Ethics in E-marketing: Psychographic Segmentation

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ABSTRACT

World is changing at a remarkable pace and so does the world of marketing. As we enter the twenty-first century, E-marketing has become the lifeblood of modern business. E-marketing creates additional customer value by transforming marketing strategies during effective segmentation, targeting, differentiation and positioning strategies. Customers’ concerns about ethical and unethical practices on the internet are directly having a direct effect on the take up of E-marketing. The key to survive in this competitive industry lies in better understanding of customers. In the present paper Psychographic segmentation of respondents has been made based on the perceptual statements toward various ethical concerns in E-marketing. For this purpose, the K-Mean cluster analysis technique has been used to classify the respondents into different groups on the basis of their psychographic tendencies and two groups identified. ANOVA statistic has been applied to check the variations among two clusters. Respondents found in cluster one are either moderate or positive in their attitude towards E-marketing and ethical issues related thereto. Respondents found in cluster two are negative in their attitude towards E-marketing in general and are also against the unethical practices of E-marketing.

Keywords: E-marketing, ANOVA, Psychographic Segmentation.

1. Introduction

In the present digital age, information technology has made a radical effect in the business arena. As we entered the twentieth century, the Internet became the hottest marketing channel ever known. The rapid adoption of the Internet as a commercial medium has caused firms/marketers to experiment with the innovative ways of marketing to customers in computer mediated environments, apparently known as online marketing. Though the online marketing also referred to as e-marketing involves the digital technologies to sell goods or services, the basics of marketing remain the same i.e. creating a strategy to deliver the right messages to the right people at the right time. These technologies act in a way so as to complement to the traditional marketing methods. Strauss and Frost, (2010) are of the view that E-marketing signifies the use of information technology in the process of creating, communicating and delivering value to customers and for managing customer relationships in ways that benefits the organization. E-Marketing includes all the activities a business conducts via the World Wide Web or internet with the aim of attracting new customers, retaining current customers and developing its brand identity. To suffice, E-Marketing can be perceived as an attractive market place where online activities enhance the relationship between buyers and sellers (Kotler, 2003).

However, the development of Internet based technology opens endless possibilities for marketers. The technological opportunities are obviously highly appealing for marketers to expose and use extensively and intensively. The observation of marketing practice on the internet can give an idea of the types of unethical practices that are either already in place or are recommended by certain marketing consultancy sites (Murphy, 2005). E-marketing has huge potential, but, like any new technology, there are also pitfalls. The online marketing or E-marketing activities offer lots of opportunities for companies to market themselves and their products inexpensively and effectively, but they need to exercise considerable care to ensure that their method or their E-marketing technique doesn’t get them into legal or other difficulties. Customers’ concerns about ethical and unethical practices on the internet are directly having a direct effect on the take up of E-marketing. As per the literature review different customers have different perceptions regarding the ethics in E-marketing. Online market segmentation is necessary and often critical to the development of effective E-marketing strategies in today’s competitive marketplace. The key to survive in this competitive industry lies in better understanding of customers. One of the approaches used to understand customers and identify their homogenous groups are customer clustering. In practice, many online players have adopted the approach of customer clustering to improve their marketing efficiencies and customer service.

A customer profile is concerned with defining a customer categorically so that they can be grouped for marketing purposes. It has been revealed to be more profitable to target promotions to a specific market segment. As a shorthand way of talking about customers, market segments are often represented by customer profiles.

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Marketers use demographic variables to segment customer markets by various characteristics. In customer’s market, marketers would typically use demographic characteristics such as age, income, gender, geography, marital status, etc. to define market segments or demographic profiles of target buyers. But marketers are more concerned to know that does the demographic data really provide the most relevant analysis to find and target specific groups of customers, exactly the same as they want or not. Since demographic data doesn’t provide insights into the customer’s emotional being of the customer who is the ultimate buyers of the company’s product. Hence psychographic studies of customers can be valuable in the fields of marketing, as demographic studies only provide information regarding the tangible characteristics of the customers like age, income, gender, geography, marital status, whereas psychographics provides deep insight into the motivations and psycho graphical state of the customer. Psychographics is the study of attitudes, perceptions, personality, values, interests, and lifestyles. A combination of both the demographic and psychographic views can provide improved information required for segmenting, targeting and profiling the customers. From marketing point of view demographics define what buyers commonly need whereas psychographics define what buyers want and buy. As psychographics define operational behaviors that are much more powerful drivers than the physical demographics features.

