

# Study on Customer's attitude towards Online firms based on their Service Reputation

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**Abstract**—The rapid shift in the digitized market has transformed the way the business buys and sells products and provides service to its customer. Retail is now 24x7, so, customer can shop from anywhere and at any time. The current research paper is the part of the larger study and tries to examine the customer behavior towards online firm based on their reputation. The online firms are considered of two types, direct selling online firms (DSOF)- these firms manufactures and sells their product online, indirect selling online firm (IDSOFF)- these firms sells the products manufactured by others firms. This study also analyzes the factors to evaluate the reputation of service provider. Questionnaires were formed as a research instrument and web based survey was conducted and also questionnaires were mailed to the respondents web mail account, accordingly the data and information were collected and analyzed.

**Keywords**—rapid shift, direct selling online firm, retail, manufactures, reputation.

## I. INTRODUCTION

With the innovation, evolution and success of internet, the manner to purchase and sell the goods and services has changed. The information technology has given birth to technique called online shopping, refers as establishing a store on the internet, where the customers can buy products by just clicking the mouse, at anytime from anywhere.

In modern society, the house hold with 'one breadwinner and one home maker' is becoming increasingly rare. Now the dual income or multi income household is in increasing trend. In this situation the members of the house after their hectic schedule prefer to spend quality time for relaxing, socializing etc instead of devoting time to go out for shopping. So the customers are turning towards World Wide Web to access the online firms for their shopping desires.

Compared to the traditional shopping, where the customer need to find a suitable time to go to the physical store, need to find a place to park his vehicle and has to search for the desirable product and has to carry the product by themselves which is a tedious and tiresome job; instead online shopping reduces the effort of customer for travelling to the physical store. It offers variety of services such as, displays varieties of a particular product and also provides comparative description with price, provides discount or offers, facilitates to have view on product quality review and product rating, provide round the clock services, and many more. Now, online firms are emphasising to attract customers and to retain them by building long term relationship on the world wide web.

The below table lists top 10 online firms in India 2015 with their service field and ranking as published according to [www.worldblaze.in](http://www.worldblaze.in).

Ranking	Firm Name	Service
1	Flipkart.com	Started as online book store, but now offers electronics, mobiles, clothing, accessories etc
2	Snapdeal.com	Based in Delhi and deals with products like accessories, clothing, cell phones, customer goods etc
3	Amazon.in	It is global leader, and deal with wide variety of products like cds, electronics, cloths etc
4	Myntra.com	It is a fashion based website based in Bengaluru, offers varieties of latest fashion and lifestyle accessories for men, women and children
5	Ebay.in	It is a popular global online website and offers all varieties of products
6	Jabong.com	It deals with branded and fashionable apparels and accessories
7	Yebhi.com	It offers variety of products including designer clothing, accessories, shoes, jewellery and more recently, mobile phones.
8	Homeshop18.com	It is associated with the company called Network 18. It sells stuff like clothing, accessories, cell phones, home appliances, laptops, games and toys, etc. It also has a 24 hour Home Shopping Channel, totally dedicated to tele shopping and online shopping.
9	Shopclues.com	It showcases countless products like jewellery, accessories, mobiles, cameras, books, laptops and many more
10	Pepperfry.com	It brings amazing deals on latest branded clothing for men, women and children, in addition to accessories, cosmetics, jewellery, furniture and home decor.

Online buying pervasiveness is increasing among Indian customer. The online firms can be considered of two types – 'direct selling online firm and indirect selling online firm'.

*Direct selling online firms* (DSOF): are those which manufactures the product and sells them for e.g. LG, HP, etc.

*Indirect selling online firms*(IdSOF): are those which sells the products manufactured by other firms, e.g. flipkart, jabong, myntra etc.

**II. OBJECTIVE OF THE RESEARCH**

The research objective is to analyze customers attitude towards direct selling and indirect selling online firms based on their reputation.

The reputation may be defined as ‘the common opinion that the online customers have about the online firm or the way in which the customers think about the online firms overall quality’. The reputation can be measured by the type of the service and attitude of the service provided by the online firm.

**III. RESEARCH METHODOLOGY:**

The questionnaire of the survey was designed and it was utilized to acquire answers from the participants. We used convenient sampling method to collect the responses. The questions were rated on a five-point Likert scale from "strongly agree" (1) to "strongly disagree" (5).

The questionnaires prepared for this exercise was divided into 3 sections.

