The Effects of Perceived Value and Customer Satisfaction in Online Businesses

Robin Raine Cuison, Ralph Miguel V. Ingalla, John Hans Robinson B. Amor, Jaymes L. Remigio, Kenneth Xavier Guerra, Genel Algene D. Arellano, Peter Gil M. Asis, Janmike A. Gabrillo, Christopher DC. Francisco

Barcelona Academy, Marilao, Bulacan, Philippines
christopher.francisco004@deped.gov.ph

Abstract: *The principal aim of the researcher was to assess the effects of perceived value and customer satisfaction on online businesses. To achieve this aim the researchers used a sample size of 50 customers whom are regularly shopping from online platforms. The primary data gathering tools used in the study was a standardized questionnaire survey. The data collected were analysed and treated statistically. Results revealed that the perceived value of customers significantly affect their satisfaction. We may safely conclude that the purchasing, delivering and assessment of the perceived value and customer satisfaction on online businesses has had an effect on consumers.*

Keywords—Perceived Value, Customer's Satisfaction, Descriptive-correlational Study

1. INTRODUCTION

Establishing businesses online are rampant at the present time. It is the new way of coping up with stress and loss of occupations brought by the pandemic. Interest in online businesses has drastically changed through the decade since the beginning of the global pandemic. All through the years of online businesses being in the industry, researchers have evolved an awareness of the service quality and customer satisfaction as the determinant of a successful business.

The only constant in the contemporary world is transition. Therefore, in order to succeed in the long run, corporations have to establish various strategies. One of the best strategies is to please customers who guarantee long-term business growth [6]. During the time of crisis, people who are quarantined can't step outside from the comfort of their home due to the fear of getting infected. Online businesses are benefiting the situation since it encourages people to purchase products through social media platforms. Customer loyalty is critical for business to gain competitive advantage. It is less expensive to retain current visitors than it is to seek new ones [14].

2. RELATED WORKS

A growing reliance on the internet as an information source when making choices about products raises the need for more research into electronic word of mouth. The rising volume of global e-commerce sales in retail industry as well as its improving share in total retail spending put online consumer behavior into the research agenda of both academics and professionals. The growing number of channels also increases complexity from a logistics point of view [16] [17] [19].

Majority of past research on perceived value has focused on analyzing the role of risk acceptance and self-confidence on the relationship between perceived risk and intention. While there has been a strong volume of scientific papers over the past 20 years, with a peak at the start of the new millennium and a steady growth in those concerned with consumer perceived worth over the last 10 years, since then, conceptual and value analysis papers have subsided to a lower level of interest. Not only is it influential at the repurchase phase, but it also affects customer satisfaction, intention to recommend, and return behavior at the post purchase phase Regarding e-services, switching behavior may represent a process whereby consumers decrease their use of the 'old' service by increasing their use of the 'new' service, which may take days or weeks [12] [15] [20].

This study advances understanding of customer perceived online channel value and how customer perceptions of value effect online channel satisfaction and online channel loyalty. The goal of this research is to explore determinants of the perceived quality of the website and correlations between the consequences of the perceived quality of the website. The study uses a quantitative method with the data gathered from 416 respondents [8] [10] [18]

Perceived value and customer satisfaction are discussed and evaluated as stated by the previous research deepens the awareness of how perceived worth affects the decision-making processes and intentions of consumers. The key drivers of perceived value are self-congruence and new product novelty. Perceived value has strong positive effects on customer relationship growth [9].

Some other findings reveal that service quality significantly influences the perceived value and customer satisfaction [7]. Furthermore, another research has the findings support the mediational roles of customer satisfaction and perceived customer value on the relationship between brand image, brand awareness and brand loyalty [4].

3. STATEMENT OF THE PROBLEM

The research paper's focus is on the effects of the perceived value and customer satisfaction on online businesses. The study is to find the answer to the following questions:

1. How does customers' perceived value online businesses be described in terms of:
    1.1 Service businesses
    1.2 Local businesses
2. What is the status of customers' satisfaction on online businesses?
3. Does the customer perceived value significantly affect their satisfaction on online businesses?
4. What implications may be drawn from the findings of the study to improve further the perceived value and customer satisfaction on online businesses?

