Factor Influencing Consumer Satisfaction in Online Shopping During Pandemic

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ABSTRACT

The purpose of the study was to identify the factor influencing consumer satisfaction in online shopping during pandemic. The report of complaint status in Malaysia about customer satisfaction in online shopping during pandemic was quite high. Our researchers have investigated the relationship between security, product quality, e-service quality and price with online consumer satisfaction during pandemic. The respondents are among people in Klang Valley. We analysed the data using software SPSS and Smart PLS. The example of the questionnaires used in this study is attached in Appendix 1. We were satisfied with the information we receive via the Google form. The results of the analysis confirmed the existence of positive and significant correlation between security, product quality, e-service quality and price with online consumer satisfaction during pandemic. In addition, several limitations of the study have been identified. Therefore, recommendations have been given and some suggestions are included in the study to provide better ideas for future researchers.

keywords: consumer satisfaction, security, product quality, e-service quality, and price

1. INTRODUCTION

Internet has emerged as a useful marketing tool to serve as a platform for domestic and international transaction since its transition into a global interconnection network for sharing and delivering information. According to Vasic, Kilibarda, Kaurin (2019), online shopping has grown at an unprecedented rate because it is a more cost-effective and convenient alternative to traditional shopping. Furthermore, e-sellers now have a plethora of products to choose from in order to establish and maintain partnerships with their buyers (Pappas, Pateli, Giannakos & Chrissikopoulos, 2014). Online shopping also provides shoppers with a wealth of information and ways to compare goods and prices, as well as a greater choice of products, accessibility, and ease of choosing what they want. Kim et. al (2012) identify the importance of online shopping experience and recommend that it will be important to look at the impact of different degrees of experience on key factors that affect online shopping behaviour (as cited in Pappas, Pateli, Giannakos & Chrissikopoulos, 2014).

The biggest explanation that people choose to buy online is because of technological advancements. This is because, according to Sarika et. al (2016), It was stated that the increasing trend of e-commerce has resulted in a greater change toward online shopping, with people turning to a variety of online stores to meet their needs. People are increasingly shopping online because it is an easy and efficient way to save time, Vasic, Kilibarda, Kaurin (2019). Online shopping, which is focused on the growth of the Internet, is quickly gaining prominence. The number
of forms for e-sellers to create and retain relationships with consumers has grown. While not all consumers are the same, those who invest more money and buy more often are the most valuable to a company. As a result, customer satisfaction is a big challenge for firms looking to achieve a competitive edge Pappas, Pateli, Giannakos & Chrissikopoulos, (2014).

Life has become simpler and easier than the previous life. The impact of the internet on the Malaysian market is very significant and this makes it easier for consumer to buy products or services from vendors through the internet. Currently, due to the coronavirus pandemic has prompted many shoppers to make purchases online as many physical retail stores are closed or have limited capacities to maintain social distancing. Therefore, consumer satisfaction is becoming more important for company to succeed in online shopping. However, according to the previous research, the research shown a report of complaint in Malaysia for the whole year in 2017 have increased. These problems are closely related to security, product quality, e-service quality and price. This factor very important in determining the level of customer satisfaction in online shopping during pandemic.

The amounted online transaction complaint is 553 number in January. From the statistics given, it can be clarified that the problem faced before and during pandemic remain unchanged. There are still many consumers who are dissatisfied with the product or services provided, as the situation has not change and the complaints received have never been reduced. Therefore, it is important to study and figure out the factors that influence consumer satisfaction in online shopping especially during pandemic to have a better understanding of which perspectives can satisfy consumers in order to minimize the complaints received.

This study investigates about the factors influencing consumer satisfaction in online shopping during pandemic. The outcome of this research study is benefit to buyer and seller in online shopping industry. This research is important because they will change the level of satisfaction of consumer in online shopping. Many online shoppers had bad experience in online shopping. It is important for the online firm to process and analyze the complaints effectively in term of delivering good values to the consumer. This study also helps the business entity identify the flaw between consumer and online shopping system to guarantee success of short-term profit. By using these factors as a guideline, the business entity may take precaution to avoid threats like complaints and negative reviews which will damage the organization’s reputation by maximizing their capabilities to satisfy their consumer. The consumers also able to get benefit in correspond to the price they paid.

