

# Effect Covid-19 Pandemic Outbreak Towards Customer Satisfaction on Online Shopping

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## ABSTRACT

This paper concerned about the factors that will increase the customer satisfaction on online shopping during pandemic Covid-19. From the previous study, it shown that online shopping is one of convenience way which it has be emerging the trend among consumer nowadays. There are 241 respondents involve in this research to test the relationship between the seven variable which is security, information availability, shipping, quality, pricing, and time towards customer satisfaction on online shopping. The SmartPLS and SPSS are used to analyzing the data of the respondent. Hopefully, some information in this paper will assist the future research that will diversify more factors that may give impact on customer satisfaction.

**Keywords:** security, information availability, shipping, quality, pricing, time, customer satisfaction, online shopping, technological acceptance model, expectancy disconfirmation theory

## I. INTRODUCTION

Since its transition into a global interconnection network for sharing and delivering information, internet has emerged as a useful marketing tool to serve as a platform for domestic and international transaction. According to Vasic et.al (2019), online shopping has undergone exponential growth because it represents a more affordable and easier alternative to shopping compared to conventional shopping. Besides, nowadays, there was a vast number of options for e-sellers that have expanded because they want to build and sustain relationships with customers (Pappas, Pateli, Giannakos & Chrissikopoulos, 2014). Online shopping also offers consumers with much more knowledge and opportunities to compare products and costs, more variety of products, convenience, and ease of finding the products they want online. Kim et.al (2012) identify the value of online shopping experience and propose that it is interesting to investigate the influence of various levels of experience on key factors influencing online shopping behaviour (as cited in Pappas, Pateli, Giannakos & Chrissikopoulos, 2014).

The main reason why people tend to shop online is due to emergence of technology. This is because according to Sarika et.al (2016), it mentioned that the growing trend of e-commerce has led to a greater move towards online shopping, and people are shifting more towards different online stores to meet their needs. More people tend to shop online because it fast and convenience way and it can save more time (Vasic, Kilibarda & Kaurin, 2019). Internet shopping, focused on the growth of the Internet, is emerging rapidly. There has been an increase in the number of ways for e-sellers to build and sustain connections with customers. Although not all customers are the same for a company, those who spend more money and buy more often are the most relevant. Customer retention thus involves

a significant concern for companies wishing to gain a competitive advantage (Pappas, Pateli, Giannakos & Chrissikopoulos, 2014).

Due to pandemic Covid-19, the government ordered the movement restriction order to all people where they need to stay at home (Elango, 2020). It makes people need to limit their movement to avoid the speediness of Covid-19 virus. Many peoples are impacted as the individual need to think how they can get their needs such as household (Grashuis, Skevas & Segovia, 2020). Although grocery shopping is a key operation, little is known about the complex relationship of COVID-19 pandemic to the actions of food shoppers. According to Anam et.al (2020), Coronavirus influences the entire world of e-commerce, the essence of the market has changed. According to the research, it studies that 52% of customers avoiding shopping for brick and mortar and crowded places. In addition, 36% stopped shopping for brick and mortar until they received coronavirus vaccine.

Besides, Coronavirus Disease 2019 (COVID-19) pandemic will have a huge effect on main stakeholders in the publishing business. Given that physical bookshops may be forced to close temporarily and that customers may not want to travel to such brick-and-mortar stores due to health issues, demand for online book shopping is expected to grow rapidly in the short term (Nguyen, Tran, Huy, Nguyen, Do & Ninh (2020). According to Taweerat et.al (2014), he states that people can use internet for 24 per 7 hours and 365 days along to make an online shopping as it just in the fingertips. Customer satisfaction has been identified as a significant factor that drives customer engagement and loyalty. Creating happy customers is difficult, particularly in an online environment where there is limited contact between company staff and customers. Customer satisfaction is vital for creating long-term customer relationships and maintaining profitability, so knowing the factors that contribute to a happy customer is of utmost importance. For this reason, this study explores customer satisfaction with different dimensions of service quality when shopping online.

