

FACTORS INFLUENCING CUSTOMER SATISFACTION & WORD OF MOUTH TOWARDS THE USAGE OF SHOPPING APPS IN INDIA

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ABSTRACT

The main purpose of this study was to decide the factors influencing customer satisfaction towards the usage of shopping App(s) in India. At present, the shopping apps are becoming one of the most important parts of business. With the aid of one click, the customer nowadays desires to get the right product quickly. Most of the customers are not showing interest to visit retail stores for buying products and they want to avoid difficulties in their shopping choice. The data for this study was collected from 167 people throughout India and analyzed by using WARP PLS 4.0 software (Structural Equation Modelling). The factors (Image Appealing, Design Aesthetics, Information Quality) had significant positive influence on customer satisfaction and Privacy/Security had not significant influence on customer satisfaction, subsequently customer satisfaction had significant positive influence on Word of Mouth. Thus, this study aims to examine the factors influencing customer satisfaction, and how customer satisfactions subsequently affects the Word of Mouth towards the usage of shopping apps in India.

INTRODUCTION

Online shopping is defined as a place where customers buy the products or services on the internet by using different electronic devices. E-commerce is one of the upcoming high potential sectors in India. In future, E-commerce might enhance rapidly throughout India. Internet is a part of day to day life for most of the citizens. Today, the entire world runs behind the internet in a smart way. By the year 2034, India is expected to become a second-largest e-commerce player in the world. Mobile application traffic is far ahead of website traffic in engaging the customers. Based on the design aesthetics, image appealing of products, content quality of products, services and privacy/security offered, customers are showing interest to use the apps. This sort of marketing plan is anticipated to expand further sales. A lot of people are spending more time on their mobile phones and application. Android users have 1.6 billion apps and for Apple's store 1.5 billion apps. This study aims to examine the factors that influence customer satisfaction in an online shopping Apps in India. Further this study also examines the relationship between customer satisfaction and Word of Mouth in an online shopping App environment.

| Constructs | Literature review |
|-----------------------|--|
| Customer satisfaction | Oliver, R. L. (1980). A cognitive model of the antecedents and consequences of satisfaction decisions. <i>Journal of Marketing Research</i> , 17, 416-469 |
| Word Of Mouth (WOM) | Goyette, J., Richard, L., Bergeron, J., Marticotte, F., 2010. E-WOM scale: word-of-mouth measurement scale fore-services context. <i>Can. J. Adm. Sci.</i> 27(1), 5-23. |
| Design Aesthetics | D. Cyr, C. Bonanni, J. Bowes, J. Ilsever, Beyond trust: website design preferences across cultures, <i>Journal of Global Information Management</i> 13 (4), 2005, pp. 24-52. |
| Information Quality | H. van der Heijden, Factors influencing the usage of websites: the case of a generic portal in The Netherlands, <i>Information & Management</i> 40 (6), 2003, pp. 541-549. |
| Image Appealing | Cyr, D., M. Head, H. Larios, and P. Bing. 2009. "Exploring Human Images in Website Design: A Multi-Method Approach." <i>MIS Quarterly</i> 33 (3): 539-566. |
| Privacy/Security | Parasuraman A, Zeithaml VA, Malhotra A. E-S-Qual: A multiple item scale for assessing electronic service quality. Report No. 04-112. Cambridge, MA: Marketing Science Institute; 2004. |

Research Question:

- What are the factors influence customer satisfaction towards the usage of shopping apps in India?
- How customer satisfactions subsequently effects the Word of Mouth towards the usage of shopping apps in India?

Key contribution:

- Understanding the factors that influence Customer Satisfaction towards usage of Shopping App(s) in India.
- Identify the factors that help transform e-satisfaction to Word of Mouth (WOM)

CONCEPTUAL MODEL

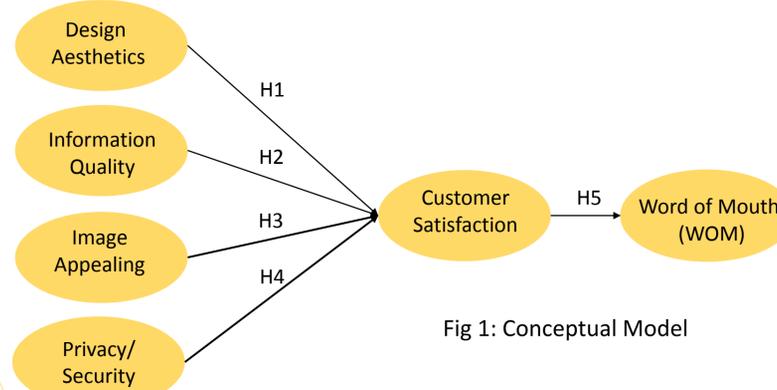


Fig 1: Conceptual Model

Hypotheses

- H1:** Design Aesthetics will positively influence the customer satisfaction towards the usage of shopping app(s) in India.
- H2:** Information Quality will positively influence the customer satisfaction towards the usage of shopping app(s) in India.
- H3:** Image Appeal will positively influence the customer satisfaction towards the usage of shopping app(s) in India.
- H4:** Privacy/Security will positively influence the customer satisfaction towards the usage of shopping app(s) in India.
- H5:** Customer satisfaction will positively influence the Word of Mouth towards the usage of shopping app(s) in India.

