

A STUDY ON DETERMINANTS OF CUSTOMER SATISFACTION AND ENHANCEMENT OF E-COMMERCE BUSINESS THROUGH ONLINE SHOPPING IN INDIA

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ABSTRACT

Purpose : This paper explores the critical role that e-commerce and online shopping plays in enhancing customer satisfaction and business in India. It also investigates the factors that drive potential customers towards e-commerce, offering valuable insights for entrepreneurs and marketers in devising strategies that prioritize customer satisfaction.

Introduction : Online shopping, a cornerstone of electronic commerce, has empowered consumers to establish direct connections with retailers through websites, apps, and digital interfaces. The ubiquity of essential tools such as smart phones, computers, laptops, and tablets has rendered online shopping an everyday convenience for people across the globe.

Design/Methodology/Approach : The methodology of this study involves reviewing secondary research documents, and collecting primary data from 200 e-consumers from NCR Delhi. The sample was selected through a combination of questionnaires and interviews, enabling representation from various age groups, income levels, education backgrounds, gender, and professional categories.

Findings/Conclusion : The findings underscore the essential role of online shopping in expanding businesses and profitability by enriching customer satisfaction through the delivery of exceptional products and services.

Managerial Implications : The insights gained from this study can guide business leaders and marketers in implementing strategies that offer customers a safe, convenient, and trustworthy e-commerce/ online shopping experience in India.

Originality/Value : This study demonstrates the significance of customer service in enhancing e-commerce business in India.

Keywords: E-commerce, Customer Satisfaction, Online Shopping, Retail, E-retailers

INTRODUCTION

The evolution of commerce in the digital age has witnessed a profound transformation, with the world increasingly turning to online shopping as a primary means of acquiring products and services. This shift accelerated by advances in communication technology and further propelled by the global COVID-19 pandemic, has reshaped the landscape of consumer behavior and retail practices. In this era of e-commerce, online shopping has emerged not merely as a transactional platform but as an experience that significantly influences customer satisfaction. This research endeavors to delve deep into the pivotal role that online shopping plays in shaping and enhancing customer satisfaction, both within the context of India and on a global scale.

Online shopping, a cornerstone of electronic commerce has empowered consumers to establish direct connections with retailers through websites, apps, and digital interfaces. The ubiquity of essential tools such as smart phones, computers, laptops, and tablets has rendered online shopping an everyday convenience for people across the globe. Beyond its

convenience, online shopping offers consumers access to an extensive array of products and services, enriched by the transparency of customer reviews, diverse product choices, competitive pricing, and the efficient utilization of time. These factors have fuelled the exponential growth of e-commerce, with a recent survey indicating India's e-commerce sector is being expected to reach INR 4,416.60 billion in 2024, with an annual growth rate of 11.5% to reach INR 7,591.90 billion by 2029.

This research paper sets out to explore the strategies employed by retail companies to elevate customer satisfaction within the online shopping experience. It also seeks to unravel the intrinsic motivations and external factors that drive prospective customers toward online shopping, offering valuable insights for entrepreneurs and marketers to craft strategies centered around customer satisfaction. Ultimately, this study aims to shed light on how online shopping not only fuels business expansion but also drives profitability by delivering exceptional products and services that enhance customer satisfaction, thereby securing long-term success in the digital marketplace.

LITERATURE REVIEW

In the evolving landscape of commerce, the burgeoning popularity of online shopping has drawn the attention of researchers and industry experts. Insights from the literature underscore several crucial factors influencing customer satisfaction in this digital realm. Firstly, the proliferation of online shopping in India can be attributed to its appeal to the youth population, convenience, ease of price and product comparisons, time efficiency, and the widespread use of mobile devices (Mohd. Suki, 2013).

Furthermore, the swift integration of online shopping into the daily lives of Indian consumers is evident, driven by widespread internet access and the extensive utilization of e-commerce platforms (Pawan Kumar Kanchan, 2017). Understanding the determinants of customer satisfaction in this context, studies have unveiled key factors such as satisfaction with product features, tangibility, empathy, efficiency, and understandability (Lai Wang, Quoc Liem Le, 2015).

Moreover, the research by Gou X, Ling, K.C, Liu oj (2012) identifies critical determinants encompassing e-service quality, product quality, product variety, and delivery service. Notably, demographics play a role, as customer satisfaction correlates with factors like the area of residence, age, gender, occupation, and the cost of recent purchases (Sathiya Bama Ragar Prabha, 2016).

Building on previous scholarship, this literature review underscores that satisfaction and purchase decisions in online shopping are influenced by a multifaceted web of factors, including e-store performance, image, delivery and customer services, service quality, purchase behavior, personalization, motivation for online purchases, trust, reliability, privacy, transaction costs, incentive parameters, web-site design, online interaction, merchandise motivation, assurance, convenience, pragmatic motivation, responsiveness, and consumer risk assessment (Gay et al., 2007; Yun and Good, 2007; LeeandL in, 2007; Rajammaetal.,2 007; Kimand Kin, 2004; Ramus and Nilesan, 2005; Ladson and Fraunholz, 2005; Kramare and Kramer, 1995; Welch,2005; Rathmelletal., 1998; Johnston, 1999; Singh,2004; Smith and Chaffers,2002; Canvan et al., 2007).

Together, this body of research forms a comprehensive foundation for understanding the intricate dynamics of customer satisfaction in the online shopping landscape.

PROBLEM STATEMENT

This study aims to encourage the adoption of online shopping systems for business in India

by emphasizing the importance of customer service. While numerous online shopping sites have proliferated on the web, customers can now easily shop online using devices such as PCs, laptops, smart phones, and various payment transfer options from the comfort of their homes. The concept of online shopping and marketing has gained prominence in today's business landscape. However, concerns about misuse by fraudulent individuals, scams, and cases of cheating have cast a shadow over the online shopping stem. These issues have created negative perceptions and apprehensions among online customers. Addressing these concerns is essential to establish online shopping as a secure and viable mode of conducting business in India.

This study focuses on addressing the key issues related to customer satisfaction in online shopping and aims to identify the factors influencing customers' preferences for online shopping. The insights Gained from this study can guide business leaders and marketers in implementing strategies that offer customers a safe, convenient, and trustworthy online shopping experience in India.

SCOPE OF THE STUDY

This study concentrates on customer satisfaction with in the context of the online shopping experience in India. Specifically, it targets customers who engage in online shopping in the National Capital Region of Delhi. The study centers on customer satisfaction in online shopping.

