
**E- LOYALTY AND E- SATISFACTION of
E-commerce**

¹MR. P.PHANI BHASKAR, ²DR. D. PRASANNA KUMAR,*¹Research Scholar, ²Associate Professor,**Department of Management, KL University, Vaddeswaram, Guntur district, AP, India.*

Abstract: With the introduction of E-commerce and on-line consumer shopping trends the importance of building and maintain E-loyalty in electronic market places has come into picture in marketing theory and practice. Managing customer trust, satisfaction and loyalty attitudes of E-commerce services is very important for the long-term growth of businesses. As the competition in e-commerce is intensified, it becomes more important for online shopping. This paper makes an attempt to find loyalty and satisfaction of customers in organized E-commerce sites. The samples are collected from users who regularly do the transactions in E-commerce sites in Vijayawada and Guntur. Andhra Pradesh, India. The study suggest that E-retailers and E-sellers ought to build a brand and promote its brand awareness through sales promotion, advertising and other marketing activities, if brand awareness is high it's brand loyalty will also increase. Whether it's comes to retail outlets or E-commerce sites. Finally satisfaction influences positively and significantly the e-loyalty of the cyber consumers.

Keywords: *E-commerce, on-line, E- loyalty, customer retention and satisfaction.*

Introduction

In recent years, electronic commerce growth and the use of the internet in the consumer decision Making process ensures that traders to make greater use of this tool. While consumer behavior in E-commerce seems to be a complex subject, the consumer expectations are changing, challenging traditional patterns of supply of commercial websites. E-commerce has become one of the essential features in the internet era. Online shopping become the third most popular internet activity immediately following e-mail using and web browsing. A brand is generally a name and a symbol. It is an important means which helps creating a positive image on consumers and being different from rival products. Loyal customers are loyal consumers of the brand and perform repeat purchases and recommend the brand to those around. Changing life styles, strong income growth and favorable demo graphs are the drivers of the fast growth of this sector. Loyalty is at the heart of business firms and companies make great efforts in order to maintain their customer's loyalty. These efforts become increasingly difficult and serve in the online business to customer environment since online companies such as e-stores or e-retailers are facing competition not only from other similar sites but also from offline companies that offer similar products and services Yen & Good. (2007). Despite the importance of loyalty to business success in online consumer marketing, little theoretical research has been so far in this field. Most of the research has been confined to practitioner- oriented suggestions on how to build loyalty to commercial websites (smith, 2000; Reichfeld & Schefter, 2000).

A unique factor in e-loyalty is the critical role of the first impression created by a website as well as its ease of use. Easy navigation, fast page loads, server reliability, quick shopping and checkout processes and a personalized interface. A website has to be designed for a targeted customer segment, which means that the content of the site has to match the preferences of its targeted customer group. Global e-marketers should consider offering language-changing options since a website can be accessed from all over the world. An e-business has to be aware of the fact that a lot of customers are suffering from time constraints buyers of different products often follow different buying patterns. An e-business has to know whether most of its buyers come to the website with or without any intent to buy. If customers visit a site without any intent to buy, placing good offers on the first page is important on the other hand, for an e-business whose customers visit the site with

the intent to buy, establishing a website with an effective search function is important. At a global level, e-loyalty is generally very strongly related to the profitability and long-term growth of a firm. Small increases in customer retention rates can dramatically increase profit. Loyal customers visit their favorable websites twice as often as non-loyal customers. Loyal customers spend more money, 35 to 40% of revenue will come from repeat visitors.

Literature Review

As long as repeat business is important and as long as customers have chance to go somewhere else. E-commerce sites must deliver high level of customer satisfaction for a company to be successful, in a compressive market place that offers meaningful consumer choice alternatives firms that do well by their customer are rewarded by business. According Allagui and Temessek (2005), the theoretical foundations of loyalty to a company of the internet are similar to those of traditional loyalty. It is defined as continuing relationship established between the consumer and a brand as long as repeat business is important and as customers have the chance to go somewhere else, employees must deliver high level of customer satisfaction for a company to be successful

E-loyalty

Word of mouth

Word of mouth can be defined as the act of communicating formally or informally with other consumers about products and services of the company, including recommendations and defending the company against attacks from other consumers. it is featured by a high credibility. To advertising, consumers are generally skeptical of the sincerity and credibility of the message and saw that the belief that behind every advertisement there is a commercial interest that takes precedence over any design. A loyal customer will disclose to others of good assessments and encourage them to attend the same company or buy the same brand. It is therefore to free publicity for the company.

