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Enhancing the Customer's Experience in a Digital World: An Empirical Study

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ABSTRACT

E-commerce is booming in India and consumers are adopting online shopping due to adoption of mobile devices, smart phones and social media. There is strong competition due to emergence of many e-commerce players. It has become imperative for e-commerce companies to enhance the customers' online shopping experience. This paper attempts to conceptualize a model for enhancing the customer's experience online after studying the literature on consumer behavior with reference to apparels in e-commerce. The primary survey was conducted among the 400 consumers using convenient sampling method to study the factors contributing to enhance the customer's experience in regards to purchase of online apparels. The factor analysis technique was used to identify the factors responsible for enhancing the customer's experience online. It has been found that Ease of use of Website/App, Perceived usefulness, Social interactions, Perceived enjoyment, Utilitarian Benefits and Personalization are the antecedents which contribute to enhancing the online customer experience. This paper contributes to the existing literature regarding consumer behavior and online consumer experience. The poor customer experiences lead to significant amount of losses in potential revenue for the e-commerce marketers.

Keyword: E-commerce, Online customer experience, personalization, social interaction.

1. INTRODUCTION

The digital technology has changed the way consumers' shop. Everyday new technologies are evolving and consumers are adopting it with faster rate. Today's consumers are well versed with technological updates and adopting online buying due to busy work lifestyle. E-commerce companies are trying to make the consumer experience pleasant to retain and engage to customers. Companies are using various strategies like personalization on website, special discounts and on time delivery of products to provide a good consumer experience.

2. LITERATURE REVIEW

2.1. Online Consumer Experience

As per (Kim et. al., 2012) consumers' behavior is expected to be influenced by online experience. This highlights the importance of online experience and there are many factors which affect the consumer experience at different levels which in turn influence the consumer online shopping behavior. It is confirmed that customer satisfaction lead to repurchase intention and it is moderated by customer experience (Khalifa and Liu, 2007). It is also found that customer experience is positively associated with purchase intention (Zhou et. al., 2007).

Customer experience plays a vital role in shaping the customer perception with reference to their expectation from online retailers. It is confirmed that consumer continue shopping due to good shopping experiences (Liang and Huang, 1998). Good shopping experience improves the purchase intention and develops the positive attitude of consumer. It is also confirmed that satisfied customers regarding earlier experiences have increased self efficacy (Giannakos et. al., 2011). Customers develop the sense of trust with positive experiences of online shopping (Chiu et. al., 2009) and intention to continue online shopping (Zhou et. al., 2007).

2.2. Ease of use of Website/App

Ease of use of website and app is very important customer when it comes to online shopping. As per (Venkatesh V, 2000) if the efforts to use the system are high then customers will easily dispose off the system. The earlier research confirms perceived use of ease means - customer believes that any kind of online shopping is effortless (Davis, 1989). The ease of use regarding the website or app can be opted by convenience of using website, user friendly website and higher speed of loading pages. Web usability is defined as ease to find desired information with minimal efforts when consumers are searching for online products (Nah and Davis, 2002). Consumers enjoy shopping with fast loading products and displays. As per (Novak et.al, 2000) online customer experiences with reference to shopping experiences provide more emphasis on ease of use.

2.3. Perceived Usefulness

As per (Childers, Carr, Peck, & Carson, 2001), Perceived usefulness is the end result from various actions involved while shopping and during those actions enjoyment and ease perceived by the consumers in e-shopping. When the specific technology improves the job performance and makes things easy is considered as perceived usefulness (Davis, 1989). Perceived ease and usefulness affect the consumer attitude and help in good consumer experience which shapes intention to use. Perceived useful contribute to consumer behavior and consumer experience.

2.4. Perceived Enjoyment

As suggested by (Bauer, Falk, and Hammer Schmidt, 2006), shopping enjoyment means when shopping provides performance beyond expectation and reinforce great extent of enjoyment. Previous literature also confirms that one of the motives of online shopping is enjoyment (Joines, Scherer, & Scheufele, 2003).