## **II. LITERATURE REVIEW**

### **A. Technological Acceptance Model (TAM)**

Technological Acceptance Model (TAM) is used to gain the understanding of the behaviour of customer using mobile commerce. Besides TAM also used to examine the adoption of new technologies such as mobile commerce, so, to make customer satisfy, the two item in TAM which is perceived ease of use and perceived usefulness are used to examine the consumer behavioural intention and its acceptance on new technologies adoption (Muslim Amin, Sajad Razaei & Maryam Abolghasemi, 2014). This framework used the item that suitable to be relate with perceived ease of use and perceived usefulness. As TAM theory more focused on technology, the variable stated in the framework as a pathway to show how it can give impact on customer satisfaction. The information availability in online shopping website expected as an attribute of perceived usefulness to the customer and it may lead to customer satisfaction and experience in shopping online.

Besides, according to Sarika, Preeti, Shilpy & Sukanya (2014), Technology Acceptance Model (TAM) is the important model that can explain the e-commerce customer satisfaction. In this research was use the TAM model with two belief which is perceived usefulness and perceived ease of use. For the perceived ease of use is attitude towards using, behavioral intention to use and actual system use that have been discuss in this research that customer satisfaction can be affected by that independent variable. It can be related with our group framework because of the relation between dependent and independent variable. The perceived ease of use that have the great impact can lead to the higher of the satisfaction of consumer. Other than that, the behavioral of the customer also can tend to the result of the satisfaction itself.

Furthermore, Technology Acceptance Theory (TAM) also focus on ease-of-use of technology in shopping behaviour or it can be referred as processing practice the new media while engaging in shopping behaviour. This theory helps them to know about customers' intention to use the system and adopt it in their shopping behaviour. When they accepted the ease-of-use of technology in their shopping behaviour it can lead to customer satisfaction and make them want to re-purchase from the same online shopping platform (Shahzad, Yan Liang & Sumaira, 2015). In this research, TAM is used to define our independent variable and dependent variable relationship. Mainly it is because it focuses on online shopping and the need of customers to adopt with the use of technology is crucial in this study. The ease of use will be giving a great impact to customers satisfaction when they can use the technology properly and it also can influence customers buying behavior on online shopping.

## **B. Expectancy Disconfirmation Theory (EDT)**

Expectancy theory (EDT) for their research. This theory is very suitable with this journal because this theory can measure customer's satisfaction. This theory has four elements which are Expectations, Perceived Performance, Disconfirmation and lastly satisfaction. In this journal study they focus on a review of EDT to fulfil their objectives of their studies. They use EDT to measure customer satisfaction from multiple aspects that are available under EDT. From this theory they create a suitable measurement model for this study (Naeimeh, 2016). In this research, this theory related to dependent variable which is customer satisfaction and the aim of this research is to understand and analyse customer satisfaction when they are doing online shopping and EDT can help us to measure customer's satisfaction. We can say that our group framework has all the aspects under EDT. For example, we have information availability as our independent variable, this independent variable fits under expectations as the information of a product can lead to customers' expectations on the product etc.

## **C. Customer Satisfaction**

Customer satisfaction seems to be the product of problem based and reality, in many other terms the customer satisfaction is effect of problem based and expectation form consumer. So, when the output fulfils their requirement, consumer will satisfy. Then, main aspects of trust and satisfaction are measuring the effectiveness of implementing the business hypothesis (Khistiano, Kertahadi and Suyadi, 2012). According to Guo, Ling, and Liu (2012), there are

8 factors defined as significant which are the website, protection, accuracy of products, online transactions, performance of the goods, product selection and supply of services. In addition, the foregoing is claimed to become the factors of consumer satisfaction such as consistency of the customer relationship, accuracy of information, overall value, and confidentiality.

A simple level of service efficiency and a potential level of unorganized retail with any commercial enterprise can be customer satisfaction (Gerson, 1993). Fulfilment is a reaction to a difference among previous performance and actual production results (Eid, 2011). The happiness of clients is characterized by how happy they are with the product or services. For product and service promoter's fulfilment is also highly necessary since a happy customer has a satisfied client. Good purchasing motives such as a rebuy, consumer receives word-of-mouth and commitment (Yeoh & Chan, 2011).

Trust means the individual that maintains the seller-purchaser relationship (J. Melorose, R. Perroy and S. Careas, 2015). Handling the loyalty of consumers for a long-term sustainability of most companies, happiness of online purchasing is quite critical (M. J. Kim, N. Chung, and C. K. Lee, 2011). Trust has a positive effect on the satisfaction of shopping online buyers. For the sustainability of online companies, confidence in e-retailers, transactions and websites plays a very essential function. Online business success contributes to customer loyalty (Belanger, Hilter and Smith, 2002).

