

Engaging Consumers: The Effect of Demography in Cyberspace

¹S. Magesh, ²Dr. B. Balaji

¹Chief Executive Officer, ²Professor

¹Maruthi Technocrat E Services, Chennai, India

²Shree Gurukripa Institute of Finance and Management, Chennai, India

Abstract— Shopping online in India was once a luxury but now seems to be a necessity. Shopping at physical retail outlets may have its own charm but commuting is a headache. Physical stores are able to store only a limited number of products and is most preferred by those who need to physically verify the product before purchasing and perhaps engage the retailer in a bargaining process. Online shopping has certain limitations in terms of tangibility but is advantageous in many ways. Time can be saved, shopping can be done round the clock at a convenient time, websites can be accessed globally, tons of information is available for knowledge as well as comparison, there are door-delivery and multiple payment options, etc. However, the moot question is how to attract the customer online and engage the customer for a prospective purchase and future re-purchase. 416 online shoppers were surveyed at Chennai to gauge their perceptions about online engagement and loyalty.

Index Terms— Cyberspace, Customers, Engagement, Demography.

I. Background

Customers are getting increasingly hooked to the internet for real-time data and information. E-commerce has come a long way in the country although organised retail in India occupies a minor percentage when compared with unorganised retail. Rural centres too have benefited by the penetration of mobile data. Online retailers now have multiple options to woo the customer. Table 1 depicts what customers are looking for online.

Table 1
Information Searched Online

Information Product options searched	Percentage
Price comparison with other retailers	65%
Product information / specifications	61%
Online reviews	49%
Product options (colour, style, size, etc.)	35%
Store inventory / availability of products	16%

Source: KPMG (2017)

Consumers' primary search online is for price comparison of products and the least searched information is about store inventory / availability of products. Generations differ in their usage of devices to access online information while shopping. Table 2 presents the preferred device for shopping online across generations.

Table 2
Preferred Device Generation-wise

World Region	Laptop/PC	Smartphone	Tablet	No Preference
North America	60%	5%	6%	29%
Western Europe	59%	5%	10%	27%
Eastern Europe and Russia	71%	5%	6%	18%
Asia	48%	19%	8%	25%
Latin America	59%	6%	6%	29%
Africa and Middle East	63%	6%	7%	24%
Australia and New Zealand	54%	5%	8%	33%

Source: KPMG (2017)

The mobile and smartphone revolution has taken the world by storm. However, consumers predominantly preferred to use their laptops or personal computers for online research (KPMG, 2017). Smartphone usage is under six percent across the world except Asia where the market is flooded with hundreds of smartphone models throughout the year. The maximum usage of tablets is observed in western Europe as compared to other regions. However, on an average, a quarter of the population in each region had no particular device preference.

II. Need for the Study

Engaging customers is now a herculean task as there are multiple touch points. The design for websites needs to be different from the designing for Apps. Continuous research on what elements of engagement are lacking is the need of the hour. It would be prudent to analyse the future behavioural intentions of consumers in terms of loyalty for a sustainable e-commerce business. This study was conducted to assess the prevailing scenario.

III. Review of Literature

III.1. Online Shopping and Consumers: Kanupriya and Kaur (2016) assessed the behaviour of consumers in online shopping. This study identified that wide internet access assists rapid increase of online shopping behaviour among Indian consumers. The study revealed that majority of customers are using internet for more than two years. It was also found that consumers are using internet often for searching products before actual purchase. The study also emphasised that time saving, superior selection, price, product comparison, and convenience are the prime motivating factors to them to use the online mode. Moreover, results revealed that fashion products, magazines, electronic products, CDs, flowers, books, and gifts are the prime purpose behind online purchase. Findings of the study concluded that personal computers, tablets, i-pads, and cell-phones are the prime medium preferred by them in online shopping.

