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Research Article

A Study on antecedent factors driving customer retention in B2C market place through online platform interactions.

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Introduction

In today's business scenario, most of the brick and mortar organisations are going virtually because of customers preferences. It has become a matter of survival for them to have online model. Online models has the advantage that the customers visiting the websites are leaving behind their virtual footprint in the website. From this footprint its is possible to trace the behavioural patterns of different categories of customers visiting them online frequently.

Literature Review

FMCG Repurchasing decision of online customers.

Price Perception (PP)

Chih (2012) proposes that view of the cost of items at internet shopping, are: customers trust the nature of items offered as per the cost offered, the maker gives limits for items showcased when contrasted and contender costs, the costs charged by makers sensible, by and large buyers are happy with the cost of the item, buyers will consider data from specialists of the cost of the item to be bought. What's more, as per Feick and Lind (1987), credits the impression of costs in web based shopping is: overall the cost of a costly item mirrors the great of items, purchasing items with brands that most costly value, causing buyers to feel tasteful. Advertising writing depicted value insight as a significant factor for consumer loyalty since clients consistently allude to cost while evaluating item and administration esteem (Fornell, et.al.1992).

Price Perception Influence Customer Satisfaction

Peatti & Peters (1997) stating that the match price perception by online consumers will influence them to make a repeat purchase. Furthermore, the perception of price is also affected customer satisfaction. Worthy price is one of the marketing mix that influence customer satisfaction and

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repurchase intention towards online shopping (Ha, et al, 2010). H2: There is the influences of Price Perception to Customer Satisfaction

Customer Satisfaction (CS)

As indicated by Kotler and Keller (2012), fulfillment is gotten from a correlation of item or administrations execution saw by client and the clients' assumption on the item or administrations. Tianxiang and Chunlin Liu Sheng (2010), show customer fulfillment markers like buyers: are happy with the internet shopping experience, feel shrewd utilize web based shopping, fulfilled that the utilization of web based shopping can fulfill their solicitation, overall buyers imagine that the choice to make a buy through web based shopping is correct. Kotler (2010) propose, buyers are fulfilled: they will make rehash buys, expanding the craving to make buys on the web (L.D. Pleessis, 2010). Customers are happy with choices they make a buy through internet shopping, and buyers are glad to make a buy at web based shopping.

Customer Satisfaction Influence Repurchase Intention

According to Ibsan, E., et. al. (2016), there is a positive relationship between customer satisfaction and http://ibr.ccsenet.org International Business Research Vol. 10, No. 12; 2017 115 repurchase intention. Consumers who are satisfied with the performance of online shopping has positive influence on their repurchase intention (L.D. Pleessis, 2010). Customer satisfaction has an important effect to increase the repurchase purchase intention (Santoso & Aprianingsih, 2017). H4: There is the influences of Customer Satisfaction to Repurchase Intention

Repurchase Intention (RI)

Repurchase intention is a positive attitude of consumers towards e-retailer that will generate repeat purchases (repeat buying behavior). Zhou et.al. (2009) & Kim et al, (2012), repurchase intention is that consumers are interested in making a purchase by using online shopping, consumer online shopping will be revisited in the future and consumers are interested in to recommend online shopping because they also use online shopping.

Mahalingam and Kumar (2012) think consumer behavior plays an important role in marketing. This is affected by various factors. In a constantly changing global scenario, consumers need and want to buy the product is found. In the study "Consumer Behavior in the City of Coimbatore, Selected FMCG Research," researchers evaluated the socio-economic status of consumers, shopping patterns and identified the factors that influence consumers purchasing of selected FMCG.

The main question arises is "What are the drivers for the increasing online shopping of FMCG products?" and "What are the improvement areas for e-retails?"

Vincent (2006) stated that quality was the most important factor that draws the attention of consumers towards the product. Consumers consider branded products as good quality products. Consumers do not regret in paying extra money for the branded products because they get value for their money.

Yuvarani (2013) analyzed that the economic liberalization in India had far-reaching consequences that led to the global brands gaining access to the Indian market. Early companies focused their marketing efforts on the urban market for educated consumers. However, as the urban market is saturated, many companies will focus their attention on the fast-growing rural sector.

