

**AN ASSESSMENT OF THE FACTORS DRIVING CONSUMERS' PROPENSITY TO  
PURCHASE ONLINE**

by

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## DECLARATION

I, Tinashe Mujera, student number 11595728, hereby declare that this dissertation for, Masters in Business Management in the Department of Business Management, at the University of Venda hereby submitted by me has not been submitted previously for a degree at this or any other university. It is my own work in design and execution and all the material contained has been duly acknowledged.

Signature..... T.M ..... Date..... 11/03/2021 .....  
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## ABSTRACT

Despite the tremendous global development within the electronic-commerce (e-commerce) industry, marketers in emerging economies are still lagging in understanding the dynamic consumers' online purchasing behaviour. Furthermore, the literature reporting on consumers' online purchasing practices in an African set up remains largely inconsistent and fragmented as most previous studies are based on consumers in first world countries. To address this problem, by specifically targeting the South African market, the main aim of the study was to establish key factors driving consumers' propensity to purchase online in order to devise a model that guides online marketing strategy and future research. Guided by the quantitative research approach and a descriptive single cross-sectional design, data was collected from a sample of 350 participants drawn from Sandon City, located in the Gauteng Province using a self-administered questionnaire. With the aid of SPSS Version 26, the collected data were analysed through descriptive and multivariate statistical tests. Consumer innovativeness, perceived benefits, online shopping experience and perceived risk were found to be the major factors driving consumers' propensity to purchase online. These factors were however found to vary according to demographic characteristics, particularly pertaining to consumers' education and income level. Ultimately, the study findings led to the formulation of a model that can be recommended to marketers in guiding online shopping within the South African retail sector and regionally.

**Key words:** Electronic commerce, Consumer propensity, Online purchasing, South Africa.

## DEDICATION

To my Daughter Atarah Mujera,  
Never stop seeking **Knowledge** my child!

### **Hosea 4: 6**

*My people are destroyed for lack of **knowledge**. For you have rejected **knowledge**, I also will reject you from being priest for Me; For you have forgotten the law of your God, I will also reject your children.*

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## CHAPTER ONE

### INTRODUCTION AND BACKGROUND TO THE STUDY

#### 1.1. CHAPTER OVERVIEW

The chapter introduces the research by outlining the background to the study in the form of a brief literature review, the research gap that was identified in the body of knowledge, and the formulation of the research problem and question. The chapter concludes by presenting a synopsis of the structure which the dissertation follows.

#### 1.2. INTRODUCTION

Internet purchasing is one of the most promptly growing forms of shopping (Giao, Vuong & Quan, 2020). It provides customers who are substantially remote away from the centres of traditional commerce with a wider range of choices, lower prices, and entirely new products (Shen, Sun, Heng & Chan, 2020). The development of internet has profoundly rehabilitated consumers' day-to-day lives and amazingly prejudiced almost every sphere of human undertakings (Lissitsa & Chachashvili-Bolotin, 2016). The internet has presented firms with an opportunity of remaining competitive on the business landscape by providing customers with a convenient, faster and cheaper way of making purchases (Salehi, Abdollahbeigi & Sajjady, 2021). The number of internet users is constantly increasing which also signifies that online purchasing is increasing (Kaur, Dhir, Chen, Malibari & Almotairi, 2020). The rapid increase is explained by the growth in the use of broadband technology combined with a change in consumer behaviour. Thus, unlike the traditional brick and mortar shopping, internet shopping has rendered consumers the ability to at any time remotely view and purchase product, visualise their needs with the product, as well as discussing products with other consumers based in different geographical locations (Vithayathil, Dadgar & Osiri, 2020).

As developing nations try to cope with the developments in information technologies, the prospective is greater for making various products and services obtainable by consumers in other parts of the world where access to a physical store is not possible (Jibril, Kwarteng, Piliik, Botha & Osakwe, 2020). However, as much as the whole world has recognized the need for a shift to e-commerce, by the end of 2013 it appeared that some South African businesses were still hesitant to switch systems and seem to predict that e-commerce would eventually lose its glory (eCommerce News, 2013). The current prevailing trends in South Africa and other emerging economies however proves otherwise. In South Africa, studies (e.g., Albertyn-

Burton & Scheepers, 2017; Pentz, du Preez & Swiegers, 2020; Smith, 2017) show that online purchase is at a growing rate for the past decade and approximately 52 billion rand has been spent on online shopping of goods and services in 2017 alone.

For South African retailers to survive in this highly competitive market, their managers should have in-depth understanding of two e-commerce dynamics i.e. (1) consumers' decision making processes and (2) online retail environment. In other words, retailers need to understand how consumers take into consideration e-commerce's compatibility when making decisions to shop online. In order to have an impact on and retain consumers, in a competitive market, Sharma and Klein (2020) state that the first step is to identify certain influencing aspects when purchasing online, these can be regarded as factors. It is against this background that this study concerns itself with the factors driving consumers' propensity to purchase online.

### **1.3. BACKGROUND TO THE STUDY**

Muhammad and Thomachan (2017) espoused that, online purchasing is growing exponentially throughout the world. United Kingdom is the biggest online shopping nation in the world, followed by Denmark, Norway and Korea. In Nigeria and other African countries, the number of users is still far below the world average which is around 30%. Due to the availability of faster internet networks currently, e-commerce activities are expanding at a faster rate in Nigeria, South Africa and Kenya. In South Africa, 51% of individuals with internet access shop online whereas, in Kenya, only 18-24% make online purchases whilst In Nigeria approximately 28% of the population conduct online purchases (Nuntharmawia, 2018).

The first phase of e-business evolution began in the mid and late 1990s that focused on transaction-oriented e-commerce than e-business. It focused only on online trading of goods and services. During this phase, dotcom companies focused on having better search, graphical product display, user friendly domains and payment processing capabilities. In the second phase of e-commerce evolution, companies shifted their focus from transaction oriented to customer centric e-commerce. Electronic-commerce has become one of the essential parts of internet after the popularization of World Wide Web (WWW) in the mid-1990s (Poltarykhin, Ivanova & Ivanov, 2020). According to Bailey, Pentina, Mishra and Ben Mimoun (2020), online purchasing in the United States (US) is the third most popular activity on the internet, after e-mail and web browsing. In popularity, it has even surpassed entertainment, information and news-the most common activities people do when they are online. When compared to developing countries, South Africa is still in its nascent stage of

development but in the recent years, due to the low cost of personal computers, smart phones and growing usage of the internet the country has shown a tremendous growth in e-commerce (Cobelli & Wilkinson, 2020).

Several factors have contributed to the growth of the Internet market, for instance; some advancements in technology, changes in shopping perceptions, and changes in the lifestyles of consumers (Díaz, Gómez & Molina, 2017). The increasing number of companies that offer internet access are providing consumers with a convenient and inexpensive way to become members of the internet community. Consequently, the proliferation of online shopping has stimulated considerable research examining consumer acceptance of the internet as a shopping channel (Wei, Seedorf, Lowry, Thum & Schulze, 2017). The development of better applications and search engines are making internet visits a more pleasant and exciting experience for consumers. Furthermore, the increase in the quantity and quality of the available information on the internet and the presence of well-known corporations and brands on the internet are also generating higher interest among consumers (Nuntharmawia, 2018). In addition, the developments of secure system that allow secure monetary transactions are accelerating internet shopping. Lastly, the increased globalisation of the world economies has created many opportunities for marketers. At the same time, this has also intensified competition among businesses so that many companies are looking towards contemporary forms of marketing. As such it became apparent for this study to assess the factors driving consumers' propensity to purchase online in the South African retail environment.

#### **1.4. RESEARCH PROBLEM STATEMENT**

While it is evident that the internet is an essential tool for modern day marketing of goods and services, limited studies have been conducted in emerging economies more so in South Africa. Since online stores market their products to a broad spectrum of consumers across the globe, the need to establish the changing consumer behaviour from conventional purchasing modes to online purchasing becomes significant. To ensure secure payment and trustworthy, convenient interaction remains important for competing in the e-commerce sphere as consumers also remain concerned about non-delivery, hence fraud remains a risk as well as potential damage to goods. In light of the preceding, it is essential to identify the factors that influence the propensity to internet purchasing. Since online shopping is an ever-evolving retailing medium and online consumer behaviour is diverse from traditional consumer behaviour, one must identify what drives the online consumer purchasing patterns. Analysing the process that the online consumer goes through when deciding and making a purchase over the internet, reveals some underlying factors that consumers consider when using an

innovative technology. To avoid any possible business to consumer (B2C) conflicts, these factors need to be identified and taken into account by online retailers and business researchers in order to satisfy consumer demands as well as enabling online stores to effectively compete in the online market.

## **1.5. RESEARCH AIM AND OBJECTIVES**

The aim and objectives of the study are as follows:

### **1.5.1. Research Aim**

The aim of the study is to establish key factors driving consumers' propensity to purchase online in order to devise a model that guides online marketing strategy and future research. The aim of the study was fulfilled with the support of research objectives outlined below.

### **1.5.2. Research Objectives**

- I. To establish key factors driving consumers' propensity to purchase online.
- II. To establish the variations in the perceptions of consumers towards online shopping in terms of their demographic characteristics.
- III. To examine which category of products are popular among consumers on the online retailing platform.

## **1.6. SIGNIFICANCE OF STUDY**

The contemporary study at hand is an imperative contribution towards addressing the call for more research on innovative retail practices. Internet Purchasing is one of the most promptly growing forms of shopping. The internet has presented firms with an opportunity of remaining competitive on the business landscape by providing customers with a convenient, faster and cheaper way of making purchases (Kotler, Burton, Deans, Brown & Armstrong, 2015). Owing to the universal nature of the web, many consumers and marketers are using online purchasing and selling as a means of acquiring a variety of products and services that sometimes can be difficult to obtain at traditional brick and mortar stores. In general, this study identifies key factors driving consumer's propensity to purchase online. It offers insights that help to shed light on the potentiality and future growth of online shopping in South Africa. The results of this study will be useful for the local companies in South Africa so that they can have a better understanding of the dynamic online markets before venturing into online retailing.

More precisely, this study will enhance the understanding of online consumer behaviour and the factors driving consumers' propensity to conduct online purchases. In addition, this study will provide information that can be utilised to guide decision making aimed at online marketing planning. Furthermore, the current study adds to the developing literature on online shopping in South Africa and hence useful for future studies.

## **1.7. UNDERPINNING THEORY OF THE STUDY**

This study employed the Technology Acceptance Model (TAM) as the underlying theoretical grounding for the research framework as it provides a valid basis for explaining and predicting consumers' intention towards online shopping behaviour (Bobbit & Dabholkar, 2001; Goldsmith, 2002; Grabner-Krauter & Kaluscha, 2003). The knowledge this study generates will contribute in two ways: in terms of theory, this study provides an empirical understanding on the technology acceptance of South African consumers towards online shopping; and in terms of practice, this study presents strategic implications and directions for the development of online shopping in South Africa.

### **1.7.1. The Technology Acceptance Model (TAM)**

Based on established pertinent theoretical foundations and literature (See Table 1.1), the Technology Acceptance Model (Davis, 1989) was employed to investigate the factors that influence the adoption of online shopping within the context of South African consumers. The TAM (Davis, 1989), with its basis in the Theory of Reasoned Action (TRA) (Ajzen, 1991; Fishbein & Ajzen, 1975) has emerged as a powerful model in investigating the acceptance and use of information technology; Its relationship to TRA has been discussed extensively in the literature (Davis, 1989; Mitchell & Grotorex, 1993) and need not be elaborated here. The choice for using TAM as a research model to explain consumers' online shopping adoption is attributed to its consistent capability to explain a substantial portion of variances between behavioural intention and actual behaviours derived mainly from research into the use of innovative technology (See Table1.1).

**Table 1.1:** Past Studies that used TAM

<b>Authors and Year</b>	<b>Description of Study</b>	<b>Theory Applied</b>
Chiu, Chang, Cheng & Fang (2009)	Determinants of customer repurchase intention in online	TAM
Meskaran, Ismail & Shanmugam (2013)	Online Purchase Intention: Effects of Trust and Security Perception	TPB, TRA & TAM
Zhang, Prybutok, & Strutton (2007)	Modeling Influences on Impulse Purchasing Behaviors During Online Marketing Transactions	TAM
Amoroso & Hunsinger (2009)	Analysis of the Factors that Influence Online Purchasing	TAM
Van der Heijden, Verhagen, & Creemers, (2003).	Understanding online purchase intentions: contributions from technology and trust perspectives	TAM
Guo (2011)	A research on influencing factors of consumer purchasing behaviors in cyberspace.	TAM

**Source:** Compiled for the study

The TAM postulates that, the perceptions or beliefs about the innovation are instrumental in the development of attitudes that will eventually result in system utilization behaviour (Davis, 1989). It also posits that the actual system use is determined by each user's behavioural intention to use, which is in turn influenced by each user's attitudes towards use. Finally, the attitude is directly affected by the usefulness and ease of use of the system. Although TAM was originally conceived to model the adoption of information systems in the workplace (Davis, 1989), scholars in the area of consumer behavior have identified two specific dimensions which are relevant to online shopping: perceived ease of use and perceived usefulness (Huang, 2008). In this study, the usefulness of online shopping will be determined by the perceived benefits variable while ease of use will be determined by online shopping experience, perceived risk and innovativeness.

## **1.8. RESEARCH METHODOLOGY**

It is necessary that a scientific method be followed in carrying out a research study. A scientific research follows systematic, empirically based procedures for generating replicable research (Dźwigoł & Dźwigoł-Barosz, 2018). Mohajan (2018) states that research methodology refers to the method by which data is gathered for a research project. Below is a brief outline of the study's research methodology.

### **1.8.1. Research design and approach**

The study followed the descriptive single cross-sectional design (Lindell & Whitney, 2001) in which only a single sample of respondents is extracted from the population of interest, and data is gathered from this sample only once. Furthermore, a quantitative research approach allowed the researcher to answer questions about the relationships between variables with the purpose of explaining, predicting and controlling the study phenomena.

### **1.8.2. Population and sample size**

The population for the purposes of this study constituted of consumers in Sandton which is located in the Gauteng Province. Employing a convenient sampling technique, data was collected using a sample size of 350 respondents.

### **1.8.3. Data collection instruments, sources and procedures**

This section elaborates on the methods used to gather secondary and primary data.

#### **1.8.3.1 Secondary data**

Logan (2020) defines secondary data as data that is readily available, collected for some other purpose other than solving the present problem. The secondary data this research utilized consisted of a systematic literature review of available published data. This comprised of journal articles, books, conference reports, internet sources and theses relating to factors influencing consumers propensity to purchase online.

#### **1.8.3.2 Primary data**

According to Islam and Islam (2020) primary data is data collected for the first time to solve the particular problem under investigation. The study used primary data which was gathered directly from consumers familiar with online shopping in Sandton. The data was gathered using self-administered questionnaires that were handed to respondents.

### **1.8.4. Data analysis**

Data analysis in this study included the editing and coding of data after collection, validity and reliability of the collected data as well as the statistical analysis of the data. Hence, it involved

decreasing the accumulated data into a convenient size, developing summaries, checking for patterns and applying statistical procedures. Collected data was analysed using IBM Statistical Package for Social Sciences (SPSS) Version 26. The steps that the researcher took in analysing the data are explained in detail in chapter 3.

#### **1.8.5. Ethical consideration**

To ensure protection of research respondents from any potential adverse impact arising from conducting the study, this study followed the regulations and procedures specified by the University of Venda Research Ethics Committee. To uphold high standards of ethics, the following major factors as advanced by Artal and Rubinfeld (2017) were considered: (1) Informed consent, (2) Right to privacy, (3) Dignity, and (4) Honesty.

### **1.9. DELIMITATIONS OF THE STUDY**

The study was only limited to participants within Sandton city in the Gauteng Province. Furthermore, business transactions occur mainly either as business-to-business (B2B) or business-to-consumer (B2C) but this study is only confined to B2C transactions.

#### **1.10. DEFINITION OF KEY TERMS**

**Electronic commerce:** Electronic-commerce (e-commerce) is the buying and selling of goods and services, or the transmitting of funds or data, over an electronic network, primarily the internet (Feng, 2007).

**Online purchasing:** is a form of e-commerce which allows consumers to directly buy products or services from a seller over the internet using a web browser (Chahal, 2015). Consumers find a product of interest by visiting the website of the retailer directly or by searching among alternative vendors using a shopping search engine, which displays the same product's availability and pricing at different e-retailers.

**Consumer behaviour:** The study of human responses to products, services and the marketing of products and services (Kardes, 2002). It entails the way in which consumers deal with purchase decisions in different contexts with the aim of satisfying their product needs and requirements.

## 1.11. CHAPTER CONTENT ANALYSIS

As recommended by Perry (1994), this dissertation follows the structured five-chapter approach, which is the standard for Masters dissertations in the marketing discipline. The dissertation chapters are structured as follows:

**CHAPTER ONE: Introduction** - This chapter introduces the study by giving an outline of the study background which is the foundation of the study. The significance of the study is also highlighted in the chapter. Furthermore, the problem statement as well as the research aim and objectives are outlined in this chapter.

**CHAPTER 2: Literature Review** – The existing body of literature is analysed as it relates to the theory and practice of e-commerce. While the discussion also revolves around the global perspective, emphasis is placed upon online purchasing in a South African context.

**CHAPTER 3: Methodology** – This chapter discusses the research methodology used to address the research objectives. The chapter further describes the research design, study area, study unit, the population, the organisation and design of the questionnaire. This chapter further highlights the validity and reliability of the study.

**CHAPTER 4: Analysis and Interpretation of study results** – Chapter 4 focuses on the analysis and interpretation of data. The results obtained are compared with the findings of previous empirical studies and the theoretical framework on which the study is based.

**CHAPTER 5: Analysis and Interpretation of study results** – This chapter concludes, suggests recommendations and highlights limitations of the study as well as areas for further research.

## CHAPTER 2

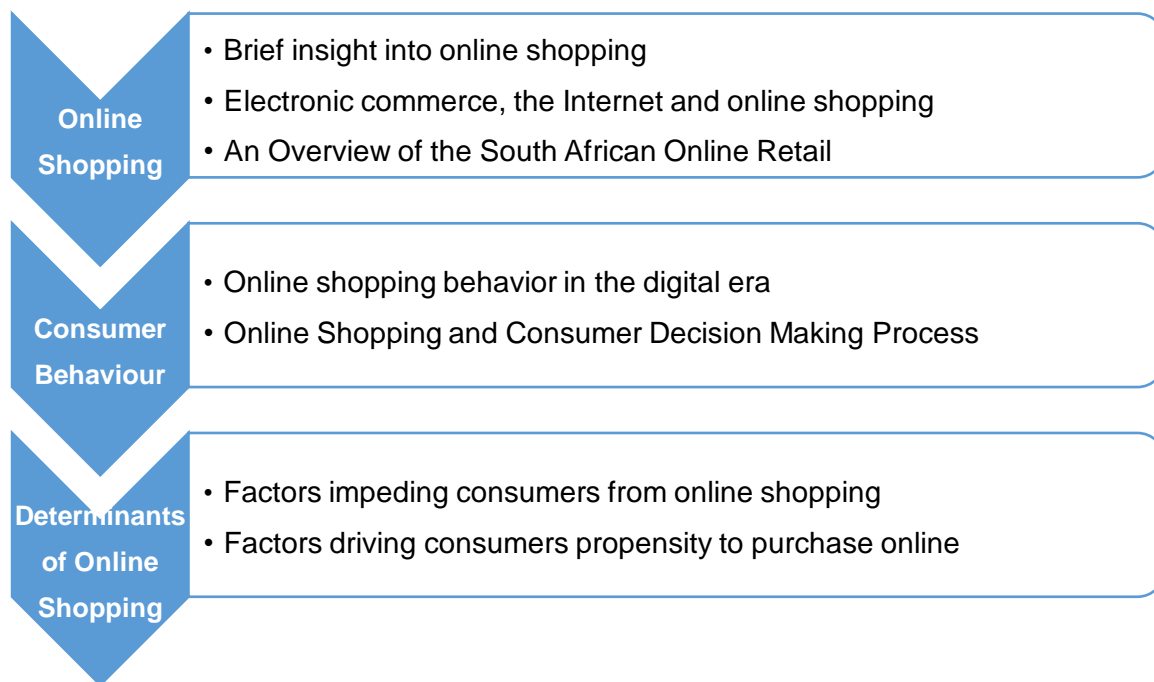
### LITERATURE REVIEW

#### 2.1. INTRODUCTION

This chapter provides insights into the online commerce, consumer behaviour, and factors influencing consumers' propensity to purchase online. It begins with a brief insight into online shopping as well as reviewing the widespread usage of the internet and how it influences online shopping, followed by an overview of the South African online retail sector. Thereafter, online shopping behaviour in the digital era as well as consumer decision making process in an online environment are discussed. The chapter wraps up by specifically performing a mini systematic review (Griffiths, 2002) aimed at ascertaining the major factors driving consumers to purchase online which subsequently led to the formulation of the study hypotheses. Thus in order to conduct as well as present a thorough review of the research issues, the literature review component of this dissertation comprises of: (a) a generic literature review on trends within the study's selected industry (Online retail), (b) a generic literature review relating to online consumer behavioural patterns, and (c) a mini systematic review on the underpinning factors influencing propensity to purchase online which culminates into the formulation of the study hypotheses as well as the proposed model<sup>1</sup>. Figure 2.1 outlines the sequence of the rest of the chapter.

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<sup>1</sup> An outline of the proposed model is depicted in Chapter 5 (See Figure 5.1)



**Figure 2.1:** Chapter 2 Outline

**Source:** Researcher's own construct

## 2.2. A BRIEF INSIGHT INTO ONLINE SHOPPING

Due to rapid growth of technology, businesses have switched over from the traditional method of selling goods to the electronic method of selling goods which has led into the global surge in online shopping. We are living in the technology era and over the past several years, increasingly more buyers have turned to online shopping – and for a good reason, given all the benefits associated with this innovative type of shopping, today more than ever before in the history of the internet, people are buying a plethora of items and services online (Nacion, 2017). From shoes to houses and even yachts, people complete a wide array of transactions on the internet. Online shopping is defined as the process a customer takes to purchase a service or product over the internet (Jusoh and Ling, 2012). In other words, a consumer may at his or her leisure buy from the comfort of their own home products from an online store. Jain and Verma (2016:50) alluded that, online shopping is an e-commerce system used by shoppers in the context of business-to-consumer (B2C) or business-to-business (B2B) transactions and the terms online-shop, internet-shop, web-shop, and online-store can be used interchangeably. For online retailers and e-commerce researchers, customers' adoption of online shopping is a topic of great interest and importance (Hao Suan Samuel, Balaji & Kok Wei, 2015).

