

**DETERMINING THE VALUES THAT INFLUENCE CONSUMERS'  
BEHAVIOURAL INTENTIONS TOWARDS FASHION E-STORES**

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Vanderbijlpark

2017



## DECLARATION

I declare that:

*“Determining the values that influence consumers’ behavioural intentions towards fashion e-stores”*

is my own work and that all the sources I have used or quoted have been indicated and acknowledged by means of complete references, and that this dissertation has not previously been submitted by me at any other university.

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## LETTER FROM THE LANGUAGE EDITOR

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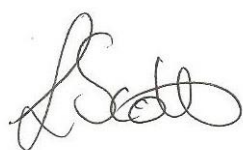
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To whom it may concern

This is to confirm that I, the undersigned, have language edited the completed research of Nobukhosi Dlodlo for the PhD (Marketing Management) thesis entitled: *Determining the values that influence consumers' behavioural intentions towards fashion e-stores*.

The responsibility of implementing the recommended language changes rests with the author of the thesis.

Yours truly,

A handwritten signature in black ink, appearing to read 'L. Scott', written in a cursive style.

Linda Scott

## DEDICATION

This thesis is dedicated in loving memory of my departed father and hero,

**MDUDUZI DLODLO**

For love, support and the encouragement of *very few words* as well as the sacrificial giving of himself. Sadly, he left too soon before this work could be completed.

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## ABSTRACT

**Keywords:** Value, online fashion marketing, utilitarian value, hedonic value, intellectual value, e-store, behavioural intentions.

Conventional wisdom suggests a need for online fashion marketers to find alternative and effective ways of differentiating themselves to ensure customer retention. This, owing to the observed failure rates of pure play fashion retailers, which is attributable to the fact that online firms operate under near perfect market conditions where they find themselves facing many competitors offering similar products to their own. However, the identification of future behavioural intentions of consumers can have a diagnostic value in that it pinpoints to management whether customers could switch to competitors or not. Moreover, given that consumers purchase fashion products for what they symbolise, it is crucial for fashion marketing managers to know the value components their products promote in the perceptive minds of actual and potential customers. In view of that, the importance of focusing marketing efforts to the development and maintenance of value-based offerings cannot be disputed. Notwithstanding this, there have been no scholarly attempts to establish the existence of path relationships between value components with behavioural intentions through the attitude and customer satisfaction constructs. While other researchers have identified a link between these variables, albeit within traditional shopping contexts, there is a dearth of published research that focuses primarily on fashion e-store consumer behaviour among a South African sample.

The aim of this study was to determine the behavioural intentions of South African online shoppers by ascertaining the causal relationships between selected value components, attitude, customer satisfaction and behavioural intentions. In 2015, an online questionnaire was administered on a single cross-sectional sample of 600 online shoppers identified from the SurveyCentric™ database that comprises South African online shoppers. From the self-administered questionnaires, 563 were completed and considered usable. The collected data were analysed by means of SPSS version 23.0. Initially, descriptive statistical analysis was conducted with a view to condense the sample composition. Correlation analysis was conducted with a view to identify the existence of relationships among constructs, while indirectly confirming the absence of multicollinearity in the data set. As a prologue to

applying stringent multivariate statistics, the attainment of data normality was corroborated using Kolmogorov-Smirnov's (K-S) test as well as Shapiro-Wilk's (S-W) test. Thereafter, it was possible to test a measurement model using confirmatory factor analysis. The measurement model was verified using various statistical accuracy tests, thereby confirming that the behavioural intentions model was a six-factor structure comprising utilitarian value, hedonic value, intellectual value, attitude, customer satisfaction and behavioural intentions. A structural equation modelling procedure was then performed with a view to test the theoretic-based model that was proposed in this study.

The SEM procedure revealed that fashion e-store consumers derive utilitarian value and intellectual value from their shopping experiences of which both value components have a direct significant influence on the consumers' satisfaction evaluations of their shopping experiences. Intellectual value and customer satisfaction have a positive significant effect on consumers' attitude towards fashion e-store shopping while hedonic value was found to have a negative significant association with attitude toward fashion e-store shopping. Moreover, a direct, positive relationship was found between both hedonic value and customer satisfaction with behavioural intentions towards fashion e-store shopping.

Findings from this study could aid marketers' to advance a workable model that can be used as the starting point in informing the development of segmentation and loyalty strategies to enhance the cogency of the e-store merchandising formulae. Even though the senses of touch and smell are lacking, the results of this study indicate that fashion e-stores can still successfully recreate the character elements of their online fashion merchandise in order to support positive behavioural intentions. The ultimate goal is to push beyond aesthetics and create online e-store interfaces that add value for the consumer by leveraging utility, entertainment and community in fashion e-store shopping. In view of that, the recommendations suggest utilitarian, hedonic and intellectual value-based marketing strategy guidelines tailored at effectively targeting the fashion e-store market segment.

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## CHAPTER 1

### INTRODUCTION AND BACKGROUND TO THE STUDY

*“How well the talk will go is determined even before the speaker steps on the platform”*

*Somers White*

#### 1.1 INTRODUCTION

The fashion industry is amongst the sectors that gain the most from global trade liberalisation and provides job opportunities for unskilled labour in both developed and emerging countries (Levy & Weitz, 2009:133). Insights from the South African Department of Trade and Industry (2012:4) indicate that the national treasury has set up funding to improve the overall competitiveness of the clothing, textile, footwear and leather goods manufacturing industries, wherein fashion is a sub-sector. Consistently, the Economic Development and Growth in eThekweni report (EDGE, 2014:2) indicates that major African fashion entrepreneurs consider South Africa’s fashion sector as the central focus for new designs and genres. In the same vein, the local retail clothing industry’s turnover was estimated at approximately 50 billion rand per annum a decade ago (Makholwa, 2011:1) and experienced a compounded 8.3 percent annual growth rate between 2004 and 2010 (Pillay *et al.*, 2012:21). Since 2009, the clothing, textile, footwear and leather goods industry has contributed 19.76 percent of the total retail revenue with the adult men and women’s clothing industry generating the highest sales of all the commodities in this category (StatsSA, 2010:20). As such, South African fashion marketers have taken up the initiative to support local designers and design houses, consequently extending the emphasis on restructuring trends and the objective to support the South African government’s industrialisation campaign. At the heart of this prospect, lies the evolution of online fashion retailing.

The net worth of online retail sales was estimated to be at 2.26 billion rand in 2012, which contributed to 0.36 percent of the total South African retail sales (Pillay *et al.*, 2012:21). Though this may appear to be an insignificant contribution, findings of the MasterCard Worldwide Online Shopping Survey indicate that, of the 14 million Internet users in South Africa, approximately 44 percent were shopping online in 2009, with the proportion of online shoppers growing to 53 percent in 2010 and 58 percent in 2012 (Planting, 2012:2).

In addition, the audit report on the South African retail outlook presented by PricewaterhouseCoopers (Pty) Ltd. (2012:21) evokes an online industry sector that is relatively niche, but evidencing significant potential for growth. The intimations of the report are that the online sector is still infinitesimal and yet offers pent-up demand among fashion consumers. Improved smartphone access options in the country are a major driver of this potential demand growth. Moreover, the arrival of PayPal™, among other secure online payment options has stimulated an upsurge of Internet based business-to-consumer transactions since 2010 (Makholwa, 2011:3). Therefore, it may be inferred that cultural shifts and technological trends in the country present the Internet as a key enabler for a networked retail economy.

While the traditional brick and mortar fashion stores operate completely on the offline environments, multi-channel retail stores such as Woolworths, Edgars and Mr Price have begun to take up the opportunities presented by the Internet. These South African retailers connect with fashion consumers to sell an assortment of retail merchandise on both the physical as well as the virtual space (Planting, 2012:2). This incremental adjustment to retail stores is welcome, yet it has proven inadequate for reaching contemporary consumers. As such, an emerging portfolio of pure play retailers has overtaken the retail space by exclusively focusing on fashion merchandise, which is sold only online. Examples of the South African based fashion e-stores, which comprise the demarcation of this study, include Lushberry, Spree and Zando among others.

As observed by Hallem and Barth (2011:122), the success of the Internet as a commercial platform could be a result of the marketer's ability to create and deliver superior value to the consumer. In particular, selling fashion merchandise exclusively online requires a different set of strategies and tools than selling and branding any other commodity product (Hennigs *et al.*, 2012:30; Siddiqui *et al.*, 2003:350). This may be attributed to fashion brands thriving on combining emotion, functionality and perception (Rowley, 2009:365). In light of this, the challenge pertains to how perceptibility and multi-sensory experiences may transform to be shopping value while using Internet-based fashion stores. Moreover, since some online fashion stores seem to draw higher traffic levels than others (Strydom, 2012:8), there remains an undisputed value perception difference between successful and failing fashion e-stores. Consequently, it becomes essential to understand those value

perceptions that precipitate the completeness of an online fashion shopping experience coupled with the inimitability of e-stores among fashion consumers.

## **1.2 BACKGROUND TO THE STUDY**

From the literature, it is evident that the ‘value’ concept has been considerably explored and therefore, continues to emerge as an important area of research. Between the 1980s and the 1990s perceived value developed as the defining business subject and continues to receive considerable research attention (Zeithaml, 1988:14; Zaltman & Wallendorf, 1983:118). After 1990, many businesses were required to re-orient their strategic planning towards the delivery of superior consumer value (Naumann, 1995:147; Gale, 1994:89; Sheth *et al.*, 1991a:159). Consequently, the 21<sup>st</sup> century witnessed the positioning of value as the fundamental issue in marketing activities as it contributes extensively towards the development of competitive advantages for businesses (Holbrook, 2005:49). Indeed, consumer behaviour has proven to be understood better when analysed through perceived value (Keeney, 1999:533; Woodruff, 1997:139; Zeithaml, 1988:20). Furthermore, Woodruff (1997:149) emphasises that the key to building lasting customer relationships is in the creation of superior value and customer satisfaction. This provided renewed scholarly direction in the latter years, leading to increased researches focusing on the measuring of value components from the perspective of a consumer (Gallarza & Gil-Saura, 2006:437; Holbrook, 2005:45; Khalifa, 2004:645; Siddiqui *et al.*, 2003:345; Petrick, 2002:119; Sweeney & Soutar, 2001:203; Wachter, 2000:121).

Sánchez-Fernandez and Iniesta-Bonillo (2009:426) point out that the defining moment for the recognition of the value construct in the marketing literature came when the World Marketing Science Institute (2006-2008) included the definition of perceived value in its list of research priorities. This development reflected the great interest generated by the phenomenon amongst professional marketing researchers. Consequently, value is considered as the most important management practice aimed at attracting consumers who are seeking higher service quality, customer satisfaction and behavioural loyalty (Ashton *et al.*, 2010:206). This is because purchase behaviour can be ascertained by instituting value through consumers’ usage experience rather than a simple identification of consumer needs and motives (Levy & Weitz, 2009:133).

While the definition of value appears to be ambiguous and amorphous over time and contexts, value remains one of the most powerful forces in the marketplace for understanding consumer behaviour (Kim & Damhorst, 2010:56; Holbrook, 1999:167). The concept originates from the trade-off between what the customer receives and gives up in acquiring those benefits (Overby & Lee, 2006:1161). Usually the benefits received comprise product quality, features, worth and utilities, while the sacrifices include sale price, time and effort expended in acquiring the product. Nevertheless, contending contemporary scholars have provided a multi-faceted and complex characterisation of the value concept (Prebensen *et al.*, 2015:7; Kim & Damhorst, 2010:58; Sweeney & Soutar, 2001:208), thus rectifying the former myopic view, which restricts value to the price-quality trade-off. Hence, the use of a uni-dimensional measure of customer value has been criticised for being too simplistic and narrow to capture the holistic representation of value (Mathwick *et al.*, 2002:53; Sweeney & Soutar, 2001:205; Holbrook, 1999:157; Babin *et al.*, 1994:647).

This study approaches value from a customer's view point whereby value is anticipated to be a personal and perception-based phenomenon. Therefore, the multi-dimensionality of the concept is emphasised by attesting that fashion e-store shopping value is made up of utilitarian, hedonic and intellectual value components. Drawing from the undertones of the consumer values typology postulated by Hirschman and Holbrook (1982:99), both utilitarian and hedonic value components are presented as the dimensions that explicate the expected value outcomes when shopping for fashion. Hedonic value is associated with entertainment, pleasure and positive emotions that are derived through the online shopping experience, contrary to being rational and goal oriented, as is the case with utilitarianism (Rintamäki *et al.*, 2006:19). As such, hedonic value has been described within the context of fun, recreation, freedom, fantasy, adventure and escape from reality while engaging in the shopping experience (Kang, 2014:488; Kazakeviciute & Banyte, 2012:536). Conversely, utilitarian value refers to the functional or instrumental qualities of the shopping outcome such as the ability to purchase products in a deliberate, cost-effective and efficient manner (Li & Zhang, 2002:512).

Both utilitarian and hedonic value dimensions have been proven as having a significant influence on the attitude and satisfaction levels of consumers. For instance, Babin *et al.*

(1994:644) show that utilitarian value positively influences customer satisfaction. Consistently, the research by Nejati and Moghaddam (2013:1590) confirms the direct relationship between hedonic and utilitarian value with customer satisfaction and ultimate behavioural intentions towards fast-food restaurants. Similarly, hedonic value has been found to be more significantly associated with positive word-of-mouth and customer satisfaction due to the gratification created by emotional experiences during fashion shopping (Kazakeviciute, & Banyte, 2012:537; Byun & Mann, 2011:287).

The distinctiveness of the services offered by online retailers presents a priceless opportunity for consumers to become active participants in an organisation's value creation process, rather than being passive shoppers (Vieira, 2013:112). Linked to numerous social media sites such as Facebook and Twitter, customers can discuss fashion e-store related content. While some scholars have referred to this quality of Internet stores as social involvement or engagement value (O'Cass & Choy, 2008:344; Rintamäki *et al.*, 2006:20), such terms lack in terms of describing the salient nature of this online attribute as it presents parallel paybacks for consumers. First, shoppers at Internet stores obtain valuable outcomes through the reflective discourse that takes place between like-minded online communities on the social media pages of the fashion e-stores they patronise (Seraj, 2012:213). In turn, value is transferred onto the members of the online community when peer members essentially share valuable fashion opinions and studious shopping solutions on public spheres (Seraj & Toker, 2012:349). As such, the totality becomes a distinct asset of the e-store shopping experience, thus presenting an exceptional value attribute that is termed intellectual value in this study.

While it may appear expedient to identify the value dimensions that positively advance consumers' perceptions towards fashion e-stores, the issues associated with behavioural intentions towards online fashion shopping come to the fore. This is because scholars accept the behavioural intentions variable, when used as a proxy for actual consumer behaviour (Overby & Lee, 2006:1163). Intentions can be used to predict the likelihood of an individual deciding whether to continue (or not) visiting e-stores in the future (Solomon *et al.*, 2006:157). A number of authors demonstrate that behavioural intention is a strong indicator of the success of an online system and may be used as a dependent variable in future studies (Kang, 2014:488; Abdul-Muhmin, 2010:6; Kim & Damhorst, 2010:56; Li &

Zhang, 2002:511). As such, the behavioural intentions construct is a robust measure as it correlates with the actual behaviour itself and therefore, used as the outcome variable for this study.

A review of marketing research reveals that the majority of empirical studies begin with perceived value and proceed to behavioural intentions through a plethora of mediating variables. Specifically, the antecedence of perceived value to attitude, customer satisfaction and behavioural intentions has been validated in traditional fashion retail settings (Strydom, 2012:25; Byun & Mann, 2011:287; O’Cass & Choy, 2008:344) as well as within the service industries (Bajs, 2013:3; Kazakeviciute & Banyte, 2012:536; Ryu *et al.*, 2010:428; Terblanche & Boshoff, 2010:4). Moreover, a few studies in Internet fashion retailing have found support for a positive and direct link between shopping value, customer satisfaction and purchase intentions (Nejati & Moghaddam, 2013:1587; Kim & Damhorst, 2010:59).

Solomon *et al.* (2006:168) indicate that attitudes are learned pre-dispositions that lead a consumer to behave in a consistently favourable or unfavourable way, as guided by pre-determined value benefits. Relatedly, Schiffman *et al.* (2014:195) posit that attitude is an immediate determinant of intention to perform a particular behaviour. The study by Ko and Chiu (2008:91) points to the mediating role of the attitude variable between consumer value and purchase intentions, offering comparability to the work of Morris *et al.* (2002:12). Parallels exist in the model presented by O’Cass and Choy (2008:344) from the field of luxury fashion-retailing, where involvement-driven values link to attitudes towards the brand and in turn, willingness to pay higher prices. Therefore, attitude may be considered as a predecessor of consumers’ behavioural intentions towards online retail shopping.

Since creating value that is exceedingly superior to that being offered by competitors is key for any fashion retailer to remain successful in the long term (Strydom, 2012:14; Grewal & Levy, 2010:14), value has been considered the most important management practice aimed at attracting consumers that are seeking superior quality and satisfaction. Satisfaction refers to the customer’s fulfilment response, which is based on the pre-purchase assessment and post-purchase evaluation of the entire purchasing process and interaction with the retailer (Kim & Damhorst, 2010:90; Terblanche & Boshoff, 2010:4). Prebensen *et al.* (2015:2) found direct linkages between value and customer satisfaction, thereby concluding that

customer satisfaction is an outcome of a valuable experience that has been delivered as an outcome of high service quality.

### **1.3 PROBLEM STATEMENT**

The view that online retailing is simply a digital extension of traditional retail marketing is embedded within the scholarship of Rowley (2009:350) and Seraj (2012:210). However, it is evidentiary that the Internet domain has resulted in new spheres and realms of influence for marketers (Planting, 2012:2). This is so because online shopping is no longer just a convenient option for consumers. It is a retail mainstay and a key to the success of fashion businesses. In particular, the online fashion retail sector is highly competitive and presents a distinctive set of strategic challenges for fashion businesses.

The major challenge for online retailers is the ability to offer appropriate value outcomes in the online context in order to compensate for the high prices of making Internet purchases of fashion merchandise (Hennigs *et al.*, 2012:30; Siddiqui *et al.*, 2003:345). This is because value that is offered on the traditional shopping arena differs from that offered by the online platforms. As such, transferring consumers' value perceptions from the traditional brick and mortar stores to the online context is complex. In addition, consumer perceptions of value differ considerably, across different product categories (Kim & Damhorst, 2010:57). Furthermore, the existing slow global economic environment creates challenges for fashion marketers that operate online, despite the projected revenue trajectory that is expected to continue into the future (EDGE, 2014:14). As such, it is imperative for e-retailers to understand those components that could directly influence beneficial outcomes such as purchase behaviour.

The value construct has been examined across different empirical contexts. For instance, Sparks *et al.* (2008:98-108) focused their research on dimensions of value in timeshare ownership in Australia while Tynan *et al.* (2009:1-9) conducted research on co-creating value for luxury fashion brands in the United Kingdom. Nonetheless, the aforementioned authors took a managerial perspective of value creation and not a consumer perspective. Furthermore, in the United Kingdom, a study was conducted by Cengiz and Kirkbir (2007:252-286) who examined value dimensions within the context of public hospitals whereas Ashton *et al.* (2010:206-218) observed valued dimensions in hotel restaurant

dining. Hallem and Barth (2011:121-129) conducted a study on customer value within the field of medical tourism in Tunisia. Similarly, Gallarza and Gil-Saura (2006:437-452) applied the ‘means-end’ value theory in the tourism industry. In addition, Ryu *et al.* (2010:416-432) studied the effects of perceived value on customer satisfaction in fast-casual restaurants while Heinonen (2004:205-215) focused on time and location value within an online service delivery context.

While taking a *coup d’oeil* into researches based on a South African sample, a paucity of studies on customer value exists. The few notable researches in South Africa include the study by Bick *et al.* (2004:300-318), who conducted a study on customer value in retail banking. Similarly, Terblanche and Boshoff (2010:1-9) investigated relationships between perceived value, satisfaction and loyalty among consumers within the South African fast food industry, whereas Ali (2007:1-173) surveyed different perceived value dimensions within the context of restaurant leisure services in Pretoria, South Africa. In addition, Strydom (2012:1-253) tested and validated a model of value components within the high fashion retail industry while Seymour (2012:1-188) evaluated value dimensions within the context of scuba diving tourists at a marine destination along Sodwana Bay in South Africa.

To date, no study has researched the salient dimensions of shopping value within an online fashion retail setting in South Africa. In particular, there have been no scholarly attempts to establish the existence of path relationships between value components with behavioural intentions mediated by the attitude and customer satisfaction constructs. While other researchers have identified a link between these variables, albeit within traditional shopping contexts (Byun & Mann, 2011:284-297; O’Cass & Choy, 2008:341-352) as well as other retail settings (Loureiro *et al.*, 2014:105; Ryu *et al.*, 2010:428; Gallarza & Gil-Saura, 2006:437-452), the online fashion space has been largely neglected. This inevitably emphasises the need for further research on how value components influence behavioural intentions within the realm of Internet fashion shopping.

#### **1.4 OBJECTIVES OF THE STUDY**

The following objectives were formulated for the study:

### **1.4.1 Primary objective**

The primary objective of this study was to propose and empirically test a model of the values that influence consumers' behavioural intentions towards fashion e-stores in the South African market in order to guide marketing strategies for effectively targeting this market.

### **1.4.2 Theoretical objectives**

In order to achieve the primary objective, the following theoretical objectives were formulated for the study:

- Conduct a literature review on fashion e-stores.
- Examine the extant theoretical discourse on customer value using relevant theories.
- Conduct a review of the literature pertaining to the components of customer value.
- Acquire an understanding of the association between customer value components with customer attitude.
- Review the literature on the association between customer value components with customer satisfaction.
- Conduct a review of the literature on the relationships among value components with attitude, customer satisfaction and behavioural intentions of consumers.

### **1.4.3 Empirical objectives**

The following empirical objectives were formulated for the study, in accordance with the primary objective:

- Determine consumers' perceived utilitarian value of fashion e-store shopping.
- Determine consumers' perceived hedonic value of fashion e-store shopping.
- Determine consumers' perceived intellectual value of fashion e-store shopping.
- Determine consumers' attitude towards fashion e-store shopping.
- Determine consumers' level of satisfaction with fashion e-store shopping.

- Determine consumers' behavioural intentions towards fashion e-store shopping.
- Empirically test a proposed model of the values that influence consumers' behavioural intentions towards fashion e-store shopping in the South African market.

In line with the empirical objectives, the next section elucidates on the hypotheses that were formulated for the study.

## **1.5 HYPOTHESES FOR THE STUDY**

In order to achieve the empirical objectives of the study, ten hypotheses were formulated. These ten hypotheses stated below were formulated in Chapter 6, subsequent to a review of the literature in chapters 2, 3 and 4 as well as the development of a matrix of construct correlations to evaluate the nomological validity between each pair of constructs identified. In line with the empirical objectives, the following ten hypotheses were formulated for the study:

- H<sub>0</sub>1: Behavioural intentions towards fashion e-stores is not a six-factor structure comprising utilitarian value, hedonic value, intellectual value, attitude towards fashion e-stores, customer satisfaction with fashion e-stores and behavioural intentions.
- H<sub>a</sub>1: Behavioural intentions towards fashion e-stores is a six-factor structure comprising utilitarian value, hedonic value, intellectual value, attitude towards fashion e-stores, customer satisfaction with fashion e-stores and behavioural intentions.
- H<sub>0</sub>2: Utilitarian value does not have a positive influence on attitude towards fashion e-stores.
- H<sub>a</sub>2: Utilitarian value has a positive influence on attitude towards fashion e-stores.
- H<sub>0</sub>3: Utilitarian value does not have a positive influence on customer satisfaction with fashion e-stores.
- H<sub>a</sub>3: Utilitarian value has a positive influence on customer satisfaction with fashion e-stores.

- H<sub>0</sub>4: Hedonic value does not have a positive influence on attitude towards fashion e-stores.
- H<sub>a</sub>4: Hedonic value has a positive influence on attitude towards fashion e-stores.
- H<sub>0</sub>5: Hedonic value does not have a positive influence on customer satisfaction with fashion e-stores.
- H<sub>a</sub>5: Hedonic value has a positive influence on customer satisfaction with fashion e-stores.
- H<sub>0</sub>6: Intellectual value does not have a positive influence on attitude towards fashion e-stores.
- H<sub>a</sub>6: Intellectual value has a positive influence on attitude towards fashion e-stores.
- H<sub>0</sub>7: Intellectual value does not have a positive influence on customer satisfaction with fashion e-stores.
- H<sub>a</sub>7: Intellectual value has a positive influence on customer satisfaction with fashion e-stores.
- H<sub>0</sub>8: Customer satisfaction does not have a positive influence on attitude towards fashion e-stores.
- H<sub>a</sub>8: Customer satisfaction has a positive influence on attitude toward fashion e-stores.
- H<sub>0</sub>9: Attitude towards fashion e-stores does not have a positive influence on behavioural intentions to shop at fashion e-stores.
- H<sub>a</sub>9: Attitude towards fashion e-stores has a positive influence on behavioural intentions to shop at fashion e-stores.
- H<sub>0</sub>10: Customer satisfaction does not have a positive influence on behavioural intentions to shop at fashion e-stores.
- H<sub>a</sub>10: Customer satisfaction has a positive influence on behavioural intentions to shop at fashion e-stores.

## **1.6 RESEARCH DESIGN AND METHODOLOGY**

This study comprises both a literature review and an empirical study. In particular, a quantitative research approach was undertaken using the survey method during the empirical portion of the study. It was possible to test the conceptual model by applying a quantitative methodology culminating in deductions that are based on statistical analysis (Malhotra, 2010:197). In addition, the study followed a single cross-sectional descriptive research design.

### **1.6.1 Literature review**

A literature review of secondary data sources was undertaken to support the empirical portion of this study, whereby a synthesis of secondary data sources such as pertinent textbooks, journal articles, academic reports, newspaper articles and the Internet were used. The necessary literature that was accumulated placed emphasis on the value components that influence consumers' behavioural intentions towards fashion e-stores.

### **1.6.2 Empirical study**

While a review of literature databases helped to set the theoretic undertones for the study, empirical support was also considered particularly important in order to present a more exact view on the behaviour of fashion e-store shoppers. The empirical portion of this study comprised the following methodological scope:

#### **1.6.2.1 Target population**

The target population, relevant to this study were South African online shoppers, both male and female, over 18 years of age who have previously shopped from South African based fashion e-stores. Specifically, the target population was defined as follows:

- Sampling element: South African fashion e-store shoppers, 18 years and older.
- Sampling unit: South African fashion e-stores.
- Extent: South Africa.
- Time: 2015.

### **1.6.2.2 Sampling frame**

The sampling frame for this study was established from the SurveyCentric™ panel database of online shoppers. The SurveyCentric™ database was obtained at Acentric Marketing Research Company (Pty) Ltd, a consulting firm that specialises in conducting syndicated research on the online purchases of consumers in South Africa (Kolbe, 2013:4). The research firm has access to multiple panels through a formal alliance with CINT AB, which has over 50 000 panellists in South Africa. From this sampling frame, panellists are recruited using online advertising on an ongoing basis in order to replace panellists who may leave the panel due to disinterest or death or those who may be removed due to poor conduct (Kolbe, 2013:6). However, drawing upon the irrevocable filter instructions stipulated at the beginning of the study regarding South African citizenship and prior fashion e-store shopping experience, a consumer panel composed of over 6 000 South African panellists who are active fashion e-store shoppers was populated. Therefore, completeness of data and accuracy was a major consideration upon selecting this sampling frame as it comprises an updated list of South African online fashion shoppers.

### **1.6.2.3 Sampling technique**

The sample of male and female online shoppers at fashion e-stores, 18 years and older, was drawn from the sampling frame using the simple random sampling technique. Therefore, non-eligible participants (those younger than 18 years, non-citizens and non-patrons of fashion e-stores) were excluded from the study. This probability sampling technique allows population elements to have an equal chance of being included in the study (Malhotra, 2010:383). Applying the simple random sampling technique also enhanced the accuracy of this study by generating an estimate of the sampling error and thus, supporting generalisability of the sample findings to a wider population.

### **1.6.2.4 Sample size**

A sample size of 600 fashion e-store consumers was concluded in this study based on an application of the sample size formulae shown in Section 5.6.5 of this study. Thereafter, the historical evidence approach was employed, whereby previous studies were reviewed to determine appropriateness of the calculated sample size. The selected sample size of 600 was considered to be within the range of other studies of this nature, such as Scarpi

(2012:61) (sample size of 300), Mishra (2014:234) (sample size of 500) and Yoo *et al.* (2010:92) (sample size of 451). In addition, Green's (1991:504) rule of thumb was also taken into consideration. It states that the minimum number of participants for studies involving multivariate statistics should be set at 50, with the number increasing with larger numbers of study constructs. Moreover, Crouch's (1984:142) recommendation that sample sizes between 300 and 600 are sufficient when dealing with multivariate statistics comprising many constructs was also taken into consideration upon finalising the sample size for this study.

#### **1.6.2.5 Measuring instrument and data collection method**

A structured self-administered questionnaire was employed to gather the required data for this study. In order to measure consumers' behavioural intentions towards fashion e-stores, the relevant literature on the value construct was analysed, which provided details on the value dimensions, pertinent to fashion shopping. For the purpose of this study, previous validated scales were adapted and utilised for the empirical portion of this study. In order to measure online shoppers' perceptions of shopping value, Overby and Lee's (2006:1163) personal shopping value scale, comprising hedonic value and utilitarian value, as well as Srinivasan *et al.* (2002:45)'s website community scale, comprising intellectual value were adapted and utilised. Moreover, Yi and Jeon's (2003:235) attitude towards the focal shop scale was adapted and used to measure consumers attitude towards fashion e-stores. In order to measure the customers' levels of satisfaction with fashion e-stores, Mattila and Wirtz's (2001:280) short version of the satisfaction with a shopping experience scale was adapted and used. In addition, the behavioural intentions of consumers towards fashion e-store shopping were measured by adapting the behavioural intentions scale developed by Zeithaml *et al.* (1996:39-40).

The participants were requested to complete an online structured questionnaire, in good faith and to the best of their understanding. The questionnaire comprised three sections. The first section (Section A) was designed to gather the participants' demographic data. The second section (Section B) (5 items), measured the participants' fashion e-store shopping habits. The questions in these two sections were structured on dichotomous, multiple choice and ranking-order scales.

The third section (Section C) included the 28-item scale pertaining to the determinants of the participants' behavioural intentions towards shopping at fashion e-stores, namely hedonic value, utilitarian value and intellectual value, attitudes towards fashion e-stores, customer satisfaction with shopping at their favourite fashion e-store and behavioural intentions towards shopping at their favourite fashion e-store. All scaled responses were measured on a six-point Likert scale ranging from strongly disagree (1) and strongly agree (6). In addition, the questionnaire was accompanied by a cover letter explaining the purpose of the study, as well as requesting participation from the online shoppers, while assuring the confidentiality of the participant's information together with the relevant contact details.

The questionnaire was piloted on a convenience sample of 50 students on a South African higher education institution (HEI) campus. These participants were non-citizens and therefore, did not form part of the sampling frame of the main study. The results of the pilot test were taken into consideration prior to finalising the questionnaire for the main study.

A self-administered questionnaire using the online survey method was used to collect the required data from this study. Consistent with Scarpi (2012:57), an online survey was favoured as it permits the pre-screening of participants to allow only those participants who match the required target profile such as shoppers who have previous experience with fashion e-stores. In addition, the survey was administered in the virtual platform (online), thus permitting direct contact with the fashion e-store shoppers in the manner and environment that is relevant to the consumer's action of fashion purchases.

### **1.6.3 Statistical analysis**

The captured data were analysed using the statistical package IBM Statistical Package for Social Sciences (SPSS), Version 23.0 and Analysis of Moment of Structures (AMOS), Version 23.0. The following statistical procedures were applied on the empirical data sets:

- Frequency analysis
- Internal reliability consistency analysis
- Descriptive statistical analysis
- Data normality tests

- Correlation analysis and assessment of multicollinearity
- Hypotheses testing
- Composite reliability and construct validity of the measurement model
- Structural equation modelling

## **1.7 ETHICAL CONSIDERATIONS**

Ethical considerations were taken into account throughout the research process. Initially, the North-West University's Ethics Committee reviewed the measuring instrument, together with a framework of the research methodology to be followed in the study. This was done to ensure that the sampling frame and target population did not comprise any persons that could be categorised as being vulnerable and to ascertain whether the questionnaire asked any sensitive questions. The measuring instrument successfully passed the committee's standards and received an ethical clearance number (**ECONIT-ECON-2014-024**). Participation in the study was strictly on a voluntary basis and the participants were assured that all information would be treated as confidential while the anonymity of panel members would be maintained upon reporting the data. In attempting to maintain the fidelity of research findings, assurance was given to the effect that the participants' information would be aggregated based on truth-value.

## **1.8 MOTIVATION FOR THE STUDY**

Contemporary research seems to be dominated by inconclusive debates pertaining to the vague nature of the value concept. While recent research attempts to investigate consumers' usage of the Internet as a shopping channel, there is no apparent empirically validated model that seeks to determine consumers' behavioural intentions within the fashion e-store context. Therefore, a knowledge of the right set of value components that influence purchase behaviour is necessary to enable fashion managers to understand better the value-based judgements of fashion e-store shoppers. In addition, while dramatic increases in the growth of online retailing in South Africa are envisaged, the related evidence is not matching the pace evidenced in western countries. Furthermore, South Africa as an emerging market has different consumer behavioural contexts. Accordingly, this became a commanding reason to justify the need to make a modest contribution in the form of an

empirically tested conceptual model that is relevant for the South African fashion e-store consumer segment. In addition to this conceptual contribution, this study applies the structural equation modelling estimation technique simultaneously to test research propositions that link selected value components with behavioural intentions, as mediated by the attitude and customer satisfaction constructs.

## 1.9 CLARIFICATION OF THE TERMINOLOGY

- **Fashion** refers to the spectrum of merchandise, styles and trends spanning from accessories, clothing, footwear, active wear, cosmetics, fashion apparel and bags (Makholwa, 2011:2).
- **Internet, online** as well as the prefix ‘e’, are terms that are used interchangeably in this research to refer to the medium of the World Wide Web, which facilitates the electronic exchange and processing of fashion shopping activities.
- **Fashion e-stores** are Internet-based stores that have no physical market presence, yet virtuously rely on website aesthetics and creative processes to sell fashion merchandise (only). Since this concept excludes all retail formats that have a complementary traditional element or physical store, this study shall utilise the concepts fashion e-store, online fashion retailers and pure play fashion retailers interchangeably.
- **Fashion e-store shoppers (also termed online apparel consumers)** refer to those individuals who use the Internet and are more innovative toward patronising pure play fashion retailers for purchasing fashion merchandise.
- **E-tailing (also termed electronic retailing or Internet retailing)** refers to the process whereby a marketer engages in the selling, promoting and distribution of products and services, exclusively by means of the Internet. E-tailing is a natural extension of business to consumer (B2C) based electronic commerce (e-commerce).
- **E-shopping (also termed online shopping or e-store shopping)** refers to the act of purchasing products or services over the Internet. From this definition, it would appear that online shopping simply is considered as any other kind of shopping, with the only difference being the medium. However, as Mafe and Blas (2007:244) and Scarpi (2012:55) argue, e-shopping differs significantly from traditional shopping due to the

medium's highly interactive nature as well as its ability to decisively affect the way consumers search for and evaluate product and store-related information.

## **1.10 CHAPTER CLASSIFICATION**

This thesis reports on all aspects of the research that was carried out. The thesis is contained in seven chapters, each with several sections and sub-headings. The contents of each chapter are outlined next.

Chapter 1 provides an overview of shopping value as well as a background of the South African fashion industry. The problem under investigation and research objectives for the study are clarified. The hypotheses that were tested in this research are also outlined in this chapter. The research design and methodological considerations for the research are stated. Furthermore, the motivation for the study and evidence of originality is provided, together with the chapter outline of the entire thesis.

Chapter 2 initially examines the broader fashion industry sector. An overview of the function, roles, retailing formats, benefits and challenges of the online retail sector is also provided in this chapter. The chapter spans to provide a categorisation of the explicit online fashion consumer groups. The importance of the online retailing sector to both local and international economies is discussed. Furthermore, Chapter 2 presents an illustrative scrutiny of the projected growth of fashion e-store shopping in South Africa.

Chapter 3 begins with a synthesis of the literature that covers the foundations of customer value theory within the ambit of the marketing concept. The chapter progresses to identify the applicable theoretical perspectives that help to bind the research to specified assumptions and pre-requisites, prior to defining customer value. Thereafter, the chapter lays out the key arguments for adopting a multi-dimensional perspective of value in this research. Selected customer value models following both the uni-dimensional and multi-dimensional value propositions are evaluated in this chapter. Consequently, the tenets of the utilitarian and hedonic dichotomy are adopted, together with a consideration of other relevant value components. The emphasis in this chapter is to build a comprehensive argument and thereby proffer a set of value components that are applicable within online fashion settings, by scrutinising the foundations of previous scholarship and debates.

Chapter 4 delivers a literature discourse on the surrogacy of the behavioural intentions construct to actual consumer behaviour. Primary behavioural intention models are reviewed with a view to justify the salience of the behavioural intentions construct as the key outcome variable for this study. Notwithstanding this, the chapter spans to identify the predictors of the behavioural intentions construct by focusing on specific value components as well as the mediating influences of both attitude and customer satisfaction. The chapter culminates in an interrogation of the inter-relationships among the constructs, thereby deriving a research model for statistical testing.

Chapter 5 provides a systematic outline of the methodological considerations regarding the underlying philosophy and methodological paradigm for this research. Furthermore, the chapter proceeds to present a detailed overview of the research design and approach, including the chosen methodologies for the study. The chapter enfolds clear expression regarding the empirical fieldwork including the sampling design, pilot testing of the questionnaire instrument, survey research implementation and overall data gathering. The data analysis and statistical procedures used in this study are also described. Chapter 5 also discusses structural equation modelling, as a way to present a primer to the reader on the statistical technique and its application in this research. The chapter also addresses reliability and validity assessment of the measuring instrument.

Chapter 6 reports on the research findings and results of the statistical analysis procedures. The findings of the research are presented and statistically analysed in this chapter. The research hypotheses that were postulated in Chapter 1 and the conceptual model presented in Chapter 4 are tested and corroborated with a view to provide validation of the conceptual model.

Chapter 7 reviews the entire study and presents the major findings of the study, in support of the empirical objectives that were set at the inception of the research. In this chapter, recommendations are made to both academics and practitioners, alike. Limitations of the study and implications for further research are also alluded to in this chapter. Concluding remarks for the entire study are made in this chapter.

## **1.11 GENERAL**

- The referencing is based on the 2012 North-West University referencing guide, adapted Harvard style.
- Tables and figures are placed on the relevant pages as indicated in the table of contents of this thesis. Where no sources have been cited for tables and figures, it denotes the researcher's own work.
- Annexures are placed at the back of the thesis.

## **1.12 CONCLUSION**

Advances in technology are combining to re-shape the face of the retail sector at unprecedented levels. In particular, statistics indicate that South Africa is one of the most accessible markets with very high Internet penetration rates due to the influx of smartphones and broadband access. Moreover, the Internet has transformed the marketers' supply and distribution formulae, significantly. In particular, the explosion of the Internet has considerably transformed the fashion industry, by providing a substitute for traditional retail marketing formats.

Some researchers see the Internet as a threat while others see a technological revolution that offers a myriad of opportunities for fashion marketers in the 21<sup>st</sup> century. Hence, the Internet has the potential to contribute to the growth of the fashion sector. Despite its potential as a marketing tool, its actual use has not met expectations. Moreover, there exists evidentiary statistics pertaining to the slow growth and latent demand for Internet-based shopping in South Africa. As such, the concept on customer value has taken pre-eminence in determining the behavioural intentions of consumers. This is so because, while consumers are becoming more informed and learning the value of cutting out the middleman, it has become necessary for marketers to develop an enhanced appreciation of how to deliver value when selling fashion merchandise in online platforms as this describes exactly what consumers actually pay for.

The chapter elucidates on the important role of fashion e-stores in delivering value focused offerings to consumers. The fashion e-store business model, also termed pure play retailing radically transforms the mind-sets of consumers in that it exclusively focuses on fashion

merchandise, which is sold exclusively online. Therefore, it appears that the success of fashion e-stores depends on the ability to deliver an assortment of value components, which form the ingredient basis for altering consumers' behavioural intentions. Furthermore, this chapter alludes to espousing value components, together with attitude and customer satisfaction, as key antecedents for enabling consumers to behave favourably towards fashion e-store shopping.

This chapter serves as a general introduction to the research documented in this thesis. It sets the scene for the full thesis by providing a background to the research, framing the initial research problem and describing the primary, theoretical and empirical objectives. Furthermore, this study explains the relevance and motivation for the research. Beginning with Chapter 2, this thesis provides a detailed reporting of the research undertaken in fulfilment of the requirements for the award of the Doctor of Philosophy (PhD) in Marketing Management.

## **CHAPTER 2**

### **FASHION E-STORE SHOPPING**

*“The value of fashion e-store shopping lies in the mind of the consumer”*

*Michele Jennae*

#### **2.1 INTRODUCTION**

Across national contexts and demographic segments, consumers are increasingly buying products online (Abdul-Muhmin, 2010:5). Accordingly, the contemporary consumer who shops online demands value generation through the Internet (Cheung *et al.*, 2009:151). In view of that, the Internet represents a new era in which many of the traditional marketing conventions are broken, offering new prospects for marketers to develop a broad range of strategies for survival by delivering customer value (Vega-Vazquez, 2013:1946). While some researchers see the Internet as a threat to business, others see a technological revolution that offers a myriad of opportunities including competitive advantages for marketers (Kim & Damhorst, 2010:56). Hence, the Internet has the potential to contribute to the growth of the fashion industry sector.

This chapter presents a discussion on the role of the Internet in shaping the strategic thinking of fashion marketers. The chapter begins by defining fashion in Section 2.2 while Sections 2.3 and 2.4 provide a chronological report on the role of fashion in society as well as the different fashion retailing formats, respectively. Section 2.5 positions the Internet as a mainstream platform for contemporary fashion retailing. Section 2.6 presents both fashion leaders and fashion followers in the dichotomy of online fashion consumer segments. Moreover, a commentary is provided on the importance of fashion retailing in Section 2.7 of this study. Relatedly, the estimated worth and future growth expectations of fashion e-retailing in both global and local economies is scrutinised in Section 2.8. Sections 2.9 and 2.10 elaborate on the practice of fashion marketing via the Internet by way of an extended description of the benefits and challenges of using the Internet as a shopping medium. Section 2.11 brings the chapter to a close and hints at the next chapter.

## 2.2 DEFINING FASHION

The Fairchild Dictionary of Fashion (cited by Perna, 1987:48) indicates that the word fashion originates from the Latin word *modus*, meaning the non-existing limit, a method, form, style or mode of behaviour or lifestyle. Fashion (also termed apparel) represents a constantly changing set of experiential products, rich with symbolic meaning that can contribute towards shaping various kinds of consumer behaviour (Bruce & Daly, 2006:330). Bohdanowicz and Clamp (1994:4) define fashion as a “way of behaving that is temporarily adopted by a discernible proportion of members of a social group because that chosen behaviour is perceived to be socially appropriate for the time and the situation.” In agreement, Perna (1987:48) describes fashion as an expression of the times. While Wolfe (2009:28) conceptualises fashion as any style or display that currently is popular in any given period. Frings (2005:50) further demarcates fashion as the style of dress or appearance that is implemented by the majority of people at a certain period. This implies that broadly speaking, fashion is a universal standard of taste that also provides an aggregate of the individual tastes of members of a given society (Wolfe, 2009:8; Jordaan & Simpson, 2006:33). Therefore, the insinuation in these definitions is two-pronged. First, that fashion has a constantly changing and dynamic nature implying that it revolves over time in line with changing needs and market tastes. Secondly, fashion survives through time in accordance with the standards that have been adopted by society. Therefore, what is considered fashionable is relevant, based on consumers’ attitude, perceptions and frame of reference at a particular point.

Conventionally, the word fashion recalls clothing in the first place. Nonetheless, Hourigan and Bougoure (2012:127) refer to fashion as all the items that adorn any part of the body. Therefore, this term might be extended to include any trends that are universally accepted by consumers such as cosmetics, footwear, art, music, furniture and house decorations (Bohdanowicz & Clamp, 1994:4). Nevertheless, despite the wide scope of the term, fashion shall be delineated in this study to include accessories, clothing, footwear, active wear, fashion apparel and bags since this product range dominates the main product category of the South African fashion industry (Makholwa, 2011:2).

The next section seeks to explore the role of fashion in society. This review is important for positioning the context for the study.

### 2.3 THE ROLE OF FASHION

Fashion reflects economic conditions, political issues, current events and popular entertainment at a particular point (Wolfe, 2009:26). In other words, fashion mirrors the lifestyles and social structures of a particular society. Historically, pre-colonial style clothing among the majority of African states was often associated with tradition, symbolising differences in tribe, gender, rank and marital status, whilst also denoting a sense of pride and power (DeBerry-Spence, 2008:397). For example, the Zulu culture in South Africa is often associated with colourful beadwork and animal skins, symbolising different ranks and clans. Nevertheless, fashion in South Africa historically has been driven by international trends and international designs have inspired South African designers to produce items that are reflective of the trends experienced overseas (EDGE, 2014:12). In view of that, the assimilation of Western norms, culture and fashion flare is observed extensively in contemporary designs across African markets.

Fashion is an essential art of civilisation that plays the role of underscoring a metamorphosing society over different political periods (Wolfe, 2009:27). This implies that local political and cultural shifts tend to have an influence on the styles and designs that are developed by fashion houses. In South Africa particularly, the post-1994 era was painted by erratic fashion consumption patterns that largely were influenced by the media. Moreover, the restructuring of the local clothing industry promulgated a preponderance of black-owned fashion design houses (Department of Trade and Industry, 2012:7; Rogerson, 2006:10). Consequently, both young and old consumers have been able to use fashion and dress as an ideal vehicle to repair previous ethnic dissections emanating from the apartheid era (Corrigall, 2011:2). Fashion also has been used to communicate fixed national identities and ideologies. For instance, Frings (2005:23) elucidates on how numerous civilised nations strive towards placing women on equal place with men in the corporate world through ‘female power dressing’ and using fashion dressing for success in the boardroom.

Broadly, fashion is used to enhance physical attractiveness whilst adding a personal sense of style (Singh, 2011:62). Therefore, fashion serves as a form of expression that communicates the tastes and lifestyles of people. For instance, the wearing of key international fashion brands such as Louis Vuitton, Prada and Armani depict the consumers’ ranking and high social class standing. As such, fashion also has been labelled

as a strong indicator of social identity and self-image (Corrigall, 2011:4). This is because fashion provides an immaculate way of describing who someone is or what his or her position in society is. Moreover, identification can be achieved easily, through the wearing of emblems, unique colours, jewellery and ceremonial garments (Wolfe, 2009:19). Seemingly, fashion has proven to be a powerful social force, largely influencing the behaviour of individuals due to its rapidity and universality.

While an understanding of the role of fashion in preserving the lifestyle, culture and heritage of various nations is essential, the manner in which fashion spreads among consumers should also be deliberated upon. In doing so, an examination of the various retailing formats that marketers use to distribute fashion styles and merchandise is necessary, as discussed in the next section.

## **2.4 FASHION RETAILING FORMATS**

The fashion market is highly fragmented and split into several channels of distribution that seek to provide convenience and utility for the consumer. Within the same vein, the fashion retail industry is in the midst of dynamic changes with the addition of new channels of distribution, new technologies and shifts in the local economy affecting both the marketers as well as customers. At the heart of this revolution is the re-positioning of fashion retail formats (Wolfe, 2009:512-513). As such, consumers are spoilt for choice with regard to the myriad of fashion shopping formats that are available. Jang and Burns (2004:377) segmented fashion marketers into brick and mortar retailers, multi-channel retailers, catalogue and auction retail sites as well as virtual e-stores, also termed pure play retailers. These four retailing formats are discussed in the next section.

### **2.4.1 Big box retailers (Brick and mortar retailers)**

Shopping mall developers favour brick and mortar retailers (also termed 'big box' retailers) since they attract thousands of customers (Pillay *et al.*, 2012:4). In accordance, the success of a mall is measured by the quality of its tenant mix. In South Africa, the ability to attract multiple multinational chains as the anchor tenants of a shopping mall can go a long way to increase the likelihood of mall success. Examples of anchor tenants that contribute to high revenue returns on mall investments include Woolworths, Checkers Hyper and Pick n

Pay; large retailers that also sell an assortment of fashion merchandise. In light of this, mall developers emphasise the aggressive expansion of their businesses by increasing the number of brick and mortar retailers as anchor tenants since they contribute high rental turnover per square metre of the occupied space. Therefore, this retail format is about the store space and store experience, with a key focus on elements such as store layout, atmospherics and ambience (Ashworth *et al.*, 2006:290). Moreover, prestigious fashion retailers such as Exact Stores (Pty) Ltd and Spitz (Pty) Ltd in South Africa utilise this distribution structure by selling off-the-peg standard-sized garments in large numbers.

#### **2.4.2 Multi-channel retailers (Clicks and mortar)**

A change in the external environment has resulted in a change in customer behaviour, largely affecting the development of novel retail formats (Pillay *et al.*, 2012:7). Among these developments has been the emergence of multi-channel retailers, which operate traditional stores with a partial online component. This means a virtual component of the fashion brand is being incorporated seamlessly into an existing traditional store business (Wolfe, 2009:519). Although still in its infancy in South Africa, the percentage growth rates of click and mortar stores (30 percent) is approximately four times greater than that of brick and mortar retailers (7 percent) (Tubbs & Ngubeni, 2014:3). This trajectory is explained by the increased mobile penetration rates as well as the emergence of a middle class needing convenience, choice and variety when shopping for fashion.

Multi-channel retailers have recognised the need to extend brand presence and service offering into the online channel in order to offer more choice and a more flexible brand experience to customers (Rowley, 2009:348). For global retailers, an online presence is a necessary extension to the conventional business model, which presents the opportunity for creating a substantial footprint in international markets. In addition, Jang and Burns (2004:379) found that multi-channel retailers provided the most convenient returns policy for fashion consumers. Mr Price™, a value-focused fashion retailer in South Africa, successfully launched an e-commerce platform in mid-2012 (Planting, 2012:2). Customers who have purchased fashion items from the Mr Price website ([www.MRPOne.co.za](http://www.MRPOne.co.za)) are able to return the items to the nearest physical store, should the merchandise fail to meet customers' expectations, thereby enhancing customer service through an augmented goods-returned policy option.

Pillay *et al.* (2012:21) affirm that South African customers are leaning towards a multi-channel retail format, whereby shopping behaviour hints at utilising various channels at different points in time. This is because utilising multiple channels can help to provide online customers with assurance and thereby reduce perceived online risks associated with store authenticity, clothing fit, style and quality (Lee *et al.*, 2010:144; Okonkwo, 2010:129; Kim & Forsythe, 2008:46; Siddiqui *et al.*, 2003:350). In multi-channel retail formats, customers can evaluate product attributes in the physical store, try on the clothing items and subsequently make an online purchase transaction from home (Kim & Park, 2005:109). Furthermore, to avoid the risk of late deliveries, customers are able to choose the option of placing an order online and then collect from a nearby store.

The Effective Measures Dashboard (2014:12) indicates that approximately 80.6 percent of South African consumers prefer to place orders online but collect purchases from a nearby physical store or post office. In addition, 42 percent of online shoppers buy online at least once a month and of these, about 47 percent conduct product research online prior to making a purchase (Rudansky-Kloppers, 2014:1190). This reported statistic therefore, implies that although traditional brick and mortar platforms still have a role to play, the typical South African shopper is looking for alternative channels such as multi-channel retailers.

### **2.4.3 Catalogue retailers and auction sites**

Catalogue retailers make use of mail (either postal or e-mail) to communicate products and services to customers in the form of brochures, catalogue and even videologues (Wolfe, 2009:245). Customers are able to select fashion merchandise by looking at pictures or illustrations and reading accompanying descriptions on the mailed catalogues (Frings, 2005:294). In most cases, the retailers use direct mailing systems that target narrow niches of the consumer market. In this context, Barron Company in South Africa offers corporate clothing using a monthly magazine catalogue. Consumers can place orders either telephonically or by mail (post or e-mail) of which the merchandise is shipped to the preferred address after a few days. This non store-based retailing format has been known to satisfy the shopping needs of the elderly and disabled consumers (Goldsmith & Flynn, 2005:274), while also eluding the dissatisfaction that often is associated with crowded

malls, inadequate parking and lack of service presented at conventional retail locations (Hines & Bruce, 2007:266).

#### **2.4.4 Pure play retailers (e-stores)**

Pure play retailers are Internet-based retailers that offer merchandise exclusively through online stores and use Web-stores as a means to sell directly to consumers (Vazquez, 2012:979). Therefore, a pure play retailer has no traditional storefront, yet exists solely in the online marketplace. The pure play-retailing format only focuses on a single business idea and/or product range (Ashworth *et al.*, 2006:291). Resultantly, this provides the opportunity for a unique business model that allows retailers to cater for the exclusive needs of a niche market. Pure play fashion retailers comprise several upstart online fashion retailers representing a number of South African designers and local brands such as Zando (Pty) Ltd and Spree (Pty) Ltd. Pure play retailers emphasise the provision of detailed information about goods on the e-stores in order to reduce the risks associated with shopping from an online store (Hines & Bruce, 2007:263).

Pure play retailers are able to procure the most cost-effective way of reaching niche markets with products and services (Hines & Bruce, 2007:267). Although pure play retailing is a relatively unexplored business model in South Africa, several start-up businesses have developed innovative models to sell fashion merchandise in the most creative, cost-effective and profitable manner. The nature of the pure play apparel-retailing environment is unique in that customers are permitted to develop value judgements of the e-stores based on a tripartite set of evaluations, simultaneously. First, a customer evaluates the tangible and physical properties of the fashion product (Ashworth *et al.*, 2006:291). Secondly, the intangible elements of the shopping encounter are evaluated through the online service that is offered in the absence of shop floor sales assistants (Vazquez, 2012:979). Thirdly, the total shopping experience is evaluated based on the uniqueness of such a virtual activity. Therefore, in the absence of physical cues, consumers' perceptions of e-store shopping value seem to be an important factor in determining future consumer behaviour, hence the significance of this study.

Vazquez (2012:977) asserts that pure play retailing offers consumers the advantage of quick navigation and customisation of store merchandise without having to go to a physical

store. Since the service is offered online, the ubiquitous nature of fashion e-stores saves customers from suffering the detriment of situational factors that are encountered in the physical stores such as heat, cleanliness, disruption by other customers, crowding, parking shortages as well as encounters with unfriendly staff (Okonkwo, 2010:75). In addition, price comparisons of different products while shopping from fashion e-stores is made easy. Pure play retailing encourages cross selling (offering complimentary products to customers simultaneously) and upselling (offering the opportunity to purchase a slightly more expensive product because of added benefits) before checkout (Jang & Burns, 2004:380).

Recommendations can be made for every product through online community groups (Okonkwo, 2010:78). Moreover, since pure play retailers are solely concentrated on the online platform, using one marketing strategy for one distribution channel, they provide opportunities for customers to create unique styling options while taking advantage of a variety of sensory technology measures to aid product evaluation (Vazquez, 2012:977).

Fashion e-stores suffer from the consequences of the technical risks associated with the Internet as a trading arena. In this vein, slow loading times or downloads can be a challenge. In addition, the absence of tactility and lack of ambience creation while online are often cited as key disadvantages of fashion e-stores (Peck & Childers, 2003:433; Solomon & Rabolt, 2009:469; Workman, 2010:128). This implies that consumers cannot touch or feel fashion products as the e-store experience is entirely dependent on Internet technology to deliver services. Moreover, customers may fear the risk of credit card details being manipulated when fashion purchases are made online (Hennigs *et al.*, 2012:31). In addition, fashion e-stores do not offer social interaction as there is no direct interface with customers (human contact).

This study focuses on the activities of businesses that do not have physical presence and, therefore, rely entirely on Internet transactions. The terms online fashion stores, pure play retailer, virtual store, e-store and e-retailer are used simultaneously in this study to refer to this specific group of retailers who are actively involved in online-based fashion retailing.

The next section provides a discussion on the use of the Internet as a channel for fashion retailing.

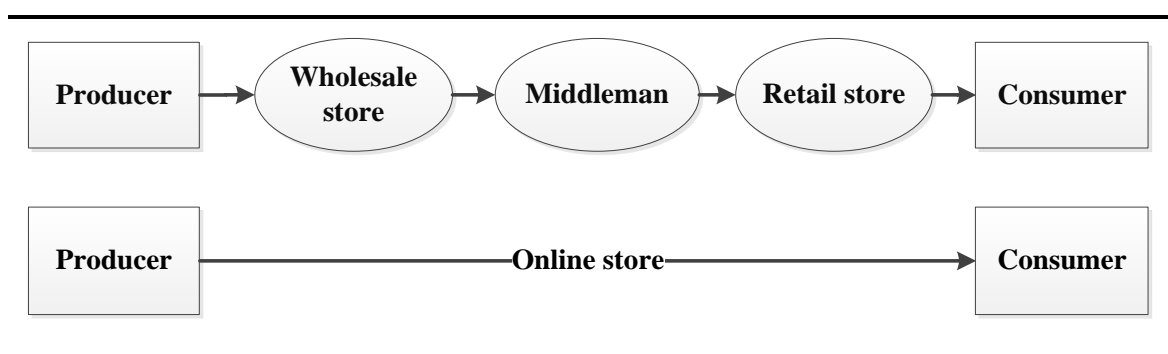
## 2.5 THE INTERNET AS A FASHION RETAILING CHANNEL

Porter (2001:68) as well as Vega-Vazquez (2013:1946) maintain that the greatest threat to any business is the failure to adopt the use of Internet technologies for strategic business practices. Resultantly, the majority of organisations have felt compelled to adapt their business models by introducing an electronic component in order to survive in a fiercely competitive global environment (Rowley, 2009:348). Furthermore, the effects of the global recession in recent years have directed an increasing number of customers to the Internet searching for wider product choices and lower prices (Euromonitor International, 2013:1). Judging from this, Internet platforms are considered the preeminent way in which businesses can gain access to global markets lucratively.

Duffy and Dale (2002:433) define electronic commerce (e-commerce) as an exchange of products electronically through linked devices, which might include personal computers (PC) and mobile devices. The term e-commerce was advanced from the wider concept of electronic business (e-business) which entails harnessing the power of digital and Internet technology as a channel to conduct business activities with a view to enhance the value chain (Moodley, 2003:562). Interestingly, the emerging use of e-commerce is reflected also in the fashion industry (Chen & Dubinsky, 2003:145). To such ends, Wolfe (2009:248) postulates that electronic retailing (e-retailing) has become mainstream. This is because fashion marketers are seeking local and international recognition through partaking in online retailing activities (Siddique *et al.*, 2003:349). Therefore, studies focusing on B2C perspectives typically refer to e-commerce and e-retailing in tandem, of which the latter constitutes a major component of this study.

Retailing can be described as making products and services available to consumers at the right time, at the right place and at the right price (Wolfe, 2009:245). Therefore, in the interest of saving time, costs and convenience, consumers have driven the success of the Internet as a retailing platform. As such, Duffy and Dale (2002:434) allude to the concept of e-retailing, which is defined as the ability to sell to individual customers via the Internet whereby the customer visits the retailer's website, views the products and then elects to conduct the transaction online. This process provides the e-retailer with unprecedented opportunities for displaying up-to-date fashion lines using a combination of photographs, videos and sound technology over the Web. Similarly, Rudansky-Kloppers (2014:1188)

defines fashion e-shopping as the process that enables customers to make use of an online store to search for products and services, place orders for the selected products through a shopping cart system, choose a delivery method, indicate a delivery address, date and later pay for the items through a preferred payment gateway. This excludes the use of electronic catalogues, as these do not necessarily involve Internet-based orders and purchases. In this way, fashion e-stores are presented with an opportunity to sell merchandise directly to customers (Kotler & Keller, 2012:103). As such, Lahtinen (2014) cited by Usvola (2014:17) presented the impacts of an online fashion store to the delivery chain as shown in Figure 2.1.



**Figure 2.1 The impacts of an online store to the delivery chain (Lahtinen, 2014) cited by Usvola (2014:17)**

As the Internet evolves, vast amounts of information have become available to consumers who are increasingly becoming perceptive and better able to make more educated choices (Pillay *et al.*, 2012:7). In addition, the usage of e-retailing has proven that the Internet is an essential channel for selling fashion designs. Moreover, E-commerce offers an easy access to global markets, thereby, bestowing a business solution that can go a long way to help the South African fashion industry to cope on the global front. Nonetheless, contemporary shoppers partake in a myriad of shopping tools to ensure they extract the best value from every purchase encounter (Solomon & Rabolt, 2009:466). The repercussions of this is that marketers need to up their game in terms of attracting and retaining customers' loyalty, as the consumer holds power in the online environment.

Providing the right customer experience commences with correctly profiling the online fashion shopper who has evolved to become smarter and sharper. This can be beneficial for determining the best segmentation strategy that appeals to different consumer groups that

demonstrate the greatest willingness to buy. The next section attempts to categorise online fashion consumers into identifiable cohorts.

## **2.6 ONLINE FASHION CONSUMER GROUPS**

If a portrait of the contemporary e-store fashion consumer were to be painted, the depiction would be that of a consumer who is informed about modern fashion trends. More so, the portrait would describe the type of consumer who is time poor and chases after convenient purchases by avoiding mall crowding and parking glitches (Byun & Mann, 2011:287). The consumer who knows the exact fashion products needed to fulfil a specific set of needs, while demonstrating the potential of being easily confused by wide product choice that is seen from the media, the Internet or from reference groups (Workman, 2010:128). A typical online shopper, therefore, seeks to be immersed in large volumes of intriguing fashion catalogues (Goldsmith & Flynn, 2005:273). Online shoppers are extensively fashion-involved and seek to have dialogue with the brand, the business as well as fellow customers (O’Cass & Choy, 2008:347).

