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RESEARCH ARTICLE

IMPACT OF SMART PHONES ON E-COMMERCE IN TRANSFORMING CUSTOMER ENGAGEMENT

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Abstract

E-commerce achieved a solid pace in re-defining its potential as a trend to adapt, then just a method of interaction by offering a plethora of opportunities to the new -age businesses. Giving a trail to the intentions of customers, Smart phones have capitalized the boom of e-commerce by laying an initial promise of customer engagement to reach the needs and preferences of the digital customer base. In today's technology driven arena, E-commerce come as no surprise in terms of offering phenomenal customer experience. Our main line of focus is about the measure rate that smart phones hold in delighting customers, not only in terms of mounting sales but also to bridge the demands & expectations of the customers online.

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Introduction:-

In today's fast paced environment, E-commerce moved with times by tapping consumer desires and significantly transformed the buying behaviour with its propelling impact on digital trade backed by its study on analytics driven customer engagement. In addition to this, smart phone penetration continues to incline upward with an whopping 84% hike by 2022 (India Brand Equity Foundation, 2019). E-commerce have truly paved the way to M-commerce and brought a dramatic shift in E-tailing landscape by ensuring seamless customer experience. In other words, smart phones serve as a major touch point to enhance customer engagement which in turn serves as a key driver for customer retention. E-commerce provides excellent customer assistance par excellence by imparting Live chat options to ensure ease of convenience and accessibility. The impact of smart phones w.r.t e-commerce lies in satisfying four vital quadrants such as highly interactive and responsive site, coherence across the platforms, reliability, Safety and security.

Literature Review:-

Madhav Sheth (CEO, Realme) opines that penetration of smartphones across the consumers community directed the success of online channels by establishing a value proposition in this rapidly growing environment. The main advantage of e-commerce lies in isolating channel distribution costs, feature of comparison shopping, offering products and services in economical pricing. In this way smartphones fuelled the growth of e-commerce (Retail Economic Times, 2019).

The pace of e-commerce w.r.t market trends has been increased with the unique proliferation of smartphones. With the advent of technology, the mobile based website pushed the optimum experience and resulted in rich dividends in terms of returns to e-commerce giants. Personalized communication and customization are the core features that e-

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commerce firms can rely on to satisfy the customer needs and preferences. Incremental innovation in the native apps of smartphones and the quick adaptability by firms ensure delightful customer experience. (Amodmalviya, 2013) Forbes opines that M-commerce grows upto 68% by 2022. The number of ready-made smartphone user groups have increased regardless method of payment and fulfilment. Majority of the customers are influenced with the factors of ease of use and convenience in commerce, data protection which in turn made them opt mobile device as a key mechanism to purchase products online. (ShelleyEKohan, 2020)

KantarIMRB reports states that the usage of smartphones soars high by 16% in accordance to the advancement of social media platforms and apps related to entertainment. Few of the key insights of this report includes higher data speed and low data pricing, more convenience on search features have made smartphones a better conduit for the growth of e-commerce. (BUREAU, 2017)

As per the latest trends, reports states that since the trend of customer experience is emerging, an ideal customer most of the time expects a streamlined path for convenient checkout. Apart from this most of the customers prefer surfing and shopping online with a major expectation of seamless experience (AndrewLipsman, 2019)

Research Objectives:-

1. To study the potential of e-commerce apps in transforming customer behaviour
2. To identify the purchase preferences of smart phone users via e-commerce platform
3. To understand the opinions of the people w.r.t smartphones in the growth of e-commerce.

Research Methodology and Data Analysis:-

As part of our research study, we conducted both primary and secondary research to analyse the impact of smartphones in the world of e-commerce in terms of delivering frictionless experience for customers by ensuring effective customer engagement. Accordingly, to draw these final conclusions various journals, reports, blogs, newspapers, and official sites has been taken into consideration in this aspect. Primary research was carried to understand the preferences of the customers in terms of usage w.r.t e-commerce platform. The analysis was done by conducting a survey through online questionnaire.