The first section concentrates on the general profile of the respondent including gender, age group, education level and profession.

In the second section online behavioral questions were developed . Such as whether he/she is from Information Technology background, whether he/she has access to the internet, if yes then from where , how many hours per week he/she uses the internet, what is the primary personal use of the internet, if he/she has shopped then what kind of goods were purchased from the internet, reasons for internet shopping etc.

In the third part questions were designed to analyze the reputation of the direct and indirect selling online firm.

Electronic questionnaires were mailed to the respondents and these questionnaires were also made available on the web and the questionnaire were distributed offline also.

**IV. FINDING AND ANALYSIS**

Among a total number of 455 respondents, 62 didn’t had internet access and 55 didn’t experience online shopping, means the respondents who had online shopping experience were only considered. Therefore the total sample number decreased and also some of the respondents didn’t answered some of the questions so the total count for the questions varied .

**Table 1: General information of the respondents**

	Level	Count	Column N %
Gender	Male	229	52.4%
	Female	208	47.6%
Age	24 and below	123	28.2%
	25-34	105	24.1%
	35-44	121	27.8%
	45 and above	87	20.0%
Education Level	Under graduates	145	33.7%
	Post graduates	210	48.8%
	Doctoral degree holder	75	17.4%
Your Profession	Student	97	22.2%
	Business Owner	78	17.9%
	Job holder	168	38.5%
	Retired	38	8.7%
	Others	55	12.6%

The above table gives demographic information of the respondents. From the table 1, we can say that the majority of the respondents answered to the questionnaire were “Male” with 52.4%, and with the age group of “24 and below” constituting 28.2% and majority of the respondents were “Post graduate degree” holder constituting 48.8%, “Job holder” answered the most with 38.5%, and least were associated with “Retired” group with 8.7%.

The below table gives information about the online behaviour of the respondents.

**Table 2: Respondents online behaviour.**

		Count	N %
Are you from Information Technology(IT) background	Yes	136	31.9%
	No	290	68.1%
Do you have access to the internet	Yes	375	85.8%
	No	62	14.2%
Have you ever purchased from the internet	Yes	319	85.3%
	No	55	14.7%
How many hours per week do you use the internet	Never	23	6.2%
	Less than 3 hours	104	28.0%
	3-10 hours	133	35.8%
	11-20 hours	73	19.6%
	more than 21 hours	39	10.5%

Around 68.1% respondents were with “Non IT background”, and almost 85.8% had access to internet, majority of the respondents used “3-10 hrs” of internet per week(constituting 35.8% ), least usage of internet by respondents was “more than 21hrs”. About 85.3% of respondents had done purchasing through internet.

**Graph 1: mode of payment**

#	Answer	Response	%
1	Credit Card	108	34%
2	Debit Card	141	44%
3	Cash on Delivery	275	87%
4	Pay Pal	14	4%
5	Net Banking	70	22%
6	Others	1	0%

The above graph 1 provides information for the question “How do you make payments when shopping on the internet”. Majority of respondents around 87% of them used cash on delivery option, it shows that most percentage of the customer are comfortable in offline mode payment than sending e-money through net.

The below graph shows the response for the question – ‘Do you agree that product quality review is important during purchasing the product from online firm’.

**Graph 2:Product quality review**

#	Answer	Response	%
1	Strongly Agree	139	45%
2	Agree	114	37%
3	Neither Agree nor Disagree	44	14%
4	Disagree	11	4%
5	Strongly Disagree	2	1%

45% and 37% of the respondents ‘strongly agree’ and ‘agree’ that product quality reviews are important during purchasing a product.

For the question ‘Do you agree that display of product rating is important during purchasing the product from online shop’. The responses were captured in the graph as below and shows 45% of respondents ‘strongly agree’ that product rating is very important during purchasing from online firm.

**Graph 3: Importance of display of product rating.**

#	Answer	Response	%
1	Strongly Agree	140	45%
2	Agree	111	36%
3	Neither Agree nor Disagree	47	15%
4	Disagree	11	4%
5	Strongly Disagree	1	0%

11 questions were formulated to analyse the online firm reputation . The below table shows the details of IdSOF & DSOF.

