Beyond Price – An Exploration into the Factors That Drive Young Adults to Purchase Online

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Abstract
Bargain buys are often touted as the primary reason for shopping online, particularly in a country such has South African where disposable income is lower than that seen in developed countries. This study, however, digs deeper in order to explore the underlying factors that draw customers to acquire items online. The research also determines what items are frequently purchased and what marketers can do in order to optimize the experience for such shoppers. The research finds that tickets (airline, movie, etc) are the most popular items, followed by books, CDs and then electronic content and gadgets. The study also finds that experience of shopping online and familiarity with local e-tailers assist in lowering perceived risk. Other aspects such as increased convenience factors, web site quality and personal innovativeness also play a role in encouraging consumers to shop online. A gender divide was found to exist whereby male shoppers were more prone to transacting online than female shoppers. The mode of connection, on the other hand, was not found to be a significant influence. Finally, the study makes recommendations with respect to practical means through which marketers can further stimulate online sales in South Africa.

Keywords: Brand familiarity, Website usability, Product type, Mode of connection

Introduction
The past decade has seen South Africa experience both an economic and a social boom, which has led to the widespread adoption of the internet as a communication medium between both B2B as well as B2C companies (Darley, 2003). While European countries have experienced rapid adoptions of internet applications such as online shopping (Suh and Chang, 2006), South Africa, as a key emerging market, has not experienced this trend to the same extent. However, the ‘experience curve’, as identified by Goldstuck (2007), appears to have taken hold to the point where users now feeling comfortable with the more sophisticated aspects of the internet (such as online shopping), thereby enabling a more rapid growth trajectory of online retailing in South Africa (ibid). A recent study by MasterCard confirms this view by revealing that 77% of South Africans with internet access are currently shopping online (Biz Community, 2010).

Whilst a Doctoral study undertaken by Mansfield (2005) examined e-commerce and its adoption rates in South Africa, the study assumed an Information Systems architecture perspective and was not specifically focused on the young professional market. Hence, this study was commission so as to provide an up to date consumer perspective of the status quo of the e-commerce environment in South Africa.

Research Statement
Much of the research undertaken in the field of e-commerce, and more specifically in the context of online shopping, has originated from the USA and Europe (Gibbs et al., 2003). However, scant scholarly research is available on internet shopping behavior in African markets. While e-commerce may be less developed in South Africa than its international counterparts, many South African internet users (spanning ethnical and cultural heritages) are indeed au fait with using international e-tailing sites, and are able to benefit from first world telecommunications infrastructure in many parts of the country. Internet shopping therefore has the potential to succeed in South Africa if marketers can ply their trade aptly. This study endeavors to determine which factors motivate, as well as deter, young South African adults, between 25 and 35 years of age, to adopt internet shopping. Furthermore, the research seeks to acquire insight into which product categories are most conducive to success in the South African online shopping arena.

Literature Review

Prior Purchase Experience
Prior purchase experience on the internet is a form of internal information that may be related to consumer’s perceived risk and purchase intention. Several researchers have undertaken studies which investigate previous
purchase experience with a specific shopping format and have subsequently linked this to consumer characteristics (Elliot and Fowell, 2000; Stanforth et al., 2000). Bellman et al. (1999) found that the most important determinant of purchasing on the web was previous online behavior, in terms of prior experience with this specific shopping channel. Yoh (2003) found that previous experience with internet shopping positively influenced the consumer’s overall attitude, as well as beliefs concerning internet shopping. These beliefs positively influenced consumers’ intention to purchase apparel via the internet in contrast to those consumers who had less prior experience with the internet.

Stanforth et al. (2000) found that previous purchase experience via a specific shopping channel affects perceived risk associated with future purchases in that specific channel. In their study, the authors looked at online apparel purchased and argued that the lack of tangibility for apparel products can be offset by a positive prior online shopping experience. Therefore, prior online purchase experience is likely to have an impact on consumers’ perceived risk associated with online shopping.

Based on a survey conducted by Yoh et al. (2003), it can be said that customers’ prior internet experience is a strong determinant of their online shopping behavior. Several other studies have validated this viewpoint. For example, Pavlou (2003) found that consumers’ satisfaction with past online purchases results in the building of trust towards the e-tailer which, in turn, influences repeat online transactions.

