ONLINE SHOPPING AND CUSTOMER SATISFACTION OF ADEKUNLE AJASIN UNIVERSITY STUDENTS AKUNGBA AKOKO, ONDO STATE, NIGERIA

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Abstract: Growing numbers of shoppers search on-line to buy merchandise and services, gather product information or perhaps browse for enjoyment. However, most on-line customers still complained regarding their discontentedness regarding their experiences with their provider thus, this study will investigate the level of satisfaction of customers that shop online in Akoko. Ondo state, Nigeria.

The populations of this study are customers that shop online in Akoko region, Ondo State, Nigeria. Since the population of this study is unknown; Mugenda & Mugenda (2004) formula were used to get the sample size, the sample for this study is 384 respondents. For this analysis, simple random technique was used on the population. The respondents were chosen indiscriminately. Primarily supply of knowledge was adopted. The most instrument of this study was structured form designed to gather data from the respondents, to supply answers to analysis queries and therefore the objective, data gathered on all relevant variables were analyzed mistreatment descriptive (frequencies, percentage, mean, and standard deviation) and inferential (regression) statistics with the employment of SPSS applied mathematics packages version 20.

The results revealed that the predictor variable (possess/convenience for purchase) were individually statistically significant to satisfaction. Possession/post purchase convenience explained 12.2% of the variance in the Customer satisfaction. However, the overall effect of online shopping on customer satisfaction was significant (F= 56.782, p<0.00).

The study recommends that organisation should capitalize on the technology and go online and also companies should try and make it easy to return goods are damage back to the companies.

Keywords: Online Shopping, Organisation, Possession Convenience, Customer Satisfaction, Post-purchase conveniences.

1.1 INTRODUCTION

Web based shopping is growing very fast throughout the planet, as a result of most individuals have totally different style and functions and are currently progressing to web for data and to shop for product and services. The Growing Rate of e-commerce presently and therefore the expected increase within the world nowadays has junction rectifier most malls to own a department for e-looking and residential delivery service (Srinivasan, Anderson & Ponnavolu (2002), McKnight, Choudhury & Kacmar (2002) Delone & Mclean (2004), Gounaris, Dimitriadis (2003)).

Growing numbers of shoppers search on-line to buy merchandise and services, gather product data or perhaps browse for enjoyment. And this has junction rectifier to the rise within the relationship between marketers and their customers. Nigeria, just like the remainder of the planet is moving on the trend of e-commerce, due to its economy importance with the advents of web. Nigerians ar setting out to build purchases on-line, which suggests that Nigerians ar satisfy with on-line Shopping and Nigeria’s e-commerce market is developing apace (Vanguard news 2018). On-line shopping has become a preferred means that of looking globally and has witnessed a zoom in recent times due to its various deserves for each retailers as well as shoppers like twenty four hours facilities, saving time and value convenience, minimized overhead value (Gabriel Ogbuije, & Ahiauzu, 2016).
Online shopping is one among the wide and unremarkably used mediums for convenient looking. It's really, a preferred means that of is looking within the web community (Bourlakis et al., 2008). One advantage of web looking is that it provides the shoppers with careful data and multiple selections in order that they'll compare product and value. The additional, the selection and convenience, the better it's to seek out what you're trying to find on-line (Butler and Peppard, 1998) it's been seen that on-line looking provides additional satisfaction to the fashionable day shoppers United Nations agency are seeking convenience still as speed (Yu and Chinese, 2007)

1.2 STATEMENT OF THE PROBLEM

Nigerian is ranked third in mobile online shopping worldwide, a report by PayPal. Nigerians pay for cross-border online purchases and 55 percent of Nigerian cross-border shoppers have used the platform for purchases in the past 12 months. The country’s consumers spent N128.1 billion in 2015 via online shopping, targeting N172 billion by the end of this year. With 72 percent of online consumers shopping on a smartphone in Nigeria, the country follows China (86 percent) and India (82 percent) in terms of incidence of shopping via smartphone. A large majority of consumers pick smartphones to shop online both when shopping cross-border and locally in Nigeria. (Vanguard news 2018), this indicate that shopping online is on the high side by Nigerians if by 2015, The country’s consumers spent N128.1 billion in 2015 via online shopping, targeting N172 billion by the end of this year. This shows that Nigerians are satisfied by shopping online.

Osio & Orubu (2018) in their study find out that customers that shop online are satisfied with what they purchase on line. But According to Omoneye(2019) 50% of the online customer only purchase on regular bases, because the variation between those that are satisfied and those that are not satisfied are not significant enough to conclude that all shopping online lead to satisfaction. Base on this controversy, this study will investigate the level of satisfaction of customer that shop online. The Objective of study is to determine the effect of online shopping on the satisfaction of customers that shop online.

