Chapter 6

CONCLUSION

6.1   Major Contributions of the Study

6.2   Recommendations for Future Work

The previous chapter featured the major findings of this study. In this concluding chapter, a summary is presented highlighting the major contributions of this research work.

6.1 Major Contributions of the Study:

The study has been successful in achieving the objectives outlined at the beginning of the work. As many as 43 e-service quality variables were adapted for the study after extensive literature survey. Online shoppers have given preferences for the e-SQ dimensions and based on it, segments of online shoppers have been outlined.

As seen in Section 3.2 of Chapter 3, the online shoppers surveyed offered their importance within an average of 2.93 and 4.18, where they recorded their preference in an interval scale of 1 (*of little importance*) to 5 (*extremely important*). Higher the mean score of a particular variable, higher is the importance the shoppers assign to it. The study reveals that the sample online shoppers have assigned the highest importance to the e-SQ dimension *ease of cancellation* (mean score 4.18) and the lowest to the *attractive look of the site* (mean score 2.93). Mostly it was found that functional attributes of the shopping site like *provision for rectifying a mistake done* and *ease of cancellation* of an order are the most emphasized e-SQ dimensions for the Indian online shoppers. On the other hand, aesthetic feature like *attractive look of the shopping site* is the least sought e-SQ dimension. Similarly, lower prominence is also attached to personalization features like *maintaining free homepage*, *product wishlist etc*. It is pertinent to note here that *safety* and *security* as well as *privacy* concerns of the online shoppers are not the ones bearing greatest importance. Rather, some functional attributes of the shopping experience are the most admired e-SQ dimensions in online shopping scene of India. The preferences for the e-SQ variables

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also show significant difference across the five cities from where the respondents were taken. Barring only a dozen such variables, all the others seem to be preferred in a significantly different manner by the online shoppers in these five cities.

Thus, it is seen that the e-SQ dimensions adapted from different e-service quality scales can be used for determining the importance assigned by the urban online shoppers in India. The varying preferences for each such dimension are also seen in the study. This achievement ***bridges an important research gap*** in using a comprehensive set of e-SQ dimensions while applying the same on urban Indian online shoppers. The findings of this study give a clearer view of the e-SQ dimensions which are more sought after than some others by the urban online shoppers in India.

Further, it is found (refer Section 4.1) that nine e-SQ factors can be generated after reducing the above mentioned 43 e-SQ variables into meaningful factors by using factor analysis. The e-SQ factors are named based upon the underlying e-SQ variable found prominently in it viz., *Functionality, Responsiveness, Usability, Reliability, Personalization, Empathy, Aesthetics, Tangibility* and *Security*. Based upon these factors, the online shoppers are segmented into five groups using cluster analysis (refer Section 4.2), as mentioned below:

> A. Apprehensive e-Shoppers (*n = 306*)
> B. e-Shopping Enthusiasts (*n = 292*)
> C. Reluctant e-Shoppers (*n = 140*)
> D. Online Value Seekers (*n = 109*)
> E. e-Shopping Pioneers (*n = 17*)

The five segments of urban online shoppers assigned importance to the e-SQ factors in varying degrees. It is also manifested that the mean of the importance attached vary across different segments of shoppers. The presence of pair wise

similarity or dissimilarity is also observed between segments so far as the prominence assigned to the e-SQ factors is concerned.

The 'Apprehensive e-Shoppers' is the largest segment of shoppers with the presence of more than 35% of the total online shoppers. The shoppers belonging to this segment attach the highest priority to the e-SQ factors. Hence, this segment is the most important amongst all the other segments. Their proportion in the city of Bangalore is higher. They have given high priority to the issues arising from security and privacy in online shopping. The segment carries lesser proportion of younger shoppers. Shopping online in order to save time seems to an important concern here.

With a fraction more than one-third of the shoppers, the 'e-Shopping Enthusiasts', the preference for the e-SQ factors is lower than the previous segment of shoppers. Their proportion is highest in Kolkata and lowest in Guwahati. The proportion is also higher amongst lower educational groups of online shoppers. Those with higher family income are also proportionately lower in this segment.

The next segment of shopper viz., the 'Reluctant e-Shoppers' is only about half the size of the previous segment. But the e-SQ preference shows a higher rating than the previous segment. They are more likely to be based in Guwahati and less likely to be in Kolkata. The e-SQ factors of *Responsiveness* and *Empathy* are highly sought after by the shoppers of this segment. Similarly, the 'Online Value Seekers' comprise of just more than 12% of the shoppers and with a e-SQ preference which is lower than the previous three segments. However, the shoppers of this segment exhibit a balanced preference for all the nine e-SQ factors. Their proportion is highest in Guwahati and lowest in Bangalore. The proportion of students and low income shoppers is also on the higher side in this segment. Finally, the last segment of shoppers i.e. the 'e-Shopping Pioneers' is the smallest segment with less than two percent of the total online shoppers.

Hence, the discovery of five segments of online shoppers in urban India fulfills the second objective of the study. It is another novel achievement in view of the fact that such segmentation based on the preference for e-service quality dimensions was not done previously for online shoppers in India. Hence, *it bridges another important research gap* in the literature for online shopping in Indian context.

While delineating the characteristics (refer Section 4.4) of the online shopper segments with respect to the demographic and psychographic variables, striking features (as mentioned in the previous paragraphs) are observed. Highlights of each segment in terms of size of the segment, gender composition, age of the shopper, place of residence, education, occupation, family income and life cycle stage of the shopper are recorded. Evaluation of the psychographic characteristics of the segments reveals how one segment differs from the other. Such varied profiles of the online shopper segments hold different implications for the online marketers and practitioners.