Research in this area is hardly new. Howard and Sheth (1969) proposed that one of the determinants of purchase intention is confidence, which is the inverse of perceived risk. Likewise, Bennett and Harrell (1975) suggested that confidence might play an important role in predicting intentions to purchase. In this respect, confidence is positively related to intention, meaning that lower perceived risk is likely to lead to higher purchase intention.

Based on the above findings, the following hypothesis is established for testing in the local environment:

\[ H_{1a}: \text{Past online purchase experience has a direct, positive effect on reducing perceived risk of online consumers in a South African context.} \]

Brand Familiarity

Brand familiarity is a function of the regularity and history of experience that people have with a given stimulus, and is associated with consumers’ purchase likelihood (Dahl et al. 2001). Brand experiences, including consumer exposure to various types of media advertisements, exposure to the brand in a store, as well as purchase or usage of the brand, lead to an increase in brand familiarity and thus positively influence the likelihood that consumers will purchase goods via the internet (Park and Stoel, 2005).

Belanger, Hiller and Smith (2003) discovered that trust is the main barrier to the adoption of online shopping, whilst Regan (2002) expanded his research to find that the average consumer is more likely to trust a company that (s)he has heard of, and that has a familiar brand name. In the online environment, brand recognition has been considered an important inducer of trust (McKnight et al., 2002), which significantly influences consumers’ online shopping behaviour (Zhang and Prybutok, 2005; Laroche et al., 1996). An experience interview with C. Menezes revealed that having an offline presence in a market that is not comfortable with the online medium will add significant credibility in an industry that has notoriously suffered from consumer skepticism and a general lack of confidence in it. In contrast, e-tailers that exist exclusively online (such as Kalahari.net) do not have the same brand recognition and are thus in a relatively weak position with respect to ever-increasing competition.

Based on the above studies and arguments, we hypothesize the following:

\[ H_{1b}: \text{Brand familiarity has a direct, positive impact on reducing perceived risk of online consumers in a South African context.} \]

Perceived Risk

The increased growth of the internet and the technological environment has created a platform for marketers. However, this growth has been accompanied by concerns regarding the collection and dissemination of consumer information by marketers who participate in online retailing. These concerns pertain to the privacy and security of consumer data and the perceived risks consumers may experience with respect to these issues (Briones, 1998; Culman, 1999). In an online specific context, perceived risk refers to the expectation of loss by the internet user in contemplating a specific purchase (Forsythe and Shi, 2003). A study conducted by Tan (1999) found that consumers have higher risk perceptions when shopping online than when purchasing goods in-store. From this, it is evident that gaining consumer trust and minimizing perceived risk and security fears is imperative if online shopping is to succeed as an alternative to traditional shopping.

Delivery related risk may prove to be one of the greatest deterrents to the widespread adoption of online
shopping in South Africa (U. Gutschow, experience interview). This type of risk originates from the lack of influence that a consumer has over the delivery process (Schröder and Zaharia, 2008). Furthermore, with the security of online transactions dominating the discussions on electronic commerce (Elliot and Fowell, 2000; Szymanski and Hise, 2000; Liao and Cheung, 2001), consumers are experiencing another type of risk, namely credit card misuse (Schröder and Zaharia, 2008). In fact, many market commentators declare information privacy and security to be major obstacles in the development of consumer related e-commerce. Consumers who perceive fewer risks and concerns towards online shopping are expected to make more online purchases than more risk-laden consumers. We thus hypothesise that:

**H2**: Perceived risk factors have a direct, negative effect on online purchase intentions of South African consumers.

### Website Usability

With intensifying competition being faced by B2C e-commerce providers, especially in European countries, many online stores have had to innovate in terms of user-interface design in order to attract and retain customers (Suh and Chang, 2006).

A website’s usability can be defined as “the ability to find one’s way around the web, to locate desired information, to know what to do next, and, very importantly, to do so with minimal effort” (Nah and Davis, 2002: 99). Usability is known to be an important quality criterion of information systems and websites (Osterbauer et al., 1999; Constantinides, 2004). In South Africa, cultural diversity is likely to pose a challenge in designing e-commerce portals as individuals from different culturing backgrounds are likely to prefer different languages, color schemes, etc.