To achieve the above-mentioned objectives, we had the following research design. The sample size includes 100 respondents comprising students and working professionals. In terms of segmentation we considered all the age groups since the perception of a smartphone user w.r.t e-commerce varies from person to person and also considered behavioural segmentation (Benefit) for the study. Moreover, to pursue detailed analysis we made use of various tools such as bar graphs, pie graphs and line charts with the obtained responses. The methodology of research is purely based on facts and insights that we collected through secondary research and the responses we received through online questionnaire as part of primary research.

Profile of the target sample:

We included both males and females of all age groups including the combination of students and professionals.

Source of the data:

Primary research:

Sample size of 100.

Secondary research:

journals, research articles, blogs, official sites, and News Papers.

Period of the study:

This study was conducted for a month

Limitations of the study:

We did not consider segmentation of our target audience based on education because, as per BCG, the important factor of consumer behaviour is not related to education rather depends on digital maturity. Since customer experience on e-commerce varies from person to person, we did not restrict our age group to a certain segment,

rather we concentrated on the aggregate across the age groups. We did not segment based on geography because the focus of research related to the online market place and the respondents we considered are across the Indian origin.

Secondary research:

HBR conducted a study on 46,000 customers and disclosed an insight stating omni channel strategy surpassed the inertia and drives consumer attitudes towards various digital channels and enhanced the shopping experience of the customers. Study reveals that 73% of the customers opine coherence across the channels drives their motivation to purchase online (BethBenjamin, 2017)

Retail technology reports opine that there is a huge scope for digital purchase in terms of e-commerce apps in smartphones. But most of the young consumers are spending time on social media and on e-commerce sites but are relatively purchasing less. This barrier is due to the users spending more on browsers when compared to apps. The drawback is the lack of single click check out and lack of effective payment gateways (JaimeToplin, 2015).

Executive of Razorfish firm states that mobile first approach evolved as a great practise in increasing the traffic to e-commerce sites .Almost 30 % of the traffic is driven by mobile shoppers and digital firms opines that smartphone user groups are highly crucial in drifting the next wave of e-commerce. In addition to this a survey of ComScore states that more than 45% of time spent online is done on retail segment using smartphones as a primary medium (RetailDive, 2018)

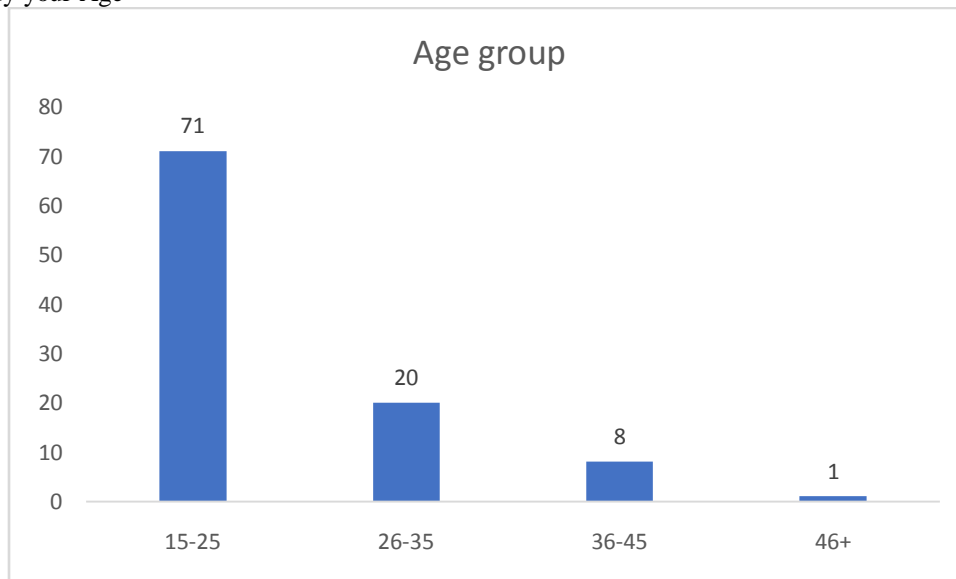
Smartphones enabled the convenience of digital commerce .The study predicts majority of the millennial generation are more inclined towards smartphones as their desired point and most importantly smartphones played a vital role in transforming the payment landscape and turned as one of the key drivers in the growth of e-commerce. (PaymentsJournal, 2019)

