A GAP ANALYSIS ON CONSUMERS’ EXPECTED AND PERCEIVED SERVICES WITH RESPECT TO ONLINE SHOPPING AT CHENNAI, TAMILNADU

Mr. P. RAJENDRA PRASAD,
Assistant Professor in Commerce,
Agurchand Mannull Jain College – Shift – II,
Meenambakkam, Chennai – 600114.

Dr. S. BAMA
Assistant Professor in Commerce,
Dr. Ambedkar Government Arts College,
Vyasarpadi, Chennai – 600039.

I. ABSTRACT

In today’s hectic world, the consumers do not have adequate time to shop their goods and services. They prefer for online shopping over conventional shopping. Along with the development of technology, E-commerce is gaining a leadership advantage in retailing goods and services. The study aims to measure the customers’ expected and perceived level of service from online shopping at Mylapore, Chennai. It mainly focuses on identifying the gap between the expected and perceived level of services towards online shopping. The research design was analytical in nature. Data was collected using structured interview schedule method. Judgment sampling technique was used to collect data from 100 respondents. Analyses such as reliability, descriptive statistics, paired t-test and Friedman test were used to measure the gap between customers’ expected and perceived level of services towards online shopping of goods and services. Data was presented in the form of tables. Based on the findings, it was found that there exists a gap between the expected and perceived level of services with respect to online shopping. Conclusions as well as suggestions were discussed.

Key words: Expected Service, Perceived Service, Gap Analysis, Online Shopping, Chennai, Tamilnadu.

II. INTRODUCTION

The Indian e-commerce industry is inflicting an intense effect in the changing business scenario. Through its upgraded technology with effective services, it shows an upward growth trajectory in online selling of goods and services. Due to the busy schedule and fast moving life of consumers, they do not have sufficient time to spend for purchase of goods and services through conventional shopping. They like to prefer a kind of shopping which offers 24x7 services, wider choice of goods and services, better price, elaborate description, comparison chart, etc. Online shopping is the one which offers huge benefits in the doorstep of consumers through user-friendly technology. Hence, the consumers are change over from conventional shopping to online shopping to consume expediently better choice of goods and services. Due to this, many online retailers emerge in the market to attract and satisfy the consumers by offering various benefits such as variety of goods and services, wide range of sellers, discount price, festival offers, return policy, replacement policy, etc. The online retailers namely Amazon, Flipcart, E-bay, Snapdeal, Paytm etc., are
implementing effective marketing strategies to attract and retain loyal consumers. They enhance the trust and loyalty of consumers by offering goods and services according to their need and expectations. Although online shopping provides massive benefits, still the consumers are facing many drawbacks after consuming the services. Thus the study has been undertaken to identify the satisfaction of the consumers towards online shopping.

**III. PROBLEM DEFINITION**

In today's global phenomenon, online shopping is considered as an expedient shopping for the consumers as they get all goods and services anywhere from the world. Through online shopping, in the comfort of one’s home, office or anyplace in the globe one can buy wide range of products. Due to its competitive market, online retailers offers many facilities for the consumers to enhance their shopping habit through online namely cut-off price, comparison of prices and features of similar products, discount deals, replacement and return of goods and specifically 24x7 services. These made the consumers to opt for online shopping than conventional shopping. But, the main downside faced by online shopping is that it is unable for the consumers to touch and feel the product while making the purchase decision. Due to this, they feel that the quality may not be up to their level of expectations and their interest towards online shopping tends to get reduced. Other disadvantage faced by the consumers in online shopping is that differences in displayed quality or performance and perceived quality or performance. This led the consumers to have lack of trust and confident towards online shopping. Thus, the study has been chosen to measure the gap between the consumers’ expected and perceived service from online shopping at Chennai.

**IV. LITERATURE REVIEW**

The consumer’s willingness and preference for adopting the Internet as his or her shopping medium was positively related to income, household size, and innovativeness (Sultan and Henrichs, 2000). Online shopping is gaining popularity among people of young generation. Higher income groups and educated people are purchasing more via e-retailing websites. People have hesitations in doing online shopping due to security concerns. At the same time people are resistant to change because of technological complexity in making online purchase. Companies involved in online retailing should focus on building trustworthy relationship between producers and customers (Upasana Kanchan,, 2015). Online shopping features can be either consumers’ perceptions of functional and utilitarian dimensions, like “ease of use” and “usefulness”, or their perceptions of emotional and hedonic dimensions like “enjoyment by including both utilitarian and hedonic dimensions, aspects from the information systems or technology literature, as well as the consumer behavior literature are integrated in our framework (Mathwick et al., 2001).