Early researchers into online shopping (e.g., Alba, Lynch, Weitz, and Janiszewski, 1997) gave a consumer's viewpoint for web shopping. As espoused by the authors, online shoppers search and compare various product or service alternatives from different online stores that are located in different parts of the world. The interactive nature of the internet offers opportunities for consumers to use online shopping facilities effectively by improving the availability of product information, enabling direct multi attribute comparison, and reducing prospective buyers' information search costs. To effectively summarise the benefits of online shopping SDCexec (2018) highlighted that consumer spending through online retails is attributed to the following major factors:

- **Convenient shopping**—Consumers are no longer restricted by the 9-to-5 working hours. At online shops, they can purchase what they need around the clock. With the busy life that we lead today, this can be extremely helpful and time saving.
- **Price comparison**—Consumers can flick between websites quickly to see which is offering the best price for the same product; securing the best deal cannot be easier. When shopping in brick-and-mortar stores, walking from shop to shop to do this requires much more effort and time, making online shopping much more comfortable and lucrative.
- **Online sales**—Many shops offer exclusive online only sales to get rid of stock that they no longer need and to attract new customers.
- **Greater choice**—In most cases, online shopping provides a much greater variety of products that a physical store could not. Online companies are not limited by the physical dimensions of a store front, they simply need to list the items online before shipping them out from a warehouse. Additionally, if one website has the item out of stock, it is relatively easy to find the stock elsewhere.
- **Free shipping**—Many online stores offer free shipping if an online shopper spends above a certain amount. This can help to save the consumer money, as she/he will not have to pay for the transport of getting to the shopping facilities or pay for parking.
- **World shopping**—Due to the convenience of online shopping, consumers are now able to order products from all over the world. From America to South Africa, you can have it sent directly to you at the touch of a button. This is something that physical stores cannot possibly provide.

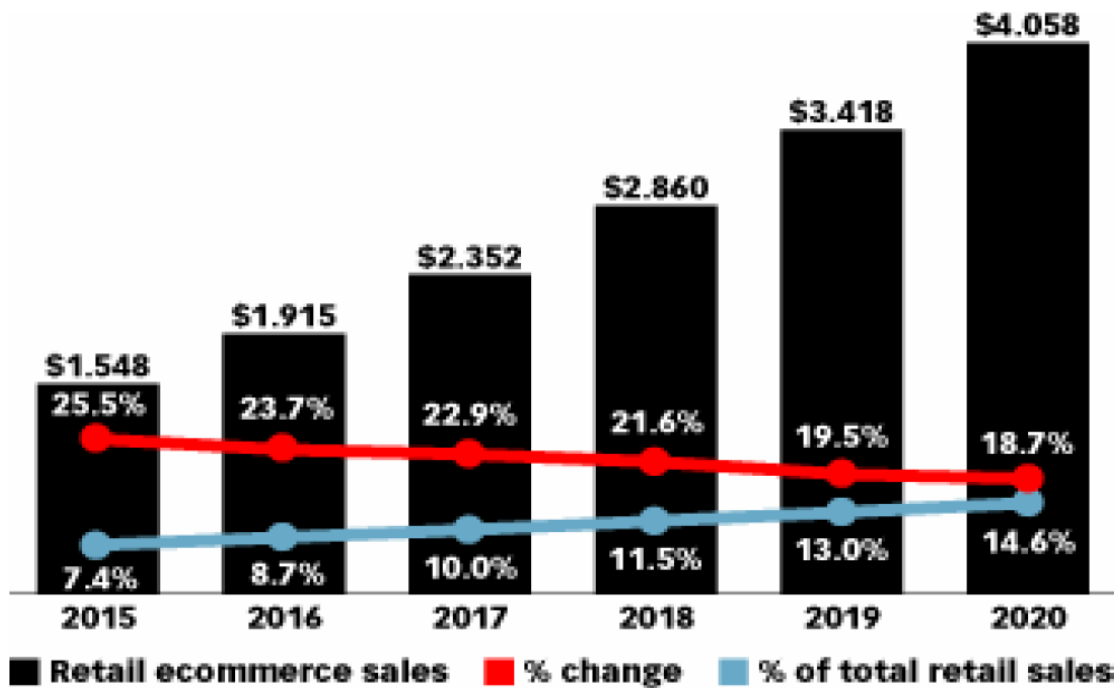
According to Williams (2019), as more retailers turn to online trading, more and more consumers are shifting their attention from physical retail to online shopping. This imply that online shopping is gaining momentum and it becomes essential for researchers to examine

the underlying factors influencing consumers to purchase online. Furthermore, not only can people no longer be bothered to trek into shopping malls for their latest buys, but it is just so much easier these days to log online and order what you like with the freedom of having next day delivery.

### **2.3. E-COMMERCE, THE INTERNET AND ONLINE SHOPPING**

This wide spread of internet technologies along with their advancements not only has a revolutionary impact on people's life, but also their impact on business operations is evident. It is apparent now that the internet and its related technologies have encouraged new and different forms of business which enjoy higher levels of richness and reach. Specifically, in the retailing business, online spending, and the number of online shopping web sites are significantly increasing (Wu, Chen, Chen and Cheng, 2014). Even though online shopping phenomenon is still in its infancy stage in the African continent (Nwaizugbo & Ifeanyiichukwu, 2016), consumers in this part of the world can now shop online from a variety of local and regional online shopping web sites. In addition, consumers in Africa are increasingly doing business online and trade has become easier and faster due to internet prevalence (Khan, Rasli, Yusoff & Isa, 2015). Websites becomes the essence of online business as to exhibit their services and products. In addition, the internet gathers all competitors and consumers in one place consequently bringing new lane to promote products and services in the market (Fulgoni, 2014).

Total global E-commerce sales in 2018 grew to a staggering 2.8 trillion US dollars and recorded an increase of 4% from 2015 (See Figure 2.2) with a 4% projected increase by 2020. Globally, e-commerce is a strongly growing domain with no signs of decline. It remains a popular choice for investments and new businesses, and further growth will promote new technology, and, of course, rising consumer propensity to purchase online (Dobрева, 2018). For those who sell globally, it is important to know that Asia is responsible for almost a half of the mobile commerce (m-commerce) market. China, United Arab Emirates (UAE), and Turkey have the highest number of mobile shoppers, with 68%, 57% and 53%, respectively, of the total population (Dobрева, 2018). Also, the emerging m-commerce markets with the highest growth rates are India, Taiwan, and Malaysia. The first-world countries are not staying behind: the highest growth rates are detected in Japan, the United Kingdom, and South Korea (Dobрева, 2018).



**Figure 2.2:** E-commerce share of total global retail sale from 2015 to 2020 (in trillions)

**Source:** eMarketer (2018)

The online retailing is becoming an integral part of an economy and worldwide increasingly seeing trust and confidence in purchasing online. As proffered by AadWeening (2012; cited in Bashir, 2013:45), “E-commerce is benefiting from several positive trends, including the continued rollout of broadband, increasing user comfort shopping online and the decline of some brick-and-mortar retailers.”. Online consumers are always seeking new products, new attractiveness and most importantly price compatibility. As a result, the internet is a convenient platform which saves time and money through purchasing online mostly within consumers’ budget anywhere and at any time. Thus, online consumers do not have limits on the online shopping platform (Amblee & Bui, 2011). Customers also besides the actual online purchases, use the internet for comparison of prices of goods and services, access news, visit social networks and search for information. Online browsers are the main sources of online shoppers as this segment always want to seek information within few clicks and reach to the most relevant information according to their requirements such as competitive brands, best price offers, product specification and consumer testimonials (Bashir, 2013).

### 2.3.1. An overview of the South African online retail

Internet retailing in South Africa is still in its infancy as compared to global standards. However, it remains the most dynamic channel within retailing in the country and consumers are rapidly

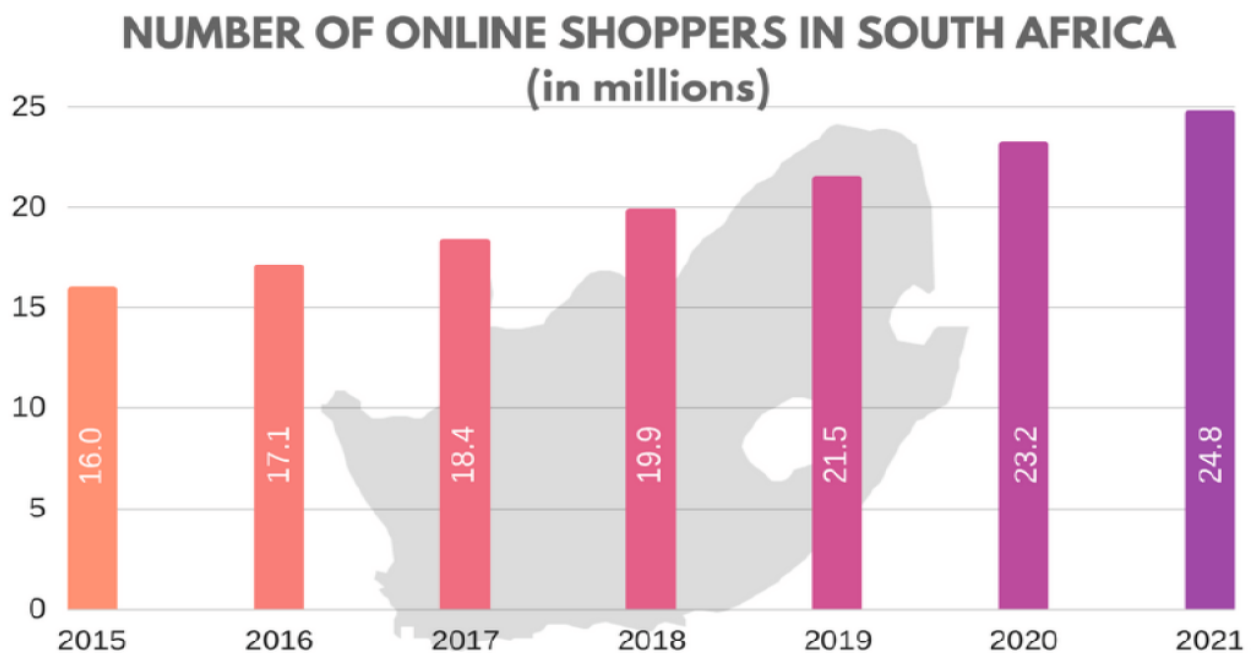
adopting the technology (Euromonitor, 2019). With high rates of mobile penetration in South Africa, online shoppers are increasingly opting to make purchases on their mobile devices, resulting in an estimated 65% growth in online spending via mobile devices (smartphone or tablet) between 2015 and 2016, reaching about 9,5 billion rands, with momentum expected to continue (TechCentral, 2017). This provides an immense opportunity for online retailers, as mobile spending was projected to have increase by 150% by 2020 (BusinessTech, 2019). Rapidly evolving technologies, changing demographics, and consumer preferences have created a change in the consumer product industry. With a growing shift in retail industry trends, driven by technology and access to the Internet, consumers are now accessing most stores and brands through online platforms (Ioană & Stoica, 2014). To tap into the mobile technology, South African businesses are integrating the online retail concept in their operations while others such as Bidorbuy, Yuppiechef, Takealot, Superbalist, and Expatshop (See Table 2.1) solely operate online.

**Table 2.1:** Common South African Online Stores

Online store	Description
Bidorbuy.com	Bidorbuy is an online marketplace that brings buyers and sellers together to trade almost anything, through online auctions and fixed-price sales. Bidorbuy is the largest site of its kind operating in South Africa. The majority of goods sold on Bidorbuy are new items (as opposed to second-hand goods).
Yuppiechef.com	Yuppiechef is a food community offering you the tools, ingredients and the inspiration to cook real food at home. Although specifically set up for those who move in culinary circles, online retailer Yuppiechef trades in a range of kitchenware, appliances and tools to transform any individual's cooking experience.
Takealot.com	Takealot.com is the leading online retailer in South Africa and one of the largest, most innovative retailers on the African continent. Takealot products ranges from TVs, laptops, cell phones, kitchen appliances, toys, books, beauty & more.
Superbalist.com	Superbalist is South Africa's biggest online fashion and beauty destination. Its products ranges from workwear to sweats and other off-duty staples, formal and casual attire.
Expatshop.co.za	Expatshop is South Africa's online one stop grocery store which sells a wide range of products.

**Source:** Adapted from Donga (2020)

Online retailers in South Africa still make up a small proportion of overall retail, but this is picking up as the number of online shoppers continues to increase and is projected to further expand (See Figure 2.3). According to Ramanathan (2016) online marketing, specifically through mobile devices, is playing a pivotal role in converting potential online shoppers to active ones. As depicted in Figure 2.3, at the end of 2019 the estimated number of online shoppers stood at 21.5 million, with an additional 3.3 million users expected to be shopping online by 2021.



**Figure 2.3:** Estimated Number of Online Shoppers in South Africa

**Source:** eShopworld (2017)

Since so many South Africans are using their mobile phones to shop online, most retailers have realised that one must make it easy for them to shop online on a small mobile screen and having to hold the phone in one hand (Donga, Kadyamatimba, Zindiye & Chibonda, 2018). South Africans spend mostly in the fast food category of online shopping, while groceries are still purchased with greater frequency in-store than online. Research also shows that cross border online spending is increasingly common in South Africa (Fin24, 2018). The main drivers encouraging South African online shoppers to buy cross-border online are free shipping, availability of local currency for payment and secure ways to pay (TechCentral, 2017). A recent study conducted by Ipsos in South Africa (Knoesen, 2016) in association with PayPal and FNB, surveyed a representative quota sample of 501 adults who made use of a Personal Computer, mobile device or tablet to access the Internet in the past six months. Of these users, 22% said they had made purchases online and 48 % expect to do so in the future while the remaining 30% of respondents were still undecided on whether to shop online or not. The key drivers of online shopping established include the following:

- Lower product costs – 88% of the respondents;
- Faster delivery – 85% of the respondents;
- Flexible delivery options – 82% of the respondents; and
- Safer ways to pay – 75% of the respondents.

The study also found out that, the most popular shopping categories for South African online shoppers were: (1) event tickets, (2) travel or transportation, (3) Fashion, (4) consumer electronics, and (5) physical entertainment.

Most of South Africa's largest brick-and-mortar retailers have an e-commerce platform – though to varying degrees of sophistication. Those who have listed online retail as a strategic focus or priority in their annual reports include (PWC, 2012), Woolworths (food and clothing), The Foschini Group (clothing), Truworths (clothing), Mr Price (clothing), Massmart (branded consumer goods, including electronics, liquor, wholesale consumables), and Pick n Pay (food). A Case study of two South African food retailers, Pick 'n Pay and Woolworths, have revealed how online retailing strategy is increasingly being embraced in the country. Mr Ackerman, for instance emphasized that (PWC, 2012), *“Online is an important part of our business, but it's small and not yet a highly profitable part. So it's a challenge, but it's a part of business and a great added offering for our customers”*. Furthermore, at Woolworths, for example, Mr Crowhurst regarded the internet as crucial for its longer-term future: *“We've really got to invest in our systems to make sure we are able to interact with our customers through whatever channel they decide to use,”* he pointed out. There are also a significant number of e-commerce-only companies targeting South African consumers. These include Takealot, which sells a range of consumer goods, similarly to Amazon; clothing e-retailers Zando, Spree and Superbalist; and Yuppiechef, a kitchen and household goods stockiest (Maritz & Sullivan, 2016).

The rise in mobile marketing within the South African retail environment has led to a change in consumer expectations and demands, especially as far as convenience, variety, and shopping experience is concerned. In addition, consumers today are far less predictable and they actively seek out new information pertaining to a product or service. As a result, due to mobile technology invasion into the South African retail environment, there is an increase in demanding and well-informed customers. That in return implies the existence of a paradigm shift in consumer behaviour from traditional brick and mortar retailing to the contemporary innovative online shopping. As such it calls for thorough research aimed at understanding the dynamic processes involved in the online shopping decision making process. The subsequent section reviews consumer behaviour as it relates to online shopping practices.

#### **2.4. ONLINE SHOPPING BEHAVIOR IN THE DIGITAL ERA**

Online shopping is more accessible than it has ever been in the digital era with the introduction of tablets, smartphones, easy checkout systems and more secure systems (Qiao, Zhang,

Lindgren & Yang, 2016). As a result, the e-commerce industry is generating higher sales volume. This is thrilling news for internet retailers. However, with more and more players jumping into the market and grabbing the shares, the behavior of online shoppers is something every internet retailer is trying to figure out. As such, this section gives insights about online shopping behavior that marketers and researchers need to understand in order for the effective execution of online shopping in South Africa.

The process in which consumers are evaluating purchasing decisions has transformed with the rapid adoption of technology and, as such, an understanding of the manner in which consumers make decisions is critical in contemporary consumer behaviour research. Kumar, Bezawada, Rishika, Janakiraman, and Kannan (2016) argue that the significant changes in ICT have triggered businesses to embrace the online platform as a channel to provide goods and services to consumers. Therefore, understanding consumer behaviour in the online retail environment is fundamental for the success of online shopping in South Africa as consumers are now increasingly resorting to the Internet and online social tools as product information sources. From the time when internet was introduced, consumers have aggressively utilised it to look for specific information pertaining to products or services. In addition, consumers also use it as a source of reference and to evaluate reviews of their peers' experiences in order to make informative shopping decisions. Through electronic commerce, consumers are evolving and no longer generate purchasing decision in a linear approach, which often decreases chances of retailers realising sales with each passing step of the process. According to Heitzman (2018), the linear approach applied to most conventional firms and it encompassed a consumer becoming aware of a product or service, for instance, through billboards and print ads, contacting the retailer and thinking their purchase over for some time after acquiring a quote, and an ultimate purchase decision.

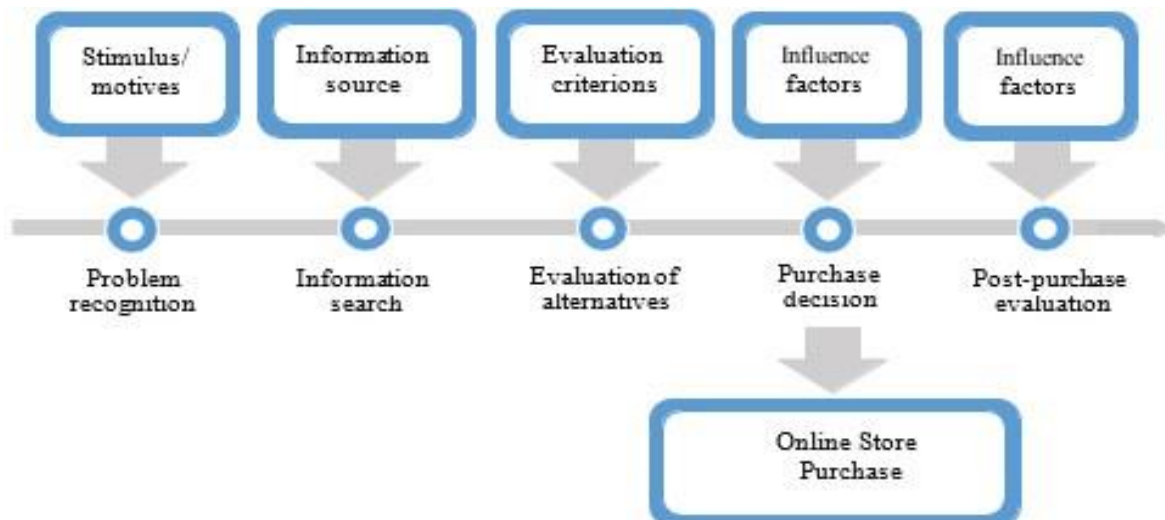
The advancements in technology and mobile practices have, however, streamlined each step of consumer behaviour as customers can now go online and purchase products in a short period of time. In addition, if consumers need to evaluate products or services, they can now conduct online research, evaluate product reviews from other consumers, visit a store to examine a product, and even watch product demos prior to conducting a purchase. According to Heitzman (2018), it is that kind of convenience that has transformed the business model from its conventional and linear approach into a continuously moving target with search as well as digital marketing at the midpoint. While the manner in which customers execute purchases has been abridged by mobile marketing (i.e., lesser steps, power of purchasing at the click of a button), the ways in which they reach and interact with firms has multiplied.

Furthermore, unlike previously, the rise of mobile marketing globally has also afforded customers with more control and choices of their consumption (Bright & Daugherty, 2012).

Abidi (2012) states that one of the most imperative models from the consumer choice behaviour theory narrates the consumer decision-making process and it offers a framework of analysing how mobile technology influences the consumer buying patterns. The model highlights five major steps that consumers follow when purchasing a product (Anjana, 2018): (1) recognition of a need, (2) information search, (3) evaluation of alternatives, (4) purchase, and (5) post-purchase evaluation. The model proposes that first consumers progress from a state of deprivation (problem recognition), to the quest for information on solutions to the problem. The gathered information necessitates the basis for evaluating alternatives and after comparing such alternatives consumers make the actual buying decision. Lastly, post-purchase behaviour is fundamental from the marketing perspective, as it ultimately influences customers' perception of satisfaction/dissatisfaction with regards to a product or service (Jenyo & Soyoye, 2015). The effect of mobile technology can easily be seen at every stage of the decision-making process and it is explained in detail in the subsequent section.

#### **2.4.1. Online shopping and consumer decision making process**

Consumers constantly evaluate potential purchases in the market and of significance the proliferation in mobile technology has increased consumer expectation of interactive visual experiences when searching for product information online (Reddy, 2016). Findings by Powers, Advincula, Austin, Graiko and Snyder (2012) also reveal that consumers utilise mobile internet technology to collect information regarding possible purchases and to inform them about new products. This can also convince them to have a mind-set change pertaining to a specific brand. Owing to digital connectedness and the period spent on mobile devices by consumers, they now consider shopping as an activity that can be executed at any time regardless of location (Reddy, 2016). A study by Xie and Lee (2015) indicates that increased online exposure by consumers to a brand in turn increases the probability of the consumers purchasing that particular brand. This is reinforced by the Global Online Consumer Report (2017) which establishes that 53 % of customers get their information from online sources such as social media, firms' websites, and peer review before buying a product. As mentioned earlier, the consumer decision making process (See Figure 2.4) is an integral process that informs consumer habits when making purchasing decisions. The ensuing discussion highlights in detail how mobile technology influences consumer choice behaviour.



