

# A STUDY ON THE LEVEL OF CONSUMER SATISFACTION IN THE BUSINESS-TO-CONSUMER ONLINE PURCHASING SERVICES INDUSTRY IN CHINA

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## ABSTRACT

As China's IT infrastructure improves, the country is expected to see a surge in Internet-based innovations. E-commerce has increased the prevalence of online shopping, marketing, and consulting services. The factors that influence whether an online shopper is successful or not are dissected in this study. Chinese internet buyers were evaluated using positivist criteria. The philosophical framework makes use of inductive reasoning and analytical procedures grounded on empirical evidence to account for the peculiarities of each individual. The results of customer satisfaction surveys and email communications. As a result of technological advancements, e-commerce has surpassed traditional retail outlets as the preferred method of making purchases. This approach has become more common in the last decade, with some of the largest retailers combining it with others to increase profits. This study compares and contrasts the in-store and online shopping experiences from the perspective of the consumer. This study delves into the reasons why males like online retail over brick-and-mortar stores. Shopping malls closest to genuine shopping have better overall payment security. Although more individuals are shopping online, many still prefer to purchase in stores where they can chat to store staff and physically check things before purchasing.

*Keywords: Online shopping, Consumers choice, Consumer behaviour, Customer satisfaction, Internet, Chinese context, Technology, E-commerce.*

## 1. INTRODUCTION

The number of Chinese people shopping online is enormous and expanding. The GDP is \$1,305.9 billion, which are a very large sum and a positive indicator of economic health. Despite this, projections for the e-commerce industry show tremendous growth. Evidence abounds, from the popularity of personal computers & the internet to the widespread availability of fixed telephone lines. The number of people who use the internet is equivalent to around 2.8% of Australia's total population (or 59.1 million). However, when put in context with China's overall population, these numbers are quite insignificant. China's vastness and low population density make distribution and delivery problems commonplace in the nation (Tandon, Kiran, & Sah, 2017). This is because there is an insufficient amount of infrastructure, particularly in the western and central regions. The government's persistent and powerful support of the private sector in China's e-commerce industry has led to tremendous growth in recent years. However, home delivery & postal package delivery have only proven effective in metropolitan areas for online purchasing. There is still a long way to go before China, a poor country that just got access to the internet in 1994, can really contribute to the expansion of the web and e-commerce. China's internet infrastructure has been steadily upgraded as a consequence of efforts by the country's internet backbone businesses to boost local connection strength or international capacity (Li & Hu, 2015). The government legalised two new internet backbone providers—University of Illinois Network (Uni-net) and China National Computer Network (CNCNET)—in order to introduce competition.

In China, consumer may choose from a dizzying array of online shopping malls. Taobao and

JD are the two most well-known ones. Taobao is among the most popular online marketplaces in the Asia-Pacific region. It was launched in May 2003 by the Alibaba Group. Taobao is the most popular Chinese e-commerce website, used by more than 60 million individuals per day. With an average of \$48,000 worth of items sold each minute, internet sales have topped \$800 million daily (Chen, Liu, & Zhou, 2015). JD is the biggest and most comprehensive online retailer in China. It is widely acknowledged as China's preeminent e-commerce website. It sells a broad range of high-quality items, including computers, furniture, clothing, books, food, internet travel, and more. By incorporating the supply chain into its operations, JD has expanded its dominance in China's expanding e-commerce industry, which it dominated with 49% of the self-operated B2C market in 2012. All throughout China, in the north, the East, as well as the South, the Southwest, the Central, & the Northeast, consumers may find one of JD's six logistics centres. Its growth has resulted in the establishment of core city distributing stations in more than 360 Chinese cities (Guo, Zhao, & Feng, 2019).

## 2. PROBLEM STATEMENT

“The growth of regular online consumers is slower than overall internet shoppers. This is explicable. Twenty years of internet commerce study. While customers' sensitivity to internet buying has increased since then, additional study is needed to determine their genuine emotions. Since demographic, geographic, and security factors can change customer attitudes, it is important to examine how product and service information affects consumers' willingness to patronise an online store as well as recognise several factors affecting online consumers' purchase behaviour, perception, or satisfaction in China”.

