

E-Commerce - Customer Experience and Relationship

Nausherwan Raunaque¹, Md. Azam Imam², Md Asif Raja³

¹Assistant Professor, Faculty of Management Samalkha Group of Institutions, Samalkha, Haryana, India

²Senior Executive - Operations (Quality Assurance), Onicra Credit Information Company Limited, Noida, India

³Assistant Professor (C Eng & AP Eng), SOCE, Galgotias University, Greater Noida, UP

Abstract—Modern World has witnessed tremendous growth of e-commerce industry in term of volume of business and its acceptance among the customers. It has really posed a question on traditional commerce module so as many of them has associated or converted themselves into e-commerce. The question remains whether all of India has been included in it or only urban population is availing the facilities available via e-commerce; and secondly are the online customers fully satisfied and do not expect anything else save what is offered right now? In this research we have tried to find out answer to these questions so as the customer can share their experiences and perceptions towards the e-commerce business module and how the relationship could be better by identifying areas of improvement and inclusion for the e-commerce industry to make the relationship fruitful.

Keywords—E-Commerce, Consumer perception, Customer retention, Buying behaviour, Customer relationship.

I. INTRODUCTION

Modern World has witnessed tremendous growth of e-commerce industry in term of volume of business and its acceptance among the customers. It has really posed a question on traditional commerce module so as many of them has associated or converted themselves into e-commerce. Ecommerce has actually revolutionized the buying behaviour of the customers depending upon several factors like easy accessibility and availability of broader spectrum of products & services. Now customer retention has become really a challenge for any company as the stiffness of competition has reached onto neck-to-neck battle resulting into frequent Brand Swingers. Even loyalty programmes are not able to cope with the competition as every company is coming up with a new idea or programme on regular basis and subsequently making it a marketing clutter, which has made the programmes or promotions lose its sheen. Consumers use the internet not only for online shopping, but also to compare prices, product features and after sale service

facilities. In addition, customers move towards the virtual stores to avail lucrative offers and a better shopping experience. As E-commerce has tremendous potential for the current and the future markets, internet provides a unique platform for companies to be more effectively reach existing as well as potential customers. Although the major part of revenue from online transactions comes from business-to-business (B2B) commerce, but E-commerce improves the opportunity of the business-to-consumer (B2C) practitioners in modern times. Internet has changed the traditional way of customers shopping and buying goods and services. With a rapid pace, it evolved into a phenomenon, which is globally accepted. "There are the more traditional economies of scale. If the same products are available through several retailers then the cost control becomes one of the, if not the, paramount driver of profitability" [2]. To counter the dynamic nature of the fast growing markets, companies started using internet as a tool to cut down the various intermediary costs, which further helps in reducing the prices of their products and services while standing competitive in the market. These business houses also uses internet to communicate with the customers directly by direct selling business to customer (B2C) and collect customer information and feedback which further helps in improving the business strategies directly based on customer's desire, need and feedback. The market is shifting quickly in the modern world from product centric to customer centric approach with a huge impact of internet in the modern marketing channels and customer interface, and "the internet will create the winner and bury the laggards" [3]. "Over the past 60 years, marketing has moved from being product-centric (Marketing 1.0) to being consumer-centric (Marketing 2.0). Today we see marketing as transforming once again in response to the new dynamics in the environment. We see companies expanding their focus from products to consumers to humankind issues. Marketing 3.0 is the stage when companies shift from consumer-centricity to human-centricity and where profitability is balanced with corporate responsibility" [3]. Kotler also gives the future

direction to the E-Retailers that now, not focus only to satisfy your customers, you must have to delight them. The important thing is to scan the customer movement and direction and stand in front of them. In addition, the consumers are the designers, who design your product and from their ideas and inputs, you have to predict the future trends and stand in long run^{[4] [6]}. Every business is a service business, and you must try to put a smile on the customer's face. The net benefits will positively or negatively influence user satisfaction and the further use of the information system^[5].

