Factors that influence the consumer behaviour and the increase of online shopping in the South African market.

Applied Research Project

submitted by

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DECLARATION

I, Lilian Bertina Tshabalala, declare that this research article is my own work except as indicated in the references and acknowledgements. It is submitted in partial fulfilment of the requirements for the degree of Master of Business Administration in the Graduate School of Business Administration, University of the Witwatersrand, Johannesburg. It has not been submitted before for any degree or examination in this or any other university.

Bertina Tshabalala

Signed in Sandton

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ABSTRACT

South Africa's e-commerce industry grew by 66% (more than R30 billion) in 2020, compared to 2019, significantly due to online shopping during the COVID-19 pandemic. This research explores the factors influencing growing intentions for online shopping in the South African market after hard lockdown restrictions were lifted. Drawing on the Unified Theory of Acceptance and Use of Technology 2 (UTAUT2) model and the Need for Cognition theory, the study investigates the extent to which online shopping intention is explained by perceived effort expectancy, online shopping performance expectancy, delivery value expectancy, customer dissatisfaction / dissonance and social influence. The constructs are aligned with the understanding that purchasing online requires less effort than traditional retail store visits and that delivery time, customer service social e-communities affect acceptance and usage of online shopping.

Using the survey method, a self-administered questionnaire on a Google form was designed to collect geo-biographical information and responses related to each construct of the study. Quantitative data was collected from 81 participants residing in Gauteng, KwaZulu Natal and Western Cape who engaged in online shopping. After the internal structure and reliability of the constructs were determined, multiple regression analysis was used to determine the relationships between the data was analysed using and structural equation modelling to determine the path relationships between online shopping intention and perceived effort expectancy, online shopping performance expectancy, delivery value expectancy, customer dissatisfaction / dissonance and social influence in SmartPLS v4.

The findings show that delivery expectation has the strongest influence on online while effort expectancy and performance expectancy revealed moderate relationships with online shopping intention. As more retailers engage in ecommerce, findings imply that maximising the delivery component of online purchasing should improve online shopping behaviour. Inferring from the results, this study provides

insights for online retailers to prioritise their delivery times and cost to enhance online shopping intention. Additionally, optimising retailer websites calls for a strong digital presence to improve online customer experience with a long-term perspective that will better position retailers to compete in the e-commerce space. Researchers are encouraged to interrogate the lack of significance of customer dissonance and social influence in determining online shopping intention in future research.

Keywords: e-commerce, online shopping, delivery expectancy, effort expectancy, performance expectancy, social influence.

Chapter 1: Introduction

1.1. Background of the Study

The strong increase in online shopping across the globe since the beginning of the COVID-19 pandemic in 2020 has been phenomenon. Most countries were put under strict lockdown and retailers were forced to shut down to curb the spread of the virus with an exception of those selling “essential good”. South Africa was no exception as the growth of online shopping has been a remarkable phenomenon since 2020 and in recent years. With the rise of technology and the internet, more and more people are turning to online shopping as a convenient and cost-effective way to purchase goods and services. This shift has had a significant impact on the South African economy, with online shopping becoming an increasingly important part of the retail landscape. Most retailers have had to come up with an urgent solution to sell their goods online and many shoppers avoided going to shop physically at the stores. In South Africa, e-commerce industry grew by 66% in 2020 when compared to 2019 which equates to more than R30 billion rands (Trade, 2021). In the coming years, the increase in online shopping has stayed consistent and it is therefore important for e-commerce companies to understand why an e-consumer will choose them over their competitor.

The growth of online shopping in South Africa during the COVID-19 pandemic has highlighted the need to understand the factors influencing online shopping intentions in the South African market after the lifting of hard lockdown restrictions. While the Unified Theory of Acceptance and Use of Technology 2 (UTAUT2) model and the Need for Cognition theory provide insights into online shopping intention, there is a gap in the literature regarding the specific impact of delivery time, costs, and customer service on acceptance and usage of online shopping in South Africa. Additionally, the role of social influence and the perceived effort and performance expectancy of online shopping in shaping consumer intention to shop online in South Africa is not well understood.

To address these gaps, this study employs a survey methodology to collect data from online shoppers in Gauteng, KwaZulu Natal, and Western Cape. The data is analyzed using multiple regression analysis and structural equation modeling in SmartPLS v4. The study also revealed that the use of mobile devices for online shopping is prevalent, highlighting the importance of optimizing websites for mobile use. Additionally, the increasing number of online retailers and their competitive pricing have contributed to the growth of online shopping in South Africa.

Netcomm Suisse Obsevatory & UNCTAD (2020) conducted a study looking at Suisse 9 countries which are China, Brazil, German, Italy, Republic of Korea, Russia, South Africa, Switzerland and Turkey and looked at the level of development and digital readiness and how the people of these countries responded to the pandemic in terms of online shopping and other online activities. The study shows that online shoppers in emerging markets made a significant shift to online shopping which also includes South Africa. Research by eMarketer and Statista (Cramer-Flood, 2022) has noted that the global online retail sales will reach $6.51 trillion by 2023, with ecommerce websites taking up 22.3% of total retail sales

The findings of this study have managerial implications for online retailers in South Africa, suggesting strategies such as offering a wide range of products, optimizing website usability, focusing on efficient delivery times, encouraging positive online reviews, and prioritizing post-purchase customer satisfaction. By implementing these strategies, online retailers can attract and retain more customers, increase sales, and build a strong reputation in the e-commerce industry.

The contribution of this study lies in its insights into the behavior and preferences of online shoppers in South Africa, providing guidance for businesses to tailor their strategies to meet the specific needs of South African consumers. Furthermore, the study contributes to the development of the e-commerce industry in South Africa, which is still in its early stages compared to more advanced countries.

With this in mind, the paper will attempt to understand the below questions:

1.2. Research Questions

1. How does the delivery time, costs and customer service offered by online retailers impact the acceptance and usage of online shopping in South Africa?

This research question addresses the gap in the Unified Theory of Acceptance and use of Technology (UTAUT2) and Need For Cognition (NFC) models, which do not consider the effect of delivery times and customer service on online consumer behavior. By investigating the impact of these factors on the acceptance and usage of online shopping, this research can provide insights into how online retailers can improve their services to attract and retain customers.

2. What is the role of social influence in shaping the intention to shop online in South Africa?

The UTAUT2 model includes social influence as one of the factors influencing user acceptance and usage of technology. By specifically examining the role of social influence in the context of online shopping in South Africa, this research can provide insights into how online retailers can leverage social networks and communities to encourage more individuals to shop online.

3. How does the perceived effort and performance expectancy of online shopping impact consumer intention to shop online?

The UTAUT2 model includes effort expectancy as a factor influencing user acceptance and usage of technology. By investigating the extent to which people believe that online shopping requires less effort than traditional retail methods, this research can provide insights into the factors that drive consumer intention to shop online. This can help online retailers understand how to design their platforms and processes to minimize perceived effort and increase consumer adoption of online shopping.