Business success depends on client happiness, which may be measured by product and service reviews. It assesses how effectively the product or service meets the needs of the targeted market, not the market at large. Nowadays, every firm needs customer service. Online or offline businesses don't matter. Management prioritises customers' requirements and strives to surpass their service expectations. This makes client satisfaction more vital than ever. Many firms have CRM sections that track online feedback. Thus, many researchers prioritise client happiness. Many contemporary online enterprises fight for clients by putting their customer care teams against them other. Overall, consumer satisfaction literature criticises sloppy definitions of customer pleasure. A business's product or service's value may be derived from consumer satisfaction with cost, quality, and accessibility. Businesses employ fast innovation to attract customers rapidly and cheaply. E-commerce adoption models encompass E-satisfaction's causes and effects by identifying concepts like understanding and system satisfaction or a desire to buy online (Rita et al., 2019).

## 3. BACKGROUND OF THE STUDY

Online shopping and selling are rising. To fulfill expanding online consumer expectations, companies must be more strategic with e-commerce. Online sellers should emphasise customer satisfaction since it boosts sales (Nisar & Prabhakar, 2017). The improving standard of living and fast-paced contemporary life have changed how people shop. E-commerce has changed people's daily routines. More people are spending more on internet shopping (Luo & Chen, 2018). Market study in 2018's China Internet Survey Report found that Chinese netizens spent

398.8 billion yuan in January 2017. Online shopping in China is rising as Internet use grows. The number of Chinese internet users who made an online purchase has increased from 447.72 million to 638.82 million (IIMedia, 2019). Overall online purchases reached 7.5 trillion Yuan by 2019, according to China Industry Information. The rapid rise in internet users in China may be the main cause of the Internet's large worldwide expenditure surge. The worldwide average, Japan (73.8%), the US (72.5%), and Korea (70.7%) had substantially greater internet adoption rates than China's 22.6% in 2018. In addition, Germany, the UK, and France have percentages around 50%, therefore China is still behind these industrialised countries (China Industry Information, 2019).

Millions shop daily. Customers and non-customers get what they need. It may relieve mental and physical stress or meet an unmet demand as an alternative to mechanisation. Their daily routine has long been called "shopping". Formerly, "trade," "bartering," & "market" were common. What are the benefits of brick-and-mortar businesses when consumers can peruse a wider range online? Today, most individuals purchase products in shops or online. Due to ubiquitous computer use, more people are "going shopping" online. One click yields hundreds of thousands of results. They are unable to go far or fight crowds for shoes. They may get the goods with a few mouse clicks. Online buying is popular in the 21st century. Its simplicity of usage is partly responsible for its increased popularity. Online purchasing is common on flights and before bed. Online shopping has grown rapidly since the internet's invention. Technology allows businesses to contact their target consumers quickly, easily, and cheaply. In recent years, internet shopping has become popular. The internet is the main retail distribution route. Trading has been steady for a while. Many purchasers prefer in-person transactions because they can inspect and buy products immediately. Companies that continually meet or exceed consumers' quality, value, & satisfaction expectations succeed in today's market. Some like to shop in shops, others online. The research asks customers whether they prefer online or in-store shopping. Customers choose online shopping because it is both convenient & cheaper. Buyers should know the payment procedure whether they buy online or in person. Customers must pick a media outlet that suits them to be happy (Kaur, 2018).

#### 4. LITERATURE REVIEW

A comprehensive literature analysis compares online and physical consumer experience. The survey reveals the most important factor for internet shoppers. After that, they examine how and why customers buy online and the gaps between retail transformation theory or consumer behaviour theory. The research examined how quality, value, customer satisfaction, and brand loyalty affect online shopping. Some shoppers spend hours browsing the choices before buying, while others prefer to negotiate a cheaper price and buy after a thorough inspection. The procedure might take hours or weeks, depending on the items, quality, quantity, and buying location. Electronic commerce (or "E-Commerce") is strictly online. E-commerce may help consumers succeed in the market. Conceptualization, promotion, distribution, and upkeep are covered. Online buying is rising. In a competitive and dynamic market, it will prosper if utilised appropriately and with transaction security (Nanda Kumar et al., 2014). Salem has several thriving enterprises and tech-savvy residents. As the ratio of people in their 20s and 30s climbs, hospitals and universities will buy more online (Suthamathi, 2020).

