

# A Study on Impact of Customer's Demographic Characteristics on Online Customer Satisfaction (With Reference to Surat City)

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**Abstract - E-commerce and online shopping is spreading its wings in the Indian market since its inception. Now, many companies which were earlier selling their products and services only through physical stores and showrooms are also operating their websites for selling its products online along with numerous e-stores selling multiple branded and in-house products. Indian market has a lot of growth potential for expansion of online market with the increasing internet bandwidth, cheaper rates and rising internet penetration in the country. Many factors influence satisfaction of customers while making an online purchase which includes various behavioral as well as demographic factors. This study principally aims to trace the association between socio demographic characteristics of customers and their satisfaction level towards online shopping. Data used in the study is primary data. Data is collected from 180 online customers from Surat City through the structured questionnaire. Tools used for analysis of data are cross tabulation and chi-square test. Findings of the study reveals that qualification of customers shows significant association with satisfaction level of online customers whereas gender, age, occupation and experience of online buying depicted no significant association with online customer satisfaction.**

**Keywords: Demographic factors, Customer Satisfaction, E-retailers, E-stores, Online Shopping, Satisfaction level.**

## I. INTRODUCTION

Technology and inventions have made life of people simple and easy. Internet is the gift of the technology to the human race and online shopping is the product of internet. E-shopping has transformed the concept of retailing at a global level by creating opportunities for the businesses to reach customers directly. For a number of Indians online shopping has become a way of life. According to the "Digital India 2020" report by Google and AT Kearney, the number of online shoppers were 50 million in 2015 and this is estimated to grow 3.5 times to touch a figure of 175 million by 2020 [1]. Customers find multiple sellers, products and brands available on online channel. They can select from a wide range of products, switch brands and compare products on different websites with the power of a click. Customers while buying products have some expectations associated with their purchased product. Once they purchase and utilize the product they develop their perception about the product. In other words, customers create their perception on the basis of their experience from purchased product and service. In the end, they compare their post-purchase perception of products with their pre-purchase expectations and come to a conclusion whether

they are actually satisfied with the experience or not. Thus, Customer Satisfaction is when perceived performance of products and services meet the prior expectation of the customer. It is very important that consumers are content with the products and services provided by the particular website as satisfied customers are likely to be loyal and make repetitive purchases which will increase profitability of that particular e-store (Reibstein, 2002) [2]. There are many factors which influence the satisfaction level of customers which may be behavioral and / or demographic in nature. In this study, the researcher attempts to identify the influence of demographic factors on customer satisfaction.

## II. REVIEW OF LITERATURE

Lin et al., (2011) assessed the impact of critical factors and identified that the factors information quality, system quality, service quality, product quality, delivery quality and perceived price had direct significant influence on the online customer satisfaction. Amongst these factors, delivery quality was found to be the most important determinant followed by product quality [3].

Dahiya (2012) conducted a study and found out that online shopping parameters like satisfaction with online shopping, future purchase intention, frequency of online shopping, numbers of items purchased, and overall spending on online shopping in India were significantly affected by demographic factors like age, gender, marital status, family size and income. Thus, online organizations must consider the demographic factors while formulating the strategies to attract the customers [4].

Mburu (2014) undertook a study to find out the relationship between various demographic factors, customer satisfaction and customer retention. The results identified that age, monthly income and education level have significant association with customer satisfaction as well as customer retention whereas gender, respondent's occupancy and marital status had no relationship with customer satisfaction and customer retention [5].

Rajeswari (2015) observed that customers considered the following factors important while shopping online: payment options, product variety / availability, speed and quality of delivery, security and user friendly presentation. Results concluded that to earn and maintain trust of the customers e-sellers were needed to focus on easier navigation, secure payment options as per norms, speed and quality of delivery and also better presentation and categorization of products to provide more user friendly interface to the customers to interact with them [6].

Koundinya (2017) carried out a research to know the influence of demographic variables on customer's behavior while booking online travel tickets. The finding revealed that gender, educational qualification and income had some significant influence on customers online train ticket booking behavior; whereas age and profession had no significant influence on the behavior of customers [7].

