and spending increasing to US\$67 billion. Growth continued in 2022, reaching 1,060 million internet users, 230 million buyers, and US\$84 billion in spending. By 2023, online spending surpassed US\$100 billion, reflecting deeper engagement per buyer. Overall, the data shows that while user growth laid the foundation, rising buyer participation and higher per capita online spending are driving India's e-commerce boom, positioning it as one of the world's fastest-growing digital markets.

India's e-commerce industry has emerged as one of the most dynamic growth drivers of the digital economy, with its market size valued at ₹10.82 lakh crore (US\$125 billion) in FY24 and projected to grow at a compound annual growth rate (CAGR) of 15% to ₹29.88 lakh crore (US\$345 billion) by FY30. The sector is expected to cross ₹13.69 lakh crore (US\$160 billion) in FY25, reflecting annual growth of 25–30%, and further expand to ₹47.64 lakh crore (US\$550 billion) by FY35. Fuelled by rising internet penetration, affordable smartphones, low-cost data plans, and government initiatives such as Digital India and ONDC, India is poised to become the world's second-largest online consumer market by 2030 with nearly 600–700 million shoppers. The e-retail market, already the second largest globally in terms of shopper base, has reached a GMV of ₹5.13 lakh crore (US\$60 billion), with online penetration projected to increase from 8% in 2024 to 14% by 2028. Sub-segments such as trend-led fashion and beauty and personal care (BPC) are witnessing exponential growth, with fashion expected to grow nearly fourfold by 2028 and the BPC sector projected to reach ₹2.60 lakh crore (US\$30 billion) by CY27, making it the fastest-growing BPC market among major economies. Meanwhile, India's B2B e-commerce opportunity is estimated at US\$200 billion by FY30, subscription e-commerce is set to expand at an impressive 45% CAGR to US\$374 billion by 2033, and quick commerce is gaining

momentum, already generating sales of over ₹4,400 crore (US\$515 million) in FY25 for FMCG majors. Funding in the sector has also surged, with e-commerce attracting ₹26,527 crore (US\$3.1 billion) across 79 deals in FY25, a 128% increase from the previous year, driven largely by hyperlocal and B2C players such as Zepto. Cumulative private equity and venture capital investments in the industry now exceed US\$33 billion, with global giants like Google, Meta, Amazon, and Reliance making significant bets. At the same time, India's digital payment ecosystem is transforming consumption, with UPI transactions reaching a record ₹25.14 trillion (US\$294 billion) in May 2025 and overall digital payments growing to 222.19 billion in FY25 from 164.43 billion in FY24. The Government e-Marketplace (GeM) has also crossed ₹5 lakh crore in GMV, underscoring the shift toward digital procurement. Adding to this momentum, generative AI adoption is expected to enhance productivity in India's retail sector by 35–37% over the next five years, with nearly half of businesses already piloting AI solutions. Complemented by supportive policies such as 100% FDI in e-commerce, the National Logistics Policy, GST implementation, and MSME funding support, India's e-commerce industry is positioned to maintain robust double-digit growth. With online shoppers rising from 260 million in 2024 to an expected 700 million by 2035, and online spending still accounting for just 5–6% of total retail compared to much higher global benchmarks, India's e-commerce market continues to hold immense untapped potential, offering vast opportunities for both domestic and international players.

## **Factors Influencing Online Customer Satisfaction**

Customer satisfaction in online shopping is a multifaceted outcome shaped by several interrelated factors that span product quality, website functionality, service efficiency, and external influences such as trust and social validation. Each of these dimensions contributes uniquely to the overall experience and perception of customers in the digital marketplace.

### **1. Product-Related Factors:**

- Product Quality: The actual quality of the purchased item is central to customer satisfaction, as it determines whether expectations are met or exceeded.
- Product Information: Accurate, comprehensive, and up-to-date product descriptions, specifications, and images reduce uncertainty and improve consumer confidence.
- Product Variety: Offering a wide assortment of products enhances customer choice and increases the likelihood of meeting diverse preferences.

### **2. Website and Platform Factors**

- Website Design & Usability: A visually appealing, user-friendly, and easy-to-navigate website ensures a smooth browsing and shopping experience.
- Website Functionality: Reliable search features, efficient checkout systems, and error-free performance improve satisfaction and reduce purchase barriers.
- Security and Privacy: Assurance of data safety and secure transactions fosters consumer trust and encourages repeat purchases.

### **3. Service and Transactional Factors**

- Convenience: The ability to shop anytime and anywhere, coupled with seamless order placement and tracking, adds significant value to the customer experience.
- Price and Value: Competitive pricing, discounts, and value-for-money deals are strong motivators that directly influence satisfaction levels.

