

E-COMMERCE AND CUSTOMER SATISFACTION IN FCT ABUJA, NIGERIA

BY

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DECLARATION

I hereby declare that this project has been written by me and it is a report of my research work. It has not been presented in any previous application for the Masters in Business Administration (MBA). All quotations are indicated and sources of information specially acknowledged by means of references.

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Date

CERTIFICATION

This project entitled “E-Commerce and Customer Satisfaction in FCT Abuja, Nigeria” meets the regulations governing the award of Masters in Business Administration (MBA), of the School of Postgraduate Studies of Nasarawa State University, Keffi for its contribution to knowledge and literary presentation.

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DEDICATION

I dedicate this work to God Almighty the giver and sustainer of life who has made it possible for me to successfully embark and finish this course.

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ABSTRACT

The study investigates E-Commerce and customer satisfaction in FCT Abuja, Nigeria. It intends to find out how E-Commerce proxy by internet security, internet efficiency and internet reliability affect customer satisfaction in FCT Abuja. The study adopted a survey research design; simple random sampling method was used in determining the key customers who are familiar with E-commerce in FCT Abuja. The data collected for the study comprise of primary data, through the administration of Questionnaire. Multiple regression method was adopted and findings reveal that there the coefficient of internet reliability (0.62) is significant and positive meaning that internet reliability positively have impact on customer satisfaction on E-commerce in FCT Abuja. This means that internet reliability is a key to customer's satisfaction on E-commerce. The coefficient of internet efficiency (0.315) is also significant and positive meaning that internet efficiency positively have impact on customer satisfaction on E-commerce in FCT Abuja. This means that internet efficiency play important role on customer's satisfaction on E-commerce. Also, the coefficient of internet security (0.306) is significant and positive meaning that internet reliability positively has impact on customer satisfaction of E-commerce in FCT Abuja. This means that internet security is one of the key factors that instill confidence in customer that yield satisfaction on E-commerce. The study concluded that internet reliability, internet efficiency and internet security has an impact on customer satisfaction on E-Commerce in FCT Abuja, but customers are more confident in the reliability of meeting request and specifications more than security or efficiency, therefore the study recommends that there is need for the organizations that involved in E-commerce to improve on its internet reliability, internet efficiency and internet security so as to instill customer's confidence. As this would actually boost or lead to the wide spread in the use of ecommerce in Nigeria.

CHAPTER ONE

INTRODUCTION

1.1 Background to the Study

Now-a-days e-commerce is growing popular in an emerging economy. E-commerce began in 1995. It requires the digital goods for carrying out their transactions. Digital goods are goods that can be delivered over a digital network (Laudon & Laudon, 2013). E-commerce is rapidly transforming the way in which enterprises are interacting among each other as well as with consumers and Governments. As a result of changes in the landscape of ICTs, e-commerce is now growing rapidly in several emerging markets and developing economies (UNCTAD/IER/2015).

The technologies designed to improve commercial transactions using the Internet have evolved as quickly. However, we have not yet achieved an ideal world of painless and secure transactions utilizing the Internet, as unresolved privacy issues of the purchaser have impeded the further development of the technologies (Alberto, Avila & violeta-2007). E-commerce has been hailed by many as an opportunity for developing countries to gain a stronger foothold in the multilateral trading system. E-commerce has the ability to play an instrumental role in helping developing economies benefit more from trade (WTO-2013).

The growing use of the Internet, tablet devices, and smart phones coupled with larger consumer confidence will see that e-commerce will continue to evolve and expand. With social media growing exponentially in recent years, the conversation between businesses and consumers has become more engaging, making it easier for transactional exchanges to happen online. Internet retailers continue to strive to create better content and a realistic shopping experience with

technologies like augmented reality. With mobile commerce gaining speed, more users are purchasing from the palm of their hand (Miva-2011). E-commerce could deliver a significant benefit to businesses in developing countries by increasing their control over its place in the supply chain, thus improving its market efficiency (Molla & Heeks, 2007).

Ever since the introduction of e-commerce in the 1990s thanks to the World Wide Web (WWW), online trade has taken the world by storm. Empowered by the Internet, e-commerce quickly spread out to most businesses as companies found it to be an effective way of communication between parties. E-commerce, which can be simply defined as the exchanging of digitized transmission of electronic orders, is a cost-optimal way to promote and run a business (Jeffrey & Bernard, 2004).

Customers are presumed to be one of the most important stakeholders in any organization because without them, organizations are not likely to succeed (Adebayo & Lawanson, 2012).

A company is successful when its products and services meet expectation and requirements of customers. Electronic commerce (E-commerce) has been recognized globally as a mechanism for business organization to reach global markets (Gawady, 2005).The internet has now been presently established as a new marketing tool. Marketers use the internet to gather data for marketing planning. Companies who use the internet not only for advertising but also for email and receiving purchase order, businesses have increase their opportunities by providing 24 hours/7 day access for branch offices, business contact and shoppers (Khatibi, Ismail & Ismail 2003).

Nigeria, like the rest of the world is riding on the waves of electronic commerce, because of its significance in the economy with the introduction of the internet; marketers have the technology

to mass customize communication and products (El Gawady, 2005). An organization majorly exists to satisfy customers while meeting the organizational objective of increased sales and higher profit. The internet has become an integral piece of marketing mix, spawning new products and service as well as a digital distribution channel and an electronic storefront (Adeoye & Lawanson, 2012).

Customers want to do business on hire according to their own schedules, however many unsuccessful on line business fail to satisfy their customers because the expectation of the online customers is often higher and may even be different from that of those using traditional marketing. Significant changes are happening in supermarket retailing with the introduction of online shopping, especially in terms of channel development and coordination. E-commerce stores are known to offer goods and services that are equal in price and sometimes even cheaper than those found in traditional stores. Essentially, ecommerce stores are now contributing to the democratization of prices in Nigeria (Omololu, 2014).

Given that the internet has a global reach, these new e-market places have fast become a product of globalization, leading the internet and E-commerce to further the process of global integration. E-commerce model include business to business (B2B) e-commerce that is companies interacting with other companies, seeking supplier bids, fulfilling orders, receiving invoices and making payments using the internet as a medium. Another is business to customer to customer (B2C) where interaction is between the businesses and customers (Gawady, 2005).

Data obtained from the national bureau of statistics show that the fast moving consumer goods sector (FMCG) of the economy accounted for 9% of Nigeria's GDP which is more than the contribution of the oil and gas sectors to GDP and second only behind agriculture. The growth in

e-commerce industry seems more remarkable when you consider that only 38% of the Nigerian population has actually embraced online shopping (Omolulo, 2014). Yet given the statistics of how e-commerce accounts for 9% of Nigerian's GDP with only 38% of its population are engaged in online shopping, it is obvious that Nigerians are skeptical about the reliability, security and efficiency of ecommerce given the increasing rate of cyber-crimes and fraud. Therefore it would be of utmost importance to analyze the level of satisfaction derived from engaging in e-commerce activities.

According to The Internet World Stats (2008), there are 1.5 billion Internet users world-wide. As Ho and Wu (1999) argued, all internet users are potential customers to companies in e-commerce. While the use of e-commerce is obviously beneficial and has been implemented by millions of companies all over the world, in line with its benefits, companies have also faced certain challenges. Among others, they have realized that ensuring customer satisfaction and developing customers' trust of e-commerce services is no easy task, yet it is a very important task for the long-term growth of a business. Previous research have shown that many e-retailers experience difficulty maintaining customer satisfaction and trust in the face of rapid growth of Business to Consumer (B2C) e-commerce applications (Someswar Sam, & Sridhar, 2002).

Online customer retention has attracted considerable attention in recent years, partly because it serves as a means of gaining competitive advantage (Tsai & Hung, 2007). When a customer is satisfied with a particular internet store, he or she is more likely to shop there again (Khalifa & Liu, 2007). Therefore, concepts of both customer satisfaction and customer retention have become increasingly important to online and off-line businesses. It is important to understand the factors that drive consumers' satisfaction and their choice of the online channels (Devaraj, Fan & Kohli, 2002).

Kolter (1997) pointed out that the buying process includes problem/need recognition, information search, evaluation of alternatives, purchase decision, and post-purchase behavior. Satisfaction is the consequence of the customer's experience during various purchasing stages. Online customer shopping experience is based solely on online stores' information because of a lack of physical contact (McKinney, Yoon & Fatemeh, 2002). Therefore, information as well as system and service quality may influence customers' satisfaction during the information-search stage and shoppers' purchase decisions.

Customer satisfaction plays an important role on customer behavior. Satisfied customers have enjoyed previous shopping and it is more probable that they will continue shopping in the future. If we know the effective factors in customer satisfaction, we can improve them. As result customers will be more satisfy and they will be loyal customers in future. In every business, cost of customer retention is more than customer acquisition cost. So it's really profitable for company to improve customer satisfaction level, and trying to retain its prior customers.

In electronic commerce, it's very vital to construct effective relationship with customers. Customers trust to company hardly, so effective relationship with electronic customers is very important.

1.2 Statement of the Problem

Due to the rapid development of the technologies surrounding the Internet, companies which are interested to sell their products through their website even though buyers and sellers can be thousands of miles apart, may belong to different parts of world, might speak different languages also. Since Internet is a new virtual medium and so many potential consumers, the online retailers is most important to understand the wants and needs of consumers. The importance of

analyzing and identifying the factors influencing the consumer when he or she decides to purchase on the Internet is vital because new virtual market will bring significant differences to the consumers. Analyzing consumer behaviour is not a new phenomenon. Many theories have been used for many years not only to understand the consumers' attitude, but also create a marketing strategy that will attract the consumer efficiently. However, some distinctions must still be made when considering traditional consumer behaviour and online consumer behaviour.

Even though there are many research topics in the field of business to consumer in the context of Internet business, online retailing is a new retailing medium and online consumer behaviour is diverse from traditional consumer behaviour, one must identify what influences the online consumer. Therefore, if the consumers like to do shopping, what factors are influencing to purchase goods through the Internet is quite meaningful. These factors need to be identified and taken into account by online retailers in order to satisfy the consumer demands and compete in the online market. From this background the researchers work is primarily to identify and get insight the main factors that affecting online consumer when purchasing products and services through online.

1.3 Research Questions

This study seeks to answer the following questions:

- i. What are the roles of internet security on customer satisfaction in FCT Abuja?
- ii. What impact does internet efficiency has on customer satisfaction in FCT Abuja?
- iii. What influence does internet reliability has on customer satisfaction in FCT Abuja?

1.4 Objectives of the Study

The main objective of the study is to appraise the impact of E-commerce on customer satisfaction in FCT Abuja, Nigeria; other specific objectives of this study are to:

- i. Appraise the role of internet security on customer satisfaction in FCT Abuja.
- ii. Determine the impact of internet efficiency on customer satisfaction in FCT Abuja.
- iii. Assess the influence of internet reliability on customer satisfaction in FCT Abuja.

1.5 Statement of the Hypotheses

The following hypotheses will be tested in the course of this research work:

H₀₁: Internet security does not have positive impact on customer satisfaction in FCT Abuja.

H₀₂: Internet efficiency does not have positive impact on customer satisfaction in FCT Abuja.

H₀₃: Internet reliability does not have positive impact on customer satisfaction in FCT Abuja.

1.6 Significance of the Study

This research aims to appraise the impact of E-commerce on customer satisfaction in FCT Abuja, Nigeria. The outcome of this research is beneficial to organization to make sure the available business resources utilized for the factors that can directly increase customer satisfaction. Meanwhile, online marketers enable to avoid used its available business resources for non-influence factors where it can waste the valuable business resources. Furthermore, this research focus on customer satisfaction where provide the organization the right factors which should be consider in order to retain its existing customers and attract more new or potential customers. In addition, through customer satisfaction organization able to promote long term business growth where they can avoid their customers from switch brand.

The findings of research are valuable for marketers to create better decisions on their online marketing strategic plan. Marketers able to improve and re-plan their marketing strategies to make sure satisfied the customer based on customer expectations. Through this research marketers able to develop advertising and marketing strategies to convert potential customers into active customers, meanwhile retaining existing customers. This research is beneficial for marketers to make better decisions regarding online customer satisfaction and the results of the study will definitely be useful to the customers who prefer online buying.

