

# OPERATORS INFLUENCING CUSTOMER SATISFACTION LEVELS IN AN E-COMMERCE PLATFORM: A CASE STUDY ON JUMIA AND SOUQ.COM IN EGYPT

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**Abstract:** This article reviews the era of technology and open markets, e-commerce is considered to be a revolution that redefined buying and selling and reintroduced it in a much easier style that is not anymore restricted by time or place. These drastic changes required the introduction of new ways of approaching customer satisfaction as a goal for all kinds of markets, be it traditional or e commercial. Like the rest of the world, online shopping is constantly rising in Egypt, middle east and Africa, and the competition between platforms is therefore unprecedented. Due to all this, this study aimed to explore the major influencers of the online customer's satisfaction and test these influencers on the customers of two of the most successful B2C platforms in Egypt that are JUMIA and SOUQ.COM. The operators tested were security and privacy, website design and accessibility, product information quality, trust, order fulfilment quality and payment methods. This research was quantitative, as its results relied on the conclusions of a survey shared on social media platforms, and the data of 479 participants was collected. The analyzing of the collected data was conducted through SPSS 22 and AMOS, and the results of it proved the relation between the suggested six operators and customer satisfaction. Between the six operators, payment methods and trust had the upper hand as the most believed operators to have an influence on customer satisfaction. Based on the results, the conclusion, administrative effects, suggestions and restrictions were discussed. The researcher hopes online shopping platforms makes proper use of the findings of this research towards a better understanding of customers and their needs.

**Keywords:** E-commerce, online shopping, customer satisfaction.

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## 1. INTRODUCTION

The definition of electronic commerce is any service or business transaction in which the sector interacts electronically rather than by direct physical contact or physical transaction. Timmers, P. (1998)

As well the definition of Kalakota, R., & Whinston, A. B. (1997). as selling and buying over electronic and digital media whereas buying can be left out if the selling process is electronic the buying process is electronic as well. Also, the products or goods can be service More clearly and accurately e commerce is the tread (distribution, sales, commerce) of services and goods by electronic means.

E-commerce is the process of buying and selling services and products through the Internet and other daily transactions that are done electronically, such as bill payments. For now, the idea of living without e-commerce may seem irrational.

The beginning and evolvement of electronic commerce started before almost 40 years and is continuing to grow to this day through technology, as well as dozens of companies that enter the market through the internet daily.

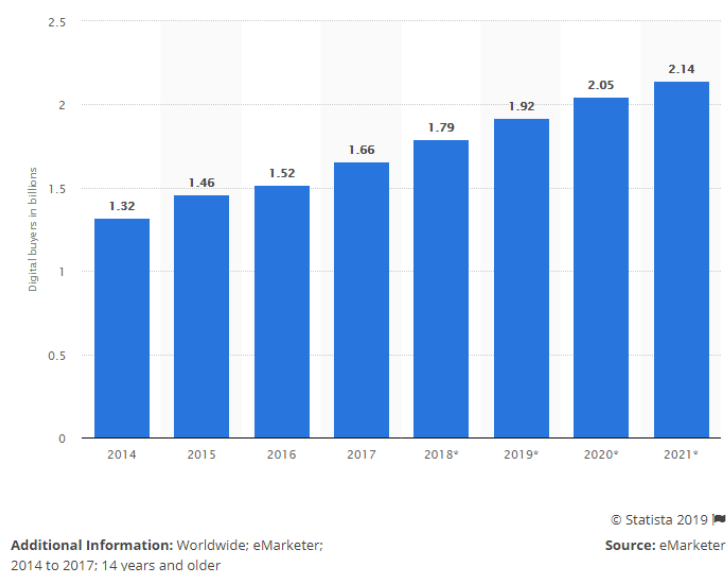
Through electronic data and telephone sales, the emergence of modern electronic commerce has been pre-eminently linked to the emergence of the internet. Internet shopping became possible only when the public was granted internet access in 1991. Amazon was the first in the United States to start selling products online, and then the thousands of websites that followed it. Since then, the experience, convenience and safety of e-commerce has improved dramatically and drastically.

