CHAPTER – I
INTRODUCTION AND DESIGN OF THE STUDY

Online shopping is becoming accepted way to purchase various types of goods and services (Donthu, 1991). Though a computer mediated shopping environment, online retailers have attracted consumers by offering a reduction in search costs for products and product-related information (Janssen and Moraga, 2000; Shanker et al., 1999). Attendant with the exposure in internet shopping is tremendously increasing interest in e-commerce research, particularly with respect to e-shopping attributes. The technology of e-commerce determines what can be offered to customers, but only customers determine which of those technologies should be accepted. The key to success for e-commerce lies in knowing customers.

The customers need; value and cost play an important role in the determination of customer satisfaction. The customers’ satisfaction develops through new recognition, information search, information evaluation, purchase decision and post purchase evaluation (Cheston, 2001). The customers needs have two dimensions namely utilitarian and hedonic (Solomon, 1999). The needs of the customers have to be properly assessed and fulfilled by the marketers in online marketing.

In online shopping the customer value is often held dear to many customers hearts. Values affect customers in determining evaluative criteria. The customer value reflects the ratio between perceived benefits and perceived sacrifices (Morroe, 1990). A reduction in customers cost may be a real contribution of providing the total value to the
customers (Best, 1997). The total cost (e.g. time and risk) as well as price will have an impact on the customers evaluation of alternative offerings and customers satisfaction. (Raval and Gronroos, 1996).

For marketers, online marketing offers a new market place through which to exact the product purchase and delivery process in addition to a physical market place. The major benefits of online marketing to the marketers are 24 hours, 365 day opening; lower costs; efficiency gains; extended market reach; quick adjustments to market conditions; to motivate the customers for more purchases; and improved customer service (Kotler, 2000; Skyrme, 2001). But the online marketing is subjected to lack of physical contact, website and customers, difficulties to capture customers attentions, staggering volume of information and; more upscale and technical orientation (Cox and Dale, 2001). The online marketers have to be very careful in the estimation of customer needs and deliver the goods and services according to the need of their customer.

**Need for the Study**

The proliferation and rapid advances in technology based systems, especially those related to the interest, are leading to fundamental changes in how companies interact with one another and with customers. Indeed, selling products and service via the internet is agreed to have enormous potential, and e-commerce has received enormous pressure, speculation and criticism. The internet technology has the potential to alter almost every aspect of business operations. As a result, it is necessary to take a multidisciplinary approach for understanding the customers and marketers view on online
marketing since the online marketers act as intermediaries between the customers and producers of goods and services. It is shown in Figure 1.1.

**Figure 1.1**

Since, the online marketers, producers and consumers are interlinked with each others, it is imperative to analyze the consumers and marketers perception on various aspects related to online marketing. Hence, the present study has made an attempt on these aspects.

**Statement of the Problem**

In the case of online marketing, there is no direct personal meet of the marketers and consumers. Hence, the marketers have to be careful in the determination of the customers’ expectations and perception on various aspects related to the products and services in online marketing. They should be aware of the factors leading to their attitude towards online marketing. At the same time, the marketers should know their strengths and weakness in online marketing. If not, there will be a lot of service failure. Nowadays, the handling of service failure in online marketing has received increasing attention. Furthermore, despite the phenomenal growth in electronic commerce in general and
online marketing in particular, research has yet to examine the role of service recovery management. The online marketing is subjected to some issues like credit card security, privacy, on-time delivery and ease of navigation. The ability of the consumers to exit a relationship with their marketers is very easy and frequent in online marketing. Hence the service quality of the marketers is an important as ever in this realm. Indeed, the technological changes in the world lead to ever changing environment in the online marketing. Hence, the marketers have to be vigilant in knowing all these changes and prepare to accompany the changes in online environment.

**Review of previous studies**

There are so many studies related to e-commerce, adoption of e-commerce, factor influencing that adoption, impact of adoption and the customers perception on the uses of e-business. The study has reviewed so many studies related to the above aspects. The reviews are summarized below.

**1. Service Quality in Online Marketing**

Ozment and Morash (1994) revealed that delivering quality in services has been shown to be an important strategy for marketers who are typing to differentiate their service offering by establishing customer value and satisfying customer needs.