Santhi (2017) conducted a study and observed that train / flight tickets, movie / event tickets, books / CDs were the products customers' often purchase online. Frequently used websites by the customers for shopping were IRCTC, Flipkart and Amazon. Payment options, product variety / availability, speed & quality of delivery, security and user friendly presentation were the most vital features a customer looked for in an e-portal. Cash on delivery and internet banking were the highly preferred payment methods. Factors which annoyed the customers the most were failed transactions and insecure payment options [8].

### III. OBJECTIVE OF THE STUDY

1) To find out the association between socio demographic characteristics (Gender, Age, Qualification and Occupation) of customers and their satisfaction level towards online shopping in Surat City.

2) To know the association between customers' experience of online shopping and their satisfaction level towards online shopping in Surat City.

## IV. METHODOLOGY

### A. Research design

The design of the study is analytical in nature. The study is analytical as it involves a sound and scientific analysis of data by performing hypothesis testing with the use of statistical techniques.

### B. Area of the study

The survey is conducted in Surat City of Gujarat State. It is the second most populated city in Gujarat State with a population of 4.46 million as per Census 2011 [9]. Surat is the economical and administrative capital of Gujarat State and is known for its textile, petro chemical and diamond industries as well as for its food. With the rising awareness of usage of internet technology among residents of the city and large number of existing internet users, there is a scope of increase in the number of online buyers. According to the reports of joint study conducted by the Internet and Mobile Association of India (IAMAI) and IMRB (Indian Market Research Bureau), the internet users in the city were 2.97 million in number in November, 2014 in Surat City which is approximately 65 percent of total population [10]. In this context, it is relevant to study satisfaction level of online customers towards online retailers in Surat City.

### C. Target Population and Sampling Unit

Target population in the study is online shoppers of Surat City. Customers above 18 years of age and having minimum six months of shopping experience are selected as sample units in Surat City as they can understand the purpose and importance of the study well.

### D. Sample Size

Sample size taken in this study is 180 online buyers from the Surat City..

### E. Research Approach and Instrument

Primary data has been collected for the purpose of the study. Data collected first hand from the respondents by the researcher is known as primary data. Respondents are personally approached and a structured questionnaire has been used to collect primary data from them. Questionnaire is divided into two sections. Section-I includes questions on demographic profile of respondents and Section-II includes questions on research variables asked on five point Likert scale where 5 = strongly agree, 4 = agree, 3 = neutral, 2 = disagree and 1 = strongly disagree. Dependent variable in the study is customer satisfaction and independent variables are Security of financial information, Privacy of personal information, Privacy of shopping behavior, Adequate security features, Order confirmation, Navigation, Ease of

use, Time saving, Accuracy and reliability, Understandability, Empathy, Responsiveness, Compensation, Discounts/ Offers, Price competitiveness, Product quality, System availability, Fulfillment.

**F. Sampling Technique**

Convenience sampling method which is a non-probability sampling technique has been adopted to select samples for the study in the selected research area.

**G. Statistical tools**

Data collected is processed, tabulated, classified and analyzed with the help of SPSS (Statistical Package for Social Sciences) to convert the raw data into meaningful form. Statistical tools used are descriptive analysis for describing the general profile of the respondents and chi-square test is used to analyze the association between customers' demographic factors, experience of online shopping and their satisfaction level.

**V. Data Analysis and Interpretation**

Respondent's demographic profile, their online buying experience and main findings of the study are discussed under the following sub-heads:

**Gender:** Out of total 180 respondents, 54.4% respondents are female and 45.6% respondents are male.

**Age:** Majority of respondents i.e. 58.9% belongs to the 18-28 yrs of age group, followed by 25.0% respondents of the 28-38 years age group. 10.6% respondents fall under the age group of 38-48 years and 5.6% respondents are more than 48 years of age.

**Qualification:** Majority of the respondents i.e. 52.8% are graduates followed by 26.7% post-graduates. 15.0% have done high school and 5.6% belong to others category (such as Diploma, Chartered Accountant, etc).