Berry et al. [12] and Seiders et al. [18,20], Jiang et al. [15] identified salient online shopping convenience dimensions, and developed a valid online shopping Sustainability 2018, 10, 156 3 of 14 convenience measurement instrument. The results showed that the five dimensions of online shopping convenience are: access, search, evaluation, transaction, and possession/post-purchase convenience.

Mpinganjira [16] recommended four dimensions: search, evaluation, order, and possession convenience, whereas Roy et al. [21] analyzed five service convenience types, including decision, access, transaction, benefit, and post-benefit. These dimensions are similar to those found in, and the variables were also based on Jiang et al. [15]. For the above-mentioned reasons, the concept of convenience in this study is based on five the convenience dimensions proposed by Jiang et al. [15].

Online customer experience

Grewal et al. (2009) and Rose et al. (2011) stressed the importance of OCE in retailers' success by pointing out its role as a strategic differentiator. OCE has been described in many ways. Rose et al. (2012) defined it as "a psychological state, manifested as a subjective response to the e-retailer's website" (p. 309). Klaus (2013) characterized OCE as "the customers' overall mental perception of their interaction with the online service provider" (p. 448). Trevinal and Stenger (2014) defined OCE as a complex but holistic and subjective process that results from customers' interaction with the web environment. Various studies have demonstrated the experiential importance of OCE in such areas as website improvement (Shobeiri et al., 2013), e-retailer preferences (Mathwick et al., 2001), customer satisfaction (Overby and Lee, 2006), attitudes toward an online retailer (Fiore et al., 2005) and shoppers' purchasing intention (Fiore et al., 2005; Mathwick et al., 2001).

Online grocery customer experience

Shopping for food, comparative with other shopping exercises, is broadly perceived in the surviving writing as utilitarian, objective driven, and an errand (Aylott and Mitchell, 1998; Geuens et al., 2003; Melis et al., 2016). Customers need advantageous, quick and consistent client experience from the time they start item search to the last mile, which envelops the mode Online shopping for food experience of conveyance, season of conveyance, return and discount (Hübner et al., 2016, Hüseyinoğlu et al., 2017; Galipoglu et al., 2018).

The utilitarian idea of online shopping for food could cause it to appear to be that the decadent element of OCE isn't appropriate to this specific situation. Be that as it may, Childers et al. (2001) fought that in spite of the fact that shopping for food isn't by and large viewed as an inherently pleasant action, happiness is by the by a huge indicator of buyers' mentality toward online shopping for food. Reliable with the meanings of OCE introduced before in this paper, it is conceivable to accept that online staple purchasers additionally anticipate pleasurable experience; notwithstanding, little exploration testing this supposition has been led. The present exploratory investigation looks to address this examination hole by going past the current typologies of OCE and making an all encompassing comprehension of OCE in some basic foods area, in view of online customers' viewpoint of their own shopping for food encounters. Subsequently, the examination expects to push forward of existing exploration to catching the pith of client experience that establishes both utilitarian and epicurean components of OCE.

Pleasurable customer experience

Kahn (2018) gave a few instances of retailers that prevailed with regards to holding clients by making the client experience pleasurable just as frictionless. Significantly sooner, Childers et al. (2001) likewise featured the pertinence of pleasurable involvement with the online basic food item setting, introducing experimental proof. Pleasurable experience is gotten from the natural delight that purchasers get from a shopping trip. This pleasure, as indicated by Holbrook (1994), is driven by "enthusiasm for experience for the wellbeing of its own, aside from whatever other outcome that may result" (p. 40). Babin et al. (1994) likewise expressed that characteristic pleasure results from the "fun and energy (of an encounter), as opposed to from task finishing" (p. 646). Mathwick et al. (2001) further recognized liveliness and tasteful allure as the characteristic wellsprings of delight; stylish allure is made by an online basic food item retailer's site, though energy is more dynamic, established in the idea of stream, and "reflected in the inherent happiness that comes from taking part in exercises that are retaining" (Mathwick et al., 2001, p. 43). Naturally, we can expect to be that while shopping on the web, buyers can become consumed in the shopping cycle, and that this retention makes the experience agreeable for them.

