

The Role of E-commerce on Customer Engagement in 2021

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Abstract: This research paper gives a compressive review of the role of E-commerce and how it is attracting customers to E-commerce sites.

E-commerce has given new definition to the business; product selling has completely changed. Customer buying pattern has got a completely new outlook; selling and distribution have completely taken a new swift. Ecommerce has become a vital and innovative invention of this decade. Ecommerce has impacted the business ecosystem in multiple ways. This research paper gives a detailed understanding of e-commerce trends in the current decade. Ecommerce has become part of our life; it is reaching the expectations of customers by offering unique value of services. This research paper focuses on, how e-commerce sites working on customer engagement. Further, our research paper gives a better idea about quality brand check-in e-commerce websites.

Keywords: Ecommerce, customer satisfaction, quality assurance, tech tool automation, urban approach.

Introduction

In the past few years, we can notice a rapid change in technology. Technological changes in every industry have contributed a significant amount of difference, which result in customer advancement towards the services. Consumer behaviour is changing rapidly; customers are empowered, connected and expect an unprecedented level of service and convenience. To bridge this gap many enterprises have been making incredible efforts to reach customer's expectation and willing to make proper engagement with the great customer's satisfaction. More than half of the world's population that is 4.5 billion people have access to the internet, the era of the internet and technology has made the evolution in the E-commerce market.

Michael Aldrich was an English entrepreneur who invented online shopping in 1979. E-commerce is a process of selling and buying goods online. E-commerce is classified into few types such as; business to business, business to customer, customer to the business, and customer to customer. The growth of E-commerce made the endowment of many companies, now Amazon is the world's biggest e-commerce company followed by Just Dial, eBay, Shopify, etc. The impact of e-commerce is phenomenal, the number of consumers purchasing online has increased gradually with the increased use of the internet. Customers are too busy nowadays to go and purchase goods by going to the market.

So, e-commerce has made their life more convenient. Customer's today search on e-commerce about the products they wish to purchase. Companies have a powerful search engine that shows hundreds of products matching consumer needs.

Literature review

The journey of e-commerce in India was not in incline stage at the beginning, it has started in the year 1999 by K.Vaitheeswaran, the company name was fabmart.com, the Indian customers are very new to this segment, the payment gateway and logistics was the vital issue of concern. The Indian government has come up with innovation; they have introduced an online payment method in IRCTC. This process has made customers understand the online payment method but there were few technical challenges. Then later taking these technical challenges as an opportunity, the major players like Flipkart, Amazon, Snapdeal, and Myntra came up with trustable payment gateways like PayPal and PayYou. They are very safe and secure, slowly they have won the trust of customers. then the rest is history, now e-Commerce has become a shopping platform for every urban customer.

Sales in e-commerce

In India, online retail sales will operate mainly with (B2C) Business to customer's sales. The most selling products in e-commerce websites in India are Fashion, Electronics, Beauty, kitchens, Furnishing, Food, Books, Jewellery, Handmade Products, and Medical and Health Supplements. And the top product and services selling e-commerce websites are AmazonIndia.com, Flipkart.com, and Myntra. They have a large sales market in India, mainly operate with (B2B) Business to Business Market sale and (B2C) Business to customers market.



(Fig-1 customer scrolling to ecommerce sites)

In India, some online banking payment modes have made shopping online easy, like Google pay, Phone pay, Paytm, BHIM, and Amazon pay. These payment gateways play a crucial role in the development of sales of websites. They have special features of booking tickets for planes, buses, trains and paying bills etc. These apps were introduced in the year 2014 to 2017, and for the rest of history these apps have been helping in increasing the sales of many ecommerce websites. Additional features like coupons, offers, and discounts on the product and services excite the customers to visit the website and buy often.

Sale strategy during any occasion or festival is changed, along the lines of flash marketing. In flash marketing, at a particular period, the products or services are discounted and certain offers like buy one get one free is applied to grab the customer's attention and they have the urgency to purchase the products so that they don't miss out on the special offers. This 3hour flash sales have the very best transaction rates, the sales rate increase. The cross-selling strategy used is creating bundles to sell the products. For instance, if product A sells well then it is bundled with product B (sold less) at a lower price. The complementary products are clubbed together. For instance, if you sell toothpaste, then bundle it with a toothbrush, tongue scraper, and mouth wash, which lead to selling more products, and the customer is satisfied. Next is the shipping process, a crucial part of the business. Reducing the shipping rates, reaching the maximum areas and services along the lines of COD (cash on delivery) are the main factors for the shipping strategies.

The year-end sale is an excellent opportunity used to turn up on the inventory. Offers and deals make the inventory move at a rapid rate and lead to adding up of fresh products and motivates the loyal customers.

