

Customer Satisfaction of Online Shopping in the market of Mongolia

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Abstract

Consumer satisfaction (CS) with online purchases (OS) depends directly on several factors. There is a constant dilemma in the market related to the question of what SO determinants affect CS. Consequently, this paper develops the study model to determine the impact of specific online purchasing determinants in CS in the Mongolian market. A conceptual model is defined, which consists of 26 elements categorized into 4 variables: availability of information, quality, prices and CS. The parameters of the input model were collected through surveys, with the help of appropriate Internet tools. The analysis of the obtained result confirmed the hypothesis of the original study that the CS in OS, in the Mongolian market, directly depends on the following determining factors: availability of information, quality and prices.

Keywords: online shopping, customer satisfaction, information availability, quality, pricing, Mongolia

1. Introduction

Nowadays, OS has experienced explosive growth because it stands for a more economical and convenient approach to shopping compared to traditional purchases. OS purchases provide consumers with more information and opportunities to compare products and prices, with a more fabulous product choice, convenience and ease of finding desired products online [1]. It has been argued that online commerce offers more satisfaction to modern consumers seeking comfort and speed [2]. In online communication, when a

consumer views an ad or an online promotion, it can attract their attention and stimulate their interest in these specific products of the ads. Before deciding to buy, the customer can look for more information to get help. If there is not enough information, they will look for them in the online channels, for example, using online catalogs, websites, or search engines [3]. Retaining online consumers has attracted much attention, as it serves to gain a competitive advantage [4]. When consumers are satisfied with an online retail store, they will buy there more [5]. CS is the result of the consumer's experience in the various stages of a purchase. Since the experience of online consumers, due to the inability of physical contact with the product, is based solely on information offered by online stores [6], the information provided may affect consumer satisfaction, both in the information search stage and during the purchase decision phase. This document deals with the analysis of CS, to use empirical research in the Mongolian market to determine the connection between CS and the individual determinants of online purchases.

2. CS introduces

CS is the result of comparing expectations and experience; in other words, the consumer is satisfied when the delivery meets or exceeds their expectations [7]. Satisfaction and loyalty are the key elements that determine the success of the implementation of the market concept [7]. Satisfied customers are those who will repeat the purchase if the service provider met or exceeded their expectations [8]. It is crucial to find CS variables since they present the commercial reference point and serve as a guide for future improvements [8]. In [9], there are eight determinants found as necessary for CS; These are the following: web design, security, quality of information, payment methods, equality of service, product quality, range of products and provision of services. On the other hand, [10] he argues that the following are the determinants of CS: quality of the consumer interface, quality of information, perceived quality, and privacy.

2.1. Information availability

Buyers expect online retailers to supply all relevant and accurate information about the product [11]. Since OSs rarely can touch and feel the products before deciding on a purchase, online retailers have to provide information about it [12]. Consumers appreciate the information which meets their demands [13]. Several authors believe which the quantity and credibility of information are vital elements to guarantee the quality of service in electronic purchases. The amount of information refers to the ability to access adequate information during online purchases, while credibility refers to the degree of consumer confidence in the information provided by suppliers in line [14]. Supplying adequate information can help online retailers dispel consumer concerns and fears about a product or online purchases. Instead of byte sounds, consumers want access to all the information which allows them to make an informed decision about a product, service, or supply. Interactive online tools for comparing products and services are considered the necessary means to obtain information which will help the process of making decisions about OS, that

will make consumers more satisfied [15]. In [16], information about the product, in terms of abundance and quality, is found as components of electronic satisfaction. Considering the exposed facts, the following hypothesis has been defined:

H1: Information availability has a positive impact on CS.

2.2. Quality of OS

The quality of products and services in online commerce has a positive impact on CS [17]. The perceived quality of the product is defined as the consumer's judgment on the general excellence or superiority of a product. Keeney [18] wrote down that minimizing the cost of the product and maximizing product quality should be considered essential factors for the success of electronic commerce. Patterson [19] pointed out that the perceived performance of the product is the most potent determinant related to satisfaction. Conversely, several studies dealing with online commerce argue that quality of service has a positive influence on CS. The quality of service determines whether clients will develop strong and loyal relationships with online retailers. Online retailers that offer excellent quality of service meet their customers' expectations and, therefore, improve their satisfaction [7]. In [36], the quality of the service is interpreted as the degree of help from online retailers to supply efficient, efficient purchase, delivery and delivery of products and services. By supplying and sending information through formal or informal platforms, online providers increase their clients' expectations and add value to their services. Therefore, it is essential to manage quality in business to ensure the best quality of service for consumers. The quality of the service is the capacity that implies, in the first place, to expect and, secondly, to fulfill the requirements of the consumers [7]. This is the reason the quality of the service plays a vital role in the increase in CS. A better quality of the website significantly influences the decision of the consumer about the operating system [13]. Based on the above, the following hypothesis has been defined:

H2: Quality has a positive effect on CS

2.3. Prices of OS

Professional literature describes prices as a crucial factor in CS because consumers always direct their attention to prices when evaluating the value of the product and service. From the consumer's perspective, the price is what is waived or sacrificed to obtain a product. Consequently, price feeling plays a more significant role [20]. As online stores offer consumers a range of products and services, consumers can compare the prices of products from different websites and find them at prices lower than prices in stores [12], some websites. This approach turns the operating system into a game, transforming it into fun and entertainment. Prices may be the reason for giving up the product or service or making a sacrifice to have the product or service. Considering the above, the following hypothesis is defined:

H3: The price has a positive impact on CS.

