

ABSTRACT

Introduction: Shopping, being an age-old activity performed by mankind, has evolved from the traditional barter system to the modern day online shopping. The internet has played a vital role in determining how people shop for goods and services while sitting at home or office. Communication between the marketer and the shopper has been made possible via the electronic mode. The Indian online market is a promising place in this regard, which is growing at a fast pace. As it holds vast promise for the online marketer, it is imperative to note here that for sustenance in the long run, investment in quality of the experience is of paramount importance. However, previous scholarly works have established that traditional concept of service quality may not fit into the electronic construct. Thus, came the concept of electronic service quality or e-SQ in the literature.

Review of Literature & Research Gap: Exploring upon the literature for online shopping vis-à-vis e-SQ, it was seen that studies have mostly focused on the conceptual framework. On top of that, research conducted in India in this area is scarce. The importance given on the e-SQ variables by the online shoppers in general and the Indian shoppers in particular have not been explored as such. Moreover, it is an established fact that marketers cannot appeal to all buyers in the marketplace or at least not to all buyers in the same way. Hence, segmentation became an important exercise even for online shoppers. Therefore, it was felt necessary to segment the online shoppers in India on the basis of importance assigned to / dependence on the e-service quality.

Objectives: Keeping in view the research gap, the *first objective* of the study is framed to determine the importance of various electronic service quality dimensions in the context of Indian online shoppers. This was aimed at exploring the importance assigned to the e-SQ variables by the online shoppers, so that a clear picture is arrived at showing which e-SQ dimension is most sought after and which is not. Further, taking into account the prominence attached to the e-SQ variables, the *second objective* of the study is to derive segments of online shoppers. And finally the *third objective* is to profile the segments of online

shoppers on demographic and psychographic lines. Accordingly, the study is aimed at fulfilling a gap in the extant literature to identify online shopping segments on the basis of e-service quality. And for this, representative samples were to be taken from five cities spreading across five geographical regions of India.

Methodology: With the above mentioned objectives in hand, a research plan was developed outlining the step wise processes taken for the study. The overall methodology adopted bears the impressions from extant literature. The e-SQ variables were adopted from different studies conducted in various parts of the world. The review of literature was followed by a pilot survey for finalizing the questionnaire. Subsequently, for the collection of primary data regarding the preference attached to the e-SQ variables, survey method was used. The questionnaire thus finalized was administered and non-probabilistic sampling technique was used to select the samples. Judgment sampling was used to select the cities and snowball sampling was adopted to select the individual samples. Finally, data was collected from 864 online shoppers spreading across five cities viz., Delhi, Kolkata, Mumbai, Bangalore and Guwahati – taking one major city from five quasi-official geographical regions of India – the North, East, West, South and North-East. For analyzing the data and arriving at the segments of online shoppers, factor analysis and cluster analysis were primarily used. Besides, ANOVA, t-test *etc.* were also used to unearth the underlying characteristics and profile of the segments.

After collecting the primary data from the five cities over a period of six months, 864 responses were found to be free from any non-sampling error. Then the data were fed into SPSS for further analysis. The numbers of respondents surveyed from each city were – Delhi (175), Kolkata (148), Mumbai (161), Bangalore (181) and Guwahati (199). There were 59.4% males and 40.6% females with three-fourth of the respondents falling below the age of 30 years and almost 95% of the total samples falling below the age of 44 years. Majority of the respondents are at least a graduate (39%) or a post graduate (49%). A few of them are educated up to Class XII. About 6% of the respondents are having higher

qualification like PhD, professional degrees like CA *etc.* Occupation wise, around two-third of the respondents are service holders as against 29.1% students. About 45% of the respondents also have a monthly family income exceeding Rs. 50,000. More than 70% of the samples are unmarried with some staying with their family while others staying alone. Besides, around 16% of the samples are married and staying in nuclear families. A fraction above 10% of the samples is married and staying in joint families.

The respondents' shopping basket mostly consists of online ticket / reservations (626 cases), followed by books (399 cases), electronic equipments / gadgets (322 cases), apparels / accessories (248 cases) and fashion accessories (102 cases). However, approximately 31% of the total respondents are content with buying a single item only. In such cases also, bulk of the purchase is for tickets / reservations but followed by electronic equipments / gadgets at the second place. More number of the respondents has chosen to shop for lesser monetary values (less than Rs. 1,000) in a single purchase. It was also seen that more than half of the respondents have shopped online at least once during the last one month.

Major Achievements: The respondents recorded their preference for the e-SQ variables in an interval scale of 1 (of little importance) to 5 (extremely important) and the mean scores of preferences of the responses are analyzed. Therefore, higher mean score indicates higher importance assigned by the respondents. The study shows that 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, ease of cancellation of an order* are the most emphasized e-SQ dimensions for the Indian online shoppers. On the other hand, aesthetic features like *attractive look of the shopping site* is the least sought e-SQ dimension. Interestingly it was seen that *safety and security* as well as *privacy* concerns of the online shoppers are not the ones bearing greater importance.

Thereafter, the analysis progressed towards reducing the e-SQ variables into meaningful factors by using factor analysis in SPSS. Nine e-SQ factors were thus extracted. They were given the names based upon the underlying e-SQ variable found prominently in it – Functionality, Responsiveness, Usability, Reliability, Personalization, Empathy, Aesthetics, Tangibility and Security.

Employing both the hierarchical and non-hierarchical clustering procedure, the factor scores from the above nine factors were fed as input to derive at five segments of the online shoppers. This resulted in the following five segments:

- 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)

All the segments of online shoppers were seen to assign importance to the e-SQ factors in varying degrees. An analysis of variance (ANOVA) established that the mean of the importance attached vary across different segments of shoppers. Further, post-hoc multiple comparison analysis suggested the existence of pair wise similarity or dissimilarity between two pair of segments so far as the prominence assigned to the e-SQ factors is concerned. However, the e-Shopping Pioneers being too small in size (with less than 2% of the respondents) was not found to be beyond doubt that it is a representative of the total population.

To delineate the characteristics of the online shopper segments, each one of them was further probed into with respect to the demographic and psychographic variables. Interpretation of the segments was done with the help of cross-tabulation and other statistical tests like Pearson's chi-square, T-test and ANOVA. Striking features of each segment in terms of size of the segment, age of the shopper, place of residence, education, occupation, family income and life cycle stage of the shopper were recorded and highlighted. Further, the psychographic characteristics of the segments were evaluated. It was also recorded how such characteristics differs in each of the segments of shoppers. Finally, an attempt was made to list the implications of the findings for the online

marketers, keeping in view the varied profiles of the online shoppers. Recommendations for future works were enlisted at the end.

Contributions of the Research: The study successfully fulfilled the objectives of the research. It highlighted the e-SQ variables which are attached more importance and which are less. A clear picture is derived upon which online marketers can make decisions. Further, the study was successful in deriving segments of online shoppers based on their preferences attached to the e-SQ variables. The specific demographic and psychographic profiles of the segments were delved upon. This holds implications for the online marketers and practitioners.