Kim and Kim (2004:892) as well as Workman (2010:127) suggest that demographic variables (gender, income and number of children) are important factors, when profiling the online fashion consumer. Meanwhile, Chang *et al.* (2004:186) contend that there are paradoxical views regarding the gender profile of the typical online fashion shopper across countries. The authors demonstrate that the more affluent English men are the most important category of online clothing shoppers when compared with their female counterparts, in the American context. Therefore, based on these inconclusive results, it may be inferred that the characteristics of online fashion consumers are diverse, given that the Internet is also a rapidly evolving technology with a heterogeneous cohort of users. Notwithstanding this, Goldsmith and Flynn (2004:85) point out that it is important to go beyond demographic descriptions of the typical online shopper since the records that attempt to typify the probable income, gender, age and education level of the archetypal online shopper are transitory across markets.

Workman (2010:130) notes that instead of demographic variables, personality traits and consumer behaviour are salient predictors of the existing categories of online fashion shoppers. In view of that, the seminal work of Frings (2005:54-56) postulates a dichotomy

of symbolic online fashion consumers. In particular, an advancement of fashion leaders and fashion followers was made. This is because the emergence of new technology such as Web 2.0 offers the prospect of democratising communication between the influential consumers and the greater majority of fashion followers. These consumer groups are explained next.

### **2.6.1 Fashion leaders**

As the name implies, fashion leaders are usually the frontrunners in looking for, buying and wearing new fashion, before it is accepted by the general populous. Hence, the French label *avante garde* has been given to these individuals, meaning that they are fashion forward (Frings, 2005:54). Fashion leaders are confident about fashion tastes since they rely on fashion stylists for advice on fashion trends. In terms of personality traits and information seeking behaviour, fashion leaders differ significantly from fashion followers since the former are motivated by achievement and desire to express individuality or uniqueness (Frings, 2005:55). The study by Workman (2010:129) specifies that fashion leaders can be categorised into either fashion innovators, fashion motivators or fashion victims.

#### **2.6.1.1 Fashion innovators**

Fashion innovators create fashion and literally become the first consumers to buy and wear new fashions. Fashion designers may be innovators in themselves since they are actively involved in looking out for new interesting styles, colours, fabrics and ways to accessorise clothes (Frings, 2005:55). This means that innovators are trendsetters and front-runners with new products and innovations. In so doing, fashion innovators might indirectly influence the purchase decisions of other consumers although this may not be the primary goal. Apart from being at the centre of introducing and generating new product ideas, innovators play the gatekeeper role in the flow of new ideas into a system (Rogers, 2005:126). Since innovativeness is domain-specific, fashion innovators demonstrate a high degree of interest in trying out specific brands, products and retail store options (Jordaan & Simpson, 2006:33). In view of this, Workman (2010:130) pinpointed that fashion innovators are sought-after missionaries for speeding the Internet diffusion process through influencing other users to refer to online-based fashion purchases.

Fashion innovators make purchase decisions that diverge widely from societal standards and norms, demonstrating a high aspiration for exclusiveness (Bohdanowicz & Clamp,

1994:58). This is because innovators naturally view conformity as bad hence they steer clear from complying with what the majority is doing by combining creative personal styles, purchasing unusual fashion items as well as purchasing from unpopular fashion outlets. Therefore, innovators try fashion items from exclusive stores such as online boutiques (e-stores) and vintage clothing stores (Solomon & Rabolt, 2009:104).

### **2.6.1.2 Fashion motivators (role models and opinion leaders)**

Fashion motivators are those fashion leaders who possess the added advantage of beauty, status and/or wealth to become the fashion leaders in a society (Frings, 2005:55). These consumers are among the first to adopt new fashions and influence others' fashion decisions. Fashion innovators that comprise stylists and designers, often lend new styles to fashion motivators to get publicity at national events and in social media networks (Solomon & Rabolt, 2009:360-361). Subsequently, customers seek for opportunities to emulate the dress sense of fashion innovators. Fashion motivators may comprise role models, media personalities, celebrities and politicians since these individuals have more access to information than other consumer groups and are more actively involved in social activities (Gam, 2009:181).

Labelled fashion change agents, motivators engage in recreational shopping that is activated by an internal desire for fun, pleasure, enjoyment and sensory gratification, rather than a desire to obtain information about a product (Peck & Childers, 2003:434). Such behaviour explains the high affinity that fashion motivators demonstrate towards online purchases since these individuals rely heavily on the Internet to access information about the latest fashion designers and trends. Furthermore, fashion motivators are venturesome, daring and risky, demonstrating interest in new ideas (Workman, 2010:129). Such behavioural traits ideally channel fashion motivators out of local circles into cosmopolitan groups that search for novel fashion shopping channels.

### **2.6.1.3 Fashion victims**

Fashion victims are those individuals who have a lot of disposable income and use this to make impulse purchases of the latest range of fashion products while using trendy fashion merchandising platforms (Workman, 2010:129). While this is so, a fashion victim purchases fashion products that are new, rather than taking consideration for adaptation

with the existing personal dress style. The implication is that fashion victims remain subjugated towards new and upcoming designer brands and novel store options (Frings, 2005:56). Nevertheless, in light of this behaviour, fashion victims are beneficial in that they involuntarily amplify marketing messages and thereby execute a proportion of the marketing efforts on behalf of the company.

## **2.6.2 Fashion followers**

Fashion needs followers or it would not exist. Fashion followers are those consumers who only buy and wear a new fashion at the peak phase of acceptance (Frings, 2005:56). In other words, they emulate fashion leaders only after they are sure of trends, in order to gain acceptance into society. Fashion followers adopt latest fashion trends and novel shopping platforms such as e-stores, only at the later phases of market acceptance. A major driving force for fashion adoption among the members in this category is peer pressure since late majority consumers only consider adoption once most of the consumers in the system have adopted the new idea (Rogers, 2005:121). Similarly, fashion followers are time poor and also lack interest in fashion leadership practises (Workman, 2010:129). This means that they are less likely to spend impulsively and are more likely to purchase items for functional values rather than for fashionableness. Hence, these consumers are aptly named, because they follow the lead of other consumers, delaying purchases and spending less time, less money and less interest on apparel products (Bertandias & Goldsmith, 2006:27). Subsequently, fashion followers resort to using virtual stores for fashion purchases because of the convenience of such retail options.

The role of both fashion leaders and fashion followers in global Internet diffusion and online shopping adoption cannot be underestimated (Jordaan & Simpson, 2006:33). Nevertheless, it is of particular interest to both researchers and practitioners to estimate the long-term sustainability of fashion businesses as this assists to determine the future growth of the sector across global markets. In particular, an understanding of the contribution of fashion retailing among economies presents a remarkable recipe for enhancing social and economic outputs across countries. The next section outlines the significance of fashion retailing across different sectors.

## **2.7 THE CONTRIBUTION OF FASHION RETAILING TO GLOBAL MARKETS**

Ashworth *et al.* (2006:290) allude to the notion that fashion can be felt across countries both in economic and social terms. While this is so, economic dimensions that include sales and profit margins can best capture the performance of fashion companies just like any other business. Nevertheless, the triple bottom line (TBL) formula suggests that apart from evaluating the economic dimension, socio-cultural, technological and environmental elements of fashion retailing should also be measured in order to provide a holistic assessment of the sectorial contribution of any given industry (Makholwa, 2011:19). As such, the next section emphasises the economic, socio-cultural, technological and environmental contribution of fashion retailing to global markets.

### **2.7.1 Economic contribution**

The revenue contribution of online fashion sales within global economies cannot be ignored. Goldsmith and Goldsmith (2002:90) have previously cited clothing as the most important consumer purchase category within the US online sector. Consistently, an article from Forrester Research (2008:13) reports that online apparel sales for 2008 in the United States of America were estimated at US\$26.6 billion (US dollars), which exceeded both computer and automobile sales within the same financial year. Moreover, in Asia, 67 percent of the online retail sales come from apparel e-shopping avenues (O'Cass & Choy, 2008:342). Fashion also has been identified as the fastest growing online sector in the United Kingdom (UK) representing 9 percent of all online British retailing (Ashworth *et al.*, 2006:290). Rowley (2009:349) mentions that fashion has overtaken sectors such as books, CDs/DVDs and travel as the most purchased online product category in Britain. Within the same vein, Vazquez (2012:976) highlights that the online fashion market in the UK was estimated to be worth £4.8 billion (British Pounds) in 2011. In addition, online access is expected to expand significantly especially in developing markets, thereby allowing companies to reach a larger number of customers all over the world (Euromonitor International, 2013:2).

### **2.7.2 Socio-cultural and environmental contribution**

Fashion is a social feature since the phenomenon mirrors actual lifestyle, trends and developments among societies (Frings, 2005:19). Some authors juxtapose fashion with culture because of its universal nature (Solomon & Rabolt, 2009:47). As such, fashion is the binding force of society as it is deeply entrenched in the socio-political setting of a society as well as the national and regional characteristics of a given nation (Wolfe, 2009:27). The expertise of fashion designers and design houses helps to sustain the cultural heritage of a country through the development of unique genres of fashion collections and fashion development processes. In South Africa, fashion has been used to facilitate social change by providing a transitional stage from the apartheid era to the post 1994 democratic society (Singh, 2011:66). In so doing, designers have been able to manipulate individual talent to modify the rigidity of customs and belief systems in the country thereby preparing the mind for a socio-political shift into more transformed cultural and social arenas.

Within emerging markets, fashion is amongst the sectors that gained the most from global trade liberalisation and provides job opportunities for both skilled and unskilled labour (EDGE, 2014:15). The fashion industry is a lucrative business that is ranked among the top ten contributors to employment generation in South Africa (Rogerson, 2006:9). In China, over 19 million people were employed in the textile and clothing industry over a decade ago, with an estimate of over 40 million people being employed across the globe by 2007 (Hines & Bruce, 2007:11). Designers, new product developers, textile producers, manufacturers, merchandisers, buyers, marketers, technologists, supply chain experts, logistics managers, stylists, strategists and retailers, including front line customer service staff, are all involved with delivering the best fashion product to the marketplace at the right time and most competitive price.

While fashion has contributed significantly towards the development of the arts, human resources and education in general, significant pressures have been placed on the natural environment upon attempting to meet the aforementioned business goals. As a result, green fashion retailing has been conceived with a view to benefit the environment by encouraging environmentally conscious behaviours (Solomon & Rabolt, 2009:89). As such, regarding the environmental contribution of fashion, there has been a growing trend of fashion retailers playing a gatekeeper role in encouraging an eco-friendly consumption culture

(Wolfe, 2009:127). The behaviour spans from green fashion marketing campaigns, green fashion advertising to green brand labels. For example, Gap™ stores, a renowned global multi-channel retailer, stocks a unique collection of carbon neutral and hemp clothing merchandise that are friendly to the environment.

### **2.7.3 Technological contribution**

Fashion is a symbol of the technological advancement of a country through the manufacturing processes that are used to develop it, coupled with the promotion and distribution channels that it uses (Wolfe, 2009:127). Many successful businesses are learning that utilising automated design processes in tandem with electronic resource planning systems is a necessary ingredient to providing extra value for customers (Solomon & Rabolt, 2009:470). Efficient and effective supply chains are required to manage customer demand and brand operations while customer relationship management is supported through e-commerce (Hines & Bruce, 2007:14). In particular, the Internet has had a profound and doubled-edged sword effect on fashion businesses. First, Internet marketing enables businesses to reach both potential and existing customers directly from all over the world, without incurring an additional cost of utilising intermediaries (Solomon & Rabolt, 2009:469). Secondly, fashion businesses are able to acquire information about the activities of other competing businesses while operating from the Internet platform (Bruce & Daly, 2006:30).

The influence of the media in fashion design has transformed the environment where this industry operates, rendering fashion a global phenomenon that is targeted, direct and interactive (Wolfe, 2009:127). Apparel retailers are now able to use mix-and-match technology creatively, which permits customers to simulate the appearance of product combinations through image interactivity technology (IIT) and three-dimensional (3D) virtual models (Lee *et al.*, 2010:144). Such technology sturdily mimics the traditional fitting room as the appearance of apparel product combinations are shown on a body form.

While the contribution of fashion is acknowledged at the economic, socio-cultural and technological levels, issuing remarks on the growth and development of the e-retailing sector in South Africa is imperative. Specifically, the key tenets of this study are premised within the confines of online fashion businesses, hence the principal need to give an account

on the holistic development of online retailing businesses. As such, the next section presents the geographic distribution of e-commerce sites where consumers buy from, type of online product purchases, e-store visitations and online fashion purchases. These indicators are presented as the fundamental metrics for assessing the growth and development of online retail business activities in South Africa.

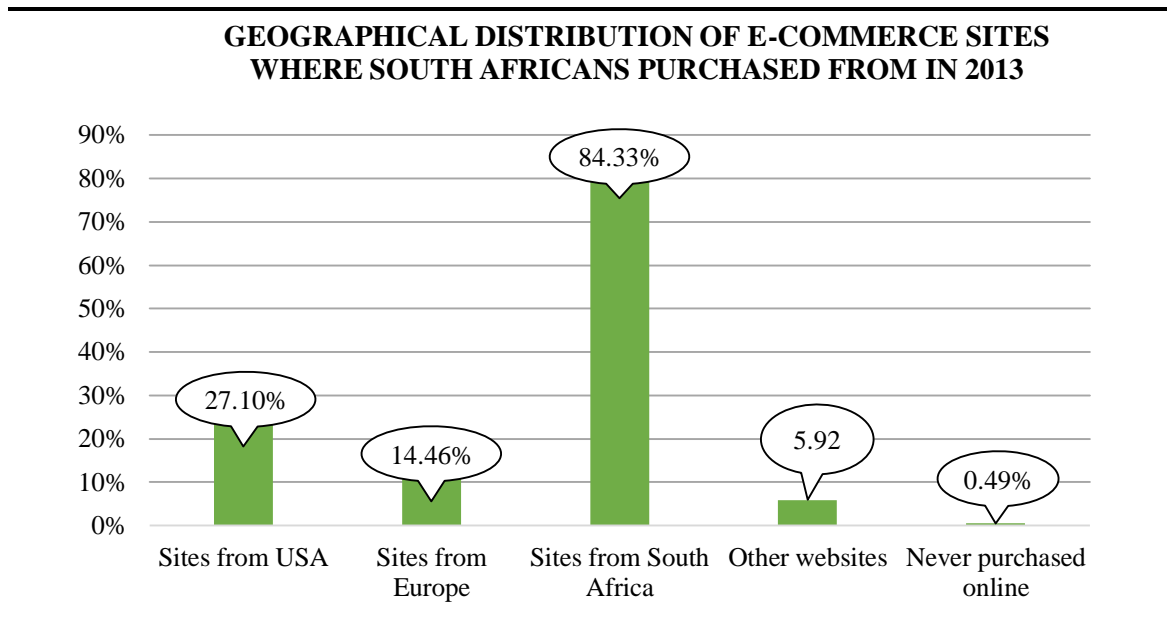
## **2.8 THE GROWTH OF E-RETAILING IN SOUTH AFRICA**

The use of the Internet as a medium for shopping has been rising in the last decade, coinciding with the overall growth in the spread and use of Internet technology. A study conducted by the Digital Media and Marketing Association (2014:4) estimated the total Internet population in South Africa to be almost 14 million users in 2013, representing approximately 39 percent of the country's adult population. This follows the trajectory in Internet connectivity in the country from 10 percent in 2010 to 35 percent in 2012 due to the influx of wireless enabled devices. Furthermore, a thriving middle class is set to increase disposable incomes among the citizenry, thus driving Internet purchases. Furthermore, the deregulation of the telecommunications sector, coupled with increased broadband access has placed the country in fifth position on the continent, in terms of Internet access (Tubbs & Ngubeni, 2014:3). Moreover, an estimated 58 percent of the Internet population shop online while 75 percent of these shoppers did so within the first quarter of 2014 (Rudansky-Kloppers, 2014:1187).

A report by Euromonitor International (2013:13) indicates that South Africa is still five to seven years behind most developed countries such as Australia, Britain and the USA in terms of the adoption of online shopping. Likewise, the position of e-retailing in South Africa is noted among the BRICS (Brazil, Russia, India, China and South Africa) nations, comprising five emerging countries that are trading partners. In this vein, Maake and Shevel (2013:2) report that South Africa is at 0.9 percent in terms of the 2013 online retail contributions, which is only better than India (0.7%) although, the country still trails behind Brazil (11%), China (10.7%) and Russia (4.2%), respectively.

A report conducted by Effective Measures Dashboard (2014:10) in South Africa reveals that the majority of South African consumers preferred to make online purchases from South African based websites, rather than companies that are based overseas. Such

behaviour, clearly demonstrates an affinity for locally based Internet retailers as shown in Figure 2.2.

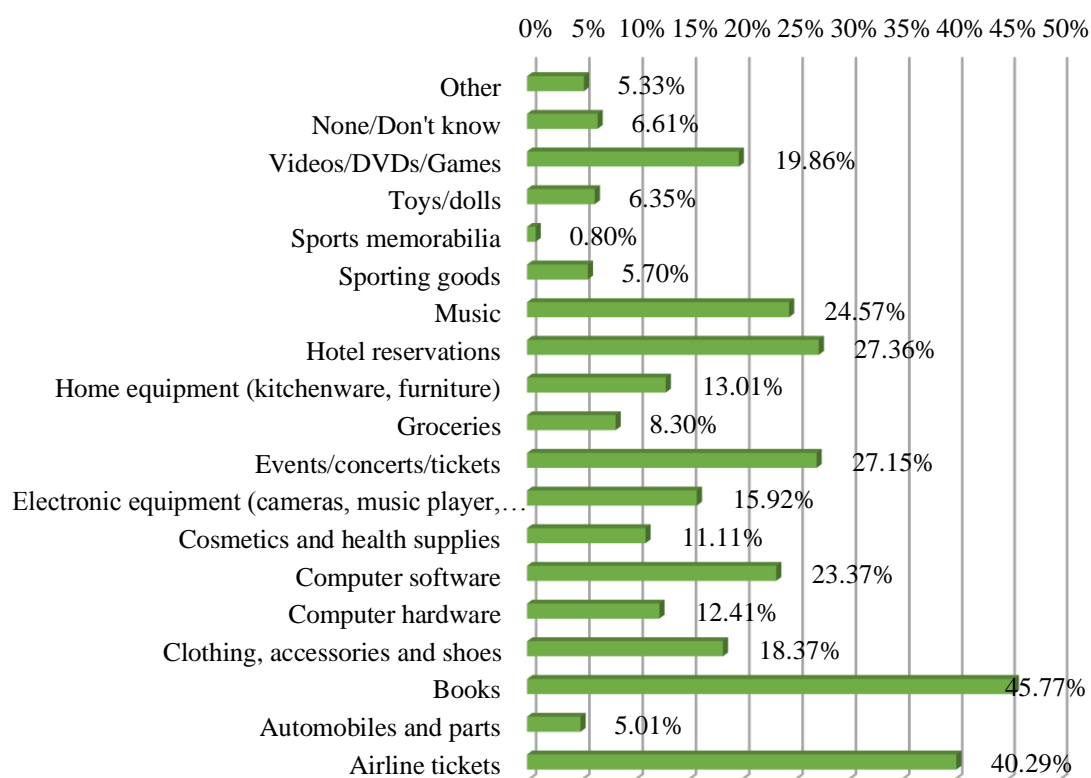


**Figure 2.2** Geographic distribution of e-commerce sites where South African consumers purchased from in 2013 (Effective Measure Dashboard, 2014:10)

The contribution of Internet fashion retailing remains truncated in South Africa when compared with other online product categories (Planting, 2012:1). In fact, the dashboard presented by the Effective Measures Dashboard (2014:6) ranked clothing, shoes and accessories in eighth position (18.37%) in terms of online purchases made in 2013. This ranking position followed books (45.77%), airline tickets (40.29%), hotel reservations (27.36%), concerts and events (27.15%), music (24.57%), computer software (23.37%), and video, CD, and DVD purchases (19.86%), respectively. Figure 2.3 visually presents these purchase statistics. This is the case despite the fact that the annual percentage growth rates of online retailing, is estimated at 15 percent (Pillay *et al.*, 2012:21). Even so, online industry experts predict that the contribution of fashion to the country's retail sales could continue to rise sharply from the less than 1 percent it is at now, to close to 10 percent that developed markets are expected to be experiencing by 2018 (Tubbs & Ngubeni, 2014:2).

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### PRODUCTS THAT WERE PURCHASED ONLINE IN 2013



**Figure 2.3 Categories of products that were purchased online by South African consumers in 2013 (Effective Measures Dashboard, 2014:6)**

It generally is accepted that it takes up to five years for new users to become experienced and active participants in the Internet economy (Jackson & Shaw, 2009:192). However, an upward trajectory in online fashion purchases in South Africa is expected due to the increasing use of smartphones, in the country. Moreover, Tubbs and Ngobeni (2014:4) concede that consumers increasingly are driven to shop online with a view to acquire competitive pricing on an expanded range of quality fashion products. This suggests that online retail sales of various product categories in South Africa are set for a steady growth in 2014 and beyond. Furthermore, fashion is part of an important industry sector in South Africa, one that is supported heavily by fiscal authorities as part of the national development programme (StatsSA, 2010:20).

Notwithstanding the relatively low Internet penetration rates in South Africa, the future prosperity of online businesses lies in the ability to penetrate certain niche markets and international consumers through exclusive business models (Makholwa, 2011:2). With this

prognosis in mind, the researcher found it expedient to evaluate some of the top contributors towards e-commerce development in the country. As such, the next sections review top contributors in terms of online store visitations.

### 2.8.1 Top contributors towards online store visitations in South Africa

Table 2.1 depicts the top 30 Web-stores in terms of audience sizes (visitations) and rankings at the time of writing this thesis. The corresponding merchandise category that is sold online is also indicated in tandem with the respective Web-stores.

**Table 2.1 Leading e-commerce sites that were visited by South Africans in 2013**

<b>Web-store</b>	<b>Audience size</b>	<b>Ranking</b>	<b>Category</b>
Kalahari.com	992 420	<b>1</b>	Internet retailer for assorted merchandise
Amazon.com	935 858	<b>2</b>	Internet retailer for assorted merchandise
Bidorbuy.co.za	701 720	<b>3</b>	Online auction site for daily discounted deals
Groupon.co.za	685 726	<b>4</b>	Online group purchasing site for daily deals
Takealot.com	678 684	<b>5</b>	Online auction site for daily discounted deals
Computicket.com	521 411	<b>6</b>	Multi-channel retailer for events and show tickets
Picknpay.co.za	475 135	<b>7</b>	Multi-channel retailer for groceries, homeware and fashion merchandise
eBay.com	474 302	<b>8</b>	Online auction site for daily deals
Woolworths.co.za	442 695	<b>9</b>	Multi-channel retailer for homeware and fashion merchandise
Game.co.za	398 438	<b>10</b>	Multi-channel retailer for groceries, homeware, furniture and fashion merchandise
Superbalist.com	327 022	<b>11</b>	Internet retailer for clothing, art and interior design
Mrponline.com	303 028	<b>12</b>	Multi-channel retailer for fashion merchandise
<b>Zando.co.za</b>	<b>290 116</b>	<b>13</b>	<b>Pure play fashion retailer (fashion e-store)</b>
Clicks.co.za	280 855	<b>14</b>	Multi-channel retailer for health, beauty cosmetics and homeware

**Table 2.1      Leading e-commerce sites that were visited by South Africans in 2013  
(continued ...)**

<b>Web-store</b>	<b>Audience size</b>	<b>Ranking</b>	<b>Category</b>
Edgars.co.za	269 420	<b>15</b>	Multi-channel retailer for homeware and fashion merchandise
Yuppiechef.com	229 778	<b>16</b>	Internet retailer for kitchen ware
Amazon.co.uk	207 408	<b>17</b>	Internet retailer for assorted merchandise
Wantitall.co.za	197 094	<b>18</b>	Internet retailer for imported, assorted merchandise
Dionwired.co.za	190 423	<b>19</b>	Internet retailer for electronics
<b>Spree.co.za</b>	<b>167 166</b>	<b>20</b>	<b>Pure play fashion retailer (fashion e-store)</b>
<b>Style36.co.za</b>	<b>161 803</b>	<b>21</b>	<b>Pure play fashion retailer (fashion e-store)</b>
Incredible.co.za	147 034	<b>22</b>	Multi-channel retailer for electronics
Truworths.co.za	126 523	<b>23</b>	Multi-channel retailer for fashion merchandise
Hificorp.co.za	125 508	<b>24</b>	Multi-channel (retailer for electronics)
Capeunionmart.co.za	124 734	<b>25</b>	Multi-channel retailer for outdoor fashion merchandise
Exclusives.co.za	113 701	<b>26</b>	Internet retailer for books, gifts and stationery
Ebay.co.uk	111 154	<b>27</b>	Online auction site for daily discounted deals
Spar.co.za	107 799	<b>28</b>	Multi-channel retailer for groceries and home-ware
Builders.co.za	104 921	<b>29</b>	Multi-channel retailer for building material & home-ware
Ackermans.co.za	100 388	<b>30</b>	Multi-channel retailer for fashion merchandise

The rankings provided by the dashboard indicate that Pick n Pay, Woolworths, Mr Price, Edgars, Truworths and Ackermans are among the top six visited multi-channel fashion stores in South Africa. These retailers are known to sell their fashion merchandise primarily in traditional, physical stores but have recently extended their presence to include the online platform. While the importance of multi-channel retailers is acknowledged, they are excluded from this study since its focus is to evaluate the behavioural intentions of shoppers who have purchased fashion from stores that operate exclusively on the Internet. In view of that, the reporting of Zando (13<sup>th</sup> place), Spree (20<sup>th</sup> place) and Style36 (21<sup>st</sup> place) is

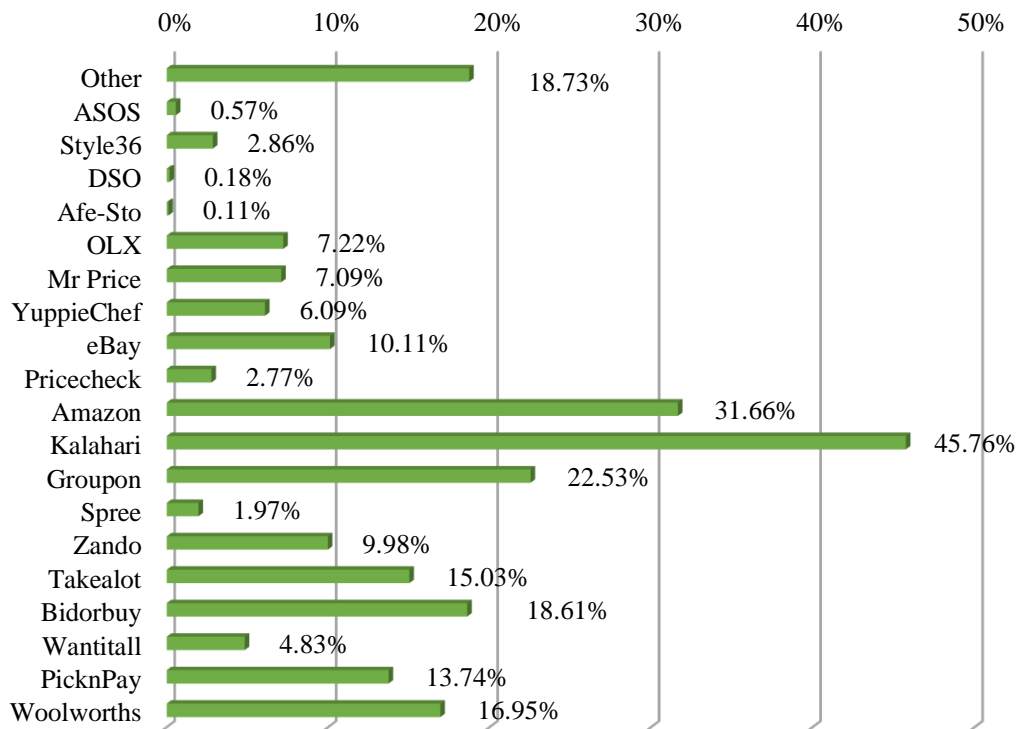
conducted. This is because even though miniscule, the contribution made by the latter category of fashion retailers who are market leaders in the pure play fashion-retailing front in South Africa is of interest to achieving the primary objectives of this study.

### **2.8.2 Contributors towards online fashion purchases in South Africa**

Different Web-stores exist that allow South African consumers to purchase fashion merchandise, online. Figure 2.4 shows the leading online clothing and accessories stores in terms of the number of purchases that actually were completed from e-stores in 2013.

According to the Effective Measures Dashboard (2014:20) report, the majority of consumers purchase clothing on an ad hoc basis from random websites that are trustworthy, such as Kalahari (45.75%) and Amazon (31.66%). Random websites sell an assortment of retail products at discounted prices, among which fashion may be a part. Among these, Bidorbuy (18.61%), eBay (10.11%), OLX (7.22%) and Takealot (4.83%) are the auction deal-based e-stores, which remain a favourite destination store for many consumers because of the competitive and discounted pricing they offer. In the same report, an indication was made of consumers that purchase classic and antiquated fashion accessories from similar auction websites. However, it is worth noting that as of February 2015, South Africa witnessed a pioneering merger between Kalahari and Takealot to take advantage of the opportunities presented by online retailing by using a single platform of scale.

**ONLINE CLOTHING AND ACCESORIES STORES  
PURCHASED FROM BY SOUTH AFRICAN CONSUMERS  
(2013)**



**Figure 2.4 Top 20 online clothing and accessories stores in South Africa  
(Effective Measures Dashboard, 2014:20)**

Multi-channel fashion retailers have benefitted from the Internet era through brand extension, whereby they avail an already existing, tried and tested brand from physical stores to the online platform for global expansion. Nevertheless, although multi-channel retailers may have fashion products as part of the portfolio, they do not necessarily specialise in fashion merchandise. The top three leading South African based multi-channel retailers that also sell fashion merchandise include Woolworths (16.95%), Pick n Pay (13.74%) and Mr Price (7.09%).

While fashion pure-play e-stores are typically market entrants, they are becoming a progressively acceptable business model in South Africa. This category of retailers operates purely in the virtual arena and only sells designer fashion brands. Fashion e-stores operating as pure play fashion retailers compete with offline or multi-channel stores based on communication and the ability to offer a value-based customer experience (Ashworth *et al.*,

2006:290). Although operating with a non-existent traditional storefront, Zando (9.98%), Spree (1.97%) and Style36 (2.36%) are cited as the top three e-stores for fashion purchases in South Africa.

Drawing from the Effective Measures Dashboard (2014:20) findings, virtual stores trail behind in terms of website visitation and online fashion purchases, when compared with other retailing options in South Africa. Nevertheless, an assessment of the extent to which fashion e-stores actually deliver paybacks to the consumers who use the channel for shopping as well as marketers, is imperative. In fact, it is noteworthy to understand such benefits of fashion e-stores since South Africans are progressively becoming more familiar and feeling more positive towards using pure play shopping platforms. As such, the next sections provide a discussion on the benefits brought about by fashion e-stores. Perhaps insight on the benefits of fashion e-stores to both marketers and consumers can go a long way in directing the marketing efforts of pure play retailers in view of enabling them to focus on fostering loyalty towards the fashion brands and e-store channels, coupled with delivering superior value to customers.

## **2.9 BENEFITS OF FASHION E-STORE RETAILING**

Tubbs and Ngubeni (2014:1) hinted that a steady growth in e-store fashion retailing is envisaged, as shown by the genesis of fashion e-retailers operating in the South African domain. This has considerably affected the country's digital participation curve. More so, the Internet has brought many opportunities for both businesses (Rowley, 2009:349; Phau & Lo, 2004:408) as well as consumers (Kim & Damhorst, 2010:57; Cheung *et al.*, 2009:151; Goldsmith & Flynn, 2004:86). Some of the benefits that are applicable within the context of the online fashion industry are outlined in this section.

### **2.9.1 Benefits to companies**

The Internet enables businesses to conduct transactions and disseminate information to other exchange partners globally, without limitations (Usvola, 2014:21). This includes the sharing of valuable business information directly with customers in real-time. This vantage point often results in online fashion marketers outcompeting each other based on information and service quality while operating on the Internet (Kim & Damhorst,

2010:57). This process, termed disintermediation enables shorter supply chains and increased cost efficiencies since the intermediaries are eliminated (Usvola, 2014:13).

The Internet enables businesses to tailor-make product offerings to consumers and accomplish marketing goals faster and more efficiently (Rowley, 2009:349). This includes allowing the marketer to revise, adjust and copy any changes on a daily basis in response to market trends (Solomon & Rabolt, 2009:471). In particular, upon following fast changing trends, fashion marketers are able to effect price changes and further add new product lines to the existing online store catalogue in real-time.

The digital age has broken the boundaries of global markets through the Internet; therefore, start-up companies can easily facilitate international business transactions (Kotler & Keller, 2012:103). Emerging entrepreneurs and fashion designers are able to take full advantage of the global visibility of their brands on the Internet (Planting, 2012:2; Makholwa, 2011:1). This provides an opportunity for both new and smaller businesses to compete at par with the larger and more mature businesses on the same platform. Apart from serving as a competing podium, Porter (2001:73) asserts that operating a store online is an easy way of maintaining a loyal clientele base and thereby, building market share.

Scholars hail the Internet for reducing costs among both small and large businesses. For example, online businesses forego the cost implications of investing in building and infrastructure developments (Solomon & Rabolt, 2009:471). This implies that real estate costs such as rentals and amenities are waived (Pillay *et al.*, 2012:1). Moreover, costs of holding inventory (Frings, 2005:295) as well as stationery, marketing and operational costs (Dlodlo & Mafini, 2014:56; Usvola, 2014:16) become reduced to miniscule levels. The benefits that accrue to the customers are discussed in the following section.

## **2.9.2 Benefits to the customer**

Goldsmith and Flynn's (2004:92) research on the psychological and behavioural drivers of online clothing purchases reveals that online platforms provide an adventurous experience for clothing shoppers. Merchandise assortment and variety was found to be one of the most rewarding benefits in e-store shopping (Forsythe & Shi, 2003:869). In other words, consumers have access to a wider variety and range of products and services because of e-store based shopping. In that way, the Internet presents an opportunity for overall shopping

fulfilment by providing better quality information, variety goods and enabling consumers to find the products they desire.

Latest fashion trends and other information are communicated quickly to customers via online fashion stores (Usvola, 2014:19; Jang & Burns, 2004:380). With a few mouse clicks, customers are able to save time and money by conveniently purchasing different fashion products from the Internet (Solomon & Rabolt, 2009:471). This is because e-stores are available 24 hours a day, 365 days a year, thus eliminating the time and distance barrier. This offers ubiquitous service, since fashion shopping can be conducted any time and from anywhere with Internet access (Goldsmith & Flynn, 2004:84).

While some customers shop from fashion e-stores out of impulse, for other consumers, situational necessity may warrant such behaviour since online shopping provides direct access to products that are unavailable in the local market (Park *et al.*, 2012:1584). Consumers are able to engage in the practice of perusing and trying out products in stores and then placing orders at international competing retailers who may offer bargain prices (Pillay *et al.*, 2012:17). This trend is termed showrooming and has been instrumental in driving online purchase activity in recent years. Relatedly, the Internet offers a preponderance of technological solutions such as virtual fitting rooms whereby customers upload personal body measurements and then try on clothes from a specific website (Okonkwo, 2010:129; Kim & Forsythe, 2008:46). The ability to customise and personalise one's shopping is an important factor in the adoption of Internet shopping by some users. For example, the virtual fitting room known as *Fit.me* has interactive and three-dimensional (3D) virtual features, which help to simulate the appearance of apparel product combinations on a body form and allow image manipulation, zoom functionality as well as mix and match options (Lee *et al.*, 2010:144). This technology is deemed convenient in cases where consumers are not physically able to travel to brick and mortar stores for shopping purposes.

Finally, the rise of the Internet encourages the formation of groups that interact and share shopping information in an informal and conversational style. Specifically, fashion e-stores and the e-store shopping channel enables both current and potential shoppers to connect through online communities, virtual communities and fashion blogs (Cheung & Lee, 2009:279; Kim *et al.*, 2008:815).

Regardless of the observable benefits derived from fashion e-stores such as saving time and price-comparison shopping, the relatable adoption by consumers has not been consistent. This is because fashion consumers often, are confronted with uncertainty when considering patronising e-stores as the primary store option for fashion products. In view of this, it is imperative to acknowledge the risks associated with shopping from pure play retailers. The next section elaborates on some of the challenges presented by the Internet within the context of fashion e-store shopping. Nonetheless, while evidentiary findings may pinpoint certain risks associated with fashion e-store shopping, there is indication of the efforts of e-store retailers in attempting to avert the risks of online fashion shopping with a view to expand the shopping opportunities for consumers.

## **2.10 CHALLENGES ENCOUNTERED IN FASHION E-STORE RETAILING**

Despite the myriad benefits that may be offered in e-retailing, the intricacies associated with Internet shopping present an avalanche of complexities and challenges for both businesses and consumers. Within the same vein, both developing (Tubbs & Ngubeni, 2014:2) and developed (Yoo *et al.*, 2010:90; Goldsmith & Goldsmith, 2002:95) markets have endured widespread apprehension and limited consumer confidence in Internet-based purchases. This is because some consumers cite uncertainty with regard to the authenticity of some e-stores as well as the risk associated with making online purchases (Van der Heijden *et al.*, 2003:43-44). Questions relating to privacy and revealing personal information such as credit card details and contact details when conducting online payment transactions often are raised. Meanwhile, other customers cite the difficulty associated with returning fashion products that do not fit or those that hardly meet pre-purchase expectations (Hines & Bruce, 2007:263). Akin to this, the majority of online businesses offer free shipping or delivery for orders of specific amounts only and if the product is defective upon arrival, the customer is often responsible for any return costs that may be incurred (Solomon & Rabolt, 2009:471). Thus, a combination of privacy, security, product fit and inflexible product returns policies adds an element of perceived transaction risk and uncertainty in e-store shopping (Hennigs *et al.*, 2012:31). In light of this, Vazquez (2012:976) echoed that the greatest challenge for fashion e-store marketers lies in finding

ways to deliver an advanced consumer experience and maximise marketing efforts, while building consumer trust online.

Another important point of consideration that hampers the development of online fashion shopping is the time lag between product purchase and actual consumption. Generally, immediate consumption after an online purchase is desired. However, such instantaneous gratification and consumption may be delayed when purchasing a product via the Internet, as compared to the traditional retail setting due to order-delivery lead times, which can take several days (Park & Kim, 2007:27). This time risk is a crucial factor considering that changes in fashion trends occur at accelerated levels (Forsythe & Shi, 2003:871; Heinonen, 2004:210; Wolfe, 2009:39). Therefore, time risk and product obsolescence can be labelled as one of the major risk components for Internet-based apparel shopping.

Fashion e-stores lack the social experience of brick and mortar shopping whereby consumers can physically interact with each other (Yoo *et al.*, 2010:94). As a result, marketers have attempted to counter this challenge by utilising interactive features and applications that permit consumers to make contributions and comments about the merchandise and level of service that is offered by an e-retailer. Steuer (1992:84) defines interactivity as the extent to which users can participate in modifying the form and content of a mediated environment in real time. While this trend is welcome, an unanticipated dilemma regarding the extent to which the public should voluntarily contribute on Internet websites, is presented (Seringhaus, 2005:4).

Some Web-store operators fear that implementing interactive websites might lead to a negative word-of-mouth communication and unrestricted public recommendations by customers (Chen & Dubinsky, 2003:323). These actions might present deleterious effects on the reputation of the fashion e-store since recommendations are the backbone for the survival of most online businesses. In some cases, some online fashion retailers encounter the paradox of maintaining brand control while allowing customers to curate fashion merchandise into styles (Okonkwo, 2010:74). This is because some interactive features might allow customers to customise fashion merchandise and this presents challenges regarding how to maintain adequate control of fashion brands. Judging by this, Internet marketers are bound to have a lean approach with regard to the amount and level of collaborative activity that is permissible on e-stores and/or other related links.

Another barrier that hinders the success of fashion e-store retailing relates to the inability of the platform to enable customers to engage all senses, effectively. Hennigs *et al.* (2012:32) and Rowley (2009:351) underscore that virtual stores do not provide an opportunity to examine or experience products offered for sale (touch), physically. As such, increased levels of uncertainty might arise with regard to the actual quality, roughness, texture and hardness of the fashion merchandise (Workman, 2010:128). This might be a problem for consumers that have a strong preference for evaluating fashion products through the haptic system of physical touch. Moreover, the absence of the sensory element of smell for fashion products such as perfumes and cosmetics might also be a challenge for some e-retailers.

Some scholars have determined that despite acceptance, online fashion stores lack the necessary tactility and experience associated with making a purchase evaluation (Ashworth *et al.*, 2006:290). Nonetheless, e-stores have not stopped finding possible options that can enable consumers to indulge the senses while shopping online. Examples include the invention of online vapourware concepts such as digiscent's iSmell gizmo, which makes it possible for consumers to waft perfume scents from online stores. In addition, the research by Kang (2014:495) also provides valuable insights into the implementation and development of e-shopping applications that use webcams and motion technology to capture the visual senses.

Fashion e-stores do not offer human interaction with store personnel. The implication, therefore, is that customers tend to rely on the website's product presentation, pictures, graphics and text descriptors to formulate attitudes and purchase intent (Ashworth *et al.*, 2006:291). Nonetheless, the use of podcasts on some e-stores to indulge the sense of hearing is appreciated (Balabanis *et al.*, 2006:218).

Visual merchandising and perfect colour scheming is not always entirely and easily accomplished on e-stores (Okonkwo, 2010:75). This tends to compromise the visual (sight) sense. For example, some fashion e-stores provide the customer with limited viewing angles of the fashion item. Hennigs *et al.* (2012:32) advocate for the use of videos or 3D product presentations, music that evokes certain emotions and interactive media that promote the dialogue. The challenge, therefore, lies in how best fashion e-stores can

transfer a holistic multi-sensory experience to the consumers while they evaluate fashion merchandise in the virtual environment.

As creativity is highly important in the fashion industry, product imitations are another major challenge when operating online (Usvola, 2014:18). In fashion e-store retailing, competing businesses can easily replicate fashion designs that are presented visually on the catalogues and runways of different e-stores. Copycat or 'fake' fashion brands are available in every category from perfume, apparel to accessories (Hines & Bruce, 2007:136). Consequently, if consumers search for a certain luxury product online, hundreds of fakes often are presented, as a façade for the authentic brands. This is a noteworthy problem since customers can compare prices and products across different e-stores, hence it is possible to either buy or sell inexpensive imitations of fashion designs in fast fashion markets, effortlessly (Bruce & Daly, 2006:30). Thus, because of the numerous discount options that are available on the Internet, counterfeits are abundant and fashion brand owners are sceptical that Internet retailing could potentially damage authentic brands in the future (Hennigs *et al.*, 2012:32). This aggravates the need for intellectual property protection in the online fashion industry to preserve the design rights of fashion designers, even on the Internet podium.

The Internet is a nearly perfect market, because information is instantaneous and buyers can compare the offerings of sellers worldwide (Jang & Burns, 2004:380). Nevertheless, this characteristic presents an unexpected shortcoming whereby consumer loyalty to brands and stores nearly becomes extinct since customers could easily switch from one website to another looking for the cheapest product offerings (Chang *et al.*, 2009:187). Interestingly, Usvola (2014:32) raises the issue of competitive warfare on visibility and e-store visitation. This is because in traditional retailing, retailers compete based on store location whereas in e-retailing, businesses are inclined to differentiate themselves through Web-store aesthetics and discounted pricing with a view to stand out in global markets and thereby increase e-store traffic and sales (Solomon & Rabolt, 2009:472). Therefore, the efforts of fashion e-retailers should be expended in providing a fulfilling shopping experience since customers can easily switch from one service provider to another with only a mouse click.

## 2.11 CONCLUSION

While undertaking the literature review for this chapter, the aim was to provide an appropriate frame of reference that would provide a perspective on fashion e-stores. As such, the term fashion was restricted to accessories, clothing, footwear, active wear, fashion apparel and bags. Fashion is significant towards the economic growth and development of different markets through its contribution to gross domestic product and sales revenues. In addition, fashion contributes significantly to socio-cultural, technological and environmental development of global markets through employment creation and advances in manufacturing and distribution processes, among which the pure play retailing structure is key. In this chapter, fashion consumer cohorts are identified and grouped either as fashion leaders or as fashion followers. These cohorts are instrumental towards the acceptance of new trends as well as new distribution channels, particularly fashion e-stores. Moreover, a discussion on the various fashion retail formats, which include big box retailers, multi-channel retailers, catalogue retailers as well as pure play retailers is provided. As such, this chapter concludes that the pure play business model is an intricate alternative to the aforementioned retailing options in that it delivers exclusive fashion products on the online platforms, while having no physical presence. The implication, therefore, is that fashion e-stores require a different set of strategies with which to target potential clients.

The chapter identifies crucial benefits of e-store shopping that are essential in understanding why the Internet medium presents a different dynamic for both marketers as well as consumers. For consumers, these characteristics translate to access to more information, products and services, increased variety and potential bargaining power while cost-savings and internationalisation can be realised by marketers. Nonetheless, while the Internet presents such indelible paybacks, many constraints may still be encountered while using the same platform for shopping. Therefore, fashion e-store marketers should attempt to find ways alleviate the challenges that consumers encounter while shopping online.

Although still marginal, Chapter 2 captures evidentiary statistics signalling the gradual move of e-stores from being a curiosity towards becoming a mainstream retail channel, globally and in South Africa. This movement is projected within a specific retail sector, namely fashion, which is ranked in eighth position in terms of total online sales in South Africa. However, the absence of the literature directed at South African fashion e-stores

signals the concomitant need for the intended research. This is because online retailers are only investigated as part of general conceptual works in marketing, which is not sufficient for such an emergent and promising model of conducting business.

Chapter 3 seeks to make a theoretical review into the area of customer value by providing deep understanding as to what constitutes customer value, specifically to online fashion shoppers. Moreover, the next chapter provides a theoretical background on the components that can assist fashion marketers in delivering a value-based offering, as it were through segmentation along the perceptual primacies of consumers.

## CHAPTER 3

### THEORETICAL PERSPECTIVES ON CUSTOMER VALUE

*“Perceived value is far more crucial than value itself”*

*Jay Conrad Levinson*

#### 3.1 INTRODUCTION

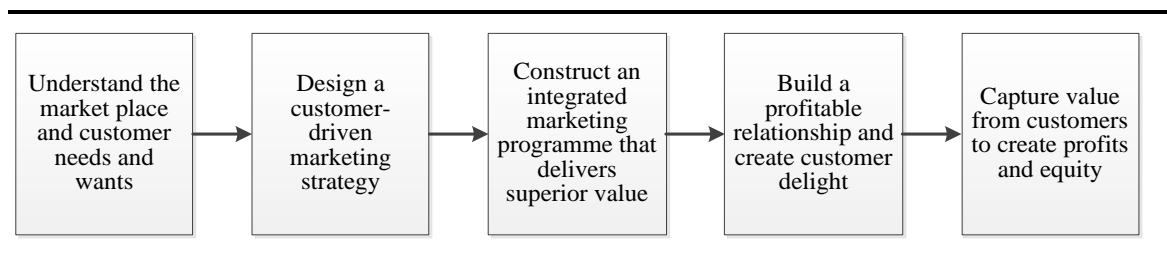
Dramatic political, social and technological changes in the global business fraternity have created new opportunities for organisations. Key drivers of such prospects have been developments in market forces such as a dynamic Internet revolution, disintermediation and globalisation (Kotler & Keller, 2012:27). Nonetheless, consumer sophistication, information access, wide product choice, buying power and social networking sites invariably contribute towards increased consumer capabilities (Kotler *et al.*, 2010:27). Increasing competitive pressures and the metamorphosing global markets dictate that organisations, more so than ever, need to develop competitive advantage in order to survive (Vega-Vazquez *et al.*, 2013:1946). One potentially effective way of dealing with competitive pressures is to commit towards providing value by continuously and more effectively satisfying the needs and wants of customers, better than competition (Schiffman *et al.*, 2014:10). Understanding consumers’ needs and wants is central to creating value for customers and building relationships that enable organisations to capture value from customers in return. Therefore, successful marketing organisations could endeavour to understand consumer needs and wants (Blythe, 2008:9). Such businesses also make considerable attempts to develop products and consumption experiences that offer superior value by implementing strategies that seek to achieve the desired exchanges with target markets (Woodruff, 1997:143).

Section 3.2 provides an overview of the marketing process, including its related components while Section 3.3 reports on the alignment between the marketing concept and customer value. Section 3.4 presents different theoretical perspectives that provide the bedrock for the conceptualisation of the term, customer value. Section 3.5 provides a myriad of definitions on customer value, culminating in the operationalisation of a relevant definition of the concept for this study. A deliberation on the uni-dimensionality and multidimensionality approaches to customer value is made in Section 3.6, in tandem with

noteworthy customer value theories and models that follow these approaches. Section 3.7 highlights the various components of customer value amenable along fashion e-stores while Section 3.8 draws this theoretical discourse to a close and hints at the next chapter.

## 3.2 OVERVIEW OF THE MARKETING PROCESS

The American Marketing Association (AMA, 2008:28) defines marketing as “the activity, set of institutions and processes for creating, communicating, delivering and exchanging offerings that have value for customers, clients, partners and society at large”. However, coping with these exchange processes calls for a considerable amount of work and skill. Therefore, Kotler and Armstrong (1998:19) propose a simplistic five-step model of the marketing process as shown in Figure 3.1.



**Figure 3.1** The five-step model of the marketing process (Kotler *et al.*, 2010:19)

The marketing process commences with scenario planning that is conducted through research and attempts to identify customer needs and wants (Kotler *et al.*, 2010:19). The process culminates in the development of an appropriate customer-focused marketing strategy that could be integrated into a marketing programme to deliver superior value. Resultantly, profitable business relationships with customers are fostered, while value is captured from the customers resulting in customer equity. These steps are elaborated on in the next section.

### 3.2.1 Understanding the marketplace and customer needs

As a first step, marketers need to understand customer needs and wants within the marketplace within which they operate. The term ‘needs’ describes basic human requirements such as food, air, water, clothing and shelter (Schiffman *et al.*, 2014:74). People also have strong needs for recreation, education and entertainment. These needs

become wants when they are directed to specific objects as shaped by culture, beliefs and individual personality (Kotler *et al.*, 2010:20). Relatedly, wants are shaped by one's society and are described in terms of objects that satisfy a particular need (Grewal & Levy, 2010:59). Nevertheless, marketers do not create needs but rather influence consumer wants. Thus, marketing organisations go to considerable lengths to conduct consumer research with the aim of delivering a market offering (product, service and experiences) that satisfy consumer needs and wants through an exchange relationship.

### **3.2.2 Designing a customer-driven marketing strategy**

Through consumer research, researchers understand that markets consist of consumers with different cultures, incomes, tastes, expectations, beliefs, norms and motives (Schiffman *et al.*, 2014:22). These differences help to provide a categorisation of the different values that are held and those that could be gained after a marketing exchange. Such customer differences tend to form the basis for developing marketing strategies (Kotler, 2002:26; Yamamoto, 2001:550). In particular, marketers apply the principle of 'segmentation, targeting and positioning' (STP) in their development of marketing strategies (Kotler & Keller, 2012:34). This suggests that appropriate target markets are identified through market segmentation processes and target marketing (Solomon & Rabolt, 2009:35). Thereafter, marketers determine how they can differentiate and position themselves in the marketplace by creating a unique value proposition.

A firm's value proposition is the set of benefits that it promises to deliver to customers for the satisfaction of diverse needs and wants (Levy & Weitz, 2009:98). Put simply, to deliver value, marketers should first seek to understand the level, timing and nature of customer demand. In so doing, a selection of only those customers that marketers can serve well and profitably is made (Blythe, 2008:9). This is termed target marketing. In addition, Kotler *et al.* (2010:22) suggest that a review of the marketing philosophy is vital since it may serve to guide marketers towards the development of a customer-driven marketing strategy that fulfils the requirements for delivery of superior value.

The marketing concept, which was crystallised in the 1950s, entails the company's capacity to be more effective than competitors in creating, delivering and communicating customer value to its chosen target markets (Schiffman *et al.*, 2014:16). Kotler *et al.* (2010:24)

underscore that “customer focus and value are the paths to sales and profits” when applying this philosophy in business. In other words, satisfying customers is the anchor of the marketing concept through a clear description of customer needs and coordinated functional efforts while paying attention to profit making. As such, implementing the marketing concept leads to a customer-driven marketing strategy because the company does more than simply respond to the stated needs of customers.

### **3.2.3 Constructing an integrated marketing programme that delivers superior value**

While the marketing strategy of a firm outlines the type of customers that are serviced by the company and how value is created, an integrated marketing programme outlines how intended value could be delivered (Kotler & Armstrong, 1998:16). Specifically, an integrated marketing programme demonstrates how the marketing strategy can be turned into action by manipulating the elements of the marketing mix. Kotler *et al.* (2010:26) highlight that in order to deliver on its value proposition, a company should create a need-satisfying market offering (product, service or experience). This can be achieved by deciding how much should be charged for the offer (price), where the offer should be made available (place) and how the offer could be convincingly communicated to the target audience (promotion). A comprehensive blend of all these marketing mix elements delivers an integrated marketing programme that seeks to deliver and communicate the intended value to customers.

### **3.2.4 Building profitable relationships and creating customer delight**

Customer relationship management (CRM) is the overall process of building and maintaining profitable B2C relationships by delivering superior value and satisfaction (Kotler *et al.*, 2010:27). CRM is a logical extension of the marketing concept since it aims to build long-term mutually satisfying relations with key stakeholders in order to earn and retain long-term business (Grewal & Levy, 2010:67). Mutually beneficial relationships are fostered as both buyers and sellers make a commitment to do business with each other over a long time. CRM allows the company to discover who its customers are, how they behave and what they need or want. Therefore, delivering value often means making substantial investments in infrastructure and managing internal resources to empower the company to

respond appropriately and quickly to different customer opportunities (Kotler & Keller, 2012:39).

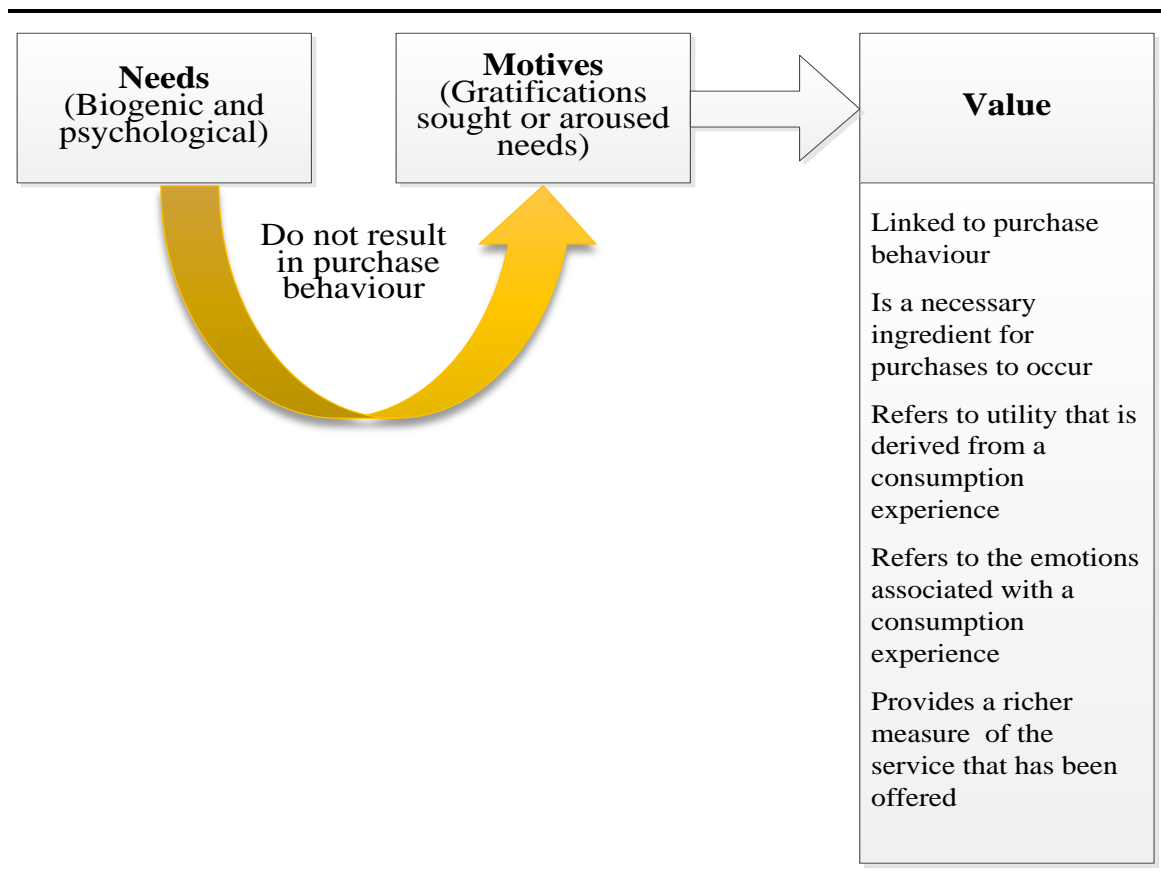
### **3.2.5 Capturing value from customers to build customer equity**

The ultimate purpose of the marketing concept is to help organisations create superior customer value by satisfying customer needs better than competitors. Upon creating superior customer value, the firm generates a pool of satisfied customers who stay loyal and buy. This delivers greater long-run returns for the company in the form of current and future sales, market share and profits (Blythe, 2008:9; Kotler, 2002:16). In turn, equity is developed, which is defined as “the combined discounted customer lifetime values of all the firm’s current and potential customers” (Kotler *et al.*, 2010:34). In other words, when marketers deliver superior value to customers, they in turn are able to make substantial profits through managing the entire stream of purchases that a customer would make over a lifetime of patronage (customer lifetime value). While customers create value, the same is also derived from long-serving customers through cross selling and up-selling along different product categories. Resultantly, contemporary researchers allude to customer equity as a better measure of a firm’s performance, compared to sales and market share (Kotler *et al.*, 2010:27; Yang & Peterson, 2004:801).

The significance of pursuing integrated marketing strategies within organisations has been stressed. However, marketing processes can only be enacted successfully through an adoption of the marketing orientation philosophy. As such, the ultimate goal of marketers and theorists should be to apply marketing orientation by pushing beyond a simple identification of customer needs and motives to the complete delivery of value for customers. In light of this notion, the next section alludes to the confluence between marketing orientation among firms and customer value.

### **3.3 MARKETING ORIENTATION AND VALUE: THE HOLY GRAIL?**

In the marketing literature, concepts such as motives, needs and value often have been used interchangeably. Figure 3.2 demonstrates the connection among these terms, while justifying why perceived value is a richer measure of consumption experiences.



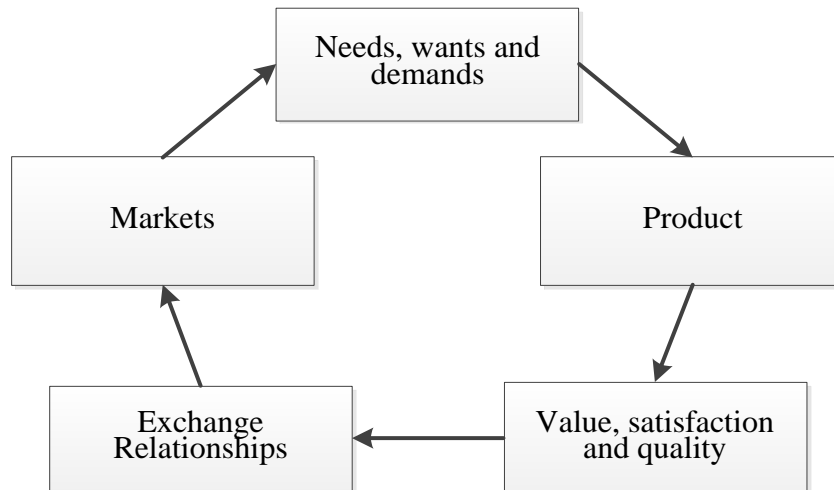
**Figure 3.2 The relationship between needs, motives and value**

A need is an inner desire to acquire basic things, or simply stated, what customers perceive as being vital for survival (Flint *et al.*, 1997:164). Needs can be either biogenic or psychological and they are not learnt, but are felt spontaneously. This implies that needs are dormant most of the time unless they are aroused. However, the tension caused by an unfulfilled need produces a driving force, which often compels consumers to action (Schiffman *et al.*, 2014:74). The arousal of needs at a specific moment in time may be caused by either internal stimuli such as hunger or emotional stimuli such as frustration and anger. This drive or urge is termed a motive (Mahatoo, 1989:29).

Both Maslow's hierarchy of needs (Schiffman *et al.*, 2014:83-84) as well as Elliot and Rosenberg's (1987:680-683) uses and gratification (U&G) theory are proposed as superior models for explaining human motives in the psychology and advertising communication disciplines, respectively. However, both models are inadequate in providing a stable foundation for attracting and retaining consumers after performing a specified action. This is because while consumers exhibit a preference for those brands or products that meet

personal motives better, neither a need nor a motive arbitrarily results in actual purchase behaviour, although both elements may culminate as a desire to perform a certain action. This implies that the identification of customer needs and the enlisting of motives are only diagnostic in nature, as this does not pinpoint purchase behaviour. Therefore, perceived value is viewed as a more fitting concept in this study because of the direct linkage of the construct to a specific purchase experience wherein customers' needs have already been fulfilled (Bolton & Drew, 1991:383). In other words, consumers perceive value after deriving specific benefits from a fulfilling consumption experience at a fashion e-store.

Where competitive advantage was once defined within the context of structural market characteristics such as market power and broader product mixes, the shift today has changed to the delivery of superior value to customers (Kotler & Keller, 2012:32). Consequently, it is not sufficient to enumerate customers' needs and wants. Marketing management has been recently conceptualised as the art and science of applying marketing concepts to choose target markets and grow customers through creating, communicating, delivering and monitoring customer value (Kotler & Keller, 2012:32). A business is marketing oriented when its culture is entirely and systematically committed towards the creation of superior customer value (Slater & Naver, 1994:22). This affirms the role of delivering customer value in modern day businesses. In addition, Yamamoto (2001:547) agrees with Fox (1997:27) who contends that companies should be more customer-focused, not as a nicer, more socially acceptable way of life but because customer value is a commercial imperative. Figure 3.3 illustrates the basic marketing orientation concept.