For the defined hypotheses to be investigated and tested in more detail, Figure 1 presents and describes a conceptual model.

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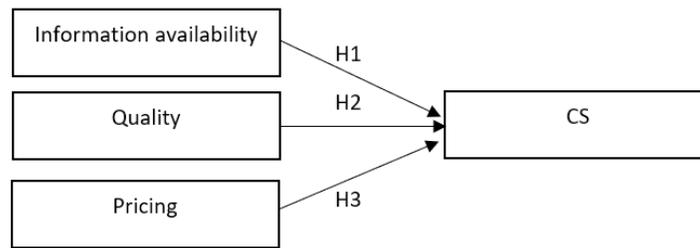


Figure 1: The conceptual model

3. Methodology

The study method included several steps. The measuring instrument was developed first; then, a representative sample was selected, and the survey was conducted; Lastly, the data were analyzed, and the validity of the model was evaluated.

3.1. Development of the measuring instrument.

The measurement instrument was designed based on already developed tools and a general description of the literature, as well as according to the results of studies on the development of the operating system in the Mongolian market. Following the satisfaction instruments designed in this study, the main variables of the measurement instrument were defined shown in Table 1.

Table 1: Variables definitions

Variables	Definitions
Information availability	Information availability implies that all consumers are to receive same, reliable, timely and accurate information.
Quality	Quality is defined as the customer's estimation of the overall excellence and value of the delivered product and shipping conditions.
Pricing	From the consumer's perspective, price is what is delivered or submitted to obtain a product.
CS	Satisfied consumers are those whose expectations related to online commerce are fulfilled or exceeded.

3.2. Sample collection

The sample included in the survey consisted only of respondents who occasionally or regularly bought online. A detailed analysis of the sample concluded that it was representative. Nine variables related to the sample were defined and used to determine the demographic data shown in Table 2.

Table 2: Demographic data

Variables of the sample		No. of consumers	Percentage (%)
Gender	Male	68	54
	Female	43	46
Age	>20	0	0
	21-30	18	16.2
	31-40	83	74.7
	41-50	8	7.2
	50<	2	1.8

3.3. Data analysis and validity evaluation

The confirmatory factor analysis (CFA) was used to evaluate the validity of the model's scale of measurement. The partial least squares (PLS) method was applied using the Smart PLS 3 program. PLS was selected because it has no stringent demands related to the type of data distribution or sample size. It is a soft modeling method that can be flexible when running various statistics modeling problems. The method began to be widely used at the beginning of the 21st century in several fields, such as strategic management, information systems management, electronic commerce, marketing, and consumer behavior.

The concurrent validity estimate was determined based on the extracted mean variation tests (AVE). The AVE values for all model variables were more significant than 0.50, with the lowest AVE value of 0.713 for quality, which means that the earlier requirement was met in Table 3.

Table 3: Scale characteristics of the presented model

Model variable	pc	AVE	Correlation coefficient - Fornell-Larcker criterion			
			IA	QU	PR	CS
IA	0.905	0.761	0.872			
QU	0.881	0.713	0.2	0.844		
PR	0.959	0.887	0.483	0.239	0.942	
CS	0.962	0.835	0.618	0.246	0.518	0.914

4. Testing the hypothesis of the research model.

The proof of the explanatory power of the presented model is shown in Figure 2, as well as the strength and statistical significance of the individual routes that was carried out using PLS. The presented model explains 72.4% in the variation of the dependent variable customer satisfaction in Figure 2.

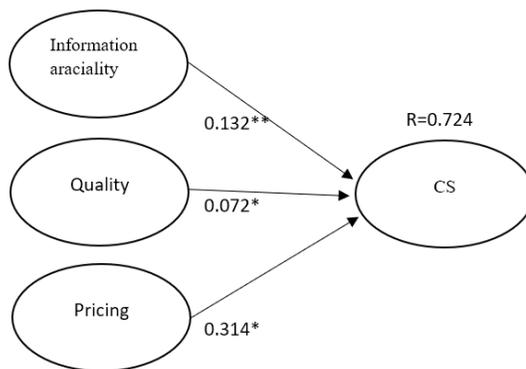


Figure 2: PLS analysis: *** p<0.001; ** p=0.001; * p<0.05.

5. Result

The results presented in the investigation show that all the determinants examined in the online purchase and all the elements of the survey are adequate and are related to the CS. All the established hypotheses have been confirmed. However, the strength of the

relationship varies for each dominant and each hypothesis. The shipping, prices and availability of information have the most significant impact on the e-CS in the Mongolian market. A smaller impact is attributed to quality and safety. This result is related to the fact that the logistics service has not been sufficiently developed in the Mongolian market to supply an efficient and reliable shipment of the purchased items.

Conclusion

This research intended to reveal the scale in which the following variables - security, information availability, shipping, quality, pricing and time - affect the dependent variable CS. The model developed for this study was tested using the confirmatory factor analysis. Confirmatory factor analysis generated results that proved an elevated level of reliability and validity between variables. The present model explained that 72.4% of the variation relates to the dependent variable CS. The results of this study confirmed which information availability, quality and pricing presented significant predictors of CS. Likewise, the work should also supply guidelines to OS for better definitions of their marketing strategies.

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