**Figure 2.4:** Consumer Decision Making Process

**Source:** Adapted from: Reddy (2016)

**Stage One: Problem recognition** - According to Kotler and Keller (2012) the consumer purchase process begins at the problem recognition stage. A problem is identified when the consumer's existing state differs from their ideal state. Through advertising, retailers initiate the decision-making process and seek to induce problem recognition among consumers. This is done by creating a new ideal state for consumers or creating dissatisfaction with the consumers' current state (Reddy, 2016). Prior to the introduction of online shopping, it would often take a longer period to motivate problem recognition but with the coming of digital retailing, consumers are now well informed as they are constantly on the lookout for new products or services particularly on their mobile devices. Furthermore, the online retail's influence at the problem recognition stage has immensely improved as consumers are now able to get online marketing experience that has a combination of functionality and information on products and services.

**Stage Two: Information search** - At the information search stage, consumers gather necessary information about different brands and their features and by so doing they will be attending to the problem recognised (Kotler & Keller, 2012). A consumer's information search process is internal and external. The internal is information in the consumer's memory while the external is the sources of information through marketing. As consumers gather information, few brands become strong contenders for the final choice to be made (Reddy, 2016). Online shopping has triggered consumer decision making by reducing search costs and potentially increasing the number of alternatives consumers can efficiently consider. Hence, firms should identify the consumers' choices to search for information in the digital space and prepare marketing initiatives that will reach out to the consumer. According to Macdermott (2015)

consumers nowadays have less trust in salespeople and their pitches as well as some traditional marketing channels and tend to swing towards finding out their own information relating to products or services online via their mobile devices.

**Stage Three: Evaluation of alternatives** - As depicted in Figure 2.4, the third step in the decision-making process is the evaluation of alternatives, whereby consumers evaluate product brand alternatives to acquire benefits and satisfy their needs. Kotler and Keller (2012) imply that attitudes and beliefs acquired through experiences and learning influence consumer choice behaviour and play a significant role in the evaluation of alternatives. One common mechanism which has greatly facilitated evaluation of alternatives online is the use of shopping bots which represent specialised search robots designed to locate and compare products. Rowley (2000:204) state that 'shopping bots use the internet user's query, visit internet shops (sites) which may have the required product, retrieve the information and present it in a consolidated and compact format that allows comparison shopping at a glance'. The internet hence shortens the consumer decision making process by almost integrating various stages of the process. For instance, instead of having visit a store to purchase the selected product after alternative evaluation, the consumer can proceed to purchase the product with the click of a few buttons (Rowley, 2000).

**Stage Four: Purchase decision** - Evaluation of alternatives prompt consumers to make some purchase decisions as they would have derived some preferences among the brands considered. Comparing with traditional commerce, e-commerce has been so influential in evoking positive purchasing decisions among consumers through its ability to interact with consumers in real time. A strategy often employed by online merchants to encourage consumers to purchase during this stage is by offering real time discounts. Discounts offered by online merchants to encourage purchasing often include free shipping of goods, discounts on first-time buyers, free gifts with purchases, and online coupons. Jenyo and Soyoye (2015) state that consumers are much more available to receive marketing messages due to the 'always-on' environment created by mobile devices, which results in lesser time required to make a purchase decision.

**Stage Five: Post purchase behaviour** - Post purchase behaviour is the final step in the decision-making process and involves the level of dissatisfaction or satisfaction derived from the experience of consumers after purchasing a product (Reddy, 2016). Dissatisfied consumers will return and complain about the product, whilst satisfied consumers promote the product and are likely to make further purchases of the product. A firm's response to consumer complaints plays a fundamental role in its success. Noel (2009:76) suggests that on average

'a dissatisfied consumer shares their views with approximately ten other individuals'. Digital media connects consumers and provides a platform for consumers to air their views, so firms need to monitor post purchase behaviours via these channels to attend to consumers' complaints and enable the retention and attraction of consumers. In addition, firms can use information derived from post purchase behaviour to understand consumers and build a relationship to entrench them and avoid consumer brand switching.

From the foregoing discussion, it is clear that contemporary consumers are increasingly in control of when, how, and what marketing content they want to consume. Thus, consumers are no longer captive and passive receivers of messages sent by marketers, but can now participate in creating messages, actively selecting the information they want to receive, and avoiding any unwanted and untimely marketing messages (Higgs & Polonsky, 2007). Furthermore, through mobile marketing, consumers can now engage in a dialogue with not only the online retailers, but they can also connect and communicate with each other (Ewing, 2009). Though the internet as evident in the preceding sections provides online consumers with additional channel for searching information of products and services, it still has some problems to be solved. For instance, when consumers shop on internet, they cannot feel, watch, and touch the reality of the products or services before they buy what they need (Demirkan & Spohrer, 2014). Furthermore, consumers may also worry about the security of transmitting credit card information via the internet (Hayashi, 2012). As such this imply that despite all the benefits imposed by online shopping there are various underlining factors that are likely to affect the effective adoption of online shopping in South Africa and globally and these are discussed briefly in the subsequent section.

## 2.5. FACTORS IMPEDING CONSUMERS FROM ONLINE SHOPPING

Major reason that impede consumers from online shopping include unsecured payment, slow shipping, unwanted product, spam or virus, bothersome emails and technology problem (Katawetawaraks & Wang, 2011). Business should be aware of such major problems which lead to dissatisfaction in online shopping. The most four common factors impeding consumers from online shopping are discussed in the next section.

**Security:** Since the payment modes in online shopping are most likely made with credit card, so customers sometime pay attention to seller's information in order to protect themselves (Niranjanamurthy & Chahar, 2013). Customers tend to buy product and service from the seller who they trust, or brand that they are familiar with. Online trust is one of the most critical issues that affect the success or failure of online retailers. Security seems to be a big concern that

prevent customers from shopping online (Katawetawaraks & Wang, 2011) because they are worried that the online store will cheat them or misuse their personal information, especially their credit card. For instance, report indicated that more than 60% of South African web users are seriously worried about their personal information, transaction security, and misuse of private consumer data (PCW, 2020).

**Intangibility of online products:** Some products are less likely to be purchased online because of the intangible nature of the online products. For example, customers are less likely to buy clothes through online channel because they have no chance to try or examine actual product. Customers viewing a product on computer screen can show a different effect than actually seeing it in the store (Kahn, 2017). In sum, customers cannot see, hear, feel, touch, smell, or try the product that they want when using online channel. In many cases, customers prefer to examine the product first and then decide whether or not they want to buy. Some people think the product information provided in website is not enough to make a decision. Thus, online shoppers will be disappointed if the product information does not meet their expectation (Liao, Lin, Luo & Chea, 2017).

**Social contact:** While some customers are likely to be free from salesperson pressure, many online shopping would feel difficult to make a choice and thus get frustrated if there is no experienced salesperson's professional assistance (Rippé, Weisfeld-Spolter, Yurova, Dubinsk & Hale, 2017). Moreover, some customers are highly socially connected and rely on other peoples' opinions when making purchasing decisions. There are also consumers who sometimes shop at traditional store because they want to fulfil their entertainment and social needs which are limited by online stores (Prasad and Aryasri, 2009).

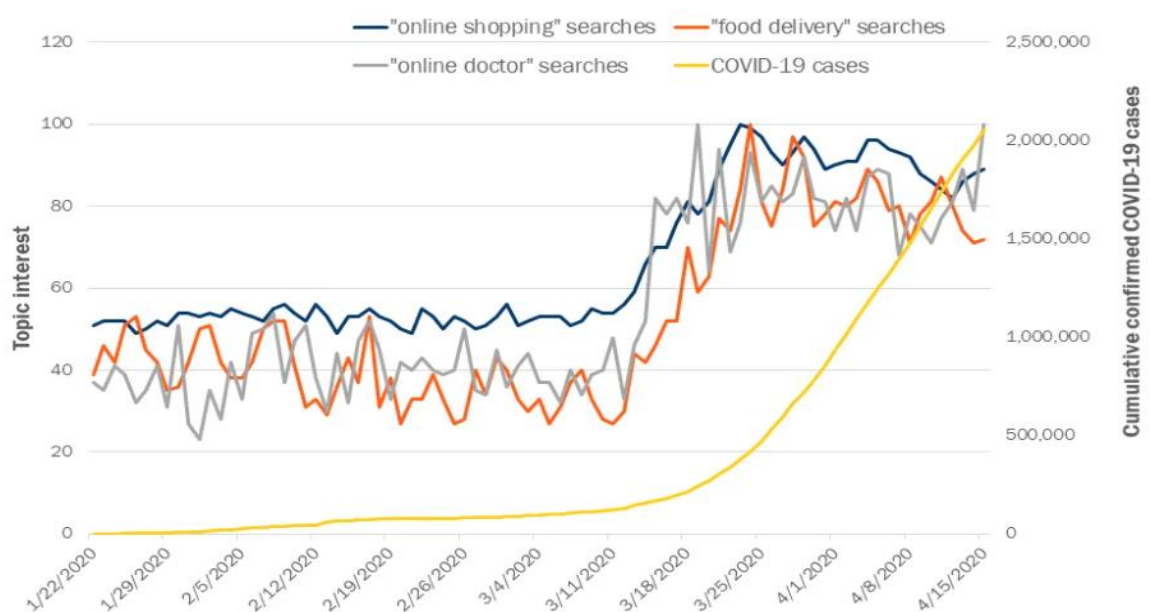
**Dissatisfaction with online shopping:** Customers' past online shopping experience often affect their future purchase decision. In online shopping, for example, they may get unwanted product or low quality products, product does match what is described or expected. The product may be fragile, wrong, or not working. Some online sellers may not agree to refund those products even though it is not what the customer wanted. Delivery is another thing that affects online purchasing decision. Slow or late shipping, for instance, makes customer walk away from online shopping (Pan, Giannikas, Han, Grover-Silva & Qiao, 2017).

Cognisant of both the positive and negative factors influencing online as discussed in section 2.2 and 2.5 respectively, the focus of this chapter now turns to review of literature with the aim of addressing the main aim of the study of establishing key factors driving consumers' propensity to purchase online in South Africa. As such the next section will provide a mini

systematic review consisting of a variety of journal articles in order to determine the common factors deemed in this study to influence consumers' propensity to purchase online.

## 2.6. FACTORS DRIVING CONSUMERS PROPENSITY TO PURCHASE ONLINE

There have not been many empirical studies that attempt to establish the relationship between the antecedent factors and the intention to use or actually use online shopping in the South African context. As online shopping is continuously on the rise and exacerbated by prevailing social distancing norms due to the global COVID 19 (Meyer, 2020) pandemic which has seen an increase in the number of online shoppers (See Figure 2.5), it became even more important to understand these factors. Moreover, analysing the existing studies and identifying the most influential factors driving consumers' propensity to shop online could contribute to the overall adoption of the platform in South Africa and regionally. Thus, in this section a number of studies investigating the factors that affect the adoption of internet shopping, were reviewed and consequently a conceptual framework was devised from such factors in order to guide the current study.



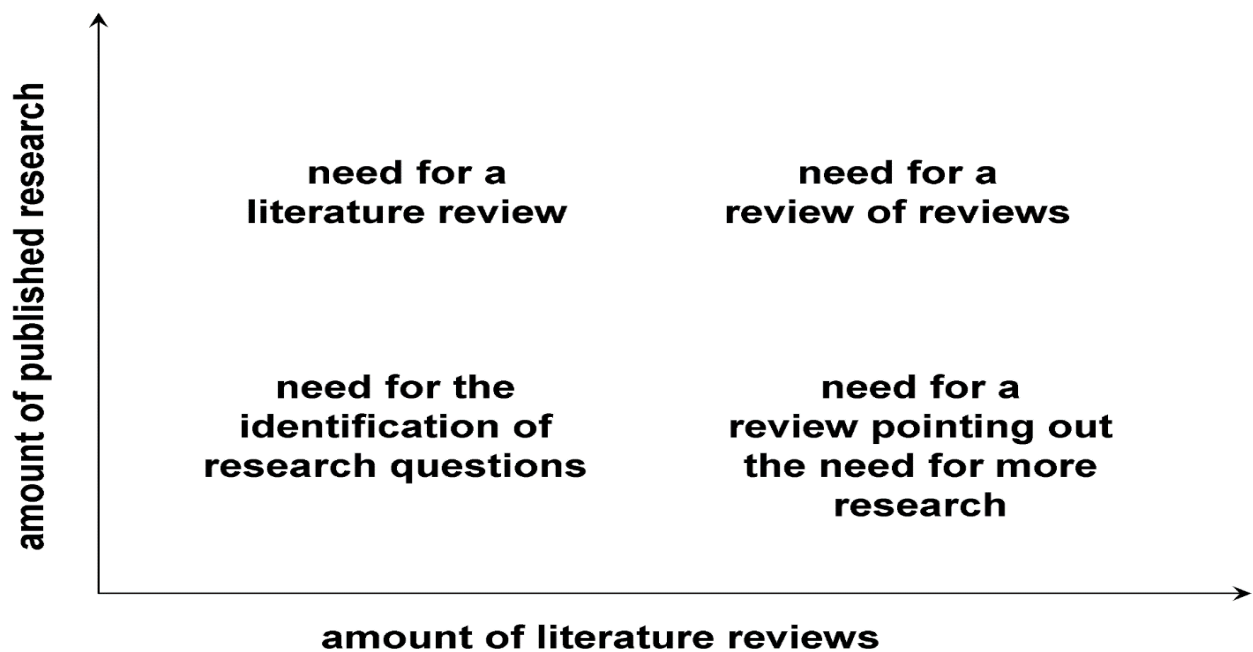
**Figure 2.5:** World wide google searches amid Covid 19

**Source:** Brookings (2020)

In determining the relevant studies aimed at ascertaining the appropriate factors to fulfil the aim of the study, two main methods were adapted as previously used by Chang, Cheung and Lai (2005):

- a) All articles had to involve empirical research.
- b) They had to investigate online shopping adoption, considering attitude, intention, or actual use.

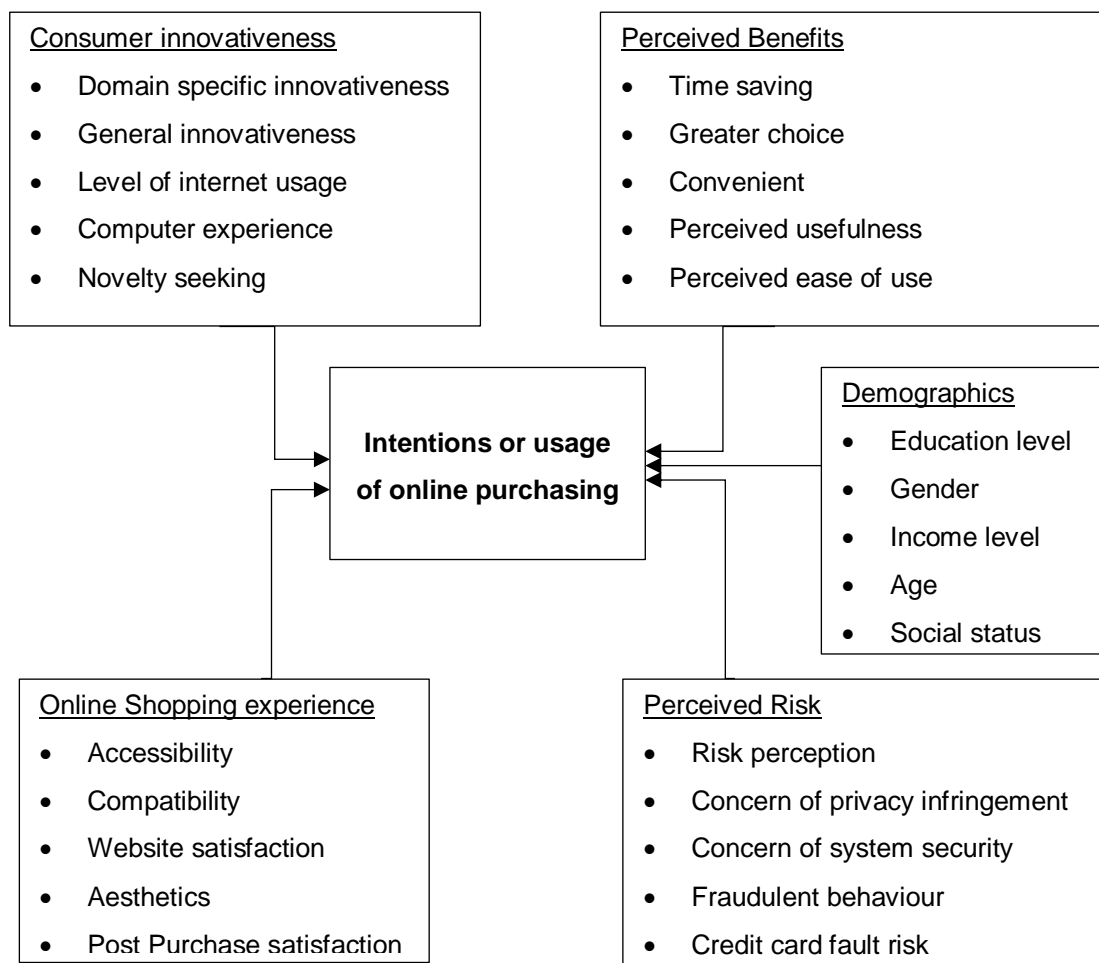
The keywords and phrases used in searching these included online shopping, online and shopping, internet shopping, internet and shopping, online buying, online purchase, electronic commerce, online and consumer behaviour. Secondly, as e-commerce and online shopping are ever evolving technologies in order to ensure that the literature is relevant and up to date journal articles published from 2010 to date were prioritised. Finally, through a random search using Google Scholar data base, a total of 30 studies which involved empirical research were found relevant to the present study. There is no universal minimum number of studies that are recommended for conducting a systematic review (Pautasso, 2013), nevertheless as the main purpose for conducting such review in this study was to guide the study questions, 30 articles were considered satisfactory. In addition, the scope of the search, its thoroughness and the time available to conduct the study were all considered. Following recommendations outlined by Pautasso (2013) when the purpose for a review is to identify research questions a mini-review is appropriate and the bottom-left situation (fewer literature reviews and few research papers) can be adopted (See Figure 2.6).



**Figure 2.6:** A conceptual diagram of the need for different types of literature reviews depending on the amount of published research papers and literature reviews

**Source:** Pautasso (2013)

Upon successful review of the identified studies, a large number of independent variables that affect online shopping usage and intention were extracted (See categorization framework Figure 2.7). Except for a few variables, most were unique and had only been investigated in one study. Subsequently, the unique variables were categorized according to their similarity in order to determine common themes. The five major categories that emerged were (1) consumer innovativeness, (2) perceived benefits, (3) online shopping experience, (4) Perceived risk, and (5) Demographics. The details of these categories are summarized in Figure 2.6 and Table 2.2 respectively and discussed in detail in Section 2.6.1 to 2.6.5.



**Figure 2.7:** Summary of the antecedents of online shopping

**Source:** Compiled for the study

**Table 2.2:** Summary of the effect of antecedents on the intention and usage of online shopping

Independent variables	Studies including these variables	Summary of findings
<p><b><u>Consumer innovativeness</u></b></p> <ul style="list-style-type: none"> <li>• Domain specific innovativeness</li> <li>• Novelty seeking</li> <li>• General innovativeness</li> <li>• Level of internet usage</li> </ul>	<p>Sinha &amp; Kim (2012)</p> <p>Javadi, Dolatabadi, Nourbakhsh, Poursaeedi &amp; Asadollahi (2012)</p> <p>Khare, Singh &amp; Khare (2010)</p> <p>Thakur &amp; Srivastava (2015)</p> <p>Liu &amp; Forsythe (2011)</p> <p>Suki (2013)</p>	<p>Domain specific innovativeness is a significant variable for male respondents, while for female respondents it was not a significant variable</p> <p>Domain specific innovativeness has positive effect on online shopping behaviour</p> <p>Positive relationship between innovativeness/novelty-seeking behavior and online shopping behavior</p> <p>Established consumer innovativeness as a key construct to improve online retail adoption intention</p> <p>Internet usage positively influences online shopping intentions</p> <p>Experienced internet users and experienced online shoppers are more likely to be potential future online shoppers</p>
<p><b><u>Perceived Benefits</u></b></p> <ul style="list-style-type: none"> <li>• Time saving</li> <li>• Greater choice</li> <li>• Convenient</li> <li>• Perceived usefulness</li> <li>• Perceived ease of use</li> </ul>	<p>Al Karim (2013)</p> <p>Clemes, Gan &amp; Zhang (2014)</p> <p>Shanthi &amp; Desti (2015)</p> <p>Hsu, Lin &amp; Chiang (2013)</p> <p>Cheema, Rizwan, Jalal, Durrani &amp; Sohail (2013)</p> <p>Cheema, Rizwan, Jalal, Durrani &amp; Sohail (2013)</p> <p>Cho &amp; Sagynov (2015)</p>	<p>Consumers use internet to purchase products through online because they believe it is convenient to them. The term convenient includes elements such as time saving, information availability, opening time</p> <p>The availability of a wider range of product</p> <p>Consumers feel it is very convenient to shop online since it frees the customer from personally visiting the store</p> <p>Perceived usefulness significant positively influence online purchase intention</p> <p>Perceived usefulness was not significant on online shopping intentions</p> <p>Perceived ease greatly affect online shopping intention</p> <p>Perceived usefulness also had a statistically significant effect on customers' behavioral intention to shop online.</p>
<p><b><u>Online Shopping experience</u></b></p> <ul style="list-style-type: none"> <li>• Web-accessibility</li> </ul>		

<ul style="list-style-type: none"> <li>• Compatibility</li> <li>• Aesthetics</li> </ul>	<p>Jiang, Yang &amp; Jun (2013)</p> <p>Crespo, de los Salmones &amp; del Bosque (2013)</p> <p>Wang, Minorand &amp; Wei (2011)</p> <p>Deng &amp; Poole (2012)</p> <p>Cao, Aijan &amp; Hong (2018)</p>	<p>Easy access to an online store's website promote continued use of online shopping</p> <p>Perceived compatibility has a positive influence on attitudes towards e-commerce</p> <p>Consumers' cognitive, affective, and conative outcomes in an online shopping environment can be significantly evoked by aesthetic stimuli</p> <p>No moderating effect of aesthetics on preference for webpage order in online shopping</p> <p>Post purchase's customer satisfaction played a stronger positive role for online shoppers</p>
<p><b>Perceived Risk</b></p> <ul style="list-style-type: none"> <li>• Risk perception</li> <li>• Concern of privacy infringement</li> <li>• Concern of system security</li> <li>• Fraudulent behaviour</li> <li>• Financial risk</li> </ul>	<p>Brosdahl &amp; Almousa (2013)</p> <p>Tsai, Egelman, Cranor &amp; Acquisti (2011)</p> <p>Tsai &amp; Yeh (2010)</p> <p>Ali, Samsuri, Sadry, Brohi &amp; Shah (2016)</p> <p>Saravanan &amp; Devi (2015)</p> <p>Ariff, Sylvester, Zakuan, Ismail &amp; Ali (2014)</p> <p>Javadi, Dolatabadi, Nourbakhsh, Poursaeedi &amp; Asadollahi (2012)</p>	<p>Financial risk, product risk, delivery risk, and information security risk negatively affect online shopping behaviour</p> <p>Consumers tend to purchase from online retailers who better protect their privacy</p> <p>Privacy concern is a fundamental factor influencing consumer decisions towards online purchasing</p> <p>The system's security is a major factor leading to customers' satisfaction towards online shopping</p> <p>Fraudulent behaviour on the internet is often a concern for many online shoppers which evokes negative e-commerce perceptions</p> <p>Financial risk has the strongest negative influence on consumer attitudes towards online purchasing</p> <p>Financial risks and non-delivery risk negatively affected attitude toward online shopping</p>
<p><b>Demographics</b></p> <ul style="list-style-type: none"> <li>• Education level</li> <li>• Age</li> <li>• Income level</li> </ul>	<p>Clemes, Gan &amp; Zhang (2014)</p> <p>Naseri &amp; Elliott (2011)</p> <p>Hernández, Jiménez &amp; Martín (2011)</p>	<p>The higher the education level of consumers the higher they are likely to make online purchases.</p> <p>Online shopping decreases at old age.</p> <p>High income consumers actively participate in online purchasing than low income consumers</p>

<ul style="list-style-type: none"> <li>Gender</li> </ul>	Gong, Stump & Maddox (2013)	Income level is a significant predictor of online shopping intention
	Richa (2012)	Females are more active in online shopping than males.
	Lian & Yen (2014)	Older adults show no gender differences in regards to the drivers and barriers.