Business to Customers (B2C)

Business-to-consumer refers to the process of businesses selling products and services directly to consumers, with no middleperson.B2C is typically used to refer to online retailers who sell products and services to consumers through the Internet. Online B2C became a threat to traditional retailers, who profited from adding a markup to the price. However, companies like Amazon, eBay, and Priceline have thrived, ultimately becoming industry disruptors.

Top 5 B to C companies in India

- 1. Ola
- 2. ShopClues.com
- 3. Snap deal
- 4. Voonik
- 5. Myntra

B2C became immensely popular during the dotcom boom of the late 1990s when it was mainly used to refer to online retailers who sold products and services to consumers through the Internet. B2C traditionally referred to mall shopping, eating out at restaurants, pay-per-view movies, and infomercials. However, the rise of the Internet created a whole new B2C business channel in the form of e-commerce, or selling goods and services over the Internet.

- **1. Direct sellers.** This is the most common model, in which people buy goods from online retailers. These may include <u>manufacturers</u> or small businesses, or simply online versions of department stores that sell products from different manufacturers.
- **2.** Online intermediaries. These are liaisons or go-betweens who don't actually own products or services that put buyers and sellers together. Sites like Expedia, Trivago, and Etsy fall into this category.

- **3. Advertising-based B2C.** This model uses free content to get visitors to a website. Those visitors, in turn, come across digital or online ads. Basically, large volumes of web traffic are used to sell advertising, which sells goods and services. Media sites like the Huffington Post, a high-traffic site that mixes in advertising with its native content is one example.
- **4. Community-based.** Sites like Facebook, which builds online communities based on shared interests, help marketers and advertisers promote their products directly to consumers. Websites will target ads based on users' demographics and geographical location.
- **5. Fee-based.** Direct-to-consumer sites like Netflix charge a fee so consumers can access their content. The site may also offer free, but limited, content while charging for most of it. The New York Times and other large newspapers often use a fee-based B2C business model.

Unlike the B2C business model, pricing structures tend to be different in the B2B model. With B2C, consumers often pay the same price for the same products. However, prices are not necessarily the same. In fact, businesses tend to negotiate prices and payment term.

B2 B in India

Business-to-business (B2B) ecommerce market is gradually maturing across the world, whereas in India it is still at the nascent stage. Experts have predicted that India's B2B industry will be worth Rs 45 lakh crore by 2020. And according to SME finance companies, this online industry is six times bigger than business-to-consumer (B2C) in India.

India's yet-to-mature B2B ecommerce industry with large untapped potential of growth presents a great opportunity to companies who want to enter this market. From a handful of companies in the past (Alibaba, IndiaMart, Trade India), now there are all size of startups that cater to all size of buyers, be it a small online marketplace reseller to big chain of hotels.

This has made the job of procuring raw materials in bulk quantity and at bulk prices much easier for sellers and resellers.

B2B companies in India

AmazonBusiness.in

Amazon, the US-based ecommerce giant started its B2B online platform in 2015 to fulfill the demand of business customers who were looking for the seamless 'Amazon buying experience' while procuring supplies for their work.

Currently available in two cities, Bangalore and Mangalore with <u>plans to expand</u> in other cities, you can become a part of this members-only site if you have a valid business license.

Its main USPs are the brand name 'Amazon' and ease of buying.

Primary Categories: Health & Personal Care, Home Medical Supplies, Beauty, Food & Beverages, Cleaning & Laundry, Mobile & Accessories, Office & IT Peripherals, Home, Kitchen & Dining products at wholesale prices and in bulk quantities.

Power2SME.com

Founded by R. Narayanan in 2012, Power2SME calls itself the first 'Buying Club' for SMEs. The company was formed with an aim to empower SMEs by making it easy & affordable for them to procure raw materials.

In 2014, the company raised Rs. 42 crores in Series C round of funding from Accel Partners, Inventus Capital and Kalaari Capital. In January 2016, Chairman of UIDAI Nandan Nilekani along with the existing three investors poured more capital into Power2SME during Series D round of funding.