Online shopping in India

The evolution and growth of internet has been the biggest happening of this century. E-commerce in India has come a long way from a feeble beginning in the 1999-2000 to a period where one can purchase/sell and find all sorts of stuff from Convenience products to Speciality products online^{[7][8]}. Most companies are using internet to represent their product range and services so that it is accessible to the global market and to reach out to a larger customer base. Computers and the internet have completely changed the way one handles day-to-day transactions; online shopping is one of them^[9]. The Internet has brought about sweeping changes in the purchasing pattern of the people. In the comfort of one's home, office and now even on the go via mobile phones. India's e-commerce market was worth about \$3.9 billion in 2009, it went up to \$12.6 billion in 2013. In 2013, According to Google India, there were 35 million online shoppers in India in 2014 Q1 and expected to cross 100 million marks by end of year 2016^[10]. Customer behaviour and expectations are dynamic and value based in nature and so changes with time and preferences^[11]. Customers experience in recent times displays that customers expect instant help within minutes of their online activities. Many of customers are likely to buy from companies from where they have already purchased at least once however, other category completely goes for the feature and benefit offered by these companies.

II. PURPOSE OF STUDY

The focus of this research revolves around the relationship among the online customers and e-commerce companies and to know the customers experience regarding their day to day online shopping experience. In addition, to involve the buyers to contribute their vital inputs in real life encounters related to different aspects of e-commerce. This study provides customer an interface to express their queries and concerns which they face on regular basis while buying online. This will also help the e-commerce industry to find out the challenges affecting buying behaviour of online customers, and to identify the

areas where these companies need to re-strategize the future policy that further helps in customer retention.

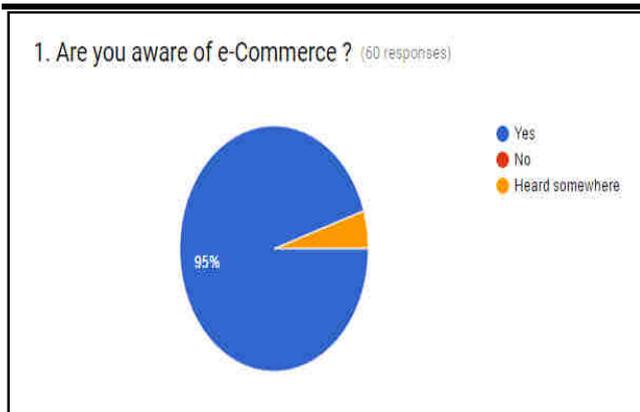
III. FINDINGS

REALLY MAKE OPTIONS PRODUCT GOODS PROPER
CUSTOMER CONSUMERS ONLINE COMMERCE TIME EASY
PRODUCTS MORE TRANSPARENCY GOOD
REMOTE REDUCED
QUALITY ITEMS DELIVERY OPTION
SERVICE TRADERS
ACCESSIBLE EASILY COMPARISON QUICK WEBSITE HELPS
SUCCESSFUL AVOID SAME REFUND MOBILE CUSTOMERS
AWARE PHONES DIFFERENT RURAL INDIA EACH
SEE RETURN AREA APP MODULE FRAUDS
SITES TRANSPARENT

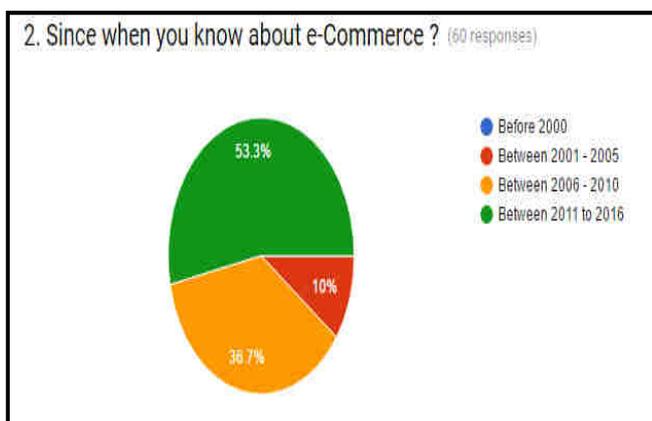
A number of interesting facts came out when we interviewed the respondents through an online survey. The respondents primarily based in National capital region of Delhi and had access to internet, voluntarily participated and shared their views, opinions and experiences. This online survey is more significant in comparison to the offline surveys in which there is a great chance that the respondent does not have the access to internet and in such a case, the result will deviate from natural course.

In broader terms, the customers' decision to go for e-commerce depends upon three main factors: Products, Services, Assurance of Transaction and safety of it. Most of the respondents who use e-commerce channels seem to be concerned about Quality of the products, which means quality is the key for customer retention. Many of these users want quicker and more transparent refund policies; however, several others see a great future for e-commerce provided a better penetration of rural markets. However, penetrating rural market is not going to be a cakewalk considering India's vastness of culture and greatness of geographies. As many of the respondents feel that e-commerce websites must offer the services in Hindi and other regional languages, so that non-English speaking majority of population of India can be converted into the prospects. These are few great challenges ahead for any new entrant or existing player of e-commerce as there are 10s of languages, which are very much exclusive to their vast regions.

