

E-tailing: Factors considered in the strategic marketing of an online store

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Abstract

The study investigated the cognitive opinions expressed by consumers in an online shopping environment in the sport supplementation industry as well as the influence certain factors identified through literature, had on the decision-making of these consumers. This was done in an attempt to better understand the online consumer in order to improve marketing campaigns within an e-Commerce environment.

Primary data was collected by means of a snowball sampling strategy. Respondents were asked to complete an online questionnaire that consisted of 68 questions. 118 respondents initialized the online questionnaire and 102 fully completed it. Initial analysis proved the data to be sufficient for factor analysis where after confirmatory factor analysis was performed.

A new framework to measure influential factors in an online environment was established. 6 out of 10 factors were found to contain sub-groups of influence which suggests that certain questions pertaining to those factors need improvement or rephrasing in order to measure the stand-alone factor more accurately. The reliability of all the factors was measured adequately, noting that *Service Quality*, *Product Risk* and *Vendor Familiarity* could be improved by further developing their underlying variables.

Overall it was concluded that *Price* and *Convenience* were seen as the greatest motivational factors when a consumer decided to shop online, and *Vendor Familiarity* and *Website Usability* were regarded as two crucial components in the comfort level portrayed by consumers while shopping online. *Trust and Security* were also pointed out to be a major concern for online shoppers in a South African context.

The findings of this study are of great value to entrepreneurs and businesses alike seeking to expand or increase their product offering into an online environment. Given the research results from this study and future studies on this topic, marketing strategies can be constructed more precisely in order to reach a target audience in an optimum and more productive manner.

Keywords: Online shopping, e-commerce, factors, consumer behaviour

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Chapter 1 – Nature and scope of the study

1.1 Introduction

Throughout the past decade, the internet as a communication platform has grown significantly from an estimated world internet user count of 360,985,492 in December 2000 to 2,405,518,376 in 2012 – an increase of 667% over the past 12 years, world-wide (IWS, 2012).

South Africa alone has seen an increase from 2,400,000 internet users in December 2000 to 8,500,000 users in 2012 (IWS, 2012). That documents an increase of 354% over the past 12 years, or a 30% average increase per year.

The growing internet user base brought with it a whole new platform for conducting business in the form of e-Commerce, more popularly known as online shopping.

With increasingly busy lifestyles and more demanding jobs in the 21st century, doing most of the shopping online in the comfort of consumers' office chairs throughout the day or in front of their televisions at night when all the traditional brick and mortar shops have closed is rapidly becoming an integral part of the lives of the 21st century consumer.

People are reminded on a continuous basis to work smarter, not harder. They have less time, but more responsibility in tasks that have to be completed, thus keeping the thought of time – an invaluable resource – in mind, commuter traffic and store queues that consume vast amounts of time is fast becoming the plague of traditional brick-and-mortar commerce.

Magesh (2011:30) raises a similar opinion, stating that *“Many consumers nowadays like to shop online, because it is cheaper, easier and faster. People do not have to queue anymore at the store to pay for their items. There are no long lines, no crowded aisles, no traffic and people do not have to look for a parking space to go to store anymore”*.

According to Gibson (2010:41) e-tailing is “set to go ballistic as soon as today’s teenagers get their first pay checks”. That statement can prove to be true to a large extent as these teenagers, also classified as Generation Z or the Net Generation, are growing up with technology some deemed impossible a few years ago. Multimedia smartphones, e-book readers and product barcode scanning tools are only some of the gadgets you’ll find today’s teenager walking around with, all of which makes searching for information and shopping online so much easier. Google has even launched a testing version of their latest gadget to consumers – multimedia spectacles that will do the thinking for you (GG, 2013).

The weight that each of the contributing factors considered in this study carry and the influence they will have on the cognitive state of mind of these soon-to-be-working teenagers as they commence their respective careers and enter the realm of online shopping without disregard of the current working generation’s participation could be of significant advantage to traditional businesses trying to expand their portfolio into a brand new online market, or to the entrepreneur who seeks to establish a powerful e-commerce business himself.

1.2 Problem Statement

The importance of consumer behaviour when engaging in online shopping, and the factors that influence that behaviour, or the need for more informative studies to gain a better understanding thereof has been highlighted in the past.

Limayem *et al.* (2000:421) maintains that “*a critical understanding of this behaviour in cyberspace, as in the physical world, cannot be achieved without a good appreciation of the factors affecting the purchase decision. If cyber-marketers know how consumers make these decisions, they can adjust their marketing strategies to fit this new way of selling in order to convert their potential customers to real ones and retain them.*”

Éthier *et al.* (2006:628) suggested that “*very few have attempted to measure the impact of web site quality on consumers’ behaviours. Moreover, no study has yet*

attempted to measure the impact of web site quality on the cognitive and affective processes leading to behaviours sought by e-retailers”.

In a more recent study conducted in Chennai, India, Magesh (2011:31) points out the importance thereof by stating, *“Despite the increasing number of Internet users in Chennai and the products that are being offered on the web, there is relatively little work that specifically examines the internet usage and online shopping preferences of the consumers. This has created a need to understand how the consumer perceives online purchases.”*

Considering the abovementioned opinions, it is quite apparent that online shopping is becoming more attractive to the everyday shopper, and companies who want to compete on an e-tailing front need to spend more time trying to understand what makes their potential customers tick in order to gain a sustainable competitive advantage.

Although recent studies have shown that online shopping in the Western countries, the U.S.A. (Jones & Kim, 2010) and the European region (Pahnika & Warsta, 2010) for example is still rapidly increasing, few studies have been conducted in a South African context.

With such a diverse population, sensitive background and a different business climate to that of the United States and the European Union, information on how people in South Africa perceive the trend of e-tailing is limited and needs more exploring.

Because internet usage and online shopping are increasing rapidly as stated above, this study will focus on individuals who are familiar with the internet and who find themselves in the online shopping domain of sport supplementation products specifically.

This study could contribute greatly to the future strategic marketing of many businesses that want to increase or strengthen their online presence, or businesses that want to focus solely on e-tailing within the same line of tangible, known products.

1.3 Objectives

The primary objective of this study is thus to determine the weight that certain factors carry on the cognitive state of mind consumers in general apply towards online shopping in the sports supplement industry, as opposed to the traditional brick and mortar shop.

To achieve the primary objective, the following secondary objectives are formulated, namely to:

- Compile a demographic profile of the respondents and determine whether any correlation exists between the different demographics
- Determine whether the different ethnic groups weight these factors differently
- Analyse if the different genders weight these factors differently

1.4 Research Methodology – Introduction

For the purpose of this dissertation the opinion Gibson (2010:41) presents when he states e-tailing is “set to go ballistic as soon as today’s teenagers get their first pay checks” was acknowledged as the combination of internet user growth and working lifestyles becoming busier by the day, the technology-cognisant pupils of today will most likely be the extreme online shoppers of tomorrow.

Kotler and Armstrong (2010:137) maintain that, increasingly more and more researchers are making use of the internet to conduct their research and collect primary data. For this reason, respondents who were classified as users of sport supplementation were asked to complete an online questionnaire encompassing the 10 influential factors that were identified from literature.

A combination of snowball and self-selecting sampling methods were used by means of personal contact (people who were known to engage in online shopping, who exercised regularly and made use of sport supplementation products) and Facebook which is one of the most popular social media sites globally and in South Africa.

The primary objective of the study, being to measure the weight that certain factors carry on the cognitive state of mind consumers apply towards online shopping in the sports supplement industry, was accomplished by applying a partial version of a model developed by Moolla (Moolla & Bisschoff, 2010) on the 10 identified factors and a sample of 118 respondents drawn from a population of online shoppers who made use of sport supplementation.

The influences that were identified through the literature are shown in Table 1.1 below.

Table 1.1: Influences and literature

Influence	Code	Description	Source
Price	P	Forming part of the traditional marketing mix, price is the amount of money a consumer must pay for an item.	Hasslinger <i>et al.</i> , 2007; De Swardt & Wagner, 2008; Chu <i>et al.</i> , 2010; Luo <i>et al.</i> , 2012; Nazir <i>et al.</i> , 2012.
Convenience	C	The value consumers attach to the avoidance of discomfort – energy spent going to a traditional retailer and any daunting task related to it.	Hasslinger <i>et al.</i> , 2007; De Swardt & Wagner, 2008; Chen <i>et al.</i> , 2010; Nazir <i>et al.</i> , 2012; Jiang <i>et al.</i> , 2013.
Trust and security	S	Explains the level of comfort a consumer has exposing sensitive information such as an identity number and credit card information, given the perceived security measures taken by the vendor of the website.	Hasslinger <i>et al.</i> , 2007; De Swardt & Wagner, 2008; Dennis <i>et al.</i> , 2009; Chen <i>et al.</i> , 2010; Bhatt, S. & Bhatt, A., 2012; Guo <i>et al.</i> , 2012; Javadi <i>et al.</i> , 2012; Lian <i>et al.</i> , 2013.
Product Risk	PR	Defines the perceived risk of not being able to get the full spectrum of information on the product (i.e. touch, smell, taste, quality, etc.)	De Swardt & Wagner, 2008; Chu <i>et al.</i> , 2010; Jones & Kim, 2010; Liu & Forsythe, 2011; Van Nierop, 2011; Kawaf & Tagg, 2012.
Safe and timely delivery	D	After the online purchase, the consumer would expect a safe and timely delivery, barring the risk that the item might arrive damaged, or not at all.	Javadi <i>et al.</i> , 2012; Liao & Keng, 2013; Chen <i>et al.</i> 2010.
Geographical Distance	G	The physical distance between the consumer and the nearest traditional store.	Shrivastava & Lanjewar, 2011; Van Nierop <i>et al.</i> , 2011; Chintagunta <i>et al.</i> , 2012; Chocarro <i>et al.</i> , 2012.
Product variety	PV	The variety of products available to the consumers when participating in online shopping.	Limayem, 2000; Shrivastava & Lanjewar, 2011; Chang, 2011; Guo <i>et al.</i> , 2012.

Service quality	Q	The service quality experienced by the consumer from the online site and vendor alike when shopping online.	Bhatt, S. & Bhatt, A., 2012; Guo <i>et al.</i> , 2012; Luo <i>et al.</i> , 2012.
Website usability	U	The level of difficulty perceived by the consumer in navigating and searching for information and products on the website.	De Swardt & Wagner, 2008; Chen <i>et al.</i> , 2010; Chocarro <i>et al.</i> , 2012; Luo <i>et al.</i> , 2012.
Vendor familiarity	F	How well the online vendor should be known in order for consumers to feel comfortable with his presence.	Azam & Qiang, 2012; Edwards <i>et al.</i> , 2009; Stranahan & Kosiel, 2007.

1.5 Chapter Division

The chapters of this study will be structured in the following manner:

Chapter 1 – Introduction

This chapter introduces the internet as a communication platform and touches on how usage thereof has grown over the years. Going hand in hand with growing internet usage is the growth in electronic commerce or e-Commerce (also known as e-Tailing) which is also touched on briefly. By citing a few verified sources, an indication is given that there is room for more studies within this field, which leads to the problem statement as well as a brief description on what the research and research subjects will entail.

Chapter 2 – Literature Study

Chapter 2 presents a brief overview of the supplement industry in South Africa and the theories behind online shopping (e-Tailing). An in-depth discussion follows on consumer behaviour and methodology on their purchase-decisions in an online context. The factors that influence online shoppers in similar previous studies are also explored in order to get a better understanding of the factors this study focused on.

Chapter 3 – Research Methodology and Results

Chapter 3 explains the strategy used to obtain the data in order to study the objective(s) of this dissertation. The chapter also describes the various tests done in order to ensure the data are suitable for factor analysis and statistical interpretation. The results are displayed and discussed afterwards and the reliability thereof is also pointed out. The chapter then concludes by discussing the importance of the research variables.

Chapter 4 – Conclusions and Recommendation

Chapter 4 draws conclusions from this study and various recommendations are made for possible future research areas. Limitations are also discussed and the dissertation is concluded with a summary thereof.

1.6 Summary

Chapter one highlights the phenomenon of internet user growth and a new shopping channel that emerged from it with no indication of growth slowing down.

Numerous studies have been conducted in an attempt to better understand the behaviour patterns of the so-called online shoppers to allow for more efficient and effective marketing strategies, but not so in a South African context.

10 popular factors were identified through previous literature and the significance of each is briefly touched on.

Chapter one concludes with a chapter division and a description of the construct of each chapter to follow.

Chapter 2 - Literature Review

2.1 Introduction

Throughout the past decade, the sport supplement industry has seen a healthy growth pattern across the globe and in South Africa in particular. The South African sport supplementation market saw a growth of 62.3% since 2006 and 11% alone between the years 2010 and 2011 to reach R359 million (EI, 2012:1).

The above research report put together by Euromonitor International also indicates that increased internet access throughout the country over the past decade has empowered many South Africans with the ability to get unlimited information. This resulted in more people taking up some sort of sport / exercise as a way of keeping fit, which also had and still has a positive correlation with better diets and sports nutrition product sales.

South Africa is one of the world's top and most competitive countries when it comes to sport which makes its users of sport supplementation a lucrative market. This can be measured by looking at the amount of pharmacies and retail chains like Clicks, Pick n Pay, Macro, Game and Mr Price Sport just to name a few, who have decided to diversify their product offering into that of sport supplementation over the past few years.

The number of online sport supplementation websites that have also come to light over the past five years is a clear indication that both the supplementation industry and the number of people participating in an online shopping channel are on the increase (MuscleJunkie, 2008; SupplementWorld, 2008; ChromeSA, 2009; RageNutrition, 2010; ImpactNutrition, 2011).

Kotler and Armstrong (2010:93) maintain that "customers are the most important actors in the company's microenvironment" – a statement with a fairly simplistic foundation yet misunderstood and overlooked by many. Throughout all the industries different components make up the mechanics of a well-defined economic commerce environment but understanding the behaviour patterns of your consumers in an online environment and discovering the marketing approach they do not know they

want to hear and see yet, are most certainly one of the most important aspects of business and an effective marketing strategy. Kotler and Armstrong (2010:158) agree and suggest that in order “*to affect the whats, whens, and hows of buying behaviour, marketers must first understand the whys*”.

In order to fully understand the “whys”, a thorough literature review on the concept of internet and online shopping, as well as consumer behaviour in an online context is needed.

2.2 Internet and Online Shopping

Internet history goes back to as far as 1969 when the United States Department of Defence funded a program to develop a technology that would have sustained reliable communications even if their facilities were destroyed during war (Stalberg, 1994:9).

Throughout the years following that period, numerous research projects focused on expanding this communication phenomenon into various sectors outside of the military scope which later became known as “the internet” (Stalberg, 1994:9).

Even as far back as 1994, Stalberg (1994:11) suggested that the internet “represents the desire of people to communicate with one another and share ideas”. This has inevitably transpired in the 21st century in the form of social media (Facebook, Pinterest, Twitter and others).

Stalberg (1994:14-15) also mentioned that an increasing number of companies were starting to make product and service information available through the internet. In his study, Stalberg concluded that people knew information was power, and easier access to information brought with it an immediate strategic advantage. A few years later in 2002 Marios Koufaris complimented Stalberg’s statement when he differentiated offline and online consumer behaviour stating that the online consumer is generally more powerful, demanding and utilitarian in their shopping behaviours and that “*the locus of power seems to be shifting from the vendor to the consumer*” (Raman, 1997 in Koufaris, 2002:206).

Christensen and Tedlow supported this statement when they claimed internet, applied in a retail environment, became the “*most recent disruptive innovation*” (Christensen & Tedlow, 2000 in Ganesh *et al.*, 2010:113). 13 years later in 2013, given the vast amount of information available to consumers spontaneously through the use of a fairly advanced internet communication channel today, this is an uncontended matter.

In a postmodern 21st century, people are also opening up more to the idea of a less traditional method of shopping, that is, doing it online through the internet without the traditional interaction with neither the physical store nor sales consultant even though numerous companies are facilitating these so-called “shortcomings” by use of online chat consultants and virtual shop layouts (Ganesh *et al.*, 2010:113).

Lu *et al.* (2011) conducted a study in China on the factors that influence consumers to transfer their shopping preferences from an offline to an online platform and found that habit had a negative impact on the intentions of consumers to consider online shopping, and innovativeness and interest in new technology had a positive correlation with the intent to adopt an online shopping approach. This suggests that the people opening up more to the idea could be the younger people growing up with internet as a growing technology in its own capacity.

Having said that, drawing focus back to the paradigm shift in shopping power (Koufaris, 2002), it is of great importance to appreciate and understand the behaviour of the more empowered, knowledge-rich online consumer to that of its traditional brick and mortar equivalent in an e-tailing environment.

2.3 Consumer Behaviour in an Online Context

Kotler and Armstrong (2010:160) emphasize the complexity of consumers and their behaviour when they quote a marketing expert in saying, “*The human mind doesn’t work in a linear way. The idea that the mind is a computer with storage compartments where brands or logos or recognizable packages are stored in clearly market folders that can be accessed by cleverly written ads or commercials simply doesn’t exist. Instead, the mind is a whirling, swirling, jumbled mass of neurons*

bouncing around, colliding and continuously creating new concepts and thoughts and relationships inside every single person's brain all over the world".

Kotler and Armstrong (2010:161) further suggest that the consumer interprets certain environmental factors using a unique fundamental reasoning system (the buyer's black box) that is built up over the years to respond and assert certain buyer behaviour.

To better understand the behaviour expressed in an online shopping environment, the theory behind the characteristics and decision process elucidating traditional consumer behaviour as defined by Kotler and Armstrong will be applied and compared in an online shopping context.

2.3.1 Buyer's Characteristics

According to Kotler and Armstrong (2010:161) traditional consumer purchases are influenced strongly by cultural, social, personal and psychological characteristics.

2.3.1.1 Cultural Factors

Cultural factors encompassing culture, subculture, and social classes human beings experience throughout their lives form a very strong foundation that influences consumer behaviour.

Culture

According to Lyman (2008), anthropologists define culture as learned and shared concepts, values, or beliefs (conceptual), or as an adaptive system.

Kotler and Armstrong agree to a large extent by defining culture as "the set of basic values, perceptions, wants, and behaviours learned by a member of society from family and other important institutions" (Kotler & Armstrong, 2010:161).

The importance of culture as a variable is highlighted in two studies by Gentina *et al.* (2013) and Moon *et al.* (2008) respectively. Gentina *et al.* (2013) conducted a study on American and French teenagers in an offline context and found that even though similarities existed between the different groups, French teenagers were more social and group dependent (collectivism) whereas their American counterparts expressed more individualism and independence through their behaviour. Professor Geert Hofstede (HC, 2014) highlights this national culture difference by defining individualism as “a preference for a loosely-knit social framework in which individuals are expected to take care of only themselves and their immediate families” and refers to collectivism as “a preference for a tightly-knit framework in society in which individuals can expect their relatives or members of a particular in-group to look after them in exchange for unquestioning loyalty” thus highlighting the need for different marketing approaches.