Customers’ attitudes toward online shopping was not only affected by ease of use, usefulness, and enjoyment, but also by exogenous factors like customer personality, situational factors, product uniqueness, earlier online shopping experiences, and confidence in online shopping (Monsuwe, 2004). The consumer's perception of their experience while shopping online is also a factor to consider. When the consumer’s experience exceeds their expectations, there is a high chance they will become loyal towards that particular online shop. This satisfaction is based on a number of features such as: how fulfilling the experience was, how smooth the transaction was and the ease of interaction (Chen & Chang, 2003).

People are finding it more convenient to do their shopping online instead of going out and
doing it physically. They can buy almost any products or services they desire just by clicking on their computers or phones (Kau et al., 2003). Online shopping is gaining popularity among people, especially the younger generation but in today's scenario to become equally popular among all age groups, e-marketing will have to cover a longer distance. As per study mode of payment is depended upon income of the respondents. People from different age groups are doing online shopping regularly. The attitude of consumers is changing with the time. In a country like India, consumers are finding online shopping very comfortable because of many variables like cash on delivery, customization or personalization of the websites, home delivery etc (Ashish Bhatt, 2014).

Future of e-retailers in India is looking very bright. E-retailers give consumers the best way to save money and time through purchasing online within the range of budget. Flipkart.com is offering some of the best prices and completely hassle-free shopping experience. The whole concept of online shopping has altered in terms of consumer’s purchasing or buying behavior and the success of E-retailers in India is depending upon its popularity, its branding image, and its unique policies (Prashant Singh, 2014).

V. OBJECTIVES OF THE STUDY
- To measure the expected and perceived services by the consumers towards online shopping at Chennai.
- To identify the gap between the expected and perceived services by the consumers towards online shopping.
- To find out the preferences of the consumer towards E-retailers.

VI. SIGNIFICANCE OF THE STUDY
The study aids in understanding the expectations of the consumers towards online shopping at Chennai and hence, it helps the online sellers to offer services as per the expectations of the consumers. It provides detailed report on actual service perceived by the consumers from online shopping and also finds the gap between the expected and perceived services by the consumers in online shopping. This may support the online sellers to modify the marketing strategies and services to fill the gap between the expected and perceived services of them. The study also provides the information regarding preferences of the consumer towards online sellers and which facilitate the online sellers to enhance their services to gain competitive advantage.

VII. SCOPE OF THE STUDY
The study revolves around the consumers’ expected level and perceived level of services from online shopping. It is confined to consumers at Chennai city. It also focuses on the preferences of the consumer towards online shopping to buy their goods and services.

VIII. RESEARCH METHODOLOGY
Research design: The study is descriptive and analytical in nature.
Questionnaire: Both open ended and closed ended questions were framed using nominal, ordinal, Likert and ratio scales.
Data collection method: Both primary and secondary sources were used to collect data from the respondents.
Sampling technique: The population of the study consists of consumers of online shopping at Chennai. The sample size chosen for the study was 100 respondents. Convenient sampling technique was sued to collect data from the respondents.
Statistical tools: Analyses such as reliability, descriptive statistics, paired t-test and Friedman test were used to measure the gap between customers’ expected and perceived level of services towards online shopping of goods and services.

IX. HYPOTHESIS SETTING
H11: There is a significant difference between consumers’ expected and perceived service towards online shopping.
H12: There is a significant difference in the mean rank of consumer preferences towards E-retailers.
X. DATA ANALYSIS AND INTERPRETATION

a. Cronbach’s Alpha Reliability Test

Table 9.1

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Scale</th>
<th>No. of Items</th>
<th>Cronbach’s Alpha (α)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Consumers’ expected level of services with respect to online shopping</td>
<td>15</td>
<td>0.962</td>
</tr>
<tr>
<td>2.</td>
<td>Consumers’ perceived level of services with respect to online shopping</td>
<td>15</td>
<td>0.925</td>
</tr>
</tbody>
</table>

[Source: Primary data]

The Cronbach’s Alpha reliability test for both the factors was above 80% which means that the variables produce consistent results if measurements are made repeatedly.

b. Descriptive Statistics

In order to measure the consumers’ expected and perceived level of services towards online shopping, descriptive statistics is applied.

Table 9.2

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Scale</th>
<th>Mean</th>
<th>Standard Deviation</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Consumers’ expected level of services with respect to online shopping</td>
<td>4.15</td>
<td>0.699</td>
</tr>
<tr>
<td>2.</td>
<td>Consumers’ perceived level of services with respect to online shopping</td>
<td>2.74</td>
<td>1.156</td>
</tr>
</tbody>
</table>

[Source: Primary data]

From the above table, the mean value of consumers’ expected level of services are above 4.00, which means that the consumer are expecting very high level of services from online shopping. The mean value of consumers’ actually perceived level of services are below 3.00, which means that the consumer are perceiving very low services from online shopping. Hence, it is concluded that the consumers are not satisfied with the actual services provided by the online retailers.

c. Paired t-test

H₀₁: There is no significant difference between consumers’ expected and perceived level of services towards online shopping.

