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ONLINE CUSTOMER'S EXPECTATIONS: AN EMPIRICAL ANALYSIS

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ABSTRACT:

There has been a major shift in the mode of purchasing. Large numbers of the customers are buying online. Before going for online shopping, consumers form expectations about the product,vendor, theirservice,and quality of the website which they expect from e-retailer and its websites. These expectations have impact on their attitudes and intentions to shop at a particular website, and consequently their decision-making processes and shopping behavior. Customers achieve a high degree of satisfaction, when their expectations are met, which in turn, influences their online shopping attitudes, intentions, decisions, and purchasing activity positively. And dissatisfaction has negative influence on these four variables (Ho and Wu 1999; Jahng et al. 2001; Kim et al. 2001).

KEYWORD: *Online Customer's Expectations , decision-making processes , shopping behavior.*

INTRODUCTION :

Bhatnagaret al (2000) found that demographic characteristics of the population are notinfluentialfactors in choosing the e-retailor or deciding howmuch to spend, but there are enough difference in the types of products or services bought by men and women from the e-retailors.They report that the convenience the Internet affords and the risk perceived by the consumers are related to the two dependent variables (attitudes and behavior) positively and negatively, respectively.

Bellman et al (1999) found that personal characteristics of the customers have influential effect on the orientation of the customers whether to buy online. Thoseconsumers,who use the Internet as a routine tool to do their work, to read news, to search information, to receive and send emails, or for recreational purposes, use the Internet for buying products and services.

Although consumers continue to purchase from physical stores, they feel very convenient to shop online since it frees them from personally visiting the store, itsaves their time and energy. (Williams, Bertsch, Wiele, Iwaarden&Dale 2006).

There are a lot of differences between the onlinemarketing and traditional marketing because online marketing
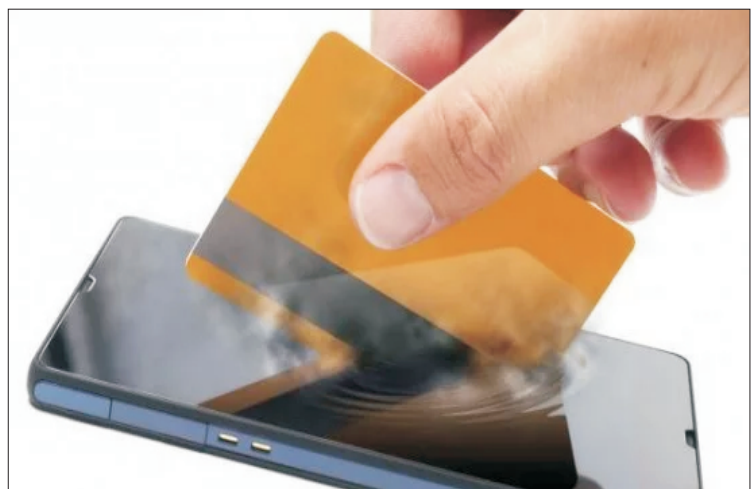
provides one to onecommunication which means that the marketer will market the product to one customerround the clock on the other hand traditional marketing is done through one to much communication system (Johnson, Gustafson, Andreasson, Lervik& Cha 2001).

E-commerce provides its customers various advantages such as personalized communication through various media such as e-mail, and social communication through social media like face book, twitter etc, and other important information like product description, shipment date, price, quantity from the seller easily (Rosen &Purinton, 2004).

Online shopping or internet shoppinghas concretedanew and powerful modefor marketersto interact with customers.And customers are alsotrying to adapt with this new mode of interaction and their responseis positive (Kim &Stoel, 2004).

Online shopping system has made customers powerful and more demanding and if online retailors want to be successful then theymust understand the customers need very well and provide continuously innovativeproducts(Kristensen&Westlund, Accountable business performance measurement forsustainable business excellence, 2004).

E-commerce provides consumers more choices, more information and more ways to buy. Moreover, e-commerce will remain as a medium to sell products, services and content over the internet (Korper and Ellis, 2001). As a result individuals can buy or sell anything, 'at anytime, from anywhere through online shopping' (Ko, et al., 2004).

