

CHAPTER 4

THE INFLUENCE OF THE INTERNET ON CONSUMER DECISION-MAKING

4.1 INTRODUCTION

The consumer decision-making process was discussed in detail in Chapter 3, showing how environmental influences and individual differences influence various stages of the process. The different stages of the process were discussed together with important considerations during each stage.

Chapter 4 will focus on the Internet as an additional information and purchase channel to consumers. Particular emphasis will be placed on information search on the Internet as well as the manner in which the Internet can assist the consumer in the alternative evaluation stage of the decision-making process.

Chapter 4 will be structured by using a suggested Web-based decision-making process as a framework for discussion.

4.2 CONSUMER DECISION-MAKING AND THE NATURE OF THE INTERNET

Consumer behaviour theory and more specifically consumer decision-making theory focuses on more “traditional”, non-Internet-based, consumer decision-making. The need is, therefore, highlighted for marketers to understand consumer behaviour and consumer decision-making in an Internet environment to be successful in this ever-growing and popular medium. Sultan & Henrichs (2000: 386 – 402) support the view that as more advanced technologies enter

the household domain, it becomes increasingly important to understand consumer response to these new technologies.

Before considering the Internet and its possible influence on consumer decision-making, it is important to highlight some shared characteristics and differences between the Internet and the traditional market place.

Phau & Poon (2000: 102 – 113) express the opinion that the Internet, as a marketing channel, has unique but also shared characteristics of other marketing channels. As an example, the Internet has the ability to store a large volume of information, located at different virtual locations that provides information to the consumer on demand. The Internet also has the advantage of a physical distribution medium for certain goods, for example computer software, with relatively low entry and establishment costs to the seller. Jones & Vijayasarathy (1998: 322 – 330) support this view by stating that by offering these kinds of products, sellers can offer instant gratification to consumers through accelerated distribution via the Internet.

Grönroos, Heinonen, Isoniemi & Lindholm (2000: 243 – 252) note a number of differences between the traditional and the virtual (Internet-based) market place. In the virtual market place (market space), the nature of a transaction centres around information regarding goods and services as opposed to the actual goods and services in the traditional market place. The content of a transaction is also electronic, on-screen interactions instead of face-to-face interactions. The final difference is that the infrastructure enabling a transaction in the virtual market place consists of computers and communication lines, whereas physical stores and service organisations characterise the traditional market place. Hanson (2000: 94) adds to the above by stating that interactions on the Internet are important considerations, since they create consumer value and set the stage for relationship building.

The Internet can most probably be viewed as an additional sales channel and information search medium (and information source) that consumers can consider when purchasing products and services. Rowley (2000a: 20 – 35) supports this statement by expressing the opinion that e-retailing will establish itself as an alternative channel alongside traditional shopping.

Therefore, from a consumer purchasing point of view consumers need to choose between different outlets to purchase a product or service from. Phau & Poon (2000: 102 – 113) explain that a number of factors influence the choice between a retail store and in-home shopping methods, such as mail order, telephone order and the Internet. These influences include socio-economic and demographic factors, product type and distribution methods, perceived purchase risk, personal characteristics and traits as well as shopping or delivery time.

Other possible factors influencing the channel selection include confrontation and contact control, manufacturer or brand reputation, type and source of the offer and price and refund or exchange policies. Phau & Poon (2000: 102 – 113) suggest that when in-house shopping is extended to Internet shopping malls, the listed factors will become more apparent.

As indicated above, the Internet may highlight factors influencing and affecting consumer decision-making. Chapter 3 indicated that various stages of the consumer decision-making process are influenced by environmental influences and individual differences. Research regarding Internet users emphasises and highlights these influences and supports the view that such influences need to be considered to be able to understand consumer differences before attempting to draft strategies to sell products and services to consumers through the Internet.

Research findings regarding Internet users highlight some of the individual differences and environmental influences, showing the importance of

understanding not only the “traditional” consumer, but also the Internet consumer. Examples of the influence of age, gender, education, consumer experiences and word-of-mouth are discussed below.

Trocchia & Janda (2000: 605 – 616) mention a valid limiting factor associated with **age**, namely that older individuals often suffer from physical disabilities. This limiting factor does not however, necessarily deter Internet usage by older individuals, since the Internet provides access to activities that were once thought formidable for those individuals who suffer from impaired mobility. Older individuals could therefore possibly represent an opportunity to Internet marketers due to their higher levels of free time and discretionary income when compared to younger individuals.

Gender differences also need to be considered. Teo (2001: 125 – 137) notes that, in the context of the Internet, users are predominantly males and men take faster to the Internet than women. A research study conducted by Teo (2001: 125 – 137) found that males are more likely to engage in downloading and purchasing on the Internet than females. Younger Internet users also tend to engage in messaging and downloading activities to a greater extent than older users.

In addition to age and gender, Hanson (2000: 117) provides a valuable perspective on **education** by stating that, after income, it forms the most important demographic variable determining Internet usage, since education enables users to operate and appreciate computers and the Internet. Research findings by Teo (2001: 125 – 137) suggest that education level seems to have very little effect on messaging, downloading and purchasing activities on the Internet, probably because the Internet has diffused widely to various sectors of society.

Grönroos et al. (2000: 243 – 252) continue by stating that the quality of **consumers' experiences** from interacting with the Web is also important, since the Internet provides a new forum for **word-of-mouth communication** where consumers can seek advice and discuss purchase suggestions with other Internet users.

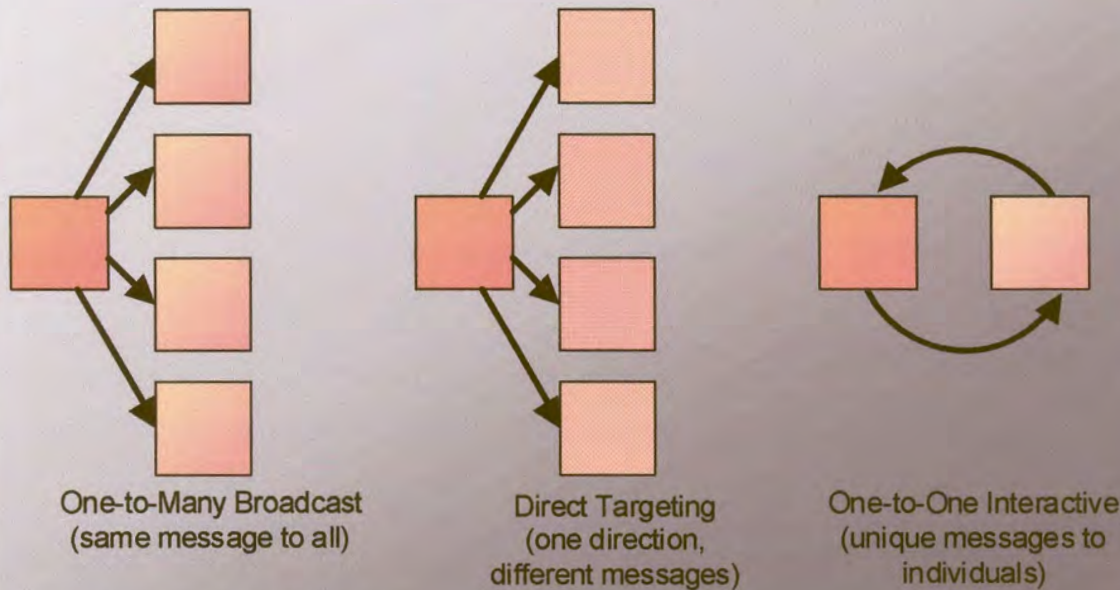
It should, however, be mentioned that far more of the fundamentals of marketing carry over to the Internet than need to be changed, since consumers relate to virtual information with many of the same traits and tendencies as they do to the physical world (Hanson; 2000: 104).

