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Chapter

Customer Satisfaction with Online Retail Transactions

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Abstract

The development of information and communication technology (ICT) and its wide application in marketing led to the development of online retailing where customers now shop from the convenience of their homes and/or offices. This has redefined customer satisfaction as customers can go online to read and learn product reviews before making purchases. With the emergence of social media, customer engagement is rife and can create value for the firm. Several models have been employed in studying customer satisfaction with online retailing. These include the disconfirmation of expectations model, perceived performance model, rational expectations model, expectations-artifact model, attribution model, cognitive dissonance model, comparison level model, contrast model, and the Kano model. This chapter is on customer satisfaction with online retail transactions. It looked at the concept, models, and customer engagement; and stressed the need for a holistic/multidimensional approach to engagement as a way of enhancing engagement in the present information, communication and technology (ICT)-driven age. The methodology involves the review and analysis of published works/researches and reports as well as review and analysis of messages and posts by online vendors to customers. It also includes observations and notice of transactions from customers as they receive wares from online vendors.

Keywords: customer, consumer, satisfaction, loyalty, engagement, ICT, technology, web, online, POS, retail, products, services

1. Introduction

Customer satisfaction is a customer's feelings of pleasure or disappointment from consuming a product or service and comparing perceived outcome to expectations. Where the experience falls short of expectations, the customer is dissatisfied. If the consumption meets the customer's expectations, the customer is satisfied. If it exceeds expectations, the customer is highly satisfied or delighted. Customer satisfaction is the ultimate aim of any business organization the world over [1]. Of a truth, it is the rationale behind the existence of any business in the first instance. Whenever indicators like productivity, profitability, sustainability, and the likes are being considered in the world of business, no organization dares neglect the fact that customer satisfaction plays a significant role in affecting these indicators. Fronting such goals as productivity, profitability, and growth as the major pursuits of an organization with less attention on satisfying customers is an exercise in futility.

With the rise in technology as a transformative force and its attendant effect on the way humans live, work, and interact, ICT has influenced the manner at which business is been done globally and the case is not different for Nigeria and other

emerging markets of the world. Also, an increase in global retailing both in terms of their point-of-supply and point-of-sale has dramatically increased the amount of and the application of ICT in the retail sector [2]. Arguably, ICT plays a germane role in the management of complex retail operations. Absolute data control and information, as well as adequate market knowledge, is paramount in the course of obtaining a competitive edge in the retail sectors as the market continues to grow and become more sophisticated [3]. ICT can be deployed to cope with all the transactions that could be involved. Retailers have beginning to appreciate the role of ICT as a major enabler in the course of speeding up processes and cost savings to the business. This becomes a major rationale behind the speedy adoption of ICT in the conventional retail sector [2].

Put explicitly, online retailing has become a significant part of the daily activities of business organizations. Access to various online retail platforms is seen as a necessity rather than a form of luxury especially among the urban dwellers [2, 3]. And one of the major determinants of the growth of online retailing and ICT are inseparable because online retailers absolutely depend on ICT for their operations and intensifications [4]. In addition, online retailing focuses on the application of ICT to facilitate the transaction and interaction between the business and the customers. Conclusively, ICT is a veritable tool for achieving an effective and robust online retail transaction; it is the live wire of any successful online retail transaction. The application of ICT to retailing is further defining customer satisfaction, loyalty, and engagement; and the extent of application is frankly speaking limitless. Accordingly, online retail transactions in this study refer to all activities by retail customers on the Internet and include buying from online shops, payments and receipts online like automated teller machine (ATM) banking, mobile banking/money, web banking and point of sale (POS) transactions. This chapter is divided into five sections. Following this Introduction is Concepts of customer satisfaction in Section 2; Models of customer satisfaction in Section 3; Customer satisfaction and customer engagement in Section 4; and Conclusion in Section 5.

1.1 Methodology

The methodology involves the review and analysis of published works/ researches and reports as well as review and analysis of messages and posts by online vendors to customers. It also includes observations made and taken note of as customers receive wares ordered from online vendors. Analysis of secondary data aims at patterns or trends across the results, tracking progressions through time and is aimed at seeking out repetitions of certain results to build up a case. Of the many different ways to analyze secondary data, many are not different from those used for primary data. The methodology in this paper involves analysis that consists of an examination of what can be counted in published texts and researches. Thus, this methodology involved an analysis of researches, reports, and other publications as they relate to customer satisfaction with online transactions. It also involves analysis of reported cases of online transactions as reported by the Central Bank of Nigeria (CBN) in some of their published reported relating online transactions especially online payments which drive other online transactions.

2. Concepts of customer satisfaction

Customer satisfaction simply means giving the users or the final consumers of firms' products and services what they need or want with precision [5]. It involves

mainly about meeting their demands and taste, that is, the input and the thru put must produce an output that meets up with the customers' expectations. Precisely, customer satisfaction denotes meeting customers' expectations and ought to be an ongoing and reviewed process for firm's acceptance and survival.

