

**FACTORS INFLUENCING TO CUSTOMER SATISFACTION
IN ONLINE SHOPPING IN THAILAND**



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**A THEMATIC PAPER SUBMITTED IN PARTIAL
FULFILLMENT OF THE REQUIREMENTS FOR
THE DEGREE OF MASTER OF MANAGEMENT
COLLEGE OF MANAGEMENT
MAHIDOL UNIVERSITY
2015**

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Thematic paper
entitled
**FACTORS INFLUENCING CUSTOMER SATISFACTION IN
ONLINE SHOPPING IN THAILAND**

was submitted to the College of Management, Mahidol University
for the degree of Master of Management
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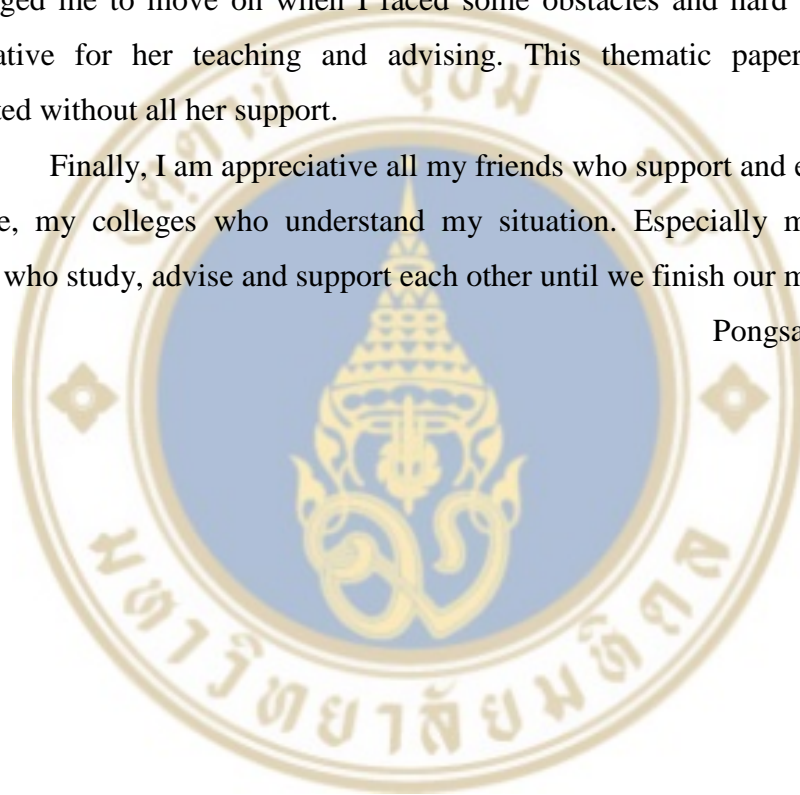
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ACKNOWLEDGEMENTS

First of all, I would like to express my justified and appreciation to Asst. Prof. Parisa Rungruang, Ph.D., my advisor who gave her valuable time, advice, criticism and correction to this paper from the beginning until the end. She also encouraged me to move on when I faced some obstacles and hard time. I am most appreciative for her teaching and advising. This thematic paper would not be completed without all her support.

Finally, I am appreciative all my friends who support and encourage me all the time, my colleges who understand my situation. Especially my CMMU 17A friends, who study, advise and support each other until we finish our master degree.

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FACTORS INFLUENCING CUSTOMER SATISFACTION IN ONLINE SHOPPING IN THAILAND

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ABSTRACT

Online shopping is process of doing business through computer networks. Unlike traditional shopping that is carried out physically with effort of a person to go and get products, online shopping has made it easier for human to reduce physical work and to save time. This study aimed to understand customer satisfaction in online shopping while investigating the major factors that motivated customers. The literature was reviewed to discover factors that would influence customers satisfy towards shopping online. Surveys were conducted by distributing online questionnaires via email and social network to gather data for this research. SPSS process was used to test research hypotheses. Based on the research findings, respondents repurchased a product from online shopping website because they believed in experience customer review. The respondents would recommend the online shopping website to a friend if it had transaction security and valence of online shopping experience. These factors lead to overall customer satisfaction from the respondents as well. In contrast, for the respondents who have never done shopping online, they concerned about money transaction security. Some recommendations will be offered to online retailers for making online shopping more admired and trustworthy.

KEY WORDS: Thailand online shopping/ Consumer satisfaction / Customer behavior / Technology factor / Marketing factor

37 pages



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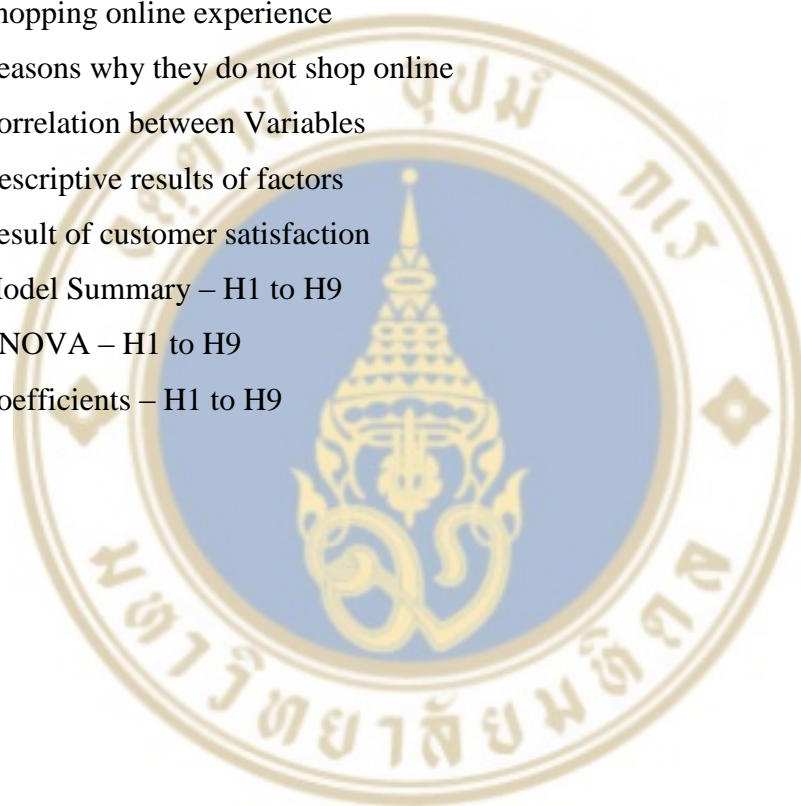
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CHAPTER I

INTRODUCTION

1.1 Introduction

The definition of online shopping from Parker-Hall claimed in 2009, online shopping is defined as the process when a customer takes to purchase a service or product over the internet. In other words, a consumer buys products from an online store when he is at the comfort of his own home.