4. METHODOLOGY

The researchers of the study shall utilize a Quantitative approach with a research design of Descriptive - Correlational research. A correlational design is a class of descriptive quantitative research that involves inspecting potential connections and relationships between variables [2]. Descriptive Correlational design is best used for this research topic to examine the connection between variables rather than imply the root and result of the two variable. The design is simply useful to describe how situations be related to one another in events where the researchers have no control over the independent variables, the variables that are known to affect the dependent or outcome variable [3]. The design requires researchers to at least have 2 groups as variables.

An online survey-questionnaire shall be used as an instrument by researchers to conduct the research survey. The researchers shall conduct the study and need a total of 50 participants or 50 customers. Purposive sampling is the technique the researchers used to gather the participants. Its techniques are the use to sets the research is conducted online, therefore there is no specific location where research shall be conducted. The researchers shall be conducting the research at home and online as cooperation to the prevention of the CoVid19 pandemic. Although, social media apps are to be used to conduct the research survey, whereas participants are to be gathered from their social business platforms on a variety of apps such as Shoppee, Lazada, etc.

Sample of these populations are entrepreneurs that utilize online platforms for their business and customers with perceived values. Non-probability sampling is utilized in this research as its definition means any method used for collecting data on surveys that does not equip any probability sampling structure [1].

The purpose of the research is to survey online entrepreneur's relationship with customers with perceived values. Utilizing these methods and techniques able to conceptualize the topic and analyze relationships of the two variables in the research study.

5. RESULTS

Perceived value

Perceived value has become essential for business performance, given that long-term success is a fundamental prerequisite. Perceived value refers to the overall evaluation of the utility of a product or service by the customer. On the basis between what is obtained and what is given. Nevertheless the ultimate evaluation of customers can only be carried out, be rendered after the product or service is approved by him or her. [5]

In other words, the perceived value of the consumer is the product of a reward and value measurement. Expenses associated with what the business is selling. If the measurement of the product of input is similarly measurable to what the business sells and earns, consumers feel reasonably compensated. [13]

Table 1
Shopping online for the last six months

Indicators	Frequency	Percentage
Once a month	28	35.4
Every 2-3 months	26	32.9
Once every two weeks	8	10.1
Weekly	7	8.9
Twice a week	6	7.6
Everyday	4	5.1
Total	79	100.0

It may be glimpsed that out of 79 respondents, 28 people had chosen 'once a month' with a 35.4 percentage, 26 people had chosen 'Every 2-3 months' with a 32.9 percentage, 8 people for 'Once every two weeks' with a 10.1 percentage, 7 people for 'weekly' with an 8.9 percentage, 6 people had chosen 'twice a week' with a 7.6 percentage, lastly 4 people had chosen 'everyday' which has a 5.1 percentage.

Table 2
Shopping through online platforms

Indicators	Frequency	Percentage
Very convenient and time saving	43	54.4
Low price	15	19
Variety of products	8	10.1
You can buy rare products here	8	10.1
Teenagers are not allowed to go out	1	1.3
The products I buy online are not available in our country	1	1.3
Covid	1	1.3
No choice	1	1.3
Quarantine protocol	1	1.3
Total	79	100.0

It may be spotted that out of 79 respondents, 43 people have answered 'very convenient and time saving' with a 54.4 percentage, 15 people answered 'low price' with an exact 19 percentage,8 people had chosen 'variety of products' with a 10.1 percentage, 8 people as well had chosen 'buy rare products' with a 10.1 percentage, 1 person had chosen 'prohibited from going out' with a 1.3 percentage, 1 person had chosen 'unavailable in the country' with a 1.3 percentage, 1 person had chosen 'CoVid-19' with a 1.3 percentage, 1 person had chosen 'no choice' with a 1.3 percentage, lastly would be that 1 person had chosen 'quarantine protocol' with a 1.3 percentage.