Methodology

This study involved a cross-sectional pan India survey of shopping app users. The number of respondents were 167, of which 61% were Male and 38.3% were female and data collected across various age groups, occupation status across India. 91% of the respondents, who has experienced the shopping App(s) are preferred for the analysis. The data were collected during the months of November and December 2016

Descriptive Stats

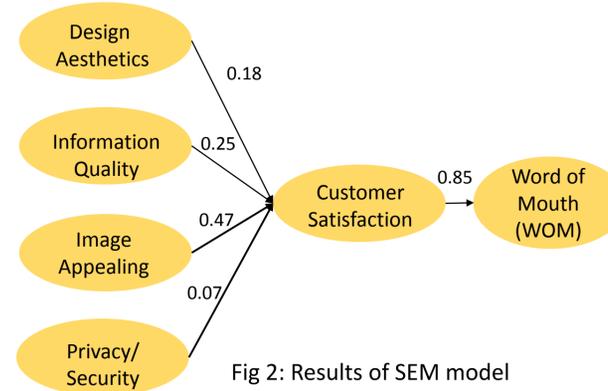
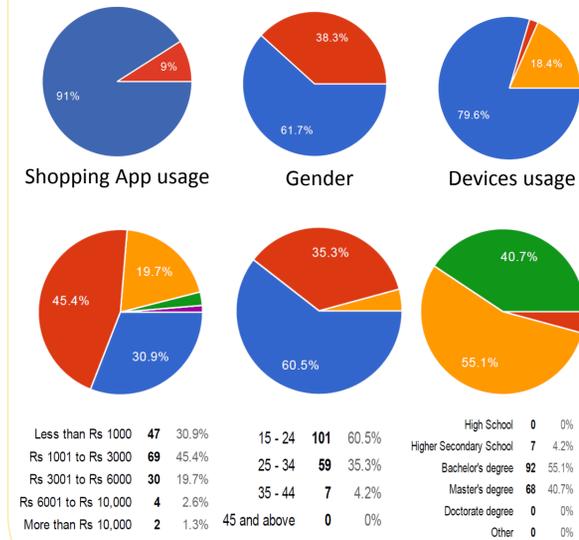


Fig 2: Results of SEM model

Discussion

- Design Aesthetics had significant positive impact influence on Customer Satisfaction, thus H1 was supported
- Information Quality had significant positive influences on Customer Satisfaction, thus H2 was supported
- Image Appealing had significant positive impact on Customer Satisfaction, thus H3 was supported
- Privacy/Security had not significant influence on Customer Satisfaction, thus H4 was not supported
- Customer Satisfaction had significant influence on WOM, thus H5 was supported

| Constructs | P values | Coefficient values |
|------------|----------|--------------------|
| Da -> CS | 0.003** | 0.18 |
| IQ -> CS | 0.000*** | 0.25 |
| IA -> CS | 0.000*** | 0.47 |
| PS -> CS | 0.15 | 0.07 |
| CS -> WOM | 0.000*** | 0.85 |

Table 1: Results P value and Coefficients

| Constructs | Cronbach's Alpha |
|-----------------------|------------------|
| Design Aesthetics | 0.954 |
| Information Quality | 0.948 |
| Image Appealing | 0.926 |
| Privacy/Security | 0.959 |
| Customer satisfaction | 0.955 |
| Word Of Mouth (WOM) | 0.923 |

Table 2: Shows the reliability measures of all the constructs

General Results

- Average R-squared (ARS)=0.781, P<0.001
- Average adjusted R-squared (AARS)=0.778, P<0.001
- Average block VIF (AVIF)=4.841, acceptable if <= 5, ideally <= 3.3
- Average full collinearity VIF (AFVIF)=4.906, acceptable if <= 5, ideally <= 3.3

Table 3: Shows the general results of the model

CONTRIBUTION

A conceptual model that explains the relation between Factors & Customer satisfaction and Customer Satisfaction subsequently effects the WOM towards the usage of Shopping Apps.

These factors are more significant for startup and MNC's, companies because every company is mainly targeting on Applications, it is easy to track and analyze the marketing data to generate more revenue with the help of Applications.

LIMITATION AND FUTURE RESEARCH

The study mainly focused on few factors which influences the customer satisfaction and subsequently CS influences the WOM towards usage of different shopping apps in India. This study also can be done by comparing different devices usage for online shopping among male and female with different age groups.

CONFERENCES TARGETED

IRTEICT 2017, Bangalore Submission March 20 Acceptance, April 10 - Conference 19 - 20 May