Online shopping was introduced in 1979 by Michael Aldrich in the UK. He was able to create a connection between a television and a processing computer using a telephone line. It was marketed in 1980 targeting B2B systems operating in the UK, Spain and Ireland. In 1992, Charles M. Stack used this in creating Book Stacks Unlimited which is considered the first online bookstore operating as a dial-up board before Amazon was created by Jeff Bezos. Two years later, the business moved to the internet before joining Barnes and Noble.

Electronic commerce plays an important role in the economic growth of many nations on a large scale, but there is a direct relationship between the knowledge of the role of electronic commerce and competition; the more the knowledge on electronic commerce spreads, the fiercer and stronger the competition between platforms becomes. With the growth of competition and conflict between platforms, profit margin is reduced. In order to create sustainability and competitiveness, it is necessary for platforms and e-commerce sites to search for new and innovative ways to distinguish their services.

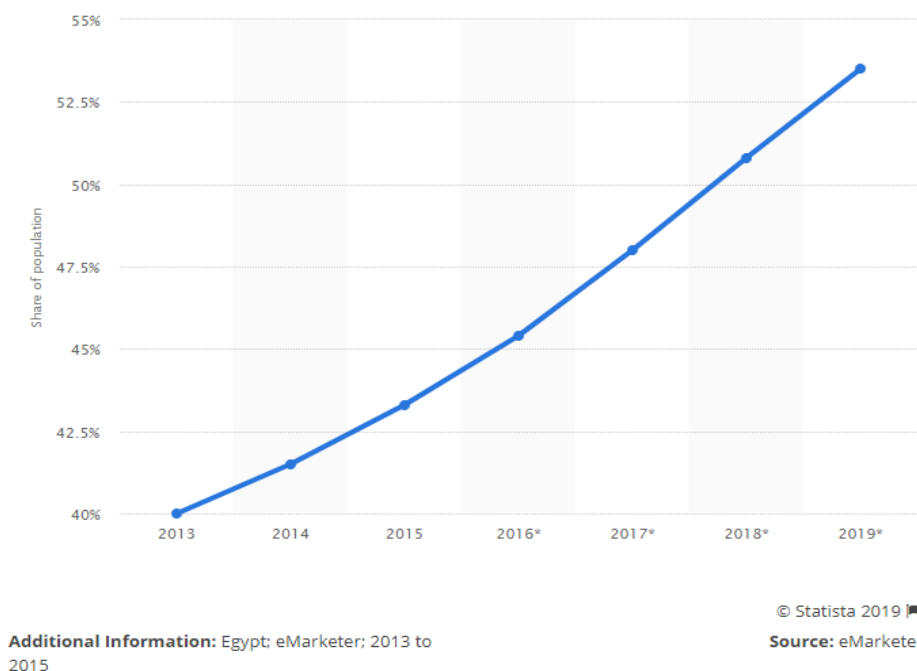
According to many reports, from 1995 to 2008 the pace of e-commerce growth was between 10 and 20 percent, but with the onset of the global economic crisis and the economic recession, this growth had a slight downfall, but did not last long before it sharply returned since 2013.

According to the below figure 1.1, the annual Expected growth in global e-commerce volume is clearly shown from 2014 to 2021.



**Figure 1.1: The global population continues to increase (Source: Source: Statista. E-Marketer 2019)**

As recorded, the increase in the number of frequent internet users over the past five years is almost 14% (40% in 2013, 53.5% in 2019) as the below (figure 1.2). In the past decade, the internet has seen rapid growth in Egypt; statistics from 2015 show that the number of daily visitors of e-commerce sites in Egypt had risen from 12 million to 18 million.



**Figure 1.2: internet user penetration in Egypt from 2013 to 2019**

(Source: Statista. *E-Marketer* 2019)

The significance of the study can be described in the following points:

1. The main objective of the study is to attempt to discover the main factors influencing the level of satisfaction of e-commerce customers in Egypt in the B2C ecommerce platforms and verify the relationship between them in order to establish a structure through which the hypotheses developed can be examined.
2. Factors that influence and support the success of electronic commerce in Egypt.
3. Some recommendations may be made to e-commerce site managers and platform owners in Egypt to understand customer perceptions, improve their satisfaction, and maximize their expectations.
4. Paying the attention of e-commerce site managers and platform owners to customer satisfaction and adoption as a competitive advantage.
5. The results of the study may encourage the Egyptian authorities and stakeholders to seriously consider increasing overall customer satisfaction on e-commerce platforms and removing obstacles for both customers, owners and platform managers.
6. We hope that this will lead to further research and studies in the field of customer satisfaction in the B2C sector in the e-commerce platform in Egypt.