This research work will also be beneficial to the government, whereby it will find this work relevant for future policy and decision making in term of restructuring its agencies for better performance on online buying in Nigeria.

The study will also be useful to the general public because internet touches the life of everyone in an economy. Internet (e-commerce) all over the world has contributed immensely to the economic growth and development of nations.

It will also be beneficial to people who will carry out further research in this area, to find this work relevant in their research work.

Finally, by fulfilling customer satisfaction, customers will repeat the purchasing and it will become bridge between the customer and firms.

1.7 Scope of the Study

This research analyzes the customer satisfaction towards online buying for the success of the business organization. The main focus of this research is to appraise the impact of E-commerce on customer satisfaction in FCT Abuja, Nigeria. Besides, this research studies the most

significant factor that improves customer satisfaction towards online buying. Consequently, this research also studies the relationship between the factors and customer satisfaction. Next, in the literature review, there are information about customer satisfaction and online buying. Furthermore, the information regarding factors that should be considers by an organization to satisfy the online customers were discussed. Furthermore, the proposed integration of those factors, theoretical framework is presented together with the objectives of this research followed by hypotheses.

CHAPTER TWO

LITERATURE REVIEW

2.1 Conceptual Framework

2.1.1 Concept of E-Commerce

Electronic commerce, or e-commerce, is the buying and selling of goods and services on the Internet. Other than buying and selling, many people use Internet as a source of information to compare prices or look at the latest products on offer before making a purchase online or at a traditional store. E-Business is sometimes used as another term for the same process. More often, though, it is used to define a broader process of how the Internet is changing the way companies do business, of the way they relate to their customers and suppliers, and of the way they think about such functions as marketing and logistics. For the purpose of this study e-commerce is taken to mean doing business electronically. (Lindsay, 2002)

E-commerce is any transaction made over the internet most often it involves the transfer of goods, services or information. It is the buying and selling of goods and services, or the transmitting of funds or data, over an electronic network, primarily the internet. The term e-commerce and e-business are often used interchangeably (Rouse, 2016). E-commerce is the conduct of business via internet which relates to activity of information searching, information sharing, purchasing or exchanging products and services also maintaining customers relationships without face to face meeting unlike transactions done in traditional way. E-commerce takes on to technologies such as mobile commerce, electronic fund transfer, supply chain management, electronic data interchange inventory management system, and automatic data collection systems. Modern electronic commerce typically uses the World Wide Web for at least one part of the transactions life cycle, although it may also use other technologies such as e-

mail. E-commerce is usually associated with buying and selling over the internet or conducting any transaction involving the transfer of ownership or rights to use goods or service through a computer mediated network.

E-commerce can be defined as the use of electronic networks with the objective to simplify and fasten all phases of business processes, from the production of goods to their sale and delivery (Barsauskas, Sarapovas & Cvilikas, 2008). There are several types of e-commerce classified by (Kalakota & Whinston, 2007) based on the parties involved and the nature of the transaction: business-to-business (B2B), business-to-consumers (B2C), consumer-to-consumer (C2C), consumer-to-businesses (C2B), and intra-business (intra-organizational) commerce. Considering the objectives of this study, this study will concern only on the business-to-consumers (B2C) and consumer-to-consumer (C2C) e-commerce type where the customers are involved directly to an e-commerce media or a website. Considering to the main objective of this study, this study will concern only on the business-to-consumers (B2C) e-commerce and consumer-to-consumer (C2C) e-commerce where the end customers are involved directly to an e-commerce media or a website.

In order to get profits from online selling activity there are three critical factors to be accomplished (Lynch, Kent & Srinivasan, 2001). First, online businesses have to attract potential buyers to visit and observe their online store. Second, online businesses must convert the shoppers and surfers to make an initial purchase. Third, online businesses have to ensure that the customers and shoppers will return and make more online purchases.

2.1.1.1 Classification of E-commerce

As electronic-commerce (e-commerce) grows and further exploits the attributes of the Internet, it will likely have significant effects on national economies and industry structure. E-commerce has come to take on two important roles; first as a more effective and efficient conduit and aggregator of information, and second, as a potential mechanism for the replacement of many economic activities once performed within a business enterprise by those that can be done by outside suppliers that compete with each other to execute these activities. In response to this increased level of outsourcing opportunities, businesses will exploit the benefits of e-commerce by decoupling as many links of their production chain as possible in order to seek the most efficient and low cost supplier within the e-marketplace. Given as the Internet has a global reach, these new e-marketplaces have fast become a product of globalization, leading the Internet and e-commerce to further the process of global integration. In its most basic form, e-commerce is any transaction made over the Internet. Most often this involves the transfer of goods, services, or information. Common e-commerce models include:

- i. Business-to-business e-commerce, companies interacting with other companies, seeking supplier bids, fulfilling orders, receiving invoices and making payments using the Internet as a backbone; Business to Business (also known as commercial organizations on the business sector, denoted by B to B or B2B e-commerce. B2B refers to business methods or business e-commerce activities between agencies; it is Business to Business continuation of the traditional business activities. This type of e-commerce has been for many years, of which corporate network through private networks or value-added (VAN using EDI business activities carried out by way of particular models. This type of mainstream e-commerce, but also enterprises are

facing fierce competition in the market, improve competitiveness, the main method to establish a competitive advantage.

- ii. Business to-business sales account for the largest total dollar volume of e-commerce. Online B-to-B sales may reach as high as \$8 trillion worldwide by 2007. Business-to-consumer e-commerce, retail services between companies and customers; the business to consumer (also known as Business to Consumer, denoted by B to C or B2C e-commerce. B2C mode refers to enterprises or business organizations and consumer e-commerce activities between. This is the consumer use of the Internet in the form of direct participation in economic activities. In recent years, with the Internet for businesses and consumers to open up a new trading platform, coupled with the increase of global Internet users, making this type of e-commerce has been rapid development. In addition, Internet browsing capabilities to provide search and multimedia interfaces, but also makes it easier for consumers to find and in-depth understanding of the required products. Therefore, to Business to Consumer e-commerce has great potential.
- iii. Consumer-to-consumer e-commerce, trade in goods, services and even information between two or more consumers. Beyond the sale of goods, through auction sites like eBay or Yahoo!, this model includes such —human intelligencell services sites like Keen.com and Guru.com; and Information retrieval, from public sites such as government agencies, libraries or museums or proprietary sites such as those operated by online banking services or brokerages.

- iv. Information retrieval, from public sites such as government agencies, libraries or museums or proprietary sites such as those operated by online banking services or brokerages.
- v. Portals, Some web sites act as windows to online content. A customer portal such as AOL, MSN, or Yahoo. Design its site to allow individuals to find a variety of online content on its and others sites. These portals make money from advertising revenue and the sale of products. Shopping portals such as Amazon.com and Buy.com allow consumers to find and purchase product online.

2.1.2 Concept of Customers Satisfaction

Brink and Berndt (2004) define customer satisfaction as the degree to which an organization's product or service matches up to the expectations of the customer. It is thus the extent to which the consumer's perceptions of the online buying experience confirm his/her expectations. If the customer's experience of the product or service exceeds his/her expectations of the product or service, the customer will be satisfied. Customer satisfaction is of extreme importance in establishing long-term customer relationships. It has been found that a satisfied customer has a positive purchase intention, such as a repurchase, positive word-of-mouth, and loyalty in the long-term (Byambaa & Chang, 2012). An understanding of the factors influencing customer satisfaction is thus extremely important.

Customer satisfaction is the measure of how the needs and responses are collaborated and delivered to excel customer expectation. It can only be attained if the customer has an overall good relationship with the supplier. In today's competitive business marketplace, customer satisfaction is an important performance exponent and basic differentiator of business strategies.

Hence, the more is customer satisfaction; more is the business and the bonding with customer (Byambaa & Chang, 2012).

Customer satisfaction is a part of customer's experience that exposes a supplier's behavior on customer's expectation. It also depends on how efficiently it is managed and how promptly services are provided. This satisfaction could be related to various business aspects like marketing, product manufacturing, engineering, quality of products and services, responses customer's problems and queries, completion of project, post delivery services, complaint management etc. (Byambaa & Chang, 2012).

Customer satisfaction is the overall essence of the impression about the supplier by the customers. This impression which a customer makes regarding supplier is the sum total of all the process he goes through, right from communicating supplier before doing any marketing to post delivery options and services and managing queries or complaints post-delivery. During this process the customer comes across working environment of various departments and the type of strategies involved in the organization. This helps the customer to make strong opinion about the supplier which finally results in satisfaction or dissatisfaction (Byambaa & Chang, 2012).

Consumer satisfaction is the result of comparing the expectations and the experience; in other words, the consumer is pleased when the delivery meets or exceeds their expectations (Khristianto, Kertahadi & Suyadi, 2012). Satisfaction and loyalty are the key elements determining the success of the market concept implementation (Khristianto et al, 2012). Satisfied customers are the ones that will repeat the purchase if the service provider reached or exceeded their expectations (Ahn, Ryu & Han, 2005). It is significant to identify the variables of consumer satisfaction, since they present the business benchmark and serve as a guide to future

improvements (Ahn et al, 2005). In Guo, Ling and Liu (2012), there are eight determinants identified as important for customer satisfaction; those are the following: web design, security, information quality, payment methods, e-quality of the service, product quality, product range, and service provision. On the other hand, Mustafa (2011) argues the following to be the determinants of consumer satisfaction: consumer interface quality, information quality, perceived quality, and privacy.

2.1.2.1 Models of Factors Influencing Online Customer Satisfaction

Any business aims to achieve customer satisfaction among its customers. This is no different for online stores. Dissatisfied customers will not make use of the online store again and might be discouraged from buying online in the future.

Various models of factors influencing customer satisfaction have been developed. Among them is Kano's model of customer satisfaction which distinguishes between three types of product requirements influencing customer satisfaction in different ways. These are must-be requirements (if not met, the customer will be very dissatisfied), one-dimensional requirements (the higher the level of fulfilment, the higher the customer's satisfaction and vice-versa) and attractive requirements (the product criteria which have the greatest influence on how satisfied a customer will be with a given product) (Sauerwein, Bailom, Matzler, & Hinterhuber, 1996).

Another model of customer satisfaction is the well-known SERVQUAL, which is a multi-item scale developed to assess customer perceptions of service quality (Shaikh, 2009). The SERVQUAL instrument enables organisations to ascertain perceived service quality by calculating the gap between customers' expectations of the service they would receive and their perceptions of the actual service delivered (Chen, Yeh, & Chen, 2011).

SERVQUAL was developed in 1985 by Berry, Parasuraman, and Zeithaml (Ahuja, Mahlawat, & Masood, 2011). The original SERVQUAL tool consisted of 10 criteria and dimensions through which service quality could be assessed; namely, competence, communication, credibility, security, understanding, tangibility, accessibility, courtesy, reliability, and responsiveness (Prasad & Shekar, 2010). These ten criteria were later integrated into only five dimensions; namely, reliability, assurance, tangibility, empathy, and responsiveness (Zeithaml, Bitner, & Gremler, 2006).

The various models of customer satisfaction that have been developed in the past are mostly focused on satisfaction with the products and services of traditional retail stores and are not always applicable to online shopper satisfaction.

Various models have thus been developed to identify the factors influencing online customer satisfaction. In this study, some of these models were investigated and the information was used to develop a model that was tested among Nigerians living in the Lagos province.

Alam and Yasin (2010) developed a model which identified five factors influencing online buying satisfaction in Malaysia; namely, website design, reliability, product variety, time saved, and delivery performance. When this model was tested, they found that website design, reliability, product variety, and delivery performance were the key variables influencing online buying. Their results indicate that the time saved did not have a significant effect on satisfaction of Malaysian shoppers.

Guo, Ling, and Liu (2012) developed a model of factors influencing online buying satisfaction in China. They identified eight influencing factors on customer satisfaction; namely, website design, security, information quality, payment method, e-service quality, product quality, product

variety, and delivery service. They found that all eight of these factors are positively related to consumer satisfaction when buying online.

Schaupp and Bèlanger (2005) designed a model which identified three categories of determinants that could affect online shopper satisfaction. They are technology factors which include security, usability and site design, and privacy; buying factors which include convenience, trust and trustworthiness, and delivery; and product factors which consist of merchandising, product value, and product customization. Their results indicate that the three most important attributes to consumers for online buying satisfaction are privacy, which is a technology factor; merchandising, which was classified as a product factor; and convenience, which is a buying factor. These are followed by trust, delivery, usability, product customization, product quality, and security.

