

# **Influence of Survey on Customer Acquisition for an E-Commerce Venture: A Case Study on Rokomari.com**

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**Abstract:** *Different types of e-commerce companies are using different types of methods for Customer Acquisition. Rokomari.com is the best book selling e-commerce site in Bangladesh. Once it uses a special type of survey questionnaire for customer acquisition. After calculating all the data collected from the survey it is found that there is a positive relation between special types of survey on customer acquisition for an e-commerce company.*

**Keywords:** *E-commerce, Survey, Customer Acquisition, Cash on Delivery (CoD)*

## **1 Introduction**

Electronic commerce is merely recognized as E-commerce. In this busy world, people are very busy these days. Hence, it's safer for them to buy merchandise from a click on staying at home or office table. E-commerce making life somewhat easier in this sensation. That's why it gets very popular day by day. Now a day anyone can not think of a day without browsing the internet or online social network. Hence it is a vital point for the investors and the different types of investors are now investing in E-commerce business. Shopping become easy for the customer for the aid of E-commerce. People need not to go outside to get their products. Going outside for just shopping, it is just a waste of time, effort and cost for the busy customers. E-commerce organization's providing door to door service. The most important character of the door to door service is Cash on Delivery (CoD). Those who provide products on Cash on Delivery are get preferences from those who are not providing that service. For this type of service e-commerce becomes also reliable. Sometimes those organizations send products without any shipping charge which make customers feel that they are getting products at home without an excess price. Different types of organizations are trying to acquire customers by using different methods. Most of them using electronic social media to marketing their product. The leading online book store and e-commerce site Rokomari.com try to find out a new path to customer acquisition. For customer acquisition, Rokomari.com conducted a physical survey where people are randomly selected, who had come to visit the biggest yearly book fair in Bangladesh named as 'Ekuse BoiMela 2015'. The survey questionnaire was technically designed thus it can highlight the operations and services of Rokomari.com. Surveyors choose sample randomly. They elaborately make people understand about the operations and services of the Rokomari.com. The contact number of those people was preserved by the surveyors. The sample count is more than five thousand. After eight months of that first survey, another telephone survey was conducted with some randomly selected people from the people who attended the first survey. From their response analysis shows that there is a positive relation exists for 'Survey' on 'Customer Acquisition'.

## 2 The objective of this study, called

1. To find out the influence of special type of survey on Customer Acquisition
2. To find out the cause of preferring e-commerce shopping rather physically going to a shop
3. To find out the types of people who are willingly using e-commerce sites for their shopping
4. To find out the category of a book reader likes to read other than textbooks.

## 3 Methodology

It is a survey based study. Within a gap of eight months, two surveys were conducted. The first survey population was the people who visited the 'Ekushe Boi Mela 2015' (Central Book Fair in Bangladesh). The first sample size was more than 5000 (Five Thousand) people. 10 (Ten) trained surveyors were employed. They collected the data for 15 (Fifteen) days. Special type questionnaire (schedule) used for this purpose. The second survey was a telephone interview and its population was randomly picked 1200 (One Thousand And Two Hundred) people who were the respondents of the first survey (which was conducted in the 'Ekushe Boi Mela 2015'). Telephone surveyor can reach and interact only 930 out of those 1200. Regression analysis used for obtaining answers.

## 4 Literature Review

According to Zheng Qin, E-commerce refers to various online commercial activities focusing on commodity exchanges by electronic means, Internet in particular, by companies, factories, enterprises, industrial undertakings and consumers. A large number of well know organizations and corporations also have their own definitions of e-commerce. For example, ISO defines e-commerce as: It is the general term for exchange of information among enterprises and between enterprise and consumers. The Global Information Infrastructure Committee defines it as the economic activities using electrical communications, with which people can purchase products, advertise goods and settle. The following are definitions given by transnational corporations, Intel, IBM and HP respectively.

Intel: E-commerce = electronic market + electronic trade + electronic service

IBM: E-commerce = information technology + web + business

HP: E-commerce is to accomplish commercial business by electronic means.

Since e-commerce is a brand new science, it is not at all surprising that there are various definitions about it. In addition, a premature uniform definition of e-commerce may show the development of e-commerce. E-commerce shall be social, economic activities between social principal parts by taking advantages of computers and network (Zheng Qin, 2009).

