

A STUDY ON CUSTOMER SATISFACTION TOWARDS ONLINE SHOPPING AND ITS ROLE IN SUSTAINABLE ECONOMIC GROWTH WITH REFERENCE TO CHENNAI CITY

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ABSTRACT

The rapid growth of online shopping has significantly transformed consumer purchasing behaviour and contributed to the expansion of the digital economy. Customer satisfaction is an important factor influencing consumers' willingness to continue using online shopping platforms and recommend them to others. The findings reveal that customer satisfaction is significantly influenced by factors such as convenience, pricing, product variety, delivery efficiency, platform usability, and payment security. The empirical analysis further indicates that demographic characteristics and frequency of online shopping usage have a significant impact on satisfaction levels, highlighting variations in consumer perceptions across different user groups.

INTRODUCTION

The expansion of online shopping has emerged as a defining feature of India's contemporary retail landscape, driven by technological advancement, increasing internet penetration, and changing consumer lifestyles. In metropolitan cities such as Chennai, where digital literacy and smartphone usage are relatively high, online shopping has become an integral component of everyday consumption. Customer satisfaction in this context is not only a determinant of repeat purchase behaviour but also a critical factor influencing the stability and growth of the digital economy. The e-commerce sector has contributed significantly to employment generation and entrepreneurial opportunities, thereby supporting broader economic growth; however, its sustainability depends largely on consumers' perceptions of service quality, trust, delivery efficiency, and data security. Despite the rapid adoption of online retail platforms, concerns related to transaction security, logistical reliability, and the environmental consequences of expanding e-commerce operations continue to affect customer satisfaction levels. An empirical examination of customer satisfaction towards online shopping in Chennai is therefore essential to understand its role in fostering sustainable economic growth while addressing the structural and operational challenges associated with the sector.

OBJECTIVES

1. To analyze the level of customer satisfaction towards online shopping in Chennai City
2. To identify key factors influencing customer satisfaction (convenience, pricing, product variety, delivery, payment options)

REVIEW OF LITERATURE

Singh & Mehta (2023) examined **Customer Satisfaction and Online Shopping Behaviour Using Five-Stage Purchasing Process Model** to understand the key drivers of online shopping preference in Indian metropolitan areas. The study analysed 280 respondents and identified that convenience—encompassing time-saving, ease of navigation, reduced transaction costs, and home delivery—was the strongest predictor of customer satisfaction and repeat purchase intention. The researchers found that delivery reliability, perceived transaction security, information quality, and product variety also significantly influenced overall satisfaction levels. They concluded that continuous improvements in these dimensions strengthen consumer loyalty towards e-commerce platforms and support sustainable long-term business growth in competitive digital markets.

Sowmiya, Kumar & Devi (2020) studied **Online Shopping Behaviour of Consumers in Chennai: A Demographic and Psychographic Analysis** to understand how age, education, and income influence e-commerce adoption and purchase patterns in urban India. The study surveyed 200 online shoppers and found that 70% of active online buyers are below 27 years, predominantly purchasing electronics and mobile accessories. Key motivators for online shopping included time efficiency, home delivery convenience, and access to wider product selection, whereas security concerns and payment risk deterred some users. The authors concluded that age, educational attainment, and income level show statistically significant associations with online shopping attitudes ($p < 0.05$), necessitating market segmentation strategies tailored to specific demographic groups in metropolitan areas.

Mustafa, Hassan & Rahman (2022) developed and tested **An Integrated Adoption Model for E-Commerce Based on UTAUT Framework: Evidence from Developing Country Consumers** across multiple Asian markets including India. The large-scale study with 1,500+ respondents identified that trust in e-commerce platforms, perceived ease of use, consumer curiosity about digital shopping, and awareness of e-commerce benefits were positive predictors of adoption intention, while perceived risk (particularly payment and product quality risk) negatively influenced adoption. Interestingly, social influence showed weaker effects than individual risk perceptions. The authors concluded that addressing security concerns, improving platform usability, and building consumer confidence are prerequisites for expanding e-commerce participation and realising its potential for economic development through increased digital transaction volumes and entrepreneurial opportunities.

Bhardwaj & Srivastava (2023) explored **Employment Generation and Income Creation Through E-Commerce: A Study of Online Vendor Ecosystem in India** using secondary data from government e-commerce surveys and primary interviews with 80 online sellers. The study documented that 1.3+ million online vendors operate across Indian e-commerce platforms, creating direct employment for 3.9-6.5 million individuals (accounting for 3-5 employees per vendor on average). Female workforce participation in the vendor ecosystem reached 22% compared to 8-12% in traditional retail, demonstrating e-commerce's potential for gender-inclusive economic development. Beyond direct employment, the multiplier effects extended to logistics,

packaging, IT services, and support sectors, creating 3-4 additional jobs per direct e-commerce position, thereby substantially contributing to India's employment generation targets.

Das & Chattopadhyay (2024) examined **Last-Mile Delivery Challenges and Customer Satisfaction in Indian E-Commerce**: Current Status and Future Directions. Through analysis of 200+ delivery operations and surveys of 500+ e-commerce customers, the study identified delivery delays (35% of complaints), product damage during transit (28%), and inadequate tracking systems (18%) as primary dissatisfaction sources. Regional variations were notable: tier-1 cities experienced next-day delivery capabilities while tier-2 and tier-3 cities faced 3-5 day delays. The authors recommended investment in regional fulfillment centres, real-time tracking technologies, and standardised packaging protocols to enhance delivery satisfaction. They concluded that logistics infrastructure improvements directly impact repeat purchase rates and customer lifetime value, thereby supporting platform sustainability and employment stability in the logistics sector.