Byambaa and Chang (2012) designed and tested their model of factors influencing online satisfaction of buyers of electronic airline tickets. These factors are ease of use, information quality, website design, payment security, and interactivity. They found that three of these factors were significant in affecting satisfaction of online e-ticket shoppers; namely, interactivity, payment security, and ease of use.

After reviewing the above-mentioned models and the information collected about online shoppers in Nigeria, the researcher developed a framework indicating the factors influencing customer satisfaction of online shoppers. This framework is indicated in Figure 1 and was used to test the factors influencing online satisfaction of consumers in Lagos, Nigeria. The framework is based on the three categories used by Schaupp and Bèlanger, but the researcher has added

another category; namely, logistics, and has also added additional factors to each of the existing categories.

The technology factors in Figure 1 refer to the qualities of the website that ensure functionality of the site and include security features, website ease of use, user-friendly website, and privacy. *Security* refers to the website's ability to protect the customer's personal information collected during electronic transactions from unauthorised use or disclosure. *Website ease of use* and *user friendliness* refers inter alia to the website's speed, navigation capability, simple search paths, and interactivity. *Privacy* refers to the willingness to share information over the Internet that allows for the conclusion of a purchase (Bèlanger, Hiller, & Smith, 2002).

The buying factors in Figure 1 refer to customers' feelings and perceptions during and after the buying experience (Schaupp & Bèlanger, 2005). Quite a few factors were identified here; namely, convenience, trustworthiness of information, ease of payment, time saving, more online information, lower price, and value for money. *Convenience* entails the ease of buying, finding a product, post-purchase service, complete contact information, and minimization of overall buying effort (Schaupp & Bèlanger, 2005). *Trustworthiness of information* refers to the customer's willingness to accept the information provided by the online store about the product, price, and payment. *Ease of payment* refers to aspects such as ease of understanding the payment policy and speed at which payment transaction will take place. *Time saving* also refers to, among others, the speed of the transaction, the time saved in not having to travel to retail stores, and in not having to stand in long queues at these stores. *More online information* entails the instructions, demonstrations, how-to guides, safety procedures, product reviews, and store policies that are available on the store website. *Lower price* refers to the belief or perception by shoppers that products bought on the internet are cheaper than those purchased at a retail store.

The last buying factor in the model; namely, *value for money*, is the belief that purchasing products on the internet provides value for money (Schaupp & Bèlanger, 2005).

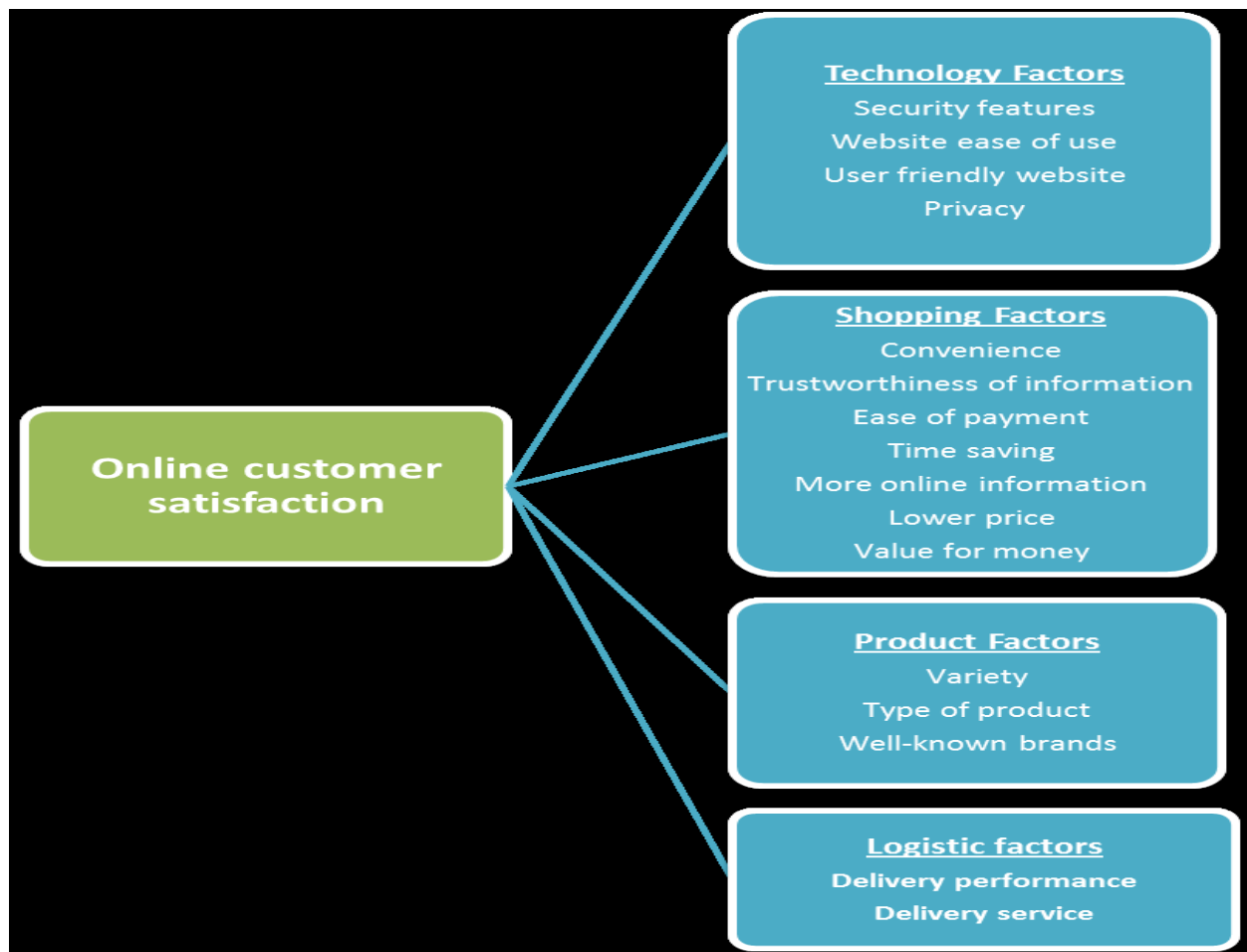


Figure 1: Factors Influencing Online Buying Satisfaction

Product factors, as indicated in Figure 1, pertain to the quality of the product or service for sale (Schaupp & Bèlanger, 2005). They refer to the *product variety*, *type of product*, and *well-known brands* which entail the wide range of products and services that can be purchased online, as well as the brands that are offered.

Logistic factors refer to the delivery of the products and services. They refer to *delivery performance* and *service* which refer to aspects such as speed of delivery, tracking and tracing,

accuracy of delivery and communication with customers regarding possible delays in delivery.

2.1.3 The Main Impact of E-commerce Customer Satisfaction Factors

The daily growth of the internet and e-commerce has changed the way of marketing and selling products and services. As a result of development in electronic information resources and the evolution of the —digital age product sellers and information service providers face many new challenges. Internet is changing the way corporations conduct business with their consumers who are increasingly expecting higher services, becoming time saved, and wanting more convenience. In addition e-service quality is an essential strategy to gain success, according to the results of previous literatures, probably more important than a low price for online companies. Since one of the main duties of the internet as a communication channel is how to manage service quality, which holds a significant importance to customer satisfaction, the purpose of this research is to gain a better understanding of the impact of web site quality factors on customer satisfaction. Also, through literature it is clear that there is a relation between e-trust, satisfaction and quality. For this reason based on a detailed literature review, and in order to find the impact of website quality factors on customer satisfaction, a model with four website quality factors was selected to be tested in online bookstores in Iran, and also e- trust item is added to this model in order to examine the relation of this factor with satisfaction and quality. Then a quantitative research was conducted and data were gathered through an online survey. The results in our research suggest that quality has a strong impact on satisfaction and also e-trust has a reasonable impact on quality and through quality affects satisfaction. Our findings indicate that reliability is the most important indicator of quality from the Iranian online book shoppers' perspective. In addition, since customer service is the only factor that directly affects satisfaction: it is a key strategy to increase the level of satisfaction straightaway. The results presented in this research will help

companies to locate their position against competitors, pin point their weak points and determine which website characteristics will improve their performance and also it can provide an evaluation of the extent to which information and services comprehensible for all users and to extent to which the features and functions are necessary to provide an effective and efficient web site to meet the needs of a diverse population of users.

Development of the Internet and the emergence of e-commerce customer satisfaction makes the meaning has changed. Trust in traditional commerce object is a physical store, and e-commerce trust under the indirect object of the website, direct object as one of the online store. Emergence of electronic commerce has brought the separation of the exchange of goods and capital, the anonymity of traders and the serious problem of asymmetric information and other new, so its impact factors of customer satisfaction is significantly different.

2.1.4 Other Factors of E-commerce Customer Satisfaction

In order to achieve customer satisfaction, Companies should measure it because according to Ho (1995), you cannot manage something that you cannot measure it. There are two principal interpretations of satisfaction within the literature, satisfaction as a process and satisfaction as an outcome (Parker & Mathews, 2001). Solomon (1991) recognizes customer satisfaction as the overall attitude of the individual toward the bought product. Also, customer satisfaction is defined as a customer's overall evaluation of the performance of an offering to date. This overall satisfaction has a strong positive effect on customer loyalty intentions across a wide range of product and service categories (Gustafson, 2005). Kottler (2003), states that there is a general agreement satisfaction is a person feelings of pleasure or disappointment resulting. From comparing a product perceived performance (or outcome) in relation to his or her expectations.

During the last four decades, satisfaction has been considered as one of the most important theoretical as well as practical issues for most marketers and customer researchers (Jamal, 2004). Ho & Wo (1999) state that customer satisfaction is a critical issue in the success of any traditional or online business system. To fulfill this goal we need to know the definition of satisfaction by customers. According to Homburg et al, (2006) previous research has recognized that both cognition and affect significantly predict satisfaction. Process definitions of satisfaction emphasize on the disconfirmation paradigm and according to that paradigm, customers form expectations to which they compare performance; and this comparison will result in confirmation or disconfirmation (Oliver & Desarbo, 1988).

A broad definition of satisfaction is that it is an emotional response to the use of a product or service; and it is also a complex human process which involves cognitive and affective processes as well as other psychological and physiological influences (Oliver, 1981). Early concepts of satisfaction research have typically defined satisfaction as a post choice evaluation judgment concerning a specific purchase decision (Oliver, 1980; Oliver & Desarbo, 1988). In addition, Pitt et. al., (1995) believes that service quality is the key to measure user satisfaction. Thus, researchers have paid much attention to the close relationship between service quality and customer satisfaction (Bitner et al., 1990; Parasuraman et al., 1985; Parasuraman et al., 1988).

Customer satisfaction has been one of the top tools for a successful business. Customer satisfaction is defined as an overall evaluation based on the total purchase and consumption experience with the good or service over time (Fornell, Johnson, Anderson, Cha & Bryant, 1996). With marketing, customer satisfaction also comes along with it which means it ascertains the expectation of the customer on how the goods and services are being facilitated by the companies. Actionable information on how to make customers further satisfied is therefore, a

crucial outcome (Oliver, 1999.)

At a glance, customer satisfaction is a crucial component of a business strategy as well as customer retention and product repurchase. To maximize the customer satisfaction companies should sell ideas and methods after the completion with all the necessary documents. As for example, customers will buy a car after taking a closer look at it such as how is the engine, what is its model, how many kilometers it has been traveling, and is there any cracks or not. Therefore, they do not feel disappointed after purchasing it. Otherwise, if the company uses only their sell and build method customers might expect that the car is exactly the same as what they see in the pictures or during the exhibition and later on the company might receive complaint if anything is wrong. Customer satisfaction is a barometer that predicts the future customer behavior (Hill, Roche & Allen, 2007)

However, the product and its features, functions, reliability, sales activity and customer support are the most important topics required to meet or exceed the satisfaction of the customers. Satisfied customers usually rebound and buy more. Besides buying more they also work as a network to reach other potential customers by sharing experiences (Hague & Hague, 2016.) The value of keeping a customer is only one- tenth of winning a new one. Therefore, when the organization wins a customer it should continue to build up a good relationship with the client. Providing the quality of goods and services in the 20th century is not only to satisfy the customers but also to have a safe position. Indeed, this has benefited the customers significantly on consuming qualitative products (Rebekah & Sharyn, 2004.)