The development technology including computer, internet, smartphones and tablets, allow customer access information anywhere and anytime, online marketing could be targeted effectively 24 hours a day, seven days a week. According to the Survey of e-marketer's (Aug, 2009), in 2009, the general internet users in the twentieth century are young, professional, and smart with higher levels of income and higher education. Internet usage impact to online shopping potential such as the internet has allowed retailers to connect with potential customers and express their brand in entirely new ways. Online shopping has grown in popularity over the few years, mainly because people found it convenient and easy to bargain to a shop from the comfort of their home or office. Local retailers are attempting to expand their footprints by offering goods for sale via online shopping so as to better compete with the likes of Amazon.

1.2 Problem statement

Even though the number of internet user is increasing every day, the users who shop online do not increase at the same rate. There are some reasons. According to the Survey of e-marketer's (Aug, 2009), in 2009, it could represent in graph as below.

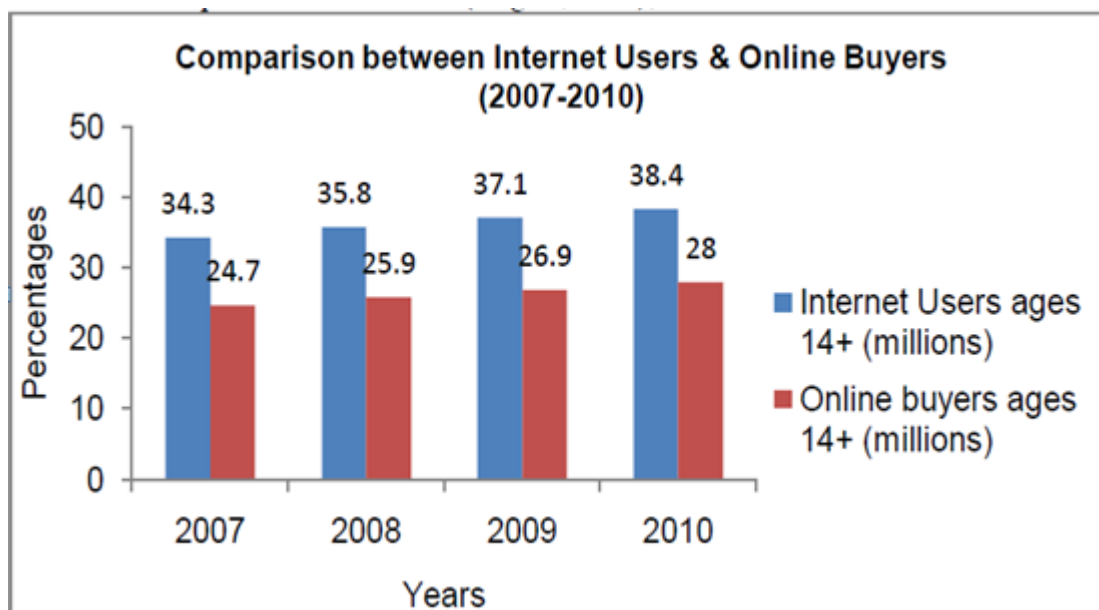


Figure 1.1 Comparison between Internet Users & Online Buyers (2007-2010)

Source: Adapted from eMarketer (August, 2009); available at www.eMarketer.com

Much research has been studied on on-line buying in the world, but limited research has been studied in Thailand. Because of the unique difference between Thailand and other countries in the world, the online shopping research done in Thailand might result differently from those done in the rest of the world.

Customers mind set in satisfaction could be change by marketing or technology reasons, thus in view of that it is needed to investigate how the both categories of factor affect customer willingness to go to online store and also needed to identify several factors affecting online costumer's satisfaction as well.

The possible trend of the shopping process in the next few years, the retailers in world have to do everything possible to catch up with online shopping. They would have to provide the best fit products and infrastructures in order to provide good online shopping environment as an additional sales channel. This study aims to show the factors which influenced online shopping satisfaction thus imperative in order for Thailand retailers to develop the correct strategies for online sales.

1.3 Research Objectives

This study aims to explore the major factors which influence the online shopping customer satisfaction. The specific objectives of the research were:

1. To explore the reasons why some customers have never shop online.
2. To discover the main factors that might lead to customer satisfaction.
3. Finally to put forward some recommendations to the online business owner in order to improve the customer satisfaction.



CHAPTER II

LITERATURE REVIEW

This study aims to investigate the factors leading to customer satisfaction in online shopping in Thailand. This study also explores customer behavior. The internet is making it easy to shop online anytime, anywhere. Then the researcher reviews the existing issues in online shopping and factors affecting of online marketing. This is followed by the research gaps and contributed to knowledge in the field and the present study.

2.1 Online Shopping behavior

Different theories of consumer behavior suggest that consumers behave differently for online and offline shopping. There is a difference in consumer behavior of online and traditional shopping and online shopping both include factors like social, cultural, personal and psychological. The influencing of these factors on traditional shopping and online shopping is based on consumer's individual point of view and personal perceptions.

According to Goldsmith and Goldsmith' study in 2002, online shopping was very much influenced by experience and experienced online shoppers had more trust and better feeling on online services than those who had no prior online shopping experience. The experience online shopper becomes one of the main factors for online purchasing.

Web trust affects decision in online purchase and number of consumers' trust towards the online seller. The web trust could also be gained by positive experience between online buyers and sellers. There are 9 major factors as components of web trust as below.

