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Measure the Extent of Customer Satisfaction for the Quality of Banking Services Offered By Iraqi Commercial Banks (Government and Private In Baghdad)

By Rudaina Othman Yousif & Suaad Abdulfattah Albairrooti

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Abstract- This study has focused on measuring the extent of customer satisfaction with the quality of banking services offered by Iraqi commercial banks (government and private in Baghdad). This study is divided into five axes each axis corresponds to each one of the research hypotheses. It has been applied a questionnaire consisting of (45) questions which included: questions from (1-15) concerning customers need for banking services; the questions from (1-16) which focused on the level of satisfaction achieved by costumers of government commercial banks; the questions from (30-45) which focused on the level of satisfaction achieved by government commercial banks. Those customers are generally satisfied with the services provided by government commercial banks where the overall satisfaction of customers is equal to (2.5210) and that the rate of overall satisfaction of private commercial banks customers is equal to (2.6456). Private commercial banks achieved more satisfaction to their customers, but with a little difference compared with government banks.

Keywords: *satisfaction, commercial banks, services, quality, customer.*

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Keywords: satisfaction, commercial banks, services, quality, customer.

1. INTRODUCTION

Productivity, service and marketing Companies are seeking to identify the needs and desires of customers in order to fulfill their satisfaction by providing them the required quality. Organizations realize the importance of the role played by the needs and desires of individuals in influencing their motivation and attitudes toward the goods and services and influencing their purchase behavior when making a purchase decision. At the same time, the quality of goods and services have a role in satisfying these needs and desires and achieve satisfaction also composing the loyalty for goods and services. The study of consumer behavior and identification of the factors affecting it are considered one of the most important marketing activities and it underpins the process of planning and product development and other marketing activities. (Sumaidei and others, 2008) Indicate that

consumer behavior is an carried out by individuals in planning to buy a product or service, and represents an expression of human behavior act and an action regarding the procurement process to satiate the needs. Behavior is an external activity which represents a response to external environment stimuli and psychological factors such as motivation, learning and cognition and mental image in order to achieve the gratification and satisfaction of customers.

Customer satisfaction is achieved through access to goods and services with qualities that meet their needs and desires. If customer satisfaction is achieved through access to banking services with the required quality, it will compose for them the loyalty for this service. This loyalty may make them permanent bank costumers, which will satisfy them.

The workers in the field of banking services are aware of the effective role played by the achievement of customers' satisfaction and implant loyalty in them by responding to their requests, good dealing and fulfilling of promises.

Emotion plays a significant role in consumers' satisfaction; Consumer satisfaction is a source of great concern and an essential condition for competitiveness in the global market. The evaluation of customer satisfaction plays an important role in the stand for satisfaction or dissatisfaction, and organizations are working to develop appropriate treatments to achieve the highest level of costumer satisfaction and to avoid past mistakes, since customer satisfaction for the quality of provided services is the key for the organization success. Both public and private sectors have given much attention to the concept of customer satisfaction in the past couple of decades. Naturally, administrators have requested their staff to do customer satisfaction studies for their own organizations (Willard Hom 2000). Satisfaction is a feeling. It is a short-term attitude that can readily change given a constellation of circumstances. It resides in the user's mind and is different from observable behaviors such as product choice, complaining, and repurchase. (Oliver, R. 1999) That customer satisfaction expresses personal feeling of joy or disappointment, and (Kotler et al 2000)

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is produced by balancing the performance of the product with the expectation of the customer. The customer satisfaction is composed by comparing what they expect to get of benefits from product or service and what they really get. If it exceeds what they really get for what they expect, they will be satisfied with any item or service, so that satisfaction is achieved when it exceeds what they get for what they expect to get it.

(Barakat, 2010) indicates in this regard that the expectations are perceptions of beneficiaries' customers from a service about the service quality level that they want and are trying to get by buying organization products. . The aim of the customers through the purchase of goods and services is to achieve satisfaction and this will be motivated by recurrent request for an item or service and continuing to deal with the producer. Joan L. Giese and Joseph A. Cote (2002) indicate that while the literature contains significant differences in the definition of satisfaction, all the definitions share some common elements. When examined as a whole, three general components can be identified: 1) consumer satisfaction is a response (emotional or cognitive); 2) the response pertains to a particular focus (expectations, product, consumption experience, etc.); and 3) the response occurs at a particular time (after consumption, after choice, based on accumulated experience, etc). Consumer responses followed a general pattern similar to the literature. Satisfaction was comprised of three basic components, a response pertaining to a particular focus determined at a particular time. Satisfaction is an emotional response to the experiences provided by and associated with particular products or services purchased, retail outlets, or even molar patterns of behavior such as shopping and buyer behavior, as well as the overall marketplace. An emotional response triggered by a cognitive evaluative process in which the perceptions of (or beliefs about) an object, action, or condition are compared to one's values (or needs, wants, desires)

II. RESEARCH QUESTIONS

The organizations of different kinds, including the banks seek to achieve the satisfaction of the customers, because it is well aware that the lack of satisfaction with them will make them leave this bank and deal with another bank. (Iyad 2011) indicates that government and non-government organizations have become interested in the quality of their products because it is a method that brings up the knowledge of the great changes in the external and internal environment of the organization as well as the growing interest of customers in quality products offered in the market.

This study focuses on knowing the extent of customers' satisfaction with the services quality provided by government and private commercial Iraqi banks in Baghdad by answering the following questions:

- What is the extent of customers' satisfaction about services provided by government and private commercial Iraqi banks
- What is the extent of customer satisfaction about the quality of reliability service (ability to perform the promised service with confidence and reliability) which are provided by commercial Iraqi banks in Baghdad
- What is the extent of customer satisfaction about the quality of assurance service (security, honesty and trust) which are provided by commercial Iraqi banks in Baghdad
- What is the extent of customer satisfaction about the quality of sympathy service (accessible and good communication, understanding and attention to their beneficiaries) which are provided by commercial Iraqi banks in Baghdad
- What is the extent of customer satisfaction about the quality of Responsiveness service (willingness to help beneficiaries and provide prompt service) which are provided by commercial Iraqi banks in Baghdad
- What is the extent of customer satisfaction about the quality of tangibles service (physical facilities, equipment and workers) which are provided by commercial Iraqi banks in Baghdad

III. THE STUDY OBJECTIVES

This study aims to

- Define the role of the dimensions of service quality on the satisfaction of Iraqi commercial banks customers' in the Baghdad province.
- Identify the extent of variation on customer satisfaction for government and private banks in Baghdad.
- Identify the extent of the difference between what customers need to provide the dimensions of service quality and the extent of the banks to provide these dimensions to customers for each of the government and private banks.
- identifying which one of the quality dimensions is providing us more from government and private commercial banks in Baghdad.

IV. HYPOTHESES OF THE STUDY

H01: The dimensions of service quality are instrumental in achieving satisfaction for customers of Iraqi commercial government and private banks in Baghdad.
H02: There is a difference in the satisfaction level about reliability of government banks customers and private banks in Baghdad

H03: There is a difference in the satisfaction level about assurance of government banks customers and private banks in Baghdad

H04: There is a difference in the satisfaction level about empathy of government banks customers and private banks in Baghdad

H05: There is a difference in the satisfaction level about responsiveness of government banks customers and private banks in Baghdad

H06: There is a difference in the satisfaction level about tangibles of government banks customers and private banks in Baghdad.

V. STUDY MODEL

The study model is based on the dimensions of the service quality that have been identified by Berry, Parasuraman and Zeithman 1985)

Satisfaction model presented by (Al - samydaï Mahmood & Rudaina Othman 2006 (which refers to the measure of satisfaction, which depends on the actual performance of the product (the level of customer satisfaction achieved) - the expected level of performance (the level of need to obtain service)

$$S = \sum_{i=1}^n P - N$$

S = Satisfaction achieved through access to the service.

P = Actual performance of the product (the level of customer satisfaction achieved)

N = The expected level of performance (the level of need for the service).

n = The number of services

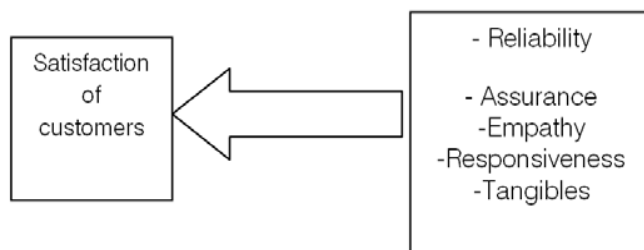


Figure 1 : Study model

VI. THE PREVIOUS STUDIES

The study of Al-Khafaji (2012) focused on Customer satisfaction as a mediator on the relationship between service quality And customer loyalty: A case study in Babylon Bank / Najaf branch .This study focused on Customer satisfaction as a mediator on the relationship between service qualities and customer loyalty and clarifies its impact in promoting customer loyalty. The data was collected by using a questionnaire as an essential tool after it has been taken of the study population (860) customers who deal with the National

Bank of Babylon / Branch Najaf for more than a year and is still ongoing, in order to express their opinion accurately about the service quality, satisfaction and loyalty by virtue of their experience in dealing with the bank. Then it has been selected a random sample of (412 of them) for statistical analysis. The results showed a significant relationship between service quality and customer loyalty, the results also indicate that there is an impact of the dimensions of customer satisfaction in the relationship between service quality and customer loyalty.

As for Abbas Hussein Jawad and Sahar Abbas Hussein (2006), in their study about the impact of strategic planning in customer satisfaction according to the philosophy of total quality management, found that the continuous change in customers' tastes and desires and the increasing complexity of the environment surrounding the organization and the growing degree of competition as well as the breadth markets and contrast characteristics forced organizations to rethink of administrative concepts adopted including the concept of strategic planning and customer satisfaction in an effort to support their competitive advantage, which qualifies them to discriminate on the competitors of local or regional or international. This study examined the analysis of the relationship and influence between strategic planning and customer satisfaction in an industrial company. The study began from a research problem representing the weakness in awareness of Iraqi organizations concerning the importance of Strategic Planning and by not adopting the concept of strategic planning and apply it to all levels of the organization, such limits their ability to satisfy the desires of customers. The study sought to achieve a set of objectives, including: recognize the reality of strategic planning in the surveyed company and to identify the degree of satisfaction of the company's customers. on another level the study of Buanan 2007 focused mainly on the quality and the impact of listening to the customer by workers to find out their needs, desires and expectations and identify appropriate activities to achieve the satisfaction of customers. The study also aimed to measure customer satisfaction to identify the level of customer satisfaction with the services provided by the adamantine institution in Algeria. The study showed that the evaluation of the service quality varies from a customer to another. And the service level in the ports does not rise to the level of customers' expectation so these services need to develop and improve. The organization, which seeks to succeed, should offer customers what they expect and prefer and what is offered should exceed the customer's expectation.

Obiead Salima (2012) indicates in his study that the adoption of marketing activities by banks helps the organization to respond to the needs and desires of customers and achieve their satisfaction and face the

changes that occur in the market. This study focused on the marketing reality in the Bank of Agriculture and Rural Development through choosing sample of 40 customers. While the study results showed that workers are aware of the importance of running a successful relationship with customers and caring for them, it also improves the bank image and has an important role in achieving satisfaction with them. The study of Osama 2005 focused on three banks: National Bank of Kuwait and Gulf Bank and Bank of Kuwait al Ahly. Its aim was to determine marketing constraints that affect the satisfaction of the customers of three banks. In order to reach the results, it was chosen a sample of 59 employees from the banks. The results of the study showed that the training and rehabilitation of workers in the bank has a big role in achieving the satisfaction of the customers and provide high quality services. As for

the study of Khaled (2012), it focused on measuring customer satisfaction with the quality of Islamic Banking. An Empirical Study for the Syrian Islamic Bank showed that there is a difference between customer expectations for quality of services provided and between their awareness of the actual performance of those services in the bank. Also tangibility, responsiveness and empathy have an active role in influencing the quality of services which are provided by the bank.

VII. RESULTS

a) Test of Reliability

A reliability coefficient of (Corbach's Alpha) 70% or higher is considered "acceptable" in most social science research situations. The result of this test in the current study in 79% as table (1) shows:

Table 1 : Reliability Coefficients

N of cases	Corbach's Alpha	N of items
591	.79	45

b) Results general

By using descriptive analysis it shown that the mean of all questions and the T value to the need to customers for banking services. As shown in table (2)

Table 2 : The expected level of performance (the level of need for banking services)

What is the need for the following properties while dealing with commercial banks	One-sample-test T value	Mean	Sig (2-tailed)
First Dimension : what is your need for the reliability(ability to perform the promised service with confidence and reliability) when dealing with the services provided by commercial banks			
Q1- The workers attention for the customers in the commercial banks	8.936	3.6701	.000
Q2- workers are fulfilling the promises which they gave to customers in the commercial banks	16.336	3.7428	.000
Q3- Your trust in commercial banks and their employees	51.854	4.5601	.000
Q4- Workers in commercial banks are dealing with customers reliability	50.939	4.5178	.000
Second dimension: What do you need for assurance (safety, honesty and trust) when dealing with services of commercial banks			
Q5- the employees are dealing honestly with customers in commercial banks	52.042	4.5296	.000
Q6- Feeling of safety while dealing with commercial banks	35.570	4.2555	.000
Q7- Good reputation for commercial banks are generate tranquility for customers which can satiated them	16.199	3.7293	.000
Third dimension : What is your need for sympathy (access and good communication, understanding and attention to their beneficiaries) while dealing with services of commercial banks			
Q8- the workers in commercial banks have sufficient information to answer customers' questions	20.280	3.8240	.000
Q9- You can contact with employees in commercial banks easily	9.794	3.4653	.000
Q10- the workers in the commercial banks are understanding of to the needs and desires of customers	9.083	3.4349	.000
Four dimension: what do you need to respond (ready to assist beneficiaries and provide prompt service) while dealing with services of commercial banks			
Q11- The speed of workers responsiveness in commercial banks	22.742	4.0152	.000

Q11- the workers readiness in the commercial banks to help customers	46.097	4.5245	.000
Five dimension : What is your need for tangibility (physical facilities, equipment and workers) while dealing with services of commercial banks			
Q13- The banks use modern equipment to provide their services	32.213	4.2640	.000
Q14- the workers in commercial banks have good appearance	35.810	4.2792	.000
Q15- the commercial banks building and the internal arrangement	30.206	4.1455	.000

From Table 2, we find that the nine questions occupied the (Your trust in commercial banks and their employees Question 3) ranked first among other characteristics, with an mean 4.5601.

Table 3: The level of satiated which is achieved by utilizing the services of government banks (from the viewpoint of the sample

The extent of satiated level that achieved by utilizing from the services of government banks	One-sample-test T	Mean	Sig (2-tailed)
First dimension: the impact of reliability (ability to perform the promised service with trust and reliability) to achieve the satiated for the beneficiaries from the quality of provide services by government commercial banks			
Q16- The workers attention for the customers in the government commercial banks achieve to them satiated	35.151	4.2860	.000
Q17- workers are fulfilling the promises which they gave to customers in the government commercial banks achieve to them satiated	17.218	3.8832	.000
Q18- the trust in government commercial banks and their employees achieve to them satiated	54.507	4.5712	.000
Q19- Workers in government commercial banks are dealing with customers reliably which achieve to them satiated	52.202	4.5245	.000
Second dimension: the impact of assurance (safety, honesty and trust) to achieve beneficiaries satiated of government commercial banks services			
Q20- the employees are dealing honestly which achieve customers satiated in government commercial banks	25.883	4.0931	.000
Q21- Feeling of safety while dealing with government commercial banks	24.941	4.3 235	.000
Q22- Good reputation for government commercial banks are generate tranquility for customers which can satiated them	21.786	4.1557	.000
Third dimension : the impact of sympathy (access and good communication, understanding and attention to their beneficiaries) to achieve the beneficiaries satiated from government commercial banks services			
Q23-- the workers in the government commercial banks have sufficient information to answer customers' questions which achieve satiated for customers	28.489	4.0457	.000
Q24- the contact with employees in the government commercial banks easily which achieve satiated for customers	13.285	3.7073	.000
Q25- the workers in the government commercial banks are understanding the needs and desires of customers which achieve satiated for customers	8.833	3.9932	.000
Four dimension : the impact of responsiveness (ready to assist beneficiaries and provide prompt service) to achieve the beneficiaries satiated from government commercial banks services			
Q26- The speed of workers response in government commercial banks achieve satiated for customers	16.120	4.0135	.000
Q27- the workers readiness in the government commercial banks to help customers achieve satiated for them	51.920	4.5618	.000
Five dimension : the impact of tangibility (physical facilities, equipment and workers)) to achieve the beneficiaries satiated from government commercial banks services			
Q28- The government commercial banks use modern equipment to provide their services can achieve satiated for customers	51.059	4.5212	.000
Q29- the workers in government commercial banks have good appearance can achieve satiated for customers	51.979	4.5279	.000
Q30- the government commercial banks building and the internal arrangement can achieve satiated for customers	35.709	4.2589	.000

Table 4 : The Satisfaction of government bank services (from the viewpoint of the sample

Questions	Mean needs of service -Mean saturation of government bank services	Satisfaction of government bank services
16-The workers attention for the customers in the government commercial banks achieve to them satiated	4.2860-3.6701	+0.6159
17-workers are fulfilling the promises which they gave to customers in the government commercial banks achieve to them satiated	3.8832-3.7428	+0.1404
18-the trust in government commercial banks and their employees achieve to them satiated	4.5712 -4.5601	+0.0111
19-Workers in government commercial banks are dealing with customers reliably which achieve to them satiated	4.5245 -4.5178	+0.0067
	satisfaction for Reliability	+0.7741
20-the employees are dealing honestly which achieve customers satiated in government commercial banks	4.0 931-4.5296	-0.4338
21- Feeling of safety while dealing with government commercial banks	4.3 235-4.2555	+0.0680
22-Good reputation for government commercial banks are generate tranquility for customers which can satiated them	4.1557-3.7293	+0.4264
	Satisfaction for assurance	+0.0600
23-the workers in the government commercial banks have sufficient information to answer customers' questions which achieve satiated for customers	4.0457-3.8240	+0.2217
24-the contact with employees in the government commercial banks easily which achieve satiated for customers	3.7073-3.4653	+0.2420.
25-the workers in the government commercial banks are understanding the needs and desires of customers which achieve satiated for customers	3.9932-3.4349	+0.5583
	Satisfaction for empathy	+1.0220
26-The speed of workers response in government commercial banks achieve satiated for customers	4.0135-4.0152	-0.0017
27-the workers readiness in the government commercial banks to help customers achieve satiated for them	4.5618-4.5245	+0. 0473
	Satisfaction for responsiveness	+0.0456
28-The government commercial banks use modern equipment to provide their services can achieve satiated for customers	4.5212-4.2640	+0.2572
29- the workers in government commercial banks have good appearance can achieve satiated for customers	4.5279-4.2792	+0.2487
30- the government commercial banks building and the internal arrangement can achieve satiated for customers	4.2589-4.1455	+0.1134
	Satisfaction for tangibles	+0.6193

Customer satisfaction for the services of government commercial banks achieved satisfaction for customers in all services except the employees are dealing honestly which achieve customers satiated in government commercial banks and The speed of workers response in government commercial banks achieve satiated for customers.

