Perception Compensation And Risk Taking Attitude On E-Marketing

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Abstract
This study aims at studying the influence of select independent variables such as individuals’ risk taking attitude, compensation, and participation in web marketing the dependent variable.

Key words: Risk taking attitude, Compensation and participation in web marketing

Introduction
Marketing is an exchange process that enables firms to engage in exchange of goods, services, information, with consumers for money. The notion of exchange underlying marketing discipline has been in existence since 1970s. An advertisement is often regarded as a form of communication in persuading consumers for attitude-change for favourable action. The Internet has made the World Wide Web (WWW) the most important media of this century. Godin proposed a new idea of web marketing. Consumers provide the permission to receive promotional messages. This is expected to reduce the clutter in the media where every company is mass advertising its products, trying to grab the attention of the consumers. Web marketing also called invitational marketing envisions every customer shaping the targeting behavior of marketers. Consumers empower a marketer to send them promotional messages in certain interest categories. Typically, this is done by asking the consumer to fill out a survey indicating interests when registering for a service. The marketer then matches advertising messages with the interests of consumers. Targeting appropriate customers has been recognized early on as a core marketing principle. And they could be motivated by extending compensation for their participation. The most targeting today can best be described as targeting on averages. The advertiser obtains the average profile of the consumer and chooses a media that matches the target consumer profile most accurately.

Need And Importance Of The Study
NASSCOM/BCG study reveals that 73.4 percent of respondents use e-mail most frequently. Web marketing can be implemented in any direct medium. It has emerged as a serious idea only with the advent of the Internet. The two reasons for this are: (1) on the Internet, the cost of marketer-to-consumer communication is low; (2) the Internet has enabled rapid feedback mechanisms due to instantaneous two-way communication. Web marketing is now a large-scale activity on the Internet. A leading Internet business periodical recently noted that, “web marketing was once a niche business. Now it is a large scale activity.

High degree of connectivity between a company and its customers, suppliers and channel partners facilitated by the Internet may be an indication of networked business model. In today's cluttered media environment, marketing executives are reallocating media moves in favor of alternative forms which costs less, are more effective and targeted. There is a clear disconnect in the practice of marketing today, between identifying a market opportunity and then crafting and sustaining a business model to deliver that. The element of predictability has gone from marketing. The marketers no longer feel in control. A gradual, irreversible change happened among the customers and they became more empowered and connected. The balance of power shifted towards them. Firms now need to interact differently with customers and this shift may be the most important development in the continued evolution of marketing claims professor Sawhney.
So, the purpose of this paper is to investigate the consumer reaction on the web marketing and find out what factors that determine consumers’ adoption of the Web as web marketing channel.

**Objectives**
To test whether any association of risk taking attitude on participation on web marketing:
To observe whether compensation expected is associated with level of participation in web marketing: and
To verify the influence of risk taking attitude and compensation on participation in web marketing

**Methodology**
It is descriptive in nature and the study was cross-sectional in the sense that the instrument was delivered once to respondents and data were collected. To gain a preliminary understanding of the online consumer behavior, literature survey, depth interviews, experience surveys and focus groups study have been used. Pre test was conducted to test the validation and reliability of the tool.

Web users constituted the sample. Data was collected through e-mail and web based survey instrument (WWW.angelfire.com/ne/raj). The respondents were primarily Indian web users. The respondents were from an email list generated by e-mail address capturing software. Random number table was used to select the respondents from the sequentially numbered e-mail addresses.

There is no specific guideline to select the sample size in structural equation modeling. Hayduk recommends sample size between 50 and 500 to test the model. Large sample size tends to inflate the value of thus rejecting an otherwise acceptable model. Anderson and Gerbing recommend minimum sample size of 150 for models that include 3-4 indicators per variable.

**Compensation:** This is the amount expected by public to participate in web marketing research.
**RISK taking attitude:** Risk taking attitude of an individual has a say on his intention to try new innovations.

**Participation On Web Marketing**
Web marketing is allowing a marketer to market his product. With the advent and proliferation Internet at every nook and corner the permission marketer have started using the Internet more successfully. This ensures them to customize the promotion and now the segment size for a marketer is one. Consumer by signing in a sign-in site can take part in this marketing process. Initially he can prefer to receive just e-mails for the product he preferred at a time he prefers, with relevant message fine tuned to his expectation as he has provided enough information while registering. This is just situational permission i.e. may I help you. In due course the confidence mounts in the minds of the consumer as the marketer ensures a perfect product every time and he may delegate the decision making in the hands of the market and relax back. This is the highest permission level called intravenous permission. In between three levels of permission are inter-spread.