Customer Satisfaction

Customer satisfaction is a subjective outcome of any good marketing activity, connecting the buying and consumption process with the phenomenon of post-purchase. Customer satisfaction is an important aspect in marketing, since it impacts potential customer purchasing behavior, loyalty, profitability and shareholders value. [11]

Table 3
Customers' satisfaction on online businesses

Indicators	Mean	Interpretation
The service quality of sellers is important	4.68	Strongly Agree
So far, I am generally satisfied with the service quality among these online shops.	3.93	Agree
The price is important when I'm shopping online	4.67	Strongly Agree
So far, I am generally satisfied with the price among these online shops	4.12	Agree
The speed of delivery is important to me	4.27	Agree
So far, I am satisfied with the speed of delivery for online shops	4.05	Agree
Average	4.28	Agree

For the table 3 It may be seen in table that the service quality of the seller has a mean of 4.68, customers are generally satisfied with the service quality among those online shops has a mean of 3.93, costs are important when the customer is shopping online has a mean of 4.67, the customers are generally satisfied with the price among those online shops has a mean of 4.12, speed of delivery has a mean of 4.27 and lastly the customers are satisfied with the speed of delivery for online shop has a mean of 4.05

Effects of perceived value to customer satisfaction on online businesses

The findings reveal that the perceived value of customers significantly affect the customer satisfaction on online businesses as it is evident by 0.928 correlation coefficient.

This also means that the customers prefer to shop online since it is very convenient and time saving in which they can do wherever part of the world they are.

6. DISCUSSION

E-commerce is now the booming business in the whole industry, as for the business owners or for those who are doing a small or start-up business this research can help motivate or step up your game in the business world.

The result shows that quality is utterly more important than the price range that business is offering. Online businesses should do more surveys or evaluations on their customers to find out what are their responses, especially now that e-commerce are hit because of the "new normal" that we are experiencing.

7. CONCLUSIONS

In shopping malls, people can see, touch, and try the products that they are going to buy to see if the money that they are going to spend on it is worth it or not. In online businesses however, that is an entirely different matter. Our paper studied the effect of the customer's perception of value and their satisfaction towards online businesses. The survey result tells us most of our respondents' say that they are satisfied with their experience shopping online because it is convenient, time saving, and have low prices. The results indicate that price, service quality, and speed of delivery is what influences the customer's satisfaction. The researchers have been successful to gather, conduct, interpret, and analyse the data given from the research topic.

8. RECOMMENDATIONS

Yet, the researchers may suggest few more recommendations about this topic to the public for upcoming

researchers within the field of study. The following are some recommendations that the researchers recommend:

1) A Qualitative study of this topic could also be helpful to understand much more deeply insights of the relationship between customer and entrepreneur through interviews.

2) To focus in a much more specific area or specific platform to conduct the study, would also be able to help the researchers not generalize the whole population of participants when it comes to shopping online businesses. It would also segregate the genuine shoppers with quality insights from the rest of the group.

3) The researchers suggests that the research could have been much more effective when conducted physically. Not only that you are able to guide the participants thoroughly but also for a better teamwork within the research team, a good flow of research process, and an effective work in the dissemination of tasks and data gathered.

REFERENCES

[1] Vehovar, V., Toepoel, V., & Steinmetz, S. (2016). Non-probability sampling. *The Sage handbook of survey methods*, 329-345..

[2] Leedy, P. D., & Ormrod, J. E. (2010). Practical research: Planning and design (9th ed.). Boston, MA: Pearson.

[3] Stangor, C., & Walinga, J. (2014). 3.2 Psychologists Use Descriptive, Correlational, and Experimental Research Designs to Understand Behaviour. *Introduction to Psychology-1st Canadian Edition*.