The principal law for consumer protection in Malaysia is the Consumer Protection Act (CPA) 1999. This Act is to protect consumer against unfair minimum product standard and consumer protection mechanisms in Malaysia, and to bridge gaps that may occur in other major laws, which may be inadequate in protecting consumers. The CPA applies to all consumer transactions in Malaysia such as transactions related to goods and services that are offered or supplied to one or more consumers in trade including any trade transaction conducted through electronic means. This study has some limitations that should be addressed by future research to investigate the factors influencing consumer satisfaction during pandemic with improvement and development of new theories.
II. LITERATURE REVIEW

A. Customer Satisfaction in Online Shopping during Pandemic

Customer satisfaction is as customer’s feedback in the form of an evaluation after purchasing some goods or services compared to customer expectations. Customer satisfaction is measured using customer expectations with the performance of goods or services that can meet the needs and wants of customers. A satisfied person customer means that there is a similarity between the performance of goods and services with expectations customers, where it will encourage them to repurchase the product. At the same time, disappointed customers will convince other customers not to repurchase and as a result, they will switch to another brand competitors. Customer satisfaction can be interpreted as feeling of pleasure or frustration from the customer. Therefore, customer satisfaction is important, leads to the financial success of the company and contribute to the continued development of the company. There are many businesses aims to achieve consumer satisfaction to their consumer and one of the businesses that can be found is online stores (Chai, K. Y. S., Li, Y. Y., Lim, W. L., & Ong, S. P., 2018). Consumer satisfaction plays very crucial role in online shopping.

Since pandemic, online shopping is becoming a priority to consumers out there. People mostly spending more time on online shopping due to pandemic. All companies should focus on helping people during this pandemic. However, we still face customer satisfaction problems during pandemic. It is important to track the factors influencing consumer satisfaction during pandemic to improving and to make customers more loyal. If online store did not care about customer satisfaction, customer is more eager to share negative experiences and will become discontinue purchasing the product or services. There are three factors that have been identified by previous research that do not have a significant influence on online shopping behaviour which are promotion, perceived usefulness and traditional shopping. Meanwhile, other factors have an important influence in online shopping. This dependant variable was adopted from journal factors customers satisfaction in online shopping by Chai, K. Y. S., Li, Y. Y., Lim, W. L., & Ong, S. P., in 2018.

B. Security

The first factor that influence consumer satisfaction in online shopping during pandemic is security. Security is one of the important parts to be consider in order to customer satisfaction. Online store should take the necessary steps to ensure that sensitive information is protected at every stage of a customer’s transaction. According to the Raj Kumar (2010), in his report stated that the online shopping has become very popular in western countries and expected to grow more, but Malaysia is still hold up and far away as compared to western countries. In fact, Malaysians are very picky and afraid to shop online, they are very aware about the disclosure of their privacy and credit card information. Their believe information is easily available through different mediums in internet. System security is a major fear in online shopping. Due to pandemic, online shopping increasing the sales and discounts. This makes cybercriminals are waiting to trap customers who are rushing to get the best deals. Cybercrime refers to
an illegal act. Day by day, cybercriminals are targeting more to online store. These cybercrimes always have a negative impact on security and intent to shop online. Due to this situation, people always need to be aware of the security threats of online shopping if they do not want to be a victim of identity theft. This problem causes buyers to be hesitant to buy online due to security issues and this affect customer satisfaction in online shopping especially during pandemic.

C. Product Quality

Product quality means combining features that have a capacity to meet the needs or desires of consumers and provide customer satisfaction by improving the product. Most businesses that produce goods for sale have quality or warranty parts of the product that monitor the product coming out of consumer acceptance. Customer are satisfied when a perceived service meets or exceeds their expectation. Product quality and customer satisfaction have provided several insights to determine the level of satisfaction for the product experience. According to Gaurav Akrani (2013), quality is defined as by improving the products or goods to meet the customer needs or wants in order to reach customer satisfaction. It is important to note that product quality is viewed from customer perspective. If customer felt the product quality is in line with expectation, the customers will regard product quality as something good quality and also feel satisfied. On the other hand, if the perceived quality of the product is not as expected, then the quality products as customers are perceived to quality as poor product quality.