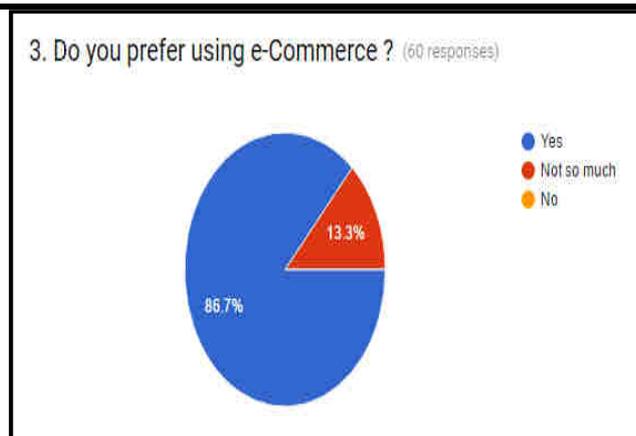
Let us analyse few responses, which can be taken as a strong indicator for awareness of e-commerce, its popularity over time and customers perception towards it.



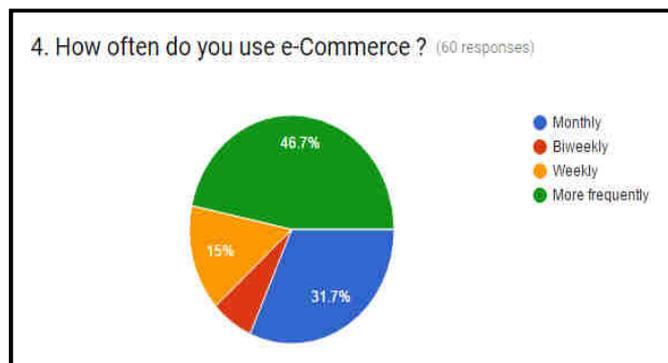
It is evident from this graph that there is absolutely nobody who has access to internet and does not know about e-commerce. A mounting majority (95%) is aware about e-commerce and 5% are those who have only heard of it. This also depicts the popularity of the e-commerce among the internet users.



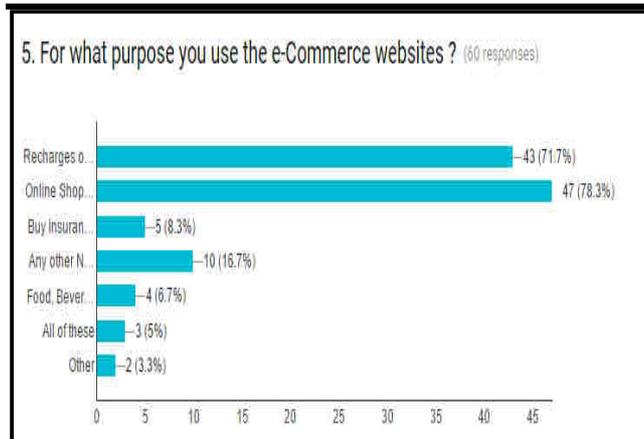
We tried to find out the period that has witnessed the maximum growth in terms of customers' awareness about it and found that last five years (2011 to 2015) have been the best in which more than 50% of the respondents came to know about e-commerce. However, there are other 37%, who has been knowing e-commerce since somewhere from 2006 to 2011. It is also very important to mention here that there is no respondent, who had known the e-commerce business module prior to 2000. Thus, a complete paradigm shift in terms of consumers' perception towards e-commerce can be seen. This is very much parallel to the post liberalization era's growth pattern in India and has grown accordingly.