[4] Abu ELSamen, A. A. (2015, Oct-Dec). Online Service Quality and Brand Equity: The Mediational Roles of Perceived Value and Customer Satisfaction. Journal of Internet Commerce, Vol. 14(Issue 4), p509-530. 22p.

[5] Babu, M. M. (2017). The Impact of Perceived Value on Satisfaction and Trust in the Context of Online Shopping: Moderating Effect of Online Word-of-Mouth. AMA Winter Educators' Conference Proceedings, Vol. 28, p8-9, 2p.

[6] Hanif, M., Hafeez, S., & Riaz, A. (2010). Factors affecting customer satisfaction. *International research journal of finance and economics*, *60*(1), 44-52.

[7] De Leon, M. V., Atienza, R. P., & Susilo, D. (2020). Influence of self-service technology (SST) service quality dimensions as a second-order factor on perceived value and customer satisfaction in a mobile banking application. Cogent Business & Management, Volume 7(Issue 1). https://doi.org/10.1080/23311975.2020.1794241

[8] Jeon, M. M., & Jeong, M. (2017). Customers' perceived website service quality and its effects on e-loyalty. International Journal of Contemporary Hospitality Management, Vol. 29(Issue 1), p438-457, 20p.

[9] Karjaluoto, H., Shaikh, A. A., Saarijärvi, H., & Saraniemi, S. (2019). How perceived value drives the use of mobile financial services apps. International Journal of Information Management, Vol. 47, p252-261, 10p.

[10] Kumar, R., Kumar, R., & Sachan, A. (2020). Impact of Service Delivery System Process and Moderating Effect of Perceived Value in Internet Banking Adoption. Australasian Journal of Information Systems, Vol. 24, p1-22. 22p.

[11] Lu, C. Y., Suhartanto, D., Gunawan, A. I., & Chen, B. T. (2020). Customer Satisfaction toward Online Purchasing Services: Evidence from Small & Medium Restaurants. International Journal of Applied Business Research, Vol 2(Issue 1), p1-14, 14p.

[12] Marafon, D. L., Basso, K., Espartel, L. B., de Barcellos, M. D., & Rech, E. (2018). Perceived risk and intention to use internet banking. International Journal of Bank Marketing, Vol. 36(Issue 2), p277-289. 13p.

[13] Nugraha, M. H., & Mandala, K. (2020). The Role of Perceived Value in Mediating the Effect of Service Quality on Customer Trust. American Journal of Humanities and Social Sciences Research, Vol. 4(Issue 6), p272-281, 9p.

[14] Zhang, M., & Luo, N. (2016). Understanding relationship benefits from harmonious brand community on social media. Internet Research, Vol. 26(Issue 4), p809-826, 18p.

[15] Zauner, A., Koller, M., & Hatak, I. (2015). Customer perceived value—Conceptualization and avenues for future research. *Cogent psychology*, *2*(1), 1061782.

[16] Bradley, G. L., Sparks, B. A., & Weber, K. (2016). Perceived prevalence and personal impact of negative online reviews. Journal of Service Management, Vol.27(Issue 4), p507-533, 37p.

[17] Sarks, B. & Browning, V. (2011). The impact of online reviews on hotel booking intentions and perception of trust. Journal of service management, 2016, v. 27, no. 4, p. 507-533

[18] Carlson, J., O'Cass, A., & Ahrholdt, D. (2015). Assessing customers' perceived value of the online channel of multichannel retailers: A two country examination. Journal of Retailing & Consumer Services, Vol. 27, p90-102, 13p.

[19] Ma, S. (2017). Fast or free shipping options in online and Omni-channel retail? The mediating role of uncertainty on satisfaction and purchase intentions. International Journal of Logistics Management, Vol. 28(Issue 4), p1099-1122, 24p.

[20] Liu, Y., Li, H., Xu, X., Kostakos, V., & Heikkilä, J. (2016). Modeling consumer switching behavior in social network games by exploring consumer cognitive dissonance and change experience. Industrial Management & Data Systems, Vol. 116(Issue 4), p801-820, 20