D. E-Service Quality

E-service quality is considering to be very important factor in online shopping during pandemic, it is a factor that is used to achieve consumer satisfaction. E-service quality is the extent to which e-commerce providers effectively and efficiently manage customer interactions involving searching, shopping, purchasing and order fulfilment. Due to the recent improvement in the quality of e-service quality especially during the Covid-19 pandemic in the field of e-commerce, the importance of monitoring and measuring the e-services quality has added value to the virtual world. In fact, e-service quality customer received in pandemic lower than the activity selling of products over the internet. To provide and maintain customer satisfaction is the biggest challenge to online shopping during pandemic. Therefore, company need to focus to e-service quality is a key success factor for surviving in a highly competitive during this pandemic crisis. The impact of the internet on the Malaysian market is significant and this makes it easier for consumers to purchase products or services through the internet. However, perceptions of e-service quality are higher during pandemic because all business online racing to give their best to increase their sales during this crisis. therefore, customer expectations are very important in evaluating the quality of service.

E. Price

Price is important to the customer and one of the most important aspects of a business. Sometimes, low price indicates to the customer that the product is not very valuable or may be of better quality than a product with a higher price. This contributing to the belief that what they are buying is not too special or valuable and it is
problematic for customer satisfaction. Customer satisfaction can also be formed when sacrifices are made according to their value accepted, which means the price of the product corresponds to the benefits earned. For sellers, price is the main source of income and profit. In customer perspective, price is the cost of something. Price is the main factor behind product satisfaction and loyalty because the customer understands carefully if they get most of the profits from the product compared to their expenses. Price is the major barrier in online shopping. Many customers expect in pandemic, online store to offer their product or services at lower prices compared to physical stores. While shopping online, consumers usually compare the price of products from different websites and get the product at a lower price than the price in the store. Another opinion of price according to Chai, K. Y. S., Li, Y. Y., Lim, W. L., & Ong, S. P. (2018), if the perceived cost is equal or lower that the perceived value, consumer satisfaction will be positive and will be negative is perceived cost is higher that the perceived value.

III. METHODOLOGY

Nature of the research nature will be quantitative research method using online survey, thus independent variables will be measured rather than manipulated. The research method will help research to determine relationship between the independent variables and dependent variables. Data collection for the proposed model will be done through questionnaire. Quantitative research questionnaires will be created using a five-point Likert type scale, begin from strongly disagree to strongly agree. Data collection was done through online survey questionnaires using Google form and links shared on social media such as WhatsApp and Facebook. We were satisfied with the information we received via the Google form. We searched and prepared questions that exceeded 31 questions. The example of the questionnaires used in this study is attached in Appendix 1. The target population will be collected from people in the Klang Valley Kuala Lumpur Malaysia. We analysed the data using software SPSS and Smart PLS. This made it easier for us to carry out the task that we obtained from the final results.

A. Research Framework

![Figure1. Research Framework]
The purpose of this research is to examine the factors that influence consumer satisfaction in online shopping during pandemic. Based on the relevant theoretical framework that been stated in previous section, there are four independent variables namely security, product quality, e-service quality and price. The dependent variable is consumer satisfaction will be studied in this research.

B. Hypothesis

H1: There are factors that influence consumer satisfaction in online shopping during pandemic.

H2: There are aims to examine variables of security, product quality, e-service quality, price, and to determine whether these factors will influence consumer satisfaction in online shopping during pandemic.

H3: There is examine consumer satisfaction from perspective of online shopping.

C. Sampling & Data Collection Technique

The data was collected at randomly in Malaysia. We used customers who had already done some online shopping and had some perception knowledge to fill out the questionnaires. The most significant is our responded are person that has or knows or often make online purchase in a daily life.

For the analysis of the current research, there is the focus on the primary data as well as the secondary data will be used. However, primary data will be collected through the questionnaire and secondary data consider the journal article, book and focused on the literature review. In order to analyze the current trend of the consumers regarding the online shopping, both primary data, as well as the secondary data, said to be useful.