It is therefore important to consider that although the Internet could possibly highlight some individual differences and environmental influences, these factors (discussed in Chapter 3) would all appear to be valid to a lesser or greater extent to decision-making when purchasing via the Internet.

From the seller's point of view the Internet offers distinct advantages with regard to advertising. Prabhaker (2000: 158 – 171) suggests that the Internet, as an advertising medium, is able to provide truly relevant advertising to consumers. Grönroos et al. (2000: 243 – 252) support this view by explaining that the interactive nature of the Internet allows marketers to reach and interact with individual consumers, whereas traditional media are used in a mass-media environment.

The interactivity of a Website also enables marketers to create and maintain one-on-one dialogues with current and potential customers. This one-on-one dialogue is illustrated in Figure 4.1, showing the difference between traditional advertising and Internet interaction enabled through interaction on a Website.

FIGURE 4.1: FROM BROADCAST TO DIALOGUE



Source: Hanson (2000: 96)

From a marketing point of view, it is important to understand that not all consumers will migrate to the Internet as Internet users and consumers. Of particular importance is to understand what motivates consumers to adopt the Internet. Sultan & Henrichs (2000: 386 – 402) point out that those consumers who have not adopted the Internet for household use must decide whether they are going to use the Internet in the future. The decision to adopt the Internet is based on the need for Internet services and consumer perceptions of the usefulness thereof. According to Sultan & Henrichs (2000: 386 – 402), possible reasons for consumers not adopting the Internet can be attributed to the perception that the cost for adopting the Internet (in terms of money, time and effort to learn a new technology) may exceed the benefit of obtaining Internet access at home.

In addition to the above, Chapter 1 also listed a number of barriers in a South African context that will keep consumers from using the Internet and therefore becoming Internet consumers. These factors are the telecommunication monopoly, population distribution and the economic dichotomy (refer to Section 1.2.1 for a detailed discussion on these influences).

As noted above, the usefulness of the Internet is an important consideration to consumers when deciding to adopt the Internet. One possible way of determining its usefulness is to view the benefits that it offers to the consumer. For example, Prabhaker (2000: 158 – 171) expresses the opinion that the shrinking cost of information processing together with the global reach of the Internet guarantees higher quality and lower prices over time. Aldridge, Forcht & Pierson (1997: 161 - 169) support this view by stating that, for more conventional products, price will be important on the Internet since information on prices is so readily available.

Consumers can also benefit from a much wider selection of products to choose from since they are not bound to a certain selection of merchandise options as is the case with traditional channels. McQuitty & Peterson (2000: 233 – 248) support this view by explaining that Online shoppers can seek virtually any product at any time and from any location. Consumers who desire extraordinary value can find the best deals by knowing which Websites offer a given product and at what price. This is very similar to traditional shopping but the Internet provides consumers with an extraordinary search power, where a large number of Websites can be visited in a number of minutes, which is virtually impossible for traditional shoppers.

To illustrate: A consumer wants to select specific products and services together with the preferred outlets to purchase these from, draw statements and transfer money from one bank account to another and purchase a modem and personal computer software, groceries and books.

In the traditional market place, it will take this consumer the best part of a day to perform all these activities, requiring considerable effort to drive to all the outlets, find parking and incur costs in terms of petrol and parking (in addition to the time-cost element). The consumer can also experience frustration when outlets are out-of-stock, forcing him/her to find an alternative outlet. Even more important - all these activities can only be performed during business hours.

The consumer opting to use the Internet to perform these activities would most probably require only minutes to complete all the purchase activities. The consumer can log into a bank account (e.g. Absa.co.za or Standardbank.co.za) to draw statements and transfer funds (cheaper than it would have been in a physical bank), purchase a modem and software (download the software, therefore immediately available), order groceries (e.g. Inthebag.co.za or Picknpay.co.za) and purchase books (e.g. locally from Kalahari.net or internationally from Amazon.com). Of particular importance is that all these activities can be performed 24 hours a day, 365 days a year, thereby not restricting the consumer to business hours.

Although the Internet provides certain benefits to consumers, for example saving time and possibly lower prices and lower search costs, it increases the complexity of the decision process by adding another option to consider in addition to retail stores, mail order and telephone order (Strader & Shaw, 1999: 82 – 92).

Phau & Poon (2000: 102 – 113) are of the opinion that one of the limitations of the Internet is that it can realistically reproduce only two of a person's five senses, namely sight and sound. This limitation will, therefore, restrict the type of products that can be sold on the Internet. Despite this limitation, the capability offered may be sufficient for consumers to sample or experience certain categories of products, for example computer software and music.

In addition to the above, the illustration earlier indicates benefits to the consumer in terms of time saving and reduced costs in acquiring the products and services (for example time, petrol and parking costs). A negative aspect associated with Internet buying can also be derived from the example, namely that certain products can be purchased (or ordered), but not immediately received. For example, in the illustration the consumer purchased groceries and books. These products, although purchased, will not reach the consumer immediately.

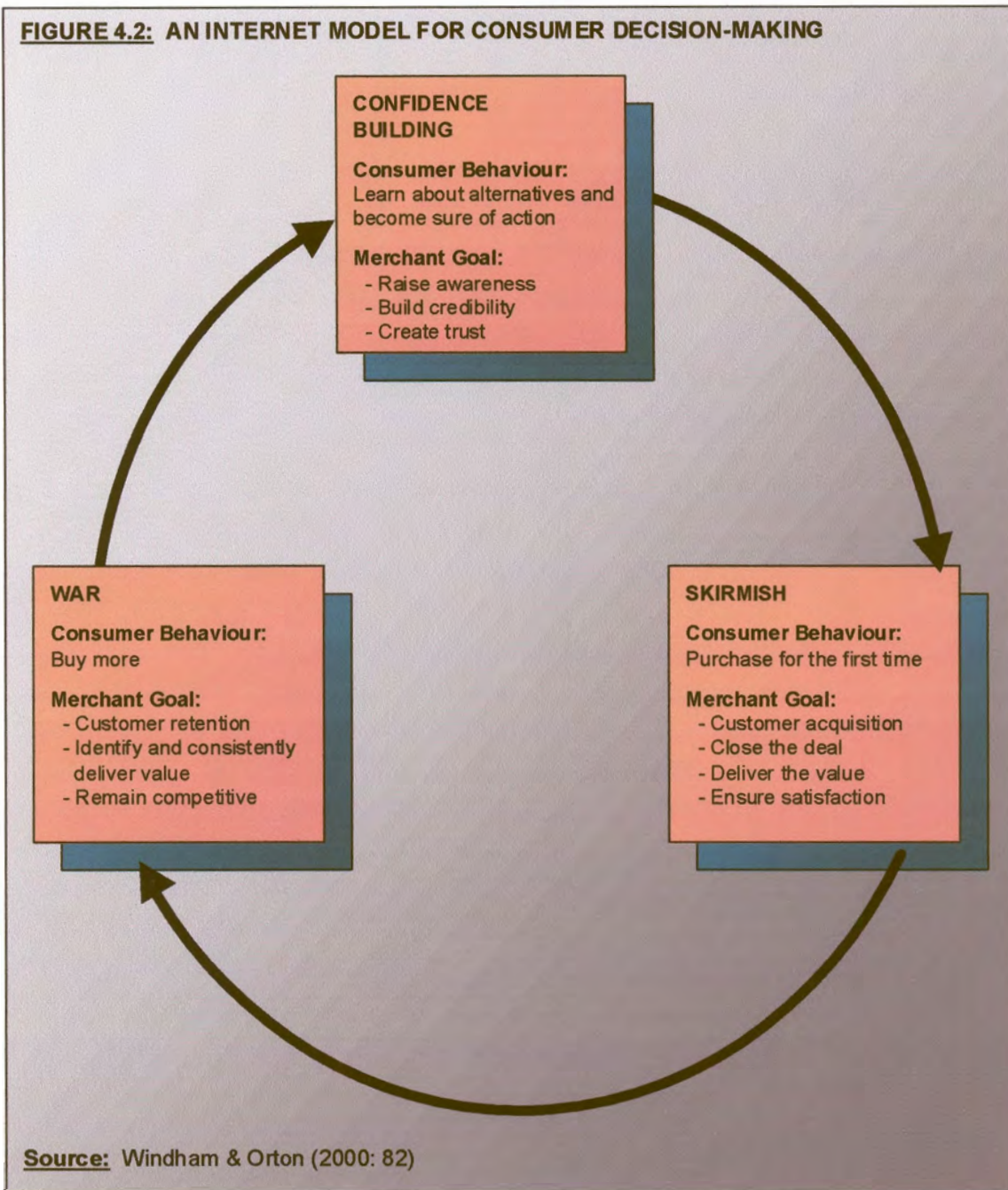
From the discussion above can be concluded that although the Internet holds a number of benefits to the consumer it has certain limitations. The limitations, if not addressed, can directly influence whether or not consumers will use the Internet as an alternative shopping channel. It is therefore extremely important to understand the consumer decision-making process when considering the impact of the Internet as both an information source (aiding the consumer in the search process) and purchase channel.

