Challenges in Customer Experiences and Retention with Special Reference to Reliance JioMart

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Abstract
Many companies are using e-commerce to reach to their customers globally. In India, the use of internet has increased to 830 million by 2021 due to Digital India Initiative. The paper focuses on the experiences of e-commerce companies in facing challenges in customer experiences and retention. The paper also focuses on customer life cycle of how customers are placed at different stages and the corresponding strategies it applies to retain at different levels. It highlights the case study of Reliance Jiomart of what are the factors influencing purchase decisions. It also throws light on what is the customer life cycle, journey of a customer with Jiomart starting from New Customer Acquisition, Speed Conversion, Customer Development, Customer Stabilization, Customer Revitalization to Customer Reactivation.

Methodology Used: Primary Data by Interviewing the people in the organization.

Secondary Data: To conclude the paper enlightens how the successful companies are using the customer acquisition and retention strategies which can be an eye opener for the less successful company.

INTRODUCTION
India's e-commerce segment has transformed and opened various segments B2B, D2C, C2C, C2B.D2C, out of all of these B2B & B2C has experienced immense growth due to smartphone penetration and 4G network. By Financial Year 2027, the D2C is expected to reach US $ 60 billion.

After China and US, India had the largest online shopper base of 150 million in FY21 and expected to be 350 million by FY 26.

As e-commerce is working in extremely saturated market, every other day a new e-trailers comes up. Retaining customers have become a challenge and hence retaining customers is more challenging than acquiring new customers. Building customer relationship to retain the customers is the biggest challenge.

A survey say 82% companies are aware of the fact that customer retention is five times less expensive than customer acquisition. 44% of companies still prioritize on customer acquisition over customer retention. The fact also lies that customer retention campaigns are more cost effective than customer acquisition.
In e-commerce, managing customer relationship has gained a lot of attention. Hence, it's essential for e-commerce to be equipped with technology and ready with the resources to meet the frequent changing demand. It has been found that success of a business depends a lot on loyal customers. So one need to know and understand the customer and what made them reach to website.

A study has found that many companies are in a rush to be on-line and in the process are not doing the groundwork of studying customer priorities. As the softwares are readily available there are least barrier for entry online.

According to a recent survey, 40% of B2B to overhaul their digital presence by 2022.

**Review of Literature**

Rizal Ahmad and Francis Buttle (2002) considers customer retention is an important business challenge specially in saturated market where less is the lower growth of the of new customers.

According to Muhammad Alshurideh, Ra'ed Masa'deh and Barween Alkurdi (2012) customer retention depends on customer satisfaction and leads customers repurchases.

Muhammad Alshurideh et al (2012) also state that customer satisfaction depends on customer-supplier relationship which in turn lead to customer satisfaction and customer retention can be ensured.

Premkumar G and J.Rajan ISSN 0975-3311 22. This research also shows that maintenance of existing customer is more cost effective than acquiring new customer.

Beatrix Gruber (2012) says that retaining customer is 5-10 times more cost effective than acquiring new customer. The existing customers are more loyal and less sensitive to price change as compared to newly acquired customers. Hence customer retention is found to be always profitable than acquiring new customers.

Laura Lake (2008) proposes than 80% of sales come from 20% of the customer. Hence customer retention is a profitable proposition.

Thorsten Hennig-Thurau and Alexander Klee (1997) argue that there is a strong and positive relation between relationship quality and customer retention. Thorsten Hennig-Thurau and Alexander Klee also argue that the relationship between relationship quality and customer retention is influenced by intra psychological, contextual and situational factors as well.

**Data Analysis**

The data is collected from secondary sources in the form of periodicals and interview of Lead-New Market Opening -Customers & National Key Accounts, JioMart B2B Ecommerce

**Hypothesis**

H1: Reliance Jiomart B2B segment is using various proactive strategies for customer retention

**The Importance of Psychology of Customers in e-commerce**

The 5 important principles of customer psychology are.

