



# AN INTERPRETIVE STUDY OF CUSTOMER EXPERIENCE MANAGEMENT TOWARDS ONLINE SHOPPING IN UAE

**Dr. Kamaladevi Baskaran**

Corporate Trainer,

Dubai, UAE.

## ABSTRACT –

*In today's internet connected world, electronic commerce or e-tail has been proven to be a powerful business platform that has enabled e-shoppers raise order to purchase any products of their choice and get the products/services delivered in any preferred location across the globe. This study aims to reveal the challenges experienced by UAE customers during online shopping and identify the ways to overcome the customer challenges in online shopping which create the opportunities for web store owners. Given the importance of the data for this research, qualitative data has been collected through primary data source. The individual email of UAE online shoppers has been collected and validated using the "Atomic Email Studio" Software. A structured questionnaire has been sent using Google forms. 161 samples were collected and considered for research. To attain the given objectives, the statistical tools such as Measure of Central Tendency, Standard Deviation, Analysis of Variance (ANOVA), Levey-Jennings Control, Correlation and Multiple Regression have been used. NCSS Version 10.0.5 software has been used in this research to execute the statistical and graphical tests. Customer Perceived Value (CPV), which is modern industry accepted measure of the Customer Experience, derived from customer responses to the questionnaire. The results highlights that there is a significant relationship between e-tail factors and Customer Experience. It states that the web store owners have to strengthen the e-tail factors to increase the volume of their e-tail business.*

**Key Words** - Online Shoppers, UAE customers, E-tail factors, Customer Perceived Value, Customer Experience Management, Online Shopping

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## 1. INTRODUCTION

Customer Experience Management is not, however, without a doubt an old concept in a brand new wrapper. In latest years a number of fundamental changes have befall inside the business environment which have led to the emergence of Customer Experience Management as both a

strategic area and a fast-growing industry, whole with a wide array of tools and key sets. The modifications had been fuelled with the aid of technological advancements, which have extended the range of services available to customers and simultaneously led to escalating consumer expectancies. The result is that, at the moment, there are greater services and products available than at any time within the past, yet customer pleasure are on a downward slide. Customer Experience Management can help opposite that slide by offering efficient business tools that make the interactions among web store owners and online customers more worthwhile for both the parties.

Customer Experience Management's principle is almost the mirror image. It says that every time a company and a customer interact, the customer learns something about the company. Based on their learning experience about the company, they may alter their behaviour in such a way that it affects their individual profitability. Thus, we understood that by managing customer experiences, the retailers can orchestrate more profitable and healthy relationships with their customers.

In today's e-world, online shopping is the powerful platform, in which online shoppers raise order to purchase A-Z products at the finger-tip to deliver at the door step. Online Customer's experience has easily been understood through their option towards e-tail factors ie., E-Store Information Quality, E-Shopping Cost, E-Store Design Quality, E-Privacy/Security, E-Customer Service and E-Delivery Service Quality factors.

## 2. REVIEW OF LITERATURE

The literature review analyzes the empirical output given by previous researchers, but finding the research objectives and reaching conclusions are the challenging task for researchers. Nabot, Ahmad & Garaj, Vanja & Balachandran, Wamadeva [6] study results show that attitudes toward online shopping and intention to shop online were affected by lack of human resources, such as low level of experience in using the Internet and shopping websites for shopping, lack of developed IT infrastructure, trust in e-retailers, and online payment and delivery service concerns. Mehrbakhsh Nilashi & et al. [4] proposed research framework considers three key dimensions service quality, information quality and system quality for online shopping website. Susan Kleinman [8] research says that while free and discounted shipping is a big story, there is more to online shopping and the customer experience. In fact, many shoppers are willing to pay a nominal fee to receive the product faster if given the option.

Nourbakhsh & et al., [5] says that the fear of losing money and financial details has negative effect on attitude toward online shopping. Also the Fear of non-delivery of order will have negative influence on attitude towards shopping online. That is, the higher the risk of losing money and probability of disclosing credit card information, the lower attitude toward online shopping. This finding is compatible. Bahram Ranjbarian, Saeed Fathi & Zeynab Rezaei [1] research says e-satisfaction is influenced by convenience, merchandising, security and serviceability aspects of e-shopping among which serviceability considered to be the strongest predictor.

Srini S. Srinivasana, Rolph Andersona & Kishore Ponnabolub [7] present research has identified eight factors that potentially affect e-loyalty. Of the 8Cs considered, customization, contact interactivity, cultivation, care, community, choice, convenience and character, all but convenience, were found to have a significant impact on e-loyalty. E-loyalty demonstrated the highest elasticity with respect to character and care. Equally important, e-loyalty was found to have a positive impact on positive word-of-mouth and willingness to pay more.

Kirsten A. Passyn, Memo Diriker & Robert B. Settle [3] suggests benefit of online marketers to be especially eager to take whatever steps are necessary to make self-regulation and self-governance in the matter of privacy and security effective. Online and database marketers would

be well advised to cooperate enthusiastically when regulation or legislation is proposed in order to avoid over-regulation and binding requirements and prohibitions.

Based on the research gap, the researcher found six macro factors influencing E-Customer Experience ie., e-Store information quality, e-Shopping cost, e-Store design quality, e-Privacy/Security, e-Customer Service and e-Delivery service quality.

### 3. RESEARCH METHODOLOGY

This study aims to reveal the challenges experienced by UAE customers during online shopping and identify the ways to overcome the customer challenges in online shopping which create the opportunities for web store owners. Here the dependent variable is e-Tailing and the independent variables are e-Store information quality, e-Shopping cost, e-Store design quality, e-Privacy/Security, e-Customer Service and e-Delivery service quality.

In the hypothesis testing, the goal is to either accept or reject the null hypothesis.

H<sub>0</sub>: Customer's shopping experience is not positively correlated to E-tailing.

H<sub>a</sub>: Customer's shopping experience is positively correlated to E-tailing.

Descriptive research design suits the research need. The Likert scale questionnaire has been designed as per standard guidelines given in the literature review for collecting the needed information from the respondent for this e-tail customer experience analysis research. The first section of the questionnaire covers the questions relate to the demographic factors, ie., country of residence, gender, age, marital status, education & income level of the e-customers and psychographic profile ie., Occupation of e-consumer. The second section of the questionnaire covers the internet usage, frequency of purchase over the internet, enjoyment and safety of e-shopping, key product and service categories bought online by e-customers. The third section highlights the factors influencing online shoppers and the impact of e-tail drivers towards e-customer's buying behaviour. These factors include e-Store information quality, e-Shopping cost, e-Store design quality, e-Privacy/Security, e-Customer Service and e-Delivery service quality. Under each factor 5 points had been given. All questions in this section are constructed with 5 point Likert scale ranging from 1. Strongly Disagree 2. Somewhat Disagree 3. Neither Agree nor Disagree 4. Somewhat Agree 5. Strongly Agree.

An extensive data collection for the research has been administered through the following online process.

Step 1: Emails of the potential participants from UAE has been collected using the e-marketing tool "Atomic Email Studio". 1000 emails from UAE has been extracted from the tool.

Step 2: Request to participate in the online research survey via "Google Forms" has been distributed to the collected 1000 email IDs.

Step 3: In order to motivate the people to participate in the online survey, Amazon gift voucher has been announced for one lucky draw from UAE

Step 4: Out of 1000 email users, we have received the responses from 161 email users.

The sample size is determined using Sample size calculator of National Statistical Service, Australian Bureau of Statistics. The reliability and validity test has been conducted.

To attain the given objectives, the statistical tools such as Percentage Analysis, Item Analysis, Analysis of Variance (ANOVA), Levey-Jennings Control and Customer Perceived Value have been used.

The Percentage analysis is used in Descriptive Statistics to study the demographic profile of the respondents. Also it is used to understand the Level of agreeability on e-Store information quality, e-Shopping cost, e-Store design quality, e-Privacy/Security, e-Customer Service and e-Delivery service quality by the respondents. Analysis of Variance (ANOVA) is a statistical

technique used here to test the hypothesis. CPV is a measure of the customer experience and is derived from customer responses to the Customer Experience Survey (CES). CPV is worked out for a single customer entity or account. CPV is derived from their scores between 1 and 5 in response to four questions in each criterion.

CPV is a figure between 0% and 100%:

- CPV = 0% implies the lowest Value the customer has ever experienced
- CPV = 100% implies the highest Value the customer has ever experienced
- CPV = 50% implies that the current Value is at the average level of all prior customer experiences

#### 4. DATA ANALYSIS AND INTERPRETATION

The data analysis has been carried out to analyses the challenges experienced by UAE customers during online shopping. Based on the analysis of web store literature, it is found that E-store information quality, E-shopping cost, E- store design quality, E-privacy/ security, E-customer service and E-delivery service quality are the six dominant factors which influence consumer perceptions to do their purchased online. Every factor has its own importance. Many brick and mortar stores are now converting into an e-store to cut their costs reduce their product price; offer an instant service to stay ahead in the highly competitive e-market. Right product need to be offered for right price in the right place at the right time, now it is customer's turn to decide what is right. This Interpretive Study deals with data analysis to attain the given objectives, which includes testing of hypothesis using the statistical tools. The tests have been used to confirm whether the null hypothesis is accepted or rejected.

Based on the analysis, the results states that E-Privacy / security hold the highest score given by female and E-Store Information Quality has rated lowest by male. E- Delivery Service Quality holds the highest score given by the age group between 40-49 years and E-Shopping Cost has rated lowest by the age group below 20 years. E- Store Design Quality holds the highest score given by the divorced/separated category and E-Shopping Cost has rated lowest by the single category. E-Privacy/Security holds the highest score given by the under graduates and E-Customer Service has rated lowest by the doctorates. E-Customer Service holds the highest score given by the trade workers and E-Shopping Cost has rated lowest by the students. E-Shopping Cost holds the highest score given by the income group of \$40000 - \$49999 per annum and the same has rated lowest by the income group of < \$9999 per annum. E- Delivery Service Quality holds the highest score and E-Store Design Quality have rated lowest by the average internet users of less than 1 year. E-Store Information Quality holds the highest score given by the e-customers who purchases more than 7 times yearly and E-Store Design Quality have rated lowest by the e-customers never shopped online. E- Delivery Service Quality holds the highest score given by the e-customers who enjoyed the e-shopping and E-Store Design Quality have rated lowest by the e-customers who doesn't enjoy the e-shopping. E- Delivery Service Quality holds the highest score given by the e-customers who felt that the e-shopping is safe and E-Shopping Cost have rated lowest by the e-customers who don't feel that the e-shopping is safe.

Customer Perceived Value (CPV) quantifies a customer's current perception of value by keying on specific survey questions and comparing current responses relative to historic scoring. The result is a percentile score between 0% (worst) and 100% (best), with 50% being the historic average. CPV has been computed from four precisely structured questions from each e-tail factors to get the true 360 degree perspective of the Customer's perception of Value.

CPV has been calculated with the formula,

$$CPV = (\text{Experience} + \text{Expectation}) / 2$$

$$\text{Experience} = \text{Benefit} / (\text{Benefit} + (1 - \text{Satisfaction}))$$

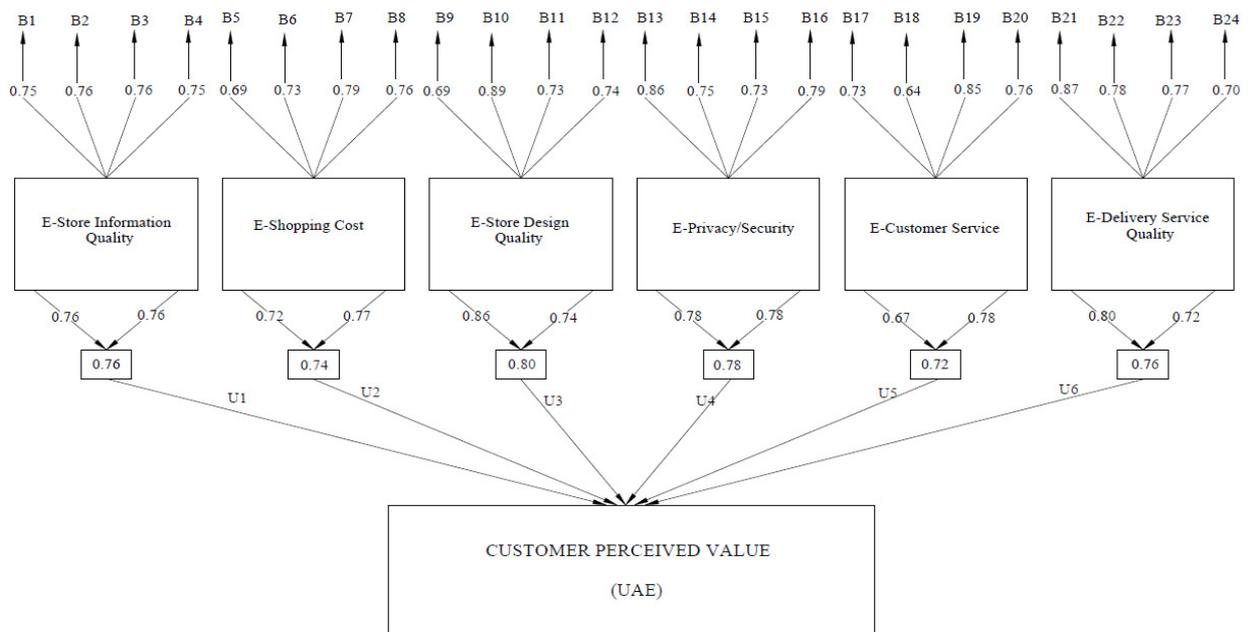
Expectation= Strategic Fit / (Strategic Fit + (1-Recommend))

Average true value = Sum of the individual true values divided by the number

Benefit describes we ask the customer to think about performance in the past. Strategic Fit narrates we ask the customer to think about likely future performance. Satisfaction portrays what the customer is asked to think about how much has been achieved. Recommend narrates what the customer is asked to think about how much is still to be done.

**Table 1:** Computation of Customer Perceived Value

Countries	Benefit	Satisfaction	Strategic Fit	Recommend	Experience	Expectation	CPV=(Experience + Expectation)/2
E-Store Information Quality	0.746	0.758	0.76	0.754	0.755	0.755	0.76
E-Shopping Cost	0.69	0.73	0.786	0.764	0.719	0.769	0.74
E-Store Design Quality	0.686	0.888	0.726	0.742	0.86	0.738	0.8
E-Privacy / security	0.864	0.752	0.734	0.792	0.777	0.779	0.78
E-Customer Service	0.726	0.638	0.854	0.758	0.667	0.779	0.72
E-Delivery Service Quality	0.874	0.784	0.774	0.696	0.802	0.718	0.76



**Figure 1:** Customer Perceived Value Model

**Table 2:** Customer Perceived Value in UAE

Country	E-Store Information Quality	E-Shopping Cost	E-Store Design Quality	E-Privacy / security	E-Customer Service	E- Delivery Service Quality
UAE	76%	74%	80%	78%	72%	76%
Rank	3	5	1	2	6	3

The highest perceived value given to E-Store Design Quality followed by E-Privacy / security, E-Store Information Quality, E- Delivery Service Quality, E-Shopping Cost and the lower perceived value to E-Customer Service. Lim, S. S. research states, “The state-oriented websites had greater potential for stimulating affective responses in online shoppers. Online store websites which adopt strategies that encourage online shoppers to develop social and parasocial relationships with the stores and with other customers are likely to benefit from increased store loyalty. Online shoppers who experience flow tend to have more enjoyable shopping experiences and make repeat visits to stores, and this may consequently translate into store loyalty. As can be seen from the findings, online store websites are getting more sophisticated in their design. Online retailers realise that they need to circumvent the facelessness of their online stores through introducing buying clubs and human spokespersons for positive affiliation and affect with consumers.

The results highlights that there is a significant relationship between E-tailing factors and the Customer shopping Experience with respect to UAE which turns the web traffic into actual purchasing behaviour. It states that the web store owners have to strengthen the e-tail factors to increase the volume of their e-tail business.

The ways to overcome the e-customer challenges in e-shopping which create opportunities for e-tailers are as follows. E-Store information quality can be improved by providing high quality service and high quality information during pre-sale and after sale stages. E-Shopping cost can be retailed by offering low prices than off-line shops. E-Store Design can be more qualitative by improve the website usability, design and information quality using creativity, simplicity, less loading time, big and high quality images, contact details of registered address of business, complete information about the consumer reviews, easy check out and accurate shipping date are the keys for the achievement of online business as for E-Store Design Quality. E-Privacy/Security can be strengthened by installing the privacy and security tools in e-tail sites. E-Customer Service has to be measured through Satisfaction surveys, immediate response & e- loyalty programmes. E-delivery service quality will increase the customers’ perceived value when the products are delivered quickly and product quality should exceed the customers’ expectation.

## 5. CONCLUSION, IMPLICATIONS AND SCOPE FOR FUTURE STUDY

In recent years, a number of fundamental changes have occurred in the corporate world which have caused the emergence of Customer Experience Management as both a strategic field and a rapid-growing enterprise, complete with a wide array of tools and solution sets. Customer Experience Management can help reverse that slide by providing with the aid of supplying green business tools that make the interactions between companies and customers more rewarding for both parties. Keeping customers in the next few years will be even more important than making a sale. E-tailers will have to engage their customers every day to create the long-term loyal advocates necessary to compete in these challenging times. The most important thing is to be able to identify ways to hold on profitable customers.

The implication of the study according to global statistics mentioned in Statista Website, in 2016, an estimated 1.61 billion people worldwide purchase goods online, but in 2016, global e-retail sales amounted to 1.9 trillion U.S. dollars and projections show a growth of up to 4.06

trillion U.S. dollars by 2020. In Asia Pacific, e-retail sales accounted for 12.1 percent of retail sales in 2016 but and 1.8 percent of retail sales in the Middle East and Africa (MENA). UAE falls under the MENA region. In UAE, the highest perceived value given to E-Store Design Quality and the lower perceived value to E-Customer Service. Ki-Han Chung & Jae-Ik Shin [2] research reveals that site design is the second factor directly affecting customer satisfaction and indirectly affecting e-trust, e-commitment, and word of mouth. Visual appeal and good selection of site design are also important to customers because of the increase in access and choice, especially in regard to information on products and services.

The scope of the study can be the questionnaire reaches only the customer who uses the internet. The future study could focus on the customers who do online shopping through third parties and the shoppers who hesitates to do the online shopping. The sample size is again a major drawback. Out of multi million users, only 1000 copies of questionnaire sent to the customers. The larger sample with more diversity would have benefited our results, which couldn't be the opportunity for further research. The questionnaire is designed like scaling system; they couldn't have a chance to express their opinions verbally. The questionnaire used in the future research could possible include the verbal opinions as well.

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