The research mainly used documentary secondary at combined with multiple source data. Documentary secondary data has been the data collected through different types of research conducted within the topic, articles, and books that are written on consumer behaviour and e-commerce. This type of data has been the fundamental source for gaining knowledge within the topic in order for us to be able approach the research problem. The secondary data that we used for our researches data that has also led to the conclusion of which factors that will be examined.

Quantitative approach is identified as collecting measurable data and conducting statistical as a systematic analysis of observations. Quantitative research gathers data through targeted groups using sampling techniques and transmits findings. Upon thorough understanding of such data, the output of a product or service is forecast, and amendments are made accordingly. The decided numbers of respondent to be selected for data collection. There will always be a group of people who have interest for the study or at least a common characteristic, and the group is known as target population (McLeod, 2014).

Therefore, the data collected that gathered from online questionnaires, Single individual in the selected population (Sekaran, 2012). In this study, the sampling element is Facebook Apps user in Malaysia. Researcher post the questionnaires (Google form) to Facebook and encourage respondent to complete the form.
IV. FINDING & DISCUSSION

The total of respondent of research collected were 200 respondents that located in Malaysia. Table 1 shown that the respondent’s profile result, in this table, most of the respondents were female with 63.5% while male respondents were 36.5%. Most of the respondents were between ages of 24-30 old which recorded at 39.5%. In terms of often visit of online shopping, weekly are the most respondents recorded with 31.0% followed by everyday often visit with 29.5%. For often purchased, the highest recorded is once within several month with 48.5%. Lastly, there were 69.0% of respondents that picks Shopee as their favorite online shopping website.

SmartPLS is a graphical user interface framework for variance-based structural equation modelling (SEM) using the path modelling approach of the partial least squares (PLS). In addition, to estimate path models with latent variables using the PLS-SEM algorithm, the program measures standard outcome evaluation parameters. This research had been conducted by using SmartPLS. SmartPLS was used in order to analyse the significant between the dependent variables and independent variables. The SmartPLS has established the factor influencing consumer satisfaction in online shopping during pandemic. There are four hypotheses mentioning of independent variables which are security, product quality, e-service quality and price which affected on dependent variable which is consumer satisfaction in online shopping during pandemic.

The hypothesis model configured 25 measurement items as measurements with a detailed range from 0.714 to 0.892 as valid and significant measurement variables. The question which has the highest factors loading in customer satisfaction online shopping during pandemic is CS1 with the value of 0.892 and the question which has the lowest factors loading is CS5 with the value of 0.851. The measurement CS1 is I am satisfied with my decision to buy online. Otherwise, items CS5 stated that, I am satisfied with online purchase experience.

The results shows the highest results is the security is on items SE4 with a factor loading of 0.845. The measurement is that online shopping website had clearly after sale rules include complaint policies, return policies and others. Meanwhile, the question which has the lowest factors loading is SE1 with the value of 0.714. It is stated that online shopping during pandemic was able to ensure my transactions, personal information and financial security. Most of the users stated that they prefer to using online shopping during pandemic Covid-19 because of their safety and having good security consumer will feel satisfy.

The generated model shows the items which is product quality, the highest factor loading based on SmartPLS data is at the items PQ4 about 0.837. However, the question which has the lowest factor loading is PQ2 with the value 0.776. The measurement PQ4 is I feel good about my decision to buy the product and for the factors loading PQ2 stated that, my choice to buy the product online was a wise choice during movement control order (MCO).

For the E-service quality, the results show the highest factors loading is SQ3 with the value 0.865, it stated that on the measurements is frequently asked questions (FAQ) page of the website was able to resolve my problem.
Meanwhile, at the lowest factors loading is SQ5 with the value 0.809, stated that delivery was fast during pandemic Covid-19.

After that, we move to items price. The highest factors loading based on SmartPLS data is at the item PR2 with the value 0.869, and it is stated the measurement questions, I prefer online shopping only if online prices are lower than actual price. However, the lowest factor loading is items PR4 with the value 0.777. It stated that internet reduces the cost of shopping especially during pandemic Covid-19.

