Factors Affecting E- Marketing in South Eastern Region in Sri Lanka

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Abstract

There is a growing trend in marketing time to time. Academician and industry people are interested in e-marketing. Marketing has taken a shift from traditional way to e-marketing. Thus, knowing factors of e-marketing plays an important role. This study attempts to know about factors determining e-marketing in South Eastern region, Sri Lanka. Review of literature supported to get a conceptual mode for this study. This study considered small firms that have Internet Access for doing their business in South Eastern Region in Sri Lanka. 101 such small firms for the survey have undergone the survey. Researcher adopted a convenient sampling technique for collecting the data from respondents using a simple questionnaire. Following reliability, researcher has analysed this study on the basis of the outputs derived from KMO and Bartlett's Test, communalities, total variance explained and scree plot. All statistics are satisfactory. Research concluded that all the 6 factors such as benefits of Internet, ease of use, affordability, attitude, customer likeness and competition explain around 75% of the total variation and are suitable for knowing factors determining the e- marketing in South Eastern Region, Sri Lanka.

Keywords: E-marketing, Factors.

Introduction

Marketing is growing time to time. It has moved from traditional way of marketing to new ways of marketing. On this basis, e- marketing has been growing day by day in all countries. All sorts of firms including small firms compete with another. In order to compete effectively, it is important to identify the factors of e-marketing. There are number of studies that have been conducted in different context, in different countries and in different time periods. Wai (2010) studied about factor analysis of variables affecting e-marketing adoption by UK independent hotels. In recent past, Hatem (2012) studied about factors affecting e-marketing adoption and implementation in tourism firms of Egyptian small tourism organisations. This study added that there are extremely limited number of empirical studies that has been conducted to investigate e-marketing adoption in developing countries. Realising this research gap, this present study is conducted in small industrial firms in South Eastern Region, Sri Lanka during 2017 and 2018.

Research question and objectives

This study raises "what factors determine e-marketing in South Eastern region, Sri Lanka?" as research question. This study set an objective "know about factors determining e-marketing in South Eastern region, Sri Lanka".

Review of Literature

Researcher has reviewed previous research works done in different context and in different countries. Hatem (2012) studied about factors affecting e-marketing adoption and implementation in tourism firms. The study validated a conceptual framework extending TAM and IDT models to explain E-marketing adoption utilising a quantitative approach, in which data is collected based on survey strategy through questionnaires to address different levels of the study. Advanced statistical tools and SEM were used to analyze the collected data. The findings indicated that Egyptian tourism organizations internal and external factors have a great impact on the adoption of E-Marketing by such organizations.

Michael and Emma (2008) studied about critical success factors in destination marketing. Study has mentioned that an extensive review of the literature covering place and destination marketing indicated that image and identity play an important role. Accordingly, the branding of destinations has become of major importance and is analysed in depth. This study found that thirty-three factors and clustered into four categories, that may be considered CSFs to be taken into account when developing tourism strategies and plans.

Wai (2010) studied about factor analysis of variables affecting e-marketing adoption by UK independent hotels. This study used an extensive review of variables found in previous studies were examined together with variables found in Davis's (1989) Technology Acceptance Model. These variables were then factor analysed, resulting in two sets of factors pertinent to the understanding of the independent hotelier's decision to adopt Internet technologies such as endogenous and exogenous factors. Study found that seven key factors such as perceived marketing benefits of Internet technologies, perceived ease-of-use and affordability, attitude, perceived usefulness of Internet technologies, customers' pressure, competitive intensity and entrepreneurship.

Conceptual Model

As per the review of previous studies, researcher developed the following framework for the study.
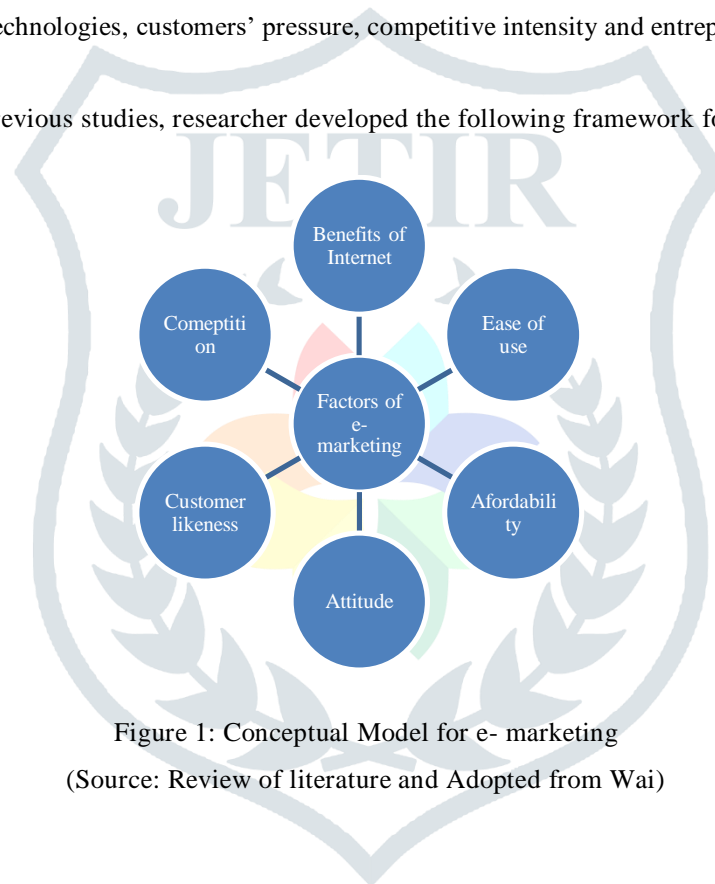

Figure 1: Conceptual Model for e- marketing

(Source: Review of literature and Adopted from Wai)

Methodology

Study Context

This study considered small firms that have Internet Access for doing their business in South Eastern Region in Sri Lanka. There were air ticketing agencies, major textiles sales centres, local tourist hotels and so on.