**Limitations**
Like most survey studies of this nature this study is also subject to limitations. Some of this relates to exploratory in nature of the study and some relate to the frame work development issue. Measurement instruments are not “set in stone” rather, they evolve through an ever-extending process of development, examination, and refinement. As described earlier further confirmatory studies are necessary to complete the instrument development process for measuring web marketing metrics. Respondents’ opinions were the basis of this research. The inherent setbacks connected with the response and data collection cannot be ruled out. The data were collected on the net and e-mail the most versatile and dynamic data collection methods of this decade, which is an impersonal mode, and the implications of this cannot be rued out. Web marketing being in its infancy and lack of well
established body of knowledge has its own implication on this study. This study has considered 275 samples of the online consumers and this response may not be a representative sample. Given the size of the online consumers it is very remote to have a complete representative sample.

Risk And Marketing

Bauer proposed that marketing be viewed as risk taking. In any buying situation consumer is faced with risk regarding uncertainty about the outcome of the purchase and uncertainty about the consequences of the outcome. Perceived risk may include uncertainty inherent in the product, uncertainty in the place and mode of purchase, degree of financial and psycho-social consequences, and the subjectivity perceived by the consumer.

Web Marketing And The Internet

Gosh et al. Internet is fast being accepted as an integral part of a wide range of business. The opportunities are in the form of interactive relationship that is built with the customers and suppliers leading to fundamental changes in business. One of the opportunity is to create a customer magnet, to provide every thing of their interest.

Joseph et al. confirms that the common application on net include advertising and promotion research, servicing costumer etc. four out of 10 surveyed executives rated net as strategic important and very important for advertising and overall marketing strategy. Further web is viewed as an instrument for leveraging what a company already does in its ongoing marketing efforts of identifying prospects, responding to customer needs, strengthening customer relations and building sustainable competitive advantage.

Barva et al. conclude that the e-business must have customer orientation for its success. The marketers must customize their product based on the past, present encounters and allow the customer to pay online. The marketer must also allow the customer to track the supplies

Findings

Based on the responses towards compensation expected, hierarchical cluster analysis and the K-Means cluster analysis are used to group the respondents. Three clusters have emerged and the characteristics of them are:

They are also not after sole monetarybenefit is one that keeps them interested in any web marketing programme. This cluster may be termed as NON- YIELD SEEKERS. These are the individuals who are motivated by higher incentive to go through the mail. They read more mails related to increase their monetary benefit. They are neutral on the monetary benefit to keep them interested in any web marketing programme. This cluster may be termed as YIELD SEEKERS. Non yield seekers are 35 per cent and the other group is 65 per cent.

Risk Taking Attitude

Responses of respondents about risk taking attitude of respondents was classified using cluster analysis. There emerged two clusters.

The first group are the individuals who Prefer Risk taking. They try new things, which others hesitate. They are Adventures and love risk taking. This cluster may be termed as Risk takers. The second one is not adventures group. They hate risk taking. They never take financial risk. This cluster may be termed as Securers. Risk takers represent 35 per cent and securers are 65 per cent.

WEB Marketing Participation

Situational permission is a basic level where a customer allows a seller to provide information on his products.
• These are the individuals who wish to allow the seller only to an extent of providing information only. They don’t prefer to allow them beyond that. They do not believe that finer information about me is critical for good suggestion. This cluster may be termed as SELF CONTENDED. In this group there are 179 respondents constituting 65 per cent.

• These are the individuals who agree to allow the seller only to an extent of providing information only. They believe that finer information about me is critical for good suggestion. This cluster may be termed as PRACTICALS. They represent 35 per cent.

**Brand trust level permission** is allowing the seller to sell his next product because of the prior satisfaction with used product. Respondents believe that frequent e-mails increase the trust and they neither favor nor reject the seller pushing the next product. Two clusters have emerged out of cluster analysis and the characteristics of them are:

• These are the individuals who do not prefer to allow the marketer to market his next or extended products. They do not believe that the frequent mails will increase the trust between the marketer and the buyer. This cluster may be termed as NON TRUSTERS. In this group there are 143 respondents contributing to 49 per cent.

• These are the individuals who prefer to allow the marketer to market his next or extended products. They believe that the frequent mails will increase the trust between the marketer and the buyer. This cluster may be termed as TRUSTERS. They are 141 in number representing 51 per cent.

**Personal relationship permission** is the customer favoring to continue a personal relationship with the seller there by allowing him to sell his products.

Respondents favor the personal relationship level and cluster analysis delivers two clusters and their characteristics are:

• These are the individuals who do not allow the marketer to market the next / suggest the next product. This cluster may be termed NON AUGMENTERS. They constitute 29 per cent with 78 respondents.