Intention of Repeat purchase

If loyalty is defined as an uninterrupted sequence many purchases of the same brand, it is estimated according to the marketing literature that a minimum of three to four successive repeat purchase enough to talk about loyalty. Behavior on the internet is much less stable over time. Indeed, the cyber consumer has more alternatives to choose from, the cost of change is relatively small and information about the sites is available at low cost. Relational loyalty must be manifested by a co-operative relationship in the long run. The consumer is no longer a mere purchaser of the product or user of the site, but a true partner with whom we can cooperate and be willing to make sacrifices in the short run.

Online Retailing

Consumers to search for evaluate and order products through the internet for many customers the advantages of this form of retailing are the 24 hour access the ability to comparison shop in home privacy and variety. A 2012 global online survey by Nelsen suggests that about 875 million consumers across the world prefer to shop online. The report confirms that 85% internet users shopped online. According to Google, India more than 100 million internet users, half of whom make online purchases and the number is growing ever year. On line retail in India is projected to grow to 200 billion dollars by 2025.

Modes of Advertisement

Through the proper and regular advertisements we can develop the awareness into the general public who are in the rural areas of India. So that it will leads to increase the sales in urban and as well as rural areas of India.

- Signboards, billboards, hoardings and banners
- Print Media
- Television
- Radio Advertisement
- Social networking

Brand image

Brand image is the soul of the product or service. It is usually translate to customers, makes them believe in the products in a certain level and further helps them to make a purchase decision. Consumers often make use of sense of brand image to improve the quality of the product or service and decide their behavior. So the quality of brand image indirectly cause consumer cognition of the product or service quality. This is why enterprise work hard on it and maintain their brand image. As it emphasizes that brand should have its own distinction and it should be meaningfully. It leads to brand satisfaction.

Brand satisfaction

Satisfaction is necessary but not sufficient component of loyalty, satisfaction is a prior of loyalty with increases in satisfaction leading to increasing in E-loyalty. The motion of satisfaction is considered here as an indirect source of e-loyalty. Brand Satisfaction can either refers to transactional measures focusing on a discrete incident construct resulting from a service of transactions. It is an antecedent of e-trust, with increases in satisfaction leading to increases in e-trust. It leads to e-loyalty.

E-loyalty

A deeply held commitment to rebut or repertoires a preferred product/ service consistently in the future. The consumer brand relationship is critical to the building of loyalty. It is important for several reasons. First, it reduces the cost of production because the sales volume is higher. Second, companies with loyal customers don't have to spend as much money on marketing the product. This type of loyalty can be a great asset to the firm: customers are willing to pay higher prices, they may cost less to serve, and can bring new customers to the firm. Businesses have to exert significant effort to facilitate e-loyalty. You need to convince potential customers that your product has a significant advantage over other products to justify consistent purchases of your product. It leads to E-satisfaction.

E- Satisfaction

Research has shown that consumer behavior is difficult to predict even for experts in the field. It studies features of individual consumers such as demographics and behavioral variables in an attempt to understand people's wants. It also tries to assess influences on the consumer from groups such as family, friends, reference groups and society in general. The state of satisfaction depends on a number of both psychological and physical variables which correlate with satisfaction behaviors such as other products against which the customer can compare the products to shopping sites which match the predominant motives of customer have higher patronage and different product categories have different motives. Once the customer satisfy with one e-retailer or brand he never changes to another one normally but his behavior may change if attracts. So the process makes the re purchase again and again. Satisfaction has generally been presented as an emotional state arising from the non confirmation of positive or negative initial expectations for the experience of possession or consumption (Oliver, 1980). In addition this definition of popular satisfaction and is often confused with the conceptualization of perceived quality, found no echo in research in the field of ecommerce and the web sites in general.