Table 2.1 Customer satisfaction factors

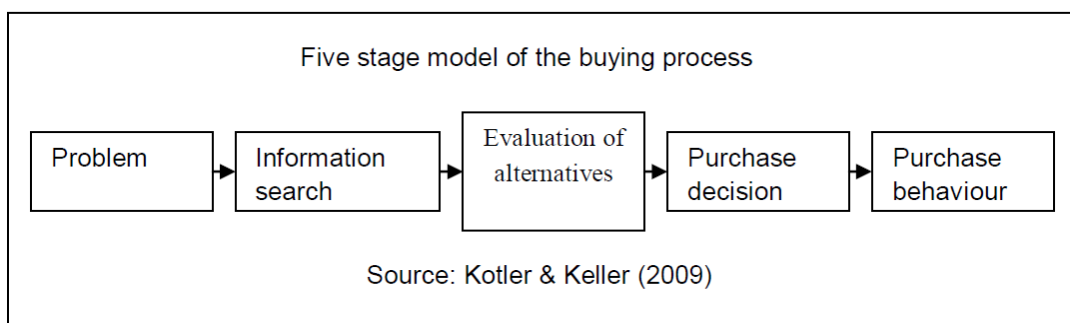
Technical	Marketing
1. Transaction security	1. Price
2. Privacy and security risk	2. Service quality
3. System quality	3. Information quality
4. Well web design	4. Valence of online shopping experience
	5. Perceived product quality.

The list of factors has a positive or negative impact on consumer's propensity to shop. Current study aims to complete the full set of factors leading to customer satisfaction in online shopping.

2.2 Customer's satisfaction factors in online shopping

Customer satisfaction has generally been showed as an emotional state arising from the non-confirmation of positive or negative initial expectations for the experience of consumption. However, recent researches which show this conception transactional, cognitive, based on a single standard of comparison (initial expectations) are far from sufficient to identify the process of formation of satisfaction.

A buyer goes through five stages while making a decision to purchase. These stages are good to explain when a buyer goes for buying costly items, such as a house, a car etc. However, in day-to-day purchasing, consumers might not go through all these five stages, since some products do not need information, and base on buyer's previous experience they would visit a store for the purchase. (Kotler and Keller, 2009)

**Figure 2.1 Five Stage model of buying process**

Companies are now using the internet to build better relationships with consumers and partners. Investing in consumer satisfaction from the online experience is critically important for any companies that want to have a long run attendance on the Web. Previous studies have identifies several factors that affected customer satisfaction in online shopping.

Technical Factors

1. Privacy and security risk

Security is defined as the ability of the websites to protect their customers' personal information from any unauthorized use of information disclosure during the internet transaction (Goldsmith & Goldsmith, 2002). Privacy and anonymity are the one of online customer concerns (Oliver, 1980). The internet has the potential to offer consumers benefits with respect to a partial, or even a total privacy and anonymity/alias throughout the purchasing process.

H1: Privacy and security risk positively influences customer satisfaction in online shopping.

2. Transaction securities

Providing a secure transaction is the key of satisfying online consumers (Szymanski & Hise, 2000). However, all satisfied consumers do not become loyal. Personalization attempts and increases the social value of online experience was very important to make consumers build strong brand relationships in the world of digital. Companies which can create web trust and increase the perceived value of online shopping can turn their satisfied consumers into loyal ones in the online marketing environment (O Connor & Galvin, 2001).

H2: Transaction security positively influences customer satisfaction in online shopping.

3. System quality

System quality is one of the factors would make customer satisfaction. When database overload is occurring, it could lead to missing thread from seller and thus it would need longer time to recovery database and while the customers are at that situation, they could not found the products or do transaction. However, for customers in developing counties and underdeveloped countries, issues of system quality are not yet a sensitive issue because these events do not make customer stop their preference

in prosecution online transaction, since for customer the most important thing is that they would be able shopping online eventually (Schaupp, 2009).

H3: System quality positively influences customer satisfaction in online shopping.

4. Well-design

Website design is an important in online shopping, as it affects customer directly during the purchasing process. The perception is important especially for the first time users, and to impose the website's reliability mind set among users. Well-design website reduces the time of information search, and avoids the possible of mistake. The excellent design adds values to customers' experience and helps the low visibility retailers on post purchase satisfaction which in return, increase the customer's satisfaction (Rosen & Purinton, 2004; Schaupp, Belanger & Fan, 2009).

H4: Well web design positively influences customer satisfaction in online shopping.

Marketing Factor

1. Price

With regard to satisfaction, consumer concerned one is price. The price observing in the internet is lower than that in the physical store but the consumer may concern about increasing cheating on the internet, therefor online business must make trust to satisfy customer (Anderson, Fornell, & Lehmann, 1994; Johnson, 1999).

H5: Price positively influences customer satisfaction in online shopping.

2. Service quality

Service quality has a straightway impact on customer in keeping strong and loyal relationship with the online business owners. Online business owners with excellent service quality have the advantage of learning about their customers' expectation, thus improving their satisfaction. Service quality could explain as the level of assistance for online business owners in providing an efficient, as well as effective shopping, purchasing.

In addition; the delivery speed is a kind of competitive advantage in online business. Delivery speed on online shopping has the impact on customer satisfaction because customers do not want to waste their time in waiting. Therefore, delivery speed is a factor to be considered in group of service quality (Khristianto, 2012).

H7: Perceived product quality positively influences customer satisfaction in online shopping.

3. Information and service quality

Easy to access information, this would give advantage and satisfaction for customer who wants to buy product in a quick way. Information about quality and price within the website could function as customer appeals. Information quality is one of the main factors that impact on customer satisfaction in shopping with internet-based (Janda, 2002; Szymanski & Hise, 2000).

H6: Service quality positively influences customer satisfaction in online shopping.

4. Valence of online shopping experience

Valence of experience is a consumer's emotional or attitudinal state arouse by the pre-purchase online shopping experience. Customer behavior is a function of both the person and the environment. External forces may affect a person's behavior as well as internal forces. The consumers experience in shopping online could influence consumers' internal perceptions of customer value (Bidgoli, 2004; Goldsmith & Goldsmith, 2002).

H8: Information quality positively influences customer satisfaction in online shopping.

5. Perceived product quality

On the internet, since customers could see only the photo of products instead of real products, they may worry the real products are different from the photos of the website. Therefore, the compatibility of products and photos is an important criteria affecting satisfaction (Piercy, 1998).