Internet have created more competitive environment, therefore, understanding online shoppers' behavior have become more important. And it should be analyzed by online sellers that 'why some still prefer not to buy online' (Turan, 2011).

Smith and Rupp (2003) argue psychological factors of consumer behaviors in the online shopping context. Online consumers psychologically deal with themselves and they frequently question themselves.

LITERATURE REVIEW

In this section, we have considered review of articles in the context of customer expectation and online customer expectation. Customers research about the product or service he/she wish to purchase. They collect information from different sources, medium of advertisement, friend, relatives, previous customer feedback and sometimes even test the product. This information decides their expectations and they try to evaluate quality, value, and the ability of the product or service to meet their needs.

ONLINE CUSTOMER EXPECTATIONS

In this Business to consumer form of e-retail, consumers are going to participate only if they get some additional value.

The major difference between online andphysical marketing is the customer interaction. Less interaction is needed between customer and the marketer in physical marketing environment butin virtualshopping environment, more effective customer interaction is needed (Armstrong &Kotler, 2009).

Julie E. Francis and Lesley White (2002) proposed a questionnaire named PIRQUAL to measure customer expectations and perceptions of quality in internet retailing. They defined Perceived retailing quality as the gap between expected service and perceived service and classified expected service and perceived service into: 1. Self-service properties being determined by web store functionality and product attributes, 2. Ownership properties being determined by ownership conditions and delivered product, and 3. Relationship properties being determined by customerservice and security practices of firm.

Jarvenpaaet al (2000) investigated how consumers perceived store size and reputation influence their trust in the store, risk perception, attitudes, and willingness to buy at the specific store. They discover that there is a positive relationship between consumer trust in Internet stores and the store's perceived reputation and size. Higher consumer trust also reduces perceived risks associated with Internet shopping and generates more favorable attitudes towards shopping at a particular store, which in turn increases willingness to purchase from that store.

Very often internet users encounter online ads and promotion while doing some work online. These ads arouse interest in the minds of the user about that particular brand or product. But before buying the product, they research about the product to get some additional information to decide whether to buy. They will search through online channels, e.g., online catalogs, websites, or search engines (Laudon and Traver, 2009). They might look for the product reviews or customer comments in the search stage. After accumulating enough information about the product, they will look for alternatives available to decide which brand can best satisfy their expectation (Dickson, 2000).During this stage, well-organized web site structure and the attractive design are important things to persuade consumers to be interested in buying product and service. During the purchasing stage, product assortment, sale services and information quality are the factors influencing consumers' decision about what product to buy and what seller to buy from (Koo et al., 2008). Post-purchase behavior will become more important after their online purchase. Consumers sometimes might have a problem related to the product, or they might want to change or return the product that they have bought. Thus, return and exchange services become more important at this stage (Liang and Lai, 2002).

This whole process of purchase is affected by the risk and trust factors. While buying the product online, customers run the risk of purchasing wrong product as they cannot see the product beforehand and even wrong information may be provided by the e-retailor. They also take the risk in the payment process because they are required to provide personal and financial information including their debit/credit card number. Their personal and financial information may be used against them (Comegys et al., 2009).

Online shopping provides a wide variety of products and services to choose from and there are lots of sellers selling the same product type, thus offering choice between the product as well as seller. Large number of sellers selling the same product lead to price competition among them offering price advantage to the online buyers (Brassington, F. and Pettitt, S., 2000).

Steve Elliot and Sue Fowell (2000) analyzed purchases of various products from Internet sites in five countries in 1998. They examined the whole Internet shopping process beginning from initial search process to the receipt of ordered goods. They found that type of product have a significant influence on online shopping. More purchases were for Books, technology, music CDs and groceries. Sites with large product variety were more used. The purchasers were satisfied with the power of 'buying anytime, from anywhere'. Purchasers identified these factors as appealing: 1. Increased customization 2. Convenience in purchasing i.e. anytime, from anywhere, to anywhere 3.Responsiveness in product delivery 4. Cost savings through lower prices. Purchasers identified these factors as unsatisfactory: 1. Security 2. Ease of use 3. Poor service 4.Cost 5. Product delivered did not meet expectations.