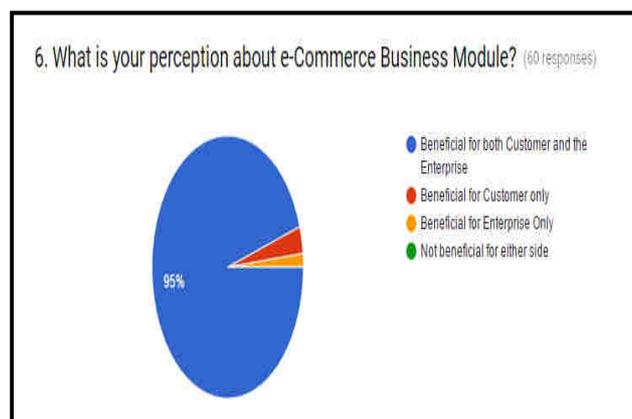
This clear from the picture that majority of the respondents prefer using e-commerce which indicates that Indian are assured about Quality and delivery of the products and their competitive pricing models offered by different e-commerce modules. It can also be inferred that these businesses have generated ample amount of trust among the customers and customers are feeling confident about using it. However, there is also another category of customers who are still sceptical about virtual market as they are not so much interested but they are smaller in size (13.3%); but this is the segment where marketers can focus, add value and assurance to tap it.



A great percentage of the respondents (47%) use the e-commerce more frequently or several times a week which suggests that e-commerce has really made a place for it in customers daily life. However, there are another 40% who use the e-commerce biweekly or monthly. This numbers signifies a great opportunity still untapped or partially tapped by e-commerce and marketers can look at this figure and find out how to bring this number into weekly or more frequently bracket. If this challenge tackled well, it will boom the business in terms of revenues.

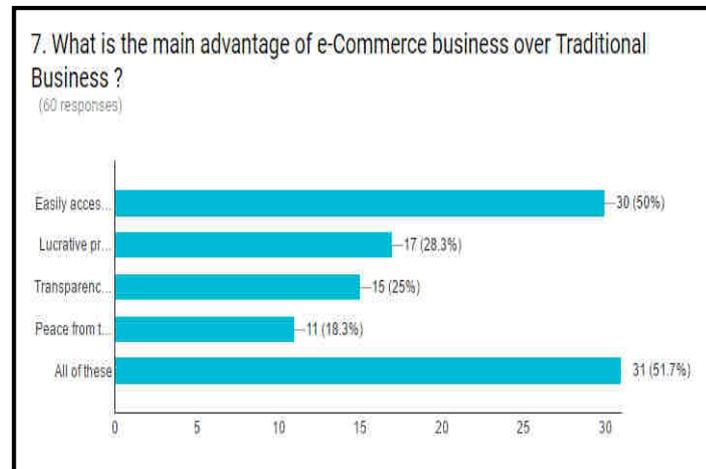


As we further tried to know the segments which allure the online buyers, it was found that Recharges, payments and online shopping hold the highest rank in consumers mind when it comes to doing online transactions. Recharges included Mobile and Electricity Bill payments, prepaid rechagres of mobiles, DTH, Data cards etc; and on the other side shopping included grocery, garments, footwears, cosmetics, home decors, accessories etc. Some people even buy Insurance and other policies however there is a very frail response for Food and Beverages products which should have a better contribution considering more basic need of everybody and a great sum of the earning of every household is spent on it. It means that customers are still relying on traditional stores for food and beverages. The online marketers have to increase the effectiveness of its delivery by reducing the delivery time to attract more customers for food and beverages segment which is highly untapped.



This is really a great revelation which every marketer should aspire. 95% of the people believe that e-commerce business module is beneficial for both customer and the business. This means the e-commerce has been able to convince the customers that it has some better value proposition than the traditional buisnesses provide. This reflects the attitude of the customers. Big e-commerce enterprises are relying on ther business partners or

vendors for their products. This is a clear indication that more and more vendors will be attracted toward e-commerce due to its popularity and its wide reach. And secondly, the new entrants, which have been online customers so far, will certainly associate themselves with e-cmmerce believing it has place for both customers and businesses.



As e-commerce model has gained a huge popularity in last 10-15 years, it becomes inevitable to ask the respondents about advantages of e-commerce over traditional shops or businesses. It came out not surprising to know that Acceability is the key factor among all other major factors affecting online businesses. 30% of the people go for e-commerce, due to its accesibility without constraints of time or place and the online thing they need is internet connectivity. While other 17% are those who find the promotional offers given by these e-cmmerce businesses are lucrative. Most importantly, 15% people are those who consider e-commerce being more transparent that traditional buisnesses. Even excessive bargaining came out to be a greater drawback of traditional businesses as 10% of the respondents believe that e-commerce gives a sigh of relief from bargaing inspite of having a scope for comparision with different e-commerce companies. Marketers need to retain customers confidence and their loyalty by assuring quality of products and safety of their transactions.