4.3 THE CONSUMER DECISION-MAKING PROCESS IN THE INTERNET CONTEXT

The discussion on the consumer decision-making process detailed in Chapter 3 identified a number of distinct stages that are followed from need recognition to divestment. Chapter 3 also suggested that many of the stages of the decision-making process are often combined, especially when considering different types of decision-making processes.

This section will investigate certain stages of the consumer decision-making process in the Internet context, considering the manner in which the Internet can influence the traditional decision-making process. It must be noted that the Internet in this context implies specifically the World Wide Web (WWW), also called the Web. The discussion that follows will be structured on a suggested Web-based consumer decision-making model proposed by Windham & Orton

(2000: 79 – 101), used as a framework for this section. The model is illustrated below.



According to Windham & Orton (2000: 81), the consumer decision-making process on the Web is similar to the traditional decision-making model in the

sense that consumers are generally the same with the same amount of money available for purchases. In the Web context, in contrast to the traditional model, the decision-making process becomes more compressed because of the readily available information. The stages of the traditional decision-making model are, therefore, compressed into fewer phases as different stages blend together.

As can be seen from Figure 4.2, Windham & Orton (2000: 82) identify three phases for Web-based consumer decision-making processes, namely Confidence Building, Skirmish and War. During the Confidence Building phase the consumer will become aware and learn about alternatives and become sure of what action should follow. The Skirmish phase suggests that consumers will purchase for the first time, whereas the War phase implies that consumers will engage in repeat purchases.

The proposed model suggests some goals to be achieved by Internet merchants. During the first phase of the process, the merchant attempts to raise awareness, build credibility and create trust. During the Skirmish phase, the goals merchants would like to achieve are consumer acquisition, closing the deal, deliver value and ensure satisfaction. Finally, during the War phase, the merchant wishes to retain consumers, identify and consistently deliver value and remain competitive.

The three phases of the Web-based consumer decision-making process will be discussed in greater detail below. It should be noted that the terminology used to describe the three identified phases are, arguably, more applicable to the seller than the consumer. Windham & Orton (2000: 81 – 101) refer, however, to a Web-based consumer decision-making process rather than the seller's view of the three phases in which consumer decision-making falls.

Important to note is that, when discussing possible influences of the Internet on consumer decision-making, other authors (for example Blackwell et al. 2001: 147-148; Kolesar & Galbraith, 2000: 424 – 438 and Rowley, 2000a: 20 – 35)

refer to and discuss the traditional theory and do not make any distinction between theory on the traditional decision-making process and the decision-making model applicable to the Internet. These authors, therefore, view the identified stages of the decision-making process as the same for both traditional and Internet consumers, highlighting either the differences or the manner in which the Internet simplifies or complicates the specific stages of the decision-making process.

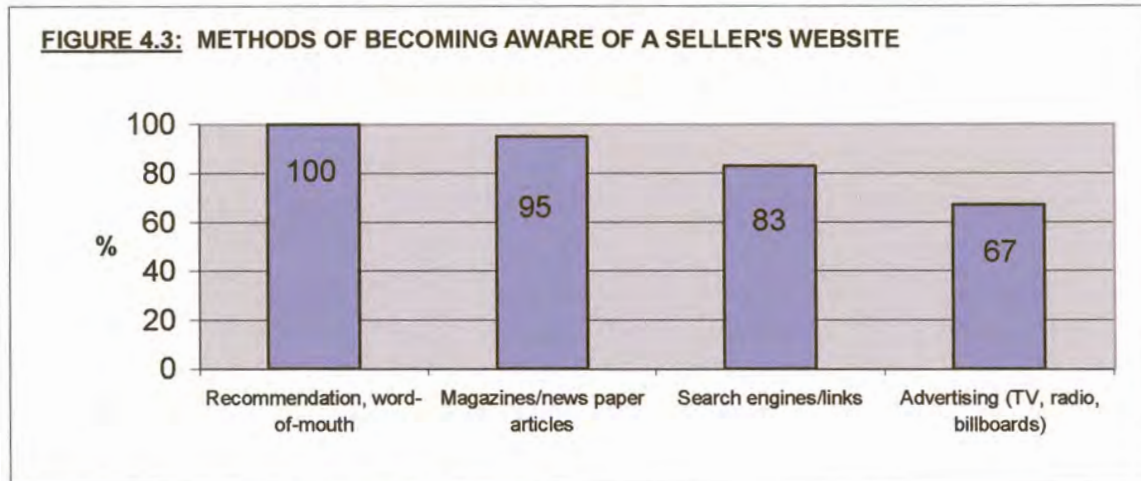
The provided classification of the Web-based model will therefore be used as a framework to discuss elements identified in the traditional consumer decision-making model, applied to the Internet consumer. The framework used will, if nothing else, provide clarity on how the decision-making process can be influenced from a Web perspective.

4.3.1 The Confidence Building phase

The Confidence Building phase of the decision-making process proposed by Windham & Orton (2000: 90) comprises need recognition, search and the selection of choice alternatives. According to Rowley (2000a: 20 – 35), consumers may identify an understanding of a need and redefine the need as more information is obtained through search. From a Web perspective, consumers first have to “find” the seller of the products they have identified a need for.

As seen from the traditional decision-making model, need recognition is influenced, among others, by advertisements and articles and word-of-mouth communication with friends and relatives. These influences are also of importance in identifying the seller’s site on the Web, together with other considerations only applicable to the Web, for example search engines and links.

Figure 4.3 below indicates the most important ways in which consumers become aware of a seller's Website.



Source: Windham & Orton (2000: 83)

It can be seen from Figure 4.3 that word-of-mouth plays the most prominent role in finding the seller's Website. From a South African perspective, research findings by BMI (2000: 71) showed that word-of-mouth recommendations were the second most prominent method of site identification, following browsing the Net. Windham & Orton (2000: 83) attribute the importance of word-of-mouth as method of site identification to the credibility and trustworthiness of the source (supporting the discussion in Chapter 3 on word-of-mouth). The four sources identified in Figure 4.3 yield the most power in building the consumer's confidence.

Following initial awareness, the consumer has to actively "consider" the site by searching for it, finding it and confirming the validity of the site's existence. The validation, that is if the consumer did not have the benefit of a direct reference from a trustworthy source, is obtained through reviews on the site, discussing the site with others in "chat rooms" and user groups or searching for articles regarding the site in the media.