H₁₁: There is a significant difference between consumers’ expected and perceived level of services towards online shopping.

Table 9.3

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Mean</th>
<th>SD</th>
<th>95% Confidence Interval of the Difference</th>
<th>t-test</th>
<th>P value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Significant Difference between Expectation and Perceived Services</td>
<td>0.4</td>
<td>13</td>
<td>1.35</td>
<td>1.30</td>
<td>1.52</td>
</tr>
</tbody>
</table>

[Source: Primary Data]

Since the P value is less than 0.05, the null hypothesis is rejected at 5 percent level of significance. Hence it is concluded that there is a significant difference between customers’ expected and perceived level of services towards online shopping. The mean difference score of consumers’ expected and perceived level of services towards online shopping is 41.3% with a 95% confidence interval ranging from 13.06% to 15.20%.

Calculation of Eta

In order to assess the “strength of association” between consumers’ expected and perceived level of services towards online shopping, Eta is calculated by using the following formula:

\[ \eta^2 = \frac{t^2}{t^2 + N - 1} \]

Eta squared = 0.208
The Eta squared statistics value is 0.208 (>0.14) which indicates the large difference between the consumers’ expected and perceived level of services towards online shopping.

**Friedman Test**

In order to study the preference of the consumer towards E-retailers, Friedman test is applied. Based on mean rank, the most preferable E-retailer is identified.

H\_0\_2: There is no significant difference in the mean rank of consumer preferences towards E-retailers.

H\_1\_2: There is a significant difference in the mean rank of consumer preferences towards E-retailers.

**Table 9.4**

<table>
<thead>
<tr>
<th>E-retailers</th>
<th>Mean Rank</th>
<th>Chi-square value</th>
<th>P value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amazon</td>
<td>2.84</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Flipcart</td>
<td>1.52</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Snapdeal</td>
<td>3.04</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ebay</td>
<td>9.53</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Paytm</td>
<td>7.95</td>
<td>1782.562</td>
<td>0.001**</td>
</tr>
<tr>
<td>Jabong</td>
<td>8.26</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Shopclues</td>
<td>4.33</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Homeshop18</td>
<td>6.10</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Paytm</td>
<td>7.95</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jabong</td>
<td>8.26</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Shopclues</td>
<td>4.33</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Myntra</td>
<td>5.04</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

[Source: Primary data] Note: **Denotes significant at 1% level.

Since P value is less than 0.010, the null hypothesis is rejected at 1 percent level of significance. Hence it is concluded that there is a significant difference among the consumer preferences regarding E-retailers. Based on mean rank, the most significant E-retailer preferred by the consumers for online shopping is Flipcart (1.52), followed by Amazon (2.84), Snapdeal (3.04), Shopclues (4.33), Myntra (5.04), Homeshop18 (6.10), Paytm (7.95), Jabong (8.26) and Ebay (9.53).

**XI. FINDINGS**

Based on the descriptive analysis, it is inferred from the mean value that the consumers’ perceived level of service is less than the expected level of provided by the online retailers. From the Paired t-test, it is understood that there is a significant difference between customers’ expected and perceived level of services towards online shopping and it is at large size. Friedman test, it is stated that the consumers’ most preferred E-retailer for online shopping is Flipcart followed by Amazon, Snapdeal, Shopclues, Myntra etc.

**XII. SUGGESTIONS**

The study revealed that huge gap exists between the customers’ expected and perceived level of services towards online shopping, hence, it is suggested for the online retailers to fill the gap by offering quality product at reasonable price, prompt delivery without charges, knowledgeable and skilled customer care, effective installment policy, safe packaging, better return and replacement policy. Based on the Friedman test, Flipcart is considered as a most preferred E-retailer by consumers for online shopping. Thus, it is recommended for other E-retailers to adopt effective marketing strategies as per consumer expectations to enhance their selling process.

**XIII. CONCLUSION**

Increasing usage and addiction of people in social media, rising internet penetration and relative better economic performance are the key drivers for the online retailers to success in the market. They are occupying huge place in the sale of FMCG goods more than conventional retailers. The study found that the consumers perceive very less services comparing to their expected level of services. This may because of difficulties faced by the consumers in online shopping namely mismatch of ordered product quality with delivered one, lack of family shopping experience, delay in
delivery, lack of interaction with sellers to get full details of the about, lack of close examination of the product etc. The study provides various suggestions for the E-retailers to sort out the problems by offering samples before selling for possible goods, prompt delivery and competent customer care to provide full details about the product etc., which may aid the E-retailers to achieve loyal customers for their goods and services

XIV. LIMITATION OF THE STUDY

- This study is restricted to consumers of online shopping at Chennai.
- It takes into consideration of eight on line E-retailers
- It is limited to 100 consumers.

REFERENCE