#### **D. Security**

According to Guo, Ling, and Liu (2012) as cited in Neboisa Vasic, Milorad Kilibarda and Tajna Kurin (2017) Security can be defined as The website's ability to protect the sensitive data of users from any unwanted leakage of information during electronic transactions and according to Christy and Matthew (2005) as cited in Xiaoying Guo, Kwek Choon Ling and Min Liu (2012) Security can be illustrated as the ability of the website to protect customer personal information obtained from its electronic transactions from improper use or disclosure. Consumers are worried about the reliability, liability and privacy of the online website.

According to Langsner, Miyazaki, and Fernandez (2006) as cited in Najma Imtiaz, Suhaila Samsuri, Muhamad Sadry, Imtiaz Ali Brohi and Asadullah Shah (2016) System protection is the predominant fear of online shoppers and consumers often fear malicious third-party fraud. Financial stability is the dominant element in customer loyalty when shopping online (Najma Imtiaz, Suhaila Samsuri, Muhamad Sadry, Imtiaz Ali Brohi and Asadullah Shah, 2016; as cited in Szymanski and Hise, 2000 and Evanschitzky, Iyer, Hesse, and Ahlert 2004). Financial security also has a big impact on confidence, as security often has a positive impact on confidence (Pittayachawan, Singh, and Corbitt, 2008 as cited in Najma Imtiaz, Suhaila Samsuri, Muhamad Sadry, Imtiaz Ali Brohi and Asadullah Shah, 2016).

Whenever consumers shop online with a debit/credit card, they may be concerned that their financial details can be accessed by third parties and can be misused (Shoppu, 2016 as cited in Najma Imtiaz, Suhaila Samsuri, Muhamad Sadry, Imtiaz Ali Brohi and Asadullah Shah, 2016).

### **E. Information Availability**

According to Lim and Dubinsky (2011) as cited in Neboisa Vasic, Milorad Kilibarda and Tajna Kurin (2017) Since online shoppers barely have the chance to view and experience the items before making a buying decision, online retailers need to have details on that. Shoppers require all appropriate and correct product details to be offered by online retailers (A.D Smith; 2006, as cited in in Neboisa Vasic, Milorad Kilibarda and Tajna Kurin (2017). Consumer will value all the information they got and according to their demand (M.N.N. Kamariah and A.M.S. Salwani; 2005, as cited in Neboisa Vasic, Milorad Kilibarda and Tajna Kurin; 2017). Providing relevant data will allow online marketers to dispel buyer doubts and suspicions regarding a certain product or online shopping (D.R. Deeter-Schmelz, A. Bizzari, R. Graham, and C. Howdyshe; cited in Neboisa Vasic, Milorad Kilibarda and Tajna Kurin; 2017).

### **F. Shipping**

According to Hedin, Jonsson, and Ljunggren (2006) as cited in Neboisa Vasic, Milorad Kilibarda and Tajna Kurin (2017) Shipping is a link in the supply chain that directly affects the consumer and triggers their satisfaction. It also Presents a key activity in any phase, particularly in online shopping (T. M. Mentzer and L. R. Williams; as cited in Neboisa Vasic, Milorad Kilibarda and Tajna Kurin;, 2017). This ensures that the consumer will obtain the ordered product, which is well packaged and the quantity, nature and specification of which are in line with the order, as well as the time and place of distribution set (Peterson; 1993 as cited in Neboisa Vasic, Milorad Kilibarda and Tajna Kurin;, 2017). The consumer expects the manufacturer to produce the promised commodity in a secure and reasonable manner ([. J. Singh and D. Sirdeshmukh; 2000 as cited in Neboisa Vasic, Milorad Kilibarda and Tajna Kurin;, 2017). According to Collier, and Bienstoc,(2006) as cited in Neboisa Vasic, Milorad Kilibarda and Tajna Kurin (2017) The consumer claims that he/she is entitled to obtain a given product within the period allowed under the terms promised.

