

Impact of Delivery Service Mismanagement On Customer Dissatisfaction In E-Commerce Platforms: A Case Study In Dhaka City

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Abstract

This research aims to find that why customers often feel disinterested to purchase from online, which factors affect the most in customer dissatisfaction. The authors tried to find out the major problems of the home delivery service system that results in customer dissatisfaction. The research is conducted in Dhaka city with a sample consisting of 256 respondents, most of which were from the youth generation. The research questions were designed based on a five-point likert scale. Primary data was the focus of the research and the responses have been collected through online and social media. Snowball sampling method was used in this case. For analysis of the obtained data, SPSS software is used. Descriptive statistics, reliability test and regression model has been performed to reach on a conclusion. After testing the hypothesis, the study reveals that leakage of customer's privacy has been the prime cause, here, for the drop in customer's interest to purchase from e-commerce platforms. They believe that protection of customer's personal information or privacy are not properly maintained in the course of delivery. Product safety issues has also been a major factor. Customers are losing their trust because of it and those who used to purchase from online are now shifting their priority to offline shopping. The new emerging businesses, app-based delivery partners or the existing delivery service platforms have much scope to work on this area so that they can hold a better consumer market.

Keywords: Customer Dissatisfaction, E-commerce Platforms, Home Delivery Service, Product Safety Issues, Custom

1. Introduction

Online shopping has appeared as an expedient and convenient way to get various products and services from homes in the rapidly changing modern e-commerce world. Different e-commerce sights and platforms have eased the way people buy efficiently by using this process. Online shopping has removed the disadvantage of going to traditional four-sided wall stores facing transportation problems and traffic jams. People can get doorstep delivery which reduces much of their hassles.

The rapid growth of online shopping allows consumers to purchase goods with just a few clicks staying in their comfort zones. It is more critical for Dhaka city's expanding and busy population. To succeed in this ever-changing online business, shoppers should consider a few factors. Among these factors, timely and efficient delivery is supreme in confirming customer satisfaction. Besides, consumers may face challenges like delayed delivery, incorrect items, poor customer service, improper pricing, damaged goods, etc. These drawbacks can lead to dissatisfaction and frustration among consumers.

This research report will investigate the multidimensional aspects related to online shopping. It will especially discover the underlying causes, challenges, and the consequent impact of delivery issues that lead to customer dissatisfaction. An extensive survey has been conducted among online shoppers of Dhaka City to identify the key points and bottlenecks that hamper the entire online delivery system and customer satisfaction.

Online businesses, sellers, policymakers, and delivery companies can make effective policies and strategies considering these delivery issues and unsatisfactory variables, which will improve customer experience during online shopping. If online sellers continue to develop such plans focusing on customer satisfaction, it will foster customer loyalty in the longer term and increase sustainable growth for all participants involved. Besides, it will help new entrants in online platforms consider these delivery issues before launching their businesses to reduce the risk of failure. We believe that the findings of this research will be helpful for the practitioners of e-commerce industry and delivery networks.

This report will finally focus on the data analysis methodologies, findings, implications, and recommendations to challenging delivery barriers for promoting customer satisfaction in Dhaka city's online shopping context.

2. Literature Review:

Online shopping is popular but faces challenges like delayed delivery that lead to dissatisfaction. This report investigates delivery issues hampering customer satisfaction during online shopping in Dhaka City. Prior researches suggest that there could be several barriers in e-commerce delivery service platforms that leads to customer dissatisfaction. Some research suggest that safety of the product matters the most. One such research (Khan et.al., 2022) says that the main barriers or factors

which keep customers away from the online shopping is low trust level regarding the quality of the products and damages of product. The research (Zabed et.al., 2020) also says that the quality matters the most in case of customer dissatisfaction. For this product safety, another research (Ridwan et.al, 2021) says that return policy in case of product defect is also a major concern. From their study it emphasizes product quality and safety is one of the major factors behind customer dissatisfaction in e-commerce shopping.