Research Objectives

- To assess the satisfaction level of customers in the online mode of shopping.
- To identify the specific factors and services responsible for the success of online shopping.
- To analyze current and future online shopping trends and provide recommendations for business leaders and marketers.

Research Methodology of the Study

(a). Research Design:

This study employs a descriptive research design, which focuses on describing the characteristics of individuals or groups for decision-making purposes. It aims to predict specific outcomes by narrating facts and characteristics concerning various aspects of individual groups or situations. The research combines primary and secondary data collection methods.

(b). Primary Data Collection

The primary data for this study has been collected through a standardized questionnaire. Simple Random Sampling approach was used and a very well structured questionnaire on a 5-point Likert Scale. The data for this study has been collected from 26th October to 7th December 2025.

(c). Sampling:

The study includes participants from different age groups to determine which groups are more inclined towards online shopping and which groups still prefer offline shopping. Four age groups have been incorporated into the questionnaire to analyze the adoption of online shopping across different age demographics. The research involves a sample size of 200 consumers using E-Commerce/Online modes of payment in the areas of NCR

Delhi. The sample was selected through a combination of questionnaires and interviews, enabling representation from various age groups, income levels, education backgrounds, gender, and professional categories.

(d). Secondary Data Collection

We have collected and reviewed the secondary data available on this topic from various research papers and studies published in national and international journals, books, peer-reviewed journals and reputable internet databases served as the main sources of information for this study.

Data Analysis and Interpretation:

(A) Analysis of Secondary Study :

(a). Growing E-commerce Business in India

The E-Commerce business is growing rapidly all over the world including India. The consumers are shifting to digital and online payments system from the traditional system of making payments through cheques and cash. By 2030, the digital consumer economy is expected to expand dramatically, hitting a valuation of US \$1 trillion. India is focusing on digital financial inclusion as a core part of its vision to become a developed nation by 2047.

India’s online shopper population is rapidly expanding, projected to reach 350 million by 2025, with forecasts indicating continued growth beyond 2030. India’s internet penetration has also grown dramatically from 14% in 2014 to over 55% in 2025, fueling rapid expansion in the online shopper base projected to reach 350 million by 2025 and continue growing beyond 2030.

(b) : Future prediction of E-Commerce Business in India:

The latest research position of E-Commerce business in India is depicted below:

| S. No | Digital Platforms | Description | Sources |
|-------|---------------------|---|---|
| 1 | E-commerce business | The digital consumer economy is expected to grow significantly and reach US\$1 trillion by 2030. | https://www.bain.com/about/media-center/press-releases/2023/indias-internet-economy-to-reach-us\$1-trillion-by-2030-google-temasek-and-bain--company-report/ |
| 2 | Digital Payment | Digital financial inclusion has been a key policy goal of the Government of India (GOI) and is a cornerstone of the Government’s vision of Viksit Bharat, transforming India into a developed nation by 2047. | https://www.digitalindia.gov.in/about-us/ |
| 3 | Online Shoppers | India has seen significant growth in its online shopper base from 2015 to 2025, with Bain & Flipkart estimating 350 million online shoppers by 2025, while | https://www.consultancy.in/news/3139/bain-and-flipkart-foresee-350-million-online-shoppers-by-2025 |

| | | | |
|---|------------------------|---|---|
| | | some reports project even higher numbers by 2030. | |
| 4 | Smartphone Penetration | The internet penetration rate in India rose over 55 percent in 2025, from about 14 percent in 2014. | https://www.consultancy.in/news/3139/bain-and-flipkart-foresee-350-million-online-shoppers-by-2025 |

(c). Government of India Initiatives :

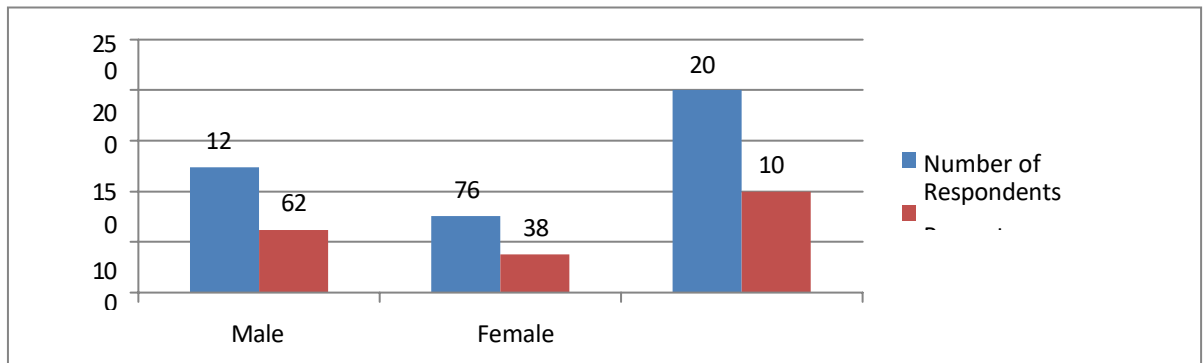
The Indian government has taken proactive measures to boost the e-commerce sector. Initiatives like the TRIFIED e-commerce portal and "Tribes India" are facilitating access to International markets for 55,000 tribal artisans. Furthermore, to encourage greater participation from foreign players in the e-commerce domain, the Indian Government has increased the Foreign Direct Investment (FDI) limit in e-commerce market places to 100 percent.

- The continued growth of online selling as consumers increasingly turn to digital platforms for their shopping needs.
- The rise of Artificial Intelligence (AI) and Machine Learning in enhancing customer experiences and personalizing recommendations.
- Strategies to engage and retain one-time buyers focus in converting them into loyal customers.
- A growing demand for customization, where consumers seek personalized products and experiences.
- The upward trajectory of mobile shopping as mobile devices become the preferred medium for online shopping.
- The increasing popularity of local and independent businesses in response to consumer preferences for unique and sustainable products.
- The prevalence of Voice Search Technology, transforming how consumers search for products and services.
- The need to offer diverse payment options to cater to different customer preferences and needs.
- A heightened focus on providing an enhanced online shopping experience, including stream lined checkout processes and improved website navigation.
- The optimization of websites for higher conversion rates, emphasizing user-friendly design and functionality.
- A growing interest in sustainability, with consumers favoring eco-friendly and socially responsible brands.
- Leveraging Chat-bots to enhance customer support and engagement.
- Added option of augmented and virtual reality technologies to provide immersive online shopping experiences.
- Utilizing social media platforms as effective sales channels to reach a broader audience.

