

BUYING ENVIRONMENT CHARACTERISTICS OF E-COMMERCE SITES TOWARDS CUSTOMER SATISFACTION AND LOYALTY OF SELECTED BUYERS IN CAVITE

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ABSTRACT

This study focused on determining the buying environment characteristics of e-commerce sites toward customer satisfaction and loyalty. This also determined the significant effect of buying environment characteristics in e-commerce sites on customer loyalty. It employed a descriptive research design using a survey questionnaire administered using Google Forms. For this study, the researcher selected 100 customers who were surveyed using convenience sampling. Results show that the majority of customers are using Lazada as an e-commerce site when purchasing online. Also, most of the respondents surveyed responded the buying environment characteristics of e-commerce sites towards customer satisfaction such as convenience, customization, information, communication, and website aesthetics are important characteristics of buying environment in stimulating satisfaction in e-commerce sites. Furthermore, It was found out also that characteristics of buying environment particularly have a significant effect in contributing to customer satisfaction and loyalty.

Keywords: Buying Environment, EE-commerce sites, Customers satisfaction and loyalty

1.0 INTRODUCTION

The E-commerce site is an online virtual place where buyers and sellers exchange product information; and make transactions with the use of internet technologies, including information systems, payment technologies, social applications, visual simulation, and other new digital technologies. By bringing together numerous buyers and sellers and by managing transactions automatically, e-commerce sites offer more opportunities for both of transaction parties because of the network effects. Thus, e-commerce sites are in essence as the endorsing institutions or transaction intermediaries between buyers and sellers, who might have had no interactions before. By offering transaction information and establishing a reliable institutional context, e-commerce sites facilitate transactions between unseen sellers and buyers. Today, e-commerce site has become the most efficient and important model for e-commerce transactions and the volume of transactions in e-commerce sites are explosively expanding. New e-commerce sites are emerging at an unprecedented rate by exploiting new digital technologies (e.g., mobile e-commerce sites, the al network-based e-commerce sites, and apps) or by meeting new market needs (e.g., Uber and Didi for transportation services, Airbnb for accommodation services). With the popularity and success of e-commerce sites, academic interest in this area is continually growing (Lu & Zhang, 2019).

Moreover, through their research, Kim et al. (2007) found that customer-centered online buying environment attributes served to facilitate the online shopping process and provided shoppers with a positive shopping experience that enhanced e-commerce site financial success. The authors defined these customer-centered online buying environment attributes that are not directly related to price or product as “buying environment characteristics”.

On the other hand, findings showed that buying environment characteristics in e-commerce sites have a significant relationship between customer satisfaction and loyalty. Customer relationships and customer loyalty have received increasing attention from both practitioners and researchers, who realize that attracting new customers is far more expensive than retaining existing ones (e.g. Wong and Sohal, 2002). In addition, the link between customer satisfaction and loyalty also has been established by e-commerce site researchers (Wong and Sohal, 2002; Posselt and Gerstner, 2005). These researchers found that consumers’ perceived satisfaction with an e-commerce site is positively associated with their loyalty intention. Thus, this study aims to determine the significant effect of buying environment characteristics of e-commerce sites on customer satisfaction and loyalty of selected buyers in Cavite.

Generally, the study will determine the significant effect of buying environment characteristics of e-commerce sites on customer satisfaction and loyalty of selected buyers in Cavite.

In view of the preceding statements, this study was conducted to:

1. What was the demographic profile in terms of?
 - a) sex;
 - b) civil status;
 - c) age;
 - d) educational attainment; and
 - e) monthly income;
2. What was the e-commerce site used by the selected buyers?
3. What was the customer satisfaction on the buying environment characteristics in e-commerce site in terms of?
 - a) convenience;
 - b) customization;
 - c) information;
 - d) communication; and
 - e) website aesthetics
4. What was the significant effect of buying environment characteristics in e-commerce sites to customer loyalty?

2.0 METHODOLOGY

This chapter presents the research design and sampling techniques used in selecting the participants of the study. It also presents the data gathering procedures, the data analysis and the statistical treatment to be employed to achieve the objectives of the study.

The study used a descriptive research design. The descriptive design is used to describe the demographic profile of the participants as well as the significant effect of buying environment characteristics of e-commerce sites towards customer satisfaction and loyalty of selected buyers in Cavite.

The participants of the study were those selected customers in Cavite who are purchasing products from e-commerce sites of which a total of 100 customers were surveyed using convenience sampling.