The next major aspect of sales promotion is marketing done in the right way. The catchy- taglines or advertising means involving famous actors have helped the organization. Creating anticipation in social media and attracting young customers is the right target market.

1 Customer engagement

Customer Engagement is the emotional and ethical connection between a customer and a brand or a company. Highly engaged customers buy more products and promote more and show or demonstrate more trust and loyalty towards the brand and company. Providing and producing a high-quality customer experience is the most important component in this Era in an organization's customer engagement system or strategy. In the next 3years, Customer Engagement in the current decade will grow up to 24% with the help of Digital Marketing and online shopping channels.

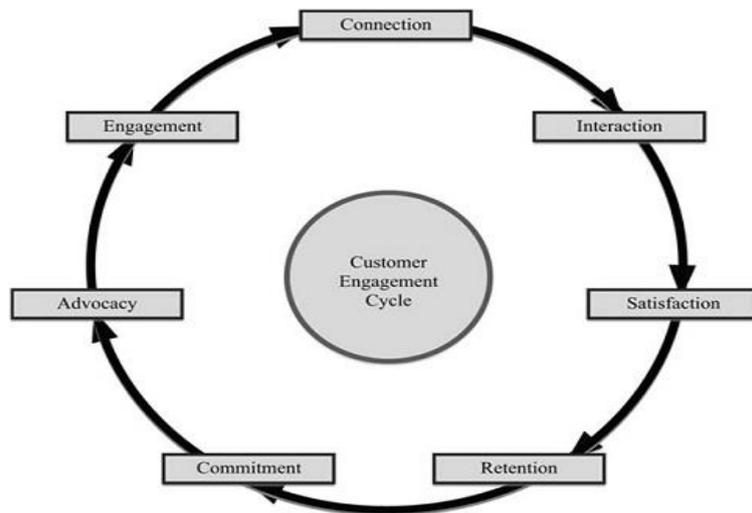
Importance of Customer Engagement

According to an Indian marketing survey, Customers are communicating and buying through digital channels. Like Amazon.com, flipkart.com, Myntra, etc. These channels have increased and given growth to the importance of customer engagement strategy.

1. Discovering the factors that encourage customers to involve. Identifying the risk that, customers will not have any kind of issues.
2. Understanding customer needs and expectations.
3. Reducing Price and increasing retention and identify the sell opportunities which helps to enhance brand loyalty and company reputation.
4. Acquiring new customers through Digital marketing, word-mouth of marketing, and social media marketing.

Customer engagement in e-commerce platform in India

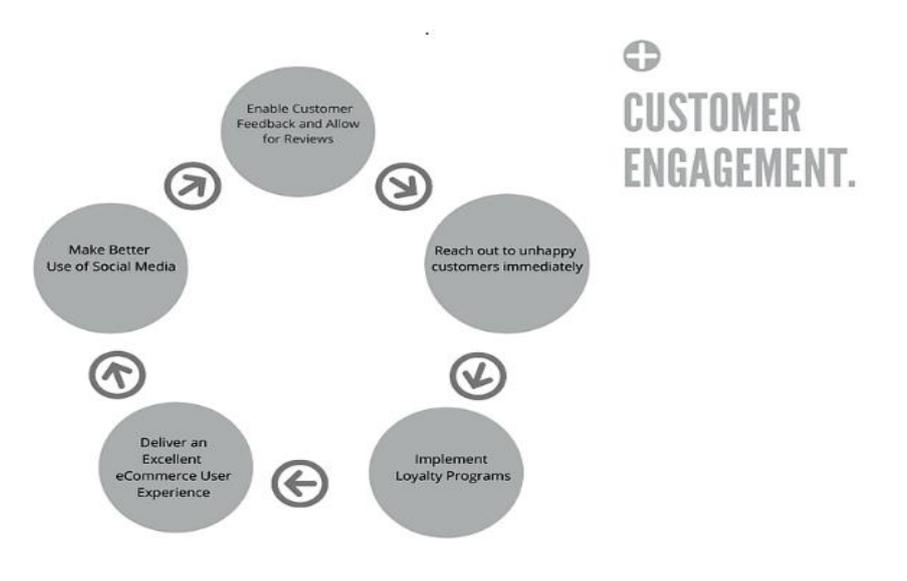
Despite the pandemic in 2020, e-commerce platforms had an exceptional increase in sales in India, with the help of customer engagement with their loyal customer's branding. The five stages of customer engagement are to Discover, Shop, Buy, Own, and Advocate, this has helped in the increase of sales and marketing in the e-commerce websites, with the new product line ups. Digital marketing is the new key to the essential part of excessive customer engagement



(Fig 2 - Analysis about customer engagement cycle)

Myntra is the India’s number one online retail fashion store by maintaining its leading position, having an ethical relationship with the customer. By Overcoming its competition with Amazon (the world’s largest e-commerce site), with the features like myntra studio, try and buy, detailed filters, various fashion sales for example end of reason sale, weekend sales, or birthday sales, festive offers, special discounts and a membership deal that is myntra insider for the influencers and fashion stylist and provides tips and bits of advice from top celebrities with earning rewards and gifts. Myntra is making an easy way for its customer to shop online; the biggest move is being partners with Microsoft for accelerating digital transformation, focusing on innovation and high user interface technology for the further benefits and better customer interaction. Myntra became successful by its progressive development and advanced technology making high profits. Myntra exclusively have branded clothes, accessories and beauty products, gadgets, household products and myntra mall, assuring a quality check to its customer.