- Reliability and Delivery: Accurate order processing, timely delivery, and transparent return/refund policies contribute to a hassle-free experience.
- Customer Service: Responsive, empathetic, and effective support—especially in handling complaints or issues—enhances overall satisfaction.

#### 4. Other Influencing Factors

- Trust: Established through consistent service, secure transactions, and transparent practices, trust is a foundation of long-term customer relationships.
- Customer Reviews and Social Influence: Feedback from other consumers shapes perceptions of product quality and reliability, impacting purchasing decisions.
- Payment Options: Multiple secure and convenient payment methods increase customer comfort and purchasing flexibility.

Online customer satisfaction is not determined by a single element but rather by the interplay of product quality, website usability, service efficiency, and trust-building mechanisms. Retailers who can successfully integrate these factors into their strategies are more likely to enhance customer experiences, build loyalty, and achieve long-term success in the highly competitive e-commerce environment.

#### **SURVEY BASED ANALYSIS AND DATA INTERPRETATION**

A survey was conducted using structured questionnaires and interviews among 60 online shopping customers in Madikeri City, Kodagu district, who place a minimum of four orders per month. The respondents provided insights through the questionnaire, and the research findings are summarized as follows:

**Table 2: Distribution of Gender, Age and qualification of respondents and Factors Influencing Online Customer Satisfaction**

Characteristics		Respondent s	Percentage	Rank
<b>Distribution of Gender</b>	Male	36	60	01
	Female	22	40	02
<b>Distribution of Age</b>	25 to 30	25	41.67	01
	30 to 35	15	25	02
	35 to 40	12	20	03
	40 and above	08	13.33	04
<b>Qualification</b>	Illiterate	01	1.67	4
	Primary and Higher Primary	12	20.00	3
	PUC and above	22	36.67	2
	Degree and above	25	41.67	1
<b>Types of Customers</b>	Students	20	33.33	01
	Farmers	04	6.67	06
	Business Man	06	10.00	05
	Self-Employed	10	16.67	03
	Govt. Employs	08	13.33	04
	Private Sector Employ	12	20.00	02
<b>Years of Experience in</b>	Up to 5 years	10	16.67	03
	5 to 10 years	18	30.00	02

<b>Online Shopping</b>	10 to 15 years	32	53.33	01
<b>Purchase Frequency per month</b>	Up to 5	40	66.67	01
	5 to 10	15	25.00	02
	10 and above	05	8.33	03
<b>Monthly Spending on Online Shopping</b>	Less than 2500	30	50.00	01
	2500 to 5000	14	23.33	02
	5000 to 7500	10	16.67	03
	7500 to 10000	04	6.67	04
	10000 and above	02	3.33	05
<b>Online Shopping Flat farms</b>	Flipkart	52	86.67	01
	Amazon	46	76.67	02
	Meesho	38	63.33	02
	Instagram Page	26	43.33	03
	Official Website	15	25.00	04
	Others	10	16.67	05
<b>Major Product Categories bought online</b>	Fashion & Apparel	54	90.00	01
	Mobile Phones & Electronics	32	53.33	04
	Beauty & Personal Care	38	63.33	02
	Home & Kitchen	36	60.00	03
	Books & Stationery	24	40.00	05
	Others	12	20.00	06

Source: Field Survey

The survey conducted among 60 online shoppers reveals several important insights about customer demographics and shopping behavior.

- **Gender:** The survey reveals that male respondents dominate online shopping (60%) compared to females (40%), indicating a higher male participation in online shopping.
- **Age distribution:** Young adults, particularly those aged 25–30 years (41.67%), form the largest segment, followed by 30–35 years (25%), indicating that online shopping is most popular among younger, tech-savvy consumers.
- **Education Qualification:** A majority of online shoppers are well-educated, with 41.67% holding a degree or higher and 36.67% having PUC or higher secondary education.
- **Types of customers:** Among customer types, students accounted for the largest share (33.33%) and private sector employees (20%) represent the largest groups, while farmers (6.67%) and businessmen (10%) make up smaller proportions.
- **Online Shopping Experience:** Most respondents have 10–15 years of online shopping experience (53.33%), showing long-term engagement.
- **Purchase frequency:** It is moderate, with 66.67% making up to five purchases per month, 25% making 5–10 purchases, and only 8.33% making more than 10 purchases monthly.
- **Monthly Spending:** Online shoppers mostly spend moderate amounts, with 50% spending less than ₹2,500 per month. Spending declines sharply for higher categories, with only 3.33% spending above ₹10,000, indicating potential for growth in high-value purchases.