Before marketing concept stage where needs and wants are put into consideration before actual production of goods and services are various stages through reliable research work [6]. The rationale behind this exercise is to ensure seamless marketing and avoid marketing costs that are not necessary. One wonders why firms budget huge money for sale promotional activities, advertisement, customer relations, etc. while it is easier and cheaper in terms of time and money to go into research in order to ascertain what product(s) is/are next in the customers' minds. Put pointedly, it is an aberration for any firm to assume that customers will buy products that do not meet their taste or satisfy their needs or wants. In fact, there is a paradigm shift from the old satisfying product(s) to a new more satisfying product. For example, flat screen television used to be a satisfying product a decade ago, but currently, consumers are demanding for just a flat-screen television set but a more satisfying smart television set (Internet-enabled flat-screen television) [1]. There is no breaking force as potent as breaking customers' loyalty when it comes to products that emanated through research and consider customers' image. It is a known fact that no business firm would like to manufacture products that do not satisfy the customers in the first instance; however, the modalities to follow is a major concern.

It is expedient to put into consideration that the cogent point for satisfying a customer is that business organizations must maintain and sustain a personal and cordial relationship with the customers. Marinating personal and hitch free relationships do not only retains and keeps them satisfied with the organization's product(s) but it serves as a free source of a promotional tool for the organization [5]. It is an established fact that word-of-mouth is the most effective and efficient means of promotion because words from the loved ones and one's reference and peer groups are more trusted than any form of advertisement or sales promotion. So, it creates not only brand loyalty for the organization but also enjoying "free" publicity from the existing customers.

Furthermore, it is necessary for business firms to monitor the satisfaction of their customers as it allows the managers to analyze the strengths, weaknesses, opportunities, and threats of the firm, areas of improvement in order to maximize the potentials of the business, and eventually maintain, sustain or increase its probability of success in the market. It is essential for organizations to gauge the satisfaction of its customers in the bid to retaining them, as well as attracting prospects via recommendations and positive word-of-mouth from existing satisfied customers. Concentrating on customer satisfaction also enables managers to appraise the development of a business firm as a going concern and serves as a yardstick to measure the performance of its workforce [6].

Although, the majority of business owners strongly believe that customer satisfaction is germane, can they really support this for certain reasons? Some of them may respond causally that customer satisfaction is necessary "just because…" however, evident reasons abound why business firms need to make their customers happy [5]. First, do not forget that the large chunk of most business so, there is need for strong repeat business (purchase) base in order to cushion the effect of the comings and goings of new and short-term customers. Second, a satisfied customer is a happy customer; a happy is a good promoter. Customer satisfaction is important because it is an avenue for a happy customer to tell other people about the organization products. Happy customers buy more of the company products and the firm could gain or lose prospects based on words from another customer.

Another cogent reason for customer satisfaction is that organizations must remain faithful and truthful to their customers. Most businesses, especially small businesses, do cheat their customers for a meager amount of money, but in the long run, they lose their regular customers, which eventually leads to the loss of goodwill, corporate image, and ultimate collapse of the business. Goodwill is one of their promises in order to maintain prosperous goodwill. Being a good listener is the area where most firms are deficient. Any organization that is a good listener should have its motto as customers' satisfaction instead of focusing on revenue generation, being a good listener will further help a firm to track the present market trends by understanding the demands of the customers. Customer satisfaction is the only sure bet for surviving in the turbulent business environment and escape the cut-throat completion in the market.

2.1 Customer satisfaction and customer loyalty

Customer satisfaction is a customer's positive, neutral or negative feeling about the value received from an organization's product in specific use situations [7]. Also, customer satisfaction could be described as a feeling of pleasure or disappointment that results from a company product performance to expectations. If a customer perception about a certain product is better than expectation, he/she is delighted, if it as expected, they will be satisfied, if it is less than expected, they will be dissatisfied [8].

Conversely, customer loyalty refers to what is occurring over time between a customer and an object in the market (a supplier, brand, a store, etc.). It also reflects an emotional and business attachment to the service firm [9]. Furthermore, customer loyalty is the deeply held commitment to re-buy a preferred product in the future despite situational influences and marketing efforts having the potential to cause switching behavior. Accordingly, a customer can be loyal to brand, a product/ service, a company and the product environment.

Looking at the relationship between satisfaction and loyalty, in most cases, it is non-linear. Satisfied customers are not always guaranteed to be loyal. However, a higher level of satisfaction could lead to more loyal customers especially in the industrial market and service sectors. These imply that the relationship or link between satisfaction and loyalty is a function of the product and market categorization. A study [10] to investigate the relationship between satisfaction and loyalty among the bank customers revealed that there exists a strong and positive relationship between satisfaction and loyalty. An empirical study [8] on the association between customer satisfaction and customer loyalty using the American customer satisfaction index data and various customers, firms and industry indicators showed that the actual nature of the association or relationship that exists between satisfaction and loyalty has a satisfaction impact on competitive setting differences. This implies that the business environment and the tone of competition that exist therein influence the link between satisfaction and loyalty.