In April 2016, the B2B firm's revenue was \$10 million and the average order value was Rs.25 lakh! This is why the company is confident about breaking even by next year.

Register for free or fill up the Request for Quote (RFQ) form with your business requirement. The company's sales representative then gets in touch with buyers with proposed rates. SMEs can avail loan facility on request.

Its main USPs are strong investors and high-quality suppliers like LG, Essar, and Indian Oil.

Primary Categories: Abrasives, Adhesives, Safety, Power tools, Plumbing, Handtools, Power Transmission, Security, Machining, Office Supplies, Motors & Pumps, Medical Supplies, Electricals, Hardware and a lot more.

IndustryBuying.com

Established in 2013 by Swati Gupta and Rahul Gupta, Industry Buying is a B2B marketplace for industrial good and supplies. Regular buyers are offered credit and the purchasing process is quite straightforward.

The startup has grown <u>tremendously</u> with its seller base increasing from 1000 in 2015 to 4,500 in May 2016. Buyer base increased from 40 enterprises and 25,000 SMEs in 2015 to 150 enterprises and 75,000 SMEs in May 2016. Customer visits too multiplied by four times.

The company has raised Rs 87 crores from investors such as Kalaari Capital, Saif Partners and BEENext so far.

Its main USPs are impressive growth & traction and innovative product solutions like ProcMan.

Primary Categories: Lab supplies, LED & lights, Electronics & Robotics, Cleaning, Dimension Measurement, Industrial Automation, Furniture & Hospitality, Lubricants & Oils, Powder & Coatings, and Welding are just 10 of the 40+ categories.

Bizongo.in

This B2B marketplace focuses on bulk buying and selling of 'Packaging' materials. Started by Aniket Deb, Sachin Agrawal and Ankit Tomar (IIT Bombay and IIT Delhi graduates) in 2014, the startup found an investor in Accel Partners.

It initially started as a platform for plastic and chemical product categories, but as of now, there are only packaging products listed on the website.

Last heard news about Bizongo's <u>funding</u> was in October 2015, when Accel invested an undisclosed amount in the startup.

Its main USPs are knowledgeable team and ability to adapt with changing business environment.

Primary Categories: Food packaging, Bottles, rigid and protective packaging, Crates, Pallets, Drums, Dustbins, Packaging Bags & Boxes, Flexible films, Pouches and Bubblewraps.

Tolexo.com

It's an IndiaMart subsidiary launched in June 2014 for SMEs. With more than 1,000,000+ products from over 28 categories, 7000 sellers, and 8000 brands, Tolexo's product portfolio, seller & buyer base is probably the widest and biggest out of all players.

The B2B marketplace offers last mile deliveries with guaranteed dispatch within 24 hours, which is a great service for business clients.

IndiaMart had invested Rs. 100 crores in Tolexo in FY15-16.

Its main USP is its association with IndiaMart, which is one of the biggest players in the Indian B2B industry.

Primary Categories: Safety, Plumbing, Adhesives, Fasteners, Electricals, Abrasives, Car & Bike Accessories, Lubrication, Handtools, Hardware, Office Supplies, Lab supplies, and much more.

JustByLive.com

The newest one on the block, Just By Live is already creating waves by multiplying its network and raising <u>funds</u> in less than a year. The startup is an app-based e-distributor that connects traditional manufacturers to retailers. Thus, by eliminating regular distributors, manufacturers get better margins and retailers get a wide range of products at one glance.

The firm <u>raised around Rs 136 crore</u> (\$20 million) in Series A funding from Alpha Capital in January 2016. Just by Live aims to restructure the age-old retail distribution system by modernizing it to fit the current fast-pace ecommerce industry.

Buyers/retailers can access the listed products through Just Buy Live's app, talk to brand teams and get order delivered at doorstep after downloading the app and registering their business. Buyers can also make use of credit facility 'Udhaar by Just Pay' by uploading required documents. If you are a brand owner, then write to brands@justbuylive.com to list your label on the B2B platform.

Its main USPs are unique concept and focussed approach backed by thorough research and experienced team.

Primary Categories: Grocery, Ayurveda, Dairy, Water, Chocolates & Sweets, Home care, Personal care, Fashion & Beauty, Auto, Appliances and many more.

The B2B ecommerce space comes with its own set of complex challenges that has forced startups like Omnikart to <u>shut shop</u>.

But such startups with the help of technology, new-age thinking, compassion and ecommerce have empowered SMEs to a great extent. Many business buyers have stopped haggling with local distributors and now prefer to buy from B2B ecommerce portals like the ones mentioned above.

Faster delivery, wide range of products, competitive prices, organised buying process, professional service, secure payment process, legal credit facility, low commission rates and buying assistance are few of the many reasons why industry buyers rely on such companies.

Investors too are keen on investing/buying stake in B2B startups as the business model doesn't allow or demand to spend funds on mindless-discounting, year-round deals, marketing & promotional activities and heavy returns like it is the case in B2C ecommerce space.

Customer interaction

Online interaction and customer perception of value from the perspective of social exchange theory, online interaction can send a signal to consumers, which can lead to different attitudes towards products through the psychological processing and judgment of consumers.

Wu H et al. (2007) believed that customers would feel more pleasant and satisfied when their opinions or feedbacks were accepted and adopted by enterprise.

Bitner (1992) proposed that two-way interaction between enterprises and customers would enable customers to achieve spiritual value satisfaction, such as respect and recognition.

Yin (2012) proposed that only when consumers acquire sufficient information resources from enterprises or other participants can we estimate and judge the value created by the enterprise or the value of the product required, and the value obtained from the product is weighed against the cost of buying the product to determine whether it is worth buying. Although there is no direct study on the value of online interaction and customer perception in the field of Internet, the research of relevant scholars supports that interaction will affect the customers ' evaluation of product value from the side

Köhler (2011) pointed out that customers would interact with other customers after receiving various kinds of stimulation, which would inevitably affect the perceived value of customers.

Yoo et al. (2010) divided the interactive behaviors in the context of online retail into controllable interaction, two-way interaction and synchronous interaction.

The research shows that two-way interaction has a significant impact on the emotional value perception in the customer perceived value, and the synchronous interaction has a significant impact on the functional value perception. It can be seen that online interaction has an impact on perceived value.

Modern customer interaction tools for the new-age customer

To win in this new world, businesses need modern tools to acquire, engage and retain customers. Today's consumers actively seek out mobile and digital channels to deliver the level of real-time results and engagement they expect. Convenience and instant gratification are now the cornerstones of digital experience. Take for example smartphones - it is impossible to deny that smartphones have entirely altered online engagement.

Here are some key modern customer interaction tools to engage and delight the new-age customer.

Webchat

The tiny but powerful website widget on your website allows you to engage with visitors immediately. For customers it means access to customer support in real time. For other visitors, it means getting their questions answered quickly to aid their research to help them take faster decisions. Different type of webchat (or website chat) options in the market include:

• Live chat

When it comes to convenience, nothing can beat the experience of getting questions answered quickly via a live chat. The website visitor gets answers to their questions while they are on the business website. You can continue doing what you are doing (drafting a business proposal, answering your emails in a loud office or enjoying some family time) and still continue to chat with the business.

Chatbots

These AI-driven minions help you answer standard questions from your website visitors like 'What are your hours?' and 'where are you located'. This not only helps website visitors get answer questions instantly but also frees up your support team to answer other pressing customer queries.

• Text-based webchat

Let's say a question comes in from a website visitor after business hours and is something that your chatbot is not trained yet to answer, text-based webchat comes in really handy. You can respond to your website visitor via text messages later when you are back in office or even from your mobile app during your commute home.

Webchat ensures that you do not miss a single message and gives you the opportunity to respond to your website visitors wherever they are. An ideal scenario involves all these variants working together to provide your customers and prospects with a great experience.

Customer Retention

Customer retention is important for every business, but it's especially significant for ecommerce organizations. After all, with an online business, you lack the opportunity to connect with customers in person. This inability to build face-to-face relationships can cause customer churn.

