CONSUMER PURCHASE BEHAVIOR. AND CUSTOMER EXPERIENCE MANAGEMENT IN E-RETAILING

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ABSTRACT

This study aims to understand the purchase behavior of the customers .This study focuses on the various components of CEM.   The study is conducted at Coimbatore city- Tamilnadu- India. The findings of this study shows that respondents belong to the age group of 20-30 are more interested in e-retailing i.e shopping through internet. Maximum number of respondents does online shopping once in a month. A considerable number prefer online shopping during the time of festivals. Chi-square tests is used to test the hypothesis .From this study it is concluded that firms must focus on customer purchasing behavior, customers expectations and the stimuli that affects the behavior

KEY WORDS:- Customer Experience, Online purchase, Satisfaction, Telepresence

NTRODUCTION

In today's information society the use of a computer with internet has become part and parcel of daily life. It includes how we access the internet for information, for recreation and shopping. There is a shift in the behavior for shopping vide online as it is called e-shopping. This has encouraged many firms to launch e- store businesses. It has become a very success e-commerce   business and application. All internet users are the prospective customers. Shopping factors focus on customers' feelings and perceptions during and after the shopping experience. Convenience is often found to be the most important determinant in retail store patronage and many forms of shopping such as index and Internet shopping. The number of new users joining the e-shopping arena has growing every year rapidly. Although Indian e-commerce industry is still in embryonic stage, it grew at a stunning 88% in 2013 to $16 billion, riding on thriving online retail trends.

The survey also estimates the country's e-commerce market to touch $56 billion by 2023, driven by mounting E-retail. The online travel industry and its support eco-system is changing very fast and booming exponentially due to the Internet-savvy urban population. The rest of the segments like-E-tailing (online retail), online classifieds and digital downloads are still in a budding stage and holds enormous potential for future market growth. India is at the eve of a digital revolution with new young, smart group of 'netizens' and considerably high investments in the e-commerce sector. A significant 63% of e-commerce ventures have been started by budding entrepreneurs, which shows the promises it holds. The key to retailing success is to understand one's customers. Firms like Information Resources Inc. focus in providing consumer packaged goods and retailing client's consumer insights that pertain to their customer segments (e.g., geography and usage) and various marketing mix variables. Intellectual research into consumer behavior also can guide the models used in practice.

Customer experience management (CEM) is the collection of processes a company uses to track, oversee and organize every interaction between a customer and the organization throughout the customer lifecycle. The goal of CEM is to optimize interactions from the customer's point of view and, as a result, promote customer loyalty.

Customer experience management (CEM) is defined as "the discipline of managing and treating customer relationships as assets with the goal of transforming satisfied customers into loyal customers, and loyal customers into advocates of your brand."

A customer experience is an interaction between an organization and a customer as perceived through a customer's conscious and subconscious mind. It is a blend of an organization's rational performance, the senses stimulated and the emotions evoked and intuitively measured against customer expectations across all moments of contact.

The purpose of this study is to identify the purchase behavior of customers and to generalize the components of CEM.

AREA OF THE STUDY: The area chosen for study is Coimbatore District in Tamil Nadu of India.

OBJECTIVES OF THE STUDY

a. To Identify the online purchase behavior of the customers
b. To analyse the relationship between age ,gender and selected components of CEM

REVIEW OF THE LITERATURE:

Novak et al, (2000) have explored OCE using a cognitive view of the online interaction. They define OCE as the "cognitive state experienced during navigation" and propose a number of person-centered, cognitively-based determinants of OCE (Hoffman and Novak 2009; Novak, Hoffman, and Duhachek, 2003; Novak, Hoffman, and Yung 2000).

Focus on CEM has experiential benefits and has an impact on brand-image as well as brand concept management (Park et al, 1986; Alba and Hutchinson, 1987; Carbone and Haeckel, 1994; Schmitt, 1999). More and more companies provide experiences to customers in which they can absorb or immerse i.e. they can participate actively or passively (Pine and Gilmore 1998; Schmitt 1999; Prahalad and Ramaswamy, 2004). According to Prahalad and Ramaswamy, (2004) value is not added to goods, or created by services, but is embedded in the actual personalized experiences created through active participation.

According to Pine and Gilmore ,(1998) creating customer experiences is inclusive of developing a theme around which experiences will be staged, building positive and consistent impression in the minds of customers thereby excluding negative impressions, making the experience tangible by providing memorabilia and creating a memorable event by engaging all five senses. This means that experiences delivered to customers are planned, managed, staged, and delivered to the customer. Along the same lines, Schmitt, (2003) has proposed a customer experience framework which

includes five steps which include analyzing the customer, building experiential platform which is dynamic, multi dimensional and multi sensory, structuring the customer interface, designing brand experience and addressing all touch points through which customers interact with a company.

