THINK INDIA (Quarterly Journal)

ISSN:0971-1260

Vol-22-Issue-4-October-December-2019

Determinants Of Customer Loyalty Towards E-Tailers

Mrs.A.Amora, Assistant Professor in Commerce, St.Mary's College (Autonomous), Thoothukudi,

amorarosten@gmail.com

ABSTRACT

Marketing literature identifies different loyalty determinants, explaining and investigating them from a theoretical and practical point of view. Loyalty dimensions can be divided in two different categories like Perceptual factors (such as satisfaction and trust) and Behavioural factors (such as the number of purchased articles). The study is framed as a classification of antecedents of customer loyalty: evaluative judgments (service quality, customer satisfaction), relational outcomes (trust, commitment) and company dynamics (corporative image, communication, switching costs).

Key words: loyalty, Perceptual factors, Behavioural factors, evaluative judgment, relational outcomes

INTRODUCTION

Customer loyalty is both an attitudinal and behavioural tendency to favour one brand over all others, whether due to satisfaction with the product or service, its convenience or performance, or simply familiarity and comfort with the brand. Customer loyalty encourages consumers to shop more consistently, spend a greater share of wallet, and feel positive about a shopping experience, helping attract consumers to familiar brands in the face of a competitive environment.

CLASSIFICATION OF LOYALTY DETERMINANTS

(i) Characteristics of the environment – competition amenity, perceived switching costs, technological, legal, economical and natural changes;

(ii) Client- company relation characteristics– flexibility, complaints solving, the duration of the relation;

(iii) Consumer characteristics- his desire to maintain the relation with the company, involvement;

ISSN:0971-1260

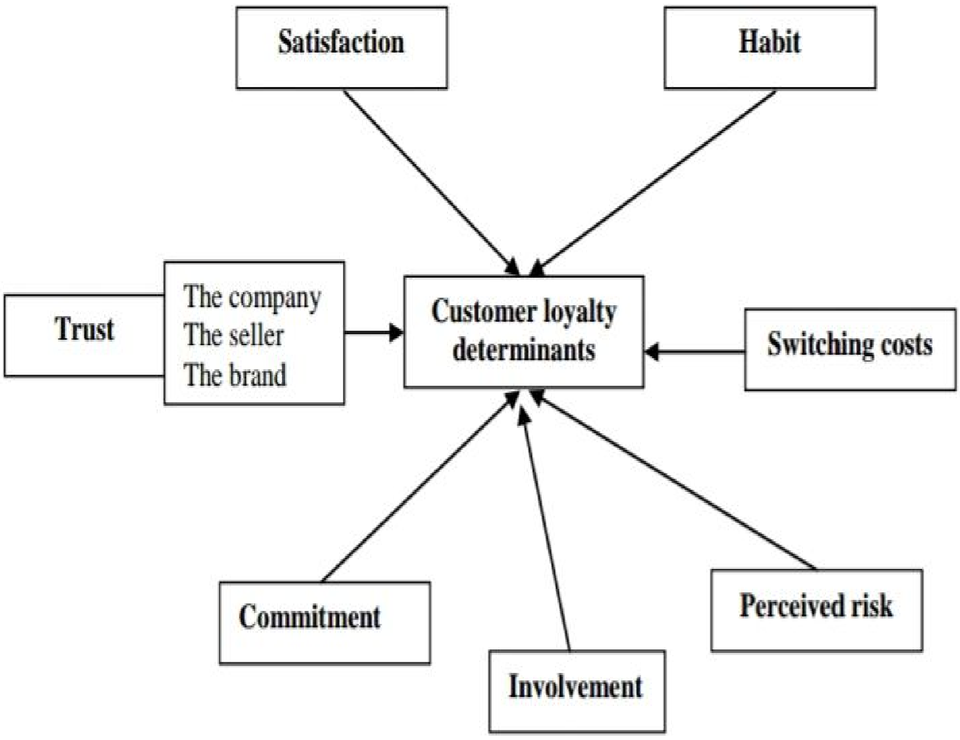
Vol-22-Issue-4-October-December-2019

(iv) Consumers' perceptions about the company – satisfaction, trust, communication, brand image, the quality of the relation.

