

**Jagan Institute of Management Studies**  
**End-Term Examination, September, 2016**  
**Trimester IV – PGDM (RM) 2015-17**

***Online Consumer Behaviour & Engagement***  
***ET\_RM\_OCEB\_2909***

Time: 3 Hrs.

M. Marks: 70

***INSTRUCTIONS: Attempt any FIVE questions including Q1 & Q7 which are compulsory.***

- Q 1** Online E-Commerce sites like priceline.com, makemytrip.com etc. are selling airlines tickets at Re. 1.  
How the sites are able to manage all this, moreover how are Airlines able to survive in-spite of giving tickets at such low prices. Explain. **14**
- Q 2** What were the issues with respect to consumer buying behavior that the E-Commerce sites like Flipkart's of the world in the beginning had to grapple with in India for the online buying from the consumers' perspectives? Explain. **14**
- Q 3** Online transactions have led to the monetary, social and infrastructure bonding in a much better way in the B2C which used to be the domain of B2B marketing.  
Explain what are these bonds and how are they managed better in B2C through online structure. **14**
- Q 4** In an online retail buying through the E-commerce sites the operational CRM gets done by default. It is only the strategic CRM that is to be managed by the marketer.  
Taking example of Amazon.com explains this and how it helps the customers of the site. **14**
- Q 5** E-Bay makes its money by charging users a listing fee then a small percentage of the selling price when the product is sold. The company also owns the PayPal secure payment system, which can charge fees of its own. The sites overcome issues of trust between buyers and sellers by operating a rating system whereby users view the transaction history of a buyer or seller and add their own rating according to their experience. Virtually anything can be traded over eBay.
- a) To what extent has Ebay created a market where none existed before?  
b) Outline the advantages and disadvantages of C2C relationships as exemplified by Ebay. **14**

**Q 6** It is ironic that the customers today have a bigger choice than ever before in terms of banks, credit card providers, mortgage lenders, and many energy suppliers, but still stick with their original providers. Even more surprising is that many of these 'loyal' customers are openly dissatisfied with their providers.

Many reasons have been suggested, including laziness, disinterest, lack of access to impartial comparative figures, lack of time, fear of unknown, and the difficulty of switching. One thing that these businesses have in common is the lack of fun in shopping for their products. No one enjoys hunting around for the best bank, or filling in forms to change credit card suppliers.

uSwitch as a company hopes to take away some of the burden of switching, by doing the leg work for the customer. In return they receive commission from those businesses where they are able to sign up new customers. However, there are still many businesses out there that are hoping that customer inertia is going to be around for a while yet.

- a) What is difference between customer inertia and loyalty? 5
- b) Is inertia a bad thing? 5
- c) Who are uSwitch's customers? 4

**Q 7** Read the Case and answer the questions given at the end.

### **IPRINT = SELF-SERVICE PRINTING ONLINE**

In the current environment of online and internet based services, customers can produce services for themselves with little or no interpersonal interaction with the provider. One company, iPrint, is changing the way home office and small business customers interact with commercial printers. iPrint.com, a Web-based custom printing service, bills itself as the "most complete, fully automated, self-service online creation, ordering, and commercial printing environment that the industry has ever seen."

iPrint opened its Internet storefront in January 1997 and successfully survived the dramatic downturn in Internet-based business in 2000, earning many industry awards for e-commerce innovation, website design, and customer service in the last several years. Much of the company's success can be attributed to its business model, which provides customers an easy, continually accessible way to independently create and order customized print jobs, sometimes at half the cost of traditional commercial printers. A quote from a satisfied customer is indicative: "Not only is it fun to design everything myself, but the quality is fabulous! You're my favorite company on the

Internet!”

Customers of iPrint create their own value through participation in the production of customized printing services. Customers with little or no knowledge of graphic design can easily, quickly, and from the convenience of their homes or offices create their own designs on a wide range of products. iPrint offers business cards, notepads, stationery, various gift items, and promotional products. New products such as photo calendars and additional business forms are continually added, many at the request of loyal customers.

Although creating graphic designs is a highly complex process with hundreds of variables to consider, iPrint created a simple step-by-step process to create personalized products. Customers adapt existing designs to meet their specifications and then view the finished products, selecting from wide range of options such as paper, font, size, and colors as well as clip art or business logos.

Complete designs can be purchased over the Internet and are typically received in a few days. Designs are also automatically saved to allow for easy ordering. Although iPrint notifies customers via e-mail when the order is placed and when it has been printed, customers are also able to actively participate after the order has been placed by tracking the order throughout processing, printing, and shipping.

In addition to extensive customer education through detailed step-by-step instructions, iPrint provides easy to access to frequently asked questions, and contact with service providers is available through e-mail, phone, or fax if necessary. Customers participating in the design of their own products are rewarded with prices significantly lower than what they would normally pay.

iPrint has successfully transformed a people-intensive, manual service business into an electronically automated, self-service function where customers are empowered to create their own value and satisfaction. Because they do so much of the work, customers essentially become “coproducers” of the service, enhancing iPrint’s productivity, which allows the company to charge lower prices. Everyone wins. The company merged in 2001 with Wood Associates, creating iPrint Technologies, Inc. The merger combines Wood’s strength as a leading supplier of promotional and marketing materials to Fortune 1,000 businesses with iPrint’s focus on home office and small business customers.

So does that mean traditional providers of commercial printing services will be driven out of business by companies like iPrint? Probably not. Some customers will always want personal advice and the direct involvement of professional designers. However, there are segments of customers in the marketplace who will respond to new choices and who are willing to co-produce services, creating value and satisfaction for themselves.

**Questions:**

- a) In case of the above mentioned case study what are the pros and the cons for the customers in terms of using the service online? 7
- b) Do you think there are advantages in converting consumers into co-producers? 7

\*\*\*\*\*