2. **Background of the Study**

E-marketing has great potential as a promotion medium. It offers companies targeting well educated, innovative individuals with great potential for success as their segments are highly represented. But it is not superb-direct marketing tools more or less it has limitations. The literature reviewed helped us to understand that how customers perceive Ethics in E-marketing. In the following section an insight was drawn to understand the prevalence of ethical concern in E-marketing and the influence of related unethical practices thereof on the buying behavior of the customers’ shopping online:

The role of time has become more crucial in the context of *interruption based advertising* where the act of disrupting customers at wrong instances would not only lower ad persuasiveness, but also lead to the negative attitude formation or avoidance of ads altogether (Speck and Elliott, 1997). Chan et al., (2009) revealed *Interruption based advertising* has gained attention in the online channel. Since little attention has been paid to deriving design principles and conceptualizations for online interruption based advertising. Online interruption based ads shown in the predecisional shopping phase are more effective when their contents are designed with the implicit advertising intent compared to explicit intent. When an advertising company employs techniques that insult, offend, annoy, or are overly manipulative, customers are likely to perceive it as annoying and unwanted influence (Ha, 1996). E-mail advertising may provide huge information that confuses the recipient and can be distracting as well as overwhelming the customer. Customers may feel confused about information and react negatively. Another point of potential annoyance is unwanted and unsolicited messages, commonly known as spam (Stewart and Pavlou, 2002).

Robert and Anne (2001) revealed online customers are concerned with the sensitive information about their private life is more readily available and more easily captured on the Internet as compared to offline technologies. Culnan (2000) argued that privacy concerns are a critical reason why the public do not go for online shopping and *provide inaccurate information online*. Tsai et al., (2011) revealed when privacy information is made more salient and easily accessible, customers are willing to pay a premium to purchase from privacy protective websites. P&AB (2005) found that respondents declined to provide accurate information or shop online because they found the privacy policy to be too complicated, complex and unclear. Sheehan (1999) revealed gender differences in attitudes toward privacy. Women are more concerned about the influence of information gathered than men. When men do become concerned, they are more likely to adopt protective behaviors than women. Dommeyer et al., (2003) revealed customers are found to have less awareness of direct marketing practices and regulations. While customers are fairly well informed about privacy protection strategies, their use is quite low. As a result, they did not provide accurate information to marketers at the time of buying online.

Stewart and Pavlou (2002) revealed e-mail marketing, supply huge amount of information that confuses the receiver. As a result customers may get annoyed with unwanted information and react negatively. Another point of potential annoyance is unwanted and unsolicited messages, commonly known as spam (Turban et al., 2000).

Li H et al., (1999) found that customers who purchase over online stores more frequently are more convenience oriented and less experience oriented due to *little personal contact between customer and salesperson*. These customers regard convenience during shopping as the most important factor in purchase decisions, because they are time-constrained and do not mind buying products without touching or feeling them if they can save time in this room. The interactivity offered by a Web site has been recognized as a strong factor in support of establishing long term relationship, but in case of E-marketing there is no direct interaction among parties (Childers et al., 1997).

Turban et al., (2000) opined *spam an unethical practice* regarding distribution of unwanted messages without permission of the receiver and without consideration for the messages appropriateness. Techniques such as phishing similar to spam that fool the user into providing sensitive information, such as account numbers, financial data, passwords and personal information have become
increasingly sophisticated Bellovin (2004) and Fisher (2005). Deckmyn (1999) opined that the customers perceive unwanted messages negatively. Customers report that they do not read commercial e-mail (spam) from senders they don’t know and they immediately delete messages that are not from friends, family, colleagues, etc. Sullivan (2003) and Barnes (2004) revealed Spam is a very unethical way of electronic marketing. Simply stated, it means sending promotional e-mail messages to people who did not petition for the same. If the seller tries to send unplanned e-mails or spam, the ISP (Internet Service Provider) may ban these e-mails and will never be able to send messages from e-mail account again.

The Indian advertising industry is in a phase of transition and becoming more popular. A rapid advance in information technology has redefined how advertising is created, sold, consumed and evaluated. At this time advertisers are experimenting with a number of emerging platforms, including Internet/web which has been globally acknowledged as an interactive medium with a lot of advertising potential (IMRB, 2008).

Parasuraman (2000) revealed Web design and Low price are initially thought to be the drivers of online B2C success. Service quality has soon become pivotal, sometimes regarded as the key driver of online B2C success. Syed et al., (2010) found that product variety, website design, and delivery performances are the key factors which offer quality services to influence customer’s satisfaction with online shopping. FDR (2008) indicated that web marketer’s assurance of secure processing of payment and personal information would be the most effective in motivating customers to shop online in the future. Quality and cost guarantees, such as purchase will match quality expectations and best online price are also effective motivating factors. Peterson et al., (1997) revealed that customer satisfaction with online transactions is one of the most important variables to determine customer loyalty. Online shopping enjoyment has been recognized as an influential factor to develop positive attitude or to convert prospects into customers. The online channel represents an innovative shopping context with a number of unique features (Childers et al., 2001). Eightmy (1997) revealed, in addition to the influence of perceived risks associated with online shopping, enjoyment of the online shopping experience is also an important determinant of retaining online customers. Shopping enjoyment is positively related to attitudes, perceptions and intentions toward shopping on the web. Online user satisfaction with E-Commerce applications has been found to be significantly related with design features unique to the Web, such as enjoyment, download delay and content (Palmer, 2002).