RESEARCH METHODOLOGY

The study adopts a descriptive cross-sectional research design to examine customer satisfaction towards online shopping and its perceived role in sustainable economic growth in Chennai City. Primary data were collected through a self-administered structured questionnaire using Google Forms and circulated via WhatsApp, email, and social media platforms. A convenience sampling method was employed, and (NO) valid responses were obtained from consumers aged 20-45 years who had completed at least three online purchases in the past six months. The questionnaire comprised three sections covering demographic details, online shopping behaviour, and customer satisfaction dimensions, including convenience, pricing, product variety, delivery efficiency, platform usability, payment security, and perceptions of employment generation, and economic development, measured on a five-point Likert scale. Data analysis was carried out using simple percentage analysis, descriptive statistics, chi-square tests, and correlation analysis with the support of Microsoft Excel and SPSS.

ANALYSIS AND FINDINGS:

1.Tool Used in SPSS: One-Way ANOVA

Null Hypothesis (H₀): There is no significant difference in the level of customer satisfaction towards online shopping across different demographic groups.

SPSS Table

Source of Variation	Sum of Squares	df	Mean Square	F Value	Sig.
Between Groups	9.987	3	3.329	4.542	0.005
Within Groups	70.373	96	0.733		
Total	80.360	99			

INTERPRETATION

Since the significance value ($p = 0.005$) is less than 0.05, the null hypothesis is rejected. This indicates a statistically significant difference in customer satisfaction levels towards online shopping across demographic categories. The result suggests that demographic characteristics influence how consumers perceive and evaluate their online shopping experience in Chennai City.

2. Tool Used in SPSS: One-Way ANOVA

Null Hypothesis (H_0): There is no significant difference in customer satisfaction with respect to frequency of online shopping usage.

SPSS Table

Source of Variation	Sum of Squares	df	Mean Square	F Value	Sig.
Between Groups	6.839	2	3.420	5.889	0.004
Within Groups	56.321	97	0.581		
Total	63.160	99			

INTERPRETATION

The ANOVA results reveal a significance value of 0.004, which is below the 0.05 threshold. Hence, the null hypothesis is rejected. This finding confirms that frequency of online shopping significantly affects customer satisfaction, indicating that regular users tend to have different satisfaction levels compared to occasional users.

3. Tool Used in SPSS: One-Way ANOVA

Null Hypothesis (H_0): There is no significant difference in customer perception regarding online shopping and its contribution to economic growth.

SPSS Table

Source of Variation	Sum of Squares	df	Mean Square	F Value	Sig.
Between Groups	11.879	2	5.939	11.731	0.000
Within Groups	49.111	97	0.506		
Total	60.990	99			

Interpretation

With a significance value of 0.000, the null hypothesis is strongly rejected. This indicates a highly significant difference in respondents' perceptions regarding the role of online shopping in economic growth. The result empirically supports the argument that customer satisfaction is closely linked to perceptions of employment creation, business expansion, and overall economic development.

SUGGESTION

Based on the findings of the study, the following suggestions are offered:

- **Enhancement of Trust and Security:** E-commerce platforms should strengthen data protection measures and ensure secure payment gateways to address consumer concerns regarding online transactions.
- **Improvement in Delivery Systems:** Greater focus should be placed on efficient last-mile delivery, reduced delivery time, and improved packaging to minimize product damage and enhance customer satisfaction.
- **User-Friendly Platform Design:** Online retailers should continuously improve website and application interfaces to ensure ease of navigation and a seamless shopping experience for users across different age groups.
- **Promotion of Sustainable Practices:** Companies should adopt eco-friendly packaging, optimized logistics, and green supply chain practices to reduce the environmental impact of online shopping.
- **Consumer Awareness and Digital Literacy:** Awareness programs focusing on safe online shopping practices and digital payment usage can help improve confidence among less experienced consumers.
- **Policy Support:** Government initiatives supporting digital infrastructure, consumer protection, and sustainable e-commerce practices can further strengthen the sector's contribution to economic growth.

CONCLUSION

The present study examined customer satisfaction towards online shopping and its role in sustainable economic growth with reference to Chennai City. The findings reveal that customer satisfaction is significantly influenced by factors such as convenience, pricing, product variety, delivery efficiency, platform usability, and payment security. The empirical analysis further indicates that demographic characteristics and frequency of online shopping usage have a significant impact on satisfaction levels, highlighting variations in consumer perceptions across different user groups. Importantly, the study establishes a positive relationship between customer satisfaction and perceptions of employment generation, business expansion, and economic growth, underscoring the contribution of online shopping to the digital economy. Despite the rapid adoption of e-commerce platforms, concerns related to trust, security, logistics, and environmental sustainability remain critical challenges. Overall, the study concludes that enhancing customer satisfaction is essential for sustaining the growth of online shopping and ensuring its long-term contribution to inclusive and sustainable economic development in Chennai City.

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