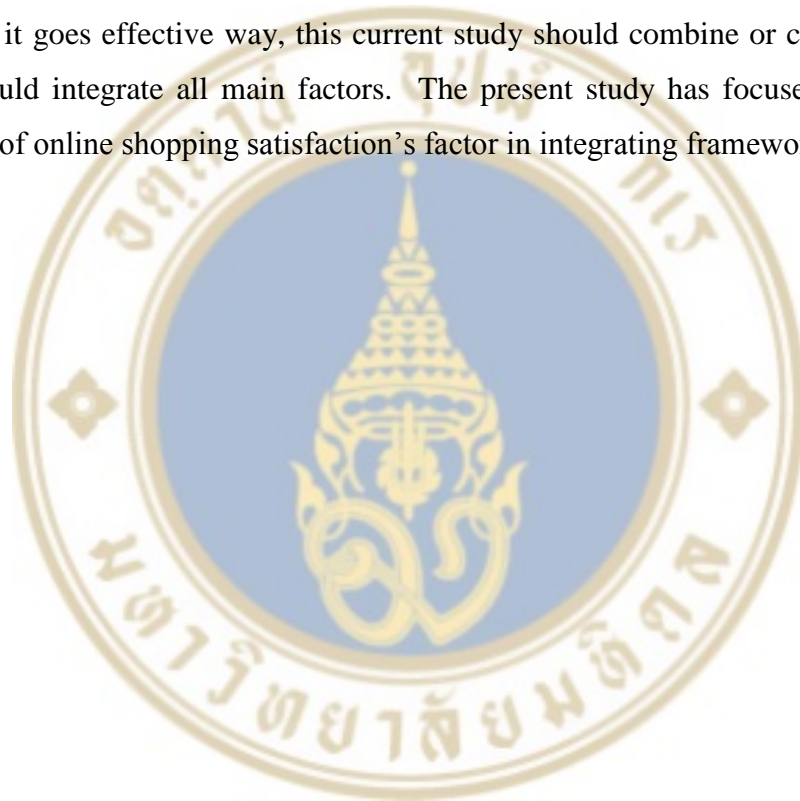
H9: Valence of online shopping experience positively influences customer satisfaction in online shopping.

This review explores the influent factors that affect customer's satisfaction on online shopping. Previous studies indicated that customer satisfaction was affected by nine factors.

2.3 Research gaps

The researcher explores the factors which customers concerning when do internet shopping. However, most of these studies focused on a single view of customer satisfaction either marketing or technical perspective (e.g. Goldsmith, R.E. and Goldsmith, 2002; Schaupp, 2009; Szymanski and Hise, 2000). Although each view has helped to improve our understanding of online customer satisfaction, a framework to integrate these viewpoints is missing from the review.

There are many factors affect to online customer's satisfaction. For making it goes effective way, this current study should combine or create framework that would integrate all main factors. The present study has focused on untouched aspects of online shopping satisfaction's factor in integrating framework.



CHAPTER III

RESEARCH METHODOLOGY

This chapter describes research design, population and sampling, data collection and data analysis, which are being used to make this project complete and working well.

3.1 Research Design

Online business is fundamentally changing the way consumers buy goods and services. This study was conducted to investigate the online shopping satisfaction factors among consumers. Quantitative research was chosen to address the research questions. Quantitative provides a measure of what people think from a statistical and numerical point of view. Quantitative research design is a strongest way of analyzing result (proving or disproving a hypothesis). After statistical analysis of the results, a conceivable answer is revealed (Antill, L., 1985).

3.2 Population and sampling

The population of this study is internet users who live in Thailand. The method used is convenience sampling based on their availability to the researcher. The researcher distributed a digital questionnaire to a respondent via an internet. This channel is a convenient to connect to a respondent who uses an internet in daily life. All of 62 respondents are 18-40 years old, both male and female by assuming they could generate some money for shopping by themselves. Their answers can represent an online shopper mindset and experiences towards various shopping websites.

3.3 Data Collection

Online questionnaire is used to distribute a survey to 62 consumers. The researcher use internet and social network to contact the target group. In this research, the researcher seeks to solve the following research question relate to the factors lead to customer satisfaction in online shopping both technical and marketing.

The following are the questions guideline for making a questionnaire for this study. For example:

General Question:

1. The question about age, job, salary, gender
2. How often do you use the internet?
3. How often do you purchase products online?
4. What types of products do you usually buy online?

Technical Factor Question:

1. I always concern about my personal information when conducting online shopping.
2. Shopping online is money transaction risky.
3. I shop online only on reliability website.
4. I will prefer website which is attractive design, clear content, convenience to find information and modern.

Marketing Factor Question:

1. I will prefer online shopping only if online prices are lower than actual price.
2. I will prefer a website which is fast delivery, required short time in after sale service.
3. I will prefer online shopping website if the description or photo of products shown on the websites are very accurate.
4. I will prefer the website which give a product's information as much as the product should has.
5. I will prefer a website which the experience consumers review.

Satisfaction Question:

1. Based on your experience with the website, you likely to buy a product from the website again?
2. Based on your experience with the website you would recommend this product to a friend.
3. Overall, you are very satisfied with the website.

Therefore, this research covers to both view of technical and marketing in online shopping.

3.4 Data Analysis

From the literature on online consumer satisfaction reveal several factors. The researcher group and select two categories of factors as key to influencing online consumer satisfaction: technology and marketing factors.

Technical Factor

Technical Factors include the qualities of a website that ensure functionality of the site, including: Transaction security, Privacy and security risk, System quality and Well web design. Technology factors deal with the consumer's perceptions of their interaction with the online shopping website and the website owner responsible for that website.

Marketing Factor

Marketing Factors focus on customers' feelings and perceptions during online shopping. Determining factors include price, service quality, information quality, valence of online shopping experience and perceived product quality.

After the data are collected and entered into SPSS and cleaned for missing data, the researcher is analyzed by using statistical analysis.

Statistical analysis is fundamental to all experiments that use statistics as a research methodology. Most experiments in social sciences and many important experiments in natural science and engineering need statistical analysis. For this study the statistic is used as the following techniques:

1. Frequency Distribution

Frequency distribution is a simple data analysis technique which allows getting a big picture of the data. From frequency distribution, everyone could see how frequently the specific values are observed and what their percentages are for the same variable.

2. Descriptive Statistics

This study use central tendency and dispersion to learn more about the data. Mean and standard deviation are the two measures of central tendency of the research.

Mean is the average value. It equals to the sum of all the values divides by the numbers of observations. It is the most popular measure of central tendency, especially when the data set does not have an outlier.

Standard deviation is the basics measures of dispersion. The bigger the range and bigger the standard deviation, the more disperse the values are.