Bhattacherjee (2001), Reibstein (2002) and Anderson and Srinivasan (2003) revealed satisfaction is one of the most important variable in E-marketing, and its importance is represented in the ability to help develop customer loyalty, enhance positive word of mouth and lead to repeat purchases. Product information, navigation and site design are important to E-satisfaction, thus, a key to making a usable Web site is to create good links and navigation mechanisms (Mannix, 1999) and (Radosevich, 1997). Szymanski and Hise (2000) examined e-satisfaction from the customer’s point of view and found that convenience, site design, and financial security displayed the greatest effect on e-satisfaction. Quality product assortment results in a positive attitude of customer satisfaction, especially if the client wants a product that is not widely available. Kim et al. (2009) also found satisfaction is an important element for successful e-commerce business relationships. Zhang (2000) and Zhang et al., (1999) found Website design features can be regarded as hygiene factors (Technical Aspect, Privacy and Security, Impartiality, Navigation and Information Content) and motivator factors (Cognitive Outcome, enjoyment, Visual Appearance, User Empowerment, Credibility, and
Communications proved as an effective promotional method. In present era customers prefer to buy online from the online marketers, for whom business ethics are important. Creyer and Ross (1997) opined customers do take perception of ethical/unethical activities by business into account when buying online. Customers are willing to pay less prices to punish unethical firms and higher prices in some ethical firms. The ethical issues, based on Mason’s study, were categorized into privacy, accuracy, property and accessibility and others, such as spamming, censorship, protecting children, taxation, and computer crimes. Without these issues it is not easy for online companies to sustain the online business (Turban et al., 2008). Ethics are moral principles or values that govern the actions and decisions of an individual or group and business. An action may be within the law, but still not ethically.

Sally Harridge (2006) revealed marketers can overcome the problem of perceived risk if they see the solutions to generate sufficient trust among their potential customers. If customers do not trust web merchants sufficiently, the result may be that they do not enter into transactions because they fear the risks involved. Online merchants should be able to know the perceived risks the customer faces, and take sufficient steps to establish trust in order to take them out. Failure to do so may mean that customers perceive too much risk and too little confidence to embark upon online buying. Wang and Emurian (2005) opined due to lack of customers do not engage in E-marketing, more specifically, for transactions in which financial and personal information is submitted to web marketers via the Internet. Hence E-marketing cannot grow without a general climate of trust in online transactions. Ewald and Sonja (1996) revealed trust is a complex and flexible phenomenon that can’t simply be produced by applying some specific patterns. The effect of measures to modernize and sustain trust in e-commerce is also influenced by several factors that can’t be controlled by the online vendor.

Smith (2004) revealed business organization’s activities should be ethical, especially when it is concerned to the privacy policies and practices. To further improve the security of information, there is a need for conceptualizing the interrelationships between e-security and the major elements involved in changing a company’s infrastructure to make the Web sites secured and error free.

The Indian marketplace consists of an increasingly complex arena of competitors within a rapidly changing technological environment. Huge and variety of communication media is bombarding potential customers with messages, it is important to deliver clear and consistent communication in the clutter. Integrated marketing communications proved as an effective promotional method to communicate more universally, clear, and effective (Surendra, 2010). IMRB (2008) highlighted the companies and corporate in India have products or services to sell and they are advertising them via T.V, newspapers, brochures, magazines, radio etc. But it’s time to take the promotions online. Online marketing business is galloping at a higher rate in India. Keeping step with the international market, Indian search engines are undergoing a phenomenal growth. According to a study by Internet and Mobile Association of India (IAMAI) India alone produces more than half-a-million searches a month. The study puts light on the evolution, growth of search engine marketing and importance of e-marketing in India. Octane research (2011) reported the growth of the digital medium over the last decade has surpassed that of any other media, the year 2010 was especially important in this regard as 86 per cent of top Indian marketers confirmed their use of this channel as the most vital client engagement platform. The prime role of e-Marketing channels in 2010 were customer acquisition. For majority of Indian marketers this platform proved its effectiveness and a substantial number of marketers are utilizing this program for daily communications with their audiences. Overall the use of e-Marketing platform in 2010 was focused on sending promotional communications and newsletters.

McDonald and Wilson (1999) revealed E-marketing faster than traditional marketing communications because of the digital medium used for communications. The Internet and other digital media such as mobile phones create new forms and models for information exchange. It has been found that the interpersonal communication aspect of the Web allows for a more personalized advertising experience. With the help of e-mail, customers can demand or request required information from companies with greater ease (Bezjian et al., 1998). Online marketing communications are now moving toward interactions between individual recipients and customers, i.e. one to one rather than being steered from a marketing organization to masses of customers. It is now possible for an individual customer to be just as effective in disseminating information, both positive and negative, about an organization as it is for a large corporation to promote itself (Robert and Patricia, 2010).

