ONLINE SHOPPING SATISFACTION, LOYALTY AND REPURCHASE INTENTIONS OF GENERATION X CONSUMERS IN SOUTHERN GAUTENG

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Thesis submitted in fulfilment of the requirements for the degree

MAGISTER TECHNOLOGIAE

In the discipline

MARKETING

In the

FACULTY OF MANAGEMENT SCIENCES
at the

VAAL UNIVERSITY OF TECHNOLOGY

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October 2014

DECLARATION

I, Xitshembhiso Difference Chauke, declare that the contents of this thesis (Online shopping satisfaction, loyalty and repurchase intentions of Generation X consumers) represent my own unaided work, except the quotations and citations, which have been duly acknowledged, and that the thesis has not previously been submitted for academic examination towards any qualification. Furthermore, it represents my own opinions and not necessarily those of the Vaal University of Technology.

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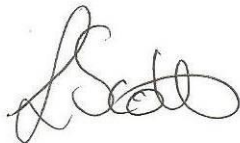
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This is to confirm that I, the undersigned, have language edited the completed research of Xitshembhiso Difference Chauke, for the Magister Technologiae in Marketing entitled *Online shopping satisfaction, loyalty and repurchase intentions of Generation X consumers in southern Gauteng.*

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

Yours truly,

Linda Scott

ACKNOWLEDGEMENTS

First, I would like to thank the Lord who gave me the talent and endurance to complete this dissertation. In addition, the following persons are acknowledged for their support and encouragement during my studies:

- ❖ I am indebted to my supervisor, Dr Job Dubihlela, for consistently providing me with support, guidance, encouragement and assistance throughout the course of this study

- ❖ My co-supervisor, Dr Van ScalkWyk, for his support and encouragement, which has been invaluable and much appreciated

- ❖ Prof M Dhurup, Executive Dean of the Faculty of Management Sciences at Vaal University of Technology, Vanderbijlpark, for his expert assistance with the statistical aspects

- ❖ Thank you to my mom, Nkhensani Grace Maluleke, who has supported and encouraged me, not only throughout my entire life, but also during this academic journey.

- ❖ I lovingly acknowledge my family (Blondie, Hlayisani, Pheonah and Ngalava) without whom this Master's degree would not have been accomplished. Thank you for your moral support.

- ❖ To my partner, Masingita Bila, for the love, encouragement and continued support

- ❖ Thank you to Linda Scott for language editing the thesis

- ❖ To my many friends and colleagues, thank you for encouraging me throughout my studies

- ❖ A special thank you to all the respondents who assisted by completing the questionnaires for the pre-testing, pilot study and main survey.

ABSTRACT

ON-LINE SHOPPING SATISFACTION, LOYALTY AND REPURCHASE INTENTIONS OF GENERATION X CONSUMERS IN SOUTHERN GAUTENG

Keywords: Internet, online shopping, e-satisfaction, e-loyalty, repurchase intentions, Generation X, consumers.

Internet and online shopping are gaining more attention and momentum, and businesses are moving online, not as a matter of choice, but as a matter of necessity. Online shopping satisfaction, loyalty and repurchase intentions are now at the forefront for most online shops' strategies. Investigating this phenomenon within a South African context is crucial, considering the fact that online shopping is a recent trend in the country. Most studies have investigated the determinants of satisfaction and loyalty in online shopping. Very few studies examined the factors that entice consumers to repurchase using online channels.

Businesses discovered the importance of online shopping as a key success factor. Thus, customer satisfaction, loyalty and repurchase intentions are the topics that have received much attention since the 1990s, as relationship marketing has become a popular marketing scheme. The purpose of this study was to examine online shopping satisfaction, loyalty and repurchase intentions of Generation X consumers to better understand the development of the online shopping sector. There is an absence of research conducted in this direction, resulting in a lack of existing literature. To assist in filling this gap, this study attempted to measure the relationships between these variables. Previous research has shown that consumers' intent to repurchase online is highly driven by their satisfaction; several articles were reviewed.

The target population comprised of Generation X online consumers in southern Gauteng (Vaal region). A snowball sampling method was employed to identify the respondents fitting the predetermined sample criteria. A total number of 326 questionnaires were received. Topical areas, research methods and data acquiring procedures were described.

This study develops a model, which aims to describe the degree to which the three variables relate to each other; satisfaction, loyalty and repurchase intentions. The model describes the extent to which online repurchase intention is affected by satisfaction and loyalty, and the degree to which loyalty is influenced by satisfaction. Structural equation modelling (SEM) was

used to test the hypotheses and the relationships. A key contribution of the SEM is the incorporation of the variables under analysis. The analysis finds that satisfaction has a positive significant relationship with repurchase intention, satisfaction also affects loyalty, and loyalty has a positive relationship with repurchase intentions.

Lastly, based on the findings of this study, limitations were discussed along with the recommendations and concluding remarks.

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CHAPTER ONE

INTRODUCTION AND BACKGROUND OF THE STUDY

1.1   INTRODUCTION

With the rapid growth of the Internet, businesses are attempting to gain competitive advantage by using the Internet to interact with customers. Online businesses with experience and success in using e-commerce have realised that the key determinants of success or failure are not merely website presence and low price, but also include customer satisfaction (Lee & Lin 2005:161). Internet usage and online shopping in South Africa has shown an increase in the last decade (Gordon & Bhowan 2005:147). E-shopping is a combination of both product information search and purchasing activities in this study. Online shopping is defined as the process of purchasing goods and services over the Internet (Ahmad, Omar & Ramayah 2010:227; Al-maghrabi, Dennis, Halliday &Binali 2009:1117). Kim (2004:227) defines online shopping as examining, searching for, browsing or looking at a product online to get more information with the possible intention of making a purchase.

Online shopping is often referred to as Internet shopping, Internet buying, electronic shopping, e-shopping or online purchasing. Online shopping offers customers a wide range of products and services, whereby they are able to compare the price quoted by different suppliers and choose the best deal (Ali, Sankaran & Stevrin 2010:9). Su and Huang (2011) and Al-Swidi, Behjati and Shahzad (2012:35) are of the view that Internet usage has increased drastically due to technology advancement and communication with the level of knowledge that the new generation of customers have. More and more organisations are resorting to online retailing due to its ability to access specific consumers' segments. Online shopping suits the variety of requirements of online customers, due to its convenience and speed (Al-Swidi *et al.* 2012:35). On the other hand, customers' shopping habits have also changed as the usage rate of the Internet increased with the new generation customers (Alam, Bakar, Ismail & Ahsan 2008:82; Al-Swidi *et al*. 2012:35).

Internet transactions in South Africa at the 2012 year end was estimated to be 8,500,000 (Araoz 2011:1). South Africans are becoming progressively more confident and feeling more comfortable about shopping online (Gordon & Bhowan 2005:147). The higher frequency and larger amounts of virtual transactions in South Africa's cyberspace, even when the economy has not been at its best, have been facilitated by a variety of factors that include the expansion of local Internet usage, the proliferation of smart phones, an enabling legal framework, and different enhancements in the Internet-based payment methods (Araoz 2011:1).

In this context, it has not been difficult for South African consumers to increasingly trust, understand, and engage in online activities. Compared with the traditional face-to-face commerce mode, the online shopping mode offers several unique advantages such as widespread selections, available product information, and no temporal and spatial limitations (Wen, Prybutok & Xu 2011:14). The invention of the Internet has created a shift in the traditional way people shop, mainly because a consumer is no longer bound to opening times or specific locations (Hasslinger, Hodzic & Opazo 2007:5).

In view of the significance of satisfaction, loyalty and repurchase intention in the online shopping channel, it is recommended to explore how customer satisfaction and customer loyalty relate to repurchase intentions. Despite the significance of such insight, very few studies have been investigated towards this direction. In filling this void of knowledge, the current study wishes to examine the relationship between satisfaction, loyalty and repurchase intention in the online shopping context.

The study has adopted the theory of reasoned action (TRA), the theory of planned behaviour (TPB), and the social exchange theory (SET). TRA is a theoretical approach that has been used to explain consumer actions both online and offline (Delafrooz, Paim & Khatibi 2009:167), while TPB has been utilised as a platform for satisfaction studies (Myers & Mintu-Wimsatt 2012:1). The SET contends that a basic motivation for interaction is the seeking of rewards and avoidance of punishments (Chinomona, Masinge & Sandada 2014:332). As such, SET argues that attitudes and behaviours are determined by the rewards of interaction minus the penalty. This implies that rewarding customers for a particular positive action leads to intention to repurchase.

The next section pursues a conceptual framework of the relationships between online shopping satisfaction, loyalty, and repurchase intentions, in order to contextualise the study.

1.2 CONCEPTUAL FRAMEWORK AND HYPOTHESES DEVELOPMEMT

Drawing from the literature, the research model in Figure 1.1 was proposed.

Figure 1.1: **Conceptual framework**
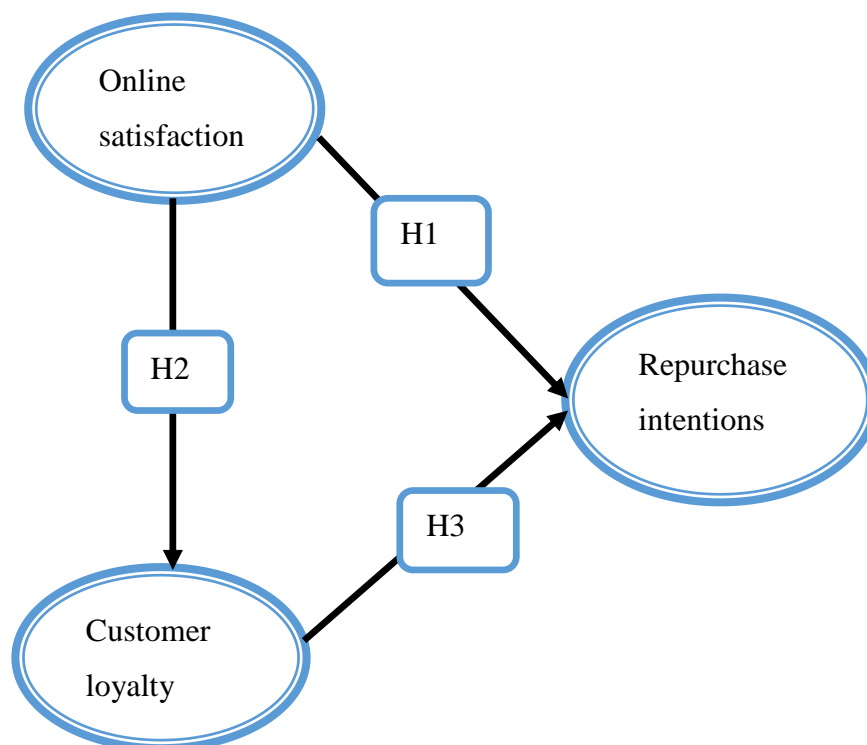
Source: Own research

Chinomona and Sandada (2013:437) are of the view that customer repurchase intention is of paramount importance to business practitioners because it is an indication of business continuity, future revenue generation prospects, and hence, business profitability. Consequently, both business practitioners and academicians alike have been interested in identifying the antecedents of customer repurchase intention. Interestingly, customer satisfaction and loyalty are consistently among some of the determinants that have been recognised increasingly in the extant literature as predictors of customer intention to repurchase (Lin & Wang 2006:273; Chinomona & Sandada 2013:437).

In Internet contexts, studies have indicated the relationship between overall satisfactions and repurchase intentions. Tien, Hsu and Chuang (2012:257) propose that satisfaction is a key role to build and retain consumer's repurchase decisions, and found that satisfaction relates positively to customer online repurchase intention. However, repurchase intention is a display of customer loyalty (Tien *et al.* 2012:257). Satisfied customers form the intention to repurchase online. Online satisfaction is not only the primary driver of online consumers' repurchase intentions (Lee, Choi & Kang 2009:7848), but also the key to building and retaining a loyal base of long-term customers. Repurchase intention is equally important as a key indicator of loyalty (Park, Bhatnagar & Rao 2010:13). Customer satisfaction and loyalty are related concepts. However, some authors such as Ali *et al.* (2010:28) are of the view that customer satisfaction does not obviously result in loyalty, but encourages customer loyalty. On the other hand, other authors are of the view that loyalty is the result of customer satisfaction (Balabanis, Reynolds & Simintiras 2006:216).

Based on these relationships espoused in the literature, the following hypotheses have been formulated:

H_1: Online shopping satisfaction positively influences customers' online repurchase intentions

H_2: Customer satisfaction positively influences customer loyalty in online shopping

H_3: Customer loyalty positively affects their intention to repurchase online

1.3   PROBLEM STATEMENT

Despite considerable attention given to the Internet by the general public, not all consumers participate in online transaction as part of the Internet boom (Changchit 2006:177), and some consumers are still reluctant to shift to online shopping (Ahmad *et al.* 2010:228). Recent studies have documented problems such as an ongoing trend in online shopping cart "abandonment" in which apparent planned purchases are never completed online (Scarborough & Lindquist 2002:333). In fact, a substantial number of online shoppers return to physical stores after experiencing problems with slow load times, an inability to locate items, incomplete information, lack of human interaction, lack of trust, and missed or late deliveries (Scarborough & Lindquist 2002:333).

Wen *et al.* (2011:16) point out that there is a relative lack of regulations and customs on the Internet, which lead to individuals relying on trust and familiarity as primary mechanisms to reduce uncertainties of security concerns. Despite the fact that most consumers have such concerns, they will buy online if this negative factor issue could be eliminated. If online retailers can demonstrate that their websites are secure, the perceptions of online shopping will improve (Laohapensang 2009:502). Changchit (2006:177) reports that consumers have a low perception and trust of online retailers, making them unwilling to make purchases online.

However, despite the increased attention given to the salient field of enquiry such as consumer behaviour, relationship marketing, business strategies and human resource, no study exists that fully examines the online shopping satisfaction, loyalty and repurchase intention of Generation X consumers.

1.4 OBJECTIVES OF THE STUDY

1.4.1 Primary objective

The main purpose of this study is to examine online shopping satisfaction, loyalty and repurchase intentions of Generation X consumers in southern Gauteng.

1.4.1 Theoretical objectives

The primary objective of the study was achieved through the following theoretical objectives:
- To review the theory of reasoned action, theory of planned behaviour and social exchange theory
- To conduct a literature review on online shopping satisfaction
- To review the literature on customers' loyalty towards online shopping
- To carry out a literature review on repurchase intentions of Generation X consumers

- To conduct a literature review on online shopping and Generation X consumers' perceptions of online shopping.

1.4.2 Empirical objectives

- To determine the relationship between online shopping satisfaction and loyalty
- To determine the relationship between online satisfaction and Generation X repurchase intentions

- To determine the relationship between loyalty and repurchase intentions in online shopping

- To assess the level of satisfaction, loyalty and repurchase intention and the effect of gender, age and race on online shopping.

1.5   SIGNIFICANCE OF THE STUDY

It is evident that online businesses offer customers a wide variety of options when shopping online. The research endeavours to help determine whether online satisfaction, loyalty and repurchase intention are correlated. The framework developed in this study will make a positive contribution to the body of knowledge, which could unlock great potential in the online organisations in South Africa and particularly in the southern Gauteng. The research framework should emerge as one of the key additions to the body of knowledge, assisting in creating market awareness, enhancing Internet adoption, benefiting online businesses' performance, thereby boosting the use of the Internet for shopping. The results of this study may be relevant to businesses, consumers and researchers.

1.6   RESEARCH DESIGN

A research design is a master plan that specifies the methods and procedures for collecting and analysing needed information for a research (Curwin & Slater 2008:183). Two methods of research were undertaken, namely a literature review and an empirical study/personally administered questionnaire.

1.6.1   Literature review

A detailed discussion was undertaken with the aim of assembling material relating to online shopping satisfaction, customer loyalty; repurchase intentions, and the perception of Generation X online consumers. Available literature from textbooks, journal articles, conference papers, newspapers, magazines and the Internet were sourced to evaluate, develop and integrate the theoretical background of the problem at hand.

1.6.2 The empirical design process

The empirical design for the study followed a quantitative approach. The quantitative approach was selected because it enhances the accuracy of results through detailed statistical analysis, and avoids the element of subjectivity associated with the qualitative approach (Du Plessis & Rousseau 2007:21). The following steps, as recommended by Parasuraman and Grewal (2008:225) and Gupta (2011:231), were followed in developing the sampling procedure for the empirical study.

1.6.2.1 Target population

Wiid and Diggines (2011:184) define a population as a group of entities with a common set of characteristics. The target population was restricted to the southern Gauteng online consumers. For the purpose of this study, the population comprised Generation X consumers, both male and female, who make use of online shopping facilities.

1.6.2.2 Sampling methods and sampling frame

Pellissier (2007:228) identified probability sampling and non-probability sampling as the main types of sampling. In probability sampling, each element of the population has a known positive probability of being selected as a unit of the sample, whereas in non-probability sampling, the probability that a specific unit of population selected is not known (Wiid & Diggines 2011:199). A non-probability sampling technique was employed, since it was difficult to obtain an accurate sample frame for this study. The study employed snowball sampling.

Snowball sampling is a special non-probability method used when the desired sample characteristic is rare, has hard-to-reach populations, and there is a lack of a serviceable sampling frame (Handcock& Gile 2011:2). Snowball sampling relies on referrals from initial subjects to generate additional subjects. It was difficult to locate respondents in these situations. Therefore, these initial customers were asked if they know potential respondents who are online shoppers.

1.6.2.3 Sample size

The sample size refers to the elements to be included in a research study (Gupta 2011:196). The sample size for this research was set at 500 online shopping customers. The historical evidence approach was used to determine the sample size. Based on past research studies undertaken by Lee *et al.* (2009:7853), Schimmel and Nicholls (2002:27), and Tien *et al.* (2012:258) the chosen sample size was regarded large enough to make a good representation of customer perceptions of online shopping satisfaction, loyalty and repurchase intentions using non-probability sampling.

1.6.2.4 Data collection and measuring instrument

The collection of data was accomplished through a questionnaire taking into account online satisfaction, loyalty, and repurchase intentions. The questionnaire contained four sections. Section A comprised biographical data of the respondents, based on dichotomous and multiple-choice questions. Section B comprised questions on online satisfaction. Section C comprised questions on online shopping loyalty. Section D comprised questions on repurchase intention.

Measurement items on satisfaction were adopted and used from previous research projects by Ha, Muthaly and Akamavi (2010:886), Kim, Galliers, Shin, Ryoo and Kim (2012:380), Lee and Overby (2004:58), Lin and Sun (2009:466), Liu, He, Gao and Xie (2008:939), and Wen *et al.* (2011:18). Loyalty items were adopted from Lee and Overby (2004:58); Lin and Sun (2009:466); and Srinivasana, Anderson and Ponnavolu (2002:49). Repurchase intention questionnaire items were adopted from Ha, Muthaly and Akamavi (2010:886), Kim*et al.* (2012:381), and Wen *et al.* (2011:18). Sections B to D applied the Likert scale with anchors ranging from (1) strongly disagree to (5) strongly agree. All statements were rephrased to fit the context of the present study.

1.7 STATISTICAL ANALYSIS

Descriptive statistics in the form of tabulations, frequencies and mean were used to examine the composition of the sample. Factor analysis, correlations and regression analysis were used to examine the relationship among the following variables: online satisfaction, customer loyalty and repurchase intention. The Statistical Package for Social Sciences (version 22.0) for Windows (SPSS 2014) was used to capture the data. The research model was tested with

structural equation modelling (SEM). Confirmatory factor analysis (CFA) was employed to test the reliability and validity of the questionnaires after collection.

1.8   RELIABILITY AND VALIDITY

In this study, both reliability and validity were tested to ensure the appropriate research instrument (Tien *et al.* 2012:258). Reliability verification includes testing for composite reliability and Cronbach alpha. Composite reliability is used to measure internal consistency (Ha, Janda & Muthaly 2010:1006). Furthermore, Cronbach's alpha is known as an internal consistency estimate of the reliability of test scores, which was used (Tien *et al*. 2012:258). A benchmark level of 0.70 was considered acceptable, showing acceptable reliability.

Validity verification includes testing for convergent validity and discriminant validity. Convergent validity was represented through factor loadings and average variance extracted (AVE). Discriminant validity is dependent on the essential that the square root of AVE must be much larger than all other cross-correlations; then discriminant validity is proved (Ha, Janda & Muthaly 2010:1006; Tien *et al*. 2012:259).

1.9   ETHICAL CONSIDERATIONS

Ethics in research refer**s** to the norms or standards that guide the research process (Gupta 2011:21). The researcher was guided by the following ethical principles during data collection:

- Participation in the study was voluntary.
- The researcher strived to avoid bias in data analysis and data interpretation.
- The researcher informed the respondents about the purpose of the survey, which is in line with the principle of informed consent.
- The questionnaire did not contain any questions detrimental to the self-interest of the respondents.
- The confidentiality and anonymity of respondents were assured; personal data of respondents was processed fairly and lawfully and used only for the purpose of the study.
- The main findings of the study would be made available to respondents on request.

1.10   CHAPTER CLASSIFICATION

Chapter 1: Introduction and background

This chapter provides an introduction and background to the study. The chapter also highlights the problem statement and research objectives.

Chapter 2: Satisfaction, loyalty and repurchase intentions

The literature review discusses the online shopping sector in South Africa; the role, concepts, principles and the processes associated with online shopping. The key principles on TRA, TPB and SET, online shopping satisfaction, loyalty and repurchase intentions were presented.

Chapter 3: Research design

This chapter provides a detailed description of the research methodology used in the research study, focusing on the research method and design that was adopted, the face-to-face interviews and the development and distribution of the questionnaires. Several statistical methods and techniques used are identified and discussed in detail. A brief description on ethical issues is provided. The chapter explains pre-test, reliability and validity of the data gathered for the study.

Chapter 4: Data analysis, results and findings

Chapter 4 reports the results of the empirical study through an analysis of the data. Interpretation and evaluation of the research findings, reliability and validity of the research instrument are assessed.

Chapter 5: Conclusions and recommendations

This chapter provides a final review of the entire study and provides conclusions and recommendations emanating from the study, in an attempt to address the research objectives and hypotheses. The implications and limitations of the study are discussed and areas for further research presented.

1.11   KEY TERMS/DEFINITIONS

For purpose of this research, the following definitions are used:

- **Online shopping** is defined as all the activities of searching, buying and selling products or services over the Internet (Al-Maghrabi *et al.* 2009:1117)

- **Satisfaction** is defined as an individual's feelings of pleasure or disappointment resulting from business perceived performance or outcomes in relation to her or his expectations (Fang, Chiu & Wang 2011:485).

- **E-satisfaction** is defined as the satisfactory level emanating from online shopping, online purchases and online experiences (Myers & Mintu-Wimsatt 2012:2).

- **Loyalty** is a deeply held commitment to rebuy or repatronise a preferred service/product consistently in the future, despite situational influences and marketing efforts that cause switching behaviour (Oliver 1997:392).

- **E-loyalty** is a customer's favourable behaviour towards an electronic business, resulting in repeat purchase behaviour (Anderson& Srinvasan 2003:417).

- **Repurchase intention** refers to the consumer's willingness to purchase repeatedly for a long time from the same company (Chinomona & Dubihlela 2014:24).

- **Generation X** is defined as group of people (typically 1961- 1981 age group) who share the same attitudes, ideas, values and beliefs, based on being born during the same time period and living through similar emotional events (Brosdahl & Carpenter 2012:546).

- **Reliability** is the degree to which a scale produces consistent results if repeated measurements are made (Malhotra & Birks 1999:313).

- **Validity** is defined as the ability of an instrument to measure what it is intended to measure (Zikmund 1999:222).

- **Structural equation modelling** (SEM) is a tool for analysing multivariate data that has been long known in marketing to be especially appropriate for theory testing (Lee, Huang, Chang & Cheng 2007:6)

1.12   SYNOPSIS

This chapter focused on the background foundation to the study. The statement of the problem was presented. The study further presented the proposed research model and the hypotheses development, and the formulation of research objectives was outlined. The research design and methods undertaken in data collection were highlighted. The next chapter focuses on the literature review to understand online satisfaction, loyalty and repurchase intentions.

CHAPTER TWO

LITERATURE REVIEW

2.1   INTRODUCTION

The preceding chapter (Chapter 1) provided the background to the study, the theoretical framework, the proposed research model, and highlighted the problem statement, the research objectives and research methodology that were employed in the study. This current chapter provides detailed discussions of the theories foundational to this study and all the key variables annotated in the conceptual framework and identified during the literature search. The theories discussed include the theory of reasoned action, the theory of planned behaviour, and the social exchange theory.

Broken into various sections, the chapter is also dedicated to discuss online shopping in South Africa, online consumer behaviour, online satisfaction, customer loyalty, and repurchase intentions. These are the key variables under investigation in this study. This literature study reviews past work in order to develop meaningful insights into the research area that is being examined. Furthermore, it is used to contextualise the research study at hand in order to argue a case under examination.

As stated in the primary objective (Section 1.4), the significance of satisfaction, loyalty and repurchase intention in the online channel, it is imperative to examine how customer satisfaction and customer loyalty relate to repurchase intentions. Despite the significance of such insight, very few studies have been investigated towards this direction. In filling this void of knowledge, the current study examined online shopping behaviour and its relationship with customer satisfaction, customer loyalty and repurchase intentions in the South African context. This thorough literature review laid the foundation for the present research and enabled the researcher to put forward a valid argument, providing evidence of what has been done in the subject area.

2.2   ONLINE SHOPPING IN SOUTH AFRICA: AN OVERVIEW

Online shopping is rapidly growing all over the world and investigating this phenomenon within a South African context is important with the view that it is a new trend. In South Africa, the Internet was introduced first in the late 1980s, but it became prominent in 1993 when the first Internet services provider (ISP) emerged, offering services to corporate clients (De Swardt 2008:15; North, Mostert & Du Plessis 2003:59). Online shopping, Internet retailing or electronic retailing came into prominence in 1994 when services were offered to consumers (Lee, Eze & Ndubisi 2011:201). This new concept of shopping generated interest from many businesses as they recognised that Internet shopping is found to be an alternative channel of shopping alongside the traditional way of shopping. In 1994, several newcomers to the ISP market approached with aggressive marketing campaigns, which resulted in the Internet reaching a critical mass number of consumers in South Africa for the upcoming few years, marked by rapid growth during the period October 1997 to December 1998. The following year was considered to be the maturity phase for the Internet in South Africa, followed by a year of consolidation in 2000 (North *et al.* 2003:59; Lee *et al.* 2011:201).

According to BMI (2000:26) and North *et al.* (2003:59), the reasons for the relative pessimistic view of the future of Internet access at that stage in South Africa were the telecommunications monopoly caused by the fact that Telkom was the only fixed line network provider, the population distribution over a relatively large geographical area, and the economic dichotomy due to the presence of both first- and third-world economies in South Africa. However, it is predicted that the use of the Internet will grow in South Africa. This will occur as education levels rise and the younger generation is exposed to information technology in schools, and also as a result of the use of the Internet in the working environment.

South Africa's online shopping activity is controlled by the Electronic Consumer and Transactions (ECT) Act of 2002 and by the Consumer Protection Act (CPA) of 2010 (Aroaz 2011:1). These acts facilitate and legalise computer-based communications, transactions and activities in South Africa, which promote a fair, secure and protected environment for suppliers and consumers to interact and conduct trade. According to Aroaz (2011:1), online agents are provided with assurance and the security to perform and operate all kinds of electronic transactions by clearly stated Internet rules in the country (Aroaz 2011:1).

However, there are still concerns of security on the Internet. Furthermore, the increasing number of Internet penetrations have also contributed to the development of online activities in South Africa. The research by World Wide Worx reported a 15 percent increase in accessibility to the Internet in 2009, and reached 5.3 million users by the end of 2009. The report further stated that the country's online shopping amount reached two billion rands by the end of 2010. South Africa has been long considered as the largest country in Africa by the Internet economy (Goldstuck 2012: II). Online shopping is growing at a 30 percent rate each year with the advancement showing no signs of decrease. Most online shopping consumers are smart phone users, a trend that started in 2010 in South Africa (Goldstuck 2012: III).