**Source:** Compiled for the study

### 2.6.1. Consumer innovativeness

Consumer innovativeness, as a force that leads to innovative behaviour, has often been cited and studied in research on the diffusion of innovation. Surprisingly, it appears that there is still room for discussion about this concept particularly in the context of internet shopping. As proffered by Leicht, Chtourou & Youssef (2018) innovativeness is the degree to which an individual is receptive to new ideas. It is regarded as a personality characteristic found to be a good determinant of new-product adoption (Citrin, Sprott, Silverman & Stem, 2000) such as adopting the internet as a shopping medium play a vital role in understanding the conditions when general internet use leads to purchases via the Internet. What forces can explain such a predisposition? Four main explanations have been proposed by Roehrich (2004): (1) stimulation need, (2) novelty seeking, (3) independence toward others' communicated experience and (4) need for uniqueness.

Researchers view innovativeness as a personality construct that is possessed, to a greater or lesser degree, by all individuals, since everyone, in the course of their lives, adopts some objects or ideas that are new in the context of their individual experience. If there were no such characteristic as innovativeness, consumer behaviour would consist of a series of routinized buying responses to a static set of products (Nasution & Garnida, 2010). Since online shopping can be viewed as an innovative way of shopping, innovativeness should have a bearing on its adoption. Of all literature reviewed as outlined in Table 2.2, consumer innovativeness was found to be a major factor that can influence consumers' propensity to purchase online. Specifically, four distinct categories of consumer innovativeness (i.e., Domain specific innovativeness, Novelty seeking, General innovativeness and Level of internet use) emerged from the review and were all positively related with consumer use of online shopping.

Relating to domain specific innovativeness for instance Javadi, Dolatabadi, Nourbakhsh, Poursaeedi and Asadollahi (2012) established that domain specific innovativeness has a

significant positive effect on online shopping behaviour. However, despite finding similar results, Sinha & Kim (2012) concluded that, domain specific innovativeness was specifically significant for male respondents, while for female respondents it was not a significant variable. These gender differences as also highlighted in Table 2.2 will also be thoroughly examined in the study represented by the demographic construct (See Section 2.6.5). In terms of novelty seeking, Khare, Singh and Khare (2010) ascertained a positive relationship between novelty-seeking behaviour and online shopping behaviour, while similar results relating to general innovativeness (Thakur & Srivastava, 2015) were found. Finally, regarding level of internet usage Suki (2013) found that, experienced internet users and experienced online shoppers are more likely to be potential future online shoppers. In support of this outcome, Liu and Forsythe (2011) found that, internet usage positively influence online shopping intentions. The above supporting literature give credence to the inclusion of the consumer innovativeness variable in the study and thus the following hypothesis is put forward

**H<sub>1</sub>:** Consumer innovativeness positively affect consumers' propensity to purchase online.

### **2.6.2. Perceived benefits**

Perceived benefit refers to the perception of the positive consequences that are caused by a specific action (Arora & Aggarwal, 2018). Kim, Ferrin and Rao (2008: 21) explained perceived benefits in the online context as “as a consumer’s belief about the extent to which he or she will become better off from the online transaction with a certain website.” Numerous research studies have been performed to conclude the reasons contributing to why people shop online. A review of literature suggested that the expansion in online shopping has been motivated by convenience (free of salesperson pressure or expectations and shopping within a comfortable home surroundings), simplicity and ease of information search/information assembling, price comparison feature, broader assortment of products and services, time-saving, original services and personal motivation among other factors (Arora & Aggarwal, 2018). Forsythe, Liu, Shannon and Gardner (2006) studied four major perceived benefits of online shopping: shopping convenience, product selection, ease/comfort of shopping and hedonic/enjoyment. Additionally, Arora and Aggarwal (2018) suggested three important benefits associated with online buying behaviour: price benefit, a convenience benefit and a recreational benefit. Another benefit that is offered by online retailers for consumers is good selection and wider availability of role of perceived benefits (Melewar, Alwi, Liu, Brock, Shi, Chu & Tseng, 2013). In this study, following the review depicted in Table 2.2 perceived benefits is defined in terms of convenience, greater choice, time saving, perceived usefulness and perceived ease of use.

The above mentioned online shopping benefits were identified from 7 articles that focused on this topic (e.g., Al Karim, 2013, Clemes, Gan & Zhang, 2014, Shanthi & Desti, 2015, Hsu, Lin & Chiang, 2013, Cheema, Rizwan, Jalal, Durrani & Sohail, 2013, Cheema, Rizwan, Jalal, Durrani & Sohail, 2013; Cho & Sagynov, 2015). In general, most of the suggested advantages were found to have a positive impact on online shopping intention and behaviour, however Cheema et al (2013) found that perceived usefulness was not significant on online shopping intentions. Given the inconsistency of previous findings, it strongly reinforces the need for further research to improve the understanding of the factors driving consumers' propensity to purchase online, specifically in an African country context in which the phenomenon is underrepresented in literature. Thus, in furthering this discourse the study proposes the following hypothesis;

**H<sub>2</sub>:** Perceived benefits positively affect consumers' propensity to purchase online.

### **2.6.3. Online shopping experience**

According to several studies, shopping experience, refers to the user-friendliness and aesthetics of online shopping websites. The experiences include the effort required to use a website, its interactivity, and the fun of shopping online. As consumers, go to a store's website they often expect much of the same experience as they get from physical stores. The experience that an in-store experience provides is only matched by the convenience of an online experience. Thus, brands that are most successful at building a quality online retail strategy are the ones that have some consistent and interactive digital presents. This therefore entails that South African online businesses need to ensure that their online strategies leave consumers satisfied and having derived a good experience in order to continuously drive their propensity to purchase online. According to Osman (2020), first impressions matter and no one wants to arrive at a terrible looking website. And more importantly, with the plethora of competitors across industries at a consumer's disposal, consumers rarely have time to browse a terrible looking website. As an online brand, a website is the first impression. While the shopper may find an online website through a variety of different channels, once they arrive, it's about convincing them to buy rather than to pass by the window. An underdeveloped webpage with unappealing colour combinations, poor navigation, and abundance of bad font is probably not going to encourage potential customers to browse (Osman, 2020).

In order to avoid a bad first impression, firms need to start by investing in the look and feel of their brand as a whole—the logo, colour scheme, taglines, and voice (Kingsnorth, 2019). In

addition, they need to emphasize on the appeal of the homepage with a proper balance of visuals and educational context for a wider target audience appeal. The person browsing may not be in the purchase stage of the customer journey—but rather still in the awareness and consideration stage. Therefore, it is important for websites to provide context around various products that consumers need in order to buy. Depending on the industry, it is as well important for online businesses to consider including real customer photos, tutorials, and more (Chylinski, Heller, Hilken, Keeling, Mahr & de Ruyter, 2020). Browsing a website with poor mobile responsiveness can prove incredibly frustrating for online consumers and easily lead to cart abandonment. Thus, to improve online shopping experience, a business' website needs to be functional across as many devices as possible and consider how layouts of all content types will transfer onto smaller screens. For example, a photo of quality size and resolution on desktop may prove less effective when opened in mobile browsing. Thus, online businesses need to be conscious of the devices that customers are operating on so that the experience remains streamlined across the board.

Referring to Table 2.2 it is clear that, website accessibility was found to be a significant determinant of consumers' propensity to purchase online (Jiang, Yang & Jun, 2013). As for the post purchase satisfaction one of the important constructs depicting online shopping experience, Cao, Ajjan and Hong (2018) established that post purchase's customer satisfaction played a stronger positive role for online shoppers. In addition, quite a few other shopping experience variables were explored, including compatibility and aesthetics (Crespo, de los Salmones & del Bosque, 2013; Wang, Minorand & Wei, 2011; Deng & Poole, 2012). For the aesthetics construct, the findings of the studies were mixed as Wang et al (2011) established that the variable had a significant positive impact on intention while in contrast, Deng and Poole (2012) found that aesthetic had no moderating effect on preference for webpage order in online shopping. Relating to compatibility, Crespo et al (2013) established that, perceived compatibility has a positive influence on attitudes towards e-commerce. All the construct discussed in this section, combined point to the importance of the inclusion of the perceived shopping experience variable in this study which warrants its thorough investigation within the South African context. As such the following hypotheses was advanced:

**H<sub>3</sub>:** Online shopping experience positively affect consumers' propensity to purchase online.

#### 2.6.4. Perceived risk

The concept of perceived risk as often used by consumer behaviour researchers defines risk in terms of consumer's perceptions of the uncertainty and adverse consequences of buying a product or service (Pappas, 2016). Consumers are credited with the capacity to receive and handle considerable quantities of information and undertake extensive pre-purchase searches and evaluations. Particularly, in online shopping it is through these evaluations where consumers are subjected to various online risks. This study investigated the perceived risks associated directly with pre-purchase information. In spite of the momentous growth of online shopping and electronic commerce, this astonishing development has led to some new problems and challenges that the foremost internet users' concern comprises security of payment, data protection, the validity and enforceability of e-contract, insufficient information disclosure, product quality and enforcement of rights (Ariffin, Mohan & Goh, 2018). To the extent that a consumer cannot always be certain that all of his or her buying goals will be achieved, risk is perceived to be a factor in most purchase decisions. In fact, much of the work on risk taking indicates the perceived risk is little more than unresolved tension due to opposing vectors or forces. Risk emerges from any of the following factors (Ha, 2002):

- I. Uncertainty as to buying goals.
- II. Which of several purchases (product, brand, model, etc.) best matches the buying goals?
- III. Possible adverse consequences if the purchase is made (or not made).

As indicated in Table 2.2, risk factors have been investigated extensively. Of the studies that explored perceived risks, the majority examined specific risks. These specific risks were measured by asking respondents to assess whether buying goods online was risky in terms of; privacy infringement, system security, fraudulent merchant behaviour, credit card fault, and product risk. Not surprisingly due to the global increase in cyber commercial risks attacks, the majority of the studies proved that risk could negatively affect online shopping intention. However, one study established that, system security, and fraudulent behaviour of the merchants did not have influence on intention (Chang, Cheung and Lai, 2005). Some authors (e.g., Chang et al., 2005; Chen, Yan, Fan & Gordon, 2015) attributed these inconsistent results to a narrow definition of the risk and, therefore, called for specific measures. However as highlighted in Table 2.2, most studies established that risk perception had a significantly negative influence on the attitude towards online shopping. As attitude towards online shopping has been found to have a positive impact on the intention to use it, risk perception should have an indirect effect on intention or usage through attitude. Thus, risk perception

should be thoroughly investigated within the South African context. Thus, the following hypotheses was advanced:

**H<sub>4</sub>:** Perceived risk negatively affect consumers' propensity to purchase online.

### **2.6.5. Demographic factors' impact on internet shopping**

With regards to internal factors, a group of studies examined variables that were linked to consumers shopping online. Particularly on demographic profile, the studies that have examined the link between demographic profile and online shopping found that the demographic profile of a customer determines his/ her attitude towards online shopping (Hashim, Ghani & Said, 2009; Gehrt, Rajan, Shainesh, Czerwinski & O'Brien, 2012). Specifically, these studies found significant differences in gender where male consumers tend to shop online more compared to women consumers (Bae, & Lee, 2011, Zhang, Cheung & Lee, 2014).

Another group of studies found that the age of a consumer also influence his/ her online shopping behavior. These studies found that that the younger generation tends to become more online shoppers (Lissitsa & Kol, 2016). For example, Chang, Lai & Wu (2010) found that younger generation would likely to do online shopping more because of their knowledge in computer technology as opposed to the older generation. This is not surprising since the younger generation tends to use internet more often as compared to the older generation (Van Deursen & Van Dijk, 2011). However, Jusoh and Ling (2012) found that consumers' age does not influence their attitude towards online shopping.

Another body of literature also suggested that education level and higher income bracket may play a significant factor in influencing online shopping behavior as well (Haque & Khatibi, 2005; Hashim et al., 2009). For example, in Sim and Koi (2002), they found that the attitude of families with highly monthly income tend to have positive attitude towards online shopping compared to families with lower monthly income. However, they found no conclusive evidence that education level as an important determinant of online shopping behaviour.

As proffered by Smith (2015) It is important for retailers to know who their potential customers are online in order to market to them effectively. For instance, according to the author, in a report which integrated all the demographic variables discussed above, Business Insider Intelligence broke down the demographics of U.S. online and mobile shoppers by gender, age,

income, and education, and analysed how their behaviours varied. The report found out the following (Smith, 2015):

- The conventional wisdom is that women drive shopping trends, since they control up to 80% of household spending. However, when it comes to e-commerce, men are more likely to make purchases on mobile devices in the U.S. as compared women.
- Millennials, those consumers aged 18 to 34, remain the key age demographic for online commerce, spending more money online in a given year than any other age group. They spend around \$2,000 annually on e-commerce. This is despite having lower incomes than older adults.
- Online shoppers tend to live in households with higher-than-typical incomes. An Experian survey found that 55% of e-commerce shoppers in the U.S. live in households with incomes above \$75,000 (40% were in households earning \$100,000 and above). According to the report, the median household income in the U.S. is around \$50,000.

The above discussion points out to the importance of demographic factors in predicting consumers' online shopping behaviour. However, retailers must also be careful not to alienate certain demographics through an over reliance on technology. For example, Martin Hayward of Hayward Strategy and Futures proffered that (Retail Think Tank, 2016): "There is potential for many older consumers to be disenfranchised by a rapid rush towards new technology in retail by some players, without clear thought as to the needs of those who choose, or are unable, to embrace it". Nevertheless, the demographic construct will be critically examined hence the following hypotheses was advanced:

**H<sub>5</sub>:** Demographic characteristics affect consumers' propensity to purchase online in terms of;

**H<sub>5a</sub>:** Gender

**H<sub>5b</sub>:** Age

**H<sub>5c</sub>:** Education level

**H<sub>5d</sub>:** Income level

With the above discussion of the major factors influencing consumers' propensity to purchase online as outlined in Section 2.6.1 to 2.6.5. A proposed statistical conceptual framework was developed and is discussed in detail in Chapter 1.

## 2.7. CHAPTER SUMMARY

In this chapter, the general trends of the e-commerce sector as well as the specific South African online shopping context were discussed. More importantly, the advantages of online platform in retail offerings was emphasised and how these facilitate consumer transformation in their decision-making process. The prevailing factors impeding consumers from online shopping were also pointed out. Finally, some underlining factors affecting consumers' propensity to purchase online were discussed in detail in this chapter. These factors provided the platform on which the research hypotheses were formulated.

## CHAPTER 3

### RESEARCH METHODOLOGY

#### 3.1. INTRODUCTION

Research methodology describes how data is collected for a research project (Andreas, 2012). It is the outline for the collection, measurement as well as analysis of data with the aim of achieving the objectives of a research project (Christensen, 2019). In this chapter, the researcher explicitly defines the target population, the sampling method that was used as well as elaborating the data collection method that was applied. Additionally, the researcher identified the data analysis methods, tests of the statistics, computer programs, any other technical information, as well as the validation for using a particular method. This chapter also highlights on the data collection instrument that was employed in the study, the organisation of the research instrument as well as the instrument's reliability and validity. Lastly, the different statistical tests that were conducted in data analysis are further explained in this chapter.

#### 3.2. RESEARCH PARADIGM

Creswell (2003) states that in order to formulate a suitable research strategy that explains how data will be collected and analysed and knowledge gained, a clear research paradigm should first be established. This is primarily because any philosophical assumptions regarding the topic of interest impact upon how the phenomena can be understood, and therefore such assumptions must remain constant throughout the research exercise (Creswell, 2003). Morgan (2007) describes a paradigm as a bent of theories and related assumptions shared amongst an association of researchers. According to Blumberg, Cooper and Schindler (2011), the two most renowned research paradigms are positivism and interpretivism. Due to the nature of the study at hand, the positivist paradigm is considered preferable because in relation to the research objectives, the positivism paradigm seems more suitable for solving the "what" and "how" questions relating to the influencing factors affecting online shopping in South Africa. In addition, as followed by this study, in positivism a researcher commences with a theory from previous findings or individual observations, generates some objectives to be verified, and gathers data that test the objectives (Mohan, 2014). Furthermore, data collection within the pure positivist paradigm follows quantitative method containing the representation of holistic phenomena in variables which are measurable.

### **3.3. RESEARCH DESIGN**

The study follows the descriptive single cross-sectional design (Lindell & Whitney, 2001) in which only a single sample of respondents is extracted from the population of interest, and data is gathered from this sample only once. The single cross-sectional design is embedded within the conclusive research approach which is descriptive in nature. The conclusive approach is used when examining relationships where the analysis of primary data is quantitative (Shukla, 2008). For this study, a quantitative research approach was used and it allows the researcher to answer questions about the relationships between variables with the purpose of explaining, predicting and controlling certain phenomena (Lindell & Whitney, 2001).

### **3.4. RESEARCH STRATEGY**

Yin (2003) recommended that a particular research strategy has to be selected based on three conditions i.e. the type of research question, the extent of control an investigator has over actual behavioural events, and the degree of focus on contemporary or historical events. There are various research strategies with distinctive characteristics available from which a researcher may select, based on the above criteria. Both Yin (2003) and Saunders and Lewis (2009) acknowledged that although various research strategies exist, there are large overlaps among them and hence the important consideration would be to select the most advantageous strategy for a particular research study. Some of the common research strategies used in business and management are experiment, survey, case study, action research, grounded theory, ethnography, archival research (Saunders and Lewis., 2009). From these various strategies, this research sought adopted the survey research as the appropriate strategy.

A survey is a systematic method of gathering data from a population, by sampling a portion of that population and subsequently generalising the attributes of the population from this sample (Taherdoost, 2016). Baker and Foy (2003: 45) state that “a survey is concerned with fact finding by asking questions of persons representative of a population of interest to determine attitudes, opinions and help understand behaviour”. This study concerned itself with describing or explaining consumer behaviour of online shoppers in South Africa and therefore it made sense to conduct a survey. The survey strategy is usually associated with the deductive approach. It is a popular and common strategy in business and management research and is most frequently used to answer who, what, where, how much and how many questions (Mohan, 2014). It therefore tends to be mostly used for descriptive research. Surveys are popular as they allow the collection of a large amount of data from a sizeable population in a highly economical way.

### **3.5. POPULATION OF THE STUDY**

Shukla (2008) defined population as the total group of people or entities from whom information is needed. The population sample for the purposes of this study were consumers in Sandton, South Africa and the rationale is given in sub-section 3.5.1.

#### **3.5.1. Rationale for selecting consumers from Sandton**

By selecting Sandton as the population target area, this study is motivated by the notion of Shankar and Balasubramanian (2009) that e-commerce seems to be more effective for some customer segments than for others. The authors revealed that respondents to electronic marketing offers were most likely to be heavy users of mobile technology and data features. Cheon, Lee, Crook and Song (2012) weighed in stating that, these users are mostly innovators and are more affluent and likely to understand technology than other consumers. This study hence argues that; to spur the rate of online purchases in South Africa which is relatively still low, marketers need to focus more of their attention on innovators. Sun International (2014) proffered that, Sandton is one of the most affluent areas in Johannesburg and is the most important business and financial district in South Africa. Furthermore, Ansari (2018) states that affluent areas are characterised by high adoption of online shopping, thus implying that consumers around Sandton were ideal for conducting the study at hand as the findings are more likely to be effective in informing the current South African online consumer behavior.

### **3.6. SAMPLING TECHNIQUE**

Considering the population and the sampling design specified above, convenience sampling was employed in the study (Malholtra, 2010). The choice for convenience sampling was influenced by the fact that it is cost effective and least time-consuming when dealing with a large population where the sampling frame is difficult to obtain. Although representativeness becomes a problem especially in non-random samples, this will be compensated for by using a relatively large sample size, which is discussed in the following section.

### **3.7. SAMPLE SIZE**

Since in this study it is difficult to obtain the accurate database on the online shoppers around Sandton, it renders the acquisition of the actual population size problematic. Resultantly, it may be difficult to group together a sample that is representative of the larger population. For this reason, in consistence with sample sizes from similar past studies (e.g., Cordente-

Rodriguez, Splendiani & Silvestrelli, 2020; Duarte & e Silva, 2020; Javadi, Dolatabadi, Nourbakhsh, Poursaeedi & Asadollahi, 2012) and due to time as well as budget constraints a sample size of 350 respondents is considered appropriate to perform analysis which is considered meaningful.