Along the lines of following the online trends desired by the customers, social media marketing for the exact purpose of influencing people to buy their products. Compact elaboration about the special features is Myntra studio- this actively demonstrates that the fashion freaks exhibit their fashion advices and recommends clothes for the watchers, and myntra provides the similar clothes displayed by the person as a post. Myntra Insider (loyalty programme) - a membership deal without any monetary terms for the active users and rewards points, perks and privileges with every purchase. This programme will engage with alliance partners who wish to promote, intensify its business or product, and collaborate with myntra for various exclusive discounts and offers for the insiders or the participants, this demonstrates high customer engagement for loyal users and provides an opportunity to them, along the lines of fashion tips and advices from top celebrities of India, VIP access to all sale events. Explore on myntra with myntra move signifies that the users are rewarded for an active lifestyle by the fitness data of the user converted to shopping currency/ coupons, playing simple games and earning rewards further used while purchasing. These all features indicate the excessive efforts by myntra for customer satisfaction and are completely successful.



(Fig 3 – Channels of customer engagement)

Describing the above image, illustrating the cycle of customer engagement:

Enabling the customer to give feedback and reviews- demonstrates that after every usage of the product or services by the customer should be reviewed and feedbacks are taken for understanding the customer satisfaction. Reaching out to the unhappy customers- the people not satisfied should be contacted by the customer services managers of the particular company. Implementing loyalty programs- this assists in high up the loyal customer's assurance towards the company. Delivering an excellent e-commerce user experience- the technology used by the website must be easily accessible for the users and remarkable. Making better use of social media- social media displays customers' needs and even demonstrates the company's product and services, as people use more social media and it also included as a market place now.

2 Market expectations on ecommerce

The concept of market expectations is based on the prediction of short-term interest rates or what will the short-term interest rates be feature-based by the current long-term interest rates; the market Ecommerce Business should reach a 55% growth rate from 4.5 trillion \$ in 2020 to 7.8 trillion \$ in future or 3years. By the market, expectation e-commerce will make new records in sales rates.

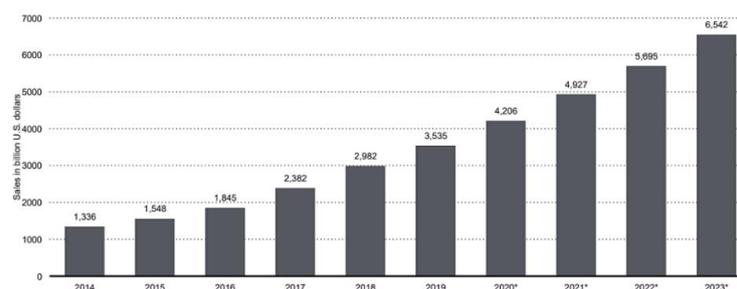
The market of Indian e-commerce can be segregated into various types of online services like online retail, online financial services, online travel, online shopping, etc. based on categories of the product, 2019- the online travel services had the highest market share because they improved the connectivity between airways and railways among the people because of the fastest-growing number of internet users.

Many e-commerce companies have been improved in various methods of online services like online retail, online financial services, online travel, online shopping, etc. based on categories of the product, 2019- the online travel services had the highest market share because they improved the connectivity between airways and railways among the people because of the fastest-growing number of internet users.

Many e-commerce companies have been improved in various methods of innovation and technologies like artificial intelligence, machine learning, virtual reality, augmented reality, voice recognition, etc. to approach and attract customers also to compete with other similar companies in the market. For example, Amazon has incorporated voice assistant [Alexa] for helping their customers, making their work more simple, and improving customer satisfaction with many new, useful, and innovative ideas which helps the particular company to get success in the market.

There are many e-commerce website's that provides various types of payment methods and are also inter-linked between them so the customer can choose his comfort payment methods in a safe and secured way, there are many online payment platforms like Google pay, apple pay, Paytm, amazon pay, PayPal, etc. which provides a secure, easy and efficient way of online payment methods.