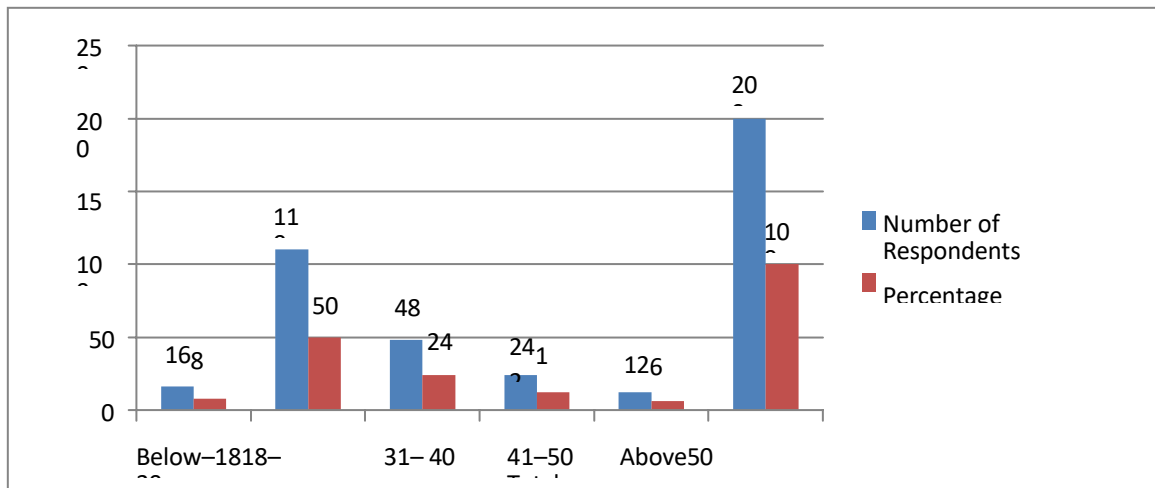
- Implementation of Omni Channel Customer Support to provide seamless and consistent customer assistance across various touch points.

(B.) Analysis of Primary Data

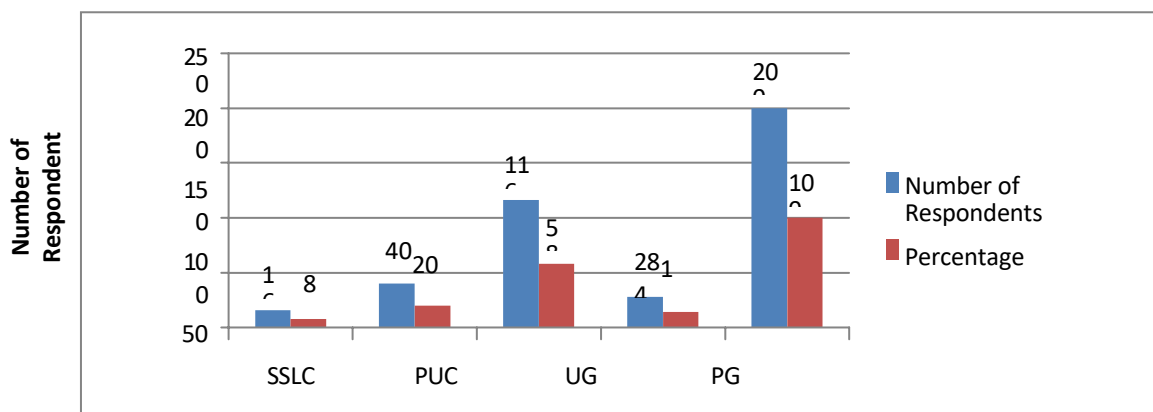
1. Genders of Respondents



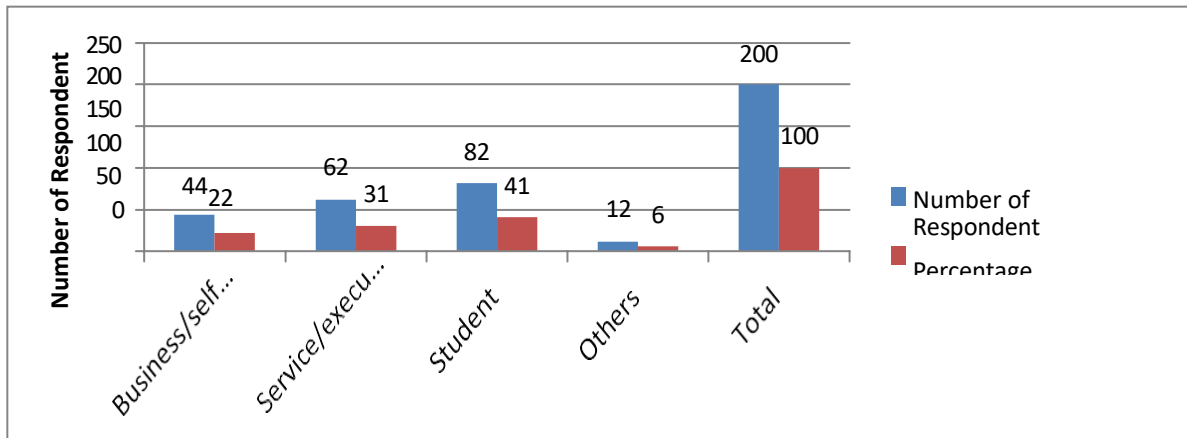
2. Age of Respondents



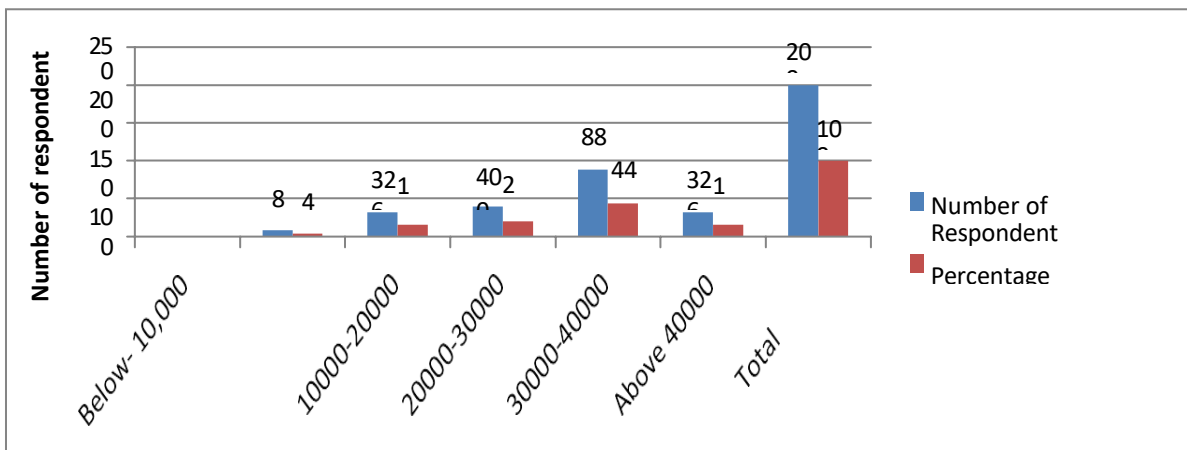
3. Educational Qualification of Respondents