Within a few decades, online shopping has transformed customers' lives. E-commerce has made customers pickier, forcing firms to adapt. This poll encourages firms to examine internet markets more. A recent poll indicated that even conventional store buyers liked internet businesses. Young folks under 25 purchase most of them. They like to buy at conventional shops and malls where they may socialise while shopping. These purchasers look more knowledgeable since they study their goods online before visiting the business. E-commerce's rapid expansion has transformed global shopping. The Internet has made business cheaper. Internet access, increased salaries, & a more educated populace have helped individuals overcome formerly insurmountable obstacles. If customers were more comfortable shopping online, utilising electronic storefronts, returning things, and taking advantage of discounts, online purchasing may be more appealing. Indian internet users are shaped by gender, age, and education (Kaur, 2018).

This research finds conflicting aspects affecting Kanyakumari offline and internet buyers. User-friendly websites and online stores encourage more people to act. If they have all the information before buying online, they may be less hesitant to use new payment methods. This increases pleasant sentiments and the possibility that the client would refer or buy from the online shop. E-commerce platforms may grow due to simplicity of use. The most interesting and crucial finding of this study is that perceived usefulness does not affect online shop purchases. This study also found that online shopping ease did not affect respondents' buying intentions. These results are essential for online merchants, who must do more to educate consumers about online purchasing and increase website traffic. Since this thesis relies on local reactions, its conclusions may not be generalizable. Current research compares internet purchasing attitudes across locations. More than 95% of Indians have mobile phones (Sivanesan, 2017), hence less shop in shops.

## 5. RESEARCH OBJECTIVES

- i. To explore the reasons despite the increase in internet users, online shopping has not been increasing.
- ii. To discover the individual factors that might, on one hand, prompt a buyer to make an online purchase decision and on the other hand, restrain from such decisions.
- iii. To examine the level of customer satisfaction of online purchasing services with e-commerce.
- iv. To analyze the majors of these indications in customers satisfaction with e-commerce.
- v. To describe the significance of these in customer satisfaction.

## 6. RESEARCH METHODOLOGY

Between the months of January and June in the year 2022, a team of researchers conducted a comprehensive cross-sectional study. The use of a cross-sectional design required the gathering of data at a single moment in time, resulting in a rapid and cost-effective approach. Due to the constraints of a tight schedule and limited resources, the researcher made the decision to use a quantitative methodology. The sample size of 1460 was estimated using Rao-software. A total of 1600 questionnaires were sent, out of which 1563 were returned. However, 63 questionnaires were discarded due to incomplete responses. The research

included conducting interviews with a sample size of 1,500 individuals from China. Convenience sampling was used to approach all respondents at the aforementioned locations. The participants were requested to participate in a monitoring project conducted at the factories. The researcher provided participants who opted to participate in the study with relevant information and was available to address any questions they had throughout their waiting period for the completion of their monitoring programme. In instances when a participant demonstrated an inability to engage in reading or writing activities, or was physically restricted to a wheelchair, the researcher assumed the responsibility of verbally presenting the survey questions and answer options. Subsequently, the researcher proceeded to document the participant's replies on the survey form in accordance with the information provided. In some locations, individuals were provided with questionnaires to be completed and then returned in a consolidated manner.

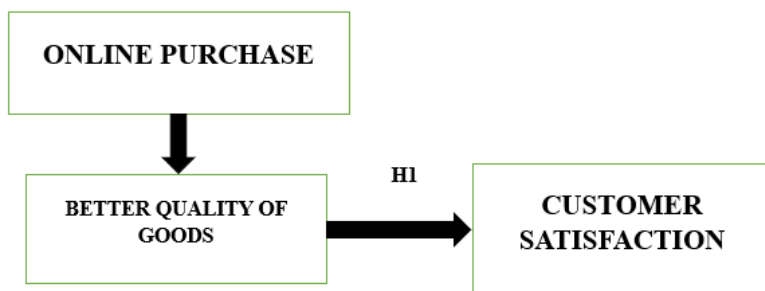
*Sampling:* Data for the study was collected through a questionnaire. Sample Size calculated through Rao-soft software was 1460, a total of 1600 questionnaires were distributed, out of which 1563 questionnaires were received back, and 63 questionnaires were rejected because they were incomplete. The final number of questionnaires used for study is 1500 with 855 females and 645 males respectively.