According to Buttle,(2009) the elements that the CEM focus brings to light are inclusive of enhancing key value drivers to differentiate the customer experience and a system to address negative experiences. Positive experience development is possible with the recognition that customer interactions are customer experiences and business processes are designed taking cognizance of those customer touch points in service were experiences are developed. The purpose of CEM is to capture customer feedback, to identify business processes which need upgrading and to minimize negative customer experiences. Consistent positive customer experience leads to effectiveness.

RESULTS AND DISCUSSION

Table 1.1to 1.4   shows the purchase behavior of the respondents .it is inferred from table 1.1 that 20.7 percent of the respondents were male and 46 percent of the respondents were female. The age of the respondents reveals that 84.5 percent of the respondents were in the age group of 20-30 years;8 percent 31-40 ;4 percent 41-50 years. The amount of money spent on online shopping shows that 58.6 percent of the respondents are willing to spend Rs.500-5000/- .out of 58 of the respondents nobody wants to spend Rs.30000/- and above on online purchase. it is inferred from Table 1.4 that 38 percent of the respondents do shopping once in a month and 16 percent of respondents prefer to shop only during festival seasons.

TABLE1.1 GENDER OF THE RESPONDENTS

Gender	frequency	percentage
MALE	12	20.7
FEMALE	46	79.3
	58	

Source : Primary data

TABLE 1.2 AGE OF THE RESPONDENTS

Age of the respondents	Frequency	Percentage
20-30	49	84.5
31-40	5	8.0
41-50	4	6.0
50 and above	-	

Source : Primary data

Table 1.3 AMOUNT OF MONEY SPENT ON ONLINE SHOPPING

Amount (in Rs.)	Frequency	Percentage
500-5000	34	58.6
5001-10000	10	17.2
10001-20000	9	15.5
20000-30000	5	8.6
30001 and above	-	-

Source : Primary data

Table 1.4 FREQUENCY OF PURCHASE

Frequency of purchase	Frequency	Percentage
Every day	1	1.7
Once in a week	3	5.2
Once in a month	38	65.5
During festivals	16	27.6

Source : Primary data

Table1.5 and 1.6 shows the test result of association   of gender, age and the components of CEM. It is inferred that the Null hypothesis is accepted   in case of challenges, perceived benefits and online satisfaction. There is no association between the gender and challenges faced by the respondents, perceived benefits and online satisfaction. In the other components the null hypothesis is rejected , hence there is an association between gender and skills, tele presences, Inter active speed, ease of use, trust on online shopping and online repurchase intention.

Table 1.5: ASSOCIATION BETWEEN GENDER AND THE COMPONENTS OF CEM

Ho: There is no association between gender and the following components	Chi Square Value	Degree of Freedom	Result
skills of the respondents	9.476	8	rejected
Challenges faced by the respondents	8.774	10	ACCEPTED
Telepresence	22.547	12	rejected
Inter active speed	12.309	6	rejected
Ease of use	12.790	9	rejected
Percieved benefits	4.363	7	ACCEPTED
Trust in online shopping	6.32	2	rejected
Online satisfaction	2.408	6	ACCEPTED
Online repurchase intention	8.580	8	rejected

Source : Primary data

It is inferred from table 1.6   that   the Null hypothesis is accepted in case of skills of the respondents, challenges , perceived benefits , online satisfaction, trust on online shopping a. There is no association between the age, and. skills of the respondents, challenges, perceived benefits, online satisfaction, trust on online shopping.

Table 1.6 ASSOCIATIONS BETWEEN AGE AND THE COMPONENTS OF CEM

Ho: There is no association between age and the following components	Chi Square Value	Degree of Freedom	Result
skills of the respondents	8.006	16	ACCEPTED
Challenges faced by the respondents	12.374	20	ACCEPTED
Telepresence	25.628	24	Rejected
Inter active speed	19.875	12	Rejected
Ease of use	20.4	18	rejected
Percieved benefits	7.500	14	accepted
Trust in online shopping	13.697	16	accepted
Online satisfaction	8.609	12	accepted
Online repurchase intention	22.786	16	rejected

Source : Primary data

CONCLUSION:

For most firms, focus is on customer purchasing behavior rather than customers expectations and the stimuli that affects the behavior. The Customer Experience originates from a set of interactions between a customer and a product, a company, or part of its organization, which provoke a reaction. This experience is strictly personal and implies the customer's involvement at different levels. Its evaluation depends on the comparison between a customer's expectations and the stimuli. The same is true in case of the online purchasers also.

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