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Research on influence factors of customer experience on customer loyalty in online retail firms

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Abstract: **The rapid popularization of the Internet has made the importance of the Internet as a new retail channel increasingly prominent in the retail industry. With the continuous competition in the online retail industry, online retail firms are paying more and more attention to customer experience and the impact on patronage again. Based on the importance of e-commerce experience, the dissertation analyzes the factors that affect customer experience and the effect of online customer experience on consumer loyalty to e-commerce retailers. It is of great significance for online retailers to e-commerce website design and online marketing strategies.**

Keywords: Customer experience; Customer loyalty; Customer satisfaction; Online retailer

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1. Introduction

In recent years, e-commerce developed rapidly globally, the rise of mobile Internet technology is to make online shopping more quickly and easily. The continuous growth of China's e-commerce development has become an important part of the national economic growth. According to the monitoring data of China E-Commerce Research Center, the online retail sales in China reached RMB 3.1 trillion in the first half of 2017, up 34.8% over the same period of last year from RMB 2.3 trillion in the first half of 2016; the number of online shoppers in China reached 5.16 compared with the 480 million in the first half of 2016, an increase of 7.5% over the same period of last year. The size of China Mobile's online shopping transactions reached 2.245 trillion yuan, an increase of 39.7% over the 1.6707 trillion yuan in the first half of 2016.

Online shopping has brought convenience and fun to people's lives. However, there are also some problems such as the high complaint rate of e-commerce websites. For example, most express delivery companies have many shortcomings such as delayed delivery and loss of express mail, damaged express mail and poor quality of courier service, Consumers complained and dissatisfied with the poor service quality of express delivery firms. At the same time, service weaknesses such as weak service awareness, slack service during promotion period, frequent occurrence of crisis of honesty, postponement of service and other service failures are also the main causes of dissatisfaction of netizens, and so on. According to the monitoring data of China's E-Commerce Complaints and Rights Protection Public Service Platform, the top ten hot spots of complaints about retail electricity suppliers were 19.92% of the shipping issues, 14.45% of the refund issues, 13.18% of the goods quality, 8.24% of online fraud, 8.23%, 7.94% return difficult, 4.27% false sales, customer service 3.82%, 3.74% non-refundable deposit, logistics 2.92%, which affected the enthusiasm of customers buying to some extent. In face of fierce competition, how to maintain the market competitiveness is the most concerned issue for e-commerce firms. The reduction of customer loyalty will lead to customer loss for E-commerce firms. How to improve customer loyalty has become one of the most important issues for e-commerce, which requires a variety of ways to enhance customer satisfaction and provide customers with satisfactory services so as to maintain customer loyalty.

In the era of network economy, the purpose of customer spending is to obtain a satisfactory experience, which has become the biggest motivation for customers to repeat consumption. Many e-commerce companies and some shopping websites often focus their attention on attracting new customers, often neglecting the training of existing customers or failing to further maintain their customer relationships with previous customers in the hope of obtaining customers' further loyalty. According to the rules of corporate survival explained that 20% of business customers almost created 80% value for the company. Therefore, loyal and reliable customers can bring value to the enterprise, and how to establish and maintain a good relationship with customers becomes extremely important, which has also become a common concern of business and academic circles. Therefore, it is necessary to explore the factors affecting the customer loyalty of online retail firms from the perspective of customer experience under the Internet environment. It is of great significance for online retailers to maintain their customers and maintain their loyalty to firms and products.

2. Literature Review

2.1. Customer Experience

E-commerce is a virtual shopping, shoppers can not touch the physical goods and rely on pictures, text, etc. to understand the goods, it can only rely on their own imagination and experience to the analysis of goods; at the same time, compared with traditional shopping, the process of e-commerce shopping is more complex, customers need to fill in a series of personal

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information, which increasing the cost of customer shopping exchange; Moreover, e-commerce shopping increased the delivery process, the customer cannot get the goods after paying cash or submit orders immediately ,which will give customers a sense of insecurity; Fourth, the customer experience requires some technical support, but the technology is limited, compared with physical shopping, e-commerce in the technical constraints will inevitably bring insufficient to customers; Fifth, e-commerce put more emphasis on business reputation, customers select goods primarily according to the credibility and the brand reputation of the firms, which rely on good customer experience to establish and maintain. Therefore, e-commerce firms emphasizes the customer experience more.

Different scholars have different definitions for customer experience. Consumer experience means that the experience feel formed during the interaction with the marketing activities when consumers are exposed to the specific environment provided by the enterprise without knowing it (Wang Tao, Cui Guohua, 2003). In addition, Shida (2009) argues that the perceived process of consumption by consumers is actually an inherent psychological need, which is a kind of interactive behavior embodied in the relationship between customers and products or service providers. In the era of network economy, the purpose of customer consume is to obtain satisfactory experience, and good experience has become the biggest driving force for repeated consumption (Ning Lianju, Wang Wei, 2016). Wen Tao and Hou Tieshan (2006) found that customer experience is not the same in different stages through the review and analysis of customer experience theory.

2.2. Customer Loyalty

Well-known marketing scholars believe that customer loyalty is a deep commitment by customers to the preference of a particular product or service to continue consuming in the near future. Such consumer behavior will not change as the market environment changes. In a sense, repeated consumer behavior is a manifestation of customer loyalty. Newman & Werbel (1973) described loyal customers as customers without the need to collect information and directly repurchase the same brand. Ni Hongyao (2013) research shows that quality of website use, website product quality and website service quality are the positive factors influencing repeat purchase of e-commerce consumers. Fu Yiqiang (2014) argues that factors affecting customer loyalty are divided into customer satisfaction factors, customer value factors and other factors three categories. The driving factors influencing the establishment of customer loyalty are as follows: product quality, customer value, customers' trust, customer satisfaction and transfer costs. Yan Aimin and Tian Tuan et al. (2008) discussed the influential factors of customer loyalty in online bookstores. They considered that customers' attitudes toward value, subjective norms, perceived behavioral control, and emotional satisfaction have a strong effect on their loyalty behaviors.

To sum up, there are many scholars' research on customer loyalty. However, most researches focus on the evaluation system of online user loyalty or the relationship between customer loyalty and customer satisfaction. All of them have not been analyzed with the customer experience. This article explores the influencing factors of customer loyalty of online retail enterprises from the perspective of customer experience and puts forward some countermeasures and suggestions for firms to improve customer loyalty.

2.3. The Relationship between Customer Experience and Customer Loyalty

In the Internet era, people's requirements for the consumption is no longer just the pursuit of product quality or service attitude, but put forward higher requirements--consumer experience, which is what people call the experience economy. In many studies of consumer experience theory, many scholars find that customer experience is an important factor that influences customer loyalty through different subjects. Neal (1999) argues that customer experience is the value perceived by consumers in contact with a particular brand or business, and the end result has a significant impact on consumer trust and loyalty. When a website user visits the website, he or she not only obtains information related to the website, but also hopes to get a better experience. If the portal can give them such a wonderful experience for a long time, there will be further foster loyal customers for this site. Based on the research of domestic portals, domestic scholar Zhang Zhen (2011) proposed that the quality of portal website design has a direct impact on the attitude of customer loyalty. It is believed that the level of visitors' perception of portal design experience is the preconditions for the attitude of loyalty to visitors.

3. Influential Factors of Customer Loyalty in Online Retail Firms

In this study, we discuss the Influential Factors of Customer Loyalty in Online Retail Firms from the perspective of consumer experience through relevant literature review.

3.1 Online Customer Experience Influencing Factors

Structural models from Hoffman's and Novak's research focused on stream-of-experience and tested that different customer with different skills will have different experiences in using the website, we testing the customer from the point of view of interaction speed, distance perception, challenge level, and consumer skill Experience for analysis.

Steuer's (1992) research shows that the speed of response has an important influence on the interaction. The "interaction" refers to a series of reactions triggered by the contact between the consumer and the

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computer. In the online shopping process, if the shopping site can respond quickly to the viewer's actions, the viewer does not have to waste time waiting for the response, the viewer will have a pleasant and satisfied mood, which in turn will have a positive experience .

Hoffman and Novak (1996) first introduced the concept of remote sensing perception model of perception. Remote sensing is a medium-induced experience. This medium can be a long distance virtual environment in space or a real scene, which is remotely sensed in some situation. As early as 1992, Steuer (1992) argue that remote sensing refers to the perception of an environment with the aid of a medium. Remotely perceived means that when an individual (he or she not only perceives the real environment but also perceives himself in the hypermedia (network) virtual environment).

The study by Trevino & Webster (1992) showed that the level of challenge has a direct effect on the production of convective experiments. In the process of online shopping, the ease of the website has an important impact on whether consumers continue to surf the Internet. The higher the challenge of online shopping for consumers, the frustration of consumers will directly affect the purchase reaction of consumers. Skill refers to the proficiency of customers using network technology, skilled skills will have a positive online experience. Marchionini (1995) argues that every information seeker possesses specific experiences, abilities and preferences, so the individual's own level of knowledge influences his or her overall performance in browsing the site. Research by Trevino and Webster (1992) found that the skill level of consumers is one of the main influencing factors of experience generation. If online consumers perceive their skills as higher as possible, the more likely they are to have a positive emotional or perceived reaction.

Therefore, the interactive reaction speed, remote perception, challenge level and consumer skills will have a significant impact on the customer experience, online retailers should pay attention to these contents in the process of website construction.

3.2 The Relationship between online Customer Experience and Customer Loyalty

The online customer experience refers to the perceived and emotional reactions accumulated by the customers during the process of using the network to obtain the required services in the consumption situation of the virtual website of the enterprise. Perception is the general term of feeling and perception. Cognitive psychology that perception and thinking process is the process of receiving information and evaluation of information. Perception is a kind of psychological concept, which is a psychological response behavior and process, including perceptual cognition and a certain degree of rational understanding. Online perception experience refers to the overall perception of customers based on the network environment, product value and other elements generated in the process of online shopping, and the evaluation made by the customer on the whole shopping process.

In the era of experiential economy, web resources, information and services can no longer meet the needs of consumers. Consumers also hope to have a better experience in this shopping process. Firms in the establishment of the site, hoping to attract more consumers to visit the site, more importantly, hope that more consumers can repeatedly access the site, and in the process of using the site will affect the experience of a variety of consumers Visit. In the online shopping process, if consumers can have a good experience, he or she will certainly visit again. If the site has the ability to attract a large number of visitors, and provide them with good experience they want, they will visit again and the firm has the opportunity to induce them to repeat buying. In addition, Stark (2009) empirical research shows that the positive customer experience has a very significant impact on improving website loyalty.

4. Conclusion

In the increasingly fierce online retailing industry, firms should exert the maximum effectiveness of shopping websites to obtain better benefits. E-retailers or website designers should take consumers' online experiences as one of the important goals.

When designing websites, e-commerce retailers should pay attention to the virtual design of websites. When designing web pages, they should pay attention to the distinctive theme and unique style, and strive to make the overall picture consistent. The texts, pictures and video are properly configured, and the virtual feelings of consumers' hearing and vision are emphasized to attract the attention of consumers, so that consumers in the entire shopping process have a strong feeling and interest. In the online environment, the experience of online perception is not only related to the skills of consumers, but also to the challenges of shopping website design. E-commerce retailers should pay attention to the level of website design challenges to match consumer skills. Internet retailers should also pay attention to the web application design, so that consumers feel that the entire shopping process can be controlled, which allow consumers to maintain a good customer experience, and then patronize the firm again, resulting in long-term customer loyalty.

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