**Reciprocity Principle**

It says that when anybody does good to us, we feel the need to return the favor. This principle encourages the company to give before you take because it creates positive perception about the brand by the customers. We can say the visitors who are willingly giving their contact and other details are found to be more valuable than the visitors who have been asked to give the contact details even before they interact with the brand. Hence, the advice for the companies are to give before you take.

**Scarcity Principle**

Like only one more day of sale, limited stocks, last day of discount creates the urgency in the mind of customers. Limited quantity and limited time both attract the customers to buy. But limited quantity is more effective for developing the urge to buy.

**Center Stage**

When the product is put in the centre, people think the product to be more superior or popular. Hence companies want to put the product at center stage to highlight it.
Double Avoidance Tendency

People do not want any kind of uncertain situation to make purchase decisions. As a customer cannot touch or feel the product, it is necessary to provide high-quality product pictures with detailed feature description. Product testimonials also play an important role in removing uncertainties. 88% customers trust the reviews or testimonials.

The Zero Price Effect

Customers perceive anything as free options or gifts more positively than the one with cost. Free gift or free benefit is always positively associated with customer purchase decision whereas unexpected costs lead to abandon purchase decision.

Customer life cycle in e-commerce

It is also known as customer’s journey or experience. It is a journey to find the brand, decide to make purchase and probably to become repeat customers. The process takes more time when it is high priced and high volume.

The Five Stages which we can Elaborate Upon

- Awareness
- Acquisition
- Conversion
- Fulfillment
- Loyalty

Awareness Stage

At this stage, the customer starts interacting or comes across to with the brand and its product for the first time. The company uses this stage mostly to make aware of the company’s brand, products, features, value propositions etc.

Acquisition

The customer, once convinced, is ready to subscribe the membership or registers with the e-commerce by uploading the required details or information including the personal details & mobile phone numbers, which is generally verified by OTP process.

In order to motivate the customer for first buy, the company provides attractive offers and discounts and keep the customers engage within its multiple offerings. This is the acquisition stage.

Conversion

Conversion stage is when the companies educate the potential customers of the product value till they take decision to buy it. This stage is marked by providing extra incentives to surpass their initial hesitation to buy the product.

After purchasing the fulfillment stage sets in where the product is brought to customer’s doorstep.

Fulfillment

Finally loyalty stage is where the aim is to engage the customers who have bought once to repeat their purchases.

Engagement with the customer at multiple level of its life cycle of buying is a very crucial and sensitive task. Multiple approach with varied dimension are activated to keep the customer engaged. How to engage customers in each stage of customer life-cycle?

The awareness stage is characterized by how the brand is put forth to the new customers.

The Different Tactics to Make the Products aware are

- Search Engine Optimization (SEO)
- Encouraging customers to give referrals
- Posting on social media for greater visibility.
- Differentiating product in terms of quality.
- Creativity is important at awareness stage to make a long-lasting imprint in the mind of customer.

Maintaining brand personality across all marketing channels is important as an impression is developed which needs to be kept intact throughout as the customer expects the same from every subsequent action.

Continual inspection is required to find out what situation is actually working and which strategies are not found to be effective.
The Metrics Which Evaluate the Customer Engagement at Awareness Stage are

- Google searches for brand name
- New visitors to website
- Blog visitor
- Social media responses
- Activity on webpage

Stage 2 - Acquisition

It is a stage where customers find a reason to hand over their contact information, which can only be possible when customers have trust on the Ecommerce channel, its product, services and they derive value from the product.

There is a need to be a proper strategy to take care of dissatisfied customer who gave negative reviews.

 Metrics to find how engaging the customers are at acquisition stage.
- New social media followers
- New email subscribers
- Customer acquisition costs
- Return on advertising spent.

Stage 3 - Conversion

Some acquisition strategies can result in quick purchase conversion. Others may go to social media or mailing list before going for final purchase.

Some can even take more than two or three months to decide on buying.

Research has shown that many buyers are slow buyers.

At conversion stage personal touch and reaching customers with right offer at right time.

Metrics to Track Engagement at Conversion Stage

- Time
- Engagement through mail
- New customer converted
- Time taken for first purchase

Stage 4 - Fulfillment

This is the stage which can be considered as a stage where a company’s strategies and services can lead to better customer experience.