Furthermore, a study [7] on the relationship between customer satisfaction and customer loyalty among service customers using the emotional brand image as the moderator reveal that customer satisfaction and emotional brand image have a significant effect on customer loyalty [9]. Further posits that the relationship between customer satisfaction and customer loyalty in the Indian commercial vehicle industry is positively strong especially in the industry where prices are more or less the same among the major players [11]. Similarly, in a study on service quality dimensions and customer satisfaction online service quality dimensions of Nigerian Banks, Okeke et al. [12] found that tangibles, price, security, and perceived risks are significant predictors of satisfaction in online banking. Initially, a reviewer in

the earlier version of the study raised the question whether *price* is a service quality variable and the answer was in the affirmative.

In conclusion, the relationships that exist between customer satisfaction and customer loyalty are premised on the kind of product categorization, absence or presence of moderating factor(s), the circumstances, and the market type.

3. Models of customer satisfaction

Several models have been used in consumer satisfaction studies. These include the disconfirmation of expectations model, perceived performance model, rational expectations model, expectations-artifact model, attribution model, cognitive dissonance model, comparison level model, contrast model, and the Kano model. Others include the planned behavior models, reasoned action models, technology acceptance models and its various extensions. Other models used in consumer satisfaction studies are the service quality (SERVQUAL) model in its various forms like the electronic service quality (e-SERVQUAL) among others. Whereas some of these models emanate from the brick and mortar retail traditions, they have been employed in measuring customer satisfaction and loyalty with the emergent online retail industry. Some of these models are discussed.

3.1 The disconfirmation of expectation model

This model was developed structurally in a series of two papers written by Oliver [13]. It is a cognitive theory that seeks to describe post-purchase or post-adoption satisfaction as a function of expectations, perceived performance, and disconfirmation of beliefs. In other words, it shows how customer satisfaction is affected by the summation of product performance and customer's expectation level. The model submits that in a situation where the performance that a customer perceives is adjudged to be higher than the expectations obtained, satisfaction will rise. This is known as positive disconfirmation. However, when a perceived performance is lesser than the customers' level of expectation, the result will be a decrease satisfaction hence, negative disconfirmation [13, 14]. Therefore, satisfaction is a function of the disparity between performance and expectations, and satisfaction is indicated by the disconfirmation model; it forecasts that as expectations rise, satisfaction will decline.

This review of literature on customer satisfaction model outlines that besides job satisfaction literature, disconfirmation of expectation model has enjoyed widespread support from scholars in other fields, and it has been generally used in appraising and measuring satisfaction with diverse products, like the hospitality sector [15–19] and restaurant services [20–22], in the automobile industry [23] and stock market services [24]. However, the disconfirmation of expectations model has been scarcely used in the field of Internet marketing, sustainability marketing, health marketing, and social marketing.

3.2 The perceived performance model

This model has deviations from the disconfirmation of expectations model in that the role expectation plays in satisfaction formation is less significant [13]. It conceptualizes the theory that the perception of customers about certain product performance and their expectations pertaining to that performance have a positive impact on customer satisfaction. Performance is seen as the product's quality level, from the perception of the customer, in relation to the price paid. The perceived

performance is explained to be the value, that is, benefits gained for incurring costs. The higher the ability of the product, in relation to the cost, the more satisfied the customer becomes. More so, the perceived performance model is more applicable in scenarios where a product performs nicely that the expectations of the consumers get discounted in his/her post-consumption relations to the product. The perceived performance model displays that expectations are having a direct and positive effect on satisfaction due to the pivotal role it plays in the process of evaluating satisfaction [13]. The model also portrays that the stronger an expectation of a customer, in relation to the performance information, the greater the effect of expectations as a pivot in the process of satisfaction evaluation. The model shows that expectations have a positive effect on the perceived performance—the capacity of customer expectation as a predictor of performance. This is mostly experienced when a customer has a wealth of experience with a performer that is either predictable or has less variance. This model has more application in the fast moving consumer goods (FMCG) sector than sectors that involves complex and heterogeneous service like project management because the extent of the effect of performance varies from products or sectors.

3.3 The rational expectations model

This model proposes that the average expectations of an agent in a given market are equal to the outcomes of that market [25]. From the macroeconomic perspective, the rational expectation model postulates that each person bases his/ her decisions on three major factors: human rationality, information availability, and past experience. Applying these propositions to the online retailer-shopper relationship, it can be said that the expectations of the online retailer's actual performance are in the course of rendering the service. According to the rational expectation model, the whole market expectation can be greater than the sum of expectation of each customer [26]. It is believed that the totality of the market is believed to be more rational and accurate than that of individual consumers [27]. The rational expectation model asserts that perceived performance and expectations are immaterial because they equate each other and both have a single positive effect on satisfaction [25–27]. This model is used mostly in the field of macroeconomics, micromarketing with less application in the field of micromarketing and social marketing.