1.3. Research Objectives

The research objectives are:

a. To examine the impact of delivery time and customer service on the acceptance and usage of online shopping in South Africa, aligning with the research question on the influence of these factors on user behavior.
b. To investigate the role of social influence in shaping the intention to shop online in South Africa, aligning with the research question on the role of social influence in online shopping behavior.
c. To explore the relationship between perceived effort expectancy and consumer intention to shop online, aligning with the research question on the impact of perceived effort expectancy on online shopping behavior.
d. To assess the influence of convenience, social influence, ease of use in mobile commerce, aligning with the research questions on the factors affecting user perception in mobile commerce.
e. To examine the effect of long tail and trust on customer motivation to choose online channels for shopping, aligning with the research question on the influence of long tail and trust on online shopping behavior.

By addressing these research objectives, this study aims to provide insights into the factors influencing user acceptance and usage of online shopping, specifically in the context of South Africa, and contribute to the existing literature on online consumer behavior.

1.4. Hypothesis development

H1: The delivery time and customer service offered by online retailers have a positive impact on the acceptance and usage of online shopping in South Africa.

Assumption: Customers value timely delivery, less/free delivery cost and good customer service and are more likely to engage in online shopping when these factors are met.

H2: Social influence plays a significant role in shaping the intention to shop online in South Africa.

Assumption: Individuals are influenced by the opinions and recommendations of their social networks and are more likely to adopt online shopping if they perceive it to be popular and socially accepted.

H3: The perceived effort and performance expectancy of online shopping compared to traditional retail methods has an impact on consumer intention to shop online.

Assumption: Consumers prefer convenience and ease of use and are more likely to choose online shopping over traditional retail methods if they perceive it to be less effortful.

1.5. Delimitations

The research is delimited to the ecommerce context in South African as the study was motivated by the growth in ecommerce. This was majorly attributed to online shopping despite Covid-19 restrictions being lifted gradually after 2020. As a result, the findings of this research may have limited generalizability due to the specific context of South Africa. Cultural, economic, and social factors unique to South Africa may influence online shopping behaviour differently compared to other countries or regions. Therefore, caution should be exercised when applying the findings to other contexts

Chapter 2: Literature Review

The study uses the UTAUT2 (Unified Theory of Acceptance and Use of Technology) and the Need for Cognition (NFC) model to find factors that influence shoppers to shop online shopping in South Africa. The UTAUT2 model is a framework that helps to explain how and why individuals adopt and use technology, and it includes several key factors such as performance expectancy, effort expectancy, social influence, and facilitating conditions (Venkatesh, Morris, Davis, & Davis, 2003). The NFC model, on the other hand, suggests that individuals who have a high need for cognition, or a desire to think deeply and critically, are more likely to adopt and use technology (Cacioppo & Petty, 1982).

The UTAUT2 and NFC models do not take into account the effect of delivery times and the expectations that online consumers have regarding the delivery of their goods. It also does not take into account the customer service that the online retailer offers and how this has an effect. Therefore the research will further test the delivery factors and and customer satisfaction and will only test the “performance expectancy”, “effort expectancy”, “social influence” under UTAUT2.

2.1 Theoretical pivot: UTAUT 2

Online consumer behaviour research is a young and dynamic academic domain that is characterized by a diverse set of variables studied from multiple theoretical perspectives. Online shopping is not the same as retail, it has different principles and relies Computer Mediated Environments (CMEs) for shoppers to be linked and communicate with the seller. The authors gave a definition of the computer-mediated environment (CME) as a medium were user interact using the internet ((Hoffman & Novak, 1996) therefore the CME can be thought of as the context in which E-Behaviour takes place.

The theoretical pivot that will underpin this study is the unified theory of acceptance and use of technology (UTAUT2). The Unified Theory of Acceptance and Use of Technology (UTAUT2) is a widely accepted model for understanding user acceptance and usage of technology. This model has been used to explain the adoption and use of various technologies, including online shopping. The purpose of this literature review is to examine the application of UTAUT2 to online shopping and to identify the key factors that influence user acceptance and usage of online shopping. Using the matrix “01. Which one do you prefer over the other regarding shopping 1. Online shopping. 2. Retail store” and “How often do you shop online in each month” to try an establish if these variables have an impact in consumer’s shopping online and the frequency in which they become a returning customer.

UTAUT model was developed by Venkatesh et al. (2003). The model looks at the acceptance of the use of technology which incorporates eight IT intention and behaviour models with four main constructs: performance expectancy, effort expectancy, social influence, and facilitating conditions. Performance expectancy is the degree to which a user believes that using a technology will help them achieve their goals. Effort expectancy is the degree to which a user believes that using a technology will require effort. Social influence is the degree to which a user is influenced by the opinions of others. Facilitating conditions are the external factors that make it easier for a user to use a technology. (Venkatesh, Morris, Davis, & Davis, 2003)

UTAUT 2 as shown in *Figure 1* is an extended model of UTAUT and suggests that a technology user behavioural intention to use a technology is influenced by the following factors:

- Performance expectancy: How useful is the technology perceived by the user.
- Effort expectancy: How easy it is to use the technology.
- Social influence: How important it is to use this technology within the user’s social network.

- Facilitating conditions: Degree to which the individual believes to be in possession of the resources to use the technology.
- Hedonic motivation: How enjoyable does the user perceive the technology.
- Price value: Trade-off between the benefit perceived and the cost of technology usage.
- Habit: How long the technology has been used since the introduction of it. (Venkatesh, Morris, Davis, & Davis, 2003)

