

“AN EMPIRICAL STUDY OF COMPLAINERS SATISFACTION TOWARDS ONLINE SHOPPING IN INDIA”

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Received: July 16, 2018

Accepted: October 04, 2018

ABSTRACT

The study starts from the theoretical view point that justice is a necessary component of complainers satisfaction, and uses a questionnaire to collect data relevant to the three issues (service recovery, justice and customer satisfaction), which appear in the theoretical model. A total of 400 questionnaires were distributed to the online shopping complainers from all parts of India. The statistical package SPSS was employed to analyse the raw data using T-test, Regression and ANNOVA. The findings represent a set of relationships established between elements of service recovery and perceptions of justice.

Keywords:

Introduction

ONLINE SHOPPING COMPLAINTS IN INDIA

The Problem of the study

With the emergence of E-commerce, online shopping is gaining great momentum in India. There have emerged some small and big shopping portals, such as Flipkart, Snapdeal, Amazon, Myntra, Homeshop18 etc. But being aware of the advantages of online shopping there are various problems which the online customers are facing nowadays.

The types of complaints which were registered with the consumer redressal forum online and offline related to online shopping were:

- Wrong delivery
- Delayed delivery
- Defective delivery
- Cancellation of order
- Refund against cancellation

In order to avoid complaint from customers point they should always go for:

- Reputed website
- Know the product
- Read the important terms and conditions twice like, payment terms, delivery terms, refund theme, keep record of transaction like order no. and date, product details, contact details of website.
- If COD option is used, check goods before paying.

According to Consumer Affairs Minister Mr. Ram Vilas Paswan, the government will set up a committee to suggest ways to deal with complaints of consumers who trade on e-commerce platforms.

The decision has been taken in the wake of several complaints from online buyers related to delay or non-delivery of products and sub- standard goods.

Mr. Paswan told the reporters after the 30th meeting of the Central Consumer Protection Council (CCPC) that, “E-commerce is growing. There are many consumer complaints. We still set up a committee to look into this matter and suggest how to deal with it”.

The issue was discussed in length in the CCPC meeting and it was decided that the new committee will submit the report on e-commerce issues within 15 days, a senior Consumer Affairs Ministry official said.

The suggestions made by the committee will be incorporated in the rules after the passage of the proposed Consumer Protection Bill in Parliament. The bill also has provisions to protect e-commerce consumers, he said.

A Parliamentary Standing Committee is vetting the bill and is mostly to submit its report in the upcoming session of Parliament.

The Ministry is also planning to hold separate discussions with e-commerce companies and NGO on rising complaints of consumers and ways to cure them.

According to the article in Times of India, May 2017 written by John Sarkar & Dipak Dash

Table 1. TOP FOUR SECTORS BY USER GRIEVANCES

Period	E-commerce	Telecom	Products	Banking
2015-2016	16.42%	16.7%	21.09%	5.04%
Apr 2016	18%	16%	23%	5%
Aug 2016	17%	18%	21%	4%
Sep 2016	17%	11%	19%	9%
Jan 2016	21%	11%	11%	9%
Mar 2016	15%	11%	7%	7%

Table 2. Top five types of complaints relating e-commerce

Types	Percentage
Paid amount not refunded	23%
Delivery of defective product	18%
Non- Delivery of product	16%
Deficiency in service	12%
Delivery of wrong product	11%

(Source: Times of India, 22 May, 2017)

The National Consumer Helpline (NCH), a joint initiative of the consumer affairs department and Indian Institute of Public Administration (IIPA), receives about 3.5 lakh grievances annually. This is only a fraction of the complaints registered by consumers, as there are other avenues for disputes redressal including the consumer approaching the companies directly. But NCH said complaints relating to e-commerce overtook all other sectors since September.

“Due to increased penetration of internet and more companies pushing for online sale of their products the number of complaints has also increased”, said Prof. Suresh Misra of IIPA. “We have tied up with 35 e-commerce companies for faster resolution of complaints and it’s doing well,” he added.

E-commerce received the highest number of complaints this year, of the total complaints received by NCH. Most complaints against e-commerce companies were related to “paid amount not refunded”, according to data provided by NCH. Make my trip, the country’s largest online travel agent, agreed.

“Issues like customer requesting for full refund for airline tickets due to a personal emergency takes a while as it requires us to go to our partners for special waivers,” said a make my trip spokesperson.

Most complaints attributed the rising number of consumer calls to requests for cancellation and not complaints.