### **3.8 DATA COLLECTION INSTRUMENT**

In keeping with the research objectives, the data collection instrument was constructed basing on a systematic review (Chen, 2017; Munn, Peters, Stern, Tufanaru, McArthur and Aromataris, 2018) of previous empirical studies on individuals' e-commerce adoption behavior. The systematic review analysis was conducted in order to identify key factors which influence consumers' propensity to purchase online. Consequently, the identified factors were integrated into the questionnaire and tested on the study's respondents. Scales developed in previous studies were adapted to ensure reliability of the questionnaire. Following the compilation of the questionnaire, the next step was to test its effectiveness and efficiency in measuring the intended constructs. This was achieved by pre-testing the instrument (Drennan, 2003). The instrument was pilot-tested in two phases. The first stage entailed discussing the contents of the questionnaire with a panel of experts that included marketing professionals, ICT specialists and statisticians. The overall objective was to determine whether the questionnaire adequately assessed the consumer behavior associated with the use of online shopping. These consultations led to some changes being effected on the questionnaire. The second phase of the pre-test was to ensure that the questions would be understood by the target audience. To achieve this, pilot testing of the instrument was undertaken using a relatively smaller sample of 50 respondents participated in the pilot study. After this, some alterations to the language were made. The results from the pilot study confirmed that for the most part, the research instrument was satisfactory.

### **3.9. DATA ANALYSIS PROCEDURE**

In a quantitative research study approach, data analysis refers to the method of 'breaking down' the data collected into component parts with the aim of answering the research objectives (Tashakkori & Teddlie, 1998.). Data analyses in this study included the editing and coding of data after collection, validity and reliability of the collected data and the statistical analysis of the data. Hence, it involved decreasing the accumulated data into a convenient size, developing summaries, checking for patterns and applying statistical procedures. Carson, Gilmore, Perry & Gronhaug, (2001) point out that the objective of analytic methods is

to convert data into information required to make decisions. The selected methods of statistical analysis rely upon the type of questions to be answered, the number of variables, and the scale of measurement. The data was analysed making use of both descriptive and inferential statistics. Collected data was analysed using IBM Statistical Package for Social Sciences (SPSS) Version 26. The steps that the researcher took in analysing the data are explained in sub-section 3.9.1 to 3.9.4.

### **3.9.1. Data Editing**

The various responses from each item of the research questionnaire were edited. According to Cooper and Schindler (2006), editing involves an in-depth and critical assessment of the completed questionnaire, in terms of compliance with the principles for collecting meaningful data, and in order to deal with the questionnaires not properly completed. Data editing detects mistakes and omissions, corrects them where applicable and confirms that the minimum standards of data quality have been attained. As a result, the main purpose of data editing was to guarantee data accuracy and consistency with the intent of the question. The completed questionnaires were edited and organised to simplify the coding procedure.

### **3.9.2. Coding**

Data coding involves assigning figures or other symbols to answers in order for responses to be grouped into a narrow number of categories (Cooper & Schindler, 2006). The classification of data into restricted categories loses some data but is essential for efficient data analysis. The main purpose of data coding was to convert answers of the respondents to survey questions into codes or symbols which were easily entered and manipulated by SPSS. In preparing for the transformation of answers into a computer-friendly format, it is necessary to first think about the structure of the required result.

In this study, two approaches to coding were done. The first was pre-coding which involved assigning codes to response options before field work commenced and hence printing the relevant codes on the questionnaire. Pre-coding was applied to all questions by assigning numbers to each alternative found in the questions. Secondly, final coding was conducted during which the data was entered into Microsoft Excel so that it would be easily exported to SPSS.

### **3.9.3. Descriptive Statistics**

Descriptive statistics provide data description by investigating the distribution of scores for each single variable and by establishing whether the scores on different variables are relating to each other (Carson, Gilmore, Perry & Gronhaug, 2001)). Descriptive analysis permits the researcher to present data in a way that can be interpreted easily, this study made use of frequency tables, charts and graphs for descriptive statistics.

### **3.9.4. Inferential Data Analysis**

Various inferential statistical tests including the linear regression analysis, reliability tests and chi-square tests were used to analyse data.

## **3.10. VALIDITY AND RELIABILITY**

To ensure high degree of reliability as well as validity, the subsequent aspects, as commended by McKinnon (1988), were taken into consideration:

- I. Carrying out an extensive review of literature – both the industry and academic literature on online purchasing was analysed in chapter 2
- II. Employing the Cronbach's alpha to evaluate the measure of internal consistency (reliability) of the research instrument (measurement scales).
- III. Using key informants – lobbying the assistance of expert marketers and researchers to offer insights into the more recent marketing as well as technological trends of e-commerce in South Africa.
- IV. Employing effective operational measures – the researcher has developed a conceptual frame and propositions for the phenomena being reviewed by collecting data from a number of sources and using instruments that have been previously tested for validity and reliability.

Carrying out a pilot study – to test variables and measuring instruments, a pilot study was conducted. Chapter 3 provides an informed elaboration of the pilot study and the rest of the method and materials utilised in the study.

### 3.11. LIMITATIONS OF METHODOLOGY

This dissertation, as with any research, is not free from limitations associated with the methodology (Shiu, Hair, Bush & Ortinau, 2009). The limitations as they relate to this study are as follows:

- **Sample:** a sample drawn from Sandton was used in the study, thereby excluding other consumer groups. Results may therefore not necessarily be generalized to other consumer segments.
- **Financial constraints:** since the researchers had a limited budget to conduct the research, several aspects of the methodology had to be tailored in line with the budget. For instance, the choice of the sample and data collection techniques were greatly influenced by financial constraints imposed on the dissertation.
- **Time constraints:** in keeping with the requirements of the Masters degree, this study had to be completed within a specified time frame. This therefore meant that certain research designs such as longitudinal methodologies could not have been used.
- **Measurement instrument:** the measurement instrument comprised of only structured questions and respondents were limited to a fixed set of responses.

The above-mentioned limitations apply to this research, and were considered in discussing the findings.

### 3.12. ETHICAL CONSIDERATION

To ensure protection of research respondents from any potential adverse impact arising from conducting this study, the regulations and procedures specified by the University of Venda Research Ethics Committee were followed. To uphold high standards of ethics, the following measures were implemented:

- I. Informed consent – research respondents were advised of the nature of their involvement in the research beforehand. Research assistants explained to all respondents faithfully what they were required to do and their rights as participants of the research, such as their right to pull out from participation at any phase of the research. After this, all respondents' consent were required and protected before commencement of any survey.

- II. Right to privacy – the personal information of respondents and their sentiments were treated confidentially. Respondents were reminded not to supply details about their self and any other evidence that might indicate their identities.
- III. Dignity - the dignity and character of all participants were upheld and not exposed to uncomfortable behaviour.
- IV. Honesty – The findings were outlined honestly even when results turned out to be contrary or different from the researcher’s expectations. Moreover, studies other than the researchers’ were properly cited.

### **3.13. CONCLUSION**

Chapter 3 described the methodology used in this study, which involved the use of a survey to collect primary data. The method applied to collect primary data was justified and described extensively throughout the chapter. The following chapter presents the findings that emerged from the data analysis.

## CHAPTER FOUR

### DATA ANALYSIS

#### 4.1. CHAPTER OVERVIEW

Chapter 3 described the methodological approaches pertaining to this dissertation, including methods applied to collect primary data. In this chapter, the collected data is analysed to assist in answering research questions as well as testing the proposed conceptual model and hypotheses. The sections of the chapter are structured as follows: first, the demographic characteristics of the sample are described; thereafter, a discussion of the respondents' internet familiarity and internet usage patterns is done, which is then followed by a discussion outlining the trends in the respondents' use of the internet for online purchasing. Lastly, the tests of hypotheses are presented.

#### 4.2. INTRODUCTION

Following a thorough review of the existing literature on the underlining factors influencing consumers' propensity to purchase online, a research gap regarding the adoption of retail innovations in developing nations was identified. Specifically, within the South African context, scientific studies illustrating consumer's usage of the internet for online shopping are still in their infancy. Consequently, this research contemplated addressing the deficiency in the body of knowledge by assessing the most influencing factors affecting consumers' online shopping behaviour which emerged from the review illustrated in Chapter 2. Since the study sought to test some causal effects among variables, quantitative data were collected. These data collection processes were outlined in Chapter 3. In quantitative data analysis, a combination of descriptive and inferential statistical analysis was conducted using SPSS v.26. In particular, the following analyses were performed:

- **Descriptive statistics** – to describe the sample's demographic profile and their internet usage profiles.
- **Chi-square tests** – to determine associations among categorical variables.
- **Reliability analysis** – using Cronbach's alpha, to assess the measure of internal consistency (reliability) of the measurement scales.

- **Linear Regression analysis** – to test the direct effects of factors driving consumers' propensity to purchase online and adoption of online shopping.

The rest of the chapter presents the results of the above analyses.

#### 4.3. DEMOGRAPHIC CHARACTERISTICS OF THE SAMPLE

The results depicted in Table 4.1 reveal the demographic characteristics of the respondents in terms of gender, age, study status, level of study, and institution respectively.

**Table 4.1:** Demographic Profile of the Sample

Demographic characteristic		Percent
<b>Gender</b>	Male	43.4
	Female	56.6
<b>Age</b>	18 – 24 years	7.6
	25 – 35 years	61.9
	36-46 years	22.0
	47+ years	8.5
<b>Income level</b>	Less than R10000	42.4
	R10000 – R19000	21.2
	R20000 – R29000	14.4
	R30000 +	22.0
<b>Educational qualification</b>	Secondary	3.4
	Undergraduate	28.0
	B.Tech/Honours	46.6
	Masters	16.1
	Doctorate	5.9

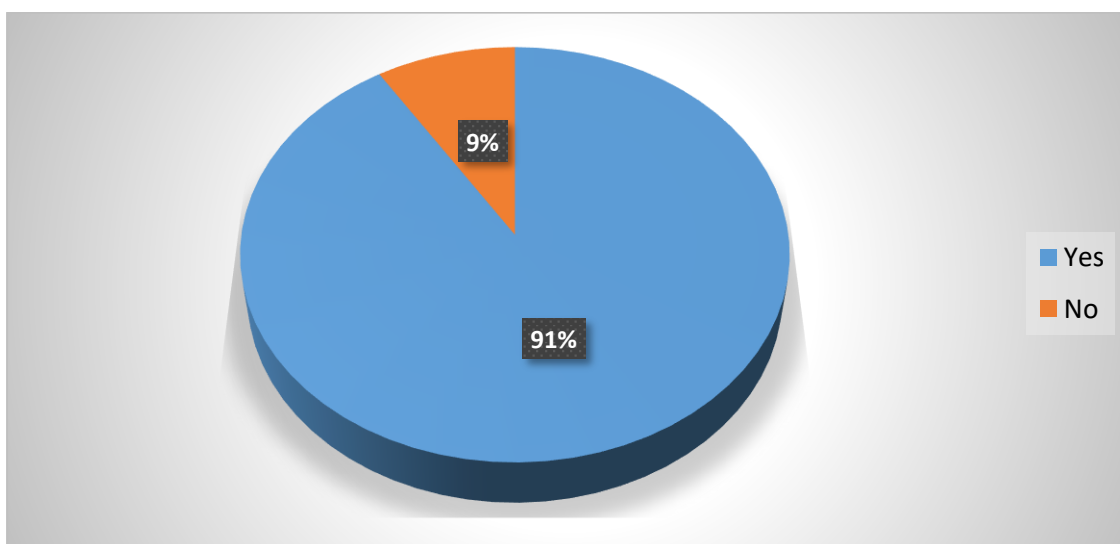
Fewer male respondents (43.4 per cent) participated in the study compared to their female counterparts (56.6 per cent), while a significant proportion of the total respondents (61.9 per cent) fell within the 25-35 years age group. In addition, when asked to indicate their income level, most respondents (42.4 per cent) indicated that they earned less than R10 000 per month. Furthermore, in terms of the participants' educational qualifications, most (46.6 per cent) held an Honour/B.Tech Degree followed by 28.0 per cent who were still enrolled for undergraduate programmes at various tertiary institutions within the country. A further 16 per cent and 5.9 per cent of the total participants were holders of either a Master' or Doctorate degree respectively while the lowest proportion of respondents (3.4 per cent) held secondary school qualifications.

#### 4.4. INTERNET FAMILIARITY AND INTERNET USAGE HABITS

To investigate the extent to which South African consumers utilised internet technology, respondents' internet familiarity profiles as well as internet usage habits were ascertained. In this study's context, familiarity is operationalised to mean consumers' experience in using the internet in general. As proffered by Du (2011), familiarity affects consumer decision making and is considered to be a central construct with which to explain consumer choice processes. Consistent with this notion, since a greater proportion of e-commerce transactions globally are carried out via the internet, chances are high that there is a positive relationship between the respondents' familiarity with the internet and their propensity to purchase online. Consequently, the various factors which contribute to Internet familiarity and usage are briefly discussed in the subsequent sections, beginning with whether the respondents used the internet or not.

##### 4.4.1. Respondents' Internet Usage

Regarding internet usage, out of the 298 valid responses, an overwhelming majority (91%) of the participants revealed that they use the internet. This distribution of respondents is so typical of affluent areas in South Africa such as Sandton where the sample of the study was drawn from due to high digitalisation which has resulted in the wider adoption of the Internet by consumers.



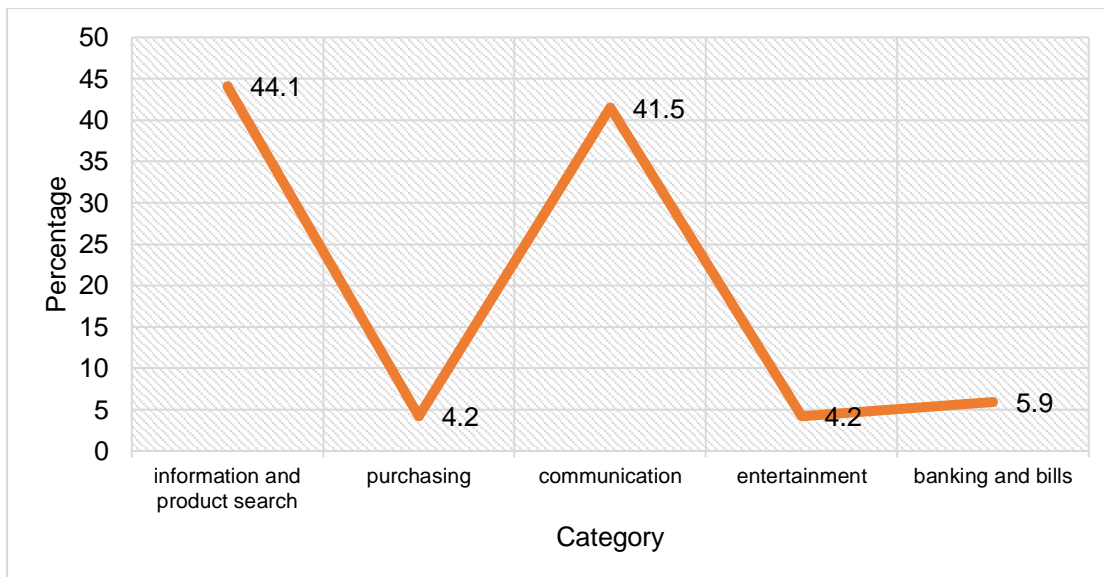
**Figure 4.1:** Internet usage

According to Suman, Srivastava and Vadera (2019) online shoppers were most likely to be heavy users of mobile phones and data features. As such, the results depicted in Figure 4.1

give credence of selecting respondents from Sandton as they comprised a good consumer segment who were likely to provide valuable insights aimed at addressing the research phenomenon.

#### 4.4.2. Respondents' primary use of the internet

The results in sub-section 4.4.1 show that South African consumers, specifically those in Sandton have widely embraced Internet Technology as an integral component of their daily routines. Thus, in line with the purpose of this study, it was deemed imperative to further ascertain the respondents' use of the Internet for commerce related services. In doing so the respondents were asked to reveal their primary use of the Internet besides school or work-related browsing and the results are presented in Figure 4.2.



**Figure 4.2:** Primary use of the internet

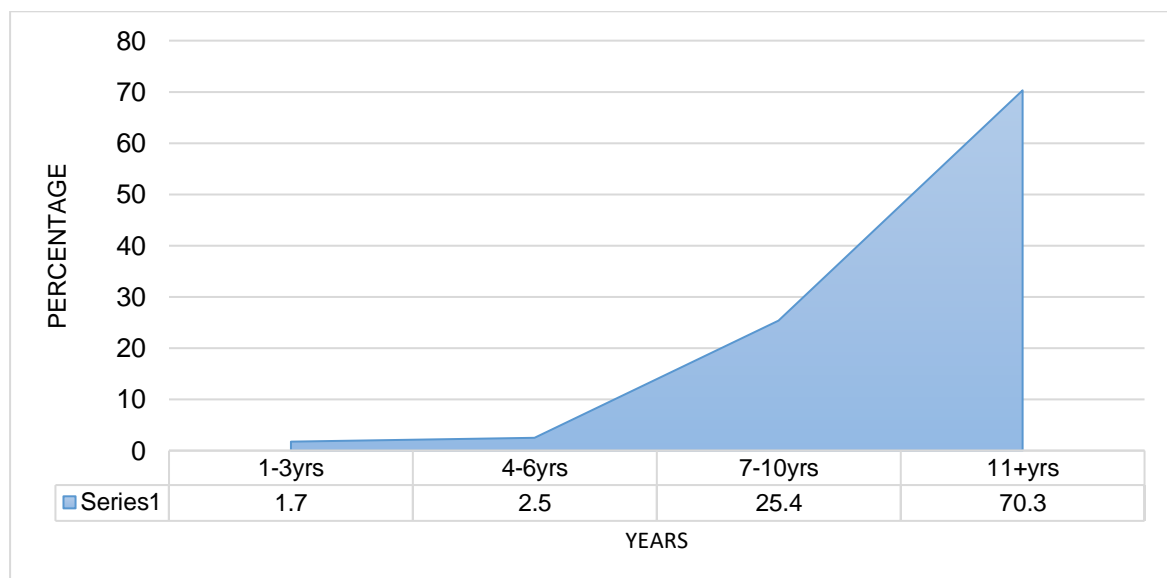
From the results presented in Figure 4.2, the large proportion of respondents (44.1 per cent) indicated that besides work or academic related browsing, they mostly used the internet for information and product search. In addition, approximately 4.2 per cent revealed using the internet for making online purchases, while 41.5 per cent utilised the internet for communication through emails and social media such as Facebook, Twitter, WhatsApp, and Instagram. Furthermore, 4.2 per cent of the respondents spent their internet time on entertainment, for instance games, music, and videos, whilst on the other hand 5.9 per cent used the internet for online banking as well as online payment of bills. These findings, therefore, show that most of the respondents combined (54.2 per cent) primarily used the

internet for commerce related activities (i.e., information and product search, purchasing and banking as well as payment of bills).

From these findings online commerce related activities are gaining popularity in South Africa and this includes online shopping. According to Nielsen (2020) with the current lockdown and temporary ban of non-essential products and services, consumers have switched to digital shopping alternatives with more South Africans indicating they are increasingly shopping online. As a result, available online shopping platforms in South Africa, especially for groceries, medicines, and other necessary items, have seen a surge in usage as consumers prefer not to venture into stores and have increasingly opted for these reduced touchpoint alternatives. This development points to an interesting shift in shopping behaviour which has accelerated adoption of online shopping in South Africa. As such in order to adequately capture this dynamic change in consumer behaviour it became imperative for this study to ascertain the factors influencing consumers' propensity to purchase online.

#### 4.4.3. Period of respondents' internet familiarity

In this sub-section, respondents were asked to indicate the number of years they had familiarised themselves with the internet. The distribution of their responses to the question is shown in Figure 4.3.



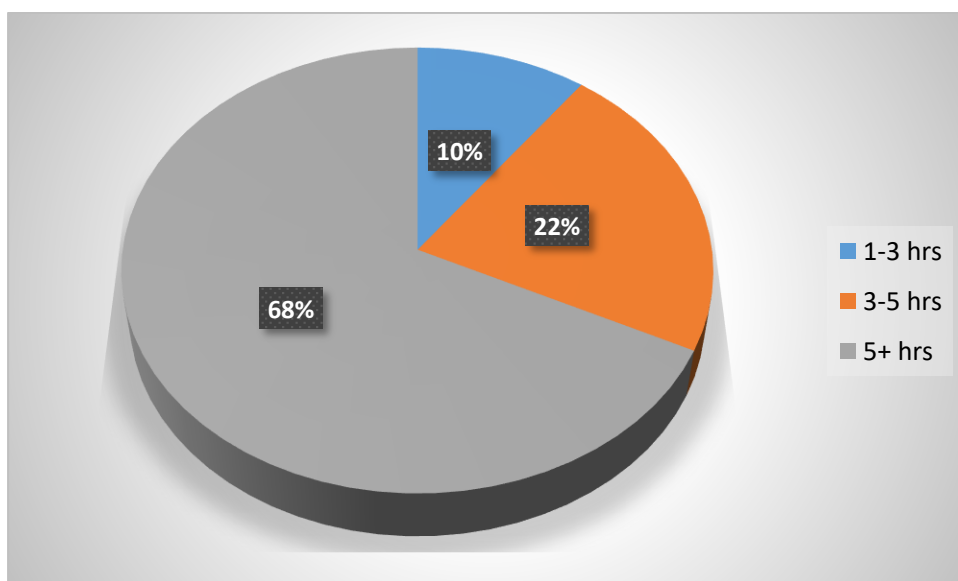
**Figure 4.3:** Internet familiarity

The results in Figure 4.3 indicate that most respondents (70.3 per cent) were familiar with the internet for more than 11 years, while the second largest percentage of the total respondents

(25.4 per cent) indicated being familiar with the internet for a period of 7-10 years. The results further reveal that the least proportion of respondents (1.7 per cent), were familiar with the internet for a period of one to three years. The results imply that South African consumers have adequate skills to perform online shopping due to their internet savviness. According to Bizcommunity (2019) it therefore means that companies are expected to gear themselves to market to the growing number of customers online. Furthermore, for South African retailers the opportunity to tap into this increased demand is greater if they embrace e-commerce as part of an omnichannel future.

#### 4.4.4. Respondents' daily internet usage

In order to eliminate possible uncertainties surrounding the question of whether the majority of the respondents were internet savvy, they were asked a further probing question to reveal their actual daily usage of the internet. The results from their responses are shown in Figure 4.4.