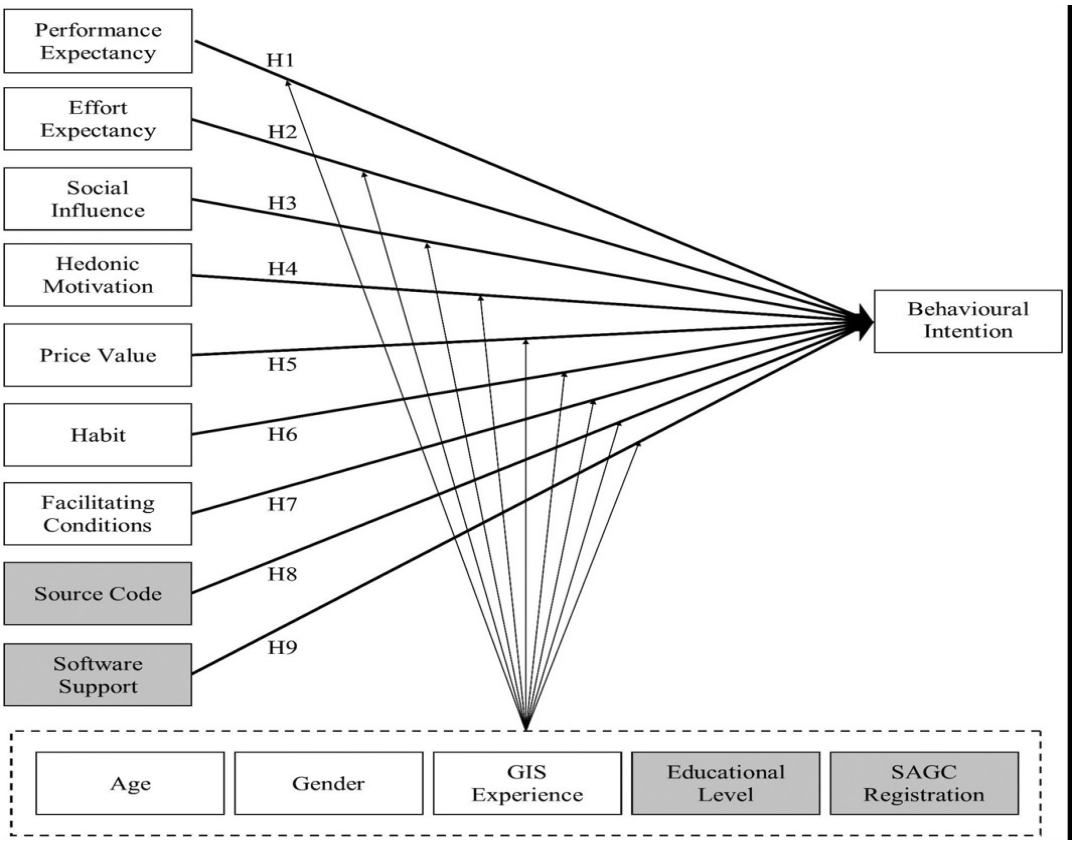


Figure 1: The UTAUT 2 Model (Venkatesh, Morris, Davis, & Davis, 2003)

The variable Effort Expectancy in online shopping is described by (Venkatesh, Morris, Davis, & Davis, 2003) as an extent to which people believe that buying goods or services online requires less effort than traditional methods (retail store). Additionally, online shopping creates higher expectations for customers in terms of saving time and having access to a wider variety of products that may not be available from local retailers. Performance Expectancy affects a person's intention to shop online, as

demonstrated by research. Performance Expectancy is also a significant factor driving people's intention to shop online because of the convenience and lack of effort required. (Kardes, Cronely , & Cline , 2011) refers to Social Influence as communities of online shoppers, supported by e-commerce websites, enable customers to exchange their personal experiences through writing reviews and rating the reviews of others.

2.1.1 Computer Mediated Environments (CMEs): Internet access and use

Statista has reported in their Worldwide digital population report that there were 5.16 billion internet users worldwide as of January 2023. That is 64.4 percent of the global population (Petrosayan, 2023). Of that 5.16 billion, over 2.14 billion shoppers are buying items online worldwide (Fokina, 2023). That is 41.8 percent of internet users and it is projected to increase. In Africa, the formal retails industry is not very well established with an exception of South Africa according to a McKinsey's Lions go digital report. (Manyika, et al., 2013). They estimated that e-commerce may make up to 10% of retails sales by 2025 resulting in approximately $75 billion worth of online sales every year. While South Africans exhibit a greater familiarity with online shopping in comparison to other African regions, the McKinsey study revealed that 25 percent of urban Africans utilize the internet on a daily basis, engaging in activities such as social media interaction and online shopping. Among the 14 African nations surveyed in their research, Senegal and Kenya emerged as the two countries with the highest iGDP (share of the Internet's contribution to GDP) (Manyika, et al., 2013). A study published by Safaddin Galal in January 2023 indicated that there are 41.9 million active users of internet in South Africa (Galala, 2023). This has been further facilitated by the development of mobile technology, which has made it even easier for people to shop online. A single index research by the World Economics found that South Africa's median age is 27.1 (Economics, 2022) which confirms that South Africa has more young professional who are the big drivers of internet use, therefore online shopping. Additionally, the increasing affordability of internet access has made it easier for people to shop online. It also indicates that online retailers are working hard to ensure that

shopper have a better experience interaction with their online platform and products. This is a clear indication that African shoppers are adopting to the trend and technology.

Overall, the study of CMEs provides valuable insights into the factors that influence online consumer behaviour and the potential of online shopping. It helps marketers understand how to build trust, enhance user experience, and drive purchase intention in the online environment. The research conducted in this field has practical implications for businesses operating in the digital marketplace, particularly in regions like South Africa where the formal online shopping industry is still developing. This study is crucial because it contributes to the deeper understanding of the variable effort and performance expectancy in the UTAUT theory.

2.1.2 Effort Expectancy

The variable Effort Expectancy in online shopping refers to the extent to which people believe that buying goods or services online requires less effort than traditional methods (retail store). Additionally, online shopping creates higher expectations for customers in terms of saving time and having access to a wider variety of products that may not be available from local retailers. Several studies have examined the role of effort expectancy in the context of online shopping. In a study by Wu and Liang (2009) they found that effort expectancy was a significant factor in predicting consumer intention to shop online. Specifically, they found that consumers who perceived online shopping as easy to use were more likely to have a positive attitude towards online shopping and were more likely to shop online.

China dominates the global e-commerce industry, with nearly half of all online transactions worldwide taking place there. Over 780 million people in China made digital purchases in 2021, resulting in transactions worth $2.29 trillion and contributing to more than half of the world's online shopping sales (Ma, 2022). Making China the first country in the world where online sales exceed traditional retail sales. These sales are more than the combined size of the e-commerce Market in United State of America and

Europe. The most significant reason for this robust growth in China is due to the increase is adaptation of internet use with more than 800 million internet users. For retailers, the ultimate goal is to have a centralized online location where customers can view all of their possible purchases. A customer can purchase any product from WeChat “mini malls” while chatting to their friends and families, integrating shopping with social entertainment. They have integrated the e-commerce retailers such as Alibaba to “social media” platforms to recommend products to shoppers, making it effortless and seamless. The algorithm further communicates consumer’s interest to retailers so that they can increase inventory to keep up with demand to ensure seamless customer experience (Greeven, Xin, & Yip, 2022). Another factor that motivates people to shop online in China is convenience. Many consumers live in urban areas with limited physical retail options, and online shopping provides an easy and convenient way to purchase goods. According to a survey by McKinsey & Company, over 70% of online shoppers in China cited convenience as the primary reason they shop online (McKinsey&Company, 2021). Making it effortless for customers.

Similar trends can be observed in the second largest e-commerce market, the United State of America (USA). e-Marketer (2022) predicted that the USA e-commerce sales are expected to cross $1 trillion by end of 2021, which accounts for 19% of the e-commerce market globally. The growth of mobile devices has also contributed to the popularity of online shopping. A report by eMarketer found that over 60% of e-commerce sales in the USA are made on mobile devices (e-Marketer, 2022). The convenience of shopping on a mobile device, combined with the ability to shop on the go, has made online shopping an attractive option for many consumers. Much like China, convenience also came as a reason in USA shoppers. According to a report by the Pew Research Centre, over 80% of USA adults have made an online purchase, and the majority of them cited convenience as the primary reason for doing so (Perrin, 2019). Online shopping allows consumers to shop from the comfort of their own homes, at any time of day or night, without having to travel to a physical store, making it effortless. In addition to convenience, online shopping offers consumers a greater variety of products to choose from. A study by the National Retail Federation (2018)

found that the top reason consumers shop online is the availability of products that are not available in physical stores. By shopping online, consumers can access a wider range of products and compare prices across multiple retailers, which can help them find the best deals. Piarna et al. (2020) also explored the adoption of online shopping among millennial consumers. They found that the level of convenience associated with internet usage, known as effort expectancy, plays a significant role in online shopping adoption. If consumers perceive online shopping as easy and convenient, they are more likely to adopt it.