Lakshmi (2016) aimed to check consumer buying behaviour towards online shopping. This study recognised that consumer buying behaviour is impacted by various factors like culture, social class, gender, age, family, reference group influences, income, and independency of the consumers. It was found that convenience, trust, price and quality of the product offered in the online mode have significant effect on determining their behaviour. Moreover, consumers' previous experience, satisfaction with services and products, risk free ordering, loyalty, web design and delivery have significant effect on determining buying behaviour. Younger generation consumers like students and professional highly preferred to buy goods online. It was concluded that price, safety, time, convenience, after-sales service, and reliability are the significant determinants of consumer behaviour in online shopping.

Arshad et al. (2015) examined the impact of perceived risk on online buying behaviour. This study identified financial risk, security risk, time and convenience, and psychological risk in online shopping behaviour of consumers. This study emphasised that perceived risk directly influences online consumer behaviour and consumer intention to buy. This study also revealed that when perceived risk is more, consumer intention is low in online purchases and vice versa. Results revealed that security risk and financial risk establishes an inverse relationship in online consumer buying behaviour, if it is found low, there is a high and positive online purchasing behaviour. Lesser time and convenience risk will lead to greater and positive buying behaviour among online consumers. Psychological risk shows that higher the internet experiences, higher is the positive responses. It was concluded that perceived risk has significant impact on customer buying behaviour.

III.2 Identification: Jayasingh and Venkatesh (2016) examined the determinants of customer brand engagement in social media sites. This study highlighted that social media is swiftly transforming the brand communication with their primary consumer segments. Identification of customer group, marketing mechanism, and marketing mix facilitates increase customer engagement. This study identified social influence, social capital, social media use, entertainment benefits, brand involvement, and economic benefits are the effective brand engagement factors in social media. Brand engagement factors have direct influence on customer intention to purchase online. Social capital and social influence play a significant role in brand engagement. It was concluded that customer brand engagement is highly dependent on the facilities provided and identification of target customers by the social media sites.

III.3 Enthusiasm: Nguyen (2015) investigated the role of online community engagement and consumer online collective empowerment for perception about consumer price fairness. This study revealed that the customer is highly enthusiastic in searching, acquiring, and discussing the product offered with price, quality, and other aspects. It was found that price is the main indication for customers to make buying decisions. In addition to that online community factors like community engagement and collective empowerment form consumer perception on price fairness. This study also stressed that the influence of community engagement on price perception among customers facilitates buying of products. Findings concluded that customer enthusiasm in the online shopping community strengthen the familiarity with respect to dynamic pricing decisions that, consecutively, form the perception about customer price fairness.

III.4 Attention: Smoliana (2017) intended to analyse consumer behaviour towards buying behaviour on customer in online shopping. The role of e-commerce has dramatically enhanced in recent periods and online shopping has changed its marketing style in global perspective. Customer behaviour towards buying electronics online is found in both national and international regions. This study found that attitude towards purchasing consumer goods largely depend on perceived behavioural control, subjective norm, and attitude towards using online shopping outlets. Furthermore, cultural environment, reliability, security, and trust can also influence the purchase decisions of online store. It was found that online sellers pay greater attention to and are interested to fulfil the needs of online customers in order to bring more virtual customer engagement. It was concluded that customer behaviour is positively related with online shopping.

III.5 Absorption: Toor et al. (2017) studied the influence of social network marketing on consumer purchase intention through the mediating role of consumer engagement. This study revealed that social network marketing is mainly connected with consumer buying intention. Consumer behaviour acts as a mediator to how social network marketing influences consumer buying intention. Findings of the study indicated that there is an indirect influence of consumer engagement on the connection between social network marketing and their buying intention. Consumer absorption and acceptance play a significant role in consumer engagement in online shopping platforms. It was found that social network marketing and consumer engagement are the prime motivators for shaping consumer buying intentions. It was concluded that with deeper understanding of consumers, online sellers also discover about anticipations and intentions of consumers.

III.6 Interaction: Ijaz et al. (2016) examined the efficient digital signage based online store layout among online shopping consumers. It was found that digital signage increases customer interaction through the layout presence in online shopping. This study identified that ease of use, perceived usefulness, entertainment, and time have sizable effect on layout. Improper layout creates poor interaction among the customers in online shopping. This study also stressed that layout resolve issues in searching, purchasing, and navigation in online shopping. Results of the study revealed that perceived usefulness, entertainment, ease of use, and time have increased customer engagement and create more interaction. In summary, it was concluded that efficient digital signage online store layout can augment sales in online shopping.