To limit not-so-important variables, the researchers examine the significant effect of buying environment characteristics of e-commerce sites only in the context of selected online buyers in Cavite. Responses were collected via a self-administered questionnaire delivered through Google Forms to selected buyers in Cavite. The researchers sent questionnaires to randomly selected customers. The researchers explained the purpose of the study through personal messages and asked if they are willing to participate in the personally administered surveys.

After the data were gathered and tallied, different statistical tools and techniques were used.

1. The percentage and frequency count was used to determine the profile of the respondents in problem number 1 and customer satisfaction on the buying environment characteristics in e-commerce sites in problem number 3.
2. In problem number 2 is to identify the e-commerce site used by the selected buyers and problem number 4 is to analyze the data and to assess the significant effect of buying environment characteristics of e-commerce sites towards customer satisfaction and loyalty, participants were asked to rate each buying environment dimension item using a 5-point Likert scale (1-disagree, 2-agree 3- slightly agree, 4-moderately agree, 5-strongly agree).

Table 1. Conversion scale for interpretation of ratings for customer satisfaction and loyalty

WEIGHTED MEAN	CUSTOMER SATISFACTION	CUSTOMER LOYALTY
4.21 – 5.00	Highly Satisfied	Strongly Agree
3.41 - 4.20	Moderately Satisfied	Moderately Agree
2.61 – 3.40	Slightly Satisfied	Slightly Agree
1.81 – 2.60	Satisfied	Agree
1.00 – 1.80	Unsatisfied	Disagree

The questionnaire included a full of 25 measurement items for five dimensions (convenience, customization, information, communication and website aesthetics). Specifically, this list of 25 items consisted of 5 items each for the buying environment in e-commerce site dimensions to customer satisfaction and 5 measurement items for the buying environment dimensions to customer loyalty.

3.0 RESULTS AND DISCUSSION

3.1 Description of the respondents in terms of their demographic profile

This table presents the interpretation of the data gathered from selected e-commerce site buyers in Cavite. Data were gathered using the questionnaire made by the researchers and from the study adapted in accordance with the objectives of the study.

The table shows the demographic profiles of the participants. Regarding gender, out of 100 respondents, 64 % are females while 36% are males.

Table 2. Distribution of participants according to sex

CATEGORY	FREQUENCY	PERCENTAGE
Male	36	36%
Female	64	64%
TOTAL	100	100

This table shows the demographic profiles of the participants. Regarding civil status out of 100 respondents, 83% are single while 17% are married.

Table 3. Participants' civil status

CATEGORY	FREQUENCY	PERCENTAGE
Single	83	83%
Married	17	17%
TOTAL	100	100%

Regarding age, 56% of the respondents are between 18-24 years old, 27% are 25-31 years old, and 7% are age 32 -37 years old, and 7% under age 38 – 43 years old and 1% for ages 44- 49 and 2% for the ages 50 years old and above.

This means that most respondents are between 18-23 years old.

Table 4. Participants' age bracket

CATEGORY	FREQUENCY	PERCENTAGE
18-24 years old	56	56%

25-31 years old	27	27%
32-37 years old	7	7%
38-43 years old	7	7%
44-49 years old	1	1%
50 years old and above	2	2%
TOTAL	100	100%

As to educational attainment, out of 100 respondents, 61% of them are college level while 22% college graduate and only 10% high school level and 4% are high school graduate and only 2% with masters and 1% for doctoral level.

Table 5. Participants' educational attainment

CATEGORY	FREQUEN CY	PERCENTA GE
High school level	10	10%
High school graduate	4	4%
College level	61	61%
College graduate	22	22%
Masters	2	2%
Doctorate	1	1%
TOTAL	100	100%

As to their monthly income, there are 54% of the respondents with below 5,000 monthly income, 11% of them have 21,000 above and 5,000- 8,000 monthly income 9% of the respondents with 17,000- 20,000, 8% with them with 13,000 – 17,000 monthly income and 7% with the respondents has a 9,000 – 12,000 monthly income. This means that most of the respondents who had a monthly income of 5,000 and below are customers purchasing online using e-commerce sites.