**Figure 3.3 The marketing orientation concept (Kotler, 2002:11)**

The market orientation concept has attracted attention from both academics and managers as it has been widely used in the marketing discipline to explain the firm's achievement of good or superior financial performance through delivering superior value to customers (Schiffman *et al.*, 2014:10; Slater & Naver, 1994:22-28). A marketing-oriented organisation uses a strategy that transcends looking ahead to the needs customers might have in the future (anticipative marketing). Within the same vein, the company meets the existing and latent needs of consumers by discovering and producing solutions customers did not ask for (creative marketing), to which they enthusiastically respond (Kotler, 2002:12). At the very heart of such modern marketing thinking and practice is the creation and delivery of customer value, quality and customer satisfaction. As such, the study reiterates the weightiness of the marketing orientation philosophy as the basis of customer value building.

Ali (2007:44) points out that growing scholarship that provides an in-depth understanding of received value or perceived value is needed. Although value has been confirmed as having strategic importance to businesses, different perspectives have been promulgated in an attempt to position the concept within the scope of contemporary businesses. Therefore, prior to conceptually defining the term, the next section provides a discussion of five perspectives that assist in formulating the baseline assumptions prior to coining an operational definition for value in this study.

### **3.4 PERSPECTIVES ON THE VALUE CONCEPT**

Complications with operationalising the value concept have led to the promulgation of multiple theoretical approaches that reverberate with different voices as researchers encounter a conundrum in this field of research. This discord has resulted because of five diverging points of contention regarding the value concept as outlined in the next sections.

#### **3.4.1 Organisational versus customer perspectives on value**

The organisational perspective places emphasis on the customer's value to an organisation, leading to the calculation of the customer's lifetime value and subsequently, customer equity. This approach is company-centric, largely focusing on the firm's perspective of how the company can deliver value to a customer (Gale, 1994:26). Several authors have pursued empirical studies using this line of research (Lindgreen & Wynstra, 2005:732-748; Ulaga & Chacour, 2001:525-540; Flint *et al.*, 1997:27-30; Patterson & Spreng, 1997:414-434). Nevertheless, the customer perspective considers the customer's evaluation of a product or service consumption process, as measured by perceptions (Zeithaml, 1988:16) or experiences (Holbrook, 1999:19). This implies that customers perceive value differently based on a set of individualised needs, desires, demographics and personal characteristics (Paananen & Seppänen, 2013:712). In which case, the focus of this study is on the customer's viewpoint in line with previous scholarship (Kang, 2014:490; Kim & Damhorst, 2010:56; Gallaza & Saura, 2006:438; Cravens & Piercy, 2003:234).

#### **3.4.2 Subjective versus objective perspectives on value**

Fronzizi (1971:19) initiated an enquiry in this line of research by attempting to establish whether people desire products because they are valuable by creation (objective) or objects and products are valuable because people desire them (subjective). The objective perspective assumes that a product already possesses inherent value, which implies that a superior product can sell itself. Lindgreen and Wynstra (2005:734) strongly support this position by distinguishing between the goods and services offering product value as well as the value of buyer-seller relationships. However, the objective notion is embellished within the product orientation philosophy that, therefore, dispels the need for marketing.

Within reason, marketers should ascertain and act on the needs and desires of their customers, without solely relying on the presumed longevity and quality of their products.

Subjective value judgments are formulated from consumers' views regarding the personal experiences they had with the product. In view of that, Levitt (1960:49), a renowned marketing scholar, asserts that value is in the eyes of the beholder (customer), thus supporting a customer-centric approach. Interestingly, this is the most dominant perspective in both the marketing literature and the consumer behaviour studies literature (Fronzizi, 1971:20). In view of this, the current study assumes that the locus of value lies in neither the product nor the service (value in exchange) *per se*; rather, an intermediate approach is followed, which assumes that value is the outcome of a usage experience, that occurs after an interaction with the product or service (value in use).

### **3.4.3 Singular versus plural perspectives on value**

Value is a nebulous concept with multiple meanings. However, there appear to be three streams of research to identify value, based on time and spatial differences. Flint *et al.* (1997:168) elaborates on the differences between personal values, desired values and value judgements.

Personal values are implicit, abstract beliefs that serve as a guide for culturally appropriate behaviour in a society (Schiffman *et al.*, 2014:304). According to Flint *et al.* (1997:168), personal values are universal, higher-order beliefs that are formed by either individuals or organisations irrespective of situations. As such, personal values are enduring and usually remain consistent over an individual's lifetime. While this may be so, personal values seem to be restrictive in online shopping contexts because of the unique nature of each shopping encounter. This implies that specific situations and objects can confine how a person is likely to respond in a particular shopping situation. In this vein, Flint *et al.* (1997:168) mention the importance of studies that evaluate consumer value as it is tied to specific purchasing scenarios.

Desired values define what the customer wants to happen in a given consumption situation (Flint *et al.*, 1997:168). In other words, these are the benefits sought in order to fulfil higher-order goals. Nonetheless, while desired values relate to the interaction between the customer, product and situation (Sánchez-Fernandez & Iniesta-Bonillo, 2007:429), the

concept is void of usage experience. As such, desired values are of no empirical significance for this study since they do not evoke the need for prior e-store shopping experience and thereby negate the consumer's actual interaction with fashion e-store shopping situations.

Received values relate to the preferential judgements that customers acquire after a precise usage interaction with the product and service (Holbrook, 1999:22). Received value judgements may change across different purchasing occasions, either leading to positive behavioural outcomes or switching behaviour by consumers. This study is interested in received value judgements since it is those preferential evaluations that contribute towards individuals' future behavioural intentions towards fashion e-stores.

#### **3.4.4 Rational versus irrational perspectives on value**

While acknowledging the inter-disciplinary nature of the value concept, traditionally, the term has been equated with utility or desirability (Monroe, 1990:75-76). The economic theory of utility holds that consumers derive value according to the difference between the utility provided by the attributes of a product and the price paid by the consumer. Upon adopting this approach, several authors have used the term utility to define perceived value (Tellis & Gaeth, 1990:37; Zeithaml, 1988:14; Thaler, 1985:100). These scholars concede that value is merely a rational assessment of the usefulness of a product relative to the commensurate price, which the consumer is willing to pay. Within the same vein, the economic approach to value delineates value as the ratio between the customer's perceived benefits and the corresponding resources that have been expended to obtain those benefits (Schiffman *et al.*, 2014:9). In that case, the buyer chooses between different offerings based on which one delivers the most value (Abdul-Muhmin, 2010:7). However, while defining value according to the terms of product attributes, benefits and price may suffice in economic terms, buyers do not buy products or services based on attributes and price but on the extent to which they acquire the fulfilment of particular needs. Moreover, the contemporary consumer has demonstrated that both rational and irrational factors guide the consumer decision-making process in various consumption encounters (Schiffman *et al.*, 2014:411). Therefore, the present study is anchored on understanding buyers' perceptions of both rational and emotive elements while engaging in fashion e-store shopping.

### **3.4.5 Goods dominant (G-D) versus Service dominant (S-D) perspectives on value**

The goods-dominant (G-D) logic as well as the service dominant (S-D) logic presents noteworthy theoretical underpinnings to explain the value creation process. The G-D logic is premised upon the notion that value creation is a linear process, which lies with the company's ability to develop cost-effective methods to deliver befitting products that possess the attributes, features and quality required by customers (Vargo & Lusch, 2004:6). The marketer is presumed as the value creator who delivers products and services to customers through an exchange transaction (Ali, 2007:44). Accordingly, the marketer embeds value into raw materials or components and parts, by transforming them into usable products or services. Therefore, value is created inside the production process and is often reflected in the market sale price or what the customer is willing to pay, termed 'value in exchange' (Vargo & Lusch, 2006:48). The G-D logic provides a foundation for the production, product and selling philosophies in marketing as the paradigm narrowly assumes that the value creation process is company-centric.

The seminal work by Vargo and Lusch (2004:6) postulates that the G-D logic has historically limited the scope for businesses. This is because this viewpoint suggests that the roles of producers and consumers are distinct, while value creation is often thought of as a series of activities performed by the firm. This clearly disconnects three entities in the economic exchange process. First, the company is delineated as the producer and creator or originator of value. Secondly, the product is the receiver or transmitter of value. Thirdly, the customer is regarded as that entity that simply achieves value through various consumption processes. This assertion is contrary to the marketing concept that assumes that the customer is central in the entire marketing process and, therefore, the S-D logic is proposed as an alternative (Vargo & Lusch, 2006:48).

The S-D logic assumes that the roles of producers and consumers are not distinct, meaning that value is co-created, jointly and reciprocally, during interactions between the company and the customers (Vega-Vazquez *et al.*, 2013:1946; Yi & Gong, 2012:1281). In other words, the basis of exchange can only be found in the needs of consumers because people purchase satisfaction, rather than goods and services (Vargo & Lusch, 2006:48). Quality products are considered vehicles that enable access to the benefits of firm competences.

However, in the S-D paradigm, firms propose value through market offerings whereas customers continue value-creation processes through consumption. Rather than being linear, the process is cyclical in that products transmit value to the customer during consumption, thus generating satisfied consumers who, in turn, co-create value (Levy & Weitz, 2009:124). As a result, S-D logic results in mutually beneficial relationships and formation of long-lasting complementary relationships that could serve to enrich the market and provide a competitive advantage for businesses.

While taking an exodus from the convergence between the marketing concept and the S-D logic, this study echoes Normann and Ramirez's (1993:67) metaphor, which presents the customer as an actor 'on stage' taking an active role in co-creating the shopping experience, similar to improvisational theatre. By implication, therefore, the marketer plays a plethora of drama-related roles (including director, choreographer, writer and audience) to ensure that the performances of the actors provide mutually beneficial exchanges. In essence, marketers apply diverse knowledge and skills to identify new value opportunities through research, production, branding and distribution of products (Kotler, 2002:78), while customers apply knowledge and skills in contextualised product use (Schiffman *et al.*, 2014:16). Interestingly, this convergence eliminates inherent producer-consumer distinctions as both marketers and consumers contribute to the creation of value.

Meaningful research goes hand in hand with the choice of a specific research perspective. As such, it was necessary to identify the relevant theoretical perspectives, upon which the current study is framed. Specifically, this study adopted the consumer centric perspective that emphasises an evaluation of the independent and subjective value perceptions of fashion e-store consumers. In addition, the study concedes that value shifts over time. For instance, what a buyer considers valuable today might not be as valuable in the future, as new alternatives become salient and previous ones cease to exist. In lieu of this, an investigation of the received values of fashion e-store shoppers at a particular point in time is considered germane to this study. Moreover, undertones of the economic theory are rejected by this study, in favour of the accrual of both rational and irrational value perspectives as proposed by contemporary researchers (Schiffman *et al.*, 2014:411). Within the same vein, the S-D logic is cherished in this study as the tenets of this paradigm help to strengthen the confluence between marketing orientation and customer value, as is anticipated in this research.

Owing to the diversified theoretical perspectives in the value phenomenon, to date no universally accepted conceptualisation of customer value has been coined. In view of that, both marketers and researchers alike are hard-pressed for a common definition of the value concept. Therefore, the following section delves into the various definitions of perceived value and the ultimate operationalisation of the concept for this study.

### **3.5 DEFINING VALUE**

The nature of value has been discussed and debated since Aristotle (cited by Rackham, 1959:11-13). Interdisciplinary literature on value has been widely embraced in various fields that include psychology (Haugtvedt *et al.*, 2008:15), economics (Lusch & Vargo, 2006:410), neuro-sciences (Fellows, 2004:160), business and management sciences (Prebensen *et al.*, 2015:4; Loureiro *et al.*, 2014:101; Woodall, 2003:1-40; Sheth *et al.*, 1991b:160), marketing and retailing (Kim & Damhorst, 2010:56; Sánchez-Fernandez & Iniesta-Bonillo, 2007:430; Mathwick *et al.*, 2001:41). The word value comes from the French verb *valoir*, which means ‘to be worthy’ (Paananen & Seppänen, 2013:710). However, the concept has mutated over the years, turning into an elusive construct with oblique meanings, many of which are embedded within the foundations of marketing and economic theory.

In the first instance, different terms for value are used in the literature. In some cases, different names are used within the same study to denote the concept. The most commonly cited terms identified in the literature include customer value (Strydom, 2012:38; Smith & Colgate, 2007:10; Woodruff, 1997:140), perceived value (Prebensen *et al.*, 2015:2; Kim & Damhorst, 2010:58) and value (Loureiro *et al.*, 2014:101; De Ruyter *et al.*, 1997:234). In other studies, the terms consumer surplus (Anderson, 1995:103), subjective expected value (Bolton, 1998:47), service value (Bolton & Drew, 1991:377) and net customer value (Butz & Goodstein, 1996:65) are mentioned. Conversely, the terms customer perceived value (Cheng *et al.*, 2009:145; Gounaris *et al.*, 2007:70; Sweeney & Soutar, 2001:203), consumer value (Holbrook, 1999:7), expected value (Huber *et al.*, 1997:325), value for customers (Kotler *et al.*, 2010:19), perceived service value (LeBlanc & Nguyen, 1999:189), perceived customer value (Lexhagen, 2008:9) as well as value for the customer (Reichheld, 1996:2) have also been made reference to. Nevertheless, terms such as consumption value (Sheth *et al.*, 1991b:160), ‘buyer value (Slater & Narver, 1994:24) as well as perceived value for

money (Sweeney *et al.*, 1999:77) have been applied in the economic disciplines. However, the terms customer value and perceived value shall be used interchangeably in this study to symbolise what customers desire and believe they acquire before, during and after a fashion e-store consumption process.

Owing to the plurality of terms used to delineate value, there have been apparent difficulties in terms of reconciling the different definitions of customer value into a single verbiage. In this vein, Schechter (1984:13) defines value as the qualitative, quantitative, objective and subjective factors that jointly form consumers' buying experiences. This definition implies that experience is the result of customer value. Nonetheless, the most universally accepted definition that is presented by Zeithaml (1988:14) asserts that value is "the consumer's overall assessment of the utility of a product based on perceptions of what is received and what is given". Akin to this definition, Tellis and Gaeth (1990:37) add that value is "the difference between the utility provided by the attributes of a product and the dis-utility represented by the price paid". Furthermore, Gale (1994:26) reiterated similar sentiments by submitting the notion that value is "a function of perceived product quality and price".

Although widely used because of their simplicity, the aforementioned definitions fall short because they only enumerate value in terms of price and quality. Seemingly, proffering such an overarching connotation is inadequate, since the emphasis is only on the consumers' cognitive evaluation of value. Moreover, this study has already established in Section 3.4.4 that perceived value is a broader and more complex construct that involves more than just a mere rational assessment of utility.

Monroe (1990:546) attempts to counter the preceding shortcoming by asserting that value is more than just a price and quality comparison but also a trade-off between the benefits that customers perceive in the product, relative to the sacrifices expended by paying the price. Likewise, Carothers and Adams (1991:34) as well as Cravens and Piercy (2003:14) conceptualise value from the viewpoint of a trade-off between benefits and sacrifices. The scholars asserted that consumers receive value when there is adequate justification for the sacrifices made to acquire, use and dispose of a product or service, which customers perceive as superior to all others. In addition, Woodall (2003:12) defines value as "the customer's personal perceptions of the advantages arising as a result of the reduction in the sacrifices made and an increase in the benefits acquired from using a company's products

or services over time”. Nonetheless, while it may seem worthwhile to conceptualise value by assessing the difference between sacrifices expended and benefits acquired, thereby eliminating the constrictions of a price and quality relationship, the authors’ definitions narrowly concentrated on the enumeration of monetary value only.

Other scholars have made considerable strides towards a careful consideration of both monetary and non-monetary evaluations of benefits and sacrifices. In this vein, Chen and Dubinsky (2003:326) adapted the benefits and sacrifices viewpoint within an e-commerce environment by defining values as “the consumer’s perceptions of the net benefits gained in exchange for the costs incurred in obtaining the desired benefits”. In concert, Yang and Peterson (2004:803) define value as the “fairness of an exchange in which both monetary and non-monetary costs expended by a consumer are commensurate with the value that is offered by the company”.

Woodruff (1997:142) omits the comparative definition of value that contrasts benefits versus costs of obtaining a product or service. The scholar defines value as “a customer’s perceived preference for and evaluation of product attributes, attribute performances and consequences arising from use that either facilitates or blocks the achievement of customer goals and purposes in use situations”. Within the same vein, Kotler and Keller (2012:141) interpret value as “the bundle of economic, functional and psychological benefits of purchasing a company’s products or services”. While the definitions offered by these scholars inadequately decrypted value as being inherent within a product, the submission that value is determined by the customer is underscored.

The Business Dictionary (2010) defines value as “the extent to which a product or service is considered to meet the needs and wants of customers, as measured by the willingness to pay”. Although this description seems to restrict the measurement of value by suggesting that value relates to the price that customers are willing to pay for a product or service, it presents a useful starting point for the conceptualisation used in this study. This is because the definition extends emphasis to the net worth of products, services and consumption experiences, rather than the intrinsic value of physical products only. Furthermore, the definition resonates with the marketing concept since value is inferred as being encapsulated in the marketer’s efforts to satisfy customer needs. Additionally, the dictionary definition hints at value perceptions of customers, since similar perceptions are

instrumental towards the development of competitive advantages for businesses (Gallarza & Gil-Saura, 2006:438; Kotler *et al.*, 2010:27).

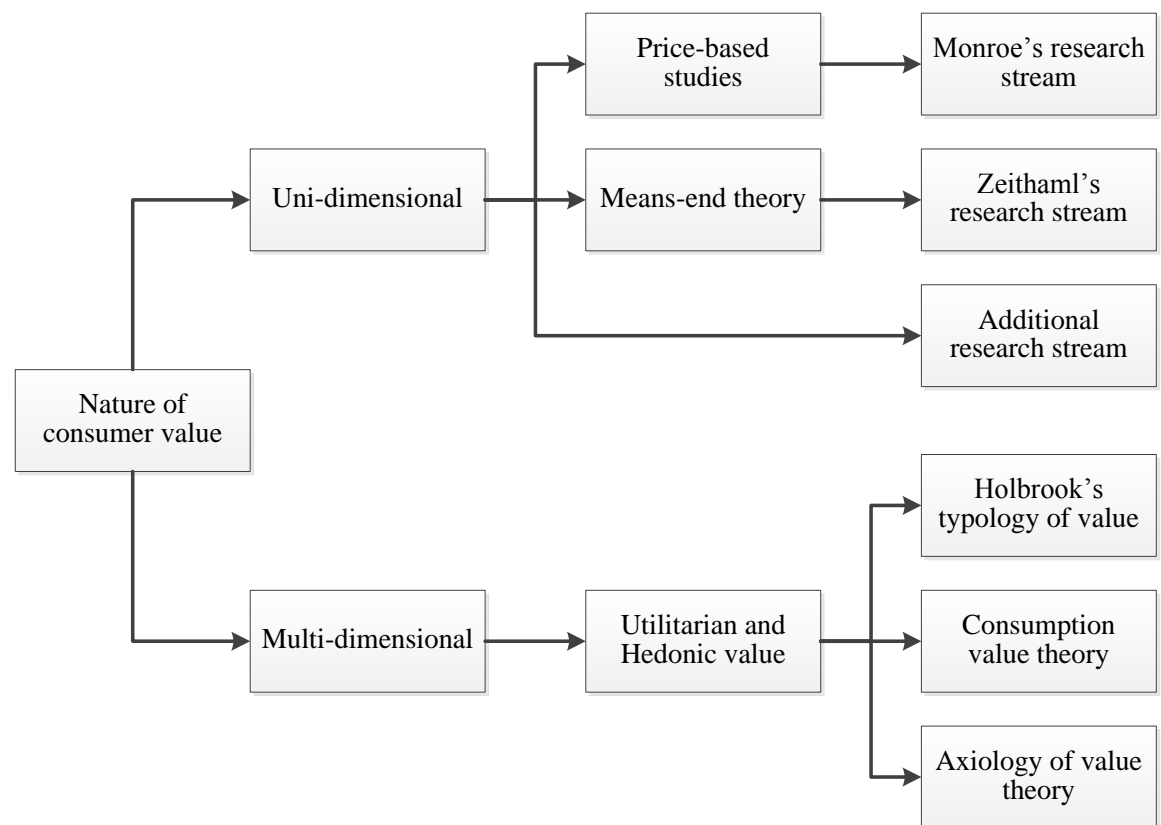
Holbrook (1999:6) defines value as “an interactive relativistic preference experience”. Four assertions are stressed in this definition. First, value is availed through multiple interactions, which implies that the concept does not lie with one specific locus of control. This interaction is determined through personalised interactions between a consumer and a marketer before, during or after a purchase or consumption experience. Secondly, value is relative. This implies that value varies from one individual to another, rendering it a highly personal evaluative construct. Thirdly, customer value represents preferential experiences since consumers are able to make relative enumerations of evaluative criteria regarding different products and different shopping options. The resultant evaluations enable a consumer to establish their preference (or not) for specific products or shopping formats. Thus, consumer value perceptions may differ because of differences in the importance or weighting that each customer places on a particular value attribute over another (Holbrook, 1996:138). The relativity of consumers’ evaluations form the basis for market segmentation. Finally, value is an experience, indicating that value resides in actual involvement within a specific consumption process, rather than in the product, brand or service, *per se*. The permutation therefore is that the demarcation of customer value varies according to the specific situation or context that a consumer is faced with (Laukkanen, 2006:25).

In this study, value is defined as ‘a customer’s evaluative judgements regarding the outcome of a fashion e-store interaction after a successful shopping encounter’. As such, this study is premised within the confines of value judgements that are tied to fashion e-store shopping encounters among South African consumers only.

The aforementioned synthesis of the definitions of customer value provides the bedrock upon which different scholars have conceived the empirical measurement of value. Owing to the specified theoretical perspectives under Section 3.4 of this study and the subsequent conceptualisation of value in this section, it is now possible to determine a theory or set of theories to bind this research. In particular, this study found it expedient to provide a discussion of the umbrella approaches to customer value. In view of that, the next section elucidates upon the uni-dimensional and the multi-dimensional approaches of value.

### 3.6 UNI-DIMENSIONALITY VERSUS MULTI-DIMENSIONALITY

The lack of agreement among scholars regarding the conceptualisation of value is widely reported in the literature because of its polysemous nature by having multiple meanings (Sánchez-Fernandez & Iniesta-Bonillo, 2007:430). As a result, a simplistic categorisation of customer value using the uni-dimensional and multi-dimensional approaches is presented in Figure 3.4.



**Figure 3.4 Research streams on perceived value (Sánchez-Fernandez & Iniesta-Bonillo, 2007:430)**

The uni-dimensional approach describes customer value in a global manner and seeks to operationalise the construct through measures of utility or value for money (Agarwal & Teas, 2004:26). Conversely, measuring customer value using the multi-dimensional approach is based on the understanding that value is personal and idiosyncratic, implying that customers obtain a different set of values from the same product, service or consumption experience. This is because customers do not buy products for simple

consumption benefits only. Rather, consumers buy a bundle of product attributes and relevant consumption experiences from which they derive value (Ali, 2007:57). Resultantly, the uni-dimensional approach views value within utility confines only, while the multi-dimensional approach construes value as a variable that is made up of several inter-related components that form a holistic representation of a complex phenomenon (Sánchez-Fernandez & Iniesta-Bonillo, 2007:431). This divergence between the two approaches has led to the extrapolation of multiple theories and models of value. As such, the next section discusses the relevant theories and models emanating from either of the two approaches.

### **3.6.1 The uni-dimensional approach to customer value**

The uni-dimensional approach asserts that all consumers have a shared meaning of value and hence an aggregated scale can be utilised to measure value perceptions. The group of theories and models that are represented under this school of thought are termed cost-benefit ratio models. Several researchers support this standpoint (Grewal *et al.*, 1998b:50; Dodds *et al.*, 1991:310; Zeithaml, 1988:15; Monroe & Chapman, 1987:195). Similarly, Sánchez-Fernandez and Iniesta-Bonillo (2007:430) highlight that the uni-dimensional stream of research is either drawn from Monroe's price-based study, Zeithaml's means end theory or other additional researches. The theories emanating from the uni-dimensional approach to customer value are examined next.

#### **3.6.1.1 Monroe's price-based studies**

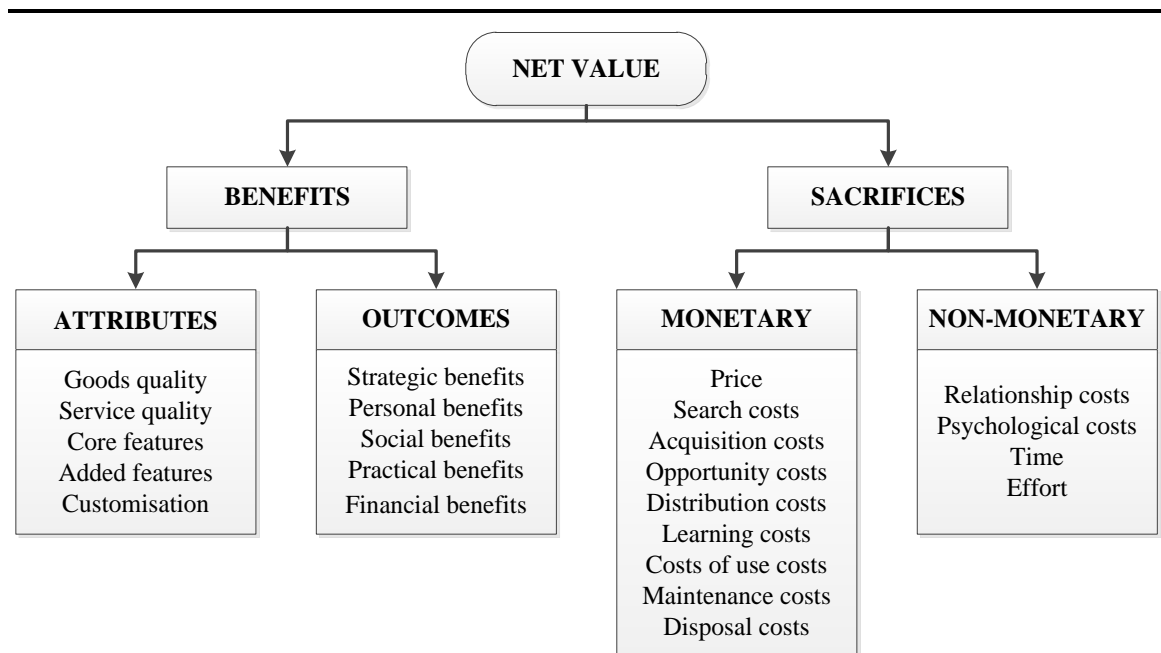
Monroe (1990) led a prolific research stream that has its origins in the study of price. This line of thinking is based on the economic theory of utility whereby both price and quality are treated as antecedents of customer value. Monroe (1990:517) and Thaler (1985:102) postulate that consumers' perceptions of value are the result of price comparisons, including an evaluation of the selling price versus the internal reference price. Marketers introduce a product at a specific selling price and that advertised price influences consumers' internal reference prices, which are formed after processing relevant product information and developing price expectations.

Perceived value of a product is considered a summation of acquisition value and transaction value of that product, relative to the subjective weight, which each consumer places upon

each element (Thaler, 1985:103). Transaction value refers to the merit of paying the actual price of a product, which is determined when an individual compares the internal price expectation with the actual price at which the seller is offering the product. Contrastingly, acquisition value of a product refers to the perceived benefit of the product at the maximum price that the consumer is ready to pay (Monroe, 1990:575-576). Grewal *et al.* (1998b:48), as well as Petrick and Backman (2002:39) purport that acquisition value results from the trade-off between perceived benefits and perceived sacrifices of acquiring a product or service. The sacrifices are limited to monetary sacrifices like price and acquisition. Alternately, transaction value is the perception of customer satisfaction that is acquired from taking advantage of the price deal.

Guided by this research stream, other scholars have added several considerations to the price deals. In view of this, Agarwal and Teas (2004:243) add the perceived risk component, while Grewal *et al.* (1998a:336) as well as Oh (2003:390) add the concepts of internal reference price and price fairness in their studies. Moreover, Dodds *et al.* (1991:308) highlight that value could be viewed as a cognitive trade-off between perceptions of quality and sacrifice. Other than price, the scholars suggest that brand name and store name are the basic cues that influence consumers' perceptions of product quality and value. In addition, the price of a product is related inversely to a product's value while being directly related to product quality (Dodds, 1991:29).

Drawing from actual consumption experiences of consumers, the modelling of perceived value on the basis of price deals alone, is an important but insufficient conceptualisation since consumers do not only consider the price of a product during a consumption experiences. Therefore, while acknowledging that price is the monetary value of a product, a full appreciation of the concept should also include considerations of the time, effort and search costs involved in the overall purchase process. Woodall (2003:14) populated the net value of costs and benefits accruable to individuals after consuming a product. Figure 3.5 presents a diagrammatic representation of the costs and benefits analysis model shown as a weighting of benefits versus sacrifices.

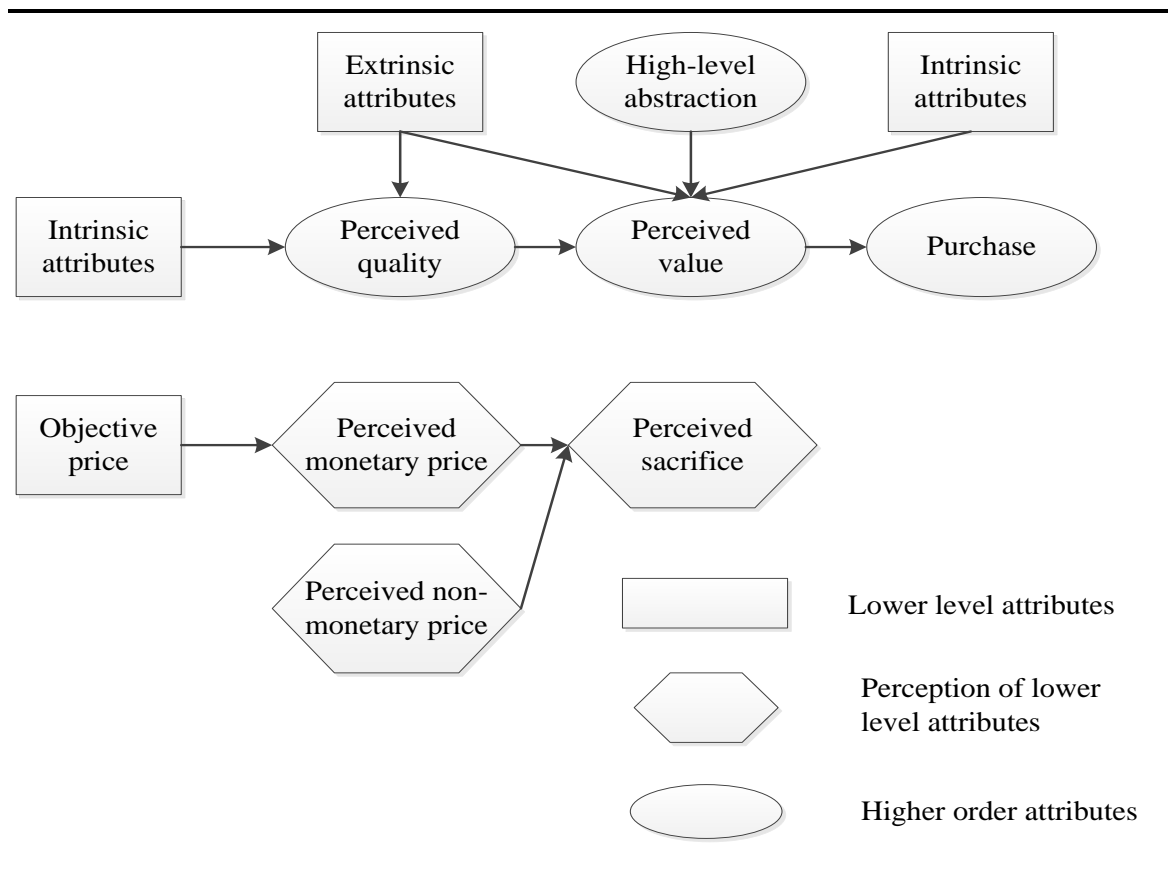


**Figure 3.5 Costs and benefits analysis theory (Woodall, 2003:14)**

Woodall's (2003:14) costs and benefits analysis theory recapitulates the cost-benefit theories that were promulgated under Monroe's (1999:517) price based studies at three levels. First, where overall costs (monetary and non-monetary) are greater than the benefits (attributes and outcomes) of conducting a business transaction, then the product or service is deemed to have competitive disadvantages and therefore, signals customer perceived worthlessness. Secondly, where costs are less than the net benefits to be derived from a transaction process, then superior customer value is guaranteed as the consumers realise competitive advantages of using the product, brand or service (Sánchez-Fernandez & Iniesta-Bonillo, 2007:436). This implies that optimum net value is only realised after a company offers greater marketing based value attributes to the customer who may ultimately realise value outcomes. Thirdly, competitive necessity results where customers only acquire expected value with no clear distinguishing factor, in cases where costs incurred are equivalent to the net benefits of using a product or service.

### **3.6.1.2 Zeithaml's approach (means-end theory)**

Zeithaml (1988:14) posits value to be a uni-dimensional construct that can be measured simply by asking participants to rate the value that is received after making purchases. The author posited the 'means end theory' that is illustrated in Figure 3.6.



**Figure 3.6 A means-end model on price, quality and value (Zeithaml, 1988:4)**

Rooted in cognitive psychology, the undertones of the means-end theory originated from the study by Gutman (1982:65) who categorised the choice decisions of individuals. Within the same vein, Zeithaml (1988:5) asserts that values are the consumer's desired end-states, which play a vital role in determining customers' choice pattern. While operating in markets with abundant product choices, individuals tend to reduce choice complexity by classifying products according to attributes and then choosing those products that deliver the most functions and benefits. Consequentially, the products that deliver the greatest intrinsic and extrinsic attributes and benefits are labelled as quality products or services. The results of such evaluative processes could yield specific actions such as the decision whether to buy or not to buy a company's products.

The central tenets of the means-end theory suggest that consumers use products or services as a means to fulfil a desired end-state. In other words, purchase consumption and value acquisition is goal directed. Therefore, marketers can position products and services by connecting the means (product attributes) through advertising and promotions to fulfil a

desired end-state (values). This includes positioning intrinsic cues such as the physical attributes of a product that include colour, texture and durability as well as extrinsic cues, which include price, brand name and quality. Ultimately, value is conceived as a bi-directional trade-off between giving or that, which is sacrificed, as opposed to getting, or receiving, during the exchange process.

Upon adopting the means-end theory, Bolton and Drew (1991:379) advance a multi-stage model of service assessments in which the scholars corroborated the assertion that value is context-specific. This assertion is in harmony with the scholarship of Zeithaml (1988:5) who suggests that while value is inferred from perceived sacrifices and quality, the concept is relatively personal, individualistic and context based. Although price and service quality contribute to perceptions of value in the model proffered by Bolton and Drew (1991:379), the components of quality (performance, expectation and disconfirmation) are weighted differently. Subsequently, Brady and Robertson (1999:472) confirm the propositions of Zeithaml (1988:13) that the means-end value model is inconsistent across individuals and different contexts.

### **3.6.1.3 Additional research using a uni-dimensional approach**

Additional streams of research on value have been developed based on the rational application of economic utility theory, which emphasises that products or services can have either more value or less value at any given time (Gallarza & Gil-Saura, 2006:442). In this regard, certain scholars have used a single-item measure of customer value (Caruana *et al.*, 2000:1340; McDougall & Levesque, 2000:398), whereas others have used a uni-dimensional based multiple-item measure (Chen & Dubinsky, 2003:331; Cronin *et al.*, 2000:195). In addition, upon assessing the value concept, other researchers have used quality and sacrifice (Cronin *et al.*, 2000:199). Moreover, Gallarza and Gil-Saura (2006:442) construe value within the confines of service quality, play, aesthetics, time and effort spent searching for products. Economic sacrifice, benefit, personal preference situation (Blackwell *et al.*, 1999:370) as well as perceived risk and the valence of experience (Chen & Dubinsky, 2003:331) have also been used in additional researches following a uni-dimensional perspective.

While the uni-dimensional approach provides a useful background for the current research, in reality, any attempts to enumerate the relative benefits and sacrifices that accrue to consumers while shopping would prove to be futile since there is no one-size-fits-all specification of such benefits and sacrifices (Khalifa, 2004:647). In addition, the overall focus of uni-dimensional models is too narrow and simplistic for this study since there is no known, universal way to quantify value as an abstract construct. This is because an online shopping encounter is more than just about the trade-off between product benefits and sacrifices. In particular, a fashion e-store shopping experience can either be valuable or value-less in more than one way. Logically, fashion e-store shopping involves numerous interactions at different levels such as the Internet technology interface, e-store fashion merchandise, e-store aesthetics and ultimate consumption experiences. As such, fashion merchandise, fashion brand attributes, store experiences and shopping encounters that are exclusively dissimilar, tend to impact upon individual value perceptions, in a unique and personalised manner (Petrick, 2002:121). In other words, fashion e-store shopping is highly individualistic as it is situation-based. The implication, therefore, is that some people derive positive value judgements regarding the convenience of conducting fashion e-store shopping from home and yet purport negative value judgements upon evaluating the aesthetics of the same fashion e-store. As such, a depiction of fashion e-store shopping value using one measure is not truly accurate. In other words, in order to describe value, a researcher would need to locate an individual's perceptions as a point in multi-dimensional domains.

Woodruff (1997:141) pinpoints that while uni-dimensionality may be useful in evaluating value in financial terms, the approach falls short of providing clear managerial direction regarding how value may be improved or enriched. This prognosis is in tandem with previous scholarship (Gallarza & Gil-Saura, 2006:439; Mathwick *et al.*, 2001:42; Sweeney & Soutar, 2001:211; Babin *et al.*, 1994:646; Rust & Oliver, 1994:22). Drawing from this assertion, the original form of the uni-dimensional approach to customer value was considered inadequate for adoption within a fashion e-store shopping arena since the partial fulfilment of the primary objective in Chapter 1 of this study is concerned with guiding marketing strategies for effectively targeting the South African consumer market. In light of this consideration, observing perceived value using the multi-dimensional approach was regarded as the better option for this study.

### **3.6.2 Multi-dimensional approach to customer value**

Contrary to the uni-dimensional approach to perceived value, fewer studies have pursued the multi-dimensional approach although the latter view echoes new theoretical developments in the field of consumer behaviour. The group of theories that are represented under this school of thought are termed component-based models. More precisely, this line of scholarship asserts that value is not restricted to the economic view that focuses on benefits and price ratios (Sánchez-Fernandez & Iniesta-Bonillo, 2007:431). This ultimately positions value as a complex concept that is made up of multiple components or dimensions. As such, the inherent complexities turn value into an amorphous construct that essentially lacks a definitive form (Zeithaml & Bitner, 1996:3). Nonetheless, consistent with the assertions of Parasuraman and Grewal (2000:170) and Zeithaml (1988:5), value at best is measured from the customers' viewpoints, which tend to vary across cultures and over time. This is because value is defeasible, implying that it can be defeated either when overridden by contrary value-considerations, or when undermined by newer value judgements. Such a transitory form strengthens the argument for examining value as a multi-faceted concept that consists of dynamic and subjective constituents.

The research by Hirschman and Holbrook (1982:99) set the undertones for the underlying assumptions of the multi-dimensional approach to customer value. Most evidently, the literature expounds on Holbrook's (1996:139) typology of value, Hartman's (1967:213) axiology of value theory and Sheth's *et al.* (1991a:59) consumption value theory, all of which embrace a multi-dimensional perspective. These theories are elaborated on in the next sections.

#### **3.6.2.1 Holbrook's typology of value**

The most comprehensive conceptualisation of customer value lies in the value typology wherein the hedonic and utilitarian perspectives coexist. In the value typology, Holbrook (1996:139) identifies the intrinsic, extrinsic and other-oriented categories of value. The intrinsic perspective of value denotes that the product or service consumption is performed for its own sake, thereby alluding to utilitarianism in the process of consuming a product. Upon assessing the consequences of shopping actions, utilitarian value is attained when consumers are able to achieve specific, rational shopping goals (Sánchez-Franco & Roldan,

2005:29). Thus, utilitarian value is considered the instrumental, task-related, rational and functional worth of a fashion e-store shopping encounter. Solomon and Rabolt (2009:719) hint that utilitarian consumers are generally rational and logical, since they emphasise functional shopping benefits only. In this regard, fashion e-store shopping can deliver convenience, as the consumer is able to place orders from home without the distraction of long queues. Therefore, utilitarianism dictates that the shopping process initiates as a mission or task (Solomon & Rabolt, 2009:467). Thereafter, the determination of positive value judgements depends on whether the mission was completed (or not) and whether the shopping mission was completed efficiently during the process (Khare, 2011:438).

Extrinsic orientation in the value typology refers to the purchasing and consumption of a product with a view to accomplish some higher-order goals (Holbrook, 1996:139). Such higher-order goals reflect the non-instrumental, experiential, affective, entertaining and emotional worth of shopping thereby denoting, hedonism (Laukkanen, 2006:23). Put simply, Babin and Attaway (2000:93) regard the hedonic value component as “shopping for fun”. This is because hedonic value focuses on fun, entertainment and the more enjoyable aspects of shopping. Apart from obtaining the physical product or completing the shopping mission, a primary goal of hedonic consumers is to engage in an enjoyable shopping encounter. The perception is that shopping is emotionally useful and provides individualistic benefits to the consumer through the experience other than the accomplishment of the purchase mission (Irani & Hanzaee, 2011:91). As such, terms such as increased arousal, heightened involvement, perceived freedom, entertaining, fantasy fulfilment and escapism were used in previous studies to indicate a hedonically valuable encounter (Hirschman & Holbrook, 1982:95).

The literature has labelled fashion as an experiential product, filled with symbolic meaning that considerably evokes pleasure and emotion among people (Chang *et al.*, 2004:185). This implies that aesthetic products such as clothing, shoes and accessories may lend themselves to irrational and emotive lures (Goldsmith & Flynn, 2004:85). As such, shopping for fashion may provide recreation and excitement whereby the consumer interacts with a store environment that is perceived as entertaining (Overby & Lee, 2006:1161). In particular, online shoppers do not only go online to gather information and purchase products but also seek to satisfy the need for experience and emotion.

Holbrook (1999:5) emphasises that the degree to which an individual is self-oriented or other oriented embodies both intrinsic and extrinsic value constituents. Self-orientation encapsulates the consummation of value based on one's own interests, whereas other orientation looks beyond the self, by considering not only one's personal gains but also the feelings of other reference groups (friends, family, colleagues etc.). In other words, some products or services may be valued by virtue of the effect they have on oneself (own sake) versus certain consumption that is evaluated positively based on how others respond (for the sake of others) (Rust & Oliver, 1994:41). As such, in fashion e-store shopping, both utilitarian and hedonic value seekers utilise various heuristics (decision-making rules) when shopping, with a view to placate the inclination towards being either self-orientated or other-orientated.

Utilitarian consumers engage in online shopping for the sake of saving time, maintaining social standing and for saving money, through quick price comparisons (Childers *et al.*, 2001:519). This is because utilitarian value seeking consumers attempt to achieve their overarching shopping goals by reducing any form of perceived risk such as time risk, social risk and financial risk (Irani & Hanzae, 2011:91). Consistently, Overby and Lee (2006:1163) highlight that the primary concern of Internet shoppers is the purchase of products in an efficient and timely manner in order to achieve price savings with minimum effort. In addition, consumers can easily compare price information from a variety of possible online suppliers, leading to utilitarian-based fashion purchases. Bargains that include discounts, special promotions, incentives and gifts draw utilitarian consumers to e-stores leading to financial savings (Park *et al.*, 2012:1584).

Hedonic consumers make certain purchase choices and consumption decisions in order to enhance self-esteem. Mathwick *et al.* (2001:43) explored the hedonic value of Internet shopping and found substantial support for the existence of experiential value attributes, which include enjoyment, fun, beauty and aesthetics. Nevertheless, other-oriented hedonic shoppers engage in fashion e-store shopping with a view to impress other reference groups such as friends and family, thereby eliminating social risk.

Kim (2002:592-602) applied Holbrook's typology by comparing mall and Internet shopping experiences of consumers. While only focusing on shopping as a self-oriented activity, the scholar categorises accessibility, speed of service, navigation capabilities,

quality, price, customisation and ease of use as the intrinsic value attributes. By contrast, play, interactivity, dating and chatting are categorised as the extrinsic (affective) value attributes.

Similar adaptations of the typology were made by Mathwick *et al.* (2001:50-52) who developed a scale that focused on self-oriented dimensions of experiential value within the catalogue and Internet shopping environment. Similarly, Bourdeau *et al.* (2002:61-69) identifies five value factors, namely social, utilitarian, hedonic, learning and purchasing. These dimensions were considered the underlying value dimensions that explain the use of the Internet among university students. Holbrook's typology was applied by Anckar and D'Incau (2002:48), who were supported by Laukkanen's (2006:35) study that was conducted in an Internet service environment. The scholars suggested that a customer only perceives utilitarian and hedonic value after interacting with an electronic channel and a service. In that instance, preferential judgements are made between online consumption experiences with other existing alternatives. Furthermore, numerous other studies have empirically tested and operationalised the manifest outcomes of various shopping and consumption encounters in terms of utilitarian value and hedonic value (Chiu *et al.*, 2005:1684; Babin & Babin, 2001:89-96; Babin & Kim, 2001: 93-106; Babin & Attaway, 2000:91-99). In other words, consumers purchase goods and services and perform consumption behaviour for consummatory, affective (hedonic) gratification as well as for instrumental utilitarian reasons.

### **3.6.2.2 Axiology of value theory**

Hartman (1967:213) postulates the axiology of value by describing value judgements within the realm of extrinsic value, intrinsic value as well as systemic value. Extrinsic value reflects the utilitarian or instrumental use of a particular service as a means to a specific end. Conversely, intrinsic value represents the emotional appreciation of the consumption process (Hartman, 1973:27). Relatedly, systemic value is delivered through a logical relationship between sacrifices and returns.

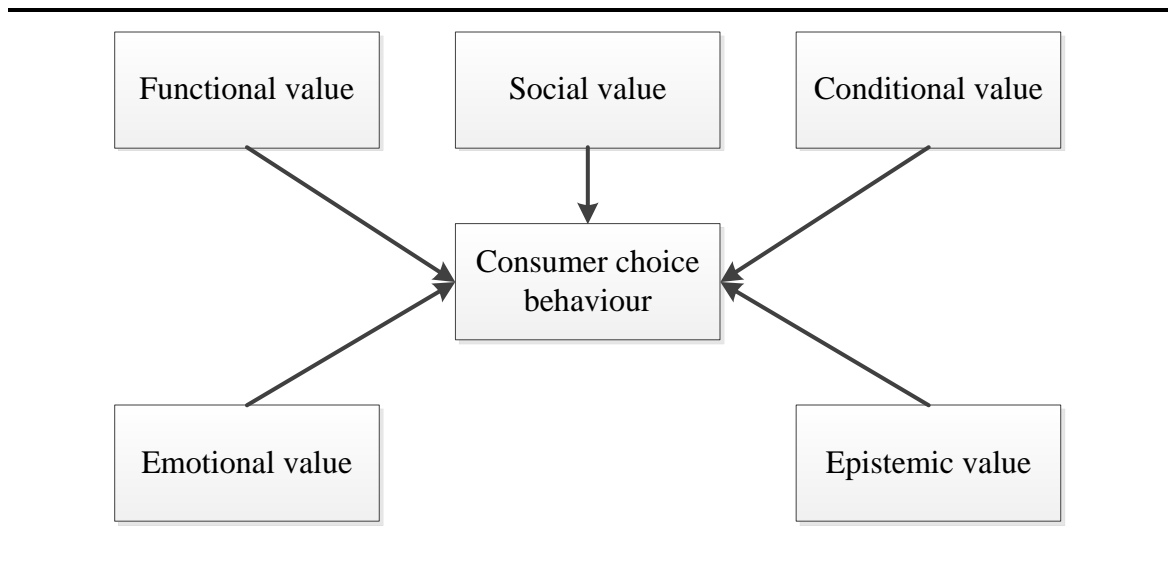
Danaher and Mattsson (1994:13) adopted Hartman's (1967:213) axiology of value by referring to emotional, practical and logical value as the three generic value components, in order of importance to the customer thereby representing intrinsic, extrinsic and systemic

value attributes, respectively. The authors aver that emotional value (intrinsic) is the most important dimension in any consumption experience as it emphasises affect-related consumption patterns and consumers' feelings. After honouring the feelings and emotions of consumers, it becomes imperative to focus on the practical value dimension (extrinsic). This comprises the physical and functional aspects of consumption such as product quality, features and attributes. Finally, once emotions and product attributes are conceptualised, value is best captured by offering logical value (systemic), which refers to the abstract characteristics of a purchase, as epitomised by a truthful selling proposition.

Emotional value, practical value and logical value were proven valid antecedent variables to customer satisfaction in a service-delivery context (Danaher & Mattsson, 1994:13). Similarly, De Ruyter *et al.* (1997:231-243) uses the three axiology dimensions to profile different stages in the service-delivery process and further related the components to overall customer satisfaction judgments while Lemmink *et al.* (1998:171) validates all the three dimensions in a restaurant setting.

### 3.6.2.3 The consumption value theory

Figure 3.7 illustrates the consumption value framework propounded by (Sheth *et al.*, 1991b:160).



**Figure 3.7 The consumption value framework (Sheth *et al.*, 1991b:160)**

Sheth *et al.* (1991b:160) state that the decision by consumers to select (or not) specific products, brands and distribution channels is largely a multi-faceted task made up of a plethora of value judgements. These multiple forms of value are assumed to make differential contributions in any given choice situation as they occur independently of each other (Sheth *et al.*, 1991a:59). The researchers found clinical validity for functional value, social value, emotional value, epistemic value and conditional value.

Functional value refers to the ability to deliver utility because of the salient physical product attributes and service performance (Sheth *et al.*, 1991b:160). A consumer might derive value from the physical attributes of a product or the ability to complete a shopping task effectively (Ali, 2007:57). Traditionally, functional value was deemed as the driver of consumer choices leading to the infamous nickname of the ‘rational economic man’ that is strongly grounded in economic theory.

Social value refers to the product or brand being able to portray an image that is congruent with the consumer’s reference group norms or with the social image the consumer wishes to project to others (Sheth *et al.*, 1991b:160). In other words, social value is the utility derived when a consumption process enhances social self-concept, such as status. In this context, a consumer might engage in certain consumption behaviour such as e-store fashion shopping in order to comply with the expectations of reference groups. Such behaviour alludes to influence of social self-image and ideal self-image (Schiffman *et al.*, 2014:122). In resonance, Ali (2007:58) asserts that consumer choices that relate to conspicuous products such as jewellery and fashion items often are driven by social value.

Emotional value relates to various affective and sentimental states of a consumer after a consumption encounter (Sheth *et al.*, 1991b:160). In other words, emotional value refers to the utility derived from the feelings or affective states that are generated by a product or a shopping encounter. These can be either positive, such as self-confidence or excitement, or negative, such as fear or anger (Ali, 2007:59).

Epistemic value is described as the utility that is acquired because of the consumer’s desire for knowledge, curiosity and novelty in the consumption process (Ali, 2007:59; Sheth *et al.*, 1991b:160). Within fashion e-store shopping contexts, epistemic value can be best

captured by the surprise or innovativeness that is associated with relying on purely virtual platforms for fashion shopping.

Conditional value refers to the specific situation in which a value judgment is made (Sheth *et al.*, 1991b:160). Specific situations such as Valentine's Day and weddings can strongly enhance consumers' perceptions of value, when shopping for fashion. The conditional value component is consistent with Holbrook's (1999:12) assertion that customer value is situational or context-dependent. This reflects the fact that some market choices are contingent on the situation or set of circumstances faced by the consumers.

Products and shopping encounters often deliver a mixture of these types of values. In particular, fashion can act as a celebration enhancement (emotional value) of a specific occasion (conditional value), while also serving the purpose of clothing the body and enhancing an individual's sense of style (functional value). Moreover, consumers sometimes seek to heighten their status by being knowledgeable about fashion designs, including the plethora of available fashion retailing formats such as e-stores (epistemic value). In doing so, they create a favourable impression with their reference groups, within a given social atmosphere (social value).

Subsequent studies have adapted the five value components in different contexts, with limited generalisability of all five dimensions of value being proven. Of note, Sweeney *et al.* (1996:112) conducted a qualitative study on branded merchandise and only found validity for functional value, social value and emotional value. The authors omitted both epistemic and conditional value dimensions since the factors were considered ephemeral, temporal and not suitable for mixed methodologies.

Ensuing research by Sweeney and Soutar (2001:213) validates all the five dimensions promulgated in the consumption value framework. The study conducted by these scholars led to the development of the PERVAL model, which measured consumers' perceptions of the value of durable goods. The scholars identified emotional value, social value, quality/performance value and price/value for money as the four value components that are vital in any consumption process. However, no validity was presumed for the epistemic and conditional value constructs. While Sheth *et al.* (1991a:32) suggest that the five dimensions of value are independent and only contribute incrementally to consumers'

choice decisions, argumentation from Sweeney and Soutar (2001:208) suggests that the components of value might not necessarily be independent because the hedonic and utilitarian components are in fact related.

Seymour (2012:1-112) adapted the consumption value framework developed by Sheth *et al.* (1991b:160) within the context of South African scuba diving tourists. Interestingly, the researcher found support for epistemic value, functional value, social value, emotional value as well as perceived-risk value. Of note, epistemic value was empirically found to be the most important value driver among the tourists since scuba diving in itself is novel, as divers never know what to expect even from the same diving site. Relatedly, the study by Pura (2005:530) established the direct effect of monetary value, convenience value, social value, emotional value, conditional value and epistemic value factors on the attitude and loyalty of mobile telephone users.

The aforementioned synthesis of theories in this section has helped to identify pivotal theories leaning towards a multi-dimensional approach to customer value. Remarkably, this has helped to identify vital components of value. While this may be so, the contemporary literature is awash with numerous studies that have attempted to follow the multi-dimensional approach by enumerating various value components that are applicable across different product categories and different shopping contexts. In light of this, the next section highlights the components of value identified from the literature. This could help to evaluate the findings of different scholars and thereby attempt to find the best combination of attributes or factors that cover the breadth and depth of the value construct when applied in the context of fashion e-store shopping.

### **3.7 COMPONENTS OF CUSTOMER VALUE**

Understanding the components of customer value aids in differentiating a value-based consumption experience from one that offers no distinguishable competitive advantage. Consequently, this informs the design of marketing strategies aimed at persuading various consumer segments. Table 3.1 provides a summary of studies that have buttressed the argument in favour of the multi-dimensionality of the value construct.

**Table 3.1 Selected studies depicting various components of customer value**

<b>Author/s</b>	<b>Value component/s</b>	<b>Context</b>	<b>Sample</b>	<b>Country</b>
Sheth <i>et al.</i> (1991b:160)	Proposed five distinct notions of value, namely: <ul style="list-style-type: none"> <li>• Functional value</li> <li>• Social value</li> <li>• Emotional value</li> <li>• Epistemic value</li> <li>• Conditional value</li> </ul>	Cigarette industry	Smokers and non-smokers	USA
Grewal <i>et al.</i> (1998b:48)	<ul style="list-style-type: none"> <li>• Transaction value</li> <li>• Acquisition value</li> </ul>	Not specified	Not specified	Not specified
Sweeney and Soutar (2001:208)	Proposed the PERVAL model that included: <ul style="list-style-type: none"> <li>• functional value (price)</li> <li>• functional value (quality)</li> <li>• Emotional value</li> <li>• Social value</li> </ul>	Durable goods	Third year and postgraduate university students	Australia
Khalifa (2004:649)	Proposed an integrative configuration of value that included three complementary models: <ul style="list-style-type: none"> <li>• Customer value in exchange</li> <li>• Customer value build-up (Customer value dynamics)</li> </ul>	Theoretical review	Not specified	Not specified
Izquierdo <i>et al.</i> (2006:57-77)	Proposed three distinct components of value, namely: <ul style="list-style-type: none"> <li>• Functional value</li> <li>• Affective value</li> <li>• Savings value</li> </ul>	Financial services	Retail banking customers	Spain
Sánchez <i>et al.</i> (2006:401)	Developed GLOVAL model that allows to measure six components of value at different phases of the consumption process: <ul style="list-style-type: none"> <li>• Emotional value</li> <li>• Social value</li> <li>• Functional value of price</li> <li>• Functional value of the professionalism of employees</li> <li>• Functional value of service quality</li> <li>• Functional value of the establishment</li> </ul>	Tourism	Travel agency customers	Spain (Madrid)
Roig <i>et al.</i> (2006:276)	The authors used the GLOVAL instrument to measure: <ul style="list-style-type: none"> <li>• Emotional value</li> <li>• Social value</li> <li>• Functional value</li> </ul>	Financial services	Retail banking customers	Spain (Castello' & Valencia)

**Table 3.1 Selected studies depicting various components of customer value (continued...)**

Author/s	Value component/s	Context	Sample	Country
Gounaris et al. (2007:68-70)	<ul style="list-style-type: none"> <li>• Emotional value</li> <li>• Social value</li> <li>• Product value</li> <li>• Perceived sacrifice value</li> <li>• Procedural after-sales service value</li> <li>• Personnel value of skills</li> </ul>	Automobile sector	Retail customers	Not specified
Smith and Colgate (2007:18-20)	Proposed a comprehensive model of customer value creation and management which identified four types of customer value: <ul style="list-style-type: none"> <li>• Functional/instrumental value</li> <li>• Experiential/hedonistic value</li> <li>• Symbolic/expressive value</li> <li>• Cost/sacrifice value</li> </ul>	Not specified	Not specified	Not specified
Ivanauskienė et al. (2012: 80-84)	<ul style="list-style-type: none"> <li>• Emotional value</li> <li>• Social value</li> <li>• Functional value</li> </ul>	Financial services	Private customers of commercial banks.	Lithuania

Drawing from the utilitarian-hedonic dichotomy presented by Hirschman and Holbrook (1982:98), researchers have been able to identify a plethora of attributes that are useful in establishing the overarching explanatory dimensions of value by applying the multi-dimensional approach to customer value across different contexts (Ivanauskienė *et al.*, 2012:84). Similarly, the current study draws its foundations from the utilitarian and hedonic components of value.

Since Section 3.4.5 of this study already established that the S-D logic is one of the theoretical perspectives considered upon framing the value construct in this study, a need was identified to complement the utilitarian and hedonic dichotomy by observing focus on the interaction and participation of customers in creating value (Yi & Gong, 2012:1281; Vargo & Lusch, 2006:48). The S-D logic is based on the premise that firms do not deliver value, but rather work out value proposals and then customers subsequently create value through a process of co-creating fashion offerings (Vega-Vazquez, 2013:1946). Accordingly, fashion e-store shoppers act as subjects who voluntarily collaborate with firms and related fashion e-store guests to build relationships and participate in value co-creation. Yi and Gong (2012:1280) attest that this value attribute is demonstrable when

consumers seek and share information through various interactions. Moreover, customers tolerate each other and further act as advocates in terms of making favourable recommendations to others about the stores and related brands. Degree of participation is, therefore, a contributor in the development of overall value, especially in experiential consumption processes such as that of fashion e-stores.

Close matches of this value attribute have been applied in the study by Hassanein and Head (2007:701), who investigated social presence value, O’Cass and Choy (2008:344), who examined social engagement value as a driver of online fashion involvement as well as Vega-Vazquez *et al.* (2013:1946) who investigated customer value co-creation. However, no conventional terminology for this attribute exists, at present. As such, in acknowledgement of the agency of fashion e-store shoppers, the term ‘intellectual value’ is coined to refer to this value component and this term is used consistently throughout the study.

### **3.8 CONCLUSION**

This chapter reviews the existing literature on the value concept by spanning from positioning the value construct within the marketing process. The chapter established that consumer needs and wants are almost insatiable although company resources are often limited. Therefore, customers tend to select those products and/or services that provide the best bundle of benefits, thereby providing the most value. As such, the study positions value within the marketing orientation philosophy. This is because rather than buying products or services, customers actually buy the fulfilment of particular needs. This is surely a long-standing basis of value creation and integrated marketing strategy development. However, what increasingly determines higher value goes beyond just the fulfilment of needs or desired outcomes. Consumers’ preferential judgements and perceptions of the received value, after a consumption experience, play a more critical role.

The chapter elaborates on the different theoretical perspectives of value with a view to clarify to the reader exactly what assumptions and tenets are under consideration upon framing the concept of value for this study. As such, the key assumptions chosen for delineating value are based on the confluence between the marketing concept and the S-D logic. This study asserts that the roles of producers and consumers are not distinct in the

value creation process, which implies that value is co-created jointly and reciprocally during interactions between the company and the customers. In addition, value as perceived by the fashion e-store consumer is the key focus of this study. The chapter progresses to synthesise different definitions of value, leading to a coherent discussion on the uni-dimensional as well as the multi-dimensional approaches in the empirical measurement of value. The theories discussed in Chapter 3 provide a rich perspective of the customer value concept in marketing, culminating in the adoption of a multi-dimensional approach to value.

For a fashion e-store marketing programme to be effective there is a need to adopt a strategic approach. Such an approach necessitates multi-pronged decisions concerning the utilitarian-hedonic dichotomy. Moreover, considering the forlorn nature of fashion shopping in virtual contexts wherein fashion e-stores operate, the study extends the argument by introducing the intellectual value component.

There is agreement in the knowledge body that the ultimate consequence in any value-laden context is actual behaviour, which is conceived within the confines of the behavioural intentions construct. Therefore, Chapter 4 elucidates on behavioural intentions as the definitive consequence of value in marketing terms. Ultimately, the perceived relationships among constructs are encapsulated by way of capturing selected value components, attitude, customer satisfaction and behavioural intentions in the development of a model for assessing effective value-creation in the fashion e-store shopping environment.

## CHAPTER 4

### BEHAVIOURAL INTENTIONS TOWARDS FASHION E-STORES

*“Inclination to act stems from the experiences of modern man”*

*Anonymous*

#### 4.1 INTRODUCTION

Chapter 2 has established that in recent years the Internet has disrupted the fashion value chain, with a trend towards rising numbers of fashion shoppers who patronise online stores (Cheng *et al.*, 2009:150). Relatedly, Chapter 3 elaborates on theories that capture the intricacies surrounding customer value, as part of the digital networked fashion marketing process. Nevertheless, online customers are fickle generally, continuously demonstrating inconsistent behaviour (Goode & Harris, 2007:513). While a trajectory has been observed in the number of companies that attempt to support their marketing strategies through online platforms, consumers still have the choice regarding which e-stores they choose to support steadfastly. As such, behavioural measures such as frequency of purchase, number of online clicks and e-store visitations lack precision when used to predict future behaviour of customers. This is because these measures fail to distinguish between intentionally faithful customers and the spurious buyers who simply repeat a purchase casually or out of mere habit (Schiffman *et al.*, 2014:201).