A unique aspect of this phase of the Web-based decision-making process is that all of the above can occur very quickly. This is clear, especially when compared to traditional methods of finding a seller, visiting the store to establish the credibility thereof and obtaining views regarding the seller from other consumers. Personal references from friends and family are also simplified since links can be e-mailed to consumers or friends can send messages from the actual site, a feature offered by many sites during the purchase process.

While in the Confidence Building phase, consumers will evaluate different sites by comparing different products, prices and special offers. By ensuring that complete information is provided on different products together with compelling offers, marketers can convince consumers to purchase their product offering. The evaluation process is simplified on the Web through reviews of not only the site but also products offered. Consumers can, therefore, be assisted in the evaluation process by searching for reviews or discussing the alternatives with others in “chat rooms” and discussion groups.

In conclusion: marketers wishing to establish such confidence in consumers have to make a considerable investment in marketing strategies and promotions to not only make the consumer aware of the sales offerings and the site where it can be found, but also to get consumers to visit the site and actively interact with it.

Before considering the second phase (Skirmish), a more in-depth discussion on the search component is essential to understand the impact of information search on the Internet, especially when considering information search with “traditional”, non-Internet-based purchases. In addition to search, the possibilities of alternative evaluation by means of the Internet will be discussed to show how the Internet can assist the consumer during this stage of the decision-making process.

4.3.1.1 The search stage of the consumer decision-making process

Before discussing the search stage in a Web-context, it should be mentioned that five different categories of Web visitors can be identified. The importance of noting these categories is that it will assist in forming an understanding of how different Internet users use the Internet to search for information.

Rowley (2000a: 20 – 35) and Breitenbach & Van Doren (1998: 558 – 575) identify five categories of Web visitors, namely direct information seekers, undirected information seekers (browsers), bargain hunters (browsers of a type), entertainment seekers and directed buyers (directed search with buying intentions). Direct information seekers desire services that include the availability of timely and relevant information on specific topics or events. Undirected information seekers like to browse, looking for anything of interest or something unexpected, while bargain hunters look for give-aways, such as samples or prizes.

Breitenbach & Van Doren (1998: 558 – 575) continue by explaining that entertainment seekers, as the name suggests, are looking for entertainment. This group of Web visitors like the ability to interact with a Website and features that interest them, including the availability of animation, sound clips, Online puzzles and games. The main objective of the final category, directed buyers, is to buy while they are Online and they may be looking for a specific item or gift idea.

One of the main competitive challenges of shopping on the Internet, according to Rowley (2000a: 20 – 35), is the functionality it offers in terms of information search, where product information can be collected and different products can be compared (from different sellers), possibly across national and currency boundaries. Rowley (2000a: 20 – 35) continues by stating that the Internet lowers the cost of search for alternative and substitute products in almost a

commodity-like bargaining atmosphere, resulting in greater price competition for relatively generic products.

Hanson (2000: 104) points out that despite this functionality, it can be very difficult to find information on the Internet. This statement is supported by Rowley (2000a: 20 – 35), noting that there are many instances where the first search through the use of a search term does not lead to a satisfactory outcome. The search could either deliver no results or alternatively a large number of sites may be retrieved. Although all the sources of the search may be listed in order of algorithm (supposed to cause the most relevant sources to be listed at the top of the search result), it may be difficult to locate the desired source amongst the listed retrieved sources. The outcome of such a search process will require the searcher to develop a search strategy, where a number of alternative search terms and a combination thereof will be used in an attempt to provide a satisfactory search outcome.

Before discussing different search strategies that can be followed by Internet users, it is important to note the different search tools that can support the Internet user with information search.

A) Search tools

Watson et al. (2000: 127) note that since the search for information is not without sacrifice in terms of money and time, a number of search tools emerging on the Internet greatly facilitate searching. These tools range from a simple search facilitation to the actual negotiation of deals on behalf of the consumer. The benefits to the consumer using the available search tools on the Internet are that consumer costs of finding potential suppliers are reduced and the consumer can make product and price comparisons by using some of the tools.

Rowley (2000a: 20 – 35) explains that consumers therefore have to decide which search tool to use, since this choice will determine search outcomes in ways that

they would probably not recognise. Rowley (2000a: 20 – 35) continues by stating that the search tools that Internet shoppers may use to locate products fall into two categories, namely general purpose tools and specially designed tools. Examples of general purpose search tools include browsers and search engines. Specially designed tools include, for example, shopping bots.

Watson et al. (2000: 127) also states that more sophisticated tools (for example shopping bots and agents) will seek the lowest price for a selected product and even negotiate lower prices on behalf of the consumer. Different tools that facilitate consumer search on the Internet are listed in Table 4.1 together with the functions and examples thereof.

TABLE 4.1: TOOLS THAT FACILITATE CONSUMER SEARCH ON THE INTERNET

Type of tool	Functions	Examples
Search engine	Software that searches Websites by key word (s)	Lycos, Excite, AltaVista and Hotbot
Directory	A Website containing a hierarchically structured directory of Websites	Yahoo and Infoseek
Comparison site	A Website that enables comparisons of product/service category by attribute and price	CompareNet, a Website that lists comparative product information and prices
Shopbot	A program that shops the Web on the consumer's behalf and locates the best price for the sought product	Bots used by search engines Lycos and Excite
Intelligent agent	A software agent that will seek out prices and features and negotiate on price for a purchase	Kasbah, a bot being developed by MIT can negotiate, based on the price and time constraints provided

Source: Adapted from Watson et al. (2000: 128).

From the discussion it can be concluded that the Internet offers a number of search tools that can assist the Internet user to search for information. These search tools can, therefore, be used by Internet users to search for specific and

relevant information that is required. Search bots will be discussed in more detail when discussing the manner in which the Internet can support the consumer in the alternative evaluation process (Section 4.3.1.2).

B) Search strategies

Rowley (2000a: 20 – 35) expresses the opinion that a spectrum of search strategies can be followed by Internet users, ranging from a search strategy designed to locate specific information (referred to as direct or purposeful searching) to an almost aimless or general browsing of the Web for “something interesting”. Many searches can be positioned somewhere between these two extremes, since consumers not only refine the search strategy but also the information requirements as the search proceeds. The search could, therefore, commence with browsing and develop into a focused intended outcome.

Rowley (2000a: 20 – 35) points out that browsing is performed when the user has a less precise view of information that might be available and is not sure whether or not requirements will be met or how they will be met. In addition, browsing can either be general or purposive. General browsing may be used as an opportunity to refine the user’s perceptions of their requirements or where the Internet user is simply keeping up to date with the latest developments in a specific field or product range. Purposive browsing occurs when the Internet user has fairly specific requirements.

Rowley (2000a: 20 – 35) lists three situations in which browsing is generally preferred to direct searching:

- the search objective cannot be clearly defined, often because the searcher has a lack of sufficient information to define it precisely;

- the cognitive burden, including what the user needs to know about how to search, is less than it may be for directed searching; and
- the system interface encourages browsing through the types of search facilities that it offers.

Rowley (2000a: 20 – 35) identifies four more specific search strategies, appropriate to different kinds of searches, Internet users can follow to search for information, namely briefsearch, building blocks, successive fractions and citation pearl-growing.

Briefsearch refers to a quick search, usually using a phrase to retrieve a few information sources only. This type of search may either provide sufficient information or can be collected through this process to be used as the basis for a subsequent search. Briefsearch, therefore, will not locate all the possible information sources.

Building blocks extend the original query by using the concepts obtained from the results to search for more information by using alternative terms that can be used to describe the concept or product. This can be done either systematically or only in respect to some concept or term. Building blocks is a more thorough search strategy but may prove to be very time consuming.