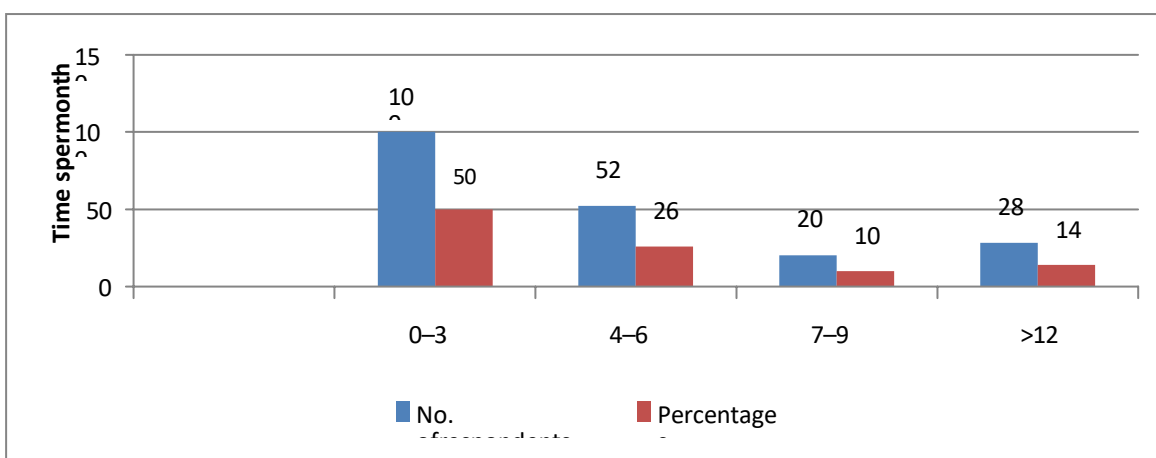
4. Occupations of Respondents



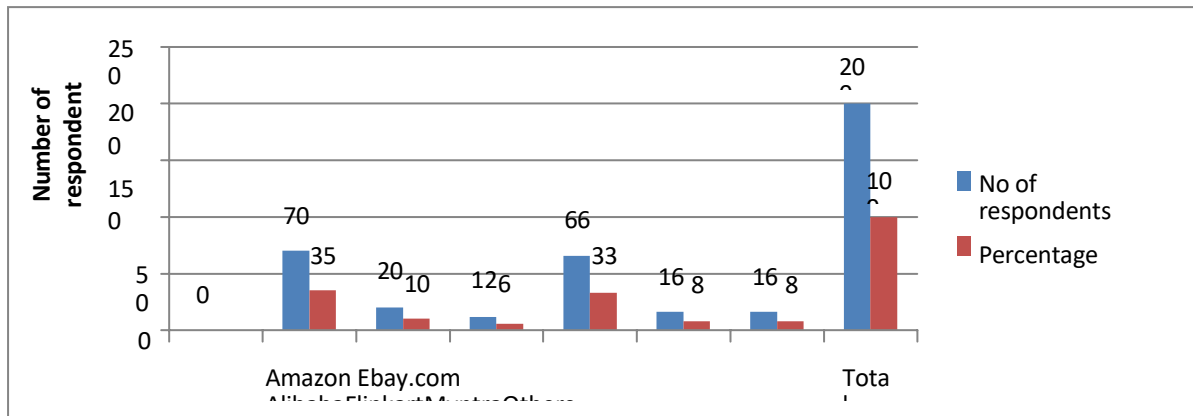
5. Monthly Income of Respondents



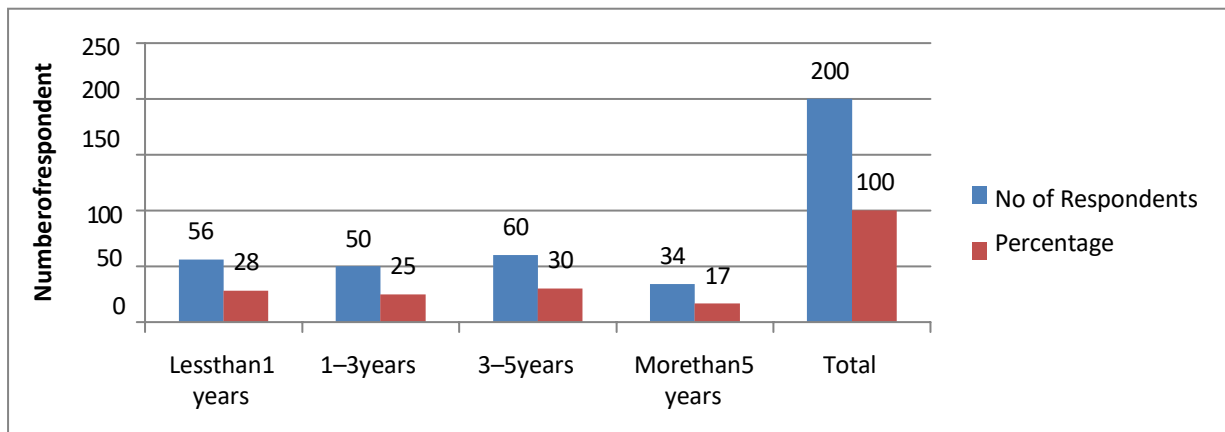
6. Time spent on online shopping by Respondents