Slywotzley and Morvison (2001) recognized the issue of service quality is strategically important with managers of companies with a web presence, as more and more customer are taking the plunge and engaging with companies over the interest.
Katz (2001) identified that as the internet retailers gain more experience, they realize that customers are concerned with the process of how the service is delivered, along with the outcome of the service.

Holloway and Beatty (2003) revealed the importance of online retailing in promoting the customer loyalty and retention. They also found the interaction of the consumer and the website.

Yoo and Donthu (2001) identified that e-service quality provide an adequate framework for measuring website interactivity but have failed to look at the broad picture that e-service quality is more than just how a customer interacts with a website. E-service quality relates to customer perception of the service along with recovery perceptions if a problem occurs.

Smith (2007) pointed out that the main concern for consumers is in website interactivity is the delivery of the desired product or service. Consumers place an important emphasis on the outcome of the service, and if an e-retailer fails to deliver the product or service in the manner desired, then provision evaluations of website interactivity will mean very little in the evaluation of e-service quality.

Dabholkar et al., (2000) showed that the majority of customers surveyed were dissatisfied with recovery attempts in web marketing. This dissatisfaction affected intention to repertoire a company’s website. Recovery measures are extremely important with online service quality because consumers are just one click away from switching to another e-retailer.
2. Customers’ Satisfaction in Online Marketing

Zeithamal, et al., (2002) stated that customer expectations are not well formed in e-service quality. This odd further support that perceptions and reasoned action should be the basis for measuring e-service quality.

Mentzer, Flint and Hulb (2001) model for logistics service quality is a good reference for conceptualizing model for e-service quality because, similar to logistics customer, online customer require information quality and ease of ordering the process, along with order condition and accuracy in the outcome of online transactions.

Bienstock et al., (1997) have shown that when a service provider and service customer are physically separated, it has a significant impact in the criteria used to evaluate the service quality. The ability to handle question, concerns, and frustrations from that customer is essential to the customer perception on e-service quality.

Mohr and Bitner (1995) demonstrated that service recovery has a direct relationship with factors such as a trust, repurchase intention, commitment and word of mouth, which all play a crucial role in success for e-retailers.

Wolfinbarger and Gilly (2002) has shown that privacy plays a crucial part in the evaluation of an online service. The concept of privacy refers to companies not sharing information with third parties unless the customer gives permission. It includes the security of sensitive information between the customer and company. In addition, this includes providing visual symbols; so the customer feels a secured connection is being achieved.
Waite and Harrison (2002) showed how information accuracy played a crucial part in the evaluation of airline website quality. In addition, information accuracy has been shown to affect the perceived quality of financial, retail and sporting web sites.

Fram and Crady (1995) identified that the ease of use is considered as one of the most important factors to customer on the internet. This concept has been characterized as the customer ability to use as few “clicks” as possible. It also includes the issue of navigation, effective search engines, the ability to easily change or cancel an order, and the ability to inform customer of missing information.

Barwise et al., (2002) mentioned that they do not believe that the internet changes the fundamentals of marketing. Existing literature in off-line service recovery is still highly relevant to online services, and they see no need to discard validated and empirically supported research.

Collier and Carol (2006) found that the customer in web marketing evaluate process of placing an order by evaluating the design, information accuracy, privacy, functionality and ease of use of web site. The process quality affects their perceptions of the outcome quality of transaction. The quality of the transactions’ outcome subsequently affects satisfaction evaluations. In the event of a problem, how the e-retailer handled the service recovery had a positive impact on satisfaction.

3. Marketing strategies in online marketing

Varadarajan and Yadav (2002) systematically describe how strategic marketing variables are altered when electronic markets are considered that some strategic tenets
will reduce in both physical and electronic markets. However, some characteristics of electronic market places imply that the strategic landscape will evolve.

Sawhney and Zahim, (2002) describe an approach for managing the relationship that an organization has with multiple share holders, including customer, employees, channel partners, and suppliers. Specifically, organizations now have an opportunity to use information technology and information systems to make closer connections with their partners.

Balasubramanian et al., (2002) explored the implications of mobile commerce. They describe how wireless technologies have been with us for many years. As in all areas of information technology, the underlying technology of m-commerce is in constant flux. To bring a imbalance of order to this area of inquiry, they identify a number of key characteristics associated with m-commerce, including the fact that at least one of the communicating parties has to be on the move.