Customers often look for a value in the total service which requires internal collaboration among the department that is responsible for different elements of the offering, such as the core product

(goods or services) delivering the product, product documentation, etc. Moreover, from profitability and productivity perspectives only activities that produce value for customers should be carried out. Hence, firms have to get to know their customers much better than has normally been. However, the company should be able to build trust with the customer so it is easy to get the feedback from the customer. This is how customer oriented product or service could be developed (Hill, Brierley & MacDougall, 2003).

Customer satisfaction is dynamic and relative. Only the idea “customer-centric” can help companies improve satisfaction and keep customer truly, conversely, if competitors improve customer satisfaction, then it may loss corporate customers. While improving customer satisfaction, customer expectations should be noticed. Service quality, product quality and value for money have a direct positive impact on customer satisfaction. Employee satisfaction is equally important before achieving the customer satisfaction. If employees have a positive influence, then they can play a big role to increase customer satisfaction level. Satisfaction is a dynamic, moving target that may evolve overtime, influenced by a variety of factors. Particularly when product usage or the service experience takes place over time, satisfaction may be highly variable depending on which point in the usage or experience cycle one is focusing. (Lovelock & Wright, 2007)

Customer satisfaction is influenced by specific product or service features and perceptions of quality. Satisfaction is also influenced by customer’s emotional responses, their attributions and their perception of equity (Zeithal & Bitner. 2003) Increased customer satisfaction can provide company benefits like customer loyalty, extending the life cycle of a customer expanding the life of merchandise the customer purchase and increases customers positive word of mouth communication. When the customer is satisfied with the product or service of the company, it

can make the customer to purchase frequently and to recommend products or services to potential customers. It is impossible for a business organization to grow up in case the company ignores or disregards the needs of customers (Tao, 2014).

Customer relationship management triangle law describes: Customer satisfaction = customer expectations - customer dissatisfaction. Customer satisfaction can be seen negatively correlated with customer expectations. Therefore, it is divided into five intervals (very dissatisfied, relatively dissatisfied, general satisfaction, relatively satisfied and very satisfied). When the customer experience essential flats with customer expectation, the customer satisfaction become higher. On the contrary, compared with the expectations, the worse customer experience brings lower customer satisfaction. There are two ways to improve customer satisfaction for companies. First service improvement, to enhance the customer experience and second try to effectively manage customer expectations by reducing the desired level. However, the first approach is widely used in the organization and achieved great success. In the future, companies will need to still make some adjustment for continuous improvement (Tao, 2014).

2.1.5 Factors that influences Customer Satisfaction

Consumer behavior refers to the selection, purchase, and consumption of goods and services for the fulfillment of their basic and the fundamental needs. There are different phases involved in consumer behavior. Initially, the consumer finds the needs and then goes for the selection and budgets the commodities and takes the decision to consume. Product quality, price, service, consumer emotion, personal factors, situational factors, a perception of equity or fairness, product features are some of the factors that influence the customer satisfaction. On the other hand, several factors like mentioned in the figure influence the purchasing behavior of the consumer (I Research Service, 2017).

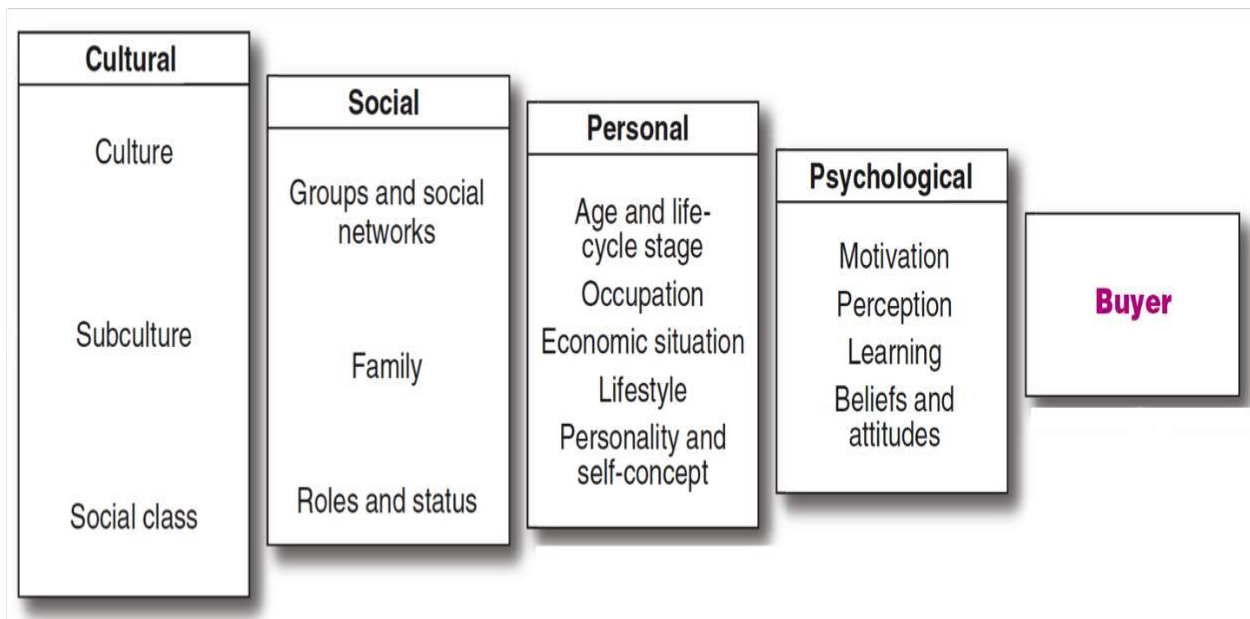


Figure 2: Factors Influencing Consumer Behavior (Adapted from Deep 2017)

Cultural factors: Culture is crucial when it comes to understanding the needs and behavior of an individual. The values, perceptions, behaviors and preferences are the factors basically learned at the very early stage of childhood from the people and the common behaviors of the culture. Norms and values are carried forward by generation from one entity to the other. Cultural factors represent the learned values and perceptions that define consumer wants and behaviors. Consumers are first influenced by the groups they belong to but also by the groups (aspirational groups) they wish to belong to.

Social factors: Human beings live in an environment surrounded by several people who have different buying behavior. A person's behavior is influenced by many small groups like family, friends, social networks, and surrounding who have different buying behaviors. These groups form an environment in which an individual evolves and shape the personality. Hence, the social factor influences the buying behavior of an individual to a great extent.

Personal factors: This consumer behavior includes personal factors such as age, occupation, economic situation, and lifestyle. Consumer changes the purchase of goods and services with the passage of time. Occupation and the economic situation also have a significant impact on buying behavior. On the other hand, a person with low income chooses to purchase inexpensive services. The lifestyle of customers is another crucial factor affecting the consumer buying behavior. Lifestyle refers to the way a person lives in a society and is expressed by the things in the surroundings.

Psychological factor: Many psychological factors like motivation, perception, learning, and attitudes and beliefs play a crucial role in purchasing a particular product and services. To increase sales and encourage the consumer to purchase the service organization should try to create a conscious need in the consumer's mind which develops an interest in buying the service. Similarly, depending on the experiences of the costumer's experiences, beliefs, and personal characteristics, an individual has a different perception of another. Attitudes allow the individual to develop a coherent behavior against the class of their personality. Through the experiences that the consumers acquire, the customer develops beliefs which will influence the buying behavior.

The factors that influence customer vary from people to people and by the culture of the people. Hence, for a successful consumer oriented market service provider should work as a psychologist to procure consumers. By keeping in mind that affecting factors can be made favorable and goal of consumer satisfaction can be achieved. The study of consumer buying behavior is gateway to success in the market. Overall the result shows that brand image, and perceive value, price, health concern and quality influences customer satisfaction.

2.1.6 Measuring Customer Satisfaction

Measuring customer satisfaction is a key performance indicator within business and is often part of the balanced scorecard. The main aim of measuring customer satisfaction is to make a prompt decision for the continuous improvement of the business transactions. Attracting a new customer as a source to build on existing relationship, customer satisfaction measurement is essential to be measured. Similarly, to retain the current customer base, measuring customer satisfaction is equally important. Actionable information on how to make customers more satisfied is, therefore, a crucial outcome. Unless the organization focus on their improvement efforts in the right area the organization cannot maintain the competition level of business in a market. To recognize the needs of the customer is to satisfy the customer and to meet the need of the customer, a measurement of customer satisfaction is what matters the organization. (Hill, Roche & Allen, 2007)

Measuring a customer satisfaction may be different in the different organization since there are different approaches to measure customer satisfaction. As one of the measurements of the performance of the quality management system, the organization shall monitor information relating to customer perception as to whether the organization has met the customer requirements. The methods for obtaining and using this information shall be determined. (American National Standards Institute/International Organization for Standardization/American Society of Quality 9001-2000). Every organization seeks customer satisfaction where these sorts of parameters helps an organization to measure the customer's satisfaction and demands so that organizations can provide them with appropriate services as per their requirements. The possible dimension to measure customer satisfaction could be quality, price, trust relationship, complaints, problems and many others. The key point of measuring customer satisfaction is to

conclude how to improve it and how to keep building a good relationship with customers and potential customers.

International Customer Satisfaction (ICS) is an international quality guideline that encourages to create and to implement a Quality Management System (QMS). ISO certification 9001 allows any organization to gear towards achieving the quality goal (ISO Update, 2017) Many strategies exist regarding the customer satisfaction measurement, but overlooking the fundamentals of how to measure customer satisfaction can be detrimental to a business. Measurement of customer satisfaction refers to the collection of data and providing information about how customers are satisfied or dissatisfied with the products and the service. Data collection helps the organization to understand what is the main reason behind the level of the satisfaction. This will motivate the customers to focus on the business organization. In addition, it adds to the improvement of the service delivery.

During 1960-1980 customer satisfaction was initially considered as a problem of consumer behavioral analysis and the most important effort from this was the following (Grigoroudis & Siskos, 2010). Nowadays organization has started to track the satisfaction level so that they can improve the services. In addition, it has a great impact on understanding the issues that cause the satisfaction or dissatisfaction with the service experience. In this way, if the organization is able to understand why and how the customers are satisfied then, they can focus on its resources. (Hill, Roche & Allen, 2007)

Negotiation with the customers will enable to understand more deeply results infeasible requirements. Having mutual co-operation as well as the trust between customers and suppliers, suggestions from the customer's contentment. Additionally, when it comes to the

customer satisfaction all the factors should be considered such as the price of the product, the quality of the product, what varieties of the products are available in the store. Some of the few dimensions of customer satisfaction measurement are the quality of service, the speed of service, pricing, complaints or problems, trust in employees, the closeness of the relationship with contacts in a firm, types of other services needed, recognizing the position in the client's mind. (National Business Research Institute, 2017)

2.1.7 Importance of Customer Satisfaction

Customer satisfaction is extremely important because it is the way of getting feedback from the customers in a way that they can use it to manage and improve their business. Customer satisfaction is the best indicator of how the business looks like in the future. Customer satisfaction helps in doing SWOT analysis that could help them to develop their business in an advance and in a systematic way. Besides this, it will also help in making the right decision to use the appropriate resources while manufacturing the products. Similarly, it maintains the relationship with the existing customers and also creates the possibility to acquire others. (SSRS research, 2016.)

When products are bought customers expect perfection instead of quantities. There are varieties of products that are similar in the market and sometimes it is difficult to distinguish which one is qualitative and durable. This is the great opportunity for the business organization doing marketing of their products and services to understand what exactly customers are seeking for. Customer satisfaction is a key indicator of the marketplace that evaluates the success of the organization. People have varieties of tastes and choices and therefore, satisfaction also differs from one person to another. It also may vary the expectation of the

consumer depending on the option they may have, such as the national and international market (Kotler & Keller, 2006)

A technique for assessing the customer satisfaction should also have to go through the international market procedure to meet the requirement internationally. In the process, granting the satisfaction to the customer in both physical and technological aspects has changed drastically. However, there is still no method of measuring customer satisfaction. But the feedback from the customer can be taken as a crucial tool for measuring customer satisfaction. (European Institute of Publication Administration 2017) On the other hand, it's cheaper to retain customers than acquire new ones. To make a customer's cost lot of money. Marketing team spends lots of money and time in convincing their excellence. Customer satisfaction is a primary aim of every company. Customer satisfaction ensures the customer wants to return to purchase the service. Satisfied customers are more likely to recommend their friends and families which will help to grow the business. A totally dissatisfied customer decrease revenue, whereas satisfied customer has a positive effect on profitability.