3.4 The expectations-artifact model

There should not be either a positive or negative effect of expectations on satisfaction, especially in a unique service sector live construction management and other heterogeneous service sectors [13]. This is because, in the context of most heterogeneous service sectors, expectations do not necessarily act as the pivot like in the perceived performance model or as a standard measure for comparison like in discomforting of expectations model, while evaluating or appraising satisfaction. Performance will result in the expectations as reported by the customers [13]. The expectations-artifact model demonstrates that there exists a direct and positive effect of perceived performance on satisfaction and that performance and expectations have a positive relationship. The model further states that expectations cannot be linked with satisfaction since it does not have any effect on satisfaction. This implies that focusing on expectations would be a wasted effort in the course of enhancing or improving customer satisfaction levels. The model postulates that expectations are the output of the service production process, have no direct effect on customer service, and any attempt to meet or surpass customer expectation is

needless. Rather, the model asserts that in order to improve customer satisfaction, the focus of any organization should be on performance improvement.

3.5 The attribution model

This model was postulated [28]. The model posits that customers are perceived to be rational information processors who always look out for a reason to explain or justify their purchase outcome (satisfaction or dissatisfaction). The model submits that customers do engage in an attributional process when service delivery is not in congruence with their prior expectations. The model also assumes that consumers usually search for the cause of a product's success or failure and attribute the success or failure using locus of causality (internal and external), stability, and controllability.

It is further argued that in a situation whereby the customer agrees with the cause of his/her dissatisfaction, the firm makes the same mistakes repeatedly, the external attribution process begins. Conversely, in a scenario where agreement, consistency, and distinctiveness are low, consumers tend to link their negative reactions to themselves. The attribution model has been previously used in predicting consumer level of dissatisfaction rather than explaining and describing the satisfaction process. We suggest that current studies should focus on the applicability of this model in predicting consumer satisfaction, especially in the online retailing studies.

3.6 Cognitive dissonance model

This model was propounded by Yuksel and Yulsel [29]. The model posits that people possess a motivational drive to alleviate dissonance by altering their attitudes, beliefs, and behaviors, or by rationalizing or justifying them. From the consumer behavior perspective, cognitive dissonance is a psychologically uncomfortable state that arises from the existence of contradictory (dissonant) relations among cognitive elements. The model explicitly explains the state of discomfort purchasers mostly find themselves after making a purchase decision. Even though cognitive dissonance is an established construct in the field of marketing, its usage in empirical marketing research is relatively scanty. The reason being that dissonance is a mere transitory phenomenon and it is very difficult to measure dissonance or operationalize it using a quantitative and empirical method.

3.7 The comparison level model

This model of customer satisfaction was propounded by Thibaut and Kelly [30]. The model was developed to correct the anomalies of expectation of the disconfirmation model. The model posits that the basic determinants of a product comparison level are more than one as follows:

    i. Prior experiences of a consumer with similar products

    ii. Situationally generated expectations

    iii. Other consumers' experience serves as a reference group

The model asserts that norms play a significant role as a basis for comparing various consumers' satisfaction judgments. The model further revealed that situationally produced expectations have less effect on customer satisfaction, while

expectations that are based on previous experience were the paramount predictor of customer satisfaction. The model further suggests that different comparison standards may be brought into the consumption experience by the consumer. Also, consumers might possibly employ predictive expectations on the basis of external communication prior to purchase, while various standards (past experiences, other significant consumers' experience) might possibly surface after the purchase. However, there is no adequate information to confirm or disconfirm the standards that consumers bring into the consumption experience. The theoretical implication of this is that the comparison standard in customer satisfaction discourse may help managers to carry out a comparative analysis between their performance and that of their rivals and undergo necessary actions for product/service differentiation.

3.8 The contrast model

This model was introduced by Hovland et al. [31]. This model postulates that whenever an actual product performance is short of the consumers' expectations, the discrepancy between the expectation and the result will cause the consumer to magnify the disparity. The model further posits that when the value gain from consuming a product is lesser than expected, the customer will exaggerate the difference between the product received and the product expected, and contrast model further predicts that products that perform below expectation will be rated poorer than it is in the actual sense. This is a result of the surprise effect on the part of the consumers that leads to the exaggeration of the discrepancy.

If a firm's expectation is raised through its advertisement and the customers' experience is a little lower than the firm's promise, the product would be rejected and become absolutely unsatisfactory. Conversely, under-promising in order to over-deliver in advertising will lead to positive disconfirmation also being magnified. Constructively, the contrast model has been criticized in that it has been mostly used in laboratory settings where customer satisfaction is highly manipulated, situation specific, and individually focused. It is not certain whether the hypothesis hold by this model could be tested in the field survey study like online shopping behavior and others. More so, the contrast model predicts customer reaction rather than dissonance reduction.

3.9 Kano model

According to Prasad [32], Kano model of customer satisfaction was propounded by Noriaki Kano in 1984. The model groups attributes of a product on the basis of customer perception and their effect on customer satisfaction. These groupings are germane for guiding design decisions because they help in indicating how good a product is and when there is a need for more. This model posits that there exists a non-linear relationship between product performance and customer satisfaction. The model further categorizes product attributes into five groups:

Threshold attributes that the customers are expecting and are necessities of a product.