Zeithaml et al., (2002) focused on key differences between service quality (SQ) and electronic service quality (e-sq). They identified that the traditional service quality may not be important in the case of e-sq. The additional dimensions such as navigation, flexibility, efficiency, site aesthetics and security are required to add with the traditional service quality to implement the electronic service quality. The electronic service quality appear to involve more cognitive processing than emotional evaluation.

Stewart and Pavlou (2002) analyze how interactive media require the development of new measures of communication effectiveness. Interactive media are
characterized as multi way, immediate and contingent. (the response of one actor follows directly from the response of another actor). They included the perceived ease of use, perceived security, perceived privacy, speed of interaction and perceived playfulness to analyze the interactive media.

Pan et al., (2007) took an empirical study on the price dispersion in online markets. They found that online price dispersion is persistent, even after controlling for e-toiler heterogeneity. They found evidence that online markets are not especially competitive from a pricing perspective.

Reibstein (2002) speculated that the factors that initially draw a buyer to a website might not necessarily be the ones that motivate those same buyers to return. The findings indicate that repeat buying is more like for specific product categories like small ticked items such as music or books. It also indicates that customer service support is the key variable that explains whether a buyer intends to remain loyal to an economic shopping site.

4. Success factors in online marketing

Narayandas et al., (2002) identified several reasons for success of internet marketing. These are low prices, expedited delivery, long term relationship with customer, truly transactional approach, quick service with relatively little expense and customer satisfaction.

Brynjolfsson and Smith (1999) found that lower prices being charged in on-line than in traditional outlets. They also found much wider price dispersions being offered
for the same product that in traditional retailing. They speculated that this might be the result of greater differences in non price attributes and services; hence, price plays a less important role in the consumer choice process.

Alba and Hutchwison, (1997) believed that price sensitivity would be lower in online than in traditional outlets when the non price attributes or quality attributes are of greater importance. When the products are relatively comparable, the price, of course, will play a greater role.

Ariely and Carmon (2000) contended that a crucial part of the purchasing experience occurs at the end of the purchase process, when critical factors influence one’s likelihood of returning to the same site. This argument would contend that the fulfillment aspects of the purchase process might play a greater role than the level of information provided or the amount of choice that is available to the customer.

Reibstein (2002) identified the important attraction for online marketing among the customer as ease of ordering, product selection, product information, product prices, navigation, on time delivery, product representation, customer service, privacy policies and shipping and handling. The factors affecting likelihood to buy again from merchant are customer support, on-time delivery, product presentation, posted privacy policy, ease of ordering, product information, website navigation, product selection and price.

Simms David (2002) identified five unique elements fundamentals to determining satisfaction in an online experience including navigation, content, aesthetics, customer
service and the buying experience. Apart from that the determinants of e-satisfaction are convenience, site design and financial security.

5. Service failure in Online Marketing

Holloway and Beatty (2003) listed the type of service failures experienced by the customer in e-retailing are delivery problems, website design problems, payment problems, security problems, problem with product quality and customer service problems. Only 54.2 percent customers choose to complain to the company about its service failure. Only 42.5 percent of complained customers were satisfied with the company’s recovery effort.

Kalyanam and Intyre (2002) attempted to exhibit the extent to which e-marketing will cause changes in long accepted marketing practices such as the marketing mix. They identified the internet remains a vibrant marketing tool. They proposed the e-marketing mix which includes new element such as personalization, privacy policy and website design.

Haubl and Trifts (2000) noted that the availability of sophisticated interactive decision aids in online buying environments is likely to alter how consumers search for product information and make purchase decisions.

Lynch and Ariely (2000) showed that lowering buyers’ search cost for information on product quality is conductive to lowering buyers’ price sensitivity when products are differentiated. Such efforts serve to highlight sellers’ need to adapt to
changes in buyers’ information search and buying behavior as a consequence of changes occurring in the buying environment.

Rice (1997) surveyed visitors to 87 websites to determine factors that would induce revisit. His measures included good content/information which was the primary driver of revisit, and enjoyable experience on the first visit which was the second most important driver.

Liu and Arnett (2000) surveyed web masters for fortune 1000 companies to ascertain the factors critical to website success with customers. Five factors or dimensions were measured and found to be key. First quality of information consists of relevant, accurate, timely, customized and complete information presentation. Second factor involves quick response, assurance, empathy, and follow-up. Third, system use includes security, correct transactions, customer control on transaction, order-tracking facility and privacy. Fourth, playfulness perceived by customer is determined by customer sense of enjoyment, interactivity, attractive features and enabling customer concentration. Finally, design of the web site system/interface involves organized by per links, customized search functions, speed of access and ease of correcting errors.