Lei Zhu, IzakBenbasat and Zhenhui Jiang (2010) argued that navigation support and communication support are two essential tools for online shopping support. Shared navigation support system is better than personal navigation system in reducing uncoupling (i.e., the losing coordination with shopping partner) and text chat is preferred over voice chat in reducing uncoupling. Thus, shared navigation and voice chat can positively affect the collaborative shoppers' perceptions of social presence resulting from their internet shopping experiences. Thus, it is found that shared navigation is better than separate navigation in reducing uncoupling.

Sergio Roman (2007) developed a reliable scale to measure consumers' perceptions regarding the ethics of online retailers (CPEOR). He used security, privacy, non-deception and fulfillment/reliability as the factors of the scale and found that these factors are positively related to trust level and satisfaction level of online consumers.

Nowadays, Mobile devices, such as smartphones, e-readers, tablets, etc. are much frequently used to shop online as these devices provide more convenient in shopping in comparison to PCs as these can be used anytime and anywhere further enhancing the quantum of online shopping (Judith, 2012).

PURPOSE/OBJECTIVES

Businesses can not attract or maintain their customers unless they know what their customers expect from them or what services they desire. By knowing the expectations of the customers, businesses can modify their marketing strategy and services to cope up with their expectations. The primary purpose of this paper is to

study of customer expectations with reference to online shopping. The objectives of the study are:

• To explore the expectations of the customers from the whole online shopping system and the e-retailor websites when they shop online
• To identify the important (preferred) factors defining the expectations of online customers
• To suggest strategies and improvement areas to marketers to meet out the expectations of online customers

RESEARCH HYPOTHESIS

• Customers are indifferent in their expectations regarding various variables related to the dimensions of Product, Price, Place, Promotion, People, Process and Physical Environment.

METHODOLOGY

The survey questionnaires were distributed to respondents and it was made sure that respondents have at least one online shopping experience.

Research Approach

There must be clear understanding about the approach to be followed in the study or research in the early stages of it.

There are two approaches to conduct a research, namely a) Inductive approach, and b) deductive approach. In Inductive approach, the researchers analyze a phenomenon using individuals' experiences and perceptions of the phenomena and it relies on the observations of individuals in a natural setting. While in Deductive approach, researchers generalize and draw inferences about the general population from a selected sample. Deductive approach has been used to conduct this study. The literature review plays a major role in justifying the research and identifying the purpose of the study and is used to identify the questions to be asked and to form the hypotheses for quantitative researches. Literature reviews in quantitative research are more comprehensive and more detailed than in qualitative research. In qualitative research, the literature review is used to provide evidence for the purpose of the study and to identify the underlying problem that will be addressed by the inquiry(L. Karen Soiferman, 2010).The deductive approach is valid for quantitative data and since this study consists quantitative data, it is appropriate for this study.

Data Collection

Both primary and secondary data has been used in the study to achieve the research objectives. Secondary data helps to understand the research topic and proves to be a valuable source to carry out primary research design.

Secondary Data

Secondary resources provides initial understanding of the research problem and include both raw data and published sources, such as, articles, research papers, books, journals, etc. In this study secondary data used were mainly research papers and articles collected from Jstor, Idea.repec, ssrn and Google Scholar websites.

PRIMARY DATA
Survey

A Surveyin the form of questionnaire has been conducted to collect data for the research to study the expectations of consumers. Respondentswereonline shoppers who were asked to answer a set of questions which investigates their expectations from online shopping system, online sellers and their websites. Quantitative approach is used to analyze the survey responses of respondents to investigate the online consumer expectations. Before circulating the questionnaire to the respondents, the proposed questionnaire was presented to four participants to test it. Pilot test was done to receive suggestions from participants to enhance the quality and understandability of the questionnaire. The questionnaire was prepared as self-administered and was distributed to the respondents through one to one approach and was also published

electronically using the Internet through Google doc. Internet-mediated questionnaire helps to reach more respondents as was necessary for the research.

The questionnaires were distributed to individuals who have at least one online shopping experience. The participation to the survey was voluntary and the respondents can leave the questionnaire at any stage. They did not have to answer the questions if they did not willing to answer.

Components of the questionnaire

The questionnaire opens with introductory part which explains the aim of the study. The questionnaire consists of 17 questions.