This study's goal is to identify the factors influencing the satisfaction of e-commerce customers. To fulfil this, the researcher chose Souq.com and Jumia as the two most popular e-commerce sites in Egypt, using a questionnaire as an evaluation tool. The data was collected from the clients of Souq.com and Jumia and then analyzed to finalize the results. The results of this questionnaire will hopefully help e-retailers in Egypt understand the prevailing factors affecting the satisfaction, as well as providing recommendation regarding specific points the researcher thinks will improve customer satisfaction, expand businesses and achieve a competitive advantage.

According to the aforementioned problem, this article aims to find answers for the following questions:

- Q1. What are the factors influencing the level of satisfaction of e-commerce customers in the B2C sector in Egypt?
- Q2. What is the relationship between these factors and customer satisfaction, and what is the extent of their impact?

## 2. METHODOLOGY

Egyptian customs are eager to shop online. In addition to looking for best fares, easy payment methods and best quality products, their satisfaction requires many other operators in order to achieve purchase frequency. From the literal review, the researcher tried to discover those operators that are continuously affecting customer satisfaction which are: trust, website design and accessibility, product information quality, order fulfilment, security and privacy and payment methods. A better understanding of the mind-set of Souq.com and Jumia online shopping platforms was established.

This chapter presents and describes in detail the method and procedures that were used to conduct this study, including research design, population, sampling procedures and data collection.

This study attempts to discover the factors influencing the customers' satisfaction of e-commercial platforms in the B2C sector in Egypt. (Aliaga, M., & Gunderson. (1998). quantitatively researched this in order to explain the phenomena by collecting numerical data, which is then collected and analyzed using mathematical methods.

The survey method was conducted by distributing an online survey in order to have a practical understanding of the customer's perspective, as well as gather information on all of the six operators. The search result was tested to see if the six hypotheses are supported, and the range of effect each variable has on the level of customer satisfaction. In this study, there are six independent variables including trust, website design and accessibility, product information quality, order fulfilment, security and privacy and payment methods as well, and one dependent variable, which is customer satisfaction.

The research stages can be presented by beginning with the point of the research, reviewing the previous relevant studies and establishing the study questions through which the conceptual framework of the study was designed. To test this model, a questionnaire was designed to study and collect the required data from the sample group. In order to obtain answers to the study's questions, data was collected and analyzed. Finally, the results were interpreted, and the conclusion drawn.

It was necessary to reach customers who relied on e-commercial platforms in shopping. Therefore, the study population consists of active customers with all levels of education, from both sexes, with different income levels who have previously experienced online shopping through Souq.com and Jumia platforms during the year 2018, so that they have an updated online shopping experience. According to similar web, the results for the last six months for both sites were as follows: Total visits of Souq.com 52.17M, Jumia 6.2M. The following figure 2.1. analyses the customer visits of both platforms:

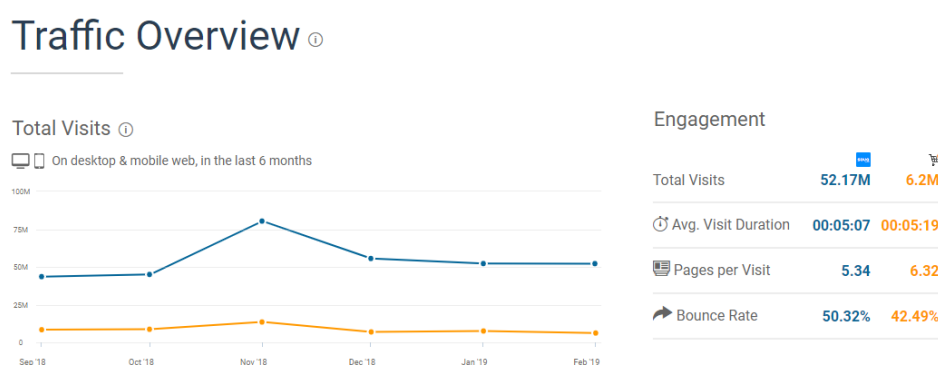


Figure 2.1: Traffic overview Souq.com & Jumia

(Source: similarweb -2019)

Generally, there are two processes of data gathering, targeting primary and secondary data. Primary data relates to collecting data through related journals and articles, while secondary data is done through questionnaire divisions. This research was done through Secondary data.