The profile of the shopper segments is a *vital achievement of this research* work. It is seen that the psychographic and demographic characteristics of the shopper segments vary from each other. It presents an important discourse for marketers and practitioners in understanding the segments while presenting an avenue for informed decision making.

Thus, it is seen that the study is successful in fulfillment of its objectives while segmenting urban Indian online shoppers based on their preference towards electronic service quality. Overall the study bridges certain gaps in research especially in the context of online shopping in India.

6.2 Recommendations for Future Work:

The contributions of this study have been outlined in the previous section. The most important one of them is the segmentation of the online shopper segments and the subsequent profiling of each of them. Thus, the segmentation exercise of the shoppers based on their preference attached to e-service quality factors provides a useful but preliminary insight into the Indian online shopping industry, especially in the urban context. At the same time this study can highlight future avenues for research in the area. The recommendations for future work are listed in the following section:

(i)   The present study is conducted by taking samples from five different cities spreading across the country. These cities are amongst those having the highest internet usage of the respective regions they represent. It may be interesting to take this study further to explore the e-service quality expectations of shoppers residing in cities / places where internet penetration and usage is on the lower side. Such markets may not be comparable to those where internet penetration is high, but may bear good prospects for growth in future. Therefore, understanding quality expectations of emerging markets may be a fruitful step ahead for investing in future by the online marketers and practitioners.

(ii)   It is also seen that e-service quality preferences of all the segments differ from each other. Though the present study has revealed the basic profiles of the online shopper segments, it may be of greater academic as well as strategic interest to explore in depth the reasons explaining such differences.

(iii)   Future research may also be directed towards probing in detail the demographic and psychographic characteristics of each segment, if or

how a particular trait has a bearing on quality aspects of online shopping. For example, this research has shown that proportion of shoppers coming from nuclear families is more in terms of e-Shopping Enthusiasts whereas those from joint families are proportionately higher in Reluctant e-Shoppers. Further investigation in the area of family life cycle and their influence on quality expectations in online shopping can be a promising prospect of research. The study has also brought to light certain interesting finding like the higher proportion of younger (below 30 years shoppers) lies in the segment Reluctant e-Shoppers. A casual attempt at generalization may not suffice to conclude that younger shoppers are more reluctant, and hence, future research may try to explore the underlying reasons explaining such behavior such as the presence of other underlying cause(s).

(iv) It is seen that the respondents' shopping basket for this study mostly consisted of online ticket / reservations, books, electronic equipments / gadgets, apparels / accessories and fashion accessories. Thus, a variety of items purchased online influenced the e-SQ preferences expressed by the shopper segments. However, it may be interesting to know the e-service quality preferences of each of the items separately. Further study for each of the category of items may generate findings that are of specific interest to marketers of such items.

(v) The study explored the e-SQ preferences by taking samples from online shoppers who have actually made an online purchase. Thus, it excluded a large number of internet savvy prospective online shoppers. Therefore, future work is recommended in this area by including the prospective online shoppers into account.

(vi)   Future research can also be directed towards employing Structural Equation Modeling (SEM) to a Confirmatory Factor Analysis (CFA). Since the factor analysis used in this study is primarily an exploratory technique, SEM can play a confirmatory role and allows for statistical tests of the goodness-of-fit for the proposed factor solution.

An attempt has been made to draw the Path Diagram (shown below) where e-Service Quality is the second-order factor.
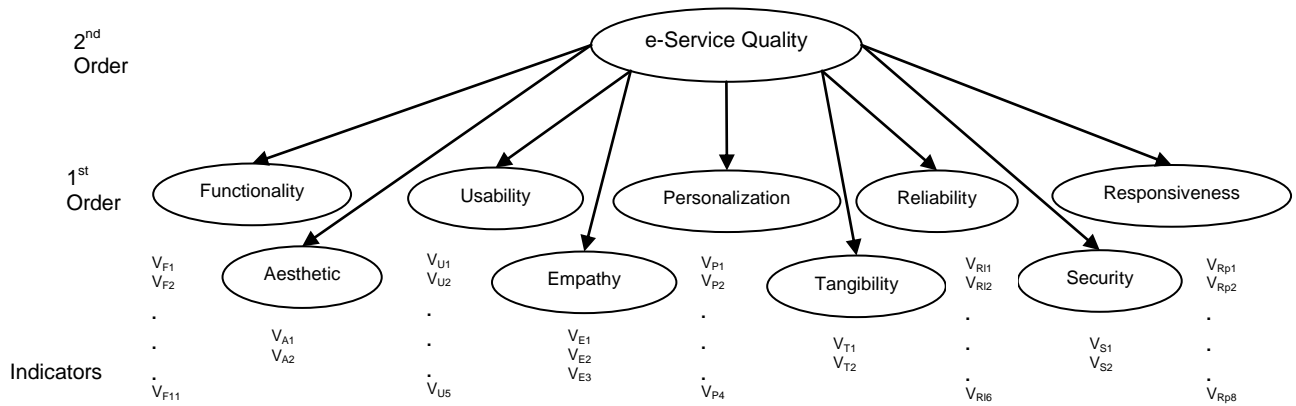
The first-order factors (i.e. the nine factors extracted from Exploratory Factor Analysis) arise from the second-order factor. While a number of dimensions act as indicators (i.e. the variables within the factors) of these nine factors, the second-order factor is completely latent. This scale can be validated by employing CFA in future research.