The task of generating loyal online customers along e-stores is challenging, as is the case in offline retailing. Coupled with this, is the inherent difficulty in understanding actual e-store usage (Ruiz-Molina & Gil-Saura, 2008:308). While some scholars have used attitude as a criterion variable, the use of attitude has long been a source of academic dispute due to its insufficiency in understanding usage behaviour. In particular, Wicker (1969:65-70) concludes that attitude alone cannot be the ultimate determinant of overt behaviour since attitude itself is not easily observable. Moreover, conventional wisdom suggests that acknowledging both attitudinal attributes as well as repeat buying behaviour is essential (Solomon & Rabolt, 2009:290). Nevertheless, the direct questioning of consumers has predictive success in determining true intentions between the time of the survey and the time of the actual shopping behaviour (Lien *et al.*, 2011:215). This is because subsequent

changes in actual behaviour usually manifest in a manner that is more consistent with attitude than when the ‘intention to act’ question is not reported on directly.

Malhotra and McCort (2001:238) posit that generating a greater understanding of consumers’ behavioural intentions should be a primary concern for marketing researchers. This is reflected in the frequency and meticulousness with which researchers have explored and modelled the antecedents of the behavioural intentions construct within offline contexts (Mishra, 2014:238; Carpenter, 2008:359-362; Ko & Chiu, 2008:89). While this is so, a limited number of scholars have attempted to conduct similar studies within online retail settings (Overby & Lee, 2006:1162; Chen & Dubinsky, 2003:323). Fittingly, this study concurs with several researchers who have found expediency or perhaps convenience in the use of consumers’ self-reported intentions, as a proxy for actual online shopping behaviour (Park & Kim, 2007:39; Overby & Lee, 2006:1161; Phau & Lo, 2004:70). This inference mirrors the contention that an understanding of consumers’ behavioural intentions constitutes a fundamental and vital concern for all fashion e-store marketers. Simply stated, the customer’s intention to behave is viewed as a prime determinant of actual behaviour (Ajzen, 1989:243), thereby justifying the selection of behavioural intentions as the outcome measure for this study.

Nejati and Moghaddam (2013:1586) suggest that more research that is empirical is required to elucidate the nature and dynamics of behavioural intentions. This is because measuring behavioural intentions of consumers generally increases the salience of thoughts about engaging in shopping behaviour (Ko & Chiu, 2008:90). This, in turn, increases the salience of consumers’ thoughts about the brands and specific retailing store options, among which e-stores belong (Solomon & Rabolt, 2009:290). In addition, recall and subsequent polarisation of attitudes toward online shopping behaviour may occur. Therefore, this reasoning has steered the key issues presented in this chapter.

Section 4.2 of this chapter provides the underpinning definition of the behavioural intentions construct. Section 4.3 presents different theoretical perspectives on behavioural intentions by evaluating three prominent theories of behavioural intentions, based on the literature. Section 4.4 discusses value, attitude and customer satisfaction as the most pertinent predictors of behavioural intentions in this study. The relationships between value components with attitude and customer satisfaction are discussed in Sections 4.5 and 4.6,

respectively. Section 4.7 deliberates on the simultaneous influences of attitude and customer satisfaction on e-store shopping behaviour. Section 4.8 introduces the conceptual model tested in the study, while Section 4.9 draws this theoretical discourse to a close and provides a synoptic outline of the next chapter.

## **4.2 DEFINING BEHAVIOURAL INTENTIONS**

Fishbein and Ajzen (1975:307) define behavioural intentions as “the degree to which a person has formulated conscious plans to perform or not to perform some specified future behaviour”. Similarly, Oliver (1981:35) adds that “conscious plans to exert effort to carry out a particular behaviour” are formed from both a personal evaluative and a normative construct. These definitions suggest that the needs and consumption experiences of individuals are the basis upon which behavioural intention is carefully reasoned and transformed into actionable goals. Such intent can be used to predict the likelihood of an individual either purchasing a product or behaving in a particular way (Solomon *et al.*, 2006:157). Interestingly, Schiffman *et al.* (2014:199) note that consumers who are asked to respond to an intention to buy question appear to make purchases of those positively evaluated products in contrast to consumers who are not asked such questions. In other words, participants are more likely to engage in the behaviour for which they have reported behavioural intent. This suggests that behavioural intentions can be correlated with actual usage, which is relevant to a customer’s decision to remain with or leave a company.

Zeithaml *et al.* (1996:32) construe behavioural intentions as either favourable or unfavourable, based on the customer’s perceptions. Favourable behavioural intentions are always desirable since they lead to positive outcome measures such as the forging of bonds with the company (Tam, 2004:902-904). In addition, favourable behavioural intentions lead to an increase in the volume of business transactions (Abdul-Muhmin, 2010:6; Chen & Dubinsky, 2003:323), positive word-of-mouth information about the company (Ryu *et al.*, 2010:419), store referrals and recommendations (Tsai *et al.*, 2010:730) and willingness to pay premium prices (Li *et al.*, 2013:499). Contrastingly, unfavourable behavioural intentions occur where customers display higher probability of brand switching, increased intention to complain while further engaging in negative word-of-mouth about the retailer (Goode & Harris, 2007:514). This implies that the financial success and future performance

of a company is contingent on the extent to which favourable behavioural intentions are fostered.

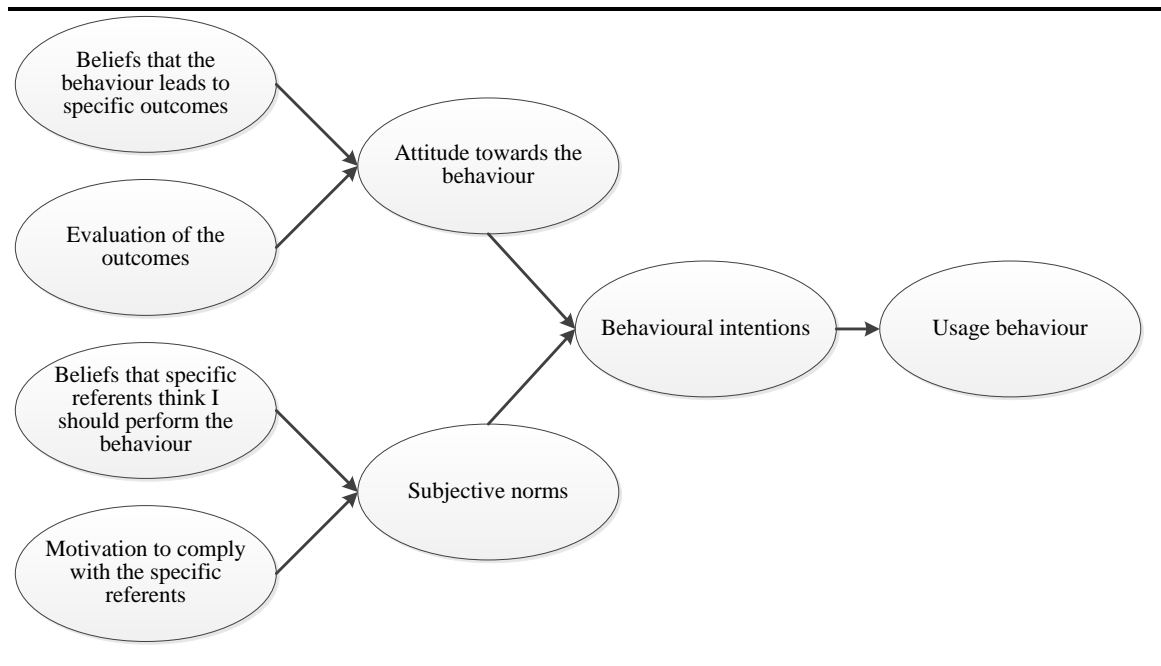
Consumers' intention to shop for fashion online is restricted to consumers' willingness to make purchases at a fashion e-store. Commonly, this factor is measured by consumers' inclination to buy and return for additional purchases, which also contributes to re-patronage tendency and store loyalty (Balabanis *et al.*, 2006:218). Therefore, for the purpose of this research, behavioural intentions is defined as 'the positive outcome of a fashion e-store shopping experience, which is exhibited by a consumer deliberately planning to re-visit, make referrals, spread positive word of mouth and further, re-purchase fashion merchandise at fashion e-stores'. In light of this, an understanding of when and how online consumers prepare for such encouraging behavioural outcomes is essential, as it contributes towards the ultimate development of loyalty and sales. This might constitute an examination of numerous theories of behavioural intentions, which is covered in the next section.

### **4.3 BEHAVIOURAL INTENTIONS THEORIES**

Behavioural intentions theories help to provide an understanding of when and how consumers prepare for purchasing and shopping activities (Truong, 2009:183). On the other hand, behavioural intentions theories assist e-retailers to focus and target the needs of their markets, more specifically through segmentation, after categorically predicting customers' future purchasing activities. In view of that, this section examines three foundational theories of behavioural intentions. In particular, the theory of reasoned action (TRA), theory of planned behaviour (TPB) and the decomposed theory of planned behaviour (DTPB) are discussed in terms of the explanatory variables linked to the intention to use or the subsequent behaviour towards fashion e-store shopping.

#### **4.3.1 Theory of reasoned action (TRA)**

The theory of reasoned action (TRA) is a basic theory that has been used extensively to predict behaviour in customer-company relationships as shown in Figure 4.1.



**Figure 4.1 A simplified version of the theory of reasoned action (Ajzen & Fishbein, 1980:84)**

The TRA involves deliberative processing and reasoning by individuals, rather than spontaneous conjectures (Schiffman *et al.*, 2014:201). The implications therefore, are that individuals could systematically weigh the available information, including the likely consequences of engaging in the behaviour under consideration and the expectations held by others. Put simply, behavioural intentions are a function of an attitudinal component ( $Ab$ ) and a subjective norm component ( $SN$ ) (Ajzen & Fishbein, 1980:84). The two components influence behavioural intention ( $BI$ ), which is a pre-cursor to actual behaviour ( $B$ ). Therefore, behavioural intentions relate to both the evaluation of outcomes and the motivation to comply with certain reference groups.

Fishbein and Ajzen (1975:302) highlight that actual behaviour stems from the behavioural intentions variable, of which the latter is a consequence of the individual considering and weighing his or her attitude toward the behaviour and subjective norms. While attitude describes the favourable or unfavourable evaluation of behavioural outcomes, subjective norms tend to project a consumer's feelings as described by what reference groups would think if the action was actually performed (Schiffman *et al.*, 2014:201). For example, if a shopper evaluates the outcome of e-store shopping in a positive manner, then he/she is likely to hold favourable views about fashion e-stores. Moreover, the intention to actually

shop online may be influenced by the consumer's beliefs about the appropriateness of shopping from a fashion e-store based on a consideration of the perspectives of friends, family and e-store review information offered by fellow customers.

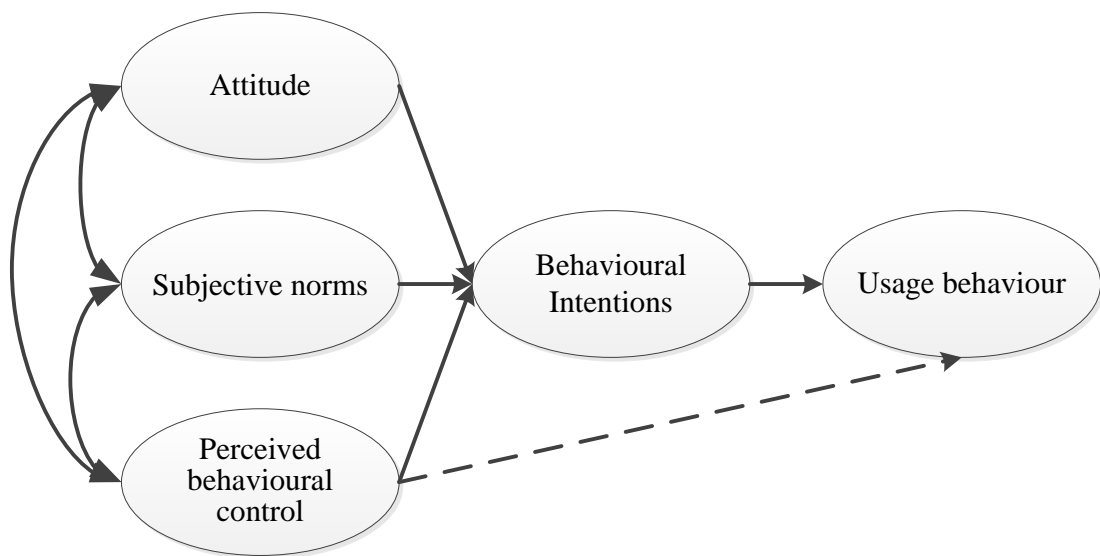
The TRA posits that individuals' attitude are informed by existing beliefs concerning the outcomes that are likely to result from performing the behaviour in question and the person's evaluations of those outcomes. On the other hand, subjective norms refer to the person's beliefs that others think that he or she should or should not perform the behaviour and the person's motivation to comply with specific reference groups. This theory has been empirically tested in various domains (Overby & Lee, 2006:1163; Sanchez-Franco & Roldan, 2005:35; Van Der Heijden *et al.*, 2003:46) and as such, there is little doubt that the model's attitudinal and normative components generally provide an excellent prediction of behaviour. Nevertheless, the TRA has been subjected to criticism at both the conceptual and methodological levels. Predominant concerns have been raised about whether additional variables might improve the prediction of behaviour beyond what is accomplished through the attitudinal and normative components alone (Truong, 2009:184). Such concerns have promulgated later theories, including the theory of planned behaviour.

#### **4.3.2 Theory of planned behaviour (TPB)**

Ajzen (1991:192) developed the theory of planned behaviour (TPB). As in the original TRA, a central factor in the TPB is the individual's intention to perform a given behaviour. Therefore, the TPB predicts the occurrence of a particular behaviour. However, by purporting that human behaviour is not completely under the volitional control of individuals, the TPB extends the TRA to account for uncontrollable conditions (Schiffman *et al.*, 2014:202). The TPB postulates that actual usage is ascribed to both behavioural intention and perceived behavioural control. as shown in Figure 4.2. Behavioural intentions represent the motivational components of a behaviour, that is, the degree of conscious effort that a person can exert in order to perform a behaviour (Truong, 2009:184). According to Taylor and Todd (1995:158), people formulate behavioural intentions after evaluating the likely outcomes of the action (attitudinal beliefs) and further consider the expectations of others (normative beliefs). In addition, individuals proceed to examine the perceived behavioural control factors that influence the behaviour in question, such as an evaluation

of whether the required resources and opportunities necessary to accomplish the behaviour under consideration are available.

As a rule in the TPB, the more favourable the attitudes, subjective norms and the greater the perceived control, the stronger the intention to perform the behaviour in question (Schiffman *et al.*, 2014:202). The superseding idea is that behavioural achievement depends jointly on intentional motivation as well as the individual's ability, termed behavioural control. Within fashion e-store shopping contexts, consumers may generate feelings of favourableness towards e-store shopping since online fashion shopping leads to improved outcomes such as convenience and saving time. Moreover, individuals may feel persuaded to patronise fashion e-stores based on the opinions of important reference groups such as family, friends or colleagues. In addition, consumers could begin to evaluate whether computer literacy skills and prior online shopping experience are present to aid online shopping.

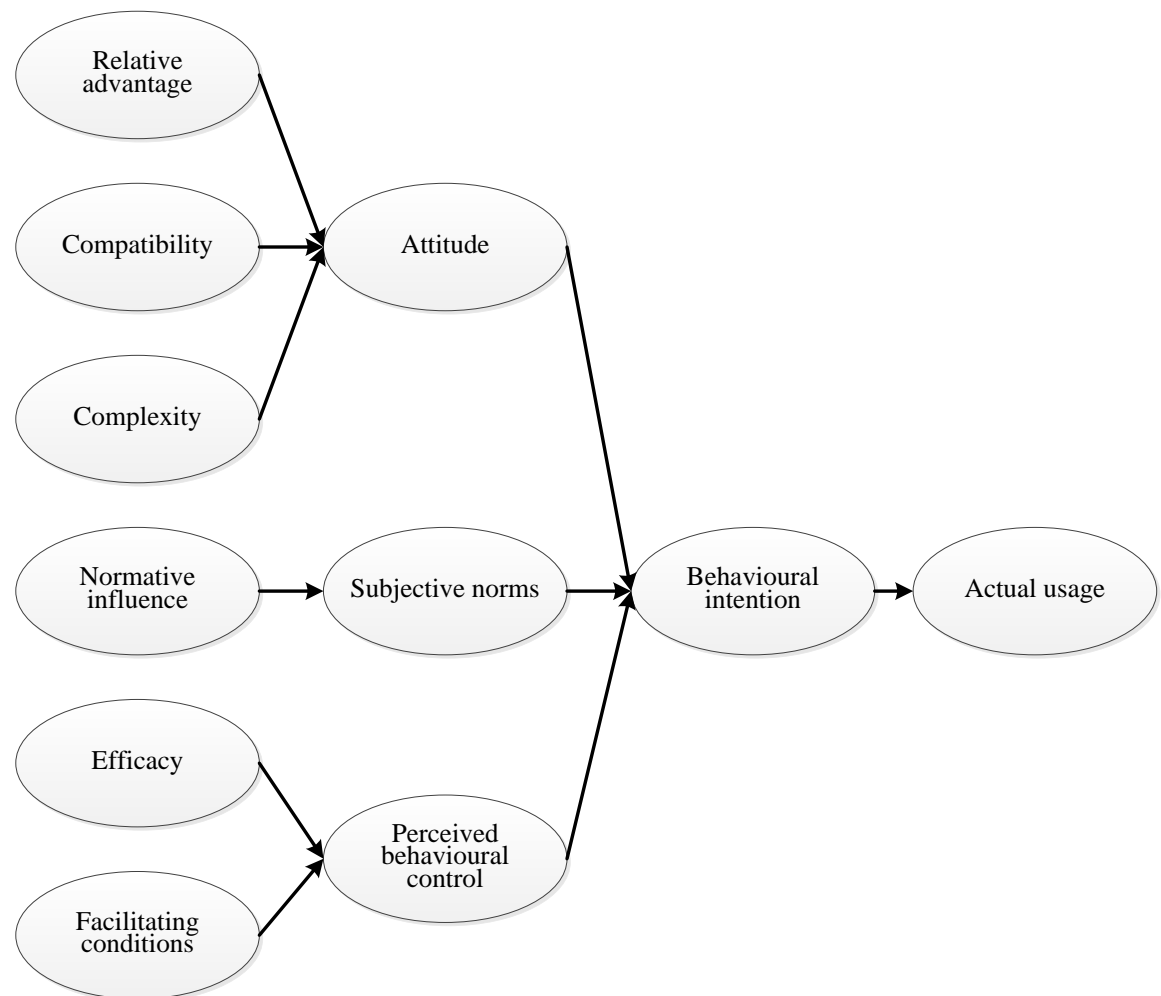


**Figure 4.2** The theory of planned behaviour (Ajzen, 1991:182)

### 4.3.3 Decomposed theory of planned behaviour (DTPB)

The DTPB focuses on identifying various belief factors that influence attitude, subjective norms and perceived behavioural control. As such, Taylor and Todd (1995:158) maintain that the decomposition of these belief sets enables researchers to understand managerially relevant factors when faced with an innovative technology. Consistent with the diffusion

of innovation theory proposed by Rogers (2005:123-126), the DTPB suggests that the attitudinal belief variable has three innovation characteristics that influence behavioural intentions, namely relative advantage, complexity and compatibility. Figure 4.3 depicts the DTPB.



**Figure 4.3: The decomposed theory of planned behaviour (Shih & Fang 2004:217)**

Relative advantage refers to the degree to which an innovation provides benefits, which supersede those of its precursors and may incorporate factors such as economic benefits, image enhancement and convenience (Schiffman *et al.*, 2014:377-378). Conversely, complexity refers to the degree to which an innovation is difficult to understand or use while compatibility refers to the degree to which the innovation fits with the potential adopter's existing values, previous experiences and current needs. Relative advantage often is considered as the perceived usefulness variable while the complexity construct is on the

opposing continuum to the perceived ease of use concept in Davis's (1989:328) technology acceptance theory. In addition, the DTPB decomposes the subjective norms variable into interpersonal and external social influence (Taylor & Todd, 1995:158). Similarly, Ajzen (1991:182) decomposes perceived behavioural control into self-efficacy and facilitating conditions. While self-efficacy is defined as individual judgment of individual capabilities to use information technology, facilitating conditions reflect the availability of resources needed to perform particular behaviour such as time, money and Internet equipment (Taylor & Todd, 1995:158-159).

While attitudinal beliefs, subjective norms and perceived behavioural control are the three predictors of behavioural intentions in the DTPB, Ajzen (1991:188) cautions that the three factors are not fixed and as such, the contribution of each factor may be expected to vary across different situations and behaviours. Specifically, only one set of beliefs may be more dominant or only one factor may be needed at any given time, depending on the given situation. This reasoning has tempered the tenets of understanding behavioural intentions in this research.

Social norms pressure in fashion e-store shopping contexts tends to be weak due to the absence of physical interaction with other shoppers (Truong, 2009:184). Relatedly, the subjective norms factor has been found to be unique to empirical settings, making it difficult to operationalise this variable across online contexts (Taylor & Todd, 1995:151). Within the same vein, the motivation to comply with peer expectations is considered negligible because of the private nature of fashion e-store shopping. While online, there is limited concern regarding how others would perceive the user since consumers engage in shopping processes at work or at home, where there are presumably limited external influences.

Chong (2013:528) and Mace (2009:33) found that perceived behavioural control was the least important predictor of consumers' intentions towards e-commerce adoption and intentions to use online platforms such as Facebook. Moreover, the evaluation of facilitation conditions such as time, computer equipment and money seems to pose less consequential effects for answering the objectives of this study. Of note, the ubiquitous nature of fashion e-store shopping renders the behaviour less constrained by conditions such as time. This is so because fashion e-store shopping can be completed for order

purchases of any amount using Internet-enabled devices including smartphones and mobile devices, such as I pads and tablets. As such, considering the widespread availability of Internet and broadband access in South Africa (Tubbs & Ngubeni, 2014:3), facilitating conditions were considered somewhat immaterial for the purpose of this study.

The study by Truong (2009:184) intimates that the role played by perceived behavioural control and subjective norms, in the prediction of intentions and subsequent behaviour should only be examined in individualistic circumstances, since the belief sets are condition-specific. In addition, Truong (2009:178) pinpoints that subjective norms and behavioural control are more salient during the early stages of technology diffusion where users have little or no direct experience with the technology. Given that this study pertains to an examination of a sample of fashion e-store shoppers with previous online shopping experience, subjective norms and perceived behavioural control are excluded from empirical analysis in this study.

The TRA, TPB and the decomposed theory of behaviour have been widely adapted in the context of online shopping. As such, behavioural intentions theories are informative and enlightening with regard to determining the primary objective set out in Chapter 1 of this study. However, the usefulness of the theories remains primarily in the prediction of initial acceptance, as opposed to explaining actual behaviour once Internet technology has been adopted for e-store shopping. Since the present research is focused on behavioural intentions, which is demarcated as a post-evaluative attribute or a definite part of the consumer's post-purchase behaviour, it seemed inappropriate to adopt these theories in their original form for the purposes of setting the undertones of this research.

The underlying principle of modelling several connected belief variables to influence behavioural intentions (Truong, 2009:184) is welcome. In light of this, various studies go to considerable lengths to distinguish among several predictors of the behavioural intentions variable. While different behavioural-based beliefs may be expected across product categories, Ruiz-Molina and Gil-Saura (2008:306) pinpoint that attitude, customer satisfaction and customer value are the fundamental factors that exert influence on customer loyalty. It is against this backdrop that the study considered attitude, customer satisfaction and customer value as the key constructs associated with the development of fashion e-

store behavioural intentions. The three predictors of fashion e-store shopping behaviour are discussed in the next section.

#### **4.4 PREDICTORS OF FASHION E-STORE SHOPPING BEHAVIOUR**

This section evaluates the explanatory power of attitude, customer satisfaction and customer value as the vital predictors of behavioural intentions towards fashion e-store shopping.

##### **4.4.1 Attitude**

The study of attitude has attracted considerable attention among researchers, probing interest into the factors influencing the behaviour of fashion shoppers towards e-stores. According to Venkatesh *et al.* (2003:429), attitude is defined as an individual's overall affective reaction towards using technology for completing activities. On the other hand, Fishbein and Ajzen (1975:304) postulate that attitude towards behaviour is made up of beliefs about engaging in the behaviour and the associated evaluation of that particular belief. The authors define attitude as an individual's positive and negative feeling (evaluative affect) about performing the target behaviour. Consistently, the attitude theory suggests that the more favourable the attitude a person has towards a given product or service, the more likely that person is to buy or use the product or service (Abdul-Muhmin, 2010:7). This suggests that people hold different attitudes that determine future responses to the environment. Therefore, if consumer attitudes are known, behaviour can be predicted.

While remaining consistent and enduring in the long-term, attitudes may vary across situations. As such, altering consumer attitudes rather than companies' cost structures can be useful in an attempt to determine the behavioural intentions towards fashion e-store shopping. Drawing from the definition of Overby and Lee (2006:1161), this study defines attitude as 'a general disposition of the fashion shopper to favour e-stores and online shopping services over any other shopping formats'.

Motivated by a desire to understand the relationship between attitude and behaviour, psychologists have sought to develop models that capture the underlying dimensions of attitude. Schiffman *et al.* (2014:197-198) propose the tri-component attitude model, which

points to three constituents of the attitudinal variable, namely cognitive, affective and conative. The cognitive component of attitude refers to a person's cognitions (Solomon & Rabolt, 2009:260). These may be expressed as the knowledge and perceptions that are acquired through a combination of direct experience with the attitude-object and related information from various sources (Wolfe, 2009:282). The consumer believes that the attitude object possesses various attributes and that specific behaviour towards that object could lead to specific outcomes. Put precisely, a consumer with a positive attitude towards fashion e-stores believes that shopping from e-stores could lead to convenience and saves a considerable amount of time.

A consumer's emotions or feelings about a particular product, brand and service or consumption experience constitute the affective component of attitude. Such emotions or feelings are primarily evaluative in nature and may be captured by semantic dichotomies such as good or bad, like or dislike, pleasant or unpleasant and prefer or dis-prefer (Schiffman *et al.*, 2014:198). When consumers encounter affect-laden experiences such as happiness and joy during a consumption process, this may positively amplify the occurrence of purchase. For instance, an emotion-enriched response to a fashion e-store shopping experience may lead the shopper to recall the time spent shopping online with pleasure. Ultimately, this positive emotion may influence the shopper to persuade others to re-visit the same e-store in the future.

Conation is the likelihood or tendency that an individual can undertake a specific action or behave in a particular way with regard to the attitude object. Thus, attitudinal evaluations also indicate the pre-disposition to behave (or not to behave) in a particular way. Ruiz-Molina and Gil-Saura (2008:307) point out that attitudes are learned, because of external media information as well as individual motives. Since fashion is a high-involvement product, brands and retailing formats are a vital consideration in customer decision making. Customers accumulate knowledge regarding the most relevant fashion shopping options through the media, evaluate the beliefs and then form feelings of affect about the fashion product e-store shopping channels (Solomon & Rabolt, 2009:260). In addition, Wolfe (2009:282) asserts that consumers can learn about products and services through purchase experiences or word-of-mouth and later form beliefs. Based on personal beliefs, the consumer engages in the most relevant purchase behaviour. Therefore, fashion e-stores

become a beneficiary of favourable attitudes, when people generate positive beliefs towards e-stores. Therefore, the decision whether consumers can patronise fashion e-stores as primary shopping channels and continue to do so in the future, largely depends on individual attitudes towards such novel fashion shopping formats.

There is long-standing evidence around consumer attitudes linking the cognitive, affective and conative components with the latter incorporating buying intention. In the context of electronic shopping, attitudinal and normative components explain a great proportion of intention to purchase online apparel (Van Der Heijden *et al.*, 2003: 46). This is because knowing a consumer's beliefs and emotions about the act of purchasing reveals more about the potential act of purchasing (Li *et al.*, 2013:488). Kim *et al.* (2005:37-38) show that consumers who have more favourable attitudes toward online shopping had higher intentions to purchase clothing via the Internet in the future.

Li and Zhang (2002:513), Pavlou and Fygenson (2006:121), as well as Sánchez-Franco and Roldán (2005:35) found that attitude has a direct effect on behavioural intentions in e-shopping contexts. As such, empirical research affirms the role of attitudes in forecasting online consumption demand and Internet behavioural inclinations among shoppers. Relatedly, predictions of the TRA are consistent with the assertions of Schiffman *et al.* (2014:199) who underscore that attitude towards a certain behaviour has the greatest influence on purchase intentions. In addition, Ruiz-Molina and Gil-Saura (2008:307) conclude that the more favourable the attitude a person has towards a given service, the more likely the individual will not only perform the purchasing action but could also engage in further affirmative actions that support consumption behaviour.

The study by Hirschman and Holbrook (1982:96) indicates that the three attitudinal components cannot be analysed in isolation, when explaining behaviour. This is because the cognitive, affective and conative components do not always operate harmoniously within an individual's attitude frame (Ruiz-Molina & Gil-Saura, 2008:307). While one set of beliefs may be held about an object and elicit a determinable affect, the actual reaction or behaviour exhibited may not be in conformity to that which is expected.

The next section attempts to consider the role of customer satisfaction in determining future fashion e-store shopping behavioural intentions.

#### 4.4.2 Customer satisfaction

Customer satisfaction refers to the cognitive and emotional state of fulfilment that is experienced through interaction with a retailer (Kim & Damhorst, 2010:60). While it is emotional, this variable measures the level of contentedness or the extent of delight with a particular purchase encounter (Loureiro *et al.*, 2014:102-103). Conversely, the cognitive approach asserts that customer satisfaction is a mental comparison of the expectations presented at the beginning of a purchase encounter and the actual performance of a product or reliability of a service after use (Prebensen *et al.*, 2015:2).

The latter assertion is consistent with Oliver's (1980:467) expectancy-disconfirmation model, which postulates that customer satisfaction is the result of the perceived difference (disconfirmation) between expectations and perceived performance of a product or service.

Oliver's (1980:467) expectancy-disconfirmation model assumes that there are three possible outcomes for evaluating a product or service experience. If the actual performance of the product falls short of expectations, then negative disconfirmation occurs whereas positive disconfirmation occurs when performance exceeds expectations (Solomon & Rabolt, 2009:481). Confirmation (neutrality) occurs when perception of performances and expectations equally match (Schiffman *et al.*, 2010:498). This is termed transaction-specific satisfaction as it occurs within specific service encounters. Contrastingly, it is possible that as each new consumption experience occurs, satisfaction appraisal is experienced.

By making subsequent visitations to fashion e-stores, customers can obtain post-purchase information that can serve as input for judgment and future evaluations of fashion e-store shopping. Such information is vital, yet easily retrievable by shoppers who may wish to check if the web-store is consistently delivering on promises. Therefore, if fashion consumers recognise that online retailers are able to meet individual needs, cumulative satisfaction is recognised. This study defines customer satisfaction as 'the cumulative fulfilment that is experienced by consumers after a need-fulfilling and holistic shopping encounter at a fashion e-store'.

Customer satisfaction is a very important predictor of behavioural intentions because a consumer is more likely to return to a particular online store if he or she is satisfied with

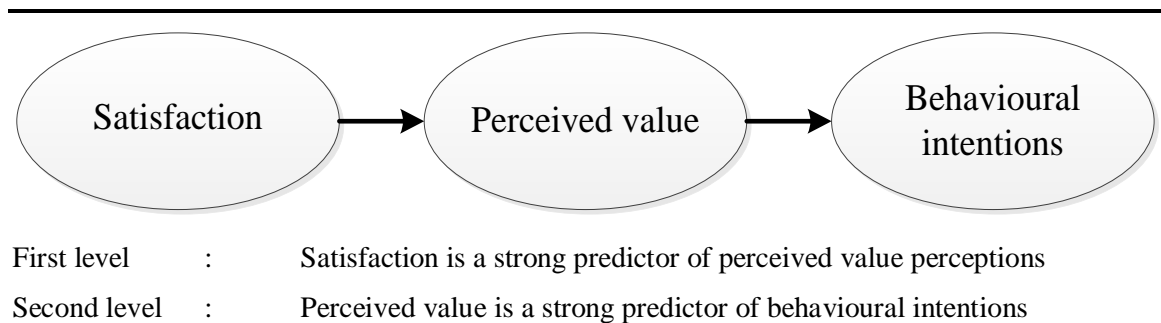
the previous buying experience. The role of satisfaction in predicting behavioural intentions is well established in the literature (Mishra, 2014:237; Kim & Damhorst, 2010:56; Ryu *et al.*, 2010:422; Urdo *et al.*, 2010:489). Therefore, achieving customer satisfaction has become the primary goal for most online retailers (Kim & Damhorst, 2010:56). This is demonstrated by numerous Internet retailers expending considerable resources in attempting to increase satisfaction along online platforms (Carlson & O' Cass, 2010:115).

For marketing practitioners, the importance of determining the relationship between customer satisfaction and the linkages (if any) between customer satisfaction and behavioural intentions is related closely to improving the effectiveness of decision-making (Van Der Heijden *et al.*, 2003:42). This is because an understanding of the customer satisfaction variable enables marketers to evaluate the best possible course of action to take in order to provide fulfilling services to customers, culminating into enhanced loyalty towards the business (Prebensen *et al.*, 2015:2). Moreover, high levels of customer satisfaction lead to a noticeable increase in organisational profits (Irani & Hanzae, 2011:90; Gallarza & Gil-Saura, 2006:444; Sweeney & Soutar, 2001:206). Therefore, the maintenance of a portfolio of satisfied and faithful customers provides the e-tailer with competitive advantage in the market (Yang & Peterson, 2004:801).

#### **4.4.3 Customer value**

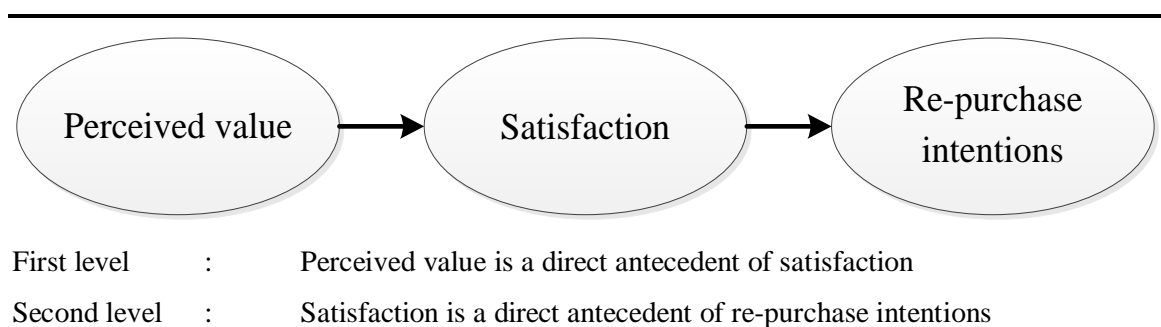
Theoretical evidence posits that it is commonplace to examine the predictive relationship between customer value and behavioural intentions. While this is so, researchers have found a strong and positive relationship between the two constructs (Gallarza & Gil-Saura, 2006:447; Lin *et al.*, 2005:332; Tam, 2004:909), albeit tempered by the customer satisfaction variable. The next section examines the three schools of thought that have emerged in the literature with a view to establish the nature of the consequential relationship between value, customer satisfaction and behavioural intentions.

Predominant thought in the literature has supported the chain relationship between value, customer satisfaction and behavioural intentions. However, differences of opinion exist regarding the ordering of the constructs. The first school of thought asserts that there is a strong and direct link between value and behavioural intentions as depicted in Figure 4.4.



**Figure 4.4 Directional relationships between satisfaction, value and behavioural intentions (Green & Boshoff, 2002:14)**

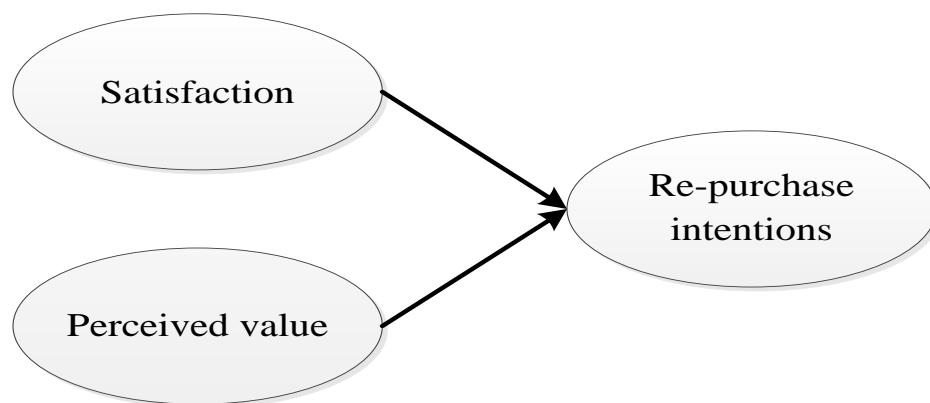
The scholarship of Dodds *et al.* (1991:308) as well as Eggert and Ulaga (2002:114) links value with behavioural intentions by asserting that managers’ decisions are largely cognitive rather than affective. Figure 4.5 depicts the second school of thought.



**Figure 4.5 Directional relationships between value, satisfaction and re-purchase intentions (Gallarza & Gil-Saura, 2006:443)**

Bolton and Drew (1991:379) contend that in the value-behavioural intentions relationship, customer satisfaction should still be recognised as a predictor of customer value. The study by Green and Boshoff (2002:12) further proposes that value mediates the relationship between customer satisfaction and behavioural intentions. In other words, customer satisfaction is considered to be a strong predictor of perceived value while the latter, is recognised as a strong predictor of behavioural intentions. Consistently, Gallarza and Gil-Saura (2006:443) argue that a direct relationship exists between perceived value and satisfaction at the first level while the second level ordering represents a positive relationship between satisfaction and re-purchase intentions, which is a type of behavioural intention.

The third school of thought asserts that perceived value is a direct antecedent of behavioural intentions at the same level as satisfaction (Petrick, 2002:120). For example, perceptions of value in the acquisition of online fashion merchandise might actually offer a greater degree of satisfaction, despite the low value attached to certain products. This school of thought is adopted in this study since it permits the researcher to make independent evaluations of the value perceptions as well as the satisfaction evaluations of fashion e-store shoppers. Figure 4.6 illustrates the third school of thought.



First level: Perceived value is a direct antecedent of behavioural intentions

Second level: Satisfaction is a direct antecedent of behavioural intentions

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**Figure 4.6 Value and satisfaction as direct antecedents of behavioural intentions (Petrick, 2002:120)**

The aforementioned dialogue on the three schools of thought confirms that there have been considerable differences of opinion regarding the ordering of value and satisfaction as antecedents towards behavioural intentions. In acknowledgement of this paradox and to move closer towards the achievement of the theoretical objectives set out in Chapter 1 of this study, the next section seeks to examine specific value components and the linkages with both attitude and satisfaction, with the ultimate aim to determine the behavioural intentions of fashion e-store consumers.

## 4.5 VALUE COMPONENTS AND ATTITUDE TOWARDS FASHION E-STORE SHOPPING

Table 4.1 provides evidence of different empirical studies that verified the direct relationship between value components with attitude, while indirectly referring to behavioural intentions.

**Table 4.1 Summary of studies linking value components with attitude**

Author/s	Value component/s	Country	Study context	Findings
Coker <i>et al.</i> (2014:69-71)	<ul style="list-style-type: none"> <li>• Utilitarian</li> <li>• Hedonic</li> </ul>	USA	Social shopping value among online shoppers	Owing to the social and fun nature of social shopping, hedonic value produced greater effects on attitude than utilitarian value
Shiau and Wu (2013:2172)	<ul style="list-style-type: none"> <li>• Hedonic</li> </ul>	Taiwan	GROUPON case study (online website for group-buying)	Direct relationship between hedonic value with attitude and purchase intentions
Khare (2011:437)	<ul style="list-style-type: none"> <li>• Utilitarian</li> <li>• Hedonic</li> </ul>	India	Shoppers within the inner-city malls	Utilitarian and hedonic value are predictors of consumers' attitudes towards mall attributes
O'Cass and Choy (2008:344)	<ul style="list-style-type: none"> <li>• Social engagement or involvement</li> </ul>	China	Generation Y fashion consumers	Involvement-driven value and social engagement values are directly linked to attitudes and in turn, willingness to pay higher prices
Ruiz-Molina and Gil-Saura (2008:311)	<ul style="list-style-type: none"> <li>• Emotional</li> <li>• Social</li> </ul>	Spain	Retail customers (grocery, electronics, clothing and footwear, furniture and decoration)	Direct relationship between emotional value with attitude and loyalty intentions
Hassanein and Head (2007:701)	<ul style="list-style-type: none"> <li>• Perceived social presence</li> </ul>	Canada	Online shoppers' experiment based on three websites	Perceived social presence correlated positively with attitude towards online shopping from a Web-store
Overby and Lee (2006:1161)	<ul style="list-style-type: none"> <li>• Utilitarian</li> <li>• Hedonic</li> </ul>	USA	Internet retail consumers	Utilitarian value is a stronger predictor of preference (an equivalent of attitude) for an online retailer

The undertones of the Value-attitude-behaviour Theory ascribe to the supposition that values influence attitudinal beliefs that ultimately direct behavioural intentions (Homer & Kahle, 1988:638). Relatedly, Li *et al.* (2013:489-501) emphasise the relevance of a value-intentions relationship, as mediated by consumer attitude. In this vein, this research posits that value attributes precede attitudes and have an indirect effect on consumer behaviour.

Ruiz-Molina and Gil-Saura (2008:311) stress that customer attitude and behaviour both depend on emotional and social value in the retail sector. Hansen (2008:134) demonstrates the existence of a linear relationship between value, attitude and behavioural intentions in online grocery shopping. In addition, Mahesh (2013:41) found justification for a direct relationship between perceived value and consumers' attitude towards green products. As such, perceived value has a strong influence on both customer attitude and behavioural intentions across different retailing contexts.

In the context of online shopping, both utilitarian and hedonic value attributes have been shown to predict preference for a retailer and the retailer's mode of business (Overby & Lee, 2006:1161). Batra and Ahtola (1990:159) show that the attitude attribute could be clearly traced back to both rational (utilitarian) and emotional (hedonic) factors. Similarly, in accordance with Voss *et al.* (2003:316), attitude can be viewed as the double-pronged evaluations of both hedonic value and utilitarian value. While hedonic value is experienced on both affective and cognitive levels, the utilitarian component seems to be dominated by the cognitive element (Solomon & Rabolt, 2009:259). In view of this, positive attitude that is associated with web-store shopping is related to both hedonic and utilitarian value (Sweeney & Soutar, 2001:205; Babin & Attaway, 2000:94). Therefore, the study hypothesises that both utilitarian value and hedonic value have a positive influence on consumers' attitude towards fashion e-stores.

In the absence of physical cues, the verification of purchase choices and individual intentions is made possible when shoppers actively seek out online community groups that are linked with e-stores (Seraj, 2012:213). Ultimately, this arouses positive outcomes on the individual's affective filters. Some researchers maintain that this element is a boon for marketing communication because it fosters positive attitudes since online consumers are able to participate in a two-way process of dialogic production and sharing of fashion information (Cheng *et al.*, 2009:150; Kim *et al.*, 2008:821). As such, this study

hypothesises that intellectual value positively influences consumers' attitude towards fashion e-stores.

The next section aims to contribute to the academic body of knowledge and further advance the theoretical objectives set out in Section 1.4.2, by elaborating on the findings of different scholars regarding the relationships between value components and customer satisfaction.

#### 4.6 VALUE COMPONENTS AND SATISFACTION WITH FASHION E-STORE SHOPPING

While some scholars use the terms value and satisfaction synonymously, Eggert and Ulaga (2002:107) postulate that the two concepts are distinct yet complementary. Essentially, both value and satisfaction concepts represent the trade-off between what is given and what is received (Lien *et al.*, 2011:217). Nonetheless, customer satisfaction in particular, only reflects those benefits albeit as a comparison between pre-existing expectations and post-use gains. Therefore, it is accepted conventionally that customer satisfaction is only a post-consumption variable while value is developed simultaneously before, during and after a consumption experience (Sánchez *et al.*, 2006:397). Table 4.2 provides a summary of different studies that have linked value components with satisfaction.

**Table 4.2 Summary of studies linking value components with satisfaction**

Author/s	Value component/s	Country	Study context	Findings
Mishra (2014:237)	<ul style="list-style-type: none"> <li>• Utilitarian</li> <li>• Hedonic</li> </ul>	India	Retail consumers of private label brands	Utilitarian value has a stronger, positive and significant effect on satisfaction when compared with hedonic value
Kazakeviciute and Banyte (2012:537)	<ul style="list-style-type: none"> <li>• Hedonic</li> </ul>	Conceptual paper (not applicable)	Conceptual paper (not applicable)	Theoretical paper that proposes a linear relationship between hedonic value, satisfaction and behaviour

**Table 4.2 Summary of studies linking value components with satisfaction (continued ...)**

Author/s	Value component/s	Country	Study context	Findings
Irani and Hanzaee (2011:95)	<ul style="list-style-type: none"> <li>• Utilitarian</li> <li>• Hedonic</li> </ul>	Iran	Apparel shoppers	<ul style="list-style-type: none"> <li>• Direct relationship between utilitarian value and satisfaction</li> <li>• Direct relationship between hedonic value and satisfaction</li> </ul>
Yoo <i>et al.</i> (2010:94)	<ul style="list-style-type: none"> <li>• Utilitarian</li> <li>• Hedonic</li> </ul>	USA	Online shopping consumers	<ul style="list-style-type: none"> <li>• Utilitarian and hedonic values are significantly related to satisfaction in an e-commerce environment</li> </ul>
Carpenter (2008:359-362)	<ul style="list-style-type: none"> <li>• Hedonic</li> </ul>	USA	Discount retail apparel shoppers	<ul style="list-style-type: none"> <li>• Direct relationship between hedonic value with satisfaction</li> <li>• Direct relationship between utilitarian value with satisfaction</li> </ul>
Babin <i>et al.</i> (2005:137)	<ul style="list-style-type: none"> <li>• Utilitarian</li> <li>• Hedonic</li> </ul>	Korea	Consumers of family-style dinner houses	<ul style="list-style-type: none"> <li>• Both utilitarian value and hedonic value are related positively to customer satisfaction and ultimate behaviour</li> </ul>
Chang <i>et al.</i> (2004:191)	<ul style="list-style-type: none"> <li>• Hedonic</li> </ul>	South Korea	Apparel consumers	<ul style="list-style-type: none"> <li>• Direct relationship between hedonic value and satisfaction</li> </ul>
Babin <i>et al.</i> (1994:648-653)	<ul style="list-style-type: none"> <li>• Utilitarian</li> <li>• Hedonic</li> </ul>	Mid-Western University (USA)	Undergraduate student shoppers	<ul style="list-style-type: none"> <li>• Consumption activities must combine both utilitarian and hedonic attributes to reflect the totality of a satisfying shopping experience</li> </ul>

When a specific product category or service offers relative advantage over comparable others, customer satisfaction is likely to result (Oliver, 1981:40). This supports the notion that perceived value factors influence customer satisfaction. Within the same vein, perceived value has been proven a direct antecedent of customer satisfaction, while the latter determines the re-purchase intentions of consumers (Gallarza & Gil-Saura, 2006:444; Woodruff, 1997:143). Terblanche and Boshoff (2010:6), who found a direct relationship between value, customer satisfaction and intentions among different consumer groups in the South African fast food industry, have supported this argument. Furthermore, McDougall and Levesque (2000:398) report that customer value was the most salient

precursor of customer satisfaction across four service industries, namely restaurants, auto services, hairstylists and dental services.

Within the Internet shopping context, customer satisfaction is realised when the value of the product and service offering provided by the e-retailer either meets or exceeds expectations (Lien *et al.*, 2011:217; Li & Zhang, 2002:515). This observation is in accordance with the thesis that consumers who receive high value from an online retailer are more satisfied than those who receive low value from the same (Mishra, 2014:241; Kim & Damhorst, 2010:68-69; Van der Heijden *et al.*, 2003:45). Patterson and Spreng (1997:414-434) examine the role of value in explaining consumer behaviour in a business-to business-context and found that perceived value was a positive and direct antecedent of customer satisfaction.

Ryu *et al.* (2010:422) demonstrate that both utilitarian and hedonic values significantly influence consumers' satisfaction and future intentions to patronise retail service environments. In addition, the ability to offer co-creation experiences on a fashion e-store through online community groups positively affects satisfaction with fashion e-store shopping. This is because the level of engagement in community groups intensifies customers' level of satisfaction with that consumption experience. In this respect, if a fashion e-store shopper is able to co-create value actively, then his or her levels of satisfaction with e-store shopping is likely to be amplified.

The next section discusses the linkages between satisfaction and attitude of fashion e-store consumers.

#### **4.7 THE INFLUENCE OF SATISFACTION AND ATTITUDE ON FASHION E-STORE BEHAVIOUR**

The relationship between customer satisfaction and consumer attitude draws on the notion of perceived behavioural consequences. This is because, although attitude and customer satisfaction are distinct terms, the two concepts often relate to and influence consumer behaviour similarly. In particular, attitude and customer satisfaction are key predictors of positive intentions towards fashion e-store shopping. Table 4.3 provides a summary of

different studies that have established the existence of direct relationships among satisfaction, attitude and behavioural intentions.

**Table 4.3 Summary of studies linking satisfaction, attitude and behavioural intentions**

Author/s	Country	Study context	Findings
Mishra (2014:237)	India	Consumers of private label brands	Satisfaction played a mediating role between attitude and behavioural intentions
Abdul-Muhmin (2010:13)	Saudi Arabia	Online retail consumers	Behaviour was the dependent variable and the mediator variables were attitude and overall satisfaction
Kim and Damhorst (2010:66)	USA	Undergraduate students with online shopping experience	Satisfaction and attitude towards apparel shopping at the Internet retailer positively predicted behavioural intentions
Ko and Chiu (2008:89)	Taiwan	Coffee retail consumers	Direct relationship between satisfaction and attitude leading to behaviour
Lee and Lin (2005:168)	USA	Online shoppers	Confirmed a direct causal link between attitude, satisfaction and purchase intentions

It is vital for e-retailers to devise strategies that focus on delivering customer value with a view to enhance customer satisfaction while altering attitudinal dispositions in a positive manner (Urdo *et al.*, 2010:487). This is because such changes can considerably affirm behavioural intentions. Relatedly, the two-way relationship between attitude and customer satisfaction has been widely documented in the literature. Oliver (1980:462) opines that initially, consumers have pre-determined beliefs about a purchase experience, product or service of which the beliefs result from consumer learning through media or other informal sources of information (Wolfe, 2009:281). Thereafter, the pre-determined beliefs termed pre-purchase attitudes, lead to the formation of purchase expectations in the mind of the consumer. After the consumer purchases and uses the product or service, an evaluation of the outcome is made whereby the initial consumption expectations are compared with the actual performance of the product. If the outcome of the consumption evaluation exceeds the consumer's expectations, a state of satisfaction occurs. Such a state of satisfaction that is reinforced by the consumption encounter lends itself to positive attitude formations, termed post-purchase attitudes (Solomon & Rabolt, 2009:259). It is this post-purchase

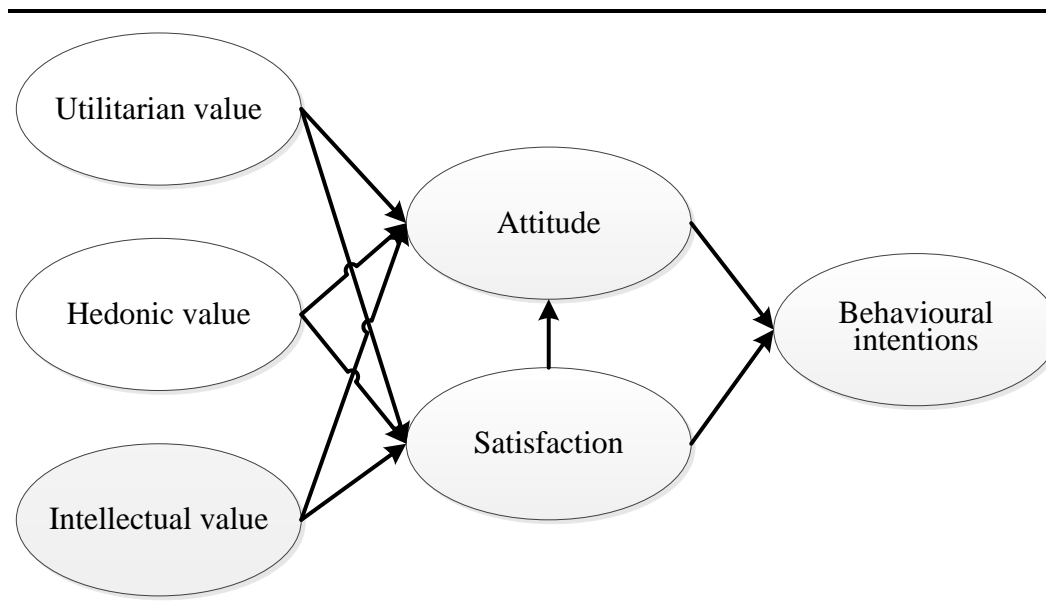
attitude evaluation that dictates whether a consumer could purchase or consume the product or service in future.

Foxall (2005:103) suggests that attitudes that are formed based on past consumption behaviour (post-purchase) may be more stable predictors of subsequent behaviour than attitudes that are not based on behavioural experience. In agreement, previous scholars have demonstrated that customer satisfaction precedes and influences post-purchase attitude towards e-store shopping (Ko & Chiu, 2008:89; Ho & Wu, 1999:6). Therefore, if customers are satisfied with the shopping service obtained from a fashion e-store, it becomes relatively easy to accept the idea of using e-stores as a fashion-shopping channel in the future. In addition, satisfied shoppers relish the appeal of using e-stores for fashion shopping and demonstrate this by making purchases from fashion e-stores in the future. In view of this, the current study focused on the post-purchase attitudinal beliefs of South African fashion e-store shoppers.

The forgoing discussion of inter-relationships among value components, customer satisfaction, attitude and behavioural intentions helps to present an overview of fashion e-store shopping behaviour and further assists to generate an enriched academic discourse in the online fashion marketing literature. As such, the next section attempts to capture the essence of such relationships by way of a conceptual model for empirical testing among South African consumers. This is elaborated on in the following section.

#### **4.8 PROPOSED MODEL OF BEHAVIOURAL INTENTIONS TOWARDS FASHION E-STORE SHOPPING**

Since online shopping involves heterogeneous consumption experiences, customer value cannot be restricted to aspects related to price and quality, as postulated in the uni-dimensional approaches (Teas & Agarwal, 2000:285). Moreover, upon recognising that an online shopping experience can be valuable (or valueless) in more than one way, the current research emulates this line of thought by adopting the notion of a value construct that is broadly represented as a multi-dimensional phenomenon. In particular, Section 3.7 of this thesis postulates that this work builds on Hirschman and Holbrook's (1982:99) utilitarian and hedonic dimensions and adds a third component, namely utilitarian value. Figure 4.7 presents the conceptual model tested in this study.



**Figure 4.7 Proposed model of behavioural intentions towards fashion e-store shopping**

The conceptual model suggests that utilitarian value, hedonic value and intellectual value influence consumers' behavioural intentions towards fashion e-store shopping, indirectly. However, this relationship is mediated by the attitude and satisfaction evaluations of consumers. Justifiably so, once a customer is satisfied with a fashion e-store shopping experience, the individual may be expected to demonstrate favourable attitudes towards fashion e-stores, culminating in a linear relationship between customer satisfaction and attitude. In turn, both attitude and customer satisfaction are positively related to behavioural intentions towards fashion e-store shopping.

#### **4.9 CONCLUSION**

In today's rapidly changing and competitive market environment, it is imperative that organisations gain an understanding of customers with a view to survive and succeed. Marketers need to know anything and everything about customers, including their thoughts, wants and future intentions (Schiffman *et al.*, 2014:22). In particular, an understanding of customers' behavioural intentions can provide marketers with relative competitive advantage by creating tailored products or services to meet both current and future needs of consumers (Parumasur & Roberts-Lombard, 2012:7). Moreover, the main interest of

managers in e-store shopping is to produce more profits, which in turn, are achieved via maintaining loyal patronage.

The objective of this chapter is to develop and extend existing research into the behavioural intentions of consumers' by providing an overview of the construct together with selected value components, attitude and customer satisfaction as antecedents of behavioural intentions towards fashion e-stores. The chapter endeavours to contribute towards achieving the research objectives of this study in three ways. First, given a growing recognition that shopping involves instrumental (utilitarian) as well as experiential (hedonic) outcomes, the chapter proves that there is a need to develop a holistic model capturing this basic duality. In addition, the exclusivity of the customer-to-customer function that permits the generation of intellectual capital about fashion e-store consumption experiences is alluded to.

Secondly, motivated by a desire to generate a greater understanding of the future behaviour of e-store shoppers, one of the goals of this chapter is to evaluate how consumer attitude and customer satisfaction moderate the behavioural intentions of fashion e-store shoppers. The underpinnings of this thesis purport that the behavioural intentions measure is mediated largely by post-purchase attitude and customer satisfaction, an important area of research that has been scantily explored in fashion e-retailing contexts.

Thirdly and no less interesting, given the importance of behavioural intentions in online consumer exchanges, a new model was proposed that attempts to provide insights into the idiosyncratic nature of value within fashion e-store shopping contexts. The model asserts that utilitarian value, hedonic value and intellectual value are the three value components that indirectly contribute towards South African consumers' behavioural intentions towards fashion e-stores. . The tripartite set of value components are related directly to both attitude and customer satisfaction. In addition, customer satisfaction directly influences the post-purchase attitudinal beliefs of fashion e-store consumers, of which both constructs are related directly to behavioural intentions. The model was tested and results presented in Chapter 6.

The next chapter elaborates on the research design, sampling strategy and methods followed in pursuing the empirical component of this study, of which testing the conceptual model is key.

## **CHAPTER 5**

### **RESEARCH DESIGN AND METHODOLOGY**

*“Methodological insights provide an understanding of previously conducted research and how to proceed in the future”*

*Zora Neale Hurston*

#### **5.1 INTRODUCTION**

Marketing research is defined as the systematic process of gathering, recording and analysing information in order to scrutinise a problem that requires a solution (Malhotra, 2010:39). The aim of conducting marketing research is to provide information that is useful for businesses to implement a particular strategy. As such, the purpose of this study is to propose and empirically test a model of the values that influence consumers' behavioural intentions towards fashion e-stores in the South African market in order to guide marketing strategies for effectively targeting this market. In agreement with the primary objective, a literature review was conducted in Chapters 2, 3 and 4 of this study.

The focus of Chapter 2 was on the literature pertaining to fashion e-store shopping, with specific focus on the role and importance of fashion e-retailing. Chapter 3 focussed on customer value and included a discussion on the different customer value theories. In Chapter 4, the focus was on the literature pertaining to behavioural intentions, which included a discussion on the individual value components and the behavioural intentions models, thereby laying the foundation for the research methodology used in the study. Furthermore, inter-relationships among value components, customer satisfaction, attitude and behavioural intentions were reviewed, followed by an overview of how attitude and satisfaction influence consumers' behavioural intentions towards fashion e-store shopping. As an outcome of the literature review, Chapter 4 concluded with a proposed model of the antecedents of behavioural intentions towards fashion e-stores in the South African market. The empirical testing of the model is described in Chapter 6.

The purpose of this chapter is to delineate the research design and methodology. In view of this, the metaphor of the research onion that was promulgated by Saunders *et al.* (2009:108) was followed in this study as it relates to decisions were made regarding the data collection

techniques and procedures to analyse the data, as well as providing justification for the selected methods. In view of this, the research philosophy, logic, approach, design, the sampling strategy, data collection process and questionnaire design process, together with the techniques employed to analyse the data are described in this chapter. The following section (Section 5.2) describes the research philosophy whilst framing the methodology in this research.

## **5.2 RESEARCH PHILOSOPHY**

The understanding of a research philosophy can help researchers recognise what design works well in the field being investigated. As such, a failure to rationalise philosophical issues such as the relationships between data and theory could seriously affect the quality of management research. Babbie (2011:27) suggests that research paradigms are fundamental models that may be used as a first point of reference for organising scientific observations. This implies that an appropriate paradigm is needed to facilitate the choice of methodology to accomplish the research objectives declared at the beginning of the study. According to Gray (2013:26), a paradigm may be defined as the development of a systematic method derived from an individual's beliefs and theories about how research should be accomplished.

The seminal work of Kuhn (1996:28) avers that paradigms are vital for the specification of the most appropriate methods and techniques, which should be adopted when conducting research. While paradigms are not theories, they form the foundation of theories but often remain implicit. In essence, paradigms are a critical point of reference to theory and research since they expound on a whole system of thinking including basic assumptions, the important questions to be answered and the research techniques to be used (Neuman, 2006:70). Gray (2013:15) alludes to the positivistic and phenomenological research paradigms, which are discussed next.

### **5.2.1 Phenomenological research paradigm**

The phenomenological research paradigm presupposes that reality can only be understood through the meaning people assign (interpretivist). The basic principle is that the social world is constructed and is given meaning subjectively by the observers (Neuman,

2006:72). While placing emphasis on the social context upon conducting research, phenomenology assumes that a researcher is an independent participant of that which is observed. In other words, rather than being value-free, the research process captures the totality of the researcher's motivation, beliefs and personal interpretation. Therefore, research methods under phenomenology endeavour to interpret, illustrate and obtain access to reality through social constitution. This paradigm focuses on individual aspects of human activity by highlighting the implications rather than the quantity of social experiences (Gray, 2013:15). Proponents of interpretivism view the business world as constantly changing and further explicated within an individualised context. Babbie (2011:29) suggests that under phenomenological paradigms, there may be no significant existing theory, or else a researcher may carry out research with the intention of constructing a new theory in order to elucidate on the phenomena or describe emerging patterns from the data.

### **5.2.2 Positivistic research paradigm**

Taking a departure point from the *sociologie* philosophy developed by Comte (cited by Babbie, 2011:29), the explanation of phenomenon and social reality is situated within three stages of history. Initially, a theological stage was assumed to take centre stage, whereby religion and God were posed as being the cause of all social reality. Following on, the second stage conceded that science and metaphysics were the only reasonable explanations for social reality as depicted by natural laws (Kuhn, 1996:12). Finally, it was understood that social reality could be best understood both logically and rationally, rather than theologically and scientifically, as previously posited. This paved way to a research paradigm referred to as positivism, on the opposite spectrum from interpretivism.

The positivist paradigm asserts that knowledge is developed by investigating social reality through the observation of subjects using common methodological principles (Babbie, 2011:32). This paradigm draws its creeds from the assumption that all human beings demonstrate rational behaviour. Contrastingly, while the interpretivist paradigm is concerned with experiencing phenomena in a subjective manner, positivists adopt the tool of formal, objective and logical scientific methods to describe phenomena. Relatedly, Saunders *et al.* (2009:113) and Neuman (2006:71) share the same view that positivism is a structured technique that merges deductive reasoning with empirical observations of individual behaviour. This means that despite the subjective nature of individual

experiences, positivism attempts to find common ground by objectively reducing these experiences into simple elements. Therefore, it is believed that different researchers who observe a social phenomenon could possibly arrive at the same quantitative result.

According to Saunders *et al.* (2009:113), the positivistic paradigm follows a process whereby researchers first examine previous research to establish a suitable theory and then apply the theory in developing probable hypotheses. In other words, positivists conduct investigations to determine whether a particular situation could fit a specified theory (Neuman, 2006:71). Similarly, the work of Hirschman (1986:243) imbued that the goal of positivism is to objectively explain theory and offer predictions based on a tentative set of hypotheses. The theoretic-dependent hypotheses should be quantifiable and measurable before empirical data can be gathered (field observation). In addition, the hypotheses should be stated as relationships among a series of inter-related variables, which a researcher can either prove or disprove using statistical methods.

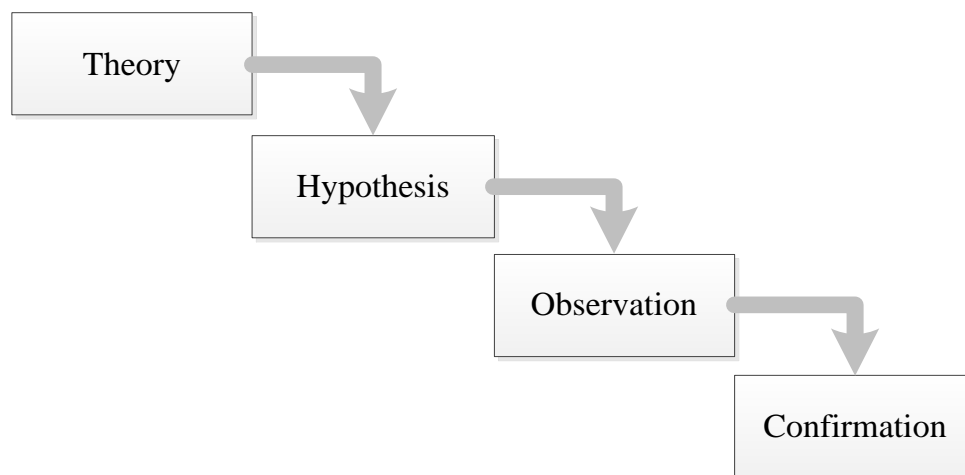
Positivists believe that through a causal chain, the research objectives or theory can link concepts together and this association could lead to the development of several testable statements (hypotheses) about supposed relationships between variables that can be investigated. In this case, data are collected about social facts with the use of quantitative indicators culminating in statistical analysis of data. From such claims, two qualities of research can be postulated. First, positivism attempts to establish formal theoretical perspectives to explain social reality. Secondly, positivism seeks to draw conclusions after identifying causes and effects among a set of factors.

This study is premised within the positivist paradigm as it aims to test theory, guided by the logical principles that mechanistically measure consumers' behavioural intentions. Initially, the methodological considerations for selecting a positivist research paradigm lie in that it is a dominant paradigmatic position in consumer research. Generally, marketing research has its origins in the logical empiricist paradigm that emphasises using purchase behaviour data to measure reality (Arndt, 1985:11). In addition, this paradigm was chosen since it stresses rationality, precision, objectivity and rigour (Gray, 2013:15; Neuman, 2003:71). The objectivity lies in that the research is conducted in a formal, impersonal manner, with the researcher distancing himself or herself from the study (Saunders *et al.*, 2009:114). Positivism is hinged upon a deductive epistemology, which follows a deductive

form of theoretical reasoning (Neuman, 2006:59-60). As such, the next section alludes to the research logic that was followed in framing this study.

### 5.3 RESEARCH LOGIC

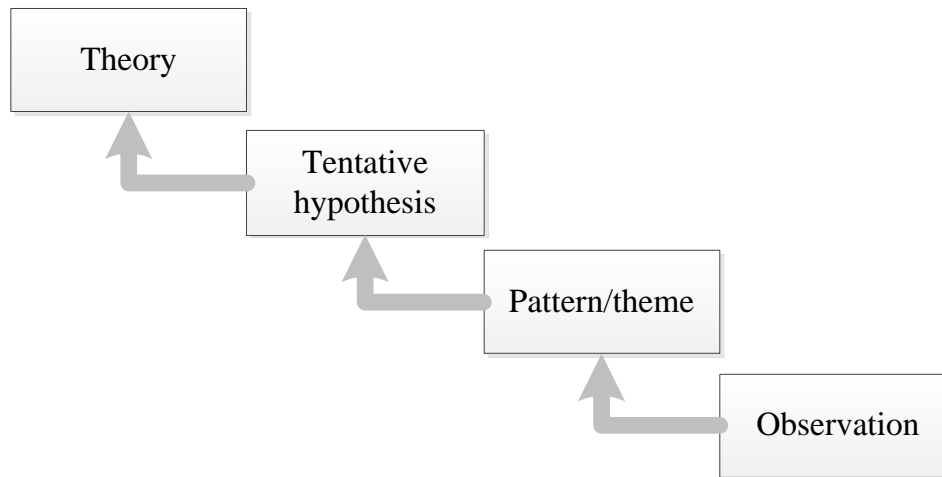
Research logic pertains to the formal processes, which guide the reasoning behind the choice of methods to follow when conducting research. Generally, researchers can choose between a deductive and an inductive form of research logic (Gray, 2013:16). Figure 5.1 depicts the deductive logic.



**Figure 5.1 Deductive research logic (Babbie, 2011:43)**

Deductive logic requires the formulation of theory and specification of hypotheses. The reasoning commences with a specified theoretical knowledge base and then logically specifies an answer or conclusion to the research problem based on field observations (Zikmund *et al.*, 2013:44). According to Babbie (2011:50), deductive research logic involves deriving expectations and statements for possible empirical testing. Thereafter, a period of data collection follows after which the empirical data is used to either confirm or refute the hypotheses.

Research that applies inductive reasoning spans from constructing knowledge by making specific observations of reality, thereby developing consistent patterns (Babbie, 2011:46). The inductive research logic is depicted in Figure 5.2.



**Figure 5.2 Inductive research logic (Babbie, 2011:43)**

Zikmund *et al.* (2013:44) attest that inductive reasoning involves the stipulation of theoretical propositions based on observation of particular facts. The permutations, therefore, are that inductive research scantily follows existing theoretical frameworks. Rather, inductive research begins with empirical observations of reality and then builds more abstract concepts and propositions by way of explaining existing thematic relationships among the observed objects (Gray, 2013:16).

The use of inductive research is grounded strongly in interpretivism enquiry while deductive research obtains its foundations in positivistic research paradigms. Although the inductive logic is germane to exploratory research approaches, which often attempt to establish new knowledge and develop formal theories, deductive reasoning is analogous to descriptive studies that are constructed from well-established theory and move towards hypothesis testing (Gray, 2013:17). As such, the deductive process employs highly structured methodologies and scientific methods such as surveys and experiments to facilitate replication (Saunders *et al.*, 2009:125).

The hypothetico-deductive method of enquiry was chosen for this study as it reflects empiricism as a research orientation, which constitutes the primary means by which the empirical evidence was obtained. The tentacles of deductive reasoning commenced with the use of theory to establish testable statements. The statements are then expressed in operational terms by stating the existing relationships in a way that enables quantitative measurement, termed hypotheses. In addition, an online survey was conducted, by way of

examining the specific outcome of the enquiry, empirically (Saunders *et al.*, 2009:125). Thereafter, the raw data were statistically analysed with a view to either confirm theory, refute theory or further indicate the need for modification of theory in light of the empirical findings.

The next section contrasts the quantitative and qualitative research approaches, while justifying the decision for following a quantitative approach in this study.

#### **5.4 RESEARCH APPROACH**

Research can either be informed by quantitative or qualitative approaches. In qualitative research, data obtained are usually in the form of pictures, words and narratives so that there is a clear understanding of the meaning that is attached to the experiences of participants (Babbie, 2011:122). Consistently, data analysis is non-statistical and heavily reliant upon the researcher's own interpretations (Malhotra, 2010:171). Grounded in the phenomenological paradigm, qualitative studies enable the researcher to construct social reality and find meanings through an interaction of processes and events (Neuman, 2006:13). Malhotra (2010:171) asserts that qualitative research approaches are rather unstructured, informal and subject to researcher bias. This is because in qualitative research, the researcher is intimately involved in the research process and in constructing the results (Zikmund *et al.*, 2013:135). For these reasons, qualitative research is said to be more subjective, meaning that the results are researcher-dependent.

The qualitative research approach is characterised by an investigation of how participants interpret the world. Preliminary insights and understanding of the underlying motivations of consumers is made through data collection from small, non-representative cases (Schiffman *et al.*, 2014:38). Invariably so, focus groups, in-depth interviews and case studies are used often to collect data in qualitative research. However, qualitative research has been criticised for lacking scientific rigour, reproducibility and generalisability (Babbie, 2011:259). This is because it is possible for different researchers to reach different conclusions after applying a qualitative data collection method. In that respect, qualitative research lacks inter-subjective verifiability, which implies deficiency in terms of the ability of different researches to produce the same results or come to the same conclusion (Zikmund *et al.*, 2013:135).

A quantitative research approach employs statistical methods to analyse data. Quantitative research emphasises precision and objective accuracy with the researcher being an independent observer (Zikmund *et al.*, 2013:134). The key features of quantitative researches are generalisability of results, objectivity, formulation and testing of hypotheses, use of large samples, further to being able to recommend a final course of action (Malhotra, 2010:171). Expressing comparable sentiments, Cooper and Schindler (2006:219) describe quantitative research as an approach that uses survey questionnaires to collect data and further controls bias by using randomised sampling techniques. This assertion resonates with that postulated by Shiu *et al.* (2009:171), when affirming that quantitative research enables the use of formalised procedures as well as structured response categories to produce a detailed description of phenomenon.

This study lends itself towards quantitative research approaches because of the underlying tenets of positivism and the inclination towards deduction reasoning. Therefore, a quantitative research approach was utilised since the study seeks to establish the possible existence of predictive relationships among related constructs using a sample survey procedure. The quantitative approach is followed in this work, since the perceived value knowledge base is bestowed with a rich fund of seminal and contemporary theories as stated in Chapter 3 of this study. Therefore, the intention was to test a model of the values that influence consumers' behavioural intentions towards fashion e-stores, empirically. Data were statistically analysed with a view to establish the possible existence of relationships among variables and thereafter, generalise findings to a wider population of South African e-store shoppers. Furthermore, quantitative research was preferred since the approach is bias-free, considering that the findings are reported in a manner that is deliberately isolated from the research enquiry. In other words, the researcher does not manipulate the study variables. Likewise, since most of the previous research within the field of customer behaviour also adopted quantitative research, using a similar research approach was considered to be in harmony with previous scholarship.

The following sections describe the design of the research, which was used to ensure that the study made use of sound procedures and methods of enquiry.

## **5.5 RESEARCH DESIGN**

A research design or strategy is a framework, plan or blueprint that is used as a guide in collecting and analysing research data (Churchill & Iacobucci, 2010:58). An understanding of research designs is crucial because research designs specify the processes to be used to gather data as well as the information required to solve the research problem. Just as there are many house designs and plans, exploratory, descriptive and causal research are the three design options that exist.

### **5.5.1 Exploratory research**

The primary purpose of exploratory research designs is to establish whether a phenomenon exists and to identify important information about that phenomenon (Welman *et al.*, 2005:23). As such, the emphasis is on the discovery of ideas as well as clarifying concepts and new insights. Exploratory research designs are useful for breaking down broad and vague research questions into more precise sub-questions with a view to increase familiarity and understanding of a problem (Churchill & Iacobucci, 2010:61).

### **5.5.2 Descriptive research**

Descriptive research designs are concerned with describing the characteristics of certain groups as well as making specific predictions about relationships between variables (Zikmund *et al.*, 2013:55; Churchill & Brown, 2007:105; Cooper & Schindler, 2006:151). Descriptive studies are an example of *ex post facto* research, which means they seek to observe the effect of an independent variable against a dependent variable without necessarily manipulating or varying the variables in any way (Churchill & Iacobucci, 2010:84). Thereby, descriptive studies aim to offer plausible explanations as to why the criterion variable occurred and thus proffer specific predictions about the association among research variables (Hair *et al.*, 2013:79).

Descriptive studies utilise systematic techniques and actions to gather raw data and generate data constructions that depict the existing features of a defined target population (Malhotra, 2010:103). In that way, estimations are made regarding the population proportions of people who behave in a certain way. In particular, they utilise sample survey methods, panels or longitudinal studies for collecting data (Zikmund *et al.*, 2013:55).

Sample surveys are classified as cross-sectional studies since they provide a snapshot and measurement of the characteristics of a population using elements of a sample. On the other hand, longitudinal studies involve repeatedly measuring a fixed sample over time (Churchill & Iacobucci, 2010:86). This means that in a longitudinal study participants are questioned at multiple points in time. The purpose of longitudinal studies is to examine continuity of response and to observe changes that occur over time.

### **5.5.3 Causal research**

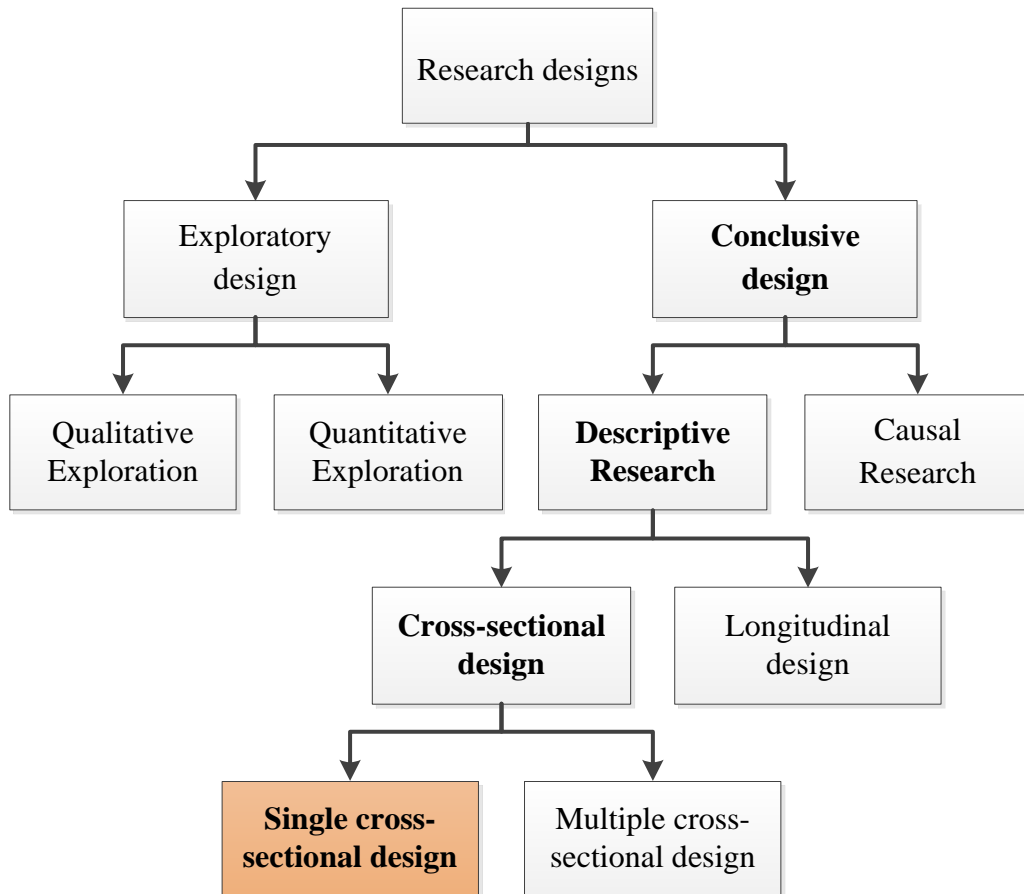
The purpose of causal research is to explain the cause and effect of given stimuli or factors on another variable (Malhotra, 2010:103). Churchill and Iacobucci (2010:99) as well as Zikmund *et al.* (2013:58) further point out that causal or explanatory research designs provide evidence of concomitant variation, which relates to the extent to which two or more variables occur together or vary together, systematically as predicted by the hypotheses. In causal terms, concomitant variation means that when a change in the cause occurs, a change in the outcome is also observed. However, since one is not able to observe causation by ruling out all other possible explanations, both co-variation and time sequence is an indication of the possible existence of a causal relationship (Blunch, 2008:10). Consequently, causal researchers make use of experiments and simulations to measure subjects whereby study variables are manipulated.

### **5.5.4 Positioning the most appropriate research design for this study**

Eight descriptors (highlighted in bold) were used to delineate the specific research design for this study, consistent with Cooper and Schindler (2006:139-142). Primarily, Babbie (2011:102) explains that the goal of social research is to revisit phenomena and build on the results of earlier research. This study was regarded as a **formal study** as it adapts a multi-item scale in testing several hypotheses. Furthermore, the study is interested in reporting the findings as a case in point on an aggregate basis, hence building upon **communication** methods. Since neither the study variables nor the research contexts are manipulated, the study is premised within the *ex post facto* design (Cooper & Schindler, 2006:141).

The study does not intend to monitor or regulate the magnitude of e-store shopping activity among the subjects but rather, to elicit responses from existing fashion e-store shoppers with a view to categorise the perceptions of individual participants. Analogous to this supposition, Churchill and Iacobucci (2010:105) impresses upon the use of field-based studies that are conducted in a natural environment, with no attempts being made to set up artificial conditions. In view of this, the current study favours a **field setting** whereby empirical data was collected from actual fashion e-store shoppers and the result accepted as found. Nonetheless, in lieu of the fact that the participants were formally sensitised to the fact that they were participating in the study through a cover letter and bolster invites, the research mutated into a **modified routine study** (Cooper & Schindler, 2006:142).

Consistent with Cooper and Schindler (2006:142), descriptive studies typically follow quantifiable structures that lend themselves to statistical inferences and generalisations to a wider population. The permutations, therefore, are that descriptive studies utilise statistical means to measure breadth rather than depth. As such, the pursuit of a **statistical study** in this thesis is encapsulated in this view. This is because the study aims to apply statistical measures to test the water-tightness of a proposed conceptual model of the determinants of consumers' behavioural intentions towards fashion e-stores using a representative sample under Chapter 6. Thereafter, relevant conclusions are drawn in Chapter 7, based on the reported sample survey data. This implies that the research strategy was conclusive in nature, with an inclination towards descriptive studies. Specifically, the study is positioned as a **single cross-sectional study** as posited in Figure 5.3.



**Figure 5.3** Classification of research designs (Malhotra, 2010:103)

The reasons for pursuing a single cross-sectional, descriptive study are threefold. First, the study is interested in providing a detailed picture of the South African fashion e-store industry by creating data structures that describe that particular target market (refer to Section 6.5.1 of this study). Secondly, there is an attempt to determine how the participants' share particular opinions regarding fashion e-store shopping habits (refer to Section 6.5.2 of this study). Thirdly, the study aims to document the possible existence of significant relationships among the determinants of consumers' behavioural intentions towards fashion e-stores. A report is provided on Section 6.12 regarding the established path relationships.

The following sections describe the sampling strategy that was applied.

## **5.6 SAMPLING STRATEGY**

A sampling strategy refers to the strategy chosen by a researcher upon selecting participants for a study while following a specified research design (Welman *et al.*, 2005:53). A researcher can make a choice to study the entire population, termed a census. Nonetheless, Malhotra (2010:371) pinpoints that conducting a census may be unrealistic for most consumer studies, owing to the time and financial resources required to study the large population sizes. Contrariwise, it is also possible to obtain information about the characteristics of only a sub-set of the population, termed sampling (Churchill & Iacobucci, 2010:283). Sample characteristics are then used to make inferences about the population parameters. This is convenient especially in cases where it is not possible to collect data from the entire population.

The process of developing a sampling strategy includes the identification of the true population, defining the target population, identifying the sample frame, selecting the sampling technique, determining the sample size, selection of the sample elements as well the collection of data. These steps are explained in the next sections.

### **5.6.1 Population**

The population (sometimes referred to as the universe or *universum*) is defined as the entire group of people about whom a researcher wishes to obtain information (Welman *et al.*, 2005:53). Put differently, it refers to the sum total of units from which individual units are selected (Malhotra, 2010:370). For the purposes of this study, the population comprises South African fashion consumers.

### **5.6.2 Target population**

Researchers often collect information from a portion of the population and then make inferences about the universe, based on the information that has been provided by sample elements (Malhotra, 2010:370). The rationale for using a sample rather than gathering data from the whole population is that the latter is a lengthy and costly process (Welman *et al.*, 2005:53). Therefore, a sample or target population is often selected. A target population is defined as those elements of the population considered for actual inclusion in a particular study or it may be viewed as a subset of the population, which a researcher is interested in

(Neuman, 2006:219). The importance of precisely identifying a target population lies in its ability to provide relevant data that may be generalised to a wider populous should the sample characteristics be similar to those of the population (representativeness). It is thus, befitting to suggest that the population may refer to anyone within the entire group whereas the sample is the actual group of population elements, from which research data are gathered. Churchill and Iacobucci (2010:283) further highlight that the totality of cases that may be considered as the target population should actually conform to some pre-described specifications while those cases that do not meet those criteria should actually be excluded from the study.

The criterion for choosing key participants for this study was that they should be knowledgeable about the issues covered in the survey. This implies that all fashion e-store choice considerations of a latent nature had to be excluded. This is because while potential customers may harbour a latent willingness to buy from fashion e-stores, such individuals would not necessarily be able to communicate research information adequately. In particular, post-purchase attitude and satisfaction evaluation towards fashion e-stores may not be easy to rationalise. Logically, all consumers without prior experience with fashion e-store shopping were excluded from the study since sample members were drawn from a panel database comprising registered consumers with previous purchase experience, only.

The target population of interest for this study consisted of individuals holding South African citizenship who are legally qualified to shop online without guardianship assistance to complete transactions. Principally, the study comprises only those consumers of mixed gender and racial orientation who are 18 years and older and have shopped at an identifiable South African fashion e-store between November 2014 and November 2015.

### **5.6.3 Sampling frame**

A sampling frame constitutes a database for obtaining elements of the target population (Malhotra, 2010:373). Hence, it is a tangible list with names or some other form of identification from where the sample can be drawn such as the lists of registered voters, customer lists and maps (Churchill & Iacobucci, 2010:284). Hair *et al.* (2010:133) maintain that while covering the entire population, a sampling frame should be up to date and easy

to use. This requirement usually makes it very difficult to find accurate or representative sampling frames.

To date, there exists no unitary list of the entire population of online shoppers in South Africa. Additionally, the majority of existing databases are classified, thus requiring painstaking efforts if they are to be accessed. However, an accurate list of eligible sampling units was obtained from SurveyCentric™ online panel database through Acentric Marketing Research Consultancy (Pty) Ltd. The database of online shoppers is developed and reliably maintained under the auspices of CINT AB online technology solutions (Sweden) for consistent levels of representativeness according to ISO 26362:2009 standards of quality. The SurveyCentric™ database already comprised a substantive and comprehensive profile of each potential participant. This considerably acts as a safeguard that only invites individuals who qualify to participate in the respective online survey (Schiffman *et al.*, 2014:37). In this study, South African fashion e-store shoppers with previous shopping experience were considered. As such, based on its accuracy, the database was considered admissible for use as the sampling frame for this study.

#### **5.6.4 Sampling technique**

Scientific conclusions cannot be drawn about a population unless a researcher becomes circumspect with regard to the choice of a sampling technique. The chosen sampling technique denotes the decisions followed in choosing a sample (Malhotra, 2010:373). Nonetheless, the process of selecting a sampling technique often is intertwined with the identification of a sampling frame (Churchill & Iacobucci, 2010:285). In view of this, decisions can be made regarding whether to use probability or non-probability sampling techniques.

Non-probability sampling techniques rely on the discretion of the research and are thus susceptible to bias and high levels of sampling errors (Tustin *et al.*, 2010:344). Although they may be able to produce good estimates of the population characteristics (Malhotra, 2010:376), the techniques used in non-probability sampling often suffer from arbitrariness to the extent that they fail to deliver an objective and precise evaluation of the sample characteristics (Neuman, 2006:220). Such subjective traits are exuded since a researcher's selection of participants is based on personal judgement, alone. As such, the strength of

non-probability sampling techniques lies in the extent of relevance to a specific research topic rather than representativeness. Convenience, judgemental, quota and snowball sampling are the different techniques used in non-probability sampling.

In convenience sampling, a sample of convenient elements is obtained, based on the discretion of the researcher (Neuman, 2006:220). Often respondents are selected because they happen to be in the right place, at the right time. Similarly, judgemental sampling is a form of convenience sampling in which the participants are selected for inclusion in a study based on the researcher's judgement (Malhotra, 2010:379). Moreover, quota sampling is a non-probability sampling technique, which is applied as a two-stage restricted judgemental sampling procedure (Churchill & Iacobucci, 2010:296). This is because a researcher begins by establishing control categories or quotas that include demographic elements such as gender, age and race, based on personal judgement. Thereafter, sample elements are selected based on convenience or judgement. The snowball sampling technique relies on the personal discretion of the researcher to make an initial selection of those sampling units that belong to the target population of interest (Malhotra, 2010:381; Tustin *et al.*, 2010:346). Thereafter, subsequent respondents are selected based on waves of information obtained from referrals, thereby evoking a snowball effect.

In probability sampling, the units are selected in accordance with probability theory with each population unit having an equally known non-zero chance of being selected (Tustin *et al.*, 2010:350). This implies that it is possible to specify the probability of selecting any particular sample of a given size. In this regard, statistical projections of the sample can be generalised to represent the total population, taking into account the possibility of an estimated sampling error. In research, sampling error refers to the degree in which the sample results might truly differ from the whole population (Malhotra, 2010:417). As such, probability sampling techniques make it possible to determine the precision of the sample estimates of the characteristics of interest. Systematic, stratified, cluster and simple random sampling techniques are referred to, under probability sampling.

In systematic sampling, the sample is chosen by selecting a random starting point and then picking every  $i^{\text{th}}$  element in succession from the sampling frame, where ' $i$ ' refers to the sampling interval (Tustin *et al.*, 2010:345). Conversely, stratified sampling and cluster sampling commence with the partitioning of a study population into mutually exclusive and

collectively exhaustive sub-populations (Malhotra, 2010:384-385). The key distinction between stratified sampling and cluster sampling is that in stratified sampling, all the sub-populations (strata) are selected, whereas in cluster sampling, only a sample of sub-populations (clusters) is chosen for further sampling.

The simple random sampling technique was applied to select participants in this study. Simple random sampling refers to a technique where each sampling unit has a known, non-zero probability of being selected (Churchill & Iacobucci, 2010:296). The advantage of simple random sampling is the generalisability of the results across the projected target population (Malhotra, 2010:383). For the purpose of this study, a probability-based simple random sample of shoppers, both male and female, over 18 years of age who have previously shopped from South African based fashion e-stores was drawn from an existing sample frame. Initially, all the elements in the sampling frame were assigned random numbers. These numbers were then computed into the SPSS version 23.0, after which the programme ran a random pick of possible elements to be included in the study.

### **5.6.5 Sample size**

Sample size is defined as the specified number of sample elements to be included in a study (Malhotra, 2010:374). Determining sample sizes for an online survey is complex, since the procedure dictates that several qualitative and quantitative considerations must be made (Hair *et al.*, 2010:22). Such considerations may include personal judgment, empirical precedence, study objectives and analytical tools to be employed. Specifically, fixed samples drawn by way of probability random sampling are often subjected to *a priori* sample size determination by way of statistical calculations with a view to minimise the sampling error in a study (Churchill & Iacobucci, 2010:287). As such, the following formulae as advocated by Tustin *et al.* (2010:372) and Zikmund *et al.* (2013:435), was applied upon determining the minimum sample size requirement for this study:

$$\frac{Z^2 * \sigma^2}{E^2}$$

**Where:**

Z = The Z value depends on the tolerable confidence level of 95 percent, therefore, Z= 1.96.

$\sigma^2$  = Population variance based on a population size of 6248 e-store shoppers registered on the SurveyCentric™ database.

E = Allowable magnitude of sampling error at 5 percent (0.05).

$$\frac{(1.96)^2 * (0.624869)^2}{(0.05)^2}$$

$n = 599.99$  (estimated sample size)

The aforementioned statistical calculation was interrogated against the statistical calculation of Weisberg and Bowen (cited by Hill, 1998:7), who estimated the maximum sampling error related to sample sizes for simple randomly selected samples. The scholars' calculations stipulated that a sample size of 600 is adequate for simple random samples that find a sampling error level of 5 percent, tolerable. In other words, provided the sample has been selected randomly, a researcher can be 95 percent certain that the survey questions have been asked to the relevant population.

While the calculation served to determine the sample size threshold for the study, it was deemed necessary to cross-reference the sample size decision using multiple research criterion. As such, the final sample size consideration was drawn from Neuman's (2006:221) contentions, along four criteria.

First, the degree of accuracy and reliability required in the study were taken into consideration. Generally larger sample sizes are good when predicting the reliability of the sample mean as a true reflection of the population mean, implying that they improve the generalisability of a study (Hair *et al.*, 2010:22). This is in harmony with Malhotra's (2010:374) assertion that large sample sizes tend to generate a very high degree of accuracy and precision.

Secondly, achieving a high degree of variability in the final sample was considered important. Therefore, the choice of a large sample size was reinforced based on the variability expected as well as the target population characteristics, thereby yielding

trustworthy parameter estimates. For example, diverse ages, gender, race and e-store shopping alternatives exist among fashion consumers. As such, Churchill and Iacobucci (2010:312) acknowledge that the more heterogeneous the characteristics of the population, the larger the sample size that is needed to estimate it with some specified level of precision.

Thirdly, the direct impact of sample sizes on the appropriateness of data and the power of statistical computations was deliberated on. Consequently, attention was given to Green's (1991:504) rule of thumb. It states that the minimum number of participants for studies involving multivariate inferential statistics should be set at 50, with the number increasing with larger numbers of study constructs. Additionally, Crouch (1984:142) advises that where multivariate statistics are applied in consumer-based studies, it is best to use sample sizes of between 300 and 600.

Fourthly, it was considered essential to establish empirical precedence of similar studies by making a comparative assessment of sample sizes used by previous researchers (Malhotra, 2010:374), such as those conducted by Lee *et al.* (2010:144) who used a sample of 206 online fashion consumers and Mishra (2014:234) who observed 500 consumers of private label brands. Similarly, the study of Scarpi (2012:61) utilised a sample of 300 Internet shoppers while Yoo *et al.* (2010:92) evaluated the role of interactivity in creating value using a sample of 451 online shoppers.

Drawing from the preliminary statistical calculation of the sample size based on population means as well as the four criterion stipulated by Neuman (2006:221), a final sample size of 600 was determined appropriate. In addition, the selected sample size of 600 fashion e-store shoppers was considered apposite, considering the time and financial resources availed for the study.

### **5.6.6 Selection of sampling elements**

The intricacies surrounding the selection of sampling elements are entwined in the development of a sample plan (Malhotra, 2010:372). This involves the execution of the entire sampling strategy by specifying how the sampling design decisions, with respect to the target population, sampling frame, sampling unit, sampling technique and sample size are to be implemented. The goal of executing the sampling process is to obtain the maximum amount of information from the participants while reducing the potential for

errors to a minimum. Table 5.1 summarises the sampling planning process that took place in implementing this study.

**Table 5.1 Sampling plan for the study**

Stage	Sampling plan	Choice for the study
Stage 1 <b>Defining the target population</b>	<p>Precisely specified group of cases from which a researcher studies a sample and to which results are generalised using the following criteria:</p> <p><i>Content: Particular characteristics that bind the population together (population parameters)</i></p> <p><i>Extent: Spatial or geographic dispersion of the population members</i></p> <p><i>Time: temporal period during which the sampling elements possess specific characteristics</i></p>	<ul style="list-style-type: none"> <li>• Have been associated with fashion e-stores by way of previous purchase</li> <li>• 18 years and older</li> <li>• Male and female</li> <li>• All race groups</li> <li>• South Africa (all provinces)</li> <li>• Have shopped from fashion e-stores within the past 12 months (minimum experience with e-store shopping between November 2014 and November 2015)</li> </ul>
Stage 2 <b>Selection of the sampling units</b>	The basic unit containing the elements of the population to be sampled as the focus of analysis: basic level of investigation	E-stores based in South Africa
Stage 3 <b>Identifying a sampling frame</b>	A complete and accurate list of population elements by name and e-mail identification, from where to draw the sample	<i>SurveyCentric™ online panel database</i>
Stage 4 <b>Determining the sampling size</b>	Specific number of elements in a sample	600
Stage 5 <b>Choosing the sampling elements</b>	A single unit that is selected from a population because it possesses the information sought by the researcher. It refers to the basis of analysis or the primary level of investigation	Simple random selection of South African fashion e-store shoppers

The next section alludes to the actual data collection process that was followed in this study.

## 5.7 DATA COLLECTION PROCESS

The data collection process for this study was conducted in two phases. The first phase was a preliminary desk-based literature study, which culminated in the reporting of chapters 2,

3 and 4 of this thesis. The second phase of the data collection stage comprised an empirical study.

Secondary data are pre-existing data that have been collected already for other purposes by other researchers (Churchill & Brown, 2007:146). Research enquiry often initiates with secondary data collection because it is quick, economical and readily available, as it does not require direct access to participants or subjects (Zikmund *et al.*, 2013:161). Chapter 2 made use of media analyses, textbooks and Internet reports, with a view to condense the study within the context of the fashion e-store marketing fraternity in South Africa. Relatedly, chapters 3 and 4 made use of secondary data sources, delving deeper into the perceived value theories as well as behavioural intentions theories, respectively. This was completed through a review of theses, dissertations, textbooks and academic journal articles found in databases made available through the university library such as Science Direct, Emerald Insight, Jstor and Sage.

The review of the related literature in the preceding chapters provides an understanding of what had been done before, the strengths and weaknesses of existing studies and what they might imply for future research. This presents an important contribution by building on previous scholarship, denoting that the current study is of a cumulative nature, sturdily leaning on prior research. However, secondary data only served to provide a background to the study that answered the theoretical objectives. By contrast, primary data were required to answer the empirical component of the study.

Primary data refers to data that have been initiated and collected directly from the participants for the first time, hence tailored for the specific study (Churchill & Brown, 2007:146). The South African fashion e-retailing industry has not been investigated before by way of empirical research into the consumers' value perceptions, attitude, customer satisfaction evaluations and behavioural intentions. Thus, primary data collection was deemed appropriate. However, it was necessary to make certain considerations prior to ascertaining the most appropriate primary data collection method to use.

Three considerations should be taken into account, prior to electing a specific empirical method for collecting data. These include the research approach (whether quantitative or qualitative), research problem at hand and ease of data collection (Malhotra, 2010:145).

First, due to the nature of being a quantitative study, empirical evaluations that permit the use of large sample sizes were deemed necessary in this research (Zikmund *et al.*, 2013:136). Secondly, since the research problem was limited towards determining consumers' behavioural intentions towards fashion e-stores, it did not seem fitting to collect data using methods that necessitate deep, extensive and exploratory interaction with the unit of study such as focus groups and unstructured interviews. Rather, descriptive research that measures the breadth of sample data appeared to be appropriate. Thirdly, there was a need to choose a data collection method that accommodates easy and simple extraction of information from the respective customers that are dispersed geographically across all nine provinces of South Africa. In this regard, the survey was deemed as the most suitable data collection method for this research.

Malhotra (2010:145) defines the survey method as a method of collecting primary data directly from a large number of participants using a pre-designed questionnaire. Survey methods emphasise the use of statistics to capture the characteristics of the population of interest and further make inferences from data that has been collected from a cross-section of representative sample elements (Tustin *et al.*, 2010:139). Survey methods are economic in that they enable the collection of large amounts of data from different population groups (Hair *et al.*, 2010:116). Moreover, surveys give more control over the research process and the data collected by this method is usually structured (Neuman, 2006:253).

Sample survey data is tainted with the notion of being typically incapable of penetrating phenomenon very deeply since breadth is often emphasised at the expense of depth (Churchill & Iacobucci, 2010:62). However, while bearing in mind the primary goal of determining consumers' behavioural intentions towards fashion e-stores, this drawback seemed inconsequential towards achieving the specified outcomes of the study. Furthermore, the study aims to develop generalisations by drawing statistical conclusions based on a cross-section of fashion e-store consumers.

According to Tustin *et al.* (2010:139), the three categories of survey research that are associated with descriptive studies include interview-administered, self-administered and online survey methods. From these, it was determined that an online panel survey would best facilitate the achievement of the established research objectives in the study. This is because an online survey on a sample of fashion e-store consumers is filled with great

potential with regard to accessing the target population within a familiar context. Therefore, it is an inescapable conclusion that an online survey method was relevant for the study.

Consistent with Hair *et al.* (2006:236), the advantages of choosing an online survey are that it occurs in real-time, meaning that input data are processed and made available virtually immediately. The permutations therefore, are that there is little (if any) interviewer bias as feedback is sent from the participant through an online interface. The online survey method enabled data to be collected from the participants in any geographical location in South Africa, thereby inferring wide reach and coverage (Churchill & Brown, 2007:114). Furthermore, the online survey method allowed for flexibility by eliminating time pressure since it permitted the participants to provide responses at a convenient time. While remaining anonymous, it is anticipated that the participants would provide candid answers, therefore, the online survey method helped to ease social desirability bias by not having a researcher questioning the participants directly. Furthermore, online surveys offer unique advantages such as novelty, visual appeal and fast real-time response feedback (Shiu *et al.*, 2009:250).

Hair *et al.* (2006:236) assert that online panel surveys are synonymous with high response rates in research. Moreover, they allow rapid access to market information coupled with valuable feedback from a pre-profiled group of consumers within a pre-determined period of time (Tustin *et al.*, 2010:256). This is because panel participants generally are considered heterogeneous units of decision-making, acting upon initiative and voluntarily responding to researches on an individual basis.

Survey methods utilise questionnaires as instruments for extracting data from participants. The questionnaire design process that was followed in this study is discussed in the following section.

## **5.8 THE QUESTIONNAIRE DESIGN PROCESS**

Surveys typically utilise a formalised set of questions to obtain information from participants. In this study, a questionnaire was used to elicit responses from fashion e-store shoppers. The advantage of using questionnaires is that they support the juxtaposition of research objectives into standardised questions and response categories, which can be answered easily by the participants (Tustin *et al.*, 2010:385). However, Malhotra

(2010:335) states that the overall design of a questionnaire can influence a participant's willingness to participate in a study. As such, the following sections elucidate on the aspects of the questionnaire structure, format, layout, pilot testing and final administration.

### **5.8.1 Questionnaire structure**

The questionnaire in this study comprised structured questions only. Structured questions permit a closed-ended response option since they specify a pre-determined set of response alternatives (Malhotra, 2010:344). In other words, the participants are not allowed to elaborate or provide answers in their own words. In view of this, structured questions are effective since they reduce the amount of cognitive effort required on the part of the participant. As such, they lead to higher response rates and more accurate data that is easier to code and analyse.

Structured questions take several forms. Consistent with Malhotra *et al.* (2012:424), this study utilises dichotomous questions with only two possible response alternatives as well as multichotomous questions with more than two possible response alternatives. Furthermore, multi-item scaled questions were used to measure perceptions, opinions and feelings of participants on the non-categorical data.

### **5.8.2 Questionnaire format**

An important consideration in the format of the questionnaire is the level of measurement and scaling, since the data are collected quantitatively. An indication of the level of measurement scaling is important to a study because it helps to interpret data from the variables and subsequently determines the type of statistical procedures that may be applied to a data set. Malhotra (2010:284) emphasises the use of four primary scales of measurement in research.

Nominal scales are figurative labelling schemes in which numbers serve only as labels or tags for identifying and classifying objects (Malhotra, 2010:284; Saunders *et al.*, 2009:418). Nominal scales represent the most elementary level of measurement since the scales only assign a value to an object for identification or classification purposes (Zikmund *et al.*, 2013:297). The value does not have to be a number because no quantities are being represented. Nominal scales are extremely useful and are sometimes the only appropriate

measure, even though they can be considered elementary since the attributes are only named or described, but do not have a statistic meaning beyond the ability to group into frequencies, percentages and modes.

Ordinal scales provide the capacity to rank order items or objects according to some defined characteristics. In other words, an ordinal scale is a ranking scale. In fact, the term rank order is used often to describe an ordinal scale (Zikmund *et al.*, 2013:298). Ordinal scales allow one to determine whether, an object has more or less of a characteristic, thereby indicating relative positions. Nevertheless, the magnitude of the distance between objects is not known in ordinal scales (Malhotra, 2010:286). As such, the distance between two ranks is not meaningful. Frequencies, mode, median and range are used often to elucidate on ordinal scales.

Ratio scales enable researchers to identify, rank and compare objects while maintaining a true point at the origin (the zero point) (Malhotra, 2010:286). Interval scales possess only relative meaning, whereas ratio scales represent absolute meaning (Zikmund *et al.*, 2013:300). In other words, ratio scales provide iconic measurement where the relative difference or ratio between two data values can be calculated (Saunders *et al.*, 2009:418).

Interval scales have both nominal and ordinal properties, but they also capture information about differences in quantities of a concept (Zikmund *et al.*, 2013:299). An interval scale contains all the information of an ordinal scale but it also allows researchers to compare the differences between objects (Malhotra, 2010:286). In interval measures, the distance between two attributes is meaningful because this measure actually rates the attributes and provides a statistical interpretation of the rating (Saunders *et al.*, 2009:418). Rather than being fixed, both the zero-point and unit of measurement in interval scales are arbitrary. In marketing research, attitudinal data obtained from rating scales are often treated as interval data. Frequencies, mode, median, mean, variance and standard deviation are the statistical tools that often are used to analyse interval scale measures.

The type of scale used in research depends on the objective of the study. In this research, three types of scales were utilised. A nominal scale was used to obtain data on the categorical variables in the study. For example, gender, language, province, nationality, qualification, ethnicity and favourite fashion e-stores the participants shopped from. In

addition, an ordinal scale was used to obtain ranked order data for the questions relating to age, income, frequency of shopping and average spending at fashion e-stores. The categorical response options in the scales presented under sections A and B of the questionnaire were mutually exclusive, inclusive and exhaustive. This means that each possible response only belonged to one category while covering the entire set of possibilities.

A six-point Likert scale was utilised to capture the psychological constructs that included non-categorical variables under Section C of the questionnaire. The questions included in this section were structured along interval scaling. In particular, a Likert scale is a rating scale that asks participants to specify the degree to which they agree or disagree with several psychological or behavioural conviction statements about a given entity (Hair *et al.*, 2010:392). The full application of the Likert scale is then to sum the scores for each participant to provide an overall score for each individual. While placing the negative end of the scale first, the six-point Likert scale ranged from strongly disagree (1), disagree (2), disagree somewhat (3), agree somewhat (4), agree (5) and strongly agree (6). Table 5.2 summarises the questionnaire structure, format and scaling that was utilised in this study.

**Table 5.2 Questionnaire structure, format and scaling**

<b>Section</b>	<b>Nature</b>	<b>Structure</b>	<b>Format</b>	<b>Scaling</b>
Section A	Question 1: Gender	Closed ended	Dichotomous	Nominal
	Question 2: Age	Closed ended	Multichotomous	Ordinal
	Question 3: Ethnicity	Closed ended	Multichotomous	Nominal
	Question 4: Language	Closed ended	Multichotomous	Nominal
	Question 5: Nationality	Closed ended	Dichotomous	Nominal
	Question 6: Residing province	Closed ended	Multichotomous	Nominal
	Question 7: Highest qualification	Closed ended	Multichotomous	Nominal
	Question 8: Monthly income	Closed ended	Multichotomous	Ordinal
Section B	Question 1: Ever shopped at fashion e-stores	Closed ended	Dichotomous	Nominal
	Question 2: E-stores shopped from	Closed ended	Multiple choice	Nominal
	Question 3: Frequency of fashion e-store shopping	Closed ended	Multichotomous	Ordinal
	Question 4: Average spent on fashion order	Closed ended	Multichotomous	Ordinal
	Question 5: Favourite fashion e-store	Closed ended	Multiple choice	Nominal

**Table 5.2 Questionnaire structure, format and scaling (continued ...)**

<b>Section</b>	<b>Nature</b>	<b>Structure</b>	<b>Format</b>	<b>Scaling</b>
Section C	Questions 1 to 4: Statements on utilitarian value	Closed ended	Likert-scale	Interval
	Questions 5 to 8: Statements on hedonic value	Closed ended	Likert-scale	Interval
	Questions 9 to 13: Statements on intellectual value	Closed ended	Likert-scale	Interval
	Questions 14 to 17: Statements on attitude towards fashion e-stores	Closed ended	Likert-scale	Interval
	Questions 18 to 23: Statements on customer satisfaction with fashion e- stores	Closed ended	Likert-scale	Interval
	Questions 24 to 28: Statements on behavioural intentions towards fashion e- store shopping	Closed ended	Likert-scale	Interval

According to Table 5.2, a combination of dichotomous and multichotomous questions were used under sections A and B of the questionnaire. However, a six-point scale was preferred for the interval scaled questions under Section C of the questionnaire because the answers from even-numbered Likert scale statements are easy to code and analyse. The analysis by Ducharme (2010:2-4) suggests that even numbered Likert scales produce the most reliable data possible since it is reasonable to assume that the participant should have an opinion one way or another, about the topic of the survey item. When compared to odd-numbered scales, the even-numbered Likert scale has more defined intensity levels since the neutral mid-point is removed giving a balanced set of possible responses (three positive and three negative). This implies that in the absence of a mid-point that confers neutrality, the participants could be forced to become more discriminating and more thoughtful before selecting an answer. Resultantly, the possible mis-interpretation of the mid-point cited by Saunders *et al.* (2009:380) is eliminated as this could imply a refusal to report one's attitudes, beliefs, opinions and perceptions. As such, using a six-point Likert scale in this study served to reduce response bias amongst the participants.

### **5.8.3 Questionnaire layout**

Concepts and variables that are used in social science research are latent since they cannot be directly seen. However, it is possible to make inferences about what is being measured

in a study by observing the scale indicators, which are assumed evidence of the attributes or properties of phenomenon (Blunch, 2008:5). However, the concepts that are used often by researchers are rather diffuse, with no generally agreed measuring instrument. Therefore, when deciding on the development of a questionnaire, a researcher can choose one of three options; either to formulate a completely new set of questionnaire scale items or to adopt an existing scale (Saunders *et al.*, 2009:374). The third option opted for in this work, pertains to adapting and modifying variables that were used in previous studies based on their sound psychometric properties.

According to Saunders *et al.* (2009:374), the adaptation of scale items enables researchers to save time and further make reliability comparisons by operationalising variables that have been tested in previous research, empirically. The language of theory is linked with the language of empirical measures, in a precise manner as explicated by measurable scale items.

The questionnaire used in the study comprises three sections. Section A measured state-of-being data, which relates to the demographic and socio-economic characteristics of the participants. This section comprises scale items that seek information pertaining to the participants' gender (A1), age (A2), ethnicity (A3), language (A4), country of origin (A5), province of location (A6), highest qualification (A7) and monthly income (A8).

Section B of the questionnaire requested the participants to report on their fashion e-store shopping habits. This was measured as an indication of fashion e-store purchases in 2015 (B1), names of fashion e-store being patronised (B2), frequency of purchases (B3) and average purchase expenditure (B4). Since behavioural intentions are an outcome of a memorable e-store shopping experience, Section B also included a question pertaining to a favoured South African fashion e-store (B5). The reporting of a favourite fashion e-store was a way of ensuring that participants had a specific fashion e-store in mind when addressing subsequent questions in the study.

Section C of the questionnaire measured state of mind data that cannot be observed, visually through external sources. Interval scale based items were included on this questionnaire relating to customers' shopping value perceptions. In particular, consumers' perceptions of utilitarian value (C1 to C4) and hedonic value (C5 to C8), that are derived from shopping

at fashion e-stores, were measured by the scale used by Overby and Lee (2006:1163). Babin *et al.* (1994:651) originally developed this scale under the ambit of the personal shopping value scale. In addition, operationalisation for the intellectual value scale (C9 to C13) was adapted from the five-item website community scale that was developed originally by Srinivasan *et al.* (2002:45).

Four items relating to attitude towards fashion e-stores (C14 to C17) were adapted from a scale that was used by Yi and Jeon (2003:235) to study the relative attitude of consumers towards a focal store. Substantial modifications on this scale involved replacing the word 'shop' with 'fashion e-store' with a view to expand consistency with the unit of analysis. Six items (C18 to C23) were adapted from Mattila and Wirtz's (2001:280) short version of the 'satisfaction with a shopping experience' scale. Based on Bruner's (2009:776) recommendation that this short-form version of the scale is general enough to apply to any given shopping experience, the items were used to measure customer satisfaction with fashion e-stores. In addition, five scale items were adapted from Zeithaml *et al.* (1996:39-40) to measure behavioural intentions towards fashion e-store shopping (C24 to C28). The original scale was used within the context of customers' intentions towards an Internet retailer, which was considered consistent with this study.

#### **5.8.4 Pre-testing of the questionnaire**

Pre-tests and pilot studies must be undertaken to ensure that a questionnaire communicates the information correctly and clearly to the participant, regardless of the experience and expertise of the questionnaire designer (Cooper & Schindler, 2006:384). Pre-testing is a very useful technique for detecting and eliminating potential errors before the final questionnaire rollout. Zikmund *et al.* (2013:59) further highlight that pilot studies are critical in refining survey questions and reducing the risk that the full study could be fatally flawed. In view of that, the principal idea of pre-testing is to develop an accurate questionnaire by identifying weak parts of a questionnaire as an essential practice. As such, a pre-test as well as a pilot survey were conducted with a view to ascertain both the face validity and content validity of the study, respectively.

Face validity measures the subjective concurrence that a research instrument reflects the theory being measured. Face validity involves an eye examination and personal judgement

whether the items in a scale adequately cover the construct under study (Malhotra, 2010:320). In other words, it represents the extent to which the content of a measurement scale seems to tap all relevant facets of an issue that can influence participants' attitudes and perceptions. In this study, the researcher initially developed the questionnaire. Thereafter, to assess the content validity of the research instrument, one professional who uses English as a first language and another faculty member who uses English as a second language conducted a pre-test review on the draft questionnaire. Both members of the pre-test attested that they were *au fait* with regard to shopping at e-stores, adding to the face validity of the research instrument.

The feedback received from the pre-test phase was used to polish the wording of certain questions thereby eliminating redundancy and improving overall readability of the questions. These reviews culminated into a subsequent procedure of re-arranging the layout, scaling and sequencing of statements on the questionnaire. Specifically, negatively worded statements, double-barrelled statements, leading questions and single-item based constructs were avoided, as these tend to compromise both the response rate and the response accuracy. As a final adjustment in this process, consultations with a statistician as well as the study leader led to the development of the pilot questionnaire.

A pilot survey was conducted to ascertain the content validity of this study. Content validity refers to the degree that a measure covers the breadth of the domain of interest (Zikmund *et al.*, 2013:307). Upon conducting the pilot survey, it was necessary to identify a group of participants that would bear the characteristics of the target population and yet, do not form part of the sampling frame. Nevertheless, the costs associated with piloting the questionnaire on the original target population were considered prohibitive, therefore, a decision was taken to prioritise accessibility. As such, the questionnaire was subjected to a pilot survey on a conveniently selected sample of 52 fashion e-store shoppers. As a precautionary measure against sampling bias, the pilot sample comprised e-store shoppers who are not of South African origin as obtained from the international students' department of one university. Logically, these participants were excluded from the main survey analysis, which strictly focused on South African fashion e-store shoppers. The pilot results are presented under Section 6.2 of this study.

### **5.8.5 Ethical considerations**

Ethical issues exist in research, as in all forms of human interactions. In this study, it was necessary to make certain ethical considerations regarding how research behaviour would be affected by a predicated moral philosophy. Initially, approval was obtained to conduct the study through the Research and Ethics Committee of the North-West University, after which an ethical clearance number was issued (ECONIT-ECON-2014-024). A cover letter was then attached to the research questionnaire, stipulating the anonymity and confidentiality of the research (refer to Annexure A in this study). The logo of the university was also included on the cover letter to provide authentication and endorsement of the research, while evoking a sense of identity with an academic institution. Endorsement by a reputable institution is important since it increases participants' confidence in the quality and credibility of the research (Malhotra *et al.*, 2012:469).

In view of engendering goodwill, a fair remuneration of R13.50 was given to each participant as an incentive for participating in the study. This strategy helped to augment the professional ethos of the research.

### **5.8.6 Administration of the questionnaire**

Acentric Marketing Research Company (Pty) Ltd was commissioned to collect raw data to be used in this study through the SurveyCentric™ panel database of online consumers. Panellists are recruited using online advertising on an ongoing basis in order to replace panellists who may leave the panel due to disinterest or death or those who may be removed due to poor conduct (Kolbe, 2013:3; Schiffman *et al.*, 2014:37). While the generic panel comprises over 50 000 panellists through its formal alliance with CINT AB, a global panel management company, it was necessary to identify a specific population of fashion e-store consumers. As such, a population size of over 6 000 South African fashion e-store consumers was drawn from the database.

Online surveys considerably attract comparative responses when preceded by an advance mail notification (Tustin *et al.*, 2010:256). Therefore, a survey invitation was sent out on 20 October 2015, prior to the survey commencement to members of the SurveyCentric™ panel. The advance e-mail notification sought to inform the participants about the

upcoming survey. Thereafter, the questionnaire was programmed into the survey system called the Creative Research Systems.

The formal survey was officially conducted between 26 October 2015 and 30 November 2015 through a web-based questionnaire (refer to Annexure A in this study). In addition, a bolster invitation was sent out during the official survey actualisation phase on 12 November 2015 to remind the panellists about the ongoing survey and further encourage panellists to participate. On average, the questionnaire took ten minutes to complete. Survey participants were paid monetary incentives for their participation, thereby giving a very good chance of reliable responses and co-operation. Kolbe (2013:3) attests that monetary rewards are useful tools for increasing response rates, improving co-operation and reducing non-bias if administered correctly. Permission requests and incentive information are provided on the survey invitation (refer to Annexure B in this study). The statistical analysis procedures that were considered in this study are explained in the next section.

## **5.9 DATA PREPARATION**

Once the fieldwork has been completed, the raw data needs to be processed, interpreted and analysed (Malhotra, 2010:452). The data processing steps include data editing, coding and tabulation.

### **5.9.1 Editing**

Editing is a review of the questionnaire with the aim of increasing accuracy and precision (Malhotra, 2010:453). Editing also serves to set a minimum standard of quality on the data that has been collected. It involves screening the completed questionnaires to identify illegible, incomplete, inconsistent or ambiguous responses. In some cases, editing reveals results that require the researcher to return to the field and seek clarity, assign missing values or even to discard unsatisfactory questionnaire responses (Tustin *et al.*, 2010:452). The data were visually checked for spurious cases and duplications, but these were not detected.

### 5.9.2 Coding

Coding is a technical procedure whereby numerical codes are assigned to respondent answers as a preparatory step to analysis of data (Churchill & Iacobucci, 2010:351). Moreover, coding is the conversion of raw data into numeric symbols in order to group responses of participants into a different categories, groupings or classes (Malhotra, 2010:454). The questionnaire was pre-coded under the supervision of the promoter and with the assistance of a qualified statistician to facilitate computer data input. Similar codes were assigned to similar responses in specific categories that are mutually exclusive. Data concerning this study was coded accordingly, as presented in Table 5.3.

**Table 5.3 Coding information**

Type of data	Code	Question number
Demographic data	A1-A8	Section A: Questions A1 to A8
Fashion e-store shopping habits information	B1-B5	Section B: Questions B1 to B5
Determinants of consumers' behavioural intentions towards fashion e-stores	C1-C28	Section C: Questions C1 to C28

### 5.9.3 Cleaning

Data cleaning involves consistency checks and treatment of missing responses (Malhotra 2010:461). There are several options available for handling missing responses, including substitution of a neutral value such as the mean, substitution of an imputed response, casewise deletion and pair-wise deletion (Zikmund *et al.*, 2013:477). No consistency checks were conducted on the questionnaires since the researcher had treated the missing responses immediately, while on the field.

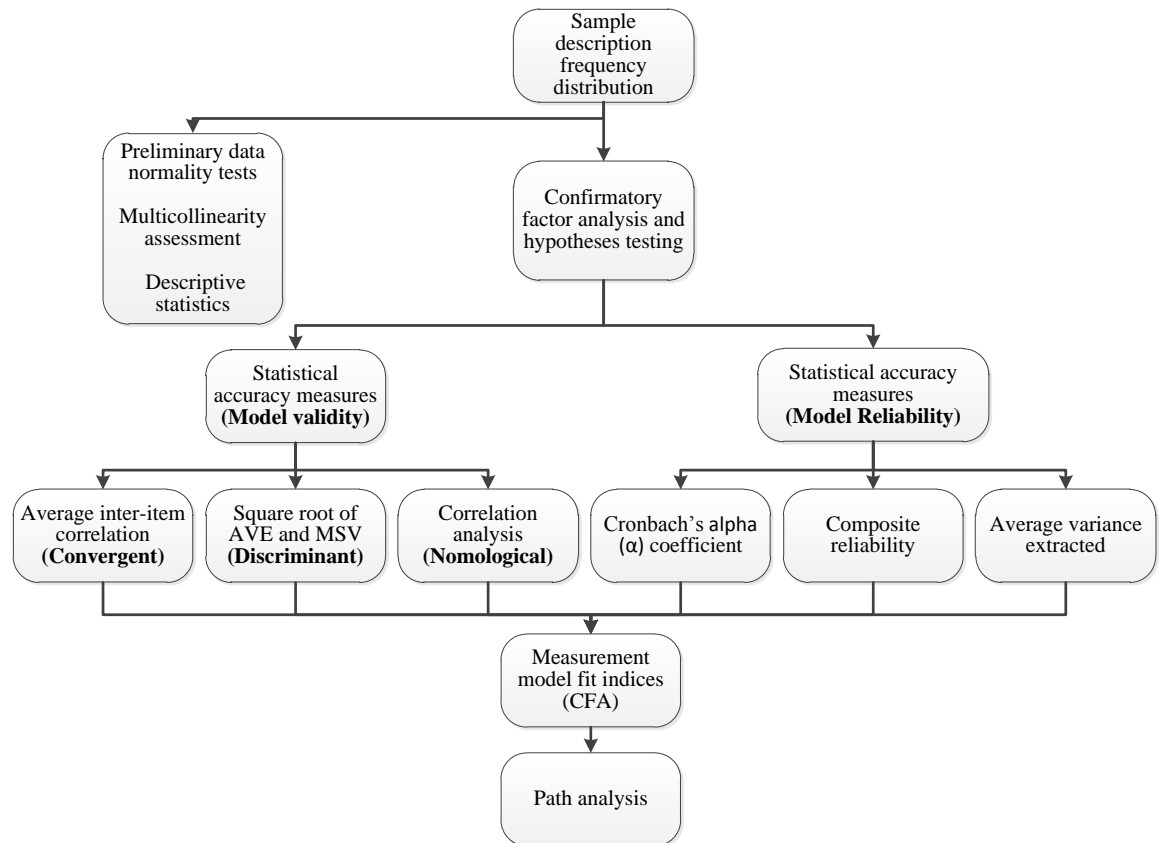
### 5.9.4 Tabulation

A statistical table is one in which captured data are orderly presented or arranged in one or more classification system. This is attained by calculating the number of responses allocated for each of the questions and determining frequencies. Tables take on various forms such as bivariate tabulation, univariate tabulation and multivariate tabulation (Malhotra, 2010:467).

The next section examines the statistical analysis procedures that were applied in this study.

## 5.10 STATISTICAL ANALYSIS

Figure 5.4 illustrates the procedures that were applied with a view to provide a congruent and appealing structure for presenting the statistical components of this research.



**Figure 5.4** Statistical analysis procedures for this study

The SPSS and AMOS packages, Version 23.0 were used to analyse the captured data. The statistical methods used on the empirical data sets include frequency distribution analysis, reliability analysis, descriptive statistical analysis, data normality tests, correlation analysis, multicollinearity analysis and structural equation modelling. The sections to follow describe these statistical methods applied on the empirical data sets.

### **5.10.1 Frequency distribution analysis**

The first stage of data analysis entails evaluating the frequency distributions of a specified data set. Frequency distribution tables are used to illustrate the overall number of responses provided by participants along each non-categorical variable (Malhotra, 2010:484; Pallant, 2010:55). Typical examples include graphs, maps, pie and bar charts, pictographs, schematic figures and flowcharts. Frequency tables were selected as the method of illustration for the non-categorical data as shown on Section 6.4.3 of this study. As such, tabulation is a procedure that is useful as a way of counting the number of responses associated with different values of a variable, where one variable is considered at a given time (Malhotra, 2010:484). Therefore, the relative occurrence (frequency) of that value is organised in an orderly manner by expressing it on a frequency table as counts (n) and percentages (%). In addition, pie charts and bar charts were used to depict frequencies on the categorical data as shown on Section 6.5 of this study.

### **5.10.2 Reliability analysis**

Reliability and validity are two standard criteria for assessing the appropriateness of any measuring instrument. However, there is a one-way relationship between reliability and validity. A scale must be reliable to be valid although it does not have to be valid in order to be reliable (Cooper & Schindler, 2006:321). Reliability refers to the ability of a research instrument to obtain consistent results for the same construct across time, across different evaluators or across items forming the research instrument (Churchill & Brown, 2007:271). Therefore, it measures the extent to which a test or procedure produces similar results under constant conditions. The test-retest reliability, alternative forms reliability and internal consistency reliability are the three forms of reliability that are tested often by researchers (Malhotra, 2010:319).

When assessing test-retest reliability, a similar scale is administered at different times to the same participants under similar conditions and then the scores are correlated (Zikmund *et al.*, 2013:306). The aim of test-retest assessment is to ensure that the participants obtain the same score on a test, even if the participant takes the test more than once, thus ensuring stability of the instrument. Assuming that the subjects have not changed in the interim, the two scores are expected to correlate perfectly (Malhotra, 2010:319). Nonetheless, there is

the possibility that participants may remember the items if the second test is administered within a short waiting period whereas attitudes may in the case of a long wait, thereby producing low correlations between the two test scores. As such, Churchill and Iacobucci (2010:259) advise that the interval between the two tests must range between two to four weeks. This might be problematic due to time constraints, financial constraints and increased refusal rates among participants during the re-test phase.

Alternative forms reliability is a test for equivalence, which is determined by measuring the correlation of the scores on two instruments (Churchill & Iacobucci, 2010:259). As such, two equivalent forms of measurement are constructed and then administered on the same participants, at two different times. There are two problems with equivalent forms. First, it is very difficult and perhaps impossible, to create two totally equivalent forms of measurement. Secondly, Malhotra (2010:319) maintains that should equivalence ever be achieved, it may not be worth the time, trouble or expense as results may be the same.

In this study, internal consistency reliability was measured. Internal consistency reliability measures the degree of generalisability across the items when a measurement instrument is used on different samples to measure a phenomenon (Welman *et al.*, 2005:147). According to Zikmund *et al.* (2013:306), internal consistency reliability represents a measure's homogeneity or the extent to which each indicator of a concept converges on some common meaning. The measurement or test is administered once, on a large representative sample. Thereafter, reliability assessment is made using either the split-half test or Cronbach's alpha coefficient ( $\alpha$ ). In a split-half test, the items in the scale are divided into two halves and the numerical results of the resulting halves are correlated against one another. High correlations between the halves indicate acceptable levels of internal consistency, implying that the variables are consistent in giving reliable results. This study utilised Cronbach's alpha test to assess the internal consistency of the measurement scale. The alpha ( $\alpha$ ) coefficient represents the mean of all split-half coefficients on a given test (Cronbach, 1951:300). Therefore, Cronbach's alpha coefficient provides a summary of the inter-correlations that exist among a set of items.

Cronbach's alpha coefficient values range in value from zero, meaning no consistency, to one, meaning complete consistency. Zikmund *et al.* (2013:306) observe that scale thresholds could reveal either very high reliability ( $0.80 \leq \alpha \leq 0.95$ ), good reliability (0.70

$\leq \alpha \leq 0.80$ ), fair reliability ( $0.60 \leq \alpha \leq 0.70$ ) or poor reliability ( $\alpha < 0.60$ ). In addition, the average inter-item correlation values were also examined. The rule of thumb with the average inter-item correlation coefficient is a value within the range of 0.15 and 0.50 (Clark & Watson, 1995:316). Moreover, an initial assessment of the item-to-total correlation values was useful in determining the specific items that could potentially be a problematic compromise on the scale reliability. In this regard, Field (2009:678) advises that items with item to total correlations that fall below 0.30 should be deleted with a view to increase the internal consistency of the scale items.

Cronbach's alpha coefficient values between 0.703 and 0.965 were obtained in this study, thereby denoting good scale reliability. In addition, the average inter-items correlation coefficients fell within the recommended range. Moreover, the individual items reported high correlation (above 0.30) to the overall construct, after careful deletion of four problematic items. The reliability results are presented on Section 6.6 of this study.

### **5.10.3 Descriptive statistical analysis**

Descriptive statistical analysis was conducted, prior to delving into the multivariate statistical analysis of this study. Churchill and Brown (2007:455) point out that descriptive analysis techniques organise raw data scores into manageable information. As such, the objective of descriptive analysis is to summarise, organise and simplify research data into a few summary profile measures, which describe the characteristics of the random variable (Tustin *et al.*, 2010:523). Descriptive statistical analysis helps to provide the characteristics or appearance of a sample by analysing the composition of the data set (Churchill & Brown, 2007:432). In this study, three categories of descriptive statistics were used, namely measures of location (means), measures of variability (standard deviations) and measures of shape (skewness and kurtosis). These measures are described in the following sections.

#### **5.10.3.1 Measures of location**

Also referred to as the measures of central tendency, measures of location describe the centre of a sample data distribution (Malhotra, 2010:486). The mean, median and mode are the most frequently used measures in this category. The mean is the average, the value obtained by summing all elements in a set and dividing by the number of elements. It is calculated as the average of each question (Zikmund *et al.*, 2013:416). Computed from

metric data, the mean describes the central location of a set of numbers (Tustin *et al.*, 2010:538). In this study, means above 3.5 were reported on the data set, which was indicative of the level of agreement among participants, with regard to the questions measured along the six-point Likert scale.

The median is a measure of central tendency given as the value above or below one-half of the observations (Hair *et al.*, 2010:243). The median of a sample is the middle value when the data are arranged in ascending or descending order (Saunders *et al.*, 2009:436). For odd number observations, the median is the middle value when the individual observations are arranged in rank order whereas for even numbers, the median is half the value of the middle two values in a data set.

The mode refers to the value that occurs most frequently in the sample distribution, as observed by the highest peak in the data distribution (Shiu *et al.*, 2009:531). It is used to report information that describes the most common response to a question. This assertion resonates with Tustin *et al.* (2010:540), who point out that the modal value highlights the response category or class interval, which has received the most support from the respondents. As such, the mode remains the only valid measure of central location for categorical data associated with fixed-response type questions (Saunders *et al.*, 2009:444).

### **5.10.3.2 Measures of variability**

Also known as measures of dispersion, the measures of variability describe the amount of variability in a distribution that determine the spread or scatter of the scores (Tustin *et al.*, 2010:544). Data variability influences the reliability and confidence, which a researcher can have in the representativeness and stability of the central location measures (Shiu *et al.*, 2009:533). Churchill and Brown (2007:432) denote that the variance and standard deviation are key measures for making statistical estimates regarding the degree to which the scores are spread across a wide range of values.

Variance measures the distance from the mean for each score and that distance is squared to come up with a sum of the squared distances (Churchill & Brown, 2007:432). Generally, the more widely dispersed the data values are from the central mean, the lower the reliability and vice versa. Relatedly, standard deviation measures the extent of variability or spread in a data set (Shiu *et al.*, 2009:533). The standard deviation embodies the

properties of a bell-shaped curve distribution of values that would indicate a normal distribution. The statistic is calculated as the square root of the variance (Malhotra, 2010:487). In this study, the standard deviation was estimated in view of the extent of data dispersion around the arithmetic mean. The computed standard deviation values for the main survey are presented in Section 6.7 of this study.

### **5.10.3.3 Measures of shape**

According to Malhotra (2010:488), measures of shape aid in understanding the nature of a distribution and involve assessing the skewness and kurtosis of the distribution. Skewness measures a distribution's degree of asymmetry whereas kurtosis is the term given to the measurement of a distribution's peakedness or flatness, which illustrates the height of the distribution in relation to the mean (Hair *et al.*, 2010:246). Generally, in a symmetrical distribution (platykurtic) that is typical of normal distributions, the skewness and kurtosis statistic is zero (mean=mode=median) (Saunders *et al.*, 2009:436).

Tustin *et al.* (2010:554) contend that it is usually unlikely for the skewness to be exactly zero. In this case, a positively skewed distribution (leptokurtic) may be depicted by the right tail being more noticeable, indicating a few extremely large data values termed outliers (Churchill & Brown, 2007:433). Contrastingly, the left tail of the distribution may be longer and more noticeable than the right tail, giving a negatively skewed distribution (mesokurtic) designating a few outliers (Malhotra, 2010:488). The computed skewness and kurtosis statistics for this study are reported in Section 6.7 of this study.

### **5.10.4 Tests for data normality**

Most statistical procedures assume that the multivariate distribution is normally distributed. Violating this assumption can be problematic because non-normality could affect the accuracy of statistical tests. Data normality presumes that the sample data are not significantly different from a normal population (Malhotra *et al.*, 2012:96). While graphical illustrations of data normality such as the P-P plots and histograms can be used to detect out of range values as well as extreme within-range values (outliers) since they are easier to interpret, statistical tests for normality are more precise since actual probability estimates can be calculated. The study utilised two tests for normality to determine the probability that the sample was drawn from a normal population. The main tests that were used for the

assessment of data normality are Kolmogorov-Smirnov (K-S) test as well as the Shapiro-Wilk (S-W) test.

The K-S test is a statistical test used with ordinal data to establish if there is a practical pattern of frequencies, which match to an anticipated pattern. It is an empirical distribution function (EDF) in which the theoretical cumulative distribution function of the test distribution is contrasted with the EDF of the data set (Malhotra *et al.*, 2012:97). Put simply, the K-S test is used to determine if an independent sample has been gathered from the same population or from populations with similar distributions. The K-S test is not sensitive to problems in the tails and it works well with very large data sets. However, a limitation of the K-S test is its high sensitivity to extreme values, thus the Lilliefors correction renders this test less conservative (Hair *et al.*, 2010:220). Conversely, the Shapiro-Wilk test is based on the correlation between the data and the corresponding normal scores, thus providing better power than the K-S test even after the Lilliefors correction (Afifi *et al.*, 2004:61). Power is the most frequent measure of the value of a test for normality, since it enables the ability to detect whether a sample comes from a non-normal distribution. While the Shapiro-Wilk test could be the best choice for testing the normality of data, the test statistic does not work well if several values in the data set are the same.

The K-S test as well as the S-W test both compare the scores in the sample to a normally distributed set of scores with the same mean and standard deviation. If the test is significant ( $p < 0.05$ ), then the distribution is non-normal (Belsley *et al.*, 1980:78). In this study, the assumptions of data normality were met, since the reported Kolmogorov-Smirnov values as well as the Shapiro-Wilk test statistics were not significant ( $p \geq 0.05$ ).

### **5.10.5 Correlation analysis**

In quantitative research, variables are examined to determine if they are related and if so, the direction and strength of those relationship are often assessed. Correlation analysis serves to determine the pattern and strength of association between variables (Churchill & Iacobucci, 2010:451; Malhotra, 2010:561; Welman *et al.*, 2005:234). As such, the procedure attempts to estimate the extent to which the changes in one variable leads to a change in another variable without explaining causality.

Pearson's product moment correlation coefficient ( $r$ ) was computed in this study. Negative or inverse relationships imply that variables are moving in the opposite directions, while positive linear relationships suggest that both variables are moving in the same direction. Coefficient values can range from -1 (perfect negative correlation) to +1 (perfect positive correlation). Coefficient ( $r$ ) values that are nearer to zero suggest weaker relationships among variables (Malhotra, 2010:563). The rule of thumb suggested by Hair *et al.* (2013:317) is that coefficient values ranging between  $\pm 0.81$  to  $\pm 1.00$  denote very strong relationships, values between  $\pm 0.61$  and  $\pm 0.80$  denote strong relationships, values between  $\pm 0.41$  to  $\pm 0.60$  denote moderate relationships, values between  $\pm 0.21$  to  $\pm 0.40$  denote weak relationships while values between  $\pm 0.00$  to  $\pm 0.20$  denote weak to no relationship between variables.

#### **5.10.6 Multicollinearity assessment**

The use of multiple variables as predictors tends to assess multiple correlations between the independent variables, thereby suggesting evidence of multicollinearity. Multicollinearity refers to situations where measured variables are so highly related that they are essentially redundant (Kline, 2005:299). This condition has several harmful effects on the interpretation of results. Primarily, multicollinearity renders the process of determining the importance of a given predictor difficult because the effects of the predictors are confounded due to high inter-correlations inherent within the data (Malhotra, 2010:586). This problem is a concern in many statistical procedures since researchers use related measures as indicators of a construct and sometimes measures are too highly related for certain statistical operations to function properly.

Where regression analysis is employed, the tolerance test is a common measure of multicollinearity and involves running a regression analysis whereby each independent variable is given a chance to act as the dependent variable in relation to the other predictor variables (Hair *et al.*, 2010:201). The resulting coefficients of determination ( $R^2$ ) are then subtracted from 1 to obtain the tolerance values. High tolerance values are indicative of a smaller degree of multicollinearity.

In this study, the correlation matrix was examined for the existence of multicollinearity. Field (2009:349) suggests that if the predictor variables correlate too highly ( $r > 0.9$ ), then

collinearity is a cause for concern. In addition, Costello and Osborne (2005:6) point out that those bivariate correlation coefficients ( $r$ ) higher than 0.70 can signal potential problems. No multicollinearity problems were observed in this study as the maximum reported correlation coefficient was reported at 0.59 as shown on Section 6.9 of this study.

In the following section, structural equation modelling (SEM) is discussed with a view to provide clarity on the procedure. This is because SEM was used as the mainstay statistical tool for validating the conceptual model that was proposed in this study. As such, a careful examination of the SEM procedure could help facilitate an understanding of the results presented in Chapter 6 of this study.

### **5.10.7 Structural equation modelling**

Churchill and Iacobucci (2010:539) conceptualise SEM as a multivariate data analysis technique that estimates and tests relationships between dependent variables that are being predicted (endogenous variables) and independent variables that actually predict others (exogenous variables). The term structural equation modelling suggests that the casual relationships to be investigated are transformed by a series of structural equations, which can be estimated to provide a clear conceptualisation of the theory under investigation (Byrne, 2010:3). A natural extension of regression models, SEM is more complex in that it comprises an examination of the inter-relationships among many layers of variables, which usually fit simultaneously (Churchill & Iacobucci, 2010:540). In SEM, a series of regression equations are used to elaborate on hypothesised, causal relationships among constructs, which are later modelled diagrammatically, thereby providing a pictorial representation of a specific theory.

SEM has a number of synonyms and special cases in the literature, including path analysis, causal modelling and covariance structure analysis. However, the procedure involves a dual analysis of both a measurement model and a path model. All other things being equal, different scholars concede that SEM stages span from definition of constructs based on theory, model specification, model identification, data screening, model estimation, testing model fit, measurement model evaluation of composite reliability and construct validity, path analysis as well as model modification (Malhotra, 2010:729; Schumacker & Lomax,

2010:200-206; Cooper & Schindler, 2006:626; Weston & Gore, 2006:729). These stages are elaborated on next.

#### **5.10.7.1 Definition of individual constructs**

An essential pre-requisite of any SEM model is that it should be based on an underlying theory given that a SEM model cannot be estimated until all the relationships have been specified (Malhotra, 2010:726). Therefore, a claimed causal connection can only be based on sound theoretical arguments. As such, SEM analysis is derived from specification of the constructs based on knowledge and theory (conceptual definition) as well as by providing abstract indications of how the constructs could be measured (operational definition) (Blunch, 2008:4). At the conceptual level, normative meaning is given to a construct in terms of knowledge and theories in the specific discipline, culminating in the formulation of a hypothesis. On the other hand, an operational definition indicates how the abstract concept could be measured with the use of scale indicators. This provides a rich description of how researchers would know whether a certain phenomenon exists or not. In totality, SEM begins with a number of hypothesised connections among conceptually defined variables that have been extrapolated from theory (Shiu *et al.*, 2009:651). Although these variables are usually latent, it is much better to identify all the important facets that are typically poised to contribute towards the latent variable through a series of manifest variables, termed indicators.

#### **5.10.7.2 Model specification**

Model specification occurs when a researcher describes what relationships (paths) are hypothesised to exist or not to exist among variables (Weston & Gore, 2006:729). In other words, researchers using SEM are required to specify hypothesised relationships among variables *a priori*. This distinction is important because any unspecified relationships among variables are assumed to equal zero. The measured variables are either latent (not directly observed) or manifest (directly observed). Latent variables are either exogenous (independent) or endogenous (dependent) and are signified with ellipses or circles while the observed or manifest variables (indicators) are represented by squares or rectangles (Blunch, 2008:5).

If a model is mis-specified, it must be made identifiable by increasing the number of manifest variables (indicators) or by reducing, the number of parameters to be estimated (Blunch, 2008:77). In SEM, this is achieved by formally stating a model through determination of which parameters are to be fixed or free (Malhotra, 2010:728). A free parameter is one that is at liberty to take on any value and such a parameter is to be estimated while a fixed parameter is restricted, in some way. According to Blunch (2008:78), researchers are able to use AMOS to fix a parameter at three levels. A parameter can be fixed at a value of zero such as in the case where there is no hypothesised relationship among variables (Weston & Gore, 2006:732). Parameters that are set at zero are not typically included pictorially in models and are thus seldom considered. In other cases, two or more parameters can be restricted to have the same unspecified value (left free of estimation) such as is the case when there is a hypothesised but unknown relationship among variables (Cooper & Schindler, 2006:626). Moreover, the parameter can be restricted *a priori* to take on an arbitrary value (non-zero). In this study, since latent variables in SEM were considered to have no inherent scale, the parameters were fixed at 1.0, reflecting an expected, perfect 1:1 association between variables (Weston & Gore, 2006:722).

SEM is able to make estimations of directional effects, variances and co-variances. According to Weston and Gore (2006:721), directional effects describe a relationship between latent variables and indicators (termed factor loadings) as well as the relationship between latent variables and other latent variables (termed path coefficients). A one-headed arrow that points from the independent variable to the dependent variable represents the directional effects on a measurement model.

SEM provides explicit estimates of these parameters, although traditional multivariate procedures are incapable of either assessing or correcting for measurement error. When a latent variable has only one indicator, the variance of the error is set at zero implying that the measurement is without error and the variable is indeed manifest (Blunch, 2008:5). However, in instances where the latent variable is made up of a plethora of indicators associated with a true score of the attribute, error variance serves to account for the variability that is not caused by the true score (Weston & Gore, 2006:729). Thus, since dependent variables have some variance unexplained by the latent variable, error variance

(e) must also be modelled along all the indicators. This is because reliable measures have less error as they are a better measure of the underlying construct than are unreliable measures. To estimate the error variance, a researcher can estimate the variance for each of the error terms, while setting loadings of error terms on the dependent variables to 1.0 (the default on some software programs). Alternatively, the error variances may be set to 1.0 and then estimates of the loadings of error terms can be made (Weston & Gore, 2006:729). Whereas the first method results in the estimation of parameters representing error variance, the second option would result in standardising the error term and estimating parameters that represent factor loadings. In either case, the option chosen does not affect model fit.

Co-variances are non-directional associations among exogenous variables (Weston & Gore, 2006:729). If it is expected that two factors are strongly associated but that a causal relationship does not exist, then a co-variance can be specified between the factors as depicted by bi-directional, double-headed curved arrows between two variables or error terms (Hair *et al.* 2010:740). All SEMs are built from raw data that are in the form of either a correlation matrix or a co-variance matrix (an unstandardised correlation matrix).

### 5.10.7.3 Model identification

Model identification may be described as an assessment of the extent to which the sample data are sufficient to enable parameter estimations or allow a unique solution to be found for the equations constrained in the theoretical model (Blunch, 2008:76). Intuitively, the data should contain as many data points as there are parameters to estimate. If there are an unlimited number of solutions and there is not enough data in the matrix for estimation, then the model is **under-identified** (Schumacker & Lomax, 2010:57). In this case, the number of degrees of freedom is negative implying that the model is under-identified and cannot be estimated. On the other hand, a model is **just-identified** if there is only one solution, then the model includes all possible inter-relationships between variables and agrees with any data set implying that it would essentially reproduce the elements included in the correlation matrix.

A just-identified model tends to produce the same results and always fits perfectly (being a summary of the observed data) since there are zero degrees of freedom, therefore, it is of less interest to researchers. **Over-identification** of a model occurs when there is only one

piece of information left over for testing the model as represented by a reduction of the correlation matrix (Weston & Gore, 2006:732). Over-identification implies that there is more than a singular way of estimating a parameter/s because there is more than enough information in the matrix (Schumacker & Lomax, 2010:58). This has the potential to fit the data poorly, resulting in a failure to reject the null hypothesis since there are more than zero degrees of freedom.

If there are surplus pieces of information left over for testing a SEM model, termed positive degrees of freedom then the model can be estimated and tested. The more degrees of freedom, the more precise the estimation and the more powerful the tests. When a parsimonious model fits the data well, researchers are able to demonstrate that associations between observed and latent variables are most important. Therefore, a model is **identified** if there are at least as many non-redundant equations in the co-variance matrix as there are parameters (regression weights) to be estimated (Blunch, 2008:76). Nonetheless, meeting this requirement is a necessary but not sufficient condition as all latent variables must have assigned a scale through model estimation.

#### **5.10.7.4 Screening of the data**

Issues relating to data screening are an important step prior to model estimation and testing in SEM. Of primary importance is the assessment of data normality and multicollinearity. These aspects have been addressed already in Section 5.10.6 of this study.

#### **5.10.7.5 Model estimation**

Estimation involves determining the value of the unidentified parameters and the error related to the estimated value (Weston & Gore, 2006:737). The main goal of estimation is to minimise the residual matrix difference ( $\mathbf{S} - \Sigma \{\theta\}$ ) between the sample co-variance matrix ( $\mathbf{S}$ ) and the estimated model-implied co-variance matrix ( $\Sigma \{\theta\}$ ) with parameters (Blunch, 2008:80). Put simply, start values of the free parameters are chosen in order to generate an estimated population covariance matrix  $\Sigma (\theta)$  from the model. When the residual matrix ( $\mathbf{S} - \Sigma \{\theta\}$ ) is equivalent to zero, then  $\chi^2$  becomes zero and a perfect model is obtained for the data. This study utilised the AMOS version 23.0 software program to generate estimates of the free (unknown) parameters. Both unstandardised and standardised parameter values (coefficients) are included as output, where the unstandardised coefficient

is analogous to a B weight while the standardised coefficient is analogous to beta ( $\beta$ ) in regression analysis (Weston & Gore, 2006:739). Similarly, dividing the unstandardised coefficient by the standard error produces a  $z$  value that is analogous to the  $t$  value in regression.

Weston and Gore (2006:738) propose a selection from among different types of estimators. These include least squares (LS), unweighted LS, generalised LS, maximum likelihood (MLE) and asymptotic distribution free and generalised least squares. However, all of these techniques, to the exclusion of MLE assume multivariate normality and fail to provide valid inferences to the population unless a sample is sufficiently large. This contention is echoed in the sentiments of Anderson and Gerbing (1988:415), who postulate that “MLE is robust to moderate violations of the normality assumption”. In other words, MLE is very accurate when variables are continuous and normally distributed. Notwithstanding this, Shiu *et al.* (2009:626) further recommend use of the iterative MLE technique since it possesses desirable asymptotic properties such as absence of bias and minimum variance (Blunch, 2008:81).

A confirmatory factor analysis (CFA) procedure was conducted using the MLE technique, in an effort to estimate the measurement model for this study. Malhotra (2010:727) describes CFA as a method used to determine whether the variables of a scale load as expected on the relevant factors, thereby verifying the factor structure of the indicator variables. CFA is only appropriate if there is some previous knowledge about the underlying latent variable structure (Anderson & Gerbing, 1988:416). The analysis proceeds in an exploratory measurement model to determine how and to what extent the observed variables are linked to the underlying factors (Byrne, 2010:881). Thus, if the combination of the manifest variables can represent the latent variables well, then there is a satisfactory overall fit of the measurement model (Shiu *et al.*, 2009:654).

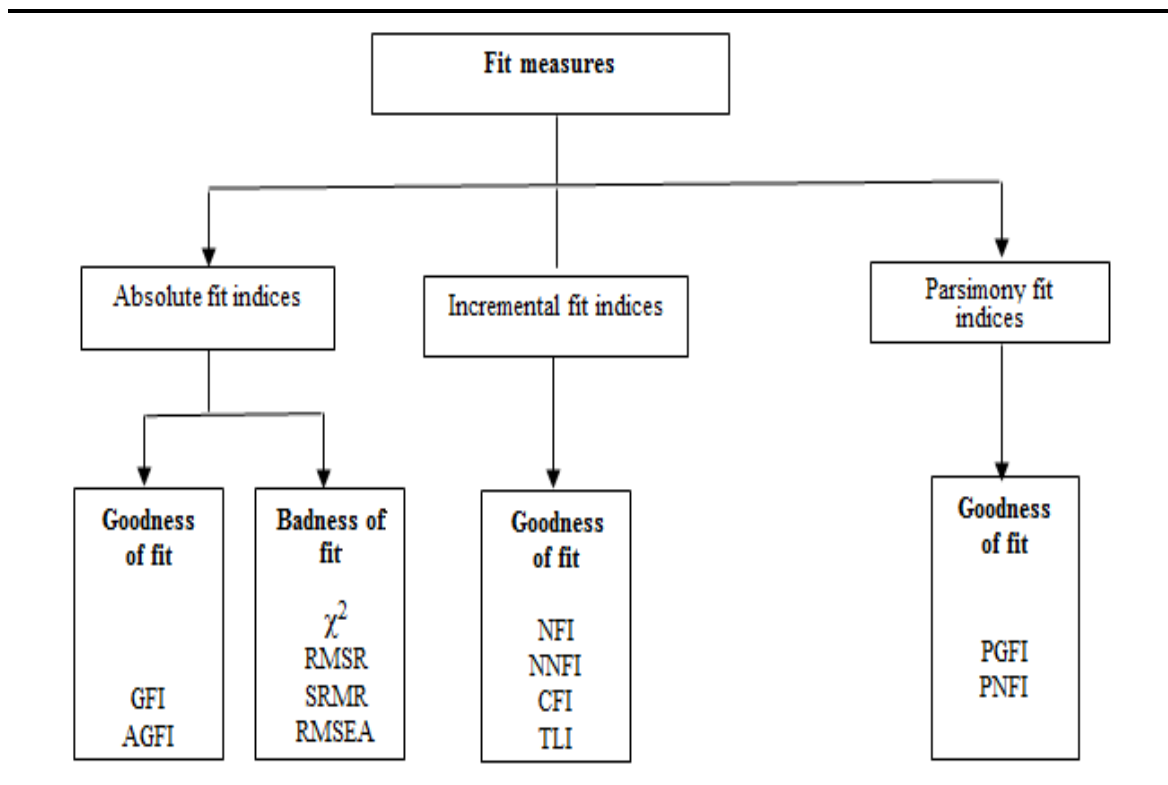
#### **5.10.7.6 Testing model fit**

The estimation of a measurement model proceeds with the testing of model fit. The absolute fit indices judge the fit of the model *per se* without reference to other models that could be relevant to the situation (Blunch, 2008:110). They judge the goodness of fit on a model without competing models. In other words, these indices indicate how well a hypothesised

model matches the empirical data without any given standard or basis relative to which the actual model can be judged. Absolute fit measures include goodness-of-fit indices, which describe how well the specified model reproduces the covariance matrix among the indicator items, where the higher the values of the variables the better (Malhotra, 2010:731).

Absolute fit indices include the goodness-of-fit index (GFI), which is analogous to  $R^2$  used in regression analysis to summarise the variance explained in a dependent variable, yet in SEM, GFI refers to the variance accounted for in the entire model and takes on values between 0 and 1.00 (Weston & Gore, 2006:741). The adjusted-goodness-of-fit index (AGFI) and the standardised root mean square residual (SRMSR) are other absolute fit indices that are usually reported on (Blunch, 2008:114).

The root mean square residual (RMSR) is an average residual covariance that is a function of the units used to measure the observed variables (Malhotra 2010:732). Therefore, it is problematic to compare RMSR alone, unless standardisation is done. As such, the SRMR is the standardised value of the RMSR and helps in comparing fit across models. A SRMSR value of zero indicates no difference between the observed data and the correlations implied in the model, thereby denoting perfect fit. Moreover, the RMSEA was evaluated since it helps to examine the difference between actual and the predicted covariance (square root of the mean of the squared residuals). As such, RMSEA helps to adjust the chi-square value by factoring in the degrees of freedom and the sample size used in the study (Byrne 2010:77). As a rule, like RMSR, lower values of SRMR and RMSEA indicate better model fit and values of 0.08 or less are considered desirable (Blunch 2008:114). Figure 5.5 portrays Malhotra's (2010:731) depiction of the appropriate fit indices to be used in SEM.



**Figure 5.5** A classification of model fit measures (Malhotra, 2010:731)

Hair *et al.* (2010:672) postulate that the reporting on all goodness of fit indices is not needed as they are often redundant. However, a researcher must report on at least one incremental index and one absolute index in addition to the chi-square value.

The chi-square distribution test ( $\chi^2$ ) is a test of a null hypothesis that is known to be false, implying that the actual model is correct (Blunch, 2008:116). Hence, this index actually tests the extent of model mis-specification or the badness of fit. A significant  $\chi^2$  value suggests the model does not fit the sample data (Malhotra, 2010:732). In contrast, a non-significant  $\chi^2$  value is indicative of a model that fits the data well. Nevertheless, a major drawback of relying solely on the chi-square statistic is that it is highly susceptible to the effects of large sample sizes. To put it sharply, if the sample is large enough, the test can show exactly what the researcher wants it to show. This is precisely why pragmatic approaches that do not rely on the central distribution have been proposed in order to overcome this problem and further evaluate the extent to which the model is supported by the data (Byrne, 2010:77; Blunch, 2008:110). For example, Malhotra (2010:731) alludes to the use of other population based fit indices, such as the root mean square error of approximation (RMSEA) and confidence intervals (90%) as a test of the null hypothesis.

Generally, the RMSEA index corrects a model's complexity with a value of 0.08 indicating that the model exactly fits the data well (Weston & Gore, 2006:742).

Incremental fit indices respond to how well the proposed model is performing when assessed against baseline or null models (Weston & Gore, 2006:742). These measures introduce an explicit baseline model and answer to how well the proposed model fits in comparison to the null model (Blunch, 2008:110). Hence, the measures have been dubbed relative fit indices. Examples of incremental fit indices include the normed fit index (NFI), which is bounded between the interval 0 and 1.00 but has a tendency to underestimate the fit in small sample sizes. Therefore, Bentler (1990:241) suggests the use of improved modifications of the NFI, such as the comparative fit index (CFI) and the Tucker-Lewis index (TLI) and incremental fit index (IFI).

To this end, modellers tend to base their models' fit evaluations and selections on global and incremental fit indices. This implies omitting the important premise in modelling by way of finding the right balance between models' fit and parsimony (Martinez-López, Gázquez-Abad & Sousa, 2013:132). Therefore, parsimony and goodness of fit indices should be applied conjointly when evaluating a model's degree of adjustment. The parsimonious fit measures assess whether model fit has been achieved through a process of complicating the model by way of over-fitting data with a large number of coefficients (Blunch, 2008:110). Malhotra (2010:733) advocates for a wide use of parsimonious measures, especially when comparing models of differing complexities. These indices assess the discrepancy between the observed and implied co-variance matrix while taking into account a model's complexity.

A simple model with fewer estimated parameters always get parsimonious fit because adding additional parameters (thus increasing the complexity of a model) presents a punishment to the data by introducing more parameters in a model in order to improve model fit. However, the full model has a maximum number of parameters, thus the maximum fit presents a co-variance matrix, which contains only zeros (O-matrix), in which case, the parsimony ratio (PRATIO) is proposed as a factor, which can take care of parsimony in instances where negative AGFI values are obtained (Malhotra, 2010:733). The parsimony normed fit index (PNFI) and the parsimony comparative fit index (PCFI)

result when PRATIO is multiplied with NFI and CFI, respectively (Blunch, 2008:110). Values larger than 0.60 on the PNFI and PCFI indices are generally considered satisfying.

According to Byrne (2010:77-80), a SRMR value of 0.05 or less and a RMSEA value below 0.08 together with IFI, CFI and TLI values above 0.90 indicate an acceptable model fit. This cohort of model fit indices was used as the basis of testing and accepting the measurement model for the study, thereby concluding the stated research hypotheses statements.

#### **5.10.7.7 Composite reliability and construct validity of the measurement model**

In measurement model analysis, various statistical accuracy tests are conducted with a view to corroborate the accuracy of the results. In this study, composite reliability and construct validity tests were conducted in light of enhancing the statistical accuracy of the measurement model.

Malhotra (2010:733) defines composite reliability (CR) as “the total amount of true score variance in relation to the total score variance”. CR is a SEM-generated estimate of internal consistency that is analogous to Cronbach’s alpha coefficient. Moreover, the CR values of the latent variables were computed using the formula:

$$CR = \frac{(\sum_{i=1}^n \lambda_i)^2}{(\sum_{i=1}^n \lambda_i)^2 + (\sum_{i=1}^n \delta_i)}$$

Where:

CR $\eta$  = Composite reliability

( $\sum \lambda_i$ )<sup>2</sup> = Square the sum of the factor loadings

$\sum \epsilon_i$  = Sum of error variances.

Nunnally (1978:245) and Malhotra (2010:734) aver that composite reliability values of 0.70 or greater are generally acceptable measures of the reliability of a measurement model. The CR values that are reported in Section 6.11 of this study are greater than 0.70,

suggesting adequate reliability of the model, in concord with the recommendations of Shiu *et al.* (2009:655).

While a study may achieve reliability as a pre-condition, it is still vital to conduct several accuracy tests with regard to the validity of the measurement model (Malhotra, 2010:733-734). This is because a measure cannot be valid while it is not reliable. In this regard, construct validity of the measurement model was assessed in this study. Construct validity addresses the question of what construct or characteristic the scale is in fact measuring (Malhotra, 2010:320). Researchers often try to establish the construct validity of a measure by relating it to a number of other constructs, rather than simply one. In view of this, attempts are made to assess how well ideas or theories are translated into real measures or statements in order to inspire confidence and probable correctness (Churchill & Iacobucci, 2010:257). This enables researchers to determine the specific constructs underlying the score on a particular test. To capture the construct validity of the measurement model, convergent, discriminant and nomological validity measures were utilised.

Convergent validity is the extent to which variables measuring the same theoretical dimension in a scale positively correlate with each other (Cooper & Schindler, 2006:319). Convergent validity was assessed by calculating the average variance extracted (AVE) values. Malhotra (2010:725) defines AVE as “the variance in the indicators or observed variables that is explained by the latent construct.” The following formula for calculating AVE was applied:

$$V_{\eta} = \frac{\sum \lambda_{yi}^2}{(\sum \lambda_{yi}^2 + \sum \epsilon_i)}$$

Where AVE = (summation of the squared of factor loadings)/ (summation of the squared of factor loadings) + (summation of error variances)

Bagozzi and Yi (1998:80) recommend that the AVE values should be equal or larger than 0.50, to uphold convergent validity. Relatedly, Neuman (2006:59) suggests that AVE values that are between 0.40 and 0.50 could be considered as providing evidence of marginal support for model convergence. In addition, Malhotra (2010:734) suggests that an examination of the item loadings or standardised regression weights ( $\geq 0.50$ ) can be an indirect indicator of satisfactory convergence among constructs in a measurement model.

Moreover, Clark and Watson (1995:316) suggest that average inter-item correlation values between 0.15 and 0.50 are indicative of convergent validity. Section 6.11 of this study established that the standardised factor loadings in the measurement model ranged between 0.503 and 0.953. Moreover, the reported AVE values under Section 6.11 of this study were above 0.50 while the inter-item correlation values also fell within the recommended range. This suggests that adequate variance on each item is shared with each respective construct (Anderson & Gerbing, 1988:417).

Discriminant validity refers to the extent to which variables measuring different theoretical dimensions in a scale do not correlate with each other (Malhotra, 2010:320-321). According to Costello and Osborne (2005:6), the requirements for construct validity are that the variables that are measuring the same construct should be related theoretically with the other measures of the same construct (convergent) while they should remain highly uncorrelated with measures from which the construct is meant to differ (discriminant). Discriminant validity of the measurement model was assessed using two established techniques.

First, the latent variables were correlated against each other and an inter-construct correlation matrix was drawn. The rule of thumb is to have correlation coefficients of less than 0.70 between the research constructs (Costello & Osborne, 2005:6). Secondly, the square root of the AVE estimates for each construct was computed. Discriminant validity can be inferred if the square roots of the AVE values computed for each construct is greater than the correlation coefficients across all pairs of corresponding constructs on the model (Malhotra, 2010:734). In this study, all the computed square roots of the AVE values were greater than the highest inter-construct correlation coefficient. Secondly, discriminant validity can be ascertained when the AVE values are greater than the maximum shared variance (SV) values. In this study, the computed AVE values were greater than all the SV values, which ranged between 0.18 and 0.34 (refer to Section 6.11 of this study), thereby providing evidence of discriminant validity.

Nomological validity refers to the extent to which the scale correlates in theoretically predicted ways with measures of different but related constructs (Malhotra, 2010:321). According to Hair *et al.* (2013:226), constructing a matrix of construct correlation coefficients makes it possible to assess the nomological validity of a study. As such, the

Pearson product-moment correlation coefficients between each pair of constructs were calculated to support the nomological validity of this research. The correlation results are presented in Section 6.9 of this study.

#### **5.10.7.8 Path analysis**

The measurement model represents a confirmation of the latent factors and their indicator variables. Contrariwise, the structural model represents the way in which the exogenous or independent latent factors directly and/or indirectly influence the endogenous or dependent latent factors in the model that are being tested (Byrne, 2010:13). According to Malhotra (2010:726), the structural model represents how “constructs are related to each other, often with multiple dependence relationships”. In path analysis, a model is specified that attempts to explain why X and Y are correlated (Kline, 2005:294). Part of this explanation may include presumed causal effects (X causes Y). The overall goal of the path analysis is to assess how well the model accounts for the data in the observed correlations or co-variances by mapping the connections among constructs (Blunch, 2008:5). In addition, not only does the structural model need to have a good fit, it should show that the proposed model has the best fit in comparison to competing models that may be considered as alternatives (Schumacker & Lomax, 2010:205).

Path analysis is a unique case of SEM, which gives a regression to each variable within a model (Byrne, 2010:15). The observed correlation matrix for the variables is compared against the regression weights estimated by a model and from there a goodness-of-fit statistic may be computed. Moreover, path analysis calculates the strength of each relationship using only a correlation or co-variance matrix as input (Malhotra, 2010:748). To be able to conduct path analysis, all causal relationships between variables must be clearly identifiable and time-orderly, as one variable cannot be said to cause another unless it precedes it in time. Such evidence of causality is provided by way of an elucidation on the time order of occurrence of variables coupled with the systematic inclusion of other possible explanations of a phenomenon (Cooper & Schindler, 2006:152). Malhotra (2010:735) suggests that it is also useful to investigate the squared multiple correlations (SMC) of a data set, which is the term given to the statistical measure depicting “the extent to which the variance of an observed variable is explained by the associated latent construct”.

### **5.10.7.9 Model modification**

The specification of alternative models is encouraged in research, even if the original SEM model demonstrates acceptable fit. The reason for this is that comparing competing models helps in the acceptance of the best probable fit based on a superior model and interpreting the results accordingly (Hair *et al.*, 2010:675). Model adjustments are made through specification searches that are based on theory. Modification indices may suggest adding additional paths in the existing model and this process may be repeated until a final model shows only acceptable fit statistics.

In this study, the sample data did not support the original path model adequately since three of the hypothesised paths in Structural Model A were insignificant, thereby suggesting the need for model modification and re-testing. The aim of model modification was to adjust the proposed model by freeing or setting parameters with a view to have a better model fit, thereby accepting the best probable fit on a new model and interpreting the results accordingly (Cooper & Schindler, 2006:627). In view of finding the right balance between models' fit and parsimony upon comparing models of different complexity (as opposed to evaluating the fit of a single model), it is imperative for researchers to examine parsimony (Malhotra, 2010:733). Generally, when two or more models are compared it is recommended that Akaike's information criterion (AIC) and Bozdogan's consistent version of the AIC (CAIC) be introduced in the path model evaluation, where smaller AIC and CAIC values suggest better fit (Byrne, 2010:82).

The path analysis procedure that was conducted is explained in Chapter 6 of this study. The model modification process culminated in the evaluation of three competing structural models, among which Structural Model C was accepted as having better explanatory power when compared to the other competing models. Section 6.12 reports on the model fit indices, directional effects, path coefficients as well as the SMC values of each outcome variable modelled under Structural model C.

### **5.10.7.10 Interpretation and communication of SEM results**

SEM hypotheses and results are reported often in the form of path diagrams, which are graphic illustrations of both the measurement model and the structural model (Cooper & Schindler, 2006:627). In this thesis, the full structural path models are included as

annexures, illustrating the model that was specified originally in this study, the portion of the model for which the parameter estimates were significant as well as the modifications and subsequent re-estimations of the original model. However, cleaner path diagrams that are easier to interpret have been included in Section 6.12 of this study.

## **5.11 STRENGTHS AND WEAKNESSES OF SEM**

SEM is performed as a co-variance based approach, using either AMOS, MPlus or LISREL software packages. It offers some important, additional benefits over other multivariate techniques such as multiple regression. This is because SEM incorporates factor analysis to take advantage of the correlations among variables, tapping a common construct. Moreover, SEM examines inter-construct correlations as an effective way to deal with multicollinearity. In addition, SEM takes into account the lack of absolute dependability in consumer response data by exploring a plethora of model fit indices (Blunch, 2008:114). SEM allows evaluation of relationships between constructs without random error, which distinguish SEM from other multivariate techniques like regression analysis.

The underlying theory of SEM is technical and the modelling process can be frustrating and complicated (Kline, 2005:321). This is because SEM is a confirmatory approach, which implies that it can only be performed where there is established theory about the relationships among constructs. In so much as SEM allows for the use of exploratory methods (model modification) beyond the original theory, the technique cannot be used to explore possible relationships when you have more than a handful of variables. The biggest limitation with SEM lies in that it is a large sample technique. Conclusions extrapolated from a model based on a small sample size are usually unreliable as parameter estimation often is conducted by MLE, which assumes normality among the indicator variables (Kline, 2005:314; Weston & Gore, 2006:733). However, component based approaches such as SmartPLS may be used to model latent constructs that are uncontaminated by measurement error under conditions of non-normality, while using small samples.

## **5.12 CONCLUSION**

Chapter 5 provides a description of the research methodology that was followed in conducting the empirical component of the study. The chapter outlines the single cross-

sectional descriptive research as the most appropriate design to follow in order to realise the research objectives formulated in Chapter 1. In particular, an online panel-based survey was elected since it permits high response rates. Fashion e-stores are chosen as the primary sampling unit, while a plethora of statistical and non-statistical factors are taken into consideration prior to randomly selecting a sample of 600 fashion e-store shoppers. In addition, the questionnaire design process is elaborated on, culminating in a research instrument comprising three sections. In addition, the chapter examines the statistical methods that were used in the data analysis. In particular, the SEM procedure is reviewed by an examination of both the measurement model and the structural model. Reliability and validity issues are also discussed.

Chapter 6 reports on the empirical results of both the pilot study as well as the main survey. The data analysis chapter determines whether the hypothesised relationships in the proposed model are supported. In order to break down the findings and develop meaningful findings and interpretations, data are reported phrased as meaningful information. Data illustrations are in the form of charts and tables, with respective interpretations given in every case. The visual presentation of the findings and the accompanying interpretation are presented in such a way that they answer the research objectives set out in Section 1.4.3 of this study.

## CHAPTER 6

### DATA ANALYSIS AND INTERPRETATION OF FINDINGS

*“Research claims are indefensible without evidence therefore,  
truth value lies in the numbers”*

*Thomas Carlyle*

#### 6.1 INTRODUCTION

Following on from a discussion of the research methods and data collection procedures in Chapter 5, the main objective of this chapter is to present empirical findings of the study consistent with the primary objective of this research, which is to determine the values that influence consumers' behavioural intentions towards fashion e-stores in the South African market.

The data for this study are analysed using SPSS and AMOS, versions 23.0 for Windows. This chapter begins with an outline of the pilot results. Thereafter, the demographic profile of the participants as well as the results for fashion e-store shopping activities is presented. This helps to provide a complete description of the sample composition. The usefulness of a descriptive profile analysis is that it introduces the reader to the sample and provides the background frame within which the overall research results are understood. Following the sample analysis, the next step was to conduct initial statistical checks on the data using reliability measures and descriptive statistical analysis. This step of the research is necessary for the purposes of providing fidelity and quality assurance of the data. This is a mandatory procedure prior to applying any form of multivariate analysis. Moreover, data normality checks and multicollinearity assessments were conducted.

Once preliminary sample checks, descriptive analysis, reliability analysis and data normality checks were concluded, it was possible to proceed with SEM. The procedure commenced with hypotheses testing and the specification of a measurement model through confirmatory factor analysis and an evaluation of model fit indices. Moreover, the statistical accuracy of the measurement model was evaluated by computing various reliability and validity tests. Thereafter, competing structural models were developed using path analysis.

## 6.2 PILOT TEST RESULTS

Since the instrument is adapted from previous studies, it was necessary to verify the internal-consistency reliability of the instrument with a view to identify whether the items used were internally consistent and worded appropriately. Table 6.1 reports on the various statistics computed during the pilot phase.

**Table 6.1 Summary of pilot test results**

Constructs	Number of items	Mean	Std. Deviation	Cronbach's alpha coefficient ( $\alpha$ )	Average inter-item correlation
Hedonic value	4	3.507	0.823	0.694	0.374
Utilitarian value	4	3.697	0.889	0.740	0.440
Intellectual value	5	4.064	0.725	0.717	0.335
Attitude towards fashion e-stores	4	4.071	0.978	0.673	0.363
Customer satisfaction	6	4.206	0.715	0.682	0.328
Behavioural intentions	5	4.271	0.776	0.637	0.268
<b>Overall Cronbach's alpha coefficient value of the entire scale = 0.843</b>					

Cronbach's alpha coefficient values reveal optimal internal consistency reliability on the different constructs with scaled responses. The pilot study retains an overall Cronbach's alpha coefficient value of 0.843, thus providing a satisfactory indication of reliability. Cronbach's alpha coefficient values of 0.694, 0.740 and 0.717 are reported for the utilitarian value (C1 to C4), hedonic value (C5 to C8) and intellectual value (C9 to C13) determinants, respectively. In addition, Cronbach's alpha coefficient values of 0.673, 0.682 and 0.637 are reported for attitude towards fashion e-stores (C14 to C17), customer satisfaction with fashion e-stores (C18 to C23) and behavioural intentions towards fashion e-store shopping (C24 to C28) determinants, respectively. Nevertheless, drawing from the recommendation by Zikmund *et al.* (2013:306), the scale used during the pilot survey was considered to have fair reliability.

With regard to the descriptive statistical analysis, utilitarian value ( $\bar{x}$ =3.507; SD=0.823), hedonic value ( $\bar{x}$ =3.697; SD=0.889), intellectual value ( $\bar{x}$ =4.064; SD=0.725), attitude towards fashion e-stores ( $\bar{x}$ =4.071; SD=0.978), customer satisfaction with fashion e-store shopping ( $\bar{x}$ =4.206; SD=0.715) and behavioural intentions towards fashion e-store shopping ( $\bar{x}$ =4.271; SD=0.776) report mean values above 3.5. This was considered indicative of the level of agreement among the pilot sample regarding the determinants of fashion e-store shopping behaviour.

All the constructs retained average inter-item correlation values ranging between 0.268 and 0.440, which fall within the recommended range of 0.15 and 0.50 (Clark & Watson, 1995:316). However, a careful examination of the corrected item-to-total correlations justified the need for minimal re-wording of two items after the pilot phase. The re-wording procedure is outlined in Table 6.2.

**Table 6.2 Item re-wording following the pilot study**

Item	Descriptor	Problem	Action	Outcome at main survey
C17	When I need to buy fashion products, I first consider e-stores	Low corrected item-to-total correlation of 0.156.	Item modified to read coherently and unambiguously: <b>‘I would consider e-stores as my first choice when I need to buy fashion products.’</b>	<ul style="list-style-type: none"> <li>• Corrected item-to-total correlation increased to 0.755 at the main survey.</li> <li>• Cronbach’s alpha coefficient value of the construct increased significantly to 0.965 at the main survey</li> </ul>
C19	Shopping from fashion e-store X is satisfying.	Low corrected item-to-total correlation of 0.188.	Item modified to read coherently and unambiguously: <b>‘I am satisfied with my decision to shop from fashion e-store X.’</b>	<ul style="list-style-type: none"> <li>• Corrected item-to-total correlation increased to 0.718 at the main survey.</li> <li>• Cronbach’s alpha coefficient value of the construct increased significantly to 0.758 at the main survey</li> </ul>

The next section elaborates on the data gathering process conducted at the main survey.

### 6.3 DATA GATHERING PROCESS

An online panel based survey was conducted on a random sample of fashion e-store shoppers obtained from the database of SurveyCentric™ panel of South Africa between 26

October 2015 and 30 November 2015. Data were collected by means of a self-administered web-based questionnaire. A primary survey invitation was used to make initial contact with the pre-profiled panel members, while a successive bolster invite was sent as a reminder. On average, the questionnaire took 10 minutes to complete. The panel members were informed that participation was strictly voluntary and all information provided would be aggregated and reported in the form of an academic thesis. The main survey comprised various panellists from the nine provinces of South Africa who qualified to take part in the study after conceding that they had at least purchased from a local fashion e-store.

## **6.4 PRELIMINARY DATA ANALYSIS**

The preliminary data analysis phase comprises a tripartite set of steps comprising data coding, cleaning and tabulation, respectively. These steps are discussed next.

### **6.4.1 Coding**

The process of coding entails transforming participants' responses into numbers or codes that represent the answers they choose. In this study, the questionnaire was categorised into three sections. Section A requested demographical data from the participants, while Section B sought information regarding the participants' fashion e-store shopping habits. Section C measured the determinants of consumers' behavioural intentions towards fashion e-stores, comprising utilitarian value, hedonic value, intellectual value, attitude towards fashion e-stores, customer satisfaction with fashion e-stores as well as behavioural intentions towards fashion e-store shopping.

First, all the variables were assigned names through number coding, with a view to facilitate computer data input. Secondly, data files were screened carefully in order to minimise possible omissions or data entry errors. In this research, frequencies for each variable were checked in order to detect any out-of-range values and values entered that were either below one (1) or greater than six (6) were rectified after reconciling with the submitted questionnaires. Nonetheless, there was no need for re-coding or assigning of new values in this study since there were no negatively worded scale items. Thirdly, in order to obtain composite scores for items on a scale, target variables were computed and named as indicated in Table 6.3.

**Table 6.3 Coding information at the main survey**

<b>Section A: Demographical information</b>			
<b>Question</b>	<b>Code</b>	<b>Construct measured/Target variable</b>	<b>Value assigned to responses</b>
Question 1	A1	Gender	Male (1); Female (2)
Question 2	A2	Age	18-20 years (1), 21-30 years (2), 31-40 years (3), 41-50 years (4), over 50 years (5)
Question 3	A3	Ethnicity	Black African (1), Coloured (2), Asian/Indian (3), White (4), Other (5)
Question 4	A4	Mother tongue	Afrikaans (1), English (2), IsiNdebele (3), IsiXhosa (4), IsiZulu (5), Sepedi (6), Sesotho (7), SeTswana (8), SiSwati (9), Tshivenda (10), XiTsonga (11), Other (12)
Question 5	A5	Nationality	South African (1), Other (2)
Question 6	A6	Residing province	Eastern Cape (1), Free State (2), Gauteng (3), Kwa-Zulu Natal (4), Limpopo (5), Mpumalanga (6), Northern Cape (7), North West (8), Western Cape (9), Other (10)
Question 7	A7	Highest qualification	Grade 12 or Matric (1), Diploma or Degree (2), BTech or Honours Degree (3), Masters or PhD (4), Other (5)
Question 8	A8	Monthly income	Less than R5 000 (1), R5 001-R10 000 (2), R10 001-R20 000 (3), R20 001-R30 000 (4), Above R30 000 (5)
<b>Section B: Fashion e-store shopping habits information</b>			
<b>Item</b>	<b>Code</b>	<b>Construct measured/Target variable</b>	<b>Value assigned to responses</b>
Question 9	B1	Shopped at fashion e-stores within the past 12 months	Yes (1), No (2)
Question 10	B2	Fashion e-store (s) shopped from	Lushberry (1), Sassychic (2), Spree (3), Style36 (4), Zando (5), Other (6)
Question 11	B3	Frequency of fashion e-store shopping	Once a year (1), At least twice a year (2), At least four times a year (3), At least 12 times a year (4), At least 52 times a year (5)
Question 12	B4	Average spend on a single fashion e-store shopping trip	Less than R300 (1), R301-R600 (2), R601-R1000 (3), More than R1 000 (4)

**Table 6.3 Coding information at the main survey (continued ...)**

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**Section C: Determinants of consumers' behavioural intentions towards fashion e-store shopping**

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<b>Item</b>	<b>Code</b>	<b>Construct measured/Target variable</b>	<b>Value assigned to responses</b>
Items 1-4	C1-C4	Utilitarian value	Strongly disagree (1), Disagree (2), Disagree somewhat (3), Agree somewhat (4), Agree (5), Strongly agree (6)
Items 5-8	C5-C8	Hedonic value	Strongly disagree (1), Disagree (2), Disagree somewhat (3), Agree somewhat (4), Agree (5), Strongly agree (6)
Items 9-13	C9-C13	Intellectual value	Strongly disagree (1), Disagree (2), Disagree somewhat (3), Agree somewhat (4), Agree (5), Strongly agree (6)
Items 14-17	C14-C17	Attitude towards fashion e-stores	Strongly disagree (1), Disagree (2), Disagree somewhat (3), Agree somewhat (4), Agree (5), Strongly agree (6)
Items 18-23	C18-C23	Customer satisfaction	Strongly disagree (1), Disagree (2), Disagree somewhat (3), Agree somewhat (4), Agree (5), Strongly agree (6)
Items 24-28	C24-C28	Behavioural intentions	Strongly disagree (1), Disagree (2), Disagree somewhat (3), Agree somewhat (4), Agree (5), Strongly agree (6)

---

The data cleaning conducted on the data set is described in the following section.

### **6.4.2 Data cleaning**

In order to ensure consistency of treatment, the cleaning and editing of completed questionnaires was conducted after the entire data collection process. In line with the specified sample size, 600 questionnaires were returned. These were captured into an Excel spreadsheet for review. Preliminary assessment of the data set revealed that 37 responses were inconsistent in terms of the responses provided. In particular, the cases reported that they had not made fashion e-store purchases. Therefore, for ease of handling while avoiding the compromising of results, a decision was taken to eliminate those cases from the analysis. As a result, of the 600 questionnaires submitted, only 563 responses were considered usable, leading to a relatively high response rate of 81 percent. The number of responses obtained was sufficient for the purpose of the research because previous

guidelines by Kline (2005:281) indicated that 10 to 20 participants per estimated parameter would result in a sufficient sample for conducting SEM analysis.

### 6.4.3 Tabulation of variables

Once the data have been coded and cleaned, it is necessary to organise it into pre-determinable categories. Table 6.4 reports on frequencies of the scaled responses in the measuring instrument.

**Table 6.4** Frequency table for the scaled response data (non-categorical)

Scale item	Strongly disagree	Disagree	Disagree somewhat	Agree somewhat	Agree	Strongly agree
	1	2	3	4	5	6
<b>Construct 1: Utilitarian value</b>						
<b>C1</b>	2	2	4	25	28	39
<b>C2</b>	1	2	8	22	27	40
<b>C3</b>	4	4	11	28	27	26
<b>C4</b>	3	2	6	24	30	35
<b>Construct 2: Hedonic value</b>						
<b>C5</b>	7	6	12	33	29	13
<b>C6</b>	5	11	10	19	24	31
<b>C7</b>	3	10	13	21	21	32
<b>C8</b>	3	6	12	18	25	36
<b>Construct 3: Intellectual value</b>						
<b>C9</b>	5	10	12	16	19	38
<b>C10</b>	2	6	10	23	21	38
<b>C11</b>	2	6	11	17	22	42
<b>C12</b>	1	4	8	24	22	41
<b>C13</b>	3	4	11	21	23	38
<b>Construct 4: Attitude towards fashion e-stores</b>						
<b>C14</b>	8	14	5	12	20	41
<b>C15</b>	9	12	7	12	16	44
<b>C16</b>	9	11	8	10	16	46
<b>C17</b>	7	10	7	11	15	50

**Table 6.4** Frequency table for the scaled response data (non-categorical)  
(continued ...)

Scale item	Strongly disagree	Disagree	Disagree somewhat	Agree somewhat	Agree	Strongly agree
	1	2	3	4	5	6
<b>Construct 5: Customer satisfaction</b>						
<b>C18</b>	1	3	8	19	20	49
<b>C19</b>	3	7	10	15	19	46
<b>C20</b>	3	5	11	17	23	41
<b>C21</b>	6	6	12	22	24	30
<b>C22</b>	3	3	6	25	30	33
<b>C23</b>	1	2	4	24	31	38
<b>Construct 6: Behavioural intentions</b>						
<b>C24</b>	2	1	9	23	36	29
<b>C25</b>	1	1	7	24	38	29
<b>C26</b>	1	2	4	25	38	30
<b>C27</b>	1	1	7	23	33	35
<b>C28</b>	1	2	10	23	30	34

The next section reports on the demographical attributes and the fashion e-store shopping habits of the sample of participants that took part in the study.

## **6.5 DEMOGRAPHIC AND FASHION E-STORE SHOPPING HABITS ANALYSIS**

This section provides a detailed description of the study sample and general fashion e-store shopping habits information. As such, the frequencies and percentages reported in this section pertain to categorical data, only as stipulated under sections A and B of the questionnaire. Note that the reported percentages in this section have been rounded off to the nearest whole number for easier interpretation.

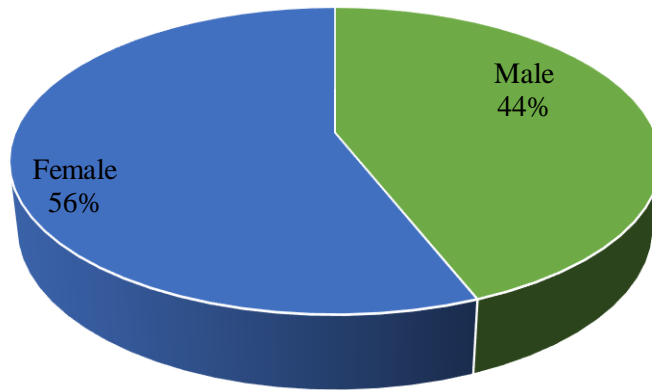
### **6.5.1 Sample description**

For presenting a general overview of the participants who partook in this study, a description of the sample's demographic characteristics pertaining to their gender, age,

ethnic group, mother tongue language, residing province, highest qualification and monthly income follows.

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### Gender



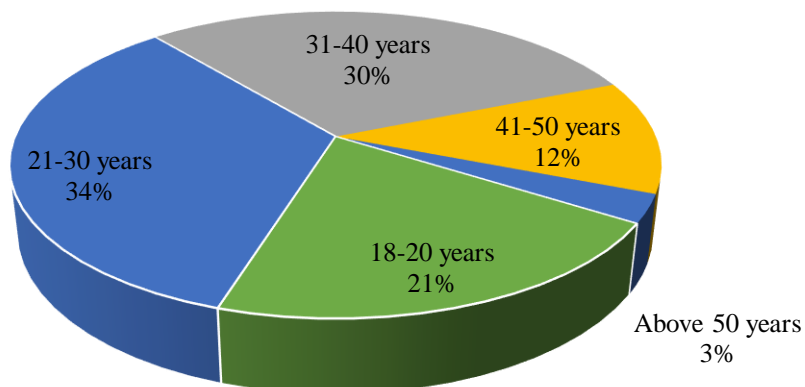
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**Figure 6.1** Participants' gender profile

Figure 6.1 illustrates the gender distribution of the participants in this study, which reveals a heavier weighting towards female fashion e-store shoppers. Of the 563 participants included in the survey analysis, the majority participants were female comprising, 56 percent of the sample (n=316). On the other hand, male participants only comprised 44 percent of the sample (n=247).

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### Age

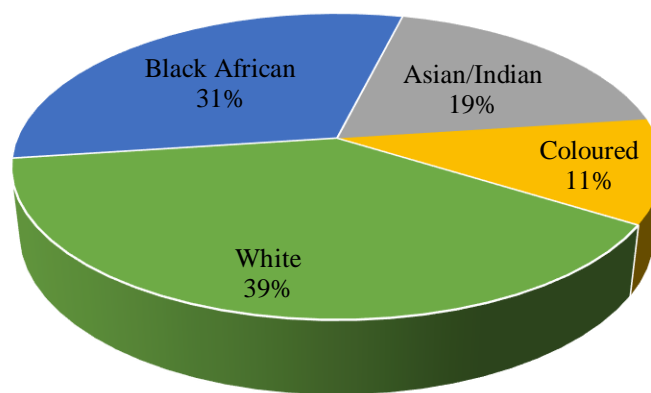


### Figure 6.2 Participants' age

The participants were classified into five age groups as illustrated in Figure 6.2. The majority of the participants were between 21 to 30 years old (34%; n=193), followed by those who were between 31 to 40 years old, which accounted for 30 percent of the sample (n=165). While 21 percent of the sample (n=118) indicated that they were between 18 to 20 years old, only 12 percent of the sample (n=69) were between 41 to 50 years old. Participants older than 50 years of age only constituted three percent of the sample (n=18).

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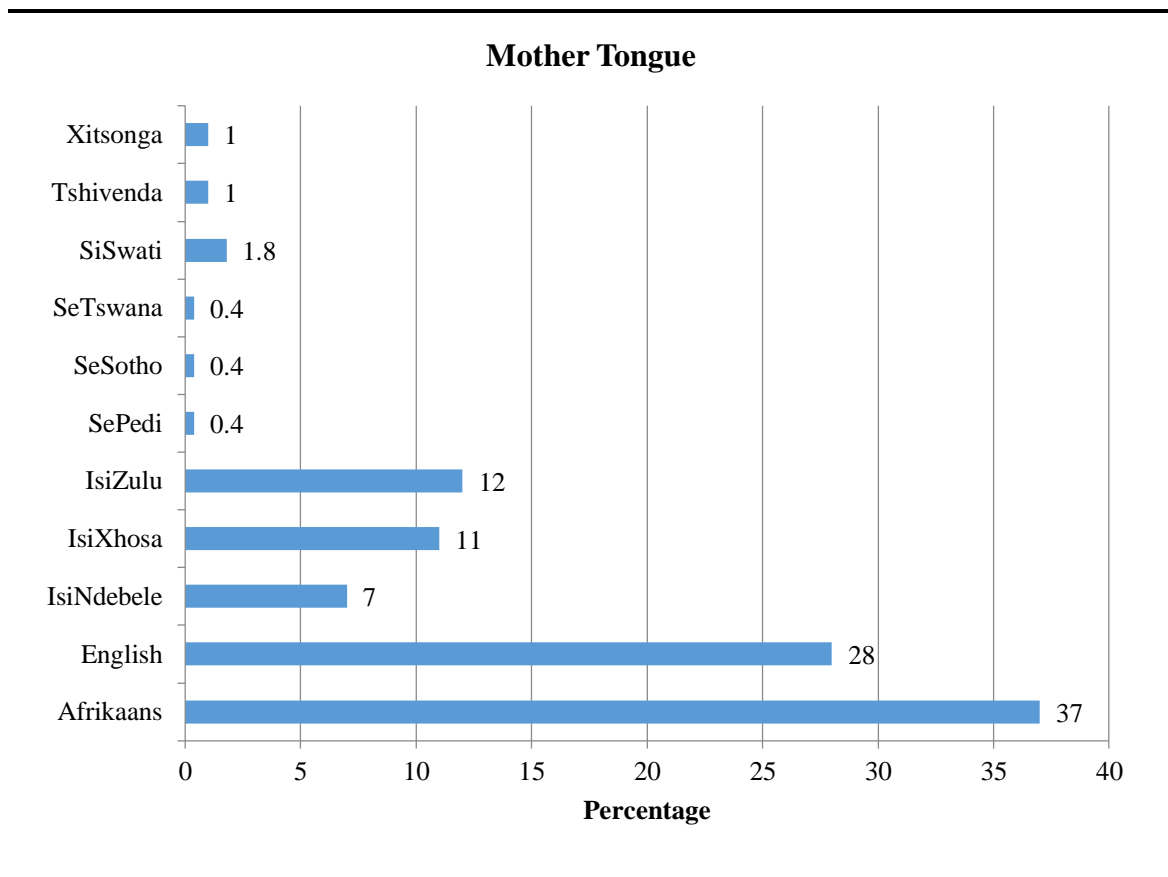
### Ethnicity



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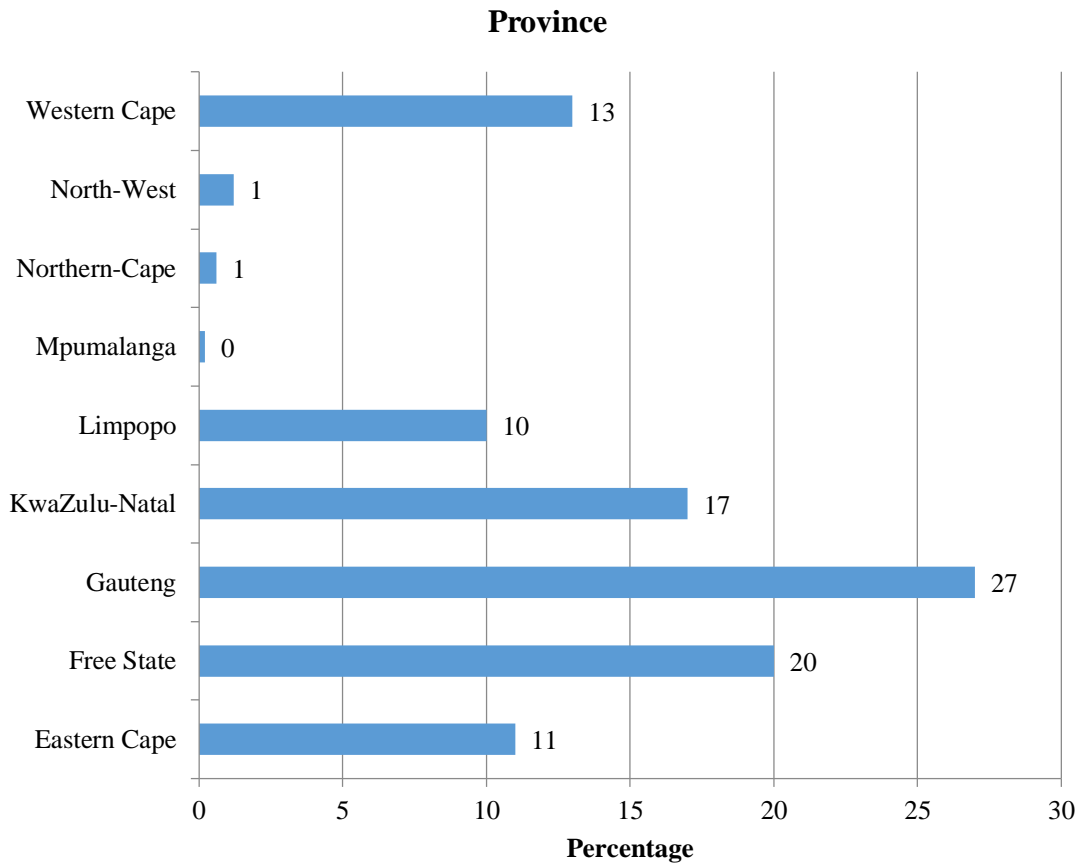
### Figure 6.3 Participants' ethnic group

Figure 6.3 shows the ethnicity of the sample members. The majority of participants identified themselves as White (39%; n=219), followed by those who identified themselves as Black Africans (31%; n=174), Asian/Indian (19%; n=108) and Coloured (11%; n=62).



**Figure 6.4 Participants' mother tongue (language)**

Figure 6.4 depicts the various official languages that the participants purported to speak as their mother tongue. The majority of participants indicated their mother tongue language as Afrikaans (37%; n=206), followed by English (28%; n=160), IsiZulu (12%; n=69), IsiXhosa (11%; n=63) and IsiNdebele (7%; n=39). Of the remaining participants, 1.8 percent were SiSwati speaking while 1 percent were Tshivenda and XiTsonga speaking, respectively. Participants that indicated SeSotho, SePedi and SeTswana as being their mother tongue represented the smallest portion of the sample comprising only 0.4 percent respectively.



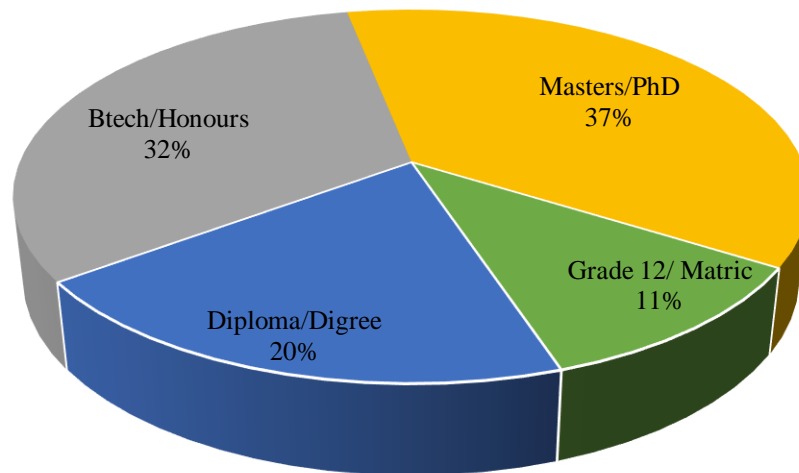
**Figure 6.5** Participants' residing province

Figure 6.5 reports on the sample spread according to their residing province. The main survey constituted members who were of South African origin, only. Each of South Africa's nine provinces were represented in the sample.

While the majority of the participants indicated that they reside within the Gauteng province (27%;  $n=152$ ), the survey participants were randomly drawn from all of South Africa's nine provinces. Of the participants, 20 percent indicated that they resided in Free State ( $n=113$ ), 17 percent from KwaZulu-Natal ( $n=96$ ), 13 percent from the Western Cape ( $n=73$ ), 11 percent from the Eastern Cape ( $n=62$ ) while 10 percent of the sample ( $n=56$ ) reside in the Limpopo province. The minority of the participants reported that they resided in the North-West (1.2%;  $n=7$ ), Northern Cape (0.6%;  $n=3$ ) as well as Mpumalanga (0.2%;  $n=1$ ) provinces, respectively.

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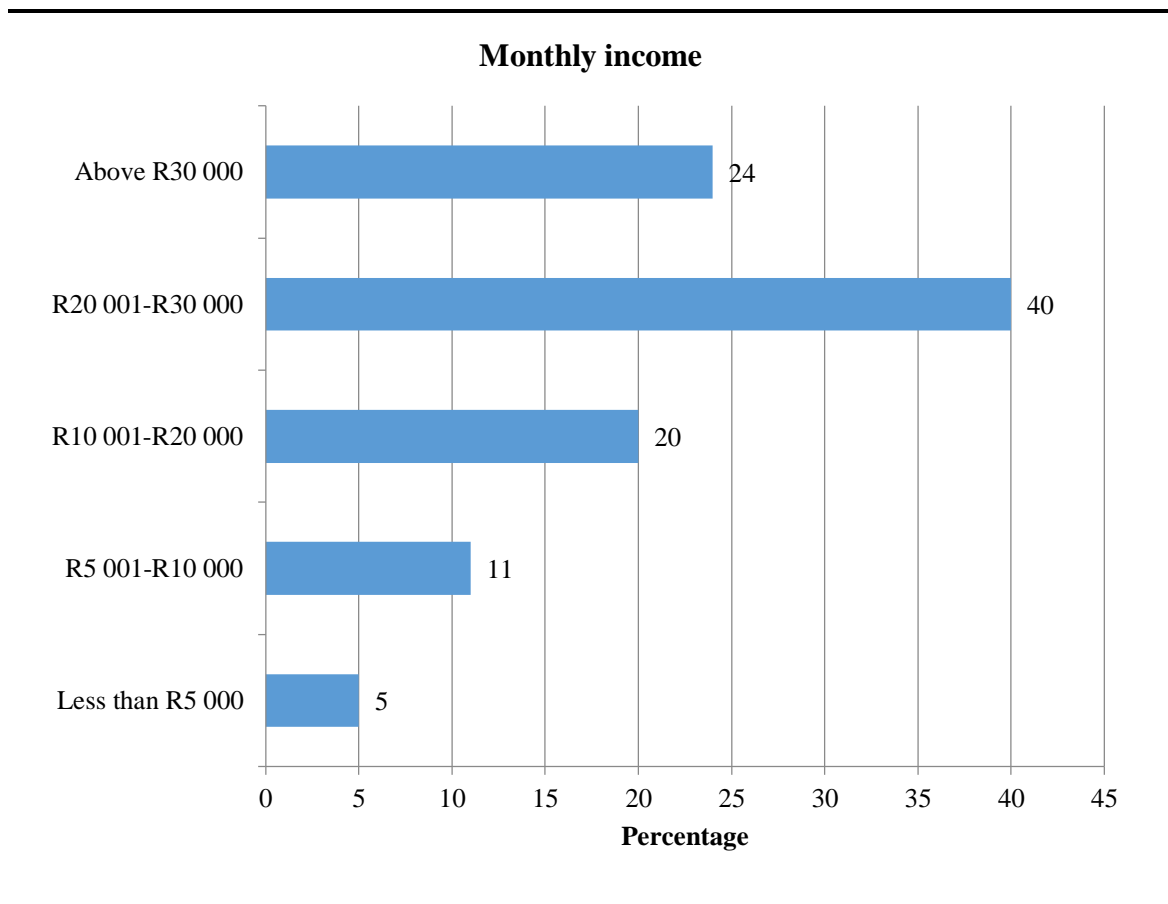
### Highest qualification



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**Figure 6.6** Participants' highest qualification

The participants' highest qualification is shown in Figure 6.6. In terms of formal education levels, the majority of the participants were in possession of a Master's or PhD qualification (37%; n=207) followed by BTech or Honours degree (32%; n=178). The evidence of tertiary qualifications held by the sample participants supports the high inclination towards novel shopping platforms, leading to preference for South African fashion e-stores as the fashion shopping stores of choice. Approximately 20 percent of the sample members were holders of a diploma or a graduate degree (n=114) while only 11 percent (n=64) purported to have attained at least a senior certificate (Grade 12) as their highest formal education.



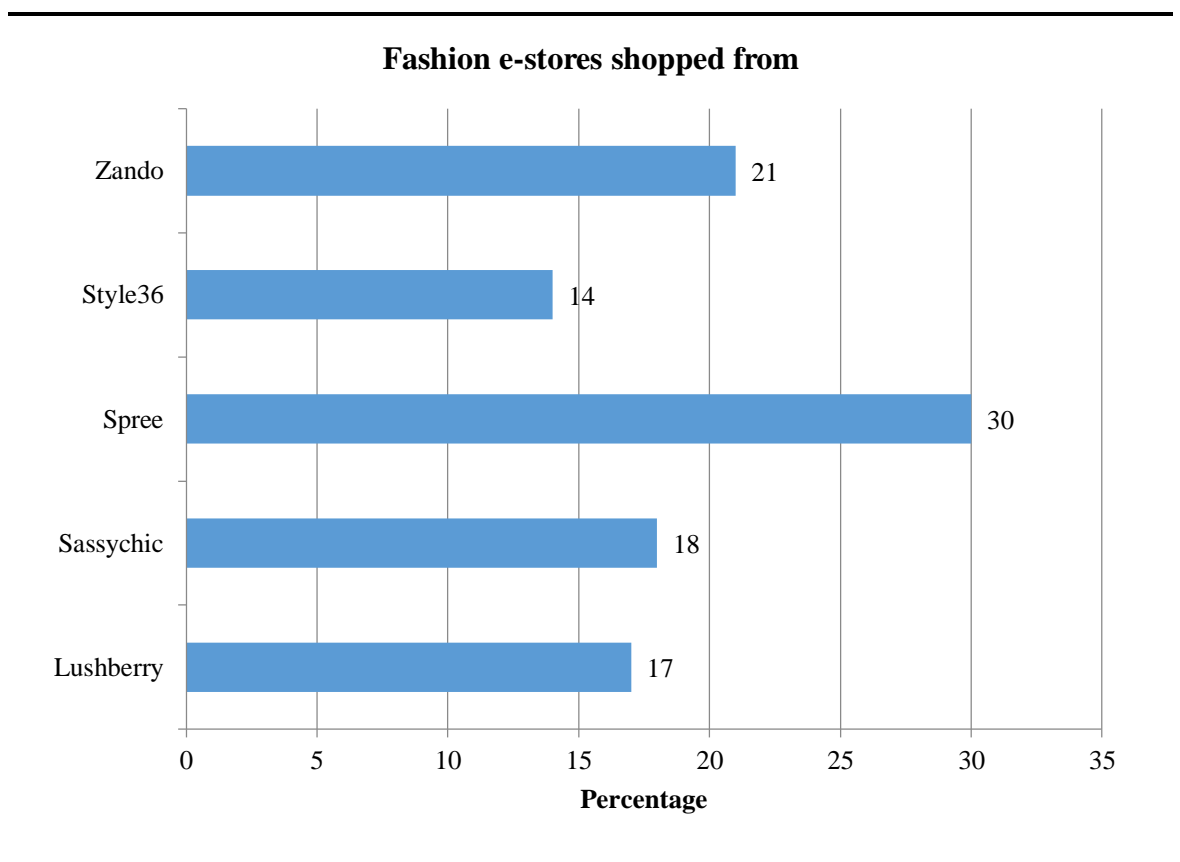
**Figure 6.7** Participants' monthly income

Figure 6.7 presents the demographic information related to the participants' received income per month. This question was included to determine the participants' fashion purchasing power. Furthermore, by determining the participants' monthly purchasing power, specific marketing strategies can be developed for this target market. Figure 6.7 indicates that the majority of participants (40%; n=227) indicated receiving a monthly income of between R20 001 and R30 000, followed by those who indicated receiving a monthly income that is above R30 000 (24%; n=136) and between R10 001 and R20 000 (20%; n=114), respectively. The second last category, representing 11 percent (n=60) of the total sample indicated receiving a monthly income of between R5 001 and R10 000. Lastly, 5 percent (n=26) of the participants indicated receiving a monthly income of less than R5 000 per month. Owing to the entire sample answering this question, no missing value was recorded.

The section to follow reports on the fashion e-store shopping habits provided by the participants.

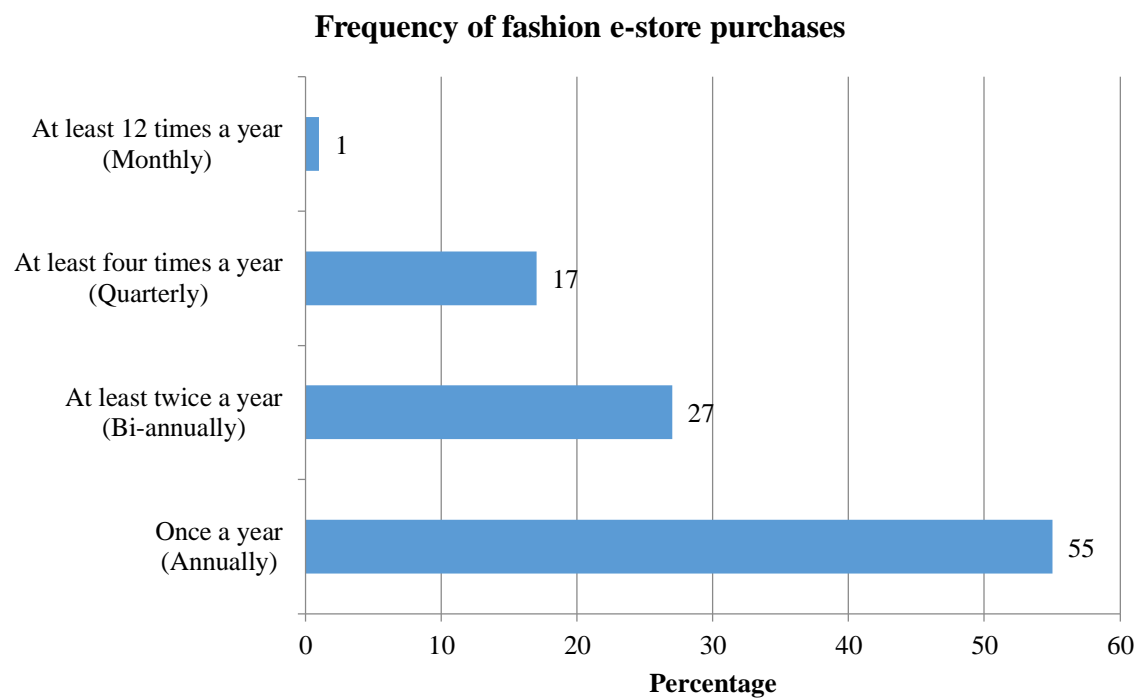
### 6.5.2 Fashion e-store shopping habits analysis

In addition to the demographic questions, Section B of the questionnaire included five questions requesting the participants' fashion e-store shopping habits. This section pertains to the names of fashion e-stores that participants had shopped from. It also included questions relating to the frequency of fashion e-store shopping purchases per year, the average expenditure per single fashion item ordered and their most preferred fashion e-store, with a view to capture the essence of consumers' attitudes, levels of customer satisfaction and e-store shopping behavioural intentions, based on the selected favourite fashion e-store. Moreover, the participants were requested to indicate whether they had shopped from fashion e-stores (B1). This served to provide true accuracy that the final survey sample of 563 participants comprised only shoppers of South African origin drawn from the SurveyCentric™ database.



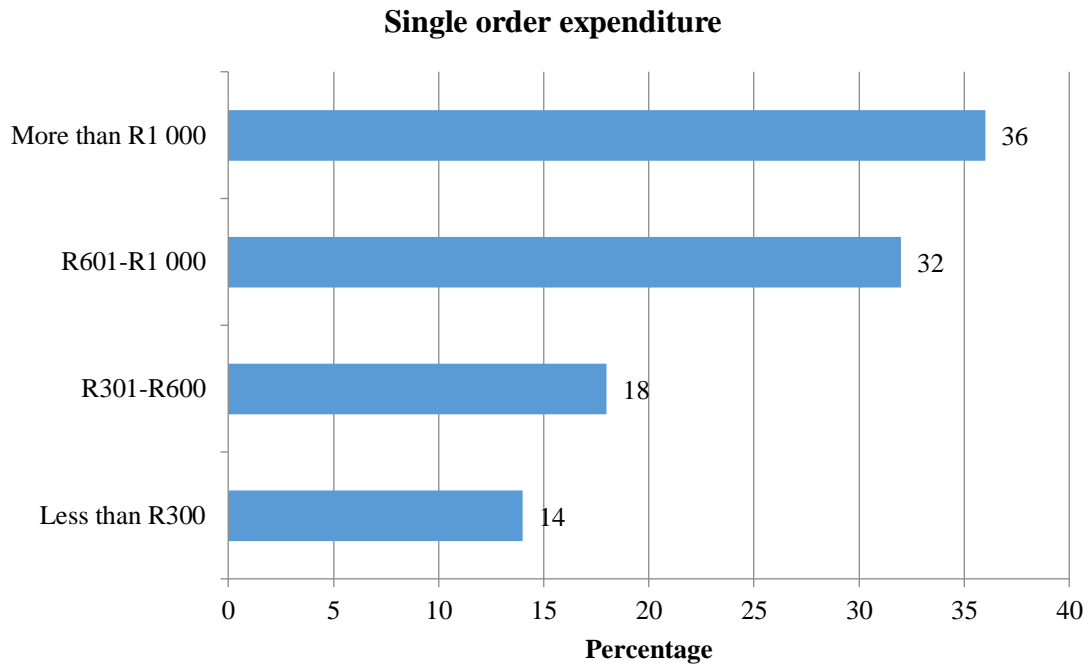
**Figure 6.8 Fashion e-stores shopped from**

Figure 6.8 reports on the specific names of fashion e-stores where consumers had obtained previous shopping experience. Based on the modal responses explaining the most popular fashion e-stores that participants patronised in 2015, the participants indicated that Spree (30%; n=179) was the most popular, followed by Zando (21%; n=123), SassyChic (18%; n=106), Lushberry (17%; n=102) and Style36 (14%; n=82), respectively.



**Figure 6.9** Frequency of fashion e-store shopping

Figure 6.9 illustrates the participants' fashion e-store shopping purchase frequency. More than half of the participants (55%; n=309) attested to having shopped from a fashion e-store at least once in the past 12 months. While this may appear to indicate miniscule adoption rates, this figure is tolerable considering that fashion is classified under high-involvement products that require somewhat complex decision rules to narrow down brand attributes (Schiffman *et al.*, 2014:422). Nonetheless, approximately 27 percent of the sample (n=153) revealed that they had shopped from fashion e-stores at least twice within the same year. In addition, 17 percent of the sample (n=95) shop from fashion e-stores on a quarterly basis while only 1 percent of the participants (n=6) shop from fashion e-stores on a monthly basis.



**Figure 6.10** Participants’ average expenditure on a fashion e-store order

Figure 6.10 depicts the average expenditure in terms of single item orders placed at fashion e-stores. Based on the results of this study, the majority of the participants placed high value orders that were worth more than R1 000 (36%; n=200). Relatedly, 32 percent of the participants (n=182) reported to have placed single fashion item orders of between R601 to R1 000 while 18 percent of the participants (n=102) reported to have spent an average of R301 to R600 per single order. In addition, 14 percent of the sample (n=79) reported to have spent less than R300 per single order of fashion items at e-stores.

The results pertaining to the participants’ selection of their favourite fashion e-store for shopping are reported in Figure 6.11.



**Figure 6.11** Participants' favourite fashion e-stores

Approximately, 30 percent of the participants (n=170) selected Spree as their favourite South African based fashion e-store. Following on, 20 percent of the participants (n=113) selected Zando as their favourite fashion e-store while 19 percent of the participants (n=106) selected SassyChic. Lushberry and Style36 were nominated as the favoured fashion e-stores by a minority of the participants, comprising 17 percent (n=93) and 14 percent of the sample (n=81), respectively.

The reliability results on the scaled responses at main survey are described in the following section.

## **6.6 INTERNAL-CONSISTENCY RELIABILITY ASSESSMENT**

Prior to computing the summary measures of the constructs, an assessment of the internal-consistency reliability of the scaled responses was conducted. In view of this, special attention was paid to Cronbach's alpha coefficient values, average inter-item correlation values, corrected item-total correlation values and Cronbach's alpha coefficient values if an item is deleted. Table 6.5 presents the computed internal-consistency reliability results.

**Table 6.5 Internal-consistency reliability measures**

Construct	Items	Cronbach's alpha coefficient	Average inter-item correlation	Corrected item-total correlation	Cronbach's alpha coefficient if item is deleted
Utilitarian value	C1	0.703	0.413	0.601	0.692
	C2			0.685	0.647
	<b>C3*</b>			<b>0.224</b>	0.891
	C4			0.577	0.703
	<b>C5*</b>			<b>0.276</b>	0.901
Hedonic value	C6	0.742	0.438	0.744	0.673
	C7			0.797	0.648
	C8			0.686	0.710
	C9			0.746	0.907
Intellectual value	C10	0.915	0.492	0.835	0.885
	C11			0.815	0.888
	C12			0.820	0.890
	C13			0.723	0.907
	C14			0.876	0.951
Attitude towards fashion e-stores	C15	0.965	0.463	0.874	0.950
	C16			0.875	0.947
	C17			0.755	0.958
	C18			0.606	0.815
Customer satisfaction	C19	0.758	0.413	0.718	0.791
	C20			0.745	0.785
	C21			0.752	0.820
	<b>C22*</b>			<b>0.257</b>	0.829
	<b>C23*</b>			<b>0.279</b>	0.822
Behavioural intentions	C24	0.885	0.411	0.686	0.869
	C25			0.729	0.859
	C26			0.801	0.842
	C27			0.743	0.855
	C28			0.668	0.874

Cronbach's alpha coefficient values for each of the six constructs ranged between 0.703 and 0.965 thereby exceeding the threshold for fair reliability of 0.60 (Zikmund *et al.*, 2013:306). Even so, all the reliability values reported at the main survey were above 0.70, of which Malhotra (2010:317) denotes this as, acceptable reliability of a scale. In addition, each of the average inter-item correlation values fell within the recommended range of 0.15 to 0.50 (Clarke & Watson, 1995:316), ranging from 0.411 to 0.492. Nevertheless, two items, namely C3 in the utilitarian value construct and C5 in the hedonic value construct presented a serious problem in terms of their reported corrected item-total correlation values, which fell below 0.30. Similarly, items C22 and C23 reported very low item-to-total correlations on the customer satisfaction with fashion e-stores construct.

Field (2009:678) advises that items with a low correlation (less than 0.30) to the overall construct should be removed. Furthermore, Malhotra (2010:317) opines that the sequential deletion of variables with low item-to-total correlations may lead to a tentative definition of the best set of items for the scales that indicate good internal consistency of the item on the scale. As such, the deletion of C3 resulted in a higher Cronbach's alpha coefficient value of 0.891 and an average inter-item correlation value of 0.462 for the utilitarian value construct, while the deletion of C5 resulted in a higher Cronbach's alpha coefficient value of 0.901 and an average inter-item correlation value of 0.451 for the hedonic value construct. Moreover, the deletion of C22 and C23 resulted in a higher Cronbach's alpha coefficient value of 0.829 and an average inter-item correlation value of 0.471 for the customer satisfaction with fashion e-stores construct.

As a corollary to the aforementioned failed psychometric properties and a careful theoretical consideration of the content validity of the represented constructs, the four scale items (C3, C5, C22 and C23) were excluded from further analysis. The next section discusses the summary measures that were computed in this study.

## **6.7 DESCRIPTIVE STATISTICAL ANALYSIS**

Table 6.6 reports on the descriptive statistical analysis results for the final scale used in the subsequent SEM analysis procedure. The mean value of the items loading on each construct was computed by summing the response values of variables on each measure divided by the number of items on that variable. This meant that if the variable obtained a mean score

of 3.5 or greater (considering that a six-point Likert-scale was utilised), then there was greater agreement among the participants. The highest mean values were computed along the behavioural intentions construct ( $\bar{x}=4.857$ ), indicating that South African shoppers generally have a strong inclination to act in a positive manner towards fashion e-stores. In addition, mean values above 3.5 were also computed for the customer satisfaction ( $\bar{x}=4.818$ ) and attitude towards fashion e-stores ( $\bar{x}=4.513$ ) constructs, respectively. This suggests that shoppers generally bear an attitude of favourableness towards South African-based fashion e-stores, which parallel to this assertion, are also perceived as being satisfying. Even so, it appears that shoppers find fashion e-stores valuable by way of utilitarianism ( $\bar{x}=4.884$ ), hedonism ( $\bar{x}=4.504$ ), as well as intellectual value ( $\bar{x}=4.707$ ), which may account for the overall intent to purchase merchandise at the fashion e-stores.

**Table 6.6** Descriptive statistical analysis results

Construct	Items	N	Mean	Std. Deviation	Skewness	Kurtosis
Hedonic value	C1, C2 and C4	563	4.884	0.968	-0.751	-0.390
Utilitarian value	C6, C7 and C8	563	4.504	1.311	-0.587	-0.685
Intellectual value	C9, C10, C11, C12 and C13	563	4.707	1.170	-0.566	-0.643
Attitude towards fashion e-stores	C14, C15, C16 and C17	563	4.513	1.645	-0.816	-0.493
Customer satisfaction	C18, C19, C20 and C21	563	4.818	0.946	-0.375	-0.646
Behavioural intentions	C24, C25, C26, C27 and C28	563	4.857	0.854	-0.485	-0.192

Standard deviation was used to measure the variance of responses on each variable. The highest standard deviation occurred on the attitude variable (SD=1.645) indicating a greater dispersion of responses or greater data spread around the arithmetic mean for that construct. Similarly, the lowest dispersion of responses were recorded along the behavioural intentions variable (SD=0.854), on which the lowest standard deviation results were reported. In addition, the reported skewness and kurtosis statistics in this study were negative, suggesting that the data set is relatively flat.

## 6.8 DATA NORMALITY TESTS

The main tests that were used for the assessment of normality are Kolmogorov-Smirnov (K-S) test as well as the Shapiro-Wilk (S-W) test. The assumptions of data normality were met, since the Kolmogorov-Smirnov values as well as the Shapiro-Wilk test statistics along all the six constructs, are not significant ( $p \geq 0.05$ ). These results are illustrated in Table 6.7.

**Table 6.7 Data normality test results**

Construct	Kolmogorov-Smirnov <sup>a</sup>			Shapiro-Wilk		
	Statistic	Df	Sig.	Statistic	df	Sig.
Hedonic value	0.100	563	0.201	0.943	563	0.064
Utilitarian value	0.117	563	0.198	0.953	563	0.721
Intellectual value	0.151	563	0.054	0.904	563	0.759
Attitude towards fashion e-stores	0.206	563	0.067	0.823	563	0.095
Customer satisfaction	0.115	563	0.187	0.932	563	0.058
Behavioural intentions	0.097	563	0.059	0.942	563	0.199

<sup>a</sup>. Lilliefors significance correction

Skewness and kurtosis values were another useful observation with regard to further supporting evidence of data normality. As such, the reported skewness and kurtosis statistics in Section 6.7 of this study suggest that the data for this study appears to be distributed normally since none of the skewness values fell outside the -2 to +2 range.

The next section presents the results of the correlation analysis and multicollinearity assessment.

## 6.9 CORRELATION ANALYSIS AND ASSESSMENT OF MULTICOLLINEARITY

According to Hair *et al.* (2010:710), developing a bivariate matrix of correlation coefficients is considered useful in evaluating the nomological validity of a proposed measurement model. Therefore, the Pearson product moment correlation coefficient ( $r$ ) was used to analyse the inter-factor association between the constructs with a view to establish

the direction and strength of relationships. Table 6.8 depicts the correlation matrix for this study.

**Table 6.8 Correlation analysis results**

Constructs	Utilitarian value	Hedonic value	Intellectual value	Attitude towards fashion e-stores	Customer satisfaction	Behavioural intentions
Utilitarian value	1					
Hedonic value	0.473**	1				
Intellectual value	0.428**	0.592**	1			
Attitude towards fashion e-stores	0.491**	0.443**	0.461**	1		
Customer satisfaction	0.577**	0.560**	0.545**	0.586**	1	
Behavioural intentions	0.482**	0.523**	0.558**	0.515**	0.466**	1

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

Moderate, positive correlation coefficients were observed between utilitarian value with hedonic value ( $r=0.473$ ), intellectual value ( $r=0.428$ ), attitude towards fashion e-stores ( $r=0.491$ ), customer satisfaction with fashion e-stores ( $r=0.577$ ) and behavioural intentions towards fashion e-store shopping ( $r=0.482$ ). Moderate, positive correlation coefficients were also reported for hedonic value with intellectual value ( $r=0.592$ ), attitude towards fashion e-stores ( $r=0.443$ ), customer satisfaction with fashion e-stores ( $r=0.560$ ) and behavioural intentions towards fashion e-store shopping ( $r=0.523$ ). Similarly, intellectual value reported moderate, positive correlation coefficients when correlated against attitude towards fashion e-stores ( $r=0.461$ ), customer satisfaction with fashion e-stores ( $r=0.545$ ) and behavioural intentions towards fashion e-store shopping ( $r=0.558$ ), respectively. Furthermore, the construct attitude towards fashion e-stores reported moderate correlation coefficients when correlated against customer satisfaction with fashion e-stores ( $r=0.586$ ) and behavioural intentions towards fashion e-store shopping ( $r=0.515$ ), whereas a correlation coefficient of 0.466 was reported when the customer satisfaction with fashion

e-stores construct was correlated against behavioural intentions towards fashion e-store shopping. All the reported correlation coefficients were significant at the  $p=0.01$  level.

Consistent with the rule of thumb suggested by Hair *et al.* (2013:317), the significant positive correlations across all pairs of constructs in this study infer nomological validity. Furthermore, the inter-correlation values for all paired latent variables are less than one. Specifically, the maximum correlation value was reported between the hedonic value and intellectual value constructs ( $r=0.592$ ;  $p<0.01$ ). Field (2009:349) suggests that if the predictor variables correlate too highly ( $r\geq 0.9$ ) among themselves, then collinearity is a cause for concern while Costello and Osborne (2005:6) pointed out that even those correlation coefficients ( $r$ ) higher than 0.70 can signal potential problems with multicollinearity. No multicollinearity problems were established in this study as the highest correlation coefficient was reported at 0.59.

After confirming the reliability of the instrument, summary profile measures, normality of the data set as well as the nomological validity of the study, it was possible to test the proposed hypotheses for the study.

## **6.10 HYPOTHESES TESTING**

Hypotheses testing was undertaken whereby the significance level was set at the  $p=0.01$  level. In accordance with the relationships observed in the correlation analysis, the following ten hypotheses were formulated and tested:

H<sub>0</sub>1: Behavioural intentions towards fashion e-stores is not a six-factor structure comprising utilitarian value, hedonic value, intellectual value, attitude towards fashion e-stores, customer satisfaction with fashion e-stores and behavioural intentions.

H<sub>a</sub>1: Behavioural intentions towards fashion e-stores is a six-factor structure comprising utilitarian value, hedonic value, intellectual value, attitude towards fashion e-stores, customer satisfaction with fashion e-stores and behavioural intentions.

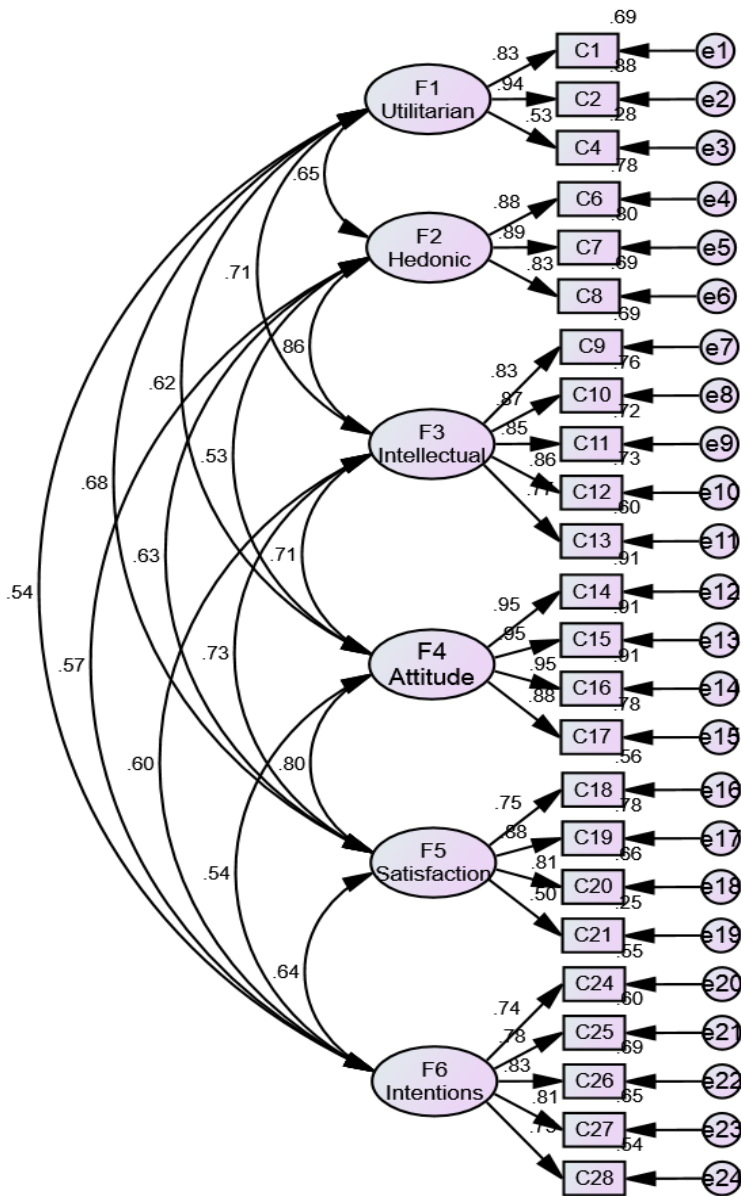
H<sub>0</sub>2: Utilitarian value does not have a positive influence on attitude towards fashion e-stores.

H<sub>a</sub>2: Utilitarian value has a positive influence on attitude towards fashion e-stores.

- H<sub>0</sub>3: Utilitarian value does not have a positive influence on customer satisfaction with fashion e-stores.
- H<sub>a</sub>3: Utilitarian value has a positive influence on customer satisfaction with fashion e-stores.
- H<sub>0</sub>4: Hedonic value does not have a positive influence on attitude towards fashion e-stores.
- H<sub>a</sub>4: Hedonic value has a positive influence on attitude towards fashion e-stores.
- H<sub>0</sub>5: Hedonic value does not have a positive influence on customer satisfaction with fashion e-stores.
- H<sub>a</sub>5: Hedonic value has a positive influence on customer satisfaction with fashion e-stores.
- H<sub>0</sub>6: Intellectual value does not have a positive influence on attitude towards fashion e-stores.
- H<sub>a</sub>6: Intellectual value has a positive influence on attitude towards fashion e-stores.
- H<sub>0</sub>7: Intellectual value does not have a positive influence on customer satisfaction with fashion e-stores.
- H<sub>a</sub>7: Intellectual value has a positive influence on customer satisfaction with fashion e-stores.
- H<sub>0</sub>8: Customer satisfaction does not have a positive influence on attitude towards fashion e-stores.
- H<sub>a</sub>8: Customer satisfaction has a positive influence on attitude toward fashion e-stores.
- H<sub>0</sub>9: Attitude towards fashion e-stores does not have a positive influence on behavioural intentions to shop at fashion e-stores.
- H<sub>a</sub>9: Attitude towards fashion e-stores has a positive influence on behavioural intentions to shop at fashion e-stores.
- H<sub>0</sub>10: Customer satisfaction does not have a positive influence on behavioural intentions to shop at fashion e-stores.
- H<sub>a</sub>10: Customer satisfaction has a positive influence on behavioural intentions to shop at fashion e-stores.

## **6.11 MEASUREMENT MODEL**

In accordance with the theoretic-based constructs discussed in Chapters 3 and 4, the measurement model for this study was specified. Since the empirical data in this research were normally distributed (refer to Section 6.8 of this study), it was possible to apply the MLE method in both CFA and path modelling since the method permits an internally consistent set of significance tests and is relatively unbiased (Weston & Gore, 2006:738). The model includes six latent or unobserved variables, namely utilitarian value (F1) (3 indicators), hedonic value (F2) (3 indicators), intellectual value (F3) (5 indicators), attitude towards fashion e-stores (F4) (4 indicators), customer satisfaction (F5) (4 indicators) as well as behavioural intentions (F6) (5 indicators). The hypothesised measurement model thus, is specified in Figure 6.12.



**Figure 6.12 Measurement model**

*Utilitarian* = Utilitarian value (F1); *Hedonic* = Hedonic value (F2); *Intellectual* = Intellectual value (F3); *Attitude* = Attitude towards fashion e-stores (F4); *Satisfaction* = Customer satisfaction with fashion e-stores (F5); *Intentions* = Behavioural intentions towards fashion e-store shopping (F6).

For model identification purposes, the first loading on each of the latent factors was fixed at 1.0. The degrees of freedom ( $df=287$ ) were calculated by subtracting the number of parameters to be estimated in the analysis (354 parameters) from the distinct sample moments (67 sample moments), based on the over-identified model. A chi-square value of 1204.318 with a significant probability level ( $p=0.000$ ) was obtained in this study. However, while the significant chi-square value suggests questionable model fit, it is not a conclusive result to suggest that a model should not be accepted (Martinez-López *et al.*, 2013:135). Moreover, the chi-square statistic also is known for being sensitive to large sample sizes (Byrne, 2010:76; Malhotra, 2010:732). As such, the chi-square test offers only a dichotomous decision strategy that is implied by a statistical decision rule. Therefore, the chi-square should not be used in isolation, to quantify the degree of model fit, due to its sensitivity to sample size.

The model was then examined for any potential problematic estimates using confirmatory factor analysis. The results are shown in Table 6.9.

**Table 6.9 Estimated standardised coefficients of the measurement model**

Latent variable	Construct	Indicator	Estimated factor loadings	Squared multiple correlations	Estimated error variances
<b>F1</b>	Utilitarian	C1	0.829	0.685	(+) 0.393
		C2	0.938	0.883	(+) 0.353
		C4	0.534	0.300	(+) 0.489
<b>F2</b>	Hedonic	C6	0.884	0.782	(+) 0.504
		C7	0.894	0.800	(+) 0.416
		C8	0.830	0.689	(+) 0.580
<b>F3</b>	Intellectual	C9	0.828	0.686	(+) 0.781
		C10	0.872	0.761	(+) 0.428
		C11	0.846	0.716	(+) 0.530
		C12	0.855	0.731	(+) 0.380
		C13	0.775	0.600	(+) 0.684
<b>F4</b>	Attitude	C14	0.952	0.906	(+) 0.281
		C15	0.953	0.908	(+) 0.285
		C16	0.953	0.908	(+) 0.276
		C17	0.881	0.775	(+) 0.619

**Table 6.9 Estimated standardised coefficients of the measurement model (continued...)**

Latent variable	Construct	Indicator	Estimated factor loadings	Squared multiple correlations	Estimated error variances
<b>F5</b>	Satisfaction	C18	0.750	0.553	(+) 0.632
		C19	0.883	0.734	(+) 0.463
		C20	0.814	0.652	(+) 0.659
		C21	0.503	0.300	(+) 0.619
<b>F6</b>	Intentions	C24	0.738	0.551	(+) 0.544
		C25	0.775	0.600	(+) 0.382
		C26	0.833	0.690	(+) 0.301
		C27	0.806	0.648	(+) 0.345
		C28	0.734	0.539	(+) 0.577

Upon establishing the estimates of a specified measurement model, negative error variances (known as Heywood cases) and standardised factor loadings above 1.0 or below -1.0 (Hair *et al.*, 2010:706) are not desirable since they suggest that there could be one dominant observed variable on a latent variable. Jöreskog and Sörbom (1993:45) also suggest eliminating the indicators that contribute least to the explanation of the model, taking a cut-off point of 0.30 on the squared multiple correlation (SMC) values. In this study, no negative error variances were reported neither were observations made of standardised factor loadings above 1.0 or below -1.0 as depicted in Table 6.9. In addition, the SMC values along each indicator variable ranged between 0.300 and 0.908, implying that the specified indicators contribute to the entire measurement model in a satisfactory manner. Malhotra (2010:733) further prescribes that it is highly desirable to use multiple indices of different types while attempting to reduce the sensitivity of chi-square to sample size. Table 6.10 reports on the fit indices that were observed upon assessing the measurement model.

**Table 6.10 Fit indices for the measurement model**

Fit indices	CMIN/DF	AGFI	NFI	TLI	CFI	IFI	RMSEA
Recommended value	≤ 3	≥ 0.80	≥ 0.90	≥ 0.90	≥ 0.90	≥ 0.90	≤ 0.08
Measurement model result	4.196	0.899	0.902	0.906	0.919	0.919	0.076
<b>Conclusion</b>	<b>Tolerable fit</b>	<b>Acceptable fit</b>	<b>Acceptable fit</b>	<b>Acceptable fit</b>	<b>Acceptable fit</b>	<b>Acceptable fit</b>	<b>Acceptable fit</b>

The AGFI was the reported absolute goodness of fit index, while the CMIN as well as the RMSEA were examined as the two badness of fit indices based on the chi-square distribution. Moreover, the TLI, CFI as well as the IFI are reported. Based on the reported measurement model fit indices, there is an acceptable degree of fit between the model and the data. While smaller values below 3.0 on the normed chi-square ( $\chi^2/df$ ) are preferred to confer model fit, Hair *et al.* (2009:690) denote that any value between 2.0 and 5.0 is acceptable since the chi-square statistic is more of a descriptive index of fit rather than a statistical test. This means that the proposed model cannot be rejected, as it has not been proven wrong. Furthermore, RMSEA was reported at 0.076, which Kline (2005:139-140) as well as Shiu *et al.* (2009:650) consider to be tolerable approximated model fit.

It is imperative to conduct stringent statistical tests to ascertain the absence of any underlying problems within the model. In this regard, the next section reports on the accuracy analysis statistics that were conducted to verify the composite reliability and construct validity of the measurement model.

Table 6.11 reports on the composite reliability (CR) values, average variance extracted (AVE) values, square root of the AVE values, SV values and the correlation coefficient value.

**Table 6.11 Correlation coefficients, CR values, AVE values, square roots of AVE values and SV values**

Constructs	CR	AVE	$\sqrt{AVE}$	SV	Correlation constructs					
					Utilitarian	Hedonic	Intellectual	Attitude	Satisfaction	Intentions
Utilitarian	0.83	0.63	0.79	0.23	1					
Hedonic	0.90	0.76	0.87	0.18	0.47**	1				
Intellectual	0.92	0.70	0.84	0.24	0.43**	0.59**	1			
Attitude	0.97	0.87	0.93	0.32	0.49**	0.44**	0.46**	1		
Satisfaction	0.87	0.53	0.73	0.34	0.58**	0.56**	0.55**	0.59**	1	
Intentions	0.88	0.61	0.78	0.23	0.48**	0.52**	0.56**	0.52**	0.47**	1

\*\* Correlation is significant at the 0.01 level (2-tailed).  
**CR:** Composite reliability  
**AVE:** Average variance extracted  
 $\sqrt{AVE}$ : Square root of AVE  
**SV:** Shared variance

The CR values for the study constructs ranged between 0.83 and 0.97, suggesting that each construct in the model demonstrated high levels of reliability that exceeded the conventional thresholds of 0.70. Therefore, this implies that the scale items (indicators) are internally consistent.

Martinez-López *et al.* (2013:132) pinpoint that a more complete diagnosis of the validity of constructs in a measurement model must always follow the reliability analysis. This is because, in as much as a model may be reliable, it remains questionable unless tested for validity. The permutations, therefore, in this study were to add additional criteria to assess convergent, discriminant and nomological validity of the model.

The size of the standardised regression weights as well as the AVE values was used to provide evidence of convergent validity. The factor loadings presented in Table 6.9 ranged from 0.534 to 0.938 for utilitarian, 0.830 to 0.894 for hedonic, 0.775 to 0.872 for intellectual, 0.881 to 0.953 for attitude, 0.503 to 0.883 for satisfaction and 0.734 to 0.833 for behavioural intentions. The factor loadings on the six constructs were all above the recommended 0.50 level, suggesting that each construct is explaining at least 50 percent or more of the variation in the observed variables (Malhotra, 2010:734). As such, convergent validity is inferred in this study since the scale correlates positively with other measures of the same construct. Moreover, the results of this study achieved the required criterion for convergent validity by reporting AVE estimates ranging between 0.53 and 0.87, which is above the minimum threshold of 0.50. This implies that the observed variables used in this study maintained acceptable individual item validity as more than 50 percent of each item's variance ( $AVE \geq 0.50$ ) was shared with its respective construct. Therefore, the respective measures are acceptable for this study since the aforementioned results confirmed that the scale indicators converged well on their respective constructs.

Upon assessing the discriminant validity of the study, two established techniques were employed. First, the latent variables were correlated against each other while the square root of the AVE values for each construct were computed. Discriminant validity is achieved if the square root estimates of the computed AVE values are larger than the highest computed correlation coefficient. Table 6.11 shows that the minimum estimated square root of the AVE values is 0.73, which is greater than the highest inter-construct correlation coefficient ( $r=0.59$ ) in the matrix. Secondly, discriminant validity was established by

checking and confirming that the all the computed AVE values were greater than the highest SV value obtained (Nunnally, 1978:246). Table 6.11 shows that all AVE values are above the highest SV value of 0.34.

The latent variables were correlated against each other, yielding significant, moderate and positive correlation coefficients ranging between 0.43 and 0.59. The rule of thumb is to have correlation coefficients of less than 0.70 between the research constructs. The reported correlation among the constructs indirectly indicated the nomological validity of the study.

In view of the reported results, the specified measurement model demonstrates acceptable reliability, convergent validity, discriminant validity and nomological validity. Therefore, the model appears to exhibit construct validity. The overall measurement model is not only reliable and valid, but also exhibits acceptable fit as shown in Table 6.10. In conclusion, the evidence in the sample suggests that the null hypothesis,  $H_0$  be rejected in favour of the alternative hypothesis,  $H_a$  that proposes a model of six factors that determine fashion e-store behaviour. As such, the aforementioned results served as the basis to accept the statistical accuracy of the specified measurement model and proceed with the appropriate path modelling technique.

## **6.12 PATH ANALYSIS**

In order to test the direct and indirect effects of utilitarian, hedonic and intellectual shopping value determinants on attitude, satisfaction and behavioural intentions of fashion e-store consumers, it was necessary to conduct path analysis. Initially, the model fit indices for the structural paths are observed after which the individual parameter estimates can be interpreted and examined for statistical significance.

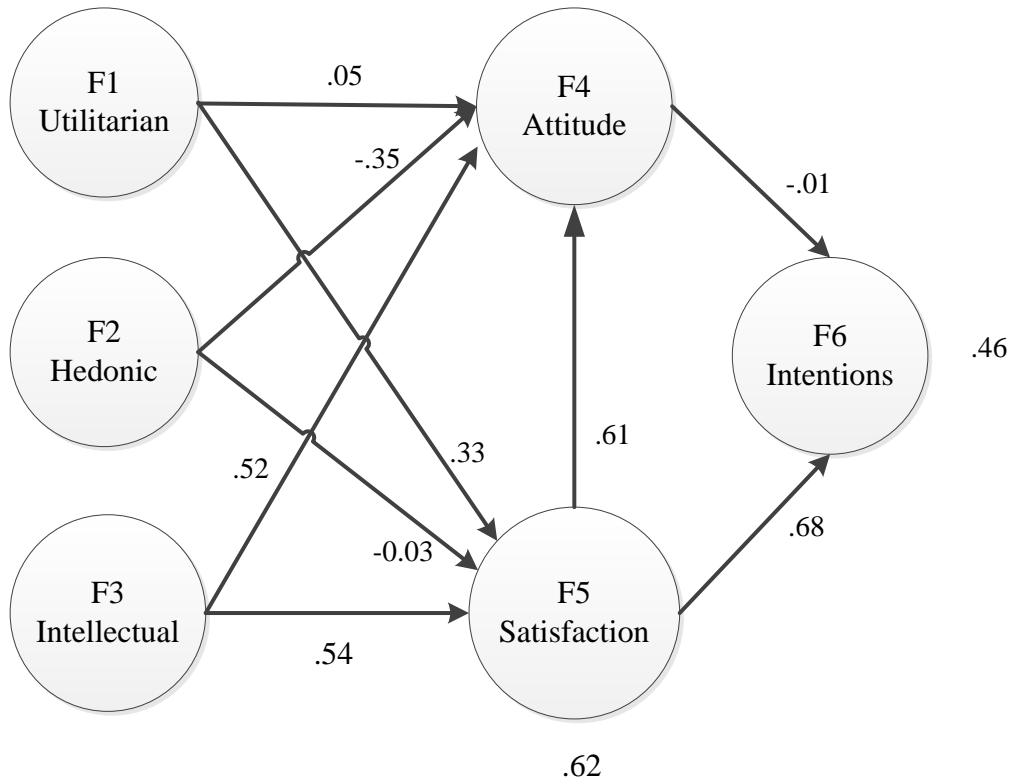
### **6.12.1 Structural Model A**

In the initial hypothesised structural model (Structural Model A), it was hypothesised that utilitarian (F1), hedonic (F2) and intellectual (F3) shopping value components have a direct positive influence on both attitude (F4) and satisfaction (F5). In turn, satisfaction was hypothesised as having a direct positive influence on attitude. Moreover, it was hypothesised that both attitude and satisfaction have a direct positive influence on behavioural intentions (F6) of fashion e-store shoppers. This study depicts the hypothesised

path estimates of Structural Model A using a visual display of the estimates as shown in Figure 6.13. In SEM, relationships between variables are referred to as path coefficients and are depicted by single headed arrows. The path estimates for the structural model (also termed standardised path regression coefficients) represent the hypothesised relationships among the research constructs (Lei & Wu, 2007:38). The causal paths can be evaluated in terms of statistical significance and strength using standardised path coefficient that range between -1 and +1. Chin (1998:13) suggests that only significant standardised path coefficient values greater than  $\pm 0.20$  should be retained in a study. By convention, since all the estimates have been standardised, the higher the path coefficient value, the greater the influence of the independent variables on the dependent variables.

Note that the covariance lines between the independent variables, the residuals of the independent variable and the indicator variables of the latent factors have been omitted from the structural models depicted in this chapter in order to improve the visual presentation. The detailed models showing these values are provided as Annexure C of this study.

In terms of model fit, the original model (Structural Model A) reported a problematic and significant chi-square value of 774.458 ( $df=287$ ). Moreover, the reported RMSEA (0.09) and SRMR values (0.08) were also too high despite acceptable incremental fit indices reported as CFI=0.92, IFI=0.92, NFI=0.90 and TLI=0.90.



**Figure 6.13 Structural Model A**

While intellectual (F3) (path estimate=0.519,  $p=0.000$ ) and satisfaction (F5) (path estimate=0.614,  $p=0.000$ ) have a significant ( $p<0.01$ ) positive influence on the attitude of fashion e-store shoppers, the hedonic construct (F2) (path estimate=-0.350,  $p=0.000$ ) reported a negative yet significant path relationship with the attitude construct (F4). The negative sign indicates that there is an inversely proportionate influence of hedonic value perceptions of fashion e-store consumers on attitude towards fashion e-stores. This hypothesis was supported partially, as the interaction was significant for the attitude outcome variable. This infers that  $H_{04}$ ,  $H_{06}$  and  $H_{08}$  be rejected in favour of  $H_{a4}$ ,  $H_{a6}$  and  $H_{a8}$ .

The utilitarian (F1) (path estimate=0.331,  $p=0.000$ ) and intellectual (F3) (path estimate=0.543,  $p=0.000$ ) value constructs both have a significant ( $p<0.01$ ) positive influence on the satisfaction of fashion e-store shoppers in a South African context, inferring that  $H_{03}$  and  $H_{07}$  be rejected in favour of  $H_{a3}$  and  $H_{a7}$ . In addition, satisfaction (F5) (path estimate=0.679,  $p=0.000$ ) reported a significant ( $p<0.01$ ) positive influence on

the behavioural intentions of fashion e-store shoppers, which infers that  $H_{o10}$  be rejected in favour of  $H_{a10}$ .

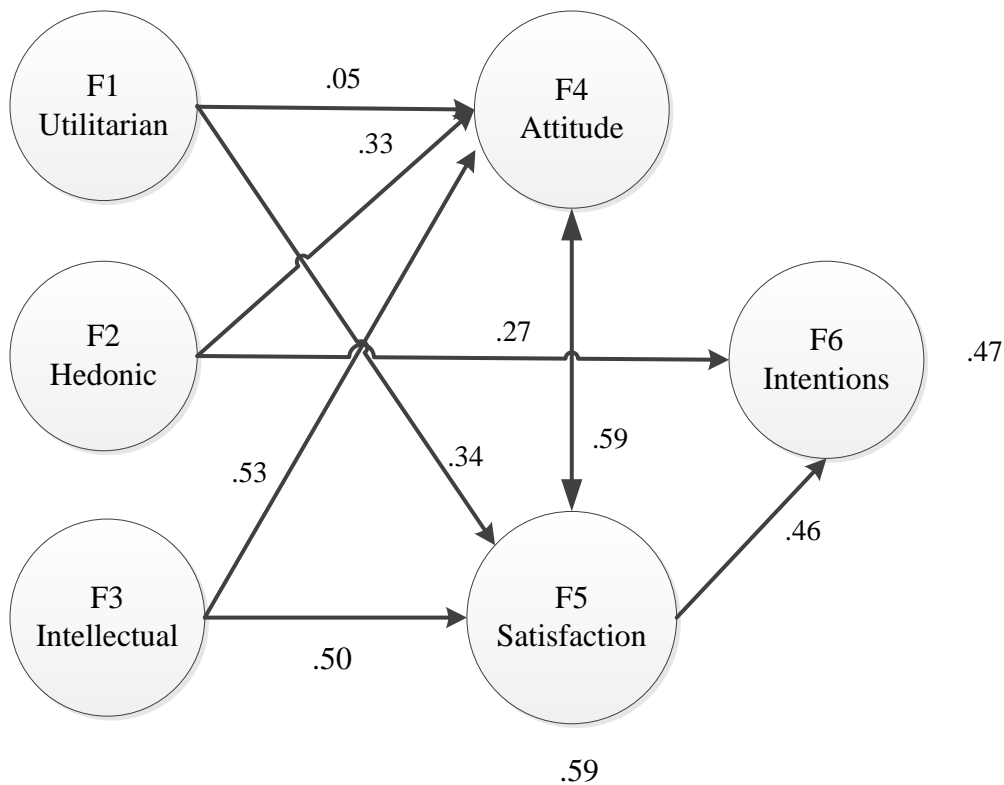
The paths between utilitarian (F1) and attitude (F4) (path estimate=0.050,  $p=0.293$ ), hedonic (F2) and satisfaction (F5) (path estimate=-0.025,  $p=0.751$ ) as well as attitude (F4) with behavioural intentions (F6) (path estimate=-0.005,  $p=0.944$ ) were not significant ( $p>0.05$ ) in Structural Model A. As such, there is insufficient evidence to reject  $H_{o2}$ ,  $H_{o5}$  and  $H_{o9}$ , respectively. Therefore, it was decided to test a revised model based on the original measurement model. Nonetheless, it should be noted that re-specification of alternative models in this study was based on both theoretical and content considerations to warrant valid assertions.

### **6.12.2 Structural Model B**

Hair *et al.* (2010:647) suggest introducing a competing model in order to identify the best possible model fit based on a revised set of hypothesised relationships. Based on the literature, Structural Model B then was introduced as a competing model. The hypothesised model was revised to test whether a modification of the paths would improve the overall model fit, thereby leading to significant results only. As such the two insignificant paths between attitude to behavioural intentions ( $F6 \leftarrow F4$ ,  $p=0.115$ ) as well as hedonic to satisfaction ( $F5 \leftarrow F2$ ,  $p=0.960$ ) were removed. However, consistent with the assertions of Kazakeviciute and Banyte (2012:537) who highlighted that it would be useful to carry out an analysis of the customer's perceived hedonic value and behaviour at different sectors of the retail market, another path was introduced. The revised path was introduced to test whether the hedonic construct (F2) could have a direct and significant influence on behavioural intentions (F6) of consumers towards fashion e-store shopping, rather than an indirect influence via the satisfaction (F5) construct. This revised structural model (Structural Model B) is presented in Figure 6.14.

In SEM, where several equations and variables are involved, it is possible to find several different models with good fit but with different theoretical implications (Blunch, 2008:100). As such, the introduction of information-theoretic fit measures is deemed appropriate at this stage. Byrne (2010:82) indicates that when comparing two or more

models, it is advisable to consider Akaike's information criterion (AIC) and Bozdogan's consistent version of the AIC (CAIC), where smaller values indicate better fit.



**Figure 6.14 Structural Model B**

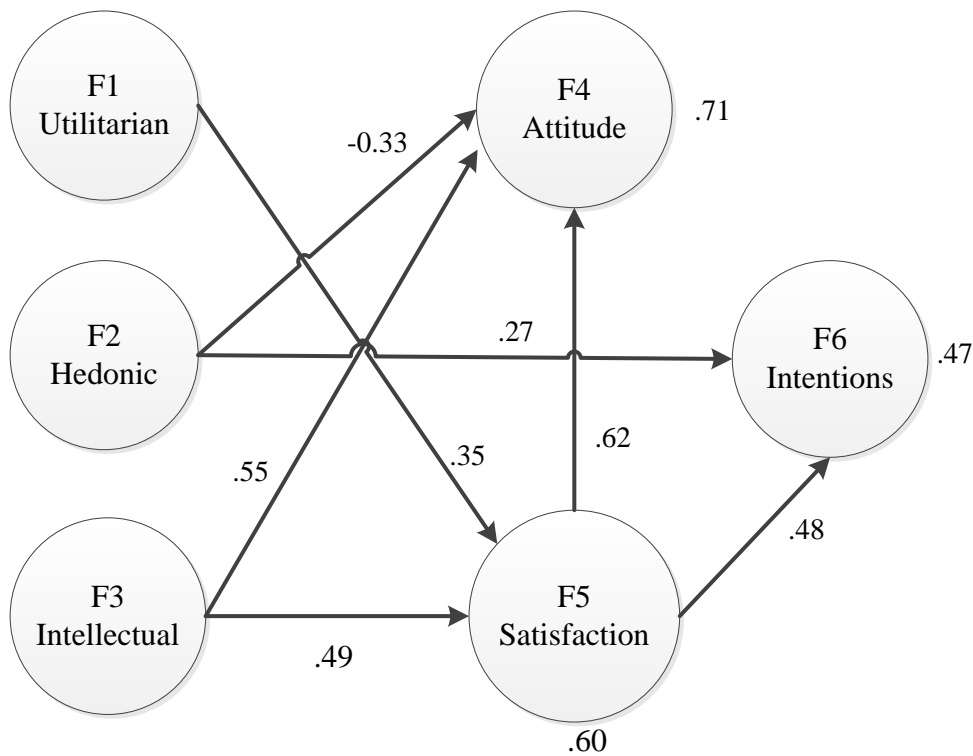
In terms of model fit, the revised model (Structural Model B) appears to fit the data better, showing the following fit indices chi-square =745.122 (df=287), CFI=0.92, IFI=0.92, NFI=0.91, SRMR=0.064, RMSEA=0.08 and TLI=0.91. Moreover, Structural Model B had an AIC value of 1325.122 and a CAIC value of 1639.785.