2. 1 Literature Review

Online shopping has been defined by many authors in the literature and the various definitions are given in this study. Online shopping is the process whereby consumers directly buy goods, services etc. from a seller interactively in real-time without an intermediary service over the internet. it is the process of buying goods and services from merchants who sell on the Internet (Jayasubramanian, Sivasakthi & Ananthi 2015). Online shopping otherwise referred to as online retailing simply means retailing activities conducted online through the Internet (chaffey, Mayer, Ellis-Chadwick & Johnson, 2006) . It is a process of exchanging of goods and services through the World Wide Web (Muhammad & Nasir, 2011). Online shopping is defined as “the act of purchasing products or services over the internet” (businessdictionary.com). It can also be defined as “electronic shopping done via the internet” (dictionary.com) Online shopping is a form of electronic commerce which allows consumers to directly buy goods or services from a seller over the Internet using a web browse. Consumers find a product of interest by visiting the website of the retailer directly or by searching among alternative vendors using a shopping search engine, which displays the same product's availability and pricing at different e-retailers. As of 2020, customers can shop online using a range of different computers and devices, including desktop computers, laptops, tablet computers, smartphones, and smart speakers (Wikipedia).

2.1.1 Dimension of Online Shopping

2.1.1.1 Access Convenience: This dimension has turned out to be the for most driver of overall online shopping convenience. Online consumers have the advantages of shopping at any time and are able to make multiple economies of time. They can also purchase products from such locations as home and office, rather than at physical stores. These two types of flexibility- time and place- in turn provide psychological benefits by avoiding crowds, reducing waiting time, and expending less effort in travelling to physical stores.

2.1.1.2 Search Convenience: theoretically, online customer can research products and compare cost without physically visiting multiple locations to find their desired products. Study revealed that consumers regard search inconveniences as a major obstacle to conveniences and efficient online shopping. All the potentials issues associated with product search over the internet can be: download speed, web site design, search function, and product classification
2.1.1.3 Evaluation Convenience: Evaluation Convenience is associated with the availability of detailed yet easy to understand product description by employing various presentation features, such as text, graphics and video, on the website. In recent years, the overwhelming selection of products and detailed information that is accessible, at just one click of the mouse, trend to make online shoppers more sensitive than ever before to evaluation conveniences.

2.1.1.4 Transaction Convenience: Although there is no queue in Online shopping, the online check-out process is, by no means simple and easy to follow. Simple and convenient online payment methods are essential. Complicated payment methods often prevent online shoppers from completing their purchasing process as the last minute.

2.1.1.5 Possession/Post-Purchase convenience: this dimension is concerned with consumers’ perceptions of time and effort expenditures to possess what they wish and to experience the benefits thereof. Shopping online releases shoppers’ burden of travelling to and from physical stores and thus customers prefer to purchase online heavy goods and staples in large quantity to avoid dealing with the actual physical burden.

2.1.2 Customer Satisfaction

Customer satisfaction has been a subject of great interest for organizations and numbers of researches, because customers are key stakeholders in organizations and their satisfaction is a priority for sustainable growth (Abel, 2013). Keiningham, (2006) describes that the ability of the service provider to meet expectations of customers with regards to the different facets of service quality is what ultimately determines the level of customer satisfaction/dissatisfaction. Gronroos (1982) also argue that consumers compare the service they expect with the service they receive to evaluate its quality. When the service delivered does not meet initial expectations, the consumer is dissatisfied, whereas if the service meets or exceeds those expectations, he or she is satisfied.

Lee, (2011) stated that satisfied customers are a great source to increase profitability. That is because satisfied customers are likely to commit to the service organization and have better social interaction with service providers, while dissatisfied customers complain more and repurchase less. Keiningham, (2006) have also describe the above concept in different terms but with the similar meaning, satisfaction with a service or service provider may be a strong incentive for customers to maintain or increase current retention rate, dissatisfaction with a service or service provider may be a strong incentive to exit from the interaction.

Oliver, (1997) state that customer satisfaction is the consumer's fulfillment response. It is a judgment that a product or service feature, or the product or service itself, provided (or is providing) a pleasurable level of consumption-related fulfillment, including levels of under- or over fulfillment. On other definition from Oliver (1997) is that customer satisfaction is an overall emotional response to an entire service experience for a specific service encounter after purchasing consumption. Saura (2008) explains that satisfaction can also be interpreted from the point of view of a specific transaction or from an accumulative view. Most approaches in the literature use the first perspective (Saura, 2008), although proposals like those by Fornell (1996) consider satisfaction as a global evaluation based on consumption experience over time or on a set of satisfactions with specific prior experiences” (Yu & Dean, 2001). Customer satisfaction is considered as a pre requisite for customer retention and loyalty. Delivering quality and achieving satisfaction can be the basis for developing relationship (Saura, 2008). Customers are more likely will display loyalty behavior, i.e. repeat purchase and willingness to give positive word of mouth.