**Indirect selling online firm**

**Table 3: Reputation of Indirect Selling online firm**

#	Question	Strongly Agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree
1	Wide variety of same type of product is available	22	104	116	47	7
2	More discount/offers for a product is available	27	105	130	34	4
3	comparative description for variety of products is available	25	110	125	36	4
4	product quality reviews is available	40	136	92	27	3
5	Product quality is reliable	86	112	71	25	4
6	product ratings is available	64	133	67	29	4
7	return policy is efficient	74	144	61	18	2
8	Exchange policy is efficient in	70	130	78	17	2
9	after sale service is better	88	132	58	17	3
10	comfortable mode of payment is available	95	143	43	15	2
11	more familiar among customers	58	121	80	15	2

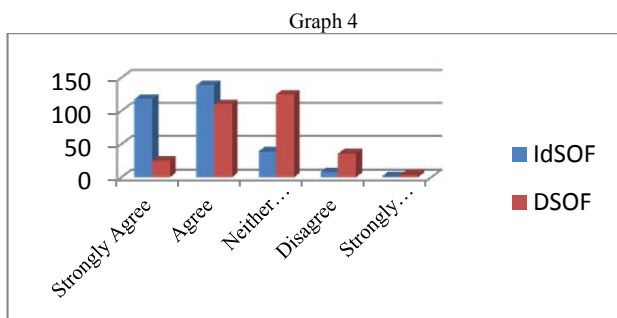
**Direct Selling online firm**

**Table 4: Reputation of Direct Selling online firm**

#	Question	Strongly Agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree
1	Wide variety of same type of product is available	132	133	31	8	2
2	More discount/offers for a product is available	129	134	34	8	1
3	comparative description for variety of products is available	118	139	39	8	2
4	product quality reviews is available	117	135	40	11	2
5	Product quality is reliable	96	103	77	24	4
6	product ratings is available	111	136	40	14	2
7	return policy is efficient	100	138	46	18	2
8	Exchange policy is efficient in	104	127	54	14	2
9	after sale service is better	86	125	72	17	4
10	comfortable mode of payment is available	122	125	41	14	1
11	more familiar among customers	163	89	28	7	1

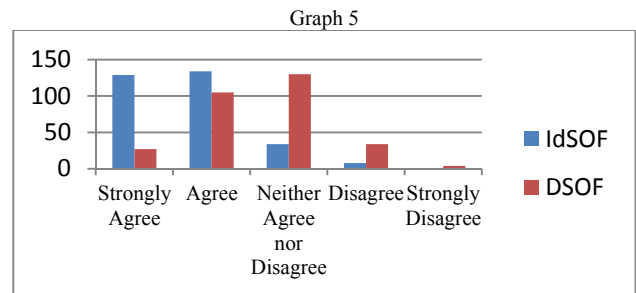
Customer’s perception, attitude and belief towards DSOF and IdSOF have significant effect on the reputation of the firm. The below graphs show the comparative analysis between DSOF and IdSOF from the responses captured for the above 11 questions.

For the question ‘Wide variety of same type of product is available in DSOF or IdSOF’, graph 4 gives the description.



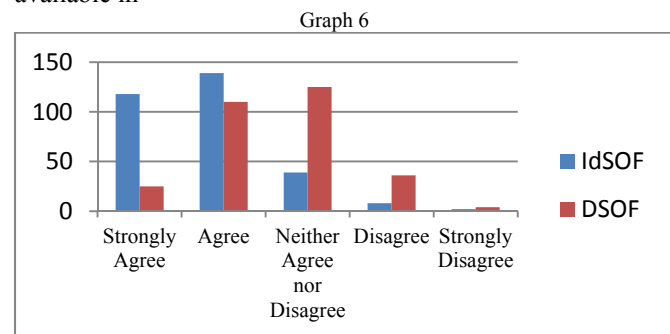
It is clear that majority of the customers believe IdSOF have wide varieties of same type of products.

For the question ‘More discount/offers for a product is available in’



129 and 134 Customers ‘strongly agree’ and ‘agree’ that IdSOF provides more discount /offers for a product where as just 27 and 105 customers ‘strongly agree’ and ‘agree’ for DSOF.

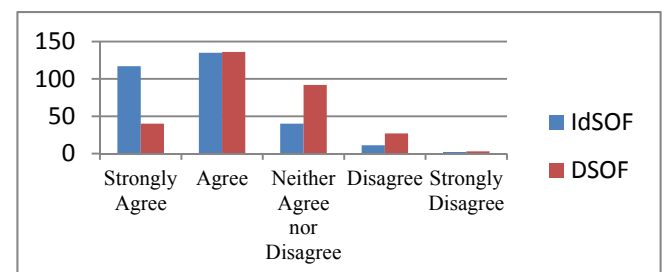
The below graph shows the analysis for the question ‘Comparative description for variety of products is available in’



118 and 139 customers ‘strongly agree’ and ‘agree’ that IdSOF displays comparative description for variety of products, which is considered as one of the most important factors for shopping .