In Africa, Kenya (with one of the largest internet users) is projected to reach $4198.1 million market volume in online shopping by 2027, whereas the growth projection for South African is 12.52%, resulting in $11.43 billion market volume. Amongst various reasons why Kenya has the largest internet users on the continent yet ranks lower than South African in online shopping are issues of high delivery costs and retailers being scammed by consumers on cash-on-delivery payment methods. Edna (2022) estimates that the costs of delivering an item across Nairobi can add up to 70% of the cost of the item (Edna, 2022), thereby discouraging online sales accompanied with deliveries.

South African retailers, on the other hand, offer “free” shipping for their customers on certain products, volume of purchase and a culture of “cash-on-delivery” prevails to encourage online purchasing. According a financial article of Oxford Business group (2016) , it is estimated that 23,5% South Africans are still unbanked and R12 billing in cash is still outside of the bank. Prominent e-commerce platforms in South Africa, such as Takealot, have introduced creative and diverse approaches to enable online shoppers to access their products and make payments using various methods. Takealot has implemented options like cash-on-delivery, voucher payments, and loyalty points as payment methods for select products, all of which play a role in fuelling the expansion of online retail in South Africa.

In 2021, Deloitte surveyed 1004 online shoppers and found that 70% of the responded shop at least once a month and the top three reasons for shopping online are (1) the convenience of online shopping, (2) COVID-19 lockdown restrictions and (3) it saves shoppers a lot of time (Deloitte, 2021). The concept of shopping from the convenience of one's home with minimal effort resonates well with online shoppers. This approach is perceived as requiring minimal input for substantial gains, facilitated by the ease of price comparison and accessing fellow shoppers' reviews, thereby effortlessly fulfilling their objectives. Additionally, this benefits online retailers, as it enables entrepreneurs to initiate their digital stores without being burdened by the operational expenses associated with brick-and-mortar establishments, allowing them to attain their business objectives as well.

In December 2022, a study conducted by World Wide Worx and Mastercard in South Africa after Black Friday sales, highlighted a substantial surge in the country's online retail sector throughout 2022. The growth rate reached an impressive 30%, propelling the total value of South Africa's online retail for the year to R55 billion. This comprehensive study drew insights from a diverse range of data sources, encompassing consumer surveys, financial institutions, retailers, and actual financial transactions. The study's findings underscored the profound impact of the COVID-19 pandemic on the trajectory of online shopping in South Africa. The pandemic-induced circumstances led numerous consumers to embrace e-commerce, thereby circumventing visits to physical stores. A notable observation was the predominant presence of young, urban individuals with substantial disposable income among South Africa's online shoppers. The growth of the e-commerce sector in the country was notably driven by two key factors: the increased accessibility of dependable internet and mobile connectivity, as well as the expansion of diverse online payment options (World Wide Worx & MasterCard, 2022). This aligns with the concepts of Performance Expectancy and Effort Expectancy within the UTAUT2 model.

Analysing the global frontrunners in e-commerce and delving into South Africa's context highlights a distinct trend: the surge in online shopping's appeal results from a

confluence of factors. These encompass an extensive range of product offerings, convenience, and an enhanced platform experience that collectively crafts a seamless and hassle-free shopping expedition. Overall, the literature emphasizes the importance of Effort Expectancy in online shopping behavior. The ease of use, convenience, and availability of a wide range of products contribute to the appeal of online shopping. These factors, along with the increased accessibility of the internet and mobile connectivity, have driven the growth of online shopping in various regions. The findings provide valuable insights for businesses and marketers to understand consumer behaviour and develop strategies to enhance the online shopping experience.

2.1.3 Social Influence

As previously stated, (Kardes, Cronely , & Cline , 2011) refers to Social Influence as communities of online shoppers, supported by e-commerce websites, enable customers to exchange their personal experiences through writing reviews and rating the reviews of others. These may also include social media influencer, friends and families recommendations. These communities increase the flow of visitors to retail sites and serve as a point of reference for online shoppers seeking insights from fellow consumers. Social influence has been found to have a significant impact on online shopping behaviour. The opinions and recommendations of family members, friends, and other social networks play a vital role in shaping individuals' attitudes towards online shopping. (Kim & Srivastava , 2007) found that perceived social influence had a positive impact on consumers' attitudes towards online shopping. Similarly, a study conducted by (Hajli, Shanmugam, Papagiannidis, Zahay, & Richard, 2014) found that social influence had a positive effect on consumers' intention to use online shopping.

The availability of customer reviews and ratings is a significant factor in motivating people to shop online. Several studies have suggested that the impact of social influence on consumer behaviour in Asia may differ from that in Western cultures. For example, a study by (Chen & He, 2016) found that the impact of social influence on online shopping behaviour was stronger in China and Taiwan compared to the United

States. This may be because collectivism is more prevalent in Asian cultures, and individuals may be more influenced by the opinions of their social network.

Looking at online reviews KPMG surveyed 2560 online shoppers and found that 73% of Chinese consumers read online reviews and do an extensive research before making a purchase (KPMG, 2016). KMPG reported that the fourth highest trigger for online shopping in China was “I first saw it mentioned on an online review” which accounts for 21.2% of the surveyed respondents. By reading reviews, consumers can get a better sense of the quality and reliability of a product before they make a purchase.

In USA, people who shop online are also motivated by the ability to read customer reviews and ratings. According to a survey by BrightLocal, 98% of consumers at least read online reviews before making a purchase, and 87% trust online Google reviews as much as personal recommendations. 95% of consumers left an online review in 2022, or would at least consider leaving one (Paget, 2023). A Harvard business review article by Simonson & Rosen (2014) found that a customers’ purchase decision is influence by a combination of three factors, one of them being “feedback from other individuals and information sources”. This is a powerful tool because most people value the opinion of people they trust than the traditional company marketing of the product.

In addition to online reviews, social media influencers have also been found to impact online shopping behaviour in the USA. In their book “Influencer Marketing” Brown and Hayes (2008) found that consumers were more likely to trust recommendations from people they considered to be experts in a particular field, including social media influencers (Brown & Hayes, 2008). This is a commonly used tools as we have seen brands like Pepsi using celebrities to promote their brand. Furthermore, the social media market of influencer has increased drastically. A social media influencer is characterized as an individual who has the capacity to impact the buying choices of others through their authority, expertise, status, or connection with their audience, and typically maintains a significant number of followers on social media channels such as Facebook, Instagram, YouTube, TikTok, Twitter, and others.