While these indices suggest that Structural Model B has a better model fit when compared to Structural Model A, the path between utilitarian (F1) and attitude towards fashion e-stores (F4) (path estimate=0.054,  $p=0.248$ ) is not significant ( $p>0.05$ ). While this conclusion contradicts that of Overby and Lee (2006:1164), who reported significant path results between the two constructs on a study of frequent shoppers and experienced online users, the result of this study is not surprising considering that the majority of sample participants purported to have limited fashion e-store shopping experience (refer to Section 6.5.2 of this study).

Based on the aforementioned results, a third revised model (Structural Model C) was tested to determine the influence of the utilitarian determinant on satisfaction, rather than on attitude, thus excluding the insignificant path between utilitarian value and attitude ( $F4 \leftarrow F1, p=0.248$ ).

### 6.12.3 Structural Model C

In terms of model fit, the revised model (Structural Model C) delivered improved and acceptable fit indices; chi-square =702.417 (df=287), CFI=0.92, IFI=0.92, NFI=0.91, SRMR=0.05, RMSEA=0.07 and TLI=0.91. Most importantly, Structural Model C has both a lower AIC value of 1322.417 and a lower CAIC value of 1633.748, compared to the values reported under the competing structural Models A and B, thereby indicating best model fit among the three specified structural models. The revised structural model, Structural Model C, is presented in Figure 6.15.



**Figure 6.15 Structural Model C**

Structural Model C seems to confer significant path estimates only, with standardised path coefficients greater than  $\pm 0.20$  and thereby considered ‘meaningful’ by Chin (1998:13).

The hedonic construct (F2) (path estimate=-0.33,  $p=0.000$ ) has a significant ( $p<0.01$ ) negative relationship with attitude (F4) while, intellectual (F3) (path estimate=0.55,  $p=0.000$ ) and satisfaction (F5) (path estimate=0.62,  $p=0.000$ ) constructs, both have a significantly ( $p<0.01$ ) positive influence on consumers' attitude (F4). The findings of this study concur with Cha (2009:85) who opined that while some people consider web-based shopping to be a recreational activity, yet consumers' overarching tendency to seek intellectual capital gains from e-store shopping seems to overshadow the possible value of online shopping services. Therefore, this statistically significant result suggests that intellectual value and customer satisfaction positively determine the attitude of South African consumers toward fashion e-stores. In contrast, hedonic shopping value significantly hinders the efficiency of shopping activities thereby, affecting consumers' attitude evaluations, negatively instead. The level of explained variance provided for the three significant outcomes as measured by the SMC for attitude is 0.711, which indicates that the hedonic, intellectual and satisfaction constructs together explained 71 percent of the variance in the attitude of consumers towards fashion e-store shopping within a South African context.

The utilitarian (F1) (path estimate=0.35,  $p=0.000$ ) and intellectual (F3) (path estimate=0.49,  $p=0.000$ ) determinants, both have a significant ( $p<0.01$ ) positive influence on satisfaction (F5). The SMC coefficient value for satisfaction is 0.60, implying that both utilitarian and intellectual value collectively explain 60 percent of the variance in the satisfaction evaluations of consumers towards fashion e-store shopping.

Finally, both hedonic (F2) (path estimate=0.27,  $p=0.000$ ) and satisfaction (F5) (path estimate=0.48,  $p=0.000$ ) reported a significant ( $p<0.01$ ) positive influence on consumers' behavioural intentions towards fashion e-stores. The SMC coefficient for behavioural intentions is 0.47, indicating that hedonism and satisfaction explain 47 percent of the variance in South African consumers' behavioural intentions towards fashion e-stores. Table 6.12 provides a quick visual comparison of structural models A, B and C for easy interpretation of the fit indices and justification for the accepted model in this study.

**Table 6.12 Comparison of competing structural models A, B and C**

Measures	Recommended value	Model A	Model B	Model C
$X^2$	Low $X^2$ value	774.458	745.122	702.417
$\chi^2/df$	Less than 3.0	2.698	2.596	2.447
NFI	$\geq 0.90$	0.901	0.905	0.905
IFI	$\geq 0.90$	0.917	0.923	0.923
TLI	$\geq 0.90$	0.904	0.907	0.908
CFI	$\geq 0.90$	0.917	0.919	0.923
SRMR	$\leq 0.50$	<b>0.079</b>	<b>0.064</b>	0.050
RMSEA	$< 0.08$	<b>0.086</b>	<b>0.081</b>	0.073
AIC	Small positive values	1402.209	1325.122	1322.417
CAIC	Small positive values	1681.003	1639.785	1633.748
<b>Overall Decision</b>		<b>Reject model</b>	<b>Reject model</b>	<b>Accept model</b>

As Table 6.12 indicates, the overall fit indices improved to acceptable levels on Structural Model C. Above all, the AIC and CAIC values for Structural Model C are considerably lower than in both models A and B. While the information-theoretic fit measures have no upper limit, the reported low values demonstrate that Structural Model C could cross-validate in future samples of the same size from the same population, demonstrating that the model provides better data fit than the initial hypothesised Model A. This then justifies the overall decision to accept Model C and its relatively significant path relationships. However, in future, other models may emerge that could provide the same level of validity and power, but until this is achieved, the Structural Model C constitutes an adequate advancement of the subject under review.

### 6.13 CONCLUSION

This chapter reports the empirical findings of the study and provides a discussion concerning the outcomes of the pilot study, including the reliability and validity, which indicates that the scale used was both reliable and valid. The preliminary data analysis, which involved coding, data cleaning and tabulation is discussed. The demographic and actual fashion e-store shopping data metrics are reported. Initial sample data from the main

survey are tested for reliability leading to an iterative item deletion process. Thereafter, reliability assessment is conducted to verify the internal consistency of the scale prior to testing the measurement model. The internal consistency reliability of the study constructs is assessed by computing Cronbach's alpha coefficient values and average inter-item correlation values. Moreover, data normality tests and multicollinearity diagnostics are computed to verify the sufficiency of the data set for conducting stringent statistical tests such as SEM. Pearson's product-moment correlation analysis is carried out to ascertain that there are significant relationships between the constructs in the scale. Existence of significant relationships between the constructs in the inter-construct correlation matrix serves to corroborate the nomological validity of the study.

Regarding testing of the measurement model, data proved to be both reliable and valid using correlation coefficient values, CR values, AVE value, square root of AVE values and SV values. In addition, an examination of the model fit indices leads to the conclusion that fashion e-store behavioural intentions is a six-factor structure. Having established that the specified model is suitable for path analysis, the initial Structural Model A is specified, which led to the null hypotheses that  $H_{03}$ ,  $H_{04}$ ,  $H_{06}$ ,  $H_{07}$ ,  $H_{08}$  and  $H_{010}$  be rejected and their alternatives being concluded. However, the model fit indices for the hypothesised model did not adequately fit the data. Therefore, the decision is reached to develop competing models. Nonetheless, the reported fit indices for the initial hypothesised model A as well as the revised model B are considered, inadequate and the revised model C is adopted, instead. The results indicate that Structural Model C denotes a good representation of the empirical data, based on several fit indices. Additionally, an important consideration upon adopting Structural Model C as the accepted model for this research is that this alternative model C is theoretically justified and empirically validated through hypothesis confirmation.

In the next chapter, the major findings of the study are presented with a view to draw conclusions for the study. The findings are interpreted in light of the initial objectives that were set out at the beginning of the study, with a view to determine the extent to which they are achieved. Thereafter, the research implications and limitations are discussed. The contribution made by this research is also alluded to, in the next chapter.

## CHAPTER 7

### CONCLUSIONS AND RECOMMENDATIONS FOR THE STUDY

*“A thesis is never finished; it is just abandoned at the least damaging point”*

*Phillip Race*

#### 7.1 INTRODUCTION

While selling fashion merchandise online requires a different set of strategies and tools than selling any other commodity product, online fashion retail sales are ranked eighth in South Africa between 2012 and 2014 (Planting, 2012:1). Given the deferment in the development of fashion e-store shopping (Maake & Shevel, 2013:2) coupled with the relatively modest size of South African online shoppers (Rudansky-Kloppers, 2014:1187), a need was identified to propose and empirically test a model of value components that determine the attitudes, satisfaction and overall behavioural intentions of consumers towards fashion e-stores. In lieu of filling this gap, the previous chapter corroborates the testing of these value components by comparing competing models and presenting the final results of the study. Following on, this chapter commences with an overview of the study. Thereafter, the chapter examines how the objectives that were developed in Chapter 1 were achieved. After which, a summary of the empirical findings is provided, culminating in the visual illustration of the accepted model for this study. The chapter also elucidates on how the findings have contributed to the wider scope of research at the conceptual, methodological and managerial levels. The chapter concludes with recommendations, limitations and implications for further research, while presenting the concluding remarks for the study.

#### 7.2 OVERVIEW OF THE STUDY

The primary objective of the study is to propose and empirically test a model of the values that influence consumers' behavioural intentions towards fashion e-stores in the South African market in order to guide marketing strategies for effectively targeting this market. In line with this objective, the following concepts are examined in the literature:

- Overview of the global and South African fashion e-store industry.
- The marketing concept and the delivery of superior customer value.

- Theoretical perspectives on value, including underpinning value theories.
- Value components and their relationship with attitude.
- Value components and their relationship with satisfaction.
- Behavioural intention models.

Chapter 1 gives a background on the study while indicating that the problem under investigation was to determine the influence of value components, attitude and satisfaction on the behavioural intentions of South African fashion e-store consumers (Section 1.3). Following on from the problem statement, the primary objective of the study, together with the theoretical objectives for addressing the primary objective are formulated in sections 1.4.1 and 1.4.2, respectively. In line with the primary objective, seven empirical objectives are formulated in Section 1.4.3. In order to fulfil the empirical obligation of this study, a set of ten tentative hypothetical statements are formulated drawing from the conceptual model that is proposed for this research. This is followed by a brief outline of the research design and methodology procedures in Section 1.5, which specify how the empirical component of the study was conducted. Section 1.6 presents the hypotheses statements postulated for this research. Section 1.7 alludes to the ethical issues that were taken into consideration, before, during and after the data collection process. Section 1.8 elucidates on the rationale that motivated this research. Moreover, while the research proceeds on the assumption that consumer behaviour within the South African setting is homogenous with behaviour in other parts of the world with similar economic and social demographic characteristics, it was still considered vital to clearly define key terminology that was used in the study with a view to maintain universality of the interpretation of findings. This was covered in Section 1.9 of this thesis. Moreover, an outline of the thesis chapters is provided in Section 1.10.

The purpose of Chapter 2 is to answer the first theoretical objective that was set in Section 1.4.2 of this study. Moreover, Chapter 2 provides a discussion on the fashion concept (Section 2.2), including the role of fashion (Section 2.3), coupled with an overview of various fashion retailing formats (Section 2.4). The Internet is discussed in Section 2.5 as the bedrock through which fashion e-store shopping is made possible. The chapter spans further to investigate the different online fashion consumer groups (Section 2.6), after

which the importance of the fashion e-store industry to global markets is elaborated on from an economic, socio-cultural and technological viewpoint (Section 2.7). Researchers assert that fashion e-store retailing is contributing in terms of retail sales and revenues, cultural shifts as well as technological advancements, through innovative fashion retailing formats. Moreover, the modest contribution of Internet retailing within a South African context is examined in Section 2.8, by way of online shopping adoption rates, fashion e-store visitations and actual fashion e-store purchases made. A review of the literature reveals that South African consumers are spending more resources in online shopping activities. As a way of engulfing a holistic imprint on the development of the fashion e-store sector, Section 2.9 discusses the benefits of fashion e-store marketing from both the consumers and marketers' perspectives. Conversely, in lieu of maintain balance in this work, Section 2.10 did not shy away from stating the risks and challenges brought about by the fashion e-store marketing phenomenon.

Chapter 3 answers the second theoretical objective that was established in Section 1.4.2. The chapter starts by providing a literature discourse on the marketing process (Section 3.2). The discussion culminates in Section 3.3, presenting the marketing orientation concept that underscores the delivery of superior customer value. This background sets the foundations for a review of emerging developments and perspectives on the value concept, as a key research agenda. Section 3.4 applies an inter-disciplinary approach to dissecting the value concept from different theoretical perspectives, culminating in the progressive synthesis of value definitions in Section 3.5. As a result, the operationalised definition of value for this study was established as 'the customer's evaluative judgements of the outcome of a fashion e-store shopping interaction after a successful shopping experience'.

The key arguments for adopting a multi-dimensional perspective of value rather than a uni-dimensional approach are laid out by evaluating numerous theories and models under Section 3.6. Ultimately, the study embraces the undertones of the utilitarian and hedonic dichotomy as the starting point of identifying the value components that determine consumers' behavioural intentions towards South African fashion e-stores. Moreover, Section 3.7 answers the third theoretical objective that was outlined in Section 1.4.2 by discussing the value components, as specified in the literature.

The last three theoretical objectives listed under Section 1.4.2 are addressed in Chapter 4 of this study. The chapter lends theoretical support to the study by weighing in on the relevance of the behavioural intentions variable as a proxy for actual behaviour of fashion e-store consumers. The chapter defines behavioural intentions (Section 4.2) and sets the stage for the construct as the key outcome variable in the study. A review of behavioural intentions theories is done in Section 4.3, thereby providing a compact understanding of the notion that behavioural intentions are a prime determinant of overt fashion e-store shopping behaviour. The literature reveals several waves of research conceding on value, attitude and satisfaction as the key predictors of behavioural intentions (Section 4.4). In addition, a review of past empirical research indicates that there are relationships between value components with attitude (Section 4.5) and between value components with satisfaction (Section 4.6). Moreover, the influence of satisfaction and attitude on fashion e-store behaviour is observed in Section 4.7. Stated simply, behavioural intentions are positioned as the outcome variable for this study in Section 4.8. Conclusively, Section 4.9 aligns the theoretical linkages with the primary objective for this study, culminating in the development of a conceptual model for testing.

The research design and methodology for this study is outlined in Chapter 5. Positioned within the positivist research paradigm (Section 5.2), this study elects deductive reasoning as a frame of reference in Section 5.3. As a result, the research was able to specify theory and thereby draw relevant statistical conclusions based on empirical observations and rigorous testing of hypotheses. Logically, a descriptive research design was followed (Section 5.4) by applying a quantitative research approach, which is explained in Section 5.5. The chapter provides a detailed account of the sampling strategy for the study (Section 5.6). In particular, simple random sampling is applied upon selecting 600 fashion e-store shoppers from the SurveyCentric™ online panel database. The questionnaire design process is discussed at length in Section 5.7 of this study.

Initially, a pilot survey was conducted to confirm the reliability of the adapted measurement scale which was drawn from the previous literature. Thereafter, minor modifications were implemented on the questionnaire and the final survey was commissioned. Fashion e-store shoppers were drawn from across the nine provinces of South Africa. Once an online survey procedure was organised, a structured survey invitation was sent to the panel members.

Then, a structured questionnaire was administered to the sample members, after which 563 responses were considered usable for statistical analysis. The chapter concludes with a discussion on the statistical methods used for analysing the data (Section 5.8). These methods include frequency distributions (Section 5.10.1), reliability analysis (Section 5.10.2), descriptive statistical analysis, (Section 5.10.3), data normality tests (Section 5.10.4), correlation analysis (Section 5.10.5), multicollinearity assessment (Section 5.10.6) and structural equation modelling (Section 5.10.7).

Chapter 6 provides a report on the empirical results of the study. The main findings of this study are summarised in the following section and are arranged in accordance with the empirical objectives formulated in Section 1.4.3 and repeated in Section 7.3.

### **7.3 MAIN FINDINGS OF THE STUDY**

The results of this study are presented in order to meet the following empirical objectives:

- Determine consumers' perceived utilitarian value of fashion e-store shopping.
- Determine consumers' perceived hedonic value of fashion e-store shopping.
- Determine consumers' perceived intellectual value of fashion e-store shopping.
- Determine consumers' attitude towards fashion e-store shopping.
- Determine consumers' level of satisfaction with fashion e-store shopping.
- Determine consumers' behavioural intentions towards fashion e-store shopping.
- Empirically test a proposed model of the values that influence consumers' behavioural intentions towards fashion e-store shopping in the South African market.

According to the literature review in Chapter 3, it appears that value may be explored as a multi-dimensional construct made up of utilitarian, hedonic and intellectual value components. Subsequently, these value components may have an instrumental influence on the behaviour of fashion e-store consumers, when mediated by attitude and satisfaction evaluations as explained in Chapter 4 of this study. Following a confirmatory procedure and the statistical accuracy tests results presented in Section 6.11, six constructs were extracted as explanatory variables of the specified measurement model.

In order to address the first six empirical objectives, descriptive statistical analysis was conducted on the survey data. Section 6.7 reports on the means, standard deviations, skewness and kurtosis statistics that were calculated on each of the constructs. With means above 3.5 being recorded on the descriptive statistical analysis results for each of the constructs in the study, it appears that consumers possess positive behavioural intentions towards fashion e-stores. Specifically, fashion e-store consumers are agreeable on prioritising utilitarianism, hedonism and intellectual value, when considering shopping at fashion e-stores. More so, fashion e-store consumers develop attitudinal and satisfaction evaluations after a fashion e-store shopping encounter. Prior to undertaking structural equation modelling, a correlation analysis (refer to Section 6.9 of this study) was undertaken, revealing that there is a significant, moderate association between each of the constructs in the scale. Moreover, the correlation analysis procedure ascertained that there were no multicollinearity problems in the study.

The last objective of this study was to test empirically a structural model of the value components that influence consumers' behavioural intentions towards fashion e-store shopping using path modelling techniques. In order to test this model, SEM was performed. First, confirmatory factor analysis was performed and fit indices were computed to assess a measurement model. Thereafter, a structural model was employed to evaluate causal relationships between constructs. The measurement model and the competing structural models were all assessed using the fit indices provided by AMOS version 23.0.

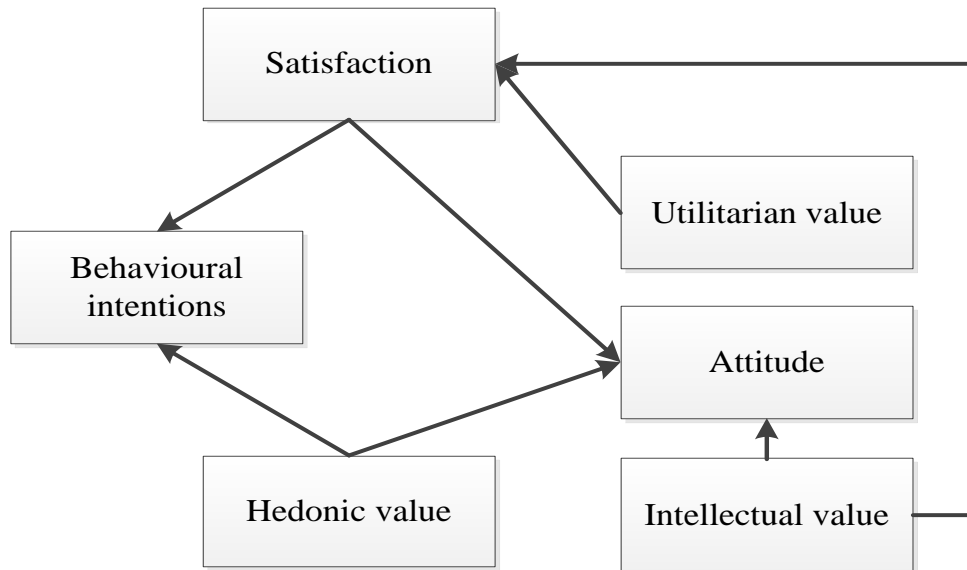
The measurement model that was tested in this study consists of six latent variables, namely utilitarian value, hedonic value, intellectual value, attitude, satisfaction and behavioural intentions (refer to Section 6.10 of this study). The measurement model was assessed for model fit using the chi-square, IFI, TLI, CFI and RMSEA fit indices. With the exception of the model's chi-square value, which is typically sensitive to large sample sizes, the other fit indices demonstrate satisfactory fit between the measurement model and the data. In addition, the CR and AVE values suggest that the model was both reliable and valid (Section 6.11). Thereafter, a structural model was tested. The initial hypothesised structural model (Structural Model A) was tested based on the measurement model. The results in Section 6.12.1 show that while intellectual value (F3) and satisfaction (F5) both have a significant positive influence on attitude (F4) towards fashion e-store shopping, the path

between hedonic value (F2) and attitude (F4) was significant and negative. Furthermore, utilitarian value (F1) and intellectual value (F3) were found to have a significant positive influence on satisfaction (F5), while satisfaction (F5) was also found to have a significant positive influence on behavioural intentions (F6).

The three paths between utilitarian value (F1) with attitude (F4), hedonic value (F2) with satisfaction (F5), as well as attitude (F4) with behavioural intentions (F6) were not significant, as indicated in Section 6.12.1. Therefore, a revised model was tested based on the original measurement model. Drawing upon the literature, the hypothesised model was revised by testing whether hedonic value (F2) would directly influence behavioural intentions. Structural Model B infers that hedonic value (F2) has a significant positive influence on behavioural intentions (F6) rather than on satisfaction (F5), as initially hypothesised. Once again, utilitarian value (F1) had a non-significant negative influence on attitude (F4) towards fashion e-store shopping. A third model, Structural Model C, was tested to determine the influence of utilitarian value on satisfaction, rather than on attitude, thus excluding the insignificant path between utilitarian value and attitude.

The results confirm that intellectual value (F1) has a positive significant effect on consumers' attitude (F4) towards fashion e-store shopping. Hedonic value (F2) was found to have a negative significant association with attitude toward fashion e-store shopping, contrary to Khare's (2011:437) suggestion that hedonic value judgements strongly influence the attitude of mall shoppers. However, the basis for concluding this indirect path result is that consumers with high hedonic shopping value tend to avoid demonstrating favourableness towards fashion e-store shopping. This finding is consistent with Sarkar (2011:64) who proves that hedonic value judgements negatively influence attitude among online shoppers since they perceive more risks and lesser benefits in online shopping. They are likely to demonstrate negative attitude towards e-store shopping as they cannot touch the fashion products or interact with the salespeople directly while shopping online.

Figure 7.1 presents the causal relationships between utilitarian value, hedonic value, intellectual value, attitude, satisfaction and behavioural intentions of fashion e-store consumers, as inferred by the findings of this study.



**Figure 7.1 Value components that influence consumers' behavioural intentions towards fashion e-stores**

Of the three value components in the path model, only utilitarian value (F1) and intellectual value (F3) seem to have a direct significant influence on consumers' satisfaction (F5) evaluations after a fashion e-store shopping experience. In particular, the results empirically confirm the essential role played by both hedonic value (F2) and satisfaction (F5) in directly influencing consumers' behavioural intentions (F6) towards fashion e-stores. Moreover, the effects of a satisfying fashion e-store experience on consumers' post-purchase attitude evaluations are confirmed in this study through a direct and significant path relationship between satisfaction (F5) and attitude (F4).

## 7.4 CONTRIBUTION OF THE STUDY

This research has made vital contributions to the emerging but increasingly popular subject of online consumer behaviour in a triple-set of key areas, namely conceptual, methodological and empirical thereby making significant advancements in online fashion marketing. The specific contributions are outlined next.

### 7.4.1 Conceptual (theoretical) level contribution

At the conceptual level, this research progresses the body of knowledge by developing a new model of consumer behaviour in fashion e-store shopping, drawing from the

underlying influences of a tri-partite set of value components. This study contributes to the body of knowledge by empirically testing a model of variables influencing the behavioural intentions of South African fashion e-store shoppers. Based on the findings, it is proposed that fashion e-store shopping behaviour is a six-factor model, which depicts the causal relationship between hedonic value, intellectual value and satisfaction with consumers' attitude towards fashion e-store shopping. Furthermore, both utilitarian value and intellectual value components directly influence fashion e-store satisfaction evaluation. Moreover, consumers' behavioural intentions towards fashion e-store shopping are influenced directly by hedonic value and satisfaction, while the same (hedonic value and satisfaction constructs) directly influence consumers' attitude towards fashion e-stores.

Unlike previous models that follow a uni-dimensional approach or a unitary perspective on the value concept, the model in this research specifies that utilitarian value, hedonic value and intellectual value are the primary predictor variables while attitude and satisfaction are the intermediate variables and behavioural intentions was the terminal criterion variable. As a result, it was possible to obtain strong empirical evidence of the effect of value on fashion e-store shopping intentions. The study advances a comprehensive and yet parsimonious model, which is simple to understand and practical to apply and could prove useful for an academic understanding of the subject.

Another conceptual contribution was in the utilisation of concepts and frameworks from consumer psychology and other marketing domains. Hence, the study built upon previous research. Specifically, the utilitarian and hedonic dichotomy prescribed under Hirschman and Holbrook's (1982:98) value theory as well as Ajzen and Fishbein's (1980:84) theory of planned behaviour are used together to provide the umbrella explanatory precedence to establish the foundations for this study. Theoretically, this implies that the actuality of momentous and inter-disciplinary interfaces between the fields of consumer psychology, value and Internet fashion marketing are substantiated in this research.

#### **7.4.2 Methodological (empirical) level contribution**

The study makes an additional contribution in the form of methodology and technique. By using a robust SEM through the maximum likelihood estimation technique to test theoretic-driven propositions in a simultaneously estimated model, this procedure was more coherent

in terms of the applied vision in marketing modelling. Furthermore, generating path estimated for the specified model provides greater flexibility than the use of precedent first-generation techniques for the interplay between theory and data. Previously, the online literature has examined several sets of constructs but has not to date attempted to integrate these into a coherent framework, moving from antecedent variables, intervening variables and finally concluding with outcome variables. With the use of rich, primary data obtained through an online panel of fashion e-store shoppers coupled with SEM techniques, it was possible to test the fit of the research model to the data, thereby confirming the goodness of individual relationships as well as the overall model. As a result, the research does not simply address the relationship between value components, attitude, satisfaction and behavioural intentions but simultaneously integrates them in a holistic model of the post-purchase evaluative determinants of fashion e-store shopping behaviour.

### **7.4.3 Managerial (practise) level contribution**

The study presents a managerial contribution in that it advances a model that can be used as the starting point in informing the development of segmentation and loyalty strategies in such a way that fashion marketers could enhance their e-store merchandising authenticity. Understanding hedonic value and intellectual value components can help to pinpoint the course that online fashion marketers can take in developing more novel promotional tactics that could alter the attitude of fashion e-store consumers. The study also offers guidance for fashion e-store marketers that seek to offer satisfying shopping encounters for their clientele by delivering a utilitarian and intellectual value-based offering. Moreover, acknowledging the direct contribution of hedonic value and satisfaction in altering the intentions of consumers could provide sound information for the fashion-marketing managers' decision-making, thereby enabling them to better understand the value judgements and expectations of existing e-store customers. This area of research has not been pursued previously, within the confines of the South African pure play environment.

The study implications discussed above are important to both fashion e-store marketers and academics since they validate how the findings in this research have potential consequences for online retail practice and consumer behaviour, in general. The conclusions drawn from the research and upon which the implications are based are a small but significant contribution of this research to the existing body of knowledge about consumers'

engagement with online shopping. Continuing in this spirit of a small but nevertheless significant contribution, this research makes recommendations to support online shopping retail practice in the next section.

## **7.5 RECOMMENDATIONS FOR THE STUDY**

The Internet can deliver a variety of value attributes to the consumer. Fashion e-store marketers indeed have the potential to create superior value to customers beyond geographic barriers and enjoy unprecedented business growth (Overby & Lee, 2006:1165). Consistent with Sheth *et al.* (1991a:12), this study posits that value components are independent and they contribute incrementally to consumer choice. Therefore, marketers need to consider multiple ways to enhance their total consumer value package by stimulating utilitarian value, hedonic value and intellectual value components in order to deliver the bestselling proposition for online fashion customers. Those fashion marketers who can calibrate their value proposition could remain successful on the Internet since customer value is the foremost driver of consumer satisfaction and behaviour (O’Cass & Choy, 2008:344). Therefore, in accordance with the findings of this study, this section outlines several recommendations concerning the adoption of fashion e-store shopping in South Africa. Recommendations emanating from this study are aligned with the research objectives in such a way that they appeal to how fashion marketers can target the online fashion consumers more effectively.

### **7.5.1 Emphasise the delivery of utilitarian value to consumers**

Utilitarian value was shown to have a direct and positive influence on consumer satisfaction with fashion e-store shopping (refer to Section 6.12.3 of this study). It appears then that consumers turn to fashion e-stores primarily for utilitarian reasons such as price comparisons, convenience and cost-savings. However, the access to bandwidth for many end user consumers in South Africa still remains limited since many users connect using modem and low bandwidth wireless networks (refer to Section 2.8 of this study). This may be the reason why online shoppers seek primarily utilitarian value. As such, these elements represent the core utilitarian value component sought by consumers and as a result, can increase customer satisfaction with the fashion e-store, ultimately strengthening their loyalty to the Internet. Given the current study findings, fashion e-store marketers should

ensure that they are providing adequate utilitarian value to their consumers before attempting to focus on other aspects of their website development.

Researchers assert that companies devote too much effort into advertisements designed to offer various experiential factors rather than spending money on developing strategies that improve utilitarianism (Overby & Lee, 2006:1165). As such, incentive-based loyalty programs can go a long way to deliver price savings to fashion e-store consumers. Moreover, since physical shelf space is not a limiting factor for fashion e-store marketers, an endeavour can be made to organise e-store catalogues in such a way that they are easy to locate in the shortest possible time. Mathwick *et al.* (2002:58) suggest that e-tailers should prioritise e-storefronts that offer added convenience, quick links to find product information and simple to use ordering procedures, thus saving time for consumers.

### **7.5.2 Design less-intrusive shopping cart checkout systems**

Shopping carts that facilitate a checkout system that is devoid of too many distractions such as display advertisements, suggestions, recommendations and reviews at the checkout stages will be particularly suitable for utilitarian focused consumers, as this will minimise the likelihood of their abandoning shop. This is because such attributes generally constitute an impeding obstruction towards the task-oriented goal of consumers driven by utilitarian value and this may in turn, lead to disaffection and negative affect for the retailer's e-store offering. Hence, marketers should carefully consider how to engage consumers at the web checkout phase by manoeuvring and adapting their content in real time.

### **7.5.3 Design visually appealing and sensory-based features (hedonic) in fashion e-storefronts**

The findings of this study reveal that hedonic value plays a significant role in directly predicting consumers' behavioural intentions (refer to Section 6.12.3 of this study). As such, this renders the provision of visually appealing, entertaining and experiential features an indispensable aid for fashion e-store marketers. For example, the delivery of sensory aspects of shopping such as taste, smell and touch could go a long way in ensuring that marketers excel in the delivery of this core value component. The appointment of website designers is therefore, a necessary means to this end. Of paramount significance,

however is the need to develop strategies that could overcome the challenges offered by Internet technology such as the provision of real sensory experiences garment fit opportunities, particularly for fashion merchandise. Overby and Lee (2006:1165) denote that it is imperative to either find ways of overcoming these challenges with existing technology or alternatively, developing ways that can enable the Internet to actually provide these sensory experiences.

#### **7.5.4 Design links that support intellectual fashion sharing among e-store communities**

Intellectual value was found to have a positive and significant influence on both the attitude and satisfaction evaluations of fashion e-store consumers in South Africa (refer to Section 6.12.3 of this study). In the absence of physical and sensory cues, shoppers actively seek online community groups that are linked with the e-stores in order to verify their purchase choices and intentions. In other words, South African shoppers are not only content with being consumers, they also want to participate with their peers in e-store shopping, in an active manner. Ultimately, positive outcomes are aroused as demonstrated by the positive and significant results of this study.

It is recommended that the operators of fashion e-stores invest in strategies that seek to transform customers into 'catalogue managers'. Incentivising customers who regularly inspect and comment on the e-store merchandise can achieve this. Moreover, the reviewed products remain on the e-store catalogue once positively reviewed, while the negatively viewed fashion items are removed for amendments. In addition, fashion e-stores can advance intellectual value with respect to offering social capital gains by providing links with social networking services. For example, Twitter and Facebook provide a functionality called 'following' that allows subscribers to connect to any other shopper who is affiliated to the fashion e-store. Fashion information and e-store evaluative advice is shared through communities created on these platforms. In general, SNSs offer opportunities to make new relationships and enhance current ones through the frequency of information-sharing activities. However, the motivation to enhance the quantity and quality of social capital that can be obtained through fashion e-store links can indicate the pulling force wherein intellectual value can be pursued.

### **7.5.5 Design e-store shopping systems that create opportunities for consumer involvement**

This research has shown how consumers differ in the values derived upon shopping at fashion e-stores based on their perceptual drive and its consequent effects on the consumers' attitude, satisfaction levels and behavioural intent. Owing to these influences, consumers driven by an intellectual value-focus were shown to respond differently when exposed to fashion e-store shopping. Fashion marketers may utilise this knowledge to ensure that, what the consumer is exposed to during online shopping is appropriately devoid of intrusion and does not thwart the consumer's collaboration-oriented shopping objective. This can be achieved by proffering advertising content that encourages the agency of consumers and active involvement in the co-creation of fashion products. In such cases, variety is king and should be an integral part of the fashion e-store shopping retail offer. Marketers can take advantage of the need for variety and interactivity by designing systems that present opportunities for consumer involvement in these areas and at the same time satisfy the marketing objective.

### **7.5.6 Sparingly invest in fashion e-store risk relievers**

Fashion marketers should invest some proportion of their budget towards providing risk relievers and creating a safe-environment perception for their e-store. Typically, this is achieved through methods like third party endorsement seals, display of prominent terms and conditions which take up valuable online estate and the provision of after sales policy information. Be that as it may, utilitarian consumers are likely to be more persuaded by strategies to reduce risk perception, while hedonic consumers may not be so affected. In fact, hedonic consumers may find actually some strategies like registration requirements and use of special codes (for example CAPTCHAs) before transaction completion to be inhibitive of their fun-directed objectives. This may constitute a source of disaffection and negative affect, resulting in abandonment of the shopping event and future patronage avoidance. As such, the introduction of risk relievers should be done incrementally and with pronounced frugality.

### **7.5.7 Customise marketing strategies targeted at each cohort of fashion e-store shoppers**

With the knowledge that this research has provided about the effect of hedonism on consumers' attitude towards fashion e-stores and subsequent positive behavioural intentions towards shopping at fashion e-stores, e-retailers can plan their web offering, emphasising fun, entertainment and adventure for consumers driven by a need to benefit from a hedonic focus when shopping. On the other hand, security, convenience, economy and reliability should be emphasised when targeting utilitarian value driven consumers at fashion e-stores. Nonetheless, since utilitarian value driven consumers are task-focused, such consumers are unlikely to buy frequently or make high value purchases at fashion e-stores. Nevertheless, utilitarian consumers are more likely to remain loyal and reliant as a source of steady business. Hedonic consumers may, as an example, buy more, respond more positively to cross-selling and generally be more responsive to the advertising and promotions of e-retailers (impulsively so). This implies that in the long run, hedonic shoppers may be less loyal and less lucrative, thereby costing retailers more in replacing them. Retailers should therefore, consider which consumers they target for long-term strategic loyalty and which, they target for short-term tactical gains and thereby devise customised strategies for each cohort of shoppers.

### **7.5.8 Actively seek fashion e-store options that prioritise the tracking of customer attitude**

This research found hedonic value, intellectual value and satisfaction to have a positive and significant influence on consumer attitude towards fashion e-stores (refer to Section 6.12.3 of this study). A challenge now is for practitioners to identify a workable means of establishing the specified hedonic value, intellectual value and satisfaction in order to be able to predict the attitude of fashion e-store consumers. One way of doing this is to utilise historic behavioural information and e-store visitation metrics such as Google analytics for targeted marketing. These methods could assist the marketer to track the shopping habits and overall attitude evaluations of e-store shoppers. By so doing, fashion marketers may perhaps be in a better position to learn the extent to which consumers' attitudinal pre-

dispositions are predicted by the identified value components of this study and better yet, track received value dimensions that could have been excluded from this work.

Apart from the aforementioned, this research proposes some recommendations for both policy makers and Internet service providers that are aligned with the current and future shopping contexts of South African consumers in lieu of the growing practise of fashion e-store shopping. These include, inter alia:

#### **7.5.9 Formulate cost-effective pricing models for Internet access**

While shopping at fashion e-stores eludes the dissatisfaction associated with an ineffective public transport system and crowded urban malls, the majority of online shoppers in South Africa cannot fully enjoy the sensory aspects of shopping at fashion e-stores due to Bandwidth restraint. In addition, the obstacles relating to Internet access and the resulting digital divide cannot be underestimated. In this vein, a recommendation is made for policy makers and Internet service providers to formulate cost-effective pricing models with a view to offer inexpensive wireless network access and affordable data structures to the average consumer and the rural communities of South Africa. This can be fully achieved by liberalising the spectrum to accommodate both fourth-generation (4G) and long-term evolution (LTE) Internet communication standards. Such liberalisation will request for the setting up of fewer base-stations, implying that service providers will be able to afford lowering data costs for the consumers. Both the government through the Department of Communications as well as the Independent Communications Authority of South Africa (ICASA) regulators can play an enormous role in this process.

#### **7.5.10 Invest in user-friendly fashion e-store applications**

Substantial investments in user-friendly Internet-based applications have become mandatory since e-stores are likely to become sanctuaries for South African shoppers, in future decades. As such, fashion marketers should invest in Artificial Intelligence technologies that permit shop assistants of a human or robotic nature, who are skilled in the art of selling as well as pleasure giving. Such technologies could be manipulated to engage in conversations and possibly interpret the emotions of shoppers whilst posing fashion suggestions. Such innovative developments would go a long way to contribute towards

stimulating the behavioural intentions of fashion e-store shoppers along the intellectual as well as hedonic preferences of shoppers, simultaneously.

Finally, to ascertain a consumer's likely e-store preferences early, novel methods should be established, to facilitate early bonding and retention of consumers. While the present research does not have adequate scope to proffer a solution for doing this, it provides a descriptive model of consumers' behavioural intentions towards fashion e-store shopping, which is dependent on value perceptions at the primary level as well as consumers' attitude and satisfaction evaluations, at the secondary level.

The above recommendations are not exhaustive, but provide a basis for some initial application of the knowledge garnered from this research. It is hoped that this contribution assists practitioners in the interim to re-design their online retail systems and at the same time stimulate interest in research towards value, as a basis for optimising the fashion e-store B2C relationship.

## **7.6 LIMITATIONS AND IMPLICATIONS FOR FUTURE RESEARCH**

The limitations of this work raise new research problems that can be handled in future researches. In the first instance, it is important to point out that there is no consensus on the conceptualisation of the value concept. Whereas a number of researchers prefer to conceptualise value as a unitary construct that focuses on cost implications (Grewal *et al.*, 1998b:48; Monroe, 1990:11), contemporary scholars are persuaded more by its conceptualisation as a multi-dimensional variable that is contextually-based (Prebensen *et al.*, 2015:7; Nejati & Moghaddam, 2013:1579; Petrick, 2002:119; Babin *et al.*, 1994:647). The assumptions of this research are grounded upon the latter viewpoint and this may constitute a limitation on the application of a model based on it. It would be interesting to evaluate how a singular application of value could potentially affect consumers' behaviour in fashion e-store shopping, because if this were possible, then fashion e-store marketers could be able to manipulate the behavioural outcomes of consumers by controlling that unitised variable.

While sample members were selected by following a probabilistic simple random sampling technique, it is commendable that sampling error was statistically determinable (5%) in view of estimating the sample size requirements for this study. However, it is possible that some elements of response bias were inherent in the final responses provided by the participants since the online survey was self-administered. In view of that, the only known way to eliminate response error, in behavioural research is to undertake controlled experiments or actual observations of behaviour. Nevertheless, it was not practicable to further test the hypotheses using simulated experiments or observational techniques, given the budget, time and scope limitations placed on this research. As such, future research could benefit from an application of experimental methodologies and mechanised observational techniques using Web-store data to establish actual behaviour of e-store consumers.

This study utilised a single-cross sectional research design. Future studies of a longitudinal nature may go a long way to present a progressive picture of the metamorphosing attitude and behaviour of South African fashion e-store consumers over time. Nonetheless, an online survey is consistent with the context of this investigation since the research intends to learn about the shopping values sought by the wired population (e-shoppers) in South Africa.

Customers periodically change what they value according to individual experiences. Thus, marketers cannot depend entirely on what they currently know about customer value to hold, into the future. In particular, the rapidly changing high-technology environment necessitates that marketers anticipate new developments and changes in desired e-store value components. Within the same vein, Overby and Lee (2006:1164) state that marketers that are able to discern consumers' received value judgements are likely to gain competitive advantage in their respective markets. Future studies can attempt to expand the investigative horizon to include other online value components such as interactivity value, exclusivity value, conspicuous value and sensory value. In addition, a comparison of the influence of the variables identified in this study on a completely different product category can go a long way to enrich the scholarly comprehension of this subject matter. A case in point would be to examine if utilitarian value, hedonic value and intellectual value would

have the same effect on consumers' behavioural outcomes when applied within the context of non-physical products or virtual goods such as e-books and digital music.

## **7.7 CONCLUDING REMARKS**

The Internet is an alternative, rather than a substitute for shopping for fashion merchandise. Therefore, it is acknowledged that a well-managed Internet presence is the only way to guarantee that fashion products have an adequate representation on the web and to ensure a well-orchestrated effort by fashion marketers. The business model of fashion e-stores presents an opportunity for marketers to determine the value components that are important to both current and potential customers. If customers are able to spell out the received and desired value components that are embedded within the fashion e-store shopping experience, then marketers could be able to pattern superior value, in both a competitive and profitable manner as this is vital for business profitability and success.

This study provides first-hand evidence that the key value components of utilitarianism, hedonism and intellectuality are a useful starting point in the development of exceptional marketing strategies that create a true fashion e-store experience for consumers in South Africa. This undoubtedly represents the safest course of action for marketers to follow when seeking to deliver superior value and thereby create a loyal clientele base. Yet, the deliberate consideration of consumers' attitude and satisfaction evaluations may hold the benefit of marketing practitioners being future-directed and pro-active in the design of fashion e-storefronts.

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**ANNEXURE A**  
**QUESTIONNAIRE**



## Determining the values that influence consumers' behavioural intentions towards fashion e-stores

Dear participant

I am currently working towards completing my thesis under the supervision of Prof N de Klerk as part of the requirements for completing the PhD in Marketing Management at the North-West University (Vaal Campus). The purpose of this study is to establish the value perceptions of fashion shoppers who have previously purchased fashion products from virtual outlets. These electronic stores (e-stores) include several upstart online fashion retailers that have no physical store presence but sell clothes, shoes, cosmetics and accessories online such as Spree, Zando, Style36, SassyChic and LushBerry (among others).

Shoppers who have previously made online purchases from such stores are encouraged to participate in this study, as their contributions are considered valuable for the completion of this work. Please assist by completing the attached questionnaire. The questionnaire is user-friendly and should take, approximately 10 minutes to complete. All responses are confidential and the results will only be used for research purposes, outlined in the form of statistical data.

Thank you – your assistance and contribution is highly appreciated.

Nobukhosi Dlodlo (khosidlodlo@gmail.com / tel: 016 950 7562)  
School of Economic Sciences & IT (Department of Marketing)  
North-West University (Vaal Campus)

### **Section A: Demographical information**

**Please answer the following questions by selecting the appropriate box.**

A1	<b>Gender:</b>	Male	Female			
A2	<b>Age:</b>	18-20 years	21-30 years	31-40 years	41-50 years	Over 50 years
A3	<b>Ethnic group:</b>	Black African	Coloured	Indian/Asian	White	Other (Please specify)
A4	<b>Please indicate your mother tongue language:</b>			Afrikaans	English	
	IsiNdebele	IsiXhosa	IsiZulu	SePedi	SeSotho	
	SeTswana	SiSwati	Tshivenda	XiTsonga	Other	
A5	<b>Country of origin:</b>	South Africa	Other (Please specify):			
A6	<b>Residing province:</b>	Eastern Cape	Free State	Gauteng	KwaZulu-Natal	
		Limpopo	Mpumalanga	Northern Cape	North-West	Western Cape
		Other (please specify)				
A7	<b>Please indicate your highest qualification:</b>					
	Grade 12 or Matric	Diploma or Degree		BTech or Honours Degree		
	Masters/PhD		Other (specify):			
A8	<b>Please indicate your monthly income (before tax):</b>					
	Less than R5000	R5001 – R10 000	R10 001 – R20 000	R20 001 – R30 000	Above R30 000	

### **Section B: Fashion e-store shopping habits information**

Please answer the following questions by selecting the appropriate box.

B1	<b>Have you shopped from a fashion e-store within the past 12 months?</b>				Yes	No
B2	<b>From which e-store(s) have you purchased fashion items? (Select all that apply)</b>					
	Lushberry	Sassy chic	Spree	Style36	Zando	
	Other (please specify)					
B3	<b>How many times do you go online to shop from a fashion e-store on average per year?</b>					
	Once a year (annually)	At least twice a year (bi-annually)	At least four times a year (quarterly)	At least 12 times a year (monthly)	At least 52 times a year (weekly)	
B4	<b>How much do you spend on average on a single purchase/order during fashion e-store shopping?</b>					
	Less than R300	R301 – R600	R601 – R1000	More than R1000		
B5	<b>My most preferred fashion e-store is:</b>					
	Lushberry	Sassy chic	Spree	Style36	Zando	
	Other (please specify)					

### **Section C: Determinants of behavioural intentions towards fashion e-stores**

Please indicate the extent to which you disagree/agree with each of the following statements by selecting the appropriate box; 1 being strongly disagree and 6 strongly agree.

<b>Value perceptions of fashion e-store shopping:</b>		<b>Strongly Disagree</b>	<b>Disagree</b>	<b>Disagree Somewhat</b>	<b>Agree Somewhat</b>	<b>Agree</b>	<b>Strongly Agree</b>
C1	The price of fashion products purchased from fashion e-stores are at the right level, given the quality.	1	2	3	4	5	6
C2	Shopping at fashion e-stores saves me time.	1	2	3	4	5	6
C3	The products purchased from fashion e-stores are a good buy.	1	2	3	4	5	6
C4	Fashion e-stores offer good economic value.	1	2	3	4	5	6
C5	Shopping at fashion e-stores absorbs me.	1	2	3	4	5	6
C6	Shopping at fashion e-stores gets me away from it all.	1	2	3	4	5	6
C7	Shopping at fashion e-stores truly feels like an escape.	1	2	3	4	5	6
C8	Fashion e-stores do not only sell fashion products, they also entertain me.	1	2	3	4	5	6
C9	I share my shopping experiences with other members of the online community of fashion e-stores.	1	2	3	4	5	6

<b>Value perceptions of fashion e-store shopping:</b>		<b>Strongly Disagree</b>	<b>Disagree</b>	<b>Disagree Somewhat</b>	<b>Agree Somewhat</b>	<b>Agree</b>	<b>Strongly Agree</b>
C10	The online community of fashion e-stores is useful for gathering product information.	1	2	3	4	5	6
C11	I benefit from the online community of fashion e-stores.	1	2	3	4	5	6
C12	I share a common bond with online community members of fashion e-stores.	1	2	3	4	5	6
C13	Online community members of fashion e-stores are strongly affiliated with one another via social media.	1	2	3	4	5	6
<b>Attitude towards fashion e-stores:</b>		<b>Strongly Disagree</b>	<b>Disagree</b>	<b>Disagree Somewhat</b>	<b>Agree Somewhat</b>	<b>Agree</b>	<b>Strongly Agree</b>
C14	I generally like fashion e-stores.	1	2	3	4	5	6
C15	I have a strong preference for fashion e-stores.	1	2	3	4	5	6
C16	I would recommend fashion e-stores to someone who seeks my advice.	1	2	3	4	5	6
C17	I would consider e-stores as my first choice when I need to buy fashion products.	1	2	3	4	5	6

Based on your favourite fashion e-store that you have selected in Section B (Question B5) (from now on referred to as e-store X), please indicate the extent to which you disagree/agree with each of the following statements by clicking the appropriate box; 1 being strongly disagree and 6 strongly agree.

<b>Customer satisfaction with fashion e-stores:</b>		<b>Strongly Disagree</b>	<b>Disagree</b>	<b>Disagree Somewhat</b>	<b>Agree Somewhat</b>	<b>Agree</b>	<b>Strongly Agree</b>
C18	Shopping from fashion <b>e-store X</b> is one of the best decisions that I have made.	1	2	3	4	5	6
C19	I am satisfied with my decision to shop from fashion <b>e-store X</b> .	1	2	3	4	5	6
C20	I do not have any concerns about shopping at fashion <b>e-store X</b> .	1	2	3	4	5	6
C21	If I could do it over again, I would buy from fashion <b>e-store X</b> .	1	2	3	4	5	6
C22	I am sure that shopping at fashion <b>e-store X</b> was the right thing to do.	1	2	3	4	5	6
C23	Overall, shopping at fashion <b>e-store X</b> has been a good experience.	1	2	3	4	5	6

<b>Behavioural intentions towards fashion e-store shopping:</b>		<b>Strongly Disagree</b>	<b>Disagree</b>	<b>Disagree Somewhat</b>	<b>Agree Somewhat</b>	<b>Agree</b>	<b>Strongly Agree</b>
C24	I would buy at fashion <b>e-store X</b> in the future.	1	2	3	4	5	6
C25	I would consider re-visiting fashion <b>e-store X</b> in the future.	1	2	3	4	5	6
C26	I would recommend fashion <b>e-store X</b> to others in the future.	1	2	3	4	5	6
C27	I would say positive things about fashion <b>e-store X</b> to others in the future.	1	2	3	4	5	6
C28	I would encourage others to visit fashion <b>e-store X</b> in the future.	1	2	3	4	5	6

**Thank you!**

**ETHICAL CLEARANCE NUMBER**

**ECONIT-ECON-2014-024**

## ANNEXURE B

### ONLINE SURVEY INVITATION

*You are receiving this email as you are a member of the SurveyCentric Panel, South Africa.*

**Dear Panelist,**

The following survey takes approximately 10 minutes to complete and you will accumulate 13.50 ZAR (Rands) in cash for participating. If you do not qualify, you may notice that you are moved to other surveys sometimes. The system automatically attempts to find other surveys that may be a match for you.

If you want to **reduce the frequency** of emails, please log in to change the setting.

Please respond **quickly** as this invitation will be available only until a pre-determined number of responses have been received.

Click on the link below to go directly to the survey:

**[TAKE SURVEY NOW](#)**

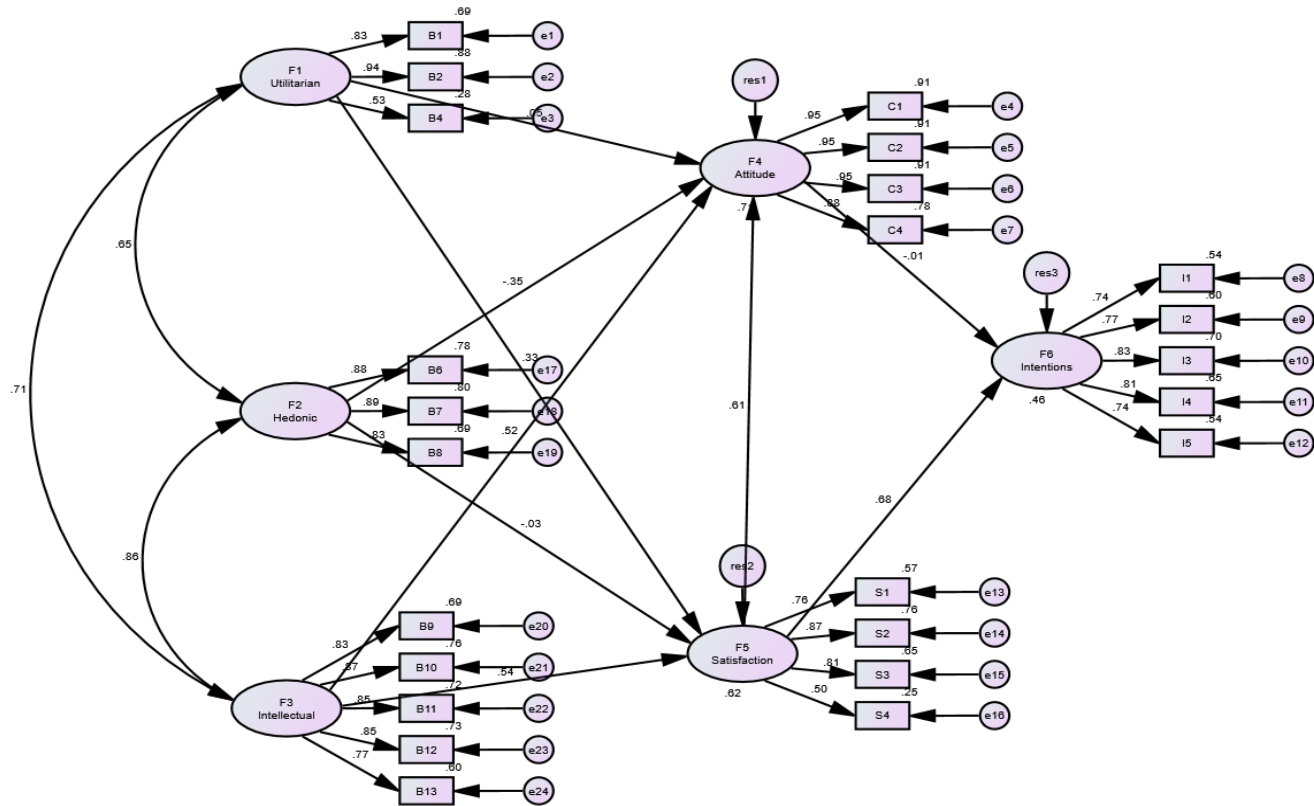
If the link does not work you can copy and paste the link into your browser.

<http://www.cint.com/cpx/survey.asp?id=ffd730aa-42d1-498b-92c6-4fa719169002>

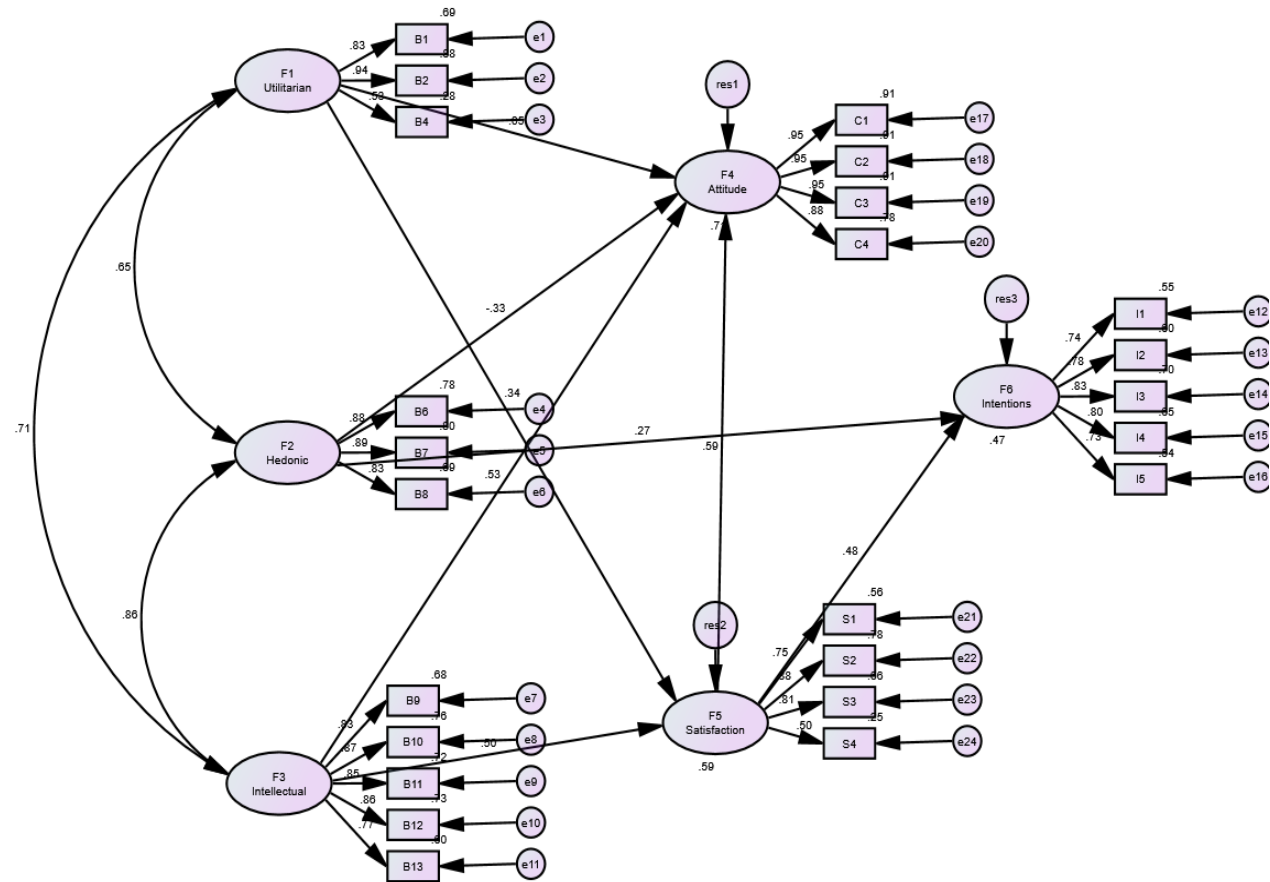
Your participation is voluntary. If you **CANNOT** participate in this survey we would appreciate it if you could decline participation: [decline this survey](#)

# ANNEXURE C

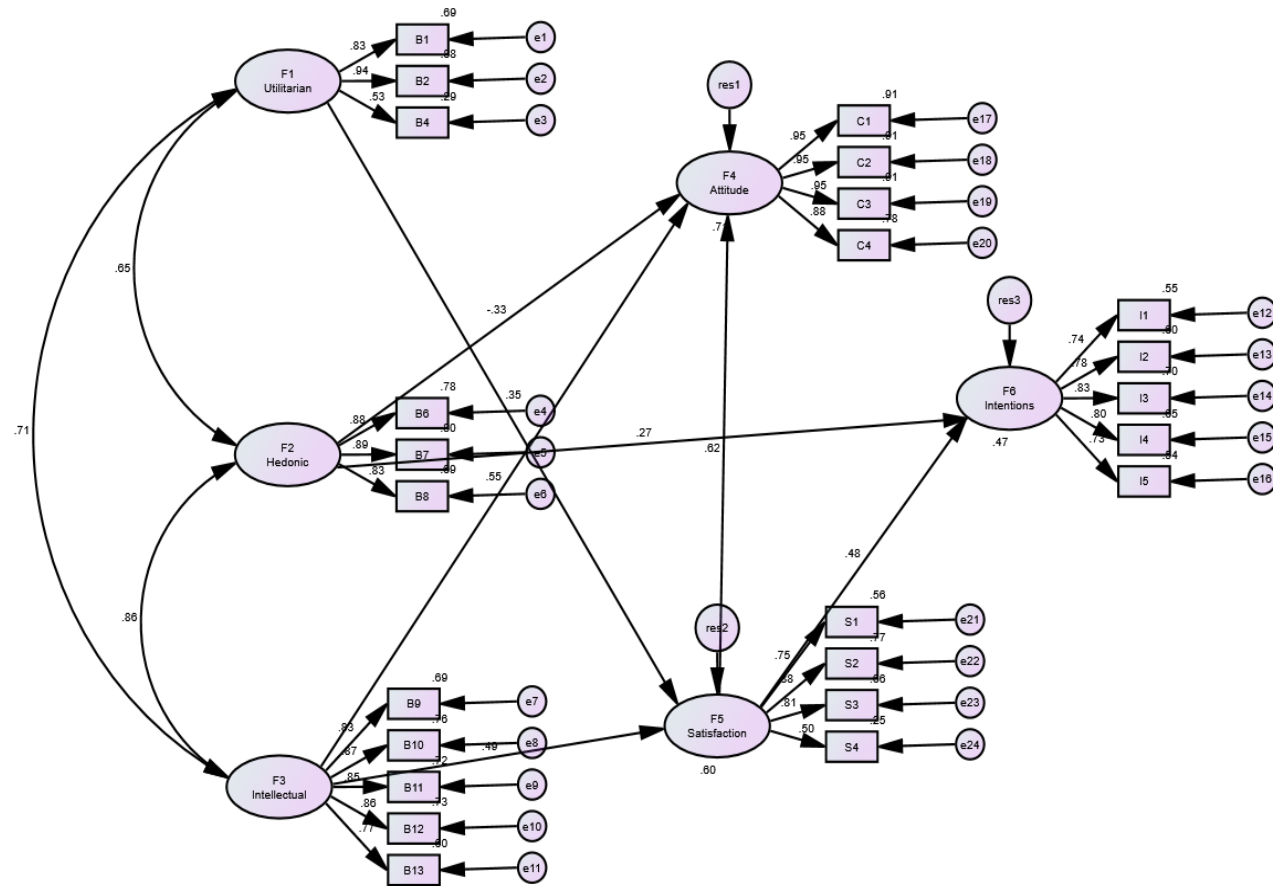
## STRUCTURAL MODELS



### Structural Model A



## Structural Model B



**Structural Model C**