Online shopping experience also results in to shopping enjoyment too (Klein, 2008). Perceived enjoyment may contribute to good consumer experience.

2.5. Utilitarian Benefits

As described by (Batra and Ahtola, 1991), utilitarian consumer behavior means rational and task related. Overall evaluation of functional benefits like time saving, economic value and convenience provided is called as Utilitarian value (Teo, 2001; Jarvenpaa and Todd, 1997). When consumer believes that utility of the product or services has utility then it's. When shopping benefits it is called as utilitarian motivation. The literature confirms that utilitarian motivation has strong association with online experience (Blake et. al., 2005). There are shoppers who utilitarian shoppers are looking for products which benefits functionally.

2.6. Personalization

Personalization is one of the important strategies of markets to overcome offline shopping limitations (Chen and Liu, 2009). Personalization used for retaining customers too. Personalization on web provides a wonderful experience to the customers. Personalization of website and content effects some of the attitudinal factors (Tam and Ho 2005; Komiak and Benbasat 2006). So personalization is important for creating good consumer experience. As per Constantinides, E. (2004) personalization is associated with providing good consumer experience.

2.7. Social Interactions

There are billions of customers online active on social media and they are sharing and liking posts on facebook and twitters. Most of the consumers are devoting one their time on online social media (Lang, 2010). Rather than information which company provides, consumers are more dependent upon interaction between each other regarding the brands (Muñiz & Schau 2007). Also consumer behavior is strongly influenced by interaction with and about brands as consumers shares their experiences (Villanueva et. al 2008; Chiou & Cheng 2003).

3. OBJECTIVES

Now days e-commerce is booming and consumers are aggressively accepting online purchase due to busy lifestyle and available of high speed internet. E-retailers also actively innovating keeping the consumers demand and preference in mind. Providing good experience is utmost important for e-retailers. Following are the main objectives of study:

1. To determine the antecedents for enhancing the online consumer experience with reference to online apparel purchase.
2. To study the impact of these determinants on the online shopping experience.

4. HYPOTHESES OF THE STUDY

This research mainly focuses to study the factors affecting the online consumer experience with reference to online apparel purchase.

- H₁:** There is significant relationship between Ease of use of website/app and online consumer experience.
- H₂:** There is significant relationship between Perceived usefulness and online consumer experience.
- H₃:** There is significant relationship between Perceived enjoyment and online consumer experience.
- H₄:** There is significant relationship between Utilitarian benefits and online consumer experience.
- H₅:** There is significant relationship between Personalization and online consumer experience.
- H₆:** There is significant relationship between Social interactions and online consumer experience.

5. RESEARCH METHODOLOGY

This paper mainly identifies the various antecedents contributing to the online consumer experience. This study is based on primary and secondary survey. 400 online consumers conveniently surveyed in Pune city with structures questionnaire. The structured questionnaire used was comprises of closed ended question with five point likert scale ranging from ‘strongly agree’ to ‘strongly disagree’. To identify the factors contributing to online consumer experience, exploratory factor analysis method was used. SPSS software was used for statistical analysis after collection and coding of data. The data was analyzed using exploratory factor analysis techniques for indentifying antecedents contributing to online consumers expiire in Pune city. Below mentioned conceptual framework shows the factors affecting online consumer experience.