• These are the individuals who do allow the marketer to market the next / suggest the next product. This cluster may be termed as AUGMENTERS. In this category the respondents are 197 representing 71 per cent.

**Points permission level web marketing** is a scalable approach.

The mean of the responses favors customers’ patronage to web marketing. Cluster analysis is used to zero on the number of clusters and their characteristics. Three clusters have emerged and the characteristics of them are:

• These are the individuals who do not expect monetary benefit to keep my interest towards the company. They are less likely to expect the company to monetarily compensate to the extent of patronage. This cluster may be termed BALANCERS. 200 respondents resulting in 73 per cent represent this group.

• These are the individuals who do not expect any monetary benefit to keep them interested in a company. They hate rewards for patronage. This cluster may be termed as IDEALS. This group constitutes 21 respondents i.e., 8 per cent.

• These are the individuals who expect some monetary benefit to keep their interest towards a company. They want to be smart on every purchase decision. they are encouraged by more rewards. They don’t prefer more rewards for more patronage. This cluster may be termed as value OPTIMISER. They are 54 in number resulting in 19 per cent.

**Purchase on approval web marketing** is an average customer in decisive in favoring the purchase on approval level permission. It yielded two clusters.

• These are the individuals who do not prefer to know the product shipped so that if not interested them can stop the shipment. This cluster may be termed NON SUBSCRIBERS. They are 174 consists of 63 per cent.
These are the individuals who do prefer to know the product shipped so that they can prefer stoppage. This cluster may be termed as **SUBSCRIBERS**. They are 101 resulting in 37 per cent.

**Intravenous web marketing** respondents are prepared to allow other to decide if products are precisely to the need, if it saves time and money. They are in favor of issuing blank checks. They are also hesitant to make any choice. They are least bothered about the price.

- These are the individuals who can allow other to decide if they can ensure them their requirements very precisely. They allow the company to decide on the product they should use because they don’t want to make a choice. This cluster may be termed as **DELEGATERS**. They are 44 in number resulting in 16 per cent.

- These are the individuals who want to decide every purchase by themselves. They don’t prefer to delegate anything to anybody. This cluster may be termed as **DECIDERS**. They are 153 in numbers resulting in 56 per cent.

- These are the individuals who prefer to allow other to decide if they can ensure them their requirements very precisely. They stay neither they accept not reject that the company’s recommendations would save money, save them time and as if they don’t want to decide. This cluster may be termed **WAVER**. They contribute to 28 percent with the support of 78 respondents.

**H0: Risk taking attitude is independent of across different levels of web marketing.**

<table>
<thead>
<tr>
<th>Sl no</th>
<th>Categories of web marketing</th>
<th>Risk taking attitude</th>
<th>Total</th>
<th>Chi square value</th>
<th>P value</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Intravenous permission</td>
<td>DECIDERS</td>
<td>54</td>
<td>99</td>
<td>153</td>
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<tr>
<td></td>
<td></td>
<td>DELEGATERS</td>
<td>20</td>
<td>24</td>
<td>44</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Wavers</td>
<td>23</td>
<td>55</td>
<td>78</td>
</tr>
<tr>
<td></td>
<td></td>
<td>NON SUBSCRIBERS</td>
<td>20</td>
<td>81</td>
<td>101</td>
</tr>
<tr>
<td></td>
<td></td>
<td>SUBSCRIBERS</td>
<td>77</td>
<td>97</td>
<td>174</td>
</tr>
<tr>
<td></td>
<td></td>
<td>BALANCERS</td>
<td>60</td>
<td>140</td>
<td>200</td>
</tr>
<tr>
<td>2</td>
<td>Purchase on approval permission</td>
<td>IDEALS</td>
<td>21</td>
<td>0</td>
<td>21</td>
</tr>
<tr>
<td></td>
<td></td>
<td>OPTIMISERS</td>
<td>16</td>
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<td>54</td>
</tr>
<tr>
<td></td>
<td></td>
<td>AUGMENTERS</td>
<td>60</td>
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<td>192</td>
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<tr>
<td></td>
<td></td>
<td>NON AUGMENTERS</td>
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<td>46</td>
<td>83</td>
</tr>
<tr>
<td></td>
<td></td>
<td>NON TRUSTERS</td>
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<tr>
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<td></td>
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<td>105</td>
<td>141</td>
</tr>
<tr>
<td></td>
<td></td>
<td>PRACTICALS</td>
<td>39</td>
<td>57</td>
<td>96</td>
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<td>3</td>
<td>Points permission</td>
<td>SELF CONTENTED</td>
<td>58</td>
<td>121</td>
<td>179</td>
</tr>
</tbody>
</table>

This result indicated that the risk taking attitude is not associated with the factors such as intravenous permission and situational permission. Securers are subscribers. The non-risk takers are subscribers, they preferred to know the product shipped so that they could stop the shipment if decided. Risk takers are ideals and they did not want their patronage to be underestimated and compensated in terms are money. Securers are balancers and they actually did not expect any compensation for their
participation. With regard to personal relationship securers are augmenters and that implied that they would like to maintain the relationship with the web marketers. Relating to brand trust permission securers are trusters and so they allow the marketers to communicate about the other products too.