*Data and Measurement:* The researcher also conducted quantitative research in the form of survey collection. Respondents first answered control questions regarding their online shopping analysis and size of their organization. This left a sample size calculated from Rao Soft and the sample size was 1500. Likert scale, rating system, used in questionnaires, that is designed to measure people's attitudes, opinions, or perceptions. Subjects choose from a range of possible responses to a specific question or statement; responses typically include "strongly agree," "agree," "did not answer," "disagree," and "strongly disagree." Often, the categories of response are coded numerically, in which case the numerical values must be defined for that specific study, such as 5 = strongly agree, 4 = agree, and so on.

*Statistical Software:* MS-Excel and SPSS 25 were used for Statistical analysis.

*Statistical tools:* Descriptive analysis was applied to understand the basic nature of the data. Validity and reliability were tested through ANOVA.

## 7. CONCEPTUAL FRAMEWORK



## 8. RESULTS

A total of 1600 questionnaires were distributed, out of which 1563 questionnaires were received back, and 63 questionnaires were rejected because they were incomplete, and 1500 questionnaires were analysed using the Statistical Package for social science (SPSS version 25.0) software.

### *Factor Analysis:*

The confirmation of the underlying component structure of a set of measurement items is a frequently used application of Factor Analysis (FA). The scores attributed to the observable variables are believed to be influenced by latent factors that are not directly seen. The accuracy analysis (FA) is a procedure that is based on a model. The primary emphasis is in the construction of causal pathways connecting observable occurrences, latent causes, and measurement imprecision.

The appropriateness of the data for factor analysis may be assessed by using the Kaiser-Meyer-Olkin (KMO) Method. The adequacy of the sampling for each individual model variable as well as the overall model is assessed. The statistics quantify the possible collective variance among many variables. Typically, a lower percentage value is indicative of data that is more suited for factor analysis.

KMO gives back numbers between 0 & 1. If the KMO value is between 0.8 and 1, then the sampling is considered to be sufficient.

If the KMO is less than 0.6, then the sampling is insufficient and corrective action is required. Some writers use a number of 0.5 for this, thus between 0.5 and 0.6, they have to apply their best judgement.

- KMO Near 0 indicates that the total of correlations is small relative to the size of the partial correlations. To rephrase, extensive correlations pose a serious challenge to component analysis.

Kaiser's cutoffs for acceptability are as follows:

Kaiser's cutoffs for acceptability are as follows:

A dismal 0.050 to 0.059.

- 0.60 - 0.69 below-average

Typical range for a middle grade: 0.70–0.79.

Having a quality point value between 0.80 and 0.89.

The range from 0.90 to 1.00 is really stunning.

**Table 1.** KMO and Bartlett's Test

<b>KMO and Bartlett's Test</b>		
<b>Kaiser-Meyer-Olkin Measure of Sampling Adequacy.</b>		.918
<b>Bartlett's Test of Sphericity</b>	<b>Approx. Chi-Square</b>	7212.127
	<b>df</b>	190
	<b>Sig.</b>	.000

This demonstrates the validity of assertions for sampling purposes. To further verify the relevance of correlation matrices as a whole, Bartlett's Test of Sphericity was performed. Kaiser-Meyer-Olkin Sampling Adequacy Value is 0.918. The p-value for Bartlett's sphericity test was determined to be 0.00. Bartlett's test of sphericity showed that the correlation matrix isn't an identity matrix, with a significant test result.

*Test for hypothesis:*

#### DEPENDENT VARIABLE

*Customer Satisfaction:*

Online shopping, the latest commercial e-commerce invention has changed how people worldwide buy things. All of these firms allow clients to inquire or buy online. Every day, more young people purchase online (Luo & Chen, 2018). Younger generations perceive internet shopping as a forward-thinking notion that saves time and makes items more accessible, diverse, and exciting. Only a framing was meant by the presumption that internet shopping is terrible for consumers, that goods are low-quality, or that they can't be trusted. However, things are improving, and young people are showing up in the community. Businesses can only connect with customers online as more people use the internet & mobile devices. Online shopping has grown because young men and women now spend minutes searching for the lowest price & placing an order, instead of hours. Advertisements regularly use "loyal customer". This statistic measures whether goods and services delivered match or exceed expectations. One definition of customer satisfaction is "the number or percentage of customers who say their experience with a firm exceeds its goods or service goals." Senior marketing managers found customer loyalty matrices vital for firm management and monitoring. In today's fast-paced economy, where companies fight for customers, client loyalty is becoming more important. Companies must have systems to communicate with loyal customers. Companies in and around Coimbatore require precise customer satisfaction statistics to achieve this aim (Luo & Chen, 2018).