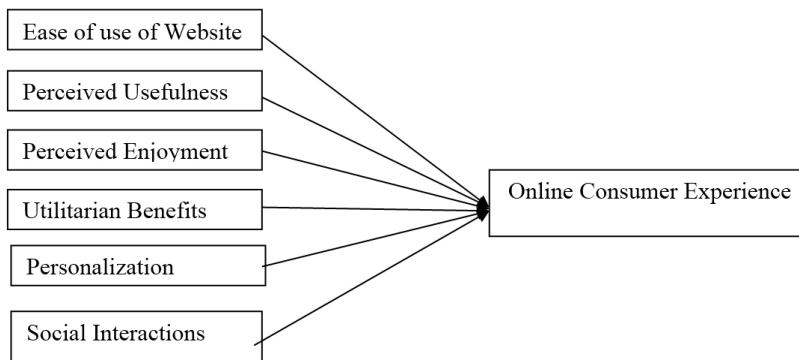


Figure 1: Conceptual Model

6. ANALYSIS & INTERPRETATION

The descriptive statistics is as discussed in Table 1 below:

Table 1
Demographic Statistics (N = 400)

<i>Measure</i>	<i>Item</i>	<i>Count</i>	<i>Percentage</i>
Gender	Male	62	
	Female	38	
Age	18 to 25	74	
	26 to 35	18	
	36 to 50	8	

Measure	Item	Count Percentage
Education Background	Higher secondary	8
	Graduation	59
	Post Graduate	32
	Ph.D.	1
Household Income (Monthly)	₹10000 to 20000	25
	₹20000 to 50000	58
	₹50000 to 1,00,000	15
	₹1,00,000 & above	2

The antecedents of online consumer experience were identified by conducting the Principal Component Analysis with varimax rotation in accordance with Churchill Procedure. With reference to rule of Kaiser Criteria, the number of factors were determined (factors selected have Eigen value above 1.0). To find the reliability of the antecedents the Cronbach alpha was used and All coefficients are above 0.70 (Peterson 1994). The measure of sample adequacy of data for data analysis using factor analysis is proved as Kaiser-Meyer-Olkin (KMO) value of 0.592 which is above 0.5.

The appropriateness of the factor model is indicated by the Bartlette's test of sphericity as the correlation matrix is not an identity matrix. Since the *p*-value is 0.000 i.e. the *p*-value is less than 0.05 which indicates that the correlation is significant.

Six factors F1 to F6 were extracted after factor analysis which cumulatively explains 68.85 per cent of the total variance. The factors extracted are Ease of use of Website/App, Perceived usefulness, Perceived enjoyment, Utilitarian Benefits Personalization and Social interactions.

The Scree plot indicates that six factors F1 to F6 emerged as important because their Eigen values were 5.212, 4.572, 3.651, 3.124, 2.426 and 1.462 respectively. The remaining components with Eigen values under 1.0 were dropped as per the Kaiser rule.

Table 2. Factor Analysis

Factor Name	Statements	Reliability (a)	Factors Loading	Eigen Value	%Variance Explained	Cumulative %
F1 (Perceived Ease of use of Website/App)	S1 – Ease of navigation of website	.864	–	5.212	19.576	19.576
	S2 – Ease of access to information		.822			
	S3 – Ease of search of product		.752			
	S4 – Ease of online payment		.856			
F2 (Perceived Usefulness)	S1 – Perceived Value for money	.822	–	4.572	14.210	33.786
	S2 – Perceived on time delivery		.774			
	S3 – Perceived delivery of product at any location		.876			
	S4 – Perceived easy exchange/return of product		.786			
	S5 – Perceived uniqueness of product		.868			
F3 (Perceived Enjoyment)	S1 – Highly interactive website	.812	–	3.651	11.878	45.664
	S2 – Videos of models endorsing products		.778			
	S3 – Surprise discounts		.802			
	S4 – Creation of scrapbooks		.713			

Factor Name	Statements	Reliability (a)	Factors Loading	Eigen Value	%Variance Explained	Cumulative %
F4 (Utilitarian Benefits)	S1 – Payment/Transaction security	.848	–	3.124	9.672	55.336
	S2 – Good quality products		.769			
	S3 – Just accomplish what want to while shopping		.828			
	S4 – Detailed information about the product		.712			
	S5 – Easy to buy products anytime and anywhere		.802			
F5 (Personalization)	S1 – Personal themes	.828	–	2.426	7.864	63.200
	S2 – Personal recommendation to buyer		.798			
	S3 – Personal discount		.796			
	S4 – personal loyalty bonus		.708			
F6 (Social interaction)	S1 – Recommendation from friend	.806	–	1.462	5.646	68.846
	S2 – posted on various social media websites		.811			
	S3 – Likes on social media		.792			