In the South African context, the prominence of social media influencers as a prevalent marketing tool is evident, exerting substantial influence over purchasing choices. A study by Jansen Van Rensburg and Herbst (2019) underscores that these influencers are perceived as more reliable compared to conventional advertising platforms. The study revealed that 72% of South African consumers follow influencers on social media, and 67% have made a purchase based on a recommendation from an influencer. This indicates that social media influencers have a significant impact on buying decisions in South Africa. Furthermore, a study by Botha and Fahiya (2018) found that social media influencers have a significant impact on the behaviour of South African millennials. The study revealed that 71% of millennials in South Africa follow influencers on social media, and 63% have made a purchase based on an influencer's recommendation. Furthermore, the research revealed that within South Africa, millennials demonstrate a higher inclination to place trust in influencers with modest followings rather than those boasting larger audiences. This pattern suggests a search for authenticity and a recommendation akin to that of a friend and/or family. Similarly, a study by Khumalo and Mpinganjira (2017) found that online reviews significantly influence the purchasing behaviour of South African online shoppers. The research findings indicated that online reviews have a favourable influence on the perceived quality of products and services, leading to a subsequent positive impact on the intention to make a purchase.

Examining global patterns and translating them to the South African context reveals the significance of social influence within the framework of the UTAUT model. Reviews from fellow shoppers, social circles including friends and family, as well as the sway of social media influencers significantly shape the purchasing choices of online shoppers in South Africa. Notably, social influencers enjoy heightened trustworthiness compared to conventional advertising platforms, fostering a heightened likelihood of consumers acting on recommendations from influencers when making purchasing decisions.

Furthermore, the availability of customer reviews and ratings has been identified as a significant factor in motivating people to shop online. Online reviews provide consumers with valuable insights into the quality and reliability of products before making a purchase. Social media influencers have also emerged as influential figures in shaping online shopping behavior. Their authority, expertise, and connection with their audience have the power to impact consumers' buying choices.

In the South African context, social influence, including the influence of social media influencers, plays a significant role in shaping consumers' purchasing decisions. Studies have shown that South African consumers follow influencers on social media and make purchases based on their recommendations. Additionally, online reviews have been found to significantly influence the purchasing behavior of South African online shoppers.

2.1.4 Performance Expectancy

Performance Expectancy affects a person's intention to shop online, as demonstrated by research. Performance Expectancy is also a significant factor driving people's intention to shop online because of the convenience and lack of effort required.

(Liu, Zhao, & Li, 2019) in their paper exploring the factors that influence consumers' intention to adopt online grocery shopping found that performance expectancy was a significant predictor of consumers' intention to adopt online grocery shopping. This finding is consistent with the UTAUT model, which proposes that performance expectancy is a key determinant of users' intentions to adopt and use technology. Moreover, the study found that performance expectancy was also influenced by other factors such as social influence, effort expectancy, and facilitating conditions. Kim and Park (2013) examined the effects of performance expectancy on customers' intention to purchase online. They found that customers' perceived usefulness of the online shopping platform significantly influenced their intention to purchase. The study also

revealed that ease of use, perceived enjoyment, and trust significantly mediated the relationship between performance expectancy and intention to purchase.

A recent study by Alalwan et al. (2017) examined the role of performance expectancy in the context of e-commerce platforms. The authors found that performance expectancy was a significant predictor of users' intention to use e-commerce platforms. Moreover, the study found that website quality and perceived ease of use also played important roles in determining users' intention to use e-commerce platforms.

Within South Africa, global contenders in the e-commerce sector, such as Amazon, Wish, and the recent entrant SHEIN, have risen to the fore, engaging in competition with indigenous business-to-customer (B2C) e-commerce entities like TakeaLot, Superbalist, and Zando. These enterprises have dedicated efforts toward enhancing their operational efficacy, refining customer interactions with their applications, and elevating the quality of their product offerings to deliver an enhanced consumer experience. Although is it difficult to establish these e-commerce's' market share, an app analysis on iOS ratings by Similarweb leader board reported that Shien is number 1 rated online store in South Africa followed by Takealot (Similarweb, 2022). Concentrated efforts by these global digital retailers have been directed toward expanding their market presence within South Africa. A notable illustration of this trend is evident in the strategic collaboration between Wish and the South African Post Office (SAPO), aimed at optimizing logistical operations. This partnership prioritizes swift, streamlined, and closely monitored delivery services to enhance the overall customer experience (Writer, 2021).

In conclusion, the variable of Effort Expectancy plays a significant role in influencing consumers' intention to shop online. Studies have consistently shown that consumers who perceive online shopping as easy to use and convenient are more likely to have a positive attitude towards online shopping and engage in online shopping more

frequently. This finding is supported by research conducted in various countries, including China, the United States, and South Africa.

In China, the dominance of e-commerce is driven by the increasing adaptation of internet use and the integration of e-commerce platforms with social media platforms, providing a seamless and effortless shopping experience. Similarly, in the United States, the convenience of shopping on mobile devices and the availability of a wider variety of products contribute to the popularity of online shopping. In South Africa, the growth of the online retail sector has been accelerated by the COVID-19 pandemic, increased internet accessibility, and diverse online payment options.

Performance Expectancy, which refers to the perceived usefulness and benefits of online shopping, has also been found to influence consumers' intention to shop online. Studies have shown that consumers' perception of the usefulness and positive outcomes of online shopping significantly impact their intention to make online purchases. This is further mediated by factors such as ease of use, perceived enjoyment, and trust.

Overall, the literature highlights the importance of both Effort Expectancy and Performance Expectancy in shaping consumers' attitudes and intentions towards online shopping and how dependant these variables are. The convenience, ease of use, and perceived benefits of online shopping play a crucial role in driving consumer adoption and usage of e-commerce platforms. These findings provide valuable insights for businesses and marketers to enhance the online shopping experience, build trust, and meet the evolving needs and expectations of online shoppers.

2.2 The Need for Cognition (NFC)

Need for cognition" refers to an individual's inclination or motivation to engage in effortful cognitive activities, such as thinking, analyzing, and problem-solving. It represents the extent to which a person enjoys and values mental activities, and their

desire for information processing and intellectual challenges. People with a high need for cognition tend to engage in more active and reflective thinking, while those with a low need for cognition prefer to rely on heuristics or simple decision rules.

The concept of need for cognition can be linked to factors influencing online shopping behaviour. Several studies have explored the relationship between need for cognition and various aspects of online shopping, including information search, decision-making, and overall satisfaction.

(Hong, Thong, & Yan Tam, 2004) in their paper "The Effects of Information Format and Shopping Task on Consumers' Online Shopping Behavior: A Cognitive Fit Perspective" explored the influence of need for cognition on online shopping behavior, specifically focusing on the role of online information search. An experiment was conducted to examine the effects of two types of information formats (list versus matrix) in the context of two types of shopping tasks (searching versus browsing). The study aims to investigate how individuals with different levels of need for cognition engage in information search activities during the online shopping process.

Through empirical analysis, the researchers find that the effectiveness of information format in influencing consumers' online shopping behavior depends on the fit between the format and the shopping task. When the information format matches the shopping task requirements, consumers perceive a higher level of cognitive fit. In such cases, consumers tend to exhibit more positive attitudes, engage in more thorough information processing, and make better-informed purchase decisions. They actively seek out detailed product information, customer reviews, and make comparisons between alternatives. This indicates that individuals with a higher need for cognition have a stronger inclination to gather information to make well-informed decisions during online shopping.

The findings suggest that the need for cognition plays a significant role in shaping consumers' online information search strategies. It highlights the importance of catering

to the diverse information needs of consumers based on their varying levels of need for cognition. Understanding and addressing these differences can help businesses optimize their online shopping platforms and provide relevant and engaging information to enhance the overall shopping experience. Younger consumers are more likely to classify goods accurately based on their search, experience, or credence characteristics compared to older consumers. Furthermore, consumers with more online shopping experience tend to exhibit more accurate classification of goods.

Another study conducted by (Venkatesh, Speier-Pero, & Schuetz, 2022) presents a comprehensive framework that seeks to understand the motivations and behaviours behind consumers' online shopping intentions. The study explores various factors that influence consumers' intentions to shop online and their subsequent behaviours. The authors propose a conceptual model that integrates factors such as perceived usefulness, perceived ease of use, enjoyment, trust, social influence, and facilitating conditions to explain consumers' online shopping intentions and behaviours.

Based on a review of existing literature and empirical evidence, the authors find that perceived usefulness, referring to the degree to which consumers perceive online shopping as beneficial, significantly impacts their intention to shop online. Additionally, factors such as perceived ease of use, enjoyment derived from the online shopping experience, trust in online vendors, social influence from peers, and facilitating conditions (e.g., internet access, security) all play crucial roles in shaping consumers' intentions and behaviors.

The framework proposed in the paper provides a holistic understanding of consumers' motivations and behaviors when shopping online. It highlights the importance of user experience, trust-building measures, social influences, and facilitating conditions in fostering positive online shopping intentions and behaviors.

Another study conducted by (Dennis, Morgan, Wright, & Jayawardhena, 2010) examined the preferences of young women regarding social e-commerce sites. Despite

finding the social e-commerce site more challenging to use, many research participants reported greater enjoyment of the site and perceived it as more useful. This indicates that the positive aspects of the site outweighed the usability difficulties.

Age & previous experience

(Wan, Nakayama, & Sutcliffe, 2012) conducted research to explore the influence of age and web shopping experience on consumers' search behavior, overall shopping experience, and trust ratings in online shopping. The study aims to understand how consumers categorize goods and how age and shopping experiences contribute to these categorizations. Search goods are products with attributes that can be evaluated before purchase, experience goods rely on post-purchase evaluation, and credence goods have characteristics that are difficult to assess even after consumption. Through empirical analysis, the authors find that both age and previous shopping experiences have significant effects on consumers' classification of goods in online shopping.

However, in another by (Makhitha & Ngobeni, 2021) examines the influence of demographic factors on perceived risks affecting attitudes towards online shopping. It concludes that gender does not have a significant influence on risk factors influencing attitudes towards online shopping .

Social Media Influence

Another study by (Mason, Brown, Mason , & Narcum, 2021) explored to understand how social media platforms shape consumers' attitudes, decision-making processes, and product preferences. The research explored various ways in which social media impacts consumer behavior. It highlights that social media platforms provide consumers with access to a vast amount of information, peer recommendations, and social interactions, which influence their purchasing decisions. Social media platforms also facilitate brand engagement and allow consumers to express their opinions, fostering a sense of community and trust among consumers. The research findings demonstrate

that social media has a significant impact on consumer behavior and preferences. Social media platforms influence consumers' awareness of products and brands, their evaluation of products based on user-generated content, and their engagement with brands through interactive content and promotions. Moreover, social media platforms play a role in shaping consumers' preferences, as they are exposed to personalized content and targeted advertising.

In a different context, Chaffey and Ellies-Chadwick (2019) investigated the factors influencing consumers' adoption of mobile payment solutions. The study identified security and privacy concerns, ease of use, and rewards or discounts as key determinants of consumers' willingness to adopt mobile payment methods. The research emphasized the importance of providing a secure and user-friendly mobile payment experience to foster customer trust and promote widespread adoption.

These studies collectively shed light on various aspects of consumer behaviour in different domains of online shopping. The authors objectives were to understand the underlying factors that influence customer satisfaction, loyalty, and adoption of new technologies, and factors influencing online customer behaviour so businesses can better tailor their strategies and enhance the overall online shopping experience for their customers.

2.3 Customer Satisfaction

Customer service has a significant impact on online shopping. A positive customer service experience can lead to increased customer satisfaction, loyalty, and repeat business. In contrast, poor customer service can lead to negative online reviews, reduced customer satisfaction, and loss of customers.

According to a research articled on Forbes (Hyken, 2022), 58% of surveyed customers said customer service is an important part of their ecommerce experience and they are willing to pay more for better customer service. Similarly (Kim, Kim, & Lennon , 2015)

found that online retailers who provide high-quality customer service have a competitive advantage over those who do not. The study also found that customer service quality is positively related to customer satisfaction and loyalty. Another study by (Huang & Zhang, 2017) found that online shoppers are more likely to abandon their carts if they encounter poor customer service. The study also found that negative online reviews about customer service can significantly impact a business's reputation. Once a customer has experience the brand or product they will recommend the brand only when they are completely satisfied and trusts the quality and value of the product or service. However if they are not satisfied, they may complain which may affect the company brand.

Happy customers become repeat customers and loyal to the brand. According to Best (2005), customer loyalty is a psychological commitment that a customer has towards a specific brand or company. Customer loyalty can be measured through customer Loyalty Index (CLI) which is explained by Best (2005) as a psychological predisposition that influences the customer to make repeat purchases from a specific product or service. The less complains, and an increase in customer loyalty results in customer satisfaction.

The above provides evidence that customer service has a significant impact on online shopping. Positive customer service experiences can lead to increased customer satisfaction, loyalty, and repeat business. In contrast, poor customer service can lead to negative online reviews, reduced customer satisfaction, and loss of customers. Online retailers need to focus on providing high-quality customer service to gain a competitive advantage and succeed in the e-commerce industry.

2.4 Delivery/Shipping time, Delivery/Shipping costs

With the increase in e-commerce, the importance of shipping costs and delivery times has also become significant. Consumers are more concerned about the cost and timing

of delivery than ever before. Here we focus on the impact that shipping costs and delivery times have on consumers shopping online.

2.4.1 Shipping Costs and Online Shopping:

Shipping costs play a significant role in online shopping. According to a study by Seock and Bailey (2008) high shipping costs are the primary reason for cart abandonment. Consumers are more likely to abandon their cart if the shipping costs are high or not disclosed until checkout. The study also suggests that offering free shipping can increase sales and customer loyalty.

In another study by Bechwati and Xia (2010). it was found that consumers are willing to pay a higher price for a product if the shipping costs are low or free. The study suggests that retailers can increase their profits by bundling the shipping cost into the product price.

2.4.2 Delivery Times and Online Shopping:

Delivery times are another crucial factor in online shopping. Consumers expect quick and reliable delivery. According to a study by Kim and Park (2013), consumers are more likely to shop online if they are confident about the delivery times. The study also found that consumers are willing to pay extra for faster delivery.