Table 5 : The level of satiated which is achieved by utilizing the services of private banks (from the viewpoint of the sample)

The extent of satiated level that achieved by utilizing from the services of private commercial banks	One-sample-test T	Mean	Sig (2-tailed)
First dimension: the impact of reliability (ability to perform the promised service with trust and reliability) to achieve the satiated for the beneficiaries from the quality of provide services by private commercial banks			
Q1-The workers attention for the customers in the private commercial banks achieve to them satiated	16.572	4.3198	.000
Q2- workers are fulfilling the promises which they gave to private customers in the commercial banks	20.583	4.1066	.000

achieve to them satiated			
Q3- the trust in private commercial banks and their employees achieve to them satiated	47.443	4.5602	.000
Q4- Workers in private commercial banks are dealing with customers reliably which achieve to them satiated	49.660	4.5668	.000
Second dimension: the impact of assurance (safety, honesty and trust) to achieve beneficiaries satiated of private commercial banks services			
Q5- the employees are dealing honestly which achieve customers satiated in private commercial banks	22.720	4.0136	.000
Q6- Feeling of safety while dealing with private commercial banks	46.097	4.0245	.000
Q7- Good reputation for private commercial banks are generate tranquility for customers which can satiated them	8.833	4.1218	.000
Third dimension : the impact of sympathy (access and good communication, understanding and attention to their beneficiaries) to achieve the beneficiaries satiated from private commercial banks services			
Q8- the workers in the private commercial banks have sufficient information to answer customers' questions which achieve satiated for customers	16.120	3.7377	.000
Q9- the contact with employees in the private commercial banks easily which achieve satiated for customers	51.920	4.5618	.000
Q10- the workers in the banks are understanding the needs and desires of customers which achieve satiated for customers	51.059	4.5212	.000
Four dimension : the impact of responsiveness (ready to assist beneficiaries and provide prompt service) to achieve the beneficiaries satiated from commercial banks services			
Q11- The speed of workers response in private commercial banks achieve satiated for customers	51.979	4.5279	.000
Q12- the workers readiness in the private commercial banks to help customers achieve satiated for them	35.708	4.5589	.000
Five dimension : the impact of tangibility (physical facilities, equipment and workers)) to achieve the beneficiaries satiated from private commercial banks services			
Q13- The private commercial banks use modern equipment to provide their services can achieve satiated for customers	16.572	4.7411	.000
Q14- the workers in private commercial banks have good appearance can achieve satiated for customers	20.583	4.3152	.000
Q15- the private commercial banks building and the internal arrangement can achieve satiated for customers	9.960	3.9459	.000

Table 6 : the Satisfaction for private bank services(from the viewpoint of the sample)

Questions	Mean needs of service -Mean saturation of private bank services	Satisfaction for private bank services
31-The workers attention for the customers in the private commercial banks achieve to them satiated	4.3198 -3.6701	+0.6497
32-workers are fulfilling the promises which they gave to private customers in the commercial banks achieve to them satiated	4.1066 -3.7428	+0.3638
33-the trust in private commercial banks and their employees achieve to them satiated	4.5602 -4.5601	+0.0001
34-Workers in private commercial banks are dealing with customers reliably which achieve to them satiated	4.5668 -4.5178	+0.0488
	satisfaction for Reliability	+1.0624
35- the employees are dealing honestly which achieve customers satiated in private commercial banks	4.0136-4.5296	-0.5160
36-Feeling of safety while dealing with private commercial banks	4.5245 -4.2555	+0.2690
37- Good reputation for private commercial banks are generate tranquility for customers which can satiated them	4.1218-3.7293	+0.3925
	Satisfaction for assurance	+0.1455
38- the workers in the private commercial banks have sufficient information to answer customers' questions which achieve satiated for customers	3.7377-3.8240	-0.0863
39- the contact with employees in the private commercial banks easily which achieve satiated for customers	4.0245 -3.4653	+0.5592

40-the workers in the banks are understanding the needs and desires of customers which achieve satiated for customers	4.1 218-3.4349	+0.6869
	Satisfaction for empathy	+0.5771
41-The speed of workers response in private commercial banks achieve satiated for customers	4.5279 -4.0152	+0.5127
42-the workers readiness in the private commercial banks to help customers achieve satiated for them	4.5 589 -4.5245	+0.0344
	Satisfaction for responsiveness	+0.5471
43-The private commercial banks use modern equipment to provide their services can achieve satiated for customers	4.7411-4.2640	+0.4771
- the workers in private commercial banks have good appearance can achieve satiated for customers	4.3 152 -4.2792	+0.0360
45-the private commercial banks building and the internal arrangement can achieve satiated for customers	3.9459 -4.1455	-0.1996
	Satisfaction for tangibles	+0.3135

Customer satisfaction for the services of private commercial banks private commercial banks achieved satisfaction for customers in all services except (the employees are dealing honestly which achieve customers satiated in private commercial banks, the

workers in the private commercial banks have sufficient information to answer customers' questions which achieve satiated for customers and the private commercial banks building and the internal arrangement can achieve satiated for customers)

Table 7 : Comparison between the level of general satisfaction which is achieved by utilizing the services of government banks and the level of satisfaction which is achieved by utilizing the services of private banks

The dimensions	Satisfaction of government banks services	Satisfaction of private banks services
first dimension :the impact of reliability (ability to perform the promised service with trust and reliability) to achieve the satiated for the beneficiaries from the quality of provide services	+0.7741	+1.0624
Second dimension: the impact of assurance (safety, honesty and trust) to achieve beneficiaries satiated of government commercial and private banks services	+0.0600	0.1455
Third dimension : the impact of empathy (access and good communication, understanding and attention to their beneficiaries) to achieve the beneficiaries satiated from government commercial banks service	+1.0220	0.5771
Four dimension : the impact of responsiveness (ready to assist beneficiaries and provide prompt service) to achieve the beneficiaries satiated from government commercial and private banks services	+0.0456	0.5471
Five dimension : the impact of tangibility (physical facilities, equipment and workers)) to achieve the beneficiaries satiated from government commercial and private banks services	+0.6193	0.3135
General satisfaction	2.5210	2.6456

By applying the model of satisfaction the results showed that the value of the general satisfaction of the all services provided with the government commercial banks = 2.5210 As for the private commercial banks, the general satisfaction of the all services provided = 2.6456 and this indicates that the private commercial banks achieved more satisfaction from government commercial banks, but this difference is little(0.123)

VIII. CONCLUSION AND DISCUSSION

Results from the study show that the government commercial banks have not been able to

respond to what is expected from customers. The employees are dealing honestly with a costumer which increases the level of satisfaction of costumers in government commercial banks.

Since the answers of the sample showed that the difference between what they expect to get and their need for this service (satisfaction) is equivalent of (-0.4338). This meaning that government banks were unable to meet customer demand for this service. The speed of workers response in government commercial banks achieved the satisfaction of customers with a (satisfaction) level equivalent to (-0.0017).

As for the private commercial banks have not been able to respond to what is expected from customers about the point:

- "The employees are dealing honestly which leaves customers satiated in private commercial banks", since the answers of the sample showed that the difference between what they expect to get and their need for this service (satisfaction) and what is the reality, with a center minus equal to (-0.0863). This means that private banks were unable to meet customer demand for this service as well as for the private commercial banks building and the internal arrangement which can leave costumers satiated with a (satisfaction) level and equivalent to (-0.1996).
- The government banks have achieved satisfaction to customers on each from:
- The workers attention for the customers in the banks makes them satisfied and workers are fulfilling the promises which they gave to customers in the banks which also satisfies them. Workers in the banks are dealing with customers reliably which leaves them satiated. This is consistent with the Buanan2007 study focused mainly on the quality and the impact of listening to the customer by workers to find out their needs, desires and expectations and identify appropriate activities to achieve the satisfaction of customers. And also consistent with study of Obiead Salima (2012) the study.

Which showed that the awareness of workers in banks has the importance of running a successful relationship with customers and caring for them has an important role in achieving satisfaction with them.

The study also showed that customers of government and private banks are satisfied about :

- The workers in the banks have sufficient information to answer customers' questions which satisfies customers and the easy contact with employees in the banks also satisfies them.
- The workers in the banks are understanding of the needs and desires of customers which satisfies customers and the workers readiness in the government commercial banks to help customers also satisfies them.

As for the private banks, it has achieved satisfaction to customers on:

- The easy contact with employees in the banks which satisfies customers. The workers in the banks are understanding of the needs and desires of customers which satisfies customers and the workers readiness in the government commercial banks to help also leaves them satisfied.

And this consistent with study of Obiead Salima (2012) which shows that the awareness of

workers of the importance of running a successful relationship with customers and caring for them; it also improves the bank image and has an important role in achieving satisfaction with them.

The study of Samir Ahmad and Abu Zneid. Shadi profit-Sharif (2009) showed that the physical facilities such as good appearance of workers, internal arrangement and the bank building have essential role for satisfying costumers. This is consistent with the results of this study.

Overall the study showed that the private commercial banks achieved more satisfaction to their customers, but with a little difference compared with government banks The satisfaction of private commercial banks customers is equal to (2.6456), while the satisfaction of government commercial banks customers is equal to (2.5210).

- The government banks should improve their services with regard to:

"The employees are dealing honestly which leaves customers satiated in government commercial banks" where the value of satisfaction is(-0.4338), as well as in relation to

"The speed of workers response in government commercial banks satisfies customers" where the value of satisfaction is(-0.0017)

- The private banks should improve their services with regard to:

"the employees are dealing honestly which leaves customers satiated in private commercial banks" where the value of satisfaction is 0.5160, and)

"the private commercial banks building and the internal arrangement can satisfy customers" where the value of satisfaction is (-0.1996).

Generally the customers are satisfied about the government commercial banks services where the overall customers satisfaction is (2,5210). And the overall of customers satisfaction for private commercial banks is (2,6456).

This means that private commercial banks achieved more satisfaction by their customers, but with a little difference compared with government banks.

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Green Marketing: It's Influence on Buying Behavior and Attitudes of the Purchasers towards Eco-Friendly Products

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Abstract- As time goes by Consumers tend to be more aware about the environment and this have changed their attitude and perceptions towards the environment. The fact that consumers are exposed to open information about the harmful products and their long term effects on the environment, this has affected their purchasing decision, and not to mention that consumers are stepping forward towards the greener products as marketers are using different strategies to persuade them to buy products that are considered to be environmentally-friendly. Ecological issues are still the major concern toward the whole world and people. Air contamination, deforestation and greenhouse impacts are the major natural issues that have happened till now alongside the activities of a person. In fact, consumers' concerns about the environment have encouraged the marketers to change their strategies and adopt a marketing strategy called "Green marketing". So this research focuses on what makes green marketing successful, consumers' behavior and their perceptions towards green products, the reason why marketers decided to adopt green marketing and how marketers can implement the green marketing mix.

Keywords: *green marketing, geen consumer, green marketing mix, consumer behavior.*

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GREENMARKETINGITSINFLUENCEONBUYINGBEHAVIORANDATTITUDESOTHEPURCHASERSTOWARDECO-FRIENDLYPRODUCTS

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Green Marketing: It's Influence on Buying Behavior and Attitudes of the Purchasers towards Eco-Friendly Products

Aman Diglel^α & Dr. Rashad Yazdanifard^σ

Abstract- As time goes by Consumers tend to be more aware about the environment and this have changed their attitude and perceptions towards the environment. The fact that consumers are exposed to open information about the harmful products and their long term effects on the environment, this has affected their purchasing decision, and not to mention that consumers are stepping forward towards the greener products as marketers are using different strategies to persuade them to buy products that are considered to be environmentally-friendly. Ecological issues are still the major concern toward the whole world and people. Air contamination, deforestation and greenhouse impacts are the major natural issues that have happened till now alongside the activities of a person. In fact, consumers' concerns about the environment have encouraged the marketers to change their strategies and adopt a marketing strategy called "Green marketing". So this research focuses on what makes green marketing successful, consumers' behavior and their perceptions towards green products, the reason why marketers decided to adopt green marketing and how marketers can implement the green marketing mix.

Keywords: green marketing, green consumer, green marketing mix, consumer behavior.

1. INTRODUCTION

As it was indicated by the American Marketing Association, green marketing is the marketing of items that are considered to be Eco-friendly and organic by other people. Nonetheless, green marketing involves various activities, including adjusting the production line, product adjustment, packaging progression, changes in pricing, and in addition changing promoting. Hence, organizations are usually assisted and encouraged by the government to produce products that are eco-friendly and so called customers are very sensitive towards green marketing, especially when it comes to changes in the marketing mix (four Ps).

While globalization procedure proceeds in its full speed over the world, this process has additionally brought a few issues along. Heading one of these issues is natural issues that influence all living creatures

badly. These previously stated ecological issues have begun to reach the plan more in the ate years and individuals have begun to talk about these matters. Purchasers now have stresses over the fate of the world and as aftereffects of this for the most part favor Eco-friendly products. As a result, to these dispositions of the buyers, organizations have begun to structure their marketing systems to bid expanding attention to this environment-friendly. Not to mention that at some points companies are forced to implement green policies when it comes to carrying out an advertisement, manufacturing the product, setting price, as well as placing the product to the market.

There are different factors that influence the purchasing choice procedure of customers. A number of Researchers have distinguished numerous variables that are affecting this procedure, including; knowledge about the environment, the price and quality of a product, and the style of environmental promoting (Agyeman, 2014).

Keeping in mind that organizations are socioeconomic entities, it can't be normal that they stay lethargic to the "Natural Awareness" that may administer the behavior of the purchasers. Especially marketing directors experience with buyers sensitive to natural issues. Despite from manufacturing Eco-friendly goods and selecting Eco-friendly markets, basically understanding of 'naturally friendly' is obliged to be coordinated in to the corporate society. In green marketing consumers face terms which are considered to be similar in the mind of a customer, for example, nature/ environment-friendly, ozone-friendly and recyclable items as well. Notwithstanding, green marketing isn't constrained to these terms in any case is a much more extensive idea of marketing movement which can be connected to buyer choices, modern products and to services as well (Boztepe, 2012).

We claim the product is "-green", if it:

- Creates minimum natural effect]
- Is produced in a way that is environmentally conscious.
- Avoids water pollution, area contamination and air pollution as well.

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- Preserves natural resources such as energy and water
- Utilizes recyclable sourced materials
- Is not utilizing plastic bags, but instead someone's own bag.
- Is locally manufacture

While green marketing is widening incredibly as expanding numbers of buyers are eager to support the natural consciousness with their capital, it can be risky. But the fact is general society has a tendency to be wary of green cases in any case and organizations can genuinely harm their brands and their deals if a green case is found to be false or disaffirmed by an organization's different goods. Introducing goods as green when it's not been mentioned as green washing. Organizations need to earn the trust of the consumers' not through saying a catchy phrase (green marketing) but, instead they should implement it for instance, whatever they say about their product should be the fact "our product is fully organic". Green Marketing isn't simply a phrase; it's a marketing strategy that managers use to help them get more clients and profit. However, it only happens if you do it ethically.

But not to mention in order, for the marketing strategy (green marketing) to be successful, there are three things that need to be done: instruct your clients, be genuine, and provide for them the chance to take part.

- a) Claiming that you are genuine implies that you are claiming to be implementing the green marketing strategies and that whatever policies that your organization is adopting it should be consistent on doing something that is eco-friendly.. Both these conditions must be met for your business to create the sort of ecological qualification that will permit a green marketing fight to be achieved (Bukhari, 2011).
- b) Organizations are likewise beginning to instruct the masses with an increment in promoting that puts attention on organic product and how they are more gainful for the customers. This sort of promoting goes far in teaching the masses and pushing the idea of green items among the individuals. With more purchasers ready to pay a bit additional towards green items, companies are paying more attention on the behavior, attitudes and demands of their consumers, and this is keeping them updated (Cherian & Jacob, 2012).
- c) We find that numerous buyers are mindful of the ecological issues and they showed their concern about the nature. Hence, organizations should permit their consumers to be involved in the actions that are taken to encourage green marketing and sustain the nature (Awan & raza, 2010). In other words, keeping the customers updated about the organization's actions towards the organic products

by getting them involved in what the organization does to sustain the environment. This kind of customer participation will benefit the organization to gain the trust of the customers.

On the other hand, Driessen (2005), cited by (Maheshwari, 2014) he carried out an examination of the development strategy on green product, he found out that with a specific end goal to keep up competitive advantage, an ideal level of greenness needs to be distinguished between development execution and greenness, in this manner evading only catching the small green business sector. Thus, if the business sector for earth sustainable items is to wind up standard, it is critical to take a gander at what variables impact the purchaser's choice procedure.

To concisely wrap it off this research talks about consumers' attitude and their values towards the marketing strategy (green marketing), organic products and how influential role they play in the market.

II. ENVIRONMENTALLY SUSTAINABLE PRODUCTS

Characterizing environmentally friendly items is mind boggling and broad. In a strict sense, there is no such thing as a positively supportable or green item, as all items we purchase, own, use and dispose in our regular lives will have negative environmental effects at any stage in their product life cycles. In other words, what this study is referring to is that products that are produced by companies are not hundred percent green, but consumers perceive it as one or companies claim as if it's. Diapers may not result in any trees to be cut down, yet they do utilize a part of heated water. Disposable diapers don't utilize water yet they do obstruct landfills—and with a ton of dangerous waste (Ottman, 2011). Notwithstanding, items can be grouped as per the scale of these effects, and a quality edge can be drawn (Cooper, 2000) cited by: (Maheshwari, 2014). If it happens to be that an item has a low natural effect, it is viewed as an environmentally sustainable item. An alternate meaning of this term, for attention in this paper, is that items ought to be promptly accessible to buy and incorporate those supplied by organizations with notoriety for lessening natural effects from their assembling procedures. However, green marketing widening up and companies are carrying out an advertisement and campaigns to increase the awareness of the customers about green marketing.

III. EVOLUTION OF GREEN MARKETING

A reasonable number of researchers mentioned that green marketing has developed over a time. Worldwide evidence demonstrates individuals are worried about nature's turf and are changing their conduct. As an aftereffect of this, green marketing has

risen which represents developing business sector for reasonable and socially capable products. The advancement of green marketing has three stages. Initial stage when it was a completely new strategy, it was termed as "ECOLOGICAL" green marketing, and during this stage of green marketing marketers were concerned about the environment and this provided solution for natural issues. Second stage was "Environmental" green promoting and the object moved much on technology that included outlining of imaginative new items, which deal with contamination and waste issues. And not to mention the Third stage of green marketing was noted as "sustainable". It turned into a big deal in the late 1990s and early 2000 (Bukhari, 2011).

IV. WHY GREEN MARKETING?

Why green marketing? Why is it that we pay more attention to green marketing? Well the fact is we live on a planet that is scarce, in other words, it means that people's wants are unlimited and it accumulates with time, but the problem is that our planet has limited resources that cannot be enough to satisfy every each needs of an individual. So the bottom line is to satisfy as many needs as possible by utilizing the resources in a very mannered way and hence, green marketing is the best strategy. There is developing enthusiasm among the buyers everywhere throughout the world with respect to ensuring the environment. Overall, evidence exposes that individuals are worried about nature and their attitude and behavior is changing. As an aftereffect of this, green marketing has risen which represents developing business sector for products and services that are socially mindful.

According to Saini, (2013) a large number of organizations started understanding that operating in a manner that is environmentally-friendly. People decided to run their business with an aim of earning money and achieving environmental objectives as well. Saini, (2013) as well mentioned that not too far ago just a few years back HSBC was noted as the world's first bank to go carbon-neutral and not to mention Coca-Cola which is one of the famous brand invested in a number of recycling activities. This study also discovered opportunities are one of the factors that marketers choose to go green marketing. As consumer demands vary time to time, numerous firms see these changes in customers taste and preferences as a chance to be exploited and have a competitive advantage over firms launching non-environmentally responsible options.

As few illustrations of firms who have struggled to become all environmentally-friendly, for the sake of fulfilling the needs and wants of their consumers: McDonalds is one of the companies that decided to modify their package to paper waxed as consumers were kind worried from the previous (Kiran, 2012). With

an objective of reducing the manufacturing of harmful products by companies' governments usually interfere with the operation of companies and has actually led to less consumption of harmful products by the consumers (Deshwal, 2012). And not to mention that the act of cutting harmful waste may lead to some cost saving, where the waste can be used for other purposes like as a raw material by other companies. And lastly but not least the reason why companies are adapting green marketing is because of the pressure they get from the government, most of the governments of civilized countries imposed laws to secure the environment from goods that are considered to be harmful and to protect buyers as well through a guaranteed law that different varieties of purchasers can assess the natural composition of products (Ghoshal, 2008).

V. BENEFITS OF GREEN MARKETING

Nowadays as technology improves so does the mind of consumers about the environment. And the fact that consumers have started to build concern about the environment. Hence, organizations could only share their consumers' concern and goes by respecting their values by reducing the production of goods that are considered to be harmful towards the environment.

The Shortcut is what many companies are looking forward to have as they will ultimately step forward to become green. There are various numbers of advantages that companies face if they ever decide to go green, those advantages are:

- Employees would proudly and happily work for companies that are environmentally responsible, in other words workers would be motivated to put their potential in any tasks they do.
- At first the expenses are more, but it tends to save money down the road in the long term.
- It helps companies in getting into a new market and produce goods and services while keeping the environment concerns into consideration.
- It guarantees supported long term development alongside profitability.

VI. GREEN MARKETING MIX

At the point when organizations think of new innovations like green products, they can get to new markets, not to mention that organizations are usually picky, hence companies have a marketing mix that is considered to be their favorite and, this basically leads to expanding benefits and market shares. Pretty much as we have 4ps product, price, place and promotion, we have 4ps in green marketing as well, however they are a bit distinctive. Nevertheless, the four Ps in the green marketing mix are concisely detailed in this paper and it mentioned how challenging it actually is for the market managers to use the green marketing mix in a way that is considered to be creative.

According to Darling, Heller, & Tablada, (2009), as Cited by (Awan & Raza, 2010)

1. *Product* : companies innovate their products according to the needs and preferences of their consumers and usually consumers tend to be concerned about the environment, so therefore companies prefer to produce products that are less harmful towards the environment. Environment friendly products tend to save money, water and other natural resources. As the products can be manufactured from reused materials or products that has been used before. The marketer's role in product management includes providing product designers with market-driven trends and customer requests for green product attributes such as energy saving, organic, green chemicals, local sourcing, etc., For example, Nike is the first among the shoe companies to market itself as green. It is marketing its Air Jordan shoes as environment-friendly, as it has significantly reduced the usage of harmful glue adhesives. It has designed this variety of shoes to emphasize that it has reduced wastage and used environment-friendly materials (Dua, 2013).
2. *Price* : among all the green marketing mix "price" is a standout, it is considered to be the factor in the green marketing mix that is most imperative and critical compared to the rest of the other factors in the green marketing mix. Not to mention that consumers are very sensitive to price changes and it easily affect consumers purchasing decision (Morel & Kwakye, 2012). Most purchasers might be willing to pay extra value if there is a self-impression of additional item value. Green marketing ought to look into visual appeal, taste, design, and performance while charging a premium price from the clients (Sharma, 2011). According to Dua, (2013) Green marketing contemplates the profit, individuals and planet in a manner that deals with the strength of workers and groups and guarantees proficient productivity.
3. *Place* : This is related to distribution gates use that deal with green products, which are proper for customers, as far as encouraging their conveyance, and to secure cycling methods leading inside natural conditions and prerequisites (N. Hashem, 2011). According to K. Sudhalakshmi & Chinnadorai, (2014) green distribution consists of two different aspects which are defined as "inner and outer", by inner viewpoint, we mean the internal environment of the company that must be a spot in which supervisors and representatives have a feeling of peacefulness other than watching the natural issues in inward techniques of the corporation and the proportionality between the inside space and the planned item (Hashem & I-

Rifai, 2011). Because of the agreeable and acceptable behavior of the employees, consumers seem to be gravitated by it. And on the other side outer aspect is defined as the place where environmentally-friendly goods and services are placed for sale.