Moon *et al.* (2008) conducted a similar study on undergraduate students at a large New Zealand university in an online context and concluded, consistent with extant research (Moon *et al.*, 2008:37) that individualism as a cultural dimension affected consumers' online purchase intention significantly, suggesting that consumers from a more individualistic country were more likely to purchase products online, than consumers from collectivistic countries.

With similar findings in relation to culture as a factor influencing consumer behaviour, it's clear that the similarity exists in both an online and offline environment.

Subculture

According to Kotler and Armstrong (2010:161), each culture contains smaller subcultures, or groups of people with shared value systems based on common life experiences and situations (nationalities, racial groups, religions, and geographical regions) which can influence the manner in which consumers behave.

This statement is supported by Zhou *et al.* (2010) where the buying behaviour of two geographical subcultures in China was put to the test – people who lived inland, the more conservative, satisfied-with-life type of person, and those who lived on the coastal lines, the innovative, individualistic type of person. The study concluded that

although a variety of similarities existed between the two groups, the marketing approach towards these two subcultures had to be tailored accordingly in order to have gained maximum results from advertising attempts.

This indicates that the concept of subculture forms as much part of the cultural factors, and carries as much weight in the importance of recognizing it in terms of buyer behaviour as does culture itself. Recabarren *et al.* (2008:2918) highlight this point as well and maintain “that the concept of Internet usability needs to be re-examined at the level of subcultures”. Recabarren *et al.* (2008) continue by stating that despite the various traits inhabitants of a given country might have in common, many subcultural differences in language, experiences, behaviour and the way of representing the world need to be studied separately as it could have a significant impact on the internet utilization levels of consumers within these subcultures.

With regards to online shopping, Recabarren *et al.* (2008) emphasize the importance of accommodating various subcultures by suggesting websites should exhibit a high degree of usability for all of its resident subcultures – those who are experienced with internet and technology and those who are less experienced. The motivation lies in that it would “enable the latter groups to find, understand and utilize such information and thus take their place as equal actors in the system, rather than being segregated by their inability to interact due to their non-dominant status” (Recabarren *et al.*, 2008:2919).

Social Class

Kotler and Armstrong (2010:164) state that the social classes’ human beings find themselves in are not determined by one single factor, but are measured by a combination of factors like occupation, income, education, wealth and other variables that can influence buyer behaviour.

In an online context, social class suggests that people who undergo education on a higher level should in effect have better jobs and the corresponding better income that comes with it. This automatically puts them in a better position to embrace the internet and online shopping as they will have enough wealth to own a media device

of some sorts (computer, smart phone, tablet and more) and the required education level to be able to purchase something online.

This argument is supported by Hasslinger *et al.* (2007) and Chocarro *et al.* (2013), confirming that education level as a social class dimension contributes positively to the intent to shop online, and in general “the difference in social class creates a difference in purchasing online behaviour” (Smith & Rupp, 2003 in Hasslinger *et al.* 2007:23).

Seo and Lee (2008) agrees with this statement, outlining the difference in perception levels in a study they conducted in South Korea regarding reliable value according to social class in the case of online internet shopping malls.

Cultural characteristics are very similar in terms of the behaviour of consumers in both offline and online environments with the exception of social class which could be more prevalent and of a higher importance in an online environment due to the money required to gain access to the technology (i.e. internet and a computer) as well as the education level and computer literacy needed in order to embrace online shopping.

2.3.1.2 Social Factors

Social factors entail the opinionated influence of people the consumer regards as close family, friends or acquaintances – those deemed important to the consumer himself and whose opinions he values.

Groups and Social Networks

Kotler and Armstrong (2010:164) draw a distinct difference between two types of groups that influence people – membership groups to whom people belong and that have a direct influence, and reference groups to whom people do not directly belong and rather serve as a reference in forming people’s attitudes or behaviours.

Hasslinger *et al.* (2007) suggest that reference groups in an online environment come in a different form than the traditional groups as defined by Kotler and

Armstrong. Hasslinger et al. (2007:24) continue and points out that “new reference groups” come in the form of virtual communities, consisting of discussion groups on a website which evidently has the same effect as the traditional groups (Christopher & Huarng, 2003 in Hasslinger *et al.*, 2007:24).

Kotler and Armstrong (2010:167) define online social networks as “online communities where people socialize or exchange information and opinions”. Schneider *et al.* in Heidemann *et al.* (2012:3867) have a similar definition and states that “Online Social Networks (OSN) form online communities among people with common interests, activities, backgrounds, and/or friendships.

Facebook which is one of the largest online social networks globally represents one of these modern-day platforms and enables people from all over the world to communicate and share common interests effortlessly. Social media in this sense also makes access to information easier and timelier as suggested by Heidemann *et al.* (2012). Heidemann *et al.* (2012:3867) suggest that in the context of Facebook, 70% of all likes happen within 4 hours of a posting and about 95% are received within 22 hours of the posting, thus emphasizing the flow of information and communication.

Heidemann *et al.* (2012:3869-3871) continue and make a crucial point by highlighting the importance of online social networking and the impact it will have on companies from a marketing and/or advertising perspective and even more so from a consumer behaviour point of view which could have a substantial impact on traditional industries. This meaning is supported and further expressed by Pookulangara and Koesler (2011:349) when they state that an increasing number of consumers are turning to online social networks to get information on which to base their decisions. This means that consumers in social networks possess strong leverage to “force companies to deliver on their promises”.

Social media in an online context also plays a big role in the way consumers behave when it comes to trust.

Nielsen Global Online Consumer Survey (Global Advertising, 2009) (as cited by Pookulangara & Koesler, 2011:350) found that recommendations from personal acquaintances or opinions posted by consumers online are the most trusted forms of

advertising worldwide. A proven example of this can be seen in the work of researcher Ekant Veer when he explained how easy it was for him to make a decision on a particular book he wanted to purchase on Amazon.com after reading reviews and comments posted by other online users (Veer, 2011:3).

Family

In a traditional shopping environment it is suggested that the opinions expressed by friends and family through word-of-mouth contributed greatly towards the shopping behaviour expressed by consumers (Gibson, 2010; Guo *et al.*, 2011; Javadi *et al.*, 2012).

Javadi *et al.* (2012:90) also maintain that the opinion of family members, friends and peers will most likely influence online buying behaviour. Shrivastava and Lanjewar (2011:24-29) support this argument and concludes that family and friends have an influence on consumers' intentions to reserve railway tickets online in India.

One clear distinction that needs to be drawn between an online and offline context is the fact that traditionally, family influence would most likely come from a face-to-face encounter, or at most a very detailed telephone discussion. That face-to-face encounter would determine whether the opinion-seeker purchases the relevant item or not.

Naseri and Elliott (2011:79) however admits to not finding any relationship between the frequency of face-to-face family encounters and online purchasing possibly suggesting that the consumers are influenced through online communication channels as suggested by Cetină *et al.* (2012:187) by stating that consumers are influenced through word-of-mouth in the virtual groups they belong to.

This would suggest that the opinions of family members in an online context are still relevant, but conveyed in a different manner.

Roles and Status

According to Kotler and Armstrong (2010:170), people belong to many different groups (clubs, organisations and others) and within those groups take on certain

roles which they are expected to do. Through the concept of social classes, a status has also been assigned to each role portrayed by members of this group which influences their buying behaviours, to suit the relevant role.

In an online context the role and status a person exerts would also be a factor in determining whether this consumer would embrace online shopping rather than traditional retail shopping, thus pointing out how the consumer conducts his shopping, and not what the consumer is shopping for. A higher role and status would be indicative of a more educated person who earns a higher salary as discussed under social classes earlier, which could suggest that this particular consumer would be in a much better position to consider shopping in an online environment.

2.3.1.3 Personal Factors

Personal factors are also factors that contribute greatly to the behaviour of any consumer. It is unavoidable and has its robust, ever-changing place in every consumer throughout his life span.

Age and Life-Cycle Stage

As human beings age and progress through their life-cycles, their needs at any particular time in their lives will change from one cycle to the next, influencing the behaviour expressed on a continuous basis.

It was mentioned earlier in this study that innovativeness and interest in new technology had a positive correlation with the adoption of online shopping. It was also said that this behaviour is normally found in the younger generation growing up with the development of new technologies.

Smith and Rupp, 2003 in Hasslinger *et al.* (2007:25) confirm this by stating that age as a personal dimension of consumer characteristics is a determinant for online purchase intentions and affirmed that older people who had infrequent interaction with the internet and computers, would not use it for online shopping, whereas younger adults would. Monsuwé *et al.* 2004 in Hasslinger *et al.* (2007:25) agree with

this statement and added that younger adults have greater interest in using new technologies to browse for information and evaluate alternatives.

Occupation

Occupation also plays a crucial role in the type of products people buy. Kotler and Armstrong (2010:171) highlight this by the example of a shoe manufacturer, Spear's Speciality Shoes who manufactures a very special and expensive type of shoe for clowns and sport-team mascots respectively. This type of shoe represents a very technical design with expensive material that in all probability will be absolutely worthless to most, but a person making a profession literally out of being a clown, will pay a lot of money for a pair thus proving the fact that occupation needs to be taken into account when designing a marketing strategy.

Being a very exclusive product, one could also make the assumption that information on these shoes (alternatives, prices and so on) would be hard to come by in an offline context and much easier in an online context which could possibly influence the intent to shop online.

Monsuwe *et al.* (2004) in Hasslinger *et al.* (2007:25) explored personal online consumer characteristics and found that income plays a vital role for online purchasing behaviour. In that particular study it was concluded that consumers with a higher household income would have a more positive attitude towards online shopping.

Occupation as a personal factor could thus be an influential factor for online user behaviour to both the extent of income generated by the occupation and the occupation in itself.

Economic Situation

The economic situation which individuals find them in at any particular time could also influence their behaviour in choosing suitable products. A consumer would see himself as being more price sensitive in a recession than he would in the case where the economy and his own personal situation is prosperous.

Because information is easily accessible through the internet, certain economic situations could contribute and influence the intent of consumers to participate in online shopping and information gathering in a positive manner. In a recession it would be wise for those affected to spend more time online searching for the cheapest vendor or best deal with less effort and more cost-efficient, than attempt the same idea in an offline environment.

Lifestyles

Kotler and Armstrong (2010:171) define the term “lifestyle” as “a person’s pattern of living as expressed in his or her psychographics”. In short, this involves measuring a person’s activities (work, hobbies, shopping and more), interests (food, fashion, photography and more) and opinions (of themselves, of others, social issues and so on).

Kotler and Armstrong (2010:171) make use of a simple example of a couple (Hadley and Doug) who got married after a few years of being together and decided that their bed had to be replaced. After searching endlessly for the perfect bed for their perfect home, they finally came across a bed which they saw in a catalogue. They fell in love with this bed on sight, bought it, took it home and replaced their old bed.

The internet saw many consumers’ lifestyles change more effectively. In an offline context it is difficult to always keep track of the latest fashion trends, or what your best friend has recently purchased or better yet, where to buy the latest smartphone at the lowest possible price. This however becomes quite a simplistic task in an online context.

The example proposed by Kotler and Armstrong (2010) could also see a much different behaviour expressed by the consumer. Searching “endlessly” for, and “finally coming across” something worthwhile are relative terms in an offline context and most probably connected with negative, irritable emotions. A lifestyle change for a user in an online context could possibly find it more relaxing and easier to get that new bed by browsing hundreds of catalogues from various different brands instantaneously, online.

Personality and Self-Concept

Personality can be defined as the “unique psychological characteristics that lead to relatively consistent and lasting responses to one’s own environment” and encapsulates traits such as self-confidence, sociability, aggressiveness, defensiveness, adaptability and more (Kotler & Armstrong, 2010:172).

According to Kotler and Armstrong (2010:172), a psychological resemblance can be drawn between the personalities of people and certain brands (or branded products), and even more so how people perceive themselves utilizing these branded products (Self-Concept). This signifies the statement “we are what we have” and implies that through observation and conception, a person’s personality can be determined to a relatively accurate point by the type of branded clothes he/she wears, by the brand of car he/she drives and so on. The same can be said for the opposite in the case where a person’s personality is known, one can to some extent determine what kind of brand that particular consumer will find attractive.

In an online context on the other hand, a level of comfort has been offered to certain individuals who are unable to find it in the offline world. Veer (2011) suggests that being online, consumers are able to live experiences that are far different from their offline interactions. He continues and states that through recent research he conducted he was able to prove that consumers who felt stigmatized in their offline worlds were able to find acceptance and belonging by being part of online communities. Chocarro *et al.* (2013:8) support this argument and suggests that consumers who are particularly averse to social interaction when shopping are likely to prefer online shopping rather than the traditional methods of shopping.

2.3.1.4 Psychological Factors

Kotler and Armstrong (2010:172) suggest that a person’s buying choices are traditionally influenced by four psychological factors namely motivation, perception, learning and beliefs and attitudes.

Motivation

Human beings develop multiple needs at different stages throughout the course of their lives. Kotler and Armstrong (2010:172) define the term motive (or motivation) as a need which becomes “sufficiently pressing to direct the person to seek satisfaction”.

Sigmund Freud suggests that certain needs are born at some point in a person’s life and even if the person suppresses that need, subconsciously that need will become stronger (Kotler & Armstrong, 2010:173). A person could be motivated to purchase a certain item more by his/her subconscious than they would know. Kotler and Armstrong (2010:173) make use of a simple example of an aging customer who purchases a luxury convertible BMW and suggests that he likes the feel of the wind in his thinning hair. Freud’s theory on the other hand suggests that the aging customer might be purchasing this convertible to impress others with his success, or even at a deeper sub-conscious level, to feel young and independent again.

A perfect example of motivation affecting consumers in an online context comes in the form of closing times of traditional shops. If the level of motivation is strong enough, Chocarro *et al.* (2013) suggest that consumers could turn to online shopping after hours as the fear of buying something because of this time constraint and without the necessary research done could result in a hasty and bad purchase.

In addition to that statement, the fact that online shops have a “24 hour operating time”, the possibility to satisfy the motive to purchase something at any time adds a fundamental advantage to online shoppers and shops alike.

Perception

“Perception is the process by which people select, organise and interpret information to form a meaningful picture of the world.” (Kotler & Armstrong, 2010:174). The way a consumer perceives something is thus not necessarily a true reflection of how it is in reality as every person selects, organises and interprets information differently.

This is true for online consumers as well when Koo and Lee (2011:1749) suggest “customers may be energetically or tensely aroused based on their judgements of

the environmental stimuli". Environmental stimuli in an online context refer to website related concepts like layout, navigational capabilities and the structure of information (Koo & Lee, 2011:1742).

A fundamental difference in the manner environmental stimuli can affect online consumers as opposed to offline consumers lies in the level of control the consumer has over it. Koo and Lee (2011:1748) found that consumers were not easily tensely (negatively) aroused in an online environment in comparison to an offline setting because they can control the online environment better. In actual fact, Chocarro *et al.* (2013) found that well organised websites with a simple and understandable purchase process and navigational capabilities affected both the intent and actual online purchases (Lociacono *et al.*, 2002; Montoya-Weiss *et al.*, 2003; Nicholson *et al.*, 2002; Richard, 2005 in Chocarro *et al.*, 2013).

Learning

Learning can be defined as a recursive process where the experiences of a person's actions today, become the basis of his more-informed decisions tomorrow. Kotler and Armstrong (2010:175) define learning in a similar way as "*changes in an individual's behaviour arising from experience*" and suggests that most human behaviour is learned through an interplay process of drives, stimuli, cues, responses and reinforcement.

This would also prove true in an online context where the intent of online purchase will be higher in consumers reporting a higher frequency of internet usage as maintained by Chocarro *et al.* (2013).

For online vendors this can prove to have either a positive or negative impact when considering the post-purchase learning factor. Given the ease of online shopping and its multiple vendor options, a good or bad post-purchase learning experience could influence the consumer's behaviour quite dramatically and drive the consumer to a possible future sale or towards the presence of a competitor instead.

Beliefs and Attitudes

Kotler and Armstrong (2010:175) define *beliefs* as “a descriptive thought that a person has about something” and *attitudes* as “a person’s consistently favourable or unfavourable evaluations, feelings and tendencies toward an object or idea” respectively.

Attitudes are more concrete and have a less flexible attribute. Kotler and Armstrong (2010:175) make use of Coca-Cola’s approach with Fuze, their healthier alternative to their more traditional soft-drink range to demonstrate how focus should rather be drawn to adhering to current attitudes as opposed to changing them.

Attitudes and beliefs are more robust in an online environment because information is readily available at any time of the day, within any geographical area. This implies that although attitudes generally change over time, the exceptions are more common in an online environment where the attitude or belief a consumer has of a certain product or brand could change instantaneously and without warning. Researcher Ekant Veer confirmed this in his research by pointing out the ease at which consumers are able to access word-of-mouth recommendations and commentary (Veer, 2011). He continues by expressing the novelty of consumers in an online environment assuming trust in total strangers, compared to the need for trust with offline word of mouth recommendations which leaves the concept of beliefs and attitudes the same in an online and offline context, but the expression thereof very different.

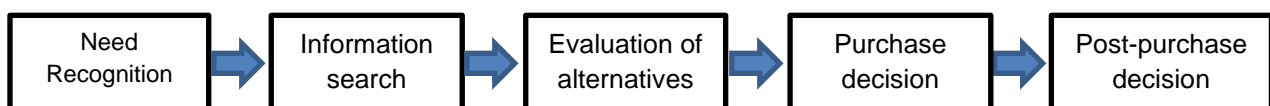
2.3.1.5 *Buyers Characteristics in summary*

Building this study on the traditional model of buyer behaviour as outlined by Kotler and Armstrong (2010) proves to be sufficient and accurate. The factors influencing the behaviour of consumers remain firm. The fundamental difference lies in the manner these factors are interpreted in an offline and online context, and how that affects consumers in these shopping channels respectively as discussed.

2.3.2 Buyers' Decision Process

Kotler and Armstrong (2010:177) define the buyer decision process as a much more in-depth and complex process than just purchasing an item. The figure below illustrates the buyer decision process and defines it as a 5-step process.

Figure 2.1: Buyer decision process



Source: Kotler & Armstrong (2010:177)

Need Recognition

Referring to the motivational factor mentioned earlier, need recognition can be defined as the moment when the consumer arrives at a cognitive state of admittance; that is admitting to his particular problem or need. This event could be triggered by various occurrences.