#### INDEPENDENT VARIABLE

*Online Purchase:*

The Internet is used for "online shopping." Online shoppers usually shop at an online store, e-shop, virtual store, web shop, Internet shop, or online store. Online retailers describe their



products using text, images, and other material. Customers may typically find extra product details on their buying webpage. They may include instructions regarding how to handle emergencies, utilise the product, or even how it is made. Some may provide advice or guide consumers through the procedure. If customers are online, they may as well-read reviews of the products they're considering. Some online retailers provide an area for client comments. Many firms appreciate customer input. A normal retail store would not allow consumers to ask other customers about a product (Sushma, 2017).

#### *Better Quality of Goods:*

A product or service with attractive features and excellent functionality is called "product quality". Businesses assess product quality using many criteria. These measures include how effectively a product meets customer needs and how efficiently it does so (Vistex, 2021). The company may also explore several demographic viewpoints on the product's worth. Consider the client's, producer's, product-based, value-based, or transcendental viewpoint, which values the product based on its production cost. If customers adopt these perspectives, they may define quality as these factors:

- i. Effectivity and design purpose
- ii. Product dependability over a certain time period
- iii. Consistency with defined parameters
- iv. Continuity of use and longevity of a product
- v. Maintainability of a Product
- vi. Product's external characteristics
- vii. Consumers' opinions on the product

A company's capacity to compete and retain its position in its markets depends on the quality of its products. A company's manufacturing expenses, investment returns, and revenue may all rise at once if its goods match consumer needs and improve in quality (Vistex, 2021). On the basis of the above discussion, the researcher formulated the following hypothesis, which will analyse the relationship between Better Quality of Goods and Customer Satisfaction.

*H01: There is no significant relationship between Better Quality of Goods and Customer Satisfaction.*

*H1: There is a significant relationship between Better Quality of Goods and Customer Satisfaction.*

As per the hypothesis formulation H01 is null hypothesis and H1 is the alternative hypothesis.

**Table 2.** H1 ANOVA test



ANOVA					
Sum					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	65131.762	369	9304.537	1173.851	.000
Within Groups	729.238	1130	7.927		
Total	65861.000	1499			

In this study, the result is significant. The value of F is 1173.851, which reaches significance with a p-value of .000 (which is less than the .05 alpha levels). This means the “H1: There is a significant relationship between Better Quality of Goods and Customer Satisfaction” is accepted and the null hypothesis is rejected.

## 9. CONCLUSION

Most people purchase online these days. Online purchasing is growing in popularity across all ages, sexes, backgrounds, and academic levels. Customers may save time and effort by shopping online from a greater range of reliable merchants providing high-quality goods. Online shoppers may get additional discounts due to firms' potential cost reductions via the Internet. As more people realise how fast and cheap internet shopping is, the industry is expected to develop rapidly. Customers between 31 and 40 who buy once every three months still require in-store purchases. Online and offline retailers are emphasising the in-store experience and customer service to attract customers who prefer to browse and buy in person and retain customers whose shopping habits change with the seasons. According to the data, traditional stores provide the benefit of no delivery delay. A customer may avoid exchanging or returning an item if they try on multiple items of clothing at a store. Mega-retail complexes have helped offline businesses compete with and even exceed internet ones. Customers also reported some shopping problems. These problems were shopping advisor quality and parking accessibility. This bodes well for traditional retail stores. As said, consumers generally like retail. Retailers might provide a few suitable, guided, or unique offline activities to improve our in-store shopping experience. Instead, they might edit clothing and other goods using AI. Advertisements and friends and family might also stimulate shopping. Shopping may be perceived as an effort to connect with others.

## 10. LIMITATIONS

Assumptions & mathematical models generate quantitative mathematical expressions. These underlying assumptions may not apply to other issues. Negligent quantitative procedures may lead to disaster. Quantitative approaches are costly because they need professionals. The high cost of implementation limits quantitative approaches' use even in major organisations. Most managers base their choices on intuition and judgement rather than evidence. Unreliable quantitative approaches may be caused by faulty data, inconsistent definitions, poor sample, procedure, comparison, and presentation. Quantitative approaches overlook immeasurable human elements; thus, they can't study qualitative phenomena. Managers' expertise, zeal, and demeanour are ignored while making judgements. Quantitative interpretations of qualitative intangible claims are feasible for method use. Managers' intelligence may be assessed by letter grades based on experience and education.

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