4. *Green Promotion* : There are numerous concerns among the buyers about environmental advertisement. According to N. Hashem, (2011) This refers to giving true data about the items in a manner that does not harm the materialistic and good buyers' investments. Companies should give it a critical thought before they advertise their products, it's very important for companies to list the functions, design or uses of their products before they advertise them, this will help to avoid any misleading information about the products. According to Dua, (2012) designing the tools of promotion is what the green promotion includes. For instance, web sites, signage, material for marketing and white papers by keeping planet and individuals in mind as their main aim is to make profit. After carrying out empirical research Morel & Kwakye, (2012) concluded their results by stating that "there is a positive relationship between advertisement (publicizing) and state of mind towards green items (Arora, 2014).

The more individuals are uplifting state of mind to green claim, the more individuals are ready to buy green items. For sure green advertisement licenses buyers to make attention to green items and to comprehend better the green characteristics, so there is sure a relationship with buy plan". Besides, what has been said previously in this paper, a lot of authors kept sharing their ideas and perceptions bout green promotion, according to Yazdanifard & Mercy, (2011) Most buyers are influenced through an advertisement that reflects a company's commitment to the environment. At the point when an organization conveys this through their promotions, advancements, publicity and corporate social obligations, they are certain to get a numerous number of loyal clients (Yazdanifard & Mercy, 2011). According to Sharma, (2011) green advertisement is categorized into three sorts:

- Advertisements that push a green way of life by highlighting either a service nor product.
- Advertisement that present a relationship between two variables (goods and environment).
- An advertisement that addresses a corporate image of environmental obligation satisfied with them.

VII. GREEN CONSUMER

According to Boztepe, (2012) & (Anvar & Venter, 2014) the term "Green Consumer" was defined as one who embraces environmentally friendly practices

or/and who is willing to buy for green items over the standard options. With consumers' perception towards different products and of course consumers' purchasing decision have numerous effect on the nature. Choices made by consumers with respect to food or modes of transportation, for example, impact greenhouse gas emanations and help environmental change. As voters, individuals can further help or reject ecological strategies. Since it is exceptionally difficult for buyers to perceive the natural results of their activities, open information about the issue may be restricted (Tobler, 2011). Beside it's very hard for the purchasers to anticipate or notice the effect of their purchasing decision towards the environment, as information about that particular matter might be limited. Regardless of the possibility that consumers are mindful of their natural effects, they may be unwilling to shift their behaviors as a result of the expenses or disadvantages included. According to D'souza, Taghian, Lamb & Peretaikto (2007) as cited by (Banytė, Brazionienė & Gadeikienė, 2010) the end goal to know a green purchaser better, it is important to explore their different characteristics (demographic and psycho-realistic behavioral) as just knowing green consumer traits, their lifestyle and identity, the intentions to purchase natural product, usefulness and mentality, it is conceivable to pick powerful arrangements of green marketing. Consequently, tolerating the approach that the origination of green consumer is best reflected by his qualities, it is intentional to investigate the profile of a green buyer further. Besides, it is considered in the investigative writing that "there is no accord about what is "genuine" profile of a green purchaser".

Eco labels are a fundamental tool utilized within green marketing (Delafróoz, Taleghani & Nouri, 2014). Eco labels are characterized as names which distinguish general natural inclination of an item or service inside a particular product range (Rahbar & Wahid, 2011). Along these lines, an eco-labeled item is qualified to carry a logo that accompanies a claim that the item has been created in a manner that impose less effect on the environment, and not to mention that green consumers tend to spend their resources willingly for this eco-labeled products (Maheshwari, 2014,).

VIII. DISCUSSION

This research was conducted to identify what is green marketing and how it has affected the purchasing decision of consumers and their perception towards green and other standard products. After going through a number of articles written by various numbers of authors, it's now really understandable, well, why individuals are exceptionally worried about the environment. In fact, consumers are not only worried about the environment they have decided to neglect products that are considered to be harmful towards the

environment and goes by buying and investing what they could possibly invest on green products. As consumer awareness expands about the environment and how they have participated to harm the environment unintentionally with their different actions or purchasing behavior have now got them to change their behavior it has affected their purchasing decision. And the fact that marketers now know that consumers are changing their wants and needs, in other words marketers figured out those consumers are stepping forward to buy greener products and this has encouraged the marketers to adopt a new marketing strategy that is called "green marketing". However, after going through various articles different authors like (Bukhari, 2011, Cherian & Jacob, 2012, Awan & Rosa, 2010) mentioned that for this marketing strategy to be successful marketers need to play three different roles: first they have to guide their clients, they need to be genuine and they should provide chances for the consumers to participate.

After reading this research you can now understand why companies that adopted green marketing tends to enjoy competitive advantages, the reason is most companies run with a main objective of making money and they seemed to pay no attention to what they are doing to the environment, but however down the road after companies carried out research to identify what consumers wants and needs, marketers found out that consumers are more worried about the environment. Hence, companies started to implement the green marketing strategy, a strategy for producing products that have less harm to the environment, but at the same time it satisfies the consumers' needs and wants. So the bottom line is companies that are aiming for green consumers seem to have a competitive advantage in the market. Purchasers are inspired to purchase from organizations that are eco-friendly in the creation. At the point when an organization show's the green logo on their item, it demonstrates that their item shines out from the competitors. Not to mention that consumers preferences is not the only one that encourages companies to adopt green marketing, as it was mentioned in this study there is more than one factor that forces the companies to implement green marketing, for instance, government intervention, intense competition, and the availability of new market (opportunities).

Despite all the challenges that marketers face while shifting towards green marketing, there are also some advantages are mentioned in this study, for instance, workers will proudly work and put their potentials for a company that produces green product and this will improve the quality of the product and work, another thing is that its money saving, of course, at initial point it will be expensive but down the road it tends to lower the cost of production and lastly but not least it helps the companies to operate in new market. But these benefits can be affected if the green

marketing mix is not used in a creative way by the company's marketing managers. As it was discussed in this study green marketing mix involves of the 4Ps (product, price, promotion and place). It means that Companies should produce the right product that has less effect on the environment, and the price of that product should be set very carefully where green consumer can actually be able to afford it, and the product should be promoted in a good manner to increase the awareness of the consumers and it should as well be distributed in the right place (market).

IX. CONCLUSION

Nowadays, with a rapid advancement and improvement of technology, consumers are having great access to various information no matter in what geographical location they could be located and that has led to a great expansion in human needs and wants for instance, the demand for cosmetic products has intensively increased due to development in technology like "social networks". The fact that we live in a scars planet with limited resources that cannot be used to satisfy all the needs and wants of individuals on this earth, we have to utilize it effectively while paying concern for the environment. As a result of our purchasing decision, expansion in our needs and wants, and business strategy, the world is facing pollution and destruction as its resource is negatively used by the human species.

Nowadays people are more concerned about the environment and they are worried whether the natural resource could be sustained for the upcoming generation. Their concern has helped in protecting the environment as they have initiated to become green consumers where they can only buy products that are considered to be eco-friendly and the fact that they are considered to be expensive consumers are willing to spend on it. As consumers are becoming more and more concern about the environment, organizations have begun to change how they produce their products and what are more they have begun to adopt new marketing strategy "green marketing".

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A Study of Customer Perception towards Service Quality of Life Insurance Companies in Delhi NCR Region

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Abstract- Economic performance of insurance companies is the outcome of customer's satisfaction and their perception on service quality of the insurance service provider. The present study has focused on finding customer perception towards service quality as provided by the Life Insurance companies. The primary data has been collected from 139 respondents from Delhi NCR Region. The factor analysis and correlation has been used to find the perception of the customers. The study has found that there are four major factors which influence customer perception of service quality, namely responsiveness and assurance, convenience, tangible and empathy. Only age of the respondents have been found to be significantly related with the customer perception and other demographic factors have no significant impact.

Keywords: *life insurance, service quality, customer perception, india.*

GJMBR - E Classification : *JEL Code: G22, M00*



Strictly as per the compliance and regulations of:



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Dr. Shamsheer Singh^α, Dr. Naveen J Sirohi^ο & Ms. Kumkum Chaudhary^ρ

Abstract- Economic performance of insurance companies is the outcome of customer's satisfaction and their perception on service quality of the insurance service provider. The present study has focused on finding customer perception towards service quality as provided by the Life Insurance companies. The primary data has been collected from 139 respondents from Delhi NCR Region. The factor analysis and correlation has been used to find the perception of the customers. The study has found that there are four major factors which influence customer perception of service quality, namely responsiveness and assurance, convenience, tangible and empathy. Only age of the respondents have been found to be significantly related with the customer perception and other demographic factors have no significant impact.

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1. INTRODUCTION

Services sector is the fastest growing sector in India and is projected to have high growth in future. A major contributor among huge service sector is the insurance sector which plays an important role in enhancing financial intermediation, creating liquidity and mobilizing savings in the country. The Indian life insurance industry remained a monopoly of Life Insurance Corporation of India (LIC) till it was liberalized in 1999. At present, there are 24 life insurance companies operating in India with LIC being the only public sector life insurer and the balance being private players.

Presently, there are 36 crore life insurance policies in India making it the biggest player in the world for life insurance. India's insurable population is anticipated to touch 75 crore in 2020. India was ranked 10th among 147 countries in the life insurance business in financial year 2013 with a share of 2.03 percent. The life insurance industry in India is projected to increase at a compound annual growth rate (CAGR) of 12-15 per cent in the next five years. The industry has the potential to top the US\$ 1 trillion mark over the next seven years

(IBEF, 2014). According to Insurance Regulatory & Development Authority (IRDA), insurance services sector grew by 8.6 percent and the total premium for the life insurance sector was Rs. 2.87 lakh crore (IRDA Annual Report 2012-13).

With most life insurance companies offering similar policies, product differentiation is tough in increasingly competitive market. As a result, Insurance companies in India are now moving from a product-centered approach to a customer-centered strategy. The focus is on enhancing customer satisfaction through improved service quality which leads to improved customer retention, loyalty and profitability. In order to survive and thrive in the competitive insurance industry, life insurers are actively engaged in developing new strategies for customer satisfaction through proper improvement of service quality.

With increased awareness level, the consumers demand higher standard of services and insurance sector is getting more and more competitive. Customers are becoming increasingly aware of the options on offer in relation to the rising standards of service (Kris hnaveni et al, 2004). They demand better quality service. Delivering quality service is considered an essential strategy for success and survival in today's competitive environment (Dawkins and Reich held, 1990; Parasuraman et al., 1985; Reich held and Sasser 1990; Zeithaml et al., 1990). More specifically, the cost of retaining existing customers by enhancing the products and services that are perceived as being important is significantly lower than the cost of winning new customers (Krishnan et al, 1999). Hence, to remain competitive, Life insurance companies need to focus on service quality.

Studies have shown that it costs six times more to attract new customers than to retain the existing ones (Rosenberg & Czepiel, 1983). It has also been suggested that service quality has a direct effect on organizations' profits as it is positively associated with customer retention and customer loyalty (Baker & Crompton, 2000; Zeithaml & Bitner, 2000).

Customer dissatisfaction has been found to have a greater psychological impact and a greater longevity compared to good experiences. As per estimates, two out of three times an unhappy customer will speak about a bad experience than relate to a good

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experience. Hence, there is a multiplier effect of poor service hurting not just the bottom line of an insurance company but bringing additional costs of losing potential customers in addition to existing ones.

The purpose of the present study is to measure customer's perception towards service quality of life insurance companies. The framework developed by Tsoukatos and Rand, (2006), Durvasula et al. (2004) and Mittal et al. (2013) has been used to find out customer's perception towards service quality dimensions of Life Insurance providers.

II. LITERATURE REVIEW

a) Service Quality

Extensive research has been undertaken on different aspects of service quality providing a sound conceptual foundation. Authors (Parasuraman et al., 1988; 1991; Carman, 1990) agree that service quality is an abstract and elusive concept, difficult to define and measure. Empirically, various service quality models and instruments have been developed for measuring service quality. According to Gronroos (1982), there are two dimensions of customer's perceptions of any service, namely technical quality (what is provided) and functional quality (how the service is provided). Sasser et al. (1978) suggested three different attributes (levels of material, facilities, and personnel) all dealing with the process of service delivery. Subsequently, Gronroos (1990) identified six specific dimensions viz., professionalism and skills, reliability and trustworthiness, attitudes and behavior, accessibility and flexibility, recovery, and reputation and credibility, on which service quality could be measured. Lehtinen and Lehtinen (1982) discussed three dimensions viz., physical quality, involving physical aspects; corporate quality, involving a service firm's image and reputation; and interactive quality, involving interactions between service personnel and customers. Perceived service quality has been defined as a global judgment or attitude relating to the superiority of a service (Zeithaml and Bitner, 2000).

There are three types of customer expectations predicted service, desired service, and adequate service which presents a comparison between customer evaluation of service quality and customer satisfaction (Valerie A. Zeithaml, Lonard L. Berry, and A. Parasuraman, 1993). It has been found that investments in service quality, customer satisfaction and customer relationships result in increased profitability and market share (Rust and Zahorik, 1993). High-quality service and customer satisfaction often lead to more repeat purchases and market share improvements (Buzzell and Gale, 1997). Service quality is one of the effective means in building a competitive position in the service industry (Lewis, 1991). Customer satisfaction leads to customer loyalty and this leads to profitability (Hallowell, 1996).

The most widely used service quality measurement tools include SERVQUAL (Parasuraman et al., 1988; Boulding et al., 1993) and SERVPERF (Cronin and Taylor, 1992). The SERVQUAL model suggests that service quality can be measured by identifying the gaps between customers' expectation and perceptions of the performance of the service using 22 items and five-dimensions: reliability, assurance, tangible, empathy, and responsiveness. In the SERVPERF scale, service quality is measured through performance on score based on the same 22 items and five dimensional structure of SERVQUAL. The SERVQUAL have been used to measure service quality in the insurance industry (Stafford et al., 1998; Leste and Vittorio, 1997; Westbrook and Peterson, 1998; Mehta et al., 2002; Evangelos et al., 2004; Goswami, 2007; Gayathri et al., 2005; Siddiqui et al., 2010).

Experts have claimed that the number of service dimensions is dependent on the particular service being offered. According to Babakus and Boller (1992), the domain of service quality may be factorially complex in some industries and very simple and uni-dimensional in others. The SERVQUAL scale has been presented in different dimensions in various studies – single-dimensional (Babakus et al., 1993; Lam, 1997), two-dimensional (Babakus and Boller, 1992; Nadiri and Hussain, 2005; Karatepe and Avci, 2002; Ekinici et al., 2003; Evangelos et al., 2004), three-dimensional (Bouman and Van Der Wiele, 1992; Mei et al., 1999), four-dimensional (Gagliano and Hathcote, 1994; Kilbourne et al., 2004), six-dimensional (Headley and Miller, 1993), seven-dimensional (Sasser et al., 1978; Freeman and Dart, 1993), nine-dimensional (Carman, 1990), and nineteen-dimensional (Robinson and Pidd, 1998) construct.

Also, several scales have been replicated, adapted and developed to measure services by taking SERVQUAL as a base, viz., SERVPERF (Cronin and Taylor, 1992, 1994) for hotels, clubs and travel agencies; DINESERV (Stevens et al., 1995) for food and beverage establishments; LODGSERV (Knutson et al., 1990) for hotels; SERVPERVAL (Petrack, 2002) for airlines; SITEQUAL (Yoo and Donthu, 2001) for Internet shopping; E-S-QUAL (Parasuraman et al., 2005) for electronic services; SELEB (Toncar et al., 2006) for educational services; HISTOQUAL (Frochot and Hughes, 2000) for historic houses; LibQUAL (Cook et al., 2001) for library ; and ECOSERV (Khan, 2003) for ecotourism.

b) Service Quality in Life Insurance

Life insurance is a high credence service (Lynch and Mackay, 1985), very abstract, complex and focused on future benefits that are difficult to prove (financial protection etc.). Life insurance products provide very little signs to signal quality. It has been suggested that consumers usually rely on extrinsic signs like brand

image to ascertain and perceive service quality (Gronroos, 1982). Customer satisfaction in insurance is both difficult to measure and ascertain. The future benefits of the “product” purchased are difficult to foresee and take a long time to “prove” its effects (Crosby and Stephens, 1987). An extended period of time may be required in this industry for a fully informed evaluation (Devlin, 2001).

As the premium amount typically invested in an insurance policy is high, customers seek long-term relationships with their insurance companies and respective agents in order to reduce risks and uncertainties (Berry, 1995). Research have indicated that the key parameters, e.g. past experience, personal needs, external communication, word of mouth, and active clients significantly influence service quality of the insurance sector (Barkur et al., 2007).

In Indian context, measuring service quality on six dimensions, namely assurance, competence, personalized financial planning, corporate image, tangibles and technology dimensions, it was found that the priority areas of service were assurance followed by competence and personalized financial planning (Siddique & Sharma, 2010). Perceived service quality of life insurance services is a multi-dimensional second-order construct consisting of the primary dimensions of Service Delivery, Sales Agent Quality, Tangibles, Value and Core Service (Mittal et al. 2013). Cultural factors were found to have significant influence on the expectation on service quality in Indian Insurance market (Meharajan and Vanniarajan, 2011). Three factors namely, proficiency; physical and ethical excellence; and functionality were found to have significant impact on the overall service quality of Life Insurance Corporation of India in a study based on seven-factor construct (Sandhu and Bala, 2011).

Strong relationship is found between satisfaction level and the service quality dimensions (Gayathri et al., 2005). Perceived service quality and customer satisfaction are dependent on information technology (Choudhuri, 2014). SERVQUAL construct cannot be applied to Indian Life Insurance sector and further research is needed to understand and improve life insurance service quality within Indian context (Bala et al., 2011). Demographic variables are related to eight service service quality factors namely, employee competence, creditability, timeliness and promptness, convenience, accessibility, communication, customer orientation and responsiveness (Bishnoi and Bishnoi, 2013). Product innovation, increased interaction level between agents and customers and technological upgradation affect the service quality perceptions of Life Insurance policyholders in Northern India (Chawla and Singh, 2008).

An insurance policy is almost always sold by an agent who, in most cases, is the customer's only contact (Richard and Allaway, 1993; Clow and Vorhies,

1993; Crosby and Cowles, 1986). Customers are, therefore, likely to place a high value on their agent's integrity and advice (Zeithaml et al., 1993). Service quality depends to a large extent on the information gathering and processing activities of agents (Eckardt and Doppner, 2010). The quality of the agent's service and strength of his relationship with the customer play a major role in customer purchasing the life insurance product. Putting the customer first, and, exhibiting trust and integrity have found to be essential in selling insurance (Slattery, 1989). According to Sherden (1987), high quality service (defined as exceeding “customers' expectations”) is rare in the life insurance industry but increasingly demanded by customers.

In Insurance Industry, high retention rates are closely related to the economic performance of companies (Diacon and O'Brien, 2002). The insurance industry considers that understanding consumer behaviour after the initial purchase will help insurers to maintain longer customer-insurer relationship (Harrison, 2003). Toran (1993) points out that quality should be at the core of what the insurance industry does. Customer surveys by Prudential have identified that customer want more responsive agents with better contact, personalized communications from the insurer, accurate transactions, and quickly solved problems (Pointek, 1992). A different study by the National Association of Life Underwriters highlighted other important factors like financial stability of the company, insurer's reputation, integrity of agent and the quality of information and guidance from the agent (King, 1992). Clearly, understanding consumers' expectations of life insurance agent's service is crucial as expectations serve as standards or reference points against which service performance is assessed (Walker and Baker, 2000). In a study conducted in Germany, the duration of counseling interviews is found to be the single most important factor that has a positive effect both on the information quality and on the total service quality provided (Eckardt and Doppner, 2010). Consumers tend to rate service quality higher if they are aware of their right to complain to the regulator (Wells and Stafford, 1995). Technology has also become an important factor in how the agent operates in the field including other functions such as distribution, claim costs and administration (Anonymous, 2004). Communication, ICT, customer's knowledge and prior experience influence the service quality in insurance industry (Saad et al., 2014).

Research has shown that the quality of service and the achievement of customer satisfaction and loyalty are fundamental for the survival of insurers. The quality of after sales services, in particular, can lead to very positive results through customer loyalty, positive word-of-mouth, repetitive sales and cross-selling (Taylor, 2001). However, many insurers appear unwilling to take the necessary actions to improve their image. This creates problems for them as the market is

extremely competitive and continuously becomes more so (Taylor, 2001).

Previous studies, notably those of Wells and Stafford (1995), the Quality Insurance Congress (QIC) and the Risk and Insurance Management Society (RIMS) (Friedman, 2001a, 2001b), and the Chartered Property Casualty Underwriters (CPCU) longitudinal studies (Cooper and Frank, 2001), have confirmed widespread customer dissatisfaction in the insurance industry, stemming from poor service design and delivery. Ignorance of customers' insurance needs (the inability to match customers' perceptions with expectations), and inferior quality of services largely account for this. The American Customer Satisfaction Index shows that, between 1994 and 2009, the average customer satisfaction had gone down by 2.5% for life insurance. However, post 2010 till 2014 there have been continuous improvement in the index as Insurers are now realizing the importance of service quality and its impact on customer satisfaction (www.theacsi.org, 2014).