Mckinsey study states that Banking, travel, and Retail segments contributed significantly in the rise of e-commerce which addressed many touch points without a downtime and enhanced the spontaneity of the consumer spending online. Three-fold hurdles of e-commerce have been resolved with the advent of digitization and technology which helped to address the needs and preferences of the customers accurately (EricHazan, 2015).

Primary research:

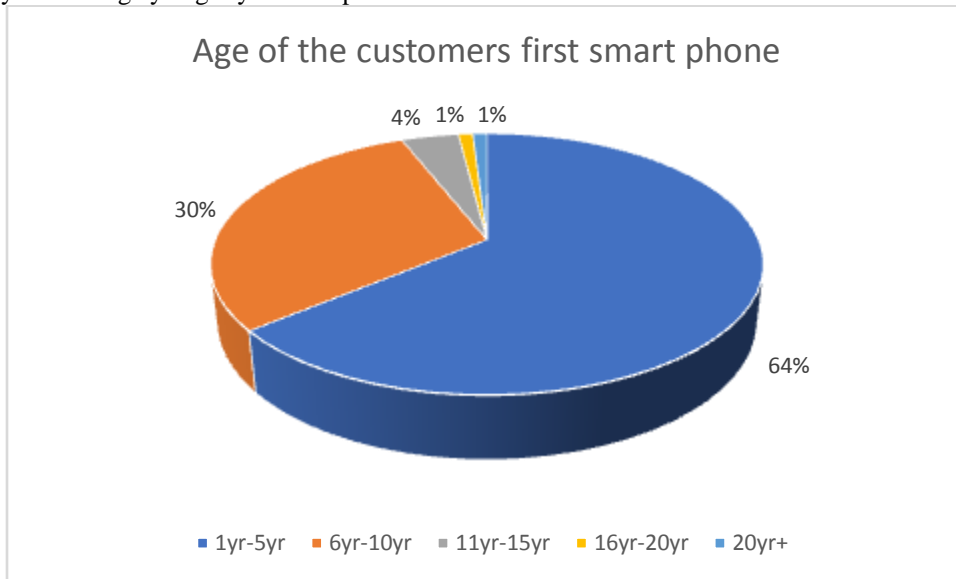
Primary data collected with the sample size of 100

Please specify your Age



Respondents across the age groups took part in the survey. Based on the data age group 15-25 are more followed by 36-35

Please specify at what age you got your first phone



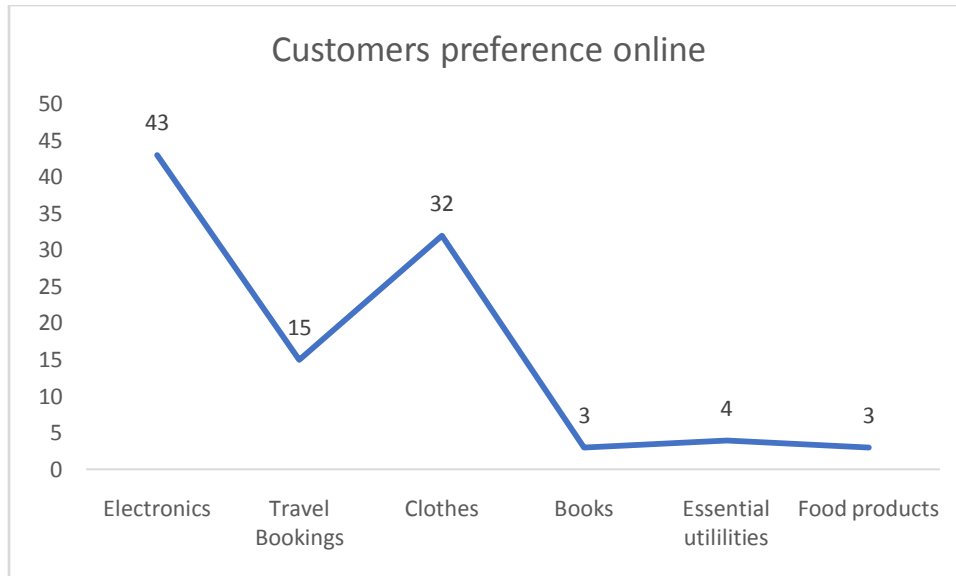
According to the data in accordance to the age group, almost 64 % of people purchased their first smart phone one to five years ago.30% of the people purchased six to ten years ago. The interesting aspect here is despite the revolution of e-commerce in India took place in1995, the trend got picked only post 2014 in India. This is the year when smartphone penetration has hikedup. This is the clear reflection to state smartphone has been the key contributor for the rise of the e-commerce