III.7 E-Loyalty: Sastry and Rao (2017) conducted research to analyse how influential attributes may impact online customer e-satisfaction in virtual retailing. This study emphasised that online shopping is considered an innovative shopping tool compared with traditional way of shopping. Results showed that perceived value of customer has significant role in impacting attitude of consumer towards website and their buying intention in higher volumes. It was also found that consumer value derived in any shopping experience consists both hedonic and

utilitarian benefits. Findings also indicated the e-satisfaction in online shopping is important for customer retention in the long-term and it helps to achieve higher levels of e-loyalty among customers. In summary, it was found that consumers perceived value reveals significant effect on satisfaction of customers and on their repurchase intentions in online business.

Azemi and Binaku (2015) analysed the effect of trust, satisfaction, and service quality in achieving consumer e-loyalty. This study revealed that the global e-tailing sector is growing at a rapid speed in terms of attracting potential buyers. It was also found that the online sellers need to establish loyal consumers to become highly profitable and increase their market share. This study stressed that trust in transactions, offering satisfactory service, and better service quality to the customers will bring more e-loyalty. Findings showed that e-service quality, such as website customisation based on cultural priorities, use of language, layout of website, and customer assistance play a significant role in attaining consumer loyalty. It was concluded that e-loyalty is a highly important for e-tailers than physical stores due to the reason of establishing reliability and attracting potential buyers.

Chen and Hung (2015) examined the online shopping orientation and purchase behaviour of high-touch products. This study identified convenience orientation, recreation orientation, price orientation as online shopping orientation. It also measured the association between shopping orientation and purchase intention of products online. It was found that convenience orientation forecasts buyer's intention for online shopping. Results also revealed that recreation orientation affirmatively and price pessimistically correlates to purchase intention online. Findings also revealed that interactive web designs can enhance online buyer's intentions and bring more e-loyalty. Findings also emphasised that convenience, recreation and price orientation factors attract buyers and shapes buying behaviour for high-touch products. It was concluded that online shopping orientation has positive and significant association with purchase behaviour for high-touch products.

IV. Methodology

Primary data was assimilated with the aid of a structured questionnaire wherein customer engagement aspects as well as intentions of repeat purchases were queried and analysed. 416 shoppers familiar with online purchasing as well as the online retailing environment were administered the survey. The effect of demographics was also assessed. Purposive sampling was employed and online shoppers residing in the capital city of Chennai were selected.

V. Analysis and Results

H: There is significant difference between online shoppers' monthly income groups with respect to perception about identification, enthusiasm, attention, absorption, interaction, and loyalty.

H₀: There is no significant difference between online shoppers' monthly income groups with respect to perception about identification, enthusiasm, attention, absorption, interaction, and loyalty.

Table 3 presents the impact of monthly income on study variables and is the outcome of one-way analysis of variance test.

Table 3
Impact of Monthly Income

Variable	Monthly Income	Sum of Squares	df	Mean Square	F Value	p value
Identification	BMIG	342.885	3	114.295	8.886	0.000***
	WMIG	5299.420	412	12.863		
	Total	5642.305	415			
Enthusiasm	BMIG	257.600	3	85.867	10.738	0.000***
	WMIG	3294.622	412	7.997		
	Total	3552.221	415			
Attention	BMIG	139.316	3	46.439	15.201	0.000***
	WMIG	1258.624	412	3.055		
	Total	1397.940	415			
Absorption	BMIG	241.460	3	80.487	14.315	0.000***
	WMIG	2316.454	412	5.622		
	Total	2557.913	415			
Interaction	BMIG	17.575	3	5.858	2.100	0.100
	WMIG	1149.558	412	2.790		
	Total	1167.132	415			
Loyalty	BMIG	241.186	3	80.395	16.575	0.000***
	WMIG	1998.353	412	4.850		
	Total	2239.538	415			

*** significant at $p < 0.001$; df – degrees of freedom; F – Fischer; p – significance; BMIG – Between Monthly Income Groups; WMIG – Within Monthly Income Groups.