2.1.8 Management Approaches about Customer Expectation

Customer expectations are the belief about service delivery that serves as standard or reference points against which performance is judged. Customer expectation is difficult to know in service delivery, wrong actions and failure which could cause of losing a customer, waste of investment, time and eventually business. Customer expects some level of service quality from a service provider during the transaction; therefore customer's opinion about the quality standards and also what kind of standard customer expect are essential to know. (Zeithaml et al., 2009)

Knowing what the customer expects is one of the most critical factors in delivering good and service quality (Zeithaml et. al., 2009). Customer expectations are the standards of performance against which service experiences are compared. The difference between what a customer expects and perceives in the service delivery formed customer gap. Which leads to customer dissatisfaction with the product or service. To close this gap, the gap model (gap 1, 2, 3,4 and the not knowing what customer expects, not selecting the right service designs and standards, not delivering to service standards, not matching performance to promise respectively) of service quality suggests that four gaps called provider gaps from one to four needs to be closed. It is important for companies to close the gap between customer expectations and perceptions in order to satisfy their customers and build long-term relationships with them (Zeithaml & Bitner, 2000).

Grasp is the psychological expectations of customer. On the basis of effective management of customer expectation, firstly it cannot ignore basic collection and analysis of customer information which includes information collection and statistical information based on properties of clients, the level and instability consumption, personal preferences, service and satisfaction feedback information regarding the analysis of customer expectations and needs provide a basis to measure the level of information support. Analyze customer needs, assess customer expectations: Customer need analysis is an important basis and means of measuring customer expectation. According to Japanese management expert Kano model, customer demand is divide into three categories such as basic demand, expected demand and surprise demand. Zeithaml & Bitner (2003) portrait customer perceptions as the subjective assessments of actual service experiences. This refers to how customers perceive services, how they assess the quality of received services, whether they are satisfied, and whether they have received

good value. Accordingly, customer perceptions of service are also defined as customer perceptions of quality, satisfaction and value. The customer perceptions are the way that people see something based on their experience. Everyone's perception will be, at least, slightly different. Perception is also described as the end result of a number of observations by the customer.

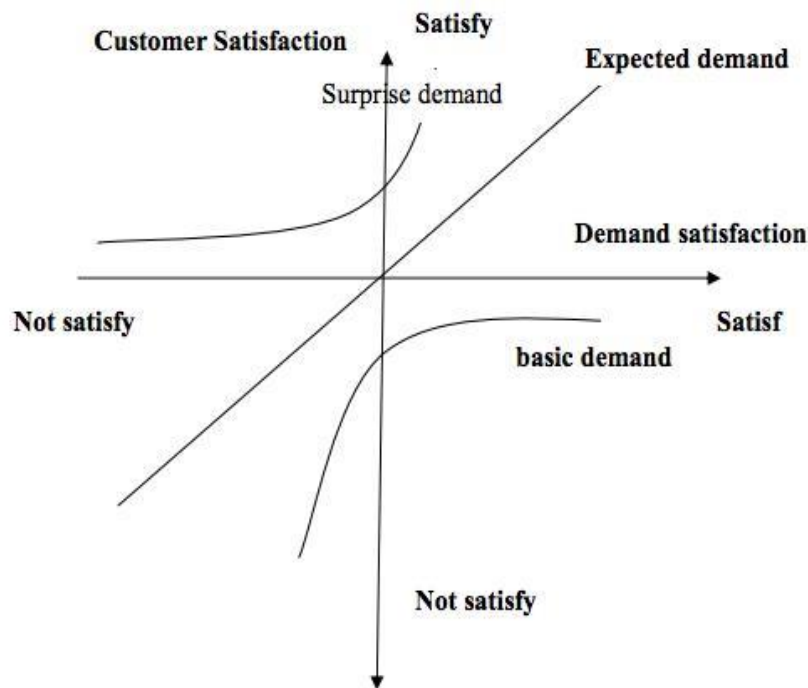


Figure 3: Indicate Customer Demand Levels (Zeithaml & Bitner, 2003)

In the above-mentioned figure 3 illustrates, the basic demand is considered service by a customer that should be provided, low level of satisfaction and a high level of satisfaction are not very satisfied since the demand is opposite. A low level of satisfaction is also not satisfied, it will be very satisfied with the high level of satisfaction; expected demand is in between satisfaction and customer satisfaction which are linearly related.

2.1.8 Managing Customer Relationship

Customers have different needs and demands about how they wanted to be treated. Therefore, very seldom organization satisfies the needs of every potential customer in a similar manner. In service contexts, it is often difficult to satisfy targeted groups of customers, because customers frequently meet and interact with each other and influence fellow customer's perception of the service. Therefore, to manage a good customer relationship organization should deal with the customers in different ways. It is important to have a customer segment to keep in relation to a different targeted group of the customers. It is also important to keep in mind that customers in a relationship with a service provider often want to be recognized and treated individually, even though they are part of a larger segment. In addition, the modern technology available to the firms also supports the individualistic treatment of customers. Direct customer contacts in most of the services give a good starting point for the individual treatment of the customers (Grönroos, 2007).

On the other hand, it is important to know the need of the customers. To maintain a relationship first of all, the service purchased by customers has to fit the customers. Designing for relationships requires a customer centered approach. Maintaining customer relationship just do not happen accidentally, they are constructed through the service and product provided. Relationships build over to create a loyal customer and loyal customer multiplies the transactions. The relationship infrastructure consists of the building blocks for a business. The components of substructure build on top of each other to create a growing infrastructure. A relationship requires the right blend of the texture and touch. There are some instances where service industry cannot provide sufficient levels to build the relationship (McDonald & Keen 2000).

Today, the customer requires flexibility, availability, creativity and price advantages from the service provider. Therefore, new attributes are required for an organization to succeed in a dynamic world where customers wish, customer preferences, customer behavior and loyalties are equally focused (Swift, 2001) Today, in order to maintain a relationship with a customer: “Customers are always right” trend has been highly given importance.

According to Kumar and Petersen (2012), the companies who have implemented the idea of customer relationship management are the most successful ones regardless of their business field. Therefore, managing customer relationships and relationships with other parties require a service oriented culture.

Trust, commitment, and attraction

Trust, commitment, and attraction play an important role in relationship markets. As in relationships between people or organizations, especially in business relationships, whether they are big industrial cooperation or supply chain organizations, it is commonly agreed on that related partners in business need to have a high degree of commitment to achieve and maintain success in their relationships. Mutual commitment plays an important role in a relationship, due to its significant benefit for companies and widely considered as the most advanced phase of partner’s interdependence (Wetzels, de Ruyter & Van Birgelen, 1998).

Trust is a belief in the reliability. In other word, it is one party expectation that other party will behave in a certain predictable way in a given situation. If the other party doesn’t behave in an expected way, then the trusting party (customer) will face the more negative situation. The trust concept can be divided into four categories. First is generalized trust; this trust is derived from social norms. The second is system trust is depending on the laws, contract and industry

regulation. The third is personality-based trust and this is based on a human tendency to rely upon another person to behave in an expectable way according to expectations because of personality trends. The last one is a process- based trust follows from contacts and experience that have been taken place over a time an ongoing relationship between two parties (Grönroos, 2007).

Commitment is one party in a relationship feels motivated to do business with another party. It is also defined as a long-term desire to maintain a valued relationship. A customer is committed to a supplier similarly expected loyalty from the supplier or service provider. The manufacturer may feel committed to repair and maintenance provider who has consistently proved that it can offer skillful and timely service of its production machines. Here if a supplier has taken extra trouble to do so, then beside the excess demand for its service at some point the sense of commitment has become even deeper (Grönroos, 2007). Commitment always relates to trust and trust is to be considered the most critical and key factor for developing commitment among the partners. Trust and commitment being “two highly interrelated notions for success” of any partnership, that stimulate a relational bond between the parties. Further, it leads to improvements in efficiency, productiveness and effectiveness, when existing simultaneously (Chu & Fang, 2006).

Attraction is a third key concept in relationship marketing. It means there should be something which makes supplier or service provider interesting to give the customer. Attraction can be based on the financial, technological or social factor. A globally operating accounting expert may find large firm affiliations in various countries an attractive potential customer, which offers large financial opportunities. Manufacturer of the latest technology for a manufacturing process is an attractive partner for a manufacturing firm. Similarly, social contact highly appreciated may

become a base for good relationship that can lead to a business relationship. If attractions between two parties exist there is a basis for a relationship to develop. If there is a lack of attraction the parties will probably not start doing business with each other (Grönroos, 2007)

Law of attraction is one of the important principles to utilize in business to success. Law of attraction can be understood by understanding that like attracts like. This means a person realizes it or not he/she will be responsible for bringing both negative and positive influences into lives. The important part to understand the law of attraction is to understand that spending days in regrets about the past or fears of the future, it shows more negativity appearing, instead of looking for better things in every experience gives chance to appear positive energy (Law of attraction, 2017).

If the existence of trust in a business partner and commit to that partner may be more important to the customer who sees more value in the relationship itself. Such type of customer relationship oriented and may appreciate the existence of trust and commitment rather than being satisfied with every single exchange transaction. Long term relationship always doesn't work to maintain a long-term business relationship. The customer may want to experience new alternative for a change. Overloading relationship with the service provider may create certain blindness to a customer.

The customer may not see the new financial opportunities or offer new technology from the alternative service provider. Existing relationship partner might follow developments that have been taking place. In such case, the customer will be lockup with low quality or old fashion suppliers. The trust and commitment have remained but the customer has not experienced the

financial or technological attraction which initially may have been the reason for the relationship to start (Grönroos, 2007).

2.1.9 The Value of the Customers

A fundamental tenet of customer relationship management is that organization wins by attracting and keeping the most valuable customers. The most important assets of the firm are long term customers. Firms should know the long-term value of their individual customers. The lifetime value of the customer should be measured which will help the organization to realize the importance of keeping the existing customers. To understand the worth of the customer it is important to think broadly about the ways in which customers add value to the firms. Recognizing the value of a customer will lead to better decisions about how to expand the business activities.

Most businesses understand the costs of acquiring a customer, but they are unaware of the costs of losing a customer. There are several reasons behind the customers stop doing business with the firm, such as uncertainties of moving away, not understanding the value of the customer's death and so on. Poor service, poor goods, and the quality which does not meet the customer requirements are often the results of the giving the value of the customers away. Here value does not refer to the price it refers to the perceived benefits stood to be gained in the context of price. Based on the appropriate understanding of the customer situation and needs firm should create the essential values (Gupta, Lehmann & Stuart, 2004).

Customer value and value of the customers in business have a different interpretation and that should not be confused. Customer value refers to what the customer gets in a product or service whereas the value of a customer in business is the stand which keeps the company in running a

business. The primary aim of the business organization is to make a clear attempt in creating customer value in order to attract and retain customer to deliver quality as well as the superior value of the business to the customers. Implementing an effective marketing strategy concept by offering qualified goods and services of the company will meet and exceeds the expectations of customer needs better than other competitors (Jobber & Chadwick, 2012, for the long-term survival of the company and for the success customer value can be taken as an important prerequisite. In this competitive market, understanding the way of the customer's judgment and value a service or a product has been crucial. Although the research of the customer value in many areas stands still it has already generated a lot of fruitful insights into the value creation process from customer and company perspectives.

The value of the customers could not be gained at once services need to be enhanced. And one should always remember that prospective customers may become profitable in future. Based on figure 3 it is illustrated that how the value of the customer could be gained. Improvement of quality, enhancement of quality, prompt action, improvement of productivity, customer relationship and cost management are the major factors to be considered regarding to get the value from the customers.