OBECTIVES

- To study the characteristics of successful electronic retailing
- To analyse the customers buying behaviour in digital environment
- To offer suggestions for the growth of E tailers

MAIN DETERMINANTS OF CUSTOMER LOYALTY



REVIEW OF LITERATURE

- Academicians and practitioners agree that customer loyalty is considered the back-bone and an integral part of business. Few, if any, businesses can survive without establishing a loyal customer. Surprisingly, however, in spite of its obvious importance to all businesses, relatively little is known about customer loyalty. Scholars and marketers have defined precisely what

ISSN:0971-1260

Vol-22-Issue-4-October-December-2019

being a loyal customer means, and meagre progress has been made in determining the factors that lead to customer loyalty (Gerson, 1995).

- Customer loyalty and satisfaction is vital for modern day business for two main reasons. First, customers are scarce resource it is far easier to obtain from an old customer than from a new one. Second, customer loyalty and satisfaction has a positive effect on the profitability revenues of the company (Rosenberg & Czepiel 2017.)

TYPES OF E-RETAILERS

(i) Pure Play e-retailers such as Amazon that emerged as the online bookseller. It is present only online and do not have any physical outlet for the customers.

(ii) Brick and click e-retailers such as Dell that sells computers through the internet as well as has the physical store front for the customers.

.

CHARACTERISTICS OF SUCCESSFUL ELECTRONIC RETAILING

- Successful e-tailing requires strong branding.
- Websites must be engaging, easily navigable and regularly updated to meet consumers' changing demands.
- Products and services need to stand out from competitors' offerings and add value to consumers' lives.
- In addition, a company's offerings must be competitively priced so consumers do not favour one business over another based on cost alone.
- E-tailers need strong distribution efficiency so consumers are not waiting long periods of time for the products or services they purchase.
- Transparency in business practices is also important so consumers trust and stay loyal to a company as consumers continue buying from the business, revenue increases.

CUSTOMERS BUYING BEHAVIOUR IN DIGITAL ENVIRONMENT

The marketing around the digital environment, customer's buying behaviour may not be influenced and controlled by the brand and firm, when they make a buying decision that might concern the interactions with search engine, recommendations, online reviews and other information. With the quickly separate of the digital devices environment, people are more likely to use their mobile phones, computers, tablets and other digital devices to gather information. In other words, the digital

ISSN:0971-1260

Vol-22-Issue-4-October-December-2019

environment has a growing effect on consumer's mind and buying behaviour. In an online shopping environment, interactive decision may have an influence on aid customer decision making. Each customer is becoming more interactive, and though online reviews customers can influence other potential buyers' behaviours.

Subsequently, risk and trust would also are two important factors affecting people's' behaviour in digital environments. Customer consider to switch between e-channels, because they are mainly influence by the comparison with offline shopping, involving growth of security, financial and performance-risks In other words, a customer shopping online that they may receive more risk than people shopping in stores. There are three factors may influence people to do the buying decision, firstly, people cannot examine whether the product satisfy their needs and wants before they receive it. Secondly, customer may concern at after-sale services. Finally, customer may afraid that they cannot fully understand the language used in e-sales. Based on those factors customer perceive risk may as a significantly reason influence the online purchasing behaviour.

Online retailers has place much emphasis on customer trust aspect, trust is another way driving customer's behaviour in digital environment, which can depend on customer's attitude and expectation. Indeed, the company's products design or ideas can not met customer's expectations. Customer's purchase intension based on rational expectations, and additionally impacts on emotional trust. Moreover, those expectations can be also establish on the product information and revision from others.

Payment: Online shoppers commonly use a credit card or Cash on delivery (C.O.D.),Debit card, Electronic money of various types, Gift cards, Wire transfer/delivery on payment, Invoice, Bitcoin or other crypto currencies

PRODUCT DELIVERY

Once a payment has been accepted, the goods or services can be delivered in the following ways:

For physical items:

- Shipping: The product is shipped to a customer-designated address. Retail package delivery is typically done by the public postal system or a retail courier .
- Drop shipping: The order is passed to the manufacturer or third-party distributor, who then ships the item directly to the consumer, bypassing the retailer's physical location to save time, money, and space.