H0: Expected compensation is independent of different levels of web marketing

**Table 2 Monetary expectation and web marketing dimensions**

<table>
<thead>
<tr>
<th>Sl no</th>
<th>Monetary benefit expectation</th>
<th>( \text{Chi square} )</th>
<th>( p ) value</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>non seekers</td>
<td>yield seekers</td>
<td>Total</td>
</tr>
<tr>
<td>1</td>
<td>DECIDERS</td>
<td>58</td>
<td>95</td>
</tr>
<tr>
<td>2</td>
<td>DELEGATERS</td>
<td>17</td>
<td>27</td>
</tr>
<tr>
<td>3</td>
<td>Wavers</td>
<td>21</td>
<td>57</td>
</tr>
<tr>
<td>4</td>
<td>NON SUBSCRIBERS</td>
<td>38</td>
<td>63</td>
</tr>
<tr>
<td>5</td>
<td>SUBSCRIBERS</td>
<td>58</td>
<td>116</td>
</tr>
<tr>
<td>6</td>
<td>BALANCERS</td>
<td>82</td>
<td>118</td>
</tr>
<tr>
<td>7</td>
<td>IDEALS</td>
<td>0</td>
<td>21</td>
</tr>
<tr>
<td>8</td>
<td>OPTIMISERS</td>
<td>14</td>
<td>40</td>
</tr>
<tr>
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<td>AUGMENTERS</td>
<td>75</td>
<td>117</td>
</tr>
<tr>
<td>10</td>
<td>NON AUGMENTERS</td>
<td>21</td>
<td>62</td>
</tr>
<tr>
<td>11</td>
<td>NON TRUSTERS</td>
<td>41</td>
<td>93</td>
</tr>
<tr>
<td>12</td>
<td>TRUSTERS</td>
<td>55</td>
<td>86</td>
</tr>
<tr>
<td>13</td>
<td>PRACTICALS</td>
<td>35</td>
<td>61</td>
</tr>
<tr>
<td>14</td>
<td>SELF CONTENDED</td>
<td>61</td>
<td>118</td>
</tr>
</tbody>
</table>

The chi-square result revealed that the web marketing participation factors such as intravenous permission, purchase on approval permission, brand trust permission and situational permission did not associated with the expectation of compensation. But it was associated with points permission in which, yield seekers are optimisers. The yield seekers who expected compensation would like to optimize their return by getting good compensation. In the case of relationship yield seekers are non-augmenters. They did not bother to maintain good relationship with web marketers.

**Influence On Web Marketing**

The regression analysis found to be a good model because the F-value was significant at one per cent level. The Adjusted R square value was 0.43 and that implied that the risk taking attitude and compensation expected determined participation in web marketing to the tune of 43 per cent. Risk taking attitude had higher level of negative influence. Expected compensation had positive influence.  

\[ Y (\text{Participation}) = 1.04 - 0.25 (\text{RTA}) + 0.18 (\text{C.E}) \]

**Suggestions**

Risk takers are more suitable for this kind of marketing and they do not have second thoughts and they would like to buy when they decide. Further they are ideals and their patronage would help for the companies development towards product and marketing strategies too.
Securers are trust the brand and as well they wish to maintain relationship. They could be encouraged for the growth of the business.

Risk taking attitude could be reduced by providing accurate needed information through e-mail. The customers who wish to earn by participation are to be identified and they could be compensated appropriately for using them for marketing research and for product survey too. Because they are keen on optimization. For today’s business scenario customer relationship marketing and management are very important and so the web marketers need not trust the yield seekers. They need to think of non-yield seekers are augmenters. They give weightage for relationship. They can be taken for confidence for futuristic research.

Conclusion:
Managerial Implications

This study helps the e-business people whom to trust, whom to use for research etc. So, this study helps to improve the markers’ effectiveness when they involve in e-business. Further buyers can derive better satisfaction if they fine tune their attitude for better satisfaction on their purchase.

Future Scope

We can extend the study by introducing new variables such as perception on web marketing, privacy Promotion through web and other related variables to study web marketing.

References