A study conducted by Konradt et al. (2003) discovered that confusing and disorganized pages, as well as misleading system navigation, all have an adverse effect on online purchasing due to the fact that interface accuracy and usability are two of the largest predictors of B2C e-commerce success (Suh and Chang, 2006).

A study conducted by Constantinides (2004) found that low-quality websites are a threat to both the company’s virtual and physical aspirations and activities. Similarly, a study conducted by Ghose and Dou (1998) discovered that web design is critical in building customer relationships and facilitating customer support and feedback.

We assume that South African consumers are indeed sensitive to interface usability and therefore hypothesize that website usability and quality have a direct, positive effect on purchase intention.

**H3**: Website quality and usability have a direct, positive effect on online purchase intention of consumers in a South African context.

### Convenience

Rohm and Swaminathan (2004) define convenience as being time and effort saving experienced when purchasing goods/services. Bellman et al. (1999) found that while consumer attitudes may change over time, it is the convenience, rather than the increased time-saving of purchasing goods/services online, that motivates consumers to shop online. Furthermore, due to the fact that location becomes irrelevant in the online shopping context, the increased convenience of placing orders at any time of the day becomes a main motivating factor in consumer’s online purchasing intention (Swaminathan et al., 1999).

We assume that convenience will play a role in stimulating adoption of B2C e-commerce in South Africa, hence the following hypothesis:

**H4**: Increased convenience has a direct, positive effect on online purchase intention of consumers in a South African context.

### Product Type

Chiang and Dholakia (2003) distinguish between two type of goods, namely: search goods (those for which full information on dominant attributes can be known prior to purchase e.g. a laptop) and experience goods (require both information and personal inspection e.g. apparel).

Unlike electronic products (such as digital music players and personal computers) that have detailed specifications concerning features and guarantees from the manufacturer/retailer readily available, online apparel shoppers can only judge and potentially purchase the products according to the style, size and brand seen on the computer screen. Although searching for information on the internet may help the buyer to reduce uncertainty, perhaps the biggest risk lies in the inability to inspect or try on the garment. For instance, different factories from various countries may have different standards for measuring sizes. Therefore, a person who normally buys a
shirt with size “S” in physical stores may actually need to buy a size “M” from an online apparel store.

In a study conducted by Alba et al. (1997), it was discovered that certain products are more likely to be purchased online than others. For instance, as mentioned above, products such as the iPod or a laptop have detailed information available online, making it less risky for consumers to purchase such merchandise online. In contrast, goods that require closer examination in the form of fit, color and touch result in a heightened sense of risk for most consumers. Several studies have suggested solutions to overcome this lack of tangibility. Here, Park and Stoel (2005) suggest that consumers might rely on information provided or the visual depiction on the screen. Allen (2000) found that expanded product information, multiple photographs, and product collections for coordination were essential. Similarly, Verton (2001) argues that a personalized shopping experience via various incentives and virtual image technology is more important to encourage apparel consumers to shop online. C. Menezes (experience interview) adds that opinion leader reviews and social aggregators may be used as surrogates for the assurance of tangibility to some degree.

Based on the above studies and arguments, we hypothesize:

**H5**: The type of product offered by e-tailers is a differentiating factor with respect to online purchase intention of South African shoppers.

**Demographics**

According to Wu (2003), consumer background characteristics are an innate part of a consumer’s existence and, thus, cannot be altered. Demographic factors, such as gender, age, or ethnic background, are examples of background characteristics which were found to have a modest impact on the decision of whether to buy online or not (Bellman et al. 1999).

Breitenbach and Van Doren (1998) as well as Swinyard and Smith (2003) have reported that e-commerce users in the USA tend to be well educated, somewhat business-oriented, young and male. To some degree, this is mirrored in South Africa (IOL, 2005).