Yang et al., (2001) identified and measured six dimensions of consumer perception of service quality 1) ease of use which includes user friendliness, loading / transaction speed, search capability, and easy navigation; 2) content contained on the website, particularly information that matches the needs of the consumer, 3) accuracy of
content; 4) timeliness of response; 5) aesthetics, involving attractiveness of the site and
catalog pictures and 6) privacy.

Lociacono et al., (2000) established a scale called WEBQUAL with 12
dimensions information fit to task, interaction, trust, response time, design, intuitiveness,
visual appeal, innovativeness, flow, integrated communication, business processes and
substitutability.

Parasuraman and Colby (2001) found that there is a strong association between
customer technology readiness and web behaviors, which seem to be correlated with
customer demographics and psychographics. There is a positive association between
technology readiness and e-service quality and there is a direct impact of customer
specific attitudes on e-service quality.

6. Online Marketing behavior among the marketers

Grewal et al., (2001) found that motivations related to efficiency and the quest for
legitimacy (an institution – driven factor), together with the organizations’ abilities
related to learning and information technology, affect the degree of organizational
participation in business-to-business electronic markets.

Srinivasan et al., (2002) studies the antecedents and implications of technological
opportunism, defined as an organizational ability to sense and respond to new
technologies, in the context of e-business adoption.

Zabin (2001) delineated the intensity of e-business adoption in firms as
communication process (the flow or exchange of information) occur in any of three
within business unit, with customers, and with suppliers, internal administration processes (conducting a range of activities pertaining to financial and managerial accounting, human resource and employee benefit management, travel reimbursement), order taking process (the facilitation of customer related transactions, either to customer or to other businesses) and procurement processes (linking with suppliers to purchase input materials).

Kohli and Jaworski (1990) mentioned that the top management attitude towards change significantly influences adoption process. That e-business adoption now constitutes a core component of the strategic planning process in many businesses. Since top management plays a central role in shaping organizational strategies, the role of top level management in the e-business context is likely to be significant.

Sinkula et al., (1997) identified that the implementation of e-business adoption depends upon the absorptive capacity of the firms. These are the quick recognition of new developments in the e-business arena, an understanding of how e-business initiatives can augment, existing operations, and a continuous scanning of the environment for successful implementation of the e-business.

Volgelstein and Jelt (2001) pointed out that the e-business adoption reduce the time to reach customer and speed up responses to customer inquires. It also helped to reduce the cost of material and personnel involved in paper-based communication both within and outside the business unit.
Sandy Chong and Ramaseshan (2005) used the multiple regression analysis to reveal the factor influencing the adoption of e-commerce among the small units. They identified the significantly influencing variables are compatibility, communication amount, customer pressure, age of the firm, perceived level of government support and communication channel. The increase in the above said variables significantly increase the degree of adoption of e-commerce among the small and medium sized enterprises in Australia.

Roger (1995) studied authority innovation decision, where individuals who possess power, status or expertise decision on adoption. The antecedents considered here include top management support, the catalyzing role of operational crisis, and information and organizational architectures.

Gatignon and Robertson (1989) explained the adoption or rejection of laptop computers using explanatory variables that capture the characteristics of the innovation seller, the adopters’ industry, the adopting organization and the adoption decision maker.

Han et al., (1998) pointed that a high consumer orientation should lead to more intensive adoption of e-business initiative in communication processes. Likewise, a customer-oriented business is more likely to focus efforts and resources to satisfy customer needs and to adopt a proactive disposition toward innovation that facilitate efficient customer transactions and robust customer relationship.

Sinha (2006) revealed that the emergence of internet technology has changed the way business is being alone. The application service provider (ASP) business model has
emerged as a new IT outgoing model. It highlights the importance of customer satisfaction, security, service offering, education to the client, pricing strategy and quality of service. It is very important that ASP understand the difference factor that will help them become suitable and competitive. Factors like customer satisfaction in terms of trust and confidence, security and quality of service in terms of reliability, level of support and availability should be studied empirically to understand the importance of these factors.