- **Preferred Online Platforms:** Flipkart (86.67%), Amazon (76.67%), and Meesho (63.33%) are the most popular platforms. Social media platforms like Instagram (43.33%) and official websites (25%) are less used, suggesting strong trust in established e-commerce sites.
- **Product Preferences:** The majority of purchases are in fashion and apparel (90%), followed by beauty & personal care (63.33%), home & kitchen (60%), and mobile phones & electronics (53.33%). Books, stationery, and other categories have lower purchase rates, reflecting consumer focus on lifestyle and personal care products.

Overall, the data indicates that young, educated males and students dominate the online shopping segment, prefer established e-commerce platforms, and mainly purchase fashion and personal care products. Most shoppers are frequent buyers with moderate monthly spending, suggesting a strong engagement with online retail but with room for growth in higher-value purchases and broader product categories.

## HYPOTHESIS TESTING

### Hypothesis of the study

- ❖ There is Significant Influence of Convenience, Pricing and Wider Selection in Customer Satisfaction in Online Shopping.

Regression Statistics	
Multiple R	0.788623873
R Square	0.621927612
Adjusted R Square	0.601673734
Standard Error	0.383051032
Observations	60

Customer Satisfaction and Convenience, Pricing and Wider Selection relationship R square ( $R^2$ ) equals **0.621928**. It means that the predictors ( $X_i$ ) explain 62.2% of the variance of Y. Adjusted R square equals **0.601674**.

The coefficient of multiple correlation (R) equals **0.788624**. It means that there is a strong correlation between the predicted data ( $\hat{y}$ ) and the observed data (y).

## ANOVA

	df	SS	MS	F	Significance F
<b>Regression</b>	3	13.51656	4.50552	30.70659431	7.16531E-12
<b>Residual</b>	56	8.216773	0.146728		
<b>Total</b>	59	21.73333			

## Goodness of Fit

Overall regression: right-tailed,  $F_{(3,56)} = 30.706594$ , p-value = **7.16505e-12**. Since p-value  $< \alpha$  (0.05), we reject the  $H_0$ .

There is Significant Influence of Convenience, Pricing and Wider Selection in Customer Satisfaction in Online Shopping.

## Multiple Linear Regression

	Coefficients	Standard Error	t Stat	P-value
<b>Intercept</b>	0.408472821	0.454835	0.898069	0.372993876
<b><math>X_1</math> Convenience</b>	0.309875596	0.063083	4.912186	8.19671E-06
<b><math>X_2</math> Pricing</b>	0.43286509	0.076412	5.664852	5.29901E-07

<b><math>X_3</math> Wider Selection</b>	0.271069714	0.075149	3.60711	0.000660504
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The linear regression model,  $\mathbf{Y} = \mathbf{b}_0 + \mathbf{b}_1 \mathbf{X}_1 + \dots + \mathbf{b}_p \mathbf{X}_p + \boldsymbol{\varepsilon}$ , provides a better fit than the model without the independent variables resulting in,  $\mathbf{Y} = \mathbf{b}_0 + \boldsymbol{\varepsilon}$ .

$$\hat{Y} = 0.408473 + 0.309876 X_1 + 0.432865 X_2 + 0.27107 X_3$$

The regression analysis shows that Convenience, Pricing, and Wider Selection significantly influence customer satisfaction in online shopping. Among these, Pricing has the highest impact, followed by Convenience and Wider Selection. The model explains a substantial portion (62.2%) of the variation in customer satisfaction, making it a strong and reliable model.

## CONCLUSION

Online shopping has rapidly become a key driver of the global retail industry, transforming consumer behavior through convenience, competitive pricing, and a wide selection of products. The Indian e-commerce market is growing rapidly, fueled by digital adoption, rising internet and smartphone penetration, and supportive government policies. Customer satisfaction, influenced by product quality, website usability, service efficiency, and trust, has become a critical factor for success. Retailers who effectively manage these elements are more likely to enhance customer experiences, build loyalty, and succeed in the competitive e-commerce environment. Online customer satisfaction is not determined by a single element but rather by the interplay of product quality, website usability, service efficiency, and trust-building mechanisms. Retailers who can successfully integrate these factors into their strategies are more likely to enhance customer experiences, build loyalty, and achieve long-term success in the highly competitive e-commerce environment. In this study the regression analysis shows that Convenience, Pricing, and Wider Selection significantly influence customer satisfaction in online shopping. Among these, Pricing has the highest impact, followed by Convenience and Wider Selection. The model explains a substantial portion (62.2%) of the variation in customer satisfaction, making it a strong and reliable model.

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