However, some researchers also found that delivery charge has also been a prime factor. They found that ‘Unusual Delivery Charge’ has also a significant relation with customer dissatisfaction. The research (Urmi et.al., 2020) says high delivery charge is an important factor in case of customer dissatisfaction. It includes extra charge also. Sometimes there are some another charges like service charge, tips including delivery charge. The research (Tasnim et.al., 2022) shows findings that extra service charge also includes customer dissatisfaction.

Customers are not satisfied with just the quality of the product. There have been many instances due to poor after sales service customers do not feel the interest to purchase further from e-commerce sites. The research (Tzeng et.al., 2021) emphasizes after sale services is important to cut off customer dissatisfaction. Another research (Barari et.al., 2019) says that after sale service failure also causes customer dissatisfaction. Study (Saad, 2021) on these also found the results that showed delivery time, service quality, price and condition of food delivered as factors constitute the first factor considered to be directly affecting the success of online food delivery.

Poor communication also affects customer satisfaction. Customers expect that they are properly communicated before delivery of the ordered product. Insufficient communication results in customer dissatisfaction. The Research (Panday & Parmer, 2019) shows situational factor such as poor communication directly effects customer dissatisfaction.

Extensive surveys identify key bottlenecks in the delivery process to help online sellers, policymakers and delivery firms improve customer experience. Focusing on customer satisfaction through addressing delivery issues promotes loyalty and sustainable growth for online businesses. This research analyzes data, findings, implications and recommendations for overcoming delivery barriers in Dhaka's online shopping.

3. Research Objectives

Broad Objective

To discover the delivery issues in Dhaka City during online shopping that will lead to customer dissatisfaction.

Specific Objective

1. To examine the influence of delivery time on customer dissatisfaction in online shopping within Dhaka city.

2. To assess the effect of improper shopping fees on customer dissatisfaction.
3. To discover the impact of product quality and safety on customer satisfaction.
4. To identify the relationship between communication with consumers before delivery and customer satisfaction.
5. To investigate the impact of proper privacy of customer information on customer dissatisfaction.
6. To explore the customer observations and expectations towards delivery services during online shopping.
7. To provide insights into delivery issues for online sellers and retailers in Dhaka city to reduce the delivery barriers and improve customer satisfaction and experience.

4. Methodology:

Data collection method is kept as precise as possible. Only primary data were collected and used. No secondary data were used since it is not relevant with our main objective of this study.

Though we've tried to collect data from people from all demographic background but our main focus was on the youth since they comparatively purchase more from online then others and also their delivery charge sensitivity is relatively more elastic. Data were collected from 256 candidates and the sampling methods used were both convenience sampling and snowball sampling.

The questionnaire was developed primarily based on our own experience and dissatisfaction with delivery charge of online shopping from our past transactions. The questionnaire has two parts, the 1st part basically wants to know about the demographic information like age, profession and gender and the 2nd part is mainly those questions which are relevant to our purpose of study.

For data collection a Google form was developed and was initially distributed to people whom we know personally are engaged in online purchasing. However, the initial participants further circulated the form among their friends and relatives in order to receive a maximum number of responses within a short amount of time. A 5-point likert scale was used where 1 = strongly disagree, 5 = strongly agree.

Data analysis was done using SPSS software. Both qualitative and quantitative information like descriptive statistics, frequencies, regression analysis, etc. has been used in this study.

5. Theoretical Framework

To accomplish the objective of this research, the following hypothesis has been tested.

H1: “Inconvenient Delivery Time” has a significant direct relation with customer dissatisfaction.

H2: “Unusual Delivery Charge” has a significant direct relation with customer dissatisfaction.

H3: “Lack of Product Safety Measures” has a significant direct relation with customer dissatisfaction.

H4: “Poor Communication” has a significant direct relation with customer dissatisfaction.

H5: “Leakage of Customer's Privacy” has a significant direct relation with customer dissatisfaction.