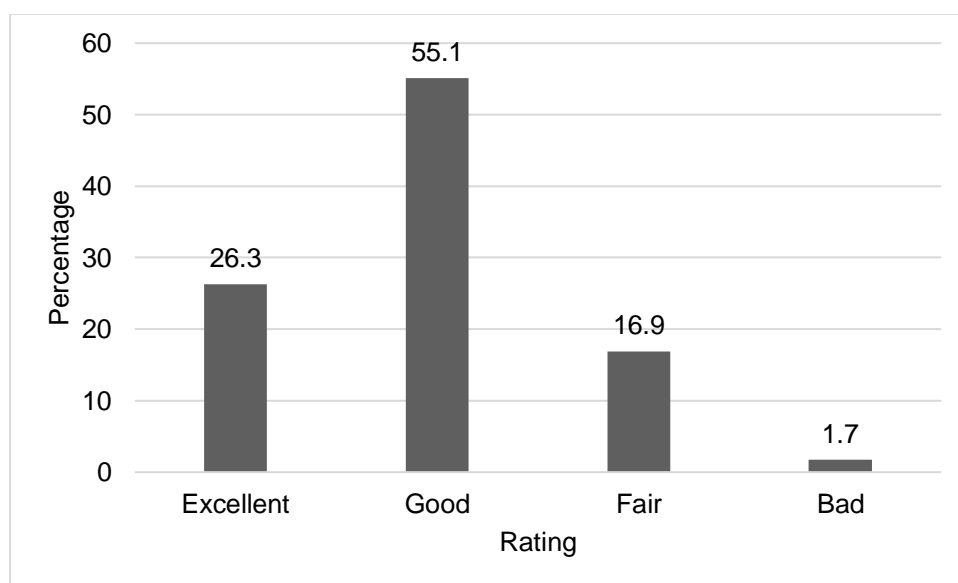
**Figure 4.4:** Daily internet usage

Figure 4.4 depicts that daily, a greater proportion of respondents (68 per cent) were connecting to the internet for more than five hours daily, while 22 per cent indicated connecting to the internet for a period of 3-5 hours daily. The least proportion of respondents (10 per cent) indicated connecting to the internet for a period of only 1-3 hours daily. These findings confirm the researcher's earlier postulation which is conferred in Section 4.4.1 of a wider internet usage among South African consumers as the majority were spending more hours (3> hours) on the internet daily as compared to those who spent less hours (1-3 hours). These findings

are supported by Business Tech (2019) who reported that South Africans are generally higher than the global average, spending more than 3 hours and 30 minutes each day connecting to the internet specifically via mobile devices.

#### 4.4.5. Respondents' rating of internet speed

The question in this sub-section sought to determine the respondents' perceptions pertaining to internet connectivity within Sandton. The respondents were asked to indicate the internet speed of their network service providers and the results to the question are shown in Figure 4.5.



**Figure 4.5:** Internet speed

The results presented in Figure 4.5 indicate that out of the 298 respondents who participated in this study, about 26.3 per cent indicated using internet with excellent speed, 5.1 per cent stated that their internet speed was good, a further 16.9 per cent revealed that it was fair, while approximately 1.7 per cent indicated that their internet speed was bad. Overall, these results demonstrate that by and large, there is good internet speed in Sandton which renders online shopping viable. These results are supported by MyBroadband (2019) speed test results which showed that people in Sandton enjoyed the highest average broadband speeds in the country with the average download speed being 34.7Mbps, while the average upload speed stood at 27.6 Mbps. This is in sharp contrasts to the average download speed in the country (10.1Mbps), while the average upload speed was reported to be 6.1Mbps (MyBroadband, 2019).

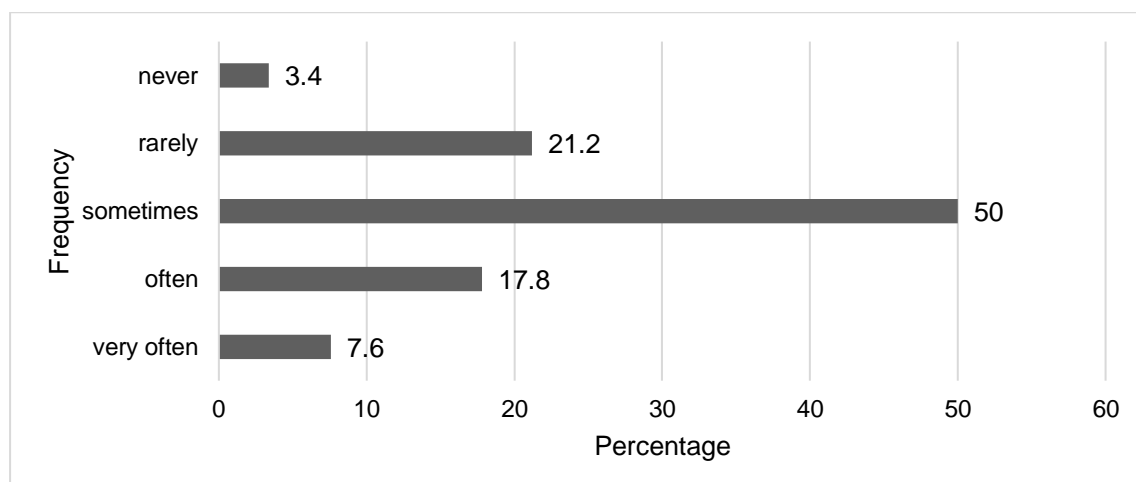
Relating to online shopping, Corbitso, Ash, and Pisone (2011) point out that successful operation of e-commerce is based on time sensitivity at any stage from information search, evaluation of alternatives, to the actual purchase decision stage of the buying decision process. Thus, good internet speed also eliminates security fears and ensures ease of use when executing online purchases as there is quick interactivity between the consumer and the online business. This, therefore, implies that to increase consumer's propensity to purchase online, service providers need to ensure that they constantly monitor their internet speed, as slow connections often delay and make online purchasing frustrating.

#### 4.5. ONLINE SHOPPING USAGE

To investigate the extent to which the respondents were utilising the internet for online purchasing, respondents' online shopping usage patterns were established. The results from the responses are shown in the subsequent sub-sections beginning with the respondents' frequency of shopping online.

##### 4.5.1. Respondents' frequency of shopping online

This sub-section provides information about respondents' frequency of shopping online using their mobile devices. This sub-section was deemed important in order to determine whether the respondents were actually shopping online or not. The outcome from the responses are shown in Figure 4.6.



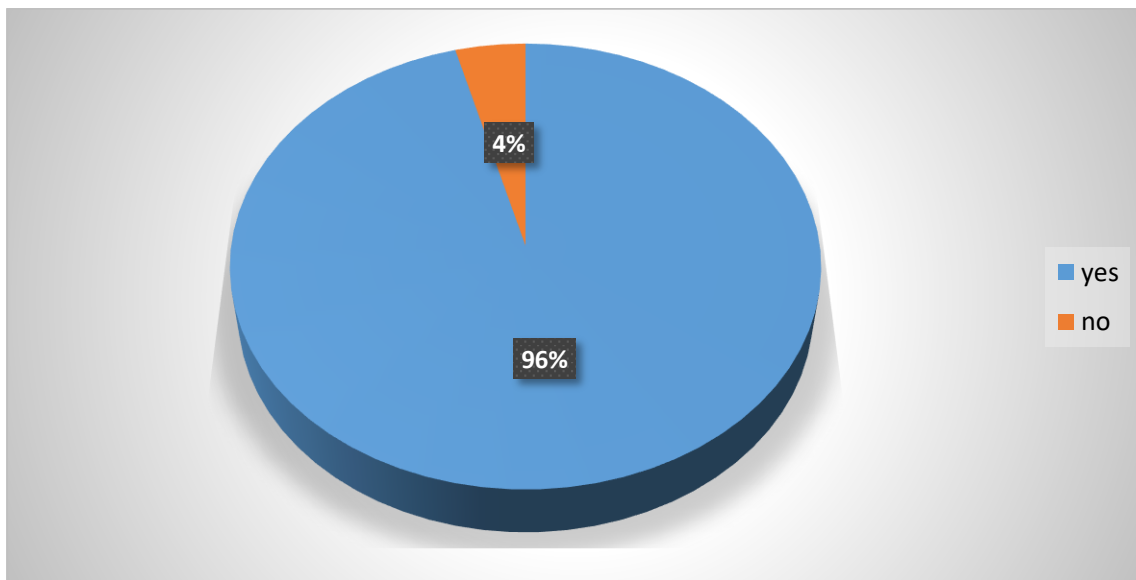
**Figure 4.6:** Frequency of shopping online

The results in Figure 4.6 show that a greater proportion of respondents (50 per cent) conducted online shopping although not on a more frequent basis, followed by 21.2 per cent

who rarely purchased online. The other proportion of respondents constituted of those who more frequently (7.6 per cent) and often (17.8 per cent) purchased online while the least percentage (3.4 per cent) of respondents indicated having never purchased any product online. These results indicate that, with the exception of those respondents who had never purchased online 96.6 per cent had before made an online purchase with approximately 25.4 per cent being active online shoppers. The results also conform to a report by Pay Fast (2019) which indicated that, 25% of South African shoppers were actively buying online due to mobile penetration, faster internet connectivity, and more secure online transactions. Overall, this implies that consumers are greatly utilising online shopping channels and online shopping in South Africa can immensely contribute to the total retail sales.

#### 4.5.2. Respondents' use of the internet for information search

According to Hussain, Guangju, Jafar, Ilyas, Mustafa and Jianzhou (2018) the internet is a valuable research tool for online shoppers and at times provides information that is critically important in purchase decisions. As such, the question in this sub-section sought to determine the respondents' use of the internet for information search pertaining to products or services prior to making the actual purchase. The results to the question are shown in Figure 4.7.



**Figure 4.7:** Use of internet for information search

As depicted in Figure 4.7 most of the respondents (96 per cent) indicated using the internet to search for product information before making a buying decision while only 4 per cent did not use the internet. These results imply that South African consumers put a great deal of effort in evaluating product information using internet sources. In turn this has a potential impact of

driving these consumers' propensity of making actual online purchases thereby driving online shopping in South Africa. To evaluate the actual pattern in which the respondents searched for product information online, the respondents were further asked a probing question to review the frequency in which they conducted online information search. Table 4.2 shows the results from the respondents.

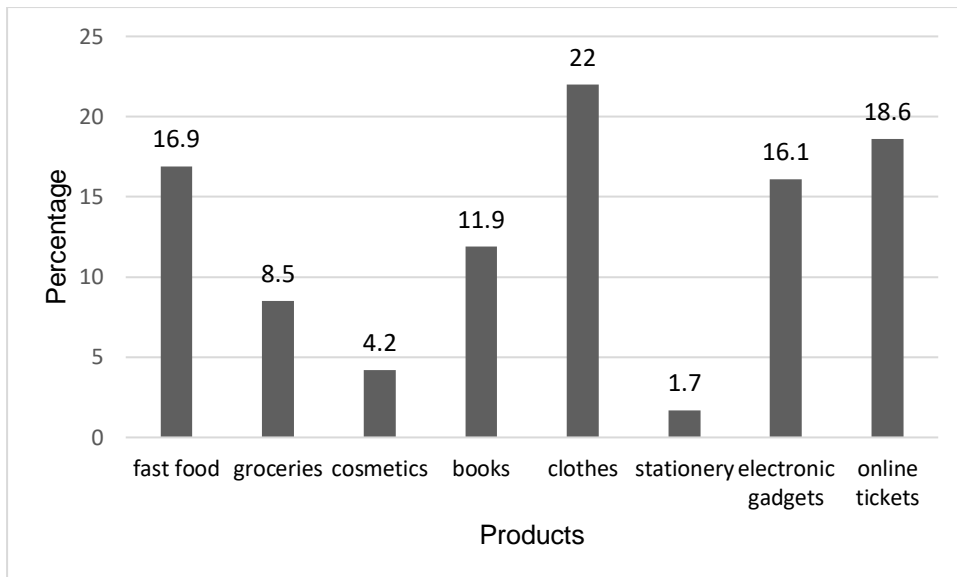
**Table 4.2:** Frequency of information search

		Valid Percent	Cumulative Percent
Valid	Very often	43.2	43.2
	Often	32.2	75.4
	Sometimes	18.6	94.1
	Rarely	5.9	100.0
	Total	100.0	

As shown in Table 4.2, there is strong evidence of respondents (75.4 per cent) being active online with regards to information search for product information. These results are supported by findings of Makhitha, Van Scheers & Mogashoa (2019) who reported that, most South African consumers browse online to search for information about a product specifically from a retailer's website before the actual purchase is executed. In the next sub-section, the results of the most purchased products by respondents online are presented.

#### **4.5.3. Goods most purchased online by respondents**

The question in this sub-section sought to answer one of the research main objectives of determining the category of products which are popular among South African consumers on the online retailing platform. The results to the question are shown in Figure 4.8.

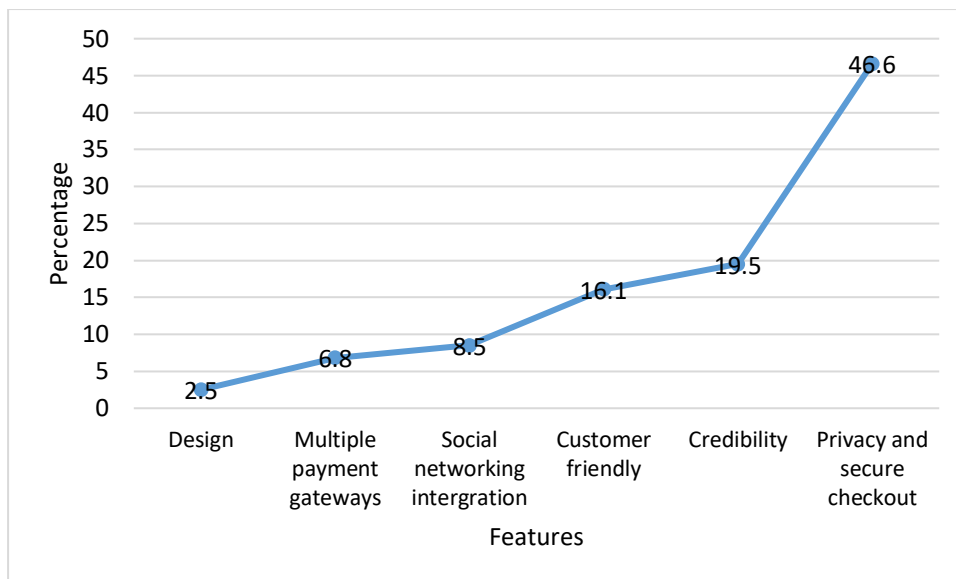


**Figure 4.8:** Goods most purchased online

As depicted in Figure 4.8, it is evident that the most popular products which were bought online by respondents were clothes (22 per cent), online ticket (18.6 per cent), fast food (16.9 per cent) and electronic gadgets (16.1 per cent) respectively. Despite previous studies having a different product range from the current study, there seem to be consensus that clothes are the most common products bought online in South Africa, particularly by those consumers based in Gauteng. For instance, IOL (2018) reported in their survey that mostly consumers from Gauteng are more likely to buy clothing and shoes online than other South Africans.

#### 4.5.4. Important online shopping features

In this sub-section, the respondents were asked to indicate the major features which make mobile shopping convenient and effective. These features included; design, multiple payment gateways, social networking integration, customer friendliness, credibility, privacy as well as secure checkout. The results from the responses are highlighted in Figure 4.9.

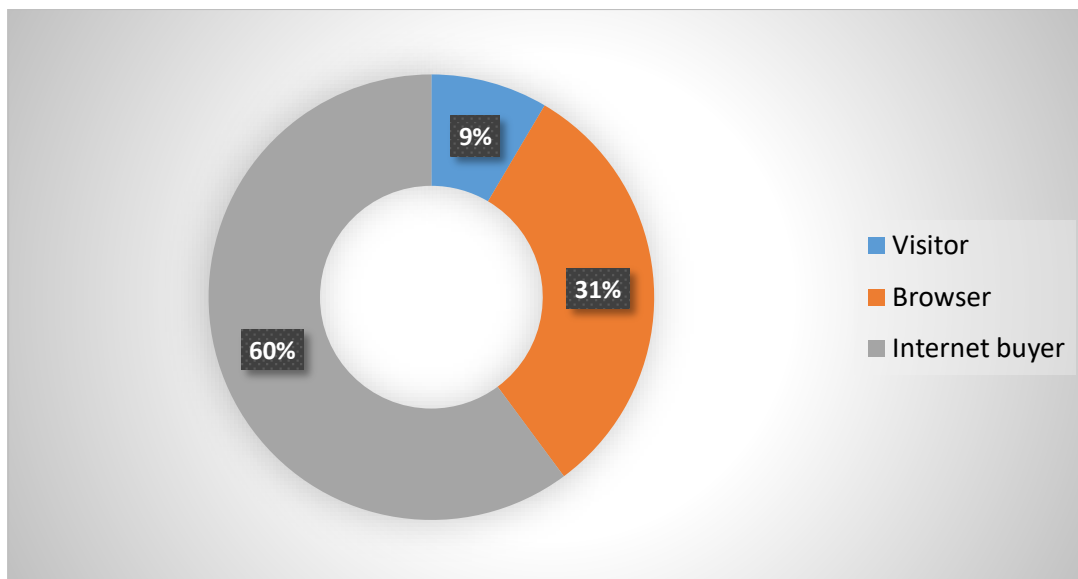


**Figure 4.9:** Important online shopping features

The results as depicted in Figure 4.9 reveal that most respondents (46.6 per cent) were driven to conduct online shopping if proper privacy and secure checkout measures were implemented while the second proportion of respondents (19.5 per cent) regarded online shopping credibility as the important feature they considered before executing online shopping. Furthermore, 16.1 per cent revealed customer friendliness as the important feature they considered when doing online shopping with the least proportion of respondents (2.5 per cent) opting for the online retailer's web design. These results point out to the imperativeness of privacy and security as well as credibility of the online retailers' websites as the most contributory factors considered important by consumers for successful adoption of online shopping. These results support earlier findings by Pan, Alharethi and Bhandari (2019) who found out that credibility, privacy and security were the significant factors considered for effective online shopping by Saudi consumers.

#### 4.5.5. Respondents Type of Internet User

In this sub-section, respondents had to state whether, as far as online shopping is concerned, they would classify themselves as either visitors (who look for general product information only), browsers (who look for specific information but would not transact online) or internet buyers (who look for specific product information and would buy online). The respondents' opinions are reflected in Figure 4.10.



**Figure 4.10:** Type of internet user

Figure 4.10 reveal that of the 298 respondents that completed the questionnaire, the majority (60 per cent) were internet buyers. Browsers constituted 31 per cent, while the least proportion of respondents (9 per cent) were visitors. Overall, these results indicate the pervasiveness of the internet as a medium of acquiring product/service in South Africa. In addition, the results imply that South Africans are well informed consumers as they actively seek for product information on the internet. Furthermore, the results attest to the potential of the South African consumers as an attractive online market, and marketers need to devise effective strategies of converting both visitors and browsers to paying customers (online shoppers).

Before proceeding to the inferential statistical tests, the researcher examined possible significant relationships within the descriptive data concerning online shopping usage and internet familiarity that may not have been readily apparent. To achieve this, cross-tabulations were conducted specifically to uncover if there were any significant relationships relating to income level, primary use of the internet, daily internet usage and type of internet user. The results from the cross-tabulation analysis are depicted in Table 4.3 to 4.5 respectively.

**Table 4.3:** Cross-Tabulation of Income Level vs. Type of Internet user

Income Level Vs Type of Internet User					
		Type of Internet User			Total
		visitor	browser	internet buyer	
Income level	below R10000	0.0%	0.8%	10.6%	11.4%
	R10000-R19000	0.0%	6.8%	14.4%	21.2%
	R20000-R29000	0.8%	12.9%	15.3%	22.0%
	R30000+	7.6%	10.8%	19.9%	42.4%
					100.0%

$\chi^2=22.307$ ;  $p < .05$ ; Cramer's  $V = 0.435$ .;  $p < .05$

As presented in Table 4.3, the results of the Chi-square test ( $\chi^2 = 22.307$ ,  $p < .05$ ) reveal a significant association between respondents' income level and type of internet user. The strength of the association (Cramer's  $V = .435$ ) depicts a very strong effect size, which further confirms a significant association between the two variables. As depicted in Table 4.3 it is clear that the higher the consumer's income level the greater are the chances of being an active internet buyer. This implies that the greater the income level, the greater is the quantity of consumption of goods and services that consumers spent through online buying. This is evident as the greater proportion of respondents (19.9 per cent) falling within the internet buyer category were earning an income above R30 000 monthly. This result also validates the earlier findings by Yau and Tsang (2017) who revealed that, higher income level will have a more positive attitude towards online shopping. Table 4.4 further reveals the cross-tabulation results relating to the relationship between primary use of the internet and the type of internet user.

**Table 4.4:** Primary use of internet vs. Type of internet user

Primary internet use Vs Type of internet user					
		Type of internet user			Total
		visitor	browser	internet buyer	
Primary use of internet	Information and product search	1.7%	11.0%	31.4%	44.1%
	Purchasing	0.0%	0.0%	4.2%	4.2%
	Communication	6.8%	16.1%	18.6%	41.5%
	Entertainment	0.0%	3.4%	0.8%	4.2%
	Banking and bills	0.0%	0.8%	5.1%	5.9%
Total		8.5%	31.4%	60.2%	100.0%

$\chi^2=20.202$ ;  $p < .000$ ; Cramer's  $V = .414$   $p < .05$

The results of the Chi-square test ( $\chi^2 = 20.202$ ,  $p < .05$ ) indicate a significant association between primary use of internet and type of internet user. The strength of the relationship (*Cramer's V* = .414) is strong, which confirms a significant association between the two variables. In addition, results in Table 4.4 show that the proportion of respondents who used the internet for commerce related purposes (i.e., information and product search, purchasing and banking) were more likely to be internet buyers as compared to those respondents who used the internet primarily for entertainment and communication. A conclusion can, therefore, be advanced that consumers who besides work or school related browsing primarily spent most of their internet time doing commercial related activities are more likely to be online shoppers. In Table 4.5, the cross-tabulation results relating to the relationship between daily internet usage and the type of internet user are presented.