Performance attributes for which the more the product delivers, the merrier it becomes. The better fulfillment results in a direct increment of customer satisfaction and non-existence or weak performance of these attributes will automatically lower the customer satisfaction level.

Excitement attributes are attributes that the customer never expected. Their presence usually makes the customer highly satisfied and eventually delighted.

Indifferent attributes are those that are negligible because they do not practically belong to any of the other attribute categories, though they influence decision making.

Reverse attribute refers to a high level of achievement leading to dissatisfaction on the basis that not all customers are exactly the same.

Kano model predicts that an attribute will transmit from one category to another over time. This transition is propelled by the expectations of customers and the performance level from competing brands or products. The Kano model has been widely applied in online retail studies like [33, 34] and [34] in online service convenience.

4. Customer engagement and customer satisfaction

Presently, customer engagement is becoming popular and widely used in various fields of study. CEOs, marketing experts, advertising gurus, and web analytics professionals use the term haphazardly. It can be clumsy to see the same word being used in different scenarios [35]. The diverse meanings of customer engagement unraveled how experts in each field have pinpointed how it should be measured and operationalized.

Primarily, there are three main fields of study that usually use this phase; marketing, advertising, and web analytics and optimization [36]. In these three areas, customer engagement explains the customers/user's experience in the course of consuming a product. Since there are no indices for measuring this term, firms that involve in helping other organizations to design their customer engagement strategy must first key quality indicators, so as to quantify the success. Based on this, the manner at which companies measure customer engagement differs; however, there are few common grounds across the organization. Consumer engagement has received increasing attention from practitioners, academics, and the likes. Consumer engagement/user engagement/or customer engagement has received attention in various online and ICT usage contexts, such as mobile commerce application [37], online brand communities [38], and mobile payment applications [39]. The terms "customer engagement," "consumer engagement," and "user engagement" are used interchangeably in many studies. However, consumer engagement is conceived as a behavioral, cognitive, and emotional process [40]. This increasing attention to consumer engagement is largely due to the fact that, unlike customer satisfaction, consumer engagement targets more long-term interactions as it encourages customer loyalty and advocacy through word of mouth. Below are the definitions of customer engagement from various disciplines with the common features used in measuring it.

4.1 Customer engagement in advertising

Customer engagement is an act of turning on a prospect to a brand idea enhanced by the surrounding context [35]. Generally, advertising practitioners use the term customer engagement to describe the manner at which an intending viewer interacts or relates to an advertisement. Early advertising practitioners perceived the advertising purchasing process as relatively one-sided-from catching the customers' attention by Ad designs, interest, and desire stimulation, to drive to purchase. However, contemporary advertising practitioners focus on the people interactions with a particular advertisement using their metaphors associations and symbols combined with the ad's messages. Therefore, an engaged customer is one who has a personal interaction with an advertisement, and who has convincingly made the choice of buying a product. Thus, many companies and organizations devout reasonable percent of their communications budget to online engagement.

Customer Relationship Management and IT

Customer engagement in web analytics/optimization in the realm of web analytics and optimization, customer engagement explores and explains the manner at which a user interests or relates to the website of a particular brand [35]. The main objective of a customer engagement strategy as far as web analytics are concerned is to increase conversion-online sales, sign-ups for e-mail newsletters, and sign-ups for free service trails. Customer engagement is defined by web analytics firms based on diverse indices like the quantity of time each user spends on a website or a particular web page, numbers of web pages viewed, and numbers of posts each user make of the social media outlets [35].

4.2 Customer engagement in marketing

From the marketing perspective, customer engagement involves the level of interaction a customer has with a particular brand. Engagement refers to the level of a customer's attention and involvement with a communication [41]. Some online measures of engagements are Facebook "likes," Twitter tweets, comments on a blog or Web site, and sharing of video and/or other content. Engagement can extend to personal experiences that compliment or transform a firm's products and services. In contrast to customer satisfaction and loyalty, customer engagement concentrates more on long-term emotional attachment to a brand or a company by the customers [36]. The high level of customer engagement is a function of increased word-of-mouth referrals, testimonials, and customer advocacy. Thus, it has been reported that when there is a satisfactory relationship between an organization and a customer, an emotional bond is created and this type of relationship can progress to the engagement stage with the potential to generate more revenue, to ensure a lifetime of profitable loyalty [42]. It is not uncommon for CEOs and business executives to be interested in scaling up their customer engagement strategy since it has a positive relationship with key business outcomes like profitability, stock price, return on investment, and earnings per share. Marketers may measure engagement by studying such indicators as customer retention, sales volume and value, revenue per customer, repeat purchase frequency and marketing cost as well as e-mail opt-in and time spent on a particular website [36].