Jaya Krishna (2006) identified that Business Service Management is a dynamic approach to IT management that aligns IT operations with business goals. It links the IT services to the business goals, minimizing the business risk by proactively managing the technology that the related processes depend upon fixing problems before they impact on users. Both manufacturing and service organizations operating in real time environment should effectively manage their business service levels to minimize the risks in business due to technology failure.

Sowrabh Bhattacharya (2006) identified that logistic management in supply chain has been given sufficient attention over the decades. Companies have adopted models to a great extent to optimize their logistics operations. Reverse logistics gained global attention, its approach and implementation is still sketchy in most of the industries. It also discussed how e-commerce has increased the possibilities of new business models in reverse logistics.

Jaya Krishna (2006) found that the wireless integration to enterprise systems provide remote connectivity and access, while the mobile business process / work flow
management solution connects mobile employees with the core business process of an enterprise using more appropriate hand-held service such as pocket PCS, PDA and mobile phones with capability; the sales and service personal have opportunities to receive work orders at anytime, anywhere and anyway, so business ongoing continues workflow of processes.

Rajesh Kapur (2006) said that the Service Oriented Architecture (SOA) is a contemporary e-business paradigm that offers the punctuality of multiple digital services on the internet in a flexible and reconfigurable manner. He identified that the only constant in e-business is change. The current business environment needs of services that must be deployed globally, across geographical, linguistic and cultural boundaries; SOA has established itself as a means to satisfy some of these needs. Its efficacy depends on its correct implementation.

Subhadip Roy (2005) identified that the online market research has an advantage of economy and quick. At the same time, it consists of disadvantage of traffic and sample size. In case of online surveys, there may be a high degree of homogeneity of the respondent, thus making demographic studies irrelevant. Lastly there is a problem of identification. There is no possibility of identification of person in the case of internet base surveys because the researchers cannot see the respondents and have to depend upon the information provided by the respondents.

Vijayakumar et al., (2005) concluded that the utilization of information technology begins with access to the internet. Net access is to be improved by increasing
the number of PCs and Net hosts. Connectivity is another factor linked with band width availability. Large amounts of band width are necessary at the door steps of the rural population. Various strategies should be developed for rural growth using IT services namely promotion of rural pilot projects. Support for internet service providers in rural areas and spread communication objectives for which institutional support and initiation is necessary.

**Research Gap**

Even though, the previous studies related to the various aspects in online marketing especially the consumers and marketers perception on various aspects related to online marketing, all these works are related to the foreign environment. There is no exclusive study on online marketing environment in the Indian context. Hence the present study has made an attempt to fill up the research gap with the help of proposed research model.

**Proposed Research Model**

The proposed research model is given in Figure 1.2.

**Figure 1.2**

Online Marketing

<table>
<thead>
<tr>
<th>Consumers’ Perspective</th>
<th>Marketers’ Perspective</th>
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<tr>
<td>• Profile of consumers</td>
<td>• Marketers’ profile</td>
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<tr>
<td>• Online shopping behaviour</td>
<td>• EC adoption</td>
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<tr>
<td>• Factors leading to online shopping behaviour</td>
<td>• Role and responsibilities of marketers</td>
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<tr>
<td>• Service quality in online</td>
<td>• Success factors</td>
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Objectives of the Study

Based on the proposed research model, the objectives of the study is given below

1. to exhibit the profile of the customers and their online shopping behavior;
2. to examine the factors leading to online shopping;
3. to analyze the service quality and service loyalty in online shopping;
4. to identify the discriminant factors among the youngsters and elders in online shopping;
5. to show the profile of the marketers in online marketing;
6. to analyze the electronic commerce adoption among the marketers and its correlates;
7. to examine the marketers view on the service quality needed in online marketing;
8. to analyze the various causes for service failure in online marketing;
9. to identify the marketers’ performance in online marketing.

Research Methodology

Research Methodology is the way of systematically solving the research problem. It is a science of studying how research is conducted scientifically. The advanced Learners’ Dictionary of current English lays down the meaning of research as “a careful investigation or inquiry especially through search for new facts in any branch of
knowledge”. Redman and Moray defined research as “looking for new facts in any branch of knowledge”. In the present study, research methodology covers the research design, locale of research, sample and sampling, operation alienation and measurement variables, method of data collection, frame work of analysis and limitations.

**The Research Design of the Study**

The most important problem after defining the research problem is preparing the design of the project report, which is popularly known as the ‘research design’. A research design helps to decide upon issues like what, when, where, how much, by what means, etc. with regard to an enquiry or a research study.