Successive fractions, the third search strategy, is used to reduce a large set of retrieved sources or sites by selecting from the set through additional searches, which narrows the search set down, therefore being more selective. If this search strategy is successful, there will be a greater number of relevant sites in the final set.

According to the **citation pearl-growing** search strategy, only one or a few sources or sites will be used to identify suitable search terms, followed by a

search using the identified terms. This method of search should, therefore, lead to other usable sites.

From the discussion above can be concluded that Internet users can adopt a number of search strategies that will assist with the search process. By using such search strategies, Internet users can search for more relevant information in a shorter time period, thereby reducing the cost element associated with the time used to search for information.

4.3.1.2 The Internet as support to the alternative evaluation process

The Internet can also assist the consumer in the alternative evaluation stage of the consumer decision-making process. This function is greatly simplified through shopping bots.

Rowley (2000b: 203 – 214) explains that shopping bots (short for robot) represent a specialised search bot designed to locate and compare products. Shopping bots use the Internet user's query, visit Internet shops (sites) which may have the required product, retrieves the information and present it in a consolidated and compact format that allows comparison shopping at a glance.

Rowley (2000b: 203 – 214) continues by stating that most shopping bots claim to eliminate the searching necessary to identify the right product at the best price. If the consumer is interested to purchase a product listed in the search result, the consumer can either click on the site name (providing additional information on the products available from the site) or click on "Buy", which will produce an order form. From here, the consumer can proceed to purchase.

From the discussion it can be derived that the Internet can shorten the consumer decision-making process by almost integrating various stages of the process. Instead of, after alternative evaluation, having to still visit a store or stores to

purchase the selected product (provided the alternative evaluation was not done in-store), the consumer can proceed to purchase the product with the click of a few buttons. Examples of shopping bots are listed in Table 4.2.

TABLE 4.2: EXAMPLES OF SHOPPING BOTS

Name of shopping bot	Product range
BargainBot	Books
Bargain Finder Agent	Music, CDs
Bid Smart	Auctions
Bottom Dollar	Eight product categories
Buyer's Index	Comprehensive
Computer Shopper	Computer and related products
Gift finder	Gifts
Jango	Comprehensive
MySimon	Comprehensive
NetMarket	Comprehensive
Planet Retail	Comprehensive
Price Scan	Computer hardware and software
Shopping explorer	Computer hardware and software
Premium shopping directory	Malls and stores

Source: Rowley (2000b: 203 – 214)

Table 4.2 above shows that there are a number of shopping bots that can assist in obtaining information on a wide variety of products. The results of searches by means of shopping bots can therefore drastically reduce the time and effort needed by the consumer to obtain comparable information.

In addition, the shopping bot will simplify the evaluation process by comparing all the products on the same attribute and provide the Internet user with the opportunity to obtain more information on specific products or the sellers thereof. The Internet user can also proceed to purchase the selected product within the same Internet session.

The function of a shopping bot in assisting the Internet consumer with the alternative evaluation process is illustrated in Figure 4.4.



From Figure 4.4 it can be seen that obtaining information through shopping bots seems very simplistic. Rowley (2000b: 203 – 214) cautions, however, against this assumption by stating that using a shopping bot requires more than simply typing a few keywords and waiting for the results. Consumers opting to use a shopping bot have to decide how to embed their use thereof together with the information that it provides into the decision-making process.

The illustration of the search process using shopping bots indicates the manner in which the Internet can shorten the purchasing process. By using a shopping

bot as primary search tool, the consumer can rapidly move from search for information to evaluation of alternatives identified through the search, enabling the Internet consumer to purchase the selected alternative.

In conclusion to the usage and value of shopping bots in assisting consumers with the alternative evaluation process, Rowley (2000b: 203 – 214) states that although this search tool could possibly still produce hundreds of sources found in a search attempt, Internet shoppers will find shopping bots attractive if they prove to support them with Online purchasing.

4.3.2 The Skirmish phase

The Skirmish phase represents a combination of the result of the alternative evaluation process (deriving a chosen alternative) and the act of purchase. According to Windham & Orton (2000: 93), the term “Skirmish” was selected because in business-to-consumer e-business, convincing the consumer to purchase for the first time is only a preliminary competitive conflict. The real battle for retaining the consumer is during the “War” phase (discussed in Section 4.3.3).

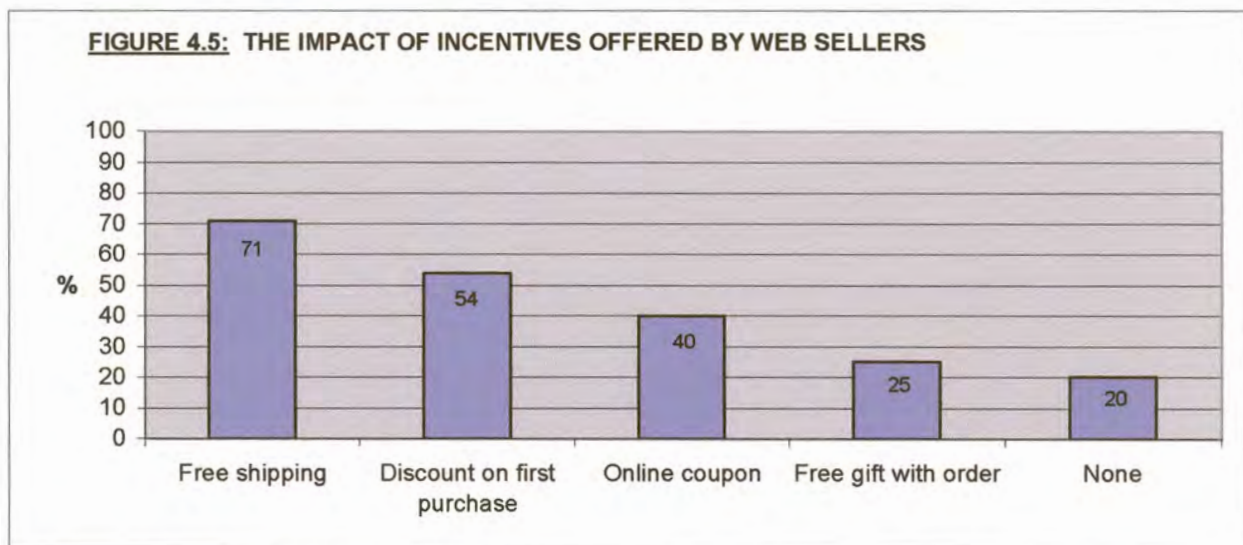
Sellers who have won the trust of consumers during the Confidence Building phase will be able to compete more effectively during the Skirmish phase. The Confidence Building phase is of such importance to the seller, that if this objective was not achieved, the seller is very unlikely to even be granted the opportunity to be a contender during Skirmish.

Windham & Orton (2000: 93) point out that there is little distinction between choosing and buying on the Web, since it is so easy for the consumer to purchase Online by the click of a few buttons once the choice alternatives have been narrowed-down and a selection has been made. The Confidence Building and Skirmish phases are often also combined on the Web, since there are

neither any time or space constraints that could impede the process nor any logistical barriers between first knowing about the site and purchasing something from the site. In fact, the entire process can occur in one Web session in a matter of minutes. This view is especially relevant if considering the search process using a shopping bot where the Internet consumer can, within a single Internet session, search for information, evaluate alternatives and purchase the selected product.

A strategy often followed by Internet sellers to encourage consumers to purchase during the “Skirmish phase” is to offer discounts. Discounts offered via Web sellers to encourage purchasing behaviour include free shipping of purchased goods, discounts offered to first-time buyers, Online coupons and free gifts with purchases.