ISSN:0971-1260

Vol-22-Issue-4-October-December-2019

- In-store pick-up: The customer selects a local store using a locator software and picks up the delivered product at the selected location. This is the method often used in the bricks and clicks business model.

For digital items or tickets:

- Downloading/Digital distribution: The method often used for digital media products such as software, music, movies, or images.
- Printing out, provision of a code for, or e-mailing of such items as admission tickets and scrip (e.g., gift certificates and coupons). The tickets, codes, or coupons may be redeemed at the appropriate physical or online premises and their content reviewed to verify their eligibility (e.g., assurances that the right of admission or use is redeemed at the correct time and place, for the correct dollar amount, and for the correct number of uses).
- Will call, COBO (in Care Of Box Office), or "at the door" pickup: The patron picks up pre-purchased tickets for an event, such as a play, sporting event, or concert, either just before the event or in advance. With the onset of the Internet and e-commerce sites, which allow customers to buy tickets online, the popularity of this service has increased.

PRODUCTS MOST IN DEMAND THROUGH ONLINE IN INDIA

Apparels, Mobile Phones, Books, Consumer Electronics, Footwear, Jewellery, Fashion Accessories Beauty Products, Computer Hardware, Software, and Accessories, Video Games **,**Toys and Games, Home Décor, Kitchenware, Household, Sports Goods and Fitness Equipment**,** Baby Care Products, Food and Health Supplements, Handmade Items. By 2025 India is expected to become world’s 5th largest consumer durable market.

SUGGESTIONS

- E- tailers need to improve their websites security measures to install confidence to the buyers.
- E-tailers must be in constant communication with the customer before, during and after the sales transaction.
- E-tailers should inform the customers about payment and shipment details, feedbacks and complaints should be taken from the customers on the products.
- E-tailers should gain trust from the customers and must be opinion leaders and give advertisements

ISSN:0971-1260

Vol-22-Issue-4-October-December-2019

- E-tailers should prominently display the price advantages and other cost savings.
- E-tailers should provide efficient e-services that are superior to offline mode like right delivery of products at the right time, improvement in technology etc.
- E –tailers should invest in innovative technologies to provide better quality of e-service.
- E-tailers should also invest in user-interface technologies that would help the users.

CONCLUSION

E-tailing is one of the critical business models for e – commerce in the competitive business environment. The e-tailers contribute to the rising body of knowledge concerning the determinants of customer confidence in an electronic environment. Many companies today are trying to increase their website sales. Recent studies on e-loyalty indicate the traditional market has been replaced into a digital market. The influence of satisfaction, perceived quality; commitment, trust, convenience and security have significantly affect the e-loyalty of online shoppers .Emerging as a potential market for the sellers of various consumer products and with the transformational change in the technology, e-tailing is easy reach and adaptability by the users.

REFERENCE

1. Pricewaterhouse Coopers. (2016). E - commerce in India: Accelerating growth.

2. Swapna Pradhan (2004) “Marketing Management” New Delhi, Tata McGraw Hill

3. Anderson, R.E. & Srinivasan, S.S. (2003). E-Satisfaction and E-Loyalty: A Contingency Framework. Psychology & Marketing

4.Allagui, A., & Temessek, A. (2004). Testing an e-loyalty conceptual framework. Journal of Business, 4 (1).

5. D. Ribbink, A. C. Van Riel, V. Liljander and S. Streukens, “Comfort your online customer: quality,trust and loyalty on the internet”, Managing Service Quality, vol. 14, no. 6, (2004),pp.446-456

6. J. Kim, B. Jin and J. L. Swinney, “The role of etail quality, e-satisfaction and e-trust in online loyalty development process”, Journal of Retailing and Consumer Services”, vol. 16, no. 4, (2009), pp. 239-247

1. www.indianretailingssites.com
2. www.investopedia.com
3. www.wikipedia.com
4. www.google.com