Population and sample

Researcher could not find the actual numbers of small firms that have Internet Access for doing their business in South Eastern Region in Sri Lanka. However, researcher managed with the available data for air ticketing agencies, major textiles sales centres, local tourist hotels and so on. Researcher collected data from 101 such small firms for the survey.

Respondents

Respondents for this survey were those people who deal with Internet Access in their small firms.

Sampling technique

Researcher adopted a convenient sampling technique for collecting the data from respondents.

Data Collection

Researcher used a simple questionnaire for collecting data.

Data Analysis

This study used factor analysis with Varimax Rotation. Researcher used SPSS with the version of 22.0 for data analysis.

Results and Discussion of Analysis

Reliability

For knowing the reliability, researcher considered 6 factors such as benefits of Internet, ease of use, affordability, attitude, customer likeness and competition and reliability statistics are tabulated in table 1. All these 6 factors have a reliability value of 0.939 which is higher than 0.5. This value is satisfactory.

Table 1: Reliability Statistics

Cronbach's Alpha	N of Items
.930	6

Factor Analysis

Researcher has analysed this study on the basis of the outputs derived from KMO and Bartlett's Test, communalities, total variance explained and scree plot.

KMO and Bartlett's Test

Value of KMO is 0.716. The standard value of KMO should be greater than 0.5. In this study, research has a satisfactory KMO value of 0.716 which is greater than 0.5. Similarly, Bartlett's Test is also significant. Bartlett's Test is approximated by Chi-square value. Statistics of KMO and Bartlett's Test are tabulated in Table 2.

Table 2: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.716
Bartlett's Test of Sphericity	Approx. Chi-Square	884.798
	Df	15
	Sig.	.000

Communalities

Initial and extracted communalities for 6 factors such as benefits of Internet, ease of use, affordability, attitude, customer likeness and competition and reliability statistics considered in this study are tabulated in table 3. Initial communalities are 1. Extracted communalities are greater than 0.6 except competition. Values of extracted communalities for factors are satisfactory.

Table 3: Initial and extracted communalities

	Initial	Extraction
Benefits of Internet	1.000	.905
Ease of use	1.000	.794
Affordability	1.000	.827
Attitude	1.000	.717
Customer likeness	1.000	.907
Competition	1.000	.334

Extraction Method: Principal Component Analysis.

Total Variance Explained

6 factors such as benefits of Internet, ease of use, affordability, attitude, customer likeness and competition and reliability statistics considered in this study explain a total variation of around 75%. Total variance is tabulated in Table 4.

Table 4: Total Variance Explained

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	4.485	74.746	74.746	4.485	74.746	74.746
2	.892	14.867	89.613			
3	.421	7.023	96.636			
4	.163	2.717	99.353			
5	.022	.374	99.727			
6	.016	.273	100.000			

Extraction Method: Principal Component Analysis.

Scree Plot and Total Variance Explained

Scree plot is drawn by eigenvalues in vertical axis and component factors in horizontal values. 6 factors such as benefits of Internet, ease of use, affordability, attitude, customer likeness and competition and reliability statistics considered in this study explain a total variation of around 75%. This is depicted in Figure 2.
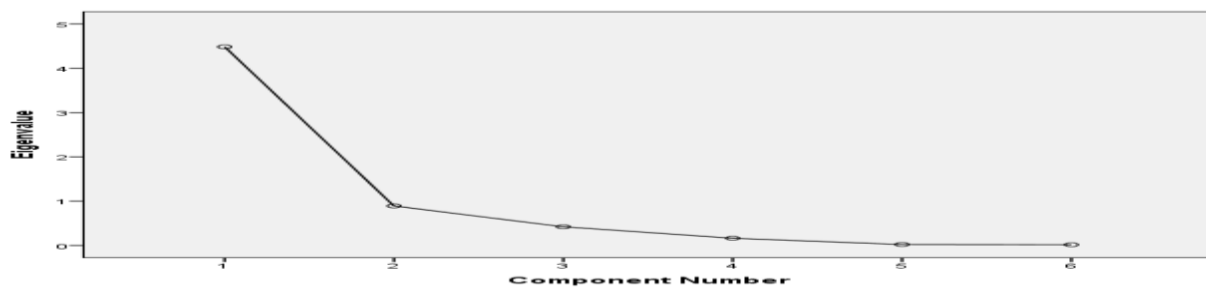

Figure 2: Scree Plot

Conclusion

Results of the reliability statistics of 6 factors such as benefits of Internet, ease of use, affordability, attitude, customer likeness and competition and reliability statistics represent more than 0.5 and satisfactory. In this study, research has a satisfactory KMO value of 0.716 which is greater than 0.5. Similarly, Bartlett's Test is also

significant. Initial communalities are 1. Extracted communalities are greater than 0.6 except competition. All the 6 factors explain a total variation of around 75%. Study concluded that all the 6 factors such as benefits of Internet, ease of use, affordability, attitude, customer likeness and competition are suitable for knowing factors determining the e- marketing in South Eastern Region, Sri Lanka. However, there is a gap in doing further research.

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