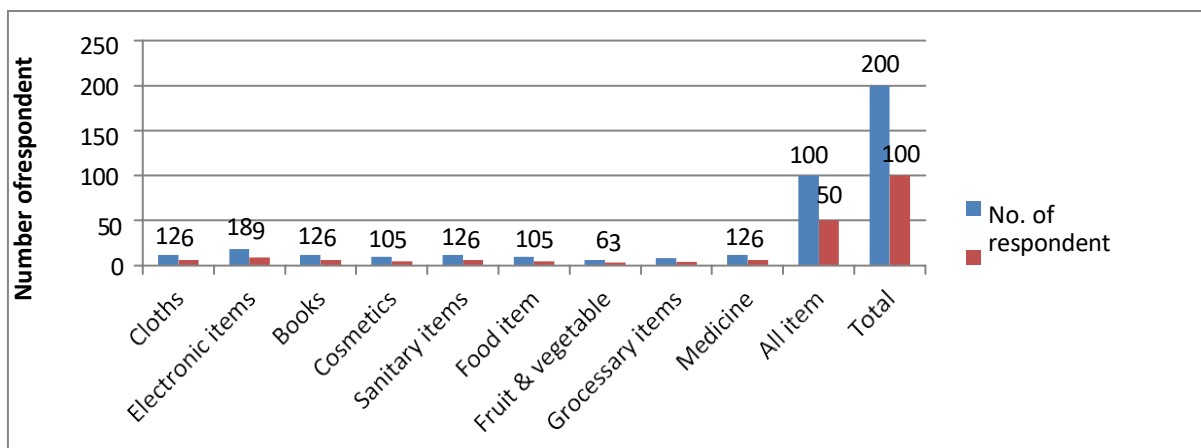
7. Preference of E-Shopping sites



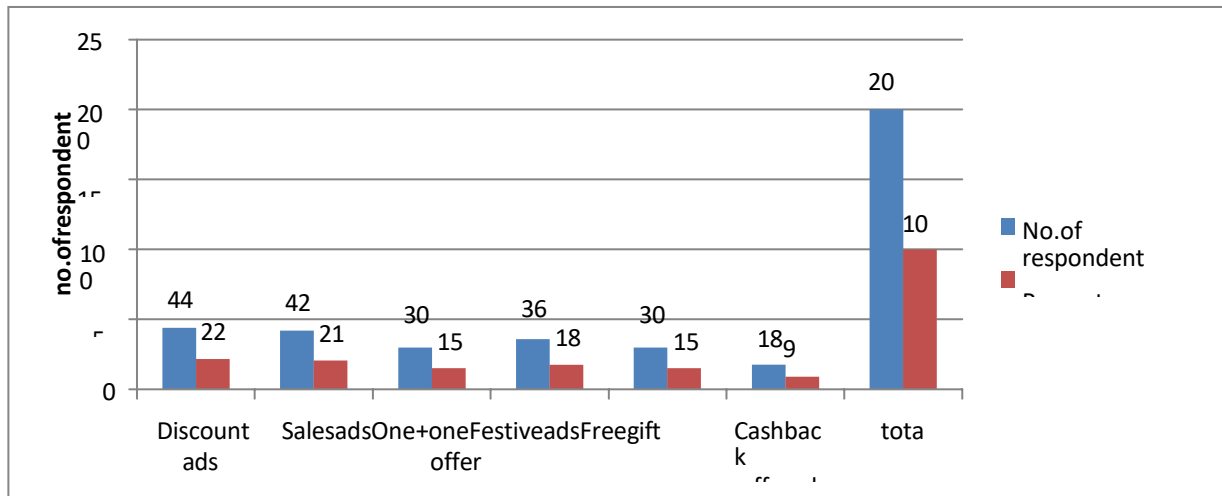
8. Online shopping durations of Respondents



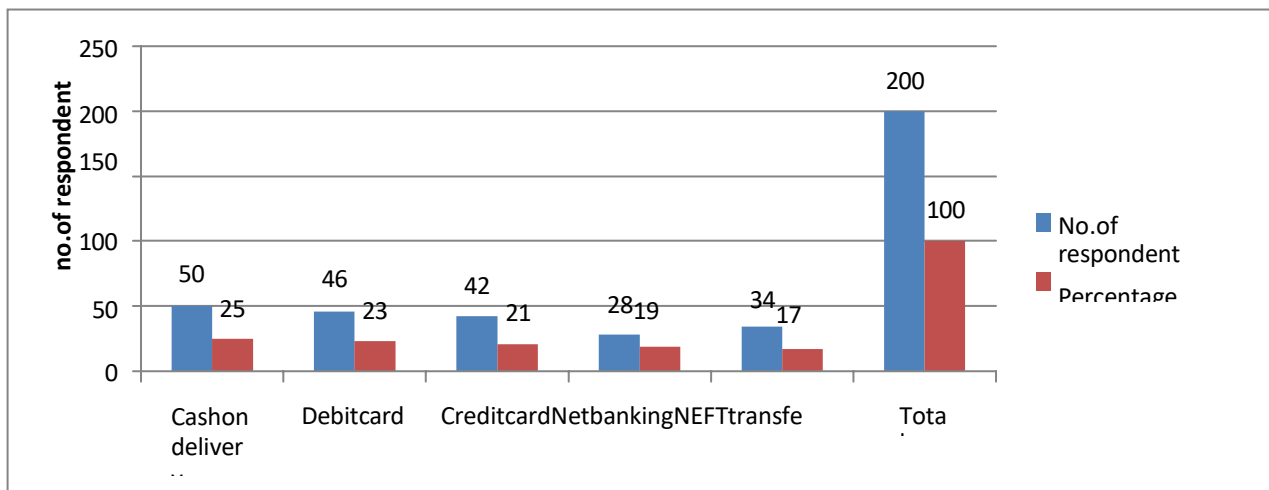
7. Mostly purchased goods from online shopping



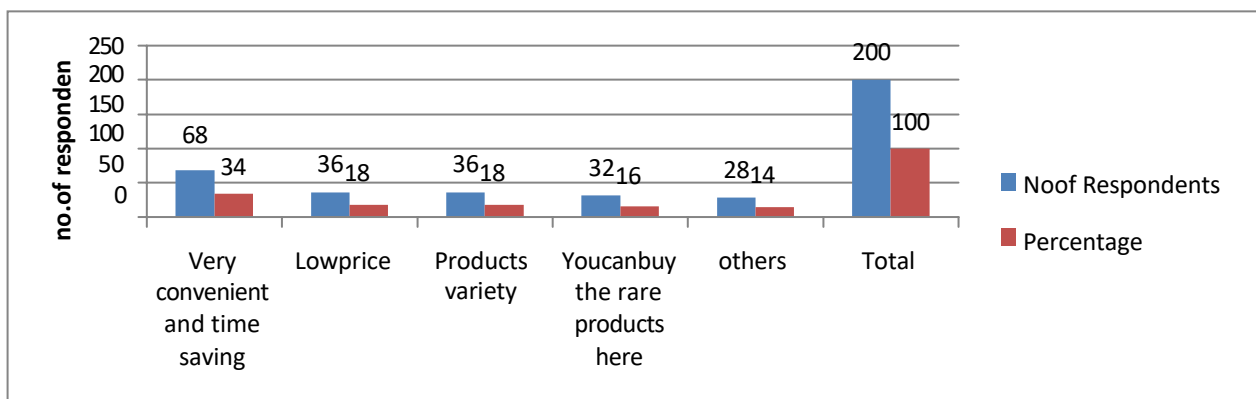
9.Types of Advertisement mostly attract to purchase online:



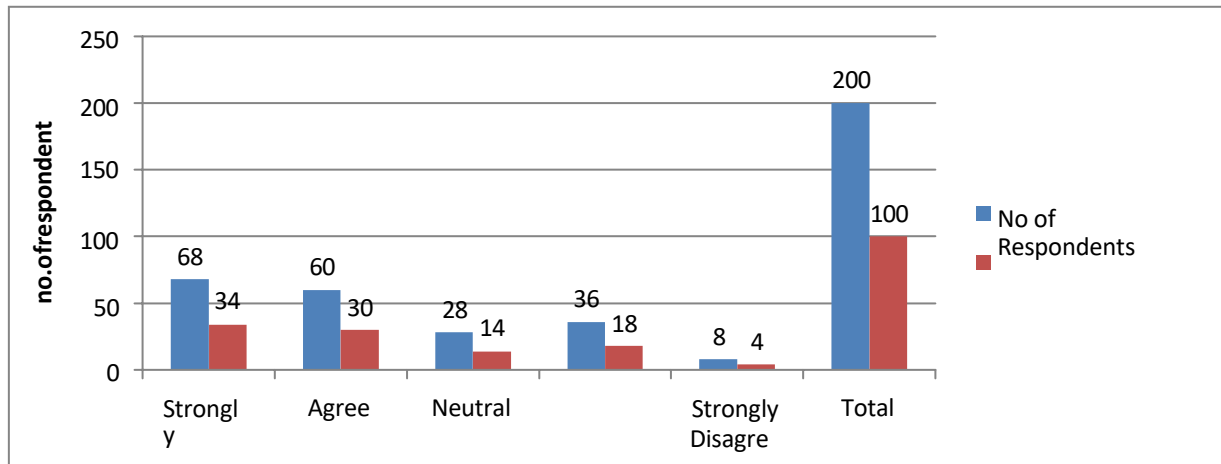
10.Preference of the payment mode for online shopping



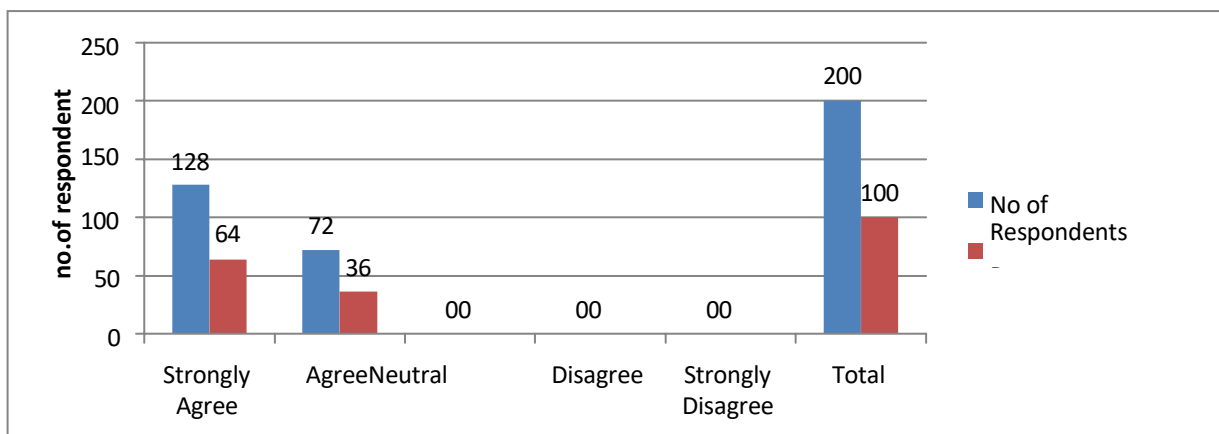
11.Factors/Services that influence online purchase of Respondents



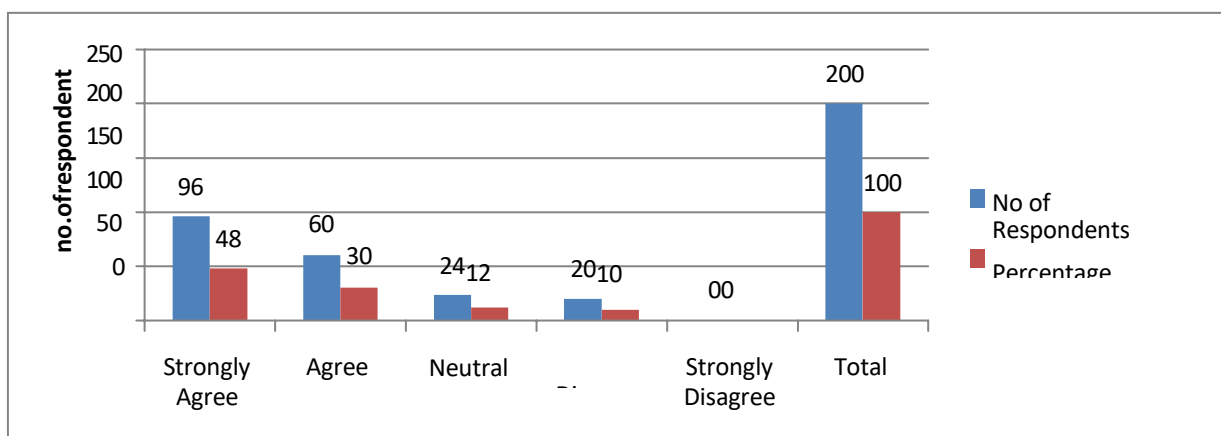
12. Importance of service quality provided by the sellers