Bakos (1997), Benjamin and Wigand (1995) and Brynjolfsson and Smith (2000) revealed with new technology, customers expect to obtain lower prices more easily in the online environment. This would have a positive influence on customers’ tendency to switch from offline to online channels, because the Internet provides a better source for customers to evaluate their price consideration sets, instead of searching for prices in many traditional stores. Alba et al., (1997) opined a customer shift to online channels if his online purchase intentions are higher than offline purchase intentions. A key difference exists between online and offline in the ability of the online environment to provide more readily and clearly accessible information about price and non-price attributes. Essentially, customers express...
preferences on utility maximization in terms of the costs and benefits of the retail formats presented to them. It implies that a customer’s utility obtained from online shopping needs to more the utility provided by the traditional format to cause the customer to switch to an online environment. Wolfinbarger and Gilly (2001) revealed the search effort is dramatically reduced on the Internet. This has a positive impact on customers’ intentions to switch to online shopping. The widespread availability of information on the Internet is one of the major reasons why many customers view search and purchase on the Internet as a useful activity. Sarner (2007) opined there were four stages in a customer buying process. Customers go through want/need recognition, information search, evaluation and lust for purchase. As more customers use online channels for part or all the buying process, web marketers must enable e-marketing technologies to help move customers from need/want recognition to purchase.

Customers feel shopping online is a waste of time. Hoffman et al., (1996a) revealed customer’s early Web experiences were more likely to be characterized by an experienced, time passing quality, but that over time, Web navigation would evolve and become more goal-directed. Dellaert et al., (1999) opined Web waiting time only negatively affects customer evaluation of Web site content when slow speeds are not easily managed. So, this recent research lends support to result that the interactive speed seems to affect challenge, but not attentive.

Childers et al., (1997) revealed the degree of interaction that a Web site offers is a strong factor in support of establishing relationships, because experiential customers usually find more enjoyment in interactive environments than in pure text environments which lead to forget about surrounding activities. One way to increase customer loyalty is to add features that let buyers personalize the site, automate product selection and comparison, and communicate instantly with a sales or service representative. E-commerce websites are also competing by developing community-building features, such as members-only sites that let people with similar interests communicate with each other (Blundon and Bonde, 1999). Hua (2009) revealed Perceived ease of use and privacy policies are significant for user’s to adopt online banking. Perceived ease of use is of less importance than privacy and security. Security is more important factor influencing user’s adoption.

Mikko and Carl (2006) revealed spam makes users look through and sort out additional unknown email which cause not only wasting their time and loss of work productivity, but also causes legal problems by advertising pornography, pyramid schemes, etc. Bradley (2003), Higgins (2003) and Sorkin (2001) revealed internet users think that pornography and sex-related e-mails are growing most rapidly now days. Pornographic spam has rocketed as compare to last five years.

Spyware is one type of malicious software (malware) that collects information from a computing system without the user’s consent. Mathias Klang (2004) opined strangest aspect of spyware is that it has often been downloaded and installed by the user, but without his/her knowledge. The software is basically designed to gather information about the user of the computer and relay this data back to the software manufacturer or seller. The download, installation, data aggregation and data transfer all take place within the user’s own computer, but very seldom with the user’s knowledge. Hu and Dinev (2005) revealed Spyware are small bits of software installed in a computer without the permission of the user. Their primary task is to send information to remote databases so that it can be used to determine user interest, actions and habits. In addition, the bad side of spyware is that they can be programmed to send chat sessions or even passwords to the remote database, undermining confidence in online activities and the effectiveness of transport layer security. Spyware is an advanced data collection technique, which is downloaded by customers without them knowing and tracks users’ movements on the Web. It monitors users’ online actions and triggers unwanted advertisement displays. Its existence raises legitimate privacy and security risks as well as preventing customers from reaching the Web sites they desire (Zhang, 2005).

Hoffman et al., (1999) revealed the critical reasons why customers do not shop online are lack of trust in the security of online shopping and concern about privacy regarding personal information collected online and used without permission. Robertshaw and Marr (1998) revealed that customers who willingly contribute personal information for marketing purposes are different to those who abstain, both qualitatively and with respect to values, prompting a re-appraisal of current targeting and customer profiling methods. The Data Protection Act applies to the collection and use of personal information online. It also provides good practice advice for organizations that do business online and are therefore subject to the Data Protection. The DPA says that personal data can only be collected where this is necessary and should not be transferred to any other party (DPA, 2000).

Most of the customers are able to use E-marketing’s technique for buying products online. Broekhuizen and Huizingh (2009) and Hassanein and Head (2007) revealed ease of use has a significant influence on online shopping and is also becoming more and more popular for online customers. Reibstein (2002), Bhattacherjee (2001) and Anderson and Srinivasan (2003) revealed satisfaction is one of the most important variable in online shopping as they are able to handle the online transactions and its importance is represented in the ability to help build up customer loyalty, enhance positive word of mouth and lead to repeat purchases.