Another factor that helps the growth of Internet usage is online banking. De Swardt (2008:22) reveals that Internet banking started in 1996 in South Africa. The use of this new web-based technology increased slowly because of consumer resistance, notwithstanding the convenience, physical safety, and low cost associated with online banking. In the general direction, a research study conducted by MasterCard worldwide, between September and October 2010, on 8500 consumers, found that South Africans access the Internet mostly to check emails, browse study material, check/control bank balances, and browse for leisure. Of South Africans who have access to the Internet, 51 percent are online shoppers and 75 percent of those revealed having shopped online in the previous three months (Aroaz 2011:1).

According to studies by Aroaz (2011:1) and Goldstuck (2012: IV), 89 percent of online shoppers are satisfied with their shopping experience, and 73 percent of the respondents intended to make electronic purchases over the next six months. Customers engage in online shopping purchases for convenience and enjoyment (Sankar 2011:59). South African online consumers find the experience of shopping on the Internet more convenient, online shops are always open, there is no need to drive to the store or deal with sales people. Online shops are user-friendly and easier than physically ordering products or service from the offline shops.

Studies on online consumer purchase behaviour would require a thorough understanding of three fundamental theories; the theory of reasoned action (TRA), the theory of planned behaviour (TPB) and the social exchange theory (SET), to put them into perspective.

2.3 ONLINE PURCHASE BEHAVIOUR, BEHAVIOURAL INTENTION, AND SOCIAL BEHAVIOUR

For the purpose of the study, theories of TRA, TPB and SET will be discussed in the next sections.

2.3.1 The theory of reasoned action (TRA)

The theory of reasoned action (TRA) introduced by Ajzen and Fishbein (1980:4) is used as a cornerstone to understand online purchase behaviour. This theory has been adapted from the area of social psychology into marketing (Al-Swidi *et al.* 2012:35). Researchers have used the TRA to explore relationships between consumer's attitude, their purchase intentions and shopping attitudes (Dennis, Jayawardhena & Papamatthaiou 2010:412). More recently, researchers have extended its usage to e-commerce. Ajzen and Fishbein's (1980:6) theory of reasoned action states that a person's performance is influenced by his or her behavioural intentions, which in turn is influenced by the person's attitude and subjective norms (Hassanein & Head 2007:692). Building upon the theory of reasoned action, it is more realistic to seek perceptions of attitude that influences the behaviour favorably in advance (Hassanein & Head 2007:692).

This theory holds that a person's behaviour is predicted by his or her attitude towards that behaviour. The research on online satisfaction has looked into the influence of attitude and several studies have used TRA to explore the general effects of attitudes in online purchasing. Myers and Mintu-Wimsatt (2012:2) propose that psychological factors such as attitude, social normative factors and prior experience explain consumers' intention to purchase products and services through the Internet. Researchers suggest that behaviour intentions are driven by two determinants, (1) attitude toward the object, and (2) an individual perception of normative social pressure to perform or not to perform the behaviour. This is consistent with Fishbein and Ajzen's (1975:8) theory of reasoned action.

There have been many ways of conceptualising attitude (Schiffman & Kanuk 2007:238). Attitude in the existant literature generally focuses on a predisposition to respond favourably to an object, event or other aspect of one's surroundings (Myers & Mintu-Wimsatt 2012:2; Schiffman & Kanuk 2007:238). Authors have provided empirical support that a positive attitude towards the Internet impacts consumers' use of online shopping, and thus, satisfaction.

According to the theory of reasoned action (Ajzen & Fishbein 1980:6), a person's intention is a function of two basic determinants, one personal in nature and the other reflecting social influence. According to the theory of reasoned action (see Figure 2.1), behaviour is determined by the behavioural intention to emit the behaviour.

There are two major factors that determine the behavioural intentions: personal or attitudinal factor, and a social or normative factor. The relative importance of the attitudinal and normative components in determining intention is expected to vary according to the behaviour, the situation, and individual differences of the actor (Vallerand, Deshaies, Cuerrier, Pelletier & Mongeau 1992:98).

Figure 2.1:   The basic theory of reasoned action
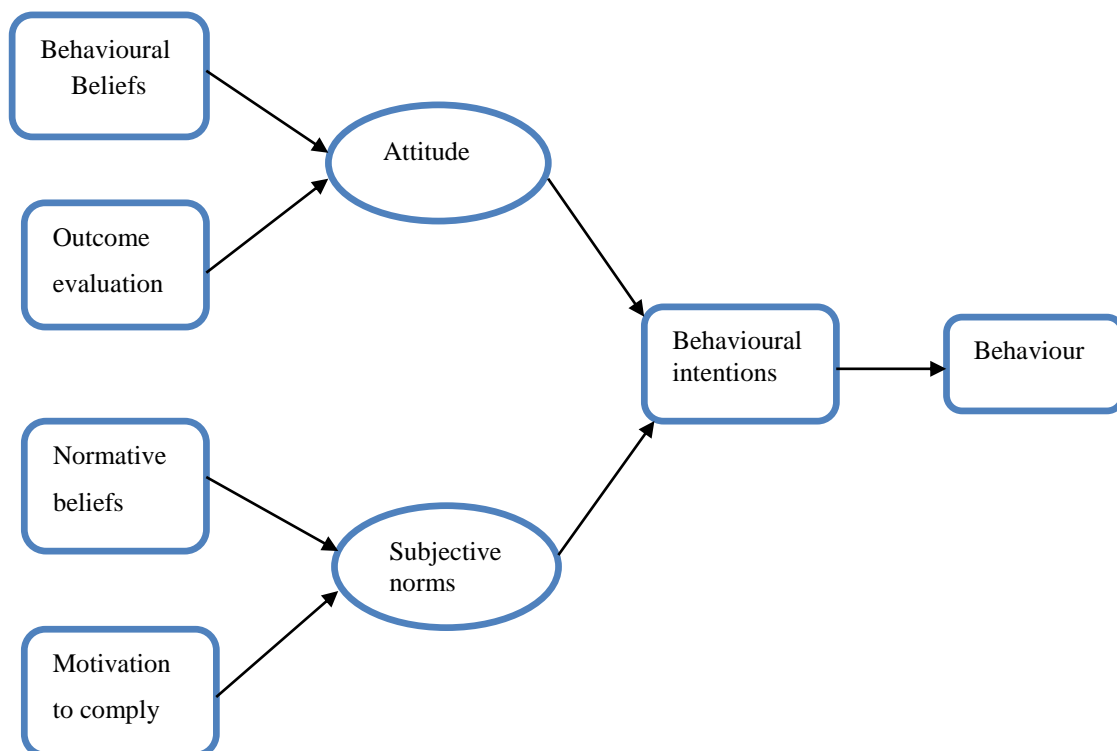
Source: Vallerand, Deshaies, Cuerrier, Pelletier and Mongeal (1992)

The following subsection discusses the literature pertaining to theory of planned behaviour.

2.3.2   The theory of planned behaviour (TPB)

An extension of the TRA is the theory of planned behaviour (TPB) which also deals with behavioural intentions (Myers & Mintu-Wimsatt 2012:1). Similarly, as with the earliest theory

of reasoned action, the chief aspect in the theory of planned behaviour is a person's intention to undertake the behaviour (Ajzen 1991:181). One key aspect of TPB is behavioural intentions, especially the intention of taking on a particular behaviour or a specific product (Al-Swidi *et al*. 2012:36). This theory focuses on a persons' intention to perform a specific activity based on his/her attitude toward that specific activity along with the subjective behavioural norms held by that person (Ajzen 1991:181).

More often than not, performing a behaviour can have both favourable and unfavourable consequences (Ajzen & Sheikh 2013:155). Among cognitive models, Premkumar and Bhattacherjee (2008:66) propose the TPB as an extension of TRA, to include social influence and behavioural control as additional determinants of behavioural intention. The theory of planned behaviour and its extension state that attitude towards behaviour and subjective norm are the direct determinants of intention to perform behaviour.

The addition of perceived behavioural control to the theory of planned behaviour is what distinguishes TPB from the theory of reasoned action (Ajzen 1991:183). Attitude towards behaviour is considered to be an individual's definite or negative assessment of relevant behaviour, and often comprises of an individual's salient beliefs towards the perceived results of undertaking the behaviour (Chen & Dhillon 2003:307). Subjective norm is a necessary role of normative beliefs that represent an individual's intuitive recognition of the truth, whether important referents approve or disapprove the behaviour.

The TPB further asserts that willingness to undertake behaviour is the nearest cause of such behaviour (Chen & Dhillon 2003:307). Intentions to undertake behaviours of distinctive types can be foretold with high accuracy from attitudes in relation to behaviour, subjective norms, and perceived behavioural control. These intentions, in line with perceptions of behavioural control, serve as a notable variance in actual behaviour (Ajzen 1991:179). Empirical evidence strengthened this theory. Attitudes, perceived behavioural control and subjective norms are postulated to be connected suitable sets of prominent behavioural, normative and control beliefs of the behaviour, with the actual nature of the relationship still unreliable (Ajzen 1991:179).Perceived behavioural control is another construct that is intuitive recognition of the truth of ease or difficulty in performing a particular behaviour. Delafrooz et al. (2011:2838) refer to perceived behavioural control as the individual's perception of the skills availability, availability of resources, and opportunities that may facilitate the behaviour. The viewpoint of

ease or difficulty narrates or associates as to whether or not an individual thinks that she/he occupies the necessary resources and opportunities essential to undertake a behaviour (Chen & Dhillon 2003:307).

Empirical support claims that the addition of perceived behavioural control to the traditional attitude-behavioural model improved meaningfully the prediction of intentions or willingness to perform behaviour. In an online setting, the consumer's attitude toward Internet shopping is reflected by their perceptions of shopping convenience (Chen & Dhillon 2003:307), which can also be measured by the degree to which a consumer favourably regards the Internet as a new channel of shopping. Subjective norms are considered the consumer's perception of the degree to which important referents sanction or confirm Internet usage for buying. Perceived behavioural control is mirrored by the perceived ease of use of the online shopping setting, personal information use or perceived control in the interaction process, and the risk perceived in the Internet such as privacy and security (Chen & Dhillon 2003:308). Figure 2.2 demonstrates the theory of planned behaviour.

Figure 2.2:   The theory of planned behaviour
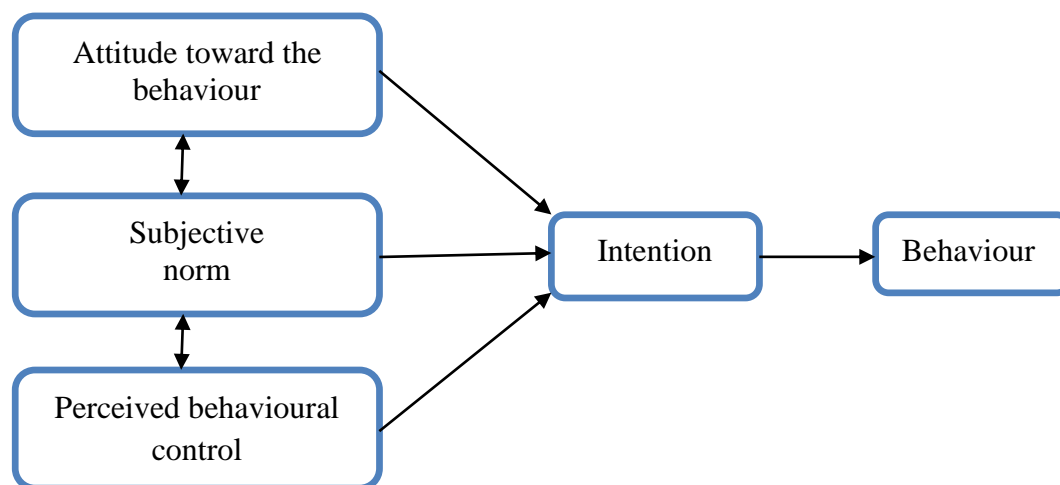
Source: Laohapensang (2009:503)

Intentions are found to seize the motivational factors that impact behaviour; they reveal how hard people are willing to try and how much energy they are willing to use in performing the behaviour (Ajzen 1991:181). In broad terms, it is assumed that the higher the intention to undertake the behaviour, the stronger its performance. Ajzen (1991:183) noted that self-confidence is the significance of behavioural control. Resources and available opportunities

dictate the likelihood of the behavioural accomplishment/achievement to an individual. The TPB claim that behaviour is a purpose of salient beliefs appropriate to the behaviour (Ajzen 1991:189).

Attitudes, subjective norms, and perceptions of control combine in turn to produce intentions that determine performance of the behaviour together with actual control (Ajzen & Sheikh 2013:155). Such findings call into question the assumption in the TPB that attitudes, subjective norms, and perceptions of behavioural control are sufficient to predict intentions; and that intention and perceptions of control are sufficient to predict behaviour (Ajzen & Sheikh 2013:156). Indeed, several investigators have suggested that, when dealing with a choice, prediction of intentions and behaviour can be improved if attitudes, norms, and perceived control with respect to the alternative courses of action are taken into account (see Gardner & Abraham 2010; Letirand & Delhomme 2005).

2.3.3 Social exchange theory (SET)

The study also pays attention to the application of social exchange theory (SET) in an online shopping context, and examines the online shopping satisfaction, loyalty and repurchases intention. Originating in the 1950s, and based on psychology, the social exchange theory (SET) has been used by researchers to examine social behaviours (Shiau & Luo 2012:2432). SET embraces the fundamental concepts of modern economics foundational for analysing human behaviour and relationships to determine social structure complexity. Initially, SET was developed for analysing human behaviour, and later was applied to understanding organisational behaviour (Shiau & Luo 2012:2432).

Individuals or consumers typically expect benefits in return, such as personal affection, trust, gratitude, and economic return when they act according to social norms. The SET model suggests that individuals and organisations interact to make as great as possible their rewards, and reduce their costs (Shiau & Luo 2012:2432). The social exchange theory has been applied recently in social networking studies, although the application of the SET area is yet to be fully examined. Liu, Chen, Liu, Lin and Chan (2010:123) explain the process of social exchange as a set of related activities exchanged. Therefore, interpersonalinteractions from a cost-benefit perspective are an exchange whereactors acquire benefits(Shiau &Luo 2012:2432). The model of social exchange suggests that consumers and businesses interact to make great profits and

minimise their costs. In the modern era of the Internet, it is noted that trust is more important than ever before as it may determine the growth of the Internet and it governs the web as well (Luo 2002:111).

The study applied the social exchange theory to understand the knowledge-sharing concept in the online shopping context. The concept of knowledge-sharing attitude is determined primarily by expectations such as benefits, rewards, social associations, and contributions (Shiau & Luo 2012:2432). The motivation behind sharing behaviours (expectation and anticipation) has been proposed as egoistic and altruistic. The perspective of egoistic is viewed as economic and social exchange theories (Shiau & Luo 2012:2432), which assert that human behaviour is driven by economic benefits/rewards. The altruistic, on the other hand, suggest that a person is happy to increase the welfare of other people with no expectations of personal rewards or returns.

Based on the relationship marketing and social exchange theory, current behaviours of consumers and social cues will help customers build trust for future profit by showing one's trustworthiness and great commitment to the process of social exchange (Luo 2002:113). Hence, these theories (reasoned action, planned behaviour, social exchange) will serve as a platform to examine online shopping satisfaction, loyalty and repurchase intentions.

The study now discusses the online satisfaction concept.

2.4   ONLINE SATISFACTION

The following section discusses the literature pertaining to satisfaction .

2.4.1   The satisfaction and e-satisfaction concepts

In the past four decades, the concept of customer satisfaction has been researched extensively in seminal articles (Mosavi & Ghaedi 2012:4911). To begin the discussion about customer satisfaction will help to define satisfaction concept. Satisfaction is viewed as a feeling. It is short-term behaviour or attitude that can easily change. Satisfaction dwells in the consumer's mind, and it differs from observable behaviour such as choice of the product, complaining or expressing dissatisfaction and repurchase. The outcomes of satisfaction feelings involve intentions to repurchase, positive word-of-mouth, increased businesses profit and lack of

complaints (Hom 2000:102). Many information and marketing researchers, in the online context, are interested in re-examining customer satisfaction.

The paramount importance of customer satisfaction and its influences in the online environmentis left untouched (Lee *et al*. 2009:7850).Researchers such as Donnelly (2009:49); Hom (2000:102), Thakur and Singh (2012:37), Fang *et al.* (2011:480), and Mehdi, Mojgan and Masoud (2013:11) maintain that the general consensus among market researchers is that obtaining customer satisfaction and building customer loyalty lead to positive outcomes such as a reduction in costs, intention to repurchase, augmented sales, positive word-of-mouth, more foreseeable profit flows, increased competitive advantage, and it is critical to a company's survival and growth. This is consistent with the customer relationship management theory (CRM), which asserts that the overriding strategy of the business should be the interest in and retention of profitable customers, as loyal customers make more purchases and pay a premium for doing business with people they trust (Donnelly 2009:49).

According to Myers and Mintu-Wimsatt (2012:2), e-satisfaction specifically deals with satisfaction emanating from online purchases and experiences. Satisfaction literature frequently views satisfaction as not really an attitudinal construct, but consider it as an attitude (Lee *et al.* 2009:7850). Satisfaction is similar to an attitude, as it can be assessed as the sum of the satisfactions with the various attributes of the product or service. Customer satisfaction may be defined as expectations before purchase and perceptions about performance after purchase (Thakur & Singh 2012:38). This is consistent with Schiffman and Kanuk's (2007:9) definition of satisfaction, which is an person's overall perception of the product or service performance against expectations. The expectation-disconfirmation paradigm suggests that consumers are satisfied when the product performs better than expected, dissatisfied when consumers' expectations exceed actual product performance, and neutral satisfaction when the product performance matches the expectations (Thakur & Singh 2012:38). Therefore, satisfaction is an attitude construct that affects consumers' behavioural intention (Zhou, Dai & Zhang 2007:52). Lee *et al.* (2009:7850) and Ha, Janda and Muthaly (2010:999) define e-satisfaction as the contentment of a consumer with respect to his/her prior purchasing experience with a given retail oriented website/Internet shop.

Customer satisfaction is fundamental to the growth and expansion of business as it leads to an increase in market share, and to acquiring repeat and referral business, which ultimately results

in greater profitability (Donnelly 2009:69). Similarly, Thakur and Singh (2012:38) define satisfaction as the fulfilment response of customers towards the service or product. Therefore, obtaining customer satisfaction is critical for marketing managers, in particular those in the service sector.

Thakur and Singh (2012:38) also suggest that satisfaction is conceptualised as customer opinion towards a service provider. However, Bennett and Rundle-Thiele (2004:4) suggest that some businesses appear to put too much focus on customer satisfaction surveys to the exclusion of other crucial variables. It is evident that customers have different expectations of the product or service attributes, that in turn generate satisfaction, and those that prevent dissatisfaction are not the same across the market segment (Fuller & Matzler 2008:117).

The satisfaction construct is often used as a marketing benchmark to examine the company performance (Thakur & Singh 2012:37), for instance a major US market research firm states that customer satisfaction is the key to success and makes the emphatic statement that a satisfied customer is a repeat customer (Donnelly 2009:69). Bennett and Rundle-Thiele (2004:4) argue that it is extremely narrow-minded to focus on only one construct that influences behavioural intentions, as a whole number of determinants influence the consumers' behaviour and actions.

Donnelly (2009:69) suggests that customers' perceptions of both satisfaction and quality influence the customers' intentions to recommend. Hence, it would appear that there is a positive relationship between customer satisfaction, quality and customer loyalty. Because of its great influence on consumer behavioural intentions such as loyalty (Donnelly 2009:69; Myers & Mintu-Wimsatt 2012:2), consumer satisfaction in the context of online shopping is now receiving much attention in the extant literature (Mosavi & Ghaedi 2012:4911). There are many studies on the antecedents of satisfaction in classical or traditional purchasing contexts (Myers & Mintu-Wimsatt 2012:2), but there is still much to be explored on e-satisfaction. In order for consumers to remain loyal, online stores have to maintain high online shopping satisfaction (Dolatabadi, Jamshidi & Pool 2012:90). This is because e-satisfaction has been found to affect intent to make online purchases, which in turn impacts actual purchasing behaviours (Myers & Mintu-Wimsatt 2012:2).

Customer satisfaction is particularly important to the success of online stores as it is posited as a major driver of post-purchase phenomena, such as repurchase intentions (Fang *et al.* 2011:480). Satisfaction works when others are discontented in the marketplace. Instead of satisfaction as a primary business goal, the technological advancements and other supply-side developments have made customer satisfaction a minimum condition and a commonly reachable goal (Vidhya & Rajkumar 2013:13). Business must strive for 100 percent or total customer satisfaction to achieve the kind of loyalty they desire. The literature on customer satisfaction has identified various factors that influence satisfaction.

The awareness of the importance of customers to long-term success means that companies are knowledgeable that their future is determined by their ability to respond to customer needs quickly and efficiently (Vidhya & Rajkumar 2013:13). The effective way of increasing customer loyalty is to satisfy the customers, still recent studies have suggested that merely satisfying customers is not enough to ensure that they are retained. Even satisfied customers have been found to defect at a high rate in many industries.

Fuller and Matzler (2008:117) state that although satisfaction has an extensive research custom over the last three decades, the general agreement on the three-component structure of satisfaction has only been reached recently. Basic factors/dissatisfiers are the least possible requirements that cause dissatisfaction if not fulfilled, but do not guarantee satisfaction when accomplished or exceeded. Excitement factors/satisfiers increase customer satisfaction if fulfilled but do not lead to dissatisfaction if not fulfilled. Performance factors/hybrids result in satisfaction when performance is high and lead to dissatisfaction if performance is low. Fuller and Matzler (2008:117) claim that high performance on these three factors has a stronger influence on overall satisfaction than low performance. Customer satisfaction considers relational and procedural aspects of the pursuit, member contribution, and participation (Liu *et al.*2010:123). Satisfaction as a psychological construct has been studied in various contexts, including job satisfaction, satisfaction with product or service consumption, and end-user satisfaction with Internet usage (Premkumar & Bhattacherjee 2008:68).

The following subsection will discuss the satisfaction measures in an online shopping environment.

2.4.2   Customer satisfaction measures

Donnelly (2009:70) describes satisfaction as an evaluation of an emotion, implying that it reflects the level to which a consumer believes that the possession and/or consumption of a service persuades positive feelings, which is an evaluation as well as an emotional response to service. Lin, Fang and Tu (2010:1528) claim that satisfaction symbolises the overall experience of customers thus far, and maintains that customer satisfaction is the key determinant of repurchase intention. However, Ajzen and Fishbein (1980:6) assert that attitude is inclined beforehand to respond positively or negatively to the information system. Therefore, the current research focuses on satisfaction instead of attitude to predict online consumers repurchase intention. Customer satisfaction could be measured by measuring satisfaction after a certain performance and by measuring satisfaction experienced by customers after purchasing a product or service (Lin *et al.* 2010:1528).

The fulfilment feeling when certain needs, wishes, desires, and goals are accomplished is consistent with the definition of satisfaction (Lin *et al.* 2010:1528), and when customers are shopping for enjoyment. Customers often compare what they pay for a product or a service and what they receive. Lin *et al.* (2010:1528) propose the five ways of measuring satisfaction:

- Quality and experience of transacting from the store
- The reliability and accuracy of the product or service advertised
- The comparative enjoyment of shopping with one particular shop and another
- The price satisfaction when comparing to the service or product;
- The prevalent overall feeling of satisfaction.

Donnelly (2009:70) develops five models of satisfaction; three of those are claimed to be evaluative models on the bases of disconfirmation of expectation, and the other two are evaluative models resulting in non-rational processes.

The study further discusses the major determinants of online customer satisfaction

2.4.3   Factors influencing customers' online satisfaction

Satisfaction in the online setting can depend on several factors, including website design, information search, navigation and content (Dolatabadi *et al.* 2012:88). From a marketing

perspective, satisfaction largely depends on performance, however, brand experience alone does not determine overall satisfaction. Recent studies have shown that the level of performance expected and knowledge of the outcomes that were not experienced are equally important. Many researchers are paying attention to service quality and customer satisfaction, for reasons such as increased competition (Kabir, Alam & Alam 2009:148), and academics have also been studying quality and satisfaction to better understand the antecedents of customer evaluation.

Academic literature suggests that satisfaction is a function of the discrepancy between a customer's prior expectation and their perception regarding the purchase (Kabir *et al.* 2009:148). Positive disconfirmation of the expectation and a favourable customer evaluation is perceived when consumer experience is desirable than the expected outcomes. Consumers evaluate outcomes by comparing their experienced results with the service provider with the results that they might have encountered had they chosen differently (Dolatabadi *et al.* 2012:88).

Thakur and Singh (2012:38) mention that customers' satisfaction is influenced by two factors; experiences and expectations with service performance. Lin, Wu and Chang (2011:276) maintain that when a customer is satisfied with the online shop, he or she is likely to shop there again. Finn, Wang and Frank (2009:210) assume satisfaction to be the function of the degree of multiple disconfirmations and mediate their effects on behavioural intentions. Satisfaction is the result of the consumer's past experience during the stages of purchases. The determinant of online satisfaction is different to offline customer satisfaction, as the online customer is both the shopper and computer user (Finn *et al.* 2009:210). Customers do not use all five senses to make purchase decisions online, instead limited text description and photographs confront consumers. Therefore, online purchase decisions are responsive to well-designed website and quality features.

Most studies focus on information quality, system quality or service quality dimension to examine the consumer's Internet behaviour (Lin *et al.* 2011:277). Similarly, Lin *et al.* (2011:277) proposes website quality dimensional aspects including information quality, system quality, and service quality. The study adds the most cited factors that include, product and service delivery (Lin *et al.* 2011:277; Liu *et al.* 2008:952), confirmation (Wen *et al.* 2011:16), perceived service quality (Fang*et al.* 2011:488; Tien*et al.* 2012:257; Velazquez, Saura&

Molina 2011:66), perceived value (Chang & Wang 2008:11; Chen 2012:205) and maintain that these constructs are significant factors determining customer satisfaction.

2.4.3.1 Confirmation

Wen *et al.* (2011:16) define confirmation as the evaluation process of cognitive beliefs, which depict consumers' expectations of service use is met in reality. According to expectation-confirmation theory, Chen, Huang, Hsu, Tseng & Lee (2010:16) note that disconfirmation and expectations affect satisfaction, with disconfirmation showing the gap in between the expectations and perceived performance. The expectation-confirmation model asserts that the relationship between confirmation and satisfaction has been developed in several studies as well as satisfaction and repurchase intention. Confirmation is found to be the antecedent of satisfaction and both are used as key determinants of repurchase intention (Wen *et al.* 2011:16). Chen *et al.* (2010:16) confirms these relationships in their studies. Therefore, to suggest that confirmation and satisfaction are determinants of intention to repurchase is evident.

2.4.3.2 Service quality

Chiu, Chang, Cheng and Fang (2009:764) define service quality as how good the level of service meets the expectations of the customer. Similarly, Kabir *et al.* (2009:149) and Sabiote, Frias and Castaneda (2012:159) view service quality as a comparative function between consumer expectations and actual customer perception. Several researchersin the literature of service quality support the notion that service quality is inclusive of all assessment abstract idea similar to attitude (Parasuraman, Zeithaml & Berry 1988:15; Chang, Cheng & Fang 2008:764).