### **G. Quality**

According to Z. Chen and A. J. Dubinsk (2003) as cited in Neboisa Vasic, Milorad Kilibarda and Tajna Kurin (2017) The perceived product quality is defined as the consumer's judgment about a product's overall excellence or superiority. The standard of web goods and services has a positive effect on consumer loyalty (C. C. Lin, H. Y. Wu and Y. F. Chang; 2011 as cited in Neboisa Vasic, Milorad Kilibarda and Tajna Kurin;, 2017). Quality of service determines whether consumers establish deep and committed relationships with online retailers. Online retailers delivering outstanding service quality meet the needs of their consumers and thereby increase their loyalty (W.

Khristianto, I. Kertahadi and I. Suyadi,; 2012 as cited in Neboisa Vasic, Milorad Kilibarda and Tajna Kurin,; 2017). Better website consistency has a huge effect on the consumer's choice to buy online (Kamariah and Salwani, 2005 as cited in in Neboisa Vasic, Milorad Kilibarda and Tajna Kurin ;,2017).

## **H. Pricing**

According to Cronin, Brady, and Hult (2000) as cited in Neboisa Vasic, Milorad Kilibarda and Tajna Kurin (2017) Professional literature describes pricing as an important factor in customer satisfaction, due to the fact that consumers always direct their attention to pricing when assessing the product and service value. Vasic et.al (2019) stated that due to better purchase conditions, consumers use the Internet to buy the same product at a lower price than in the store. This statement shows most people tend to shop online because they want to get lower price. According to Diah et.al (2017), price is a monetary unit or metric, including other products and services, as an exchange unit in order to obtain the right to own or use goods or services directly impacting company income.

## **I. Time**

According to Kennedy and Kundu (2018) time can be define as “Period required for the seller to delivery the item ordered to the consumer from the time of the product was been order by the consumer”. Consumers still expect shipping arrival very fast, as it provokes interest purchase (Kerner 1976). Furthermore, Time efficiency is one of the most significant considerations of shopping online and time is the primary resource that customers waste on shopping online or in physical shops, (Vasic et.al, 2018). E-retailers, by the practice of the supply chain, seek to process the distribution of products and the products to the customer shall be shipped as soon as possible within the approximate time of arrival (ETD) it's one of the main factors driving the popularity of online sales, (Kennedy and Kundu,2018).

# **III. METHODOLOGY**

## **A. Data Collection and Analysis**

Survey and online questionnaire technique. This technique was having been chosen because we want to collect the data from the group of the people so the survey and online questionnaire was the best method that we can use rather than using the interview, existing data or from the observation. We have provided 42 question in the questionnaire form that was cover the demographic, dependent variable, and independent variables question. Then we have spread the questionnaire link to our related respondent. We have distributed the questionnaire to the 241 respondent and mostly the respondent gives fully cooperate with our survey.

Data analysis procedure, we have collected all the information needed from the survey and questionnaire feedback that we have receive then we have made a database record. For getting the accurate information we have the confirmatory factor analysis (CFA) to determine the significance of the measurement model. Then we have used the method Partial Least Square (PLS) that are using the software SmartPLS 3 for analysis all the data that have been collected from the survey and questionnaire feedback that we have receive from the respondent. PLS was be chosen base on the fact that there are no stringent criteria relevant to the method of dissemination of information or the size of the particles.