3. Correlation and Regression analysis

Correlation analysis measures the relationship between two variables. The correlation coefficient could range between ± 1.0 (plus or minus one). A coefficient of $+1.0$, a "perfect positive correlation," means that changes in the independent variable would result in an identical change in the dependent variable. Another hand a coefficient of -1.0 , a "perfect negative correlation," means that changes in the independent variable would result in an identical change in the dependent variable, but the change would be in the opposite direction.

Regression analysis tries to find the relationship between a dependent variable and one or more independent variables. A model of the relationship is hypothesized, and estimates of the parameter values are used to develop an estimated regression equation. For example, if the model is deemed satisfactory, the estimated regression equation could be used to predict the value of the dependent variable given values for the independent variables.

CHAPTER IV

RESEARCH FINDINGS AND DISCUSSION

The chapter presents the findings from 62 consumers taking survey. The result is presented in four sectors: respondent demographic, descriptive statistics, correlation analysis, and regression analysis.

4.1 Research finding

4.1.1 Respondents' demographic profile

Internet is used to distribute a survey to 62 consumers. The researcher uses internet and social network to contact the target group. Table 4.1 shows the demographic information collected. The majority of respondents are male (64.52%). Most of them are employed in many industrials (72.58%); follow by respondents work for government (14.52%), education (8.06%) and business owner (4.84%). They are relatively young that aged fewer than 31 (70.97%), 32 to 37 years (19.35%) and more than 37 years (9.68%). The respondents in this research has moderate income, most of them have income 15000 – 45000 baht (56.40%). However, 40.40% of the respondents have high income more than 45000 baht. The minority of respondents earn less than 15,000 baht/month (3.20%).

Table 4.1 General information

Gender	Frequency (n=62)	Percentage
Male	40	64.52
Female	22	35.48
Occupation	Frequency (n=62)	Percentage
Government	9	14.52

Table 4.1 General information (Cont.)

Occupation	Frequency (n=62)	Percentage
Business owner	3	4.84
Employed	45	72.58
Age	Frequency (n=62)	Percentage
Education	5	8.06
under 18	1	1.61
18-22	1	1.61
23-27	10	16.13
28-31	32	51.61
32-37	12	19.35
more than 37 years	6	9.68
Total income per month	Frequency (n=62)	Percentage
Below 15000 Baht	2	3.20
15-25k	9	14.50
25-35k	10	16.10
35-45k	16	25.80
45-55k	5	8.10
More than 55k	20	32.30

4.1.2 Respondent online shopping experience

The first main set of items in the questionnaire addresses experience which respondents have in online shopping. Table 4.2 shows 87.10% of them have experience in online shopping and 12.90% have never tried online shopping. The questionnaire continues asking why they do not go to online shopping. The result is showed in table 4.3; the most concern reason is perceived product quality (25.80%); follow by well web design (14.50%), money transaction (8.10%) and long time delivery (8.10%).

Table 4.2 Shopping online experience

Have ever shop online?	Frequency (n=62)	Percentage
yes	54	87.10
no	8	12.90

Table 4.3 Reasons why they do not shop online

Why don't you shop online?	Frequency (n=62)	Percentage
I don't trust the description or photo of products shown on the websites.	16	25.8
Website is hard to shop.	9	14.5
I concern about money transaction.	5	8.1
Waiting for long time delivery.	5	8.1
I concern about my personal information.	4	6.5
I don't trust in the system.	2	3.2
Physical store provide better price.	2	3.2

4.1.3 Correlation Analysis

Table 4.4 shows the correlation between research factors. The research variables were the following.

1. Customer satisfaction (SAT)
2. Privacy and security risk (Technology)
3. Transaction security (Technology)
4. System quality (Technology)
5. Well web design (Technology)
6. Price (Marketing)
7. Service quality (Marketing)
8. Perceived product quality. (Marketing)
9. Information quality (Marketing)
10. Valence of online shopping experience (Marketing)

The result indicates strong relationships between variables. Most of them have a significant correlation below 0.05. The strongest correlation is the relationship between SAT and Transaction security (Technology) ($r=0.748$), following by SAT and System quality (Technology) ($r=0.622$), SAT and Valence of online shopping experience (Marketing) ($r=0.571$), SAT and Well web design (Technology) ($r=0.541$), SAT and Information quality (Technology) ($r=0.328$), SAT and Privacy and security risk (Technology) ($r=0.320$), SAT and Perceived product quality (Marketing)

($r=0.320$) and SAT and Price (Marketing) ($r=0.263$). However, Service quality (Marketing) factor has no significant correlation with SAT.



Table 4.4 Correlation between Variables

Correlations											
		Privac y and securit y risk	Transactio n security	Syste m quality	Well web design	Price	Service quality	Perceive d product quality.	Informatio n quality	Valence of online shopping experienc e	Overall satisfactio n
Overall satisfactio n	Pearson Correlatio n	-.320*	.748**	.622**	.541**	.263*	.201	.320*	.328**	.571**	1
	Sig. (2- tailed)	.011	.000	.000	.000	.039	.117	.011	.009	.000	
	N	62	62	62	62	62	62	62	62	62	62

** . Correlation is significant at the 0.01 level (2-tailed).

* . Correlation is significant at the 0.05 level (2-tailed).

4.1.4 Descriptive Statistics

Each question has score from 5 to 1. After putting the questionnaire's score to spread sheet, the researcher calculates average score and standard division according to statistic. In each question, the range of score starts from 1 to 5 bases on agreement level.

Table 4.5 shows the descriptive results from the factors in customer satisfaction in online shopping. This shows that the highest ranked factor is Valence of online shopping experience (Avg =3.98, SD =0.971) follow by Service quality (Avg =3.89, SD =0.824), Transaction security (Avg =3.70, SD =1.170), Price (Avg =3.58, SD =0.745), Perceived product quality (Avg =3.57, SD =0.772), Well web design (Avg =3.57, SD =0.951), Information quality(Avg =3.51, SD =1.154), System quality (Avg =3.45, SD =1.102) and Privacy and security risk (Avg =2.62, SD =0.945).

Table 4.5 Descriptive results of factors

No	Question	Factor	Category	Avg.	SD	Meaning
1	I always concern about my personal information when conducting this website.	Privacy & security risk	Technology	2.62	0.945	Disagree
2	Shopping online from this site is money transaction risky	Transaction security	Technology	3.70	1.170	Agree
3	I shop from this website because it is reliability website.	System quality	Technology	3.45	1.102	Agree

Table 4.5 Descriptive results of factors (Cont.)