In examining the relationship between age and internet purchase intention, contradicting results are found. In some studies, younger consumers are found to be more likely to purchase online due to the fact that they are regarded as typical early adopters of online shopping (Swinyard and Smith, 2003; Mathwick et al., 2002; Breitenbach and Van Doren, 1998). In other studies, older consumers were discovered to be more likely to buy goods/services online as result of easier access to credit cards and higher disposable income (Donthu and Garcia, 1999; Korgaonkar and Wolin, 1999; Shim and Drake, 1990; Koyuncu and Lien, 2003). Interestingly, Sorce et al. (2005) found that older shoppers purchased as many products as younger shoppers, despite the fact that they actually searched for fewer items than their younger counterparts.

Compared to traditional purchases, online purchasing is an innovative way to acquire goods and services for consumers. Hence, the personal innovativeness of an individual consumer becomes critical to his/her attitudes and subsequent online purchase intentions (Chiu et al. 2005). Specifically, the self-identified innovativeness of females is found to be more influential than that of males in a previous study conducted by Goldsmith et al. (1987), indicating that the level of innovativeness among females can be expected to lead to more positive attitudes and online purchase intentions than those of males (Darley and Smith, 1995).

Based on the above studies, it seems likely that demographic variables such as income, education and age will have a material effect on purchase intention. Due the limited focus of this study, such variables cannot be accurately assessed. Gender will, however, be probed. The following hypothesis is therefore generated for empirical testing:

**H6**: Gender is a differentiating factor with respect to online purchase intention of South African shoppers.

**Personal Innovativeness**

Certain individuals are, by their nature, more willing to take the risk associated with testing an innovation, whilst others are suspicious of a new idea and hesitant to change their current practice (Yi et al. 2006; Rogers 2003). As defined by Cotte and Wood (2004) and Roehrich (2004), consumer innovativeness is the tendency to willingly embrace change, try new things and buy new products more often and more quickly than others. Innovativeness has received considerable attention among consumer researchers (Park and Jun, 2003) and has been conceptualized in two ways (Im et al. 2003; Hirschman 1980; Midgley and Dowling, 1978; Rogers, 2003). On the one hand, Joseph and Vyas (1984) focus on global innovativeness, which incorporates an individual’s intellectual, perceptual, and attitudinal characteristics. On the other hand, consumer innovativeness is defined as actualized or domain-specific by the virtue of identifiable characteristics (e.g. opinion leadership) and actual
acquisitions of new information, ideas, and products (Lassar et al., 2005).

Research conducted by Goldsmith (2001) and others clearly points to individual innovativeness having an impact on the adoption of technology. Taking this a step further, Park and Jun (2003) found that consumer innovativeness may have different impacts on the adoption of internet shopping, depending on the culture in question. Thus, it has been shown that internet usage as well as consumer innovativeness are indeed related to the adoption of internet shopping in the USA (Citrin et al. 2000). Internet users with high innovativeness are therefore likely to use the internet for actual purchasing more than internet users with low innovativeness (Ha and Stoel, 2004).

Based on the above literature, a hypothesis regarding the relationship between consumer innovativeness and purchase intention can be constructed as follows:

$H_7$: Consumer innovativeness has a direct, positive influence on online purchase intention for South African online users.

Mode of Connection

In only a matter of years, the internet has consolidated itself as one of the most powerful and useful platforms that has changed the way we live, the way we communicate and the way we do business, by giving a ‘globalized’ dimension to the world. However, a disproportional spread of internet penetration has been noted to be attributed to the wealthier occupants of society and many countries that lack the funding for such a luxury have been excluded from this ‘global village’, leading to what is known as the ‘digital divide’ (McGreal, 2003).

A slow internet connection is therefore likely to be a hindrance in the adoption of e-commerce as consumers become frustrated by the prolonged waiting times. Poor connectivity has been cited as a barrier to adoption by both D. Frey and C. Menezes (experience interviews). They confirmed that the purchasing of goods online is negatively influenced by the limited bandwidth as well as by the low penetration of high-speed internet access in South Africa. We thus hypothesize that the mode of connection has an impact on the intention to purchase online for South African consumers.

$H_8$: Mode of connection is a differentiating factor with respect to online purchase intention of South African shoppers.

Methodology

The sample used for this study consisted of South African consumers between the ages of 25 and 35 living in the urban areas of Cape Town and Johannesburg, who currently have access to the internet and are in possession of a credit card.

Before designing the questionnaire, three experience surveys were conducted to gain insights into the e-commerce sector (C. Menezes from Quirk E-Marketing, D. Frey from Unison and U. Gutschow from Saatchi and Saatchi Los Angeles). Scale metrics (mainly comprised of semantic differential and Likert scales) were incorporated into the survey to test different underlying constructs and to allow for causal research to be conducted. The online questionnaire was designed on SelectSurveyASP, with the link thereto distributed via a social networking site frequented by young South Africans.

Normality, Item Reliability & Validity

Normality tests were conducted on all variables so as to ensure that the data was normally distributed and thus applicable for further statistical analysis. Validity and reliability tests were conducted to verify the quality and integrity of the constructs used in this research.

In emerging markets, a Cronbach Alpha of above 0.6 represents a reliable set of measures of the underlying construct (Burgess & Steenkamp, 2006). The analysis showed that all constructs, other than brand familiarity (alpha = 0.4969), were reliable and the questions forming these constructs were internally consistent. On closer examination of the above mentioned construct, it was found that after deleting the item ‘I am familiar with the online vendor through reading magazines, newspaper articles or advertisements’, the overall alpha increased to 0.7239. The revised construct was therefore used for the purposes of this research.

Analysis of Variance (ANOVA)

Analysis of Variance (ANOVA) is a statistical test of whether or not means of more than two groups are equal. It reflects whether material differences exist between the groups. T-tests are very similar in nature, except used when only two groups exist. ANOVA was run in order to determine whether or not age, product type and mode of connection have an impact on purchase intention. The null hypothesis states that the means across all different groups are equal.
treatment levels are equal. Rejection of the null hypothesis therefore infers that the particular variable does indeed cause a significant variance in the data. Hypotheses 5 and 8 were tested using ANOVA, while hypothesis 6 was tested using a t-test.

**Multiple Regression Analysis**

Multiple Regression Modeling (MRM) is a statistical tool that allows researchers to create and test models which can be used both to predict unobserved outcomes and to test actual versus predicted outcomes. The dependent variable (generally the construct being tested, e.g. purchase intention) is tested against either one, or a set of independent variables (e.g. risk). If a significant relationship is present between the dependent and independent variables, a causal relationship between those variables is said to exist. MRM was used to test hypotheses 1, 2, 3, 4 and 7.

**Findings**

**Composition of Sample**

The questionnaire was distributed to over 300 respondents, of which only 203 met the specific screening requirements. The respondents ranged between 26 and 35 years of age, typically held at least an undergraduate degree and earned approximately ZAR 10 000 (US $ 1 250) per month. The majority of respondents (85%) had ADSL internet access at home. As an alternative form of internet access, 61% of the respondents accessed the internet from work, 36% from university and 20% from an internet cafe.

**General Findings**

On average, the South African consumer has between 1-2 years of online purchase experience and acknowledges that s/he only shops ‘sometimes’ rather than ‘frequently’. Subsequently, it was found that the majority of the sample had purchased goods online between 10 and 15 times over the three years preceding the study.

From the statistical analysis, the most frequently purchased item online was found to be tickets (including both airline tickets and concert/theatre tickets), with approximately 88% of respondents having previously bought tickets online. Seventy percent of respondents answered that tickets was their most frequent purchase. The second most frequently purchased item appears to be books, with half of the respondents having previously bought books via the Internet. In third place are CD’s, with 38% of respondents having bought CD’s online before. Other products included in the questionnaire (namely clothing, electronics, computer software, health and grooming products, sports equipment, groceries, jewelry, flowers and homeware) drew minimal interest from respondents. Table 1 details which product categories found favor with respondents.

**Testing Relationships**

This study aimed to investigate the possible reasons for the relatively low adoption rates of online shopping in South Africa. From both the experience interviews as well as the statistical analyses it became evident consumers in South Africa are influenced by many of the same factors as consumers in more developed countries. In the section below, each hypothesis is evaluated separately so as to enable a more detailed analysis, factoring in descriptive results obtained from the empirical analysis. Table 2 at the end of the section includes a list of the hypotheses, the statistical values pertaining to each, as well as the outcome thereof.