Kotler and Armstrong (2010:178) maintain that a need can be triggered by both internal stimuli (basic needs such as hunger) and external stimuli, such as seeing an advertisement or talking to a friend.

In an online context, external stimuli is quite significant in the sense that social media makes it easier to communicate with various friends at once while advertisements could be popping up all around the consumers' internet browsers. Within the online shopping realm it's also possible to browse an endless variety of products being sold by numerous companies, quite effortlessly as opposed to a traditional outing, driving from one retailer to the other.

This could also suggest that a person driving home on the highway after a working day, passing a few advertisement boards along the way could very well develop a particular need based on that advertisement. Translate this example into an online context and the same consumer would probably be found in reach of many more of those advertisements, presented in a very strategic manner.

The concept of the need recognition step stays the same in an online and offline context, but the manner in which it takes place is vastly different with the extended ability of marketers and advertising companies to reach consumers and social media making the flow of information amongst contacts and friends seamless.

Information Search

After the buyer entered the need recognition stage, he might either skip both the information search step as well as the evaluation of alternatives depending on the product.

According to Luo *et al.* (2012) two categories of products can be defined namely search goods and experienced goods. The quality of search goods can be evaluated before purchase while the quality of experience goods can be ascertained only after purchase (Nelson, 1974 in Luo *et al.* 2012:1132). This suggests that something as general as a bottle of milk would be a good example of a search good. It's something most people buy on a daily basis, or every other day, thus one can assume the buyer will go to the grocer, take a bottle of milk and pay for it.

Other products that require a deeper understanding (experienced goods) might drive consumers to look for more information on it. The approach could be vastly different in an online and offline context respectively. In an online context information is readily available to any consumer at any time of the day.

Kotler and Armstrong (2010:178) mentioned a survey that found 78 percent of consumers found recommendations from others to be the most credible form of endorsement. Veer (2011) supports this argument by admitting that he was able to make a decision within 15 minutes while shopping for a book online due to the recommendations and reviews from other online users on Amazon.com.

Social media in a modern day online context is also contributing to quite an extent on how information is being shared amongst consumers as mentioned earlier. This suggests that the information search step in the buying process is much more informative and efficient in an online context.

Evaluation of Alternatives

Kotler and Armstrong (2010:178) maintain that the evaluation process of alternatives is a complex one as not all consumers use a simple and single evaluation process in all buying situations. They further imply that the evaluation process is specific to the buying situation, and that consumers could make use of careful calculation and logical thinking in some instances, but purchase on intuition at other times.

Iglesias-Pradas *et al.* (2013:321) explain how this step can be simplified or even bypassed in an online context by stating that “multimedia and interactive display of product information might help the consumer make his decision without physically evaluating the product”. This is also true for alternatives. Should multimedia and interactive display of information suffice, the consumer might find it easier evaluating the alternatives online and come to a decision faster.

Koo and Lee (2011:1741) suggest a similar approach to the contextual difference when evaluating alternative products online and offline respectively. They maintain that the presence of a sales person in a traditional offline environment and the possible pressure that salesperson applies, could influence the consumer’s desire and behaviour to evaluate alternatives. With the absence of a sales person in an online environment there would be no pressure and the consumer will be free to evaluate alternatives should that be a need.

Purchase Decision

The purchase decision is where the actual purchase happens and simply when the consumer makes a decision on what brand he will purchase. Kotler and Armstrong (2010:179) suggest that two factors could come between the purchase intention and purchase decision namely:

- *Attitudes of others* – If a person close to the consumer, a trusted person, recommended buying a certain brand. Chances of buying the brand the consumer initially had in mind might reduce to an extent.
- *Unexpected situational factors* – Expected income, expected price and expected product benefits could be factors the consumer will base his decision on. Events such as an unexpected expense, or a competitor brand running a sudden special could have an effect on the buying intent.

Referring yet again to the fact that information is readily available, the intention to purchase a specific item online can be influenced by a sudden advertising banner of another product or brand that displays on the website the consumer is on or by a friend suggesting another brand through the use of Facebook (Social Media) to name but two examples.

Another crucial difference in an online context is the fact that website security and the pre-disposition of the consumer to share sensitive information could be a detrimental factor in the decision to complete the purchase. This is ruled out to some extent in an offline environment as the face-to-face interaction allows the consumer room to evaluate the situation and assess any levels of discomfort in sharing information or handing over a credit card.

Shopping online makes this more complex in the sense that the consumer loses out on the risk-evaluation process in terms of payment and sharing sensitive information. This process thus proves to be a much more sensitive one in an online environment.

Post-purchase Behaviour

Any and all consumers will express a level of satisfaction or dissatisfaction after purchasing an item. Kotler and Armstrong (2010:179) indicate that the level of satisfaction or dissatisfaction is determined by the relationship between the consumer's expectations and the product's perceived performance. They suggest that if the product falls short of the consumer's expectation, the consumer will be disappointed. Should the product's perceived performance meet the consumer's expectation, he will be satisfied. And a form of delight will be expressed when the consumer's expectations are exceeded.

One key difference in the post-purchase behaviour of consumers in an offline and online context respectively is the possible perceived (in)convenience and (dis)satisfaction of either receiving the product immediately (offline, in-store) or having to wait for delivery after purchasing online. Jiang *et al.* (2013:208) suggest that online retailers should monitor their delivery processes carefully as it is a dynamic process which could have dire effects on the re-purchase intention of consumers. Factors such as the waiting time, the possibility of damage or theft, the immobility that are caused by having to wait for the delivery can influence the consumer's behaviour and intent to purchase again in future.

Another difference in post purchase behaviour in an online context is the emotional outlet channel that came with the internet, online shopping and online social networks. Traditionally if a company made a mistake of any kind, or mistreated its customer for whatsoever reason, the damages were limited in a sense to the amount of people physically reachable by that consumer. In an online context however, consumers have the ability to share their experiences with literally millions of people through the click of a button.

2.4 Drivers of online shopping

Looking at consumer behaviour in an online context, it's quite clear that understanding the behaviour expressed by the consumer as well as the holistic buying process, from the moment the consumer realised the need, through to following up whether he was satisfied or not is crucial to retaining that client, and producing a competitive marketing strategy.

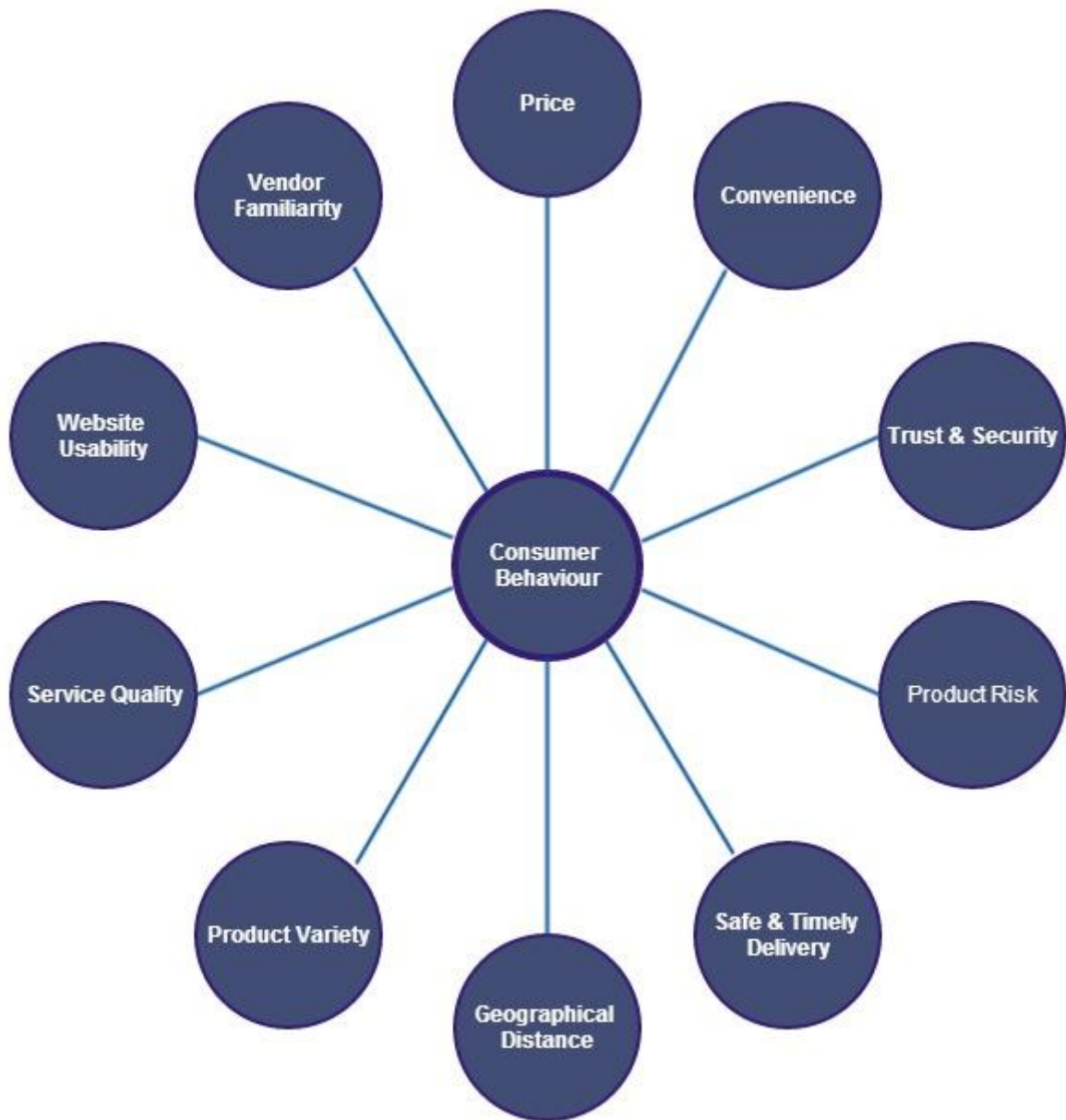
Being a growing trend, online shopping is relatively new to us as human beings, and certain factors will play a bigger role in the online purchasing process as to the traditional brick and mortar environment. It's quite understandable that a person handing over his credit card at a shop on the corner of the street, able to carefully observe the shop attendant's every move, will feel more comfortable than the person entering his personal detail on a website, not sure where the information is going or in who's hands it winds up – or is it?

Equally important to the subject, understanding what influence certain critical factors have on the behaviour of the consumer is crucial to the success of any e-commerce attempt. The chosen factors have been identified by popularity through literature and are regarded as the key factors influencing online shoppers as discussed below.

They are illustrated by an adapted model by Moolla (Moolla & Bisschoff, 2010) developed to assess brand loyalty. In this study it will however be used to assess what influence these factors have on consumer behaviour.

FIGURE 2.2 FOLLOWS ON THE NEXT PAGE

Figure 2.2: Factors influencing consumer behaviour online



Source: Adapted from Moolla & Bisschoff (2010)

2.4.1 Price

Defining the amount of money a person would have to pay for an item, price also forms part of the marketing mix (Kotler & Armstrong, 2010:76) making it one of the most important and powerful factors in any purchase decision.

Hasslinger *et al.* (2007:68) took a sample of students at a university in Sweden and analysed what impact price had on the students to purchase books online. They suggest that price as an influencing factor exists because prices are normally lower when purchasing something through an online store than a traditional retailer due to lower running costs. They conclude that price was seen as the primary factor, suggesting that the overall majority of the students were price-sensitive and that the information search step in the online buying process enjoyed a substantial amount of time with students spending time comparing prices and looking for the best price.

De Swardt and Wagner (2008) supports this finding and suggest that in a South African online context, one of the main advantages people saw in online shopping was the ability to compare prices.

Nazir *et al.* (2012) conducted a similar study in Pakistan amongst various university students and members from the public on their attitudes towards online shopping. They support the statement Hasslinger *et al.* (2007) made in saying price is a factor when it comes to online shopping as it is normally better than in traditional retailers. The sample Nazir *et al.* (2012) used suggests that the majority of participants experienced online shopping in the past already and were of a relatively young age (16-35) as well, affirming the statement made under the personal buyer characteristics earlier that a younger generation growing up with the technology used in order to conduct shopping online are more prone to embrace it.

Nazir *et al.* (2012) also concluded that price was a major influential factor when people considered online shopping as the general income of the majority of people in Pakistan was quite low, thus making them substantially more price sensitive. This complements the findings by both Hasslinger *et al.* (2007) and De Swardt and Wagner (2008) respectively.

Chu *et al.* (2010:255) highlight the fact that heavy online shoppers who participate in online shopping on a regular basis and that are quite familiar with the layout and structure of the website are better equipped to search for better pricing and are thus more price sensitive in an online context. The opposite was also found to be true in that (infrequent) online shoppers were more price sensitive in a traditional offline context.

Contrary to the previous findings regarding price as the most important perceived factor, Luo *et al.* (2012) suggest that although price was regarded as an influential factor in their study, especially in moderating the effect of high product uncertainty in an online context, service quality (customer service in particular) had a superior influence than price did. Luo *et al.* (2012) point out that numerous new companies use price as a means of gaining some market share, thus gracing price with the influential importance, but noting that it is not significant to that of service quality.

Recognising the fact that there are numerous driving factors that influence consumers' behaviour while shopping online, previous research has shown that the ease at which information can be acquired in an online context makes price a fundamental factor.

2.4.2 Convenience

Convenience and trust were the two factors that followed price as the primary concern for the students in the study Hasslinger *et al.* (2007) conducted. After dividing their main sample into smaller segments, the segment called "Price easers" were identified as the segment which was also influenced primarily by price, and following their concerns of a monetary nature, buying books with the least amount of effort as possible (convenience) was preferred.

Nazir *et al.* (2012) concluded out of their study that a large part of their population sample were in favour of convenient online shopping, supporting the findings by Hasslinger *et al.* (2007) who suggested that convenience is a major influential factor of online-shopping.

The study De Swardt and Wagner (2008) conducted supports the findings by both Hasslinger *et al.* (2007) and Nazir *et al.* (2012) suggesting that convenience is regarded as one of the main factors why people shop online. One respondent, when asked what motivated him most to shop online was quoted as saying, "The convenience. It is easier to browse or search an online catalogue than to look generally for the same product or item in a traditional store manually." (De Swardt & Wagner, 2008:75).

Chen *et al.* (2010) support the findings expressed by previous research and highlights that sufficient computer skills and e-commerce experience makes convenience a fundamental factor, even more-so than that of trust and security which will be addressed below.

2.4.3 Trust and security

In an online shopping context, trust and security is seen as one of the most important factors as the element of human interaction (with a sales person) and the ability to react on factual evidence of a possible security threat is significantly reduced. This is especially true for most users who don't have prior experience with online shopping as personal information and payment information needs to be submitted electronically leaving these users with a sense of uncertainty whether their identity and credit card information is safe or not.

Hasslinger *et al.* (2007:30-31) maintain that "the factors trust, security and prior experiences are present and these are highly relevant for the online consumer" and that "trust and security factors are a major influence for the consumers when considering a potential purchase".

De Swardt and Wagner (2008), Dennis *et al.* (2009) and Bhatt & Bhatt (2012) support the argument by Hasslinger *et al.* (2007) that prior online shopping experience contributes to the internet presenting a trustworthy shopping channel with De Swardt and Wagner (2008:75) quoting one of the participants in their study admitting that they felt safe to engage in online shopping after following a few security precautions. This indicates again that the consumer's attitude towards trust and security as an influential factor correlates with prior experience in online shopping and the relevant computer literacy. Chen *et al.* (2010:1013) support this statement and produced a simple summary when they concluded that "when consumers have sufficient e-commerce experience and computer skills, they are able to judge whether an online shopping website is secure enough based on the kind of encryption or authentication mechanisms the website adopts". They conclude that prior e-commerce experience will influence the consumers' behaviour to such an

extent that other factors such as convenience take precedence over security (Chen *et al.*, 2010:1013). The opposite is also true where security and trust becomes paramount to the more inexperienced user.

Contrary to the findings by the authors mentioned above, Guo *et al.* (2012) conducted a study of eight factors contributing to consumer satisfaction in China, and security was chosen as the second most important influential factor by a sample in which the vast majority of respondents admitted to being very familiar with online shopping, most visiting online shopping sites frequently. Javadi *et al.* (2012) and Lian *et al.* (2013) reported similar findings out of a majority of frequent online shoppers, confirming that security concerns posed as barriers to an inclination towards online shopping.

Regardless of the difference in opinion between these studies, it simply proves that no consumer wants to be a victim of online fraud or theft thus suggesting that trust and security as influential factors when it comes to online shopping is significant.

2.4.4 Product Risk

Product risk entails the perceived risk of not being able to get the full spectrum of a product thus running a further risk of ordering something which won't meet the desired expectation. Product risk is significantly different in an offline and online context respectively.

In a traditional offline brick and mortar shopping environment, one of the offsets of traveling time and cost, and the possible inconvenience of physically going to the store, is the fact that the consumer is able to fully examine the product being purchased. The product under question can be picked up, touched and smelled and in the case of food items, the sell-by or expiry date is clearly visible.

In an online environment there is a significant difference in that the tangible attribute is non-existent. North *et al.* (2003) as cited by De Swardt and Wagner (2008:69) suggest that this is a crucial disadvantage in the online shopping environment. Chu *et al.* (2009:255) agree and pointed out that the risk in buying food items online is

significantly higher due to a health and quality risk and that consumers might resort to brand-conscious product search to minimize this risk.

Jones and Kim (2010:630) suggest that the product risk is also present in a high-touch apparel product category such as clothing. They continue by stating that in a high-touch product category, it is crucial for the consumer to touch and experience the product before purchasing. Kawaf and Tagg (2012:169) support this argument and state that the inability to touch or try on products before purchase contributes to higher product risk levels. Furthermore Liu and Forsythe (2011:106) found that a perception of product risk negatively impacts the online purchase intensity of consumers which is a clear indication of the challenge faced by e-commerce companies to overcome the negativity and uncertainty associated with a higher product risk.

Another fundamental difference in consumer behaviour with regards to product risk in an online and offline context respectively is presented by Van Nierop *et al.* (2011) when they indicated that “almost all unplanned buying is a result of touching, hearing, smelling or tasting something in-store” (Underhill, 1999:158 in Van Nierop *et al.*, 2011:162), and that the absence of that tangible attribute may reduce the chance of a consumer buying on impulse and spending more money quite significantly (Van Nierop *et al.*, 2011:162).

To address the negative impact product risk is having on the intent to purchase various products online, companies are continuously improving the manner in which products are being presented to the consumer by use of sophisticated technological methods (Jones & Kim, 2010:630; Kawaf & Tagg, 2012:169).