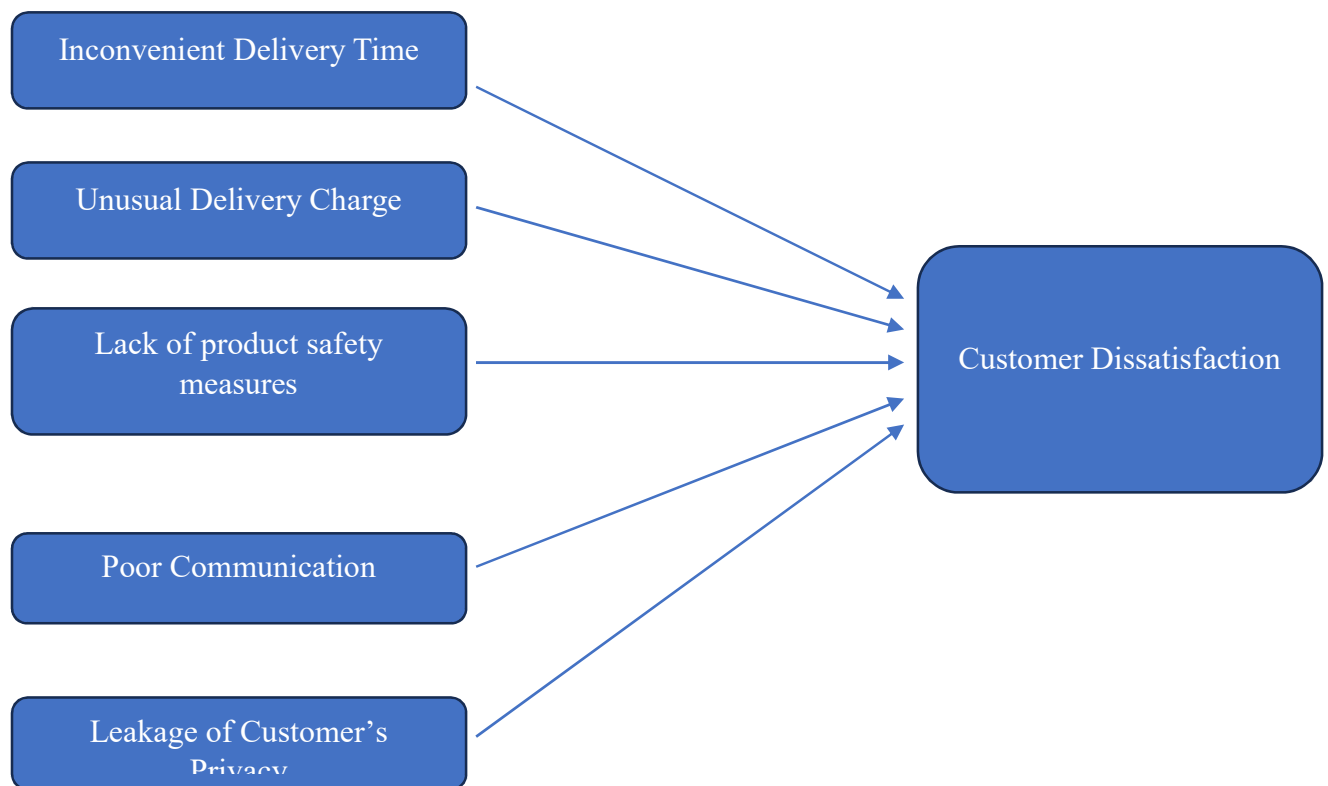


Figure: Theoretical Framework

6. Data Analysis

6.1 Demographic profile

Table-1

Gender					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Male	136	53.1	53.1	53.1
	Female	120	46.9	46.9	100.0
	Total	256	100.0	100.0	

Source: Author's estimation

Table-1 suggests that the data is almost evenly distributed to male and female respondents. There has not been a significant difference in the number of both male and female respondents as they differ by only 6.2% percentage.

Table-2

Age					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Under 18	8	3.1	3.1	3.1
	18-24	146	57.0	57.0	60.2
	25-34	52	20.3	20.3	80.5
	35-44	25	9.8	9.8	90.2
	45-54	21	8.2	8.2	98.4
	55 and above	4	1.6	1.6	100.0
	Total	256	100.0	100.0	

Source: Author's estimation

Table-2 shows a significant relationship between age and the number of respondents. The prime focus of our survey was the youth generation as majority of the people that do online shopping are from 18-24 and 24-34 age group, as depicted from the table. The older the age group, the lesser has been the responses on online purchase. The reason has been young or less age people are more familiar or equipped with the online tools or advanced technology.