Retail e-commerce sales worldwide from 2014 to 2023 (in billion U.S. dollars)
Global retail e-commerce sales 2014-2023



(Fig 4-Source from; global retail ecommerce sales)

From the above figure, it illustrates the market of e-commerce (retail) sales globally from 2014–2023, in terms of billion US Dollars. As from 2014 the sales started from 1,336 billion dollars, 2015 for 1,548 billion dollars, 2016 for 1,845 billion dollars, 2017 for 2,382 billion dollars, 2018 with an increase of sales to 2,982 billion dollars, with more increase by 2019 the sales reached 3,535 billion dollars. The sales in 2020 reached 4,206 billion dollars and continuing with the next three years i.e. 2021, 2022, 2023, the market is expected to be increased. By the graph, it proves that the market keeps increasing, the market expectations are high in the e-commerce sector by fulfilling the necessity and social status of customers thus by satisfying with improvising every time.

3 Quality assurance

Quality assurance is extremely important for every e-commerce website to maintain the quality check regarding the terms of product or services for the exact purpose of assuring the customers of the safety, security, and loyalty to them. This actively demonstrates that a right attempt of quality assurance leads to more identification and guarantee of the brands. For instance, Snapdeal went in losses for the reason of selling fake products at cheap rates, with intention of grabbing customers attraction towards their cheap deals, but rather it turned of failing that mission, the particular reason for this circumstance is most of the customers prefer quality than the prices. The regular check of products, assigning time towards checking the functionality or improvements of the quality, the affirmation of the superior goods and highly engaging with customers to understand their needs and to fulfil the intention of satisfaction. It is a process to develop the verification of higher performance, the usability of the particular system. Regarding the website's maintenance counts under quality assurance, glitches or bugs lead to displaying incorrect information leading to misunderstandings, low sales, and negative reviews of the website cause low customer engagement and losses. The technical aspects are must also be scrutinized, as technology is the primary feature.

4 Results and Discussion

The outlook of e-commerce has completely changed in India, India is on road to digital development. Value-added innovation in e-Commerce is the key, change in technological trends lead to digital development. Streamlined logistics, modes of delivery made things easier for eCommerce. The payment gateway is the smooth process for customers, easy return and exchange has attracted a lot of customers to e-commerce. Customer services have been a prime most priority for e-commerce, adding services like 24/7 chat support has garbed the attention and solved the major customer related issues. The major companies using artificial intelligence to share better customer engagement. Companies like Flipkart, myntra, amazon are building their own software's to run the system with proper flow. Mobile optimized setup helps this system a lot to run fastly. Social media has also helped eCommerce a lot. Social media sites can be used as a great marketing tool to promote e-commerce products. Personalised adds with region-centric approach has impacted a lot. Government privileges to MSME also helped many companies to come into the e-Commerce market. Small and medium-sized E-commerce companies can gain from large players by keeping customer care at the fore. That, alongside co-activity from the government, will take Ecommerce to its pinnacle in India.

5 Advantages and Disadvantages

Advantages: -

The E-commerce sector has a large market; as in the internet users are excessive, so that benefits e-commerce having so many website viewers and customers. As the technology is used, the benefits are to check on customer's insights along the lines of the product purchased by them and the satisfaction levels, recommending other similar products by SEO functions.

Technology is the greatest way to analyse big data or information simply. Rapid responses for customer queries and an easy way to understand the market by the customer needs displaying through research, plus point that making an e-commerce website does not cost much. More people depend on the internet for every simple necessity, more the sales increase. Features of websites are grouping particular products varying by their structure, pricing, or in bestsellers, which makes the customer access and find the particular product easily.

Disadvantages-

While there are numerous advantages of e-commerce, there exist disadvantages that customer's fear in e-commerce, while the selection of goods there is lacks of personal touch which in turn decreases customer satisfaction and assurance. Also, the quality of the product shown online when received dissatisfies customers many times which makes the company untrustworthy in the market, and their reputation decreases. There is a high risk of credit card fraud which is feared by many customers as their details are shared. The Prices shown in different online platforms vary from the selling price and there is a loss for buyers so the demand decreases. High competition as every business in the modern world has an e-commerce website, in the process the less reputed companies fall while the famous brands reach heights.

Conclusion

Role of eCommerce in customer engagement is linked with many factors, technology and the internet are playing an important role. tech tool automation in eCommerce is the vital support for customer engagement. The user interface in e-commerce sites is contributing to a major extent in customer engagement. Ecommerce sites are very focused on trust-building and quality assurance is the prime most priority to them. Despite the cut the throat competition by the major players in the market, still, it can able to accommodate the new players in the market. Future of e-Commerce has a stronger impact on the Indian economy. In the next five to 7 years, e-Commerce is going to be the future of purchase. Customer engagement will be nerve factor for sales.

The Indian Government is putting a valiant effort to help E-commerce in India. Despite everything, there are miles to cover before Ecommerce effectively surpasses offline businesses in upcoming days.

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