Figure 4.5 shows the impact of some incentives offered by Web sellers to convince consumers to purchase from them during the 1999 Christmas season in the United States.



Source: Windham & Orton (2000: 95)

From Figure 4.5 it can be seen that Online sellers often have to, as with traditional sellers, offer incentives for consumers to purchase their products. The

advantages of motivating consumers to purchase through incentive-offering strategies is a possible “spill-over” effect (consumers could purchase additional products) and retention of consumers for future purchases. For example, free shipping (or reduced shipping costs or faster delivery at lower costs) of books offered by Amazon.com to South African consumers could possibly lead to more products being purchased from Amazon.com by South African consumers.

Breitenbach & Van Doren (1998: 558 – 575) add another possible incentive that can motivate consumers to purchase from an Internet seller, namely samples, provided that the product offering allows for sampling. For example, Internet sellers can offer free downloads of their software programmes, allowing the consumer to first try the product before purchasing it.

From the discussion it can be seen that purchase fulfils an important function in the Skirmish phase. Purchasing via the Internet will therefore be discussed in greater detail to form an understanding of the purchase stage of the consumer decision-making process when considering the Internet as a sales channel. The discussion will also consider possible concerns and costs that consumers can expect to encounter with Internet purchases as well as products that are most probably more suited to be sold over the Internet.

4.3.2.1 Purchasing on the Internet

Phau & Poon (2000: 102 – 113) express the opinion that Online purchasing can be viewed as a five-component process, namely promotions, one-to-one contact, closing, transaction and fulfilment. A brief discussion on the five components will provide an overview of how consumers and marketers can expect an Internet purchasing transaction to occur.

The first component, **promotions**, suggests that users have to be made aware of and learn about products offered by sellers through advertising. **One-to-one**

contact implies that the Internet allows for asynchronous contact with consumers through methods, such as e-mail and discussion groups, used to build a relationship with consumers. The third component, **closing**, refers to agreeing on a price and concluding the deal, possibly via a collection of e-mails. There is, therefore, an electronic record of the sale and the agreed deal. **Transaction**, the fourth component, refers to the payment method for products and services purchased. The final component, **fulfilment**, includes both the delivery and shipping of the purchased products as well as the effective electronic order processing.

Phau & Poon (2000: 102 – 113) also suggest three types of channels when purchasing via the Net, namely distribution, transaction and communication channels. **Distribution channels** function as facilitator of the physical exchange of products and services. **Transaction channels** assume the role of generating sales activities between buyers and sellers. Finally, **communication channels** are responsible for the exchange of information between buyers and sellers.

It therefore seems, according to Phau & Poon (2000: 102 – 113), that by combining the two suggested processes of Internet purchasing, the Internet appears to be a flexible, interactive and efficient medium through which economic parties can communicate.

When considering purchasing via the Internet, consumers must be aware of a number of cost elements that have to be considered in determining the value to them when purchasing via the Web. It is therefore important to consider the costs that consumers will incur with Internet purchases, since these costs could have an influence on whether or not Online purchases are made.

Strader & Shaw (1999: 82 – 92) identify a number of potential relevant costs to the consumer when shopping on the Internet. These costs together with a description thereof are shown in Table 4.3.

TABLE 4.3: COST VARIABLES AND DESCRIPTIONS

Variable	Description
Product price	The sum of the production costs, co-ordination costs and profits of the value chain that provides the product or service
Search costs	The time, effort and money involved in searching for a seller who has the product demanded at an acceptable price with acceptable features and quality
Risk costs	The costs involved in minimising transaction risk as well as the cost associated with losing value in the transaction
Distribution costs	The costs associated with physically moving the product from the seller to the buyer
Sales tax	Self-explanatory
Market costs	The costs associated with participating in a market

Source: Adapted from Strader & Shaw (1999: 82 – 92).

Apart from the costs that could possibly deter consumers from purchasing from the Internet, it is important to also note other factors that could discourage consumers.

Prabhaker (2000: 158 – 171) suggests that an increasing number of Online consumers change their minds regarding purchases Online when they are required to divulge personal and credit card information. This view is supported by Kolesar & Galbraith (2000: 424 – 438), stating that many consumers are reluctant to complete a purchase transaction on the Internet when required to provide credit card information. Also, a considerable number of non-Internet users indicated that privacy concerns kept them Offline and a majority of current Internet users agree that privacy concerns are the contributing factor for not using the Web more extensively.

These concerns are valid since, as Prabhaker (2000: 158 – 171) explains, every time an Internet user interacts with the Web, a trail of extraordinary detailed information is left behind, for example who the user is, buying habits, financial status and perhaps *medical details and other personal details*. The consumer also has very little control over who has access to this information and what they do with these particulars.

Grönroos et al. (2000: 243 – 252) are of the opinion that information gathered about consumers should be used in a manner that will provide tangible benefits to consumers, for example personal news, advice and personal offerings tailored to their preferences. Small companies on the Web can, therefore, compete with large multinationals. Prabhaker (2000: 158 – 171) adds by stating that it is unrealistic to expect profit-driven businesses not to infringe on consumer privacy in an environment that makes it increasingly profitable together with technology that makes it easier than ever to collect and share personal information. This leads Strader & Shaw (1999: 82 – 92) to identify another risk element applicable to the Internet, namely privacy risk, referred to as the degree to which consumers envisage a loss of privacy owing to information collected by sellers as they shop.

This perceived privacy risk has important implications for the Internet seller. Prabhaker (2000: 158 – 171) identifies three specific implications regarding privacy and its impact the sales of products and services. Firstly, there is a opportunity cost of lost sales as Online consumers, whose privacy concerns have not been addressed, will tend to delay or even abandon further Online purchases. Secondly, there is a shift from Online purchasing channels to Offline business channels, since some concerned consumers will rather revert back to traditional ways of purchasing, even if it means at a higher purchase price, given their privacy concerns regarding the Internet. Finally, privacy concerns represent an intangible cost component to consumers who purchase over the Internet. Consumers who, therefore, make use of the Internet for purchases do so by paying the full price, both the tangible product cost and the intangible privacy cost.

Chapter 4 has thus far shown how the Internet can influence the consumer decision-making process. It is therefore important to also briefly discuss different methods of purchasing together with payment options.

Using a shopping bot as purchase medium was discussed earlier, indicating how consumers can within a single Web session search for information, evaluate different alternatives and purchase the selected product from the shopping bot site or the actual seller's Website.

In addition to shopping bots, consumers can purchase from any Website offering products and services for sale through their site, for example from Inthebag.co.za, Kalahari.net, Picknpay.co.za or Amazon.com.

In addition to purchasing from sellers' Websites, consumers can also visit Web auction sites, where the consumer can enter an offer to purchase products on auction (often new products).

According to McQuitty & Peterson (2000: 233 – 248), a number of auction Websites have emerged that will sell virtually any product to consumers, for example eBay.com. Examples of South African Websites offering auctions to the consumer include Mwebauctions.co.za and Bidorbuy.co.za.

It is also important to consider the payment methods consumers can use to pay for products purchased on the Web.

Bickerton, Bickerton & Pardesi (2000: 149) list three payment options consumers can use to pay for products purchased Online, namely credit cards, electronic cash and electronic cheques. These three payment options will be briefly discussed below.

Bickerton et al. (2000: 254) note that credit cards have become the dominant payment mechanism for Internet purchases. Spar & Bussgang (1996: 129) explain the ease of using credit cards on the Internet by stating that consumers can purchase products in a different currency and let the banks intermediate the financial transaction. A South African consumer can therefore purchase a

special edition book from National Geographic, pay \$ 75 and leave the transaction details to ABSA bank to conclude. The consumer will notice on the following statement received from ABSA that R 825 has been paid to National Geographic.