2.2 Theoretical Review

2.2.1 Consumer Perception Theory

Merchants aim to increase their sales by determining what drives their customers’ purchase decisions. Consumer perception theory attempts to explain consumer behavior by analyzing motivations for buying or not buying particular items. Three areas of consumer perception theory which are: Self perception, Price perception and Benefit perception. Consumer perception pertains to how individuals form opinions about companies and the merchandise they offer through purchases they make. Merchants apply consumer perception theory to determine
how their customers perceive them. They also use consumer perception theory to develop marketing and advertising strategies intended to retain current customers and attract new ones.

2.2.1.1 Self Perception Theory

This theory attempts to explain how individuals develop an understanding of the motivations behind their own behavior. Self perception by customers relates to values and motivations that drive buying behavior, which is also an important aspect of consumer perception theory. Self perception theory shaped consumers’ buying behavior, as well as a driving factor in whether or not they placed a priority on socially conscious purchase and consumption practices. Consumers who viewed themselves as socially conscious tended to place more weight on issues such as environmental impact when making buying decisions than consumers who did not hold similar views of themselves.

2.2.1.2 Price Perception Theory

This theory emphasizes low prices as an inherent virtue upscale merchants attempt to emphasize quality and value for money to appeal to potential customers. Price perception looks at whether consumers believed they were charged fair prices in determining whether online shoppers would make repeat purchases through the same website. Price perception strongly influenced whether customers were satisfied with their purchases and whether they would make future purchases. Two factors that shaped price perception were the perceived quality of the merchandise or service in question and price comparisons with merchants offering similar merchandise or services.

2.3 Empirical Review

Omonye (2019) ascertained the level of awareness of customers to online shopping, and examined the relationship between online shopping and customers’ satisfaction. It also investigated how certain factors influenced customers’ satisfaction by prompting the usage of online shopping. Primary data was used for the study and a structured questionnaire was administered to obtain the data. The population for the study consisted of individuals from different occupations within Lagos, Nigeria, who had ever purchased items online, while purposive and convenience sampling techniques were used in selecting the respondents. Data collected were analyzed using frequency counts and regression analysis. Results revealed that over 50% of the respondents engaged in online shopping regularly. It was also discovered that different reasons were suggested for preferred specific online retailers such as convenience, availability of better product information, availability of a variety of product to choose from and better prices than others. It was further revealed that usage of online shopping represented by costs involved, level of awareness, time and convenience, quality of products and risks involved, had significant relationships on customer satisfaction. The study concluded that improved customer satisfaction can in turn impact on continued patronage of online shopping outlets.

Osio & Orubu (2018) examined the perception of customers towards online shopping, were customer access the internet from the comfort of their home, office and college, buying clothes, electronics items and accessories. To achieve the aim of the study, two hypotheses was formulated and tested. The technique used for data collection mainly involved the use of questionnaire, distributed randomly among 300 selected customers who patronize online retailers. The data collected was analyzed using simple percentage and variance analysis to test the hypotheses. Based on the analysis and findings of the study some recommendation was made.

Rashed (2013) examined customer satisfaction in online shopping while investigating the major reasons that motivated customers’ decision-making processes as well as inhibitions of online shopping. Surveys were conducted by distributing questionnaires in the Wrexham area (North Wales) to gather data for this research. SPSS software package was used to present research data graphically and to test research hypothesis. From the findings, it was discovered that respondents use internet to purchase products through online because they believe it is convenience to them and the term convenient includes elements such as time saving, information availability, opening time, ease of use, websites navigation, less shopping stress, less expensive and shopping fun. In contrast, along with respondents’ mind-sets, online payment security, personal privacy and trust, unclear warranties and returns policies and lack of personal customer service are the foremost barriers of online shopping.
Chander & Pramod (2017) Shopping on the Internet is convenient as there is no time restriction, it is comfortable since it is in a user friendly environment and there is also an instant satisfaction of ordering, paying and delivering. A one-to-one basis, as well as, a two way communication with customers through the Internet is possible. Enhancing brand image, creating awareness and providing customer service are more important than just selling the products or entertaining customers. With better technologies, companies can create a stronger brand image and thus increase sales. On the other side, it is easier for customers to receive a kind of acknowledgement; feeling that they did not waste their time. Nowadays, people live a busy life and shopping online is time consuming for them. The company also saves time since whenever a customer uses his/her credit card to purchase a product’s marketing is seen as a promotional as well as informational tool. This new era of commerce is beneficial for marketing logistics, a global presence, to establish and maintain a competitive edge, shorten components of supply chains, for cost savings and research advantage in India.