2.4.5 Safe and Timely Delivery

Online shopping, being a remote transaction makes immediate consumption of the purchased item impossible and forces the consumer to wait for delivery thereof (Liao & Keng, 2013:1849).

Safe and timely delivery of the purchased item, thus the amount of time spent on getting the item to its destination as well as the condition it's in at the time of delivery, is another key factor in the online shopping environment more-so than an offline environment where consumption or collection is usually at the same time as the purchase, reducing the uncertainty of something going wrong in the delivery process substantially.

Javadi *et al.* (2012) stated that the perceived risk a consumer has towards online shopping influences his decision to complete the actual purchase. They also found that the level of uncertainty – the fear of non-delivery – has a negative impact on the consumers' attitude towards online shopping. Liao and Keng (2013) support this statement and confirm that a “delivery delay is an online shopping service failure and may reduce service satisfaction” (Holloway & Beauty, 2003 in Liao & Keng, 2013:1850). They continue by pointing out that a delivery delay and excessive waiting time negatively affects customer satisfaction and repurchase intention (Cho & Park, 2002; Díaz & Ruíz, 2002; Kim & Eom, 2002; Kim, 2005; Chang & Wang, 2012 in Liao & Keng, 2013:1850) and that “on-time” delivery time positively influence the repurchase intention and satisfaction level of online consumers (Kim, 2005; Marimon *et al.*, 2010 in Liao & Keng, 2013:1850), thus making safe and timely delivery quite crucial in influencing positive consumer satisfaction levels (Schaupp & Belanger, 2005 in Chen *et al.* 2010:1009) and retaining those valuable customers.

While it is possible to shop in an offline environment and have the purchased goods delivered as well (ex. Furniture, large appliances and more), it is a service used much more frequently in an online environment. A lot of companies also conduct business in both an online and offline context (physical store), allowing consumers who purchase products online to collect from their traditional brick and mortar shop, as the consumers' preference dictates.

Chen *et al.* (2010:1009-1013) found this to be true in a study they conducted in Taiwan. They suggest that because Taiwan is a densely populated island, where one-day delivery is common practice, most consumers who are inclined to shop online, prefer to pick their purchased items up from the company's physical shop and even state that a combination of an online channel and a physical store may increase customers' willingness to shop online. It can thus be stated that the

behaviour expressed in terms of delivery time and the condition the item is in on delivery is very similar if not alike in both an online and offline context, but the importance thereof is significant in an online context as it contributes greatly to the post-purchase learning experienced discussed earlier.

2.4.6 Geographical Distance

Geographical distance is the distance a consumer finds between himself and the nearest physical store where he can purchase a particular need.

Technology and globalisation have made it possible for people all around the world to shop online and purchase nearly anything, from anywhere and is seen as one of the main advantages of online shopping (Chocarro *et al.*, 2012). Having said that, consumers who find themselves too far away from their local physical store might be more inclined to revert to shopping in an online environment rather than travel the distance.

Van Nierop (2011:160-161) conducted a study to analyse the influence geographical distance has on the shopping behaviour of consumers in a traditional sense and concluded that “distance to the store has a significant negative effect on the amount of shopping trips as well as the purchase decision and amount spent in several categories”.

Oppewal *et al.* (2012) in Chocarro *et al.* (2012) and Chintagunta *et al.* (2012) support the argument by Van Nierop (2011). Chintagunta *et al.* (2012) suggest that “the need to buy a larger number of heavy/bulky items drives households to the online channel and discourages them from visiting the offline channel” Chintagunta *et al.* (2012:108).

Chintagunta *et al.* (2012:108) continue by stating that the intention to purchase online becomes stronger when travel distance is taken into account, a statement also supported in the research of Chocarro *et al.* (2012) when they proved that an increase in a distance-to-store variable positively correlated with an increase in the probability of the intent to shop online.

Shrivastava and Lanjewar (2011:23) found this to be the case with items of a lesser weight as well in India where the option is given to reserve railway tickets online. They concluded in their research that distance to the nearest physical ticket station positively influenced the intent to rather book the tickets online as the negativity associated with the travel distance was too significant.

Looking at the abovementioned literature it is evident that increased geographical distance contributes positively to the intentions of consumers to conduct their shopping in an online context.

2.4.7 Product Variety

Because the internet offers consumers 24/7 access to an endless amount of information, consumers have time to consume vast amounts of this information available to them, suggesting that they would expect to see a wider variety of products when shopping online. Jarvenpaa and Todd (1997) in Limayem *et al.* (2000:422) found this to be true as far back as 1997 when they conducted a study on the perceived obstacles of online shopping and found that 31% out of 220 shoppers were disappointed with product variety. Rajamma (2007) in Shrivastava and Lanjewar (2011:14) suggests that the availability and quality of products, as well as the variety of products encourages consumers to participate in online shopping. Jarvenpaa and Todd (1997) in Guo *et al.* (2012:42) agree and suggested that because of the reach of the internet and availability of information, consumers expect online retailers to offer a wide variety of products.

Guo *et al.* (2012) continue and state that offering a wide variety of products are often key for e-commerce companies to retain consumers and influence their repurchase intention and suggests that online retailers who offer a wider variety of products seem to be more successful (Christian & France, 2005 in Guo *et al.*, 2012:42). They conclude and suggest that the “variety of merchandise plays a significant role in whether consumers are satisfied or dissatisfied with their online shopping experiences” (Guo *et al.*, 2012:42).

Chang (2011) supports this statement and suggests that “consumers shop online for the benefits of the available product variety and that a wide product selection contributes significantly to greater website satisfaction, better attitudes toward online shopping, and greater store loyalty” (Bansal *et al.*, 2004; Koo, 2006; Lim & Dubinsky, 2004 in Chang, 2011:159).

Chang (2011) also points out a significant difference in how the consumer measures product variety in an offline and online environment respectively. Chang (2011) maintains that there is a significant difference in perceived variety and actual variety, indicating that a consumer might look at the product display and organisation in a physical store (actual variety) to create the perception of what the variety is. The physical aspect is not possible in an online context and Chang (2011) concluded in his study that the perceived variety can be manipulated in an online environment by changing the amount of categories products are grouped under keeping the amount of products static (Chang, 2011:166).

Given the fact that a wider product variety influences consumers’ attitudes towards online shopping in a positive manner as stated above, the possible manipulation of the perceived product variety in an online context serves as a great advantage to companies conducting business in an online environment.

2.4.8 Service quality

Service quality in the context of this study is a factor that encompasses both website related service (ex. The product that gets delivered is represented accurately on the website) and company related service (the company is friendly, helpful and responds to customer enquiries promptly, during and after the purchase).

Service quality plays an important role in the online shopping environment as “it is important to convince buyers that e-tailors can fulfil their promises because online consumers cannot obtain these promises from a salesperson as in the traditional shops” (Bhatt & Bhatt, 2012:59). They continue by suggesting that in addition to security and the ease/attractiveness of the website, service quality is seen as one of

the main factors that influence consumers' perceptions regarding their online shopping experiences.

After exploring different types of buyers, Bhatt and Bhatt (2012) also highlighted the fact again that previous online shopping experience determined the importance of certain factors and suggested, as discussed earlier, that frequent online shoppers with more online shopping experience in their study perceived service quality as a superior influential factor than that of security and ease / attractiveness of the website, for example.

After the study Guo *et al.* (2012) conducted in China, their hypothesis that service quality overall contributes as an influential factor towards consumer satisfaction was accepted through their result analysis even though it did not carry as much weight as security and trust did. Shanker *et al.* (2003) in Guo *et al.* (2012:41) suggest that the service provided during and after the purchase is crucial to consumers' repurchase intentions.

Luo *et al.* (2012) conducted a study utilizing a dataset from two online websites and noted that service quality (including after-sale service) were seen as the factor most appreciated by consumers. It's suggested that "firms should focus on increasing online service quality during post-purchase phases; this is especially true for firms that are not well known" (Luo *et al.*, 2012:1141). This statement supports the findings by Guo *et al.* (2012) that service quality is an important factor during and after the purchase.

2.4.9 Website Usability

Website usability can be defined as "the ease with which users can navigate through a site" (Neilson, 2000 in Luo *et al.* 2012:A2). Luo *et al.* (2012:1133) suggest that the manner in which a website is designed (user friendly interface, easy navigation, information search capabilities) will determine the difficulty level of navigating through the website and finding relevant information. De Swardt and Wagner (2008:78) found that user friendliness of the website was one of the main reasons why consumers recommended the site to others.

Chen et al. (2010:1010) support the argument by De Swardt and Wager (2008) and affirm that a group within their research results suggested a user-friendly website to be one of the most important attributes of website usability. Chen *et al.* (2010:1008) also suggest that previous research found that well-developed content and functions of websites tend to increase consumer satisfaction and consequently increase the return rate.

Chocarro *et al.* (2012) support the findings by Chen *et al.* (2010) and suggests that website usability (well organised websites offering clear information layout, simple purchase process instructions, ease of navigation and so on.) drives both the intent to shop online as well as the actual shopping.

Referring back to items that fall in the high product risk category (such as fashion items or clothing) as discussed earlier, Luo *et al.* (2012:1140) found that a well-designed website can alleviate the negative influence of product uncertainty to some extent, thus supporting the statements by both Jones and Kim (2010:630) and Kawaf and Tagg (2012:169) that more companies are continuously improving the manner in which products are being presented on their websites.

2.4.10 Vendor Familiarity

Vendor familiarity describes to what extent the vendor needs to be known in order to reduce the level of uncertainty and allow consumers to purchase from that vendor. This suggests that consumers are generally risk averse (Azam & Qiang, 2012; Stranahan & Kosiel, 2007; Edwards *et al.*, 2009) and that familiarity with an online vendor can contribute positively to reducing the perceived risk associated with shopping online as indicated by Edwards *et al.* (2009:43).

Edwards *et al.* (2009:39) further suggest that familiarity is crucial to building connections with consumers as they will use their past experiences as a dominant attribute on which to form their perceptions of psychological distance (risk) and trust.

Jones and Kim (2010:633) support this argument and highlight a link between an offline and online context by stating that “online shopping intention may result not

only from a consumer's trust towards the retail brand but also from a degree of familiarity obtained through repeated patronage" (in a traditional "off-line" context). They conclude by stating that familiarity of the retailer due to past experiences contributes positively to the online shopping intent of the consumer.

Stranahan and Kosiel (2007), and Azam and Qiang (2012) also contribute to the previous findings and confirm that "familiarity had a strong direct influence on consumers' online shopping utility, risk of product failure and risk of service failure" (Azam & Qiang, 2012:28), suggesting that consumers will more likely shop from a familiar website or vendor, than from an unfamiliar one.

Stranahan and Kosiel (2007:427) continue and make two interesting statements that out of the consumers who considered purchasing from an unfamiliar vendor, Hispanics were more likely than non-Hispanics (in an American context) and males were more likely to purchase from an unfamiliar vendor than women.

The evidence suggests that vendor familiarity also has a role to play in an online shopping environment.

2.5 Conclusion

After reviewing the world-wide increased internet usage over the past few years, it has also been established that another growing trend evolving out of that growth is the internet as an online shopping platform. More and more people are embracing the cheaper, more convenient way of shopping, but for companies who want to take advantage of this trend, reeling in and retaining those customers could prove to be an enormously difficult task.

Through a literature review on the complexities of the "buyer's black box" (Kotler & Armstrong, 2010:161), that being the behaviour of consumers, it quickly becomes apparent that attempting to better understand the consumer and his behaviour is paramount to drawing as much benefit out of the growing online shopping trend as possible. Chapter 2 reviewed consumer characteristics as proposed by Kotler and Armstrong (2010:161) as well as the buyer decision process (Kotler & Armstrong,

2010:177) in an online context to better understand and draw distinctions between online behaviour and traditional shopping behaviour.

Ten key influential factors were identified and discussed by way of previous literature in an attempt to gain more insight into the behaviour patterns of online consumers regarding these factors.

The ten identified factors, presented through an adapted model by Moolla (Moolla & Bisschoff, 2010) were Price, Convenience, Trust and security, Product risk, Safe and timely delivery, Geographical distance, Product variety, Service quality, Website usability and Vendor familiarity.

Chapter 3 – Research Methodology and Results

3.1 Introduction

This chapter starts off by introducing and explaining the research method and tools used in obtaining the data required to discuss the influence of the different factors. It continues by elaborating on the statistical analysis done given the sample data, addressing the validity of the data and calculating the reliability coefficients. The chapter then concludes by reporting and discussing the results drawn from the gathered data.

3.2 Research methodology

The data was collected by means of a structured questionnaire that was created and hosted using the services offered by SurveyMonkey (2013). The questions under each factor were derived out of past literature and followed a 5-point Likert scale (Strongly agree to strongly disagree) which is viewable under Annexure A.

The sample consisted of 118 respondents of whom 102 fully completed the questionnaire. All of the respondents had access to the internet and a snowball sampling strategy was used where a specific group of respondents who were known to have made use of sport supplementation before and bought it online were contacted on social media (FB, 2013) and asked to complete the online questionnaire. They were additionally asked to identify a further set of individuals who were likely to complete the questionnaire in order to make up the relevant sample.