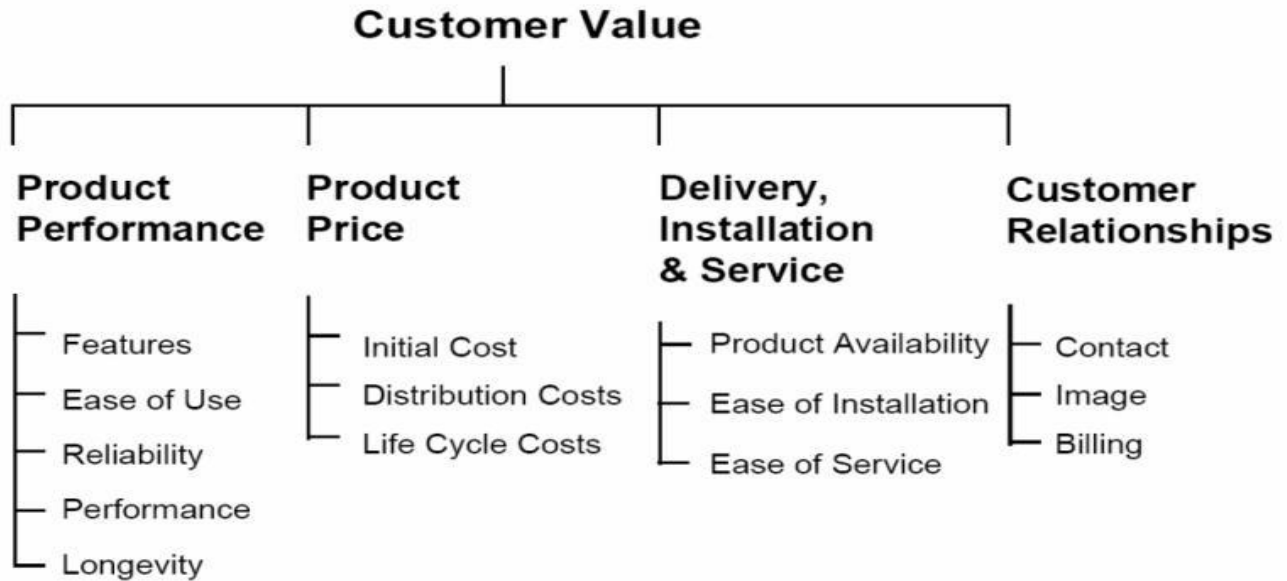


Figure 4: Customer Value Tree (Adapted from Beaumont & Leland, 1996)

In the above figure, customer value tree is presented clearly pointing out the key major factors in retaining the value of the customers. As customer value is evaluated on the benefit of the product or service that is perceived by the customers. Therefore, the product or services should be reliable, durable and also should be featured one. On the other hand, the price of the product determines the value of the customers. Customers seek the product and services prior to the payment of the price. If the product price meets the expectations of the customers the value will increase simultaneously otherwise it may decline. However, it is also very important to maintain the relationship with the customers along with price, product and so on. Regular contact will grab the attention of the customers and also help to create the best image of the organizations. This shows that the organization is more concerned about their customers' needs and desires. Moreover, customers also feel like the organization is keeping effort on meeting customers' satisfaction which creates the possibility to be a long-term oriented customer of the organization.

Create Service Brand relationship

Brands are the names and symbols and they are the key element to establish company relationship with customers. Brands represent the consumer's feelings and perception about the product and its performance everything that service or products mean to customers and finally, brands stay in the customer's mind. Products are made in a factory, but the brands are created in the mind. Brands are the major enduring asset of the company. For example, if McDonald's every asset they own, building and every equipment were destroyed in a terrible disaster, they would be able to borrow all the money to replace it very quickly because of the value of McDonald's brand so brands are more valuable than the totality of the assets (Kotler & Armstrong, 2001).

When branding a service, there would not be ready-made, standardized product to be taken as a starting point for making a brand relationship. Instead, the service process will be the heart of the branding process. So, the basis for branding process will be most often the company itself and its service process. A service brand relationship can be developed in different ways in the context of services, because of process nature of service, managing and planning the service is the heart of the branding process. In the service branding, planned marketing communication is only a supporting element in the branding process. No planned communication effort can compensate if the service process leads to a negative brand value. There will be a risk if a service marketer only focuses on planned communication as a key branding activity. The brand promise may not be fulfilled by service process. If brand fulfillment missing in the mind of the customer, a brand image corresponds to the brand identity is not developing and the branding process has failed. The intended brand image emerged when a value of a customer and the value of the organization does not conflict with each other instead complement to each other (Grönroos, 2007).

It is important to keep in mind while building a branding relationship that, the main task of branding process would be managing the service process which provides the customers with positive brand contact also the corresponding brand message that will create a favorable brand relationship. Brand enables through internal efforts required to prepare and motivate employees in the organization and in. If the service process doesn't create a positive brand image in the customer's mind, this cannot be compensated for by planned marketing communication supporting a brand identity that may not establish in service process and in organizational culture. So, brand image is an asset to any firm, though it has an impact on customer perceptions of the communication also operation of the firm in many respects. Brand image is a function of expectations as well as of experience and also Image has an internal impact on employees as well as an external impact on the customer (Grönroos, 2007).

Analysis of brand image is a starting point for a managed branding process; the firm wants its customer and other stakeholders, such as financing institutions, network partners, and employees, to have brand identity. Through the planned marketing communication, the brand awareness is created. The purpose of doing this is that firstly, all customers are made aware of the existence of a given service and the secondly, provided that the planned communication efforts support and do not counteract the customer's experience of service firm and service process and its outcome. These experiences are supported by marketing communication effort. In the service branding process, the experienced customer has with the firm and service process from the brand fulfillment. Such brand fulfillment leads to perceived brand image in customer minds and planned marketing communication efforts are only supportive.

Customer Relationship Marketing

In this competitive environment, a business organization cannot survive longer with a transactional attitude towards customers. It has been very important to focus on marketing lenses which are considered as a major aspect for satisfying and maintain customers. In this context, it has been clear that customer satisfaction is entitled as an important theoretical and practical issue for the marketers and the researchers (Rakhsha & Majidazar, 2011) Satisfaction is the feeling of the individuals after comparing product and service performances with their expectations. If the business organization meets the expectations of the customers, then there is the possibility of a long-term relationship (Kotler, 1996).

Customer relationship marketing is the biggest paradigmatic shift in marketing theory and practical in the existing world. It is concerned with attracting, developing and retaining customer relationship (Berry & Parasuraman, 1991). To identify, establish, maintain, enhance and terminate the relationship with customers and other stakeholder customer relationship marketing plays a crucial role. Moreover, it is the best contemporary marketing strategies for the companies to satisfy their customers' needs and wants. Along with this, it has evolved from the direct response marketing, it focuses more on customer retention and satisfaction of their needs. Instead of focusing on delivering and selling the products, many companies are targeting in developing and marketing long-term relationships with customers and this is defined as relationship marketing.

Enhancement and focus on the customer, building relationships with the customers have become necessary for the companies in the past few years because business success depends on clients. Therefore, companies are trying to keep the existing customers through which it will easier to gain the steady income. Once the customers are attracted towards the firm, they are more likely

to stay in the relationship when they are constantly supplied with quality products and services and good value over time. Under relationship marketing, loyalty, long-term relationship and customer retention are three factors that determine the profitability of the business. It is true that if the customers are satisfied they are willing to pay more for the products and services and maintain a long-term relationship. Therefore, the business organization should make an effort to understand the core factor of the business to increase the customers.

The link between the elements that impacts the relationship marketing is dedicated in above graph. From the above diagram, it is clear that customers and the firms are the main core factors of the customer relationship marketing. A core element in building up of meaningful customer relationship is to stay in touch with the organization. Customer seeks better quality service from the companies, whereas firm pays attention to the needs and wants of the clients. Marketing research is an essential element in the relationship marketing. Another great way is to get a feedback of people's wants and needs. Relationship marketing helps to increase the profitability and competitive advantage through the globalization of world markets. Moreover, relationship also helps to understand the customers demand. Gaining the retention of the customer is another element that influences the customer relationship marketing. With the customer relationship marketing approach, a company is focused more on how to retain customers as opposed to simply how to acquire more customers. In summary, customer relationship marketing is a major shift in marketing practice, from mass marketing to individualized marketing.

2.1.10 Customer Satisfaction with the Quality of Website

A key aspect in customer satisfaction is the way a customer can attain satisfaction or dissatisfaction with a company's product or service. Satisfying customers depends on the balance between customers' expectations and customers' experiences with the products and services

(Nguyen & Leblanc, 2001). Because a website is an important part of the effective connection between a company and customers, managers always make efforts to offer and guarantee the quality of company's website to satisfy customer.

Comparing customers' expectations and their perceptions of actual performance can be done by making use of the SERVQUAL scale of Berry, (Berry, Parasuraman & Zeithaml (1994). This scale has been developed for the service sector. It has five generic dimensions or factors and is stated as follows:

- i. **Tangibles:** Physical facilities, equipment and appearance of personnel
- ii. **Reliability:** Ability to perform the promised service dependably and accurately
- iii. **Responsiveness:** Willingness to help customers and provide prompt service
- iv. **Assurance:** Knowledge and courtesy of employees and their ability to inspire trust and confidence
- v. **Empathy:** Caring and individualized attention that firms provide its customers.

Some aspects of the tangible factor like the visual aspects of the equipment (i.e. the website), the speed of informative transaction, etc. are the only visual contact between a customer and an organization. Therefore, the need to have well-functioned and good-looking websites is paramount. There are a great number of customers who abandon their shopping carts on the Internet because they get frustrated with the technology or the design and layout of the website interface. While young people may be attracted by attractive graphics, sounds and a high-speed interface, older people do not want blinking texts that are hard to read or animations that distract from the use of the website (Cao, Zhang & Seydel (2005).

One of the important aspects of the reliability factor is giving dependable and accurate service guarantee the ability to perform the promised service. Some organizations found out the hard way that there are also a lot of customers shopping via the Internet because of convenience considerations. If customers cannot trust an organization to do what they ask, those customers will be unhappy.

One of the necessary aspects in the responsiveness factor is the ability of giving prompt service. The amount of time it takes to download a web page appears to be of great importance to the users of the Internet. It is very important for organizations to have a website that is quick, but on the other hand users expect web sites to be visually appealing. The design department of a company wants web pages to be easily recognizable by adding company and product logos as well as other graphics. However, these graphics add to the overall size of web pages and thereby increase the download time for Internet users.

Some aspects of the assurance factor are ‘knowledge to answer questions’, ‘employees can be trusted’ and ‘feel safe in your transactions with employees’. Customers expect that web shops have rich and relevant product information that can satisfy their need (Smith (2007). Besides, users are very concerned about missing credit card information given over the Internet; or selling or sharing of personal information by web site owners (Van Iwaarden, van der, Ball & Millen, 2003).

In the dimension of empathy, the idea is that the more a web site is tailored to a particular customer’s needs, the more likely that customer will return again and again. The latter possibility of asking users of a website questions via a virtual assistant will enable companies to tailor their offerings to the wishes of the user to prevent customer dissatisfaction. The most advanced

technologies in this area aim to create a face-to-virtual-face interaction. A friendly looking face of a virtual assistant on your screen is supposed to make customers feel more comfortable. With the use of artificial intelligence, the virtual assistant can suggest products or services that might be of interest to a customer based on previous purchases and on reactions to the questions of the virtual assistant.

Logistics Service Quality

While internet era assists the development of electronic commerce, the logistics services will take the role of establishing and enhancing brand relationships between business and customers. The past literature divided “business” into “shipper” (e.g. suppliers, manufacturers, wholesalers, and retailers) and “logistics service provider” (e.g. freight carriers, warehouse firms, and third party logistics). Coyle, Bardi and Langley (1996) defined logistics service provider as an organization performs part of or all of the logistics functions of a company. Bagchi and Virum (1998) define logistics service as the connection between customers and providers, and fulfill several logistic needs. The logistics management task normally has five components:

- i. Storage facilities include warehouses, distribution centers, stock rooms of retail stores, and so on. Retailers manage these facilities to enable them to keep stock in anticipation of or to react to, demand for products.
- ii. **Inventory:** All retailers hold stock to some extent. The question for retailers is the amount of stock or inventory (finished products and/or component parts) that has to be held for each product, and the location of this stock to meet demand changes
- iii. **Transportation:** Most products have to be transported in some way at some stage of their journey from production to consumption. Retailers therefore have to manage a

- transport operation that might involve different forms of transport, different sizes of containers and vehicles and the scheduling and availability of drivers and vehicles
- iv. Unitization and packaging: Consumers generally buy products in small quantities. They sometimes make purchase decisions based on product presentation and packaging. Retailers are concerned to develop products that are easy to handle in logistics terms, do not cost too much to package or handle, yet retain their selling ability on the shelves
 - v. **Communications:** To get products to where retailers need them, it is necessary to have information, not only about demand and supply but also about volumes, stock, prices and movements. Retailers have thus become increasingly concerned with being able to capture data at appropriate points in the system and to use that information to have a more efficient and effective logistics operation. It should be clear that all of these elements are interlinked

2.2 Empirical Review

Fatemeh, Ahmed and Ezzatolla (2014) studied the impact of service quality on customer satisfaction in internet banking; description survey method was used and was done in Iran. The conclusion was that service quality dimension has meaningful relationship with customer's satisfaction in internet banking and reliability and also has a relationship with website design and customer satisfaction. Nagendra, (2011), qualified customer satisfaction with E-commerce websites often have high expectations for the quality of service and if those expectations are not met, the next site is only a click away.