## B. Research Framework

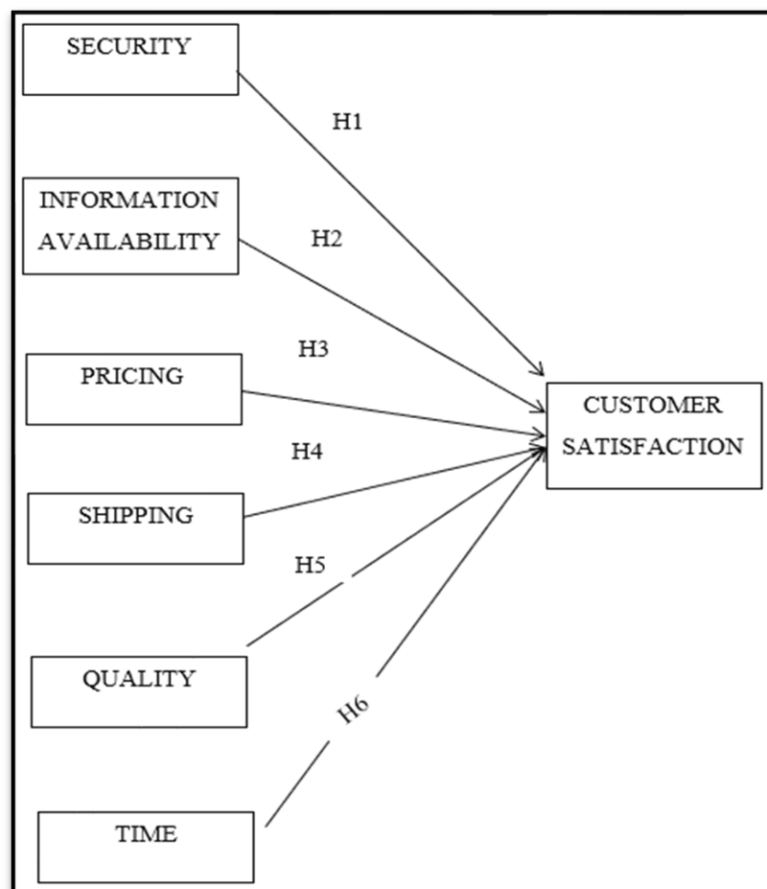


Figure 1. Research Framework

## IV. FINDINGS AND ANALAYSIS

Confirmatory factor analysis (CFA) was used to determine the significance of the measurement of the model. The method Partial least squares (PLS) is used using the software SmartPLS 3. PLS was chosen on the basis of the fact that there are no stringent criteria relevant to the method of dissemination of information or the size of the particles. It's a soft design method capable of being versatile when running a number of mathematical modeling

problems. The collected data has been used as evidence for the PLS software and statistical importance was analyzed using the PLS software. The process of bootstrapping re-sampling. In the initial estimation process, 500 types of samples were introduced and 5000 types of samples was introduced. Combinations were used to prepare the final data.

The purpose of this study is to determine the impact of COVID-19 pandemic outbreak towards customer satisfaction on online shopping in Malaysia. The element that can be considered to know consumer satisfaction was calculated by using 47 objective questions based on independent variables and dependent variables where the participants were asked to choose whether or not to agree to independent variables. For the 12 early question the respondent needs to choose the answer from the multiple-choice answer and the balance of 35 question were using likert – scale which we use 5 points ranging between 1= Strongly Disagree, 2= Disagree, 3= Neutral, 4= Agree and 5= Strongly Agree. Findings will be presented and represented using Cronbach alpha.

The Coefficients result provides us with the necessary information to predict the pathway between information availability, pricing, quality, security, shipping, time, as well to determine whether the customer satisfaction on online shopping contributes statistically significantly to the model. Based on the table, we can conclude that for Quality ad Time are significant while Information Availability, Pricing, Security and Shipping are insignificant. This data has been run in SmartPLs, and it was calculate using bootstrapping of deleted item below 0.5. The result of t-test statistic (t) needs to be above 1.96 to make it significant. It also has been calculated for the individual predictor variable. This is used to calculate the p value.

## **V. CONCLUSSION AND RECOMMENDATION**

Due to technological advancement, the conventional mode of buying has become insufficient for certain individuals. People now prefer easier ways of purchasing brands and reaching shops, and it can be argued that the Internet has radically changed customer ideas about convenience, speed, price, and product and service details. As a result, sellers have identified a new approach to generating value for and establishing relationships with customers. This research also proved that although we had faced a pandemic Covid-19, it does not stop people to shopping online.

This research intended to reveal the relationship between security, information availability, shipping, quality, pricing, and time towards customer satisfaction on online shopping. The framework has been supported using Technological Acceptance Model (TAM) and Expectancy Disconfirmation Theory. The analysis generated results that demonstrated a high level of reliability and validity between variables. The result shows that the quality and time have significant value towards customer satisfaction while information availability, security, shipping, and pricing not significant to customer satisfaction.



Contributions to society is we can show them about when the world is sick such as pandemic, then they will always be shopping by online platform. This is because of from our independent variable explain that it can influence consumer more to the online shop and it can make consumer satisfy when they purchase it. In addition, when consumer purchase online the business will not be affected because of the pandemic happen. The economic will always go through even if pandemic happen and consumer also get the benefit when they shop online.

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