It should, however, be noted that by offering credit card payments only, Internet sellers could possibly exclude potential consumers, for example those who do not use credit cards and those who do not qualify for credit cards (for example children). Credit cards are also inefficient for low-cost purchases, for example purchasing a book at Kalahari.net for R 15.

These limitations together with security concerns have led to the creation of an Internet currency or electronic cash (e-cash), for example eBucks. Electronic cash is especially useful for low-value purchases. Spar & Bussgang (1996: 129) add that consumers using e-cash can purchase products quickly and most probably more important, anonymously on the Internet.

The final payment method for Internet purchases identified by Bickerton et al. (2000: 255) is electronic cheques, mostly used for business-to-business Internet transactions. Electronic cheques use a digital certificate system that secures the transfer of payment data between buyers, sellers and banks.

In addition to the discussion above it should be mentioned that many “traditional” retailers are exploiting the Internet as an alternative information and sales channel. The subsection below will consider “traditional” retailers offering Online purchasing.

A) Brick and click retailers

As stated earlier, the Internet provides consumers with an additional information source and sales channel. Since the Internet has grown and showed

advantages for both sellers and consumers, a number of traditional “Offline” retailers have decided to offer their products and services to their customers via the Internet as an additional sales and information channel.

Nunes, Wilson & Kambil (2000: 20) explain that it is easy to see why traditional sellers are moving to the Internet to offer more ways to buy from them. They recognise that the same buyer may prefer different transaction mechanisms under different circumstances. For example, a consumer may not care about flight ticket prices when travelling for business, but may seriously consider lower prices when planning a family vacation. Nunes et al. (2000: 20) explain that by offering multiple transaction approaches, sellers could possibly win a larger share of existing consumers’ business and also gain new types of purchasers.

Gulati & Garino (2000: 113) continue by stating that an established traditional retailer benefits from offering the Web as additional sales channel, since it offers the seller instant credibility on the Web (provided that the brand is recognised and respected). The seller’s current customers will therefore provide nearly immediate traffic and revenue and new customers will know that the site is legitimate and fewer buyers will fear credit card fraud. Ghosh (1998: 126) warns, however, that established businesses that have built brands and physical distribution relationships over a considerable period of time, risk all that they have created when they pursue Internet selling.

Adding to the above should be mentioned that traditional sellers offering the Internet as an alternative sales channel will most probably be forced to offer the same prices as in the physical store so as not to confuse their current customers or leave them distrustful (Gulati & Garino, 2000: 113).

The extent of offering Online purchases by traditional sellers would, therefore, most probably depend on the strengths of existing distribution and information systems and their transferability to the Internet (Gulati & Garino, 2000: 113).

From a South African perspective, a number of traditional retailers have opted to offer their customers an Online purchasing channel.

For example, Woolworths offers a Website (Woolworths.co.za) providing information on, amongst others, its products and the location of their outlets together with each store's business hours. This Website therefore offers customers an additional information source where consumers can view what products and services are available and at what prices. Loyal Woolworths customers can therefore select products and then simply visit the store to purchase the selected items. Woolworths also offers a link to their Online purchasing site (Inthebag.co.za) where food and other popular grocery brands can be purchased. Once again, Woolworths customers can shop for their products and purchase them Online. Products purchased will be delivered according to the customer's instruction within one to a maximum of seven days. Currently, Woolworths only delivers in Johannesburg and Cape Town and does not offer same-day delivery.

Another example of a South African retailer offering Internet purchases and physical delivery is Pick & Pay. Unlike Woolworths, Pick & Pay announces on its Website that it offers delivery for Online purchases to more areas throughout South Africa (Western Cape, Gauteng, Durban, Bloemfontein and Eastern Cape). Also, if an Online customer purchases products before ten o'clock in the morning, the customer will receive the purchased products the same day, up to nine o'clock at night.

From the discussion above it can be concluded that more traditional sellers are offering Online purchasing to its current and potential new customers. Ghosh (1998: 129) explains that the decision to offer consumers an Internet sales channel could possibly be based on a driving force exerted by competitors or through consumer demand. It is therefore also important for traditional sellers to understand their customers' needs to ensure that they offer alternative sales

channels, for example the Internet, when customers demand an alternative channel.

It is also important to consider what types of products are more suitable than others to be sold via the Internet, implying that marketers should consider what types of products consumers will consider purchasing via the Internet. The section below will provide a discussion on the products and services that lend themselves more to the Internet than others.

B) Products purchased via the Internet

Bickerton et al. (2000: 149) note that not all products and services are equally suited to be sold via the Internet. Greenbury in Maruca (1999: 160) supports this view by stating that people will increasingly want to shop on the Internet for at least a certain range of products because of convenience.

According to Phau & Poon (2000: 102 – 113), the suitability of the Internet for marketing to consumers depends to a large extent on the characteristics of the products and services being marketed. It is, therefore, important to consider product and service characteristics when evaluating the impact of the Internet as a sales channel. A classification system, where products and services are categorised according to three dimensions, can be used to determine the product and service characteristics when evaluating the Internet as a sales channel. The three dimensions according to which products and services have to be measured, are cost and frequency of purchase, value proposition and degree of differentiation.

Considering the first dimension, products vary from low-cost, frequently purchased items (for example consumable products, such as milk and bread) to high-cost, infrequent purchased goods (for example durable goods, such as television sets). Phau & Poon (2000: 102 – 113) suggest that, as a general rule,

when purchase fulfilment requires physical delivery, the more frequent the purchase and the lower the cost of an item (for example bread and milk), the less likely the chances are for a “fit” between a product and the Internet-based sales thereof.

Products and services also vary along their value proposition, referring to the extent to which a product or service is either tangible and physical or intangible and service-related. Phau & Poon (2000: 102 – 113) suggest that the more intangible the value proposition is and the greater the frequency of purchase or use of a product or service is, the greater the advantage of the Internet becomes as a transaction and distribution medium.

The final dimension, degree of differentiation, reflects the degree to which a product or service is differentiable. More specific, it reflects the extent to which a seller is able to create a sustainable competitive advantage through product and service differentiation. The inability of sellers to show significant differentiation often leads to extreme price competition between competitors, whereas the successful differentiation allows for the Internet to serve as an effective segmentation mechanism for guiding buyers to their ideal product or service.

Table 4.4 reflects the three dimensions together with examples of products and services associated with each dimension.

TABLE 4.4: PRODUCT CLASSIFICATIONS

Dimension 1	Dimension 2	Dimension 3	Products and services
Low outlay, frequently purchased goods	Value proposition tangible or physical	Differentiation potential high	Wines, soft drinks, cigarettes
		Differentiation potential low	Milk, eggs
	Value proposition intangible or informal	Differentiation potential high	Online newspapers and magazines
		Differentiation potential low	Stock market quotes
High quality, infrequently purchased goods	Value proposition tangible or physical	Differentiation potential high	Stereo systems, automobiles
		Differentiation potential low	Precious metal ingot of known weight and purity
	Value proposition intangible or informal	Differentiation potential high	Software packages
		Differentiation potential low	Automobile financing, insurance

Source: Phau & Poon (2000: 102 – 113)

The findings of a research study conducted by Phau & Poon (2000: 102 – 113) suggest that consumers, more specifically consumers in Singapore and the Asia Pacific Region, are not ready to purchase expensive goods (for example, automobiles, jewellery and stereo systems) through the Internet. Two reasons can attribute to this finding, namely that the monetary risks associated with these types of products are too great and also that these products require a greater deal of visual inspection. The study also found that consumers were rather unfamiliar with Internet shopping and had a certain amount of uncertainty regarding the trustworthiness and credibility of Internet sellers.