Customer acquisition is the process or achievement of gaining new customers (Dennis Lock, 1998). Customer acquisition is the process of attracting prospects and turning them into customers. This is often done by advertising and word of mouth, as well as by targeted marketing (Gordon S. Linoff, Michael J. A. Berry, 2011). There are two ways to define customer acquisition. The acquisition transaction perspective says that customer acquisition ends with a customer first purchase. The acquisition process perspective states that acquisition includes the first purchase as well as other non purchase encounters that both precede and follow the purchase, up until the time the customer makes the repeat purchase (Robert C. Blattberg, Gary Getz, Jacquelyn S. Thomas, 2001).

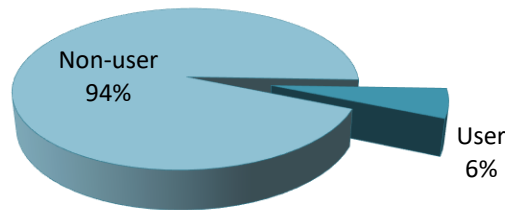
## 5 Limitation of the Study

The study, based on the survey. At the time of survey random sampling method used. Different people come from different district of the country. So different people buying habit, accessibility on the internet, the educational level are different. In Bangladesh there is a limited internet connection in the rural regions. In the sample many of them don't know what is internet or e-commerce. Many of them know about internet and e-commerce, but still they have not enough faith in e-commerce companies. Time and cost constraints are two other limitations of the study. Some respondents were in very hurry thus they gave some ready made answers.

## 6 Result of the Study

01. From the study it is found that there is a significant influence of Survey on Customer Acquisition. Where,

Population Become	Frequency	Percent	Valid Percent	Cumulative Percent
User	53	5.698	6	6
Non User	877	94.301	94	100
Total	930	100	100	



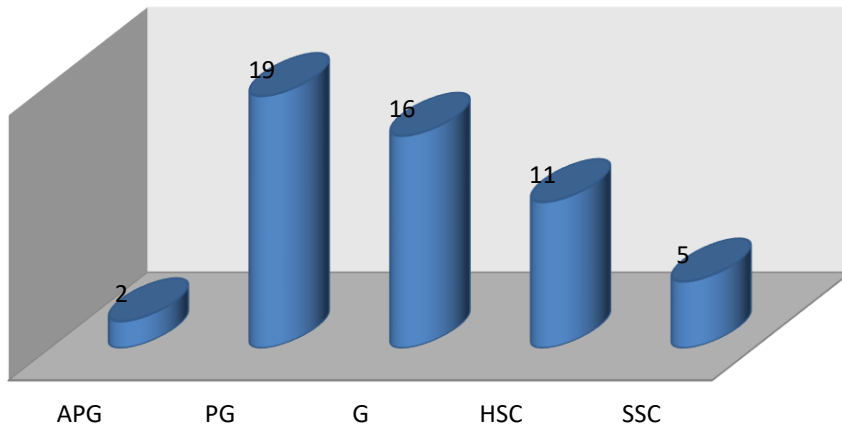
02. People prefer to use e-commerce site due to Less Hassle. Where,

Preference Cause	Frequency	Percent
Less Hassle	13	24.53
Reliable	9	16.98
Available	11	20.75
Reasonable Price	4	7.55
On time Delivery	7	13.21
Good Quality	9	16.98
Total	53	100.00



03. Educated, specifically Post Graduated peoples like to use e-commerce site for buying books. Where,

Qualification of Respondent	Frequency	Percent
Above Post Graduate (APG)	2	3.77
Post Graduate (PG)	19	35.85
Graduate (G)	16	30.19
Higher School Certificate (HSC)	11	20.75
Secondary School Certificate (SSC)	5	9.43
Total	53	100.00



4. People like to read Novel related books other than textbooks. Where,

SI No	Preferable Types of Books	Frequency	Percent
1	Novel	138	14.83
2	Short Story	136	14.62
3	No preference	112	12.04
4	Science Project Book	86	9.25
5	Literature	67	7.2
6	Poem	63	6.77
7	Science Fiction	57	6.13

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8	Thriller	36	3.87
9	History	35	3.76
10	Islamic	33	3.55
11	Detective	30	3.23
12	Children's book	15	1.61
13	Romantic	14	1.51
14	Biography	12	1.29
15	IT related	10	1.08
16	Adventure	10	1.08
17	Translate	9	0.97
18	Jokes	9	0.97
19	Academic	8	0.86
20	Dramatic book	6	0.65
21	Political	6	0.65
22	Research book	6	0.64
23	Travel	6	0.64
24	Math	5	0.54
25	Dictionary	5	0.54
26	Freedom war	5	0.54
27	Law	4	0.43
28	Cookery book	4	0.43
29	Comics	3	0.32
Total	930	100	