2.4 Summary and Gaps in the Literature

Studies have indicated that Online shopping have become topical issues attracting the attentions of researcher both in the developed and developing countries. Despite the plethora of researches on this area of study, there are still gaps yet to be covered. Studies revealed that attention has been given to customer’s satisfaction in Nigeria but Studies also indicated in the literature that there is a controversy among scholars between Online Shopping and customer satisfaction which will be necessary to look into.

2.5 Conceptual framework

The relationship between independent and dependent variables was showed in this framework. Online Shopping acts as the independent variable and it was measured using: Access Convenience, Search Convenience, Evaluation Convenience, Transaction Convenience Possession/Post-Purchase convenience, but for the purpose of this study Possession/Post-Purchase convenience was used.

The customer’s satisfaction will be act as the dependent variable. This is diagrammatically show in fig 2.1

Online shopping

![Diagram showing Possession/Post-Purchase convenience leading to Customer Satisfaction]

Fig 2.1: Source: Researchers computation

3.1 METHODOLOGY

This chapter addresses the methodology adopted for the analysis of online shopping and customer satisfaction in Nigeria marketing. It is organized as follows: Research Design, Sources of data, Sample size and Sampling Technique, Research Instruments, administration of the research instrument, measurement of variables, and data analysis techniques.

A cross-sectional survey research design will be used in carrying out this study. A cross-sectional survey offers the opportunity to collect data across different sectors per time period. Further, it is ideal because the researcher intends to collect descriptive data that is accorded statistical treatment to allow for hypothesis testing to come up with objective conclusions.
The populations of this study are the customers that shop online in Akoko region, Ondo State, Nigeria. Since the population of this study is unknown; Mugenda & Mugenda (2004) formula will be used to get the sample size.

\[ n = \frac{z^2 \cdot 0^2}{e^2} \]

The confidence level or reliability is the expected percentage of times that the actual value will fall within the stated precision limits. A confidence level of 95% was adopted in this research and this means that there are 95 chances in 100 (or .95 in 1) that the sample result represents the true condition of that it does not. The variable \( n \) represents the unknown sample size which is this population within a specified precision range against 5 chances in 100 (or .05 in 1) calculated. Margin of error is donated by “\( e \)” which was put at 0.05. Precision is the range within which answer may vary and still be acceptance; confidence level indicates the like hood that the answer will fall within that range and the confidence level is 95% then the corresponding significance level will be (100-95) that is 5%. It is also worth noting that the area of normal curve within precision limits for the specified confidence level constitutes the acceptance region and the area of curve outside these limits in either direction constitutes the rejection regions. Summarily, given a significance level of 5% with corresponding confidence level and critical value (Z-score) of 95% and 1.96 respectively coupled with the standard deviation (0.05) equation 3.1 thus translates to the following

The standard (\( \sigma \)) represents the amount of variance expected in response

\[
\text{Sample Size (} n \text{)} = \frac{(1.96)^2(0.5)^2}{(0.05)^2}
\]

\[
\frac{3.8416 \times 0.25}{0.0025} = 384
\]

For this research, simple random technique was used on the population. The respondents were chosen at random. Primarily source of data was adopted. The main instrument of this study will be structured questionnaire designed to collect information from the respondents. The questionnaire consists of closed ended questions specifically designed to achieve the objective of the study and to analyze the research hypothesis. Structured questionnaire administered to each respondents were used to obtain qualitative information about the study.

To provide answers to research questions and the objective, information gathered on all relevant variables were analyzed using descriptive (frequencies, percentage, mean, and standard deviation) and inferential (regression) statistics with the use of SPSS statistical packages version 20

### 4.0 Data Presentation, Analysis and Interpretation

This chapter presents the data obtained for the study in the form of tables to which references were made. The study considered the analysis of data generated from the research study in relation to the responses obtained through the administration of questionnaire.