Selltiz et al., (1962) defined, “A research design is the arrangement of conditions for collections and analysis of data in a manner that aims to combine relevance to the research purpose with economy in procedure. In fact, the research design is the conceptual structures with which research is conducted; it constitutes the blue print for the collection, measurement and analysis of data”.

In the present study, the descriptive research design has been administered. Since this research describes the characteristics of the customers and marketers in online marketing, it is concerned with descriptive in nature. Mean while, this study analyze the online shopping behavior and its antecedents, e-services quality, service failure in online marketing, its relationship with the profile of customers and employees, it seems to be diagnostic in nature. Besides, this present study is completely based on determined
objectives, research design sampling, data collection, processing of the collected data and reporting. Hence it is descriptive in nature.

**Sampling Framework of the Study**

The online marketers have been identified by the popular web service provider namely Pronet, Satyam, Aircel and BSNL. Totally, 163 marketers was identified. All 163 marketers have been included as the sampled marketers for the study. From each marketer, five customers id have been collected. Since the responded marketers were only 117, the sampled customers came to 585. Hence the included sampled size came to 117 marketers and 417 customers (Out of 585 customers, only 417 customers responded the questionnaire at a reusable level).

**Source of Data**

Since the present study is completely based on the primary data, two different questionnaires had been used to collect the data. The first questionnaire was meant to the customers in online marketing. The questionnaire was divided to three important parts. The first part covers the profile of the customers whereas the second part includes the online shopping behavior among the customers. The third part of the questionnaire consists of the service quality and service loyalty towards online marketing among the customers. A pre-test was conducted among 30 customers. Based on the response of pre-test, certain modifications, additions and deletions had been carried out.

The second questionnaire is meant for the marketers. It also consists of three important parts. The first part of the questionnaire includes the profile of the marketers
and their e-commerce adoption whereas the second part covers the marketer’s view on the various aspects of online marketing. The third part includes the reasons for service failure and the marketer’s performance. A pilot study was conducted among the 10 marketers. The questionnaire was restructured and redesigned on the basis of the result of pilot study. The final questionnaire has been prepared to collect the data.

**Operationalization and Measurement of variables**

Since the personality of the customers and marketers is the important factor influencing the e-shopping behavior and e-commerce adoption in the business, it is included as one of the profile variables. Since the personality of the respondents is purely subjective in nature, there are some operationalize concepts generated. The concepts and the way in which these variables have been measured are presented below.

The personality of the customers have been measured by their media exposure, sociability, innovation, scientific orientation and computer orientation. The measurements of the variables are shown below

**i) Media Exposure**

The media exposure indicates the level of awareness and usage of various media for their marketing purposes. It has been measured by number of media known, frequency of usage, general utility of the media, marketing utility of the media and belief on the media. The above said variables are rated at five point scale to measure the level of media exposure among the customers.

**ii) Sociability**
The sociability represents the social interaction of the customers. Since the sociability is a prerequisite for the usage of web marketing, it is included in the present study. The sociability among the customers have been measured by social membership, social interaction, attitude towards society and social obligation.

iii) Innovativeness

The innovativeness indicates the level of awareness, understanding and the acceptance of innovation among the customers. The levels of innovativeness among the customers have been measured by the customers’ awareness, knowledge, attitude and expectation from innovation.

iv) Scientific Orientation

The scientific orientation is the level of application of scientific principles in the consumption among the customers. It has been measured by awareness, knowledge, attitude and utility of scientific principles in the maximization of utility among the customers.

v) Computer Orientation

It reveals the knowledge, ownership, usage and updating of computer skills among the customers. It indicates the level of computer application in their day to day life among the customers. It has been measured by the computer knowledge, ownership and frequency of usage and application of computer in marketing among the customers.

vi) Personality of the customers
The personalities of the customers are the summative view on the inner qualities of a customer. In the present study, it includes the level of media exposure, sociability, innovation, scientific orientation and computer orientation. It is measured by the variables in the above said components f personality traits.