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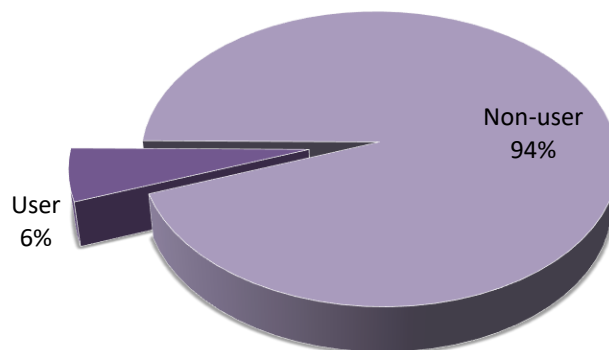
*(Data from both e-commerce user and nonuser)*

## **7 Discussion**

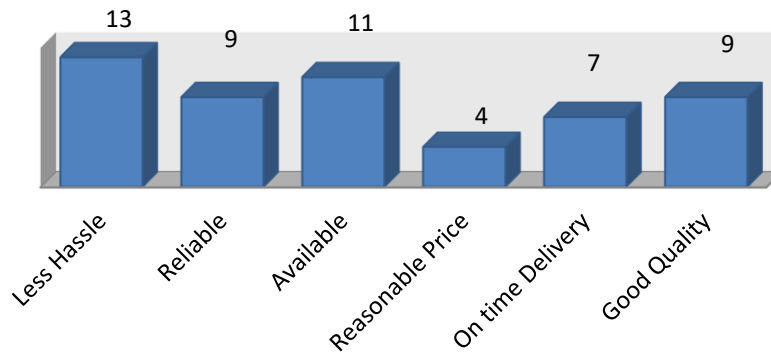
Now the E-commerce sector is growing in Bangladesh. Dissimilar types of E-commerce are trying to do business here. In Bangladesh Rokomari.com is the largest e-commerce site in the field of Bookselling. It started out the journey on 19th January 2012. It has specialization on books. More than 100,000 books are listed on the www.rokomari.com website. Different types of books, e.g. Novel, Short Story, Science Project Book, Literature, Poem, Science Fiction, Thriller, History, Islam, Detective, Children's book, Romantic, Biography, IT related, Adventure, Translate, Jokes, Academic, Dramatic book, Political, Research book, Travel, Math, Dictionary, Freedom war, Law, Cookery book, Comics. No other web site, library or e-commerce other than Rokomari.com is so rich to bear out the customers. Books are arranged on the website so beautifully thus anyone can easily find out his required books within a minute. If anyone finds out his book on the website then just with few clicks he can place an order to get the books. After placing the order, the customer has to wait for 2 to 7 days (varying in distance) to get the required books. The most interesting part of the trade is that the customer can pay Rokomari.com after getting the books at his door. This service is named CoD (Cash on Delivery) by Rokomari.com. A delivery man from Rokomari.com do the CoD deal with customers in a decent manner that he or she delighted with Rokomari.com. It has a strong customer care team, which is always ready to support the valued customers of Rokomari.com. On-line branding-marketing team

tries to reach each an every online user who are potential customers of Rokomari.com by using online advertisement, Facebook advertisement, SMS, email, etc. Off-line or physical branding-marketing team tries to reach those potential customers those who don't frequently use the internet. Both online and offline branding-marketing teams agreed to perform a new experiment for customer acquisition. They designed a survey questionnaire such a way which is highlighted the services and different facilities provided by the Rokomari.com. They tried to understand that, is there any positive relation of that survey on the customer acquisition. Besides these they collect general data about the respondents. They use the questionnaire on the biggest book fair held in Bangladesh in the year of 2015; "Ekuse Boi Mela 2015". Trained surveyors surveyed more than 5,000 respondents. The main purpose of the surveyors was to inform about the Rokomari.com and its services to the visitors who have already bought books from that Book Fair. Those who already know about the Rokomari.com are just filled up the questionnaire as usual. After eight months of the first survey, another telephone survey was conducted on a random sample of the first survey respondents. Among the 1,200 samples only 930 respondents were reachable.