The rising number of grievances has not gone unnoticed by the government. In June last year, Prime Minister Mr. Modi had flagged concerns over the large number of consumer complaints relating to e-commerce including booking of tickets and hotel reservations. He had asked officials for a review of the nature of issues and had asked the consumer affairs ministry to list the number of complaints against each company.

Review of Literature

Badawi (2012) analyze the justice and customer emotion effect on complaint handling satisfaction. The research was casual in nature. The population of the study was the customers of laptop, accidental sampling techniques was used. Survey method was used for data collection. Scaling used is 7 items scale. Analysis is done using AMOS version 5.0. The results revealed that justice had negative influence on negative emotion and justice had positive significant influence on complaints handling satisfaction.

- **Stephen S. Tax, Stephen W. Brown, Murali Chandrashekar (1998)** In this study, the authors find that a majority of complaining customers were dissatisfied with recent complaint handling experiences. Using Justice theory, the authors also demonstrate that customers evaluate complaint incidents in terms of the outcomes they receive, the procedures used to arrive at the outcomes, and the nature of the interpersonal treatment during the process. In turn, the authors develop and test competing hypotheses regarding the interplay between satisfaction with complaint handling and prior experience in shaping customer trust and commitment. The results support a quasi “Brand Equity” perspective- whereas satisfaction with complaint handling has a direct impact on trust and commitment, prior positive mitigate to a limited extent, the effects of poor complaint handling. **Amy K. Smith, Ruth N. Bolton, and Janet Wagner (1999)** in this article the authors developed a model

of customer satisfaction with the service recovery encounter with exchange framework that integrates concepts from both the consumer satisfaction and social justice literature, using principles of resource exchange, mental accounting and prospect theory. They conducted an experimental research using a survey method, in which customers evaluated various failure scenarios and complete the questionnaire. The researchers executed the research in the context of two different service settings that is restaurants and hotels. The findings contribute to the understanding of theoretical principles that explain customer evaluations of service failure encounter. **Thorsten Hennig- Thurau (2001)** the objective of their study was to determine relationship marketing perspective of complaint satisfaction in service settings. Confirmatory factor analysis and structural equation modeling as statistical tool was used. 2000 complaints of German passenger service company were analyzed. The justice model indicated the interactional style is more important than the formal aspects. Service model of complaint satisfaction indicate the structural aspects of complaint management. **Murali Chandrashekar, Kristin Rotte, Stephen S. Tax, Rajdeep Grewal (2006)** in this paper the authors focus on identifying which customers are vulnerable to defection despite stating high levels of satisfaction. In the first study data from 25,000 customers are used to calibrate the satisfaction model and examine the effect of satisfaction strength on the translation of satisfaction to loyalty. In the second study a conceptual replication set B2C context, the authors examined decision making failed service encounter and a recovery attempt by the service provider. The two studies strongly demonstrate that the covert satisfaction strength plays a central role in the translation of satisfaction to loyalty. A key finding that is uncovered and replicated in this research is that while satisfaction does indeed translate to loyalty when the satisfaction judgment is held strongly, the translation is lowered on average by almost 60% when the same stated satisfaction is more weakly held. **Ronald S. Hess, Shankar Ganesan, Nooren M. Klein (2003)** This research investigated how customer's relationships with a service organization affect their reactions to service failure and recovery. Our conceptual model proposed that customer organizational relationships help to shape customer's attributions and expectations when service failures occur. The empirical results showed that customers with higher expectations of relationship continuity had lower service recovery expectations after a service failure and also attributed that failure to a less stable cause. Both the lower recovery expectations and the lower stability attributions were associated with greater satisfaction with service performance after the recovery. **Vicente Martinez-Tur, Jose M. Peiro (2006)** in this research paper the researchers have tested the effects of justice components (Procedural, distributive, interactional) on customer satisfaction beyond the expectancy disconfirmation paradigm. Two separate field study survey was conducted. A total of 568 customers were surveyed in 38 hotels and 40 restaurants. The result showed that distributive justice was critical in predicting customer satisfaction, while the influence of procedural and interactional justice was secondary.

GAP IN THE STUDY:

According to the review done there has been no research work done in this area in India. Various studies have been done in online shopping trust, satisfaction, perception, attitude, repurchase intention, comparative study between online and offline shopping. Few studies are done on complaint handling satisfaction in Banks, Mobiles of China etc. but that too not in India. This study relates to complaint handling system satisfaction by the complainers. Studies are done on complaint handling in India but on offline shopping.