3.3 Results

Figure 3.1: Demographic Profile – Age

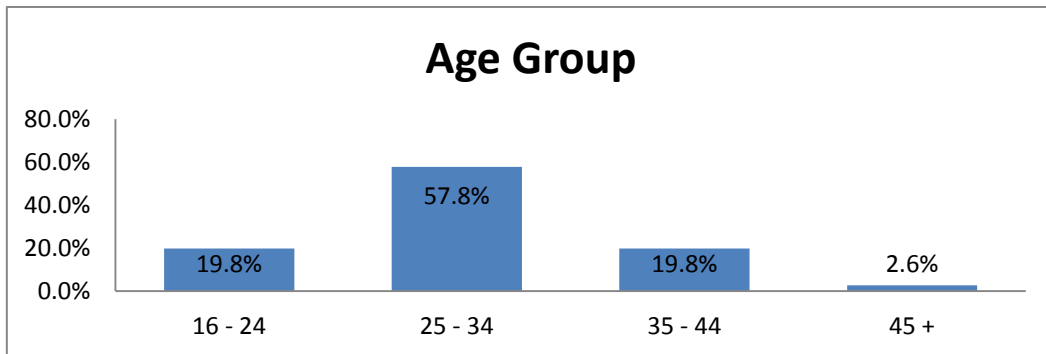


Figure 3.2: Demographic Profile – Sex

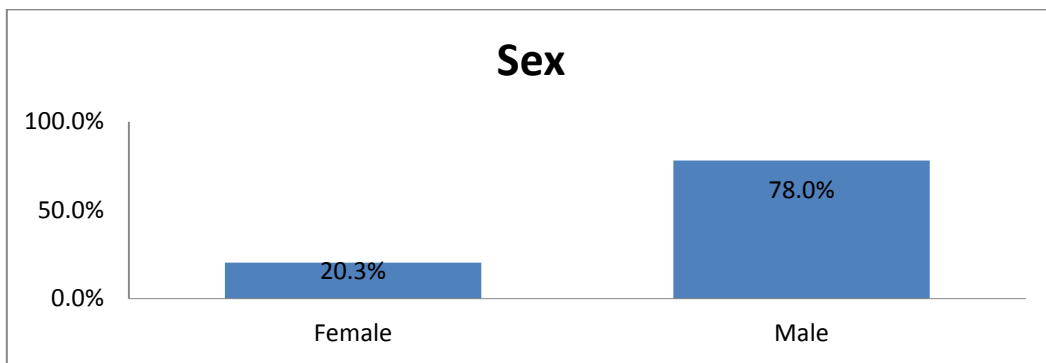


Figure 3.3: Demographic Profile – Race

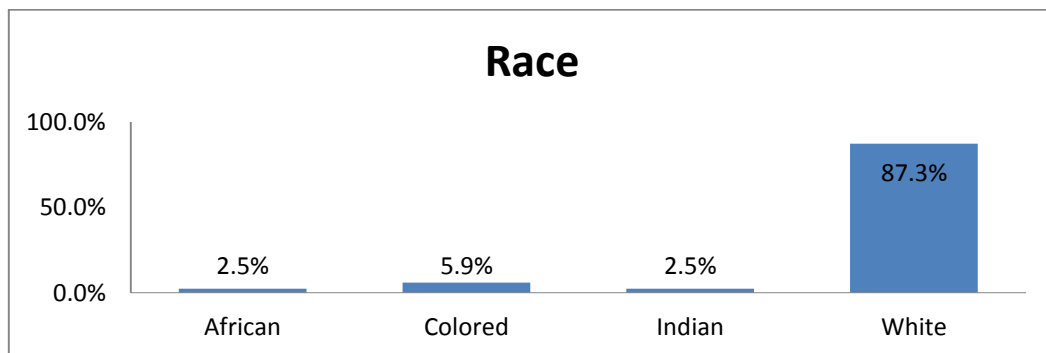


Figure 3.4: Demographic Profile – Marital Status

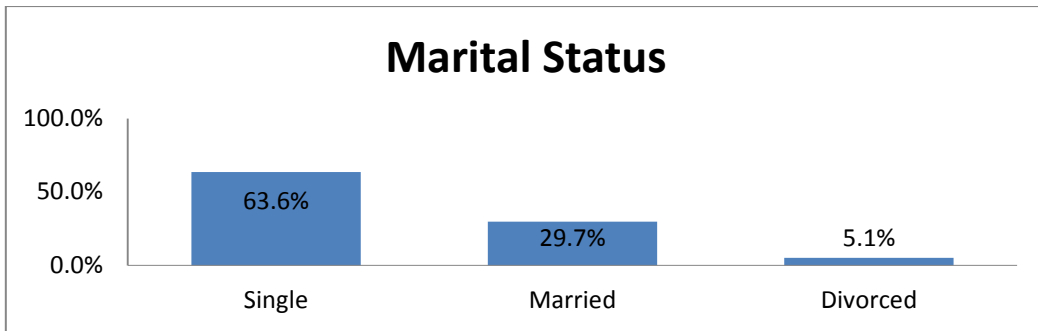


Figure 3.5: Demographic Profile – Level of Education

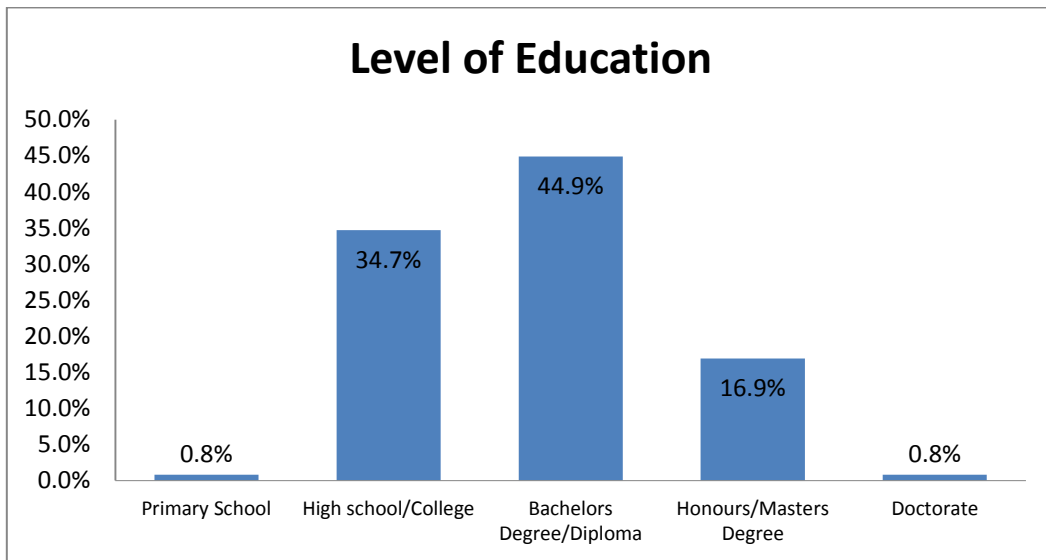


Figure 3.6: Demographic Profile – Net Income

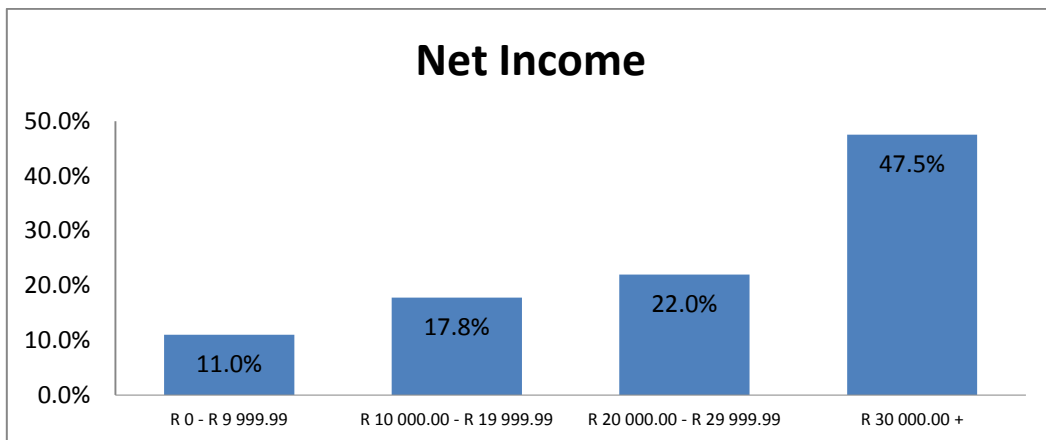


Figure 3.7: Geographic Profile – Province

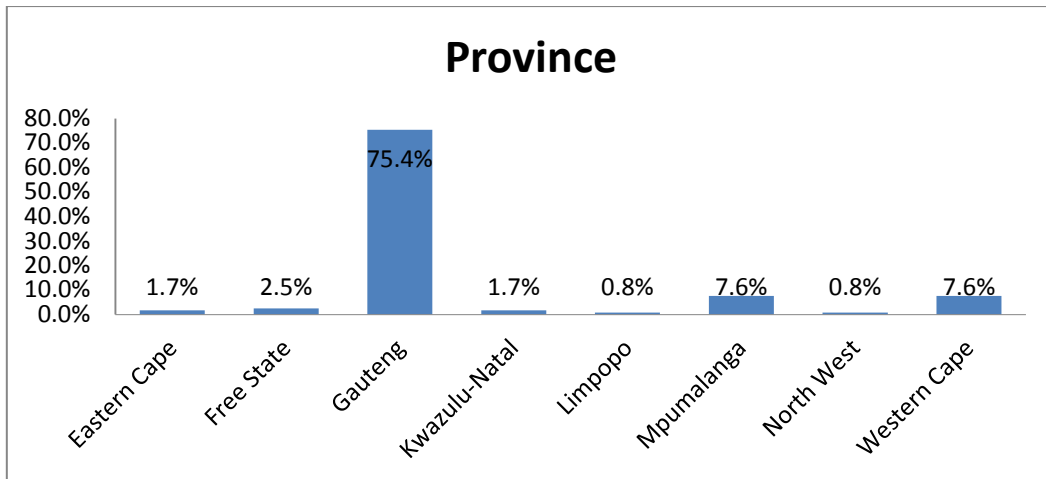


Figure 3.8: Technological Profile – Years Computer Usage

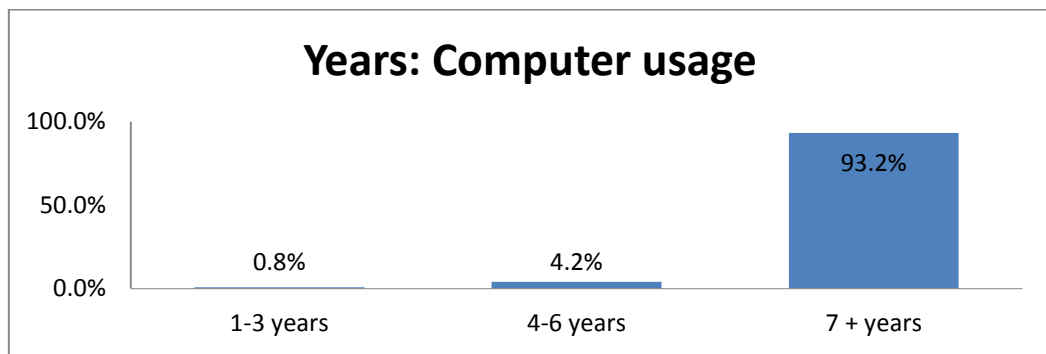


Figure 3.9: Technological Profile – Years Internet Usage

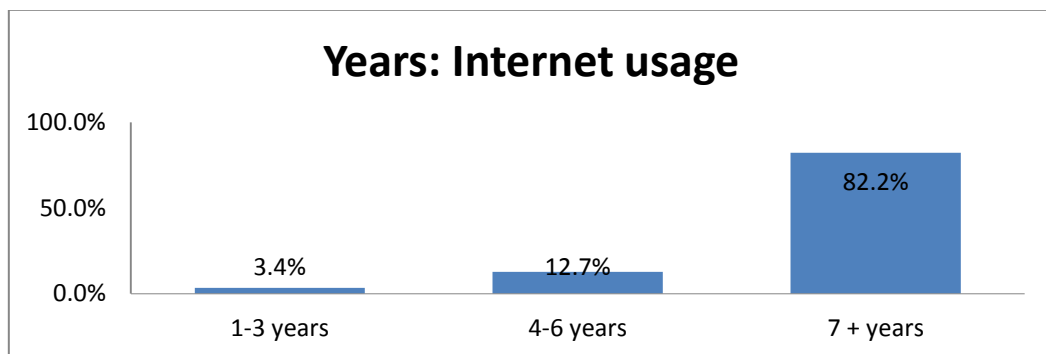


Figure 3.10: Technological Profile – Hours Internet Usage per Week

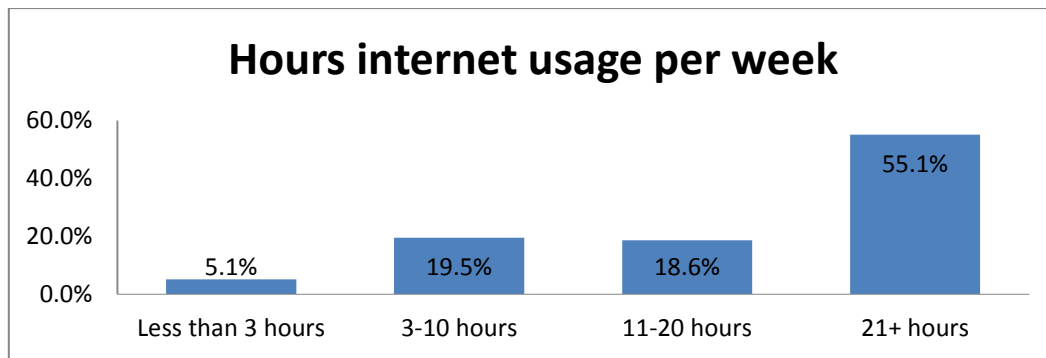


Figure 3.1 to 3.10 summarizes the demographical, geographical and technological backgrounds of the sample. It indicates that 57.8% of the respondents were between the ages 25 and 34. The overwhelming majority of the respondents were male which comes as no surprise as the supplementation industry is known to be a male-dominant industry across the globe.

Of the sample, 87.3% were of white descent, mostly single at 63.6% and living in Gauteng (75.4%).

The majority of the respondents were also well-educated with almost two thirds of the sample with at least a Bachelor's degree/diploma. This is in line with previous research suggesting a correlation between education and household income, as 69.5% of the respondents earns more than R20 000.00 per month (47.5% more than R30 000.00 per month).

It needs to be said that although a user is experienced in using a computer, it does not necessarily mean the same user understands the concept of the internet and that of online shopping. The sample does however indicate that 97.4% of the respondents have used computers for at least more than 4 years, and 94.9% have used the internet for more than 4 years. This is indicative of the fact that the sample is well educated in terms of the concept of online shopping.

3.4 Discussion of results

3.4.1 Validity of research instruments

The questionnaire was validated by the use of exploratory factor analysis to confirm that the relevant statements load onto the loyalty issues (Moolla, 2010; Salim, 2011). The technique entails that the specific questions pertaining to each influence regarding online shopping was subjected to the factor analysis to determine if all the statements load onto a single factor, namely the specific influence. This shows that the statements actually do measure the specific influence, and in the process, non-measuring statements or statements of low importance (signified by factor loadings below 0.40) could be eliminated from the questionnaire (Du Plessis, 2010; Moolla, 2010).

The sample adequacy was measured by applying the Kaiser-Meyer-Olkin (KMO) Measure of Sampling Adequacy.

According to Field, KMO values of 0.5 or higher should be accepted (Kaiser, 1974 in Field, 2005). Field elaborates on this point further by suggesting that values between 0.5 and 0.7 are mediocre, values between 0.7 and 0.8 are good, values between 0.8 and 0.9 are great and values above 0.9 are excellent (Hutcheson & Sofroniou, 1999 in Field, 2005).

Bartlett's Test of Sphericity checks whether the original correlation matrix is an identity matrix (no correlation amongst the variables), thus declaring the sample unsuitable for factor analysis. According to Field, the result of this test should be significant, i.e. produce a p-value less than 0.05 which suggests some form of relationship between the variables or questions and thus declaring the sample suitable for factor analysis (Field, 2005).

The determinant of each factor tests for singularity and multicollinearity; that is to test whether the correlation between variables are either too low, or too high, thereby casting doubt on the sensibility of the variables analysed (Field, 2005).

3.4.1.1 Price (P)

The sample and correlational statistics pertaining to *Price* when shopping online are summarized in Table 3.1 below:

Table 3.1: KMO and Bartlett’s Test – Price

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.725
Bartlett's Test of Sphericity	Approx. Chi-Square	167.007
	df	15
	Sig.	.000

The KMO measurement value for *Price* is greater than 0.7 suggesting that it’s seen as a good value. The Bartlett’s test is significant at $p < 0.001$ and suggests that correlation between pairs of variables is substantial and can also be explained by other variables thus declaring the data suitable for factor analysis. The determinant value drawn out of the correlation matrix was 0.220 which is greater than 0.00001, ruling out chances of multicollinearity and singularity, also suggesting that the data are suitable for factor analysis.

Exploratory factor analysis was used (Varimax rotation because of its tendency to explain high variance in exploratory research (Field, 2005: 769)). The exploratory factor analysis of *Price* indicates two underlying factors explaining *Price* as an influential variable (Eigenvalues > 1). The two factors identified were “Better online prices” (PF1) and “Price is crucial” (PF2).

Table 3.2: Factor Analysis – Price (Rotated)

Code	Question	Components	
		Better online prices (PF1)	Price is crucial (PF2)
P003	Web vendors offer better prices	0.864	
P001	I can save money by shopping on the internet	0.810	

P004	Online shopping makes price comparison easy (hence a price advantage)	0.630	
P002	I find myself checking prices when shopping even for small items	0.425	
P006	If a site offers the product I want at the price I want, I don't care what their website looks like		0.590
P005	When considering where to buy sport supplementation, price is my first consideration		0.629

As shown in Table 3.2 above, PF1 was identified by questions P003, P001, P004 and P002 (although having a relative low factor loading, it exceeds the 0.40 minimum loading) suggests that the respondents were in favour of the fact that they got better prices when shopping online. PF2 was identified by questions P006 and P005 in order of factor load importance and indicates that respondents saw price as a crucial factor when buying products online. The factor loadings of all the questions exceeded a minimum required value of 0.4, thus all questions were retained.

The total variance explained was 64.07% with PF1 explaining 43.4% and PF2 explaining 20.67% of the variance, respectively.

3.4.1.2 Convenience (C)

The sample and correlational statistics pertaining to *Convenience* when shopping online are summarized in Table 3.3 below:

Table 3.3: KMO and Bartlett's Test – Convenience

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.793
Bartlett's Test of Sphericity	Approx. Chi-Square	189.041
	df	10
	Sig.	.000

The KMO measurement value for *Convenience* is greater than 0.7 and indeed very close to 0.8 suggesting that it's seen as a very good value. The Bartlett's score is also significant at $p < 0.001$ and suggests that correlation between pairs of variables are substantial and can also be explained by other variables thus declaring the data suitable for factor analysis. The determinant value drawn out of the correlation matrix

was 0.175 which is greater than 0.00001, ruling out chances of multicollinearity and singularity, also suggesting that the data are suitable for factor analysis.

Table 3.4: Factor Analysis – Convenience

Code	Question	Convenience (CF1)
C002	I shop online where I can reduce my efforts in traveling, walking, parking, waiting, and carrying as much as possible	0.795
C003	I shop online as I can shop whenever I want	0.775
C001	Internet shopping is convenient	0.662
C004	I shop online as I can get detailed product information online	0.646
C005	I shop online as I do not have to leave home for shopping	0.578

Table 3.4 above indicates that all the questions relate to one factor (Eigenvalues > 1). This implies that *Convenience* is adequately measured by all the questions – C002, C003, C001, C004 and C005 in order of factor load importance, and suggests that respondents found shopping online to be a convenient way of shopping. The factor loadings of all the questions exceeded the minimum required value of 0.4, thus all questions were retained. The total variance explained was 58.34%.

3.4.1.3 Trust and Security (S)

The sample and correlational statistics pertaining to *Trust and Security* when shopping online are summarized in Table 3.5 below:

Table 3.5: KMO and Bartlett’s Test – Trust and Security

KMO and Bartlett’s Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.851
Bartlett’s Test of Sphericity	Approx. Chi-Square	300.795
	df	21
	Sig.	.000

The KMO measurement value for *Trust and Security* is greater than the acceptable 0.7, and with a value of 0.851 it is indeed seen as a great value. The Bartlett’s score is also significant at $p < 0.001$ and suggests that correlation between pairs of

variables are substantial and can also be explained by other variables thus declaring the data suitable for factor analysis. The determinant value drawn out of the correlation matrix was 0.061 which is greater than 0.00001, ruling out chances of multicollinearity and singularity, also suggesting that the data are suitable for factor analysis.

Table 3.6: Factor Analysis – Trust and Security

Code	Question	Trust and Security (SF1)
S007	I'm confident that my credit-card details won't be compromised and misused if I shop online	0.856
S001	I trust the security of online payment methods such as credit card	0.788
S004	Online shopping is safe for credit card use	0.788
S006	I trust the e-tailor privacy policies specified on their web sites	0.755
S005	I am willing to give my personal information when shopping on the internet	0.578
S002	I am not concerned about possible interception of financial information by an unidentified third party	0.511

Table 3.6 above indicates that all the questions relate to one factor (Eigenvalues > 1). Question S003 was omitted though as its factor loading was insufficient (< 0.4). This question can be viewed in Table 3.21 under section 3.4.1.11. This implies that *Trust and Security* is adequately measured by questions S007, S001, S004, S006, S005 and S002 in order of factor load importance and suggests that the respondents felt comfortable sharing their personal information on online trading as it was secure enough. The factor loadings of these questions exceeded the minimum required value of 0.4 and were retained. The total variance explained was 51.47%.

3.4.1.4 Product Risk (PR)

The sample and correlational statistics pertaining to *Product Risk* when shopping online are summarized in Table 3.7 below:

Table 3.7: KMO and Bartlett’s Test – Product Risk

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.630
Bartlett's Test of Sphericity	Approx. Chi-Square	84.041
	df	15
	Sig.	.000

The KMO measurement value for *Product Risk* is greater than the bare minimum of 0.500 according to Field (2005), and with a value of 0.630, albeit not substantially lower than the desired 0.700, caution needs to be noted on the adequacy of the sample regardless. The Bartlett’s score is however significant at $p < 0.001$ and suggests that correlation between pairs of variables indeed exists and can also be explained by other variables thus not disqualifying the data from being used in factor analysis.

The determinant value drawn out of the correlation matrix was 0.453 which is greater than 0.00001, ruling out chances of multicollinearity and singularity, also suggesting that the data are suitable for factor analysis.

The factor analysis of *Product Risk* indicates two underlying factors explaining *Product Risk* as an influential variable (Eigenvalues > 1). The two factors identified were “Tangibility” (PRF1) and “Uncertainty” (PRF2).

Question PR03 were retained in the initial analysis even with a score lower than 0.4 as the factor rotation offered improved clarity on the factor loadings of the questions as seen in Table 3.8 below.

Table 3.8: Factor Analysis – Product Risk

Code	Question	Components	
		Tangibility (PRF1)	Uncertainty (PRF2)
PR05	I find it difficult to judge the quality of the product over Internet	0.920	
PR06	I am unable to examine the product when I shop online	0.599	
PR01	I want to see and touch products before I buy them	0.482	
PR04	I am confident that I will get what I ordered through online shopping		0.779
PR03	I use online shopping for buying products of brands which are otherwise not easily available in a nearby shop or are unique (new)		0.400

As shown in Table 3.8 above, PRF1 was identified by questions PR05, PR06 and PR01 in order of factor load importance and suggests that the respondents viewed not being able to physically examine the product to assess its quality as a problem. PRF2 was identified by questions PR04 and PR03 in order of factor load importance and indicates that the respondents felt confident they would receive what they ordered online. Question PR02 was omitted as its factor loading was insufficient (< 0.4). This question can be viewed in Table 3.21 under section 3.4.1.11.