KMO = 0.592

Overall Cronbach Alpha (α) = 0.828

Bartlett’s Test of Sphericity = Approx. χ^2 – 3540.124 { p = 0.000}

7. FINDINGS

Regression Analysis

To study the influence and impact of these factors on online consumer experience the Multiple Linear regression tests were conducted using step enter regression method.

The multiple regression model summary is shown in the Table 3. The adjusted R^2 of the model .604 with R^2 value of .620 that means the linear regression explained is 62% of the variance in the data.

Table 3
Regression Model

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.791 ^a	.620	.604	.498

^bDependent Variable: Online consumer experience.

Table 4 confirms the linear relationship between the variables in the model as F-value is highly significant.

The Table 5 shows the multiple linear regression estimates including the intercept and the significance levels. The independent variables are: (1) Ease of use of Website/App, (2) Perceived usefulness, (3) Perceived enjoyment, (4) Utilitarian benefits, (5) Personalization, (6) Multi-device Interoperability and (7) Social Interaction.

Table 4
ANOVA^b

	<i>Model</i>	<i>Sum of Squares</i>	<i>df</i>	<i>Mean Square</i>	<i>F</i>	<i>Sig.</i>
1	Regression	58.524	6	10.108	39.387	.000 ^a
	Residual	34.286	142	.254		
	Total	92.810	148			

^a*Predictors:* (Constant), Ease of use of Website/App, Perceived usefulness, Perceived enjoyment, Utilitarian benefits, Personalization and Social Interaction.

^b*Dependent Variable:* Online consumer experience.

8. TESTING OF HYPOTHESES:

The *t* values for Ease of use of Website/App, Perceived usefulness, Perceived enjoyment, Utilitarian benefits, Personalization, Multi-device Interoperability, Social Interaction is significant at 5%, hence we reject the null hypothesis that there is no significant impact of these independent variables on the dependent variable – Online consumer experience. Hence we accept the alternate hypothesis that there is a significant impact of these independent variables on the consumer purchase intention.

Table 5
Coefficients^a

	<i>Model</i>	<i>Un-standardized Coefficients</i>		<i>Standardized Coefficients</i>	<i>t</i>	<i>Sig.</i>
		<i>B</i>	<i>Std. Error</i>	<i>Beta</i>		
1	(Constant)	.634	.218		2.908	.004
	Ease of use of Website/App	.314	.069	.370	4.550	.000
	Perceived Usefulness	.260	.079	.244	3.291	.001
	Perceived Enjoyment	.242	.074	.268	3.270	.001
	Utilitarian Benefits	.226	.059	.057	3.830	.003
	Personalization	.186	.049	.068	3.795	.004
	Social Interactions	.122	.077	.072	1.584	.003

^a*Dependent Variable:* Online Consumer Experience

9. FINDINGS & RESULTS

The findings of this paper clearly indicate that Ease of use of Website/App, Perceived usefulness, Perceived enjoyment, Utilitarian Benefits, Personalization and Social interactions are the antecedents which contribute to enhancing the online customer experience. Brand engagement, positive word of mouth (WOM) and increased frequency of repeat purchase are the outcomes of enhancing the online customer experience.

10. CONCLUSION

This empirical study aims to study the concept and the factors which contribute to the online consumer experience. The results of this study depict that Ease of use of Website/App, Perceived usefulness, Perceived enjoyment, Utilitarian Benefits, Personalization and Social interactions are the antecedents which contribute

to enhancing the online customer experience. This study also conforms to the previous researches conducted, which prove that the above antecedents contribute to the online consumer experience.

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