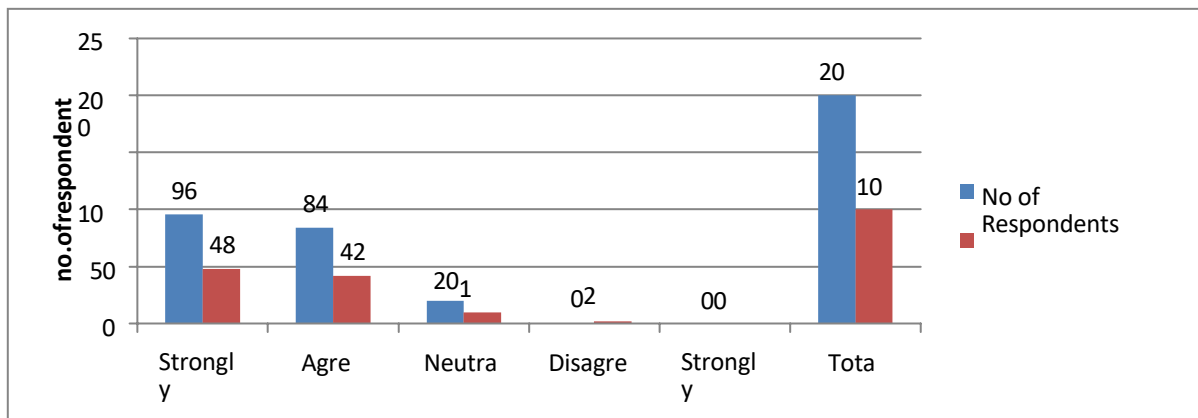
13. Importance of safety and user friendly technology



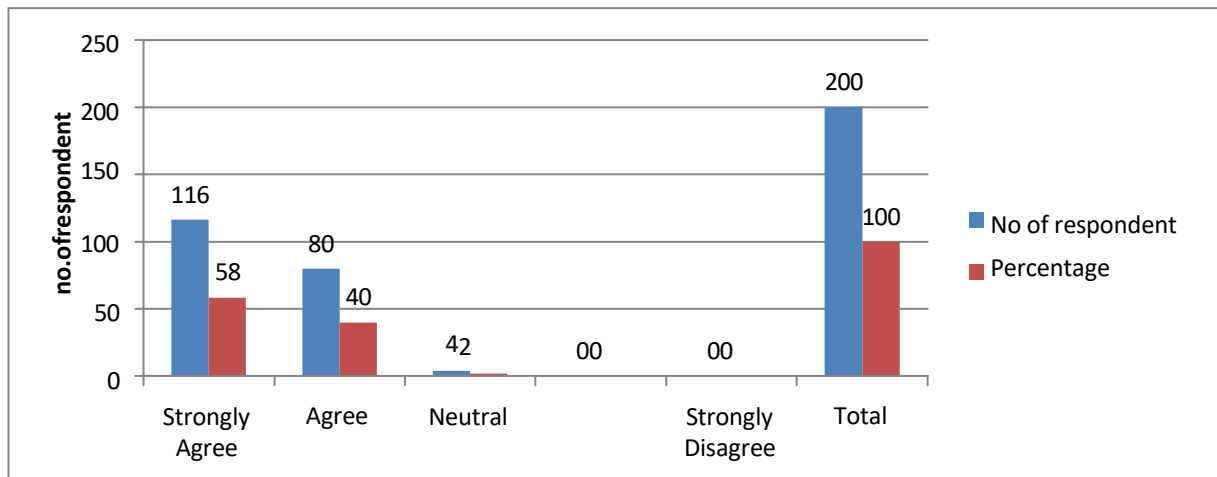
14. Satisfaction due to availability of best quality products through online shopping



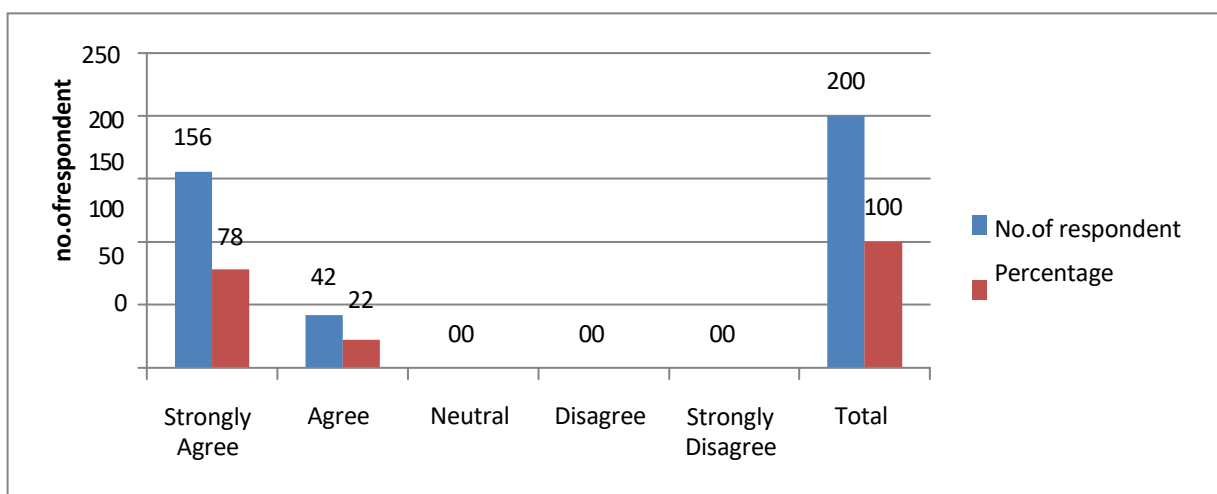
15. Satisfaction with the speed of delivery for online shopping



