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CUSTOMER LOYALTY IN E-RETAIL

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Abstract

E-retail, also known as e-tailing is shopping through the Internet and other media forms. It is also known as Internet shopping, e-shopping, or virtual shopping. The paper tries to examine the growth of e-retail across the world and in India and analyse the online shopping behaviour of the consumer across the stores selected and also analyses the impact on membership and loyalty programs on customer loyalty in e-retail. This paper attempts to study the online shoppers' perception of 1) Whether the online shopping service creates loyalty in customers 2) customer opinion on online money transaction and 3) preference of online shopping in Indian retailing context.

It is an empirical paper where in four organized retailers were selected in India namely Pantaloons, Life style, Westside and Shoppers' Stop. Study has conducted survey in four major metros in India which are Delhi, Hyderabad, Kolkata and Mumbai. The study has collected customer opinion and interest of different areas like customer preference of online transaction, customer loyalty of online shopping and opinion of online money transaction. 100 customers are selected from each store, making it a total of 400 customers chosen based on stratified sampling method.

The study brings forth various facts related to experiences of online shopping of the Indian retail shoppers and their duration (in terms of number of years) of online shopping. It is found that there is a significant relationship between loyalty programs and customer loyalty. The survey also found that 70% of online shoppers of these four shops from four selected metros expressed loyalty on frequent buyer programs and 62% use comparison engines to compare price before buying. Online shoppers feel that member discounts and members-only special are very

important to online shipping. The study is confined to only four organised retailers in India, it can be extended to the modern online retailers such as amazon, flipkart, ebay and others. The study is useful to retailers in managing their loyalty programs and helps in retaining existing customers and attracting new customers to their online stores. The paper includes practical examples from retail sector which is based on empirical research and primary data analysis.

Key words: Information technology, E-Retailing, relationship management, loyalty