No	Question	Factor	Category	Avg.	SD	Meaning
4	This website is attractive design, clear content, convenience to find information and modern.	Well web design	Technology	3.57	0.951	Agree
5	This web site provides prices are lower than actual price.	Price	Marketing	3.58	0.745	Agree
6	The website is fast delivery, required short time in after sale service.	Service quality	Marketing	3.89	0.824	Agree
7	The website gives the description or photo of products shown on the websites are very accurate.	Perceived product quality.	Marketing	3.57	0.772	Agree
8	The website gives a product's information as much as the product should have. And can make a comparison before purchasing.	Information quality	Marketing	3.51	1.154	Agree
9	I shop from this web site because experience consumers' review.	Valence of online shopping experience	Marketing	3.98	0.971	Agree

Table 4.6 shows the descriptive results of how much the respondents satisfy in the website which they selected. The rank of satisfaction has Avg= 3.67 and SD=0.901. The score from three questions calculate in one variable as customer satisfaction (SAT).

Table 4.6 Result of customer satisfaction

No	Question	Category	Avg.	SD	Meaning
1	Based on your experience with the website, you likely to buy a product from the website again?	Satisfaction	3.98	0.971	Agree
2	Based on your experience with the website you would recommend this product to a friend.	Satisfaction	3.77	0.847	Agree
3	Overall, You are very satisfied with the website	Satisfaction	3.85	0.886	Agree
	Satisfaction		3.67	0.901	Agree

4.1.5 Multiple Linear Regression

Regression analysis tries to find the relationship between a dependent variable and one or more independent variables. If the model is deemed satisfactory, the estimated regression equation could be used to predict the value of the dependent variable given values for the independent variables.

There were nine hypotheses proposed. H1 to H9 are tested together using multiple regression testing.

Hypotheses 1 to 9 propose the following.

H1: Privacy and security risk positively influences customer satisfaction in online shopping.

H2: Transaction security positively influences customer satisfaction in online shopping.

H3: System quality positively influences customer satisfaction in online shopping.

H4: Well web design positively influences customer satisfaction in online shopping.

H5: Price positively influences customer satisfaction in online shopping.

H6: Service quality positively influences customer satisfaction in online shopping.

H7: Perceived product quality positively influences customer satisfaction in online shopping.

H8: Information quality positively influences customer satisfaction in online shopping.

H9: Valence of online shopping experience positively influences customer satisfaction in online shopping.

These hypotheses are tested using multiple regression testing. The researcher enters the variables into the model in SPSS program. The model summary in Table 4.7 shows the model use for testing H1 to H9. The result was only moderate. The outcome ($R^2 = 0.618$) indicates that 61.8% of customer satisfaction can predict by this model. The ANOVA result in Table 4.8 ($F = 9.359$, $p = 0.000$) indicates that this is a significant result. The coefficients in Table 4.9 are used to determine which of the predictor variables are significant to the outcome variable. This shows that (Tech) Transaction security ($t = 3.036$, $p = 0.004$), (Tech) System quality ($t = 3.621$, $p = 0.001$) and (MAR) Valence of online shopping experience ($t = 3.637$, $p = 0.001$) are significant.

This shows that (Tech) Transaction security, (Tech) System quality and (MAR) Valence of online shopping experience contribute to customer satisfaction in online shopping, but other variables do not. Based on these results, Hypotheses 2, 3 and 9 are accepted but Hypotheses 1, 4,5,6,7 and 8 are rejected.

Table 4.7 Model Summary – H1 to H9**Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.786^a	.618	.552	.540

a. Predictors: (Constant), Privacy and security risk, Transaction security, System quality, Well web design, Price, Service quality, Perceived product quality, Information quality, Valence of online shopping experience

Table 4.8 ANOVA – H1 to H9**ANOVA^a**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	24.542	9	2.727	9.359	.000^b
	Residual	15.151	52	.291		
	Total	39.694	61			

a. Dependent Variable: VAR00010

b. Predictors: (Constant), Privacy and security risk, Transaction security, System quality, Well web design, Price, Service quality, Perceived product quality, Information quality, Valence of online shopping experience

Table 4.9 Coefficients – H1 to H9

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.028	.633		.044	.965
	Privacy and security risk	-.007	.067	-.012	-.105	.916
	Transaction security	.245	.081	.343	3.036	.004
	System quality	.283	.078	.402	3.621	.001
	Well web design	.071	.093	.095	.762	.450
	Price	.117	.092	.136	1.281	.206
	Service quality	-.022	.120	-.021	-.185	.854
	Perceived product quality.	.173	.119	.173	1.458	.151
	Information quality	-.087	.122	-.080	-.717	.476
	Valence of online shopping experience	.284	.078	.395	3.637	.001

a. Dependent Variable: Overall satisfaction

4.2 Discussion

This study's framework integrates the viewpoints of technology factors and marketing factors. The nine factors from these two categories were selected to assess their influence on customer satisfaction in online shopping. The results of regression analysis reveals that 'Transaction security', 'System quality' and 'Valence of online shopping experience' affect customer satisfaction in online shopping. 'Privacy and security risk', 'Well web design', 'Price', 'Service quality', 'Perceived product quality' and 'Information quality' do not influence customer satisfaction in online shopping. The finding is generally consistent with the findings of other studies

The 'Transaction security' factor has a strong relationship with customer satisfaction in online shopping. In general the human always concerns anything about

money security. This finding aligns with the study by Szymanski and Hise (2000) which found that study has said money transaction is the main key of satisfying online consumers.

The 'System quality' factor also has a strong relationship with customer satisfaction in online shopping. The study from Schaupp in 2009 has showed System quality is one of the factors would make customer satisfaction. However, the issue of system quality is not yet a sensitive issue for customers in developing countries because this event does not make customers stop their preference in conducting online transaction, since the most important thing for customers is that they would be able to do online shopping eventually. The finding reconfirms the result of Schaupp's research.

In addition, the 'Valence of online shopping experience' contributes to customer satisfaction in online shopping. This finding is in line with those of previous studies (Bidgoli, 2004; Goldsmith & Goldsmith, 2002) which found that consumers experience in shopping online can influence consumers' internal perceptions of customer value. According to Goldsmith and Goldsmith' study (2002), online shopping is very much influenced by experience and experienced online shoppers have more trust and better feeling on online services than those who have no prior online shopping experience. Online experience becomes one of the main factors for online purchasing.

The 'Well web design' factor does not contribute to customer satisfaction in online shopping. In general web design attracts user and comfortable to use, so the most of customers like to shop from the website which is attractive design, clear content designation, convenience to find information and modern, but the result shows in different. This result contrasts with other studies (e.g., Rosen. & Purinton,2004; Schaupp, Belanger & Fan,2009).These studies have showed that the excellent design adds values to customers' experience and helps the low visibility retailers on post purchase satisfaction which in return, increase the customer's satisfaction.

The 'Privacy and security risk' factor does not contribute to customer satisfaction in online shopping. The most of customers do not concern about privacy and security risk when they are conducting online shopping. This result contrasts with the Parsons's study in 2002. The Parsons's study shows privacy and security risk is the

one of online customer concerned. The internet has the potential to offer consumers benefits with respect to a partial, or even a total privacy and anonymity/ alias throughout the purchasing process (Parsons, 2002).

The 'Price' factor does not contribute to customer satisfaction in online shopping. Normally the customers like to shop with lower price or the shop provide best offer but the result shows in different. This result contrasts with the other studies (e.g. Anderson, Fornell, & Lehmann, 1994). Regarding to satisfaction in shopping, consumer considered one is price and the price observe in the internet is lower than that in the physical store.

The 'Service quality' factor does not contribute to customer satisfaction in online shopping. Customers tend to shop from the website as it provides fast delivery, requires short time in after sale service. However, the result of the current study contrasts with a study of Khristianto et al. (2012) which found that online retailers with excellent service quality have the advantage of learning about their customers' expectation, thus improving their satisfaction. Service quality has a direct impact on customer in keeping strong and loyal relationship with the online retailers.

The 'Perceived product quality' does not contribute to customer satisfaction in online shopping. Generally customers shop from the website which gives the accurate description or photo of products. However, the finding of the current study contrasts with a study of Piercy (1998) which indicated that customers always see the photo of products instead of real products. They may be concerned the real products are different from the photos of the website.

The 'Information quality' does not contribute to customer satisfaction in online shopping. Customers are likely to shop from the website which gives a product's information as much as the product should have, and they could make a comparison before purchasing. The insignificant relationship between information quality and customer satisfaction is not in line with those of previous studies (Janda, 2002; Szymanski & Hise, 2000) which found that information quality is one of the main factors that affecting customer satisfaction in shopping using internet-based media.

CHAPTER V

CONCLUSION AND RECOMMENDATIONS

5.1 Conclusion

This research studies the influence of factors leading to customer satisfaction in online shopping in Thailand. The sudden growth in online transactions has replaced online retailers by allowing online shoppers to buy nearly anything because it is convenient for them to purchase goods without leaving their homes. The customers can choose the products which they desire within a few clicks and they have delivery in next few days. According to the various benefits for people's daily life, many people would prefer shopping online rather than shop at physical stores. Understanding the factors or mind set of online shoppers is very important for those who have online stores.

There are factors that are identified in the literature on customer satisfaction in online shopping namely, 'Privacy and security risk', 'Transaction security', 'System quality', 'Well web design', 'Price', 'Service quality', 'Perceived product quality', 'Information quality', and Valence of online shopping experience'. A questionnaire is prepared and is distributed to sample of Thai consumers (n = 62).

The first goal of the questionnaire is to provide Thai online shopping consumers' profile. The majority of online shoppers who are surveyed are male. Most of them are employees in various industries. They are relatively young that aged fewer than 31. The online shoppers in this research have moderate income. Most of them have income 15,000 – 45,000 baht.

The second goal of the questionnaire is to examine the factors influencing Thai customer satisfaction in online shopping. There are nine hypotheses which are proposed to test. The results of regression analysis indicated that Transaction security (H2), System quality (H3) and Valence of online shopping experience (H9) significantly influence customer's satisfaction in online shopping, supporting the findings of those of previous studies. Unlike other studies, however, Privacy and security risk (H1), Well web design (H4), Price (H5), Perceived product quality (H7)

and Information quality (H8) do not influence customer's satisfaction in the current study.

5.2 Recommendation

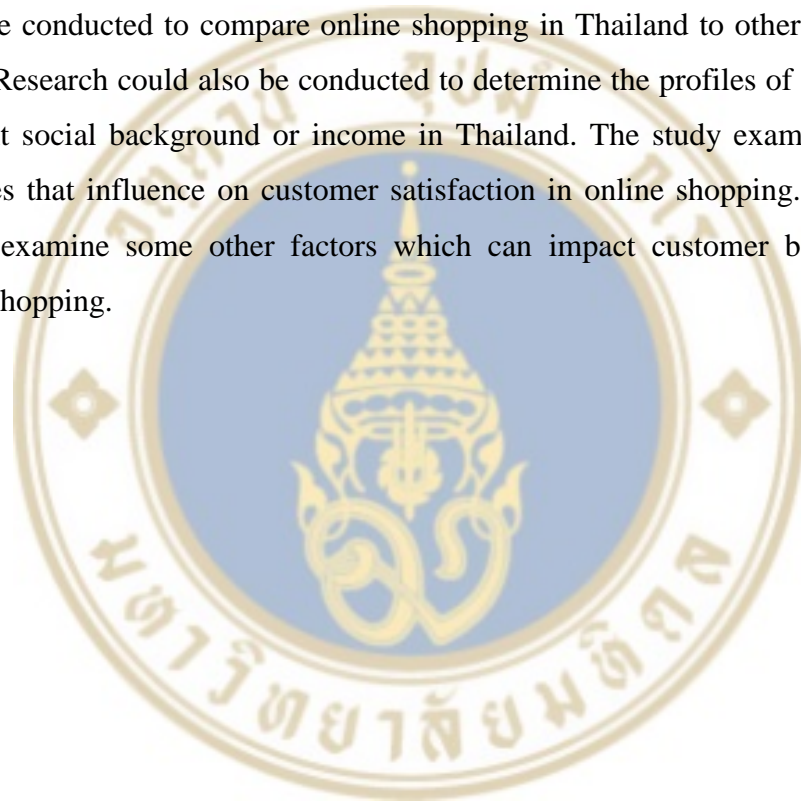
Online shopping has in the last couple of years seen a consistent growth across the world. However, in Thailand that doesn't seem to be the case as the country is obviously lagging behind other countries. The purpose of this research is to investigate the factors that contribute to customers' online shopping satisfaction in Thailand. This research consists of two groups of factors; technology and marketing. The results of this study show only 'Transaction security', 'System quality' and 'Valence of online shopping experience' from total nine factors influence customer satisfaction. The transaction security and system quality factors identified in the analysis prove to be factors within the technology group, while valence of online shopping experience factor identified in the analysis is a factor within the marketing group.