It is found that online service quality is related to online satisfaction in the Internet context (Lee *et al*. 2009:7851; Chang & Wang 2008:10). Most progressive online companies are realising that delivering high service quality is also important, not only low prices and website presence (Chang & Wang 2008:10). The service quality instrument (SERVQUAL) is tested commonly to measure customer perceptions of service quality (Parasuraman *et al.* 1988:12). In the service quality theories, it is referred to as the SERVQUAL model, and comprises five dimensions (Chiu *et al*. 2009:764; Kabir *et al.* 2009:149; Lee, Lee & Yoo 2000:218) which are outlined as follows:

Table 2.1:   **Five dimension of service quality (SERVQUAL model)**

Dimensions	Explanation
Reliability	ability to perform the promised service dependably and accurately
Responsiveness	willingness to help customers and provide prompt service
Assurance	knowledge and courtesy and their ability to inspire trust and confidence
Empathy	caring individualised attention given to customers
Tangibles	appearance of physical facility, equipment, personnel and written materials

Source: Chang *et al.* (2008:764) and Kabir *et al.* (2009:149)

The concepts of quality and satisfaction are often used interchangeably, both in industry and academia world as they are significantly one evaluative construct (Kabir *et al.* 2009:149). According to the study by Kabir *et al.* (2009:149), the relationship between the perceived quality and the satisfaction construct using the model integrates the two constructs and suggests that perceived service quality is a determinant of satisfaction. This statement is supported by Velazquez *et al.* (2011:66); Tien *et al.* (2012:257); Hellier, Geursen, Carr and Rickard (2003:1774) and Fang *et al.* (2011:486), who are of the view that perceived service quality influences satisfaction.

2.4.3.3   Information quality

Fang *et al.* (2011:486) view information quality as consumer's perception towards the information presentation and characteristics in the Internet shopping website. Liu *et al.* (2008:924) argue that more extensive and higher information quality provided online positively leads to customer satisfaction. Information quality is characterised by attributes such as relevance, understandability, accuracy, completeness, and timeliness of the Internet site. The primary goal of an Internet shop is to provide accurate information about the product, service, and transaction, as it is indicated that higher information quality leads to excellent purchasing decisions and improves the level of satisfaction (Liu *et al.* 2008:924; Fang *et al.* 2011:486). Therefore, information quality directly influences customer satisfaction (Liu *et al*. 2008:924).

2.4.3.4   Website quality/System quality

System quality is dependent on a number of aspects including availability, usability, reliability, adaptability, and the response time of the website (Kim *et al*. 2012:376). Online shopping website quality is defined as overall customer perceptions of the effectiveness of the service provider's product or service offerings via its e-store (Ha & Stoel 2009:567). In the context of Internet shopping, website quality is different and unanimously seen as a critical factor during the initial online purchase stage (Al-Maghrabi *et al*. 2009:1120).

Service quality measures in Internet shopping have been developed to estimate the quality of factors related to success of the Internet site. However, the attitudes towards Internet service quality have been left unexplored. Similar to Internet site service dimensions, Lin and Sun (2009:460) claim that the outcomes of the study was measuring satisfaction with online shopping via three established prescribed constructs of technology acceptance model (TAM), transaction cost analysis (TCA), and SERVQUAL. The study shows that TAM mechanisms, namely perceived usefulness and perceived ease of use are significant in consumer attitude formation, and strengthening online shopping setting (Lin & Sun 2009:460).The study also shows empirical evidence for service quality assurance dimension in online shopping as a determinant of online customer satisfaction. The study suggests that the higher website service quality is perceived, the more customers will be satisfied, and when customers are satisfied, they will be loyal, and when the Internet site is responsive, it will directly impact online customers' loyalty (Lin & Sun 2009:461). Therefore, system quality has a direct influence on customer satisfaction (Fang *et al.* 2011:486).

2.4.3.5   Product and delivery quality

Lin *et al.* (2011:277) view perceived product quality as the judgement of a consumer regarding overall excellence or high quality of the product. The major aspects in the online shopping setting success are minimising the cost of the product and product quality maximisation (Lin *et al.* 2011:277), and product performance is the strongest determinant of satisfaction. Liu *et al.* (2008:925) proposed that the most common kinds of consumer complaints in online shopping transactions include refund ad billing arguments, exchange and return Internet policies, defective products, and poor customer service. Customers demand continuous, careful, useful communication across all barriers in the online shopping channel.

The delivery of products or services may affect the fundamental goal of value proposition. Delay of product delivery is also an obstacle in the online environment and may have a negative impact on customer satisfaction (Liu *et al.* 2008:925). Lin *et al.* (2011:277) and Liu *et al.* (2008:952) indicate that delivering products or services in time, and reliable delivery, increase customer satisfaction, thus influencing repeat purchases.

2.4.3.6 Perceived shopping value

Most studies confirmed that perceived value leads to satisfaction, which are predictors of behavioural intention (Kim, Kim, Ruetzler& Taylor 2010:88). Perceived value is a customer's overall appraisal of the benefits received provided by the service and costs in gaining and using the service (Hellier *et al.* 2003:1765). Perceived value is one of the key factors for gaining competitive advantage. Chang and Wang (2008:10) suggest that if perceived value is low, then customers will switch to the competitor to increase perceived value. Internet shopping value is a central component of satisfaction and customer loyalty; a satisfied customer is likely to repurchase (Kim *et al.* 2012:375). Customer revisits, repurchases, positive word of mouth and recommendations of products to others is the result of improving customer satisfaction.The measurement of customer satisfaction must go with the perceived value measurement to understand simply the perceptions of online consumers (Kim *et al.* 2010:88). Lee *et al.* (2011:203) view perceived value as the necessary result of marketing pursuit and regarded as the first ranked element in the relationship marketing.

Kim *et al.* (2010:88) note that when customers are triggered to make an assessment, they form some intention acquired from the previous and current experiences regarding the value desire, and the desired value forms consumer perception of how the products performed. Several studies suggest that perceived value is related, directly and positively, to satisfaction (Lee *et al.* 2011:203). The assessment of value received directly forms the attitude of satisfaction (Tien *et al.* 2012:257). Thus, perceived value is strongly related to satisfaction (Chang & Wang 2008:11; Chen 2012:205; Hellier*et al.* 2003:1772; Tien *et al.* 2012:257;).

The next section explores the reasons why dissatisfaction occurs.

2.4.4 Dissatisfaction

As satisfaction is discussed in depth above, it is imperative to also understand why dissatisfaction occurs. There are numerous reasons why dissatisfaction occurs within the online shopping, such as the online business not understanding what consumers want, and therefore, they cannot deliver, unrealistic expectations caused by false advertising, and unwillingness to provide adequate service by online shops (Sabiote *et al.* 2010:159). Dissatisfaction is explained at a more theoretical level by the Parasuraman gap model, which identifies the ten dimensions of service quality (Lee *et al.* 2000:218).

The dimensions include reliability, responsiveness, competence, access, courtesy, communication, credibility, security, understanding and tangibility. Essentially, the distinction between the performance expected and performance perceived, on each of the services above, quality dimensions determine the quality of the service received. Therefore, dissatisfaction could arise if performance perceived falls short on any or all of the performance expected dimensions. This assertion is based on the theory of disconfirmation (Sabiote *et al.* 2010:159).

2.5 THE CUSTOMER LOYALTY CONCEPT

The e-loyalty concept is used in various ways, for example, it is the customer's propitious attitude toward Internet business resulting in repurchase behaviour (Krumay & Brandtweiner 2010:149). Lin and Sun (2009:462) and Lu, Chang and Yu (2013:51) identify e-loyalty as a customer's favourable attitude toward an electronic business resulting in repeat buying behaviour. Atchariyachanvanich, Okada and Sonehara (2006:49) define customer loyalty as, "a deeply held commitment to rebuy or repatronise a preferred product or service consistently in the future, thereby causing repetitive same brand-set purchasing, despite situational influences and marketing efforts having the potential to cause switching behaviour". The significance of maintaining and building customer loyalty in the online shopping marketplaces is in sharper focus in both marketing theory and practice.

Customer loyalty can be built when the online business focuses on providing exceptional customer service and exceeding the expectations of the customer (Ali *et al.* 2010:23). Based on the definitions in this literature, customer loyalty is defined as a relationship the customer

maintains with the business enterprise after the first transaction. However, in spite of the considerable research efforts in many salient fields of inquiry such as consumer behaviour, relationship marketing, human resource, business strategy, and service management, no theory exits that fully explains how customer loyalty is built. Furthermore, the conceptualisation and measurement of loyalty has varied substantially in a number of research studies, indicating the need for more research to provide a more in-depth and holistic explanation of loyalty (Donnelly 2009:49; Jones & Taylor 2007:36).

Extensive research exists on loyalty in relation to tangible goods and brands but relatively limited theoretical or empirical studies have been conducted on e-loyalty. Loyalty is viewed as a multi-faceted concept having both behavioural and attitudinal components (Balabanis *et al.* 2006:215). The term loyalty does not have a universally-accepted definition or measurement among researchers with respect to goods or services; although the one generalisation that exists among researchers is that loyalty is a very complex construct (Donnelly 2009:48). The customer loyalty concept has been viewed from both attitudinal and behavioural aspect (Chen 2012:203). Anderson and Srinivasan (2003:125) define customer loyalty in the online setting as "the favorable attitudes of customers' towards electronic business interactions that results in repeat purchase behaviour". A review of the literature indicates that loyalty is still a complex and conflicting area of research to this day.

Mehdi *et al.* (2013:11) suggest that loyalty should not be viewed only as repurchase behaviour, but in the studies on loyalty, some other terms of consequences such as repurchase intention, loyalty intention, intention for developing relationships and buying the certain product or service at a higher price may also be considered as signs of loyalty. Researchers in relationship marketing have adopted considerable attention to customer loyalty as an important variable.

Researchers such as Donnelly (2009:48), and Jones and Taylor (2007:36), found that developing reference to customers who tend to propose good brands to others has very important consequences on the brand consumption experience. Positive and pervasive word-of-mouth are the advantages of brands, which have strong continuance relationships with their customers.Loyalty benefits have been highlighted traditionally in a temporary perspective of the literature, as they are important to present and future value for continuity, company profit, and performance. Most companies use the development of customer loyalty as a strategic objective (Duffy 2003:480).

Numerous marketers assert with the view that building customer loyalty increases sales, lowers the costs, and predicts profit streams (Jones & Taylor 2007:36). Loyalty generates measurable and positive monetary results. Increment in share of customers and retention improvement are the ultimate economic benefits (Duffy 2003:480) Some authors suggest that a key to business survival, growth and gaining competitive advantage is the end result of customer loyalty (Jones & Taylor 2007:36; Velazquez *et al.* 2011:65).

In the short term, loyal customers spend quality time with the online shop, and in the long-term, they attract new customers by spreading the message through word of mouth (Velazquez *et al.* 2011:65). Customer loyalty also offers opportunities to recover the customer in the event of service errors. According to Velazquez *et al.* (2011:65), loyal customers more often attribute errors to factors over which the supplier has little control. In the service context, the key assessments for building customer loyalty and their subsequent consequences can be made when the online shop interacts with the customer in the provision process.

Bennett and Rundle-Thiele (2004:3) and Velazquez *et al*. (2011:66) point out that research in the satisfaction and loyalty relationship has not been fully explored and empirical and detailed conceptual efforts are required. If loyalty must be based on the satisfied customers, customer satisfaction continues to be the area of research for academic and business interest. Likewise, perceived value is also a concept used for explaining consumer assessments and their subsequent responses. Furthermore, service quality has been examined differently in most studies, which revealed that it is the determinant of satisfaction and loyalty (Velazquez *et al.* 2011:66)

2.5.1 Measurement of customer loyalty

The conceptualisation and measurement of the customer loyalty concept has become more and more complex (Jones & Taylor 2007:36; Donnelly 2009:52). Loyalty has been conceptualised and measured differently across researches, and consequently, there is a need for more research in the essential meaning of customer loyalty. Customer loyalty is measured by the possibility of product or service repeat purchase (Srinivasana *et al.* 2002:41), and loyalty can be categorised in four dimensions based on the consumers' buying patterns: undivided loyalty, divided loyalty, unstable loyalty, and no loyalty.

The development of research on the loyalty concept appeared with two-dimensional conceptualisations that include both attitudinal disposition and repurchase behaviour towards the service provider (Jones & Taylor 2007:36). Researchers suggested the addition of attitudinal measurement to behavioural loyalty because the description of behavioural loyalty is inadequate, as it does not differentiate true loyalty and fake loyalty, which often result in a shortage of alternatives available to the consumers (Srinivasana *et al.* 2002:42). More recently, the majority of studies have conceptualised loyalty as a three-dimensional construct, however, there is a debate as to how many dimensions, with the evidence on whether loyalty has two or three dimensions still lacking (Jones & Taylor 2007:36).

Jones and Taylor (2007:36) claim that customer loyalty is conceptualised as three dimensions such as behavioural, attitudinal, and composite loyalty in the marketing literature. However, several scholars have classified loyalty as attitudinal and behavioural components to date (Lu *et al.* 2013:51). Thakur and Singh (2012:39) suggest that loyalty can be explained by two dimensions that is behavioural loyalty, indicated by repeat purchase behaviour, and attitudinal or composite behaviour approach, referring to the inherent affective and cognitive facets of loyalty. Jones and Taylor (2007:36) have argued that assessing loyalty using only one measure it is possible that is "willingness to recommend". The study by Donnelly (2009:52) brought it a step closer by identifying three distinctive approaches to measure loyalty behavioural measurements, attitudinal measurement and composite measurements.

The majority of the literature focused on the behavioural aspect of loyalty and ignored customer related factors. The behavioural loyalty approach relates to repurchase behaviour of the customer based on the large number of comparative share of purchase, succession of purchase, and likelihood of repurchase (Krumay & Brandtweiner 2010:348), and involves the individuals altering their behaviour, and showing positive intentions to repurchase from one service provider over alternatives service providers (Donnelly 2009:52). Both the psychological and marketing literatures indicate that behavioural loyalty is measured by repurchasing intentions, switching intentions and exclusively, purchasing intentions (Jones & Taylor 2007:36). However, several authors have criticised behavioural definitions for being vague and limited. All of attitudinal and behavioural facets should be incorporated in any loyalty measurement (Srinivasana *et al.* 2002:42).

Thakur and Singh (2012:39) argue that the behavioural measures represent the static outcome of a dynamic decision process (*inter alia* solely on actual behaviour).Behavioural loyalty is measured by examining the past purchase experience of a customer statistically. Krumay and Brandtweiner (2010:348) noted that the behavioural measurement of loyalty reveals some weaknesses; in particular, it excludes other influences in the measurement, especially cognitive components. Donnelly (2009:52) argues that behavioural measures are unable to explain the factors that may influence a consumer's purchase decision making process as purchase frequency is the only measurement; they also criticise the behavioural approach for a lack of conceptual basis, and for having too much of an emphasis on outcomes.

Researchers argue this point by criticising that repurchasing behaviour does not account for the commitment of the consumer (Krumay & Brandtweiner 2010:348). Furthermore, Donnelly (2009:53) states that behavioural loyalty research has substituted loyalty with consumer retention, as customer retention has a precise and calculable net present. The author further argues that repeat purchase is not always the result of deep psychological commitment; for instance, a consumer may stay with the online store due to its convenience, but will switch when a second e-store, which offers better value starts operating online. Repeat purchase does not always mean commitment or loyalty. The second loyalty measure is attitudinal.

Attitudinal loyalty refers to the stated performance, commitment or purchase intention of the customer (Thakur & Singh 2012:39). Similarly, Krumay and Brandtweiner (2010:348) view attitudinal loyalty as the series of temperament commitment in terms of remarkable value associated with the brand. Lu *et al.* (2013:51) suggest that attitudinal loyalty represents consumer motivation towards people, products, or service of a particular firm. The attitudinal approach considers both the psychological and emotional aspects inherent in loyalty. The attitudinal perspective reflects a sense of loyalty, engagement and allegiances.

The attitudinal measures are consumers' feelings toward the brand and confirmed intention such as possibility to repurchase the product and service (Thakur & Singh 2012:39; Schiffman & Kanuk 2007:245). An individual may have a favourable attitude towards an online store, and may recommend it to others, but they will not stay at that store because of risk associated with it. Building attitudinal loyalty towards a product/service or business takes more than a basic

marketing transaction inducement. Positive attitudes towards the online store must be developed over a longer period.

There is empirical support that commitment has a significant role to play in attitudinal loyalty, since it reflects the customers' self-evaluation of the consumption context and the active decision to engage in a long-term relationship (Evanschitzky, Gopalkrishnan, Plassmann, Niessing & Meffert 2007:1210). Affective commitment involves the desire to maintain a relationship that the customer perceives to value. It is the underlying psychological attachment that reflects the emotional nature of the relationship between the consumer and service provider (Donnelly 2009:53). Hence, the emotional and psychological attachment translates into strong attitudinal loyalty. Moreover, affective commitment results in the customers being loyal because they want to be loyal (Evanschitzky *et al.* 2007:1210).

In addition, past research studies indicate that the strength of consumers' attitudes toward a product or service is a very good indicator of their behavioural loyalty (Evanschitzky *et al.* 2007:1210). Krumay and Brandtweiner (2010:348) maintain that when behavioural loyalty measurement has a generalised possibility, the inclusion of attitudinal principle turns customer loyalty into a general notion, especially to the brand; the overall behaviour model is inapplicable.

The three phases of attitudinal approach as illustrated in Figure 2.3 are presented as cognitive, affective and conative phases, which ought to be consecutive (Kim *et al.* 2010:88). Kim *et al.* (2010:89) suggest that the theory of reasoned action incorporates cognitive, affective, and conative components. Representation of behavioural loyalty is the last stage (Krumay & Brandtweiner 2010:348), which is the action loyalty.

Figure 2.3:   Components of attitude

Source: Kim *et al.* (2010:88)

Attitudinal loyalty falls under an alternative measure for loyalty, namely cognitive loyalty. The cognitive approach entails an individual completely reforming what they believe about the relationship with their service provider. It also based on the conscious evaluation of attributes or the conscious evaluation of the rewards and benefits associated with patronage (Donnelly 2009:53). The cognitive measures include top of mind, first choice, price tolerance, exclusive consideration, identification with the service provider, that is "my service provider" and willingness to pay more (Donnelly 2009:54).

The composite measurement of loyalty is a combination of the first two dimensions, behavioural intentions and attitudinal. Donnelly (2009:54) argues that operationalising both attitude and behaviour in the measurement of loyalty significantly enhances probability of building loyalty. Thus, the composite measurement approach has been utilised and supported as a beneficial tool to understand customer loyalty in a whole variety of areas of study. The researcher of this study adopted the composite approach to customer loyalty, as loyal customers are customers who hold favourable attitudes towards the business or online service provider, committing to repurchase the product/service and recommend to others (Donnelly 2009:54).

In summary, the psychology literature, which focused on pro-relationship maintenance suggests that loyalty is a two-dimensional (behavioural and combined cognitive/attitudinal) concept. The marketing literature proposes that loyalty is a tri-dimensional (behavioural, attitudinal and cognitive) construct (Jones & Taylor 2007:36) and in the interpersonal relationships literature, loyalty is two-dimensional with behavioural and cognitive measures. Jones and Taylor (2007:37) found the two-dimensional representation of loyalty was consistent for all three types of services examined.

Thus loyalty captures, in essence, what Donnelly (2009:54) referred to as "what the person does" (behavioural loyalty) and the psychological meaning of the relationship (attitudinal/cognitive loyalty). This reflects the composite approach, which is the measure operationalised for this study. Table 2.2 gives a full breakdown of the loyalty dimensions, which are behavioural, attitudinal and cognitive.

Table 2.2:   Loyalty dimensions

Dimensions	Loyalty related outcome	Definitions
Behavioural	Repurchase intentions	*Customer's aim to maintain a relationship with a particular service provider and make his or her next purchase in the category from this service provider*
	Switching intentions	*Customer's aim to terminate a relationship with a particular service provider and patronise another in the same category*
	Exclusive intentions	*Customer's aim to dedicate all of his or her purchases in a category to a particular service provider*
Attitudinal	Relative attitude	*The appraisal of the service or product, including the strength of that appraisal and the degree of differentiation from alternatives*
	Willingness to recommend	*Consumer's willingness to recommend a service provider to other consumers*
	Altruism	*Consumer willingness to assist the service provider or other service consumers in the effective delivery of the service or products*
Cognitive	Willingness to pay more	*Consumer's indifference to price differences between that of his or her current service provider and others in the same category*
	Exclusive consideration	*The extent to which the consumer considers the service provider as his or her only choice when purchasing this type of service or product*
	Identification	*The sense of ownership over the service affiliation with the service provider, or congruence values that exists between the service provider and the consumer*

Source: Adapted from Donnelly (2009:55) and Jones and Taylor (2007:38

2.5.2   Significance of customer loyalty

Customer loyalty is described as a customer's revisitation or repurchasing behaviour while including the emotional commitment or expression of a favourable attitude toward the service provider (Yoo & Bai 2013:167). Numerous researchers emphasizes that the value of customer loyalty is significant. Loyal customers are considered as a suitable means of creating awareness, and they usually buy more than non-loyal customers (Dolatabadi *et al.* 2012:85). They are also less likely to switch to a competitor brand just because of price and other special promotions, and bring in new customers through positive word-of-mouth, which can sometimes save a huge amount of the expenses for advertising.

Customer loyalty is viewed as one of the critical factors of a company's prosperity (Krumay & Brandtweiner 2010:346). A customer who is loyal spreads a positive word of mouth (Jones & Taylor 2007:36), serves as a testimonial, and enjoys using the services of the firm. Researchers explained customer loyalty in many ways in the last century (Krumay & Brandtweiner 2010:347). Some researchers are of the view that the provision of high customer value surpassing expectations of consumers, specifically value, service, solutions to customer complaints (Kotler & Keller 2006:143) are critical to loyal customers (Krumay & Brandtweiner 2010:347). Consequently, businesses are identifying and managing effective patterns of creating loyalty.

The study by Lin *et al.* (2010:1527) indicates that it takes five times more to attract new customers than maintain loyal customers. However, because of the fact that customers' expectations are increasing rapidly, businesses are encouraged to meet the expectations beyond their introductory needs and to focus on maintaining loyalty through the establishment of long-term, bilateral and profitable relationships for both business and customers (Dolatabadi *et al.* 2012:85). The concept of loyalty has been experienced for a longer period as far as its traditional meaning is concerned because it has been recognised as an asset in the modern competitive markets. It is evident that satisfying and keeping the current customers is more profitable than attracting new customers (Atchariyachanvanich *et al.* 2006:49).

It has been argued in the marketing literature that the cost of gaining new customers is far more than keeping the existing present customers (Dolatabadi *et al.* 2012:85). If the rate of losing customers can be reduced to 5 percent by businesses, the annual profit margin will increase by 25 to 95 percent (Lin *et al.* 2010:1527). The study further states that customers must shop four times or more from the online shop if they want to increase their revenue, or accept the cost of establishing a loyalty relationship for the minimum of eighteen months (Lin *et al.* 2010:1527). In the Internet context on the other hand, the competing businesses are only a single click away from each other. Petrick (2004:465) argued that repeat customers are more than just a secure source economically, but they can also be information channels that casually create a linkage to their friends, relatives, colleagues, and other probable consumers and thus enable businesses to uphold a clientele base.

One of the most essential theories of loyalty marketing is that a small increase in loyal customers can bring a significant increase in profitability to a business (Lin *et al.* 2010:1527). Both Fishbein and Ajzen's (1980) rational behaviour theory, and Ajzen's (1991) theory of planned behaviour postulate that behaviour intention is used for actual behaviour prediction. Some of the consumers have a positive feeling about shopping with the same online shop. It is consistent with the definition of customer loyalty that it measures the probability of making purchases in the future (Lin *et al.* 2010:1527). Loyal customers are willing to pay a high price, recommend the store to family and friends, and advertise in the form of word-of-mouth, which is very effective because customers' time for searching for better offers will not be wasted.

Chen (2012:202) views customer loyalty as an important aspect in business survival and development because a customer who is loyal is considered to be a competitive asset for an organisation, as loyalty is a fundamental determinant in predicting profit, social standard and market share. Overall, loyalty marketing emerged as being necessary and ideal as customer loyalty has been recognised as a major source of competitive advantage for firms by having a powerful impact on performance. It has been recognised that enhanced customer loyalty reduces customer acquisition costs and increases revenue, which ultimately leads businesses to greater profitability.

Online store operators are fully aware of the positive impact that customer loyalty brings to their businesses and they have been constantly exploring various approaches to increase customer loyalty. Given the interest and its high recognition on customer loyalty, research on the subject expanded to various areas and industries both theoretically and practically. The domain of loyalty was limited to customers' repeat purchase behaviour in early studies. However, research on customer loyalty evolved appreciably and subsequent studies started to propose the customers' psychological attachment to the service provider or the brand as an important aspect (Yoo & Bai 2013:167).

Overall, loyalty has been perceived as a multi-dimensional construct and its research progress shows immense development. The study will help online businesses understand the factors to be considered to encourage consumers to remain loyal to the online shop (Al-Maghrabi *et al.*2009:1117), as acquiring new customers may cost five times more than retaining the present ones. This is consistent with Chen's (2012:202) study that the intense competition in the

business market in particular focuses on the need to retain existing customers as the effort of acquiring new customers is higher than retaining the existing ones.

2.5.3   The construct of customer loyalty

Jones and Taylor (2007:36) claim that customer loyalty is conceptualised as three dimensions such as behavioural, attitudinal, and composite loyalty in the marketing literature. However, several scholars have classified loyalty as having attitudinal and behavioural components to date (Lu *et al.* 2013:51). The behavioural perspective measures loyalty as the static outcome of a dynamic process including antecedents such as actual consumption, repeat purchase, duration, longevity, frequency, proportion of market share, and word-of-mouth recommendations (Yoo & Bai 2013:168). Probability of future purchase of a brand and brand switching behaviour are also examples that have been addressed to assess behavioural loyalty (Yoo & Bai 2013:168) relationships, but also to efficiently manage competition.

Service quality is a component of the product that customers perceive and it is known as a critical determinant of loyalty. Recovery strategies and service determinants are highly related to service quality as it has been measured as a form of attitude often linked to satisfaction (Duffy 2003:482). Whereas satisfaction is the end state or appraisal process resulting from exposure to a service experience (Fang *et al.* 2011:149), quality refers to the evaluation of the service attributes that is controlled primarily by the service provider (Yoo & Bai 2013:168). Overall, it is expected that the better the perceived quality of services, the higher customers' intention to patronise that service provider. Costs can be categorised into economic and transaction costs.

Economic costs are costs that customers have to sacrifice to acquire a product or service. Transaction cost is a type of nonmonetary cost that exists in exchange processes as a consequence of the interaction among various factors. The intangible characteristic of service makes such difficulty prevailing and gives rise to differences in the transaction costs. Consequently, transaction difficulty negatively affects customer loyalty. The service provider's increase in understanding customers' tastes and preferences speeds up the transaction process and further increases customer satisfaction and loyalty through customisation (Yoo & Bai 2013:168).

2.5.4　　　Determinants of customer loyalty

Several researchers, marketing academics and professionals have attempted to identify the most determinants of customer loyalty (Yang & Peterson 2004:799). Researchers may have the same ideas in conceptualising loyalty, thus, resulting in different discussions in verifying the antecedents of loyalty. Nonetheless, it has been suggested that customer loyalty may be fostered with distinctive outcomes depending on its factors and, therefore, it should be managed and integrated strategically. A range of variables of attitudinal to loyalty measurement are presented. Most commonly used variables or factors of attitudinal approaches are satisfaction, involvement, perceived value/customer perceived value (Kotler & Keller 2006:141), perceived service quality, trust, and commitment. Other factors such as perceived risk, perceived relationship, ease of getting information, prior experiences, motivation, and capacity to elaborate are used too (Krumay & Brandtweiner 2010:148).

Customer loyalty in online shopping is influenced by satisfaction, Internet skills and familiarity, value and enjoyment, and supplementary factors ascribed to online shopping characteristics are presented: responsiveness (responding readily), customisation, and assurance. Satisfaction with online shopping depends on the website quality and the attributes of quality (Krumay & Brandtweiner 2010:148), Internet skills depend on experience of the customers and familiarity is critical because customers tend to commit on well-known website. Satisfaction, enjoyment, and value must be controlled and fulfilled to create loyalty in the online shopping channel, to build loyalty, and avoid switching behaviour. In Internet shopping, gaining customer loyalty is receiving more demands due to conditions in business - to - consumer channel of shopping (Krumay & Brandtweiner 2010:148).