Table 6. Participants' monthly income

CATEGORY	FREQUEN CY	PERCENTA GE
Php5,000 below	54	54%
Php5,001-Php8,999	11	11%
Php9,000-Php12,000	7	7%
Php13,000-Php17,000	8	8%
Php17,001-Php20,999	9	9%
Php21,000 and above	11	11 %

TOTAL	100	100 %
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3.2 E-Commerce Sites Used by the Customers When Purchasing Online

As shown in table 7, participants were asked about the e-commerce site/s they are using when purchasing online, 78% choose Lazada, 65% choose Shopee, and 8% choose others but did not specify. This means that majority of the customers in Bagtas, Tanza, Cavite is using Lazada as an e-commerce site when purchasing online.

Hussain et al. (2017) undertook a study about Lazada, a globally popular e-commerce site. Lazada is one of the renowned online shopping outlets which have grown over the years to the level of integrating a mobile support for its application. The Lazada mobile application was developed to increase mobility of shopping and to improve the mobile shopping experience of customers. Its introduction was to give users the comfort of shopping online at any time and in any place even while they are on the move. Lazada mobile application is popular as it has a rating profile of 271,789 ratings and 4.2 stars. Individual customers can buy hundreds of thousands of products from varying categories such as in the health and beauty, lifestyle, fashion, electronics categories, and many more.

Table 7. E-commerce sites being used by the customers when purchasing online

CATEGO RY	FREQUEN CY
Lazada	78%
Shopee	65%
Others	8%

***Participants can choose more than one e-commerce site**

3.3 Buying Environment Characteristics of E-Commerce Sites towards Customer Satisfaction and Loyalty

Table 8 presents the buying environment characteristics of e-commerce sites towards customer satisfaction. The highest weighted mean of 4.32 which was interpreted as highly satisfied, was registered at the measure of procedures of payment and confirmation are simple; buyers may use account transfer payments via ATM and Cash on Delivery (COD); and the lowest weighted mean of 3.77, which was interpreted as moderately satisfied, was registered at Facebook applications can be used for order transactions directly and users can view other user's profile and change their own profile. As a result, the over-all measure of customer satisfaction is 4.01 which were interpreted as moderately satisfied. It can be said that buying environment characteristics of e-commerce sites have a significant effect to customer satisfaction.

This is in contrary with the study of Soutar (2001) who revealed on his findings that customer satisfaction is strongly influenced by characteristics of buying environment like convenience, customization, information, communication and website aesthetics. As a whole, the researchers found out that convenience, customization, information,

communication and website aesthetics³⁰are important characteristics of buying environment in arousing satisfaction among customer.

Table 8. The buying environment characteristics of e-commerce sites towards customer satisfaction.

BUYING ENVIRONMENT CHARACTERISTICS	WEIGHTED MEAN	VERBAL INTERPRETATION
<i>Convenience</i>		
1. Procedures of payment and confirmation are simple; buyers may use account transfer payments via ATM and Cash on Delivery (COD).	4.32	Highly Satisfied
2. Search items by category and price parameters.	4.2	Moderately Satisfied
3. User can sort items by alphabet, price ranges and product release time.	3.81	Moderately Satisfied
4. Facebook applications can be used for order transactions directly.	3.77	Moderately Satisfied
5. Buyers can view item's detail information.	4.09	Moderately Satisfied
<i>Customization</i>		
6. Provides important features for product specifications and product images.	4.04	Moderately Satisfied
7. Buyers can use discount points earned from transactions for other transaction.	3.98	Moderately Satisfied
8. Buyers can recommend a store or product via Facebook, Twitter etc.	4.01	Moderately Satisfied

9. Buyers can give a rating and review of articles for shops or products that have been done in the previous transaction.	4.2	Moderately Satisfied
10. Users can view other user's profile and change their own profile.	3.77	Moderately Satisfied
Information		
11. Buyers can see the transaction in progress, transaction status, payment confirmation and the history of transactions that have been carried out.	4.24	Highly Satisfied
12. There are seller profile page order history, order status, shipment confirmation, and store sales static, store profile settings, list comments entered, settings and showcased products.	4.11	Moderately Satisfied
13. Provide buyers with information on company profiles and company verification.	4.06	Moderately Satisfied
14. Data security and online transaction information are secured.	4.05	Moderately Satisfied
15. Provides shopping cart feature, complete information of needed transaction fee, taxes and other fees.	4.05	Moderately Satisfied
Communication		
16. E-commerce site has a Facebook or Twitter account for promoting and sharing information.	3.93	Moderately Satisfied