Based on the results of the current study, it is recommended that Thai online retailers will need to pay attention to 'Transaction', 'System quality' and 'Valence of online shopping experience'. Online retailers should pay attention to these factors in the design of their websites and advertisements in order to provide adequate security for ecommerce transactions; this in turn will allow online retailers to be able to assure their consumers by implementing suitable security controls and several offerings that includes privacy policy and transaction security guarantee to the customers. Preference should be given to experienced online shoppers who are known as influencers as their experiences good or bad could help convince new online shopper and existing online shopper. A well planned implementation taking into consideration of all these factors will result in increased online customer satisfaction.

5.3 Limitations and Suggestions for Future Research

This study has several limitations and further studies are necessary. The main limitation is the use of a single view of respondents who live in Bangkok without

collecting and cross-validating respondents from other provinces. The results from such narrow scale are questionable because relying on such small scale of respondents to make complex social judgments on online shopping increases the margin of error. However, the cost of using multiple respondent views and the possibility of lower response rates are impediment against the use of multiple respondent views. Future research can improve and solve the problem of method by collecting data from a larger volume of respondent views, from the different provinces of Thailand and comparing the perceptions of various people' background in online shopping. Comparison studies could be conducted to compare online shopping in Thailand to other countries in the world. Research could also be conducted to determine the profiles of customers in the different social background or income in Thailand. The study examined only a few variables that influence on customer satisfaction in online shopping. Future research should examine some other factors which can impact customer behavior towards online shopping.



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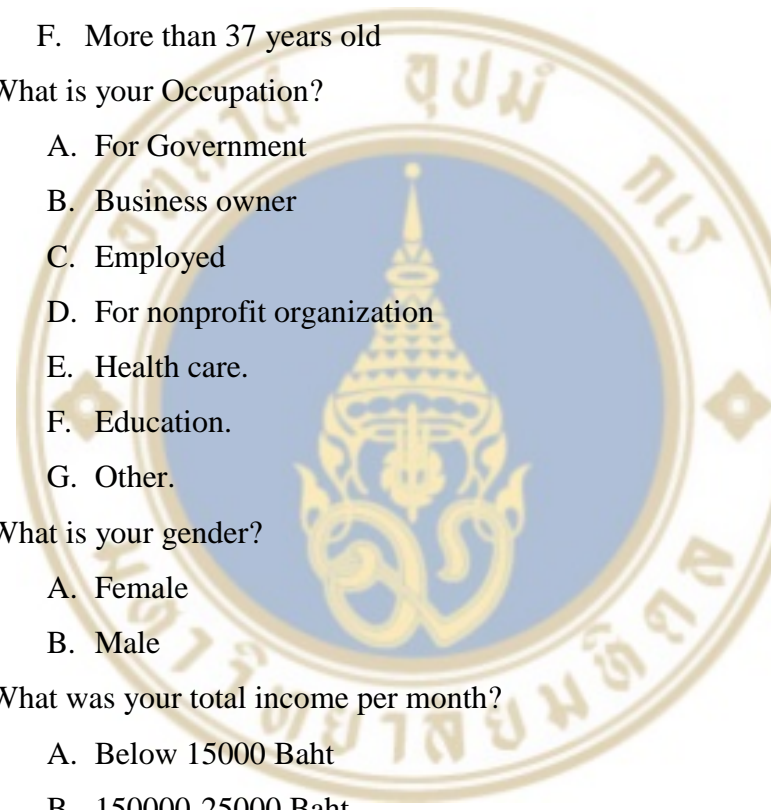
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Appendix A: Questionnaire

The Questionnaire

1. Age?
 - A. Under 18
 - B. 18-22 years old
 - C. 23-27 years old
 - D. 28-32 years old
 - E. 32-37 years old
 - F. More than 37 years old
 2. What is your Occupation?
 - A. For Government
 - B. Business owner
 - C. Employed
 - D. For nonprofit organization
 - E. Health care.
 - F. Education.
 - G. Other.
 3. What is your gender?
 - A. Female
 - B. Male
 4. What was your total income per month?
 - A. Below 15000 Baht
 - B. 15000-25000 Baht
 - C. 25000-35000 Baht
 - D. 35000-45000 Baht
 - E. 45000 – 55000 Baht
 - F. More than 55000 Baht
 5. Have you ever shop online?
 - A. Yes (Go to No. 7)
 - B. No. (Go to No. 6)
 6. Why don't you shop online? (Can select more than 1 reason)
 - A. I concern about money transaction.
- 

- B. I concern about my personal information.
- C. Waiting for long time delivery.
- G. I don't trust in the system.
- H. Website is hard to shop.
- I. Physical store provide better price.
- J. I don't trust the description or photo of products shown on the websites.
- K. Give less a product's information.
- L. I don't trust in sale representative than blogger in the internet.

7. What is your the most favorite online shopping website?

.....

8. How often do you purchase products online from the web site?

- A. Less than 1time /month
- B. 1-2 times/month
- C. 3-4 times/month
- D. 5-10 times/month
- E. 10-20 times/month
- F. More than 20 times/month

Think about your experience when conducting your most favorite online shopping website. Please select your level of agreement to the following questions.

Strongly Disagree	Disagree	Indifferent	Agree	Strongly Agree
1	2	3	4	5

No.		1	2	3	4	5
9	I always concern about my personal information when conducting this website.					
10	Shopping online from this site is money transaction risky.					
11	I shop from this web site because it is reliability website.					
12	This website is attractive design, clear content, convenience to find information and modern.					

13	This web site provides prices are lower than actual price.					
14	The website is fast delivery, required short time in after sale service.					
15	The website gives the description or photo of products shown on the websites are very accurate.					
16	The website gives a product's information as much as the product should have. And can make a comparison before purchasing.					
17	I shop from this web site because experience consumers' review.					
18	Based on your experience with the website how likely are you to buy a product from the website again?					
19	Based on your experience with the website you would recommend this product to a friend.					
20	Overall, You are very satisfied with the website					