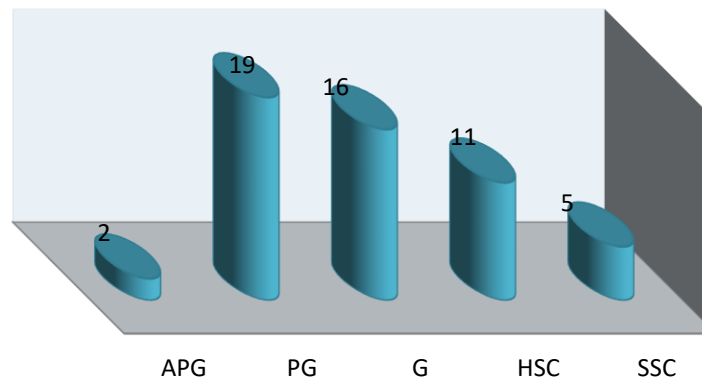
From these 930 second time respondents they found that only 53 has become their customers and 877 don't become their customers. 53 person's become Rokomari.com's customer because of the less hassle, reliability, availability, reasonable price, on time delivery, good quality product. Now they buy books frequently. The Rokomari.com site is so friendly that anyone can find out his desired book within 2 to 3 minutes.



From the second survey it is found that those who are become user of Rokomari.com are mainly used online system due to less hassle. They are saying that it is very easy to use the web site. Doing order and payment system (CoD) is very convenient. If the product quality is not acceptable to them, then it is easy to return. This installation is called 'Happy Return' by Rokomari.com. Besides these Rokomari.com is a reliable source of quality books. If people are going to buy books on local library, then there is a chance to get apirated book. In these circumstances Rokomari.com is the best option because it never sells pirated or photocopy books. Some people are interested to buy books from the Rokomari.com due availability of Books. No other book store in Bangladesh other then Rokomari.com has a huge online collection of more than 100,000 books. At a time a customer can reach on the list of more than 100,000 books and can choose which book he or she wish to buy. Some user expressed their opinion that from Rokomari.com they can buy books at a reasonable price compared to surrounding circumstances. Some users praised Rokomari.com due to its on time Delivery (within 2 to 7 days) to the customers.



The most interesting part is that mostly the educated person's are highly interested to buy from Rokomari.com. Educated, specifically Post Graduated peoples like to use e-commerce site for buying books. But from the data it is found that the Above Post Graduate (APG) people are buying less than the Post Graduate people. After analyzing that matter very carefully Rokomari.com found that in its site there is a shortage of research related books, journals and articles. Above Post Graduate (APG) peoples look for those things specially.



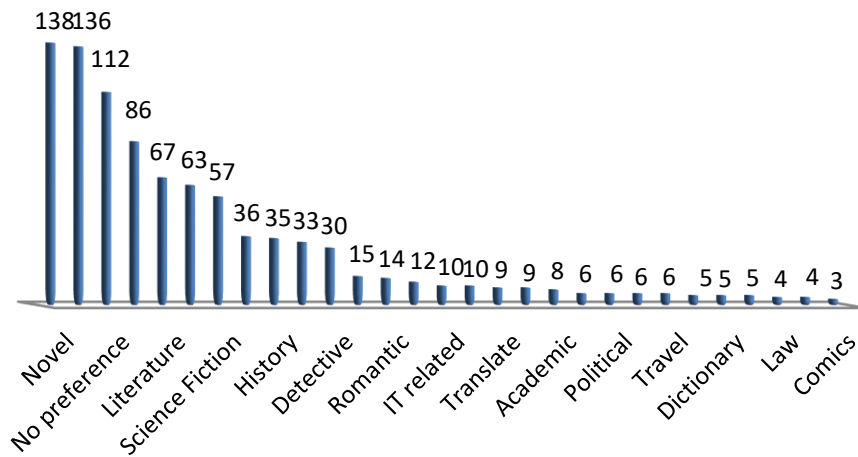
From the second survey a good picture about readers come in front of Rokomari.com. Readers' tests of reading can be found in three categories.

First Category: Novel, Story, Science Project Books, Literature, Poem, Science Fiction

Second Category: Thriller, History, Islam, Detective

Third Category: Children's Books, Romantic, Bibliography, IT Related, Adventures, Dramatic Books, Politics, Research Books, Travel, Math, Dictionary, Freedom war, Law, Cookery Books, Comics

But there are a good percentage of people who have no specific interest of reading books. They read what they get. They wish to read all types of books.