3. Objective and Research Methodology

The review of the existing literature reveals that a number of studies have been carried out on various aspects of E-
Marketing but a very few comprehensive studies in this area could be found which provides detailed information regarding Ethical concern in E-Marketing and also no comprehensive study could be cited out which could explain the segmentation of respondents/individuals based on ethical concern in e-marketing. As the customer can only decide what is right or wrong or even permissible in the field of E-marketing hence study regarding their behavior becomes significant and targeting. In the light of the above discussion comprehensive and detailed study regarding segmentation based on the perceptual statements toward various ethical concerns in E-Marketing is in dire need. Since these customers are the only scapegoat of this unethical business, hence segmentation based on their perceptions and attitudes toward the ethical concern in E-marketing becomes an important matter of study.

The study deals with the different clusters framed out of the respondents by analyzing their responses towards different perceptual statements. For this purpose, the cluster analysis technique has been used to classify the respondents into different groups on the basis of their psychographic tendencies, based upon their perceptions, towards E-marketing and related issues thereof. The literature for the same was consulted as shown in the background of the study. The variables were selected based on literature support and in consultation with professional in the field of E-marketing. These mentors were directly or indirectly involved with online shopping or marketing. Total 22 variables were selected and rated on a five point Likert scale to find the perceptions of the respondents. Scale reliability analysis was performed and during the analysis, one item i.e. “E-marketing’s technique” was removed, resulting into 21 items.

The universe of the study comprised of one of the prosperous states of India that is Punjab and the Union Territory of Chandigarh. In the present study, the sample of the study was based on judgement sampling (Non-probability sampling technique). The districts selected became the first stage of sampling unit. In the view of time constraints as well as the large population of Internet users in the Punjab and Chandigarh, judgment sampling was used to collect data from individuals who could reasonably interpret the E-marketing and form an ethical viewpoint toward different ethical issues in E-marketing. The proposed sample size for the survey was 600. A total of 640 survey questionnaires were sent. Out of these 598 questionnaires were received. Each of the responses received had been screened for errors, incomplete or absent responses. After the screening process was carried out, only 568 responses had been considered complete and valid for data analysis. This represents a success rate of 94.66 per cent, which was reckoned to be good in view of time and cost constraints. A structured questionnaire was used to gather the necessary data. It served as the primary data to answer the research questions and objectives pertaining to Ethics in E-marketing.

In the study the terms E-Marketing, Internet marketing and online marketing were used interchangeably and synonymously as it was borne out by many authors i.e. Smith and Chaffey (2001), Strauss and Frost (2010). So in this study E-marketing was only concerned with marketing through internet.

a) Psychographic Segmentation of Respondents: An Application of Cluster Analysis

This study explains the formation of different clusters, which have been developed out of the given sample of the respondents by analyzing their responses towards different perceptual statements pertaining to E-marketing and related ethical concern. For this purpose, the cluster analysis technique has been applied to differentiate the respondents into various groups on the basis of their psychographic tendencies, based upon their perceptions, regarding the various ethical and related issues in E-marketing. These psychographic tendencies have been extracted by analyzing the different perceptual statements on the basis of the mean of each statement within each final cluster as grouped in different clusters.

b) Application of K-Mean Cluster Analysis

The general objective of cluster analysis is to participate, or sub-divide, a set of objects into homogeneous sub-groups, or into a hierarchical arrangement of homogeneous sub-groups, so as to determine the characteristics specific for each cluster. The cluster may be of brands or persons based on their perceptions for a particular problem or issue. In the present study to segment our respondents K-Mean cluster analysis has been used. This procedure attempts to define homogeneous groups of cases based on selected characteristics, using an algorithm that can handle large number of cases. However, in algorithm numbers of clusters are to be specified. The object of k-means analysis is to arrive at a cluster solution for which each case is closer to the mean of the cluster to which it belongs than to the mean of any other cluster. K-Mean cluster analysis needs to assign cases to a fixed number of groups whose features are not yet known, but are based on a set of specified variables.

Table 1 shows the final cluster centers forming two clusters on the basis of the psychographics of the respondents for the given 21 statements. To check the variations among two clusters for the means of the variables in each of the clusters, ANOVA statistic has been applied to test the null hypothesis. 

Ho: There is no significant variation between the responses of the respondents belonging to different groups regarding the statements pertaining to the different ethical and other related issues in E-marketing.

4. Discussion of Results

Table 1 shows the two groups developed out of the responses of the selected respondents. Based on the response, the characteristics of the respondents assumed to
be homogeneous within each group or cluster, i.e. Cluster one is separate from the second cluster. The clusters are explained on the basis of the responses, within each cluster for the given variables. In order to define clusters, corresponding means for two different cluster centers are considered. The inclination of mean values of the Likert scale ranging from 1 to 5 is used to define the strength of agreement/disagreement against each variable and it formed the basis of explaining the clusters.