The analysis for the question ‘ product quality review is available in’ is given in the below graph.

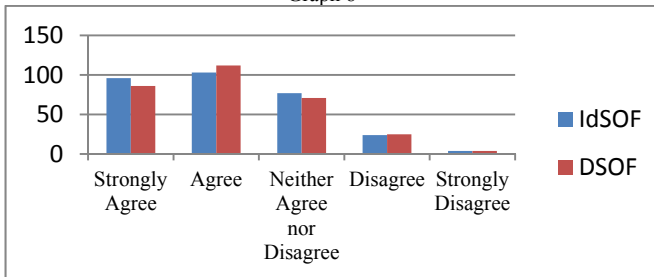
Graph 7



117 Customers ‘strongly agree’ that product quality review is available in IdSOF which is considered as a vital factor for shopping online.

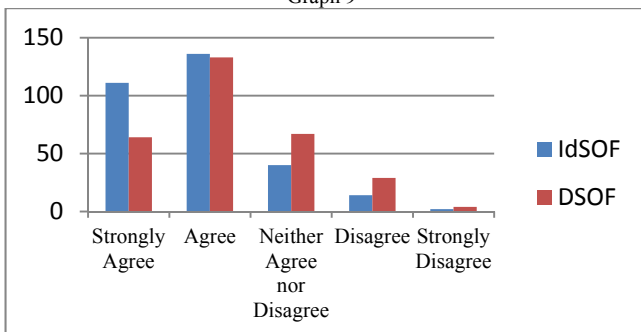
‘The product quality is reliable in’ for this question the analysis in the form of graph is given below. Accordingly 112 customers agree that DSOF product is reliable where as 103 customers agree that IdSOF product is reliable.

Graph 8



The comparative analysis for the question ‘ product rating is available in’ is shown in the below graph,

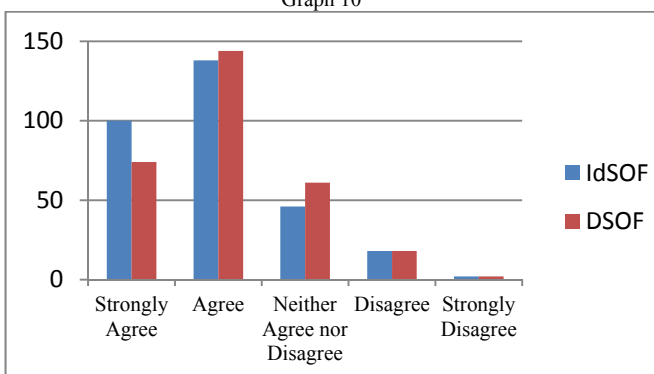
Graph 9



111 customers ‘strongly agree’ that IdSOF displays product rating which is considered as a significant factor for shopping .

Customers receives the product after ordering it, he/she might not be satisfied about the product, may be because of the poor quality or any other reasons, so the customer want to return it to the firm. The below graph tries to find the attitude of the customer towards DSOF and IdSOF ‘for the efficient return policy’.

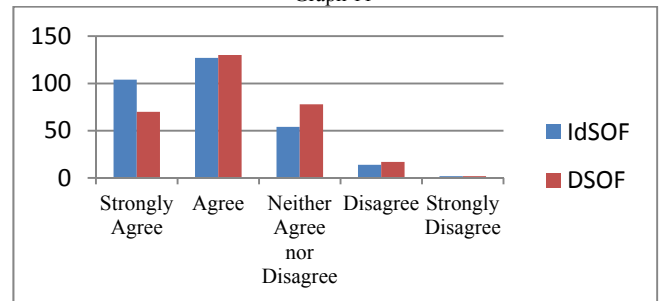
Graph 10



Accordingly, 74 and 144 customers ‘strongly agree’ and ‘agree’ that DSOF has better return policy, while 100 & 138 respectively believe that IdSOF has better return policy.

If a customer is unsatisfied with the product for whatever the reason may be , then he wants to exchange it for other product or same product, this procedure is called as exchange policy. Attempt was made to analyse which type of firm has efficient exchange policy.