Please rate yourself as a customer w.r.t frequency of your purchase on e-commerce



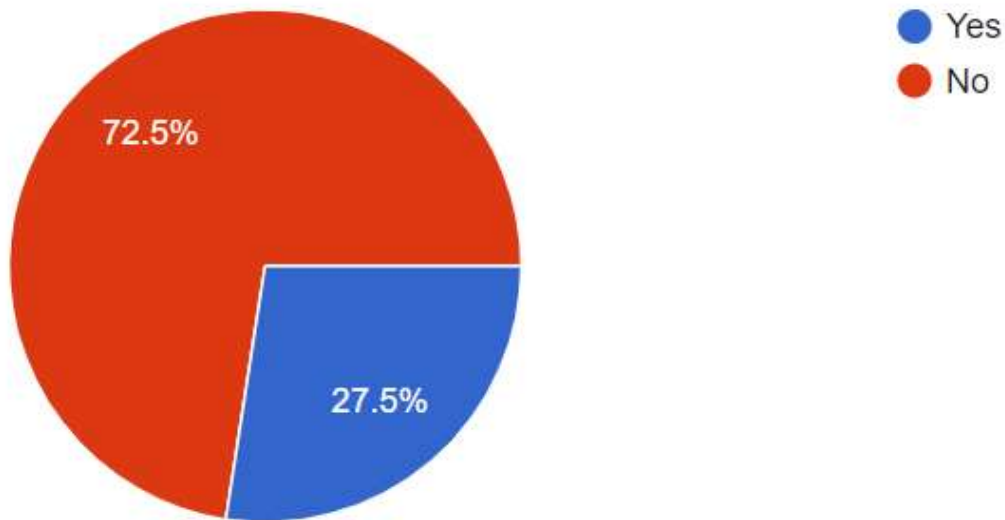
Majority of the people opine they are extremely good in terms of digital purchase through e-commerce apps. High speed data and low cost data plans could be the reasons for more usage of smartphones and the apps.Based on the reports majority time spent on smartphones in terms of E-shopping elevates retail segment as one of the prominent category as the primary preference of young consumers.

