

**Establishing a Market Segmentation System to Predict
the Position of a Product in Electronic Marketplace Based
on Networked Situations and Product Attributes**

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Abstract

This paper presents a product market segmentation analysis (PMSA) system and proposes a new model – the Consumer's Internet Shopping Model (CISM) – to analyze the influences of networked situations and product attributes on the consumer's purchase behavior and product market segmentation. The CISM identifies three factors that influence Internet users in adopting Internet shopping: (i) networked situations (created by the characteristics of networked media and the environment of Internet shopping); (ii) electronic product category (classified by the digital nature of products); and (iii) the interaction between these two factors. A two-level investigation mechanism is then presented. This mechanism can establish the positions of specific products in the electronic marketplace. Its two

levels are: (i) primitive network function (PNF) value evaluation; and (ii) advanced network function (ANF) value evaluation. Overall, the major concerns of this paper are: (i) to present a framework to explain which networked situations influence a consumer's online shopping willingness; and (ii) to offer a mechanism for Internet shop providers with respect to the kinds of products that are suitable for distribution in a specific market segment.

Keywords: Electronic Commerce, Internet Marketing, Information System, Product Market Segmentation, Online Shopping.