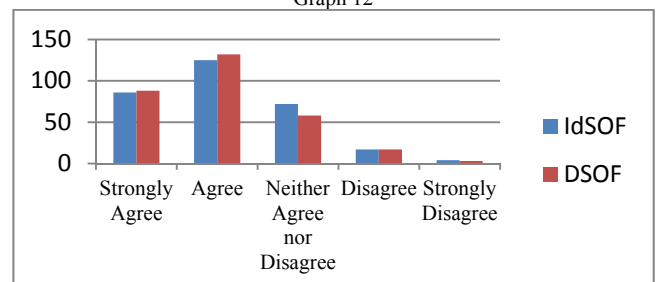
Graph 11



From the above graph, 104 customers ‘strongly agree’ that IdSOF has efficient product exchange policy, where as 70 customers ‘strongly agree’ that DSOF has efficient product exchange policy.

Service of the online firm does not end by delivering the product, the question was raised to know which type of firm is better for after sale service, the below graph shows the following analysis.

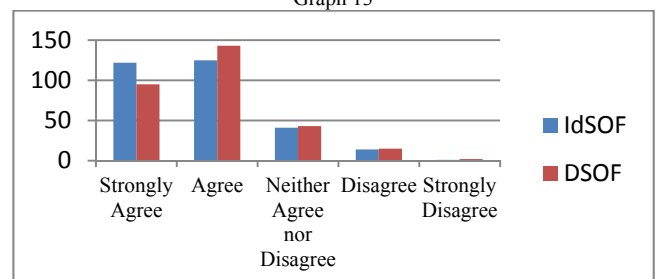
Graph 12



88 and 132 customers ‘strongly agree’ and ‘agree’ that DSOF’s after sale service is better, where as 86 and 125 customers ‘strongly agree’ and ‘agree’ that IdSOF provides better after sale service.

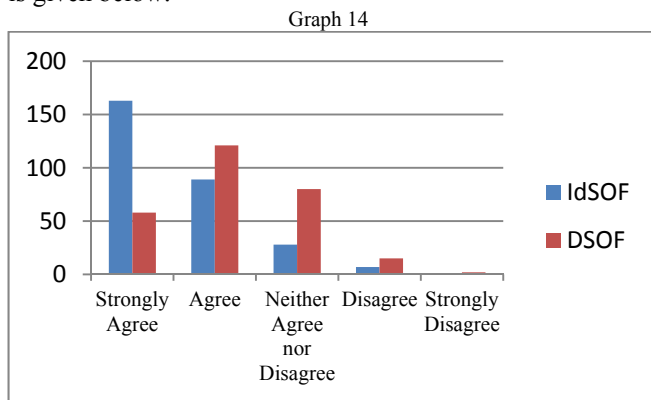
For the question ‘which type of firm provides comfortable mode of payment’, the graph is given below

Graph 13

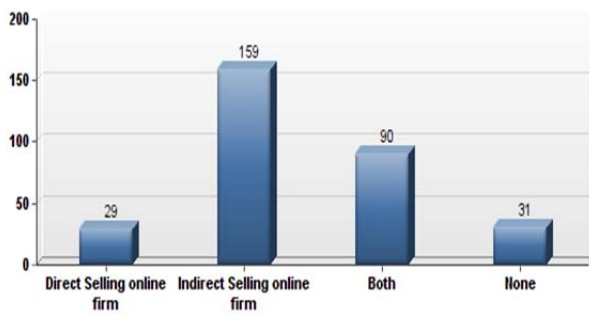


122 and 125 customers ‘strongly agree’ and ‘agree’ that IdSOF provides comfortable mode of payment while 93 and 143 customers ‘strongly agree’ and ‘agree’ that DSOF has comfortable mode of payment.

To know which type of firm is popular among customers, the question was raised as ‘most familiar among customers is’, the following response was received where only 58 customers strongly agreed that DSOF is familiar but 163 customers said IdSOF is more familiar. The analysis graph is given below.



Below graph shows the response for the question ‘Which one do you prefer to use’.



Graph 15: Preference to use.

159 respondents prefer to use Indirect selling online firm, 90 preferred to use both and 29 preferred to use only direct selling online firm and 31 preferred to go for none.

### V. CONCLUSION

From the reports we analyse that customers prefer to use indirect selling online firms mainly because it offers variety of similar products, provides more discount or offers for a product, displays comparative description for variety of products and product quality reviews are made available.

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