**Table 1**
**Final Cluster Centers**

<table>
<thead>
<tr>
<th>Sr.No.</th>
<th>Statements</th>
<th>Clusters</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>E-Marketing is becoming popular in India</td>
<td>1 2</td>
</tr>
<tr>
<td>2</td>
<td>Modern customer is quality conscious, which is best promised through E-Marketing</td>
<td>4 2</td>
</tr>
<tr>
<td>3</td>
<td>E-marketing is more adopted by young Generation</td>
<td>4 3</td>
</tr>
<tr>
<td>4</td>
<td>I enjoy using the web for online shopping</td>
<td>4 2</td>
</tr>
<tr>
<td>5</td>
<td>Most shoppers are satisfied with decision to shop online</td>
<td>4 2</td>
</tr>
<tr>
<td>6</td>
<td>E-marketing is necessary for modern India</td>
<td>4 3</td>
</tr>
<tr>
<td>7</td>
<td>E-Marketing’s services are faster than traditional Marketing</td>
<td>4 3</td>
</tr>
<tr>
<td>8</td>
<td>Customers are shifting to online/space market from traditional market</td>
<td>4 3</td>
</tr>
<tr>
<td>9</td>
<td>Email Marketing leads to irritation and interruption based advertising</td>
<td>4 2</td>
</tr>
<tr>
<td>10</td>
<td>Mostly customers provide inaccurate information online because of privacy violation</td>
<td>4 3</td>
</tr>
<tr>
<td>11</td>
<td>It annoys customers when they receive so many unsolicited mails</td>
<td>4 2</td>
</tr>
<tr>
<td>12</td>
<td>There is little personal contact between customer and sales persons in E-Marketing</td>
<td>4 2</td>
</tr>
<tr>
<td>13</td>
<td>Spam is an unethical communication practice of E-marketing</td>
<td>4 2</td>
</tr>
<tr>
<td>14</td>
<td>Spyware’s motive is to collect information and send it to the information gatherer or marketer</td>
<td>3 2</td>
</tr>
<tr>
<td>15</td>
<td>Marketers misuse the customer’s personal information for any other reasons</td>
<td>4 2</td>
</tr>
<tr>
<td>16</td>
<td>Online shopping is a waste of time</td>
<td>3 2</td>
</tr>
<tr>
<td>17</td>
<td>Mostly customer forgets about their market surrounding place when they use the market space</td>
<td>3 2</td>
</tr>
<tr>
<td>18</td>
<td>E-Marketing may also lead to an exposure of vulgarity and obscenity</td>
<td>3 2</td>
</tr>
<tr>
<td>19</td>
<td>Online Business ethics are important for web merchants and shoppers</td>
<td>3 2</td>
</tr>
<tr>
<td>20</td>
<td>Most online shoppers feel more confident about entering personal information on sites having trust marks</td>
<td>3 2</td>
</tr>
<tr>
<td>21</td>
<td>Ethically E-Marketer’s web sites secured and error free</td>
<td>3 2</td>
</tr>
</tbody>
</table>

| Number of Cases in each Cluster | 348 220 |

Cluster 1: Cluster one consists of 348 respondents who are either expressing their agreement towards the given statements or are not sure about a few of these statements. Respondents found in this cluster are either moderate or positive in their attitude towards E-marketing and ethical issues related thereto. In this cluster majority of the respondents has shown a positive attitude towards E-marketing and at the same time some of the respondents are either not sure of or are showing their agreement towards the negative aspects of the E-marketing. The positivity of the respondents toward the phenomena of E-marketing can be inferred by analyzing the mean values calculated for the variables/statements signifying the positive aspect of E-marketing (serial number one to eight). These eight statements signifying some positive aspects of E-marketing are like “it is Popular in India, Adopted by young Generation, Necessary for modern India, Faster than traditional Marketing, Shifting to online/space market, customers are satisfied and enjoy to purchase online”. As far as the adverse effects of E-marketing were concerned, the responses received are generally near to neutrality (not sure) or at some times with a slight level of agreement towards the negative effects. Hence it is found that respondents were acting indifferent towards the negative aspects of E-marketing. These negative variables are like “online shopping is a waste of time, customer forgets about their market’s surrounding the place, exposure of vulgarity and obscenity and leads to irritation and interruption based advertising”. So far as the ethical issues is concerned, the respondents have shown moderate attitude towards the ethical issues in E-marketing.
This can be inferred from the fact that the respondents have indicated a slight level of agreement against the unethical practices of E-marketing or at few instances they are indifferent towards these negative aspects. The statements pertaining to these negative aspects are like “E-marketing becomes the cause of irritation and interruption based advertising, privacy violation, little personal contact, unethical communication practice, misuse of customer’s personal information and customers get annoyed to receive so many unsolicited emails”.