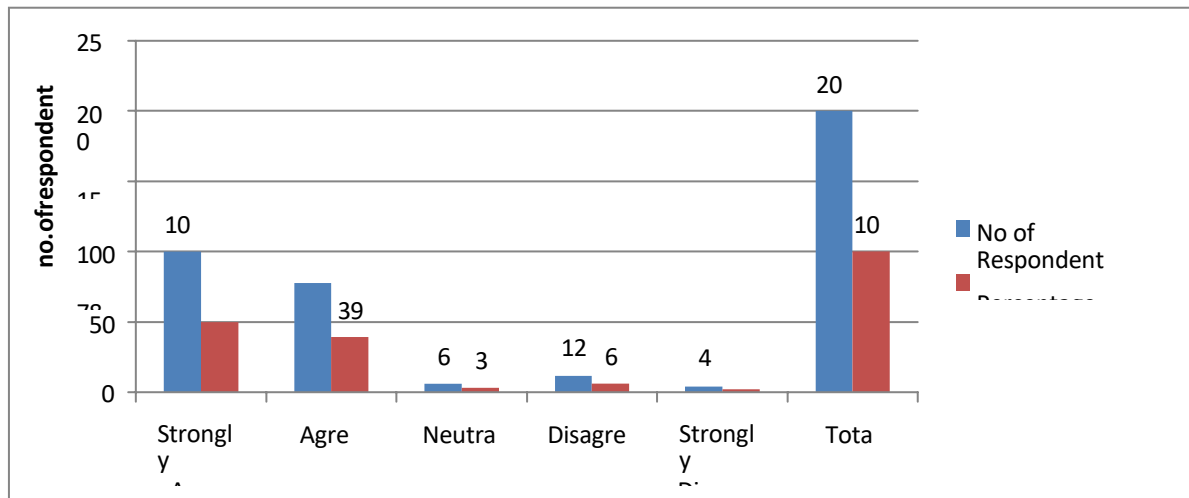
16. Preference of buying the products again from same shop, if satisfied



17. Intentions of recommending to friends/ relatives or to shop again, if experience is overall satisfactory



16. Table showing experience of online shopping: Better than conventional shopping



FINDINGS AND DISCUSSION

- 62% of the respondents of our survey are from the Males category, which is in majority as far as online shopping, is concerned.
- The results of our primary survey indicate that the majority of respondents in online shopping i.e.50% are from the age group“between18-30years”.
- The Educational Qualification of majority respondents (i.e.58%) is undergraduates, who are using online mode of shopping.
- Students i.e. 41% of the respondents are in majority, in online shopping in this area as per our study.
- The results of our survey indicate that 44% of the total respondents, which are in majority come in the income bracket of Rs.30,000/- to Rs.40, 000/-per month, followed by 20% of the respondents in the income bracket of 20,000 to 30,000 and 16% in the income bracket of Rs.10,000 to20,000 per month.
- 50% of the respondents, which are in majority, have conveyed that they spent 0-3 times in a month in online shopping, followed by 26%, spending 4-6 times and 14% spending 12 times.
- Amazon e-shopping site has been preferred by majority of the online shoppers with 35% respondents, Flip kart by 33% of the respondents and E-Bay by 10% of the respondents.
- The results of our study indicate that 30 % of the respondents, which are in majority, have been doing online shopping for the last 3 to 5 years, followed by 28% of the respondents doing online shopping for less than one year and 25% fall in the category of 1 to 3 years.
- The mode of shopping online is being used by the 65% ofour respondents and the remaining 35% still prefer the conventional ways of offline shopping.
- The results of our survey indicate that 50% of the total respondents have been doing online shopping for purchase of all the items of their use.

- 22% of the respondents have conveyed that the advertisement of discount offer attracts them towards online shopping, followed by 21% being attracted by Sales Ads and 18% of the respondents with festival ads.
- The payment process of Cash on Delivery has been preferred by 25% of our respondents
Debit Cards by 23% and Credit Cards by 21% of our respondents.
- It has been conveyed by 34% of the respondents, which are in majority that they prefer online shopping due to the convenience and time saving factor, followed by 18% each due to the price factor and availability of product variety, through online shopping.
- 64% of our respondents have conveyed that the service quality provided by the sellers play most important role for satisfaction in online mode of shopping.
- The importance of safety factor in online transactions and user friendly technology has been considered very important by 100% of the respondents, i.e. 64% with “Strongly Agree” and 36% with “Agree” remarks.
- 78% of the respondents have conveyed that the online shopping provides the option of choosing the best quality products by comparing it with other available products.
- The results of our study show that 90% of the respondents consider the speed of delivery of the products one of the main factors associated with customer’s satisfaction.
- 98% of the respondents have conveyed that they will buy the products again from the same shop, if the customers are satisfied with the previous buying experience.
- 98% of the respondents i.e. 62% “Strongly Agree and 36% “Agree” category conveyed that they will neither shop from them in future nor will recommend their name to friends and family members, if they are not satisfied with their previous online shopping experience.

SUGGESTIONS

The analysis of this study reveals that customer service plays a very important role in e-commerce Business. The E-Retailers, service providers and Government must take into account the following suggestions to make it a happy and enjoyable experience of online shopping.

- To ensure full safety in online transactions such as confidentiality, privacy of data and safe and hassle free transactions.
- The complaints of the customers on frauds and misuse of their accounts must be resolved fast and without any frustration to the customers.
- The organizations must keep on doing up-gradation of user friendly technology from time to time.
- The Government and companies should ensure providing of fast internet connections of the users for doing online shopping.
- The organizations should ensure timely delivery of products and services
- Training of the staff involved with dealing and delivery of the products from

time to time

- Delivery of same products for which the customer has made the payment
- To offer attractive discounts and different schemes on festivals and season-off sales of the products to meet the price expectations of the customers
- More focus on providing the detailed information about the products likely, price and quality of the products.
- The Companies should spend their resources in advertisement, branding, logistics, reverse logistics, supply chain management and customer services, if they want to expand their e- commerce business.
- There is need of depth understanding of security requirements of customers such as confidentiality, privacy of data etc.
- To retain loyal customer's base, the companies need to provide superior website experience coupled with good customer service.
- The E-retailers who want to reach more consumers and want to cater to the needs of the local people must develop website in local languages also.

CONCLUSIONS

The growth of e-commerce business is inevitable in India as it has access to funds both from the Government, financial institutions and ample opportunities of international investments. The e- commerce industry in India is bound to face some more challenges also with the growth in online shopping business. The Indian companies will have to work very hard on matching their business modules with the international e-commerce standards by focusing more on all the major aspects of better customer service to stay in contention in this cut throat competitive world.

In conclusion, the meteoric rise of the e-commerce industry in India is undeniable, driven by a confluence of factors, including favorable government policies, robust financial backing, and a rapidly expanding digital infrastructure. As the sector continues its expansion, it is imperative for Indian companies to navigate the evolving landscape with agility and innovation.

Managerial Implications:

- **Customer Satisfaction:** Amid this transformative journey, it is crucial for organizations to prioritize customer satisfaction. A satisfied customer base not only enhances an organization's market standing but also drives financial gains.
- **Strategic Insights :** This study provides valuable strategic insights for organizations venturing into the realm of online shopping. It highlights the key considerations and factors that organizations must address when implementing online shopping strategies.

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