The evolution of brand and customer loyalty in online shopping is from the traditional approach where reciprocally active were included and the buyer-seller relationship is direct, joined through technology of the Internet and its functionalities (Krumay &Brandtweiner 2010:148). There is evidence that all three loyalty constructs; customer loyalty, brand loyalty, and service loyalty are significant in the online shopping setting. Donnelly (2009:50) has identified three variables, which interrelate in customer loyalty, *inter alia* satisfaction, service quality and value. Loyalty is something consumers and customers display in regard to brands, services, stores, products and activities. Balabanis *et al.* (2006:216) identify the seven factors generating

loyalty as cultivation, community, care, customisation, contact interactivity, choice and character. These factors use online context characteristics to ease consumers' ability to find out the product they are interested in (Balabanis *et al.* 2006:216).

Overall, Yoo and Bai (2013:166) categorise factors that influence customer loyalty into two sets; one related to internal factors, and the other related to external factors. Internal factors are described as factors associated internally, which affect the organisation to serve its customers directly. The firm holds the ability to facilitate with the strategies and tactics. In contrast, external factors are conditions external to the firm and relate to how consumers recognise the brand with respect to the brand competition. In this study, the most cited determinants of customer loyalty are presented, including both internal and external factors such as satisfaction (Chang& Wang 2008:11; Chen 2012:202; Lee *et al.* 2009:7850; Hellier *et al.* 2003:1770), trust (Chen & Dhillon 2003:303; Kabir *et al.* 2009:150); and convenience(Asim& Hashmi 2005:19; Myers & Mintu-Wimsatt 2012:3; Srinivasana *et al.* 2002:44). These are often formidable, as control is limited from the firm.

2.5.4.1 Customer satisfaction

Satisfaction is found to be the strong determinant of loyalty with positive results on business performance (Finn *et al.* 2009:209). Many businesses are focusing on creating customer satisfaction as their primary goal. It is argued in the literature that the increase in satisfaction level positively relates to the numerous aspects of loyalty. The satisfaction definition, on the other hand, has been derived from an end state of the appraisal process, resulting from the evaluation of service performance. Satisfaction refers to the overall response, positive or negative feeling of the overall value of services received from the service provider (Yang & Peterson 2004:804; Fang *et al.* 2011:480).

In the online setting, satisfaction is defined as a satisfied state of the consumers with regard to his/her past buying experience with an Internet shop (Dolatabadi *et al.* 2012:90). It has been found that customer service relationships are formed one interaction at a time and a set of very positive encounters increase customer satisfaction, trust, commitment, and future purchases/continuity (Hellier *et al.* 2003:1770). Satisfaction is a determinant of loyalty; thus,

online store satisfaction positively influence online customer loyalty. Balabanis *et al.* (2006:216) suggest that the loyalty and satisfaction relationship is non-linear.

There is empirical support from the marketing researchers that online satisfaction influences online customer loyalty (Lee *et al.* 2009:7850). However, Hellier *et al.* (2003:1770) challenged the positive relationship between customer satisfaction and repurchase behaviours in the literature. It has been argued that dissatisfaction encourages switching behaviour, satisfaction does not necessarily ensure loyalty and commitment but encourages loyalty (Hellier *et al.* 2003:1770). Therefore, satisfaction is a strong determinant of customer loyalty in the online and offline shopping setting (Chen 2012:202; Hellier *et al.* 2003:1770; Chang & Wang 2008:11), and the relation is much stronger online than in the offline channel.

2.5.4.2 Trust

Trust has received much attention in the marketing research as a determinant of customer loyalty (Kabir *et al.* 2009:150). The trust concept is derived from the personal relationships analysis, as it is considered as an inherent characteristic of any valuable social interaction and has become a popular issue due to the relational orientation in loyalty marketing. Trust is also a key factor of online customer loyalty (Tien *et al.* 2012:256). Trust is defined as a "psychological state including the intention to accept vulnerability based upon positive expectations of the behaviour of another" (Kabir *et al.* 2009:150). Chen and Dhillon (2003:303) define trust as a belief in the dependability, truth, strength, and reliability of the firm offering products or services.

Capability process can build trust, however, trust can be terminated if the business engages in unlawful practices, and when there is uncertainty regarding privacy and security. Trust is a significant value proposition that the consumer might have against the business and the connected commercial operations (Chen & Dhillon 2003:303); it can be established in the relationship. In the Internet literature, trust is identified as a construct that is essentially for the success of the Internet shopping. It is, therefore, imperative for online stores to establish and win consumer trust to remain active and gain profitability (Chen & Dhillon 2003:303).

Trust may include various meanings; nevertheless, all the terms share the same meaning and idea that trust is the name of confidence and security feeling based on the belief, which the customer attaches to an organisation and customer behaviour is motivated by the positive and favourable intentions toward that service provider (Dolatabadi *et al*. 2012:88). Trust is very critical in the seller and buyer relationships, as a key to maintaining continuity and building customer loyalty. Many researchers argue the concept of trust (Chiu *et al*. 2009:762) as a contributing factor to the commercial online business where there are security and privacy threats, lack of symmetry in information, and fear of opportunists. Exploring and understanding the determinants of trust in online shopping stores must be the primary concern, as trust is a significant factor in the online shopping environment (Chiu *et al*. 2009:762).

2.5.4.3   Convenience

Convenience refers to a degree to which customers perceive the website as simple and user friendly (Srinivasana *et al*. 2002:44). Information accessibility and simplified processes of transaction are significant determinants of successful transactional completion (Asim & Hashmi 2005:19). The convenience issue has always been associated with the trial and adoption of in-home shoppers' context (Myers & Mintu-Wimsatt 2012:3). Asim and Hashmi (2005:19) further define convenience as the simplicity of the Internet site.

Myers and Mintu-Wimsatt (2012:3) suggest five facets/aspects of convenience for non-store consumers as minimising the time spent on shopping, providing flexibility, saving physical visitation of the offline store, minimising annoyance, and providing opportunities for sudden-urge buying by responding to adverts received at home. The quality of the website represents the central interface with the commercial world and it is vital for online shops. Srinivasana *et al*. (2002:44) study noted that 30 percent of the consumers leaving the Internet site without making a purchase are a result of inability to access the site.

Customers should be provided with easy information search as providing access to information, and visibility of information is crucial to a profitable online businesses. An Internet site that is convenient and logical to access minimises the chances of customers' mistakes and their shopping experience will be satisfying. The consequences will likely increase online customer loyalty (Asim& Hashmi 2005:19; Myers& Mintu-Wimsatt 2012:3; Srinivasana *et al*. 2002:44).

2.6   REPURCHASE INTENTIONS

The study examine online repurchase intentions as the growing variable rather than focusing on the behaviour of online consumers, as Ajzen and Fishbein (1980:7) stated in the theory of reasoned action that intention is viewed as the immediate factor in the attitude-behaviour relationship (Wen *et al.* 2011:15), and is relevant to measure consumers' behaviour. Intention is defined as the degree of customer perception that a particular online group buying behaviour will be performed. Repurchase intentions on the other hand represents that the customer has self-reported likelihood of engaging in further repurchase behaviour (Ha, Janda & Muthaly 2010:999). The definition is supported by Hellier *et al.* (2003:1764) who maintains that repurchase intention is an individual's perception regarding buying a designated service or product once more from the same business considering her or his present situation and likely circumstances.

Online repurchase intention is the key issue in marketing literature and it has been researched in different ways such as customer retention, intention to return, continuance to shop, and Internet sickness (Wen *et al.* 2011:15). There is wide agreement on the crucial role of repurchase as the key behavioural outcome for relationship marketing in the marketing literature (Mosavi & Ghaedi 2012:4914). In line with this observation, online repurchase intentions is a consumer's willingness to repurchase offerings from a particular website. According to Kim *et al.* (2012:378), the competitive advantage of an Internet business is obtained from customer loyalty and retention for repeat purchases.

This study applies the theory of reasoned action (TRA), which asserts that beliefs influence attitudes that subsequently influence intentions (Shiau & Luo 2012:2435). In TRA, beliefs influence people's overall attitude toward an object and guide individual intentions that influence behaviour toward a subject. Relationships that link beliefs, attitudes, intentions, and behaviours were examined in social media and organisational contexts (Shiau & Luo 2012:2435). Wen *et al.* (2011:15) stated that online repurchase intention construct combines both marketing and information system theory.

Online repurchase intention has attracted considerable interest in recent years. In spite of its significance (Tsai & Huang 2007:231), however, only few attempts have been made to examine

satisfaction and customer loyalty and investigate its factors and interrelationships towards repurchase intention. Researchers have maintained that a customer-focused consumption community, customisation, and overall satisfaction are important in retaining long-term Internet buyer and seller relationships, and in studying online customer shopping behaviour.

Although perceived ease of use and perceived usefulness have been the dominant concepts used to explain consumers' initial motives for shopping online, they give limited explanations on why customers commit to a particular online store (Tsai & Huang 2007:231). Some researchers have suggested that incorporating additional factors with other theories to improve the specificity and explanatory power. The study aimed at adding knowledge about the interrelationships between the determinants of repurchase intentions as still not well explored and understood in an online context (Tsai & Huang 2007:232). A strong argument in the marketing literature is that consumers are forced to remain with the service provider due to one or more of these four attachments: Constraint-based (they have to), desired based (they want to), customised-based (they can specify modification), community-based (they flock to).

Several researchers found that maintaining long-term loyalty is a significant determinant of online shopping business success (Kim *et al.* 2012:375), and shows that repurchase intention due to long-term customer loyalty is positively influencing growth and profitability of the online store.Mehdi *et al.* (2013:10) suggested that although the relationship between satisfaction and loyalty is claimed in some studies, very few researches have been conducted on the relationship between a repurchase intention and satisfaction. Perhaps the most important dependent variable in relationship marketing researches is repurchasing intention.

There is an argument in the marketing literature regarding satisfaction's effect on repurchase intentions and loyalty. Most scholars have found a direct link (Zboja & Voorhees 2006:383); while others suggest that trust is the dominant antecedent of repurchase intentions. The debate has evidently not been settled as Zboja and Voorhees (2006:383) found both trust and satisfaction to have strong positive effects on customer retention. However, trust has an effect on Generation X consumers' intentions to repurchase.

2.6.1 Determinants of repurchase intentions

Repurchase intention represents a person's willingness to make purchases again from the same online store based on his or her experience (Kim *et al.* 2012:378). In the Internet context, the competitive advantage of the online business is gained from customer loyalty and willingness to make repeat purchases. Therefore, the identification of repurchase intention determinants is vital to both practitioners and research academics (Kim *et al.* 2012:378). Satisfaction and attitude (Perceived ease of use, perceived usefulness, trust and enjoyment) are found to be strong predictors of repurchase intentions (Hellier *et al.* 2003:1764). Hassanein and Head (2007:692) define attitude as predispositions to act in a certain way towards a certain object in both consistently favourable and unfavourable manners. The commonly accepted definition asserts that attitude is not unconcealed behaviour, but a temperament, which influences behaviour.

The determinants of repurchase intentions have been claimed in the online shopping context and the focus is on the most cited determinants in the Internet environment which include satisfaction (Fang *et al.* 2011:480; Hellier *et al.* 2003:1764; Lin *et al.* 2011:277; Tien *et al.* 2012:257), customer loyalty (Krumay & Brandtweiner 2010:149; Mehdi *et al.* 2013:11), perceived usefulness (Lin *et al.* 2010:1527; Wen *et al.* 2011:15), perceived ease of use (Lin *et al.* 2010:1527; Wen *et al.* 2011:15), trust (Al-Maghrabi *et al.* 2009:1118; Lee *et al.* 2011:206; Wen *et al.* 2011:16), subjective norms/social pressures (Al-Maghrabi *et al.* 2009:1118; Al-Swidi *et al.* 2012:37), switching barriers (Tsai & Huang 2007:233) and perceived enjoyment (Al-Maghrabi *et al.* 2009:1119; Chiu *et al.* 2009:767).These popular determinants were selected because they are all related to repurchase behaviour in the literature.

2.6.1.1 Satisfaction

Researchers have applied customer satisfaction to measure the success of online shopping and consumer repurchase behaviour usually (Shiau & Luo 2012:2435; Tien *et al.* 2012:257). Hellier *et al.* (2003:1764) define customer satisfaction as the degree of overall tranquil happiness experienced by the customer resulting from the service ability to accomplish the customer's wishes, expectations and the needs from the particular service. Wen *et al.* (2011:16) view satisfaction as "the summary psychological state resulting when the emotion surrounding

disconfirmed expectation is coupled with the consumer's prior feelings about the consumption experience". Consumers return stronger confirmation when low expectation meets greater performance, which positively impacts repurchase intention by intervening customer satisfaction. Satisfaction is a conclusive aspect influencing repurchase intentions in the business environment (Chen *et al.* 2010:17).

Most researchers found that customer satisfaction and attitude are the determinants of customer repurchase intention (Hellier *et al.* 2003:1764; Fang *et al.* 2011:480). Furthermore, many empirical studies have proposed that satisfaction is a significance factor in building and retaining customer's repurchase decisions and information system continuance behaviour, and confirmed that satisfaction is directly related to online repurchase intentions (Lin *et al.* 2011:277; Tien *et al.* 2012:257). There is enough evidence to indicate that high customer satisfaction increases the future purchases with the same business (Kim*et al.* 2010:86; Lin *et al.* 2010:1528). Therefore, online satisfaction is considered to be a behavioural attitude from attitudinal and behavioural view and there is empirical support from the marketing researchers that online satisfaction positively influences repurchase intention (Chen*et al.* 2010:17; Fang*et al.* 2011:485; Ha, Janda & Muthaly 2010:1002; Hellier*et al.* 2003:1771; Lee *et al.* 2009:7850; Zboja & Voorhees 2006:383).

2.6.1.2 Loyalty

Customer loyalty is important to the online shops' performance, success and profitability (Chiu *et al.* 2009:761). In addition, online customer loyalty is intent to repurchase from the very same service provider or to patronise in the future. Individualism and collectivism has been used to predict online customer loyalty. Lu *et al*. (2013:51) stressed that the reputation of the store contributes to online loyalty by increasing online satisfaction. Chiu *et al.* (2009:761) maintain that for a store to gain profit, a customer must buy or make purchases four times or more. Lu *et al*. (2013:51) suggested that attitudinal loyalty represents consumer motivation towards people, products, or service of a particular firm.

Behavioural loyalty, on the other hand, represents current consumer repurchasing behaviours. However, behavioural dimensions of loyalty have been emphasised in most of the existing literature. Behavioural loyalty is a series of customer dedication to rebuy or revisit their desired

product or service providers. Behavioural loyalty approach relates to repurchase behaviour of the customer based on the large number of comparative share of purchase, succession of purchase, and likelihood of repurchase (Krumay & Brandtweiner 2010:348). Exploring customer loyalty as a key determinant of customer's repurchase intentions in online shopping is part of the study. Krumay and Brandtweiner (2011:66), Mehdi *et al.* (2013:11), and Park *et al.* (2010:13) confirmed that online customer loyalty results in online repurchase intention,

2.6.1.3 Trust

The concept of trust has been investigated and approached in relationship marketing from different perspectives (Mosavi& Ghaedi 2012:4913; Wen*et al.* 2011:16; Yoon 2002:49). For instance, Mosavi and Ghaedi (2012:4913) define trust as "a willingness to rely on an exchange partner in whom it has confidence". Yoon (2002:49) defines trust holistically as having three factors *inter alia* trust shows expectation about a counterpart's anticipated action in a good will, counterparts are in no position to control this expectation not met, and one's action depends on the action of the counterpart (Yoon 2002:49). Others address trust as an attitude toward an individual. Online trust is defined as the "consumer's subjective belief that the selling party or entity on the Internet will fulfill its transactional obligations as the consumer understands them" (Wen *et al.* 2011:16).

Trust is found to be in existence when one party has confidence in an exchange partner's reliability and integrity (Mosavi & Ghaedi 2012:4913). Chiu et al. (2009:763) view trust as a process that eases exchange relationships described by unreliable, reliance, and vulnerability. Trust is viewed as a key factor to establish and sustain relationship with the online shops (Tien *et al.* 2012:256). Trust weakens and strengthens by customer experience and is understood as a dynamic process in nature (Mosavi & Ghaedi 2012:4913; Yoon 2002:49). If customers trust the service provider, they are likely to raise the level of satisfaction and loyalty (Tien *et al.* 2012:256), and if a customer does not trust the service provider built on past experience, the customer will have dissatisfaction with that e-shop. Customers seek to convert the unreliablity and complexity of transactions in the Internet by employing mental quick methods because they are subjected to few or limited information and cognitive resources available.

Trust is a significant factor in the online shopping environment compared to the offline channel of shopping as the aloofness and impersonal aspects (Wen *et al.* 2011:16) cause uncertainties. Al-Maghrabi *et al.* (2009:1118) claim that trust in the Internet shop affects consumers' intention to repurchase. Building trust with customers is critical for online shops, because purchasing decisions are results of trust-related behaviours. Researchers found that trust will influence e-satisfaction in future (Tien *et al.* 2012:256), and previous researches assert that trust is a key element of online businesses. Tien *et al.* (2012:256) note that trust is found to be a personal correlation between the consumer and the service provider and the consumer's confidence with the e-shop will impact the performance in the long run, while it grows the positive feeling of the customer to revisit the Internet site and increases repurchase intentions. Trust is found to directly and indirectly influence repurchase intention through perceived usefulness (Wen *et al.* 2011:16).

2.6.1.4   Perceived usefulness

The nature of an influence of perceived usefulness and enjoyment on repurchase intention is yet to be explored in the context of online shopping (Chiu *et al.* 2009:762), hence the relationship is deemed positive. A study by Wen *et al.* (2011:15) claims that perceived usefulness and perceived ease of use are the greatest predictors of online repurchase intentions and considered the determinants factors of online repurchase. Perceived usefulness is when an individual believes that using the specific service would significantly improve job performance (Chiu *et al.* 2009:763). The expectation-confirmation theory (ECT) helps predict the behaviour of the consumers before, during, and after the purchases of both product and services (Al-Maghrabi *et al.* 2009:1118).

The expectation-confirmation theory suggests that consumers evaluate their repurchase intentions by comparing product or service with their expected outcomes, whether the product or service meets their expectations. Chen *et al.* (2010:16) refer perceived usefulness to the consumer's cognition that the information system usage will increase work performance. Online shoppers compare perceived usefulness and their expectation of usefulness impacts their repurchase intention (Al-Maghrabi *et al.* 2009:1118). If the use equals the expectation and the consumers are satisfied, the consumer experience will have positive impact on repurchase intention.

Perceived usefulness has been the dominant influence in the revised expectation-confirmation theory. Furthermore, the study of Al-Maghrabi *et al*. (2009:1118) discovered that perceived usefulness is the dominant construct. It continues to be the strongest predictor of repurchase intentions over satisfaction in the combined theories of TAM and ECT, while satisfaction is the dominant construct in the expectation-confirmation theory. According to Chiu *et al.* (2009:766) customers form behavioural intention in relation to Internet shopping based on great extent of estimated value of how it will enhance their shopping experience.

Chiu *et al.* (2009:766) suggested that a person is likely to continue repurchasing online when she or he perceives the usage to be useful. Individuals who have acquired the buying task of product attainment in a productive effort are more likely to display positive repurchase intentions (Chiu *et al*. 2009:766), and prior research shows that perceived usefulness has an impact on customer loyalty intent. Perceived usefulness dominance reveals its key role as a strongest driver of repurchase decisions (Premkumar & Bhattacherjee 2008:66), and is the most determinant of repurchase intention (Chen *et al.* 2010:16).

2.6.1.5   Perceived ease of use

Perceived ease of use refers to the degree of trust; a state of mind by which the customer presumes that Internet shopping will be free from clutter (Chiu *et al.* 2009:765). The technology acceptance model (TAM) asserts that the Internet shopping website that is perceived by consumers as easier to use is more likely to bring about usefulness perception (Chiu *et al.* 2009:765). While the theory of reasoned action is designed to explain human behaviour, the TAM goal is to explain the antecedents of computer acceptance across a wide range of computer users (Hassanein & Head 2007:692). The improvement in ease of use is fundamental in adding to increased performance.

Perceived ease of use is viewed as a key factor of post adoption expectation based on expectation-confirmation model and is considered to have a strong impact on intention to repurchase (Chiu *et al.* 2009:766). Chiu *et al.* (2009:766) give supporting evidence for the role of perceived ease of use in repurchase intention. The technology acceptance model states that attitude of a user towards a technology is positively influenced by belief in regard to the system,

which consists of perceived usefulness and perceived ease of use (Hassanein & Head 2007:692).

2.6.1.6 Perceived enjoyment

Enjoyment is a fond feeling and inherent motivation that is referred to as a performance of pursuit with no readily visible reinforcement other than the series of undertaking it (Chiu *et al.* 2009:767). Enjoyment is associated essentially with the overall web use for entertainment purposes specifically (Al-Maghrabi *et al.* 2009:1119), and the degree to which Internet shopping is apprehended to be individually enjoyable and amusing (Chiu *et al*. 2009:767). Enjoyment referred to "an awareness of holistic sensation when people are involved in a certain activity". The enjoyment concept is studied in the flow theory, which postulates that flow is the holistic impression that consumers feel when acting with total involvement (Wen *et al.* 2011:16). Perceived enjoyment, on the other hand, is defined as "the extent to which the activity of using the Internet is enjoyable in its own right, apart from any performance outcomes that may be anticipated" (Chiu *et al*. 2009:763).

Consumers often return to the store after experiencing enriching and enjoyable shopping. Enjoyment in online shopping is as crucial as in physical shopping context and has a significant impact on repurchase intentions and behaviour (Wen *et al.* 2011:16). Enjoyment represents behaviour or essential viewpoint of the Internet usage. The self-determination theory revealed that customers are often inherently influenced by Internet shopping when they enjoy it and are interested in doing it. Furthermore, researchers extend the expectation-confirmation theory for wrestling context, revealing that playfulness and enjoyment are strongest motivation in continuance intentions (Al-Maghrabi *et al.* 2009:1119).Online customer enjoyment is more vital in the purchase phase and inspires purchase decision making. Online enjoyment is based relatively on the website design and the information presented (Wen *et al.* 2011:16). Moreover, some studies found that enjoyment is equally critical as a predictor of attitude towards online shopping is usefulness. Chiu *et al.* (2009:767) argued that the emotional reaction of joy, pleasure and elation or proud have an influence on the behaviour of a person.

The above study further reveals that the positive purchase of a product or service related to emotions is likely to lead to high commitment level and repurchase intention in online

shopping. Perceived enjoyment is a direct determinant of behavioural intentions (Chiu *et al.* 2009:767). Al-Maghrabi *et al.* (2009:1119) support the role of enjoyment in the repurchase intention.Therefore, the perceived enjoyment construct in this research attempts to enhance more insight into understanding consumers' online shopping repurchase intention.Based on the relationships in the literature, there is enough evidence to propose that online shopping enjoyment is a determinant of online repurchase intentions.

2.6.1.7   Subjective norms and social pressures

Al-Swidi *et al.* (2012:37) and Ajzen and Fishbein (1980:7) define subjective norms as the individual's perception of group pressures that are directed on him or her to perform the behaviour in question. Social pressure affects the behaviour and attitudes of consumers in different societies, depending on the culture. Furthermore, social influences are presented from subjective norms, which relate to single consumer's perceptions about the beliefs ofother consumers (Al-Maghrabi *et al.* 2009:1120). The move towards online shopping in general bears the importance of subjective norms in the decision making process of customers (Al-Swidi *et al.* 2012:37). Social norm is referred to as a process of adherence to the larger societal fashion, or larger circle of influence.

Subject norm is composed of two components, which are societal norms and social influences (Al-Maghrabi *et al.* 2009:1118). Collectivism, on the other hand, is explained as individuals integrated into groups, forming their judgments based on the group norms, and is seen to reflect opinions from family, friends and peers, thus smaller circles of influence. Al-Maghrabi *et al.* (2009:1120) suggest that the individualism and collectivism dimension is the significant means of explaining the motives behind human action and behaviour. In the highly collectivism societies, a consumer's actions are determined by the expectations of people around him or her.

2.7   GENERATION X CONSUMERS' PERCEPTION

Perception is explained as the process by which an individual observes, selects, organises, interprets, and reacts with environmental stimuli into a meaningful coherent picture of the world (Schiffman & Kanuk 2004:158; 2007:152). Hasslinger *et al.* (2007:23) describe perception as the process whereby people choose, organise, and interpret information. These

three different situations decide the interpretation of specific information. The processes are selective attention, selective distortion, and selective retention (Hasslinger *et al.* 2007:23). These characteristics are based on the understanding of how differently individuals perceive the same stimuli. Two individuals may be exposed to the same stimuli under the same apparent conditions, but how each person recognises, selects, organises, and reacts these stimuli is a highly individual process based on each person's own needs, values, and expectations.

Individuals act and react based on their perception, not on the basis of objective reality. For each individual, reality is a totally personal phenomenon, based on that person's needs, wants, values, and personal experience. Therefore, consumer perceptions are much more important than their knowledge of objective reality. Consumers make decisions and take actions based on what they perceive to be a reality. It is imperative for online stores to understand the whole notion of perception and its related concepts to more readily determine which factors impact consumers to buy (Schiffman & Kanuk 2004:158).

Consumer perception on the other hand refers to beliefs, norms, customs and value judgements that influence consumer-buying patterns (Satish 2008:323). Customers' perceptions about online shopping are becoming more positive, and the online shopping environment is changing to an increasingly mature commercial channel with the improvement of website design and Internet security. Therefore, consumers' attitude is very significant in an online environment. Hellier *et al.* (2003:1764) view attitude as the consumer's positive, neutral or negative natural tendency/temperament (evaluation of past experience) with respect to good company, service or product/brand under consideration. Furthermore, attitudinal beliefs are found to be adequate in the decision-making setting of the consumer. Hassanein and Head (2007:692) study found that attitude correlates strongly with behavioural intention among experienced online shopping consumers. Understanding what appeals to Generation X consumers is also critical for online organisations (Nicholas 2009:47).

According to generational theorists, a group of individuals who experience the same environmental stipulation of political events, economical circumstance and technological advancement have connected views or prospects (Nicholas 2009:47). This is consistent with Authayarat and Umemuro's (2012:1469) definition of generation, which is "an identifiable group that shares birth years, age location, and important life events at critical developmental

stages". Brosdahl and Carpenter (2012:546) proposed generational cohort as a way to describe a segment of the population that shares the same attitudes, ideas, values, and beliefs. The literature states that the generation born between 1961 and 1981 belong to Generation X (Cant, Brink &Brijball 2002:90; Schiffman& Kanuk 2000:358). Hence, there are many different ranges of birth years among the Generation X group.

Brosdahl and Carpenter (2012:546) extend the generational theory by defining a generational cohort as being composed of a generation of people (typically 1961 - 1981) that share the same attitudes, ideas, values and beliefs based on being born during the same time period and living through similar emotional events during their early teens and twenties. Furthermore, Moschis (2009:157) also asserts that cohort and historical factors are forces that shape shopping habits and are likely to influence the present and future shopping behaviour of those in the older aged brackets. The average age of the Internet user is 35, while the older users do the majority of online purchases (Schimmel & Nicholls 2002:25).

Robert Capa was the first to term this Generation X (Brosdahl & Carpenter 2012:547), although some researchers termed this generation the '13th Generation'. This generation is largely responsible for an explosion in information as the first true users of the Internet, which became available for public use in South Africa in 1994. Several studies suggested birth year range and characteristics of each generation. Incomplete differentiation in people born in the boundary years of the generational range was assumed in the theory of generational differences (Authayarat & Umemuro 2012:1469). Being distrustful of institutions coupled with the exposure to more information than any previous generation, the 13th Generation is very sophisticated in their buying behaviour and is turned off by slick and generalised promotions (Brosdahl & Carpenter 2012:548).

Generation X grew up in difficult economic times, resulting in difficulties in finding meaningful jobs, career placement and advancement. This led them to be disillusioned and less materialistic than the baby boomers. In spite of difficulties, this generation is a serious set of customers. One fact that separates it from other generations is its preoccupation with material possessions and shopping; its members spend more time in malls than anywhere else except home or school (Cant *et al.* 2002:90). The average age of the Internet user is 35, while the older users do the majority of online purchases (Schimmel & Nicholls 2002:25). This generation is

very customer-oriented and driven to shop. They have been labelled as media knowledgeable, and the most customer-wise generation ever.

The Generation X market segment is a key segment for music, movies, budget travel, bars and alcohol, fast food, clothing and cosmetics and they are in the market for online services and video games (Cant *et al*. 2002:91).Generation X consumers value an honest, simple approach and expect marketing promises to be delivered (Nicholas 2009:50). According to Nicholas (2009:50), there was a market segment that was absent because of their inflamed attitude, which can be defined by anyone. Marketers classified them as wealthy non-members, with a contempt authority and well prepared in technological advancement. This segment often goes out in groups and noisy music and fast images are critical. Generation X consumers have certain demands and usually travel for business. They demand high-speed free wireless Internet desks for working on laptops, DVD players, and computer games (Nicholas 2009:50).

Individuals growing up in different time periods differ in their vision of the world, their expectation, and their values, resulting in different preferred methods of shopping and preference in products and services (Authayarat & Umemuro 2012:1469). Generational attitudes have a formidable impact on the consumer's perceptions. It is important to understand generational dislikes and likes in order to attract and to keep the consumers (Nicholas 2009:50). They have learned to take care of themselves as busy parents raised them. They are independent in their own right, self-reliant, and love freedom (Authayarat & Umemuro 2012:1469). The members of this generation cohort are characterised by the following. They:

- value self-governing and personal freedom
- prosper on open and free communication
- view work from an action-briefing perspective
- always seek out the 'whys' in the issue
- do not believe in paying dues
- search to acquire skills and expertise
- do not have a long-term loyalty with the organisation or firm but they are loyal towards the individuals
- balance work-life objectives; and share the crusade.

2.8   SYNOPSIS

This chapter reviewed literature on the development of the Internet and online shopping in South Africa. The extensive review of the literature on the theory of reasoned action, theory of planned behaviour, and the social exchange theory has been done. This chapter reviewed also the extant concepts of satisfaction, loyalty and repurchase intentions to understand the online shopping environment better. Consumers' decision-making in the online shopping environment requires being understood thoroughly.

The study helps the managers of online shopping stores allocate the resources to improve their online shops, gain new customers, and retain the existing consumers. The comprehension of the consumers' decision-making will enable the online shops to increase the likelihood of repurchase intentions. The study suggests that online businesses should focus their marketing strategies more on establishing the awareness and image of their website quality.

CHAPTER 3

RESEARCH METHODOLOGY

3.1   INTRODUCTION

In the previous chapter (Chapter 2), the literature review was discussed with the emphasis on the online satisfaction, loyalty, and repurchase intentions. The chapter outlined the background foundation on the relationships between satisfaction, loyalty and repurchase intentions. It also provided an overview of online shopping in South Africa.

This chapter (Chapter 3) provides a range of aspects relating to particular research methods and techniques used to address the objectives and the hypotheses of the study. The chapter thus outlines the research design employed. In addition, the procedures used to collect, capture, test, process and analyse the data are presented. The actions and steps taken to ensure good reliability and validity are also provided. A concise description of methodology follows and thereafter the research methods used in this study.

Research methodology represents the procedures of research methods followed by the researcher (Krippendorf 2004:21). Traditionally, research has been seen as the creation of true, objective knowledge, following a scientific method. In turn, this is presented as data and facts of reality; it is possible to acquire a reasonable adequate basis for empirically grounded conclusions in a specific discipline when using the right methodology (Alvesson & Sköldberg 2009:3).

The primary purpose of the study was to examine online shopping satisfaction, loyalty and repurchase intentions of Generation X consumers. In order to achieve the aim, it was necessary to conduct a survey; the available literature formed the theoretical basis for examining the relationships between online satisfaction, loyalty and repurchase intentions. Consequently, the study proposed the model as illustrated in Chapter 1 under Figure 1.1.

3.2 RESEARCH DESIGN

Research design is the blueprint that is followed in collecting and analysing the data (Churchill, Brown & Suter 2010:78). The research design delineates the structure of the investigation in such a way as to attain the research objectives. It also ensures that the research will be relevant to the problem at hand and will use economical procedures. Thus, a research design is a preliminary plan for conducting a research.

3.2.1 Research purpose

Berglund (2007:57) characterised research by three scientific purposes, these are exploratory, descriptive, or explanatory designs. The primary purpose of exploratory design is to establish whether a phenomenon exists and to identify and come up with important information about such a phenomenon (Harrison & Reilly 2011:15; Welman, Kruger & Mitchel 2005:23). Harrison and Reilly (2011:15) further suggest that exploratory design is useful to explore relationships when the study variables are unknown.

The purpose of the descriptive research design is to describe a given phenomenon and the researcher is aware of what to investigate, but does not have the answers to the research questions (Berglund 2007:58). Descriptive studies in other words seek to have an understanding of the status of the subjects of the present practices (Welman *et al.* 2005:22). Explanatory research design is useful to explain relationships between the variables under study (Harrison & Reilly 2011:17).

According to Berglund (2007:58), explanatory research explains the effect of a given factor on another variable. Welman *et al*. (2005:22) have observed that explanatory design explain why things are the way they are and why one variable affects another. Overall, this study followed a deductive approach whereby first, theoretical propositions were outlined through literature review (Neuman 2006:59), and then empirically tested. The empirical research study occurred within normal field conditions where phenomenal variables existed (Schaefer & Dillman 1998:103).

3.2.2 Research approach

Mansourian and Maddan (2007:94) classify research into two sets, namely qualitative and quantitative research paradigms. Both qualitative and quantitative research approaches work in a complementary way. Some researchers take the first approach and argue that there is a similarity between social and natural phenomena, and that similar methods can be used to study both phenomena (Creswell 2003:119). Researchers are advised not to be restricted to either qualitative or quantitative paradigms; rather they should be flexible (Creswell 2003:119). Figure 3.1 discusses both characteristics and differences between the two research approaches.

Table 3.1: Qualitative and quantitative research methods

Factors/ Characteristics	Qualitative methods		Quantitative methods
Research objectives	Discovery and identification of new ideas, thoughts, feelings; preliminary insights on and understanding of ideas and objects		Validation of facts, estimates, relationships, predictions
Type of research	Normally exploratory designs		Descriptive and causal designs
Type of questions	Open-ended, semi-structured, unstructured, deep probing		Mostly structured
Type of execution	Relatively short time frames		Usually significantly longer time frames
Representativeness	Small samples, limited to the sampled respondents		Large samples, normally good representation of target populations
Type of analyses	Debriefing, subjective, content, interpretive, semiotic analyses		Statistical, descriptive, causal predictions and relationships
Researcher skills	Interpersonal communications, observations, interpretive skills		Scientific, statistical procedure translation skills; subjective interpretive skills
Generalisability of results	Very limited; only preliminary insights and understanding		Usually very good; inferences about facts, estimates of relationships

Source: Hair, Bush & Ortinau (2000:215)

This study chose the quantitative approach. As shown in Table 3.1, the quantitative research approach was chosen because it seeks to explain and quantify the data and typically employ some form of statistical analysis and testing (Churchill & Brown 2004:90). The quantitative approach was adopted to determine the relationships between satisfaction, loyalty and repurchase intention. The approach was appropriate because it enhances the accuracy of results through detailed statistical analysis such as factor, regression and correlation analysis and avoids the element of subjectivity associated with the qualitative approach (Du Plessis & Rousseau 2007:21). The results obtained from these research tools are easily quantifiable and the instruments have a potentially high degree of accuracy. Schiffman and Kanuk (2009:22) assert that the quantitative approach is descriptive in nature, and require large samples that help in generalising the results of the population. This tool is used often for testing specific research hypotheses (Du Plessis & Rousseau 2007:21).

3.3   SAMPLING DESIGN PROCEDURE

Once a particular research design is selected, the data collection needs to be determined. Pragmatic marketing research appreciates the notion that a sample rather than a census is a more feasible approach for data collection (Zikmund 2000:462). A sample is often more accurate and practical than obtaining information from the entire population (Struwig& Stead 2001:109). Sampling is deemed necessary when it is impossible to survey the entire population of an unmanageable size and it is unnecessary to assume that a census would necessarily provide more useful results than a planned survey.

The development of a sampling plan is a particularly critical aspect of survey methodology as it provides a foundation for a sound measurement (McDaniel & Gates 2006:318). Specific steps, as recommended by Parasuraman and Grewal (2008:225) and Gupta (2011:231), were followed in developing the sampling procedure for the empirical study as indicated in Figure 3.1. These include identifying the target population, identifying the sample frame, selecting the sampling method, determining the sample size and gathering information from the sample elements (Wiid & Diggines 2011:196).

Figure 3.1:   The steps in the sampling process
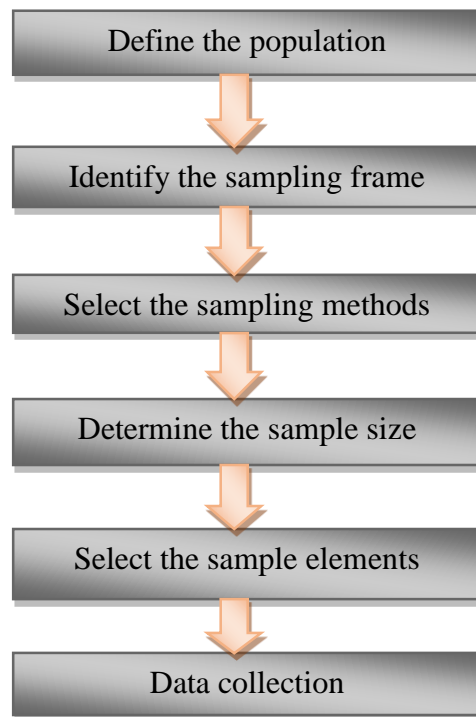
Source: Adapted from Wiid and Diggines (2011:196)

3.3.1   Target population

Population is defined as the totality of units from which the sample will be drawn (Bryman& Bell 2007:182). A population in research is the entire group of people about whom information is needed and is also called universe or population of interest (McDaniel & Gates 2006:319) or "universum" (Surujlal 2004:141). On the other hand, sample is a subset of the population (Zikmund &Babin 2007:403). Therefore, it is imperative for the researcher to be precise in deciding who to include or exclude in the study (Fraenkel& Wallen 2008:91; Krippendorff 2004:112). For this study, the population included consumers (Generation X), from the age of 32 and above, who had experience in online shopping. Limits on time and resources made it impossible to include all consumers who might potentially inform the research process, therefore, it was necessary to select a small subgroup to provide the data needed (Stringer 2004:50).

3.3.2   The sample frame

After defining the target population, the researcher assembled a list of all eligible sampling units referred to as the sampling frame. Malhotra and Peterson (2006:326) define sample frame as a listing of all units in the population from which the sample is selected and each unit of analysis is included only once (Bryman & Bell 2007:182). It consists of a set of directions for identifying the target population, includes the different types of sample sources, and incorporates the basis on which respondents are selected (Bradley 2007:188). Common examples of sample frames include, but are not limited to, lists of registered voters, customer lists and maps, amongst others (Tustin, Ligthelm, Martins & Van Wyk 2005:155). Snowball sampling was used and initial respondents were asked if they knew other respondents making use of online shopping.

3.3.3   Sampling method

Sampling method is a way by which the sample units were selected. There are two alternative methods of sampling – probability and non- probability sampling procedures (Struwig& Stead 2001:111). Probability sampling is based on the premise that each member of the population has a definite opportunity to be selected. Sample elements are selected by chance and the chance is known for each element that is selected. On the other hand, non-probability sampling selection relies on the discretion of the researcher and furthermore, the degree of sampling error cannot be determined (Tustin *et al.* 2010:345).

This study necessitated the use of a snowballing, non-probability sampling method. This sampling technique was chosen because it does not use the chance selection procedures but instead relies on the personal judgement of the researcher (Churchill *et al.* 2010:333; Malhotra & Peterson 2006:327). Since it was difficult to locate an accurate sample frame, snowball sampling was employed to recruit the potential respondents. Snowball sampling is a special non-probability method used when the desired sample characteristic is rare, hard-to-reach populations, and when there is a lack of a serviceable sampling frame (Handcock& Gile 2011:2). Snowball relies on referrals from initial subjects to generate additional subjects. Therefore, these initial respondents were asked to identify potential consumers who are online shoppers.

3.3.4 Sample size

Sample size provides a basis of the estimation of sampling error. However, determining the relevant sample size needed in research is complex. The determination of a sample size was a subjective, intuitive practical consideration made by the researcher based on historic evidence approach (Zikmund 2000:519). Table 3.1 provides examples of past studies, which were the basis for the selection of the sample size.

Table 3.2:   Sample size determination

Year	Authors	Scope of the study	Sample size used
2009	Chang *et al.*	Survey of online Koreans and UK consumers	360
2009	Lee *et al.*	Survey of online buyers in South Korea	274
2010	Ha, Muthaly & Akamavi	Survey of PC home online consumers	539
2010	Ha, Janda & Muthaly	Survey on online travel services customers	514
2012	Shiau & Luo	Survey of online consumer satisfaction	215
2012	Tien *et al.*	Survey on GROUPON website's customers	246

Source: Author compilation (2014)

Although the sample size was determined on the basis of previous studies, the researcher considered several key factors to determine the sample size: the number of groups within the sample, the value of the information and the accuracy of results required, the cost of sampling, the variability of the population, the cost of data collection, and the constraint of time. The sample size of 500 was used in the survey, similar with those used by a number of researchers in the online shopping context.

3.4   DATA COLLECTION

The researcher distributed self-administered structured questionnaires to the identified respondents, who were asked to identify other respondents around the Vaal Triangle. A survey was carried out providing easy, quick, inexpensive, efficient and accurate information about the population (Tustin *et al.* 2005:139). The use of a self-administered questionnaire was employed because of its cost effectiveness and easy to administer. The method also ensured a

greater possibility of anonymity and greater convenience for the respondents since they could complete the questionnaire at their own time and pace (Bryman & Bell 2007:242).

3.4.1 The survey method

For the purpose of this study, personally administered survey was used based on the situation and the nature of data required. Face-to-face surveys are known to generate large amounts of data. The use of the questionnaire during the survey generated essential information useful for improving response rate.

3.4.2 The fieldwork

The researcher carried out the data collection task to avoid biasness from fieldworkers who might have required training for subject knowledge, interviewing skills, interpersonal skills and professionalism. Data collection activities took place in the Vaal Triangle region between February and May 2014 with many unanticipated challenges. The challenges started with the travelling costs when the researcher had to commute from one town to another, and locating the required sample was also a challenge.

3.4.3 The response rate

Zikmund (2000:152) defines response rate as a percentage of returned useable questionnaires to the total number of eligible respondents who were identified to partake in the survey. A total number of 500 questionnaires were distributed. However, due to a variety of reasons, some of the questionnaires were not returned, while some were incomplete. Therefore, a total number of 326 usable questionnaires were received for analysis, representing a 65.2 percent response rate.

3.4.4 The questionnaire design

The study used a structured questionnaire for data collection consisting of a series of questions to which participants responded. As suggested by Burns and Bush (2006:300), the questionnaire enabled the researcher to achieve the following functions:

- It helped to translate the research objectives into specific questions.
- It enabled standardise questions and the response categories so that every participant responded to identical stimuli.

- By its wording, questions, flow and appearance, it fostered cooperation and kept respondents motivated throughout the interviews.

- Questionnaires served as a permanent record of the research.

- The questionnaires helped speed up the process of data analysis.

- The questionnaires contained the information on which reliability assessments were made, and they could be used in follow-up validation of respondents' participation in the survey.

3.4.4.1   The questionnaire layout and questions format

The questionnaire comprised four sections:

Section A contained biographical information of the respondents, which included age, gender, ethnicity, educational background, occupation, language or mother tongue, city or town as well as online characteristics such as years on the Internet and method of payment. This information was required to complete a detailed profile of the respondents. Section A was based on dichotomous and multiple-choice questions.

Section B contained questions based on online satisfaction. The respondents were asked to indicate their level of satisfaction with doing online business using a five point Likert scale where 1=strongly disagree, 3=neither disagree nor agree and 5=strongly agree.

Section C covered questions based on online customer loyalty. In this section the respondents were asked to indicate their loyalty towards online shopping using a five point Likert scale where 1=strongly disagree, 3=neither disagree nor agree and 5=strongly agree.

Section D contained questions on online repurchase intentions. The respondents were required to rank their repurchase intentions in online shopping environment using a five point Likert scale ranging from 1=strongly disagree, 3=neither disagree nor agree and 5=strongly agree.

3.5   PRE-TESTING THE QUESTIONNAIR

The researcher conducted a pre-test of the questionnaire to identify and correct deficiencies and to ensure that the questionnaire communicated the information correctly and clearly to the respondents. Pre-testing was undertaken for clarity and appropriateness of the questionnaire.

The questionnaire was tested using 10 online shopping consumers and these individuals were not included in the final sample. The primary purpose of the pre-test was to establish the appropriateness of the Likert scale format and the reliability of the scales. Respondents were requested to comment, indicate any difficulty or any ambiguity that they encountered in reviewing the questionnaire. The comments or inputs received were mostly regarding wording of the questionnaire. Some items were eliminated, modified and refined on the basis of the feedback received before commencement of pilot studies.

3.6 PILOT STUDY (SCALE PURIFICATION)

A pilot test was performed with n=60 respondents to develop, adapt and check the feasibility of techniques, to determine the reliability of measures, and to estimate the size of the final sample. In order to collect accurate data the instrument used must be both reliable and valid (Mouton 2003:100). The researcher made use of a pilot test of the questionnaires before the main survey to establish the appropriateness of the reliability of the scales and construct validity under examination. All the items were above the benchmark of 0.30 factor loadings, therefore, there was no item eliminated. The purpose of the pilot test was to determine whether all the scale variables would factor out as intended (Dhurup 2003:249).

3.7 DATA PREPARATION

The process of data preparation involved checking the data for accuracy before entering into the computer to transform it (Cooper & Schindler 2006:490). There are four phases of data preparation, which the researcher employed in this study, namely data editing, coding, capturing and cleaning. These phases were employed to ensure that the data collected were complete and ready for analysing (Kumar, Aaker& Day 2002:356). The discussions of these four phases follows in the next sections.

3.7.1 Data editing

Editing is the process of checking completeness, consistency, comprehensibility, uniformity, and legibility of data and making the data ready for coding and transfer to storage (Churchill & Iacobucci 2005:407). Cooper and Schindler (2006:491) define editing as a process for detecting errors and data omissions, and correcting them when possible, and certifies that

maximum data quality are achieved. The questionnaire was reviewed after the completion of field work by the researcher, checking the accuracy of the available questionnaire and for the completeness in preparing them for data analysis. In the process of editing, unsatisfactory questionnaires were discarded as advised by Malhotra (2004:469).

In case of item non-response, the researcher had some available options such as using a neutral value where data was inserted to make it consistent and readable (Zikmund 2000:556). This was a prelimary form of data field editing which was undertaken by the researcher during data preparation.

3.7.2 Data coding

Coding is the process of assigning and classifying a code to represent a specific response to a specific question with a numeric score or character symbol (Malhotra & Birks 2006:422; Churchill *et al.* 2010:403). Codes allow data to be processed in the computer. Codes are generally considered to be numbered symbols, however, they are more broadly defined as rules for interpreting, classifying, and recording the data (Zikmund 2000:560).

3.7.3 Data capturing

Malhotra (2010:459) defines data capturing as a method of transferring coded information from the questionnaires or coding sheet directly into the computer by keypunching. In this study, the statistician, using the Microsoft Excel program, performed data capturing.

3.7.4 Data cleaning

Data cleaning is the most imperative part of data preparation process (McDaniel & Gates 2008:400). The process of transformation from data to intelligence will be made more risky and more difficult if there are still remaining errors in the data (Zikmund & Babin 2007:479). The next step to be taken after the data were entered and stored in the computer for processing is error checking, before proceeding with statistical analysis. Data cleaning involved error checking and treatment of missing responses, substitution of neutral value, substituting imputed response, and a case-wise and pair-wise deletion (Malhotra 2010:461).

3.8   DATA ANALYSIS

A Microsoft Excel spreadsheet was used to enter all the data and then copied to the Statistical Package for Social Sciences (Version 22.0 for Windows) programme; a statistical package used to code data and to run the statistical analysis. It is important to mention that the selection of data analysis techniques in this study was guided by the data analysis techniques used in the past researches in the area of online shopping.

- Descriptive statistics
- Inferential statistics
- T- tests statistics
- Correlation analysis
- Regression analysis
- Reliability and validity analysis
- Structural equation model (SEM)

3.8.1   Descriptive statistics

Descriptive statistical analysis transforms raw data into a form that will make them easy to understand and interpret. Descriptive statistics are used mainly to describe the basic features that provide simple summaries about sample characteristics and measures. This study makes use of descriptive statistics to analyse the composition and normality of the data. Churchill *et al.* (2010:429) enumerate such statistics as measures of location (mean, median and mode), dispersion of variability (variance, standard deviation, range, interquartile range and coefficient of variation) and the various measures of distribution (example skewness and kurtosis) as illustrated in Table 3.3 and 3.4 respectively.

Some of these measures were used to gain an overall understanding of the raw data and to enable the data to be presented using tables and figures.

Table 3.3:   Measures of central location

MEASURES AND DESCRIPTIONS	
Mean	Mean or average is the arithmetic average value of the responses on a variable. The sum of the scores in a distribution is divided by the total number of scores. The mean or average is the most commonly used method of describing central tendency in descriptive statistics. The sum of the values for all observations of a variable divided by the number of observations (McDaniel & Gates 2004:339).
Median	The median is the score found at the exact middle of the set of values. It is simply the number that divides the sample into two. A technique for finding the value below which 50 percent of the observations fall (Churchill et al. 2010:431). The median can be computed for all types of data except nominal data.
Mode	The first measure of central tendency is mode. It is a value that occurs most frequently (McDaniel & Gates 2004:340). It is a value that has the highest frequency in a frequency distribution.

Source: Author compilation (2014)

Table 3.4:   Dispersion of Variability

DISPERSION OF VARIABILITY AND DESCRIPTION	
Variance	The sum of the squared differences between data values and the mean, divided by the count -1
Std. deviation	The standard deviation is the square root of the calculated variance on a variable (Churchill *et al.* 2010:430). The sample standard deviation provides a convenient measure of the variation in responses for continuous measures.
Range	The range is the size of the smallest interval, which contains all the data and provides an indication of dispersion. The range is a simple function of the sample maximum and minimum. Range = maximum value – minimum value.
Quartile deviation	The interquartile range of a data set is the difference between the third quartile and the first quartile.
Coefficient of variation	The coefficient of variation indicates how large the standard deviation is in relation to the mean

Source: Author compilation (2014)

3.8.2   Frequency distribution

The most fundamental of descriptive techniques is the construction of frequency distributions. Frequency distribution by definition is a mathematical distribution with the aim of obtaining a count of a number of respondents associated with different values of one variable and to express these counts in percentage terms (Malhotra & Peterson 2006:429). Various illustrations of data

were presented in form of frequency distribution tables. This entails the construction of a table that shows in absolute and relative terms how often the different values of the variable are encountered in the sample. The frequency distribution indicates how popular the different values of the variables were among the units of analysis (Tustin *et al.* 2005:523). These were useful in characterising the sample and understanding the data composition as presented in Section 4.3.

3.8.3 Use of graphs and charts

The researcher employed some graphs and charts, rather than relying solely on frequency distribution to display the research findings, such as line charts, pie charts, histograms and bar charts. These charts are best suited when dealing with nominal or ordinal variables (Tustin *et al.* 2005:523). Data analysis results are presented mostly in the form of graphs to depict absolute and relative magnitudes, differences, proportions and trends (Hair *et al*. 2000:524).

3.8.4 Cross-tabulations

Cross-tabulation by definition, is a statistical technique that explains two or more variables simultaneously (Malhotra & Peterson 2006:442), categorising the number of respondents who have answered two or more questions consecutively (Hair *et al.* 2000:501). This study used cross-tabulation to treat two or more variables simultaneously. Cross-tabulation was extremely useful as the researcher wished to study relationships between and among variables. The purpose of using cross-tabulation was to determine whether certain variables differ when compared among variable subgroups of the total sample (Hair *et al.* 2000:505. Thus, cross-tabulations are data tables that present the statistics of the entire group of respondents as well as the results of the sub-groups of respondents.

3.8.5 T-tests statistics

The t-test was used to test the significant differences in the degree of adherence to online satisfaction, loyalty and repurchase intentions for males and females. This enabled researcher to carry preliminary analysis determining where values were concentrated within the sample (Davis 2008:315) and infer that to the population. These analyses deal with drawing

conclusions and in some cases making predictions about the properties of a population based on information obtained from a sample. They facilitate the making of broader statements about the relationships between the data (Mouton 1996:166). The independent t-tests are reported in Chapter 4 under Section 4.3.5. The tests were done to compare the variables with socio-demographic factors, gender, age and race, and to show if there are any statistically significant differences.

3.8.6 Correlation analysis

Correlation analysis involves measuring the strength or closeness of the relationship or joint variation between two variables at a time (Aaker, Kumar & Day 2004:509). It is used to analyse the degree to which changes in one variable are associated with changes in another variable. This study used correlation analysis for two purposes, firstly to identify the presence of multi-collinearity, which is a condition for using parametric techniques in data analysis, and secondly, correlation analysis was needed in order to explore the relationships between variables used in this study (McDaniel & Gates 2002:560).

The correlation coefficient (r) ranges from -1 to +1. A value of zero to one indicate a positive relationship, suggesting that if values for one variable increase, so do those of the other, while a value between -1 and zero indicate a negative relationship, suggesting that as the values of one variable increase, those for the other decrease. No correlation is indicated if r equals zero (Zikmund & Babin 2007:577).

3.8.7 Regression analysis

Regression is a statistical technique used to relate two or more constructs. By definition, regression analysis is an instrument used to derive an equation that relates the criterion variable to one or more predictor variables (Churchill & Iacobucci 2005:410). The purpose in regression analysis is to construct a model equation relating the dependent variable to one or more independent variables. The model can then be used to predict, describe, and control the variable of interest on the basis of the independent variable (Aaker *et al.* 2004:515). Therefore, regression provides a tool that quantifies relationships and further integrates the relationship of

intentions with two, three, or more variables simultaneously. Regression analysis is used for the following reasons as suggested by Malhotra and Peterson (2006:503):

- To determine whether the independent variables explain a significant variation in the dependent variable, *inter alia* whether a relationship exists
- To determine how much of the variation in the dependent variable can be explained by the independent variables, *inter alia* strength of the relationships
- To determine the structure or form of the relationship
- To predict the values of the dependent variable on the independent variable
- To control other independent variables when evaluating the contributions of a specific variable or sets of variables.

Regression analysis was conducted to examine the relationship between the variables in the study, namely online satisfaction, loyalty and repurchase intentions. Regression was also undertaken to test the hypotheses of this study as reported in Section 4.3.4.

3.8.8 Reliability

Reliability is a degree to which the measuring instrument is consistent and dependable over time (Block& Block 2005:86). In sampling, reliability incorporates both accuracy and precision. A sampling process is reliable as it provides accurate results consistently over a large number of trials (Barker 1983:94). Accuracy is the absence of error, while precision occurs when accuracy misses concept. The researcher carried out the reliability analysis at the pilot study first and then in the main survey.