17. E-commerce site has customer service for easy interaction and prompt response with buyers.	3.92	Moderately Satisfied
18. Buyers receive a spending bill via email or Facebook notification.	3.78	Moderately Satisfied
19. Social networking accounts are also used to disseminate news or shopping tips.	3.95	Moderately Satisfied
20. E-commerce site has social networking accounts to maintain communication with buyers, customer service and promoting stores.	4.08	Moderately Satisfied
Website Aesthetics		
21. Buyers get discount points when making reviews, ratings and certain nominal amount transactions.	3.9	Moderately Satisfied
22. Product settings page provide product description, product specifications and picture galleries.	4	Moderately Satisfied
23. Features for zoom product images and product's sneak peak.	3.87	Moderately Satisfied
24. Features product blog or article to E-commerce website.	3.93	Moderately Satisfied
25. Provide buyers with storefront store ratings and customer testimonials.	4.1	Moderately Satisfied
OVER-ALL MEAN	4.01	Moderately Satisfied

Table 9 presents the buying environment characteristics of e-commerce sites toward customer loyalty. The highest weighted mean of 4.21 which was interpreted as strongly agree, was registered at the measure of, "I would like to purchase again to this e-commerce site in the future"; and the lowest weighted mean of 4.09, which was interpreted as moderately agree, was registered at, "I would say positive things about this e-commerce site to others". As a result, the overall measure of customer loyalty is 4.16 which were interpreted as moderately agree. It can be said that customers partly recognized the significant effect of buying environment characteristics of e-commerce sites to their loyalty.

This is in contrary with the study of Machleit and Mantel (2001) that showed on their findings that the buying environment characteristics of e-commerce sites are an essential element that determines the level of customer satisfaction, and ultimately enhances customer loyalty. In general, the researchers found out that loyalty among customers is a result of satisfaction but still e-commerce sites owners and retailers needs more improvement in terms of e-commerce sites' buying environment characteristics.

Table 9. The buying environment characteristics of e-commerce sites towards customer loyalty.

MEASURE OF CUSTOMER LOYALTY	WEIGHTED MEAN	INTERPRETATION
1. I would like to purchase again to this e-commerce site in the future.	4.21	Strongly Agree
2. I would recommend this e-commerce site to my friends or others.	4.2	Moderately Agree
3. I would more frequently visit this e-commerce site.	4.15	Moderately Agree
4. I would say positive things about this e-commerce site to others.	4.09	Moderately Agree
5. I would encourage others to visit this e-commerce site.	4.14	Moderately Agree
OVER-ALL MEAN	4.16	Moderately Agree

4.0 CONCLUSIONS AND RECOMMENDATIONS

The significant effect of buying environment characteristics of e-commerce sites towards customer satisfaction and customer loyalty of selected buyers in Cavite. Based on the findings, the following conclusions were drawn:

1. It was found that majority of the customers are using Lazada as an e-commerce site when purchasing online.
2. This study shows that convenience, customization, information, communication and website aesthetics are important characteristics of buying environment in stimulating satisfaction in e-commerce sites.
3. It was found that characteristics of buying environment particularly have its significant effect in contributing to customer satisfaction and loyalty.

Based on the above conclusions, the following recommendations are made:

1. In order for buyers to become loyal and for repurchase intention to occur, it was suggested that the e-commerce site owners and retailers should easily be able to be inspired by the findings of this study and make it into good practices.
2. Realizing the importance of convenience, e-commerce site owners and retailers need to pursue strategies for maintaining convenience in procedures of payment and confirmation, it should be simple; buyers may use account transfer payments via ATM and Cash on Delivery (COD) and Facebook applications can be used for order transactions directly in order to please customers for a user-friendly experience. Customization also appeared to be a factor that evokes customer satisfaction, so appropriate buying environment characteristics like – the e-commerce site buyers can use discount points earned from transactions for other transaction and it should be considered necessary to add allure to e-commerce site. Also, information is an important factor, which can make or break the buying environment of an e-commerce site, e-commerce site owners and retailers might establish social networking accounts to maintain communication with buyers, customer service and promoting stores. Moreover, e-commerce site owners and retailers should pay close attention to effective communication – e-commerce site should have social networking accounts to maintain communication with buyers, customer service and promoting stores to ensure high satisfaction among customers. As for the website aesthetics, e-commerce site owners and retailer should recognize the fact that customers prefer to have storefront store ratings and customer testimonial to serve as their own background for future purchase intention.
3. This study suggests that present and future e-commerce site owners or retailers should utilize fundamental ways to improve customer loyalty.

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