It is therefore not surprising that measurement of service quality has generated, and continues to generate, a lot of interest in the industry (Wells and Stafford, 1995). Several metrics have been used to gauge service quality. In the United States, for example, the industry and state regulators have used "complaint ratios" in this respect (www.dfs.ny.gov, 2014). The "Quality Score Card", developed by QIC and RIMS, has also been used. However, both the complaints ratios and the quality scorecards have been found to be deficient in measuring service quality and need for a more robust metric is strongly felt.

Although service quality structure is found rich in empirical studies on different service sectors, service quality modeling in life insurance services is not adequately investigated. Further, for service quality modeling, a set of dimensions is required, but there seems to be no universal dimension; it needs to be

modified as per the service in consideration. Thus, the dimensions issue of service quality requires reexamination in context of life insurance services.

III. OBJECTIVES OF THE STUDY

The objective of the study was to find out the factors that affect the service quality of Life Insurance providers. It also studied the effect of demographic factors on customer perception and service delivery. In order to achieve these objectives, the following hypotheses have been formulated:

H_{o1} – There is no relationship between the age of respondents and perception of service quality of Life Insurance providers

H_{o2} – There is no relationship between the gender of respondents and perception of service quality of Life Insurance providers

H_{o3} – There is no relationship between the education level of respondents and perception of service quality of Life Insurance providers

H_{o4} – There is no relationship between the income of respondents and perception of service quality of Life Insurance providers

IV. RESEARCH METHODOLOGY

a) Data Collection Method

The main instrument used for data collection in this research was the questionnaire. The responses have been collected through online survey using google docs and email.

b) Development of Research Instrument

In order to develop a questionnaire, in depth literature review on service quality dimension in Life Insurance sector was carried out. The constructs of the questionnaire are based on the framework developed by Tsoukatos and Rand, (2006), Durvasula et al. (2004) and Mittal et al. (2013).

Table 1 : Life Insurance Service Quality Factors

Item	Code
My Life Insurer has best interest of customers at heart	SQ1
My Life Insurer's employees are available for assistance	SQ2
My Life Insurer provides services in timely manner	SQ3
My Life Insurer's employees are trustworthy	SQ4
My Life Insurer's agents recommend policy as per customer needs	SQ5
My Life Insurer's agents have good communication skills	SQ6
My Life Insurer's agents are trustworthy	SQ7

My Life Insurer's offices are modern	SQ8
My Life Insurer's offices are visually attractive	SQ9
My Life Insurer's employees are well dressed	SQ10
Premium rate structure of my Life Insurer is competitive	SQ11
Location of branches of my Life Insurer are convenient	SQ12
My Life Insurer have convenient working hours for customers	SQ13
My Life Insurer fulfills promises in a timely manner towards claim settlement	SQ14
My Life Insurer is sympathetic with customer's problem	SQ15
My Life Insurer's employees are courteous	SQ16
My Life Insurer's employees provide individual attention to the customer	SQ17
My Life Insurer's employees understand customer needs	SQ18
My Life Insurer has wide range of services to offer	SQ19
My Life Insurer has adequate information available on products and services	SQ20

Prior to the final survey, the questionnaire was pre tested using a sample of respondents similar in nature to the final sample. The goal of pilot survey was to ensure readability and logical arrangements of questions. The questionnaire was sent to 25 respondents having a life insurance policy through email.

The responses of pilot study were thoroughly analyzed. The questionnaire was reviewed in light of comments and shortcomings and then it was revised accordingly. The final questionnaire was uploaded on Google docs and the link was sent to 200 customers and 139 usable responses were received, thereby making a response rate of 69.5%.

The perception of the respondents towards the service delivery quality was gauged using a questionnaire containing close-ended questions, which were designed to ascertain perception of the respondents using a five point Likert scale with following options: Highly Agree, Agree, Neutral, Disagree and Highly Disagree.

c) *Research and Statistical Tools Employed*

The research and statistical tools employed in this study are factor analysis and correlation. SPSS 16 was used to perform statistical analysis. The reliability of the data was carried out by using Cronbach's Alpha Value. The factor analysis was used to examine the underlying or latent dimensions within variables of overall customer perception (Hair et al, 1998). Both Bartlett's test of sphericity and measure of sampling adequacy (MSA) were also carried out to ensure that the requirements of factor analysis were met.

V. DATA ANALYSIS AND INTERPRETATION

The analysis of this data was divided into following section:

a) *Demographic profile of Respondents*

The respondent profile as displayed in table 2 indicates the current scenario of life insurance sector and its user's profile. Most of the respondents (75.5%) were males and post-graduate (89.2%). Majority of respondents are in the age group of 25-35 years (42.4%) and between 35-50 years (43.2%). Most of the respondents have income above 5 lakhs (5-10 lakhs at 25.2% and above 10 lakhs at 30.9%). The profile of respondents indicates they are young, urban, educated and have high income which is a right demographic composition from life insurance provider's context.

Table 2 : Demographic Profile of Respondents

Demographic Factors	Characteristics	Freq.	%
Age	25-35 years	59	42.4
	35-50 years	60	43.2
	50 years & above	20	14.4
Gender	Male	105	75.5
	Female	34	24.5
Educational Qualification	Graduate	15	10.8
	Post Graduate	124	89.2
Annual Income	Upto 2 lakhs	20	14.4
	2-5 lakhs	41	29.5
	5-10 lakhs	35	25.2
	Above 10 lakhs	43	30.9
Total		139	100

b) Respondent's Share of Life Insurers

The study highlighted that majority of respondents hold a policy by Life Insurance Company (49.6%) followed by ICICI Pru (10.8%). This is in line with market share position of major insurers in India with LIC

leading at 72.7% share followed by ICICI Pru at 4.7% market share. The lowest number of respondents had a policy from Kotak Mahindra (1.4%) followed by Aegon Religare (2.2%).

Table 3 : Respondent's Share of Life Insurers

Insurer	Frequency	Percent
LIC	69	49.6
ICICI Pru	15	10.8
HDFC Life	6	4.3
Birla Sun life	4	2.9
SBI Life	10	7.2
Reliance Life	4	2.9
Tata AIA	4	2.9
Max Life	4	2.9
Bajaj Allianz	8	5.8
Kotak Mahindra	2	1.4
Aegon Religare	3	2.2
Others	10	7.2
Total	139	100.0

c) Reliability and Validity

Table 4 shows the result of reliability analysis-Cronbach's Alpha Value. This test measured the consistency between the survey scales. The Cronbach's Alpha score of 1.0 indicate 100 percent reliability. Cronbach's Alpha scores were all greater than the Nunnally's (1978) generally accepted score of 0.7. In this study, the score was 0.871 for the service quality provided by the life insurance companies.

Table 4 : Reliability Statistics

Cronbach's Alpha	N of Items
.871	20

d) Factor Analysis

Overall, the set of data meets the fundamental requirements of factor analysis satisfactorily (Hair et al, 1998). In analyzing the data given, the 20 response items were subjected to a factor analysis using the principal component method. Using the criteria of an Eigen value greater than one, four clear factors emerged accounting for 73.71% of the total variance. As in common practice, a Varimax rotation with Kaiser Normalization was performed to achieve a simpler and theoretically more meaningful factor solution. The Cronbach's alphas score for all the factors was 0.871 (Table 4).

Table 5 : KMO and Bartlett's Test of Sphericity

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	.830
Bartlett's Test of Sphericity	
Approx. Chi-Square	2556.710
df	190
Sig.	.000

Table 6 : Rotated Component Matrix

Rotated Component Matrix ^a				
	Component			
	1	2	3	4
SQ1	.212	-.002	.389	.755
SQ2	.261	.103	.015	.737
SQ3	.534	.455	.263	.094
SQ4	.571	.201	-.006	.648
SQ5	.643	.165	.569	.025
SQ6	.346	.652	.379	-.181
SQ7	.321	.726	.226	.007
SQ8	.201	.353	.811	-.103
SQ9	.055	.112	.836	.286
SQ10	.125	.391	.723	.341
SQ11	.299	.776	.180	.205
SQ12	.136	.881	.113	.176
SQ13	.219	.806	.283	.123
SQ14	.691	.280	.075	.426
SQ15	.720	.263	.266	.212
SQ16	.711	.083	.279	.327
SQ17	.492	.296	.445	.316
SQ18	.509	.304	.619	-.032
SQ19	.703	.391	.125	.273
SQ20	.771	.337	.021	.201

Extraction Method: Principal Component Analysis.

Rotation Method: Varimax with Kaiser Normalization.

a. Rotation converged in 6 iterations.

b. four components extracted

It is clear from the factor loadings as highlighted in Table 6 that clear four factors have emerged representing 73.71% of total variance. These four factors represent different elements of services quality that form the underlying factors from the original 20 scale response items. Referring to the Table 6 above, first factor represents elements of the service quality directly related to responsiveness and assurance; it is therefore labeled "Responsiveness and Assurance Factors". These elements are timely service, agent's recommendation, timely claim, sympathy, courteous

behavior of employees, individual attention to customers, wide range service and availability of adequate information. Second factor is directly related to convenience provided to customers, it is therefore labeled as "Convenience Factors". These elements are agent's communication skills, agent's trust, premium rates, convenient location and convenient working hours. Third factor is directly related to tangibility of services and therefore named as "Tangible Factor". These elements are modern office, attractive office, employee's dress and understanding of customer

needs. Fourth factor represent empathy, therefore it is named as "Empathy Factor". These elements are best interest of customers, availability of employee assistance and trustworthiness of employees.

e) Correlation

To measure the impact of demographic factors on customer perception of service quality of life insurers, correlation technique was used. Table 7 shows the correlation between age and the 20 items of service

quality. Since in case of majority of attributes of service quality the significance level is lower than .05, we reject the null hypothesis (Ho1) that there is no relationship between the age of respondents and perception of service quality of Life Insurance providers. In other words, the age has significant relationship which determines the service quality perception. Similar findings were there in the study of Bishnoi and Bishnoi (2013).

Table 7 : Correlation between Age and Customer Perception of Service Quality

	SQ1	SQ2	SQ3	SQ4	SQ5
PC	-0.160	-0.072	-0.264	0.157	-0.370
Sig.	0.060	0.399	0.002	0.065	0.000
	SQ6	SQ7	SQ8	SQ9	SQ10
PC	-0.329	-0.223	-0.421	-0.271	-0.195
Sig.	0.000	0.008	0.000	0.001	0.021
	SQ11	SQ12	SQ13	SQ14	SQ15
PC	-0.125	-0.130	-0.265	0.020	-0.258
Sig.	0.143	0.128	0.002	0.819	0.002
	SQ16	SQ17	SQ18	SQ19	SQ20
PC	0.069	-0.282	-0.333	-0.127	-0.018
Sig.	0.422	0.001	0.000	0.135	0.833

PC = Pearson Correlation

Sig. = Significance (2-tailed)

Table 8 shows the correlation between gender and service quality. Since in case of majority of attributes of service quality the significant level is greater than .05, we accept the null hypothesis (Ho2) that there is no relationship between the gender of respondents

and perception of service quality of Life Insurance providers. In other words, gender does not affect the service quality perception and both male and female customers share similar perception towards service quality of life insurers.

Table 8 : Correlation between Gender and Customer Perception of Service Quality

	SQ1	SQ2	SQ3	SQ4	SQ5
PC	-0.124	0.046	0.112	-0.163	0.077
Sig.	0.145	0.593	0.189	0.055	0.367
	SQ6	SQ7	SQ8	SQ9	SQ10
PC	0.129	0.079	0.084	-0.106	-0.025
Sig.	0.131	0.357	0.327	0.214	0.774
	SQ11	SQ12	SQ13	SQ14	SQ15
PC	-0.063	-0.101	-0.081	-0.219	-0.194
Sig.	0.465	0.236	0.341	0.010	0.022
	SQ16	SQ17	SQ18	SQ19	SQ20
PC	-0.005	-0.164	0.194	-0.059	0.096
Sig.	0.949	0.053	0.022	0.487	0.260

PC = Pearson Correlation

Sig. = Significance (2-tailed)

Table 9 shows the correlation between educational qualification and service quality. Since in case of majority of attributes of service quality the significant level is greater than .05, we accept the null hypothesis (Ho3) that there is no relationship between the education level of respondents and perception of service quality of Life Insurance providers. In other

words, education does not affect the service quality perception. If we look at the demographic profile we find that majority of the respondents are post-graduates (89.2%) and have the knowledge about the different life insurance products. Similar response may be there in other metro cities of India.

Table 9 : Correlation between Educational Qualification and Customer Perception of Service Quality

	SQ1	SQ2	SQ3	SQ4	SQ5
PC	0.123	0.054	0.122	0.289	-0.019
Sig.	0.148	0.527	0.153	0.001	0.825
	SQ6	SQ7	SQ8	SQ9	SQ10
PC	0.036	0.172	0.119	0.228	0.306
Sig.	0.671	0.043	0.164	0.007	0.000
	SQ11	SQ12	SQ13	SQ14	SQ15
PC	0.062	0.073	-0.006	0.086	0.109
Sig.	0.466	0.391	0.942	0.311	0.202
	SQ16	SQ17	SQ18	SQ19	SQ20
PC	0.209	0.042	0.300	0.153	0.069
Sig.	0.014	0.623	0.000	0.073	0.421

PC = Pearson Correlation

Sig. = Significance (2-tailed)

Table 10 shows the correlation between income levels and service quality. Since in case of majority of attributes of service quality the significant level is greater than .05, we accept the null hypothesis (Ho3) that there is no relationship between the income level of

respondents and perception of service quality of Life Insurance providers. In other words, income does not affect the service quality perception. If we look at the demographic profile we find that majority of the respondents (56.1%) have high income (above 5 lakh).

Table 10 : Correlation between Income Level and Customer Perception of Service Quality

	SQ1	SQ2	SQ3	SQ4	SQ5
PC	0.057	-0.062	-0.093	.259**	-0.068
Sig.	0.504	0.467	0.279	0.002	0.425
	SQ6	SQ7	SQ8	SQ9	SQ10
PC	0.097	0.116	-0.133	-.182*	0.011
Sig.	0.255	0.172	0.117	0.032	0.896
	SQ11	SQ12	SQ13	SQ14	SQ15
PC	.176*	.321**	0.045	.307**	.181*
Sig.	0.038	0.000	0.601	0.000	0.033
	SQ16	SQ17	SQ18	SQ19	SQ20
PC	0.108	0.099	-0.098	0.128	.230**
Sig.	0.205	0.248	0.252	0.132	0.006

PC = Pearson Correlation

Sig. = Significance (2-tailed)

*** = Correlation is significant at the 0.01 level (2-tailed).*

** = Correlation is significant at the 0.05 level (2-tailed).*

VI. DISCUSSION

The research examined the impact of different demographic characteristics on customer perception of service quality of life insurance providers.

The factor analysis has brought four clear factors related with the service quality of life insurers. These factors are Responsiveness and Assurance Factors, Convenience Factors, Tangible Factors and Empathy Factors. These factors represent 73.71% of total variance. The life insurers may take note of these factors which significantly determines the customer's perception of service quality. They may take care of these factors and ensure proper availability of tangible factors which will positively enhance the customer perception of service quality.

The test of correlation between demographic characteristics and service quality parameters have found out that the age of respondents significantly determine the customer perception of service quality of life insurance companies. Therefore, the life insurance providers may keep in mind the age factor while designing their product offerings and promotions. The other demographic characteristics such as gender, education and annual income does not have significant impact on customer perception towards service quality of life insurance providers.

The study has been carried out in the metropolitan area of Delhi NCR. The findings can be generalized for other metropolitan areas as the demographic profile of major metropolitan cities shows similar trends. The managers of life insurance service providers can use these findings to further improve their product offering and marketing strategies incorporating these findings. This will help them to enhance their brand image as well as customer loyalty and retention resulting in increased sales of their products. The managers of life insurance industry may utilize the findings of this study to minimize the service quality gap caused by the difference between the customer's actual expectation and the management's estimation of customer's expectations. Similar research can be carried out by the life insurance providers for rural and semi-urban areas so that the reach of these companies can be expanded into the majority of Indian population.

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The Review of Alibaba's Online Business Marketing Strategies Which Navigate them to Present Success

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Abstract- Alibaba has become the largest online and mobile commerce company in the world in just a few years and barely anyone expected it to be so successful. It has provided numerous business opportunities for small and medium enterprises to leverage the innovative technology to compete more efficiently domestically and globally. This study does not attempt to describe Alibaba as a perfect business; rather it discusses the marketing strategies, promotion, distribution channels and some important lessons that were carried out by Jack Ma to achieve success in this complex world of online trading. In this literature review, we examine a few key factors of Alibaba's success such as its specific marketing strategies, various challenges, its strong branding image, superior customer value proposition, better shopping experience, huge sales volume and economies of scale.

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I. INTRODUCTION

Alibaba.com is currently the hottest topic of discussion among investors because it has proven to be one of the world leading B2B e-Commerce corporations in China. It makes it simple for everyone to buy or sell anything online anywhere in the world. Alibaba Group was founded in 1999 at HangZhou by Yun Ma (Jack Ma), who aspired to help make the internet reachable, trustworthy and useful for everyone. Alibaba Group has total of seven business group namely Alibaba Small Business Operations, Taobao, Tmall, Alibaba International Business Operations, Juhuasuan, eTao and Alibaba Cloud Computing (Alibaba.com, 2014). Over the past decade, two of the subsidiaries include Taobao and Tmall have profoundly assisted Alibaba Group Holding Ltd in growing tremendously. Alibaba Group Holding Ltd is now the major global electronic marketplace (GEM) in the world in terms of its broadly participated users. Jack Ma was formerly just a teacher but due to the recent success of Alibaba Group is now the richest man in China. Alibaba operates a leading e-Commerce business and mobile marketplace in retail and wholesale trade as well as other services such as providing a platform which enables consumers, merchants and other participants

to conduct business in their network. The key stakeholders in the company include Yahoo and Japan's Softbank. According to latest Forbes news, Jack Ma is the first Mainland Chinese entrepreneur that manages to be on the cover of Forbes (Chen, Solomon & Mac, 2014). Alibaba now runs both markets domestically and internationally. The international marketplace (www.alibaba.com) focuses on global network for buyers and supplies for raw material, components, and finished goods whereas the domestic marketplace (www.alibaba.com.cn) focuses suppliers and buyers mainly in China. Together, its market consists of 30 over million active users from over 240 countries all over the world (Alibaba.com, 2014). According to Timothy Leong, Alibaba has only 18 employees in 1999 and their office was at Jack Ma's apartment. However, it grew into more than 20,000 employees last year with offices in few countries. In 2004, Alipay was launch and it sets a record for the highest number of a single-day transaction in 2012 (Leong, 2013). Alibaba's overall mission and goal is to build a strong and profitable customer connection. The marketing strategy of Alibaba plays an important role in achieving the overall strategic plan. How did Alibaba achieve its success? The answer is through market segmentation or target market, marketing mix that made up of factors under its control such as product, price, location, and promotion. Alibaba has put in marketing analysis and planning to find its best marketing mix. Through these activities, Alibaba has won a long-term relationship from its suppliers and buyers that profit to the company.

II. ALIBABA'S HISTORY

Alibaba Group Holding Ltd's development can be divided into 5 phases for the past 13 years. The first phase was started since 1998 until 2001. During this phase, Alibaba provides free information for suppliers to enter the market. At that moment, China's trade market was still in the early stage where only information flowed on the Internet. Jack Ma looked into the needs of SMEs in China in entering the B2B e-market by providing them with free online services and information according to the different enterprises and the characteristics of the industries. In 2000, Porter Erisman, now the Vice

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President of Alibaba was hired by CEO Jack Ma as a foreign expert to help the company into globalization. During that time, attracting foreign experts to run the company is essential because people in China had very little management experiences (Walraven, 2009).

The second phases was during the year 2002 whereby Alibaba invented a trustworthy credit certification named Trustpass in order for consumers to purchase without any concern over fraud and deceit as the credit has been the biggest problem in China's e-trading development. This method for credit authentication has helped Alibaba in generating more and more profits because many SMEs started to use Trustpass services in the e-trade market. During this period, the Internet penetration in China started to increase and the total export volume grow vastly. Buyers from all over the world lined up to profit from the low cost products (Walraven, 2009).

The third phase occurred around 2004 when Alibaba started to develop overseas market to expand the market of e-trade. China suppliers help international enterprises to construct their own website and independent accounts in order for consumers to access their business information more rapidly. This helped enterprises to create more business opportunities and higher profit income. Moreover, Alibaba launched Taobao which now became the largest online shopping marketplace, overtaking US eBay. Alibaba has also launched Alimama, the largest online advertising platform for business purpose and Alipay, China's leading online payment service, which was approved by the China government (Walraven, 2009).

The fourth stage occurs between 2005 and 2007. Yahoo China was taken over by Alibaba whereby all the transaction operations are controlled by Alibaba solely. This creates a new e-trade search engine after Alibaba established its own system at www.yahoo.com.cn. Alibaba has started to grow broader and provide larger communication space for e-trade business all over the world (Walraven, 2009).

The fifth phases happened since 2008 until now. Alibaba opened up an office respectively in Taiwan and Switzerland (Walraven, 2009). In this period, B2C ("business to customer") market was lagging far behind B2B("business to business") and C2C(customer to customer"). Therefore, Alibaba adjusted its marketing strategy to enter B2C e-trade market more easily. Now, the total number of registered users has grown significantly, revenue and profits raise rapidly. According to Alibaba's annual report, in 2010 the total users, revenue and paying members risen to 61.8 million, RMB¥5.5576 billion and 809,362 respectively (Alibabagroup.com, 2014). Furthermore, the mobile application for Taobao was launched in 2010. In fact, Alibaba also officially launches the AliExpress for

exporters in China to directly reach out to their consumers around the world.