Research Methodology

The present study is focused on the shopping behavior dimensions of consumers who visit the organized Ecommerce sites, while conducting the survey taken care to include respondents from different type of customers, educational back ground and income level. Apart from that data collected from employees of KL University.

Primary data: The method of data collection done by the way of survey from 150 customers of Vijayawada and Guntur cities who done their transactions regularly through Ecommerce site.

Secondary data: collected from the books, news paper and Journals & Articles which published on E-loyalty.

Limitation of Research paper

- The research is confined to Vijayawada and Guntur cities; however the results may differ in other cities of AP and India
- A Sample size of 150 respondents has been taken from Vijayawada & Guntur.

Analysis of Data

Table 1: Gender of respondents

Particulars	Frequency	Percent	Valid percent	Cumulative percent
Male	69	46	46	46
Female	81	54	54	100
Total	150	100	100	

- The above table shows that 46% of male and 54% of female respondents, it shows that more women are making purchasing as compared to men

Table 2: Age of respondents

Age	Frequency	Percent	Valid percent	Cumulative percent
18-25	20	13	13	13
26-35	65	44	44	57
36-45	45	30	30	87
45-55	15	10	10	97
56 and above	5	3	3	100
Total	150	100	100	

- Majority of respondents are in age group of 26-45 (74%) years.

Table 3: competitors

Name	Amazon	Flip kart	snap deal
Discounts & offers	Good	Excellent	Good
Promotion	Ok	Excellent	Good
Product information	Ok	Good	Excellent
Price	Ok	Good	Excellent
Delivery	Good	Good	Excellent

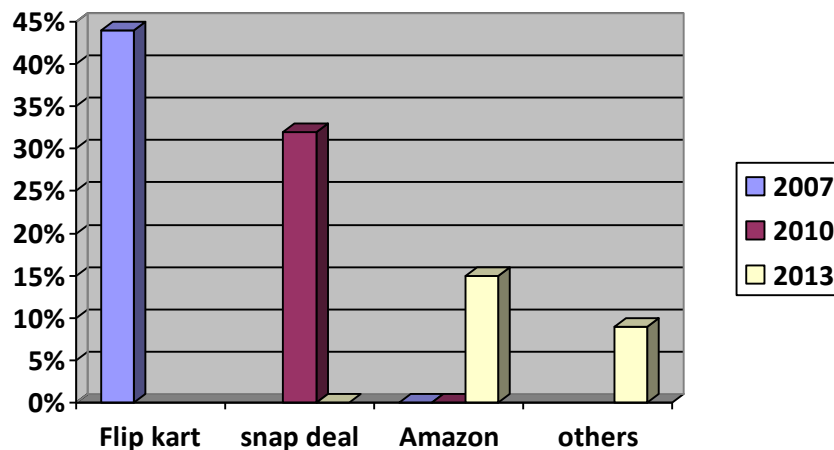
- Information collected from the users who regularly do the on-line transactions in and around Vijayawada and Guntur and employees of KL University.

Table 4: Market share

Name	Flip kart	Snap deal	Amazon	Other brands
Launched	2007	2010	2013	---
Market share 2015	44%	32%	15%	9%

- Morgan Stanley report of 2015.

Market share of E-commerce sites by 2015.



Findings:

E-commerce has its existence from last 8 to 10 years. Now it reached to 70 billion dollars business in India, it may go to 200 billion dollars by 2025. The regular advertisements in TV and newspapers they reached almost all customers in India. With the brand loyalty they set up in E-commerce industry now this growing fast especially in transport and logistics, employment opportunities also increasing with rapid growth of E-commerce sites. They are recruiting huge number of employees on contract basis. In every three months 5-6 start-up companies are coming and already established company are setting up their offices in many places, recently Gati recruited 400 employees in 40 days of time. Commencement of E-commerce companies jobs are increasing in Distribution, packaging and delivering compare to software employment rate is 8-10%, but in this industry it is almost 25% in every month. Presently 1.5 lakh of employees are working and getting around 10-12 thousand as salary per month. Presently life style and home appliance related transactions are going in on-line in future it leads to food items coming into in picture.