Stage 5 - Loyalty

After the customer uses the product they may be highly satisfied or may be critical of the product. If they like the product they are likely to become repeat customers. If they don’t like they may be critical of the product and can even contact the customer care.

They may find the brand not up to the mark and switch to other brands.

What the customers can do at loyalty stage

The customers can become the brand advocates.

- Can recommend product to others
- Write product reviews
- Upgrade to higher level product

Hence, lifecycle marketing helps to identify at which customer life-cycle stage the customer is and accordingly set the marketing strategy based on customer preferences and mindsets. Marketing strategies for customer retention play a major role at this stage.

Tools for Awareness Stage

- Create a broad informative landing page which must be attractive enough for customer acquisition. To analyze user’s behavior one can use google analytics.
- Influencer marketing: This is a technique where the new or prevailing brands can partner with the influencers who are very active on social media and can lead to brand awareness. Eg: Dunkin Donuts and Charlie D’Amelio Charlie D’Amelio who is a dancing sensation in TikTok partnered with Dunkin Donuts and frequently post her video eating donuts. This led to 57% increase in people downloading Dunkin App.
- SEO has long lasting effects and is a long term strategy to give desired results. It will also boost the overall traffic to online store. The SEO content strategy is important to address target audience.
- The kind of keywords to be used is again important for SEO success. On page SEO involves optimization done on site. Off page SEO involves elements which are not directly on site like backlinks. Even not on website it impacts the
rank. Technical SEO also impacts how the users experience. E.g: the site's speed etc.

**Good SEO Strategy Involves**

**Keyword Optimization**

Keyword research tools like keywords Fx can be used. Hence a lot of research is required for finding the relevant keywords. Long tail keywords which contain three or more words are found to be helpful. Overuse of keywords can lead to negative impact.

**Optimization on- page Elements**

It is essential for site ranking as they give signal to google whether the page is relevant to someone’s search.

Title tags are the first things the users see when they search. People get an idea what they can expect from the page. Title tag should be within 60 characters. Meta description also tells search engines what to expect. Ideally it should be 150 character limit.

- **URL’s**: It is the critical component of on page optimization. URL should be simple yet insightful. For improving backend, speed up the site’s load time. Google prefer to deliver websites at top of search that loads quickly. Google Page Speed Insights can be used to improve load time. Page speed optimization services from digital marketing company. Web FX helps optimize site and improve load time thereby improving the ranking.

As 50% of internet traffic comes from mobile users, responsive design ensures site to adapt to the device. Creating user friendly site is equally important, otherwise the audience leaves site.

Good SEO content is critical which helps to drive traffic to a site and stay longer on site. To keep the site fresh and attractive, blogs, videos, infographics etc can help.

Less number of high quality articles are always preferable than large number of low quality articles for site ranking. Internal links and backlinks both are critical elements of an SEO strategy. Competitor analysis is equally important and to develop strategies to outrank the competitors.

Voice search optimization should be the part of SEO strategies as more than one billion voice searches happen each month.

Monitoring and optimizing are important elements of SEO strategy. SEO, strategic metrics are traffic, bounce rate, CTR( click through rate), pages per session etc.

- **Content Marketing**: It is the powerful customer acquisition and marketing strategies. This marketing strategy helps in creating personalized experience. It is found the customers acquired by this method are often loyal and high lifetime.

  Content marketing strategy: The best example of content marketing strategy is Coca- Cola where it kept the content theme of ‘Live Positively’. The interconnected stories created a great brand experience. Coca Cola’s content strategy is based on 70-20-10 principle.

  70% is low risk content and is simple. 20% is that which delves deeper. 10% includes high risk ideas.

  Content marketing aim is to entice, engage and retain audience by preparing, sharing articles, images, videos etc.

- **Paid advertising**: Paid advertising options can be:

  Display Network Campaign
  Google product testing ads
  Advertise with Youtube, LinkedIn, Facebook, Instagram, Amazon. Examples of paid advertising include Pay Per Click (PPC), Google Ads, Facebook Ads, Twitter Ads etc. The most popular social network worldwide as of July 2021 was Facebook with 2.8 billion users. LinkedIn has 722 million members.