The results for both pilot test and main survey are reported in Chapter 4. Reliability statistics for the pilot study are shown in table 4.1 while the reliability statistics for the main survey are reported and discussed in (Section 4.3.7). There are various ways of reliability estimates as indicated in Figure 3.2.

Figure 3.2:   Reliability assessment explained

Test-retest reliability →	Is the ability of the same instrument to yield consistent results when used a second time under similar conditions as possible to the original conditions.
Equivalent form reliability →	The ability of two equivalent forms of an instrument to yield closely correlated results
Internal consistency reliability →	The ability of instrument to yield equivalent results when used on distinct samples during the same time period to measure of phenomenon. There are ways of assessing internal consistency reliability; • Split-half technique-an approach of assessing internal consistency reliability of the scale by dividing the total set of measurement items into two halves and the resulting half score is correlated • Cronbach's alpha- a measure of internal consistency reliability test score that is the average of all possible split-half coefficients resulting from different splitting of the scale items

Source: McDaniel and Gates (2004:200-201)

The study used the Cronbach alpha coefficient, which is the most common internal consistency estimate (Tien *et al*. 2012:258). Nunnally (1978) suggested that the new developed measures could be accepted with an alpha value of 0.60; otherwise, 0.70 should be the benchmark. Thus, an instrument with no reliability will score zero or close to zero, and an instrument with high reliability will score close to one. In this study, coefficient alpha was used to assess the reliability of the measurement scales. The easiest way to establish whether the items correlated was to calculate the item-to-total correlations. Items with correlations near zero were eliminated. For this study, internal consistency reliability required only one administration and subsequently was the most effective, especially for this field study. Composite reliability was also performed in this study.

3.8.9 Validity

Validity is the extent to which a measurement produces true meaning or score of the variable under investigation (Block& Block 2005:85). Validity is compromised only when there is a source of error or bias in the way questions are asked. Maree (2009:85) suggests that a measure or instrument is said to be valid if it measures what it is supposed to measure. Validity can be examined in various forms as illustrated in Figure 3.3.

Figure 3.3:   Types of validity

| Face validity | → | A type of validity measure, which a measuring scale seems to measure what it is supposed to measure. |

| Content validity | → | The extent to which the scale items represent the universe of the task at hand |

| Criterion related validity | → | The extent to which the measurement scale can predict a construct that is selected as criterion. There two measures of criterion validity, concurrent validity and predictive validity |

| Construct validity | → | The extent to which a measure confirms hypotheses created from a theory based up the concepts under study. There are measures of construct validity and defined below |

Convergent validity: a type of validity construct that measures the degree to which construct correlates positively with the other measures of same concept.

Discriminant validity: a type of construct validity that shows the lack of association among constructs that are supposed to be different

Source: McDaniel and Gates (2001:259)

All the various forms of validity undertaken in the study were elucidated in Chapter 4 under Section 4.3.8.

3.8.9.1 Construct validity

Maree (2007:217) suggests that construct validity is used for standardisation and has to do with how well the construct covered by the instrument is measured by different groups of related items. To establishing the construct validity of a measure, it involves both theoretical and empirical work. Construct validity was established during the pilot-testing stage of the questionnaire to validate the measuring scale.

3.8.9.2 Convergent validity

Convergent validity reflects the degree of correlation among different measures, which claim to measure the same construct (McDaniel & Gates 2004:205). An assessment and a comparison of the results of this research with previous similar studies were conducted. Convergent validity was ascertained through correlation analysis. Correlations are reported in Chapter 4 under Section 4.3.3 of the study.

3.8.9.3 Discriminant validity

Zikmund (2000:223) emphasises that discriminant validity involves demonstrating a lack of correlation between differing variables. Discriminant validity measures the extent to which a measure does not correlate with other constructs from which it is supposed to differ.

3.8.10 Structural equation modelling (SEM)

Structural equation modelling was applied in this study to test the proposed relationships simultaneously. SEM is described as a combination of exploratory factor analysis and multiple regressions and it is more of a confirmatory technique (Schreiber, Nora, Stage, Barlow& King 2010:324). Structural equation modelling is a tool for analysing multivariate data that is especially appropriate for theory testing.

SEM takes a confirmatory approach to analysis but it can also be used for exploratory purposes (Schreiber *et al.* 2010:325). SEM extends that possibility of relationships among the latent variables and encompasses two components, a measurement model (CFA), and a structural

model. It uses various types of models to predict relationships among observed variables, with the basic goal of providing a quantitative test of a theoretical model hypothesised by the researcher. SEM can also be applicable to both experimental and non-experimental data, as well as cross-sectional and longitudinal data. SEM is a multivariate confirmatory (hypothesis testing) approach that stipulates causal relations among multiple variables. The consistency is evaluated through model-data fit.

SEM is a technique for large samples usually over 250. Structural equation modelling (SEM), which includes measurement model and path analysis, is an efficient way to find the causal relationships between constructs and their underlying measurement suitability (Lee *et al.* 2007:6). Confirmatory factor analysis (CFA) was employed to test the reliability and validity of the scale after data collection. The Cronbach alpha (α) value of the instrument, along with the CFA results, are shown in Table 4.18 and Table 4.21 respectively.

The loading factor values of each manifest variable were higher than the suggested threshold level of 0.7 (Lee *et al.* 2007:6), indicating that internal consistency and convergent validity are good; composite reliability (construct reliability) and the Cronbach's α value of each construct were higher than 0.8 (the suggested threshold value is 0.7), also the average variance extracted of each construct was greater than 0.5, indicating good reliability.

3.8.11   Hypotheses testing

Hypotheses are statements of facts or propositions yet to be proven. McDaniel and Gates (2001:414) define hypothesis as an assumption or a guess made by a researcher about the characteristics of the population under investigation. According to Burn and Bush (2006:467), hypothesis test is a statistical procedure used to accept or reject the hypothesis based on sample evidence or information. This study tested the hypotheses using regression analysis and SEM (refer to Section 4.3.4 and 4.3.7). The hypotheses under assessment were formulated in Chapter 1.3. The results of hypotheses testing are reported in Table 4.23, with relevant discussions and interpretations. The results showed the supported proposed hypotheses (H_1 to H_3).

3.9　　　　ETHICAL CONSIDERATION

Mouton (2003:238) ascertains that scientific research is a form of human conduct; such conduct has to conform to generally accepted values and norms. The essential purpose of research ethics is to protect the welfare of research participants and extending into areas such as scientific misconduct and plagiarism. However, Blanche, Durrheim and Painter (2006:61) are of the view that ethics in research involves just more than a focus on the welfare of the participants. Researchers are guided by four key ethical principles in research as suggested by Blanche *et al.* (2006:61):

3.9.1　　　　Anonymity and respect for the dignity of persons

This involves protecting confidentiality of the participants and also an important operational expression of this principle. The identities of the respondents were protected during the process of data collection; in particular, the respondents were in no instances forced to disclose their names. The data aggregated without any reference to any particular respondent.

3.9.2　　　　Non-maleficence and voluntary

This philosophical principle requires the researcher to ensure that no harm befalls research participants as a consequence of the research. The researcher made sure that participants partake in the study on their own choice. The researcher reminded the respondents that the survey was completely voluntary and that they had all the right to withdraw from the survey at any time if they so wished.

3.9.3　　　　Justice

In research, justice is a complex philosophical principle and in general, it requires that the researcher treat participants with fairness and equity during all stages of research. Mutual trust is an ethical issue. The researcher must uphold standards of confidentiality and anonymity as promised to respondents. For this study, all the respondents were treated equally and professionally, observing mutual respect in the interviews and maintaining interview focus.

3.9.4 Beneficence

This principle requires the researcher to maximise the benefits that the research will afford to the participants in the research study. During the fieldwork, the researcher prioritised the fact that the research was not for researcher's direct financial benefit. Respondentswere advised in each interview that the data would be used only for academic purposes, and that the aggregated report would be available for their access at Vaal University of Technology upon request. Conversations were intended to build mutual trust. Participants were reminded constantly by the researcher to ensure they did not divert into confrontations.

3.10 SYNOPSIS

This chapter (research methodology) outlined the various steps undertaken in achieving the practical aspects of this study. It provided detailed discussions of the research design, which was followed throughout the study. The specific layout that was set to obtain empirical evidence for successfully achieving the research objectives is provided. Moreover, the research design, sampling strategy, sample frame and sampling procedures are elaborated upon.

A detailed discussion of the data collection techniques used for the study is provided. The data collection instrument (questionnaire) format, construction and layout is explained showing how it was designed, structured and administered in the field. The course that was followed in the data analysis process is reviewed, where various statistical procedures were highlighted, as well as the reliability and validity assessment procedures used.

The following chapter, Chapter 4, presents the statistical analysis of the data and report on the findings of the empirical research. Different statistical tools will be applied in order to thoroughly break down the findings and develop meaningful findings and interpretations. In order to break down the findings and interpretations of data, the analysis of the findings will be made such that the data can be reported on and phrased into meaningful information. Data illustrations will be in the form of figures and tables with interpretations given, while trends and comparisons will be displayed in such a way that they answer the research objectives as set out at the beginning of the study.

CHAPTER 4

DATA ANALYSIS, INTERPRETATION AND DISCUSSION OF EMPIRICAL FINDINGS

4.1   INTRODUCTION

The previous chapter provided an overview of the methodology and research methods used in the study. A detailed description of the sample selection and composition as well as questionnaire development was provided. The procedures followed in collecting, capturing, processing and analysing the data were also presented. Statistical techniques applied to determine the reliability and validity of the research instrument of the studywere provided.

This chapter focuses on the findings of the empirical study through an analysis, interpretation and discussion of the results. The Statistical Packages for Social Sciences (SPSS version 22.0 for Windows) was used to analyse the data. First, the reliability of the pilot study is presented and discussed. The pilot test was imperative to ensure that the instrument measures the relevant variables. The results of the pilot study are discussed briefly, followed by an explanation of the main survey findings. Secondly, the results of the main survey will be presented, interpreted and discussed. The analysis will be accomplished in sequence by presenting the demographic description of the sample, followed by the correlations analysis, regression analysis, and hypotheses testing. This chapter concludes by discussing the reliability and validity of the questionnaire.

4.2   PILOT STUDY

A pilot study was undertaken to ensure that the questionnaire used in the main survey was appropriately constructed and captured the essential variables for the study. The pilot questionnaire was scrutinised by the researcher and the promoter whereby comments were taken into account during the refinement of the questionnaire. Pilot testing involves a trial run of the instrument with a limited sample size of the respondents from the target population in order to iron out problems with regard to the questionnaire (Malhotra 2010:153). A limited

number of respondents (n=60) were used in the pilot study. Respondents from the pilot study were drawn from the same population where the sample was drawn from. However, these respondents were not part of the main study.

4.2.1 Reliability statistics for pilot study

The initial questionnaire consisted of Section B (online satisfaction), Section C (loyalty), and Section D (repurchase intentions) with the total representative items of seven, seven and six respectively subjected to reliability tests during the pilot stage. A questionnaire made use of a five-point Likert scale ranging from 1=strongly disagree, 3=neither disagree nor agree and 5=strongly agree, was administered at the pilot study.

The results obtained give a satisfactory indication of reliability for all the three sections of the questionnaire as reported in Table 4.1. The reliability indicators exceeded the suggested level of 0.600 (Nunnally 1978:245).

Table 4.1:   Pilot reliability statistics

Construct	Cronbach's Alpha	No. of Items
Section B (Online satisfaction)	0.881	7
Section C (Loyalty)	0.864	7
Section D (Repurchase intentions)	0.798	6

Source: Own compilation (2014)

4.2.2 Item deletion and modification of scales

Although the Cronbach alpha values were satisfactory, the scales required some modifications, as illustrated in Table 4.2, which outlines the procedures adopted in the data collection and scale purification processes at the pilot stages. Only one question from Section D was modified because it had corrected item total-correlation compared to other variables ranging from 0.500.

Table 4.2:   **Scale purification in the pilot stage**

QUESTIONNAIRE (SCALES)	NO. OF ITEMS	SAMPLE SIZE	DELETED/ MODIFIED ITEMS	REASON FOR THE ACTION
Section D (Online repurchase intentions)	6	60	1	Corrected item-total correlation was above the benchmark of 0.300 but too low at 0.346 for variable D1 compared to other variables

According to Malhotra (2004:467), sequential deletion and modification of variables with low item-total correlations may lead to a tentative definition of the best set of items for the scales. Thus, questionnaire modification was undertaken as illustrated in Table 4.3.

Table 4.3:   **Modified item for Section D**

VARIABLE	DESCRIPTION OF VARIABLE	ACTION
D1	I intend to continue buying goods from the online shopping site that I regularly use	Item modified

Table 4.3 shows that variable D1 was modified to read coherently as it was ambiguous. The analysis of the main survey is presented in the next section.

4.3   ANALYSIS OF THE MAIN SURVEY

In line with the sampling plan in Chapter 3, the sample size was set at 500. Of all the questionnaires administered, 107 were not returned while 67 were incomplete and could not be used because some of the sections were partially completed, resulting in 326 usable questionnaires. An analysis, interpretation and the discussion of empirical findings is presented in the following sequence:

- First, frequency distribution tables
- Secondly, descriptive statistics
- Thirdly, correlations and regression analysis
- Fourthly, parametric and non-parametric tests

- Lastly, SEM, hypothesis testing, reliability and validity analysis.

The following section provides an overview of the sample characteristics that have been used in the preliminary data analysis.

4.3.1   Profile of the respondents

This section provides sample descriptions, as outlined in the subsections.

4.3.1.1   Gender composition of the sample

Figure 4.1 provides an overview of the gender composition of the respondents. The gender characteristics of the sample comprised n=198 males, representing 60.7 percent, and n=128 females, representing 39.3 percent, respectively. These results suggest that males are more likely to be partaking in online shopping activities than females in southern Gauteng. This finding correlates with the findings in a study done in South Africa by North *et al.* (2003:61) who reported that the majority of online shoppers tend to be males.

Figure 4.1:   Gender composition

GENDER

Female 39%

Male 61%
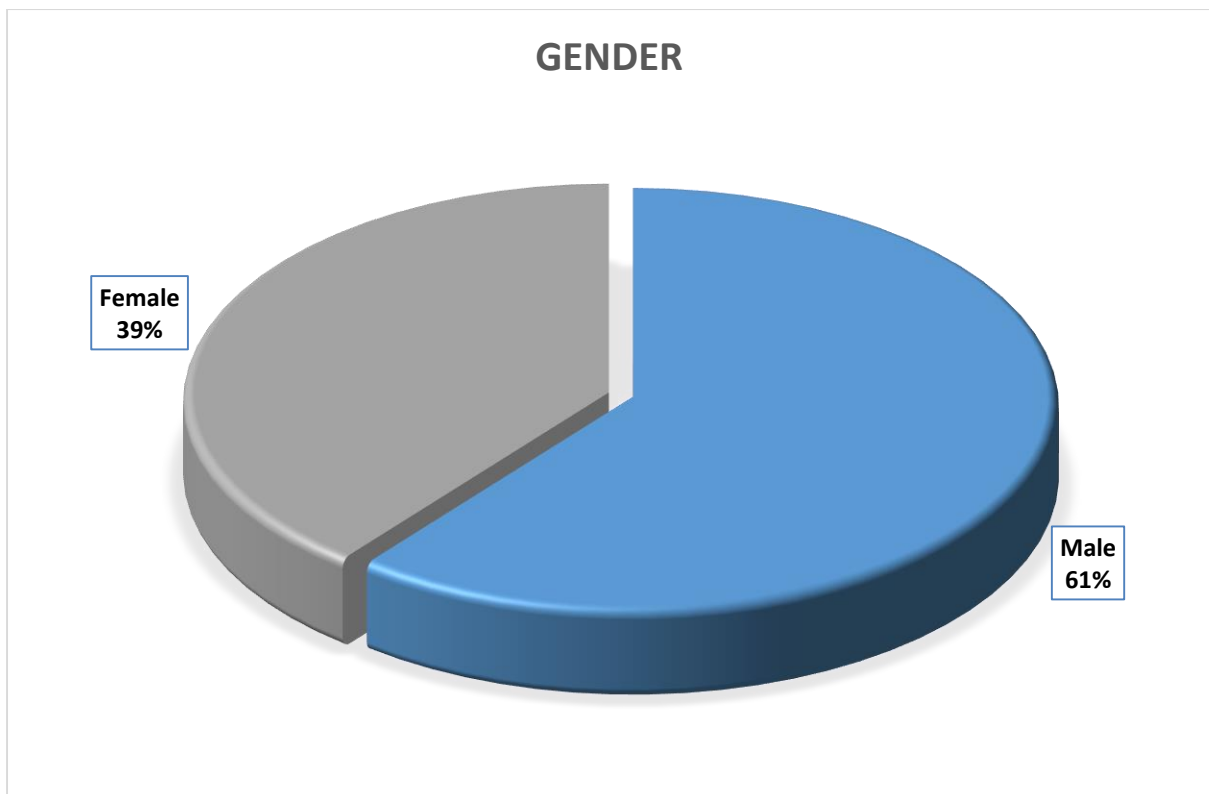
4.3.1.2   Age and Race of the respondents

The age composition of the sample reports that 38 percent (n=124) of the respondents were between the age of 32-35 years, 35.3 percent (n=115) were aged between 36-40 years, 13.5 percent (n=44) were aged between 41-45 years, 8.6 percent (n=28) represented the age group between 46-50 years, and the 4.6 percent (n=15) of the sample represented 51 years and above. It seems that online shopping business is mostly evolved within the age brackets of 32-50 years provided the majority of the respondents were aged between 32-35, with 38 percent (n=124). Therefore, it can concluded that online shopping requires individuals with online shopping experience and purchase powers.

Table 4.4:   Respondents characteristics (age and race)

Age of respondent	Freq	%	Race	Freq	%
32-35 years	124	38	Black	180	55.2
35-40 years	115	35.3	White	78	23.9
41-45 years	44	13.5	Coloured	34	10.4
46-50 years	28	8.6	Indian	34	10.4
51 years and above	15	4.6			
Total	**326**	**100**	**Total**	**326**	**100**

Table 4.4 provides the breakdown of ethnicity (population group). The majority of the respondents were Black-Africans (52.2%; n=180) followed by Whites with 23.9 percent (n=78). Coloureds constituted 10.4 percent (n=34) of the respondents altogether, same as Indians on 10.4 percent (n=34). This shows that Black-Africans from the sampled respondents have the passion and desire to shop online compared to other population groups.

4.3.1.3   Language of the respondents

Table 4.5 reports that 20.2 percent (n=66) of the sample were Afrikaans speaking people, 7.4 percent (n=24) of the respondents represented IsiZulu language, followed by Xitsonga with 7.1 percent (n=23), SiSwati was represented by 3.4 percent (n=11) of the respondents, 5.8 percent (n=19) and 5.5 percent (n=18) of the respondents represented IsiXhosa and Setswana

languages respectively, 19 percent (n=62) of the total sample were English speaking people, 5.2 percent (n=17) of the respondents were Venda speaking group, Sesotho was represented in the sample by 11.35 percent (n=37), the least percentage of the sample represented Ndebele with 1.8 percent (n=6) of the respondents were IsiNdebele speaking people, 4.3 percent (n=14) of the respondents represented Sepedi while 8.9 percent (n=29) represented other languages. It seems that southern Gauteng (Vaal Triangle) is dominated by an Afrikaans-speaking group within Generation X consumers shopping online, followed by English-speaking people.

Table 4.5:   Language of correspondence of the respondents

Mother tongue of the respondents	Frequency	Percentage
Afrikaans	66	20.2
Xitsonga	23	7.1
IsiZulu	24	7.4
siSwati	11	3.4
IsiXhosa	19	5.8
Setswana	18	5.5
English	62	19
Tshivenda	17	5.2
Sesotho	37	11.3
IsiNdebele	6	1.8
Sepedi	14	4.3
Other	29	8.9
Total	**326**	**100**

4.3.1.4   Educational status

In terms of educational background, Figure 4.2 shows that more than three-quarters (12%+41.1%+25.2%+14.7%=93%) of the respondents had a qualification from tertiary institutions. The majority of the respondents (41.1%; n=134) had either diploma or degree, 25.2 percent of the respondents either had an honours or master's degree, 14.7 percent (n=48) of the respondents had PhD or other equivalent qualification, 12 percent (n=39) of the respondents had a college certificate. The reminder (small portion) of the respondents 7.1 percent (n=23)

either possess a grade 12 certificate, or had no formal education at all. North *et al.* (2003:61) study is in agreement with these findings that online consumers tend to have higher educational levels.

Figure 4.2:   Educational statuses of the respondents
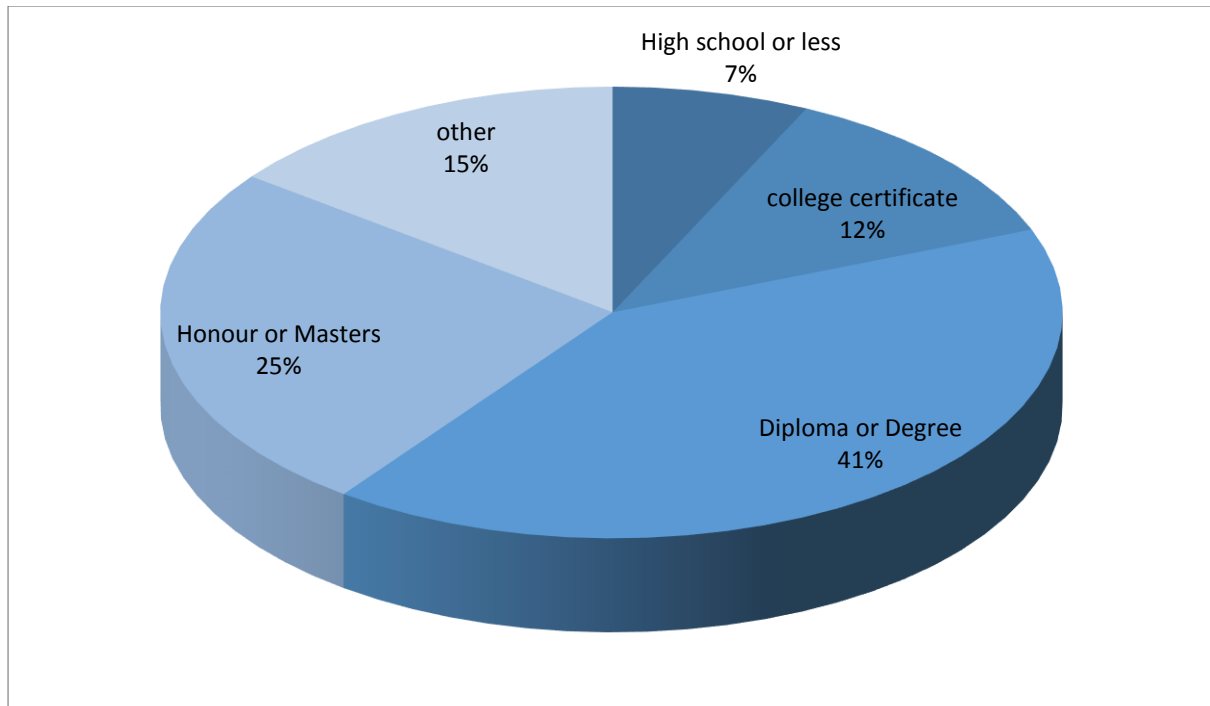
4.3.1.5   Respondents' residence/location

Figure 4.3 provides an illustration of the population residence (location). The majority of the respondents 25.5 percent (n=83) were residing in Vereeniging, followed by 24.2 percent (n=79) Vanderbijlpark residents, Deneysville was represented by 16.3 percent (n=53) of the respondents, 14.4 percent (n=47) and 13.8 percent (n=45) of the respondents represented Arconpark and Meyerton respectively, and the small portion of the respondents 5.8 percent (n=19) were from the other cities and towns within or outside of the region. This implies that Vanderbijlpark and Vereeniging are the centre of attention for online businesses with the majority of respondents.

Figure 4.3:   Location of the respondents
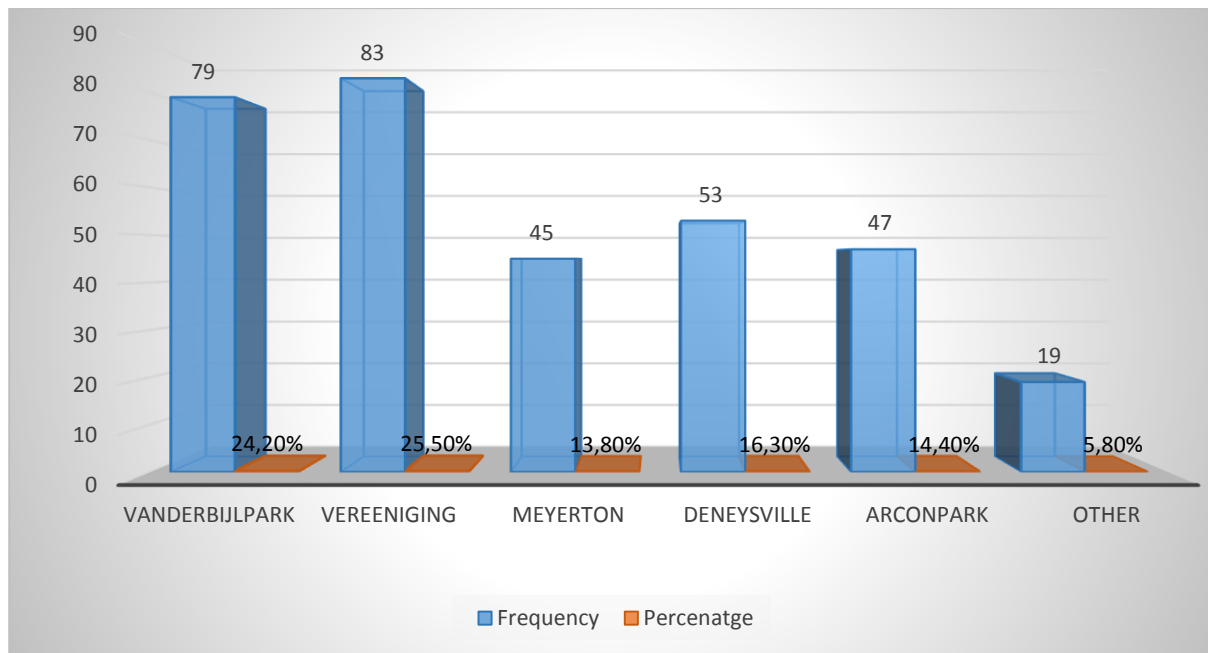
4.3.1.6   Occupation

In terms of occupational level, Table 4.6 shows three quarters (24.2%+37.4%+18.4%=83.6%) of the respondents were working class. This implies that the majority of the individuals involved in online shopping were either employed (private companies) 24.2 percent (n=79), or in public companies 37.4 percent (n=122), 18.4 percent (n=60) of the sample were professionals, 11.35 (n=37) of the sample represented students. The reminder of the sample 8.6 percent (n=28) were unemployed.

Table 4.6:   Occupational background

Type of work	Frequency	Percentage
Employee (Private company)	79	24.2
Employee (Public company)	122	37.4
Professional	60	18.4
Unemployed	28	8.6
Student	37	11.3
Total	**326**	**100**

4.3.1.7 Years in online shopping and method of payment

Table 4 provides the breakdown of experience in years that the respondents had in online shopping. The majority of the sample 31.6 percent (n=103) had been shopping online for between seven and ten years followed by 29.8 percent (n=97) of the respondents with experience of four and six years, 20.9 percent (n=68) represent the individuals with more than 10 years online shopping experience, individuals with between one to three years' experience were represented by 9.85 (n=32), and the small portion of the sample 8 percent (n=26) had less than a year online shopping experience. It seems that the more experience online consumers have, the more comfortable they become with online shopping transactions. This implies that online businesses are concentrated on Generation X consumers with one to ten years online experience.

Table 4.7:   Number of years online and the payment methods

Years shopping online	Freq	%	Payment methods	Freq	%
Less than a year	26	8	Credit card	64	19.6
1-3 years	32	9.8	Debit card	43	13.2
4-6 years	97	29.8	Online transfer	102	31.3
7-10 years	103	31.6	Mobile phone	63	19.3
10 years and above	68	20.9	Cash on delivery	54	16.6
Total	**326**	**100**	**Total**	**326**	**100**

In terms of payment methods, Table 4.6 reports that 31 percent (n=102), which is the majority of the respondents, were using online transfer to pay for their goods or services online, 19.6 percent (n=64) of the respondents used credit card for payment purposes, individuals that used mobile phones to pay for their services were represented by 19.3 percent (n=63), 16.6 percent (n=54) and 13.2 percent (n=43) used cash on delivery and debit card respectively. This shows that online consumers (Generation X) prefer online transfer as their source of payment when shopping or purchasing goods online.

4.3.2   DESCRIPTIVE STATISTICS: MEAN OF THE SAMPLE

The overall scale for repurchase intentions (D1-D6) had the highest mean score of 4.0491, followed by loyalty overall scale (C1-C7) with the mean rating of 3.9895. The satisfaction scale had the lowest mean rating of 3.8593, consisting of B1-B7. This suggests that Generation X consumers are more likely to repurchase online when they are satisfied and have loyalty to the online business. All the items from B1-B7, C1-C7 and D1-D6, a questionnaire is attached (refer to annexure B) explaining questions representing B1-B7, C1-C7 and D1-D6. The mean score ratings of the three variables are presented in Table 4.8 below.

Table 4.8:   Overall means of the variables

Scale	n	Minimum	Maximum	Mean	Std. deviation
Satisfaction: Overall	326	1.00	5	3.8593	.88479
B1	326	1	5	3.93	1.062
B2	326	1	5	3.73	1.038
B3	326	1	5	3.81	1.040
B4	326	1	5	3.83	0.986
B5	326	1	5	3.55	1.172
B6	326	1	5	3.99	1.014
B7	326	1	5	4.17	1.010
Loyalty: Overall	326	1.00	5	3.9895	.84386
C1	326	1	5	4.19	1.000
C2	326	1	5	4.38	0.910
C3	326	1	5	3.56	1.132
C4	326	1	5	4.03	1.170
C5	326	1	5	3.91	1.034
C6	326	1	5	3.90	0.982
C7	326	1	5	3.95	1.051
Repurchase: Overall	326	1.00	5	4.0491	.84316
D1	326	1	5	4.00	1.033
D2	326	1	5	4.03	0.914
D3	326	1	5	4.08	0.938
D4	326	1	5	4.07	0.962
D5	326	1	5	4.06	0.950
D6	326	1	5	4.06	0.970
Valid n (list wise)	326				

In terms of the significance of various aspects of satisfaction, the highest mean was 4.17 for item B7, followed by item B1 (mean=3.99) and B1 (mean=3.93) respectively. The lowest recorded mean score was 3.55 for item B5, suggesting to be the least important aspect of satisfaction. However, B5 experienced the highest level of standard deviation of 1.172, indicating a greater degree of divergence amongst respondents on this item. The lowest recorded standard deviation occurred on item B4 with score of 0.986. This suggests a strong agreement among Generation X online consumers regarding satisfaction.

On the loyalty scale, the highest mean score recorded was (mean=4.38) on C2, followed by (mean=4.19) on C2 and 4.03 on C4 respectively. The lowest mean score recorded was (mean=3.56) on C3. The item C4 experienced the highest level of variance with the recorded standard deviation of 1.70, followed by C3 with 1.132. The lowest recorded standard deviation was on C2 with (std. dev. =0.910).The implications of these findings indicate a strong agreement amongst Gen X online consumers regarding their level of loyalty towards online shopping.

In terms of the importance of repurchase intentions, all the means recorded were above 4 and the highest means score recorded were on D3 (mean=4.08), followed by D4 (mean=4.07) and D5 and D6 with mean scores of 4.06 respectively. The lowest mean score was 4.00 on D1. Item D1 also experienced the highest level of variance, with a recorded standard deviation of 1.033. The lowest recorded standard deviation was on D2 with score of 0.914. This indicates the strong agreement in regard to Generation X consumers' online repurchase intentions.

The standard deviation often closely attached to the mean because it is a measure designed to resolve the average distance of interpretations from the measurement of the arithmetic mean interpretation. The greater standard deviation in all scales computed occurred on satisfaction scale (.88479), followed by loyalty scale with .84386, while repurchase intentions had a standard deviation value of .84316. Therefore, there was a greater degree of variation in responses concerning satisfaction than with repurchase intentions. This suggests that there were more agreement amongst respondents concerning repurchase intentions and loyalty compared to satisfaction.

4.3.3   Correlation analysis

In accordance with study objectives outlined in Chapter 1, it was imperative to examine the relationships between online satisfaction, loyalty and repurchase intentions. Therefore, it was necessary to employ correlation analysis among the mentioned constructs to determine the strength of the underlying relationship. The Pearson correlation coefficient (r) was used to measure the degree of linear association between the variables as proposed by Malhotra (2010:562). The composite correlation was undertaken and presented in Table 4.9.

Table 4.9:   Correlations: Satisfaction, loyalty and repurchase intentions

		SATISFACTION	LOYALTY	REPURCHASE
SATISFACTION	Pearson Correlation	1.000	.791**	.778**
	Sig. (2-tailed)		.000	.000
	N	326	326	326
LOYALTY	Pearson Correlation	.791**	1.000	.810**
	Sig. (2-tailed)	.000		.000
	N	326	326	326
REPURCHASE INTENTION	Pearson Correlation	.778**	.810**	1.000
	Sig. (2-tailed)	.000	.000	
	N	326	326	326

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

Table 4.9 shows that the relationship between satisfaction, loyalty and repurchase intentions is significantly positive.It is evident from Table 4.9 that the results of the Pearson correlation coefficients suggested a strong positive linear relationship between satisfaction and loyalty at r=0.791, p<0.01 level of significance, indicating that online satisfaction influences customer loyalty towards online shopping, the relationship between satisfaction and repurchase intentions is positive at r=0.778, p<0.01, and the table shows the positive relationship between loyalty and repurchase intentions at r=0.810, p<0.01.

In terms of the effect sizes, Cohen's 1988 measure of effect sizes showed a large practical significance. In assessing the size of the correlation coefficients, Cohen's d-measure of effect sizes was used to measure the significance of an effect. The size of the effect is outline bellow as conquered by Steyn (2000:1):

- $r = 0.10$ (small effect)
- $r = 0.30$ (medium effect)
- $r = 0.50$ (large effect)

Based on the above results, it is evident that there is convergence concerning the satisfaction, loyalty and repurchase intentions in online shopping. It is hoped, therefore, that these findings will support and supplement the body of knowledge on the relationships among these variables. Table 4.10 below was used to determine the strength of the relationship between the variables as suggested by Choudhury (2009).

Table 4.10:   Strength of the relationships

Size of r	Interpretation
± (0.5 to 1.0)	Strong relationship
± (0.3 to 0.5)	Moderate relationship
± (0.1 to 0.3)	Weak relationship
± (0.0 to 0.1)	Very weak or no relationship

Source: Choudhury (2009)

4.3.3.1   Strong relationship

Table 4.10 reports that online satisfaction showed a strong relationship with loyalty (r=0.791, p<0.01), satisfaction also showed a strong relationship with repurchase intentions (r=0.778, p<0.01), and loyalty showed strong relationship with repurchase intentions (r=0.810, p<0.01)

4.3.4   Regression analysis

Table 4.11 reports the regression analysis between satisfaction and loyalty. The predictor that was held constant was satisfaction (independent variable), and the dependent variable that was

entered into the prediction model was loyalty. On the examination of the relationship between satisfaction and loyalty rating, the adjusted $R^2 = 0.624$, indicating that satisfaction explained 62.4 percent of variance on loyalty.

The beta coefficient of satisfaction (β=0.791) suggests that there is a strong positive relationship between customer satisfaction and loyalty in online shopping. The independent variable was satisfaction, whereas the dependent variable was loyalty. Thus, satisfied customers are more likely to become loyal customers towards online shopping.

Table 4.11:   Regression on satisfaction and loyalty

Construct	Adjusted R^2	Beta (β)	t-value	*p*-level
Dependent: Loyalty **Independent variable**: Satisfaction	0.624	0.791	23.260	0.000*
R = 0.791 R^2 = 0.625 B = 0.754 F = 541.015 p<0.0000				

Table 4.12 reports the regression analysis between online satisfaction and online repurchase intentions. The predictor and independent variable held constant was satisfaction, and the dependent variable was repurchase intentions. The rating (the adjusted) of the relationship between satisfaction and repurchase intentions was R^2=0.604, indicating that satisfaction explained 60.4 percent of variance on repurchase intentions.

The beta coefficient of satisfaction (β=0.778) suggests that there is a strong positive relationship between online satisfaction and online repurchase intentions. The independent variable was satisfaction, whereas the dependent variable was repurchase intentions. Thus, satisfied customers are more likely to make repeat purchases in online shopping.

Table 4.12:   Regression on satisfaction and repurchase intentions

Construct	Adjusted R^2	Beta (β)	t-value	p-level
Dependent variable: Repurchase **Independent variable**: Satisfaction	0.604	0.778	22.297	0.000*
R = 0.778R^2 = 0.605 B =0. 741F = 497.153 p<0.0000				

Table 4.13 reports the regression analysis on the relationship between online customer loyalty and repurchase intentions. The independent variable and the predictor held constant was loyalty, and the dependent variable was online repurchase. On the examination of the relationship between these two constructs, the score (adjusted) was $R^2=0.654$. The beta coefficient of satisfaction ($\beta=0.810$), suggests that there is a strong positive relationship between online customer loyalty and online repurchase intentions. The dependent variable was repurchase, and the independent variable was loyalty. Therefore, the results indicate that loyal customers are more likely to make repeat purchases in an online business.

Table 4.13: Regression on loyalty and repurchase intentions

Construct	Adjusted R^2	Beta (β)	t	p-level
Dependent variable: Repurchase **Independent variable:** Loyalty	0.654	0.810	24.819	0.000*
$R = 0.810 R^2 = 0.655 \quad B = 0.809 F = 615.975 p < 0.0000$				

4.3.5 Non-parametric tests

The researcher conducted the t-tests to see if is there significant differences within the data set for some given variables and three socio-demographic factors (gender, age and race).

4.3.5.1 Mann-Whitney test and gender differences

The Mann-Whitney U test was conducted to compare the means and test the differences between two independent groups on continuous measures (Theodorsson-Norheim 1986:58). Specifically, the researcher was testing whether males and females differ in terms of their online satisfaction, loyalty and repurchase intentions. Table 4.14a reports on the results on gender differences using Mann-Whitney test.

Table 4.14a shows that there was no statistical significance difference between male and female Generation X online consumers in regard to their level satisfaction, loyalty and their repurchase intentions. The results indicated that the p-values of 0.552 for satisfaction, 0.720 for loyalty and 0.941 for repurchase intentions were greater than 0.05 threshold. In terms of satisfaction,

n=326, U=12179, z=-.595, p=0.552. For loyalty, n=326, U=12374, z=-.359, p=.720, while repurchase had, n=326, U=12611, z=-.074, p=.941. No practical significant were found in terms of effect size.

Table 4.14a: Mann-Whitney test statistics

	SATISFACTION	LOYALTY	REPURCHASE
Mann-Whitney U	12179.000	12374.500	12611.000
Wilcoxon W	20435.000	20630.500	20867.000
Z	-.595	-.359	-.074
Asymp. Sig. (2-tailed)	.552	.720	.941

Table 4.14b illustrated the results of the Wilcoxon-Mann-Whitney test mean ranks for gender differences. For satisfaction, n=198 respondents were male with the mean rank of 165.99, while n=128 were female with the mean rank of 159.65. For loyalty, the mean rank was 165.00 for male and 161.18 for female. Repurchase intentions had mean rank of 163.81 for male and 163.02 for female.

Table 4.14b: Mann-Whitney test ranks

	A1-gender category	N	Mean Rank	Sum of Ranks
SATISFACTION	1=Male	198	165.99	32866.00
	2=Female	128	159.65	20435.00
	Total	326		
LOYALTY	1=Male	198	165.00	32670.50
	2=Female	128	161.18	20630.50
	Total	326		
REPURCHASE	1=Male	198	163.81	32434.00
	2=Female	128	163.02	20867.00
	Total	326		

4.3.5.2   Kruskal-Wallis test and age group differences

Table 4.15a shows that there was a significant difference between the age groups of Generation X online consumers concerning their level of satisfaction, loyalty and repurchase intentions as the p-values were all below 0.05. The p-values of all the variables were 0.000, suggesting significant differences amongst the age groups. Loyalty had the highest chi-square of 52.733, followed by satisfaction (47.251) and (31.700) for repurchase intentions.

Table 4.15a: Kruskal Wallis test Statistics

	SATISFACTION	LOYALTY	REPURCHASE
Chi-Square	47.251	52.733	31.700
df	4	4	4
Asymp. Sig.	.000	.000	.000

Table 4.15b: Kruskal Wallis test ranks

	A2-Age groups	N	Mean Rank	Position
SATISFACTION	1=32-35 years	124	127.81	5
	2=36-40 years	115	164.50	4
	3=41-45 years	44	224.40	2
	4=46-50 years	28	180.61	3
	5=51+ years	15	240.30	1
	Total	326		
LOYALTY	1=32-35 years	124	120.38	5
	2=36-40 years	115	174.03	4
	3=41-45 years	44	222.41	2
	4=46-50 years	28	185.91	3
	5=51+ years	15	224.60	1
	Total	326		
REPURCHASE	1=32-35 years	124	132.75	5
	2=36-40 years	115	166.97	4
	3=41-45 years	44	212.59	2
	4=46-50 years	28	177.63	3
	5=51+ years	15	220.67	1
	Total	326		

The Kruskal Wallis test revealed that Generation X online consumers with 51 years or above are more satisfied, more loyal and consequently make their repurchases than any other group. For satisfaction, age group 51 years or above had n=15, mean rank 240.30 and occupying the highest position (1), followed by the age group between 41-45 years with n=44, mean rank 224.40 and occupying second position (2). The lowest ranked age group was between 32-35 years occupying last position (5), n=124 and the mean rank of 127.81 in terms of their satisfaction level. This suggests that the older you become, the more you are satisfied with online shopping.

Table 4.15b shows that the age group between 51 years or above also had the highest level of loyalty in online shopping compared to the other groups. The age group of 51+ had the mean rank of 224.60, n=15 and ranked first, followed by age group between 41-45 years with n=44, mean rank of 222.41. The lowest mean rank was 120.38 for the age group 32-35 years with n=124. The age group between 32-35 years also had the lowest mean rank of 132.75 in terms of their repurchase intentions with n=124.

The age group between 41-45 years had the mean rank of 212.59, n=44 and occupied third position. The highest ranked was age group between 51+, which occupied first position with n=15 and mean rank of 220.67. This implies that age and experience play the important role in online shopping, as it is evident in Table 4.15b that old consumers (41+ years) are more likely to be satisfied, remain loyal and they make their repurchases more than young people do.

4.3.5.3 Kruskal-Wallis test and race differences

Table 4.16a shows that the significant difference exists between Africans, Whites, Coloureds and Indians in relation to their levels of satisfaction, loyalty, and how they make their repurchases online. The p-values were p-0.000 for all the variables less than the 0.05 threshold, indicating that there was a statistical significant difference in the way Africans, Whites, Coloureds and Indians are satisfied, loyal and repurchase online. The satisfaction chi-square was 24.884, loyalty had 33.039 and 24.046 for repurchase intentions.

Table 4.16a: Kruskal Wallis Test Statistics

	SATISFACTION	LOYALTY	REPURCHASE INTENTION
Chi-Square	24.884	33.039	24.046
df	3	3	3
Asymp. Sig.	.000	.000	.000

Table 4.16b revealed that White online consumers are more likely to be satisfied (n=78, mean rank 202.29 and position 1), more loyal (n=78, mean rank 206.50, position 1), and make their repurchases more than the other races (n=78, mean rank 202.49, position 1), followed by Indians/Asians (satisfaction: n=34, mean rank 178.82, position 2). In terms of loyalty, Coloureds had the second best mean rank of 190.16 with n=34. Indians had the second best mean rank in relation to repurchase intentions with n=34 and the mean rank of 178.91. Blacks had the lowest scores in all the variables with n=180, mean rank 141.29 for satisfaction, n=180, mean rank 137.74 for loyalty and n=180, mean rank 142.07 for repurchase intentions. This suggests that whites are the most satisfied, loyal and make the most repurchases online than the rest of the races.

Table 4.16b: Kruskal Wallis mean ranks

	A3-Ethnicity	N	Mean Rank	Position
SATISFACTION	1=Black	180	141.29	4
	2=White	78	202.29	1
	3=Coloured	34	176.75	3
	4=Indians	34	178.82	2
	Total	326		
LOYALTY	1=Black	180	137.74	7
	2=White	78	206.50	1
	3=Coloured	34	190.16	2
	4=Indians	34	174.56	3
	Total	326		
REPURCHASE	1=Black	180	142.07	4
	2=White	78	202.49	1
	3=Coloured	34	172.07	3
	4=Indians	34	178.91	2
	Total	326		

Having determined the relationships between the variables,it is necessary to establish the goodness of fit of the proposed measurement model (Figure 1.1). Anderson and Gerbing (1998) propose two stage approaches to test the models, namely confirmatory factor analysis (CFA) and structural equation modelling (SEM). Confirmatory factor analysis was used to examine the construct validity (the convergent and discriminant validity (Tsai & Huang 2007:236), then the theoretical model using SEM to cross check the results.

Structural equation modelling (SEM) plays a confirmatory role where the researcher has complete control over the specification of indicators for each construct, allowing for statistical tests for goodness of fit (Creswell 2003:139). The following sections discuss reliability and validity analysis of the study, and then provide details of the CFA and SEM, concluding with the hypotheses testing.

4.3.7 Reliability and validity analysis

Reliability and validity assessments were conducted in this study to evaluate the quality of the measurement model for the full sample. Reliability measures the level of consistency found within independent constructs (Churchill & Iacobucci 2005:258). Reliability assessment was based on Cronbach alpha (α), composite reliability (CR) and average variance (AVE). Validity assessment included construct, convergent and discriminant analysis. The analysis are discussed in the following sections

4.3.7.1 Reliability analysis

Table 4.18 and Table 4.19 present the results of all the three tests used to check reliability of the research measure. The internal consistency of the research measures was checked by using the coefficient of Cronbach's alpha (α). Cronbach alpha values for each of the scales (satisfaction, loyalty and repurchase intentions) were computed for each construct and the overall reliability of the scale that was used. Nunnally (1978:246) recommended that, a reliability benchmark value of 0.700 and above should be regarded acceptable.

Table 4.17 and Table 4.18 provide the summary of reliability results respectively, providing the evidence that each of the constructs exhibit satisfactory results ranging from 0.912 to 0.940.

Assessment of reliability for the overall scale indicates the Cronbach alpha value of 0.966. Overall, Cronbach's alpha (**α**) value for Section B – online satisfaction was 0.933, which consisted of seven scale items. The reliability for Section C – loyalty was 0.912, which consisted of seven scale items. The reliability value for repurchase intentions (Section D) was 0.940 with six scale items.

Table 4.17:   Summary of Cronbach's alpha reliability results

Scale	No. of Items	Cronbach's Alpha(α)
Online satisfaction (Section B)	7	0.933
Loyalty (Section C)	7	0.912
Repurchase intentions (Section D)	6	0.940
Overall reliability (All scales)	**20**	**0.966**

The second measure of internal consistency is the composite reliability (CR). Composite reliability is a variety of robust reliability estimates such as omega and intra-class correlation coefficient (Starkweather 2012:4). Interpreted as Cronbach's alpha, the CR measure threshold for modest is 0.70. Composite reliability is computed from the squared lambda values and the summation of the error variance terms. The results of composite reliability presented in Table 4.18 are used to test the internal consistency of the measurement model.

Table 4.18:   Accuracy analysis statistics

Research constructs		Descriptive statistics		Cronbach's test		C.R.	AVE	Factor loading	Highest S.V.
		Mean	Std. Dev.	Item-total	α Value				
SATISFACTION	Sat1	4.05		0.771	0.933	0.917	0.623	0.822	0.390
	Sat2			0.845				0.863	
	Sat3			0.855				0.850	
	Sat4			0.834				0.844	
	Sat5			0.650				0.654	
	Sat6			0.757				0.786	
	Sat7			0.804				0.874	
REPURCHASE LOYALTY	Loy1			0.797	0.912	0.914	0.606	0.800	0.430
	Loy2			0.660				0.648	
	Loy3			0.629				0.681	
	Loy4			0.656				0.683	
	Loy5			0.818				0.877	
	Loy6			0.817				0.864	
	Loy7			0.791				0.862	
	Rep1	4.05		0.740	0.940	0.938	0.717	0.791	0.430
	Rep2			0.849				0.842	
	Rep3			0.859				0.857	
	Rep4			0.825				0.857	
	Rep5			0.844				0.880	
	Rep6			0.810				0.854	

Note: AVE: Average Variance Reliability;C.R.: Composite Reliability; [a] significance level $p<0.05$; [b] significance level $p<0.01$; [c] significance level $p<0.001$Measurement CFA model fits: $\chi^2/(df)= 2.85$; GFI=0.931; AGFI=0.86; CFI=0.919; NFI=0.921; RMSEA=0.058

As shown in Table 4.18, the CR results ranged from to 0.914 to 0.938. Composite reliability for satisfaction was 0.917, for loyalty was 0.914, and for repurchase intentions was 0.938. The results indicate all the CR values exceeded the threshold of 0.7 recommended in the literature (Tsai & Huang 2007:236; Wen *et al.* 2011:19).The higher level of composite reliability coefficient suggests higher reliability of the scale. Moreover, inter-item total correlations revealed the statistical agreement between the items measured. Inter-to-total item values were all above the cut-off point of 0.3, and ranged from 0.629 to 0.859.

The statistical indicators for Cronbach's alpha test and composite reliability indices were all high, as depicted by Table 4.18. Therefore, the results suggest that the measures used in this study were reliable.The third reliability test employed was the average variance extracted

(AVE). The results of the AVE were also reported in Table 4.18. The AVE values ranged from 0.606 to 0.717 and were all above the recommended cut-off level of 0.5 or larger (Wen *et al*. 2011:19). Average variance extracted for satisfaction was 0.623, for loyalty was 0.606 and for repurchase intention was 0.717 respectively. The high values for the average variance extracted (greater than 0.5) revealed that the indicators represented the variables well, and indicated the acceptable levels. These results provided evidence for acceptable levels of study scale reliability. Altogether, the Cronbach alpha, composite reliability, and the average variance extracted estimates indicate the scales were internally consistent.

4.3.7.2   Validity tests

McDaniel and Gates (2008:258) suggest that in measuring the validity of the scale, the researcher attempts to determine whether what was intended to be measured is actually measured. In accordance with the two-step approach suggested by Anderson and Gerbing (1988:3) in reference to model fit, Schreiber *et al.* (2010:127) suggested various goodness-of-fit indicators to assess a model. The model fit criteria and acceptable fit levels are provided below.

Table 4.19:   Cut-off criteria for model fit indexes

INDEXES	SHORTHAND	ACCEPTANCE LEVEL
Chi-square	x^2	Ratio of x^2 to df < 0.3
Goodness-of-fit	GFI	Value equal to or >0.90
Adjusted goodness-of-fit	AGFI	Value equal to or >0.90
Normed fit index	NFI	Close to 0 is good
Incremental fit index	IFI	Value equal to or >0.90
Comparative fit	CFI	Value equal to or >0.90
Root mean square error of approximation	RMSEA	Less than (<)0.05

4.3.8.1   Construct validity

The construct validity of the scale was assessed by the computation of the Cronbach alpha coefficient for the scale, which was acceptable, since it was above the benchmark value of 0.70, an indication of construct validity (refer to Table 4.18).

4.3.8.2 Convergent validity

Convergent validity reflects the degree of correlation among different measures that purport to measure the same construct. Upon analysis of the correlation variables, there was significant correlation between the variables, which can serve as a measure of convergent validity. Correlation analysis was carried out using Pearson's correlation coefficients. Correlations between online satisfaction, loyalty and repurchase intentions were discussed in detail in Section 4.3.3. Furthermore, the item loadings ranged from 0.648 to 0.880, they were thus above the recommended cut-off level of 0.60, indicating adequate convergent validity. Based on the findings, there was evidence of convergence concerning these variables. The Cronbach alpha values (reliability) were also computed, which can be regarded as evidence of high convergent validity.

4.3.8.3 Discriminant validity

Robust evidence of discriminant validity was checked through applying a chi-square difference test in which the correlations between all possible pairs of variables were first estimated, then made equal (Tsai & Huang 2007:236). The chi-square difference were all significant at the <0.3 level, suggesting that the variables under analysis were discriminant valid. As indicated in Table 4.20, the inter-correlation values for all paired variables are less than one as suggested by Nunnally (1978:246), indicating the existence of discriminant validity.

Table 4.20:   Correlations between constructs

Research Construct	Construct Correlation		
	SAT	LOY	REP
Satisfaction	1.000		
Loyalty	0.791	1.000	
Repurchase intention	0.778	0.810	1.000

Since the correlation values of all the variables (satisfaction, loyalty and repurchase intentions) were above 0.700 close to 1.000 at 0.791, 0.788 and 0.810 respectively (see table 4.21), it was necessary to conduct additional tests to find out discriminant validity. The study proceeded with the assessment of AVE and shared variance (SV). Nunnally (1978:246) suggests that the

average variance extracted values should be greater than the highest SV in order to check and confirm discriminant validity establishment.

Shared variance is the amount of variances that a variable is able to explain in another variable (Farrell 2008:3). SV is represented by the square of the correlation between any two variables (for example, if the correlation between two variables, B and C, is 0.6, then the shared variance between would be 0.36). The result for SV (see Table 4.18) on satisfaction was 0.390, loyalty 0.430 and 0.430 for repurchase. Table 4.18 revealed that all the AVE values were above the SV for all the variables, therefore, discriminant validity was further confirmed.

The assessment of the proposed conceptual model proceeded using the same dataset. Prior to testing the research hypotheses, CFA is performed to confirm accuracy of the multiple-item constructs measures as suggested by Anderson and Gerbing (1988:7). Initial specification search led to the deletion of the items that were less than the recommended 0.5. This was doneto provide for an acceptable fit and the resultant scale accuracy.

Table 4.21 reports on the results of confirmatory factor analysis. Acceptable model fit was indicated by chi-square value over degree of freedom (χ^2/df) of value 2.4489, the values of goodness-of-fit index (GFI) 0.900, comparative fit index (CFI) 0.962, RFI 0.926, incremental fit index (IFI) 0.962, and Tucker-Lewis index (TLI) 0.955 equal to or greater than 0.90 threshold level; and the root mean square error of approximation (RMSEA) 0.067 value equal to or less than 0.08 recommended threshold. One can conclude in accordance to Table 4.21 that the obtained data fits the model well as all the indicators revealed acceptable fit for the measurement model (CFA model fit results).

Table 4.21:   Confirmatory factor analysis model fit results

CFA indicator	Acceptance level	Default model value	Decision
Chi-Square	< 3.00	2.448	**Accepted level**
GFI	> 0.900	0.900	**Accepted level**
CFI	> 0.900	0.962	**Accepted level**
RFI	> 0.900	0.926	**Accepted level**
IFI	> 0.900	0.962	**Accepted level**
TLI	> 0.900	0.955	**Accepted level**
NFI	> 0.900	0.938	**Accepted level**
RMSEA	< 0.08	0.067	**Accepted level**

Since the acceptable confirmatory factor analysis measurement model fit was secured, the study proceeded to the next stages of checking the SEM model fit and testing of hypotheses. Table 4.22 reports the structural equation model fit results. The results show the acceptable goodness-of-fit of the model. The acceptable model are indicated by the chi-square value (CMIN/DF) of 2.318 less than the recommended threshold level of <0.3; Root mean square error of approximation (RMSEA) value of 0.064, GFI, CFI, RFI, IFI, TLI and NFI with the values of 0.903, 0.965, 0.930, 0.965, 0.959 and 0.940 respectively. These results are within the recommended level of greater than 0.900 (Wen *et al*. 2010:19).