Table-3

Occupation					
		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Student	175	68.4	68.4	68.4
	Service holder	25	9.4	9.4	77.7
	Businessman	12	4.7	4.7	82.4
	Self-employed	20	7.8	7.8	90.2
	Others	24	9.8	9.8	100.0
	Total	256	100.0	100.0	

Source: Author's estimation

Table-3 shows students are the most dominating force in online shopping maybe because of their time spend in internet motivates them to buy things online. The second major group is service holder's group, who may do online shopping just because they have minimum spare time.

6.2 Reliability of the data

The Cronbach alpha is an ideal measure to check the reliability of a dataset. The questionnaire includes 5 independent variables as a measure of factors responsible for customer dissatisfaction. Before conducting further analysis, reliability of the dataset is measured.

Table-4

Reliability Statistics	
Cronbach's Alpha	No of Items
.669	5

Source: Author's estimation

The result of the reliability test shows a Cronbach Alpha value closer to 0.70. It suggests that all the variables measured are ideal for further data analysis.

6.3 Descriptive Statistics

Table-5

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Inconvenient Delivery Time	256	1.00	5.00	3.0723	.67494
Unusual Delivery Charge	256	1.00	5.00	2.9629	.58070
Lack of Product Safety Measures	256	1.00	4.80	3.2687	.72497
Poor Communication	256	1.00	5.00	3.0996	.69122
Leakage of Customer's Privacy	256	1.00	5.00	3.5299	.74035
Valid N (listwise)	256				

Source: Author's estimation

The mean values show among the 5 variables, leakage of customer service exerts significant influence on customers dissatisfaction in online shopping. Customers are quite sensitive related to their privacy. Lack of product safety measures shows a moderate relationship, with the second lowest mean value 3.27. From the result of the descriptive statistics, others variables do not show a significant impact on customer dissatisfaction.

It is also evident from the table that none of the exerts a very strong influence on customers dissatisfaction as all of the variables has a mean value lower than 4. However, it is evident that customers, in Dhaka city, are mostly concerned about the privacy issue when they purchase anything from online.

Furthermore, standard deviation of all variables is between 0.58 to 0.74, which is quite good as each of them are below 1.

6.4 Regression Results

Table-6: Model Summary

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.646 ^a	.418	.406	.54770
a. Predictors: (Constant), Leakage of Customer's Privacy, Inconvenient Delivery Time, Unusual Delivery Charge, Poor Communication, Lack of Product Safety Measures				

Source: Author's estimation

Table-6 shows that the value of R-square and Adjusted R-square are very close to each other which means the number of independent variables is considerably enough. The R-square describes that all the independent variables combination can explain 41.8% of the dependent variable Customer's dissatisfaction.

Table-7: Regression coefficients

Coefficients^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.119	.253		.468	.640
	Inconvenient Delivery Time	.210	.055	.199	3.781	<.001
	Unusual Delivery Charge	.149	.066	.122	2.271	.024
	Lack of Product Safety Measures	.276	.054	.282	5.157	<.001
	Poor Communication	.165	.056	.160	2.960	.003
	Leakage of Customer's Privacy	.199	.051	.208	3.883	<.001
a. Dependent Variable: Customer Dissatisfaction						

Source: Author's estimation

Table-7 shows that inconvenient delivery time, lack of product safety measures and leakage of customer's privacy are positively & significantly influencing the customer dissatisfaction because all these coefficients are positive & significant at 1% significant level. Poor communication is also significant at 1% level. However, the coefficient is very low which indicates a very weak influence of it in customer dissatisfaction. It can be said, customers have not faced major problems related to poor communication. However, the lack of product safety measures and leakage of customer's privacy has been one of the significant reasons behind customer dissatisfaction in e-commerce shopping.

On the other hand, the coefficient of unusual delivery charge is not significant at 1% level. It requires a higher level of significance at 5% level. The coefficient of the variable also showed the least influence among other variables.