IV. CONCLUSION AND SUGGESTIONS

The virtual marketing world has many factors in which some are of foremost importance. Among these factors, trust is one of the most important factors prevailing since its inception, which include the fear of monetary fraud and poor refund policies or difference in quality of delivered products. In order to deal with the money and trust concerns of the customers several advancements have been evolved to secure a healthier buyer-seller relationship. With the implementation of these

advancements, policies, technologies, it will be easier to gain customer trust, which will further help in retaining and making them loyal to these businesses. These policies will help the E-Commerce industry to gain profits in long run. Another important factor is easy refund and easy return policies, which is according to customers is important. Making flexible return and refund policy will further improve the relationship.

Vendor selection process is another important factor towards promoting a healthy e-market & customer relationship. Vendor ratings based on the customer reviews on e-commerce websites help the customers to select best available vendors. There should be strict re-enforcement plan, if any vendor found involved in malpractices. Cash-on-Delivery (CoD) is a successful concept especially in rural areas where customers have least access to internet banking and card payment option. It should penetrate into the interiors across several products, which will help in minimizing the payment risks associated with the purchase order. Overall, e-commerce is based on the customer relationship and it has to work continually to strengthen this relationship to penetrate this business module into the interiors. Customers feel that there should be an option for the verification of the product by the customers in front of the delivery personnel. E-Commerce should conduct pilot studies to check the feasibility and cost effectiveness.

E-Commerce module should extend its reach to the people and traders of remote areas who are generally less aware of the technological advancements in business. Increasing the credit facility by providing instalment on wide range of products to attract potential customers and convert them into active users. In addition, E-Commerce agencies should encourage local traders to involve in E-Business and expand their business benefitting both. A proper and modern track should be defined, taking into consideration the modern world challenges, and find out a significant way to reduce the delivery time as much as possible to compete with the local businesses. Further, penetration into the deep Indian markets will accelerate with the introduction of regional languages, as India is a vast and culturally diversified country. With the addition of regional versions of websites and Mobile Applications, people of different regions and dialects can feel comfortable to participate in their regional language. There should not be any compulsion on downloading mobile apps if customer does not want it; let them use website otherwise, they feel uncomfortable and move out or limit their participation.

It is recommended to open up collection centres in different regions from where the buyer can collect their purchased goods. It will result in more penetration into rural markets as people from distant villages visit their

local towns on a certain periods and they can easily collect it and on the other hand it will reduce the delivery time and cost.

REFERENCES

- [1] Schneider, G. P., [2012], E-Commerce- Strategy, Technology and implementation (1st ed.), India Cengage Learning India Private Limited, New Delhi, India
- [2] Kumar, N., (1997) "The Revolution in Retailing: Market Driven to Market Driving" Vol-30, Issue 6, Page 830-835, Elsevier Science Ltd. [doi:10.1016/S0024-6301\(97\)00068-X](https://doi.org/10.1016/S0024-6301(97)00068-X)
- [3] Kotler, P., (2007), "Principles of Marketing" (13th edition), **Prentice Hall**
- [4] Das, L., (2012), "Growing Trends of E-Commerce and its role in Consumers Buying Pattern", International Journal of Marketing, Financial Services & Management Research, Vol.1
- [5] DeLone, W.H., and McLean, E.R. (2003), "The DeLone and McLean Model of Information Systems Success: A Ten-Year Update," Journal of Management Information Systems
- [6] Jain, S. & Kapoor, B., (2012), "E-Commerce in India - Boom and the Real Challenges", VSRD International Journal of Business & Management
- [7] Bajaj, Kamlesh K. and Nag, Debjani (2000), "E-Commerce- the Cutting Edge of Business", Tata McGraw-Hill Publishing, New Delhi, India
- [8] Joseph P. T. S. J., (2012), E-Commerce: An Indian Perspective, PHI Learning Pvt. Ltd., New Delhi, India
- [9] Abikzir, D., (2015), "Flash Winners: A New E-Commerce Model for Success", Westland Ltd Publications, New Delhi, India
- [10] Laus & Petronela (2014). "India Weighs FDI in E-Commerce". The Wall Street Journal India
- [11] Khosrow-Pour, Mehdi. (2008). "Consumer Behavior, Organizational Development, and Electronic Commerce: Emerging Issues for Advancing Modern Socio-economies". Hershey, PA: IGI Publishing.