Customer retention is vital for two reasons: First, even if you are adding new business, you can't grow your company if you are simultaneously losing business. The second reason is incredibly black and white: It's always more expensive to acquire a new customer than it is to keep your current customers and sell more to them.

Repeat business costs less to maintain. A fact is a fact. Even though the value of brand loyalty is almost impossible to quantify, marquee brands like Coca-Cola, Disney and American Airlines understand it's easier and less expensive to foster repeat customers through retention marketing

than it is to convince a new customer to make their first purchase with your company. Your existing customer base already recognizes your brand and has decided to trust it. New leads cost more to acquire their contact information and nurture them through the entire sales funnel because they haven't yet bought into (both figuratively and literally) your product.

Driving Factors

E-Trust

Trust is a critical success factor in successful service relationships because before conduct business with the company consumers need to trust the company . The marketing literature supports a positive relationship between trust and satisfaction since the presence of trust raises levels of performance and causes greater satisfaction .Especially online, it was pointed out that the lack of online consumer trust was the main barrier of consumer participation in e-commerce and has been found to be one of the major obstacles to the popularity of internet transaction .E-trust is the degree of confidence customers have in online exchanges, or in the online exchange channel . Online trust includes consumer perception of how the website would deliver on expectation, how believable the website's information is, and the level of confidence in site channel .Trust appears to be especially important for creating loyalty in online service as it is perceived as high level risk transaction since customers lack direct contact with the company and have to hand over sensitive personal information, such as credit card numbers, in order to complete the transaction .

Commitment

Commitment express the desire for continuity manifest by the willingness to invest resources in a relationship. Morgan and Hunt defined relationship commitment as the belief between transaction partners that maintaining their continuous relationship is important and are willing to exert their best effort to maintain it. Relationships are built on the foundation of mutual commitment and to benefit both parties in the long run.

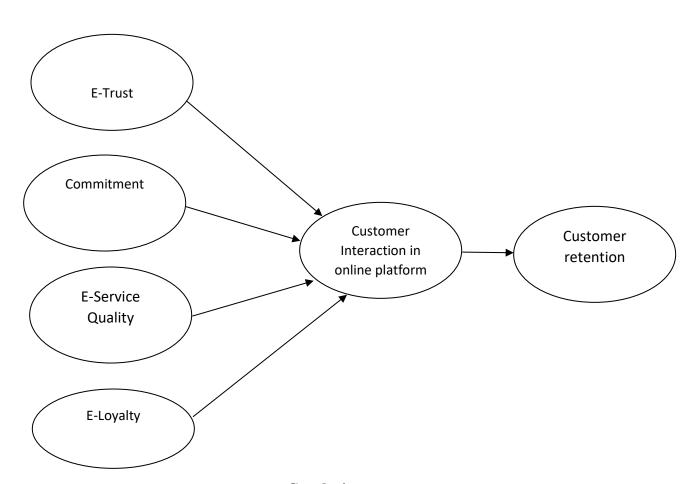
E-Service Quality

E-service quality is an important topic in the field of marketing. Electronic services are based on mutual flows of information between customers and service providers, making them different from traditional services. High-quality Internet services have numerous advantages and may lead to efficiency and benefits . Providing online services is now more critical than ever for retaining customers. The sense of loyalty instilled by the exceptional level of services provided by a company persuades customers return to a website. By giving high-quality electronic services, firms can gain competitive advantage.

E-Loyalty

Loyalty in fact refers to having a positive attitude toward a product or brand, which induces supportive behavior from the customer. Attitudinal loyalty is essentially customer commitment and trust while behavioral loyalty is grounded in repeat purchases. In this paper, loyalty refers to behavioral loyalty

Research model



Conclusion

From this conceptual study several factors associated with B2C online marketing were studied and a model was developed including factors driving customer retention in online B2C market and customer interaction enhances the customer retention variable. This customer interaction differs for different B2C platform. The platform which is successful in engaging the customers through effective interaction mechanisms are able to retain more number of customers.

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