4.3 Customer engagement: the ICT perspective

The gradual but steady invasion of technology and the attendant social media into the day-to-day business and marketing activities has altered each of our endeavors from making and receiving a telephone call, doing physical exercise to purchasing groceries [43]. We are constantly depending on technology and other smart devices to help us in organizing, tracking, and managing our daily activities. The use of paper is gradually becoming less important and moribund as the majority of our documents are stored in the cloud. The case is the same for business organizations and their practices are fast changing to meet up with the trend. However, there is still something to be discussed about the human touch', so how is it discussed about the "human touch," so how is customer engagement defined in this virtual world as against the brick-and-mortar world?

Customer engagement can be described as the interactions between a customer and a brand through various means of communication, irrespective of the platform a business operates or a customer uses [43]. The major form of customer engagement is advertising whether online, print, broadcast or any other medium. As business organizations spend more marketing naira on the Internet and social media campaigns advertising is becoming engaging and interactive more especially with online retail outlets and other businesses conducted on the web.

The technology installed on social media sites enables organizations to monitor and record accurately consumer behavior and channel marketing programs based on customer type, thereby creating a more interactive and real-time experience for the customer [43]. The output is a customer with a high tendency of returning to interact with a specific brand. Through proper utilization and definition of customer engagement, through social media and the Internet, organizations are enabled to collate, track, and decipher customer data meaningfully. This does not only create an avenue for improved marketing but also stronger customer engagement.

The present digital age via the Internet of Things has enabled customers to really interact with brands, products, companies, and even creating communities of like-minded consumers without having any physical contact, thereby enhancing information access that enhances customer satisfaction and in turn loyalty.

One trending activity of customer engagement that is seeing resurgence is the loyalty card program. These are organizations that provide special discounts, perks, information, and other related opportunities for customers that are loyal. In Nigeria, restaurants, hotels, shopping, recreation centers, and lounges are usually involved. Initially, this program made use of plastic bar-coded cards that needed to be presented at the point of purchase. However, the majority of the business organizations are switching to the programs that only require the customers to link their credit or debit card to a particular online portal, and their purchase is easily and continently tracked; no extra card or coupons are required.

By building a steady and reliable interaction between a brand and a customer, loyalty program establishes constant and dependable customer engagement. Firms are able to monitor and record precisely customers' buying behaviors and preferences, hence building the next customers perk. Customers feel rewarded for being loyal with normal buying behaviors. More so, these customers could involve in marketing surveys, social media interaction, and other campaigns. Whenever a business decides to build new customers and retain the existing one, the use of a loyalty program is usually the cheapest. By creating a platform that allows the registering of a credit card, the probability that a customer will sign-up can increase, as there is no additional step to remember in order to get perks. Having a piece of deep knowledge about one's customer base, engaging and rewarding them can be as easy as swiping of a card at a point of sale terminal.

4.4 Necessities for customer engagement

It is an established fact that customer engagement is very important for the survival of any business in modern times. Moreover, it is also a known fact that great customer service is a crucial factor for keeping a healthy customer relationship and prospecting new opportunities. This is a statement of fact for our highly connected society. With just one bad customer experience, a company's name can go viral in social media, in a derogatory manner. This is the motivation why smart firms are scaling up their customer service to the next level through the intelligent utilization of information and communication technology since it provides diverse platforms for contemporary firms to initiate and maintain a long-lasting relationship with their customers [43]. Below are the major reasons why customer engagement is necessary [35]?

a. Improves customer satisfaction: organizations that concentrate on enhanced customer engagement do experience geometric growth in their revenue and a boost in customer satisfaction. One of such company's primary goals is to create a persistent, consistent, and superior customer engagement throughout the customer journey.

b. Encourages customer loyalty: when a customer is fully engaged, he or she becomes loyal. Customers of any brand will continue to improve the well-being of the brand and eventually become loyal if the firm can create an enhanced and impressive customer engagement because an enhanced customer engagement will halt switching behaviors from the customers.

c. Increase revenue and sales: the majority of customers want a fair balance of price and service, and they would not settle for anything less. Customers prefer to engage with brands that make it easy to transact with them by spending more money on such brands. Ultimately, customers value superior service and are willing to pay a premium price for it.

4.5 ICT and customer engagement

Technology especially the ICT is offering an important advantage for online retailers in the area of customer engagement by improving and enhancing customer service. Continuous evolvements of technologies have empowered customers than ever [43]. It is not only advantageous to the customers but it also has brought brands to be closer to their customers and providing an avenue to comprehend customers better and keep a track of their behavior in this ever-changing and dynamic communication world [36].

Smart brands that want to make use of technology to resuscitate their customer services must devise means of helping customers to conversate with brands whenever the need arises. Brands should structure their business procedures to accommodate efficiency and cost reduction. Firms need to concentrate on consumer data analytics through insight-driven marketing in order to get better outcomes. As [41], puts it: *although Facebook "likes" and Twitter tweets provide some sense of the engagement for a brand, a more complete set of measures is typically needed to get a more accurate picture of social media or other online activities.* Smart brands should further encourage their personnel to be proactive and always welcome new ways of improving customer engagement. In the nearest future, organizations that will concentrate on customer engagement will be able to garner maximum profit.