RESEARCH METHODOLOGY

Research objective

The primary objective of the study was to study the impact of complaints handling on complainers satisfaction in online shopping in India.

Formulation of Hypotheses

H₀1: There is no significant relationship between Interactional justice & Word of Mouth

H₀2: There is no significant relationship between Procedural Justice & Word of Mouth

H₀3: There is no significant relationship between Distributive justice & Word of Mouth

H₀4: There is no significant relationship between Interactional Justice & Recovery satisfaction.

H₀5: There is no significant relationship between Procedural Justice & Word of Mouth

H₀6: There is no significant relationship between Distributive Justice & Word of Mouth

H₀7: There is no significant relationship between Recovery Satisfaction & Word of Mouth

H₀₈: There is no significant relationship between Gender & Complainers satisfaction

H₀₉: There is no significant relationship between Qualification & Complainers satisfaction.

H₀₁₀: There is no significant relationship between Occupation & Complainers satisfaction.

H₀₁₁: There is no significant relationship between Yearly Income & Complainers satisfaction.

DATA ANALYSIS & INTERPRETATION

Table 3. Regression Analysis

Hypotheses	There is no significant relationship between	R Square	F Value	Beta value
H ₀₁	Interaction & WOM	.324 i.e. 32.4%	161.733 Sig=.000	.569
H ₀₂	Procedure & WOM	.127 i.e. 12.7%	48.759 Sig=.000	.357
H ₀₃	Distribution & WOM	.359 i.e. 35.9%	190.071 Sig=.000	.599
H ₀₄	Interaction Recovery	.598 i.e. 59.8%	502.011 Sig=.000	.773
H ₀₅	Procedure Recovery	.192 i.e. 19.2 %	79.422 Sig=.000	.438
H ₀₆	Distribution & Recovery	.534 i.e. 53.4%	388.172 Sig=.000	.732
H ₀₇	Recovery & WOM	.312 i.e. 31.2 %	156.188 Sig=.000	.588

- **T- Test** was used to evaluate the difference of gender on interaction, procedure, distribution, recovery and word of mouth and in the result it was found that gender has no significant effect on interaction, procedure, distribution, recovery and word of mouth. Thus hypothesis **H₀₈** and its sub hypothesis were accepted.

Table 4. T-Test Analysis

Factor	Gender	N	F Value	T Value	Sig/no sig. relation
Interaction	Male	163	.7454	.578	No sig. Relation
	Female	119	Sig=.007	Sig=.605	
Procedure	Male	159	9.853	2.032	No Sig. Relation
	Female	119	Sig=.002	Sig=.043	
Distribution	Male	167	5.128	.0712.032	No Sig. Relation
	Female	119	Sig=.024	Sig=.943	
Recovery	Male	170	2.754	1.47	No Sig. Relation
	Female	119	Sig=.048	Sig=.143	
WOM	Male	170	14.215	.771	No Sig. Relation
	Female	119	Sig=.000	Sig=.442	

- The result of **ANOVA** showed that there is no significant impact of education, occupation and yearly income on interaction, procedure, distribution, recovery and word of mouth. As the table values were found greater than the Sig. values. Therefore the values result in no significant effect. Therefore the hypothesis **H₀₉** and its sub hypothesis were accepted.

Table 5. ANOVA Analysis

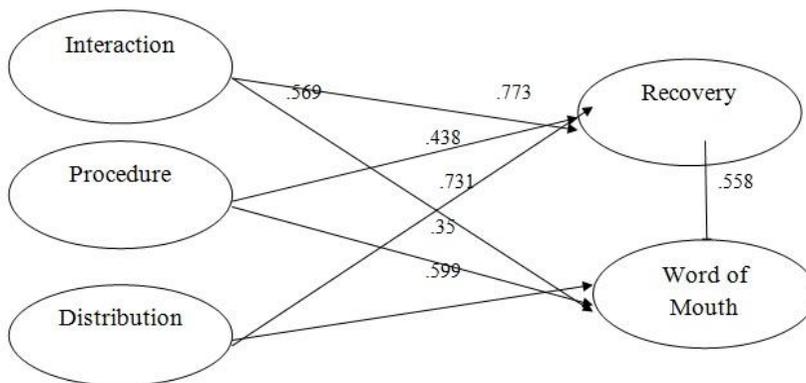
Demographic Variable	Factor	F Value	Sig. value	Sig./no Sig. relation
Qualification	Interaction	.670	.613	No Sig. Relation
	Procedure	.991	.472	
	Distribution	1.073	.370	
	Recovery	1.889	.112	
	WOM	1.412	.230	
Occupation	Interaction	1.38	.240	No Sig. Relation

	Procedure	1.431	.223	
	Distribution	1.0671	.373	
	Recovery	2.903	.022	
	WOM	.708	.587	
Yearly Income	Interaction	.776	.542	No Sig. Relation
	Procedure	.1441	.220	
	Distribution	.348	.845	
	Recovery	2.565	.038	
	WOM	2.366	.053	

Table 6. Hypothesis Accepted/Rejected

Hypothesis	Statement	Accepted/Rejected
H ₀₁	There is no significant relation between Interactional Justice & WOM	Rejected
H ₀₂	There is no significant relation between Procedural Justice & WOM	Rejected
H ₀₃	There is no significant relation between Distributive Justice & WOM	Rejected
H ₀₄	There is no significant relation between Interactional Justice & Recovery satisfaction	Rejected
H ₀₅	There is no significant relation between Procedural Justice & Recovery satisfaction	Rejected
H ₀₆	There is no significant relation between Distributive Justice & Recovery satisfaction	Rejected
H ₀₇	There is no significant relation between Recovery satisfaction & WOM	Rejected
H ₀₈	There is no significant relationship between gender & complainer’s satisfaction	Accepted
H ₀₉	There is no significant relationship between qualification & complainer’s satisfaction	Accepted
H ₀₁₀	There is no significant relationship between occupation & complainer’s satisfaction	Accepted
H ₀₁₁	There is no significant relationship between yearly income & complainer’s satisfaction	Accepted

Fig. 1 Research Model



FINDINGS OF THE STUDY

The findings of the study were found after classifying, tabulating and analysis of the collected data on the basis of various statistical tools. The data was analyzed using SPSS software version 23.

Multiple regression analysis was adopted to identify cause & effect relationship between complainers satisfaction variables.

- The R square value was .569 which mean the impact of interaction was 56.9% on word of mouth. F values was found 161.733 which was significant indicated the model was good fit. The T values of 2.018 which showed strong positive relationship between interaction and word of mouth.
- The R square value was .127 which mean the impact of procedure was 12.7% on word of mouth. F values was found 48.759 which was significant indicated the model was good fit. The T values of 8.616 which showed strong positive relationship between procedure and word of mouth.

- The R square value was .359 which mean the impact of distribution was 35.9% on word of mouth. F values was found 190.071 which was significant indicated the model was good fit. The T values of 2.372 which showed strong positive relationship between distribution and word of mouth.
- The R square value was .598 which mean the impact of interaction was 59.8% on recovery. F values was found 502.011 which was significant indicated the model was good fit. The T values of .517 which showed strong positive relationship between interaction and recovery.
- The R square value was .192 which mean the impact of procedure was 19.2% on word of mouth. F values was found 79.422 which was significant indicated the model was good fit. The T values of 9.650 which showed strong positive relationship between procedure and recovery.
- The R square value was .731 which mean the impact of distribution was 73.1% on recovery. F values was found 388.172 which was significant indicated the model was good fit. The T values of 2.239 which showed strong positive relationship between distribution and word of recovery.
- The R square value was .312 which mean the impact of recovery was 31.2% on word of mouth. F values was found 156.188 which was significant indicated the model was good fit. The T values of 6.848 which showed strong positive relationship between recovery and word of mouth.

CONCLUSION

On the basis of primary data we reach to a conclusion that most of the online complaints are made by male as females are less interested in complaining and the use of online shopping are generally done by the male. Females believe it is a waste of time as process is too long or may be the complaint will not be solved. There is direct relationship between the increase in number of online shopping users and complaints. If the online shopping will increase in future with a great speed the number of complaints will also rise. Therefore, the company should keep in mind the factors which leads to complaints in online shopping and should keep in touch with the needs and requirement of the customer. The happy customer is a asset for the company. They should conduct the online market survey time to time as it will make them aware about the change in taste and other requirements of the customers the feedback will be useful to retain the customer trust on their online shopping site. Demonetisation will have a positive and long term effect on online shopping.

“Change is hard at first, messy in the middle and gorgeous at the end” -

Robin Sharma

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