Table 4.22:   Structural equation model fit results

CFA indicator	Acceptance level	Default model value	Decision
Chi-Square	< 3.00	2.318	**Accepted level**
GFI	> 0.900	0.903	**Accepted level**
CFI	> 0.900	0.965	**Accepted level**
RFI	> 0.900	0.930	**Accepted level**
IFI	> 0.900	0.965	**Accepted level**
TLI	> 0.900	0.959	**Accepted level**
NFI	> 0.900	0.940	**Accepted level**
RMSEA	< 0.08	0.064	**Accepted level**

In order to test the relationships between online satisfaction, loyalty and repurchase intentions, a structural equation modelling (SEM) was employed.One of the structural equation modelling (SEM) benefits is that it enables a researcher to account for measurement error in variables (Farrell 2008:5). Therefore, the hypothesised model will postulate three components; satisfaction (SAT), loyalty (LOY) and repurchase intentions (FUT=future purchases) as reflected in Figure 4.4 path diagram for the confirmatory analysis. All the parameter values estimated for the path diagram are added and the text output results for the SEM analysis for the model fit was reported (see Table 4.22).

Figure 4.4:   PATH diagram for model structure
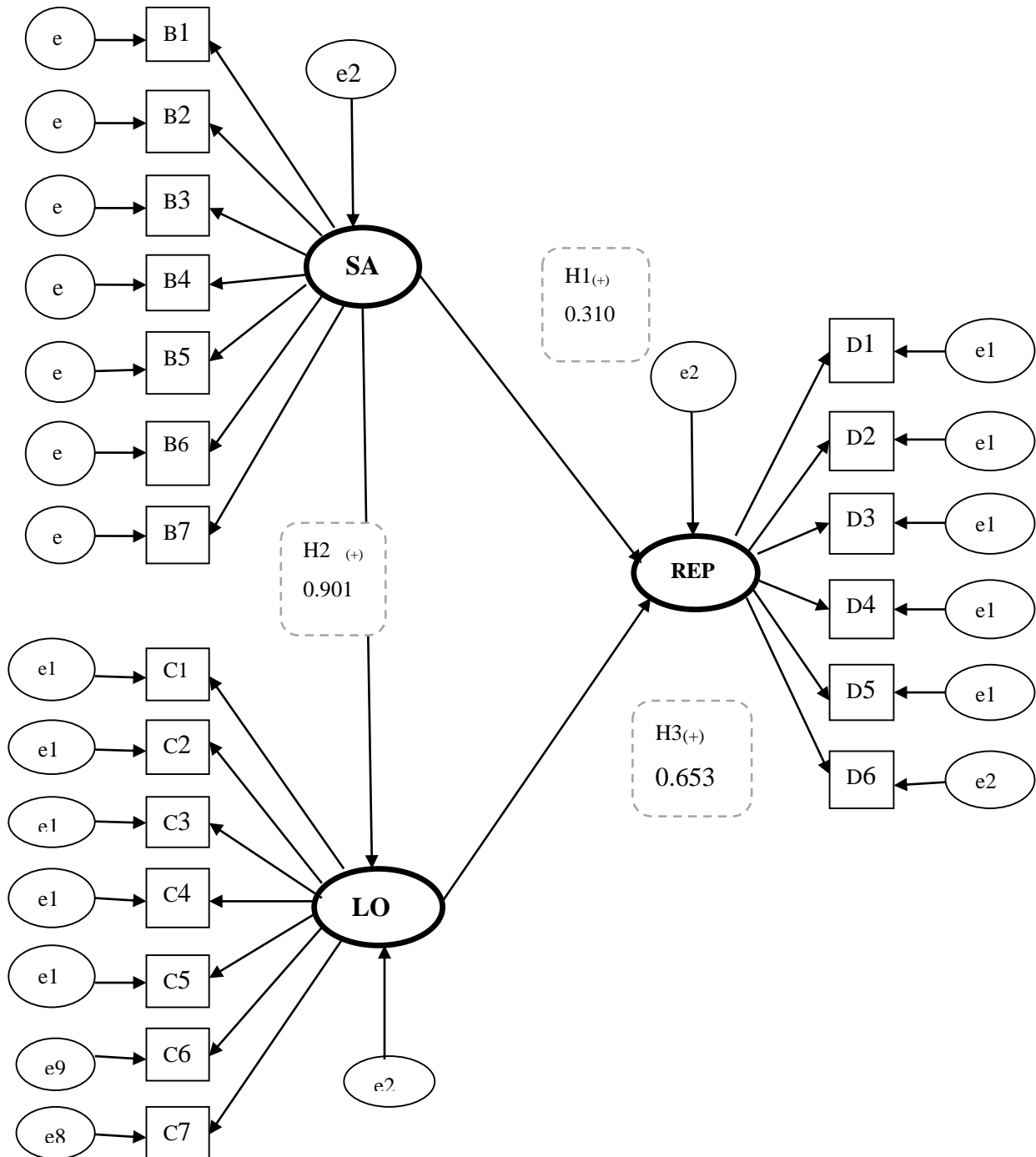
Note: Research structure model fits:
SAT=satisfaction; LOY=loyalty; REP/FUT=repurchase intentions
*significance level <0.05; ** Significance level <0.01; ***significance level <0.001

The parameter estimates of the structural model reveal the direct effect of satisfaction on repurchase intention and loyalty, and the direct effect of loyalty on repurchase intentions. The results in Table 4.21 and Table 4.22 supported the proposed research hypotheses formulated in Chapter 1 under Section 1.2. The statistics for the model fit provided in the previous sections were above the recommended thresholds, indicating that the proposed conceptual framework converged reasonably well with the underlying empirical data structure. All the corresponding path coefficients of the hypotheses exhibited observable existence of positive relationships between online satisfaction, loyalty and repurchase intentions. Table 4.23 reports on these results.

Table 4.23: Hypotheses results

Construct measured	Hypothesis	Path coefficient	Hypothesis decision	p-value
Online satisfaction → Repurchase intentions	H1	0.310	Supported	***
Online satisfaction → Loyalty	H2	0. 901	Supported	***
Loyalty → Repurchase intentions	H3	0.653	Supported	***

Structural model fit: χ^2/df=2.318; GFI=0.903; AGFI=0.873; CFI= 0.965; NFI=0.940; RMSEA=0.064

* Significance level <0.05; ** significance level <0.01; *** significance level <0.001

Table 4.23 shows that the proposed research hypotheses (H_1 to H_3) were all supported. An individual hypotheses path coefficient of the relationship results were 0.310 at p-0.001 for satisfaction and repurchase intentions, 0.901 at *p*-0.001 and 0.653 at *p*-0.001 value respectively. The empirical model suggested that satisfaction (SAT) have a positive influence (H_{1+}) on repurchase intentions (FUT); online satisfaction have a positive influence (H_{2+}) on loyalty; and that loyalty have a positive (H_{3+}) impact on repurchase intentions. The model of relationship between online satisfaction (SAT), loyalty (LOY) and repurchase intentions (FUT) is presented in the following section (see Figure 4.5).

Figure 4.5:   Path analysis (satisfaction, loyalty and repurchase intentions)
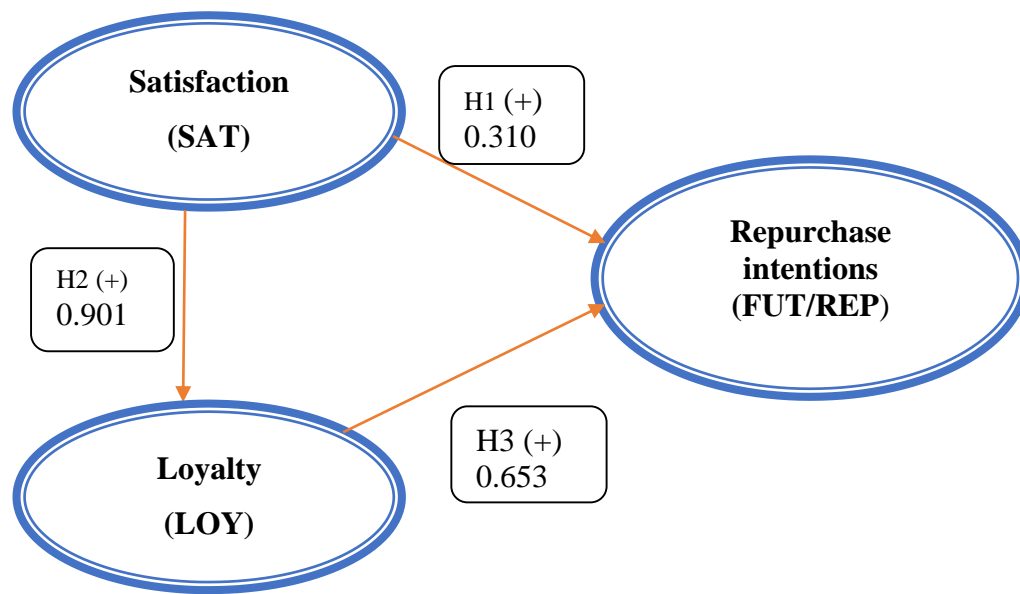
Note: Research model structure fits:

X^2/df=2.318; GFI=0.903; AGFI=0.873; CFI= 0.965; NFI=0.940; RMSEA=0.064

The outcomes of the relationship between e-satisfaction and repurchase intention support the previous studies findings of Lee *et al.* (2009:7848-7859) and Ha, Janda and Muthaly (2010:997-1016). These studies assert that online satisfaction has a significant positive influence on repurchase intention. The findings of the relationship between online satisfaction and loyalty lend substantial support to the past research findings of Chen (2012:202-210) and Chang and Wang (2008:10-14). These previous studies confirm that e-satisfaction has a positive influence on loyalty. The relationship between the newly hypothesised loyalty and repurchase intention was found to be positive.

4.4   SYNOPSIS

The purpose of the present study is to examine the online shopping satisfaction, loyalty and repurchase intentions of Generation X consumers in a South African context. There is an abundance of literature and research studies that deal with relationships among constructs such as online satisfaction, loyalty and repurchase intentions. The findings of this study attempt to add to the body of knowledge on these relationships that exist in the online shopping

environment. The conceptualisation and measurement of these constructs are naturally distinct because of the introduction of technology at the centre of the service delivery.

According to the findings of the empirical study reported in this chapter, first a pilot study was undertaken in order to refine the measuring scale before the commencement of the main study. The findings of the pilot study were presented and discussed in Section 4.2. The refinement and modification of the scale items were undertaken before the main study. Secondly, the findings of the main survey were presented, interpreted and discussed in the form of tables, graphs and charts.

One of the core purposes of this study was to examine the nature of the relationship between satisfaction, loyalty and repurchase intentions. To this end, correlation and regression analyses were undertaken to further validate the theoretical background of the relationship that exists among these constructs. A positive linear association of these constructs was established and validated. T-tests were also performed to evaluate the significance of differences of means obtained by the different socio-biographic variables, namely the age, gender and race of the respondents.

Reliability of the scales was computed and established using the Cronbach alpha values, composite reliability and average variance extracted (AVE) for Section B, C and D. Satisfactory reliability values (above the benchmark value of 0.70) were obtained in relevant sections of the measuring instrument. Various validity measures, including construct, convergent and discriminant, were also undertaken. The overall measurement models for each variable were assessed using confirmatory analysis (CFA). The research hypotheses were tested using structural equation model (SEM).

The next chapter addresses the attainment of the research objectives of the study. The main conclusions and recommendations of the research are presented in Chapter 5. Limitations of the study are highlighted. Finally, the value and implications of this study for further research are highlighted.

CHAPTER 5

OVERVIEW, RECOMMENDATIONS, LIMITATIONS AND CONCLUSION

5.1 INTRODUCTION

The previous chapter provided the analysis, discussions and interpretations of the empirical findings. The stages for data collection and analysis were identified and described. The information was analysed and summarised using cross-tabulations, figures, t-tests, correlations, regression analysis and structural equation modelling.

This chapter provides a general overview of the study by placing the theoretical and empirical objectives into context. The purpose of the study was to examine online shopping satisfaction, loyalty and repurchase intentions of Generation X consumers in the Vaal region (southern Gauteng). Arising out of theory and the empirical study, recommendations are made for online businesses. It concludes with the benefits, limitations and implications for future research.

5.2 OVERVIEW AND THE OBJECTIVES OF THE STUDY

In order to draw the relevant recommendations and conclusion on this study, it is imperative to use the inputs obtained over the previous four chapters in the study. The prime objective of this study as stated in Chapter 1is revisited in Section 5.2.1, followed by the theoretical objectives reviewed in Section 5.2.2 and the empirical objectives in Section 5.2.3.

The prime purpose of Chapter 1 was to lay out the background of the study, problem definition, formulate research objectives and outline research methods. The proposed research model and hypotheses development were also presented in Chapter 1 under Section 1.4. Chapter 1 presented the statistical analysis techniques employed and then ethical principles adhered to in this study. The theoretical objectives formulated in Chapter 1 under Section 1.5 were used in structuring Chapter 2 (literature review).

Chapter 2 started with an overview of online shopping in South Africa, which was provided in Section 2.2, followed by the theories used in studying online consumer behaviour (Section 2.3) to locate the study into perspective, theory of reasoned action (TRA), theory of planned behaviour (TPB) and social exchange theory (SET). The theoretical objectives dictated the discussions on online shopping satisfaction (Section 2.4), online customer loyalty (Section 2.5), and repurchase intentions (Section 2.6). Chapter 2 concluded with the brief discussion on Generation X consumers' perceptions (Section 2.7).

The theoretical and empirical objectives are revisited in the next section in order to demonstrate the attainment of the objectives within the framework of the study.

5.2.1 Primary objective

The main purpose of the study was to examine the online shopping satisfaction, loyalty and repurchase intentions of Generation X consumers

5.2.2 Theoretical objectives

The theoretical objectives, as set out in Chapter 1 under Section 1.4 are outlined and reviewed. For online businesses and researchers to make informed decisions and derive value from this study, all research objectives have to be addressed based on the data generated from survey in order to ensure that the initial purposes of the study were achieved.

To review the theory of reasoned action, theory of planned behaviour and social exchange theory

Extensive literature review was undertaken to understand the online purchase behaviour. A combination of academic journal articles, textbooks, newspapers, online sources and magazines were used as literature sources.The TRA has been used to explore relationships between consumer's attitude, their purchase intentions and shopping attitudes as suggested by Dennis *et al.* (2010:412) (Section 2.3.1). The theory of planned behaviour (TPB), an extension of TRA was also used to understand online behavioural intentions (2.3.2). The social exchange theory (SET) has also been explained to examine social behaviours in online shopping (Section 2.3.3).

To conduct a literature review on online shopping satisfaction

This objective is achieved in various sections of Chapter 2 (Sections 2.4, 2.4.1, 2.4.2, 2.4.3 and 2.4.4) dedicated to the important elements and value of market orientation in business and the key activities encapsulating market orientation. The chapter covers definitions of satisfaction and e-satisfaction, the measures of satisfaction, factors influencing satisfaction and discussion of dissatisfaction.

To review the literature on customers' loyalty towards online shopping

This objective was covered under Section 2.6, 2.6.1, 2.6.2, 2.6.3 and 2.6.4. These sections explained the concept of loyalty, provided the measurement of customer loyalty, the significance of loyalty, the construct of customer loyalty and concluded with the determinants of loyalty.

To carry out a literature review on repurchase intentions of Generation X consumers

This theoretical objective was dealt with under Section 2.7 and 2.7.1. This section provided the definition, explanation and the discussion of repurchase intentions and also outlined the determinants of repurchase intentions.

To conduct a literature review on online shopping and Generation X consumers' perceptions of online shopping

This objective was achieved by an extensive literature review on the discussion of Generation X consumers under Section 2.7 and also their perceptions towards online shopping.

5.2.3 Empirical objectives

The empirical objectives, as set out in Chapter 1 of this study are revisited in the next sections. Thus, Chapter 4 presents the empirical findings of the data analysis.

To determine the relationship between online shopping satisfaction and loyalty

The relationship between online satisfaction and loyalty is illustrated in Table 4.11 under Section 4.3.4 (regression analysis) and SEM under 4.3.8.3 and the statistical indicators of the impact for the dataset for this study are indicated.

Chapter 5: Overview, recommendations, limitations and conclusion

To determine the relationship between online satisfaction and Generation X repurchase intentions

The relationship between online satisfaction and repurchase intentions is illustrated in Table 4.12 under Section 4.3.4 (regression analysis) and provided the statistical indicators of the impact for the dataset for this study. The SEM was employed to test the research model.SEM enables the simultaneous examination of both the path (structural) and factor (measurement) models in one model (Chinomona & Sandada 2013:441).

To determine the relationship between loyalty and repurchase intentions in online shopping

This objective was achieved as shown in Chapter 4. The relationship between loyalty and online repurchase is presented in Section 4.3,4 (regression analysis) in Table 4.13. The table shows the statistical indicators for the dataset for this study. The relationship was also confirmed using SEM (refer to Table 4.23).

To assess the level of satisfaction, loyalty and repurchase intention and the effect of gender, age and race in online shopping

This objective is achieved under Section 4.3.1.1 gender composition of the respondents, Section 4.3.2.2 age groups and race and Section 4.3.5.1 t-tests (Mann-Whitney and Kruskal-Wallis tests).

5.3   RECOMMENDATIONS

Based on the analysis of the literature, and more specifically, in the light of the findings of the empirical research, the following recommendations are offered:

The significance of customer satisfaction and loyalty has been widely recognised in online businesses in relation to sustaining future purchases. As indicated in the literature and the empirical findings, that satisfaction is a major driver of loyalty and repurchase intentions. It would be interesting to determine if online customer loyalty by itself has any impact on the intention to make future purchases.

Moreover, as the model of repurchase intention determinants in online shopping has been validated and explains the repurchasing behaviour of South African online consumers, it should be validated with respondents from different nationalities around the world. In this regard, Chinese differs from other developed countries in cultural tradition (Liu *et al.* 2008:920). Prior researches suggest that culture has an important impact on customer satisfaction and behaviour in general. Therefore, it is understandable that online satisfaction, loyalty and repurchase intentions in other countries may differ from South Africans, as the cultures are also different.

This can be hypothesised that online satisfaction of Africans may be higher than that of Asians. Moreover, since the respondents are South Africans in this study, whose consumption behaviour is notably different from other societies, a comparative study on online satisfaction, loyalty and repurchase intentions in other countries is a potential way of extending the present research. The difference between online consumer nationalities regarding their satisfaction and loyalty on repurchase decisions through the Internet will yield insights that can help online shops to better retain customers in the world different market segments.

The results of this study are valuable for various reasons. First, a set of the findings produced in this study is only covering South African online shoppers, which can be compared to similar studies abroad. Secondly, this research provides valuable information of interest to any online retailer or online shop focusing on South African online consumers as part of their customer base. Understanding the motivations that drives online customers to repurchase could prove worthwhile for the online businesses.

5.4   LIMITATIONS AND IMPLICATIONS FOR FUTURE RESEARCH

In assessing the findings of this study, it should be noted that this study is by no means without limitations. In fact, one of its limitations was that the study was confined to only southern Gauteng online consumers. Further studies can consider the South African online shoppers as a whole. The study employed a quantitative research approach. Future research may consider both a qualitative and quantitative research design using triangulation methodology where a qualitative design could be used in generating rich ideas and explanations.

A non-probability sampling method was undertaken. Since it was difficult to locate an accurate sample frame for the study, snowball sampling was employed to generate an initial sample. Future studies could use other sampling techniques.Another limitation is the fact that the method of data collection relied on accurate introspection of each respondent. Therefore, the responses may be subject to a degree of bias. Despite these limitations, the study advances knowledge regarding online shopping satisfaction, loyalty and repurchase intention, considering that there is a noticeable absence of prior research within the South African context related to this study. The sample size was set at 350 Generation X consumers.

A larger sample size could be used in future research and perhaps Generation Y online consumers could constitute the population. The study could also be conducted in another geographical location in South Africa and comparisons could be made. In regard to the drivers of repurchase intention, the findings suggest that online shops may need to employ a combined strategy aimed at increasing satisfaction and loyalty of online shopping. Online shops can devote valuable corporate resources to service quality, system quality, information quality and delivery quality to enhance customer satisfaction in online shopping.

To enhance customer loyalty, online shops can devote resources to trust and convenience of online shopping channel. A successful online business starts with good content of the website. The information provided has to be understood easily, accurate, complete, timely, and relevant to customers' purchase decisions.

Finally, the researcher stresses that the model in this study was not designed to consider all the possible drivers of repurchase intentions, but identified variables such as satisfaction and loyalty.

5.5 CONCLUDING REMARKS

This research study reinforces previous areas of research, which demonstrate the value of satisfaction and loyalty in online business. It supports previous studies findings on online shopping with special emphasis to the South African context and provides results of the interrelationships between online satisfaction, loyalty and repurchase intentions. Repurchase intention depends on satisfaction and loyalty. Factors, satisfaction and loyalty keep the online

customers repurchasing through the electronic channel. The results indicated satisfaction as an independent variable as the determinant of loyalty and repurchase intention.

This study extends current knowledge related to the interrelationships between satisfaction, loyalty and repurchase intention in the online environment. It is confirmed widely in the marketing literature that increasing satisfaction might strengthen the partnership with loyalty and improve repurchasing decisions of online customers (Ha, Janda & Muthaly 2010:1009).
In addition, the results support the existing theoretical link of loyalty factor and repurchase intentions that was highlighted in this study. Loyalty is also found to be the underlying factor that influences repurchase decisions. The study shows that online customer loyalty is nearly as important as satisfaction in influencing repurchase intentions. This further implies that not only online satisfaction, but also loyalty is a strong predictors of consumers' repurchase intentions through online channels. Therefore, online customer loyalty is amongst the factors affecting online customers' intentions to repurchase.

In conclusion, no matter how important online customer satisfaction and loyalty are, they cannot be bought at any given price. Ultimately, the decision to devote corporate resources to such factors has to be a trade-off between the cost of achieving those improvements and the potential gain from doing so.

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ANNEXURE A
COVER LETTER FOR MAIN SURVEY QUESTIONNAIRE

VAAL UNIVERSITY OF TECHNOLOGY

FACULTY OF MANAGEMENT SCIENCES
DEPARTMENT OF MARKETING AND SPORTS MANAGEMENT

Dear Participant

RESEARCH PROJECT

Good morning/afternoon. I am a student at Vaal University of Technology. I (XD Chauke) am conducting a research project based on *On-line shopping satisfaction, loyalty and repurchase intentions of generation X consumers in southern Gauteng* in order to complete my M.Tech degree (Masters). We shall be talking about online shopping. There are no wrong or right answers; I would just like to hear your views. Your opinion will be very helpful to me. If you have online experience, please read the following questions carefully and tick the options that you consider correct and appropriate.

I therefore request you to complete the enclosed questionnaire yourself and confidentially. I assure you the survey data are only for academic research and won't be used for any commercial purpose. This interview will take approximately 5-10 minutes.

I thank you for your time and effort in completing the questionnaire enclosed.

Enquiries: Difference Chauke

Cell No: 072 283 1388

Email: Chaukex.d@webmail.co.za or Hlomela@gmail.com

ANNEXURE B

SURVEY QUESTIONNAIRE

ON-LINE SHOPPING SATISFACTION, LOYALTY AND REPURCHASE INTENTIONS OF GENERATION X CONSUMERS IN SOUTHERN GAUTENG

Thank you for participating in this important research endeavour. We are interested in finding out the level of online satisfaction and loyalty and its relationship with repurchase intention of Generation X consumers in southern Gauteng. There are various sections to this questionnaire. Please complete all sections of the questionnaire and answer the questions honestly.

SECTION A: BIOGRAPHICAL INFORMATION OF THE RESPONDENTS

This section seeks background information about you. This information will be used for research purposes only. Please indicate your answer by crossing (**x**) to the appropriate block.

A1. Indicate your gender

Male	1		Female	2

A2. Age: please indicate the age group to which you belong

32-35	1	36-40	2	41-45	3	46-50	4	51 +	5

A3.Race: Please specify:

Black	1	White	2	Coloured	3	Indian	4

A4.Your mother tongue

Afrikaans	1	Xitsonga	2	IsiZulu	3	siSwati	4	IsiXhosa	5	Setswana	6
English	7	Tshivenda	8	Sesotho	9	IsiNdebele	10	Sepedi	11	Other	12

A5. Educational status

High school or less	1	College certificate	2	Diploma or Degree	3	Honours or Masters	4	Other	5

A6. In which city or town do you reside?

Vanderbijlpark	1	Vereeniging	2	Meyerton	3	Denneysville	4	Arconpark	5	other	6

A7. Occupation

Employee (private company)	1	Employee (public servant)	2	Professional	3	Unemployed	4	Student	5

A8.Years on online shopping

Less than 1 year	1	1- 3 years	2	4 - 6 years	3	7 - 10 years	4	More than 10	5

A9. Payment method

Credit card	1	Debit card	2	Online transfer	3	Mobile phone	4	Cash on delivery	5

SECTION B: ONLINE SATISFACTION

Please indicate the extent to which you agree with each statement. There is no right or wrong answers. Your spontaneous and honest response is important for the success of the study. You are required to indicate your degree of agreement with these statements using this scale by crossing (**X**).

1	2	3	4	5
Strongly Disagree	Disagree	Neither disagree nor agree	Agree	Strongly Agree

B1	I enjoy doing my shopping online	1	2	3	4	5
B2	I am relatively satisfied with my overall online shopping experience	1	2	3	4	5
B3	I am very pleased with my overall online shopping experience	1	2	3	4	5
B4	I am absolutely delighted with my overall online shopping experience	1	2	3	4	5
B5	I think online shopping is pleasant compared to traditional ways of shopping	1	2	3	4	5
B6	I think purchasing products/services online is a good idea.	1	2	3	4	5
B7	In general, online shopping meets my shopping expectations.	1	2	3	4	5

SECTION C: ONLINE CUSTOMERLOYALTY

Please indicate your preference by crossing (X) in one of the five numbers to the statement.

1	2	3	4	5
Strongly Disagree	Disagree	Neither disagree nor agree	Agree	Strongly Agree

C1	I consider myself a loyal patron of online shopping	1	2	3	4	5
C2	I would recommend online shopping to others	1	2	3	4	5
C3	I seldom consider switching to offline shopping	1	2	3	4	5
C4	I have been using online shopping for a very long time	1	2	3	4	5

C5	I expect to keep business relationships through online shopping for a period of time	1	2	3	4	5
C6	As long as the present service continues, I doubt that I would switch to traditional way of shopping	1	2	3	4	5
C7	I intend to interact with online shopping site sometime during the next two weeks	1	2	3	4	5

SECTION D: ONLINEREPURCHASE INTENTIONS

Please indicate your preference by crossing (X) in one of the five numbers to the statement.

1	2	3	4	5
Strongly Disagree	Disagree	Neither Disagree nor Agree	Agree	Strongly agree

D1	I intend to continue buying goods from the online shopping site that I regularly use	1	2	3	4	5
D2	It is likely that I will continue purchasing products/services online in the future	1	2	3	4	5
D3	I intend to continue purchasing products/services from online in the future	1	2	3	4	5
D4	I intend to acquire product information from the e-shopping site that I regularly use	1	2	3	4	5
D5	I intend to use the online shopping site that I regularly use as the priority for future purchases	1	2	3	4	5
D6	Except for any unanticipated reasons, I intend to continue to use the online shopping site that I regularly use.	1	2	3	4	5

Thank you for participating in the study!