Mohammed (2015) investigated the relationship between factors affecting consumer buying behavior towards online shopping. Online shopping refers to the recent up surging trend of being

able to buy what you need while sitting at home. The focus of the research was on the influence of five major variables that were derived from literature i.e. trust, time, product variety, convenience and privacy, on consumer buying behavior (dependent variable) to determine how consumer buying behavior is reflecting online shopping trends. The statistical analysis of the data reflected that trust and convenience are greatly impactful on whether people choose to buy online or through brick and mortar stores, while privacy has a lesser influence of buying behavior.

Inamullah, (2012) examined the impact of customer satisfaction and customer retention on customer loyalty. Linear regression analysis was employed. The result showed that customer's satisfaction has significant impact on customer loyalty while customer retention has an insignificant impact on customer loyalty and customer retention has insignificant impact on customer loyalty. The implications of the study are that companies should better manage their relationship with the customers as a competitive policy which will help retain them.

Fenuga and Oladejo, (2010) investigated the effect of electronic payment on customer's service delivery in Nigeria Banks using survey design and questionnaire for data collecting. Chi-square, regression analysis and ANOVAs were used to analyze data. It was found that electronic payment has significant impact on the services rendered by the banking industry in Nigeria. It improves customer service delivery, better management efficiency, increased profit, customer satisfaction and sustainability in Nigeria.

Dogarawa, (2005) studied the impact of e-banking on customer satisfaction in Nigeria using judgmental sampling approach and questionnaire for data collection. Description statistics and

chi-square were used to analyze data. It was found that customers enjoying electronic banking services and still not satisfied with the quality and efficacy of the mobile banking application.

Khatibi, Ismail and Ismail (2003) in a study entitled the effect of e-commerce on customer satisfaction in Malaysia used stratified sampling technique and questionnaire for data collection, statistical technique was used to analyze data which revealed that there is a positive trend in increasing awareness of the benefits of internet marketing.

Mustapha, (2011) studied the determinants of e-commerce customer satisfaction, trust and loyalty in Saudi Arabia. A survey method was used using a structured self-administered questionnaire. It was concluded that the e-commerce customer loyalty in Saudi Arabia is strongly influenced by customer satisfaction but weakly influenced by customer trust.

Vijay, Sai and Balaji (2009) revealed that Consumers, all over the world, are increasingly shifting from the crowded stores to the one-click online buying format. However, in spite of the convenience offered, online buying is far from being the most preferred form of buying in India. A survey among 150 internet users, including both users and non-users of online buying, was carried out to understand why some purchase online while others do not. The results suggested that convenience and saving of time drive Indian consumers to shop online; while security and privacy concerns dissuade them from doing so,

Rashant Singh (2014), in his study on Consumer's Buying Behaviour Towards Online Buying, The main aim of study was to examine and analyze the consumer's buying behavior pattern towards online buying in lucknow. The research is based on both primary data and secondary data. The total sample sizes of 40 were collected through questionnaire by using convenient sampling method, the outcome of the study is most number of users are happy on online buying

and mainly interested in buying online apparels.

Sanjeev Kumar and SavitaMaan (2013) provide insights into consumers' online buying behaviors and preferences. Moreover, paper also identify the hurdles that customers" face when they want to adopt internet buying as their main buying medium. Present study is a descriptive study based on the detailed review of earlier relevant studies related to the various concepts of online buying to explore the concept of online buying. Findings reveals that online buying brings optimum convenience to the consumers. Privacy and security risk emerges frequently as a reason for being wary about internet buying. Buying convenience, immediate possession, information seeking, social interaction, and variety affects the consumer attitude towards online buying. The impossibility of product testing, problems with complaints, product return and misuse of personal data are the main uncertainties regarding on-line buying.

MingyaoHu, Elliot Rabinovich and HanpingHou (2014) focus on online customer pre-purchase perceptions. In an online market, trustworthy online retailers send signals to separate themselves from retailers who are untrustworthy in the eyes of customers. However, untrustworthy online retailers can mimic trustworthy online retailers' behavior by sending similar signals without providing services indicated by the signals. Relying on expectation-confirmation theory and signaling theory, we study conceptually and empirically how signal credibility influences online customer complaint intentions. Signal credibility reflects customer pre-purchase perceptions of the quality of an online retailer. Data were collected from a Chinese online B2C market, Tmall.com. The results from this data indicate that signal credibility has a direct negative influence on online customer complaint intentions. Furthermore, signal credibility can moderate the relationship between customer satisfaction with post-purchase services and online customer complaint intentions.

ChiragParmar (2015) studies the major option for payments in online buying. There is several option of payment in online purchasing such as credit card, debit card, cash on delivery, EMI option, gift voucher or wallet Rs. of particular site. To this end, a survey was conducted and the 120 questionnaires were distributed among the people of different markets and the general public in Bikaner. The replies have been analyzed by table analysis. The results of study reveal that on-line shoppers in India are significantly affected by various payment options which are describe above. The results of the study could be further used by the researchers and practitioners for conducting future studies in the similar area.

Srishti and Suman Sahu (2017) study consumer satisfaction towards online buying from Flipkart: with special reference to Raipur City. The study focuses on online shopper's preferences, satisfaction and problems on Flipkart online buying marketers. The study is based on both primary and secondary data. Likert's four point scale and Convenient Sampling method were used in this study for selecting the samples and the sample size for the study was 70. With a view of analyzing the data through percentage analysis. Research findings from the study will be useful to understand the customers' level of satisfaction on basis of the products as well as websites experienced by customers.

Khedkar (2015) examines the analysis of customer satisfaction during online purchase. The research is conducted so that insights can be developed on customer satisfaction and what all affect customer satisfaction during online buying. This research adopted survey by questionnaire approach. Questionnaires are distributed randomly to general public (working professionals as well as students) to gauge their intention while online buying. Findings of this research will provide a benchmark to understand retailers that key factors that drive customer satisfaction. The study revealed that website design, payment security, Ease of buying, accurate product

information; price and delivery services have positive impact on customer satisfaction.

Sharon (2014) investigates the factors which influence customer online buying satisfaction in the Lagos province of Nigeria. The researcher made use of secondary research to construct a model of factors influencing online customer satisfaction and then tested the model among Nigerians living in the Lagos province. A sample of 111 online shoppers was used and quantitative research was conducted by means of a structured questionnaire. It was found that convenience, delivery, and time saving were viewed by customers as the most important reasons for buying online, while branding was viewed as the least important factor. The research results confirmed the model developed by the researcher. Results of the study, as well as recommendations for future research, are presented.

Tamilarasi and Angayarkanni (2016) carry out a study on customer's E-buying behavior and satisfaction: Special Reference to working women in Chennai. The purpose of this study is to analyse factors affecting on e- buying behaviour of working women in Chennai city that might be one of the most important issues of e-commerce and marketing field. However, there is very limited knowledge about online consumer behaviour for women because it is a complicated socio-technical phenomenon and involves too many factors. One of the objectives of this study is covering the shortcomings of previous studies that didn't examine main factors that influence on online buying behaviour for working women. Purchasing items and products through the web is a very easy task to do. It is now playing a very important role in everybody's life especially working women with a very busy life schedule. This goal has been followed by using a model examining the impact of perceived risks, infrastructural variables and return policy on attitude toward online buying behaviour and subjective norms, perceived behavioural control, domain specific innovativeness and attitude on online buying behaviour as the hypotheses of study. To

investigate these hypotheses 90 questionnaires dispersed among online stores. Respondents to the questionnaire were women consumers of online stores in which randomly selected. The statistical tools used to analyze the data with reference to the selected objectives of the study is factor analysis. The proposed conceptual model was developed and tested through a factor analysis to reduce data dimensions.

Tamilarasi and Angayarkanni (2016) carried out a study on Customer's E-shopping Behaviour and satisfaction: Special reference to working women in Chennai. One of the objectives of this study is covering the shortcomings of previous studies that didn't examine main factors that influence on online shopping behaviour for working women. Purchasing items and products through the web is a very easy task to do. It is now playing a very important role in everybody's life especially working women with a very busy life schedule. This goal has been followed by using a model examining the impact of perceived risks, infrastructural variables and return policy on attitude toward online shopping behaviour and subjective norms, perceived behavioural control, domain specific innovativeness and attitude on online shopping behaviour as the hypotheses of study. To investigate these hypotheses 90 questionnaires dispersed among online stores. Respondents to the questionnaire were women consumers of online stores in which randomly selected. The statistical tools used to analyze the data with reference to the selected objectives of the study is factor analysis. The proposed conceptual model was developed and tested through a factor analysis to reduce data dimensions.

Iluno and Yakubu (2017) examine impact of E-commerce on customer satisfaction in Kaduna State Metropolis, as E-commerce seems to be the trend that is taking over Nigeria and the world at large. Since with the coming of internet facility, it has taken over the way and manner things were done before as it is no more business as usual. Therefore the need to evaluate the level of

satisfaction derived from these services provided. Satisfaction is the customer's evaluation of a product or service in terms of whether that product or service has met their needs or expectations. Kaduna metropolis was selected based on simple random sampling, as Kaduna is one of the major cities in northern Nigeria, and northern Nigeria is known to be slow in development compared to the southern and western parts of Nigeria. Multiple regression analysis where done on data obtained from questionnaire, dummy variables on a scale of 1-5 were obtained in order to answer the objective question of the research, and address the research problem. Therefore analysis obtained proves a significant level of customer satisfaction in E-commerce, would be safe to conclude for Nigeria at large. Basically this paper adopts both descriptive and regression analysis. The study revealed that internet reliability, inefficiency and security have significant impact on customer satisfaction. The paper concludes by suggesting that service providers of internet accessibility involved in E-commerce should improve efficiency and security in their service delivery to justify the benefits of Ecommerce and also instill customer's confidence.

Santhi (2017) undertake a study on Customer Satisfaction towards Online Shopping in Tirupati Town, to understand the factors influencing customers' online shopping decisions and how these factors affect customer satisfaction. Descriptive Research Design has been used for this study. A well-structured questionnaire was designed and administered to collect samples across TirupatiTown. Due to the need for a variety of respondents who have had previous experience with online shopping, convinced sampling technique was chosen. The study has been undertaken with reference to a sample size of 120 respondents. After collecting the data, the data was classified, tabulated and codified. Necessary statistical tools such as Percentage Analysis and 't' tests has been used to interpret the data. The results of this study may be of great use to

businesses which are looking to expand into or venture into the online shopping environment.

2.3 Theoretical Framework

2.3.1 Social Construction of Technology Theory

Theoretical frameworks relevant to this research are the works of Trevor and Wiebe, (2010), who postulated the social construction of technology theory. This theory argues that technology does not determine how people receive and use mobile technology but people determine how and to what ways technology is used. The theory posts that the use of technology cannot be understood without understanding how it is socially integrated within society and within different social contexts. Technology can take different meanings and adoption depends on how society perceived the technology. This theory explained that the adoption of a technology is not only due to its technical superiority but due to some social factors as well.

2.3.2 Technology Acceptance Model (TAM)

Technology Acceptance model (TAM) was introduced by Davis, Bagozzi and Warshaw (1987). The primary goal of TAM was to provide an explanation on factors affecting computer application acceptance in general. The TAM involves two primary predictors for the potential adopter's normal perceived usefulness (PU) and perceived ease of use of the technology (PEOU). Perceived Usefulness is the degree to which a person believes that using a particular system would enhance his or her job performance.