  In paid marketing with consistent optimization one can find quality leads and conversion.

- **Social media- highly engaging**: A strong online presence in social media is found to be most effective. Facebook can be a great place to start with as it having large number of users.

  In Jan 2019, Gillette launched social media campaign by posting a short film on YouTube. This short film has over 30 million views.

  The Gillette Ad hashtag reached more than 150 million people in one month.

- **Video content**: can help to target those customers who do not have enough time to read video marketing campaign by Reebok. 25,915 days which created a sense of urgency in a slightly different way that can help create an enjoyable life for ourselves. Coca Cola’s last
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customer video went viral which helps to build a brand that is perceived as generous and human.

- **E-mail marketing:** Users should understand the offering from subject line. Email needs to be short and to the point. It is found to be cost-effective. 70% of companies ensure that e-mail marketing campaigns are optimized for mobile users.

  Example of best email marketing is by Uber which is designed for busy crowd who can scan the content quickly.

- **Referral programme:** It encourages customer to refer friends and family, their friends and their families. In this referrer and referee gets some sort of benefit and get rewarded.

  Eg: Uber has provided cash credit to new riders who signed through referral as well as the referrer gets the bonus in their account.

- **Affiliate marketing:** In the third party who is an affiliate earn commission on sales from online retailer or service provider. The affiliate send visitors traffic to the seller’s website and they earn commission when the visitor turn customer.

  An affiliate can be marketer who knows how to get ads in front of right people. Affiliates can provide a particular link and the link can lead the customer to the website of seller.

  The different commission models for affiliate are:

  - PPC- Pay per click
  - PPL- Pay per lead
  - PPS- Pay per scale

  So the affiliate can sell the product without having to manage the inventory. Hence affiliate is expected to make the connections.

  It can lead to high Return On Investment if Investment is done correctly and it is a competitive advantage over the business rivals.

  Amazon derives 40% of its revenue through Affiliate Marketing.

  Analytics tools help in collecting data of website visitors and analyse what works well for your customers and what not.

  The website analytics gives the idea of what drives traffic to the website and what works and what not.

  CRM or Customer Relationship Management means all important data gets exported to CRM system where you can manage the information in a way company works.

  SEO can help as an important referrel traffic. Good SEO can lead to quality traffic and conversions. SerpSlat helps to determine SEO strategies and increase conversions. Serpslat tests the following parameters:

  - Website Ranking
  - Strength and number of backlinks
  - Competitor’s performance
  - Keyword Ranking

  These data helps to make best decisions to improve Search Engine Page Ranks.

  **WishPond** is a webpage creation tool which can increase the conversion rate many times the customers coming to online stores but leaving without making purchases. Many times it may happen because the landing pages are not optimized for smooth customer experiences.

  **VWO** provides seamless customer experience which is a key to improve conversion. VWO identifies the visitor’s behavior with various tools like session recordings, form analytics etc. It helps to identify the problem area of the website and helps in improving it. VWO also helps in conversion by push notification campaigns. It also keeps the customers engaged and help in increased loyalty.

  Drum Up helps to schedule social media content in advance and ensure that the content is promoted extensively and consistently over a period of time.

  **Canva** is a visual marketing tool with visual content like infographics and screenshots.

  **MailChimp** helps to create powerful emails which helps in business growth. Through MailChimp one can send personalized mails recommending right products, services to right people. It helps to create an email list.

  **Privy:** This tool helps to find why the users of one product is navigating away. Tha aim is to personalize on the basis of visitor’s behavior.

  Eg: One click is a eyewear brand which saw 30% increase in conversion rate and achieved higher engagement.

  **Order Fulfillment** is the process of storing inventory, picking and packing and shipping online orders to customer. It applies to both B2B and B2C. After customer completes purchase, fulfillment process begins.

  At the Fulfillment stage it has been found that 61% of shoppers give up their cart if other
shipping and other taxes are too high. 53% of shoppers give importance to speed of delivery. 38% of shoppers will never shop if they have poor delivery experience. 25% of shoppers cancelled orders because of poor speed of delivery.