Please specify your purchase preference online among below mentioned categories



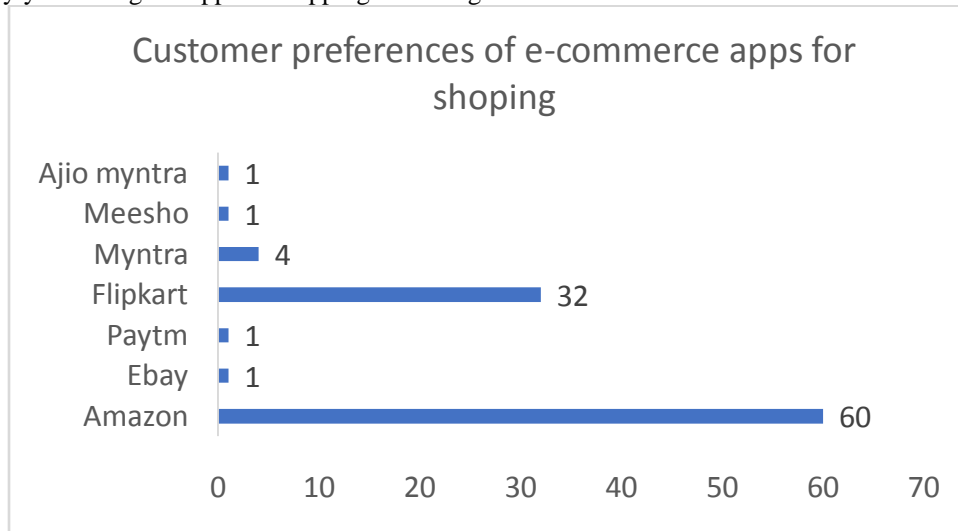
Based on the responses, with the advent of innovative technology most of the people opt e-commerce to purchase electronics followed by clothes and travel bookings. Very less percentage of people are inclined towards purchase of books and essential utilities online. Now-a -days there are some specific apps available for the people interested in books which are available in both audio version and in summarized version like Blinkist, Audible etc. This could be the reason for not opting e-commerce sites for the purchase of books.

Did you shop on e-commerce websites, prior purchasing your first smartphone



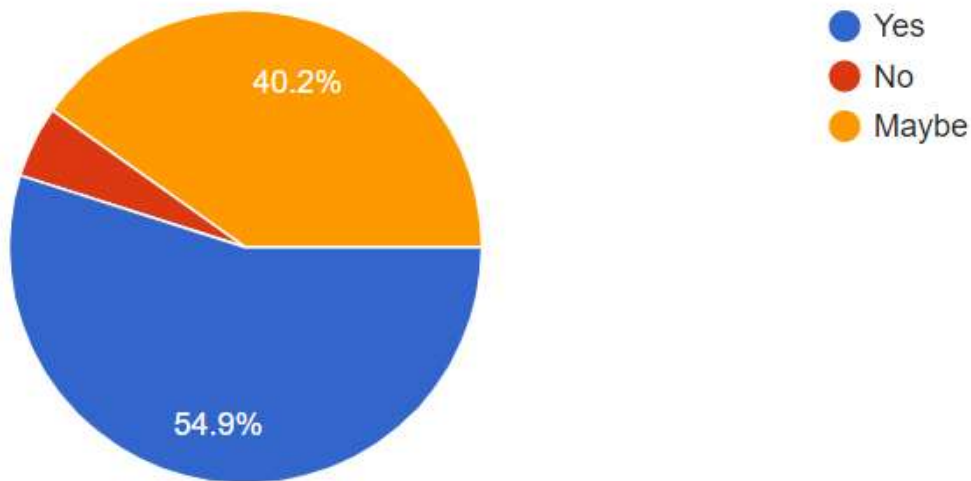
Majority of the people opine they did prior search and shop on e-commerce arms to have basic analysis like price factors and various other terms and conditions before purchasing their first gadget. This shows their purchase behaviour can be traced and we can deliver relevant products by maintaining coherence across the platforms. Only 27% of the people did not go through the process, the reason could be their level of awareness.