**Personal Traits of Marketers**

i) **Economic Motivation**

The economic motivation represents interest of the marketers in their future carrier. It is measured by the level of interest to earn money, most of their life, future development in their business and the belief on future opportunities. The economic motivations among the marketers have been measured with the help of above said variables which are measured at five point scale.

ii) **Scientific Orientation**

The scientific orientation among the marketers indicates the application of scientific management principles in their business. These applications may be related to cost reduction, profit maximization and maximize the service quality in their marketing activities. The scientific orientation among these measured by their belief on the scientific principles, extent of application on it, desire to keep up the pace of scientific development.

iii) **Innovation**

The innovation is constant need for any business to make profit. The level of innovation among the marketers is measured by level of interest in innovation,
introduction of new products, product line and entry into new markets among the marketers.

iv) Market Orientation

The market orientation reveals the customer orientation, competitors orientation and intra organizational function among the marketers. It shows how far the marketers are keeping in touch with customer needs and satisfaction; cope with competitors’ policies and strategies; and the change in organizational setup, according to the need of the modern era. It is measured by the level of cope with customers taste and preferences, towards customers’ satisfaction, organizational communication, organization setup and commitment in the organization.

The personality of the marketer has been measured by the mean score of the variables in it.

Framework of Analysis

For analyzing the data collected during the investigation, the following statistical tools were used based upon the nature of data and relevance of the information required.

1. T-Test

Several hypotheses in marketing are related to any parameters from two different populations. In order to find out the difference between two means related to any parameters, the ‘t’ test has been applied. There is one condition on the nature of data. That is the data related to any parameter are in interval scale. The t-statistics can be calculated by
\[ t = \frac{\bar{X}_1 - \bar{X}_2}{\sqrt{(n_1-1)\sigma^2_1 + (n_2-1)\sigma^2_2}} \times \sqrt{\frac{n_1 + n_2 - 2}{n_1 n_2}} \]

With the degree of freedom of \((n_1+n_2-2)\).

Whereas

- \( t \) = t-value
- \( \bar{x}_1 \) = mean of the first sample
- \( \bar{x}_2 \) = mean of the second sample
- \( \sigma^2_1 \) = variance in the first sample
- \( \sigma^2_2 \) = variance in the second sample
- \( n_1 \) = number of samples in first group
- \( n_2 \) = number of samples in second group

In the present study, the test has been administered to find out the significant difference among the youngsters and elders regarding their perception on various aspects in online shopping and among the lesser and higher experienced marketers regarding the perception on various aspects related to online marketing.

2. Analysis of Variance (ANOVA)

Analysis of variance are used for examining the differences in the mean values of the dependent variable associated with the effect of the controlled independent variables, after taking into account that influence of the uncontrolled independent variables. Essentially, ANOVA is used as a test of means of two or more populations. One way Analysis of Variance involves only one category of variables or a single factor. ANOVA is applied when the categorical variable is in interval scale.
F ratio = \frac{\text{Variance between groups}}{\text{Variance within groups}} \\
\text{is calculated and compared with the respective table value of } \text{F} \left( \frac{(k-1)/(n-k+1)} \right) \text{ degree of freedom whereas } k \text{ – number of groups and } n \text{ – number of samples.}

In the present study, the one way analysis of variance has been used to examine the association between the profile of consumers and their perception on various aspects in online shopping and the profile of the marketers and the perception on various aspects related to online marketing.

3. Multiple Regression Analysis

Multiple regression analysis is used when there is one dependent variable and more than one independent variables. But these independent and dependent variables are in interval scale. The impact of independent variables on the dependent variable is measured with the help of multiple regressions. The fitted regression model in the present study is

\[ Y = a + b_1x_1 + b_2x_2 + \ldots + b_nx_n + e \]

Whereas

- \( Y \) - Dependent variable
- \( x_1, \ldots, x_n \) - Independent variables
- \( b_1, \ldots, b_n \) - regression co-efficient of independent variables
- \( a \) - intercept and
- \( e \) - error term
The multiple regression analysis is applied to find out the impact of service quality in online shopping on the customer’s satisfaction and service quality.

4. Exploratory Factor Analysis

Exploratory factor analysis is a general name denoting a class of procedures primarily used for data reduction as summarization. In marketing research, there may be a large number of variables, most of which are correlated and which must be reduced to manageable level. Relationship among sets of many interrelated variables are examined and represented in terms of a few underlying factors.