Davis, Bagozzi and Warshaw (1987) suggested that using an information system is directly determined by the behavioral intention to use it, which in turn is influenced by user's attitude towards using the system and perceived usefulness of the system. Attitude and perceived usefulness and also affect by the perceived ease of use. The justification for its use is based on

the fact that new knowledge from the use of e-commerce should help in customer satisfaction. Today competition environment, delivery high quality service is the key to sustainable competitive advantage satisfaction customers from the foundation of any successful business as customer satisfaction leads to repeat purchase, brand loyalty and positive word of mouth or good will.

Considering the above theoretical bases, the study will adopt the Technology Acceptance Model (TAM) which will coincide with the findings of the study.

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Research Design

This study adopted a survey research design which measured two variables, independent variable and dependent variable. This comes under a correlational study which attempts to investigate the statistical relationship between customer satisfaction which is a dependent variable and is dependent on few independent variables such as internet reliability, internet efficiency and internet security.

3.2 Population, Sample and Sampling Techniques

FCT Abuja consists of 760,084 people as at the 2006 census, these number makes up the population of the study. However simple random sampling method was used in determining the key customers who are familiar with E-commence in FCT Abuja.

Sample size of the study employed in computing the total sample size was the Yaro Yamani formular which is as follows.

$$n = \frac{N}{1 + N (e)^2}$$

Where:

n = sample size

N = Total population of the study

1 = Constant

e = Margin Error (7%)

$$n = \frac{N}{1 + N (e)^2}$$

$$n = \frac{760,084}{1 + 760,084(0.07)^2}$$

$$= \frac{760,084}{1 + 760,084(0.0049)}$$

$$= \frac{760,084}{1 + 3724.4116}$$

$$= \frac{760,084}{3725.4116}$$

n = 204 sample size

The sample consisted of individuals who have been involved in electronic tradition by using smart phone or personal computer within the FCT Abuja.

3.3 Methods of Data Collection

The study employs both primary and secondary data to achieve its objectives. The secondary data is derived from library documents, publications on Internet, and relevant materials to be research. The primary data will be obtained through questionnaires and interviews. The study incorporates both sources of data to enhance a balance between the research observation and available literature on the matter under consideration. This is always believed to promote objectivity. The plan, structure and strategy of investigation are conceived so as to obtain answers to research problems. It ensures that the required data are collected and they are accurate

3.4 Technique for Data Analysis and Model Specification

It is evidently clear in order to achieve the objectives of study and to have a broad knowledge of its, data must be collected, the data collected for the study comprise of primary data, primary data are information sourced from respondent through the administration of Questionnaire. The questionnaire was analyzed based on descriptive statistics and regression analysis.

In order to examine the impact of customer satisfaction (CUS), a multiple linear regression model will be built.

The model captured the impact of internet reliability (IRY) internet efficiency (IEY), internet security (ISY) on customer satisfaction (CUS).

$$CUS_{it} = a_0 + \beta_1 IRY_{it} + \beta_2 IEY_{it} + \beta_3 ISY_{it} + U_{it} \dots \dots \dots i$$

Where

a_0 = Intercept,

$\beta_1 - \beta_3$ = Slopes,

CUS_{it} = Customer satisfaction i at time t

IRY_{it} = Internet reliability i at time t

IEY_{it} = Internet efficiency i at time t

ISY_{it} = Internet security i at time t

U_{it} = error term

The demographic information was analyzed using frequency counts and simple percentage. The hypotheses for this study were analyzed using multiple regression Analysis.

3.5 Justification of Methods

The multiple regression method will be adopted to measure E-commerce on customers' satisfaction. Regression Analysis is a statistical technique for modeling and investigating the cause-effect relationship between two or more variables. Also many of the forecasting techniques use regression methods for parameter estimations. It is a means of viewing the cause-effect relationship that exist between two or more independent variables. Furthermore, the study will be based on primary data. Test of Multicollinearity will be done because of the multiple regression model to be used, as two and more explanatory variables are regressed against the explained variable.

CHAPTER FOUR

DATA PRESENTATION AND ANALYSIS

4.1 Data Presentation

In order to estimate the impact of E commerce on customer satisfaction in FCT Abuja, 204 questionnaires were distributed, 174 questionnaires were returned and of which it was only 158 were valid for the analysis. Based on the Yaro Yamani Formula, the sample size is a good representation of our population size.

Table 1: Distribution of Respondent Based on their Socio-Economic Characteristics

Gender	Frequency	Percentage
Male	130	82.3
Female	28	17.7
Total	158	100
Age	Frequency	Percentage
20-29	77	48.7
30-39	57	36.1
40-49	19	12.0
50& above	5	3.2
Total	158	100
Education	Frequency	Percentage
O Level and diploma	21	13.3

Degree	110	69.6
Post graduate	27	17.1
Total	158	100

Source: Field Study, 2019

From the questionnaires returned, it was observed that 82.3 percent of people interviewed were male having the highest frequency value and 17.7 percent were female, 48.5 percent of people interviewed fell within the age range of 20-29 years having the highest frequency value followed by the age group 30-39 years with 36. 1 percent, while 12.0 percent of the respondents are 40-49, and 3.2 percent of the respondents fell within 50 and above. Also, 13.3 percent of respondents were non graduates, 69.6 percent of the respondents had degree, 17.1 percent of the respondents had post graduate degrees.

4.2 Data Analysis and Results

Table 2: Result of Multiple Regression Analysis

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin Watson
1	.941 ^a	.886	.874	.46102	.862

a. Predictors: (Constant) Internet Security, Internet Reliability, Internet Efficiency

b. Dependent Variable: Customer Satisfaction

Table 3: Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig
	B	Std Error	Beta		
I (Constant)	-1.088	.268		-4.057	.000
Internet Reliability	.620	.108	.521	5.718	.000
Internet Efficiency	.315	.119	.276	2.656	.013
Internet Security	.306	.104	.264	2.935	.006

Dependent Variable: Customer Satisfaction

The estimate of the Regression Equation is presented in the Table 2. The result of the multiple regression analysis of the assessment of the influence of internet Reliability on customer satisfaction of E-commerce in FCT Abuja is presented in Table 3.

4.3 Discussion of Findings

The coefficient of internet reliability (0.62) is significant and positive meaning that internet reliability positively have impact on customer satisfaction on E- commerce in FCT Abuja. This means that internet reliability is a key to customer's satisfaction on E-commerce. The coefficient of internet efficiency (0.315) is also significant and positive meaning that internet efficiency positively have impact on customer satisfaction on E-commerce in FCT Abuja. This means that internet efficiency play important role on customer's satisfaction on E-commerce. Also, the coefficient of internet security (0.306) is significant and positive meaning that internet reliability positively has impact on customer satisfaction of E-commerce in FCT Abuja. This means that internet security is one of the key factors that instill confidence in customer that yield satisfaction on E-commerce. The standard errors of reliability,

efficiency and security are also low, indicating that the level of error for each variable in relation to the population size is minimal.

The value of the goodness of fit (R^2) is 0.886 meaning that, internet reliability, internet efficiency and internet security account for 88.6 per cent of the variations on customer satisfaction of E-commerce in FCT Abuja, and it also shows that the sample size is a good proportion in explaining our population. Probability of F-statistic was 0.000 which is significant at 1% level indicating that the overall effects of all the included variables were significant. Durbin- Watson statistics of 0.862 falls under lower limit indicate the present of negative serial correlation.

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Summary

This study examined the impact of E-commerce on customer satisfaction in FCT Abuja, Nigeria. The researchers observed that in electronic commerce, it's very vital to construct effective relationship with customers. Customers trust to company hardly, so effective relationship with electronic customers is very important. This study adopted a survey research design which measured two variables, independent variable and dependent variable. This comes under a correlational study which attempts to investigate the statistical relationship between customer satisfaction which is a dependent variable and is dependent on few independent variables such as internet reliability, internet efficiency and internet security.

The population of the study consists of 760,084 people and a sample size of 156 people. The data collected for the study comprise of primary data, through the administration of Questionnaire. The questionnaire was analyzed based on descriptive statistics and regression analysis.

The study revealed that internet reliability, internet efficiency, and internet security positively have impact on customer satisfaction on E- commerce in FCT Abuja.

5.2 Conclusion

This study has sought to examine the impact of E-commerce on customer satisfaction of FCT Abuja in Nigeria. E-commerce presently is what the world cannot do without; it has become a way of doing business, and carrying out economic activities. Findings prove that Nigerians are still skeptical about the security and efficiency of ecommerce, but feel comfortable and can rely on the delivery of goods and services provided by organizations or businesses engaged in

ecommerce. It can be concluded that internet reliability, internet efficiency and internet security has an impact on customer satisfaction on E-Commerce in FCT Abuja, but customers are more confident in the reliability of meeting request and specifications more than security or efficiency.

5.3 Recommendations

Based on the conclusion, the study therefore recommended that:

1. There is need for the organizations that are involved in E-commerce to improve on its internet reliability so as to instill customer's confidence.
2. There is need for the organizations that involved in E-commerce to improve on its internet efficiency so as to instill customer's confidence.
3. There is need for the organizations that involved in E-commerce to improve on its internet security so as to instill customer's confidence. As this would actually boost or lead to the wide spread in the use of ecommerce in Nigeria.

5.4 Limitation of the Study

The limitation of this study were many which constrained the comprehensive studies of this project work, some of these limitation are as follows:

The research encounters limitations on the sources of data: In primary sources, the use of interview helped to gather scanty information because of poor understanding of respondents on the subject matter. In the secondary sources, materials to obtain information on both local and foreign information on the subject matter of this study are very scarce.

Time: this was also a constraint of this study, there was insufficient time allocated to this study because of other academic activities that attracted the attention of the researcher.

Lack of Financial Resources: Funding the study was another limitation, which the researcher faces considering the present economic situation in the country, it was almost difficult for the researcher to raise sufficient fund to properly execute this project work.

In spite of the various constraints identified above, attempt is made to provide robust and empirical evidence on e-commerce and customer satisfaction in FCT Abuja by minimizing the effects of these limitations. Policies makers and future researcher will find the study outcome useful.

5.5 Suggestions for Further Studies

The study suggests that other researchers can use data for other countries and periods of time to study further the e-commerce and customer satisfaction in real time.

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APPENDIX

LETTER OF INTRODUCTION

School of Postgraduate Studies
Department of Business Administration
Faculty of Administration,
Nasarawa State University,
Keffi,
Nasarawa State.
15th November, 2019.

Dear Respondents

ADMINISTRATION OF QUESTIONNAIRE ON E-COMMERCE AND CUSTOMERS SATISFACTION

I am a student of the above named University conducting a research work on the “**Impact of E-commerce on Customers Satisfaction (A study of FCT Abuja in Nigeria)**”, in partial fulfillment of the requirement for the award of Masters of Business Administration (MBA).

Find attached here, a copy of the questionnaire designed to get your responses on issues relating to this topic. I will really appreciate it if you spend a few minutes of your time filling this questionnaire honestly. Your responses shall be treated confidentially, as the research work is for academic purpose only.

Thanks.

Yours faithfully,

Ajala Samuel Wale
NSU/MBA/MIS/0003/17/18

QUESTIONNAIRE

Instruction: please endeavor to complete the questionnaire by ticking the correct answer(s) from the options or supply the information required where necessary.

Section A: Personal Information/Data

1. Gender

Male ()

Female ()

2. Age range

20-29yrs ()

30-39yrs ()

40-49yrs ()

50yrs & Above ()

3. Educational qualification

O Level and diploma ()

Degree ()

Post graduate ()

SECTION B: E-COMMERCE AND CUSTOMERS SATISFACTION

1. Internet security have positive impact on customer satisfaction in FCT Abuja.

Strongly agreed ()

Agreed ()

Undecided ()

Disagreed ()

Strongly disagreed ()

2. Internet efficiency have positive impact on customer satisfaction in FCT Abuja

Strongly agreed ()

Agreed ()

Undecided ()

Disagreed ()

Strongly disagreed ()

3. Internet reliability have positive impact on customer satisfaction in FCT Abuja.

Strongly agreed ()

Agreed ()

Undecided ()

Disagreed ()

Strongly disagreed ()