Before conducting this research, the researcher was able to get an authorization from the admins of social media sites of the souq.com and Jumia platforms. Participation in the questionnaire was required anonymously and strictly voluntary.

Participants were assured that the search tool was not a test, with questions that are not subject to true/ false answers, questionnaire was done through the social media pages of the mentioned sites in all Egyptian cities. The reason for making an online survey format is that the nature and effectiveness of the research takes places on the internet which therefore allows better evaluation of e-commerce customer's behavior. (Hoffman & Novak, 1998).

The deadline for completion of the questionnaire was two months and the answers were not accepted after the target number is reached.

No information other than general demographical data was collected from participants, as anonymity and privacy were ensured to enable free and honest responses for best quality data, and therefore realistic and effective conclusions that opt to improve e-commercial experiences for both customers and platforms in Egypt.

For data analysis purposes the multiple regression method was followed and the statistical package for social science (SPSS 22) and analysis of a moment structures (AMOS) software were applied.

The analysis of this study's data covers inferential and descriptive statistics. The former includes several sectors, mainly normality of variables, reliability and validity analysis, (CFA) confirmatory factor analysis, Pearson Correlation Coefficient and multiple regression analysis for hypotheses testing. The latter was utilized to define the basic characteristics of the participants and determine the substantial characteristics of both the independent and independent variables.

### 3. RESULTS

This part includes the presentation of the analytics of the quantitative data obtained from 479 Jumia and Souq.com customers. The main objective at this point is to test previous theories regarding customer satisfaction through the analysis of the questionnaire survey results.

Various statistical analyses were composed including descriptions and summaries. The descriptive statistics were then summarized in the demographical analysis of the sample.

#### a. Demographical characteristics of respondents

This part presents the descriptive analysis of the demographical data of the participants, including age, educational achievements, employment, monthly income, internet usage and online shopping experience.

**Table 3.1: Demographic profile of respondents**

Demographic profile	Valid	Frequency	Percentage (%)
Gender	Male	208	43.4%
	Female	271	56.6%
Age	Under 20	14	2.9%
	21-30	286	59.7%
	31-40	154	32.2%
	41-50	19	4.0%
	Over 50	6	1.3%
Education level	High school or under	21	4.4%
	High school	17	3.5%
	Bachelor	364	76.0%
	Postgraduate	70	14.6%
	Above	7	1.5%
Profession	Student	48	10.0%
	Employee	40	8.4%

	Private sector employee	160	33.4%
	Self-employed	90	18.8%
	Unemployed	103	21.5%
	Other	38	7.9%
Monthly income (EGP)	Less than 1000	81	16.9%
	1001 - 2000	96	20.0%
	2001 - 3000	74	15.4%
	3001 - 4000	46	9.6%
	More than 4000	182	38.0%
Internet usage frequency	Hourly basis	159	33.2%
	Daily basis	298	62.2%
	more than 3 time a week	19	4.0%
	less than 3 time a week	3	.6%
Online shopping experience	Less than a year	172	35.9%
	1-3+ Years	170	35.5%
	4-6+ Years	87	18.2%
	7+ Years	50	10.4%
Mostly used device for your online shopping	Laptop	92	19.2%
	Smart phone	362	75.6%
	Tablet	19	4.0%
	Other	6	1.3%
Preferred online shopping platform	Souq.com	242	50.5%
	Jumia	83	17.3%
	Other	154	32.2%

\*Note: The sample size (N) Is 470.

\*\*Note: Percentage is subject to being less than 100% due to loss of data.

As described in table 5.1, the majority of respondents were female (56.6%), whereas the number of male respondents was (43.4%). As for age, majority of participants were from 21 to 30 years old (59.7%), followed by the respondents whose age ranged from 31 to 40 (32.2%). As for the educational level, the respondents who had bachelor's degrees were the vast majority (76.0%) followed by postgraduate (14.6%). Private sector employees took over with (33.4%) followed by the unemployed with (21.5%). (38.0%) of the respondents have a monthly income of more than 4000 EGP, and (62.2%) of them use the internet every day. As for online shopping experience, the majority of the participants were less than a year (35.9%) followed by 1-3+ years (35.5%). Smart phones had the upper hand among other online shopping means with a percentage of (75.6%) followed by laptops (19.2%). Souq.com was the preferred platform (50.5%) followed by all other platforms (32.2%).