To sum up the characteristics of the respondents, it can be said that in this cluster we have a group of respondents who are generally behaving moderately or indifferent probably due to lack of awareness towards the phenomenon and its implications.

Cluster 2: 220 respondents found in this cluster are negative in their attitude towards E-marketing in general and are also against the unethical practices of E-marketing. This is observed from the mean values corresponding to different variables given in the table 6.1. With regard to the favorable aspects of the E-marketing, the respondents have shown indifferent attitude; this is inferred from the mean values corresponding to each of these variables, i.e. from serial number one to eight. Besides, these respondents also expressed slight of agreement for variables signifying the negative aspects of E-marketing. The variables signifying negative aspects of E-marketing are like “online shopping is a waste of time, customers forget about their market’s surrounding the place, exposure of vulgarity and obscenity and leads to irritation and interruption based advertising”. As far as the ethical issues in E-marketing are concerned, respondents has shown unfavorable attitude. This was observed from the mean values of variables, i.e. from serial number ten to fifteen and nineteen to twenty one. Hence it is implied that respondents have a negative attitude towards unethical practices of E-marketing in this cluster.

To sum up the feeling of the respondents in this cluster, it can be said that they are having indifferent/non-confirming attitude towards the favorable aspects of E-marketing and hence are having a negative viewpoint towards the practices of E-marketing.

Table 2 reveals the distances between the final cluster centers. These distances show how separated the individual pairs of cluster are. Malhotra (2005) observed clusters that are widely distinct and separated and therefore desirable. This implies that in the present study the two clusters identified are significantly distinct, separated and therefore represent two groups of respondents.

Table 3 indicates ANOVA statistics calculated in respect of each variable for the motive of measuring the variation among the two identified clusters. This was done in order to test the hypothesis. ANOVA statistics indicate there is a significant variation among the two clusters. Since all the F-values were greater than three (Table value), hence the hypothesis Ho was rejected for all the variables.

<table>
<thead>
<tr>
<th>Statements</th>
<th>Cluster</th>
<th>Error</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Mean Square</td>
<td>Df</td>
<td>Mean Square</td>
<td>df</td>
</tr>
<tr>
<td>Popular in India</td>
<td>198.618</td>
<td>1</td>
<td>1.459</td>
<td>566</td>
</tr>
<tr>
<td>Quality promised</td>
<td>272.272</td>
<td>1</td>
<td>1.516</td>
<td>566</td>
</tr>
<tr>
<td>Adopted by young Generation</td>
<td>156.045</td>
<td>1</td>
<td>1.641</td>
<td>566</td>
</tr>
<tr>
<td>Enjoy</td>
<td>240.583</td>
<td>1</td>
<td>1.503</td>
<td>566</td>
</tr>
<tr>
<td>Online shopping satisfaction</td>
<td>257.777</td>
<td>1</td>
<td>1.396</td>
<td>566</td>
</tr>
<tr>
<td>Necessary for modern India</td>
<td>167.446</td>
<td>1</td>
<td>1.633</td>
<td>566</td>
</tr>
<tr>
<td>Faster than traditional Marketing</td>
<td>195.094</td>
<td>1</td>
<td>1.627</td>
<td>566</td>
</tr>
<tr>
<td>Shifting to online/space market</td>
<td>182.265</td>
<td>1</td>
<td>1.633</td>
<td>566</td>
</tr>
<tr>
<td>Irritation and interruption</td>
<td>402.844</td>
<td>1</td>
<td>1.436</td>
<td>566</td>
</tr>
<tr>
<td>Inaccurate information</td>
<td>375.024</td>
<td>1</td>
<td>1.365</td>
<td>566</td>
</tr>
</tbody>
</table>
The ongoing analysis indicates that the selected respondents were from different groups as far as their psychographic tendencies towards the acceptability of E-marketing’s phenomenon are concerned. K-means cluster analysis technique applied observe two distinct clusters which had been identified on the basis of final cluster centres (mean values for the variables). These two clusters revealed two sets of the respondents who were different from one another as far as their acceptability dependent upon their attitudes towards E-marketing and related ethical issues theroeto was concerned. The cluster one represented a group of 348 respondents who were classified as moderate as they showed moderate behavior of acceptance towards the positive aspects of E-marketing. As far as the ethical and related issues in E-marketing were concerned, these respondents were not much against such practices. The second cluster had 220 respondents who were having negative feeling not only for the phenomena of E-marketing on the whole but also for the unethical practices related thereto.

In a nutshell, it can be said that the two clusters formed revealed two groups with varying levels of acceptance towards ethical and related issues in E-marketing. These are: cluster one representing the respondents who are indifferent (not much affected) towards E-marketing and cluster two representing the respondents who are negative (adversely affected) towards E-marketing. ANOVA statistics reveal that the two clusters vary significantly amongst each other with respect to the different variables pertaining to ethical and related issues in E-marketing.