Smart organizations can deploy the use of technology to improve their customer engagement as follows:

a. Organizations can adopt email as a means of enhancing their customer service. This will help them to be responsive to their customers' queries as soon as possible.

b. Smart brands can step-up their customer relationship and engagement by making use of sophisticated data-gathering software like CRM software.

c. By providing fields on the firm's Website where the customers can respond to queries and seek solutions to problems and challenges from other users.

4.6 Online retailing and transactions in Nigeria

In recognition of the emergent e-payment services which were at the early stages of development in Nigeria, the CBN in 2003 [44] issued guidelines on the operation of electronic banking in the country. The apex bank in recognition of its roles in the financial system stability and payments system oversight, the CBN Technical committee on e-banking produced a report which anticipates the likely impact of the

movement toward electronic banking and payments on the achievement of CBNs core objectives. The CBN guidelines on electronic banking are in four categories:

- The Information and Communication Technology (ICT) standards to address issues relating to technology solutions deployed; standards for computer networks and Internet; protocols; application and system software as well as standards on delivery channels like mobile telephone; Automated Teller Machines (ATMs); Internet banking; point of sales (POS) devices; international schemes; electronic bill presentment; switches; Internet service providers; card schemes; and electronic transfer of funds. Also included are standards on security and privacy which includes security policy and privacy; standards on identification; access control; security log/audit trail; backup, recovery and business continuity; and vendors and outsourcing.

- Monetary policy: the guidelines stipulate that electronic money scheme operators must supply the CBN with statistical information, about the volume and value of their transactions, based on agreed format. All categories of electronic money would be treated as part of the reserve requirements. Issues of electronic money are also required or subjected to prudential requirements.

- Legal issues: banks are obliged not only to establish the identity of their customers but also enquire about their integrity and reputation. To this end, there is an obligation on banks to maintain secrecy and privacy/confidentiality of customers' accounts among other legal issues.

- Regulatory and supervisory issues: the guidelines stipulate that in order to mitigate the risks associated with all electronic banking businesses, banks should have in place a comprehensive risk management process that assesses risks, controls risk exposure, and monitors risks. The regulatory and supervisory issue also specifies the modalities for introduction of new e-banking/electronic products and services as well as reporting requirements and penalties for default.

The import of the above is that online retail transactions are multiple and varied as we have explained above; and electronic payments drive the emergent online retailing. In other words, banks are central to online retailing and are also critical success factors in customer satisfaction with online/e-commerce operations.

Nigeria's Internet penetration rate between 2010 and 2019 is 59,653%, which is higher than the 11,532% penetration rate for Africa over the same period [45]. Also 59.5% of the estimated population of 200.1 million people in March 2019 use the Internet; while only 17, 000,000 people are Facebook subscribers as at December 31, 2018. Despite poor Internet infrastructure, the proportion of Internet users in Nigeria is above Africa's rate of 39.8% and World rate of 57.3% as at 30th June, 2019. Arguably, this rapid growth in the adoption of Internet is redefining the way Nigerians buy and consume. Indeed, the evolving online retailing and other online financial transactions in Nigeria is becoming a phenomenon. The Internet has brought about the emergence of virtual markets with four primary distinct characteristics: real-time, shared, open, and global. Nigeria's online worth was put at about N200 billion in 2014 with huge potentials for growth.

As a continuation of the project, "Cashless policy," which commenced first in Lagos the Central Bank of Nigeria (CBN) extended its cashless policy to FCT, Kano, Anambra, Abia, Rivers, and Ogun states beginning from end of 2013 and is expected to cover the whole country in few years. The CBN continued its

nationwide sensitization campaign on the Cashless Policy, aimed at encouraging members of the public to adopt alternative means of payment in their daily transactions. The campaign covered 30 states of the Federation, which were not yet under the policy. The policy was being implemented in some States, namely Abia, Anambra, Kano, Lagos, Ogun, and Rivers and the FCT. Given the success recorded by the policy in Lagos and the adaptation of Lagos bank customers to alternative transaction media, the implementation of the policy in other parts of the country will aid online shopping in the country. The Internet is considered a mass medium that provides the consumer with purchase characteristics as no other medium.

Online shopping also has some challenges especially in Nigeria. Rosenberg [46] avers that anybody or organization building e-commerce platform in Nigeria need to know the following:

Payment methods and cash-on-delivery: despite attempts to reduce Nigeria's reliance on cash, the economy is still very much cash-based as credit card penetration remains limited. Allow customers to pay cash on delivery alongside other payment methods.

Human contact: Nigerians value human interaction when shopping. They like to touch, feel, and speak about the product. Have customer relations managers call customers after the item has been reserved online to make sure the customer really wants the product. Allow customers to touch and see the product on delivery.

Online deals: offer good online deals to highlight the appeal of online shopping and build recurring customers as Nigerians are very price sensitive and will compare prices.