Another study by (Verhoef, Kannan, & Inman, 2015) suggests that consumers are more satisfied with their online shopping experience if the delivery times are shorter. The study found that longer delivery times lead to increased dissatisfaction and reduced loyalty.

2.4.3 Shipping Costs and Delivery Times Interaction

The interaction between shipping costs and delivery times also plays a significant role in influencing consumer behaviour. Consumers are willing to pay for expedited shipping if it means that their order will arrive sooner. In contrast, they may opt for standard shipping if it means that they will not have to pay a shipping fee. This was confirmed by a study by Vanhaverbeke and Vermeulen (2016), which found that free shipping combined with a more extended delivery time led to a higher conversion rate than when charging shipping fees for faster delivery times.

From what these authors have found in their conducted studies, it is clear that shipping costs and delivery times have a significant impact on consumers shopping online. High shipping costs can lead to cart abandonment, while free shipping can increase sales and customer loyalty. Consumers expect quick and reliable delivery, and longer delivery times can lead to increased dissatisfaction and reduced loyalty. Retailers need to consider these factors when developing their online shopping strategies to enhance customer satisfaction and increase sales.

Chapter 3: Methodology

3.1. Quantitative Research

To find the factors that influence shoppers to shop online shopping in South Africa, this study used of a quantitative research design. The data collection instrument was a self-administered online questionnaire, designed to collect biographical information as well as information based on the UTAUT 2 model constructs. Although the UTAUT2 model has nine constructs, These were online shopping behaviour and attitudes towards online shopping:

1. Effort Expectancy
2. Performance Expectancy
3. Social Influence

Furthermore, the study looked at the influence that estimated delivery times and costs involved to it influence the Shoppers's decision. Lastly, the after sale "Customer satisfaction of the product they bought online.

The objective of the first part of the questionnaire was to understand the "Effort Expectancy" (H1). This was to establish what encourages shoppers to shop at online retail in looking at the product variety available for the shopper on a single website, the website's signup process and if this has any influence on whether the shopper will proceed to checkout and finally how easy it is to navigate the website and find products. Next, to capture the behaviour of the shopper in accordance to "Performance Expectancy" (H2), there were questions which looked at the factors that makes the shopper abandon a "cart" which were also linked to the website's performance and delivery of the products. Such questions included asking if they would abandon a cart if they were compelled to register before checkout or because of the delivery costs and estimated time of delivery.

Shoppers were then asked questions regarding the influence that their friends and families have in the decision they make to shop at a specific online store or shop for a certain product. The question also asked if they are likely to buy a certain product if it is advertised by a social media influencer.

The introduction of the questionnaire consisted of demographics, including age range, education, and geographic location. The sample comprised of male and female South Africans in cohorts from Gauteng (which has over a third of South Africa's economy), KwaZulu Natal (which is the second biggest economy in South Africa) and Western Cape (third largest economy in South Africa) (SA, 2019).

The survey was distributed online on a Google form and shared on email and LinkedIn. The questionnaires were distributed between November 2022 and January 2023 in the South Africa, achieving a total of 81 completed questionnaires. The demographics of the sample are detailed in Table 1. From the 81 respondents, 4.9% were between the age of 18 – 25, Millenniums who are between the age of 26 - 39 dominated the survey and were the main represented segment with 85.2%, followed by cohorts between the age of 40 – 57 which represented 8.7%. Education level was spread and represented amongst all levels from below Grade 12 to Masters degree's respondence.
In conducting this research, strict adherence to ethical guidelines was followed to ensure the responsible and ethical conduct of the study. The study obtained approval from the ethics committee at the University of Witwatersrand, demonstrating compliance with ethical guidelines: Refer to Annexure 1 Ethics approval number: WBS/BA1960806/659. Participants were required to provide informed consent by signing acceptance clearances before participating in the study. This ensured that participants were aware of the purpose of the study and their rights as participants. The study also ensured the anonymity of respondents to maintain the integrity of the study and protect participant confidentiality.

Ethical standards throughout the research process, from data collection to analysis and reporting was maintained. Ethical principles, such as protecting human subjects, ensuring informed consent, and maintaining confidentiality, were carefully followed in this study.

The research methodology employed various techniques, including the use of questionnaires and data analysis using the structural equation model (SEM) and exploratory factor analysis (EFA). These techniques were chosen to ensure the validity and reliability of the data collected.

The study used this data to test the hypotheses generated from the UTAUT2 model. The survey included questions that measure some of the three factors of the UTAUT2 model and additional questions to gather information about the demographics of the participants, their online shopping behaviour, and their attitudes towards online shopping to determine which of the identified factors are significant and which is not significant in influencing consumers to choose online shopping and determine the frequency in which they chose to shop online.

Table 1. Respondent Profiles

Age Range	
18 – 25 (Gen Z)	4.90%
26 – 39 (Millennial)	85.20%
40 – 57 (Gen X)	8.70%
57+ (Baby boomers)	1.20%
Prefer not to say	0%
Education	
Below Grade 12	2.50%
Grade 12	21%
Diploma	9.90%
Degree	28.40%
Honours	24.60%
Masters +	13.60%

Geographic Location	
Gauteng	81.50%
KwaZulu Natal	13.60%
Western Cape	4.90%
Preference	
Online store	63%
Physical store	37%
Top reasons why shoppers prefer online shopping	
It's convenient	43.%
It saves time and money to drive to a physical store	32%
It's easy to compare prices	10%
The ability to read reviews from other shoppers	10%
The discounts	5%
Frequency of Shopping	
Less than once a month	30.9%
One - three times a month	44.4%
More than four times	24.7%
E-shopping Merchandise	
Clothing	42%
Groceries	35.8%
Electronic products	14.8%
Furniture	4.9%
Toiletries	2.5%
Device used to shop online	
Mobile device	77.8%
Laptop	19.8.%
Work computer	1.2%
Desktop	1.2%
iPad/Tablet	0%

Chapter 4: Study Results

4.1. Data Analysis

Data collected on the questionnaires was analysed using the structural equation model and its corresponding path coefficient, r-square, adjusted r-square and significance tests to determine the relationships among each of the constructs on SmartPLS NextGen V4. Prior to this, exploratory factor analysis (EFA) was conducted to determine the internal structure of the constructs and internal reliability, followed by confirmatory factor analysis to confirm the internal structure of the observed variables.

4.2. Results

Exploratory Factor Analysis

The study used the Exploratory factor analysis (EFA) to analyze the data. According to Tabachnick and Fidell (2013), Exploratory Factor Analysis (EFA) is commonly utilized to determine the factor structure of a measure and assess its internal consistency. The study will enable the research to identify the latent constructs underlying a set of variables and determine how those variables are related to one another (Tabachnick & Fidell, 2013).