**H1a:** Past online purchase experience has a direct, positive effect on reducing perceived risk.

The results from the statistical analyses show that there is a positive relationship between risk and brand familiarity ($\beta = 0.195249; p = 0.005$) as well as between risk and prior purchase experience ($\beta = 0.346308; p = 0.000$). South African consumers who have prior online purchasing experience appear to feel more confident towards purchasing via the internet than those who do not have previous experience. As indicated, it would seem that this prior experience plays a fundamental role in reducing consumers’ perceived risk and, in turn, leads to an increase in online purchase intention, thereby supporting claims that consumers need to have purchased goods/services online in order for them to truly feel confident with the technology.

**H1b:** Brand Familiarity has a direct, positive effect on reducing perceived risk.

**H2:** Perceived risk factors have a direct, negative effect on online purchase intention.

Hypothesis 2 deals with the relationship between perceived risk and purchase intention. As was expected, the statistical results show that risk ($\beta = -0.30012; p = 0.000$) negatively affects consumers’ online purchase intention. Thus, the more risk there is associated with online shopping, the less likely consumers will choose to purchase online. This would appear to validate Goldstuck’s (2007) notion of the ‘experience curve’ in South Africa.
H3: Website quality and usability have a direct, positive effect on online purchase intention.

Hypothesis 3 deals with website quality and usability and their effect on a consumer’s intention to purchase online. The beta statistic for this relationship (0.245; p = 0.000) indicates a significant correlation, suggesting that website quality and usability having a moderate, positive effect on a consumer’s intention to shop online.

H4: Increased convenience has a direct, positive effect on online purchase intention.

Convenience (β = 0.263; p = 0.000) has a positive influence on consumers’ online purchase intention. This appears rational as the more convenient (and less time-consuming) online shopping becomes, the faster consumers’ resistance to such will diminish.

H5: Product type is a differentiating factor with respect to online purchase intention.

Turning our attention to product type (p-value 0.04535), it can be concluded that product type does have an impact on purchase intention at the 5% significance level. Further data analysis reveals that intangible products (e.g. movie tickets) was associated with high purchase intention whilst tangible products are only associated with moderate purchase intention.

H6: Gender is a differentiating factor with respect to online purchase intention.

At just beyond the 1% significance level, there is a difference between the mean purchase intention level across both types of gender (p = 0.012193). From this it can be concluded that there is a strong difference between male and female’s online purchase intention. Upon further data analysis, it was found that males are more likely to purchase goods/services online than their female counterparts.

H7: Consumer Innovativeness has a direct, positive effect on online purchase intention.

In terms of consumer innovativeness and its bearing on purchase intention, the statistical output shows the construct has a beta value of 0.499 (p = 0.000). This indicates that consumer innovativeness has a strong positive effect on, and relationship with, purchase intention. Thus, as a consumer’s innovativeness (i.e. the willingness to try something new) increases, the likelihood of that consumer purchasing goods/services online also increases.

H8: Mode of connection is a differentiating factor with respect to online purchase intention.

The final hypothesis in the research deals with the mode of connection. This construct has a p-value of 0.39171 and can therefore be rejected even at the 20% significance level. No significant relationship exists between this particular construct and purchase intention. Therefore, the means with which consumers connect to the internet in order to shop online does not appear to affect their purchase intentions. Thus, whether someone is using dial-up, 2G or 3G broadband connectivity, they are neither more likely nor less likely to purchase online than someone else using an alternative connection.

Managerial Recommendations

Based on the findings of this particular study, three noteworthy recommendations are posed.

Recommendation 1: Encourage first-time trial of online purchasing

Prior online purchase experience appears to play a significant role in decreasing risk and thus it is recommended that marketers encourage users to dip their oar in the water as soon as possible. In order to provide a safety new, his could be done (for example) by allowing consumers to buy prepaid vouchers in a physical outlet, to be redeemed online at a later date. This may allow consumers to feel more secure when making their first online transaction without the need to use a debit or credit card. Intensified advertising campaigns should be launched with the aim of educating the market through visually depicting the no-hassles and safe environment in which e-commerce portals operate.