Trust: Nigerians are very suspicious of buying online considering high levels of cybercrime. Once trust is established through the steps outlined above, customers will shop online for your products with fewer reservations.

Challenges: Nigeria's e-commerce industry faces various challenges including poor infrastructure, road congestions, power blackouts, the high cost of Internet, and cybercrime.

Poor to inadequate infrastructure is a major issue affecting online/Internet activities in Nigeria. [47] reports that Nigeria belong to the middle electronic government development index (EGDI) which ranges from 0.25 to 0.50 for the year under review. Nigeria has a EGDI of 0.3807 for 2018, which is very low. Despite this low ranking, however, Nigeria's ranking in the online service component of the EGDI is much higher at 0.5278. This is a clear indication that, despite the poor telecommunications infrastructure, Nigerians are keying into online shopping as a phenomenon in modern day transactions. The UN-EGDI reports that Nigeria has a telecommunications infrastructure index (TII) of 0.1881; wireless broadband is 23.27 per 100 inhabitants while fixed broadband is put at 0.06 per 100 inhabitants. Hence, utilizing online to pay for items like school fees through the *Remita* platform is always hectic and can take days to accomplish. This calls for serious investment in the telecommunications infrastructure to address the deficit and bring about enhanced online operations in Nigeria.

5. Conclusion

Customer satisfaction relates to a customer's feelings of pleasure or disappointment from consuming a product or service and comparing perceived outcome to expectations. Where the experience falls short of expectations, the customer is dissatisfied. If the consumption meets the customer's expectations, the customer is satisfied. If it exceeds expectations, the customer is highly satisfied or delighted. The development of information and communication technology (ICT) and its

wide application in marketing led to the development of online retailing where customers now shop from the convenience of their homes and or offices. This has redefined customer satisfaction as customers can go online to read and learn product reviews before making purchases. With the emergence of social media, customer engagement is rife and can create value for the firm. The relationships that exist between customer satisfaction and customer loyalty are premised on the kind of product categorization, absence or presence of moderating factor(s), the circumstances, and the market type and competition. Several models have been employed in studying customer satisfaction with online retailing have used in consumer satisfaction studies. These include: the disconfirmation of expectations model; perceived performance model; rational expectations model; expectations-artifact model; attribution model; cognitive dissonance model; comparison level model; contrast model; and the Kano model. There is the need for a holistic/multidimensional approach to engagement as a way of enhancing engagement in the present information, communication and technology (ICT) driven age.

Information technology (IT) companies have been inclined to use the term customer relationship management (CRM) to describe the software applications that automate the marketing, selling, and service functions of businesses [48]. Hence, CRM became synonymous with technology. Many organizations especially those with large customer base like banks and online retailers can employ information technology tools to help them customer relationship management (CRM). Data mining techniques can be used to identify which customers are likely to defect, what can be done to win them back, which customers are hot prospects for cross-sell offers, and how best to communicate those offers. Banks want to win a greater share of customer spend (share of wallet) on financial services. In terms of operational CRM, many banks have been transferring service into contact centers and online in an effort to reduce costs, in the face of considerable resistance from some customer segments. IT-enabled purchasing processes can deliver higher levels of accuracy in stock replenishment. Manufacturers can run CRM-enabled marketing campaigns which are highly cost effective. Consumer goods manufacturers deal with the retail trade. They use CRM to help them develop profitable relationships with retailers. Through an extensive use of IT, banks are using virtual banking to provide services without any requirement for the physical walk-in-premises. Apart from the common forms of virtual banking like ATMs, electronic fund transfer, magnetic ink character recognition (MICR), a bank like United Bank for Africa (UBA) are using an artificial human called *Leo, the Virtual Banker,* to reach customers and access customers who can chart with the virtual banker on any bank product or service. Also the Nigeria Access Bank Mobile has in-built mechanism that once you transact on mobile there is a question for the customer to report any issue with the transaction. Accordingly, CRM helps organizations understand costs-to-serve, issues with using a particular product/service and customer profitability by deploying relevant IT solutions like artificial intelligence (AI). AI can be a great solution for to deal with complex data over time and interact between different customer behaviors that can be difficult for people to handle. AI can also look at a variety of data, including new sources and interactions between behaviors to determine risk and by so doing organizations can use AI analyses to recommend likely better offer that can most likely retain a valuable customer. Hence, key account management practices are applied to strategically significant customers or customer segments.

Conclusively, CRM activities in modern companies are easily enhanced effectively and efficiently with the application IT tools and methods. Since CRM involves planning, organizing, directing, and coordinating actual and potential customers of an organization, the use of IT tools to generate and manage big data like spread sheet, machine learning, and artificial intelligence will help improve customer data

mining. IT tools and methods are veritable instruments in achieving robust and comprehensive CRM especially in the twenty-first century where customers generate enormous data that are essential to decision making. CRM software enables organizations to handle and coordinate their service-related inbound and outbound communications across all channels. This can enhance effectiveness and efficiency through service cost reductions, improvement service quality, lifting productivity, and increasing customer satisfaction.

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