Phau & Poon (2000: 102 – 113) furthermore suggest that products with low outlay are frequently purchased while tangible or physical products with a low differential potential are unsuitable for selling through the Internet in Singapore. In addition, Internet selling seems to be poor compared to traditional retail channels, where products are available for inspection prior to purchase. The

consumer may, however, inspect products in a traditional retail outlet and then revert to an Internet-based channel to purchase it.

Phau & Poon (2000: 102 – 113) conclude the findings of their empirical research study by stating that product and service type classification will significantly influence the consumer choice between a retail store and an Internet shopping mall. In addition, the findings by Phau & Poon (2000: 102 – 113) suggest that the products and services that have a low outlay, are frequently purchased, have intangible value propositions and are relatively high on differentiation are more likely to be purchased via the Internet. Bickerton et al. (2000: 149) support these findings by stating that amongst others, fragile and perishable goods, goods that require physical inspection and more expensive goods are less suited to be sold over the Internet.

4.3.3 War

According to Windham & Orton (2000: 97), retaining consumers on the Web is as difficult, if not more difficult, than acquiring them. The greatest challenge to the marketer will be to retain customers who are motivated to primarily use the Web for convenience and time-saving purposes. An even greater challenge to marketers will be to retain customers who are motivated by lower prices and better deals.

Windham & Orton (2000: 97) continue by stating that marketers formed a misconception about Web consumers through attempts to acquire them by means of free offers. The view was that offering good Web experiences and competitive prices would retain consumers. Consumers have, however, formed expectations from their previous shopping experiences and demand free shipping, discounts and other incentives to re-purchase. If the seller fails to meet these expectations, consumers will simply find other sellers who will meet their expectations.

Consumer expectations for repeat purchases include, for example, free shipping, discounts, better product selection and prices, improved site performance and capacity, increased security and privacy, improved site navigation and availability of stock. The result of these consumer expectations is that sellers will have to meet these consumer expectations, not only to acquire customers, but also to maintain customer loyalty in an effort to retain them.

Windham & Orton (2000: 99) are of the opinion that a key to success in Web marketing is to understand the target market and what it purchases Online. This information should be used to formulate strategies that will appeal to the identified motivation of consumers to purchase Online. For example, if a consumer is motivated by special deals, offering deals every time the consumer visits the Website will reinforce the perception that the site constantly offers the best deals, thereby enforcing the primary motivation of the consumer. The Online marketer can also create functionality and special offers that make the experience easier and faster, thereby appealing to the convenience shopper. An example of a site offering a feature aimed at improving convenience is Amazon.com's 1-Click Ordering.

The challenge to marketers is therefore to identify the consumer types that they can best serve and to develop marketing programmes, features and offers that will constantly achieve consumer attention.

The most important in winning the War on the Web, according to Windham & Orton (2000: 100), is to track competitors' innovations aimed at retaining consumers. In addition, marketers should assume that long-term consumer loyalty does not exist, therefore necessitating strategies of earning consumer loyalty and rewarding such loyalty with every visit and during every transaction.

Considering the Web-based consumer decision-making model, Windham & Orton (2000: 101) state that it is proving more expensive, at least for the foreseeable future, to build consumer confidence and achieve consumer

retention with an Online brand than to do so through more traditional methods. The profit margins achieved through Online selling may prove insufficient when considering the challenges of building consumer confidence, acquiring and retaining consumers. Consumers, therefore, have to be “bought”, but these expectations of consumers cannot be sustained. The Online marketer wishing to retain Online consumers will therefore have to find non-price-related incentives to stimulate repeat purchases.

In concluding the discussion on the influence of the Internet on the consumer decision-making process, Teo (2001: 125 – 137) states that the perceived usefulness of the Internet fulfils a more important role when compared to the ease of use and perceived enjoyment thereof. This finding has important implications to the marketer pursuing sales from the Internet. Teo (2001: 125 – 137) lists two possible explanations why marketers should regard usefulness of the Internet so important, namely that Internet users will be unlikely to use the Internet once the novelty has worn off and they derive no usefulness from using it. A second explanation is that intrinsic motivation tends to be associated with enquiry type usage activities while extrinsic motivation tends to be associated with both enquiry and purchasing type usage activities, thereby implying that the varying importance of intrinsic motivation variables may be related to the nature of usage activities.

4.4 COMPARISON OF CONSUMER DECISION-MAKING MODELS

It was noted in Section 4.3 that the Web-based consumer decision-making model, arguably, is more applicable to the Internet seller than to the consumer using the Internet. It was also noted that despite this observation, Windham & Orton (2000: 81-101) refer to a Web-based consumer decision-making process. It is possible to draw a comparison between the “traditional” and Web-based decision-making process by considering the discussion on the consumer decision making process (the EBM decision-making process discussed in

Chapter 3) and the discussion on the Web-based consumer decision-making process (Windham & Orton, 2000: 80-101) discussed in Section 4.3. Table 4.5 indicates the most predominant differences between the two processes.

TABLE 4.5: COMPARISON BETWEEN WEB-BASED AND “TRADITIONAL” DECISION-MAKING PROCESS

“Traditional” decision-making process	Web-based decision-making process	Comments
Stage 1: Need recognition	Stage 1: Confidence Building phase	<ul style="list-style-type: none"> • Confidence Building phase combines need recognition, search, selection of alternatives and evaluation of different Websites • Web-based process considers how Internet user becomes aware of Internet sellers • Web-model does not consider impact of environmental influences and personal differences • Web-process does not consider the possible use of internal search from memory
Stage 2: Search		
Stage 3: Pre-purchase alternative evaluation	Stage 2: Skirmish phase	<ul style="list-style-type: none"> • Skirmish phase combines alternative evaluation and the act of purchase • Skirmish phase assumes purchase follows evaluation, without considering other possible influences on pre-purchase stage of the decision-making process
Stage 4: Purchase and its outcomes, comprising: <ul style="list-style-type: none"> • purchase • consumption • post-purchase alternative evaluation • divestment 	Stage 3: War	<ul style="list-style-type: none"> • War phase of the Web-based model focuses on repeat purchases • War phase does not consider consumption of purchase goods • War phase does not allow for post-purchase evaluation or feedback of satisfaction or dissatisfaction on future purchases • War phase does not consider divestment of purchased (and/or consumed) goods

Table 4.5 highlights a number of differences between the “traditional” and Internet model for consumer decision-making. In an effort to determine the validity of the Web-based model, it is important to consider guidelines (and

advantages) provided earlier in the study (Section 2.4.1 and 2.4.2 in Chapter 2) regarding models:

- a model can be viewed as a testable “map of reality” and its utility lies in the extent to which successful predictions and description of behaviour, together with underlying influences, are made possible;
- explanations are provided for behaviour; and
- fundamental relationships between variables and the exact sequence of cause and effect of variables are specified

It can be derived that, following the discussion above, the Web-based model can not be regarded as a true model of consumer decision-making, especially when considering that the model has not been tested empirically.

One of the objectives of this study is to determine actions and buying behaviour of the respondents. When the implications and recommendations from the results are discussed in Chapter 8, this aspect will be revisited by providing a recommendation for future research.

4.5 SUMMARY

Chapter 4 provided an insight on the ways in which the Internet influences the consumer decision-making process. The chapter was structured by using a proposed model of decision-making applied to the Web as a framework for the discussion.

More specifically, Chapter 4 considered the manner in which information search is influenced when viewed from an Internet perspective and highlighted how the alternative evaluation process can be simplified by using the Internet. The

discussion also considered purchasing via the Internet and the products most suitable for selling through the Net. Comparing the “traditional” consumer decision-making model to the Internet-based model concluded the chapter.

Chapter 5 will be devoted to the study’s problem statement and the hypotheses for the study will be formulated, with consideration to the theoretical foundation in the preceding chapters and with specific reference to Chapter 4.