**Table 4.5:** Daily internet usage Vs. Type of internet user

Daily internet usage Vs Type of internet user					
		Type of internet user			Total
		Visitor	Browser	Internet buyer	
Daily internet usage	1-3 hrs	3.4%	4.2%	2.5%	10.2%
	3-5 hrs	2.5%	4.2%	15.3%	22.0%
	5+ hrs	2.5%	22.9%	42.4%	67.8%
Total		8.5%	31.4%	60.2%	100.0%

$\chi^2=15.8111$ ;  $p < .000$ ; *Cramer's V* = .366  $p < .05$

The results of the Chi-square test ( $\chi^2 = 15.811$ ,  $p < .000$ ) in table 4.5 reveal a significant association between respondents' daily internet usage and type of internet user. The strength of the relationship (*Cramer's V* = .366) is also strong, which further confirms a significant association between the two variables. As shown in Table 4.5, a greater percentage of respondents who were internet buyers (42.4 per cent) used internet for more hours daily (5+ hours) as compared to those who used internet for 1-3 hrs ( $n= 2.5$  per cent) and 3-5hrs ( $n= 15.3$  per cent) respectively. These results thus imply that with greater internet usage daily, consumers are likely to be directed to various online retailers' websites which ultimately result in them making online purchases.

#### 4.6. TEST FOR ITEM RELIABILITY AND VALIDITY

It was important to determine the reliability and validity of the measurement items used to collect data, since the quality of any study relies on accurately measuring the constructs under study. Marketing research specialists (e.g., Blumberg et al., 2011; Malholtra, 2010; Shiu et al.,

2009) demonstrate that measurement accuracy is a function of two things: (1) the extent to which the study measures what it sets out to measure, and (2) the precision with which the phenomena are measured. The former defines validity, and the latter reliability. The measurement of construct reliability and construct validity are discussed next.

#### 4.6.1. Construct reliability

Cronbach's alpha was used to measure the reliability of the multi-item scales of the questionnaire. Ensuring high levels of reliability was critical in order to minimise bias and consequently, the standard practice of setting the minimum alpha threshold of 0.7 was considered (Irfan & Hassan, 2017). Table 4.6 illustrates the Cronbach's alpha associated with each of the 4 scales comprising the questionnaire.

**Table 4.6:** Cronbach's Alpha for the Sub-Scales

Multi-item scale	Cronbach's alpha
Consumer innovativeness	.773
Perceived Benefits	.731
Online Shopping experience	.768
Perceived risk	.810

As illustrated in Table 4.6, all the scales were observed to have very high measures of reliability, thereby suggesting a satisfactory measure of internal consistency (Pallant, 2010).

#### 4.6.2. Construct validity

Closely related to the concept of reliability is construct validity, which Blumberg et al. (2011:344) define as an instrument's 'ability to accurately measure the phenomena it purports to measure'. Construct validity is rooted in the interplay of two forms of validity – convergent and discriminant validity. To establish high levels of construct validity of the scale, first content validity was undertaken through extensive literature review as well as consultation with marketing researchers and consumer behaviour experts on the viability of the proposed conceptual frame. Secondly, criterion validity was considered which involves ensuring the predictive power of the questionnaire. To ensure criterion validity and enhance predictive power of the questionnaire, the following tactics were employed:

- (a) Adapting scale: validated scales that correctly measure phenomena under study (McNally, Martin, Honig, Bergmann & Piperopoulos, 2016).

(b) Large sample: the researcher collected data from a relatively large sample ( $n = 298$ ) to induce representativeness and to minimise bias (Diamantopoulos & Schlegelmich, 2000).

(c) Reliability: using reliable and internally consistent data (see Section 5.6.1).

Having satisfied the necessary steps to ensure both construct reliability and validity, the subsequent section provides the results emanating from the inferential hypotheses testing.

#### 4.7. HYPOTHESES TESTING

To test the direct effects of the predictor variables on the dependent variable, the linear regression model:  $y = a + bx + e$  was individually applied to test each dependent variable (i.e., consumer innovativeness, perceived benefits, online shopping experience and perceived risk) with the independent variable (adoption of online shopping).

The regression model consists of:

- (a)  $Y$  = Dependent variable
- (b)  $X$  = Independent variable
- (c)  $a$  = Y-axis intercept
- (d)  $b$  = Beta or the coefficient of  $X$  (independent variable)
- (e)  $e$  = Error term

So, the value of beta indicates whether the dependent and independent variables are positively or negatively related. In other words, when the independent variable increases, at what rate would the dependent variable increase? As a corollary, a positive beta indicates a positive relationship and the converse is also true. The p-value was used to assess the significance of the beta score. A significant relationship is a p-value less than 0.05. If the p-value was observed to be greater than 0.05, then the relationship was found to be non-significant. After determining a favourable p-value, the R-square was used to depict the strength of the relationship. The higher the R-square, the stronger the relationship; a lower R-square depicted a weak relationship.

Regarding the last hypothesis ( $H_5$ ) which postulated that, demographic characteristics affect consumers' propensity to purchase online. The study employed the Pearson's chi-square test

for association, in order to determine if there is a relationship between demographic characteristics relating to gender, age, educational level and income level on consumers propensity to consume online. In order to ensure that the test was robust, the adoption of online shopping construct was transformed into a categorical variable through dichotomizing responses as either low adoption (1 through 2.99 on the scale) or high adoption (3 through 5 on the scale) happiness. The p-value was then used to decide whether or not to accept the hypothesis. If the p-value is less than "alpha" which is typically set at 0.05, then the proposed hypothesis is accepted (Heston & King, 2017).

#### 4.7.1. Hypothesis 1: Greater degree of consumer innovativeness positively affect consumers' propensity to purchase online.

The rationale of this hypothesis was to test the relationship between consumer innovativeness and adoption of online shopping. The assumption was that greater degree of consumer innovativeness will lead to greater adoption of online shopping which ultimately results in an increase in the overall consumers' propensity to purchase online. Table 4.7 summarises the results of the linear regression for  $H_1$ .

**Table 4.7:** Regression Model Summary

Dependent Variable: Adoption of Online Shopping						
	B	Std.Error	$\beta$	t	p-value	Decision
Constant	2.477	.328				
<b>Consumer Innovativeness</b>	.317	.079	.348	4.000	.000	Supported
Model F= 15.999						
R <sup>2</sup> = .448						

Table 4.7 shows the standardized regression coefficient of each predictor,  $R^2$ ,  $F$  and  $\beta$  in linear regression analysis. The entire model reveals a significant effect of consumer innovativeness on adoption of online shopping ( $F_{(1,298)} = 15.999$ ,  $p < 0.05$ ). In addition, analysing the effect size ( $R^2 = 0.348$ ) shows that the degree of consumer innovativeness explained adoption of online shopping with power of 44.8 per cent. Furthermore, as depicted in Table 4.7, the standardized coefficient (beta) value for consumer innovativeness is positive ( $\beta = 0.348$ ) and significant ( $p < 0.05$ ), and thus supports hypothesis  $H_1$ . A conclusion can, therefore, be advanced that a greater degree of consumer innovativeness will positively affect consumers' propensity to purchase online.

#### 4.7.2. Hypothesis 2: Perceived benefits positively affect consumers' propensity to purchase online.

The substantiation of this hypothesis was to test the relationship between perceived benefits of online purchasing and actual adoption of online shopping. The assumption was that the more an individual perceives online shopping as having greater benefits, the greater the likelihood of shopping online. Table 4.8 summarises the results of the linear regression for **H<sub>2</sub>**.

**Table 4.8:** Regression Model Summary

Dependent Variable: Adoption of Online Shopping						
	B	Std.Error	$\beta$	t	p-value	Decision
Constant	1.180	.346				
<b>Perceived Benefits</b>	.657	.087	.575	7.577	.000	Supported
Model F= 57.412						
R <sup>2</sup> = .575						

Studying the output of the linear regression analysis, the test for the effect of Perceived benefits on adoption of online shopping ( $F_{(1,298)} = 57.412, p < 0.05$ ) reveals a significant relationship between the two variables. Further analysis of the effect size depicts a high ( $R^2 = 0.575$ ) predictive power of the independent variable. This entails that approximately 57.5 per cent of total variation in the adoption of online shopping in the model was explained by the perceived benefits construct. Furthermore, as highlighted in Table 4.8, the standardized coefficient (beta) value for providing information is very high and positive ( $\beta = 0.575$ ) and significant ( $p < 0.05$ ), and thus supports hypothesis **H<sub>2</sub>**. A deduction can, therefore, be advanced that perceived benefits positively affect consumers' propensity to purchase online.

#### 4.7.3. Hypothesis 3: Greater online shopping experience positively affects consumers' propensity to purchase online.

The rationale of **H<sub>3</sub>** was to examine the relationship between online shopping experience and adoption of online shopping. The premise was that the more an individual is exposed to online shopping, the greater the likelihood of executing future online purchases. Table 4.9 summarises the results of the linear regression for **H<sub>3</sub>**.

**Table 4.9:** Regression Model Summary

<b>Dependent Variable:</b> Adoption of Online Shopping						
	<b>B</b>	<b>Std.Error</b>	<b><math>\beta</math></b>	<b><i>t</i></b>	<b><i>p-value</i></b>	<b>Decision</b>
Constant	1.720	.193				
<b>Online Shopping Experience</b>	.559	.035	.430	4.954	.000	Supported
Model F= 41.989						
R <sup>2</sup> = .397						

Table 4.9 shows the standardized regression coefficient of each predictor,  $R^2$ ,  $F$  and  $\beta$  in linear regression analysis. The entire model highlights a significant effect of online shopping experience on adoption of online shopping ( $F_{(1,298)} = 41.989$ ,  $p < 0.05$ ). In addition, analysing the effect size ( $R^2 = 0.397$ ) reveals that consumers' online shopping experience explained adoption of online shopping with power of 39.7 per cent. Furthermore, as portrayed in Table 4.9, the standardized coefficient (beta) value for online shopping experience is positive ( $\beta = 0.430$ ) and significant ( $p < 0.05$ ), and thus supports hypothesis **H<sub>3</sub>**. A conclusion can, therefore, be extended that greater online shopping experience positively affect consumers' propensity to purchase online.

#### 4.7.4. Hypothesis 4: Perceived risk negatively affects consumers' propensity to purchase online.

The rationale of this hypothesis was to test the relationship between consumers' perceived risk associated with executing shopping online and adoption of online purchases. The assumption was that the more a consumer perceives online shopping as risky, the lesser the likelihood of conducting online purchases. Table 4.10 summarises the results of the linear regression for **H<sub>4</sub>**.

**Table 4.10:** Regression Model Summary

<b>Dependent Variable:</b> Adoption of Online Shopping						
	<b>B</b>	<b>Std.Error</b>	<b><math>\beta</math></b>	<b><i>t</i></b>	<b><i>p-value</i></b>	<b>Decision</b>
Constant	1.112	.105				
<b>Perceived risk</b>	.703	.048	.680	5.143	.000	Supported
Model F= 63.167						
R <sup>2</sup> = .463						

Table 4.10 shows the standardized regression coefficient of each predictor,  $R^2$ ,  $F$  and  $\beta$  in linear regression analysis. The entire model reveals a significant negative effect of perceived risk on adoption of online shopping ( $F_{(1,298)} = 63.167$ ,  $p < 0.05$ ). In addition, analysing the effect size ( $R^2 = 0.463$ ) shows that perceived risk explained adoption of online shopping with power of 46.3 per cent thus supports hypothesis **H<sub>1</sub>**. A conclusion can, therefore, be advanced that perceived risk negatively affects consumers' propensity to purchase online.

**Hypothesis 5: Demographic characteristics affect consumers' propensity to purchase online in terms of;**

**H5a:** Gender

**H5b:** Age

**H5c:** Education level

**H5d:** Income level

**4.7.4.1. Relationship between gender and adoption of online shopping**

The Chi-square test of the relationship between gender and adoption of online shopping was performed and yielded the results as presented in Table 4.11.

**Table 4.11:** Chi-Square Tests: Relationship between gender and adoption of online shopping

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	10.609	4	.067
Likelihood Ratio	9.343	4	.128
Linear-by-Linear Association	3.637	1	.201
N of Valid Cases	298		

According to the reading from Table 4.11, there is no statistically significant association between gender and adoption of online shopping. Pearson Chi-square is insignificant at ( $p > 0.05$ ) where  $p = 0.067$ . This means that gender does not play an important role in influencing consumers' propensity to purchase online. Thus, with evidence from the study finding as reported above we reject the hypotheses which states that:

***H5a: Gender affect consumers' propensity to purchase online.***

**4.7.4.2. Relationship between age and adoption of online shopping**

The Chi-square test of the relationship between age and adoption of online shopping was performed and yielded the results as presented in Table 4.12.

**Table 4.12:** Chi-Square Tests: Relationship between age and adoption of online shopping

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	9.409	4	.095
Likelihood Ratio	7.341	4	.168
Linear-by-Linear Association	3.332	1	.215
N of Valid Cases	298		

As depicted in Table 4.12, there is no statistically significant association between age and adoption of online shopping. Pearson Chi-square is insignificant at ( $p > 0.05$ ) where  $p = 0.095$ . This hence implies that age does not play an imperative role in influencing consumers' propensity to purchase online. Given the age category for the study (18 years – 47+years) comprises of mature consumers who can make purchasing decisions independently. It is expected that age does not significantly affect online shopping decisions. Therefore, with evidence from the study finding as reported above we reject the hypotheses which states that:

***H5<sub>b</sub>: Age affect consumers' propensity to purchase online.***

#### 4.7.4.3. Relationship between level of education and adoption of online shopping

The Chi-square test of the relationship between consumers' education level and adoption of online shopping was performed and yielded the results as presented in Table 4.13.

**Table 4.13:** Chi-Square Tests: Relationship between level of education and adoption of online shopping

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	13.409	4	.015
Likelihood Ratio	9.341	4	.010
Linear-by-Linear Association	5.332	1	.025
N of Valid Cases	298		

As depicted in Table 4.13, there is a statistically significant positive association between level of education and adoption of online shopping. Pearson Chi-square is significant at ( $p < 0.05$ ) where  $p = 0.015$ . This hence implies that level of education play a significant role in influencing consumers' propensity to purchase online. Hence, with evidence from the study finding as reported above we accept the hypotheses which states that:

***H5<sub>b</sub>: Level of education affect consumers' propensity to purchase online.***

#### **4.7.4.4. Relationship between level of income and adoption of online shopping**

The Chi-square test of the relationship between level of income and adoption of online shopping was performed and yielded the results as presented in Table 4.14.

**Table 4.14:** Chi-Square Tests: Relationship between income level and adoption of online shopping

	<b>Value</b>	<b>df</b>	<b>Asymp. Sig. (2-sided)</b>
Pearson Chi-Square	14.419	4	.005
Likelihood Ratio	11.341	4	.008
Linear-by-Linear Association	5.132	1	.015
N of Valid Cases	298		

As presented in Table 4.14, there is a statistically significant association between income level and adoption of online shopping. Pearson Chi-square is significant at ( $p < 0.05$ ) where  $p = 0.005$ . This hence implies that income level plays an imperative role in influencing consumers' propensity to purchase online. Therefore, with evidence from the study findings as reported above, we accept the hypotheses which states that:

***H5<sub>b</sub>: Income level affect consumers' propensity to purchase online.***

The results from the hypotheses tests performed in the subsequent sections are all summarised in Table 4.15.

**Table 4.15:** Results Summary of Hypotheses

No	Hypotheses	Results	Rationale
H <sub>1</sub>	Greater degree of Consumer Innovativeness Positively Affect Consumers' Propensity to Purchase Online	Accepted	Linear regression test results ( $p < 0.05$ ).
H <sub>2</sub>	Perceived Benefits Positively Affect Consumers' Propensity to Purchase Online	Accepted	Linear regression test results ( $p < 0.05$ ).
H <sub>3</sub>	Greater Online Shopping Experience Positively Affect Consumers' Propensity to Purchase Online	Accepted	Linear regression test results ( $p < 0.05$ ).
H <sub>4</sub>	Perceived Risk Negatively Affect Consumers' Propensity to Purchase Online	Accepted	Linear regression test results ( $p < 0.05$ ).
H <sub>5a</sub>	Gender affect consumers' propensity to purchase online.	Rejected	Pearson's chi-square test results ( $p > 0.05$ ).
H <sub>5b</sub>	Age affect consumers' propensity to purchase online.	Rejected	Pearson's chi-square test results ( $p > 0.05$ ).
H <sub>5c</sub>	Level of education affect consumers' propensity to purchase online.	Accepted	Pearson's chi-square test results ( $p < 0.05$ ).
H <sub>5d</sub>	Level of income affect consumers' propensity to purchase online.	Accepted	Pearson's chi-square test results ( $p < 0.05$ ).

#### 4.8. CHAPTER SUMMARY

The data analysis of this dissertation was done and explained in this chapter. Various statistical tests including descriptive, chi-square, and regression analysis were conducted in order to explain the characteristics of the sample, and more importantly, to test the proposed hypotheses. As advised by Perry (2002), further discussion of the study findings and how they relate to existing literature and their implications as well as recommendations is continued in Chapter 5.

## CHAPTER 5

### CONCLUSION AND RECOMMENDATIONS

#### 5.1. INTRODUCTION

In the preceding four chapters, the nature and scope of the study, the theoretical principles that form the basis of the factors affecting consumers' propensity to purchase online were discussed in detail. This study furthermore tested the research hypotheses. This chapter concludes the research and gives a conclusive statement about the study. It commences by giving a review of the aim of the study before giving a summary of findings of the study. This is followed by the study recommendations and finally, areas of further studies are highlighted in this chapter.

#### 5.2. AIM OF THE STUDY

The aim of the study was to establish key factors driving consumers' propensity to purchase online in order to devise a framework that guides online marketing strategy. The research targeted consumers based in Sandton area located in the Gauteng Province and the anticipation is that the study will provide practical solutions to marketers in improving the adoption of online shopping amongst South African consumers.

In carrying out the research, structured questionnaires, based on the research objectives, were issued out to the targeted population to collect primary data. In addition, all the collected data was analysed using the SPSS Version 26 to turn quantitative data into descriptive data and to conduct inferential statistical tests.

#### 5.3. RESEARCH MAIN FINDINGS

In this section, the results stemming from the derived objectives of the study are discussed in detail. Specifically, the following three research objectives were formulated to address the identified gaps and research problem:

- I. To establish key factors driving consumers' propensity to purchase online.
- II. To establish the variations in the perceptions of consumers towards online shopping in terms of their demographic characteristics.

- III. To examine which category of products are popular among consumers on the online retailing platform.

The first research objectives which sought to address the main aim of the study paved way to the formulation of the following hypotheses:

**H<sub>1</sub>:** Consumer innovativeness positively affects consumers' propensity to purchase online.

**H<sub>2</sub>:** Perceived benefits positively affect consumers' propensity to purchase online.

**H<sub>3</sub>:** Online shopping experience positively affects consumers' propensity to purchase online.

**H<sub>4</sub>:** Perceived risk negatively affects consumers' propensity to purchase online.

**H<sub>5</sub>:** Demographic characteristics affect consumers' propensity to purchase online in terms of;

**H<sub>5a</sub>:** Gender

**H<sub>5b</sub>:** Age

**H<sub>5c</sub>:** Education level

**H<sub>5d</sub>:** Income level

Guided by the positivist paradigm, the hypotheses outlined above necessitated a robust diagnosis of the study phenomena. The subsequent sections break down the findings emerging from the objectives of the study, beginning with the first objective.

### **5.3.1. Factors driving consumers' propensity to purchase online**

Findings from the study as exhibited in Chapter 4 indicate that except for the demographic impact construct all the other four constructs (i.e., consumer innovativeness; perceived benefits; online shopping experience; and perceived risk) as postulated in the study framework (see Chapter 2) have a significant effect on consumers' propensity to purchase online. Overall, the findings signal the robustness and applicability of the proposed framework for both theory and practice and give credence to the inclusion of the study constructs.

### **5.3.1.1. Consumer innovativeness**

Specifically, examining the significant relationship between consumer innovativeness and propensity to purchase online as evident by the study findings, it can be concluded that consumers with greater receptiveness to new ideas are likely to be driven more into online shopping. Citrin *et al.*, (2000) alluded that innovativeness is considered a personality characteristic which significantly determines a new-product adoption. In the case of online shopping, according to Mapande and Appiah (2018) it is still at its infancy stage in Africa, thus can be regarded as a relatively new offering which requires greater degree of consumer innovativeness to gain traction. Since this study is one of the few to examine the consumer innovativeness construct specifically on South African consumer's propensity to purchase online, there is currently lack of precise supporting evidence to that effect. Nonetheless, taken together, the available past research (e.g., Anwar, Thongpapanl & Ashraf, 2020; Hungilo & Setyohadi, 2020; Ngugi, 2014) illustrates the importance of consumers' innovativeness in stimulating adoption of online commerce transactions in developing countries.

### **5.3.1.2. Perceived benefits**

As mentioned earlier the results from the study also reveal a significant positive relationship ( $R^2 = 0.575$ ;  $p < 0.05$ ) between perceived benefits and consumers' propensity to purchase online. This entails that consumers put greater emphasis on the benefits that they are likely to derive through adoption of online shopping. Kim, Ferrin and Rao (2009) stated that perceived benefit is a consumers' belief about the extent to which he or she will become better off from the online purchase with a certain online shop. According to Elwalda, Lü and Ali (2016) some of the perceived benefits associated with online shopping experience include convenience, price comparison, time saving, return policy, ease of shopping, enjoyment and enhanced customer-retailer relationship. Linking the study findings with the South African context, Makhitha and Dlodlo (2014) state that South African consumers use the internet for their shopping because internet shopping is more convenient and offers competitive prices. Therefore, convenience is considered as one of most important benefits that motivate South African consumers to shop online. An earlier study also conducted in South Africa by Mpinganjira (2015) also supports the study finding as it reported that perceived benefits exert significant direct influence on customers' level of satisfaction as well as on intentions to purchase from specific online stores.

### **5.3.1.3. Online shopping experience**

Examining the positive significant relationship between online shopping experience and propensity to purchase online ( $R^2 = 0.397$ ;  $p < 0.05$ ) as evident from the study findings, it can be concluded that consumers with positive online shopping experience are more likely to be driven into online purchasing. Research released by the South African Council of Shopping Centers in May 2020 (Jenvey, 2020) showed that most South African consumers are satisfied with their experience when purchasing online. This according to the author will likely accelerate the trend towards e-Commerce, as retailers try to protect their market share by pushing into this space. Interestingly, the major South African retailers such as Woolworths, Pick n Pay, Checkers and MassMart have all recently partnered with or acquired e-Commerce on-demand service providers. Dai (2007) espoused that, as consumers become more familiar with the internet as a sales medium, it is expected that they will feel more comfortable and confident to purchase online. In other words, when a consumer gets more experiences with shopping on the internet, he or she sees shopping online as a more favourable and less risky action in all terms and is more likely to continue to shop online. For example, even though consumers are not able to touch to test the feel of a product in the online setting, those who have purchased similar products online may not have as many concerns as those who have never purchased online.