7. Results

7.1 Hypothesis Testing

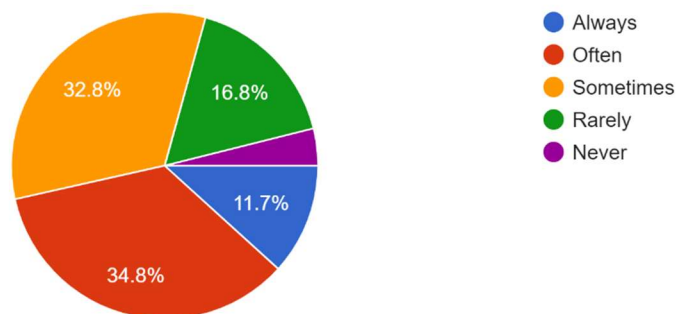
Hypothesis 1: “Inconvenient Delivery Time” has a significant direct relation with customer dissatisfaction.

The results of descriptive statistics suggests that inconvenient delivery time has not been a significant reason for the customer dissatisfaction in Dhaka City. The mean result of the answer of Likert scale survey was 3.07, which was the 2nd lowest among all the factors. That means customers does not strongly agree with the statements related to that products are not delivered in their convenient time.

Hypothesis 2: “Unusual Delivery Charge” has a significant direct relation with customer dissatisfaction.

With a mean response of 2.96 in the descriptive statistics, the variable “Unusual delivery charge” suggests a low relationship or influence on customer dissatisfaction.

Delivery Charge inside Dhaka is reasonable
256 responses



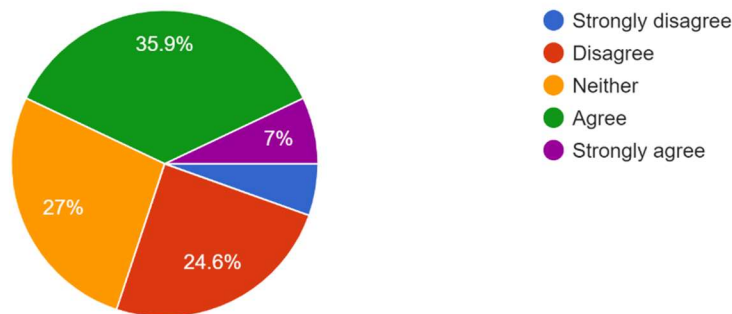
When asked with the statement: “Delivery Charge inside Dhaka is reasonable”, only few responded negatively. As shown in the pie chart, only 3.9% responded with ‘Never’ and 16.8% responded with ‘Rarely’. Rest others, either completely or partially agree with the statement. Customers don’t think that delivery charge inside Dhaka is often unreasonable.

Hypothesis 3: “Lack of Product Safety Measures” has a significant direct relation with customer dissatisfaction.

Interestingly, the result of the study showed that people showed a significant concern on product safety measures as a cause of customer dissatisfaction. It shows that customers are quite dissatisfied with the product safety measures of the delivery service systems in Dhaka city. The factor has been proven as one of the major concerns for the customers.

I have placed an order and received damaged or poorly packaged products when shopping online in Dhaka City.

256 responses



As shown in the pie chart, 35.9% of the respondents voted that at least once they have received damaged products or faced issues with product quality due to the mishandling of delivery service team.

Hypothesis 4: “Poor Communication” has a significant direct relation with customer dissatisfaction.

Poor Communication has not also been one of the significant reasons for customer dissatisfaction in Dhaka City. As suggested by the results of descriptive statistics, the mean result of the responses of the variable ‘Poor communication’ was 3.09, not showing a strong relationship. Most of the customers don’t agree that they are dissatisfied with the communication service in online purchase.

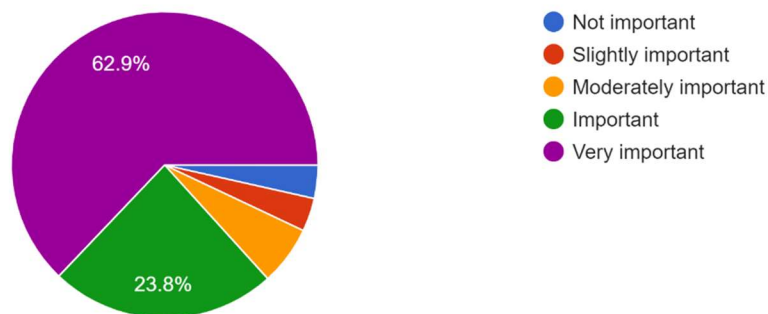
The results of the regression output also suggest the same as the coefficient of the independent variable ‘Poor Communication’ is very low at 0.16 with a significance level at 1%.

H5: “Leakage of Customer's Privacy” has a significant direct relation with customer dissatisfaction.

Interestingly, the result of the study showed that customers are quite sensitive when it comes to their privacy issue. Customers want to keep their personal information safe when they purchase through online. Such as their contact details, what products they have ordered through online should not be shared with others except the relevant parties.

When asked with the privacy issues, the variable “Leakage of Customer’s Privacy” showed the strongest response as many of the respondents agree with statements of privacy issues in the questionnaire. The mean result of the response in descriptive statistics was 3.53. Though the result 3.53 does not exert a very strong relationship, it was the highest compared to all other variables. The regression results also showed the second highest coefficient (0.208) compared to all other variables.

How important is the protection of your personal information when shopping online in Dhaka City?
256 responses



It’s quite evident from the pie chart how important is the privacy issues to the customers. With the majority of response showing 62.9% people find it ‘Very important’ and 23.8% find it ‘Important’ that the protection of their personal information is maintained when shopping through online.

The delivery service partners in Dhaka city or those who are willing to embark on this sector should focus deeply on this issue. They should ensure the utmost privacy of their customers in the course of product delivery system so that customers don’t lose their confidence for it.

8. Conclusion

This research paper sheds light on the challenges occurred during online shopping in Dhaka city, resulting detrimental impact on customer satisfaction and loyalty. This study reveals the findings that inappropriate delivery charge, wrong items, poor communication, leak of customers' information, inconvenient delivery timing lead and contribute to customer dissatisfaction. Most prominently, customers are quite concerned about their privacy issues and product safety issues, resulting in loss of customer trusts on e-commerce delivery platforms. As a result, the rate of switching from one delivery institution to another is increasing nowadays and customer contentment on online shopping is decreasing. To reduce these problems, the delivery service businesses and e-commerce organizations should collaborate jointly, identify proper delivery strategies, introduce relevant technologies, enhance communication between retailers and customers and therefore, focus on customer satisfaction. The delivery service partners on e-commerce platforms should take appropriate policies to ensure that customers privacy is maintained. Product should be well packaged and carried in a manner that its safety is not harmed. Further, it should be checked at time of receiving from the seller, before it is delivered to the customer. Thus, all the negative issues and challenges regarding online shopping will be lessened that will foster customer satisfaction and online shopping experience. Besides, the entire system of delivery system in Dhaka city will be transformed.

9. Limitations

Though precautionary measures have been taken, the research is not free from its limitation. One great limitation is that the data we have collected for the research purpose, most of the respondents were students. Other age group's opinion might not get truly reflected in the summarized data. Since we've used snowball sampling method so we can only be sure of the credibility of the candidates to a certain percentage only. We can't guarantee that participants who were reached by our initial representatives actually have experience in online purchasing or not. Data may not accurately represent the fact. The questionnaire also had many qualitative questions in it. Qualitative questions always impose a threat of misinformation or poor answers as people are not used to with these sorts of questions and often, they lack the enthusiasm to properly think through and fail to provide appropriate answers and tend to select an option randomly just to get it done with. The whole data collection was done via social media, we didn't get the opportunity to personally interact with the participants that's why we were only able to manage a certain amount of information which is indeed a shortcoming. Lots of our qualitative questions begs a broad descriptive answer which could've been possible if we had interviewed the participants personally. But in Google form the participants were provided with certain options only. Furthermore, we do not have extensive knowledge in the research field. There is still scope for further research on this specific topic even after our research that the future researchers might do.

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