**Occupation:** Majority of online buyers i.e. 37.2% are engaged in some profession/service followed by 28.3% students. 21.7% respondents are businessmen and 12.8% are housewife.

**Experience of online shopping:** Maximum 46.7% customers are having experience of more than 24 months followed by 21.1% having 12-18 months experience. 20.6% respondents have online buying experience of 6-12 months and 11.7% have 18-24 months online shopping experience.

**A. Association Between Demographic Characteristics of Customers and Online Customers Satisfaction**

To know the association between demographic characteristics (gender, age, qualification and occupation) of customers and their satisfaction level hypothesis is framed and tested using chi-square test.

**Hypothesis:**

H<sub>0</sub>: There is no significant association between demographic characteristics (gender, age, qualification and occupation) of customer and their satisfaction level towards online shopping in Surat City.

H<sub>1</sub>: There is significant association between demographic characteristics (gender, age, qualification and occupation) of customer and their satisfaction level towards online shopping in Surat City.

**Table 1.1: Cross tabulation of gender and customer satisfaction**

		Customer Satisfaction						Total
		SD	D	N	A	SA		
Gender	Male	Frequency	0	0	6	55	21	82
		%	0.0	0.0	7.3	67.1	25.6	
	Female	Frequency	1	1	10	65	21	98
		%	1.0	1.0	10.2	66.3	21.4	
Total		Frequency	1	1	16	120	42	180
		%	0.6	0.6	8.9	66.7	23.3	100.0

**Table 1.2: Cross tabulation and chi-square test of age and customer satisfaction**

		Customer Satisfaction						Total	
		SD	D	N	A	SA			
Age (in years)	18-28	Frequency	0	0	9	69	28	106	
		%	0.0	0.0	8.5	65.1	26.4		
	28-38	Frequency	1	1	5	27	11	45	
		%	2.2	2.2	11.1	60.0	24.4		
	38-48	Frequency	0	0	2	15	2	19	
		%	0.0	0.0	10.5	78.9	10.5		
	>48	Frequency	0	0	0	9	1	10	
		%	0.0	0.0	0.0	90.0	10.0		
	Total		Frequency	1	1	16	120	42	180
			%	0.6	0.6	8.9	66.7	23.3	100.0

Table 1.3: Cross tabulation of qualification and customer satisfaction

			Customer Satisfaction					Total
			SD	D	N	A	SA	
Qualification	High School	Frequency	0	0	1	19	7	27
		%	0.0	0.0	3.7	70.4	25.9	100.0
	Graduate	Frequency	0	0	6	70	19	95
		%	0.0	0.0	6.3	73.7	20.0	100.0
	Post-Graduate	Frequency	1	0	7	26	14	48
		%	2.1	0.0	14.6	54.2	29.2	100.0
	Others	Frequency	0	1	2	5	2	10
		%	0.0	10.0	20.0	50.0	20.0	100.0
Total		Frequency	1	1	16	120	42	180
		%	0.6	0.6	8.9	66.7	23.3	100.0

Table 1.4: Cross tabulation of occupation and customer satisfaction

			Customer Satisfaction					Total
			SD	D	N	A	SA	
Occupation	Student	Frequency	0	0	2	35	14	51
		%	0.0	0.0	3.9	68.6	27.5	100.0
	Professional/Service	Frequency	1	0	12	38	16	67
		%	1.5	0.0	17.9	56.7	23.9	100.0
	Businessman	Frequency	0	1	2	30	6	39
		%	0.0	2.6	5.1	76.9	15.4	100.0
	Housewife	Frequency	0	0	0	17	6	23
		%	0.0	0.0	0.0	73.9	26.1	100.0
Total		Frequency	1	1	16	120	42	180
		%	0.6	0.6	8.9	66.7	23.3	100.0

Table 1.5: Chi-square test

	Value	df	Asymp. Sig. (2-sided)	Inference
Pearson Chi-Square (Gender and Customer Satisfaction)	2.430	4	0.657	No Association
Pearson Chi-Square (Age and Customer Satisfaction)	11.354	12	0.499	No Association
Pearson Chi-Square (Qualification and Customer Satisfaction)	27.991	12	<b>0.006</b>	<b>Association</b>
Pearson Chi-Square (Occupation and Customer Satisfaction)	18.848	12	0.092	No Association

Table 1.5 shows that amongst gender, age, qualification and occupation, the probability value of only qualification and customer satisfaction is 0.06 which is less than significance level of 0.05. This interprets that the null hypothesis is rejected with respect to that and there is some significant association between qualification and online customer satisfaction.