Please specify your first go to app for shopping or surfing



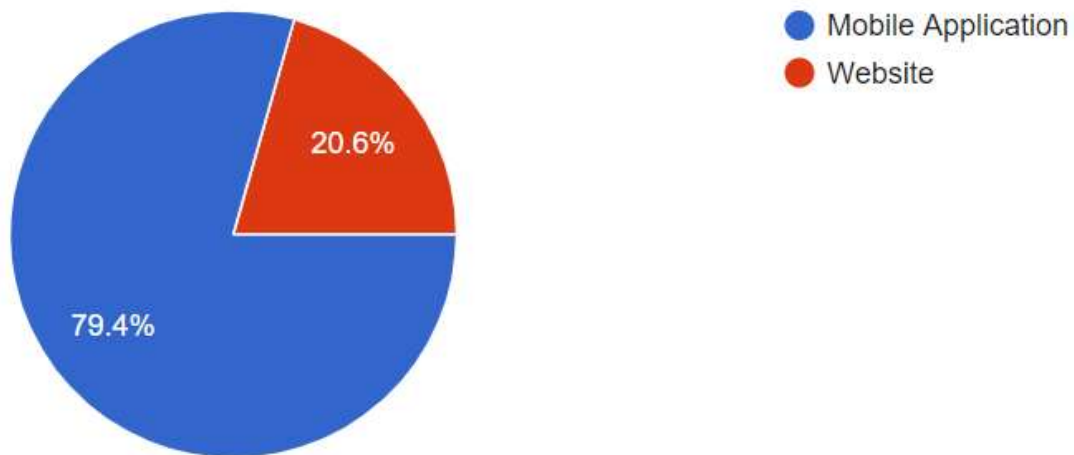
Based on the data, the results clearly show that the e-commerce giant Amazon tops the chart followed by flipkart. Upto some extent only Myntra could somehow hold on to the game but since its also part of flipkart we can't portray the customers mindshare w.r.t their preferences on go to app as a separate entity.

Do you feel that features of e-commerce apps need improvement



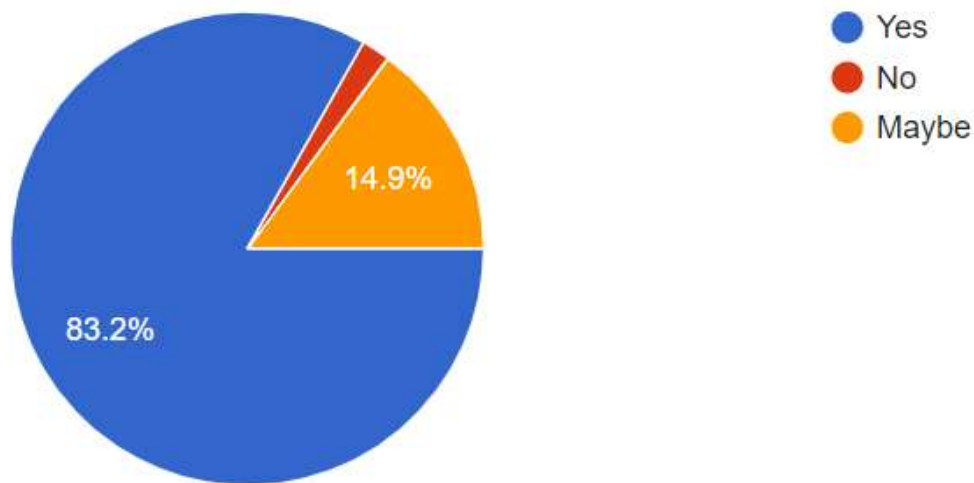
Most of the people state that e-commerce apps need improvement. As mentioned in the PWC reports ,the reason could be lack of consumer confidence on data integrity and safety features w.r.t payment gateway and also the responsiveness and easy navigation plays major role in holding the motivation of customers to purchase.

According to you, which one gives you better experience when online shopping is considered