III. ALIBABA'S PRODUCTS AND PARTNERSHIP

Alibaba has few virtual products that develop a convenient and prompt management for exporters to update or upload important information freely into the database in order to contact buyers directly from overseas. Alibaba also provides multi-functional management system such as products display descriptions and photos according to the categories, which are available in many other e-trade marketplaces. In other words, they practically own a "mini website" which carries their company profiles, contact information, and a virtual showroom of their products and services. On the other hand, buyers can search any products they want via the search engine of an extensive database that gives a variety of products ranging from electronics to computers and automobiles. Almost every possible segment is included (Chen, Solomon & Mac, 2014). Above and beyond, registered users have the privilege to subscribe to trade alerts send to buyers on their selected suppliers.

Alibaba's has their support from its biggest shareholders-Softbank Corp, a Japanese mobile company that holds 36.7% of shares while Yahoo Inc. holds a 24% stake. Softbank Corp has started to invest in Alibaba since 2000 when they saw potential in them. Yahoo was once the largest shareholder in Alibaba but shortly after that Alibaba bought backs some of its own share (Osawa, 2013).

IV. EASY TO DO BUSINESS EVERYWHERE

Clearly, Alibaba's Group mission is to make it easy to do business everywhere. Before this company came along, sales channels are very inadequate for local SMEs in China. Trade exhibitions that are conducted to introduce and demonstrate the latest products for more opportunities were very costly. There are very limited customers that the sales team could reach out at that moment. However, many SMEs are seeking for business opportunities and growth since the economic reform of Reform and Open policy that opens up the investment to foreign country (Tisdell, 2009). Therefore, the technology provided by Alibaba has given SMEs in China huge advantages and benefits. First of all, China has no geographical constraint that gives China SMEs a huge market of e-commerce. Next, the well set up e-commerce environment helped the transaction cost to go down sharply. On the other hand, the e-commerce business platform is also incorporate into the regular business cycle and give suppliers and buyers more accurate and relevant information that ever before. In a nutshell, Alibaba's e-commerce technology has made it so much convenient to SMEs to conduct their business anywhere in the world efficiently.

According to BBC, the total value of merchandise sold in Alibaba in 2013 was far more than Amazon and eBay combined. Alibaba has a clear mission which is to make it easier to do business across the world because it insists that customers come first, company second and shareholder third. Today, customer is far more powerful than others (McGovern, 2014). Besides providing free of charge online e-commerce platform to both clients and consumers, Alibaba also brings in pay-per-click (PPC) ad campaign in order for suppliers to build their business (Yang, 2010). By adding up together all the interested suppliers in various TradeFair, Alibaba has largely reduced the cost of each supplier. At the same time, Alibaba also helped evaluate market data for suppliers to better forecast their own business demand. This allows them to charge a small fee to the suppliers that are more than willing to pay at a discount price as the need for marketing and sales from millions of suppliers together. This has made Alibaba successfully in capture the value shaped to the sellers who are price sensitive but less demanding of the service quality. Alibaba also argues that developing a good strategy is not easy as we think especially in such a fast changing world. Therefore, its mission is about making business easy for everyone (McGovern, 2014).

V. CREDIT WORTHINESS

Alibaba develop a payment instrument named Alipay in China which contributed a part of the success of Alibaba. Before the emergence of Alipay, many sellers felt insecure to ship goods to the buyer due to many reasons until the buyers has clear off the payment. However, when Alipay has been introduced in Alibaba, this credit system has been very much lessens the risk of e-transactions and ease buyers and sellers concern upon failure of delivery or delivery of fake and damaged products. Alibaba has not only introduce Alipay but also focus very much on the sound evaluation system, in which both sellers and buyers can give feedbacks and comments on the business transactions that will appear on each other's website, hence providing a better and clearer references for their next business partner (Junsheng, 2014). Feedbacks are very important in a business world because it helps to reduce dishonest business behavior and make transaction more transparent and reliable. Alibaba online payment is secured with Escrow for international SMEs, which protect the privacy of the buyers and buyers who are able to pay securely without exposing their personal details (UKessays.com, 2014)

VI. BRANDING AND IMAGE

When it comes to establishing strong image branding, many China companies face the same problem as foreigner partners find it hard to remember the name. Jack Ma chose the name Alibaba firstly

because it is easily pronounced and spell in many languages. Because of its clear-cut syllables, it helped to raise the brand awareness. Secondly, it is because of the famous fairy tale named Ali Baba, a character from the movie of "One Thousand and One Nights" that uses the secret code "Open Sesame" to enter the cave overflowing with hidden treasures and gold. When it comes to business, it associates to Alibaba Company that opens a gateway for wealth. The success of Alibaba deciding the right name for one's enterprise is important. (Doland, 2014).

VII. SERVICES

Alibaba provide services such as establishing forums, blogs, and user groups at its Alibaba website to offer a platform for customers to communicate and gather feedbacks according to their interest. Forums are established at alibaba.com and taobao.com. This service has made communication more effective and convenient to all consumers. Alibaba also provides its clients with communication tools such as Alitalk, Taobao Wangwang, and Yahoo Message for customers to conduct business discussions at anytime among themselves. Moreover, with these communication tools, clients are able to get hold of updated information of supply and demand right away. Users in Alibaba can also communicate with trading partners in real time via Trade Manager in Alibaba. This platform has made communication two-way and more genuine to consumers. In addition, Alibaba has different membership package which is appropriate for each users and the features and services they require (Sauling lai, 2014).

VIII. REVENUE AND PRICE STRATEGY

Alibaba provides free membership from the beginning to attract clients its way to e-trade market that became the core competency and contributing to more business opportunity in Alibaba. After a big number of registered clients at Alibaba, it began to charge membership fees. Alibaba earn profits by two major aspects. The primary revenue came from advertising fees from Alibaba. The second source of revenue comes from customers for value-added services, listing fees as well as membership fees. Furthermore, Alipay also began to collect technical service charge from business transaction that take place outside of Taobao and Alibaba (You Fei, 2012). Alibaba uses a competition pricing in setting the price of a product in comparison with its competitors. It uses the price that does not have extreme differences with its competitors and provides the cheapest prices with good quality to attract its target market. Due to Alibaba's dominant market position in e-commerce, Alipay has emerged as the online payment-processing leader in China and it clears 80 million transactions per day, including 45 million transactions

through its Alipay Wallet mobile app (Shih, 2014). Next, Alibaba provides products within the same range with different prices depending on the suppliers to offer buyers a wider choice of variety. Penetration pricing is one of the marketing strategies that Alibaba implies to set a low price in order to increase sales and market share. Furthermore, Alibaba also bring into play discount to stimulate the sales as well as retaining their customers. Discounts are given provided that the customers buy products in bulk or during festival. Buy one free one is the best method used by suppliers to attract customers. Last but not least, value-added services are applied whereby product is offered at a cheap price but services such as shipping, instant delivery, guarantees, warranties and many more are added up to make sure that the total cost of the products with added services is higher than the production cost in order to make profit (UKessays.com, 2014). By December 31, 2013, Alibaba has generated revenue of RMB40.5 billion and net income of RMB17.7 billion. Its fiscal year ends on March 3 (J. Puglisi, 2014).

IX. TARGET MARKET

Alibaba target two marketplaces which include the global marketplace based in English Language that cater to international exporters and importers and the China marketplaces whose aim is to focus on suppliers and buyers trading locally in China. China is by far the largest Internet marketplace in the world with double the size of U.S market. There are 560 million Internet users spending 20 hours a week online. Notably, China is skipping with the traditional retailing and in favor of the e-retailing (Mourdoukoutas, 2014). These two marketplaces are collectively the most- visited B2B website on the Internet. Alibaba also target on small and medium-sized private enterprises and individual businessmen, which have great potential in succeeding in the e-trade. In order to get a huge portion of market share, Alibaba has localized the e-trade services by developing websites that locate to different languages and modify their design and layouts, which suits the local cultural in overseas. For example, English website is target to buyers from oversea in general while Chinese website targets China traders and Japanese website aims at the Japanese market. Alibaba has also creates Korean and Spanish language website in order to expand its market in different regions and to achieve highest profit and goals. All these play an important role in Alibaba's global success (Sau-ling lai, 2014).

X. PROMOTION STRATEGY

Alibaba expands its new market through freebies. They offer freebies to attract more clients and customer to use Alibaba as an online marketing platform. For example, Alisoft is giving out free copies of Shopkeeper TM, a package that consist of accounting,

stock management, and consumer resource management tools for registered users. The company also promotes its services via internet promotion strategy such as public relations, direct marketing, and discounts for certain items during special days such as festivals, media advertising and sponsoring of events to attract awareness of Alibaba (UKessays.com, 2014)

XI. INFORMATION TECHNOLOGY

In the e-trading marketplace, Alibaba provides a communication platform for trading partner to communicate in real time through Alibaba's Trade Manager tool. Alibaba also has a team of dedicated experts that are always motivated to search for better and innovative technology platforms to catch up with the changing of the generations. Alibaba is continuously trying to develop highly complex system to improve the online transaction for the consumers by setting ample security actions. For example, Trustpass has given online customers a strong trust and security of online transactions. Moreover, Alibaba also has the latest technology for anti-fraud and anti-spam that is able to detect any fraudulent activities and filter unwanted messages. Alibaba's IT team is constantly working on improving the accuracy and protection of their customer because customers are their main source of the entire business (Sau-ling Lai, 2014).

XII. EXPECTED MARKET GROWTH

Alibaba is a "Collective Entrepreneurship" between company and thousands of merchants that join this network. It offers the platform whereas the merchants provide the products. The Alibaba model, which relies on profits sharing rather than listing fees has attracted many merchants to participate in the network. The larger the network is, the greater the benefits for both company and merchants as it draw a large volume of sale. Likewise, Alibaba has a good relationship with the Chinese government, which is important in China where government acts as a gatekeeper of the economy. Alibaba has been chosen by the government as one of the five companies to enter the Internet banking where banks are owned by the government (Mourdoukoutas, 2014). Alibaba has also taken over Yahoo in China and thus Yahoo is the largest shareholder of Alibaba. The two companies will work together in an exclusive partnership to grow Yahoo brand in China.

XIII. FUTURE STRATEGIC ACTIONS

Alibaba's future strategic actions include sustaining domestic Chinese market. It is essential for Alibaba to maintain its domestic market first in order to success globally. Without China market, Alibaba would not be able to survive without the economic of scale. Alibaba is attempting to expand its business in

developing countries such as India, which is the second fastest developing country after China. India has significant potential growth and profit. Besides that, Alibaba is also enhancing its technology and R&D development for advance Internet infrastructure to give the fastest speed and accuracy for online marketing (You Fei, 2012). Meanwhile, Alibaba has been trying to invest in smart phone users. Forrester Research analyst says that there's high potential of integrating other services into WeChat because many people are using it to communicate with friends and family in China. It could develop into a foremost e-commerce rival in the long run (Osawa, 2013).

XIV. DISCUSSION

As mentioned by Forbes, Alibaba is not only the largest IPO in U.S. history but has also risen more than the three largest IPOs by American Internet companies combined. Alibaba broke records as the biggest IPO, pricing its offering at \$68 per share this year. The IPO is expected to raise \$21.8 billion, which values the company at \$167.6 billion overtaking Visa and Facebook (Chen, Solomon & Mac, 2014). In my opinion, Alibaba became so successful in e-commerce is because of its numerous advantages and it have great potential to boost up business for all small and medium enterprise which attracted many suppliers to invest in them. To enhance my study on Alibaba, I went through Alibaba.com to understand more on how Alibaba system works and what makes it so successful. To my surprise, I love many features that Alibaba.com has to offer that inspired me to promote my future company and products effectively. In fact, the real time communication and offline message was reply promptly by the supplier immediately after I posted my questions to them. This is one of the reasons why many suppliers are investing into Alibaba because of it efficiency and effectiveness. Above all, I also suggest that Alibaba should take this into consideration in their promotional strategy. In fact, more advertising, publication, brand awareness, and public relations will help Alibaba pump up their popularity and awareness all around the world. In addition, founder, Jack Ma speaks great English whilst many other Chinese entrepreneurs could not communicate well in English. This is one of his underrated advantages. Jack Ma is also good in unifying everyone's believe through common goal. He is also a good leader that encourages his employee to achieve higher without limitation. He works together with them and guide them through the entire success of Alibaba. I believe in two principles: Attitude is more important than capabilities. Similarly, decision is also more important than capabilities. The right decision comes with the right attitude and the worst failure is giving up (Pris, 2014).

XV. CONCLUSION

In conclusion, Alibaba's e-commerce marketing strategies have made it so successful in just a short period that there is no other company that can overtake them at the moment. Planning to be a company like Alibaba is easy but becoming like Alibaba is another thing. In this study, we learned very much that the determination of the founder, Jack Ma has profoundly influenced the success of Alibaba. Jack Ma once said it's not about the list of privilege but the story of opportunity that has made him a successful person even though he doesn't know much about technology. As one of the China pioneer e-trade service platform, Alibaba has built a strong connection between SMEs in China and oversea buyers with a boundless marketplace by providing the high quality services at a reasonable price with various business marketing channels and promotions. Alibaba has significantly attracted large base of consumer with the help of the large population in China. Online business is not new to everyone since years ago, but Jack Ma has created a miracle that gives China a huge impact until today, the e-marketing in the 21st century has become the largest online e-trade platform in the world. However, there are still some improvements for the Chinese e-market in terms of the protection of intellectual property rights in China and the reinforcement of supervision over e-transation are still in a hard nut to crack for the China law enforcement and authorities. Alibaba may be seen as a successful company, but there are also bumpy roads that Alibaba has gone through such as cultural clash. When Jack Ma started to hire foreigners into the company to manage the business, the Western cultural of work producing very detailed and critical analysis was not suitable in the Chinese market because Internet entrepreneurs would jump into the market and do it without spending much time in analyzing it. Without doubt, Alibaba is now the leading international Chinese Internet company. However, it is still struggling in expanding globally as the major revenue still comes from suppliers in China. Alibaba has been trying to make its way internationally because of its biggest threat, which is Baidu who has announced its plan to compete with Alibaba's Taobao. All in all, Jack Ma was just an ordinary person that had a vision, and it was the perseverance and dedication that raise him into his current position in Aliababa.

APPENDIX

Alibaba is raising more than Google, Facebook, and Twitter combined: [23] 8



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Relationship Marketing Vs. Internet Marketing ; which one Contribute to Gain Higher Level of Consumer Loyalty

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Abstract- Under intense and rapid change of marketplace, researchers have been studying the key factor for firms and organizations to survive in the market. Customer loyalty has been a key factor and a recently researched topic in maintaining the competitiveness of the organizations. This article is going to discuss about customer loyalty in relationship marketing and internet marketing. It also aims to discuss the better marketing strategy that can contribute in gaining higher level of customer loyalty. The methods of communication for both relationship marketing and internet marketing are also explained to identify which marketing strategy could achieve higher level of customer loyalty.

Keywords: *relations + hip marketing; internet marketing; satisfaction; loyalty; communication.*

GJMBR - E Classification : *JEL Code: P46*



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Relationship Marketing Vs. Internet Marketing ; which one Contribute to Gain Higher Level of Consumer Loyalty

Lim Wen Shien ^α & Rashad Yazdanifard ^ο

Abstract- Under intense and rapid change of marketplace, researchers have been studying the key factor for firms and organizations to survive in the market. Customer loyalty has been a key factor and a recently researched topic in maintaining the competitiveness of the organizations. This article is going to discuss about customer loyalty in relationship marketing and internet marketing. It also aims to discuss the better marketing strategy that can contribute in gaining higher level of customer loyalty. The methods of communication for both relationship marketing and internet marketing are also explained to identify which marketing strategy could achieve higher level of customer loyalty.

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I. INTRODUCTION

Recent body of literature review has been focusing on the different types of marketing orientation. Different marketing orientations have different functions and ways of operations run by the organizations. The business strategies used in the marketing orientations help to ensure the performances of the organizations. Thus, many business practitioners have been trying to apply new business strategy or adopt new business orientation in order to enhance the firms' performances in the long run. Since the customers are an important contributor for business's performances, the relationships between the firms and the customers become the emphasis of the business practitioners and the market itself (Sharifi & Esfidani, 2014).

A study found that, besides effective communications, effective relationships between the firms and the customers provide beneficial advantages to both the firms and the stakeholders (Tuli & Bharadwaj, 2009). Hence, this type of relationship between the firms and the customers become popular among the business practitioners and it has been advised to use in the perspective of marketing (Sharifi & Esfidani, 2014). This commonly used marketing orientation is known as relationship marketing. Kanagal (2009) also indicates that various types of strategies based on relationship have been developed in

products, service markets, consumers and business-to-business sectors. The relationship marketing is considered as a long term approach in which its purpose is to build long-term relationships with the customers (Lancaster & Massingham, 2011). As the marketplace has becoming more competitive, Hunt, Arnett and Madhavaram (2006) have suggested that customer loyalty became an important aspect to ensure the sustainability of the firm. Furthermore, according to Singh and Sirdeshmukh (2000), customer loyalty also represents as "the marketplace currency of the twenty-first century".

Another type of marketing orientation that has emerged since the advancement in technology is the internet marketing orientation. Regardless of any situations, people are often seen to carry their technology devices around with them. When they are alone or during their leisure time, people often use laptop or mobile phone in order for them to stay away from boredom. In addition, today's generations such as generation Y and X are more active in social networking sites and use online search engines to seek for information. According to Luo, Chen, Ching, and Liu (2011), online retail sales from the year 2007 to 2012 showed a slight increase in the US market from \$175 billion to \$335 billion. Their finding shows the competency of online retailing. There is a need to seek for key success factor in internet marketing in order to maintain the competency of the firm. Therefore, customer loyalty is essential because it will enhance the frequency and continuous visits from the customers and thus, increasing business revenues through online transactions (Luo et al., 2011).

II. RELATIONSHIP MARKETING ORIENTATION

Relationship marketing was originally developed in the service and industrial marketing (Garbarino & Johnson, 1999). Relationship marketing is defined as "attracting, maintaining, and enhancing customer relationships" by Berry, a pioneer who introduced the definition of relationship marketing (Berry, 1983 as cited in Sharifi & Esfidani, 2014). It is a "customer-centric marketing" that put more emphasis on "understanding and satisfying the needs, wants, and resources of individual consumers" than the mass markets (Khan,

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2014). The American Marketing Association (AMA) defines relationship marketing as “the kind of marketing that its goal is developing and managing long-term and trustworthy relationships with customers, suppliers and all others acting in the market” (Gillaninia, Almani, Pournaserani,, & Mousavian, 2011).

Customers are the key factor during the planning process of the relationship marketing (Khan, 2014). Long-term relationships that result in emotional or social bonds such as loyalty, trust and commitment are the focus of this marketing orientation (Khan, 2014). Therefore, there is a need to retain customers by enhancing the effectiveness of communication between firms and customers, collecting customers' data and improving the quality of customer services (Patsioura, Vlachopoulou, & Manthou, 2009). Many factors can contribute to the development of relationship marketing. These factors include the nature of competition, customers becoming more demanding and sophisticating, change of customer buying patterns, increase in fragmentation of the customer market, increase in the customers' standards of quality, influence of technology, decreased reliability in traditional marketing, and inability to create sustainable advantages in competency of the firms (Khan, 2014). A study conducted by Stavros and Westberg in 2009 has suggested that relationship marketing has some important advantages by using customers as the main focus such as increasing customer retention, enhancing customer loyalty, decreasing marketing costs, and maximizing profits. Another study also reported consistent findings where successful and effective relationship marketing results in higher customer loyalty and reduction in cost (Gaurav, 2008).

III. SATISFACTION

In order to maintain and increase the customer loyalty, customer satisfaction plays a key role in relationship marketing and internet marketing. According to Alrubainee and Al-Nazer (2010), loyalty can be described as a process because customer satisfaction has an impact on perceived quality and this will result in loyalty and intention to a behavior. Therefore, satisfaction of customer is essential to investigate the influence of relationship marketing on customer loyalty. Customer satisfaction is defined as the feeling of pleasure or disappointment of the customers that resulted from the comparison of perceived performance of a particular product with the expectation of customer (Kotler, 2010). In addition, satisfaction can also be referred to the shopping experience of a given firm (Anderson & Srinivasan, 2003). In short, customer satisfaction indicates the level of good impressions of a customer toward the service providers (Pratminingsih et al., 2013). Therefore, customer's perception about the goods and services provided should be clearly

understood by the firms and service providers (Pratminingsih et al., 2013) with the aim to improve customer loyalty and bring profits to the business. In order to provide satisfaction, the firms or organizations should be able to deliver expectation of the customer and knowledge about their essential needs (Lindquist, 2006; Bland, 2004 as cited in Gee, Coates, & Nicholson, 2008).

IV. LOYALTY

Several recent studies conducted on relationship marketing have determined customer loyalty as effective elements of competitiveness, customer retention and also profitability in long-term (Kiyani, Niazi, Rizvi, & Khan, 2012; Nguyen & Liem, 2013). The purpose of any business is to produce new customers and maintain old customers (Maiyaki & Mokhtar, 2012). This goal is consistent with Grönroos (1995) who introduced the main objective of customer relationship marketing that emphasizes on “to get and keep customers”. Furthermore, relationship marketing is also defined as marketing activity that aims to increase customer loyalty by giving values to every involved party in the relational exchanges (Peng & Wang, 2006).

By adopting the relationship marketing, customers are viewed as important assets in any firms or organizations (Mohkhtar & Yusoff, 2010 as cited in Abubakar, Mokhtar, & Abdullateef, 2013).

When customers' satisfaction level is increased, their loyalty is also more likely to develop and improve. Findings have shown the positive direct relationships between customer satisfaction and customer loyalty. For examples, several research have found that satisfaction exerts positive influence on the customer loyalty (Deng, Lu, Kwok, & Zhang, 2010; Liu, Guo, & Lee, 2011; Chen, 2012). Flint, Blocker and Boutin (2011) also found similar finding in which reported customer satisfaction can produce customer loyalty. This is also consistent with Nam, Ekinci, and Whyatt's study (2011) that aims to investigate the qualities that bring about customer satisfaction and brand loyalty. They found that customer satisfaction is essential in producing brand loyalty (Nam et al., 2011). Another two studies have also reported similar findings in which customer satisfaction affects customer loyalty positively (Deng et al., 2010; Liu et al., 2011).

On top of that, customer loyalty and firm performance and be improved through greater relational bonds by effective relationship marketing efforts (Sirdeshmukh, Singh, & Sabol, 2002). Some consistent findings indicated that loyal customer relationships have positive influences on the firms' performances such as increased profitability (Sin, Tse, Yau, Chow, & Lee, 2005; Mishra & Li, 2008). Under the competitive environment, especially in the marketplace, firms or organizations should not maintain the strategies characterized by

bringing in new customers or developing new market (Alrubaiee & Al-Nazer, 2010). It was suggested that the most important factor to survive and stay competitive in the market is to maintain sustainable long-term relationships with the stakeholders and the customers (De madariaga & Valor, 2007). For instance, banking sector emphasizes more on relationship marketing because this sector is people-focused. Customer service is very important to maintain the reputation of a bank and its competitiveness in the market. A study that is done in the context of Malaysia bank found that the bank customers show their loyalty towards the bank that is "trustworthy, committed to service, reliable and efficient in communication between bank officers and customers and able to handle conflict well" (Ndubisi, 2007).

V. INTERNET MARKETING ORIENTATION

The advancement in technology has changed the way people communicate with each other. Face-to-face communication is not necessary anymore with the help of technology. Consequently, the way marketers conduct business has changed as well (Salehi, Mirzaei, Aghaei, & Abyari, 2012). Business started to use internet and other electronic media in marketing (Salehi et al., 2012). Internet marketing is referred as the conduct of marketing activities using the internet or web and information technologies (Krishnamurthy, 2006). Internet marketing is also a form of targeted marketing that helps various websites to increase the frequency of visits and attracts visitors to purchase products, good and services through internet (Salehi et al., 2012). From the customer's perspective, there are many advantages that encourage them to go for online shopping. The convenience of online shopping is one of the major factors that affect the growing of this service. Customers can get internet globally and hence, they can purchase any goods and services at any places and any time (Pratminingsih, Lipuringtyas, & Rimenta, 2013). In addition, the goods can be delivered to the customer's house (Alam & Yasin, 2010). The rapid development of internet marketing starts to raise concern among the network operators and the business practitioners on how to improve the customer loyalty in order to increase the online transactions and frequency of visits (Zhen & Jiang, 2012). The customer loyalty on the internet marketing is known as e-loyalty (Zhen & Jiang, 2012).

VI. E-SATISFACTION

As compared to customer satisfaction from relationship marketing, e-satisfaction in internet marketing is based on the customer internet experience. Findings reported that internet marketing provided higher customer satisfaction (Hernandez, Jimenez, & Martin, 2009; Poddar, Donthu, & Wei, 2009; Verhagen & Dolen, 2009; Yang, Wu, & Wang, 2008). Different

variables are used to measure customer satisfaction, therefore, it depends on the contexts of the research or study in determining the method to measure customer satisfaction. For example, Omar (2009) reported that the variables that can be used to measure customer satisfaction are positive results of word-of-mouth, intention to repurchase and the behavior during purchase (as cited in Wong, 2014). E-satisfaction has been found to be a significant factor that affects e-loyalty, hence, it is the most used research factor with e-loyalty (Chen, Rodgers, & He, 2008; Taylor & Strutton, 2010). Valvi & West's study (2013) has shown the positive relationship between e-satisfaction and e-loyalty.

a) Technology Acceptance Factors

Lin and Sun (2009) found that technology acceptance factors have positive relationship with e-satisfaction. Technology acceptance factors are the measure of willingness of customers to shop online. Therefore, website operators should consider the welfare of consumers and their conveniences during online in order to bring positive influence on their purchasing behavior. In order to enhance e-satisfaction, the website technologies should also be able to help the customer to save time and effort. Besides that, the accessibility of the website is essential as well. Customers should be able to understand the functions and technologies of the website and maximize the utilization of the websites. Consequently, this helps to improve the customers' positive experiences of accessing the website. However, as customer's satisfaction level is met, his or her expectation will increase and website operators have to increase their effort to meet customer's higher demand and needs in order to satisfy the customers and maintain their e-loyalty.

b) Website Service Quality

On the other hand, the website quality also affects e-satisfaction of customers directly (Shih, 2004). Good website service quality can increase e-satisfaction. Many studies have found the positive relationships between web service quality and customer loyalty in relation to customer satisfaction (Goode & Harris, 2007; Caruana & Ewing, 2010). Thus, recognizing, identifying and demonstrating good understanding about their targeted customers are crucial for the website operators (Hung, Liang, & Chang, 2005). On top of that, in order to ensure the high website service quality, privacy concern has to be emphasized as well. The firms can adopt some policies such as information policies, guarantee policies and reputation policies (Spremann, 1988 as cited in Lin & Sun, 2009) with the intention to provide effective transactions (Lin & Sun, 2009) and to ensure the privacy of the customer is guaranteed. As a result, this will improve customer trust

on the quality of the service provided by the website and thus, improving the e-satisfaction (Lin & Sun, 2009).

VII. E-LOYALTY

Customer satisfaction is an antecedent of customer loyalty in relationship marketing. The e-satisfaction has positive influence on the e-loyalty as well. According to Anderson and Srinivasan (2003), e-loyalty is viewed as the favorable attitude of a customer toward electronic businesses that causes the customer to repeat his or her buying behavior. Hence, they stated that e-satisfaction affects e-loyalty (Anderson & Srinivasan, 2003). However, the relationship of e-satisfaction and e-loyalty can be moderated by consumer level factors such as convenience motivation and size of purchase and firms' business level factors such as trust and perceived value (Anderson & Srinivasan, 2003). This is consistent with the study which reported e-satisfaction is a precursor to e-loyalty and it is an important prerequisite of e-loyalty (Valvi & West, 2013). However, Valvi and West (2013) also suggested that e-satisfaction can also act as a dependant variable. It is dependent on antecedents such as "psychological factors, perceived value, inertia, convenience motivation, and computer knowledge". These factors have to be considered before determining the relationship of e-satisfaction and e-loyalty (Valvi & West, 2013).

Although e-satisfaction is found to be positively influence e-loyalty, some studies found that cultural differences may affect the satisfaction-loyalty link. Some customers may not be loyal to service provider easily. Research found that satisfaction-loyalty link under the online retailing setting is stronger in collectivism cultures (Jin, Park, & Kim, 2008). They concluded that the reputation of a firm will increase customer satisfaction and thus, result in customer loyalty and this effect is reported to be stronger in collectivism culture such as Korea. This is because the customers from collectivism cultures value firm's reputation in creating satisfaction and loyalty. Therefore, the firm reputation is very essential because online customers form expectations based on their offline knowledge. In addition, customers rely on firm reputations and the customer loyalty can be increased through their satisfaction on the firm reputations. Hence, firm reputation is essential to establish e-loyalty.

VIII. DISCUSSION

Customer loyalty is an important key factor that influences the sustainability of firms and organizations. Therefore, studies have shown that relationship marketing and internet marketing have various methods to improve and enhance the customer loyalty in their businesses. Relationship marketing focuses more on the information about the customers in order to have better understanding of their targeted customers. This

helps the service providers to have sufficient information to achieve customer satisfaction and hence, increase customer loyalty. In addition, firms and organizations build emotional bonds within the customers by having good relationships with them. Most of the studies found that customer satisfaction have both direct and indirect positive influence on customer loyalty. On the other hand, internet marketing also emphasizes the importance of customer loyalty. However, as compared to quality of services and relationships with the customers that are highlighted in relationship marketing, internet marketing places emphasis on the accessibility of the website technologies and the quality of design of the website. When online customers are able to access the websites smoothly and become familiar with the functions in the websites, the frequency of their visits to the particular website is very likely to increase. Good website design quality has positive influence on e-loyalty as well.

As observed, relationship marketing and internet marketing do have their various ways of operation to increase the customer loyalty. However, what makes relationship marketing and internet marketing different is communication. This is something that should be emphasized in comparing which marketing strategy contributes to gain higher customer loyalty. It is an essential aspect in successful relationship (Morgan & Hunt, 1994). In relationship marketing, it is important to build and create relationship with customers in order to enhance loyalty within themselves towards the firms or organizations. For example, salesmen will communicate with the customers to achieve the aim of building close relationships with customers, understanding the information of the customers well, and knowing the expectations of the customers. This helps them to build rapport and able develop long-term relationship with the customers due to better and clear understanding about the customers. In addition, salesmen can achieve the needs, requirements and expectations of the customers through communication. During the process, it builds emotional bond in the customer. Consequently, when the customers' expectations and requirement are met, they feel satisfied and thus, increasing the customer loyalty. However, internet marketing may not be able to have effective communication with the online customers. This is due to the lack of direct contact and communication with the website operators. Unlike internet marketing, relationship marketing enables customers to have direct contact and communication with the salesmen (Valvi & West, 2013). Hence, this makes the online customers to have difficulty to trust the online environment (Valvi & West, 2013). Some online businesses may be false and customers could be cheated in the abstract online world. This shows that lack of direct communication such as face-to-face communication in internet marketing can lead to the

lower level of e-loyalty than customer loyalty which is built through relationship marketing. Another issue that concerns the online customers is privacy. Internet cannot guarantee the safety of personal information of customers.

IX. CONCLUSION

In conclusion, relationship marketing and internet marketing enhance customer loyalty differently. However, relationship marketing may contribute to gain higher level of customer loyalty because the firms or organizations will be able to target the group of customer and put in effort to build long-term relationship. If a particular customer's expectation is not met, customer satisfaction decreases. The service provider can always find ways to improve in any ways in order to satisfy the customer satisfaction and maintain customer loyalty. Furthermore, loyal customers who are satisfied with the services or goods provided by the firms or organizations may recommend to their network circle. This can help to expand the market by increasing number of customer and customer loyalty provided with customer satisfaction. On the other hand, internet marketing uses different effort to meet the customer expectation and e-satisfaction on websites. Different factors contribute to influence e-satisfaction and e-loyalty. Due to lack of indirect communication, e-loyalty can be easily influenced because customers can always switch to another website to purchase services or goods. More research on e-loyalty have to be done in the future to improve the quality of services provided online.

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Does Gender Play a Role in Online Consumer Behavior?

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Abstract- Electronic commerce (online shopping) is increasing in popularity nowadays due to the popularity of computer usage and the prevalence of internet. Electronic commerce can produce numerous benefits to both sellers and consumers. Hence, the study of online consumer behavior can generate a better online atmosphere to facilitate greater profit to sellers and better online purchasing experience to consumer. Gender has universal characteristics, regardless of culture and time period. In this study, the gender differences in different aspects of online consumer behavior is concerned and investigated.

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Lim Pei Ling ^α & Mr. Rashad Yazdanifard ^σ

Abstract- Electronic commerce (online shopping) is increasing in popularity nowadays due to the popularity of computer usage and the prevalence of internet. Electronic commerce can produce numerous benefits to both sellers and consumers. Hence, the study of online consumer behavior can generate a better online atmosphere to facilitate greater profit to sellers and better online purchasing experience to consumer. Gender has universal characteristics, regardless of culture and time period. In this study, the gender differences in different aspects of online consumer behavior is concerned and investigated.

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I. INTRODUCTION

Since computer and Internet are invented, human life has changed and this also effected the business market. Electronic commerce is also getting larger and larger in the business market in recent years. Electronic commerce is one of the business style which trades through public or private computer network instead of personal interaction (Suki, 2002). According to Euromonitor's statistics, the global online market has almost increased 17 percent annually from 2007 to 2012. The profit of online sales was \$236 billion in 2007 and has increased to \$521 billion in 2012 (Bon-Shabat, Moriarty, & Nilforoushan, 2013). Some researches still make positive prediction to the growth of electronic commerce in future. According to McKinsey Global Institute (2013), China makes more than \$190 billion in 2012. They also predicted that China will continue to increase electronic commerce's profit to \$650 billion in 2020. The same prediction was made to the United States as well. Malpuru (2013) predicted that United States will continue growing from \$262 billion in 2013 to \$370 billion in 2017. Those reports have demonstrated that online purchasing will be more and more popular in future business market.

Consumer behavior is always an important issue in marketing research. Without consumer, there is business cannot be done and no profit can be made. Therefore, many marketers and researchers try to figure out the factors which influence consumers to buy products or services. Consumer behavior is always defined as selecting, using and disposing of products or

services of individuals or organizations (Blythe, 2013). Selecting does not only mean to make decision in purchasing, but also includes searching information and evaluating options. The consumption of a product or service is a motivation or intention in which people buy a product or service. Sometimes, the method of using can be a re-invention of different ways by different consumers. Disposing of an individual's product is disposing goods which are worn-out or no longer needed (Blythe, 2013). However, consumer behaviors are hard to predict and explain completely. There have numerous factors to influence consumers such as external factors which include culture, gender, social norm, race and marketing activities and internal factors which include motivation, emotion, and personality.

Consumer behavior also have differences between online and offline shopping. Consumers are more influenced by brand names and price during online shopping than offline shopping (Degeratu, Rangaswamy & Wu, 2000; Chu, Arce-Urriza, Cebollada-Calvo & Chintagunta, 2010). Furthermore, light and heavy online shoppers focus on different aspects, for example light online shoppers acknowledge brand names and size loyalty more but lower acknowledgement to price (Chu et al., 2010). Those studies implies that motivation and perception of online and offline shopping are different. Generally, consumers feel more insecurities through online shopping because they cannot see and touch the actual products (Katawetawarakas & Wang, 2011).

Online commerce has become more profitable in recent years. Hence, the study of online consumer behavior has been paid more attention by many researchers (Cyr & Bonanni, 2005; Hasan, 2010; Huang & Yang, 2010). Gender always play a significant role to affect human's habit which includes buying behavior (Fan & Miao, 2012; Hasan, 2010; Seock & Bailey, 2008). Gender has some universal characteristics and regardless in other cultures or regions. Therefore, to investigate the role of gender in online consumer behavior is essential for marketers make better strategies to increase profit and consumers obtain better shopping experiences.

II. THEORIES OF ONLINE CONSUMER BEHAVIOR

There are few theories which explain the online consumer behaviors such as consumer buying decision

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process, theory of reasoned action, technology acceptance model, innovation diffusion theory and social influence theory (Cao & Mokhtarian, 2007; Jeddi, Atefi, Jalali, Poureisa, & Haghi, 2013).

The consumer buying decision process refers to consumers who buy products and services which are based on external factors such as culture, race and marketing activities, and internal factors such as experience, motivation and personality. When consumers make purchasing behavior, the decision making process includes identifying problem, searching information, evaluating options, purchasing and after purchasing behavior such as satisfaction (Jeddi et al., 2013).

The theory of reasoned action (TRA) is suitable to explain online consumer behavior and few theories have adopted its concept to develop innovative theories such as theory of planned behavior and technology acceptance model (Cao & Mokhtarian, 2007). According to Ajzen (1991), human behavior is determined by the salient beliefs to evaluate the benefits and costs of behavior (as cited in Cao & Mokhtarian, 2007). The salient beliefs generally include product perception, shopping experience, customer service and consumer risk. Those salient beliefs come from normative beliefs which were built by people's perception from the opinion of friends, siblings and even consumer reviews. The attitude and normative belief determine human behavioral intention and then the intention would affect human actual behavior (Bae & Lee, 2011; Cao & Mokhtarian, 2007).

In technology acceptance model (TAM), the perceived usefulness (PU) and perceived ease of use (PEOU) are added into account for online consumer behavior whereas the normative beliefs are ignored. In recent years, some researchers realized the importance of social factors and some of them would adapt to the model (Cao & Mokhtarian, 2007).

In innovation diffusion theory (IDT), the application of innovative information technology is focused. Researchers can use IDT to study the adoption of online purchasing and online purchasing behavior. The components of IDT include relative advantage (the perception of advantage in online purchasing), compatibility (the level of satisfaction in online purchasing), complexity (the level of difficulty in online purchasing), trialability (the level of experience of the product in online shopping) and observability (the level of publicity of online purchasing). Those factors are related to the level of human adopt innovation (online purchasing) (Rogers, 1983; as cited in Cao & Mokhtarian, 2007).

III. GENDER DIFFERENCES IN ATTITUDE AND PERCEPTION TOWARDS ONLINE PURCHASING

Attitude is a person's response to an object or condition by his/her favorable or unfavorable manner. The attitude is learnt from past experience or knowledge and can affect behavior towards the object or condition (Hasan, 2010). In other words, attitude indicates that people like or dislike online purchasing. Perception is how a person perceive and interpret an object or condition according to their past experience or knowledge. Many studies (Allen, 2001; Kwak, Fox & Zinkhan, 2002) indicated that males purchase and spend more money than female in online purchasing. The major perceptions towards online purchasing to most people is cheaper product and time saving but also risky (Petrtyl, 2012).

A study is done by Hasan (2010) who divided the attitude into cognitive, affective and behavioral aspects. In cognitive attitude, males scored higher than females in response to online shopping as a wise, useful and effective way to buy products. Cognition of an object is essential to decide buying behavior. Therefore, when females have lower cognitive attitudes, females also have lower affective attitude which includes favoring, feeling happy and excited towards online shopping. Females also indicated lower behavioral attitude such as buying in the future, intentions of buying and continuing to buy in the future.

Furthermore, when consumers feel challenged during online purchasing, the attitude towards online purchasing is different. The website challenge to males would affect the site attitude and pre-purchase evaluation. That means when males felt challenged to the website and the website's information is relevant, they have higher pre-purchase evaluation to the product. On the other hand, the website challenge to females which are affected by website attitude. That means when females felt challenged to the website, they perceived more negatively to the website (Richard, Chebat, Yang & Putrevu, 2010).

The present attitude which influences future intentions of online purchasing is different in gender as well. Females are less likely than males to change their future intentions (Hernandez, Jimenez & Martin, 2010). However, according to Garbarino and Strahilevitz (2004), females more easily change their perceptions than males because of friend's recommendation and suggestion. On the other hand, males showed higher intention to online purchasing after they purchased online (Hernandez, Jimenez & Martin, 2010).

Website design is also a significant factor to influence consumers buying decision process (Cyr & Bonanni, 2005; Sebastianelli et al., 2008). The perception of website design also differed by gender.

Males perceived the same website as more visual and more fulfilling to the needs and expectation than females (Cyr & Bonanni, 2005).

IV. GENDER DIFFERENCES IN MOTIVATION TOWARDS ONLINE PURCHASING

The motivation of online purchasing can refer to people who perceive positively and beneficially to electronic commerce and thus they have desires to purchase things online. It also can be referred to one of the steps in consumer buying decision process which is identifying the problem (need/desire) (Jeddi et al., 2013; Monsuwe, Dellaert & Ruyter, 2004). In other words, to identify the desire and purchases the products people want.

The motivation of online shopping is divided into two main categories which are utilitarian and hedonic motivations as well (Huang & Yang, 2010; Monsuwe et al., 2004). Utilitarian motivation tends to have a rational approach and is also considered as a traditional buying decision process. As mentioned before, the benefits of online purchasing (e.g., time saving, detailed information of product, price comparison, greater option and cheaper price) can be considered as utilitarian motivation because the person purchase from online rationally (Gayathiri, Balachandran & Usha, 2014; Sarkar, 2011; Veronika, 2013). On the other hand, hedonic motivation tends to have an emotional approach. It means that people who buy products online are driven by emotions and feelings because they like, enjoy and feel excited to the online shopping experience. However, most of the purchasing behavior is influenced by emotional factors whether with utilitarian or hedonic motivation. Most of the successful purchase is heavily based on human desire (Bhatnagar & Ghosh, 2004; as cited in Sarkar, 2011; Seock & Bailey, 2008; Topaloglu, 2012). Normally, hedonic motivation occurs when a person is experiencing or using the actual product. Hence, online consumers tend to have utilitarian motivation to compare with hedonic motivation (Sarkar, 2011; Seock & Bailey, 2008).

However, gender role indeed plays a role to affect consumer motivation. In Seock and Bailey's (2008) study, they found females tend to have hedonic motivation because they have higher shopping enjoyment, brand consciousness, price consciousness and shopping confidence than males. The shopping enjoyment and shopping confidence are related with emotion and also the sign of hedonic motivation. On the other hand, males tend to be utilitarian motivation during online purchasing because they have higher concerns about the saving time than females. Saving time is one of the beneficial functions and also the one of the elements of utilitarian motivation in online purchasing.