Demographic questions were asked in the beginning of the questionnaire, which included:area (urban, semi urban or rural) in which they live, their gender, age, occupation, education level and their monthly income. The questionnaires were distributed to individuals who have at least one online shopping experience.Respondents were also asked to state the name of that e-retailor.The respondents were asked to give points (1-7) on Likert seven point scale[1 being the least preferred and 7 being the most preferred] to the various attributes of websites based on your expectation with online shopping on the website. The attributes of websites were based on customer's expectation with online shopping related to the dimensions of Product, Price, Place, Promotion, People, Process and Physical Environment. An open ended questionwas also used to identify online customer's primary expectations.

RESULTS

A Friedman Test was conducted across various variables related to the dimensions of Product, Price, Place, Promotion, People, Process and Physical Environment to rank these variables as per the preferences of online customers. The results of this test showed that

	Mean Rank
Value for money	26.75
Security	26.75
Privacy	26.75
Post-purchase support	26.75
Clear package delivery timing	26.75
Flexibility in shipping time	26.75
Easy to search	22.00
Convenient in use	22.00
Website Information relevance	22.00
Website Information reliability	22.00
Credible and trustworthy vendor	22.00
Cash on delivery	22.00
Debit/Credit Card	22.00
Variety in the particular product type	19.50
Flexibility to choose delivery date	19.50
Easy access to information and data	17.50
Total cost calculator (including shipping charges and tax)	17.50
Personalized offering	17.50
More Payment options	17.50
Constant contact (right info at right time through right channel)	17.50
Non-deception	17.00
Website Information Timeliness	14.75

Improved returns process	14.75
Quick response	14.75
Credible and trustworthy service representative	14.50
Online payment through e-wallet	14.50
Variety of merchandise offered	13.00
More Delivery channel options	13.00
Product displayed be visually appealing	10.25
Website design	10.25
More options to interact with the company	6.75
Personalized offers	4.75
Re-route packages	4.75
Links to social network	1.00

DISCUSSION

In this study, an attempt has been made to find out the antecedents of online customers' expectations. The purpose of the study is to rank various expectations of the customers who purchase online in order of their preference. Research hypothesis has been developed in order to satisfy the given objectives. Questionnaire has been developed based on extensive literature review. Now, customers are more powerful and are sharing their experiences be it positive or negative through social media sites. Thus, they vomit their frustration with bad shopping experience on these sites which are publicly accessible. Their reviews and feedbacks affect the buying decisions of other customers. Customers want their vendor to fix their difficulties. So, businesses should not only make their presence but also be positively felt by their customers.

THEORETICAL CONTRIBUTIONS

The contribution of the study is that it identifies preferred expectations of the online customers and adds to the current knowledge of our understanding ofonline customer'sexpectations. The study found that Value for money, security, privacy, post purchase support and clear package delivery timing are the most preferred expectations of the online customers.

Customers with experience in purchasing and customers with no experience in purchasing have different sets of variables that affect their expectations with the online purchase. Researchers advocated that lack of trust in the e-retailers and the online system itself is a major barrier to the growth of online retail. Positive customer experience leads to satisfaction, trust, re-visit intention, re-purchase intention and loyalty so better customer experience should be ultimate objective of online retailers and it can provide competitive advantage. Many researchers have applied various qualitative and quantitative statistical methods to understand the customer experience and expectation.

MANAGERIAL IMPLICATIONS

This study identifies the most preferred expectations of the online customers and thus, helps online vendors to distinguish between preferred factors which are going to increase their customer base and profitability, from those which are not so important to online shoppers. Customers operating within the online environment are becoming more demanding and expecting a higher level of service in a timely manner. Businesses need to focus on these expectations- Value for money, security, privacy, post-purchase support, clear package delivery timing, to get and maintain their customers. Their marketing strategy and service dimensions should focus on these variables.Their interaction with the customers should be in such a way that customers feel that the business is bothering to fulfill their expectations and is continuously working on it to give them better experience.

RESEARCH LIMITATIONS

A limited number of articles were accommodated and some important research papers and articles would have left out which could have contributed to the paper. Further, the paucity of time is one of the key limitations of the study. Thus, this paper highlights key issues and raise questions which can provide some base for future studies.

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