### **5.3.1.4. Perceived risk**

Concerning the relationship between perceived risk and consumers' propensity to purchase online, the study established that perceived risk negatively affects consumers' propensity to purchase online. Perceived risk according to Ariffin, Mohan and Goh (2018) is the expectation of losses. The larger the expectations of losses are, the higher the degree of risk consumers will perceive. Ariffin et al., (2018) also point out that, the higher the perceived risk associated with online shopping, the higher the rate in which consumer may shift to brick-and-mortar retailer. Whereas, the lower the perceived risk, the higher the propensity for online shopping. The findings elaborate the need for online retail players to ensure that proper mechanisms are put in place to safeguard South African online consumers against risks associated with online shopping. Furthermore, the finding is in line with the previous research by Cemberci, Civelek and Sozer (2013) stating that perceived risk is a factor that prevents consumers' intention to shop online and is critical in determining online purchase intention. Besides that, researchers such as Suki and Suki (2017) revealed that risk has the greatest impact for goods purchased online and often lead to a negative relationship with consumers' propensity to purchase online.

#### **5.3.1.4. Demographic characteristics**

In addressing one of the secondary objectives to establish the variations in the perceptions of consumers towards online shopping in terms of their demographic characteristics, the study found significant variation on respondents' perceptions according to education and income level only. On the other hand, no significant variation on the perceptions of consumers towards online shopping in terms of age and gender respectively were established from the study findings.

Pertaining to education level, the finding support earlier results by Qureshi, Fatima and Sarwar (2014) who established that, consumers with lower level of education often find it more difficult to adopt online shopping, particularly those consumers possessing only secondary school qualifications. Education, according to Gong, Stump and Maddox (2013) affects how people view things around them. It affects the level of discretion they employ while making purchases. In this era, education has also become the determinant of technology savviness and the easiest method for one to be accustomed to innovative technology. The more educated a person is, the higher the level of discretion he will employ in making online purchasing decisions.

The results denoting to significant variations in the perceptions of respondents according to income level are in consistence with earlier findings by Gralnick (2017) who reported that, there is a wide and growing digital divide between high and low income shoppers with most online transactions being done by high income earners. Furthermore, relating to income influence on general consumer behaviour Pratap (2017) states that, income is a very important factor that affects the buying decisions and consumer behaviour of people. Across different income levels, the difference in product choices and buying patterns can easily be marked depending on the level of income.

Drawing from the insignificant results relating to both gender and age, the findings from the study are in contrast with previous results by some scholars (e.g., Hasan, 2010; Naseri, Othman, Rahila & Ibrahim, 2020) who found gender to affect online shopping. However the effects were mainly visible on cognitive attitude not actual adoption with females reported to highly value the utility of online shopping less than their male counterparts do. However specifically examining propensity to purchase online other scholars (e.g., Handayani, Nurahmawati, Pinem & Azzahro, 2020; Lian & Yen, 2014) support the research findings as they established no positive influence of gender on consumers' propensity to purchase online. Finally, according to Hernández, Jiménez and Martín (2011) assuming that other factors

remain constant, the rapid evolution of e-commerce in recent years as well the experience acquired by consumers from previous e-purchases can attenuate or even nullify the effect of age on adoption of online purchases.

#### **5.4. IMPLICATIONS FOR THEORY, POLICY, AND PRACTICE**

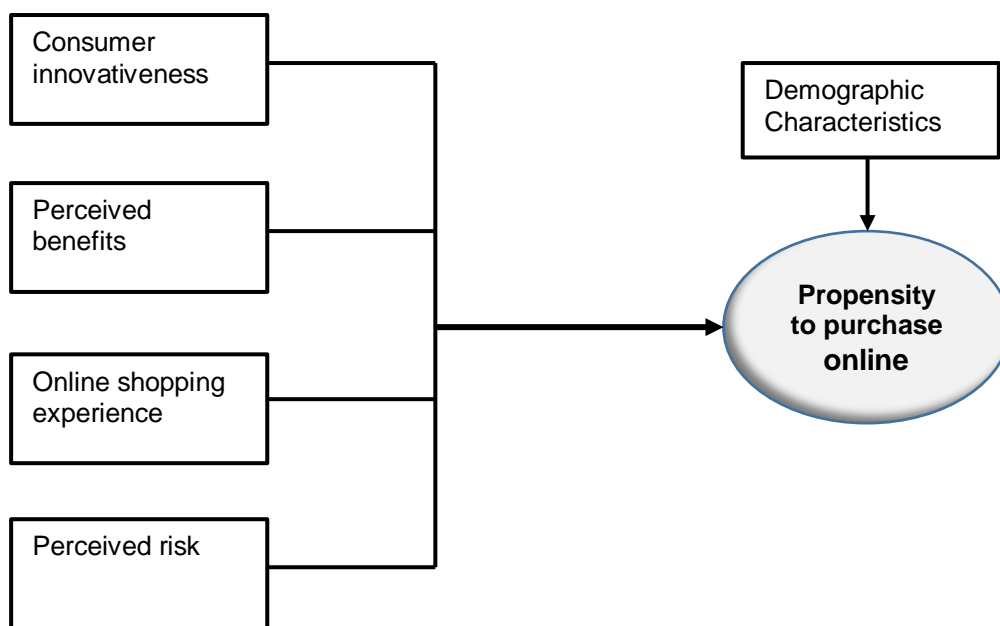
This section discusses implications of the study for theory, policy, and practice. Importantly, this study has not only made significant contributions in its immediate discipline, but also generated implications for a wider body of knowledge about this topic where other disciplines could benefit from its findings.

##### **5.4.1. Implications for theory**

Though the factors affecting consumers' propensity to purchase online have been studied before in marketing literature, this is one of the few studies that empirically explores the phenomenon within the South African context as previous studies focused on the developed world (Hubert et al., 2017). As opined by Thongpapanl, Ashraf, Lapa and Venkatesh (2018) we still lack understanding of the online retail environment in the context of a developing economy that is culturally and economically very different from the developed world. A clearer conceptual understanding of such economies, characterized by large populations and high growth potential, is important for the advancement of marketing strategy literature (Bang, Joshi and Singh, 2016).

This study also offers alternative lens in identifying and theorizing factors driving consumers' propensity to purchase online by conducting a systematic review (Pautasso, 2013) rather than adopting already available frameworks. In so doing, the study unearthed the importance of increasing the explanatory power of models by incorporating variations in the perceptions of consumers pertaining to the factors influencing online purchasing in terms of their demographic characteristics. According to Cetină, Munthiu and Rădulescu (2012) a thorough understanding of customer demographics is essential to successful online marketing efforts, because consumer behavior for online consumers is very dynamic and ever-evolving. Recent literature has called upon exploring demographic characteristics (e.g., Baubonienė & Gulevičiūtė, G., 2015; Rungsisawat, Joemsittiprasert & Jermsittiparsert, 2019; Zhang, Cheung & Lee, 2014), in the context of online retail services. Indeed, demographic characteristics has been shown to be amongst the driving factors around which online marketing strategy should be focused (Sharma and Kurien, 2017).

Finally, the study findings, contribute enormously to the practice of scientific inquiry in that they significantly increase the expanse of the wider body of knowledge. Informed by the overall study findings the researcher proposes the model depicted in Figure 5.1 for further tests by future studies. Thus, there still is a need for future research to explore these phenomena further. For instance, since the variation on the perceptions of respondents concerning the factors driving consumers' propensity to purchase online by gender and age was less significant, future studies are encouraged to delve further into the complicated effects of diverse demographics beyond gender and age characteristics.



**Figure 5.1:** Factors influencing consumer's propensity to purchase online

**Source:** Informed by the study findings

#### 5.4.2. Practical implications for policymakers

Particularly relating to perceived risks associated with online purchasing, as far as promoting an efficient South African online retail sector is concerned, policymakers can contribute significantly. Firstly, policies relating to online risk particularly cyber theft and financial fraud need revisiting (Donga, 2020). Although it is acknowledged that the South African online retail sector operates in a very risky environment, failure on the part of policymakers will result in negative consequences. In addition, active procedures aimed at protecting consumers through legislation, further training, and setting up complaint and advice centres may actively contribute to better safeguard consumers against possible risks. More importantly, the South African government should ensure that online websites and certain online shopping

applications clearly display a comprehensive policy that protect consumers from online related risks such as privacy policies.

In thrust with one of the South African National Development Plan's aim of ensuring that as many South Africans as possible master modern day technology and integrate it in their daily lives, it is crucial for the government to forge strong partnerships with the private sector in order to deliver digital marketing solutions and online retail opportunities. This in turn has a ripple positive effect on the perceptions of consumers and will drive their propensity to purchase online. In addition, the South African Department of Trade Industry and Competition need to spearhead digitalization programme and awareness campaigns particularly to small business who are still lagging behind to increase their market visibility to customers. In recognizing the importance of the digital space in business, particularly within the prevailing environment characterized by physical distancing and curfews, initiatives such as these drive local businesses, increase market access, expand customer base and boost earning potential. These initiatives are particularly relevant as businesses try to find creative ways of weathering the effects of the Covid-19 pandemic on the market.

#### **5.4.3. Implication on marketers**

While the existing body of knowledge might have validated the importance of eliminating consumer's risk fears in stimulating propensity to purchase online, the effect is even greater if consumers feel that their financial and personal information is adequately secured. As a result, when consumers' personal and financial information is used effectively, it enables online businesses to build positive customers' online shopping experience, whilst in the process enhancing the derived perceived benefits as well as winning their trust. Online retail marketing managers need to be cognisant of the importance of implementing proper privacy mechanisms as one of the fundamental aspects of their business strategy. In addition, they should consider viewing data privacy and security not just as a risk related management issue, but as a potential source of competitive advantage that may be a central component of brand-building and corporate reputation. Failure to safeguard against perceived risks associated with online shopping often results in reputational damage to brands, loss of current as well as new consumers, and constant lawsuits from consumers.

As evident by the study findings, innovativeness has been found to be a major factor contributing to South African consumers' propensity to purchase online. Thus, understanding customer innovativeness is increasingly important for marketers (Bilgen & Zoghi, 2017), particularly in the context of online products and services, where innovation is perpetual. In

other words, knowing about the potential consumers who will adopt online shopping before the supply of the relevant product into the markets will allow marketers to forecast and design the best marketing strategies for such products depending on the level of innovativeness of consumers. From a strategic perspective for managers targeting online shoppers, a thorough understanding of consumer innovativeness is essential, as it often determines the degree of success of online marketing campaigns. In addition, determination of consumer innovativeness is significant in various ways. For instance, as suggested by Karaarslan and ŞükrüAkdoğan (2015) knowing about consumers tendencies to adopt innovations will guide businesses in their marketing decisions. With such information, it is easy to decide or answer questions about the content, distribution, pricing, media and training planning of innovation

Specifically relating to the perceived benefits factor, marketers should distinguish the way they indulge their customers based on their perceived benefits of online shopping. In developing countries like South Africa, where consumers are generally late adopters of innovations (Kamau, Mwanja & Njue, 2018) and are largely depicted as risk averse, online shopping attitude plays an important role in the success of online retailers. Certainly, if online shopping would not attach meaningful value and benefits to consumers, they would have negative attitude toward online shopping which will in turn affect their propensity to purchase online. Product variety is also one of the key benefits of shopping online which marketers need to ensure. Online stores should offer great variety at a click which the consumers cannot explore in traditional formats in such a short span of time.

The study findings indicated online shopping experience as a positive factor influencing propensity to purchase online. This implies that South African online businesses should improve on the aspect of website functionality. According to Izogo and Jayawardhena (2018) an online retail website with proper functionality will in most cases generate positive consumers' shopping experiences. More importantly, websites need to be always active so that consumers feel real-time online experience. This facilitates interaction between online merchants and consumers. Information displayed on merchants' websites also needs to be relevant and customised according to the preference and characteristics of the targeted consumer segment. Studies (e.g., Du Plessis, 2017; Luo & Remus, 2014; Varnali & Toker, 2010) further enlighten that both value added and entertainment information should be incorporated with web-based stores' applications that instigate for online shopping tendency to customers

## **5.8. RESEARCH LIMITATIONS**

As usual in research, this dissertation is not free of limitations. The limitations do not negatively impact on the study to a larger extent. It is very encouraging to note that previously validated scales were used to collect data from a relatively large sample ( $n = 350$ ). All the same, the limitations associated with the present study are as follows: Firstly, while the sampling technique helped to gather data from an important consumer segment within the online retail market, the findings from this research are limited in that the data was obtained from a narrow sampling frame of primarily online shoppers based in Sandton. Hence, a wider spectrum of consumers could have also participated. Secondly, the research design employed can also be viewed as a limitation as participants were not exposed to actual online retailer's websites and the data obtained was based on their perceptions regarding factors influencing propensity to purchase online.

## **5.9. IMPLICATIONS FOR FUTURE STUDIES**

In view of the foregoing, future studies could consider using experimental designs in order to acquire an in-depth knowledge of consumers' decision making processes when purchasing online. It would also be insightful to draw samples from other provinces as well neighbouring countries to determine whether there is a common pattern within the region. These would be particularly important valuable insights to practitioners and policymakers in formulating policy in preparation for a unified online retail sector in the region. Comparative analysis, especially between emerging and developed markets, may also provide a better understanding of consumers' perceptions regarding factors influencing their propensity to purchase online.

## **5.10. CHAPTER SUMMARY**

In alignment with the five chapter dissertation structure, this chapter continued with the discussion of the implications of the main findings as they relate to consumer's propensity to purchase online. The chapter also outlined the conclusions emerging from the study, followed by the study's implications on theory and practice. Finally, the chapter ends with an outline of the limitations of the study, as well as proposed areas for future research.

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## APPENDIX A: RESEARCH QUESTIONNAIRE



### ONLINE ADOPTION QUESTIONNAIRE

Dear Participant,

#### **Introduction**

Thank you for participating in this research. This questionnaire is part of a Masters study designed to assess **FACTORS DRIVING CONSUMERS' PROPENSITY TO PURCHASE ONLINE**. The questionnaire should only take up to 20 minutes of your time. Your cooperation is much appreciated.

#### **General Instructions**

The following instructions and conditions must be understood by all respondents:

- (a) Answer from your own perspective, as honestly as possible;
- (b) Please complete all sections, do not leave any unanswered questions;
- (c) Please note that your name is not required, hence confidentiality is assured.
- (d) Indicate your selected response by marking with a cross (x).
- (e) Note. There are no wrong or right answers.
- (f) By completing the survey, you indicate that you voluntarily participate in this research.

The primary investigator, Miss. Tinashe Mujera, can be contacted during office hours on her mobile phone at 0632099379, or email [tinamujera@gmail.com](mailto:tinamujera@gmail.com) .

Thank you.

Miss T Mujera

## **SECTION A: Demographics**

1. What is your age?

18 – 24 years	<b>1</b>
25 – 35 years	<b>2</b>
36-46 years	<b>3</b>
47+ years	<b>4</b>

2. What is your gender?

Male	<b>1</b>
Female	<b>2</b>

3. What is your income level?

Less than R10000	<b>1</b>
R10000 – R19000	<b>2</b>
R20000 – R29000	<b>3</b>
R30000 +	<b>4</b>

4. Indicate your Educational qualification

Secondary school	<b>1</b>
Diploma/ Certificate	<b>2</b>
B. Tech/ Honours Degree	<b>3</b>
Masters	<b>4</b>
Doctorate	<b>5</b>

## **Section B: Internet Familiarity and Internet Usage Habits**

5. Do you use the internet?

Yes	<b>1</b>
No	<b>2</b>

6. Besides work or School, what is your primary personal use of the internet?

Information and product search	<b>1</b>
purchasing	<b>2</b>
E-mail /Other communication (i.e., chatting)	<b>3</b>
Game / Music/ Program downloading / Entertainment	<b>4</b>
On-line banking/ Pay bills	<b>5</b>

7. How long have you been familiar with the internet?

1 – 3 years	1
4 – 6 years	2
7 – 10 years	3
11 years or more	4

8. How long do you use the Internet per day?

Up to 1 hour	1
1 – 3 hours	2
3 – 5 hours	3
5 hours +	4

9. How do you rate the internet speed of your network service provider within your area?

Excellent	1
Good	2
Fair	3
Bad	4

### **SECTION C: Online Shopping Usage**

10. How often do you use the internet for shopping?

Very often	1
Often	2
Sometimes	3
Rarely	4
Never	5

11. Do you use the internet to search for product information before purchasing online or instore?

Yes	1
No	2

11b. If your answer above is yes how often.

Very often	1
Often	2
Sometimes	3
Rarely	4

12. Assuming that you intend to conduct online shopping, which of these purchases would you make on the internet?

Fast food	1	Clothes	6
Groceries	2	stationery	7
Cosmetics	3	Electronic gadgets	8
Books	4	Tickets (e.g., bus, plane, cinema, football etc.)	9
Furniture	5	Other (Specify;	10

13. Features you think are necessary for an online shopping site? Indicate by ticking a number without repeating it .

	1	2	3	4	5	6
Multiple payment gateways						
Social networking integration						
Credibility						
Privacy and secure checkout						
Design						
Customer friendly						

14. Generally, when reflecting on my use of the Internet, for online shopping typically I am a?

Visitor (look for general product information only)	1
Browser (look for specific information but would not transact online)	2
Internet buyer (look for specific product information and would buy /have bought online)	3

#### **SECTION D: Factors influencing consumer's propensity to purchase online**

<b>Consumer Innovativeness</b>		<b>Strongly Disagree (1)</b>	<b>Disagree (2)</b>	<b>Neutral (3)</b>	<b>Agree (4)</b>	<b>Strongly Agree (5)</b>
CI1	I'm open-minded toward new products and product innovations	1	2	3	4	5
CI2	My friends approach me for consultation if they have to try something new	1	2	3	4	5
CI3	I am confident of shopping online even if no one is there to show me how to do it	1	2	3	4	5
CI4	I am willing to try out new products on my own	1	2	3	4	5
CI5	I like to experiment with new ways of doing things					
<b>Perceived Benefits</b>						
PB1	Buying from an online retailer can save me the effort of buying what I want from traditional stores	1	2	3	4	5
PB2	I can buy from an online retailer at any time whenever i want	1	2	3	4	5
PB3	With online shopping, I can get products from everywhere around the globe	1	2	3	4	5
PB4	Buying from online stores is very easy	1	2	3	4	5

PB5	Online shopping provides a much greater variety of products that a physical store could	1	2	3	4	5
<b>Online Shopping Experience</b>						
OSE1	My prior knowledge about a website helps me to judge its credibility and quality of products sold	1	2	3	4	5
OSE2	My previous experience dictates whether I purchase a product online or not	1	2	3	4	5
OSE3	If I am not satisfied with my previous online purchases I won't again buy from the site	1	2	3	4	5
OSE4	An appealing and enjoyable online retailer website drives me to do more online shopping.	1	2	3	4	5
OSE5	I feel comfortable of using online shopping web sites					
<b>Perceived Risks</b>						
PR 1	I am concerned about the privacy of my personal information during an online transaction	1	2	3	4	5
PR 2	I think that my credit card information might be misused when I shop online.	1	2	3	4	5
PR 3	It is not easy to judge the quality and other attributes of the product over internet.	1	2	3	4	5
PR 4	I am concerned that I might not receive the product ordered online.	1	2	3	4	5
PR5	I am concerned that online retailers might sell my information related to choices and preferences to other companies					
<b>ADOPTION OF ONLINE SHOPPING</b>						
AOS 1	Online shopping web sites are an incredible means to buy products	1	2	3	4	5
AOS 2	I will go for purchase through online as soon as the facility will come to my reach.	1	2	3	4	5
AOS4	Overall, I am satisfied with online shopping	1	2	3	4	5

Thank you for your participation!

## APPENDIX B: ETHICAL CLEARANCE CERTIFICATE

ETHICS APPROVAL CERTIFICATE

RESEARCH AND INNOVATION  
OFFICE OF THE DIRECTOR

NAME OF RESEARCHER/INVESTIGATOR:  
**Ms T Mujera**

STUDENT NO:  
11595728

PROJECT TITLE: **An assessment of the factors driving consumers' propensity to purchase online.**

PROJECT NO: SMS/20/BMA/05/2110

SUPERVISORS/ CO-RESEARCHERS/ CO-INVESTIGATORS

NAME	INSTITUTION & DEPARTMENT	ROLE
Prof A Kadyamalimba	University of Venda	Supervisor
Mr S Zindiye	University of Venda	Co - Supervisor
Ms T Mujera	University of Venda	Investigator – Student

Type: **Masters Research**

Risk: **Risk to humans, animals, environment, or a sensitive research area**

Approval Period: **October 2020 – October 2022**

The Research Ethics Social Sciences Committee (RESSC) hereby approves your project as indicated above.

**General Conditions**

While this ethics approval is subject to all declarations, undertakings and agreements incorporated and signed in the application form, please note the following.

- \* The project leader (principal investigator) must report in the prescribed format to the REC:
  - Annually (or as otherwise requested) on the progress of the project, and upon completion of the project
  - Within 48hrs in case of any adverse event (or any matter that interrupts sound ethical principles) during the course of the project.
  - Annually a number of projects may be randomly selected for an external audit.
- \* The approval applies strictly to the protocol as stipulated in the application form. Would any changes to the protocol be deemed necessary during the course of the project, the project leader must apply for approval of these changes at the REC. Would there be deviated from the project protocol without the necessary approval of such changes, the ethics approval is immediately and automatically forfeited.
- \* The date of approval indicates the first date that the project may be started. Would the project have to continue after the expiry date; a new application must be made to the REC and new approval received before or on the expiry date.
- \* In the interest of ethical responsibility, the REC retains the right to:
  - Request access to any information or data at any time during the course or after completion of the project,
  - To ask further questions; Seek additional information; Require further modification or monitor the conduct of your research or the informed consent process.
  - withdraw or postpone approval if:
    - Any unethical principles or practices of the project are revealed or suspected.
    - It becomes apparent that any relevant information was withheld from the REC or that information has been false or misrepresented.
    - The required annual report and reporting of adverse events was not done timely and accurately.
  - New institutional rules, national legislation or international conventions deem it necessary

ISSUED BY:

UNIVERSITY OF VENDA, RESEARCH ETHICS COMMITTEE  
Date Considered: September 2020

Name of the RESSC Chairperson of the Committee: Prof Takalani Mashau

Signature: