

CHAPTER 8

CONCLUSIONS, IMPLICATIONS AND RECOMMENDATIONS FOR FUTURE RESEARCH

8.1 INTRODUCTION

The research results were presented and major findings reported in the previous chapter. This chapter will provide main conclusions and implications thereof, based on the main findings for the study. The questions of the questionnaire and main findings will be linked to the research objectives and the limitations of the study will be highlighted. Chapter 8 will be concluded by providing recommendations for future research.

8.2 MAJOR FINDINGS, CONCLUSIONS AND IMPLICATIONS BASED ON THE MAIN FINDINGS

The primary objective of the study, as documented in Chapter 1, was to determine the buying behaviour of South African Internet users. Following the literature review and the results from the empirical research, a number of conclusions and implications based thereon can be drawn. This section will list the major findings from the study, draw a conclusion from each finding and provide the implication of the finding.

(a) Major finding 1

The period of Internet usage influences whether or not Internet users purchase products or services via the Internet.

It could be seen from **Main finding A5 (p. 338) in Chapter 7** that as the period of Internet usage increases, the percentage of Internet shoppers increases and the percentage of non-shoppers decreases.

In addition to the above, **Main finding A6 (p. 339) in Chapter 7** showed that 72% of respondents who have been using the Internet for more than four years have purchased via the Internet, while only 20% who have been using the Internet for less than one year had purchased Online before.

Following the chi-square test for significance, it was concluded [as captured in **Main finding A7 (p. 339) in Chapter 7**] that the period of Internet usage significantly influences whether or not respondents have purchased products or services via the Internet.

A **main conclusion** is that the period of Internet usage exerts a significant influence on the decision to purchase products and services via the Internet.

The **implication** is that marketers should consider the period of Internet usage of South African Internet users when drafting marketing plans and Internet strategies that focus on selling products and services via the Internet.

Recommendation: Since the period of Internet usage can be regarded as an important indicator of Online purchases, marketers need to focus their attention on Internet users who have been using the Net for at least a number of years. Marketers also need to consider methods to stimulate Internet service uptake, considering that success would probably only be achieved from a medium to long term investment.

(b) Major finding 2

The Internet holds great potential to be used as a sales channel.

It could be observed from **Main finding A4 (p. 334) in Chapter 7** that 54% of respondents have purchased Online before.

Main finding A8 (p. 340) in Chapter 7 showed that 64% of respondents, who have not purchased via the Net before, consider doing so in the future.

It could also be seen from **Main finding A12 (p. 342) in Chapter 7** that 44% of respondents who have not purchased Online before and who do not consider purchasing via the Net in the future, consider purchasing products or services via the Internet if more South African businesses offered products or services via the Net.

The **main conclusion** that can be drawn is that the Internet holds, from a South African perspective, great potential to be used as a sales medium/channel.

The **implication** is that marketers, and more specifically South African marketers, need to consider the possibility of using the Internet as a main or alternative sales channel when selling products or services to South African Internet users.

Recommendation: Marketers need to determine whether or not there is a demand for their products or services to be sold via the Internet. Once a need is identified for their offering, marketers need to offer their products and/or services by using the Internet as a primary sales channel. If the seller is a current “brick-and-mortar” business, the possibility should be investigated to utilise the Internet as an alternative sales channel. Marketers from “brick-and-mortar” sellers need to, however, be cautious not to simply pursue the Internet as a “nice-to-have” or “add-on” sales channel, but should draft proper business and marketing plans to actively pursue the Internet as a separate profitable sales channel.

(c) Major finding 3

The use of Internet banking services can be regarded as an important influence on whether or not Internet users purchase products or services via the Net.

It could be derived from **Main findings A22 (p. 347) and A23 (p. 348) in Chapter 7** that 66% of respondents use Internet banking services while a further 65%, of those who do not currently use it, consider to do so in the future.

It could also be seen that 42% of Internet banking users also purchase Online **[Main finding A27 (p. 350) in Chapter 7]**. Other findings were that the decision to use Internet banking services significantly influences whether or not respondents have purchased via the Internet before **[Main finding A30 (p. 350) in Chapter 7]** and as the period using Internet banking services increases, the percentage of respondents who have purchased via the Net increases **[Main finding A31 (p. 352) in Chapter 7]**. These findings are supported when considering that 80% of Internet banking users, who have been using these services for more than four years, have purchased via the Net before **[Main finding A32 (p. 352) in Chapter 7]**.

A final finding, applicable to the use of Internet banking services, is that the period using Internet banking services significantly influences whether or not respondents have purchased via the Internet before **[Main finding A33 (p. 352) in Chapter 7]**.

The **main conclusions** are that the use of Internet banking services as well as the period of Internet banking usage significantly influence whether or not respondents have purchased via the Internet before.

The **implication** is that marketers need to understand that Internet banking services are an important activity Internet users engage in and should attempt to find common grounds between Internet banking users and their potential customers when drafting Internet marketing and sales strategies.

Recommendation: Considering the influence of using Internet banking services on Online purchases, marketers need to focus their efforts on Internet banking users. If at all possible, marketers should specifically target Internet banking users who have been using Online banking for four years or more.

(d) Major finding 4

Non-Internet and Internet shoppers consider different factors when deciding whether or not to purchase products or services via the Internet.

It could be seen from **Main finding BC2 (p. 364) in Chapter 7** that three factors (together with the predominant stages of the decision-making process with which the three factors were associated) were identified for *non-Internet shoppers*, namely: factor B1 is predominantly in the pre-purchase evaluation stage of the consumer decision-making process and consists of the following aspects: brands and after-sales support offered by Internet sellers, concerns regarding the delivery of purchases and costs associated with Internet purchases; factor B2 is predominantly in the pre-purchase evaluation and purchase stages of the decision-making process and consists of the following aspects: the safety, ease and convenience of purchasing from home; and factor B3 is predominantly in the search and purchase stages of the decision-making process and consists of the following aspects: privacy and security concerns in the search and purchase decision-making stages.

Internet shoppers also considered three factors (including the identified predominant stages of the decision-making process), namely: factor C1 is

predominantly in the pre-purchase and post-purchase evaluation stages of the decision-making process and consists of the following aspects: the ability to find and evaluate information on brands, product ranges, costs associated with Internet purchases and after-sales service offered by Internet sellers; factor C2 is predominantly in the search and purchase stages of the decision-making process and consists of the following aspects: security and privacy concerns when searching and purchasing on the Internet; and factor C3 is predominantly in the pre-purchase evaluation and purchase stages of the decision-making process and consists of the following aspects: ease and convenience of purchasing from home **[Main finding BC3 (p. 369) in Chapter 7]**.

After considering the different factors, with specific emphasis on the identified predominant stages of the decision-making process associated with each statement, it was concluded that there is an observable difference between the factors Internet shoppers and non-shoppers consider when deciding whether or not to purchase via the Net **[Main finding BC4 (p. 371) in Chapter 7]**.

The **main conclusion** is that Internet shoppers and non-shoppers consider different factors when deciding whether or not to purchase Online.

The **implication** is that marketers should know which factors Internet shoppers and non-shoppers consider when deciding whether or not to purchase via the Net.

Recommendation: Marketers need to address non-shoppers' concerns (identified through the factor analysis) by focusing their marketing initiatives and promotions on addressing specific factors highlighted for non-shoppers. By being sensitive to the concerns of non-shoppers (with regards to purchasing Online) and addressing these concerns through Internet offerings and marketing campaigns, the marketer could possibly convert more non-shoppers to Internet shoppers and more importantly, regular Online shoppers.

(e) Major finding 5

It is not very likely that all products and services can be offered by Internet sellers on the Net.

It could be derived from **Main findings BC10 (p. 400) to BC15 (p. 405) in Chapter 7** that Internet shoppers have purchased from a number of product and service categories via the Net before and that both current shoppers and non-shoppers consider to purchase from various categories in the future. A great number of product and service categories were also identified from which smaller percentages of current shoppers and non-shoppers do not consider purchasing from via the Internet.

The **main conclusion** is that not all product and service categories will be sold equally successful via the Internet.

The **implication** is that marketers, who consider selling products or services via the Net, have to carefully consider whether or not their offering is suitable to be sold via the Net and whether or not South African Internet users will consider purchasing their offerings via the Internet.

Recommendation: Marketers need to, prior to investing in the Internet as primary or secondary sales channel, determine whether or not there is a need for their product or service to be sold via the Internet. Marketers can also determine, through marketing research, specific products or services that Internet users would like to purchase via the Internet. Such a proactive strategy could prove to be effective in creating a (profitable) Internet-presence.

(f) Major finding 6

The Internet offers Internet users a powerful information source that can be used to search for product and service information prior to purchasing from non-Internet based sellers of products and services.

Both Internet shoppers and non-shoppers search for or consider searching for product or service information on the Net prior to purchasing from non-Internet based sellers. **Main finding BC22 (p. 413) in Chapter 7** showed that more than 86% of Internet shoppers search for or consider searching for Online information prior to purchasing Offline. In addition, almost 70% of non-shoppers either search for or consider searching for Online information on products or services **[Main finding BC23 (p. 413) in Chapter 7]** prior to purchasing from non-Internet based sellers.

It should, however, also be noted that respondents who participated in the study did not (or do not) consider searching equally from all product and service categories for information **[Main findings BC32, BC33 and BC34 (p. 422) in Chapter 7]**.

The **main conclusion** is that Internet users (Internet shoppers and non-shoppers) use the Internet to search for product and service information Online prior to purchasing from non-Internet based sellers.

The **implication** is that South African marketers need to understand the importance of providing Online product and service information (Internet users may, after searching Online, purchase at a “brick-and-mortar” seller).

Recommendation: Marketers need to seriously consider providing Online information on the products or services they sell, even if they don't sell via the Internet. Marketers should, however, first determine whether or not Internet

users search for (and more importantly consider searching for) information on the products or services they offer.

(g) Major finding 7

It is important to gain insight on the demographic information of Internet users.

It could first be seen from **Main finding D31 (p. 450) in Chapter 7** that demographic variables such as gender, household language, gross monthly household income, highest qualification and population group influence whether or not respondents have purchased via the Internet before.

Second, gender and qualification significantly influence the product and service categories respondents have purchased from before [**Main finding D32 (p. 451) in Chapter 7**].

It could, finally, also be seen that three demographic variables (gender, gross monthly household income and highest qualification) influence the product and service categories respondents considered to purchase from via the Internet in the future [**Main finding D33 (p. 451) in Chapter 7**].

The **conclusion** is that it is important to determine demographic information to gain insights about Internet users.

The **implication** is that marketers need to, as with any marketing strategy, determine the demographic profile of their targeted Internet user market. Of equal importance, is that marketers not only need to determine the demographic profile of Internet users in general, but also determine (what and) if their target market will purchase the offering of the marketer via the Net.

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The **implication** is that marketers need to, as with any marketing strategy, determine the demographic profile of their targeted Internet user market. Of equal importance, is that marketers not only need to determine the demographic profile of Internet users in general, but also determine (what and) if their target market will purchase the offering of the marketer via the Net.

Recommendation: Marketers need to determine, for the products or services they sell, who will be the most likely group/s of people (for example males vs. females, different age groups or income groups) that would purchase their product and service offering via the Net. Once a group (or groups) has been identified, marketers need to target the group through advertising mediums that would be appealing to the group.

(h) Major finding 8

It is important to determine the applicability of the “traditional” decision-making process when considering the Internet as information source and buying channel.

From the discussion in chapter 4 it could be concluded that the Web-based consumer decision-making model does not present a representative model of consumer decision-making. The discussion in chapter 4 (section 4.4) also highlighted a number of differences between the traditional model and the proposed Web-based model.

A number of differences were noted between Internet shoppers and non-shoppers during the empirical research phase of the study, with specific emphasis on the factors these users consider when purchasing via the Net. Certain descriptors were ascribed to factors by considering the specific stages of the consumer decision-making process [**Main findings BC2 (p. 364) and BC3 (p. 369) in chapter 7**]. Table 8.1 provides a summary of the factors (together with descriptors) identified for Internet shoppers and non-shoppers.

TABLE 8.1: FACTORS IDENTIFIED FOR INTERNET SHOPPERS AND NON-SHOPPERS

Non-Internet shoppers	Internet shoppers
Factor B1 is predominantly in the pre-purchase evaluation stage and consists of the following aspects: brands and after-sales support offered by Internet sellers, concerns regarding the delivery of purchases and costs associated with Internet purchases	Factor C1 is predominantly in the pre-purchase and post-purchase evaluation stages and consists of the following aspects: the ability to find and evaluate information on brands, product ranges, costs associated with Internet purchases and after-sales service offered by Internet sellers
Factor B2 is predominantly in the pre-purchase evaluation and purchase stages and consists of the following aspects: the safety, ease and convenience of purchasing from home	Factor C2 is predominantly in the search and purchase stages and consists of the following aspects: security and privacy concerns when searching and purchasing on the Internet;
Factor B3 is predominantly in the search and purchase stages and consists of the following aspects: privacy and security concerns when searching and purchasing on the Internet	Factor C3 is predominantly in the pre-purchase evaluation and purchase stages and consists of the following aspects: ease and convenience of shopping from home

It can be seen from Table 8.1 that different stages of the decision-making process are embedded in the factors identified for Internet shoppers and non-shoppers.

Table 8.2 compares the traditional decision-making process (discussed in Chapter 3) with the Web-based model (discussed in Chapter 4) and provides a framework in the Internet environment, based on the findings from factor analyses performed during the empirical research phase of this study. The proposed framework will only consider the factors (and descriptors) identified for Internet shoppers and not non-shoppers, since the objective is to provide a framework for an Internet-based consumer decision-making process.

TABLE 8.2: A SUGGESTED FRAMEWORK FOR AN INTERNET-BASED CONSUMER DECISION-MAKING PROCESS

Existing theory		Findings of this study	
Stages of the “traditional” decision-making process	Stages of the Web-based decision-making process	Descriptors identified through factor analysis applicable to the “traditional” stages	Proposed labels for Internet-based decision-making process
Stage 1: Need recognition	Stage 1: Confidence	(Not specified: Note 1)	Stage 1: Need recognition (Note 2)
Stage 2: Search	Building phase	<ul style="list-style-type: none"> ➤ Ability to find information on: <ul style="list-style-type: none"> • Brands • Product ranges • Costs associated with Internet purchases • After-sales support offered ➤ Security and privacy concerns when searching the Web 	Stage 2: Search and Pre-purchase evaluation
Stage 3: Pre-purchase alternative evaluation	Stage 2: Skirmish phase	<ul style="list-style-type: none"> ➤ Ability to evaluate information and Internet sellers on: <ul style="list-style-type: none"> • Brands • Product ranges • Costs associated with Internet purchases • After-sales support offered ➤ Ease and convenience of purchasing from home 	

unsatisfied need (for example, while searching for a fax machine, the consumer may identify the need – following searching the Web – for a printer that can also be used as a fax machine);

- Purchase can, arguably, also form part of stage 2 of the proposed Internet-based decision-making process, since the Internet user can purchase Online following information search and pre-purchase evaluation on the Web;
- In the Web-context, post-purchase evaluation can also, at least to some extent, form part of the purchase stage of the process. This could occur in one of two possible scenarios, namely:
 - When downloading computer software or related products from the Web, the consumer could immediately evaluate the purchase and delivery process;
 - Post-purchase evaluation (regarding the seller) can also occur directly after purchase when the Web-seller communicates details regarding, for example, delivery periods, warranties, discounts for future purchases and status of purchases to the buyer;
- Divestment has not been covered in the statements applicable to the factor analyses. It is, however, possible to argue that divestment can occur in the Web-domain where the consumer can, for example un-install software purchased via the Net or offer products used by the consumer for sale on the Net.

The **conclusion** is that the traditional decision-making process could, possibly, not be used (in its current form) when considering the consumer decision-making process in an Internet environment.

The **implication** is that marketers have to understand that they need to proceed with caution when considering using the current consumer decision-making process models when drafting strategies aimed at Internet users.

Recommendation: The consumer decision-making model has to be re-evaluated to determine whether or not it is applicable in an Internet-context.

8.3 LINKING OF QUESTIONS AND MAIN FINDINGS TO THE RESEARCH OBJECTIVES

Following the results obtained from the empirical research phase of the study, it is possible to link the secondary objectives formulated for the study (listed in Chapter 1) and the questions portrayed in the questionnaire with the main findings (as listed in Chapter 7). It should be noted that the primary objective, namely to determine the buying behaviour of South African Internet users by using the Internet as an information source and buying channel, was reached by achieving the secondary objectives.

TABLE 8.3: LINKING OF SECONDARY RESEARCH OBJECTIVES, RESEARCH QUESTIONS AND MAIN FINDINGS

(i) Determine the factors Internet shoppers and non-shoppers take into account when considering whether or not to purchase via the Internet	11, 12 & 18	BC2 and BC3
(ii) For non-Internet shoppers, determine whether or not they will purchase via the Internet in the future and which product and service categories they consider purchasing from	13 & 15	A8; BC10 and BC11
(iii) For non-Internet shoppers not considering to purchase via the Internet in the future, determine whether or not they would considering purchasing via the Internet if more, well-known South African businesses offer products and services via the Internet	14	A12
(iv) For current Internet shoppers, future Internet shoppers and non-Internet shoppers who do not consider to purchase via the Internet in the future, determine whether or not they use the Internet as information source to search for product and service information prior to purchase from non-Internet based sellers	11, 13, 14, 16 & 20	BC22 to BC34

(v) For current Internet shoppers, determine the relationship between the length of time being an Internet user and factors considered before purchasing Online	3 & 18	BC5 to BC9
(vi) For current Internet shoppers, determine the product and service categories they currently purchase from and the product and service categories they consider to purchase from in the future via the Internet	11 & 19	BC12 to BC15
(vii) Determine the relationship between the demographic variables of Internet users and the decision whether or not to purchase via the Internet, as well as the product and service categories they currently purchase from and consider to purchase from in the future	11 & 22 - 31	D1 to D33 and E1 to E8

8.4 LIMITATIONS

Specific limitations following the literature review and the empirical phase of the study should be noted.

8.4.1 Limitations based on the literature review

A number of limitations, based on the literature review of the study, can be listed, namely:

- Although abundant information could be found in the literature regarding the consumer decision-making process as well as literature regarding the Internet, there is limited literature available on the consumer decision-making process applicable to the Internet;
- The literature regarding the decision-making process applied to the Internet has not been scientifically tested and the validity thereof is questionable (as stated in Chapter 4 of the study);

- Although some research reports from business organisations were found (and referred to in the study) on the buying patterns of South African Internet users, no literature could be found that explicitly focuses on the South African Internet user;
- There is limited literature available on the consumer decision-making process of South African consumers;
- In support of the above, literature could not be found on the decision-making process of South African Internet users.

8.4.2 Limitations of the empirical research phase of the study

A number of limitations should be highlighted, following the empirical research phase of the study and the reporting of the results, namely:

- Due to the nature of this study, the non-response error could not be determined;
- The study was limited to only include South African Internet users who subscribed to either ISP "X" (a) or ISP "X" (b), thereby excluding South African Internet users who subscribe to other Internet Service Providers;
- The distinction between Internet shoppers and non-shoppers was based on whether or not respondents have purchased via the Internet before, regardless of whether they only purchased once via the Net or are regular shoppers and regardless of the monetary value of their Internet purchases;
- A distinction was not made between purchases made from South African Internet sellers versus International sellers, nor was a comparison made between the value of local versus International Internet spend;

- The consideration to purchase via the Internet in the future (for both current shoppers and non-shoppers) were not quantified in terms of monetary value respondents consider to spend via the Internet in the future, nor was a distinction made between the consideration to purchase from local versus international Internet sellers;
- In support of the above, a time frame for the consideration to purchase via the Internet in the future was not determined.

8.5 RECOMMENDATIONS FOR FUTURE RESEARCH

A number of recommendations for future research can be made following the main and major findings, conclusions, implications and limitations from the study. The recommendations are:

- A similar study can be conducted with Internet users who subscribe to other Information Service Providers to determine if there are similarities with the main findings from this study;
- A study can be dedicated to Internet banking services and the impact of this important Internet activity on buying behaviour of Internet users;
- It can also be considered to conduct a similar study, focusing on determining if there are differences between Internet users who purchase from South African sellers offering products and services on the Net versus Internet users who purchase from international sellers;
- A study can be dedicated to product and service information searched for Online by South African Internet users prior to purchasing Offline;

- It could also prove useful to determine what the impact would be (in terms of more users purchasing Online, current users purchasing more frequently and average spend on Internet purchases) on Internet users (both shoppers and non-shoppers) if more South African businesses offer products and services via the Net;
- A study can be conducted to determine what would persuade Internet users to purchase from South African Internet sellers; and
- A study can be commissioned to profile the demographics of Internet users (distinguishing between shoppers, non-shoppers and users who search for Online product and service information) by also considering the influence of technology (and more specifically the adoption of technology) on length of time being an Internet user and Internet activities engaged in.
- It could also prove valuable, from a branding perspective, to conduct a study dedicated to the influence of brands on whether or not shoppers purchase Online and also to determine consumer expectations when purchasing well-known brands (and lesser or unknown brands), with specific consideration to pricing and distribution issues.
- As indicated in Chapter 4 and Major finding 8, it is important (from a marketing theory perspective) to test the validity of the consumer decision-making process documented in literature when considering the Internet as an information source and buying channel. It should be determined (and empirically tested) if current marketing theory on the decision-making process is applicable to consumers using the Internet, especially when considering the different stages identified for the decision-making process.



8.6 SUMMARY

The primary objective of the study was to determine the buying behaviour of South African Internet users.

Based on the conclusions, implications and recommendations derived from the study, discussed in Chapter 8, it can be accepted that both the primary and secondary objectives formulated for the study were achieved.

It can therefore be concluded that the results from this study contribute to the body of knowledge on marketing theory, consumer decision-making theory (with specific emphasis on the influence of the Internet on decision-making theory) and knowledge of South African Internet users.