Due to the obtained data, the vast majority of the participants were young, educated, employed and experienced in online shopping.

#### b. Descriptive statistics of variables

The statistic's description of dependent and independent variables includes minimum and maximum values, mean, standard deviation, skewness and kurtosis. The values were then computed to identify the main characteristics of the obtained data in quantitative terms. All values of the survey were built on a 5-point Likert scale (1 = strongly agree, 2 = agree, 3 = neutral, 4 = disagree, and 5 = strongly disagree). Table 5.2 and 5.3 present the details of dependent and independent operators accordingly.

**Table 3.2: Descriptive statistics of independent variables**

Descriptive statistics							
variable	N	Minimum	Maximum	Mean	Std. deviation	skewness	kurtosis
Website design	479	9.00	38.00	18.69	4.65	.292	.933
Information quality	479	5.00	22.00	11.99	3.07	.032	.701
Order fulfilment quality	479	4.00	19.00	9.12	2.83	.192	-.107
Security and privacy	479	4.00	20.00	9.06	2.81	.607	1.264
Trust	479	4.00	20.00	9.09	2.75	.527	.839
Payment methods	479	4.00	18.00	8.51	2.47	.256	.465

### c. Inferential statistics

All the collected data was tested using multiple regression analysis, comprising elements of (CFA) (confirmatory factor analysis) and linear regression to uncover the relationship between the considered factors and customer satisfaction through e-commerce.

## 4. DISCUSSION

This section focuses on the results of the study, including theoretical descriptions and analytical points in order to determine factors influencing customer satisfaction levels on Egypt's leading online shopping platforms using Souq.com and Jumia as the cases of the study. (Kotler & Keller 2009) provided a general definition of satisfaction in terms of customers, defining it as a person's happiness or disappointment feelings as a result to comparisons of results with expectations.

Upon this relevant definition we conclude that customer satisfactions rely on their expectations regarding products and services, which could possibly mean that the results of our conducted research using Jumia and Souq.com as case studies apply on other platforms as well.

The main tested factors influencing customer satisfaction levels include trust, product information quality, website design, privacy and security, order fulfilment quality and payment methods which were later tested in the questionnaire that was uploaded online in order to obtain sufficient information as to whether these factors have their expected effect.

According to the survey analysis using SPSS 22 and AMOS, female contributors had the upper hand, as well as the age group 21-30, bachelor degrees, self-employees, with monthly incomes that are above 4000 EGP, daily internet users and with an online shopping experience of less than a year using smartphones. Souq.com was the most frequently used platform between the two platforms.

Chart's results confirmed that the hypothesis of the study was indeed implied, and upon this result the conceptual model was supported.

Therefore, the researcher's efforts to obtain the elements were effective. Therefore four of six operators had a noticeable positive impact on customer satisfaction. Based on their descending order payment method came first, followed by trust, website design and accessibility and information quality.

## 5. CONCLUSION

This article was conducted in order to obtain solid and clear influencers on online shoppers' satisfactory levels in Egypt by questioning JUMIA and SOUQ.COM customers as major online shopping platforms in the country and its surrounding region. Several approaches were made, including data collecting and social media questionnaire conduction. Based on the results, the researcher provides the following conclusion:

It is considered that the study has achieved its goals, as the six operators selected were theoretically and practically proven to have major influences on customers' satisfaction levels. The researcher hopes Egyptian upcoming and aspiring online shopping platform owners and inventors could employ these operators and take them under consideration for setting up better online shopping platforms, increasing satisfactory levels among online shoppers in the region, making better profits and achieving upper levels among other online shopping in a market that is huge and thriving for better online shopping experiences.

As aforementioned, some studies have conclusions that may be partially or completely contradicting to the results of the study at hand, which the researcher believes to be completely natural when considering social, economic, demographical and technical differences between varying regions, and therefore the researcher urges aspiring online traders to carefully study the environment of the region at hand before making decisions regarding their strategies in attracting and keeping their customers.

Although four of the six operators were agreed on to be essential for a customer's satisfaction, payment options and trust were elected to be the most influencing operators of all.

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