“E-commerce is not a balloon”

Looking to E-commerce business many people say that “E-commerce is a balloon; today not tomorrow it will burst, but it’s not seeing the situation. Presently from metros and big city people are only doing on-line transactions, by coming or in future technology development on-line sales will increase and it will help the industry. Now many people who are working in big positions in MNC are also looking into E-commerce companies to work. From last 8 months flip kart, Amazon; snap deal and etc companies are taken around 5000 people for employment.

AP and Telangana

Presently the companies are concentrating on AP and Telangana. All the big companies are setting up storage fulfillment go downs in Hyderabad. Amazon, flip kart and 60% of companies are coming into E-commerce want to start their business in AP and Telangana.

As above mentioned data shows that usage of on-line is increased in twin cities of Vijayawada and Guntur. Because of the education and employment of the people are uses to do their transactions more on e-commerce sites. People from the age group of 26 to 45 are using more than the others, because of the income and also the technology. Many people are doing their transactions on online from purchasing of hair oil to shoe which we normally use from the head to bottom for our daily use. The analysis tells us who are the major or key players in E-commerce business in India to cater the services to the public. Retail in India is a \$500 billion market, consumption is \$1.4 trillion, and retail is a subset of consumption,"

Problems facing by customers

Although the invention of E-commerce took place in 2007. Till the customers are facing the problem of deliveries. Not daily but often we see the issue of deliveries like customer has received the stones instead of the mobile which he ordered. Someone in Telangana received Mango's instead of Mobile. With proper tracking of the orders from booking to delivery we can eliminate the problems.

Further study

After the introduction of E-commerce in all sectors its leads to affect the sales of retail outlets. This is more on retail sector in all industries. After the introduction of the Ecommerce / online shopping sites like Flip kart, snap deal and Amazon the retail outlets are facing the problem of walk-ins/ foot prints. The retail industry facing the low margins, high rental, increasing expenditure like employee salaries, electrical bills and etc. The retail industry as to think it of how to get out of this and how best they provide the good services to their loyal customers. Retailers want high margins with low investments and the customers want more benefits with less expenditure. Further study will be on how the "brand loyalty changed to E-loyalty" in the retail industry after the introduction of E-commerce.

Conclusion

The retail is part of the service sector. The world has moved on from the age of customer satisfaction to the age of customer delight and organizations are remodeling their strategies around the customer and his needs with the aim of bringing him back and keeping him for life. This study can provide insights to the modern E-commerce sites on how the consumer in Vijayawada and Guntur their satisfaction and loyalty. An important factor which can lead to increase loyalty is customer relationship management activities like loyalty discounts, gifts and schemes. Understanding of shopper's behavior is the key to success for the retailers. They always look for the benefits of shopping in an e-store over the retail outlets in terms of self esteem, variety, comparison of brands and discounts available and also seek value for the money they spent.

The effect of e-trust and e-satisfaction on affective and continuous commitment was taken into consideration. It suggests that e- retailers should pay much attention to the influence of brand awareness, perceived quality and e-loyalty on purchase intention. The consumers can identify a brand name when they want to buy a new article. E-commerce sites and management ought to build a brand and promote its brand awareness through sales promotion, advertising and other marketing activities if brand awareness is high, its brand loyalty will also increase. To reflect the outcome of our research, customer satisfaction against a commercial site is positively influenced by the emotional state in internet shopping. When the perceived risk associated with purchasing on the website, consumers do take risks seriously at the time of making decision of purchasing online. This satisfaction, as determined by the emotional state and perceived risk, generates consumer loyalty to the merchant site.