The total variance explained was 54.61% with PRF1 explaining 34.24% and PRF2 explaining 20.37% of the variance.

3.4.1.5 *Safe and Timely Delivery (D)*

The sample and correlational statistics pertaining to *Safe and Timely Delivery* of products bought online are summarized in Table 3.9 below:

Table 3.9: KMO and Bartlett’s Test – Safe and Timely Delivery

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.713
Bartlett's Test of Sphericity	Approx. Chi-Square	145.688
	df	10
	Sig.	.000

The KMO measurement value for *Safe and Timely Delivery* is greater than 0.7 suggesting that it is seen as a good value. The Bartlett’s score is significant at $p < 0.001$ and suggests that correlation between pairs of variables is substantial and can also be explained by other variables thus declaring the data suitable for factor analysis. The determinant value drawn out of the correlation matrix was 0.255 which is greater than 0.00001, ruling out chances of multicollinearity and singularity, also suggesting that the data are suitable for factor analysis.

The factor analysis of *Safe and Timely Delivery* indicates two underlying factors explaining the *Safe and Timely Delivery* of sport supplement products bought online as an influential variable (Eigenvalues > 1). The two factors identified were “Delivery Assurance” (DF1) and “Delivery Speed” (DF2).

In order to gain improved clarity on the factor loadings, rotation was performed by means of the Oblimin method with Kaiser Normalization, and can be viewed in Table 3.10 below.

Table 3.10: Factor Analysis – Safe and Timely Delivery (Rotated)

Code	Question	Components	
		Delivery Assurance (DF1)	Delivery Speed (DF2)
D004	I am confident that the product I ordered online will be delivered	0.877	
D005	I shop online because of the availability of reliable & well-equipped shippers	0.788	
D001	When shopping on the Internet, I am satisfied with the delivery system	0.593	
D003	I shop online as I don't mind waiting for the product to arrive	0.527	
D002	I would be more likely to shop online if faster delivery was insured		0.793

As shown in Table 3.10 above, DF1 was identified by questions D004, D005, D001 and D003 in order of factor load importance and suggests that respondents were fairly confident that they would receive what they ordered within a given time. DF2 was identified by the only remaining question D002 (albeit with a very high factor loading of 0.79) and indicates that the respondents would be inclined to shop online more if faster delivery was possible. The factor loadings of all the questions exceeded the minimum required value of 0.4, thus all questions were retained.

The total variance explained was 71.85% with DF1 explaining 49.73% and DF2 explaining 22.12% of the variance.

3.4.1.6 Geographic Distance (G)

The sample and correlational statistics pertaining to *Geographic Distance* are summarized in Table 3.11 below:

Table 3.11: KMO and Bartlett's Test – Geographic Distance

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.710
Bartlett's Test of Sphericity	Approx. Chi-Square	111.450
	df	6
	Sig.	.000

The KMO measurement value for *Geographic Distance* is greater than 0.7 suggesting that it is seen as a good value. The Bartlett's score is significant at $p < 0.001$ and suggests that correlation between pairs of variables is substantial and can also be explained by other variables thus declaring the data suitable for factor analysis. The determinant value drawn out of the correlation matrix was 0.345 which is greater than 0.00001, ruling out chances of multicollinearity and singularity, also suggesting that the data are suitable for factor analysis.

Table 3.12: Factor Analysis – Geographic Distance

Code	Question	Geographic Distance (GF1)
G003	It's not worth traveling the distance when I can rather shop online	0.865
G004	With traveling costs constantly increasing, I prefer shopping online	0.785
G002	I prefer to shop online as the nearest physical store is too far away	0.583

The factor analysis of *Geographic Distance* indicates that all the questions relate to one factor (Eigenvalues > 1). Question G001 was omitted though as its factor loading was insufficient (< 0.4). This question can be viewed in Table 3.21 under section 3.4.1.11. This implies that *Geographic Distance* is adequately measured by questions G003, G004 and G002 in order of factor load importance and also suggest that the respondents were more inclined to shop online as travel distance proved to be an obstacle. The factor loadings of these questions exceeded the minimum required value of 0.4 and were retained. The total variance explained was 56.71%.

3.4.1.7 Product Variety (PV)

The sample and correlational statistics pertaining to *Product Variety* when shopping online are summarized in Table 3.13 below:

Table 3.13: KMO and Bartlett’s Test – Product Variety

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.753
Bartlett's Test of Sphericity	Approx. Chi-Square	182.055
	df	10
	Sig.	.000

The KMO measurement value for *Product Variety* is greater than 0.7, and with a value of 0.753 just short of a very good value. The Bartlett’s score is significant at $p < 0.001$ and suggests that correlation between pairs of variables is substantial and can also be explained by other variables thus declaring the data suitable for factor analysis. The determinant value drawn out of the correlation matrix was 0.175 which is greater than 0.00001, ruling out chances of multicollinearity and singularity, also suggesting that the data are suitable for factor analysis.

Table 3.14: Factor Analysis – Product Variety

Code	Question	Product Variety (PVF1)
PV03	I shop online as I get broader selection of products	0.817
PV02	Web vendors offer more useful information about the different choices	0.722
PV01	Internet shopping provides more variety of products	0.677
PV04	I like to browse the various categories on a site when doing my shopping	0.601
PV05	When searching for something to buy, I like to examine several search results even if the first one is exactly what I want	0.523

The factor analysis of *Product Variety* indicates that all the questions relate to one factor (Eigenvalues > 1). The factor loadings of all the questions were sufficient (> 0.4) and a clear indication that *Product Variety* is adequately measured by all the questions – PV03, PV02, PV01, PV04 and PV05 in order of factor load importance. The factor analysis also suggests that the respondents were of the opinion that broader selections of products were available when shopping online.

The total variance explained was 55.85%.

3.4.1.8 Service Quality (Q)

The sample and correlational statistics pertaining to *Service Quality* when shopping online are summarized in Table 3.15 below:

Table 3.15: KMO and Bartlett's Test – Service Quality

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.640
Bartlett's Test of Sphericity	Approx. Chi-Square	74.080
	df	10
	Sig.	.000

The KMO measurement value for *Service Quality*, similar to *Product Risk* discussed earlier is greater than the minimum value of 0.5 according to Field (2005), and with a value of 0.640, albeit not substantially lower than the desired 0.7, caution needs to be noted on the adequacy of the sample regardless. The Bartlett's score is however significant at $p < 0.001$ and suggests that correlation between pairs of variables indeed exists and can also be explained by other variables thus not disqualifying the data from being used in factor analysis.

The factor analysis of *Service Quality* produced interesting and very similar loading values. The initial analysis suggests two factors explaining *Service Quality* as a variable, but the factor loading at this point made it extremely difficult to determine which questions compliment which factor.

Rotation was performed in an attempt to improve clarity on the factor loadings which can be seen in Table 3.16 below.

Table 3.16: Factor Analysis – Service Quality

Code	Question	Components	
		Better Service Online (QF1)	Easier Product Returns (QF2)
Q003	I get better service when shopping on the Internet than traditional retail stores	-0.797	
Q005	Getting good after sales service is quick and easy for online purchases	-0.575	
Q001	I would be more likely to shop online if product returns were easier		0.636
Q004	I purchase online only when I can return the product without any frills or strings attached		0.579
Q002	Traditional retail stores offer me better services than online stores		0.472

Two factors were identified, namely “Better Service Online” (QF1) and “Easier Product Returns” (QF2). QF1 was identified by Q003 and Q005 in order of factor load importance. At this point it is noteworthy to mention that both questions loading onto factor QF1 have negative factor loadings. This means that although the factor depicts better online service, the respondents are not comfortable that they do receive better online service from vendors. More specifically, the respondents indicated that they believe they get better service when shopping at traditional stores than online stores, whilst it is easier to get good after-sales service at traditional retail stores. QF2 was identified by questions Q001, Q004 and Q002 in order of factor load importance.

All questions were retained as their factor loadings after rotation exceeded an absolute value of 0.4.

The total variance explained was 64.79% with QF1 explaining 40.29% and QF2 explaining 24.5% of the variance.

3.4.1.9 Website Usability (U)

The sample and correlational statistics pertaining to *Website Usability* when shopping online are summarized in Table 3.17 below:

Table 3.17: KMO and Bartlett’s Test – Website Usability

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.747
Bartlett's Test of Sphericity	Approx. Chi-Square	271.391
	df	36
	Sig.	.000

The KMO measurement value for *Website Usability* is greater than 0.7 suggesting that it is seen as a good value. The Bartlett’s score is significant at $p < 0.001$ and suggests that correlation between pairs of variables is substantial and can also be explained by other variables thus declaring the data suitable for factor analysis. The determinant value drawn out of the correlation matrix was 0.061 which is greater than 0.00001, ruling out chances of multicollinearity and singularity, also suggesting that the data are suitable for factor analysis.

Table 3.18: Factor Analysis – Website Usability

Code	Question	Components	
		Website User-friendliness (UF1)	Online shopping is easy (UF2)
U005	Online shopping makes my shopping easy	0.785	
U001	Internet shopping is easy to do	0.738	
U003	I like to shop on the Internet where it is easy to compare many products and screen them in order to choose the one I like	0.630	
U009	The ability to navigate easily through the website is important	0.525	
U008	Finding the right product online is easy	0.509	
U004	I would be more likely to shop online if the pictures of the items were clearer		0.700
U002	I would be more likely to shop on the Internet if the Web site was easy to use		0.611
U006	Using internet for shopping requires no mental effort at all		-0.515
U007	Online shopping procedure is worry-free and effortless		-0.497

The factor analysis of *Website Usability* indicates two underlying factors explaining *Website Usability* when shopping online (Eigenvalues > 1). The two factors identified were “Website User-friendliness” (UF1) and “Online Shopping is Easy” (UF2).

UF1 was identified by U005, U001, U003, U009 and U008 in order of factor load importance. UF2 was identified by questions U004, U002, U006 and U007 in order of factor load importance.

Given the negative factor loadings of questions U006 and U007, it is worth mentioning that although UF2 indicates online shopping is easy, the respondents' opinions were that it does indeed take mental effort to shop online, and that it's not worry-free and effortless. This could be indicative of the fact that people in South Africa are still not entirely comfortable to embrace online shopping as an alternative medium.

All questions were retained as their factor loadings after rotation exceeded an absolute value of 0.4.

The total variance explained was 57.42% with UF1 explaining 34.12% and UF2 explaining 23.3% of the variance.

3.4.1.10 Vendor Familiarity (F)

The sample and correlational statistics pertaining to *Vendor Familiarity* when shopping online are summarized in Table 3.19 below:

Table 3.19: KMO and Bartlett's Test – Website Usability

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.555
Bartlett's Test of Sphericity	Approx. Chi-Square	48.030
	df	10
	Sig.	.000

The KMO measurement value for *Vendor Familiarity* turned out to be poor at 0.555. Even though this value is greater than the absolute minimum KMO of 0.5 value as suggested by Field (2005), caution needs to be noted on the adequacy of the sample. The Bartlett's score is however significant at $p < 0.001$ and suggests that correlation between pairs of variables indeed exists and can also be explained by other variables thus not disqualifying the data from being used in factor analysis.

The determinant value drawn out of the correlation matrix was 0.614 which is greater than 0.00001, ruling out chances of multicollinearity and singularity, also suggesting that the data are suitable for factor analysis.

The initial factor analysis of *Vendor Familiarity* indicates two underlying factors explaining *Vendor Familiarity* when shopping for sport supplement products online (Eigenvalues > 1). Rotation was performed in order to gain improved clarity on the factor loadings which can be viewed in Table 3.20 below.

Table 3.20: Factor Analysis – Vendor Familiarity

Code	Question	Components	
		Store Reputation (FF1)	Additional Physical Presence (FF2)
F001	I do not worry whether internet retailers are reliable if they are fully identified	0.745	
F002	When shopping on the internet, the store's reputation doesn't concern me	0.570	
F004	I'm more comfortable buying from an online vendor that also has a shop or other terrestrial presence		0.741

Questions F003 and F005 was omitted due to their factor loadings being insufficient (<0.4) and can be viewed in Table 3.21 under section 3.4.1.11.

Table 3.20 above indicates that F001 and F002 explained factor FF1 and suggests that respondents did not feel the vendor's familiarity or store reputation were that important when shopping online. F004 explained FF2 and also suggests that respondents felt more comfortable buying from an online vendor, if the vendor had some sort of a physical presence (an additional physical store).

The total variance explained was 58.00% with FF1 explaining 35.43% and FF2 explaining 22.57% of the variance.

3.4.1.11 Questions omitted from factor analysis

As pointed out earlier, certain questions were removed as a result of the individual factor analysis due to their factor loadings being too low. No questions were

removed due to strong dual loading between factors. The omitted questions are viewable in Table 3.21 below.

Table 3.21: Factor Analysis – Disregarded questions

Code	Question
S003	I would be more likely to shop on the internet if credit card security was insured
PR02	Internet shopping provides a better quality product
G001	Getting to where I usually shop (physical store) is no hassle at all
F003	Providing credit card information online wouldn't matter if the vendor is well-known
F005	I feel more comfortable buying from a vendor I've never used before if I like the appearance of their website

3.4.2 Research reliability

The reliability and internal consistency of the data are measured by the Cronbach Alpha coefficient (α).

George and Mallery (2003:231), as quoted from Salim (2011) provide the following rules of thumb when measuring the Cronbach Alpha coefficient: “ $\alpha > .9$ – Excellent, $\alpha > .8$ – Good, $\alpha > .7$ – Acceptable, $\alpha > .6$ – Questionable, $\alpha > .5$ – Poor, and $\alpha < .5$ – Unacceptable”. While increasing the value of Alpha is partially dependent upon the number of items in the scale, it should be noted that this has diminishing returns. In addition Cortina (1973) in Field (2005) shared research results indicating that, with ratio or scale data, a lower Alpha coefficient of 0.58 could be successfully adopted. As a result, this study sets the upper desired Alpha coefficient as 0.70, but will also accept Cortina’s recommendation of 0.58 as a lower acceptable margin of reliability.

The reliability of the influential factors with regards to online shopping is measured and summarized in Table 3.22. The table contains the original dimension, factors extracted, the questions that formed each factor, and the Cronbach Alpha coefficient of each extracted factor.

Table 3.22: Reliability of the influences and their respective factors

Original Dimension	Factor(s) Extracted	Questions	Cronbach's α
Price	Better online prices (PF1)	P001 - P004	0.77
	Price is crucial (PF2)	P005, P006	0.54
Convenience	Convenience	C001 - C005	0.81
Trust and Security	Trust and security	S001, S003, S004-S007	0.85
Product Risk	Tangibility (PRF1)	PR01, PR05, PR06	0.69
	Uncertainty (PRF2)	PR03, PR04	0.46
Safe and Timely Delivery	Delivery assurance (DF1)	D001, D003-D005	0.78
	Delivery speed (DF2)	D002	***
Geographical Distance	Geographical distance	G002-G004	0.79
Product Variety	Product variety	PV01- PV05	0.80
Service Quality	Better Service Online (QF1)	Q003, Q005	0.62
	Easier Product Returns (QF2)	Q001, Q002, Q004	0.60
Website Usability	Website User-friendliness (UF1)	U001, U003, U005, U008, U009	0.77
	Online shopping is easy (UF2)	U002, U004, U006, U007	0.21
Vendor Familiarity	Store Reputation (FF1)	F001, F002	0.62
	Additional Physical Presence (FF2)	F004	***

Looking at Table 3.22, the majority of the extracted factors returned satisfactory reliability coefficients with $\alpha > 0.70$. In addition, another three factors (QF1, QF2 and FF1) exceeded the lower reliability margin of $\alpha > 58$. However, three factors did not achieve the desired 0.58 reliability margin and are regarded to be not reliable. These factors are PF2 (Price is crucial) at 0.54, PRF2 (Uncertainty) at 0.46 and UF2 (Online shopping is easy) at 0.21. It should be noted that the unreliable factors are all secondary factors and not the primary factor pertaining to each online shopping influence issue.

The Cronbach Alpha values are indicative of the chances each factor will present itself again if the study was to be repeated in a different application setting. A higher α -value will more than likely present itself again, as a lower α -value will be less likely to present itself again.

At this point it is noteworthy to say that the questions pertaining to UF2 (Online shopping is easy), might have been subject to difficult phrasing and can therefore

explain the low α -value. Questions U006 and U007 both had negative correlation with the other questions, and as suggested in section 3.4.1.9, even though the questions all relate to factor UF2 (online shopping is easy), questions U006 and U007 might need to be rephrased in order to express its reliability more clearly.

The reliability of Delivery Speed (DF2) and Additional Physical Presence (FF1) could not be established as only 1 question loaded onto the factor.

PF2 (Price is crucial) and PRF2 (Uncertainty) were amongst the lower order reliability factors.

3.4.3 Explanation of the research variables

The questionnaire was designed on a 5-point Likert scale to measure the influential factors of online shopping with the following available options:

- Strongly Agree (1)
- Agree (2)
- Neither agree nor disagree (3)
- Disagree (4)
- Strongly Disagree (5)

The Likert scale mean values were adapted into a percentage value to improve the ease of interpretation of the results. Bisschoff and Hough (1995) as cited by Bisschoff and Lotriet (2008) suggest the following interpretation:

- < 60% : Lower importance; Dissatisfaction; Immediate action required.
- 60% - 75% : Important; Satisfaction; Develop to become excellent.
- >75% : Very important; Very satisfied / excellent. Maintain to stay on top.

The research scores were calculated on a reverse-scale basis, thus indicating a “strongly agree” with an initial Likert scale value of 5, had a reverse mean value of 1 and a “strongly disagree” with an initial Likert scale value of 1 had a reverse mean value of 5.

The following formula was used to convert the reversed Likert scale values into a percentage value for interpretation:

$$(6 - [\text{The calculated mean value}]) / 5 \times 100$$

3.4.3.1 Price (P)

The mean scores of the questions underlying *Price* as an influential factor are summarized in Table 3.23 below and indicate the importance of each question towards the influence of consumers to shop online.

Table 3.23: Mean scores of questions pertaining to Price

Question Code	Question Description	Mean %
P001	I can save money by shopping on the internet	81.8%
P002	I find myself checking prices when shopping even for small items	82.6%
P003	Web vendors offer better prices	73.8%
P004	Online shopping makes price comparison easy (hence a price advantage)	86.2%
P005	When considering where to buy sport supplementation, price is my first consideration	78.4%
P006	If a site offers the product I want at the price I want, I don't care what their website looks like	62.0%

The questions pertaining to *Price* exceeded the importance level of 60% with questions P001-P005. The mean for *Price* was 81.1%. This means that *Price* is an important decision-making influence when people are shopping online.

3.4.3.2 Convenience (C)

The mean scores of the questions underlying *Convenience* as an influential factor are summarized in Table 3.24 below and indicate the importance of each question towards the influence of consumers to shop online.

Table 3.24: Mean scores of questions pertaining to Convenience

Question Code	Question Description	Mean %
C001	Internet shopping is convenient	87.8%
C002	I shop online where I can reduce my efforts in traveling, walking, parking, waiting, and carrying as much as possible	80.8%
C003	I shop online as I can shop whenever I want	84.6%
C004	I shop online as I can get detailed product information online	86.0%
C005	I shop online as I do not have to leave home for shopping	73.8%

The questions pertaining to *Convenience* exceed the importance level of 60% with questions C001-P004. The mean for *Convenience* was 82.7% which means that *Convenience* is an important issue when shopping online.

3.4.3.3 Trust and Security (S)

The mean scores of the questions underlying *Trust and Security* as an influential factor are summarized in Table 3.25 below and indicate the importance of each question towards the influence of consumers to shop online.

Table 3.25: Mean scores of questions pertaining to Trust and Security

Question Code	Question Description	Mean %
S001	I trust the security of online payment methods such as credit card	72.4%
S002	I am not concerned about possible interception of financial information by an unidentified third party	51.0%
S004	Online shopping is safe for credit card use	68.0%
S005	I am willing to give my personal information when shopping on the internet	61.6%
S006	I trust the e-tailor privacy policies specified on their web sites	69.0%
S007	I'm confident that my credit-card details won't be compromised and misused if I shop online	63.4%

Questions S001 and S004-S007 exceeded the importance level of 60%. Question S002 however falls below 60% suggesting that this question requires special attention to increase consumer likelihood to shop online. The mean for *Trust and Security* was 60.61%. Albeit above the importance level of 60%, this is substantially lower than the mean values for *Price* and *Convenience* and is indicative of *Trust and Security* still being a major concern for the South African consumer when buying online.

3.4.3.4 *Product Risk (PR)*

The mean scores of the questions underlying *Product Risk* as an influential factor are summarized in Table 3.26 below and indicate the importance of each question towards the influence of consumers to shop online.

Table 3.26: Mean scores of questions pertaining to Product Risk

Question Code	Question Description	Mean %
PR01	I want to see and touch products before I buy them	57.8%
PR03	I use online shopping for buying products of brands which are otherwise not easily available in a nearby shop or are unique (new)	86.4%
PR04	I am confident that I will get what I ordered through online shopping	80.6%
PR05	I find it difficult to judge the quality of the product over Internet	69.0%
PR06	I am unable to examine the product when I shop online	71.2%

All the questions exceed the importance level of 60% with the exception of question PR01. Given the context of the question, a lower mean value would suggest more people disagreeing with the question, thus suggesting people don't necessarily need to see and touch products (thus physically inspect the products) before buying them online.

Having said that, sport supplementation is a known product to the given respondent sample. This suggests that the respondents have either bought the products before or know exactly what they're buying.

The mean for *Product Risk* was 65.9%, which means that although this issue is regarded as important, its importance is of a lower order.

3.4.3.5 *Safe and Timely Delivery (D)*

The mean scores of the questions underlying *Safe and Timely Delivery* as an influential factor are summarized in Table 3.27 below and indicate the importance of each question towards the influence of consumers to shop online.

Table 3.27: Mean scores of questions pertaining to Safe and Timely Delivery

Question Code	Question Description	Mean %
D001	When shopping on the Internet, I am satisfied with the delivery system	75.4%
D002	I would be more likely to shop online if faster delivery was insured	79.6%
D003	I shop online as I don't mind waiting for the product to arrive	61.6%
D004	I am confident that the product I ordered online will be delivered	76.4%
D005	I shop online because of the availability of reliable & well-equipped shippers	73.2%

All the questions exceed the importance level of 60% with questions D001, D002, and D004 suggesting great importance to the measurement of *Safe and Timely Delivery*. The mean for *Safe and Timely Delivery* was 71.7%. This means that the respondents are relatively comfortable with delivery services when buying online. Question D003 had a value substantially lower than the other questions, and with an importance value just above 60%, this question clearly suggests that the waiting time from online ordering to delivery plays a role in their decision-making.

3.4.3.6 Geographical Distance (G)

The mean scores of the questions underlying *Geographical Distance* as an influential factor are summarized in Table 3.28 below and indicate the importance of each question towards the influence of consumers to shop online.

Table 3.28: Mean scores of questions pertaining to Geographical Distance

Question Code	Question Description	Mean %
G002	I prefer to shop online as the nearest physical store is too far away	61.8%
G003	It's not worth traveling the distance when I can rather shop online	71.0%
G004	With traveling costs constantly increasing, I prefer shopping online	72.0%

All the questions exceed the importance level of 60%. The mean for *Geographical Distance* was 65.27%.

It is worth mentioning that G002 scored lower at 61.8%, and given the context of the question, physical distance does not seem to be a deciding factor for someone to shop online keeping in mind that the majority of the sample was in Gauteng, which is a relatively small province in comparison to the other provinces. This suggests that even though consumers saw the value of shopping online, thus saving time and money on traveling costs, they didn't necessarily prefer online shopping to traditional shopping just because the traditional shop was too far away.

3.4.3.7 *Product Variety (PV)*

The mean scores of the questions underlying *Product Variety* as an influential factor are summarized in Table 3.29 below and indicate the importance of each question towards the influence of consumers to shop online.

Table 3.29: Mean scores of questions pertaining to Product Variety

Question Code	Question Description	Mean %
PV01	Internet shopping provides more variety of products	79.2%
PV02	Web vendors offer more useful information about the different choices	76.0%
PV03	I shop online as I get broader selection of products	79.6%
PV04	I like to browse the various categories on a site when doing my shopping	81.8%
PV05	When searching for something to buy, I like to examine several search results even if the first one is exactly what I want	82.4%

All the questions exceed the importance level of 60%. The mean for *Product Variety* was 79.8%. This means that the respondents felt they got a better variety of products in an online shop, than they did in a traditional shop. Without the shelf-space and square meter limitations of a traditional shop, this speaks true of an online shop in the 21st century.

3.4.3.8 *Service Quality (Q)*

The mean scores of the questions underlying *Service Quality* as an influential factor are summarized in Table 3.30 below and indicate the importance of each question towards the influence of consumers to shop online.

Table 3.30: Mean scores of questions pertaining to service quality

Question Code	Question Description	Mean %
Q001	I would be more likely to shop online if product returns were easier	76.2%
Q002	Traditional retail stores offer me better services than online stores	58.8%
Q003	I get better service when shopping on the Internet than traditional retail stores	66.2%
Q004	I purchase online only when I can return the product without any frills or strings attached	65.8%
Q005	Getting good after sales service is quick and easy for online purchases	67.4%

All the questions exceed the importance level of 60% with the exception of Q002. Given the context of the study, this question suggests that some people still believe they'll get better service from traditional retail stores, than from online stores. A customer-centric online approach could help to persuade consumers otherwise in this sense. The mean for service quality was 66.9% which means that overall respondents felt they received good service from online shops.

3.4.3.9 *Website Usability (U)*

The mean scores of the questions underlying *Website Usability* as an influential factor are summarized in Table 3.31 below and indicate the importance of each question towards the influence of consumers to shop online.

Table 3.31: Mean scores of questions pertaining to Website Usability

Question Code	Question Description	Mean %
U001	Internet shopping is easy to do	86.2%
U002	I would be more likely to shop on the Internet if the Web site was easy to use	76.6%
U003	I like to shop on the Internet where it is easy to compare many products and screen them in order to choose the one I like	84.0%
U004	I would be more likely to shop online if the pictures of the items were clearer	78.9%
U005	Online shopping makes my shopping easy	81.7%
U006	Using internet for shopping requires no mental effort at all	68.3%
U007	Online shopping procedure is worry-free and effortless	66.4%
U008	Finding the right product online is easy	76.7%
U009	The ability to navigate easily through the website is important	88.2%

All of the questions exceed the importance level of 60%. The mean for *Website Usability* was 83.3%. This means that a website that is highly usable adds value to online shopping experience. However, it is interesting to note that the question dealing with worry-free shopping and the effort (U007) scored only 66.4%. This suggests that the respondents do not experience online shopping effortless or worry-free. People are generally afraid of the “unknown” and to combat this feeling, marketers could focus their efforts more on a user-friendliness approach where the search process and the order process is explained in a simplistic, step-by-step manner for example.

3.4.3.10 Vendor Familiarity (F)

The mean scores of the questions underlying *Vendor Familiarity* as an influential factor are summarized in Table 3.32 below and indicate the importance of each question towards the influence of consumers to shop online.

Table 3.32: Mean scores of questions pertaining to Vendor familiarity

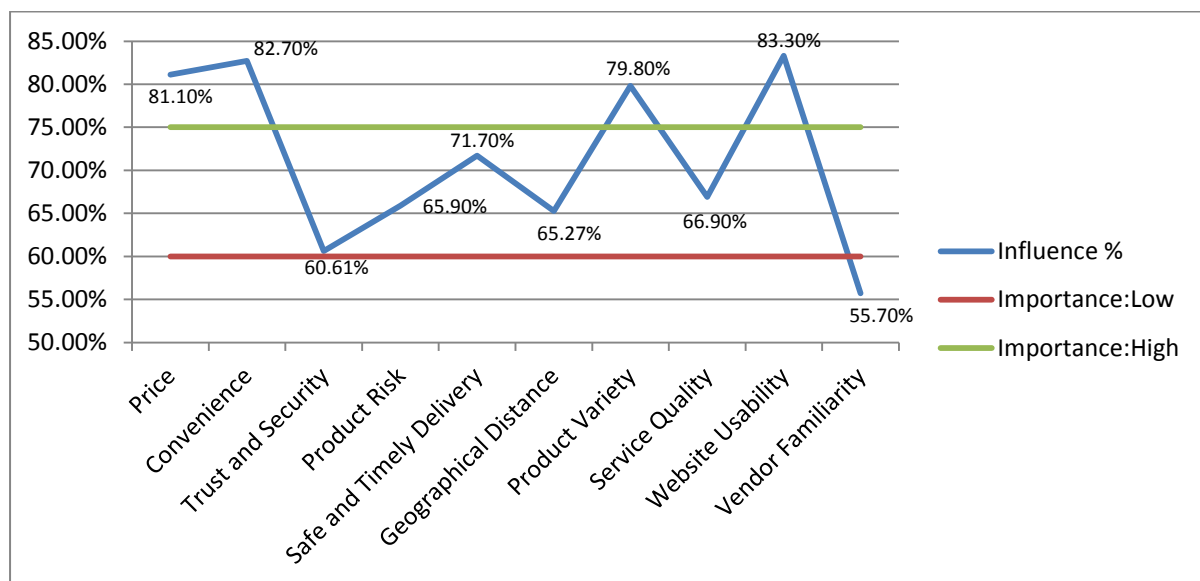
Question Code	Question Description	Mean %
F001	I do not worry whether internet retailers are reliable if they are fully identified	50.0%
F002	When shopping on the internet, the store’s reputation doesn’t concern me	43.7%
F004	I’m more comfortable buying from an online vendor that also has a shop or other terrestrial presence	73.3%

Although the mean for *Vendor familiarity* is 55.7%, the scores are diversified and interpretation should rather be done at the question level. This means that given the context of the questions measuring vendor familiarity, special attention needs to be given to this factor as an influential entity in the online shopping environment.

More specifically, only question F004 exceeds the importance level of 60% indicating that respondents are much more comfortable buying from an online vendor who also has a physical presence in the form of a retail shop (73%). In addition, the reputation of the store remains important (43%) while being able to identify the retailer does not console the buyer in cases where retailers are regarded to be unreliable.

3.4.3.11 Summary of mean values

Figure 3.11: Summary of mean values



Given the nature of the questions that formed the top 4 factors in Figure 3-11, it can be said that respondents agreed *Website Usability*, *Convenience*, *Price* and *Product Variety* were some of the more important factors which influenced the decision to shop online. The questions pertaining to *Website Usability* also highlighted the fact that the respondents weren't at all fully comfortable using an e-Commerce website and felt it took mental effort to shop online.

The low values expressed by *Trust and Security* and *Vendor Familiarity* respectively portray the picture of the respondents in disagreement with the questions stating that Trust and Security and Vendor Familiarity was of little concern when shopping online. This means that although Figure 3-11 suggests a low importance value for these factors, within context respondents indicated that a level of comfort with regards to trust, security and how well the vendor is known when shopping online is still a contentious matter.

Service Quality and *Product Risk* were two of the lower ranked factors. This means that in a general online sport supplementation market, the respondents could not convincingly state that the service received from either a traditional retail shop or an online store was better than the other. *Product Risk* also did not rank high which means that the inability to examine an already well-known product to this sample did not prove to be a problem.

The *Safe and Timely Delivery* and *Geographical Distance* factors also did not rank exceptionally high which suggests that given the demographical properties of the sample – that is 75.4% of the respondents resides in Gauteng, the respondents were fairly confident in the courier infrastructure available in Gauteng, and because of its high density, the nearest physical store was never too far away. This means that respondents could have been used to timely deliveries, and because traditional alternatives to online stores were easily accessible, *Geographical Distance* was not such an influential factor.

3.5 Summary

Chapter 3 highlights the research component of the study on the different factors that influences consumers to rather shop online than the traditional way. The chapter started off by explaining the research strategy used to gather information via a structured questionnaire based on factors suggested by literature and displayed through the adapted model by Moolla (Moolla & Bisschoff, 2010). It further described the statistical analysis done on the results from the returned questionnaires and also elaborated on the results.

The chapter concludes by discussing the validity and reliability of the results and reports on the importance of the influential factors and its measuring items.

Chapter 4 – Conclusion

4.1 Introduction

Chapter 4 highlights the findings of this study and elaborates on the relevance thereof in the context of online shopping in a South African environment. The discussion of the outcome will be based on a three-part conclusion and recommendation basis encompassing the following sections:

- Conclusions regarding the statistical procedures;
- Conclusions based on the results for online shopping behaviour; and
- Conclusions with regards to future research.

The chapter concludes with a final overview of the research results and highlights a few limitations that need to be taken into account for any future research.

4.2 Conclusions and Recommendations

Each conclusion made in this section will lead to an equal important recommendation that needs to be taken into account for future reference.

4.2.1.1 Conclusions regarding statistical procedures

With regards to the statistical analysis employed in this study, it can be concluded that:

- Regarding the sample adequacy, the KMO (Kaiser-Meyer-Olkin) measure of sampling adequacy is a suitable statistical tool to scientifically determine if the sample employed is adequate to use in statistical analysis.
- Multicollinearity and internal relationships between the variables could be determined statistically by employing the Bartlett's Test of Sphericity. As a result the suitability of the data for multivariate statistical analysis could be

statistically determined. The determinant value derived from each factor was also an acceptable measure to test for singularity and multicollinearity.

- Resultantly, the validity of the questionnaire could be statistically performed by employing factor analysis. Factor analysis was an appropriate statistical tool to use in this study and suggested satisfactory variances amongst all 10 factors. Through factor analysis it also became apparent that certain factors consisted of sub-dimensions.
- Regarding the reliability of the data it can be concluded that Cronbach's coefficient alpha is a suitable reliability measure to determine the reliability of the factors as well as the data-set.

4.2.1.2 Recommendations regarding statistical procedures

It is recommended that the questionnaire used to measure the influential factors on consumers' intent to shop online and the behaviour they will express based on the adapted model Moolla developed (Moolla & Bisschoff, 2010) can be used to measure online shopping intent and behaviour as the statistical measures delivered reliable results. This is further discussed under section 4.4.1.

4.2.2.1 Conclusions based on the results for online buying behaviour

With regards to the identified factors having an influence on the online shopping intent and behaviour amongst consumers in a South African context it can be concluded that:

- *Price and Convenience* were two of the top ranked motivational influences why the respondents chose to shop online.
- *Product Variety* was also highlighted amongst respondents as a motivational factor to embrace online shopping which is indicative of the absence of shelf-space limitations and shop-size limitations where traditional shops can only offer a limited variety of product.

- It is also noteworthy to say, given an online shopping context, the respondents didn't see *Product Risk* (not being able to physically examine the product) to be a major obstacle in the purchase of sport supplementation products online.
- The results pointed out that the average consumer in South Africa who shops online are still very cautious when it comes to *Trust and Security* in an online context, and that they are not at all completely comfortable with navigating a website and finding and buying what they need as *Website Usability* which also ranked high suggested.
- The results also pointed out that *Vendor Familiarity* was important and that respondents felt more comfortable buying from an online shop which had a respectable reputation or an additional physical presence in the form of a retail store.
- The results further indicated a relatively low ranking for *Geographical Distance* suggesting that it was not a deciding factor for the respondents to shop online.
- *Safe and Timely Delivery* was also low ranking, suggesting that respondents were fairly confident in the courier infrastructure throughout Gauteng (75.4% of the respondents from Gauteng). It is however interesting to note that respondents were not content waiting for their delivery to arrive thus suggesting that they do not shop online necessarily because they do not mind waiting.

This is however not indicative of a South African market as a whole as there were some limitations to this study (see section 4.3).

4.2.2.2 Recommendations based on the results for online buying behaviour

- At this point it is worth noting that 6 out of the 10 original factors namely *Price*, *Product Risk*, *Safe and Timely Delivery*, *Service Quality*, *Website Usability* and *Vendor Familiarity* all produced sub-groups of influences after factor

analysis. The questions pertaining to these factors need to be scrutinized in order to determine whether they should form part of future studies or not.

- An example where two questions could possibly be rephrased or deleted can be seen under delivery speed (DF2) which falls under the factor *Safe and Timely Delivery*, and additional physical presence (FF2) which falls under the factor *Vendor Familiarity*. Both these sub-dimensions had only one question loaded onto it after factor analysis.
- *Product Risk* as an influential factor should also be applied carefully in future studies as the product type plays a big part. This means that even though *Product Risk* was a lower rated factor in this particular study, it might be rated much higher in more complex products like clothing or shoes (which is also tangible like sport supplementation).
- *Geographical Distance* and *Safe and Timely Delivery* could also potentially produce different influential results if applied in a different study. A simple example would be to take a majority sample in the Northern-Cape province which is a much bigger province in comparison to Gauteng, and the number of traditional retail supplement stores could be much fewer, suggesting that *Geographical Distance* and *Safe and Timely Delivery* could rate higher.
- It is also recommended that the questions removed through the factor analysis process (viewable in Table 3.21 under section 3.4.1.11) should either be rephrased or omitted from future studies as their loading values were insufficient.

