CHAPTER 3
THEORETICAL FRAMEWORK

3.1 The theoretical framework

This chapter confers the theoretical framework of the study. The framework attempts to examine the interrelationships among technology readiness (TR), E-Service Quality (e-SQ), and e-shopping behavior (e-SB). One customer-specific variant that is especially relevant for understanding e-shopping behaviors is *Technology Readiness*, defined as “people’s propensity to embrace and use new technologies for accomplishing goals in home life and at work” (Parasuraman 2000). Another construct considered in the study, is customer perceived E-Service Quality of online store, which can be defined as “overall customer evaluations and judgments regarding the excellence and quality of e-service delivery in the virtual marketplace” (Santos, 2003). The third aspect of the study is to analyze the e-shopping behavior of customers. *Online shopping behavior (also called online buying behavior and Internet shopping/buying behavior) refers to the process of purchasing products or services via the Internet.* The process consists of five steps similar to those associated with traditional shopping behavior (Liang and Lai 2000).

The existing literature remains insufficient to provide a conceptual model consisting of three major constructs i.e. Technology Readiness (TR), e-service quality (e-SQ) and e-shopping behavior (e-SB). This study proposed that these three constructs are interrelated to each other. Each of these constructs has sub component: TR has four components; e-SQ also has multiple dimensions and e-SB can be examined from different perspectives.
3.2 Conceptual Model Framework

FIGURE 3.1: CONCEPTUAL MODEL FRAMEWORK

Source: Compiled by the researcher based on literature review.
3.3 Dimensions of the conceptual model

3.3.1 Technology Readiness

Technology Readiness of customers in Indian context was measured using Technology Readiness Index (TRI) scale developed and validated by Parasuraman(2000). The scale provides measures on four technology readiness dimensions – optimism, innovativeness, discomfort and insecurity. The five items relevant to the study measuring each dimension was adapted from the scale. The TRI is a copyrighted instrument. However, Parasuraman, A. and Charles Colby, (President Rockbridge Associates, Inc. and co-developer of TRI) granted permission to use the instrument for academic use on July 5, 2011. (Appendix B). The following are the four dimensions of technology readiness of customers:

1. **Optimism** - A positive view of technology and a belief that it offers people increased control, flexibility, and efficiency in their lives.

2. **Innovativeness** - A tendency to be a technology pioneer and thought leader.

3. **Discomfort** - A perceived lack of control over technology and a feeling of being overwhelmed by it.

4. **Insecurity** - Distrust of technology and skepticism about its ability to work properly.

3.3.2 E-Service Quality

In this study, the customer’s perception about E-Service quality of online stores was measured using various measurement scale items adopted from prior studies. Modifications were made to the scale items to fit the
purpose of the study. From the literature review following eleven dimensions was considered to measure e-service quality of online store:

1. **Reliability**: Refers to the ability to perform the promised service accurately and consistently i.e. (having items in stock, delivering what is ordered, delivering when promised, trustworthy for online payment)

2. **Responsiveness**: Relates to quick response and the ability to get help if there is a problem or question. It takes care of prompt confirmation from online stores and clear return policies.

3. **Access**: This refers to ability to get on to the website quickly and to reach the online store when needed. Also referred as system availability, means the correct technical functioning of the online store website and customer service accessibility all the time.

4. **Flexibility**: Refers to availability of various options to choose from. Choices of ways to pay, ship, buy, search for, and return items.

5. **Ease of use**: Refers to the functions that help customers find what they need without difficulty, has good search functionality, and allows the customer to maneuver easily and quickly back and forth through the web-store pages. Also helps the customer to complete the transaction quickly and easily.

6. **Efficiency**: This refers to the ease and speed of accessing the online store site. Site is simple to use, structured properly, and requires minimum information as input by the customer. Offers time saving and efficient way of shopping.

7. **Assurance & Trust**: Refers to confidence the customer feels in dealing with the online store considering the reputation of the web-store and quality of the products or services it sells, as well as clear and truthful information presented about its offerings.
8. **Security/Privacy**: Refers to the degree to which the customers believe that the online stores are safe from intrusion and that their personal information is protected.

9. **Price Knowledge**: It means the extent to which the customer can determine comparative prices, shipping price and total price during the shopping process.

10. **Site Aesthetics**: Refers to appearance of the website of online store. The deficiency of website design can result in a negative impression of the website quality to the customers, and customers may exit the purchase process.

11. **Personalization**: Refers to how much and how easily the online store offers can be tailored to individual customers’ preferences, histories, and ways of shopping. This covers empathy dimension of SERVQUAL model as care and individualized attention provided to customers via electronic channels.

### 3.3.3 E-Shopping behavior

Online shopping behavior of the customers was measured using various measurement scale items adopted from prior studies. Modifications were made to the scale items to fit the same in online shopping scenarios in Indian context. The e-shopping behavior is measured through customer’s behavioral intentions and their satisfaction.

1. **E-shopping behavior**: This refers to whether customers search for and buy the products online. It analyses customer’s overall perception about online shopping.

2. **Satisfaction**: Refers to customer’s total prior experience with an online shopping process. It is customer’s perception and
evaluation of online shopping process performance in terms of fulfillment of expectations, values and goals.

The model used in the current study attempts to examine the impact of Technology Readiness (TR) and E-Service Quality (e-SQ) on e-shopping behavior (e-SB).