#### 4.1 Natures of Online Shopping

<table>
<thead>
<tr>
<th>Possession convenience</th>
<th>Frequencies</th>
<th>Mean</th>
<th>Median</th>
<th>St. Dev</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Strongly Agreed</td>
<td>Agreed</td>
<td>Neutral</td>
<td>Disagreed</td>
</tr>
<tr>
<td>Delivered goods are undamaged</td>
<td>138 (40.4%)</td>
<td>34 (9.9%)</td>
<td>30 (8.8%)</td>
<td>50 (14.6%)</td>
</tr>
<tr>
<td>I received</td>
<td>205 (59.9%)</td>
<td>128 (37.4%)</td>
<td>0 (%)</td>
<td>0 (0%)</td>
</tr>
</tbody>
</table>
Field Survey, 2020

The analysis in Table 4.1. showed the analysis of online shopping and customer satisfaction. The results of the analysis indicated that goods delivered are undamaged. This was confirmed by a mean value of 2.23 on a scale of 5.0 indicating that goods delivered are undamaged which is (44.6%).

Also, the results revealed that all the items I ordered for were received. This was confirmed by a mean value of 4.52 on a scale of 5.0 indicating that all the items I ordered for were sent (90.4%). In addition, Product delivery are timely. This was confirmed by a mean value of 2.64 on a scale of 5.0 indicating that there was no delay in delivery of goods (52.8%).

Furthermore, It takes little effort to return some of unwanted items. This was confirmed by a mean value of 2.56 on a scale of 5.0 indicating that It takes little effort to return some of unwanted items with (51.2%).

Furthermore, The web site does not misused my personal information. This was confirmed by a mean value of 4.00 on a scale of 5.0 indicating that The web site does not misused my personal information with (80.0%).

Also, I feel secures in my transactions. This was confirmed by a mean value of 4.95 on a scale of 5.0 indicating that I feel secures in my transactions (99.0%).

**Table 4.2 Effect of online shopping and customer satisfaction**

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized coefficients</th>
<th>Standardized coefficients</th>
<th>Sign</th>
<th>Collinearity statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std Error</td>
<td>Beta</td>
<td>T</td>
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<tr>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>all the items I ordered</th>
<th>%)</th>
<th>%)</th>
<th>4.52</th>
<th>5.00</th>
<th>.753</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product delivery is timely</td>
<td>30(8.8%)</td>
<td>110(32.2 %)</td>
<td>30(8.8%)</td>
<td>120(35.1%)</td>
<td>2.64</td>
</tr>
<tr>
<td>It takes little effort to return some of unwanted items</td>
<td>93(27.2% )</td>
<td>41(12.0% )</td>
<td>15(4.4% )</td>
<td>43(12.6% )</td>
<td>150(43.9%)</td>
</tr>
<tr>
<td>The web site does not misused my personal information</td>
<td>0(%)</td>
<td>342(100. 0%)</td>
<td>0(0%)</td>
<td>0(0%)</td>
<td>0(0%)</td>
</tr>
<tr>
<td>I feel secures in my transactions</td>
<td>342(100. 0%)</td>
<td>0(0%)</td>
<td>0(0%)</td>
<td>0(0%)</td>
<td>0(0%)</td>
</tr>
</tbody>
</table>
In addition to the descriptive analysis shown in Table 4.1 an inferential analysis (regression analysis) was also used to test the hypothesis: There is no significant relationship between online shopping and customer satisfaction in Nigeria. The analysis in Table 4.2 indicates the influence of online shopping on the satisfaction of customer. The results revealed that the predictor variable (possession/post-purchase convenience) were individually statistically significant to satisfaction. Possession/post p purchase convenience explained 12.2% of the variance in the Customer satisfaction. However, the overall effect of online shopping on customer satisfaction was significant (F= 56.782, p<0.00).

4.2 Policy Implications of Research Findings

The outcome of this study will be of great benefit to Companies to always go digital, so that customers can access their product online, because the study shows most people feel convenient and comfortable buying on line and they are also satisfied with their relationship with their client.

SUMMARY AND CONCLUSION

5.1 Summary

This study examined the effect of online shopping on customer’s satisfaction. To achieve this, one hundred and ninety eight (384) copies of a set of structural questionnaire were administered to respondents using Mugenda & Mugenda, but 342 copies were returned by the respondents. After a systematic analysis of the data in accordance with the research objective and hypothesis, this study revealed that customer are satisfied with what they buy online.

The results revealed that Online Shopping had significant effect on customer satisfaction. Using regression analysis, the results revealed that there was significant relationship between online shopping and customer satisfaction (F= 56.782; p < 0.005) Thus, customers are satisfied with online shopping.

5.2 Conclusion

The study revealed that online purchase satisfied customers significantly is in agreement with the work of Osio & Orubu (2018) who opined from the findings of their studies that there was positive influence of online shopping on customer satisfaction.
5.3 Recommendation

The study recommends that organisations should capitalize on the technology and go online and also companies should try and make it easy to return goods and damages back to the companies.

REFERENCES

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