A study conducted by Huang and Yang (2010) is consistent to the result of males as utilitarian

purchasers. In utilitarian motivation, males are concerned more on convenience, lack of sociality and time-saving than females. In this functional motivation, the main values for females are the availability of information, convenience and choice. On the other hand, females are also confirmed through previous researches that they are hedonic purchasers. Females are concerned more on adventures, sociality, fashion and value than males. In this emotional motivation, the main values for males are to go online, fashion and value.

V. GENDER DIFFERENCES IN PERCEIVING RISKS TOWARDS ONLINE PURCHASING

Online purchasing is not always beneficial to consumers. It also contains risk sometimes (Alreck, DiBartolo, Diriker & Settle, n.d.; Bae & Lee, 2011; Fan & Miao, 2012; Garbarino & Strahilevitz, 2004; Sarkar, 2011; Veronika, 2013). Generally, consumers perceive online purchasing is beneficial to shop anywhere and anytime, easier and greater selections and price comparison, and cheaper products (Alreck, DiBartolo, Diriker & Settle, n.d.; Veronika, 2013). On the other hand, the risk and problem of online purchasing is considerable as well. The risk and problem includes private information privacy, security, fraudulent website, missing delivery, poor quality of product and even product which is inconformity with order (Bae & Lee, 2011; Garbarino & Strahilevitz, 2004; Petrtyl, 2012; Suki, 2002). Other than that, people also feel annoyed of spams and troublesome e-mails (Katawetawaraks & Wang, 2011).

The privacy and security is always a concern to most of the online consumers (Petrtyl, 2012; Suki, 2002). Consumers are concern about their personal information privacy violated by the retailers such as unauthorized use of credit card and identity, revealing personal information to other businesses without consent and even hidden costs. For the security, most consumers' concern is personal information (e.g., identity and credit card number) to be taken by unknown third party such as hacker and identity thief (Suki, 2002). In reality, consumers have less likelihood to meet privacy and security problems compared to delivery and product problems (Petrtyl, 2012).

The delivery and product problems are also the popular risk that consumers concern. The first popular complaint is delivery of products which was never delivered successfully, the second is product and service problems where quality of product is poor or defective and the third is contract terms which refer to the privacy and security problems in United States (Petrtyl, 2012).

A research conducted by Garbarino and Strahilevitz (2004) indicated that females concerned more to loss of privacy, misuse of credit card, fraudulent

site and shipping problems than males. Furthermore, females perceived the consequence of those problems as more serious and bad than males. Another research conducted by Bae and Lee (2011) also indicated that females perceived higher risk to online shopping and thus they would be more cautious before purchasing. For instance, females are willing to survey more information and consumer reviews compared to males.

VI. GENDER DIFFERENCES IN PRODUCT PREFERENCES TOWARDS ONLINE PURCHASING

Gender difference does not only influence online motivation. It also influences the types of product that males and females prefer to purchase online. A study conducted by Sebastianelli, Tamimi and Rajan (2008) who found that females purchased significantly more on apparel (e.g., clothes, shoes and bags), health products, beauty products, toys, games, home accessories and garden accessories than males in online. On the other hand, males purchased significantly more on computer hardware and software and electronic products than females in online.

In Sebastianelli and his colleagues' study (2008), the products were also categorized into three aspects which are search (e.g., book, computer hardware and software, music and video games), experience (e.g., apparel, beauty products, gifts, foods, home accessories and jewelry) and credence (e.g., airline tickets, prescriptions, travel and vitamins). The result revealed that males are more likely to purchase search product whereas females are more likely to purchase experience product.

VII. GENDER DIFFERENCES IN SEARCHING INFORMATION IN ONLINE PURCHASING

Searching information is one of the steps in consumer buying decision process. Human searches for information to figure out the product they want and to compare with similar products.

According to selectivity model, the gender differences are one of the factors in information search process. Meyers-Levy (1989) stated that males tended to be selective processors who search only focusing on the object they want and may miss other cues, whereas females tended to be comprehensive processors who searches lots of information and put effort to the object they want (as cited in Park, Yoon & Lee, 2009). Males only considered purchasing process is a mission and information search is one part of the mission, thus they only need a little information to complete the purchasing process. Females are significantly different from males. They considered purchasing process as an enjoyment and information search as a pleasure, thus they are willing to search as much as possible for information

(Campell, 2000; as cited in Park et al., 2009). Another research has proved that females are more willing to search for information to compare with males.

Online advertising is a way to search for online information as well. A study conducted by Wolin and Korganonkar (2003) who stated that males' attitude towards online advertising is more positive (useful, informative and fun) than other media, whereas females' attitude towards online advertising was more negative (annoying and deceptive).

VIII. GENDER DIFFERENCES IN EVALUATING OPTIONS IN ONLINE PURCHASING

Evaluating options is the last process before purchasing process. People would evaluate the worthiness of the products or services by motivation and information first and then making decision for the products or services (Suri, long & Monroe, 2003). People perceive a product which is expensive as more valuable and superior when the person has high motivation and has searched for information (Suri et al., 2003).

Females prefer to purchase products by novel-fashion which is funny and attractive whereas males prefer to purchase products by brand which is famous and expensive (Yang & Wu, 2007). This also similar with the motivation of online purchasing and also confirmed that motivation is related with purchase intention.

Consumer reviews is considered as evaluating options in consumer buying decision process. As mentioned before, consumer reviews can affect consumer buying decision process. It also has proven to affect more in females than males (Bae & Lee, 2011; Fan & Miao, 2012). Park and his colleagues (2009) stated that females are more willing to view consumer reviews than males. Furthermore, females viewed more consumer reviews when they are purchasing experience products such as clothes and domestic products (Park et al., 2009). The expertise and rapport in online consumer reviews can enhance the comments' credibility and affect the willingness of purchasing to females (Fan & Miao, 2012; Park et al., 2009).

IX. GENDER DIFFERENCES IN PERCEIVING SATISFACTION TOWARDS ONLINE PURCHASING

Satisfying consumers is an important issue to all businesses. Because when consumers are satisfied, they will repurchase more products. The website quality is always considered as a significant factor to influence consumers buying decision process. The website quality includes many dimensions such as ease of use, navigation, website design, information, security, responsiveness, supportive customer service and assurance (Cyr & Bonanni, 2005; Sebastianelli et al.,

2008; Tabaei et al., 2011). Another important factor for satisfying consumer is a product which includes a reasonable price, good quality and is reliable and consistent with the order (Tabaei et al., 2011).

Consumers' satisfaction is influenced by the perception of website design which also differs between genders. Males perceived the same website as more visual and more fulfilling the needs and expectation than females (Cyr & Bonanni, 2005). A study indicated that high quality image could increase females' satisfaction and purchase intention whereas males have increased satisfaction but not purchase intention (Flavian, Gurrea & Orus, 2011).

X. DISCUSSION

In this study, gender differences are focused and investigated with various factors such as perception, motivation, preferences which influence online consumer behavior. Nowadays, human life is changed by computers and internet considerably and that also includes business market. Consumer behavior is a popular issue in marketing research. To study consumer behavior, sellers can create a better purchasing experience to consumers and they can make more profit from consumer as well. Consumer behavior is influenced by numerous factors which divide into external factors such as culture, social, gender and race, and internal factors such as personality, emotion and motivation. Electronic commerce is larger and more profitable in recent years. Hence, marketers and researchers pay more attention to online consumer behavior nowadays. There also have many theories to explain consumer behavior such as consumer buying decision process, theories of reasoned action and innovation diffusion theory.

People's attitude and perception of online purchasing are important to online purchasing and gender has influences to it. The general perceptions of online purchasing have cheaper products, time saving and risks. To purchasing online, males indicated more positive attitude and thought this is useful and informative. They are more willing to purchase and spend money than females online as well. On the other hand, females indicated more negative attitudes and less future intention to purchase online compared to males. The website challenge facilitates females to have more negative attitude to online purchasing. The perception of website design is more visual and satisfying on males comparing to females. The reason females have less positive attitude than males may be due to them not familiar with computers. Besides, females feel more insecurity towards online purchasing compared to males.

Motivation is a major part in online purchasing because it indicates the reason people have desires to purchase online. Motivation generally divides into

utilitarian and hedonic motivation. Utilitarian motivation is driven by rational and functional approach such as time saving, cheaper products, broader options and detailed information. Hedonic motivation is driven by emotional approach such as enjoyment and excitement. Motivation is different in males and females. Males tend to have utilitarian motivation because the reason they purchase online is saving time, convenience and boarder options whereas females tend to have hedonic motivation because they feel adventures, enjoyments and confidence in online purchasing. Generally, both motivations are important to motivate consumer purchasing. Females tend to hedonic motivation can be proven by the relationship between satisfaction and purchase intention. When females experience satisfaction which means they enjoy the experience, their purchase intention is increased as well. On the other hand, males are more rational in purchasing. Although they experience satisfaction, but the satisfaction does not increase their purchase intention and this is the proof of utilitarian motivation in males.

Risk is the major concern in online purchasing. Online purchasing's risks include information privacy and security, fraudulent websites, missing delivery, poor quality of product and others. The major concern to consumer is information privacy (e.g., misusing credit card, revealing personal information and hidden cost) and security (e.g., hacker and identity thief). However, the major complaints from consumers are delivery problems (e.g., product never delivered) and product problems (e.g., poor quality and defective). Different genders perceive the risk differently as well. Females perceived higher risk and more concerns than males. In perceiving risk in online purchasing, females have higher concerns compared to males. This is reasonable because females purchase more on products they have more experiences on such as clothing and beauty products which are used directly on their body.

Gender influences product preferences in online purchasing. As mentioned before, females prefer to purchase products which they have experiences on such as apparels, beauty products, food and home accessories which can be used directly on a person. Males prefer to purchase search products such as electronic products, computer hardware and software. Different gender also differs in searching information, product preferences and evaluating options. In searching information, females are more willing than males to search information. On the other hand, males viewed online advertising positively (e.g., useful and funny) whereas females viewed them negatively (e.g., annoying and deceptive). The reason females search more information is because they have high concerns and purchase more in experience product. When they know more about the products, their concerns decrease as well. Males only need to search the exact products

that they want and do not need to care much on other information.

Evaluation is to examine the worthiness of product through motivation and information. This process is related to motivation, product preferences and risk. Consumer reviews is one of the methods to evaluate the products as well. Females are more affected by it than males, especially when the reviews contain rapport and expertise. That is because females are more sociable compared to males. They can accept others' suggestion more than males. The satisfaction of consumers can divide into product quality and website quality. Both of the qualities are significant to influence consumers' satisfaction and purchase intention. To satisfy customers is one of the important factors to be successful in business. Different genders also can increase different level of satisfaction towards online purchasing. Females had higher satisfaction than males when the product's image is large and high quality.

The present studies have investigated most of the major issues (e.g., attitude, perception, motivation, searching information and evaluating options) regarding gender role in online consumer behavior. However, some issues are still underdeveloped, such as the evaluation of options in online consumer behavior. However, gender only plays a factor in online consumer behavior, but research which combines two factors (e.g., gender and culture role in online consumer behavior) is rare recently.

There are few aspects which are not inconsistent. Although many researchers revealed that one of the motivation in online purchasing is cost saving, a study conducted by Yang and Wu (2007) also indicated that males prefer purchasing famous and expensive products from online purchasing. Another inconsistent study is the perception of risk in online purchasing. Most of the studies in my study stated that males perceived or concerned less security issues to compare to females, whereas Gayathiri and his colleagues (2014) stated there is no difference of perceiving risk in online purchasing.

XI. CONCLUSION

In conclusion, gender role plays a significant role in online consumer behavior. Consumer behavior is important to marketers to generate better strategies for profit and consumers' satisfaction. Computer and internet are one part of human life which includes electronic commerce. Hence, online consumer behavior has paid more attention by research nowadays. Males contain more positive attitude and more willingness to purchase than females online. That is because females are not secure and familiar with online purchasing. Males tend to have utilitarian motivation because they focus more on time saving and convenience which is rational approach to purchase online. Females tend to

have hedonic motivation because they focus on more on adventure and enjoyment which is an emotional approach to purchase online. Generally, everyone is concerned about the risk of online purchasing. However, females have higher insecurity and think of the consequences of risk seriously than males. The concerns also related to product preferences because females prefer to purchase experience products such as beauty products which they may get hurt from the product. On the other hand, males prefer to purchase search products such as electronic products and computer devices. The searching information also related to perceiving risk, because females concern more thus they search more information to the product they want to purchase. Males only need to search for products they want to purchase thus they normally ignore the information. Evaluation process is a process of people examining their motivation and information of the product. The consumer reviews can affect females more than males because females are more sociable and willing to accept advices than males. Satisfaction comes from product quality and website quality. Females more easily increase their satisfaction than males. That is because females are enjoying rather than doing a mission during online purchasing. However, some issues are still unclear and underdeveloped.

Gender is really a crucial factor which affects every single process during online purchasing. Consumerism is a complex action which involves many factors. Online consumer behavior is still a new topic in recent years and some issues are still unclear yet. However, online consumer behavior will be concerned by more marketers because the electronic commerce is accepted by more and more people already.

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How Does ALS Ice Bucket Challenge Achieve its Viral Outcome through Marketing Via Social Media?

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Abstract- In this digital era, anything catchy and amusing can turn into a trend or viral phenomenon with the help of social media, reaching out and impacting a large number of people. For example, Harlem Shake meme, Gangnam Style song by Psy, The Fox song by Ylvis and ALS Ice Bucket Challenge. The main focus of this paper is to study how the ALS Ice Bucket Challenge can turn from simply a dare game among a group of friends into fundraising campaign that succeed overnight through social media. It is vital to identify the success factors of this icy campaign so that it can turn into strategies which can be applied in other campaigns to produce similar remarkable result of ALS Ice Bucket Challenge. For this review, related journal articles which were found through electronic databases were studied and linked to the topic of this paper. The findings from the review of these journal articles suggested five aspects; namely social media marketing, celebrities' influence, online word-of-mouth phenomenon, viral marketing, and right-timing marketing had contributed to the outstanding result of ALS Ice Bucket Challenge.

Keywords: *social media, marketing, amyotrophic lateral sclerosis, ice bucket challenge.*

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Abstract- In this digital era, anything catchy and amusing can turn into a trend or viral phenomenon with the help of social media, reaching out and impacting a large number of people. For example, Harlem Shake meme, Gangnam Style song by Psy, The Fox song by Ylvis and ALS Ice Bucket Challenge. The main focus of this paper is to study how the ALS Ice Bucket Challenge can turn from simply a dare game among a group of friends into fundraising campaign that succeed overnight through social media. It is vital to identify the success factors of this icy campaign so that it can turn into strategies which can be applied in other campaigns to produce similar remarkable result of ALS Ice Bucket Challenge. For this review, related journal articles which were found through electronic databases were studied and linked to the topic of this paper. The findings from the review of these journal articles suggested five aspects; namely social media marketing, celebrities' influence, online word-of-mouth phenomenon, viral marketing, and right-timing marketing had contributed to the outstanding result of ALS Ice Bucket Challenge.

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I. INTRODUCTION

Amyotrophic Lateral Sclerosis (ALS), also known as Lou Gehrig's Disease is a rare disease in which a person will lose his or her voluntary muscle action due to the progressive neurodegeneration that affects human's voluntary muscle action. In ALS, "motor neurons in the primary motor cortex, corticospinal tracts, brainstem and spinal cord movement" will degenerate (Wijesekera & Leigh, 2009). As a result, a person will encounter muscular paralysis as brain will not be able to transmit impulses and control muscle movement. Besides muscular problem, many researches are ongoing to find out treatments to cure secondary consequences such as malnutrition and respiratory failure which arise in ALS (Kiernan, Vucic, Cheah, Turner, Eisen, Hardiman, Burrell, Zoing & Margaret, 2011). Until today, researchers have not identified entirely the root of ALS. Although there is no medicine or therapy available to heal ALS, the development of ALS can be slowed down using riluzole, a Food and Drug Administration (FDA) approved medicine (The ALS Association, n.d.).

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In the effort of promoting public awareness and raising funds for ALS, the wave of Ice Bucket Challenge had hit many social media platforms in the summer of 2014 and became one of the most renowned campaigns. This challenge originated by a group of professional athletes who challenged each other to take an ice bath and whoever declined to do so were required to donate \$100 to any charity organization chosen by the challenger (Song, 2014). This practice was then evolved and the rule of Ice Bucket Challenge was very simple – a person can choose to donate \$100 to the ALS Association or film a video of drenching his/her own self with ice water and pass on the dare to another three people. The social media platforms were gradually flooded with videos of people dumping buckets of ice water on their heads. Consequently, over the 30-days period of summer, the ALS Association reported that they had obtained donations which exceeded \$100 million (Song, 2014).

The aim of this paper is to study about a fruitful and popular fundraising campaign namely ALS Ice Bucket Challenge as well as trying to find out how marketing via social media can be so effective in promoting the fundraising campaign to attain such tremendous hit. Based on the reviewed articles, the accomplishment of the ALS Ice Bucket Challenge campaign marketed via social media can be associated to five factors of success: social media marketing, celebrities' influence, word-of-mouth phenomenon, viral marketing and right-timing marketing.

II. SOCIAL MEDIA MARKETING

In today's world, social media such as Facebook, Twitter and YouTube (Hyun, 2013) are available for anyone accessible to internet. They are often referred as online tools and network technologies for social interaction, connecting friends, family and even strangers from all corner of the world by allowing people to share contents, opinions, knowledge or information (Papazolomou & Melanthiou, 2012) in form of message, picture and video.

Referring to the definition provided by American Marketing Association; Chisnall (1995); Shimp (2003); and Kotler and Keller (2009) as cited in Tomše and Snoj (2014), it is concluded that basic mission of marketing is

to recognize and fulfill consumers' needs in the most lucrative way. Marketing on social media is different from communication of marketing in traditional media because social media encourage active participation of social network users (Zarrella, 2009, p. 197 as cited in Tomše & Snoj, 2014) and allow one-to-many communication (Patino, 2012, pp.234).

With the continuous interaction and communication, people are allowed to change role from users to content creators or even promoter of a brand, product or event (Erragcha & Romdhane, 2014). Social media is an ideal platform to publicize ALS Ice Bucket Challenge based on the five pillars of social media—participation, openness, conversation, community and interconnection – specified by Welhoff (2012) as cited in Erragcha & Romdhane (2014). Social media encourage active participation from people by allowing them to voice out their thoughts through posting messages, pictures or even videos on their own social media page; allowing exchange of information or knowledge; providing a platform for users to communicate and interact; connecting people with common interests, forming a community; and interconnecting with other social media outlets.

Social media marketing is a “process of attaining web traffic and attention through social media” (Evans & McKee, 2010 as cited in Kuhikar, 2013). Smedescu (2013) defined social media marketing as “applying traditional marketing to the new Internet-based as means of interaction”. In short, social media marketing means online marketing which utilizes social media as a mean of marketing.

By creating distinctive and fun content, social media marketing program aims to attract social media users so that they would share the content within their social network and the content may go viral (Kuhikar, 2013). A campaign is able to achieve favorable outcome by choosing a suitable and correct social media platform as a medium to spread message; to project appropriate and desirable message; and to draw reliable people to reach out to others, to spread the campaign's message and significance (Kumar & Mirchandani, 2012). By having the right people to communicate the message of a particular campaign, it aids the message to spread extensively and stimulate word-of-mouth phenomenon.

Tomše and Snoj (2014) suggested plusses such as “low cost”; “speedy spread” of message to people on the viral marketing basis; “global reach with the extensive network of users”; and the “capability to reply rapidly to the feedback posts”, turn social media into a good channel of marketing.

In addition, Blakeman and Brown (2010) as cited in (Luo, Wang and Han, 2013) stated that the use of social media for marketing and awareness can help to develop “community network”, nurture “awareness of community efforts” and “fund raising”.

Luo, Wang and Han (2013) had conducted a case study on the success of social media marketing in advertising the library of Tsinghua University, China in which five short videos entitled “Falling in Love with the Library” were filmed and posted on Youku, China's popular video sharing site. The massive popularity attained by the videos project contributed to the winning of 10th IFLA International Marketing Award. Content, style, venue and partnership are the four features of the video project which determined its success. Based on the library video project, these four features can also be used to explain how ALS Ice Bucket Challenge attained success through social media marketing. Firstly, to ensure the campaign message can be efficiently delivered to the target group, it is vital to create apt content. Secondly, the style of the message is also helpful in delivering the message. For instance, entertaining and carefree style of content are more effective and acceptable by people because it will be able to leave deeper impression as compared to serious style. Next, to captivate the target group, the venue to share the content should be a venue that is frequently accessed by the target group. Lastly, establishing right partnership with right the people will aid the process of content creating and sharing.

III. CELEBRITY AS INFLUENCER

ALS Ice Bucket Challenge had gained massive attention across the nation in which many celebrities, world leaders and CEOs including Oprah Winfrey, Bill Gates, George W. Bush, Selena Gomez and Taylor Swift participated in drenching themselves with buckets of ice water. Celebrity is an eminent personality such as “actor, entertainer or athlete” who is well known publicly for his or her achievement (Stella & Yip, 2009).