From the primary data collected it can be concluded that consumers who are doing their transaction through on line with E-commerce sites are satisfied with the above mentioned three E-sites. One or two issues are happened in recent times, with the proper tracking of the goods and services by on-line from the starting point to end point that means order booking to delivery. The E-commerce industry will fly like a kite with thread. Retail industry in India is at the cross roads but the future of the customer market is providing as the market is growing ,government policies are becoming more favorable and emerging technologies are facilitating operations in India. Almost all large companies worldwide are looking to establish a base or stake in the Indian market, in this scenario the Indian retail sector itself must seize the initiate to release the dreams of contributing to a prosperous and booming economy.

Red alert on E-commerce

While doing on-line transactions we should take care of the logos, photos and details of the sites for once or twice. Sometimes we get codes for discounts; we have to make the purchases very carefully mostly we should use our personal computer and also the use of debit/credit cards. The aim of this study was to understand the effect of social marketing on brand loyalty to E-loyalty and customer satisfaction.

References

- [1] V.S.Rama swamy, S. Namakumari, 3rd edition, Marketing management planning, implementation and control.
- [2] Kotler.p (2003) Marketing Management (11ed) New Jersey: prentice Hall.
- [3] Swapna pradhan (2004) " Marketing Management" New Delhi, Tata McGraw Hill.
- [4] Marcel Gommans, Krish.S. Krishnan and Katrin.B.Scheffold: From brand loyalty to E-loyalty: A conceptual Framework.
- [5] Mr.Sudeep Kumar Sen, Team lease company Assistant Vice-president: interview with Eenadu business Edition on 06/11/15.
- [6] Irem Eren Endogens, Mesut cicek: The impact of social media marketing on brand loyalty.
- [7] Role of brand loyalty: journal of Marketing 65(April):81-93.
- [8] Smith, E.R. (2000) E-loyalty. Newyork: Harper Collins.
- [9] Mc William, G. (2000) "Building stronger Brands through online communities" sloan Management Review, 41(3): 43-55.
- [10] Strauss.J &Frost, R. (2001) E-Marketing. Upper saddle River, NJ: Prentice Hall.
- [11] Anderson, E. W. (1994). Variation in customer satisfaction and retention. Marketing letters, 5(1), 19-30.
- [12] Anh, N. P. (2010). The moderating role of trust between e-satisfaction and e-loyalty.
- [13] Kim, H. S. & Yoon, C. H. (2004). Determinants of subscriber churn and customer loyalty in korean mobile telephony market.
- [14] Anderson, R. E and Srinivasan, S.S (2003), E-satisfaction and e-loyalty: A contingency framework. Psycho. Mark, 20, pp.123-138.
- [15] Alam, S. S. and N. M. Yasin, "An investigation into the Antecedents of customer satisfaction of online shopping" The Australian & New Zealand Marketing academy conference.
- [16] Merrilees, B and M.fry, "E-trust: the influence of perceived interactivity on E-retailing users." Marketing intelligence and planning, vol.21,2:123-128,2003.
- [17] Kim, J. Jin, B, & Swinder, J L (2009) The role of e-tail quality, e-satisfaction and e-trust in online loyalty development process. Journal of retailing and consumer services, 16, 239-247.
- [18] Yun, Z. S & Good, L K (2007) Developing customer loyalty from e-tail store image attributes. Managing service quality, 17(1), 4-22.
- [19] Zikmund, W. G (2000). Business Research Methods (Sixth ed). Orlando: Harcourt college publisher.

- [20] Employees of KL University, Vaddeswaram, Guntur Dist, AP, INDIA.
- [21] R.A. Bauer, "consumer behavior as risk-taking, dynamic marketing for changing world", American Marketing Association, Chicago, IL, p.389 (1960).
- [22] Dr.D.Prasanna kumar & Mr. P.Phani Bhaskar: Brand loyalty and customer satisfaction: A STUDY ON BIG C MOBILES PVT LTD LARGEST RETAIL CHAIN IN ANDHRA PRADESH, INDIA. ISRJ: ISSN; 2230-7850, IF: 3.1560(UIF), Volume - 5 | Issue - 10 | Nov – 2015.

Websites:

- www.google.com
- www.sciencedirect.com
- www.Researchgate.com
- www.baidu.com