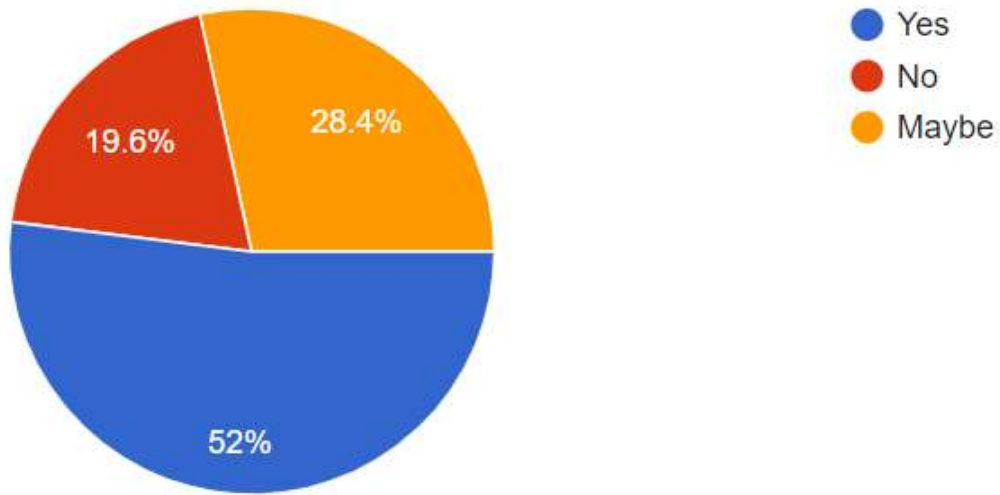
Based on the viewpoint of the respondents most of the people (79.4%) opine mobile applications give far better experience when compared to website.

Do you feel that shopping experience got better and easier with e-commerce apps in Smartphones



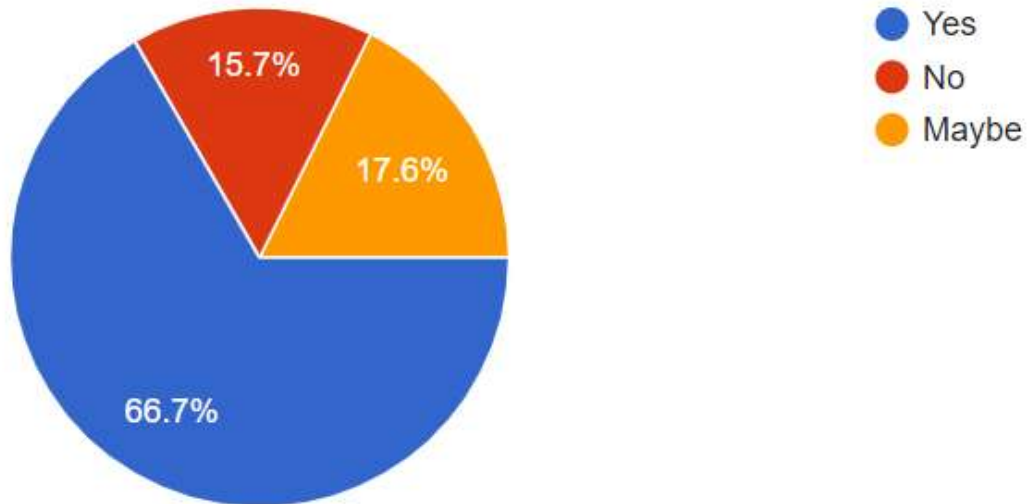
According to the data almost 83.2 % of people feel that e-commerce has transformed the way we shop by using smart phone as a key medium. Very less percentage of people are denying this opinion. This is truly a positive sign to state the smart phone revolution fuelled the boom of e-commerce.

Do you feel that e-commerce apps in your smart phone making you to shop more and spend more