For the remaining demographic characteristics i.e. gender, age and occupation, the researcher fails to reject the null hypothesis and there is no significant association of gender, age, and occupation with online satisfaction of customers.

*B. Association Between Customers' Experience of Online Shopping and Online Customer Satisfaction*

To know the association between experience of online buying and customer's satisfaction level hypothesis is framed and tested using chi-square test.

**Hypothesis:**

H<sub>0</sub>: There is no significant association between customer's experience of online shopping and their satisfaction level in Surat City.

H<sub>1</sub>: There is significant association between customer's experience of online shopping and their satisfaction level towards online shopping in Surat City.



Table 1.6: Cross tabulation of experience of online buying and customer satisfaction

			Customer Satisfaction					
			SD	D	N	A	SA	Total
Experience of online buying	6-12 months	Frequency	0	0	6	24	7	37
		%	0.0	0.0	16.2	64.9	18.9	100.0
	12-18 months	Frequency	1	0	3	20	14	38
		%	2.6	0.0	7.9	52.6	36.8	100.0
	18-24 months	Frequency	0	0	2	15	4	21
		%	0.0	0.0	9.5	71.4	19.0	100.0
	more than 24 months	Frequency	0	1	5	61	17	84
		%	0.0	1.2	6.0	72.6	20.2	100.0
	Total	Frequency	1	1	16	120	42	180
		%	0.6	0.6	8.9	66.7	23.3	100.0

Table 1.7: Chi-square test

	Value	df	Asymp. Sig. (2-sided)	Inference
Pearson Chi-Square	13.431	12	0.339	No Association

Table 1.7 reveals that the probability value is 0.339 which is greater than significance level of 0.05. Thus, the null hypothesis is accepted and it can be interpreted that no significant association between customer’s experience of online shopping and their satisfaction level in Surat City.

## VI. CONCLUSION AND SUGGESTIONS

The results of the study concluded that online satisfaction of customers is independent of their socio-demographic factors viz. gender, age, occupation as well as their experience of online shopping. Whereas qualification is the only demographic factor which shows significant association with customer’s satisfaction in online shopping i.e. difference in qualification can create a significant difference in satisfaction level of customers. In other words, any change in gender, age, occupation and experience of online shopping cause no significant change in the satisfaction level of customers. Thus, online sellers can adopt same strategies to market their products for customers of different demographic characteristics. It can also be seen from the findings that majority online customers are youngsters belonging to the age group of 18-28 years. Thus, more efforts to be put forward by the e-stores to increase the involvement of upper age group customers. Results also conclude that there is very less involvement of housewives in online shopping as compared to customers engaged in other occupation. Therefore, to expand their customer base e-retailers should target housewives as they remain occupied with their household chores and thus, do not get much time to go out to malls and pay visit to stores for shopping. Therefore, the e-stores

need to convey them through targeted radio and T.V. advertising that how online shopping will save their time and they can buy anything at the convenience of their doorstep.

## VII. LIMITATIONS OF THE STUDY

In spite of the best efforts by the researcher in collection of the data, there might be few difficulties which were faced by the researcher and which might have affected the results and conclusions of the study. Following are the limitations of the study:

- 1) The study is restricted to online buyers of Surat City only.
- 2) The accuracy of the results is based on the assumptions that the respondents are sincere in providing responses without any bias.
- 3) Study may become obsolete and does not fit to the changing circumstances and needs in future.
- 4) In spite of the serious efforts of the researcher, the responses for variables covered in the study may have been influenced by the interests, understanding and knowledge limitations of the customers.

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