4.2.3.1 Conclusions with regards to future research

With regards to the results of this study and what it means for future research it can be concluded that:

- The online shopping industry in a South African context is a rapidly growing industry and that more research is needed to fully understand the consumer in a South African context.

- All the factors measured in this study played a sufficient part in explaining why consumers would rather shop online which is in line with the literature.

4.2.3.2 Recommendations with regards to future research

It is recommended that future research on this subject:

- Take into account the dualistic properties that certain factors produced in this study. Special attention needs to be given to the questions pertaining to these factors in order to avoid measuring sub-sections of an influential factor. This can easily be accomplished by avoiding the questions which contributed to these sub-sections.
- Take an alternative approach by examining the sub-sections that emerged in certain factors and if need be, transform them into influential factors on their own and subsequently measure those.
- Take the time to get a more representative sample of a South African market, that is, people of all races, equally male and female and widely spread across the different provinces.

It is also recommended that the limitations under section 4.3 be taken into account when attempting future research.

4.3 Limitations

Certain limitations should be highlighted that was encountered throughout the course of this study.

Having made use of a snowball sampling strategy on Facebook as a social media platform, the sample was restricted in a sense to people who reside in Gauteng (75.4% of the respondents were based in Gauteng). This might suggest that respondents in Gauteng does not see a factor such as geographical distance as a heavily influential factor because Gauteng is relatively small in comparison to the

other provinces, and being the business-hub province of South Africa, the nearest traditional shop might be only a few kilometres away.

This statement suggests that the fact that people did not see geographical distance as a deciding factor to shop online, this is by no means indicative of a South African opinion as a whole.

Another limitation that was encountered came in the form of race and gender. The overwhelming majority of the respondents were white (87.3%) and male (78%). The opinions expressed by the respondents are also not necessarily representative of a South African population. The literature review pointed out that cultural difference plays a big part in the decisions online consumers make (referring to section 2.3). This suggests that a 24-year-old white male residing in Gauteng might not share the opinion on trust and security when shopping online as his equally but opposite African 24-year-old male.

The sample size was also restricted to an acceptable, but minimum of 100 respondents due to a time constraint. Given the amount of factors and questions, respondents were reluctant to complete the online questionnaire as they felt there were too many questions and it took too long. Out of 118 respondents who started the online questionnaire, only 102 fully completed the whole questionnaire.

4.4 Shopping Behaviour Framework of the e-Tailing Industry

An adapted model to measure the influential factors in an online industry are shown in Figure 4.1 below and will be discussed under section 4.4.1 thereafter.

Figure 4.1: Conceptual framework to measure online shopping behaviour



4.4.1 Conceptual framework - Online shopping behaviour

Looking at Figure 4.1 and referring to each individual factor measured in this study, the following conclusions are discussed below.

4.4.1.1 Price

Even though *Price* was sub-divided into two groups, the dominating group (Better online prices) was measured with a reliability of $\alpha = 0.77$, suggesting *Price* is an adequate instrument in measuring online consumer behaviour.

The second group was measured with an insufficient reliability of $\alpha = 0.54$. The variables that contributed to this group needs to be reworked and further developed if need be, or alternatively disregarded from future studies.

It can thus be concluded that *Price* could explain 64.07% of the behaviour expressed by the consumers in an online shopping environment.

4.4.1.2 Convenience

Convenience was measured with a reliability of $\alpha = 0.81$. This means that *Convenience* as an influential factor is an adequate instrument in measuring online consumer behaviour, and chances are very good that it will be repeated in any future study that utilizes this framework.

It can also be concluded that *Convenience* could explain 58.34% of the behaviour expressed by the consumer in an online shopping environment.

4.4.1.3 Trust and Security

Trust and Security was measured with a reliability of $\alpha = 0.85$ which is indicative of a great instrument in measuring online consumer behaviour. The chances that *Trust*

and Security will present itself again given another study in a different setting are thus proven to be very good.

It can also be concluded that *Trust and Security* could explain 51.47% of the behaviour expressed by the consumer in an online shopping environment.

4.4.1.4 Product Risk

Product Risk was also categorized into two groups namely *Tangibility* and *Uncertainty*. Neither of these groups were measured to an adequate reliability level with *Tangibility* at a value of $\alpha = 0.69$ and *Uncertainty* with $\alpha = 0.46$. This means that *Uncertainty* would be less likely to present itself again given a different study based on this framework, and the questions pertaining to this group should be either developed further, or discarded.

Tangibility with an α -value closer to 0.7 could be focused on more in an attempt to improve the underlying questions, thus rephrasing them to yield a better outcome and contribute to *Product Risk* as a stand-alone factor instead.

Product Risk could explain 54.61% of the behaviour expressed by the consumer in an online environment taking both groups (*Tangibility* and *Uncertainty*) into account.

It is thus recommended to improve the underlying questions to *Product Risk* as a whole.

4.4.1.5 Safe and Timely Delivery

Safe and Timely Delivery also consisted of two sub-groups, *Delivery Assurance* and *Delivery Speed*. At this point it is worth noting that *Delivery Speed* as a sub-group was unable to attain a reliability coefficient due to only one question that loaded onto this group. *Delivery Assurance* however was measured with a reliability coefficient of 0.78. Being the dominant group towards *Safe and Timely Delivery*, *Delivery*

Assurance was able to explain 49.73% of the influential factor Safe and Timely Delivery.

With both groups, Safe and Timely Delivery could explain 71.85% of the behaviour expressed by the consumer in an online shopping environment. It is however recommended that the questions which formed Delivery Speed either be reworked or omitted from future studies. The questions pertaining to Delivery Assurance could also be developed further in order to yield a more reliable setting for Safe and Timely Delivery as an influential factor in future studies.

4.4.1.6 Geographical Distance

Geographical Distance was measured with a reliability of $\alpha = 0.79$. This means that *Geographical Distance* as an influential factor is an adequate instrument in measuring online consumer behaviour, and chances are very good that it will present itself in the same manner in any future study that makes use of this framework.

It can also be concluded that *Geographical Distance* could explain 56.71% of the behaviour expressed by the consumer in an online shopping environment.

4.4.1.7 Product Variety

Product Variety was measured with a reliability of $\alpha = 0.80$ which is indicative of another great instrument in measuring online consumer behaviour. This also means that the chances of *Product Variety* presenting itself again given another study in a different setting are thus proven to be very good. In an online shopping environment where shelf-space and store space is no obstacle at all, this statement carries enough weight.

It can also be concluded that *Product Variety* could explain 55.85% of the behaviour expressed by the consumer in an online shopping environment.

4.4.1.8 Service Quality

Service Quality was another factor where dualistic values were generated. Two sub-groups emerged in the forms of *Better Service Online* which had a reliability coefficient of $\alpha = 0.62$ and *Easier Product Returns* with a reliability coefficient of $\alpha = 0.60$.

The reliability of these two groups were almost identical, and albeit not a sufficient reliability value, further development and rephrasing of the questions pertaining to these sub-groups could improve the chances of *Service Quality* presenting itself again as an influential factor in future studies that choose to make use of this framework.

It can also be concluded that *Service Quality* could explain 64.79% of the behaviour expressed by consumers in an online shopping environment.

4.4.1.9 Website Usability

Website Usability was classified amongst two groups called *Website User-friendliness* and *Online Shopping is Easy* respectively. *Website User-friendliness* had a reliability coefficient of $\alpha = 0.77$ which suggests that the group will most likely present itself again in a different study that chooses to make use of this framework.

It is however noteworthy to say that even though *Online Shopping is Easy* as a sub-group measured poorly in terms of reliability ($\alpha = 0.21$), the questions relating to this group need to be developed more in order to get a more concise opinion from online consumers.

Website Usability could also explain 57.42% of the behaviour expressed by consumers in an online environment.

4.4.1.10 Vendor Familiarity

Vendor Familiarity, similar to *Safe and Timely Delivery* discussed above, consisted of two sub-groups of which one were also unable to produce a reliability measure. *Store Reputation* had a reliability value of $\alpha = 0.62$ and *Additional Physical Presence* had only one question explaining the group which is not sufficient to determine a reliability coefficient.

It is thus recommended that the questions pertaining to both these groups be either developed further in an attempt to measure one stand-alone factor, or discarded in the case of *Additional Physical Presence*.

Given both groups, *Vendor Familiarity* could explain 58.00% of the behaviour expressed by the consumer in an online shopping environment.

4.5 Areas for future research

The following areas have been identified for future research:

- Continued research in the online shopping industry of tangible products like sport supplementation to either confirm or elaborate on the findings of this study.
- A possible comparison between e-tailing and the newly called m-tailing (mobile smart-phone shopping) could produce very interesting results seeing that more and more money is being spent on the development of IOS and Android based mobile applications (amongst others).
- Determining the effect and usability of this framework on online purchases of more complex products like shoes and clothing.

4.6 Summary

In this study the influential factors playing a role on the cognitive mind-sets consumers express when shopping online were measured on the grounds of an adapted conceptual model developed by Moolla (Moolla & Bisschoff, 2010).

Chapter one described the existence of the internet as we know it today, elaborating on its growth and the subsequent birth of e-commerce or online shopping.

Chapter two continued on the subject of online shopping and gave a brief overview of the supplementation industry in South Africa. This chapter also described consumer behaviour and purchase decisions in an online context and concluded by pointing out the selected factors that this study focussed on.

Chapter three consisted of an in-depth explanation of the strategy used to obtain the required data, the measures followed to ensure the suitability of the data for factor analysis, and the post-factor analysis interpretation. The validity of the research instruments were also explained as well as the reliability of the data.

The data was statistically analysed by using SPSS Statistics V21 (SPSS, 2013) and a professional statistician from the North-West University's Statistical Consultation Services assisted with the planning, design and eventual analysis of the data.

Chapter four draws conclusions and offers some recommendations based on the information displayed in chapter three. Limitations are also discussed and an adapted model for measuring certain influential factors in an online shopping environment is presented. The chapter concludes by highlighting future research possibilities.

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Annexure A: Online Shopping Questionnaire

General demographics + Technology know-how

- 1. Which of the following age groups do you fall in?**
 - a. 16 - 24
 - b. 25 - 34
 - c. 35 - 44
 - d. 45 or older

- 2. Please indicate your gender**
 - a. Female
 - b. Male

- 3. Please indicate your race / ethnicity**
 - a. African
 - b. Asian
 - c. Coloured
 - d. Indian
 - e. White / Caucasian
 - f. Other

- 4. Please indicate your marital status**
 - a. Single
 - b. Married
 - c. Divorced
 - d. Separated
 - e. Widowed

- 5. What is the highest level of education you have completed?**
 - a. Did not attend school
 - b. Primary school
 - c. High school / College
 - d. University Bachelors degree / diploma
 - e. Honours / Masters degree
 - f. Doctorate degree

- 6. What is your average monthly NETT (after deductions) income?**
 - a. R 0.00 – R9 999.99
 - b. R 10 000.00 – R 19 999.99
 - c. R 20 000.00 – R 29 999.99
 - d. R 30 000.00+

- 7. In which province do you stay?**
 - a. Eastern Cape
 - b. Free State
 - c. Gauteng
 - d. KwaZulu-Natal
 - e. Limpopo
 - f. Mpumalanga
 - g. North West
 - h. Northern Cape
 - i. Western Cape

- 8. How many year(s) have you used a computer?**
 - a. Never used a computer
 - b. Less than 1 year
 - c. 1 - 3 years

- d. 4 - 6 years
 - e. 7+ years
- 9. How many year(s) have you used the internet?**
- a. Never used the internet
 - b. Less than 1 year
 - c. 1 - 3 years
 - d. 4 - 6 years
 - e. 7+ years
- 10. How many hours per week do you use the internet?**
- a. I don't use the internet
 - b. Less than 3 hours
 - c. 3 - 10 hours
 - d. 11 - 20 hours
 - e. 21+ hours

Factor: Price

- (11)P001 I can save money by shopping on the internet**
- Strongly agree
 - Agree
 - Neither agree nor disagree
 - Disagree
 - Strongly disagree
- (12)P002 I find myself checking prices when shopping even for small items**
- Strongly agree
 - Agree
 - Neither agree nor disagree
 - Disagree
 - Strongly disagree
- (13)P003 Web vendors offer better prices**
- Strongly agree
 - Agree
 - Neither agree nor disagree
 - Disagree
 - Strongly disagree
- (14)P004 Online shopping makes price comparison easy (hence a price advantage)**
- Strongly agree
 - Agree
 - Neither agree nor disagree
 - Disagree
 - Strongly disagree
- (15)P005 When considering where to buy sport supplementation, price is my first consideration**
- Strongly agree
 - Agree
 - Neither agree nor disagree
 - Disagree
 - Strongly disagree
- (16)P006 If a site offers the product I want at the price I want, I don't care what their website looks like**
- Strongly agree

- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree

Factor: Convenience

- (17)C001 Internet shopping is convenient**
- Strongly agree
 - Agree
 - Neither agree nor disagree
 - Disagree
 - Strongly disagree
- (18)C002 I shop online where I can reduce my efforts in traveling, walking, parking, waiting, and carrying as much as possible**
- Strongly agree
 - Agree
 - Neither agree nor disagree
 - Disagree
 - Strongly disagree
- (19)C003 I shop online as I can shop whenever I want**
- Strongly agree
 - Agree
 - Neither agree nor disagree
 - Disagree
 - Strongly disagree
- (20)C004 I shop online as I can get detailed product information online**
- Strongly agree
 - Agree
 - Neither agree nor disagree
 - Disagree
 - Strongly disagree
- (21)C005 I shop online as I do not have to leave home for shopping**
- Strongly agree
 - Agree
 - Neither agree nor disagree
 - Disagree
 - Strongly disagree

Factor: Trust and Security

- (22)S001 I trust the security of online payment methods such as credit card**
- Strongly agree
 - Agree
 - Neither agree nor disagree
 - Disagree
 - Strongly disagree
- (23)S002 I am not concerned about possible interception of financial information by an unidentified third party**
- Strongly agree

- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree

(24)S003 I would be more likely to shop on the internet if credit card security was insured

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree

(25)S004 Online shopping is safe for credit card use

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree

(26)S005 I am willing to give my personal information when shopping on the internet

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree

(27)S006 I trust the e-tailor privacy policies specified on their web sites

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree

(28)S007 I'm confident that my credit-card details won't be compromised and misused if I shop online

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree

Factor: Product Risk

(29)PR01 I want to see and touch products before I buy them

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree

(30)PR02 Internet shopping provides a better quality product

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree

- Strongly disagree

(31)PR03 I use online shopping for buying products of brands which are otherwise not easily available in a nearby shop or are unique (new)

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree

(32)PR04 I am confident that I will get what I ordered through online shopping

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree

(33)PR05 I find it difficult to judge the quality of the product over Internet

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree

(34)PR06 I am unable to examine the product when I shop online

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree

Factor: Safe and timely delivery

(35)D001 When shopping on the Internet, I am satisfied with the delivery system

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree

(36)D002 I would be more likely to shop online if faster delivery was insured

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree

(37)D003 I shop online as I don't mind waiting for the product to arrive

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree

(38)D004 I am confident that the product I ordered online will be delivered

- Strongly agree

- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree

(39)D005 I shop online because of the availability of reliable & well-equipped shippers

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree

Factor: Geographical Distance

(40)G001 Getting to where I usually shop (physical store) is no hassle at all

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree

(41)G002 I prefer to shop online as the nearest physical store is too far away

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree

(42)G003 It's not worth traveling the distance when I can rather shop online

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree

(43)G004 With traveling costs constantly increasing, I prefer shopping online

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree

Factor: Product variety

(44)PV01 Internet shopping provides more variety of products

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree

(45)PV02 Web vendors offer more useful information about the different choices

- Strongly agree
- Agree
- Neither agree nor disagree

- Disagree
- Strongly disagree

(46)PV03 I shop online as I get broader selection of products

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree

(47)PV04 I like to browse the various categories on a site when doing my shopping

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree

(48)PV05 When searching for something to buy, I like to examine several search results even if the first one is exactly what I want

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree

Factor: Service Quality

(49)Q001 I would be more likely to shop online if product returns were easier

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree

(50)Q002 Traditional retail stores offer me better services than online stores

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree

(51)Q003 I get better service when shopping on the Internet than traditional retail stores

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree

(52)Q004 I purchase online only when I can return the product without any frills or strings attached

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree

(53)Q005 Getting good after sales service is quick and easy for online purchases

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree

Factor: Website usability

(54)U001 Internet shopping is easy to do

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree

(55)U002 I would be more likely to shop on the Internet if the Web site was easy to use

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree

(56)U003 I like to shop on the Internet where it is easy to compare many products and screen them in order to choose the one I like

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree

(57)U004 I would be more likely to shop online if the pictures of the items were clearer

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree

(58)U005 Online shopping makes my shopping easy

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree

(59)U006 Using internet for shopping requires no mental effort at all

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree

(60)U007 Online shopping procedure is worry-free and effortless

- Strongly agree
- Agree
- Neither agree nor disagree

- Disagree
- Strongly disagree

(61)U008 Finding the right product online is easy

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree

(62)U009 The ability to navigate easily through the website is important

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree

Factor: Vendor familiarity

(63)F001 I do not worry whether internet retailers are reliable if they are fully identified

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree

(64)F002 When shopping on the internet, the store's reputation doesn't concern me

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree

(65)F003 Providing credit card information online wouldn't matter if the vendor is well-known

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree

(66)F004 I'm more comfortable buying from an online vendor that also has a shop or other terrestrial presence

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree

(67)F005 I feel more comfortable buying from a vendor I've never used before if I like the appearance of their website

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree

Factor: All rated

(68)I001 Thinking of your previous online purchase of supplement products, how important were the following factors to you (please rank them from most important to least important):

- Price
- Convenience
- Privacy and security assurance
- Quality of products and not being able to physically touch it
- Timely delivery of the expected product
- The distance to the closest alternative (physical store)
- Product variety on the online store
- Quality of service received from the online store
- Website appearance and ease of use
- The familiarity of the online store (company name)

Annexure B: Letter from editor

October 14, 2013



To whom it may concern

Re: Letter of confirmation of language editing

The MBA dissertation "E-tailing: Factors considered in the strategic marketing of an online store" by A.J. du Toit (12536016) was language, technically and typographically edited. The sources and referencing technique applied was checked to comply with the NWU Harvard reference style. The dissertation is written in English (UK). Final corrections and printing layout remains the responsibility of the student.

A handwritten signature in black ink, appearing to read 'Antoinette Bisschoff'.

Antoinette Bisschoff

Officially approved language editor of the NWU
Member of SA Translators Institute (SATI) Member no. 1001891