## 8 Analysis

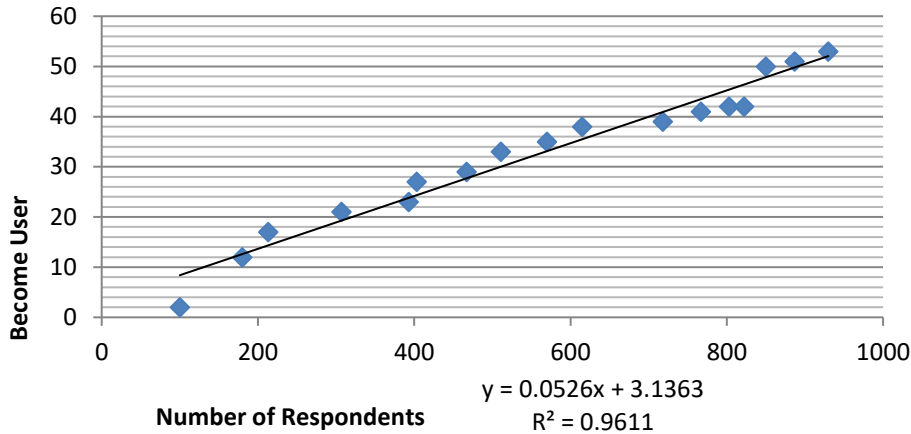
After aggregation of 930 person data randomly some point chosen to look into how many of the become user and non user. Those dates are listed below:

After talking with	Number of Respondents	Become User	Number of Non User
Point, A	100	2	98
Point, B	180	12	168
Point, C	213	17	196
Point, D	307	21	286
Point, E	393	23	370
Point, F	403	27	376
Point, G	467	29	438
Point, H	511	33	478
Point, I	570	35	535
Point, J	615	38	577
Point, K	718	39	679
Point, L	767	41	726
Point, M	803	42	761
Point, N	822	42	780
Point, O	850	50	800
Point, P	887	51	836
Point, Q	930	53	877



Following type of graph found from the above data. Where “Number of Respondents” put on the “X” axis and “Become User” put on “Y” axis. If we want to try to draw a straight line on connecting the above points then can find that the four points are exactly on the straight line. Other points are closetoit. Computing the values we set out the equation of Straight line is,

$y = 0.052x + 3.136$  that means the number of users are dependent on the surveys which is only 5.2% and indicates a positive slope. Where,  $R^2 = 0.961$



### Customer Acquisition Cost (CAC):

Expenses:

- Number of Surveyors = 10 Persons
- Number of Working Days = 15
- Amount Expensed Per Person = 300Tk/day
- And then,
- The Total Cost =  $10 * 15 * 300$   
= 45,000tk

The respondents from the first survey = 5500

*The (Possible) Number of Customers*

$$\begin{aligned} \text{Ordered} &= 0.052 * 5500 + 3.136 \\ &= 289.136 \end{aligned}$$

$\approx 289$

$$\begin{aligned} \text{Customer Acquisition Cost} &= \frac{\text{Total Cost}}{\text{Number of Customers Ordered}} \\ &= \frac{45,000}{289} \\ &= 155.71 \\ &\approx 156 \end{aligned}$$

So, the cost to acquire each customer is 156TK using this special type of survey methods.

Now keep in mind that Rokomari.com must consider the Life Time Value (LTV) of its acquired customers and must compare with Customer Acquisition Cost (CAC). Rokomari.com.com should keep in judgement that

the result of  $LTV \div CAC$  is must be more than 1 (one). There is no accurate standard about this ( $LTV \div CAC$ ) result, but it is a good sign for a startup company, if that result is at least 3 (Three).

## 9 Suggestions:

There are a lot of ways to service improvement by Rokomari.com. Rokomari.com should increase collection of research related books, Journals, etc. for attracting more above Post Graduate people. It can present the e-book facility on its internet site. It will be better for Rokomari.com if it can introduce within 24 hours delivery system, so its user can experience better service rather than buying from a book shop or a library. It has to compare with different customer acquisition ways cost and carry through the fruitful ways. If possible Rokomari.com should not charge any delivery cost to increase the client satisfaction.

## 10 Conclusion:

Customer acquisition is not so easy task in this shifting world. Therefore, different companies are encountering many new ideas for customer acquisition. Many big companies are investing in it. Not only acquisition, but as well they are emphasizing on retention of own customers. For customer acquisition and retention of them may be fruitful if people use special types of survey methods.

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