Commonly, celebrity's endorsement is one of the favorite strategies that often being used in social media marketing since celebrity can help in creating attention and making an advertisement or campaign more eye-catching (Keel & Natarajan, 2012). There are many advantages of celebrity's endorsement such as helping in “brand identification” and “global marketing”. People will have better impression on the endorsement message delivered based on the celebrity's recognition, prowess and credibility (Dholakia & Sternthal, 1977; Hovland & Weiss, 1951 as cited in Keel & Natarajan, 2012; Abdussalam, 2014). Through the capability to attract the interest of consumers, people strongly believe that celebrities can shape a brand along with the image of a company (Abdussalam, 2014).

According to Stella and Yip (2009), Kelman's theory of identification suggested that in order to create self-defining relationship with a person, an individual will try to take up the “attitude, belief or behavior” of that person. Upon agreeing to Kelman's notion, many studies proposed that fans who are devoted to any

particular celebrity will be influenced by the celebrity, trying to impersonate the celebrity by adopting his or her lifestyles and values (Lindenberg, Joly & Stapel, 2011). Normally, they would be aspired to be like celebrities in terms of qualities such as pleasant outlook, fame and prosperity (Stella & Yip, 2009).

McCutcheon, Lange and Houran (2002) as cited in (Hung, 2014) indicated that studies had shown that there is a “one-sided, imaginary parasocial bonds” connecting the fans and their favoured celebrities. Since many celebrities engage actively in social media platform, fans like to follow the updates posted up by the celebrities on their social media account and discuss about them with people of similar interest. As a result, the mental and psychological boundaries between fans and celebrities will be narrowed, permitting fans to adopt celebrities’ viewpoint (Green, Brock, and Kaufman, 2004 as cited in Hung, 2014).

According to the Twitter counter in 2013, pop stars Justin Bieber, Lady Gaga and Katy Perry each has more than 30 million of followers on their Twitter accounts (Jin & Phua, 2014). Social influence will be highly remarkable with the massive number of followers a person can gather on his or her social media account. This is because when he or she posts something on the account, it could reach each of the followers who may share it on their social media platform, which eventually reach out to another few thousands of people. Therefore, if celebrities discuss a brand or deliver a message through social media, it could be seen by millions of people (Jin & Phua, 2014). This explains why ALS Ice Bucket Challenge can be in the limelight as many celebrities, athletes and world leaders participated in this icy event, spreading awareness about ALS. The personal expression and humor value in their videos of Ice Bucket Challenge had received much attention by their fans that each of the videos can reach millions of views. The image of the celebrities increased the credibility of this campaign. Similarly, in favor of emulating their favorite celebrities, it is not surprising to see some fans would take part in the ALS Ice Bucket Challenge after their favorite celebrities whom they idolize have done it. Consequently, more people were attracted to contribute in ALS Ice Bucket Challenge.

IV. ONLINE WORD-OF-MOUTH PHENOMENON

Word-of-mouth (WOM) signifies the sharing of “noncommercial message” about a “brand, product, or service” between two or more people (Aslam, Jadoon, Zaman & Gondal, 2011; Kalpaklioglu & Toros, 2011).

Nowadays, social media is able to get people talking, interacting and communicating about a brand, an advertisement or a product. Through Nielsen study in 2010 as cited by Barreto (2014), Americans spent 906 million hours monthly on social network sites or blogs. In

May 2009, Anderson Analytics’ study found out that 46% of the respondents gave positive comments about a brand on company on social network site while 23% gave bad comments (Barreto, 2014). Based on the data collected, Barreto (2014) concluded that it is a norm for online WOM to occur in online social platforms.

People are no longer being confined by boundary since information from strangers can be accessed easily using web. Through social media platform, people can build the relationship with friends, family or even unknown people in a very short time. Social network facilitates spread of information as people can gain information not only from their friends, they can also obtain information from their friends’ friends. This occurrence is called online word-of-mouth (WOM) (Barreto, 2014).

Due to trust, people share information in groups and thus, it is expected that people in social network feel comfortable to share information since the information is shared only among their close friends. As compared to any type of message that originates from external sources, people are more inclined to believe something shared by one of their hundred friends in social network. This is because in some way, they know and trust their friends. Thus, this results to awareness and eventually “relationship building” are generated with the existence of social network (Papasolomou & Melanthiou, 2012).

Also, Barreto (2014) suggested that WOM may happen due to the need of sharing information of common interest among people. For example, in the movie industry, there are many forms of online WOM such as “online reviews, discussion boards, chat rooms, blogs, and wikis” (Duan, Gu & Andrew, 2008) where consumers will exchange their evaluation about movies. WOM is about the power of existing consumers attract new consumers by sharing the contents as well as positive feedback. In their research, Duan, Gu and Andrew (2008) discovered that the sales of a movie will increase if WOM of that particular movie is positive.

Unconsciously, through WOM, people were generating publicity and spreading awareness about ALS within people of their social network through the uploaded videos of them dumping buckets of ice water on their head. On the other hand, the number of participants of Ice Bucket Challenge on social media platform multiplied with the interesting rule of nominating another three people after completing the challenge. Thus, it is not surprising that ALS Ice Bucket Challenge can achieve a remarkable result and help to raise much donations for the ALS Association.

V. VIRAL MARKETING

Bampo, Ewing, Mather, Stewart and Wallace (2008) defined viral marketing as mode of communication among peers who are encouraged to spread marketing messages within their social networks.

It refers to any strategy that will broaden the coverage and influence of a message by encouraging people to disseminate the message (Bampo et. al., 2008).

Viral marketing is a marketing method which depends on word-of-mouth (WOM) of consumers as a medium to spread messages (Yuping, 2012).

When WOM takes place, the distribution and sharing of information among consumers happens quickly (Woerndl et al, 2008 as cited in Cora, Tomita, Stuparu & Stanciu, 2010). In recent years, the scale of viral marketing broadens with the rising of social media because messages can be shared not only between family, close friends, and acquaintances, but also strangers. In viral marketing, one of the controllable factors is the process of viral diffusion which refers to "seeding strategy" (Yuping, 2012). Seeding strategy includes the practice of finding out the number and type of consumers (seeds) required to circulate a viral message. This practice is important since seed consumers whose responsibility is to initiate spreading of the viral message to other consumers can greatly impact the later round of viral diffusion process (Bampo et al., 2008; Watts and Peretti, 2007 as cited in Yuping, 2012).

The pros of viral marketing as compared to traditional advertising are lower cost, speedy diffusion of message, ability to reach out to wider range of consumers and high credibility (Bampo et al., 2008). The dispersal of the messages depends on consumers, thus viral marketing does not require high cost. Besides, viral marketing is not restricted by the limit of "standard media units", therefore, making it user-friendly (Gîrboveanu & Puiu, 2008). The consumers themselves will spread the marketing messages and ascertain the right target market whom will value the recommended "product, service or video clip" (Gîrboveanu & Puiu, 2008). Previous study had proven that virality is positively associated to positive and negative emotions which are activated by arousal such as amazement, anger and nervousness while virality is negatively associated with deactivating emotion such as sadness (Berger & Milkman, 2012). Berger and Milkman (2012) had also found out that besides "value exchange" and "self-presentation", people share exciting and unexpected content to keep others entertained.

The success of viral marketing is deeply stimulated by characteristics of the message conveyed, traits of sender or receiver and features of social network. This is proven through the ALS Ice Bucket Challenge whereby the meaningful and charitable message conveyed in it is expressed in a daring and entertaining value. Senders or receivers of the icy challenge are of people who are compassionate, open-minded and love taking up challenges. Social network has the features that allow people to post and share videos of the ALS Ice Bucket Challenge – indirectly assisting viral spread of a particular message.

VI. RIGHT TIMING

It is vital to conduct marketing at the right place and time through social media. Right-time marketing is about delivering the best marketing at the right time (Goldstein & Lee, 2005). The authors suggested that the company that practices right-time marketing will usually reach out to the consumers when they are more open and responsive to the message. Timing is very important because if the message is not conveyed at the appropriate time, it will not be able to leave a great impact on people. As stated by Diorio (2004) in Marketing Profs.com website, one of the companies which effectively utilized right-timing marketing strategies was Fidelity Investment. It went through millions of daily customers' transactions to find out over 100 "event triggers" which indicated when customers would require to make transactions. These "event triggers" directed the company to respond rapidly by offering right proposal to the right person at the right time, improving the campaign response rate by 200 percent. Likewise, the ALS Ice Bucket Challenge took place at the right time which is summer. The climate during summer matched the nature of the challenge which requires people to dump buckets of ice water on themselves otherwise with they will have to donate \$100 to ALS Association.

VII. DISCUSSION

The ALS Ice Bucket Challenge is one of the best examples to validate how influential social media can be as a medium to market a campaign. This icy phenomenon gained massive attention across the nation in which many celebrities, world leaders and CEOs including Oprah Winfrey, Bill Gates, George W. Bush, Selena Gomez and Taylor Swift also participated to drench themselves with buckets of ice water. As reported in the Facebook Newsroom, during the period from 1st June 2014 to 1st September 2014, more than 17 million of shared videos on Facebook were linked to the Ice Bucket Challenge and those videos had been viewed by more than 440 million of people for total of 10 billion times ("The Ice Bucket Challenge on Facebook", 2014). Similarly, ALS Association reported that they had obtained donations which exceeded \$100 million through the chilly challenge event. Hence, how did ALS Ice Bucket Challenge achieve such remarkable result through marketing via social media?

One of the main factors which contributed to the attainment of the ALS Ice Bucket Challenge is social media marketing which utilizes continuous communication among social media users to market the event. The five pillars of social media – participation, openness, conversation, community and inter connection which were listed by Welhoff (2012) as cited in Erragcha and Romdhane (2014) can be used to explain the reason social media is an ideal platform to

publicize the icy campaign. Firstly, users of social media are strongly encouraged to show participation in social media by posting or commenting about their thoughts in many forms such as message, picture and video on their social media page in which their updates will also appear in their friends' newsfeeds. For instance, Facebook has a "like" button function which is the quickest way that can be used to share a content the user like to his or her social network. Besides, there is also the "share" button which a user can use to forward an interesting post so that it can be shared on his or her page. By posting or sharing any ALS Ice Bucket Challenge posts, it helps to spread awareness of ALS extensively among the network of social media users. Besides, people can communicate and interact with one another through the exchange of texts in the comment box. Nowadays, many social media sites such as Instagram, YouTube, Facebook and Twitter are linked together whereby a person can post up an update or video about ALS Ice Bucket Challenge on many different platforms simultaneously. This update will then be published to a large group of people within his or her social circle. The message conveyed through the activity of dumping buckets of ice water on the head can be widely accepted by people as the content is significant. In addition to that, such entertaining challenge captivated a majority of the public's attention. The ice bucket challenge requires zero cost in disseminating the message through social media marketing unless the nominated person does not take up challenge within 24 hours after being summoned. Hence, the advantages of social media marketing brought success to the ALS Ice Bucket Challenge.

In addition, celebrities' involvement helped ALS Ice Bucket Challenge to be in the limelight. Eminent personality such as Oprah Winfrey, Bill Gates, George W. Bush, Selena Gomez, Justin Timberlake and Taylor Swift participated to drench themselves with buckets of ice water. Celebrities' fame and credibility helped to shape good image and create deeper impression in people towards ALS Ice Bucket Challenge. Subsequently, it attracted the interest of people to participate in the campaign. This can be seen through a certain group of people who participated in the ALS Ice Bucket Challenge just for the sake of emulating their idols who joined the icy challenge. Consequently, more people were attracted to contribute in ALS Ice Bucket Challenge.

Nowadays, social media is able to capture people's interest in talking, interacting and communicating about a brand, an advertisement or a product. Online WOM phenomenon occurs when information spread through the shared posts on social media. As for example, when people post up or share a video of themselves or others throwing buckets of ice water on their head on social network, it will trigger WOM. This will eventually spread the news of

fundraising for ALS Association as well as creating awareness about it among the public. Besides, the rule of nominating another three people after completing the challenge initiated WOM as the number of participants of ALS Ice Bucket Challenge will be multiplied by three.

Through WOM, viral marketing could take place in which messages and awareness about ALS spread virally among people especially social media users. The campaign achieved higher credibility viral marketing because of the involvement of social media users in dispersing the messages. The positive vibe of the content encouraged the virality of the ALS Ice Bucket Challenge, matching the conclusion made by Berger and Milkman (2012) which stated that virality is positively associated to positive and negative emotions which are activated by arousal such as amazement, anger and nervousness while virality is negatively associated with deactivating emotion such as sadness. Ergo, the features of social network which permit people to post and share videos of the ALS Ice Bucket Challenge encourage WOM. This is indirectly assisting viral spread of the message.

The timing during the spread of the ALS Ice Bucket Challenge was perfect for the icy activity to be carried out. It became viral during summer, a time when students have summer school break and many have a more hassle-free working schedule. Moreover, the weather during summer matched the nature of the ice bucket challenge in which people are required to dump buckets of ice water on themselves. They will be able to withstand the coldness from the ice and in fact, it will help them to cool themselves down in the hot weather.

VIII. CONCLUSION

The wave of Ice Bucket Challenge hit many social media platforms in the summer of 2014 in the effort of promoting public awareness and raising funds for ALS. Through the study conducted on ALS Ice Bucket Challenge, five factors that contributed to the accomplishment were identified – social media marketing, celebrities' influence, word-of-mouth (WOM) phenomenon, viral marketing and right-time marketing. ALS Ice Bucket Challenge used social media as a mean of marketing in which the platforms of social media act as a venue for the spread of awareness. Celebrities' participations attracted people to pay more attention towards the campaign. As people shared videos of themselves taking up the challenge, it encouraged WOM on the campaign and assisted viral marketing. The timing during the spread of the ALS Ice Bucket Challenge was perfect for the icy activity to be carried out. Aside from creativeness and entertainment value, ALS Ice Bucket Challenge applied positive impact on society that more and more people are conscious about the existence of ALS disease. Therefore, besides having fun, people felt good and united for being able to

contribute to the community through the chilly event. All in all, ALS Ice Bucket Challenge is a good example to exhibit the power of marketing in making a campaign spread virally. It is certainly a brilliant idea for more researches to be conducted to have a deeper and clearer understanding on the ALS Ice Bucket Challenge in order for such fulfilling and rewarding achievement to be attained again in other campaigns near future.

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The Insider Trading in the European Union Law

By Gloria Esteban De La Rosa

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Abstract- Insider trading is the negotiation in stock market misusing privileged information by people who are in exclusive position to access to such information, should be informed the market as a "relevant fact", except in an ongoing operation, on which a legitimate interest to keep reserved is held. They are called corporate insiders. The determination of the legal system of the international financial operations with privileged information presents certain difficulties, due the absence of a common regulation, also in the European Union.

Keywords: *insider trading, stock market, market of investment services, european union, privileged information.*

GJMBR - E Classification : *JEL Code: M39*



THE INSIDER TRADING IN THE EUROPEAN UNION LAW

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Abstract- Insider trading is the negotiation in stock market misusing privileged information by people who are in exclusive position to access to such information, should be informed the market as a "relevant fact", except in an ongoing operation, on which a legitimate interest to keep reserved is held. They are called corporate insiders. The determination of the legal system of the international financial operations with privileged information presents certain difficulties, due the absence of a common regulation, also in the European Union.

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I. INSIDER TRADING REGULATION IN THE EUROPEAN UNION

Stock markets in the European Union have seen significant changes, fundamentally arising out of the strong competition from foreign markets and, in particular, from New York and Tokyo stock exchanges (1) (2). This has created interest in carrying out a process of deregulation and neo-regulation, at a moment when a competition between markets has been created to attract the negotiation of the same values (3).

The Directive 2003/6/EC of the European Parliament and of the Council of 28 January 2003 on insider dealing and market manipulation (market abuse directive) is part of the process of preparing new rules in financial matters for the stock market, proposed by the Committee of Wise Men which is chaired by Alexander Lamfalussy, also assumed for banking and insurance sectors (4). Regarding its scope of application, this includes operations about financial instruments that are quoted in at least a regulated market of a member State of the European Union (5).

However, the MAD is hereby repealed after the entry into force of the Regulation (EU) n° 596/2014 of the European Parliament and of the Council, of 16 April 2014, on market abuse (market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC (6). The Directive 2014/57/EU of the European Parliament and of the Council of 16 April 2014 on criminal sanctions for market abuse (market abuse directive) has also been approved.

II. THE INSIDER TRADING IN EUROPEAN PRIVATE INTERNATIONAL LAW

a) *International competence of stock market authorities*

Article 10 of the MAD uses two criteria to indicate the jurisdiction of the administrative authorities (5). Under the activity criterion, Spanish authorities monitor behaviors that are against the market integrity which take place in the Spanish territory, despite the fact that the securities are not quoted in a Spanish market. According to the effect criterion, Spanish authorities have jurisdiction to monitor behaviors that are against the market integrity which take place in the Spanish territory, in the case of financial instruments which are admitted to quotation in a Spanish market (7).

This same pattern is followed by the art. 22 of the Regulation 596/2014, but it is also applied when the action of the insider takes place in the territory of a member State of the EU, leaving open the possibility that judicial authorities take part.

b) *Market protected from the behavior of the insider*

The anti-insider trading legislation seeks to avoid that the insider operates with (informative) advantage (8). If the execution of financial operations with advantage is avoided, it has an —indirect— impact in the achievement of information symmetry. What it is achieved through the "rules of conduct", which should not be confused with codes of ethics, by making (the first ones) authentic duties whose non-compliance implies a set of sanctions (administrative and criminal).

The anti-insider trading legislation aims to safeguard the stock market integrity and therefore the damage occurs on the market (and not to a particular investor who operates in such market). Therefore, anti-insider trading rules are applied territorially in accordance with an unilateral criterion of stock market regulation, but they are modified with the concrete and specific (material) objective that fulfill (8).

c) *Civil liability through the use of privileged information: International competence*

Art. 7, 2° of the Regulation (EU) n° 1215/2012 of the European Parliament and of the Council, of 12 December 2012, on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters, contains a special competition forum in the area of civil liability ("as regards a civil claim for damages or restitution which is based on an act giving rise to criminal proceedings, in the court seised of those

proceedings, to the extent that court has jurisdiction under its own law to entertain civil proceedings").

Its interpretation by the Judgment of the CJEC has allowed to consider two different places: causal event and causing damage (9) (10). However, the Judgment of the CJEC has made additional considerations when it is a financial tort. And, in particular, it is included the Judgment of the CJEC of 10 June 2014 (As. C-168/02, Rudolf Kronhofer v. Marianne Maier, Christian Möller, Wirich Hofius and Zeki Karan)

In insiders' tort, the criterion of jurisdiction must take into account the preventive purpose of anti-insider trading rules of conduct. The quotation market is the place where the investor tailors his/her decisions and therefore it is not an unknown place (to the effects of having to go to litigation in such territory to their authorities).

d) Civil liability through the use of privileged information and lack of disclosure of information: Applicable Law

It is regulated by the Regulation (EU) n° 864/2007, of 11 July 2007, of the European Parliament and of the Council, on the law applicable to non-contractual obligations (Rome II). Art. 4, 1° states that, in the absence of choice (art. 14), the law applicable to a non-contractual obligation arising out of a tort/delict shall be the law of the country in which the damage occurs irrespective of the country in which the event giving rise to the damage occurred and irrespective of the country or countries in which the indirect consequences of that event occur.

Nevertheless, in any case, if it is demonstrated that the damage is manifestly more closely connected with another country, the law of that other country shall apply (escape clause). Finally, Regulation Rome II contains in the art. 17 the canon that can be seen to assess the conduct of the person claimed to be liable, account shall be taken, as a matter of fact and in so far as is appropriate, of the rules of safety and conduct which were in force at the place and time of the event giving rise to the liability.

However, the doctrine makes a set of considerations on the problems presented in Regulation Rome II when dealing with the response to the — increasingly frequent— financial torts that cause a damage, and therefore arising out of civil liability that, moreover, have been aggravated after the entry into force of such community law, despite those issues had been previously anticipated.

And, in particular, the "regulation through litigation", used in USA, to organize the stock market, is not allowed (8). The German Council for Private International Law has made a proposal for amendment, which is to include a new art. 6 *bis* for financial torts. The quotation of the financial instrument is the cornerstone for its regulation. In any case, it is stressed the attractive

force that the stock market exerts to determine the applicable law to the legal relationship when these are operations with privileged information. Finally, the rules of behavior of the quotation market are recognized as "mandatory laws", and the Private International Law must have a special connecting criterion for its application.

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Write your summary when your paper is completed because how can you write the summary of anything which is not yet written? Wealth of terminology is very essential in abstract. Yet, use comprehensive sentences and do not let go readability for briefness. You can maintain it succinct by phrasing sentences so that they provide more than lone rationale. The author can at this moment go straight to shortening the outcome. Sum up the study, with the subsequent elements in any summary. Try to maintain the initial two items to no more than one ruling each.

- Reason of the study - theory, overall issue, purpose
- Fundamental goal
- To the point depiction of the research
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Approach:

- Single section, and succinct
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The **Introduction** should "introduce" the manuscript. The reviewer should be presented with sufficient background information to be capable to comprehend and calculate the purpose of your study without having to submit to other works. The basis for the study should be offered. Give most important references but shun difficult to make a comprehensive appraisal of the topic. In the introduction, describe the problem visibly. If the problem is not acknowledged in a logical, reasonable way, the reviewer will have no attention in your result. Speak in common terms about techniques used to explain the problem, if needed, but do not present any particulars about the protocols here. Following approach can create a valuable beginning:

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Approach:

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- To be succinct, present methods under headings dedicated to specific dealings or groups of measures
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- If well known procedures were used, account the procedure by name, possibly with reference, and that's all.

Approach:

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Approach:

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