In a nutshell, this research proposal aimed to examining factor influence consumer satisfaction in online shopping during pandemic. This research focuses on four general factors that will influence consumer satisfaction that have been studied by previous researchers, which once again reinforce the positive relationship between consumer satisfaction and our independent variables from the aspect of online shopping during pandemic. This research helps improve the overall study of the most anticipated e-commerce industry during pandemic.

The current study used expectation disconfirmation theory (EDT) which to determine factors influencing consumer satisfaction on online shopping during new norms of Covid-19. Based on the study that we have made, there is a significant between the factor influence and consumer satisfaction in online shopping during pandemic. That is mean the factors (independent variable) that influence in online shopping are very affecting the consumer satisfaction during pandemic. During Covid-19 outbreak has swiped and impacted negatively to every aspects of socio-economic structure (Pham, A.T., Yazdani, K., 2021). In comparison to online consumers in developed countries, Malaysian customers have a high level of confidence in online purchases. Malaysian customers are cautious when making purchasing decisions. As a result, it is important for us to investigate the factors that influence online shopping satisfaction.

E-service quality has significant relationship between consumer satisfaction. Based on the table of coefficients result, the value of p=0.029 which able to demonstrate that there is a correlation between security and consumer satisfaction. This result was similar with e-service quality on e-satisfaction (Susanta, 2020). Price has significant relationship between consumer satisfaction with the value of p=0.380. This result was similar with the study of pricing was affecting customer satisfaction during pandemic Covid-19 (Prasetyo Y.T., Fuente D.G.D.D., 2020). At the same time, the result was supported by price factor was influence customer satisfaction in online shopping during Covid-19 Pandemic (Neger, M., Uddin B., 2020). Product quality has significant relationship between consumer satisfaction. The table above shows the value of p=0.023 which implied that the product quality and consumer satisfaction has positive relationship. According to Mashao and Sukdeo (2018). The majority of consumers make purchasing decisions based on the product's quality, functionality, performance, and price. The result is strengthened by Neger and Uddin (2020) which the product quality influence in customer satisfaction during pandemic. Security has significant relationship between consumer satisfaction. Based on the table of coefficients results shows the value of p=0.000 where there is correlation security and consumer satisfaction. The result is again strengthened with
finding of security in online shopping (Neger, M., Uddin B., 2020). The researcher has stated that One of the most important aspects of internet shopping or e-commerce is security, Neger and Uddin (2020).

V. CONCLUSION & RECOMMENDATION

As online shopping became one of important part of people’s lives, optimization of e-commerce stores is crucial in order to provide the experience expected by website visitors (potential customers). The positive experience might result in higher revenues, the negative one might result in permanent loss of customers. The main objective of this paper was to determine factors that affect the consumers’ willingness to purchase product from an online store. Based on the theoretical background, we conducted survey questionnaire among university students and afterwards analyzed the perception of selected criteria by users when purchasing products online.

Result of the research implied that Security, Product Quality, E-Service Quality and Price of items has a significant relationship with Online Consumer Satisfaction. The result of research could help to enhance the understanding the relationship between security, product quality, e-service quality, and price with online consumer satisfaction. This research believed to be able to benefit the growing market of online shopping or e-commerce through allowing researchers and business to understand factors affecting the online consumer satisfaction. For future research, in order to help future researchers’ studies, implication, limitation and recommendation for future research were provided. This research may utilize by future researchers for reference purposes.

Future researchers were suggested to look for more reliable method of distribution of questionnaire to include more respondents from different demographic status. A professional survey website can be a good choice for future researcher to receive wider range of respondents.

At the aim of attaining a more convincing result regarding the dependent variable (consumer satisfaction), innovative independent variables were recommended. Payment method is the suggested independent variable. Payment method is not mean by credit card, bank in or debit card which already done by many researchers. However, the payment method we should include is Paypal, Alipay and electronic wallets. These are new type of payment methods which begins to be widely used since past few years. Through the investment by Jack Ma’s Alibaba, Alipay was introduced in Malaysia and become one of the available online payment methods especially for online consumer.

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