### Different e-commerce order Fulfillment Models

- **In House** – When the merchant completes each process of fulfillment internally without third-party. It is a self-fulfillment model where everything from manufacturing, storage and warehousing takes place under one roof. It offers 100% control and is cost effective. It is time-consuming. It becomes costly when business expands.

- **Third Party Fulfillment** – It happens when business has expanded and the owner has run out of space for inventory and spending too much time in packing and shipping.

- **Drop shipping** – When the merchant never holds the products they sell in their online store, when the customer place order it is automatically forwarded to manufacturer.

- **Hybrid** – It is combination of two or three above models. Company may choose for order fulfillment internally but choose to outsource during peak periods.

At Quantizig order fulfillment optimization solutions help business make better decision and help in inventory management and supply chain management and improved revenues. This has brought down shipping cost of priority orders by 51%.

### Loyalty

Five steps of customer loyalty in e-commerce business.

- **Awareness**: First stage to build customer loyalty by creating brand awareness in markets

- **Exploration**: Most of customers visit the website Benefits should be highlighted to build customer loyalty. How the brand stands out unique which can enhance the loyalty.

- **Familiarity**: Familiarity of brand ensures repeat purchases.

- **Commitment**: It is the last stage in building loyalty. Customers now will themselves market for the product after having complete satisfaction. Right analytics can help to get right feedback and the company should provide excellent customer care which can make the customers the advocates for the product.

- 65% of company’s revenue are from repeat customers.
  - It is 5 to 25 times more expensive to acquire new customer.
  - 57% of customers spend more on brands they are loyal.
  - 77% of consumers say they remain loyal to a brand for 10 or more years.
  - Brands that have positive experiences by customs receive 3 times more word of mouth marketing.

    Online fairness boosts loyalty which comes in three forms- distributive, procedural, interactional. We can see the Domino effect from fairness to online customer loyalty.

    The loyalty Program of Flipkart has proved to be a huge success and achieved 100% year on year growth. 30% of Flipkart’s monthly customers are now Plus members.

    Not only that members transact five times more and have seven times higher spender Flipkart issues 1 billion supercoins per month allowing to enjoy various benefits. Similarly Walmart+ is a loyalty program by Walmart which help customer to save $ 816 a year.

### Case Study of Customer LifeCycle and Customer Retention strategy at different levels at Reliance JioMart B2B

**Factors Influencing Purchase decisions**

India is a diversified country. Every 200 km we find different language, dialect, preferences. This gives a reason to change in the ingredient. This leads to massive change in customer. When we move from north to south or from west to east the tastes and preferences change.

India has always been invaded by foreigners, hence we find different and rich variety of cuisine in our
Acquiring Customers and Retention Challenges

Assortment

Assortment is the mix of products available with a company to offer to its customers. Assortment planning is based on customer demand, regional availability, seasonality, opportunity etc in that geography or territory. So one needs to do the detailed research to find, what would be the best assortment mix or product mix in a region available to its customers. Like Rajma is famous in northern India MDH masala is famous in northern part whereas Everest is popular in Western India. Local sales executive should know about the demand of the product as per the geographical location.

India is a diversified country, we find the change in dialect, cuisine, food taste, availability etc every 200 KMs approx. Like Double Talwar Atta is famous in Jaipur whereas in Delhi Rajdhani atta is in demand. We can find a change in brand every 200 kilometers. Drop out of customer may be because of non-availability of a particular brand.

Pricing has to be benchmarked looking into the competition. If pricing has not been benchmarked and not taking into consideration the competitor’s price, it can lead to decrease in the market share.

Assortment should be based on keeping in mind the length and breadth of the customer which means the complete range of items it wants from the wholesale outlet. The outlet should know what is the Single Key Unit (SKU) for each item. Like a Five-Star hotel wants MDH in 500 gm pack but the company has only 100 gm pack, the customer will move to another company as 100 gm proves to be costly too and definitely not fulfills its requirement.

Importance of Food and Vegetables, Rice and Oil – Complete detailing needs to be done. Like Rice which type, quality and which brand. Similarly for each product complete detailing is required at the minutest level.

VAS - Value Added Services

In Figure 1 Factors leading to vendor selection we can see customer acquisition and retention to a great extent depends on the value added services. In Reliance JioMart, in B2B they allow their customers to pay after 10 days or after one month. This is credit and payment solutions. How user friendly the mode of payment is, it assures easy and seamless mode of payment.

How the company is communicating the product offering, The offerings should be supported by different promotional tools to the customers. Communication could also be through social media banners on Apps the customer is using.

Value advantage aims to make customer feel that the company takes utmost care of them and are concerned about their welfare to utmost level. Services like delivery in twenty-four hours, Product is returnable if product is not upto the mark, quality assurance. In JioMart a key representative is aligned to the customer and he looks after end to end ordering process.

In Partnership Program JioMart is not merely working as a vendor but it assures that if the customer buys from them they will provide the best margin. After reaching certain value in a month they provide loyalty program.

Solutions

Credit solutions, overall solutions of payment, cost cutting solution etc. Suppose someone is buying A product of a particular quality at Rs 1000 /. The company can propose product B at lesser price without compromising on quality.

Delivery services- JioMart proposes different window of delivery services as per the comfortability of the customer. If someone is opening the food outlet early in the morning, JioMart is ready with the services early in the morning. If someone wants the delivery in the evening only then accordingly at right time the services are provided.

From the pyramid we can make out that customer first looks for the solution then VAS (Value Added
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Customer Life cycle Management – Horeca – JioMart

We can see from the diagram that with time the customer becomes loyal and buys more product from the company and this leads to increase in the turnover of the company.

Customer Onboarding and Acquisition

The very first phase of the customer life cycle is when the customer is very new to the company or a baby in the new world who requires complete handholding. Both the company and the customer are new to each other. The company needs to take special care which JioMart assures. In the onboarding stage the company has registered the customer and the customer is now connected with the company. Tutorial for guiding the customer and coaching is provided to the new member.

Initially the customer may not buy all the things from JioMart but will buy only in a test and trial mode. After some frequency of test and trial mode the customer reaches to conversion stage. He can be offered other baskets to make him a valued customer. Customer development stage starts.

Under the promotional scheme Shubh Aarambh JioMart provides special offer to welcome the new customer. It is like Rs 500 coupon on first billing. These are the acquisition strategies by JioMart.

Customer Development

At this stage the company and the customer are married to each other. They have started understanding each other and feel comfortable to be in the long run.

Customer Stabilization

Customer is buying at a full flow and this stage is considered to be very crucial. It is the peak stage of buying. Buying everything and in full mode from the company. The company ensures that the customer stays here for a longer period at this stage. In order to achieve this goal JioMart comes up with different solutions like New Product Development, Value Added Services offering, Offering Loyalty Program like Rishta. For longer stay at this stage company schedules regular meetings and connect with customers. Regular feedback collection from the customer is equally important.

JioMart Horeca Club also provides a range of selling crockery, cutlery and equipment.

Customer Revitalization

It is a stage when the customer is degrowing. There JioMart’s customer reactivation starts. Identifying the root cause of drop of purchase. To analyse the price, availability, services, quality or the customer is not getting the value added services.

Customer Reactivation

This stage is sets in when the customer has totally buying from the company. The company does the market survey and identify the root cause. Give some lucrative offering to the customer to acquire him again and the cycle restarts again.

Findings

In Figure 2 Customer Lifecycle in HoReCa -Reliance Jiomart Reliance Jiomart B2B segment has unique and proactive strategy at different phases of customer acquisition and retention.
**CONCLUSION**

We can say that how proactive companies can benefit from their unique acquisition and retention strategies. Customers are the king with a large number of options and choices with them and only the company which provide unique value added services and solutions to the customers can survive and be successful. Competition thus leads to more refinement in procedures and strategies which further lead to technological development and services thereby improving the economy of the country.

**LIMITATIONS**

The limitation of the study is there are many other antecedent factors which may lead to customer satisfaction and customer retention which has not been considered in the study. Those factors when considered can give the detailed conclusive result.

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