Chapter 9

Online Customer Experience

Emel Kursunluoglu Yarimoglu
Yasar University, Turkey

ABSTRACT

Internet has become one of the strongest components of commerce. The number of online customers continues to rise day to day and satisfying them is a vital issue in order for online companies to survive. Customer experience is important in e-commerce as well as in traditional commerce. Online customer experience is a unique subject that should be analyzed for gaining sustainable competitive advantage in e-commerce, since there are more intangible elements for online retailers than brick and mortar retailers. The main aim of this chapter is to identify the formation of online customer experience and to show the importance of online customer experience. If online customer experience is created by online retailer, customer satisfaction and loyalty can be developed later. For such reasons, factors that affect online customer experience and designing a Website for creating online customer experience are discussed in this chapter.

INTRODUCTION

Since 1990’s the world has been in a transformation process and there has been a paradigm shift towards information age. Advances in information age have increased the importance of internet usage in a commercial manner. Organizations have begun to adopt new techniques in information and communication technologies. The increase in the number of internet users has given rise to many changes in marketing activities; as a result marketing has changed over the years. Rapidly increasing technological developments have led to such changes and the necessity of harmonizing the cyber era has been inevitable for companies. The importance of the cyber era and marketing over the internet has started to increase in organizations that aim to adopt innovations, open up new promotion and distribution channels, and satisfy their customers via online services.

DOI: 10.4018/978-1-4666-4864-7.ch009
Commercial organizations have been using the Internet since the 1990’s with the launch of World Wide Web (www) by Tim Berners-Lee; it has become a component of a marketing strategy. Internet marketing is a process of building and maintaining customer relationships through online activities to facilitate the exchange of ideas, products and services (Mohammed et al., 2002). Within the scope of internet marketing, e-commerce and its most known types such as B2C, B2B have spread all over the world. It became the scene for new marketing mix elements like e-product types (e.g. downloadable MP3), e-pricing strategies (e.g. dynamic pricing strategies and auctions), e-promotion tools (e.g. online advertising, banner ads, pop-up windows), and e-distribution channels (e.g. free phone call over the internet). In addition to such developments, new business models such as click only and click and mortar have come up and changed the structure of traditional commerce.

e-Commerce provides convenience to the customers due to its independence from time and place. Also, it removes geographical barriers and enhances global commerce around the world. It provides comparison advantage among all products and more information through blogs or communities. The enhancing of e-commerce increases competitiveness and companies try to gain sustainable competitive advantage against its competitors. To compete with competitors and achieve sustainable competitive advantage, companies should give importance to the issues such as customer experience, customer satisfaction, customer loyalty, customer services, and customer relationship management.

Therefore, this chapter mentions the importance and formation of online customer experience. The first part of the chapter explains the definitions of customer experience, the antecedents and components of customer experience, and the differences between customer experience management (CEM) and customer relationship management (CRM). The second part discusses the factors that affect online customer experience, online experience hierarchy, and designing a website for creating online customer experience.

**CUSTOMER EXPERIENCE**

Customer experience refers to the internal and subjective response of customers to any direct or indirect contacts (Meyer and Schwager 2007, 118). Direct contacts occur during surfing and purchasing, which is controlled by customers. Indirect contacts refer to unplanned activities such as word of mouth, reviews and advertisings like rich media and pop up. In this definition, customer experience varies from customer to customer and is affected by different controllable or uncontrollable stimulus. In other studies, customer experience is defined as a set of interactions between a customer and a product, a company, or part of its organization, which provoke a reaction (Gentile, Spiller, and Noci 2007, 397; Shaw and Ivens 2005).

It is emphasized that customer experience includes personal connections and customer’s involvement. Definitions show that customers’ reactions to different stimulus at different moments of contact, customers’ personal characteristics, and customer expectations affect the customer experience in general.

The customer experience is related with not only the core product but also the store atmosphere, merchandising assortment and other customers of a retailer. For example, customer experience is not only based on the taste of a cup of coffee in Starbucks. It is also affected by the ambience and scent of the retailer, different optional products and also the music played in the retailer. The customer experience in a retailer includes all the intended stimulus designed by management and non-intended stimulus. This experience is created with the elements that the retailer controls such as service interface, retail atmosphere, merchandise
Related Content

An Examination of the Factors Influencing Consumers’ Visit of C2C Websites
[www.igi-global.com/article/examination-factors-influencing-consumers-visit/69978?camid=4v1a](www.igi-global.com/article/examination-factors-influencing-consumers-visit/69978?camid=4v1a)

Corporate Communicative Engagement in Micro-Blogging: Cross-Cultural Analysis of Weibo and Twitter
[www.igi-global.com/chapter/corporate-communicative-engagement-in-micro-blogging/131023?camid=4v1a](www.igi-global.com/chapter/corporate-communicative-engagement-in-micro-blogging/131023?camid=4v1a)

Factors Affecting the Success of Online Branding: An Empirical Study
[www.igi-global.com/article/factors-affecting-success-online-branding/60392?camid=4v1a](www.igi-global.com/article/factors-affecting-success-online-branding/60392?camid=4v1a)

Using Sustainability Reports as a Method of Cause-Related Marketing for Competitive Advantage
[www.igi-global.com/chapter/using-sustainability-reports-as-a-method-of-cause-related-marketing-for-competitive-advantage/123010?camid=4v1a](www.igi-global.com/chapter/using-sustainability-reports-as-a-method-of-cause-related-marketing-for-competitive-advantage/123010?camid=4v1a)