**Limitations and Further Research Directions**

As this is the first ever research conducted on Punjab and Chandigarh data, it has set the groundwork for further research. Firstly, random sampling techniques are not used in this research; the ability of the collected data to infer the entire population is reduced because only customers in principal cities of Punjab and UT Chandigarh were sampled. A random sample covering the whole of Punjab and UT Chandigarh should be applied to test whether the results from this study are replicated. Secondly, the sample size was relatively small. A larger sample should be used to implement any future research in this area. The respondents taken were both online and offline customers and the majority of respondents were college-educated, students or employees in service industries, so the samples may be overly concentrated in some particular customer groups, rendering bias in measuring the customers online shopping experience and lifestyle. Therefore, the results obtained may reflect only these groups’ characteristics. It is suggested that future research could possibly diversify into more customer groups so that the consequences can be applied more generally.

Since the data collection was confined to only Principal districts of Punjab i.e. Amritsar, Jalandhar, Ludhiana or Patiala and Union Territory of Chandigarh. The replication of the study of different regions of India would enable better generalisability of the findings of the study.

The study was limited to individual shopping behavior. Punjab and Chandigarh being a collectivistic State and UT, most of the shopping happens in a family set up. Consideration of family shopping behavior might have interesting findings.

5. Conclusion

The key to survive in this competitive industry lies in better understanding of customers. In the above said discussion, Psychographic segmentation of respondents has been made based on their perceptions toward ethical concerns in E-marketing. The cluster analysis reveals two groups/clusters were developed by using the responses of the selected sample of respondents. Respondents found in

| Source: Primary Data |

<table>
<thead>
<tr>
<th></th>
<th>Mean</th>
<th>SD</th>
<th>N</th>
<th>F Value</th>
<th>p Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annoys to receive unsolicited mails</td>
<td>294.904</td>
<td>1.598</td>
<td>566</td>
<td>184.530</td>
<td>.000</td>
</tr>
<tr>
<td>Little personal contact</td>
<td>275.807</td>
<td>1.671</td>
<td>566</td>
<td>165.053</td>
<td>.000</td>
</tr>
<tr>
<td>Spam is an unethical</td>
<td>391.289</td>
<td>1.420</td>
<td>566</td>
<td>275.647</td>
<td>.000</td>
</tr>
<tr>
<td>Spyware collects information</td>
<td>140.654</td>
<td>1.777</td>
<td>566</td>
<td>79.149</td>
<td>.000</td>
</tr>
<tr>
<td>Misuse the of personal information</td>
<td>165.895</td>
<td>1.858</td>
<td>566</td>
<td>89.282</td>
<td>.000</td>
</tr>
<tr>
<td>Waste of time</td>
<td>185.621</td>
<td>1.673</td>
<td>566</td>
<td>110.949</td>
<td>.000</td>
</tr>
<tr>
<td>Market’s surrounding place</td>
<td>139.534</td>
<td>1.605</td>
<td>566</td>
<td>86.959</td>
<td>.000</td>
</tr>
<tr>
<td>Exposure of vulgarity and obscenity</td>
<td>199.936</td>
<td>1.709</td>
<td>566</td>
<td>117.020</td>
<td>.000</td>
</tr>
<tr>
<td>Business ethics are important</td>
<td>157.215</td>
<td>1.545</td>
<td>566</td>
<td>101.786</td>
<td>.000</td>
</tr>
<tr>
<td>Trust marks</td>
<td>171.695</td>
<td>1.491</td>
<td>566</td>
<td>115.124</td>
<td>.000</td>
</tr>
<tr>
<td>Ethically secured and error free</td>
<td>197.576</td>
<td>1.429</td>
<td>566</td>
<td>138.225</td>
<td>.000</td>
</tr>
</tbody>
</table>
cluster one were moderate in their attitude towards E-marketing and ethical issues related thereto. In this cluster respondents had shown a positive attitude towards E-marketing, but at the same time they were not sure as some of them also agreed with the negative aspects of E-marketing. Respondents in this cluster showed slightly favorable and positive inclination toward E-marketing. Towards the adverse effects of E-marketing, the responses received were generally near to neutrality (not sure) or at the same time with a slight level of agreement even towards the negative effects of E-marketing. Respondents in cluster two were negative in their attitude towards E-marketing in general and were also against the unethical practices of E-marketing. With regard to the favorable aspects of E-marketing, the respondents had given indifferent feeling as well as the respondents also expressed extent of agreement for variables which explains the negative aspects of E-marketing.

References:


IMRB (Internet and Mobile Association of India report), (2008). Online Banner Advertisement Market in India. A Report by the E-Technology Group for Internet and Mobile Association of India.


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Reference # Envision - C -04