

# Neo-Customers: Clicking Happily on the Internet!

An interview with **Dr. Richa Agrawal**

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**Q: Do you agree, Dr. Agrawal, that today's customers are more empowered?**

A: I would agree with the general understanding that today's consumers are more empowered in terms of availability of information. One can search for any information, download product specifications and maps, at the flick of a finger. However, there is a flip side to it: the demand for customers' time and the demand on the customers' cognitive abilities, to multi-task have definitely gone up. For instance, one may be required to book a cab, respond to a Whatsapp message, and take note of the email that is popping up on the screen, all at the same time! On the other hand, searching for something online may steal precious time from the customers. I personally feel 'searching on the internet' is quite addictive. Once a search is initiated – suggestions, prompts/ triggers, ads, etc. keep appearing on the screen with an offer of a better, more refined or accurate solution. The customer in his/her search for a better answer or perfect solution may end up clicking one or more of these to get the best solution. As customers keep following the search results, looking for and chasing a perfect solution time from the customers is pilfered, without them consciously realizing it!

**Q: How has the customer landscape changed with the advent of smart phones and the internet?**

A: Without doubt, smart phones have changed the world of the consumer in a big way. In fact, smart phones and online interactions that are happening have altered consumer psyche and behaviours forever. Smart phones have made the internet accessible to a significantly large number of customers for the very first time; especially, those hailing from economically weaker sections. These customers did not possess a laptop / PC and hence had limited or no experience with the internet. But with the advent of the smartphones

*(The views expressed  
are personal)*

and easy internet connectivity at extremely low rates, these customer segments have leapfrogged on to the internet bandwagon, through their mobile phones and are actively exploring the World Wide Web. The internet has not only made hither-to unseen and unimaginable products available to these customers but also made unprecedented choices available to them. With just a touch or a click customers today are comparing prices, features, and product/service benefits before making a purchase decision. The smartphone-internet combination has made it possible for the neo-customer to shop anytime at his/her ease, multi-task, and get the mundane – paying bills, recharging phones, etc. done without a hitch.

The neo-customers are learning fast, and with a way to connect to the world in their pockets, they are stepping out of their homes more confidently, making their views and opinions known, sharing important incidences from their lives, reconnecting with old friends and strengthening relational bonds.

**Q:What are the reasons for the changing online purchase behaviour?**

A: There is most certainly a downside to this and not everything is good. An interesting thing that I have noticed in customers online purchase behaviour is that they tend to buy more stuff than they actually require. This, I believe, happens because more things are available on sale now, than ever before. Due to the heavy competition between them, e-commerce / m-commerce majors offer deep discounts and deals (through events like - the Great Indian Sale/Big Billion Days, tempting customers to buy more). Another reason for excessive purchases could be that companies try to create a strong visual appeal for the product in their websites, which lures the customers, making them shop more. This impulsive buying behaviour is further encouraged by the fact that most e-commerce companies have an easy returns policy. Secure in the knowledge that the product can be returned later, customers keep adding to the virtual shopping cart, ending up buying more.

Finally, banner ads that online companies display on the webpage draw customers' attention from their on-going search or task on the internet. These ads about a product – sport shoe, wrist watch or decorative lamps, furniture, etc. or a vacation and hotel booking that you may have looked up or searched for earlier distract you from your current engagement and take you back to shopping. Shopping now is literally only a click away. With no need to get ready or to drive out to the market, to buy something, customers are shopping and buying more frequently now, than ever before. Earlier, when one saw an ad, it was on the television or in the newspaper or magazine. But, the television or the newspaper ad did not connect one to the shop itself. There was a time and space gap between viewing the ad and actually shopping or purchasing. This gap is hardly there in the online space – the purchase decision is, as I said earlier, literally just a click away!

**Q: So, does this mean that the e-com and m-com companies understand what customers want?**

A: I wouldn't say that they understand what their customers want; I would rather say that e-commerce and m-commerce companies are better equipped to capture customer data which is one of the major requirements for 'understanding' customers. Whether or not they really understand their customers is a different matter, altogether. As of now, companies monitor customers' online behaviour by planting cookies, and tracking their searches, etc. This information is then used to identify customers' purchase patterns. While this helps in understanding a lot about 'What' the customer does online, the more pertinent question of 'Why' the customer does what he/she does, remains largely, unanswered.

**Q: Will online companies dominate the act of shopping in the future?**

A: The over enthusiasm with online companies for their flexibility and convenience, should not make us believe that there will only be online stores in the future. Brick-and-mortar stores in my opinion will continue to be relevant. It is my contention that each of the different formats will be increasingly used for different purposes and occasions. For example, e-com and m-com stores may be used more on occasions when shopping seems to be a burden. Customers would log online for the convenience the e-com and m-com formats offer, like – saving time, ease of shopping and payment, home delivery, etc. On the other hand when shopping is sought for the hedonic benefit or pleasure associated with shopping, customers may prefer visiting a physical store, to soak in the store atmosphere, touch and feel products, etc. before purchasing. Experiential part of shopping plays a critical role, in purchasing jewellery, fine dining, shopping at a mall, etc. In fact, the e-com firms are exploring brick and mortar formats themselves. Online behemoth – Amazon, first ventured into the brick and mortar space by opening its book stores in Seattle. It now has vending machines in airports and pop-up stores across USA. The e-com giant has recently opened a 1800 sq.ft. fully automated physical store called Amazon Go in Seattle, USA, for a checkout-free shopping experience, with 'Just Walk Out Technology', and is said to be testing Amazon Fresh pick up stores. Likewise, Pepper fry – an online furniture retailer from India has numerous pop-up stores in malls and at airports.

What I feel is that, the new world of e-commerce and m-commerce is full of opportunities and challenges for both the consumers and the marketers. And both the parties are using the internet to learn about the other and use it to their advantage.