Recommendation 2: Increase and publicize the level of convenience

Developing user-friendly web sites is essential if widespread adoption of e-commerce is to be achieved. It is crucial, for example, to have relevant contact details easily accessible so that telephonic assistance can be immediately obtained, if necessary. Additionally, pop-up advertisements should be avoided as these only serve to confuse and/or irritate consumers, especially those with little prior purchase experience. This research corroborates the findings in the recent MasterCard survey (BizCommunity, 2010) wherein the recommendation “make web sites easier to use” was explicitly highlighted.

Furthermore, it may be advantageous to stimulate trial through promoting the notion of convenience. Here, complimentary delivery to a location of choice within a specified time-period could be offered, thus allowing consumers to experience the convenience of online shopping with reduced risk in the first instance.
Recommendation 3: Target online purchasing towards females on a more intensive level

At present, more males than females purchase goods/services online. Thus, the female population has strong potential for growth in the future. In order to increase female participation rate in the online purchasing sector, market research should be conducted in order to determine which products appeal most to females and which products they would most prefer to purchase online. Once this has been determined, advertising campaigns promoting these product types should be developed, and incentives such as vouchers, spa weekends and facial/hair products be offered to first-time as well as to repeat users. Furthermore, female delivery staff (working for the respective courier services) could be employed so that females do not need to be afraid of opening their doors to strangers.

References


Table 1. Product categories expected to succeed in South Africa

<table>
<thead>
<tr>
<th>No.</th>
<th>Product Type</th>
<th>Percentage of respondents likely to purchase in the foreseeable future</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Tickets</td>
<td>79.3%</td>
</tr>
<tr>
<td>2</td>
<td>Books</td>
<td>40.1%</td>
</tr>
<tr>
<td>3</td>
<td>CD’s</td>
<td>32.02%</td>
</tr>
<tr>
<td>4</td>
<td>Computer Software</td>
<td>27.9%</td>
</tr>
<tr>
<td>5</td>
<td>Electronic Products</td>
<td>24.5%</td>
</tr>
<tr>
<td>6</td>
<td>Clothing</td>
<td>14.94%</td>
</tr>
</tbody>
</table>

Table 2. Summary of Hypothesis Testing

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>p-value</th>
<th>Beta</th>
<th>Conclusion</th>
</tr>
</thead>
<tbody>
<tr>
<td>$H_{1a}$: Past online purchase experience has a direct, positive effect on reducing perceived risk.</td>
<td>0.000</td>
<td>0.346</td>
<td>Supported</td>
</tr>
<tr>
<td>$H_{1b}$: Brand Familiarity has a direct, positive effect on reducing perceived risk.</td>
<td>0.005</td>
<td>0.195</td>
<td>Supported</td>
</tr>
<tr>
<td>$H_2$: Perceived risk factors have a direct, negative effect on online purchase intention.</td>
<td>0.000</td>
<td>-0.300</td>
<td>Supported</td>
</tr>
<tr>
<td>$H_3$: Website quality and usability have a direct, positive effect on online purchase intention.</td>
<td>0.000</td>
<td>0.245</td>
<td>Supported</td>
</tr>
<tr>
<td>$H_4$: Increased convenience has a direct, positive effect on online purchase intention.</td>
<td>0.000</td>
<td>0.263</td>
<td>Supported</td>
</tr>
<tr>
<td>$H_5$: The type of product offered is a differentiating factor with respect to online purchase intention of South African shoppers.</td>
<td>0.045</td>
<td>Not applicable (ANOVA)</td>
<td>Supported</td>
</tr>
<tr>
<td>$H_6$: Gender is a differentiating factor with respect to online purchase intention of South African shoppers.</td>
<td>0.012</td>
<td>Not applicable (t-test)</td>
<td>Supported</td>
</tr>
<tr>
<td>$H_7$: Consumer Innovativeness has a direct, positive effect on online purchase intention.</td>
<td>0.000</td>
<td>0.499</td>
<td>Supported</td>
</tr>
<tr>
<td>$H_8$: Mode of connection is a differentiating factor with respect to online purchase intention of South African shoppers.</td>
<td>0.391</td>
<td>Not applicable (ANOVA)</td>
<td>Not Supported</td>
</tr>
</tbody>
</table>