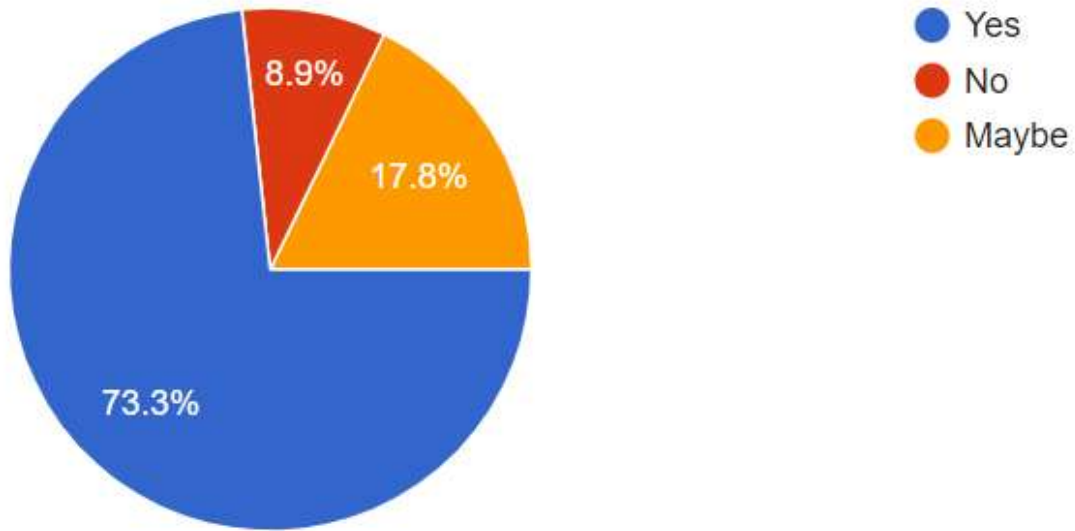
E-commerce truly paved the way to tap the intentions of the customers and offer personalized services with the advent of e-commerce apps.

Did you feel that mobiles are the preferred platforms for e-commerce than that of PC's



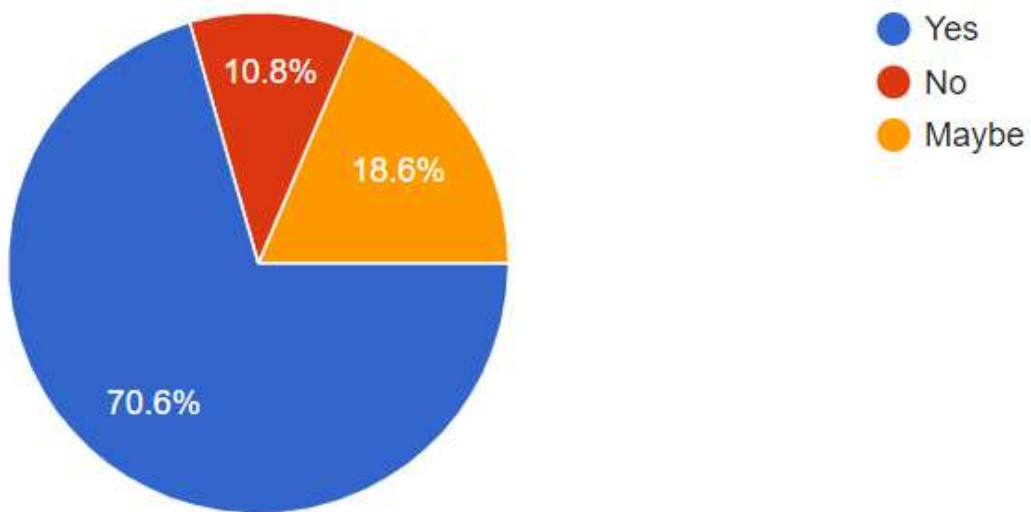
Based on the data almost 66.7 % opine mobiles which includes smartphones and tablets are the most preferred platforms when compared to Pc's.

Do you think smart phones are the core reasons for the growth of e-commerce



Most of the people accepting that smart phones have significantly contributed for the growth of e-commerce followed by few neutral opinions.

Do you feel that mobile apps for e-commerce are better than that of e-commerce sites



Majority of the people opine that mobile apps of e-commerce are far better and can effectively trigger the customer attention when compared to e-commerce sites.

Conclusion:-

According to the inputs from the responses, many people stated that smartphones have created a phenomenal impact in the progression of e-commerce by introducing apps, enhancing payment landscape, and offering customized services to the customers. In terms of customer preferences towards e-commerce most of them are inclined towards

Amazon and Flipkart mostly in the categories of electronics, travel, and clothes. Finally, majority of the people opine that smartphones have triggered their motivation and provided a channel to trail their intention which drove their attitude to spend more online. Based on all the insights we can predict with the advent of AI into e-commerce we can see more and more users shift themselves to e-purchase by choosing smartphones as their medium of purchase.

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