If the variables concluded in factor analysis are standardized, the factor model may be represented as

\[ X_i = A_{i1}F_1 + A_{i2}F_2 + A_{i3}F_3 + \ldots + A_{im}F_m + V_iu_i \]

Whereas

- \( X_i \) = \( i^{th} \) standardized variable
- \( A_{ij} \) = Standardized multiple regression co-efficient of variable on common factor \( j \)
- \( F \) = Common factor
- \( V_i \) = Standardized regression co-efficient of variable \( i \) on unique factor \( i \)
- \( U_i \) = The unique factor for variable \( i \)
- \( m \) = Number of common factors.

The unique factors are uncorrelated with each other and with the common factor. The common factors themselves can be expressed as linear combination of the observed variables.

\[ F_i = W_{i1}X_1 + W_{i2}X_2 + \ldots + W_{ik}X_k \]
Whereas

\[ F_i = \text{Estimate of } i^{th} \text{ factor} \]
\[ W_i = \text{Weight of factor score sufficient} \]
\[ K = \text{Number of variables}. \]

The key statistics associated with exploratory factor analysis are as follows:

i) **Communality**

It is amount of variance a variable shares with all the other variables being considered. This is also the proportion of variance explained by the common factors.

ii) **Eigen value**

It represents the total variance explained by each factor.

iii) **Factor Loading**

Factor loadings are simple correlations between the variables and the factors.

iv) **Kaiser-Meyer-Olkin (KMO) measure of sampling adequacy**

The KMO measure of sampling adequacy is an index used to examine the appropriateness of factor analysis. High values (between 0.5 to 1.0) indicates factor analysis is appropriate. Values below 0.5 imply that factor analysis may not be appropriate.

v) **Factor Scores**

Factor scores are composite scores estimated for each respondent on the desired factors.

vi) **Percentage of variance**

This is the percentage of total variance attitude of each factor
vii) Reliability co-efficient

It explains the reliability of the variables in each factor. It is also called as Cronbach alpha.

In the present study, the factor analysis has been applied to narrate variables related to many aspects in online shopping and online marketing.

5. Discriminant Analysis

The discriminant analysis is used to identify the importance of discriminate variables in the discriminate functions. It is applied when the dependent variable is in normal scale and the independent variables are in interval scale. The discriminant analysis model involves linear combinations of the following form

\[ Z = b_0 + b_1X_1 + b_2X_2 + \ldots + b_nX_n \]

Whereas

- \( Z \) = Discriminate Score
- \( b_1, \ldots, b_n \) = Discriminate co-efficients or weights
- \( X_1, \ldots, X_n \) = Predictors or independent variables

The Wilks Lambda was calculated as a multi-variant group difference over discriminating variables. The higher Wilks Lambda indicates lower discriminate power of the variables whereas the lower Wilks Lambda represents higher discriminate power of the variable.

The relative discriminate power of the variables was calculated by
\[ I_j = k_j (\overline{X}_{jk} - \overline{X}_{j2}) \]

Whereas

- \( I_j \) = the important value of the \( j \)th variable
- \( K_j \) = unstandardised canonical discriminant co-efficient of the variable 'j'
- \( \overline{X}_{jk} \) = mean of the \( j \)th variable for the \( k \)th group.

The relative importance of a variable \( R_j \) is given by

\[
R_j = \frac{I_j}{\sum_{j=1}^{n} I_j}
\]

The two group discriminate analysis has been administered to identify the discriminate dimension of various aspects of online shopping and online marketing among the youngsters and elders; and also among the lesser and higher experienced marketers respectively.

6. Confirmatory Factor Analysis

The Confirmatory Factor Analysis has been administered to find out the reliability and validity of the variables in each construct / factor.

Chapterisation

The present study is designed into six important chapters for neat and clean presentation.

The Chapter – I presents the introduction, need for study, statement of problem, related reviews, research gap, research model, objectives, methodology, limitations and chapterisation.

The Chapter – II reveals the various origin, definition and components of various concepts used in the present study.
The Chapter – III consists of the profile of the consumers, online shopping behavior, variables leading to choose online shopping and the discriminant factors among the younger and elder consumers regarding their online shopping behavior.

The Chapter – IV examines the online service quality, and service loyalty in online shopping among the consumers, impact of the service quality in online marketing on the consumer satisfaction and loyalty in online marketing.

The Chapter – V focuses on the marketers view on various aspects related to online marketing namely e-commerce adoption, important role and responsibility of marketers, success factors in online marketing, service quality need in online marketing, variables leading to service failure and marketers performance.

The Chapter – VI includes the summary of findings, conclusions, policy implications and directions for future study.