Source: Primary Data.

It can be seen from Table 3 that the significance (p) values are lesser than 0.001 for Identification, Enthusiasm, Attention, Absorption, and Loyalty. Hence null hypothesis is rejected for all variables except Interaction as p value is significant at 0.1% level. Duncan's test was conducted for all variables (Tables 4 to 8) except Interaction.

Table 4
Duncan Test for Identification (Monthly Income)

Monthly Income	N	Subset for alpha = 0.05		
		1	2	3
Up to INR 20,000	8	8.0000 ^a		
Above INR 40,000	274	9.5401 ^a	9.5401 ^b	
INR 20,001 - 40,000	116		10.5345 ^b	
No Income	18			13.5000 ^c

a, b, c homogenous sub-groups

Source: Primary Data.

It can be observed from Table 4 that there are four homogenous sub-groups, namely, sub-group a (Up to INR 20,000), sub group ab (Above INR 40,000), sub-group b (INR 20,001 - 40,000) and sub-group c (No Income) for Identification (Monthly Income).

Table 5
Duncan Test for Enthusiasm (Monthly Income)

Monthly Income	N	Subset for alpha = 0.05	
		1	2
Above INR 40,000	274	6.9197 ^a	
Up to INR 20,000	8	7.0000 ^a	
INR 20,001 - 40,000	116	7.8362 ^a	
No Income	18		10.5000 ^b

a, b homogenous sub-groups

Source: Primary Data.

It can be observed from Table 5 that there are two homogenous sub-groups, namely, sub-group a (Above INR 40,000; Up to INR 20,000; and INR 20,001 - 40,000), and sub-group b (No Income) for Enthusiasm (Monthly Income).

Table 6
Duncan Test for Attention (Monthly Income)

Monthly Income	N	Subset for alpha = 0.05	
		1	2
Above INR 40,000	274	4.5985 ^a	
Up to INR 20,000	8	5.0000 ^a	
INR 20,001 - 40,000	116	5.4569 ^a	
No Income	18		7.0000 ^b

a, b homogenous sub-groups

Source: Primary Data.

It can be observed from Table 6 that there are two homogenous sub-groups, namely, sub-group a (Above INR 40,000; Up to INR 20,000; and INR 20,001 - 40,000), and sub-group b (No Income) for Attention (Monthly Income).

Table 7
Duncan Test for Absorption (Monthly Income)

Monthly Income	N	Subset for alpha = 0.05		
		1	2	3
Up to INR 20,000	8	5.0000 ^a		
Above INR 40,000	274		6.5620 ^b	
No Income	18		7.5000 ^b	7.5000 ^c
INR 20,001 - 40,000	116			8.1466 ^c

a, b, c homogenous sub-groups

Source: Primary Data.

It can be observed from Table 7 that there are four homogenous sub-groups, namely, sub-group a (Up to INR 20,000), sub group b (Above INR 40,000), sub-group bc (No Income), and sub-group c (INR 20,001 - 40,000) for Absorption (Monthly Income).

Table 8
Duncan Test for Loyalty (Monthly Income)

Income	N	Subset for alpha = 0.05		
		1	2	3
Up to INR 20,000	8	10.0000 ^a		
INR 20,001 - 40,000	116		13.9914 ^b	
Above INR 40,000	274		14.2190 ^b	
No Income	18			16.5000 ^c

a, b, c homogenous sub-groups

Source: Primary Data.

It can be observed from Table 8 that there are three homogenous sub-groups, namely, sub-group a (Up to INR 20,000), sub group b (INR 20,001 - 40,000, and Above INR 40,000), and sub-group c (No Income) for Loyalty (Monthly Income).

VI. Conclusion

There is no significant difference between online shoppers' monthly income groups with respect to perception about interaction. There is significant difference between online shoppers' monthly income groups with respect to perception about identification, enthusiasm, attention, absorption, and loyalty. Online retailers therefore need to engage in different strategies to target various income groups. This is a popular strategy in loyalty programs where the offers as well as benefits differ across tiers based on income groups. Hence, income segmentation would be very crucial for future e-commerce businesses.

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