

Success and failure of electronic commerce: an empirical study of customer satisfaction in online bookstores

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The emergence of the Internet created significant opportunities for entrepreneurial individuals. With the wide spread uptake of the Internet by ordinary households, business to consumer (B2C) e-tailing seemed an obvious opportunity for entrepreneurs. Sites began online selling directly to consumers, everything from books, to pet supplies, to clothing. This created a frenzy of companies staking their online claim to get a piece of the action. However while many of the businesses that were started are successful and thriving, the vast majority of them has ceased operations, and went for bankruptcy.

There are few common reasons such as poor business plan, lack of senior management experience, poor customer satisfaction and customer service melt down for the all failure dot.coms. This study analyzed the common reasons of the failure dot.coms deeply while using the literature of selected well known dot.com failures. Customer satisfaction has identified as a key factor of business success or failure. This study mainly focuses on measuring customer satisfaction in online retailers. This study developed a conceptual framework to measure online customer satisfaction. Data for study were gathered from face to face interviews and through online survey.

Findings reveal that there are six major factors significantly effect to the customer satisfaction of online bookstores. The empirical study also confirmed that price and payment security and IT characteristics of the website have significant positive impact on overall customer satisfaction. Finally recommendations were given to investors, venture capitalists and senior management of the online firms who play a vital role in the e-commerce.

Key words: Electronic commerce, Online book stores, Customer satisfaction, Information technology, Venture capitalists.

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