The data was analysis conducted through the smart PLS software (Ringle, Wende , & Becker, 2022). The summary statistics that is used to analyse the data are Mean, Median, Skewness and Excess Kurtosis. Kenney and Keeping (1962) described mean is the arithmetic average of the distribution of the data set. Median is the variable, which is centrally located, is the data set is re arranged in ascending order (Freund & Perles, 2019). Skewness is defined by (Johnson , Kotz, & Balakrishnan , 1994) as a measurement of a data set's distortion of symmetrical distribution or asymmetry. Skewness on a bell curve occurs when data points are not distributed symmetrically to the left and right sides of the median. The bell curve is said to be skewed if it is shifted

to the left or right. Excess kurtosis means the distribution of event outcomes have lots of instances of outlier results, causing fat tails on the bell-shaped distribution curve. The kurtosis of a normal distribution is three. Excess kurtosis can, therefore, be calculated by subtracting kurtosis by three. A positive kurtosis value indicates that the distribution is more peaked than normal. A negative kurtosis, on the other hand, indicates a flatter shape than normal. Similar to skewness, the general rule is that kurtosis greater than +2 indicates that the distribution is too peaked (Sheskin, 2010).

From the data analysis it can be observed that people mainly shop online roughly three times a month. The mean is roughly two and this corresponds to people mainly shopping online about three times a month. From the data analysis it can also be seen that the item bought most online are clothing and Food shown by the mean of roughly two and the median of two. It can be observed from the data set that most people prefer to shop online compared to a physically retail store. With 52 out of the 81 respondents preferring to shop online and the remaining 27 preferring to shop Physically. Most of the respondents interviewed prefer to shop online mainly because of the convenience it offers them and the fact that it saves them time and money to drive to a physical store.

A minority of online shoppers buy online because they want to observe the reviews. The main reasons why the respondents prefer shopping physically are the ability touch and feel the product and also that they get the product immediately after purchase. The device utilised the most in order to purchase online is through the use of a mobile device with 53 respondents indicating they utilise it and also the mean of this distribution is 1.887 , the median is 2 and the excess kurtosis is 13 which shows that this distribution is quite peaked around people who use a mobile device. There are some though that also utilise the laptop.

Of the effort expectancy factors the most important determinants of online shopping were discovered to be: Online retails that offer product variety, creates a better shopping experience; it is easy for to navigate and shop online; Having fast estimated time of delivery would encourage me to shop at a certain platform over the other. The

factor that online retails offers product variety and creates better shopping experience has a mean of 4.138 , which means most of the respondents agree it is a determining factor. The Skewness is -1.450 also indicating that most of the respondents are agreeing to this factor and the kurtosis is 2.34 showing that this distribution is peaked. The other factor of it being easy for to navigate and shop online has a mean of 4.050 , which means most of the respondents agree it is a determining factor. The Skewness is -1.378 also indicating that most of the respondents are agreeing to this factor. The kurtosis is 2.34 showing that this distribution is peaked.

The next factor is the ease of finding the product you are looking for online and it has a mean of 4.112, which means most of the respondents agree it is a determining factor. The Skewness is -1.104 also indicating that most of the respondents are agreeing to this factor. The kurtosis is 0.995 showing that this distribution is not as peaked as the others ones. The other factor is the availability of fast estimated times of delivery and this has a mean of 4.225 which also means that most of the respondents agree it is a determining factor. The Skewness is -1.545 also indicating that most of the respondents are agreeing to this factor. The kurtosis is 1.906 showing that this distribution is peaked. The factor that concerns websites that don't require me to signup, making the shopping experience better was found to be not as determining when it comes to shopping online with a mean of 3.400 which indicates roughly respondents neither agree or disagree with it being a determining factor. The factor that concerns the difficulty to find information about returns and exchanges when shopping online was found to be not as determining when it comes to shopping online with a mean of 2.950 which indicates roughly respondents neither agree or disagree with it being a determining factor.

Under the performance expectancy variable a number of factors were considered and the data analysis revealed that a majority of the factors were not found to be of significance by the respondents. These factors were reasons why a respondent would abandon their online cart and included the following: they were just browsing, they were searching online to buy the product, they have found the product cheaper at a physical

retail store ,they found estimated delivery time to be too long, there was a shipping charge and return policy not easily known. For the first variable the results were a bit inconclusive. While a mean value of 3.450 suggests that on average the respondents neither agree or disagree that they would leave the cart because of just browsing, 46 of the respondents either strongly agreed or agreed that this can be a reason why they can possibly leave a cart. This is also backed up by the skewness of -0.552 which shows that there is an inclination towards respondents agreeing they would leave their cart because they were just browsing. The second factor was whether respondents would abandon their online cart they were searching online to buy the product. The data analysis proved that largely the respondents do not consider this as an important factor in them deciding to leave their online cart as the mean was 3 .062 which suggests that on average the respondents neither agree or disagree that they would leave the cart because of that. Also only 33 of the respondents agreed or strongly agreed they would leave their online cart because of this. The data analysis also revealed that the finding the product cheaper at a retail is not a factor that causes the respondents to abandon their online carts as the mean was 3.275 which suggests that on average the respondents neither agree or disagree that they would leave the cart because of that.

Only 36 out of the 79 of respondents agreed or strongly agreed they would leave their online cart because of this while the rest either disagreed or were indifferent about this factor. Data analysis revealed that the respondents did not consider the estimated delivery time being too long as a reason why they could abandon their online cart. The mean value was 3.487 which suggests that suggests that on average the respondents neither agree or disagree that they would leave the cart because of that. Also only 33 of the respondents agreed or strongly agreed they would leave their online cart because of this.

The next factor that the data analysis revealed results for was being compelled to register. The data analysis revealed that this is not factor that would cause the respondents to abandon their online cart for as it has a mean value of 3.100 which suggests that that on average the respondents neither agree or disagree that they

would leave the cart because of that. Also only 33 of the respondents agreed or strongly agreed they would leave their online cart because of this. The data analysis also revealed that the shipping charge is not a factor that would cause the respondents to abandon their online carts as the mean value is 3.462 which suggests that on average the respondents neither agree or disagree that they would leave the cart because of that. However 42 of the 79 respondents agreed or strongly agreed that they would leave their online cart because of that so the results are a bit inconclusive and leaning towards the agree part as the skewness is also negative with a value of -0.427. The data analysis showed that the return policy not being easily shown can be a reason why respondents can abandon their online carts. The mean value of 3.587 which is approximately equal to 4 indicates that on average people agree they would abandon their carts because of this and also 51 out of the 79 respondents either agreed or strong agreed they would leave their carts because of that. The skewness is also negative with a value of -0.427 showing that this is a reason why respondents would abandon their carts.

The impact of social influence on the likelihood of buying the product was considered as well. The data analysis revealed that the following factors played a role in people buying the product. These include If the product is recommended by family or friend on a social media platform and If the product has a rating of 4 stars or more. The factor that the product has been recommended by a family or friend has a mean value of 3.625 which is approximately equal to 4 indicates that on average people agree that it influences them buying a product. Also 49 out of the total respondents of 79 indicated they agree that this factor influences their buying decision. Also the skewness is -0.624 re-emphasizing the number of people who agree. The next factor was the ratings of the product and its influence on buying. If the product has a rating of 4 stars or more , the data analysis revealed that this influences the buying behaviour as there is a mean of 3.700 which is approximately equal to 4 indicates that on average people agree that it influences them buying a product. Also 53 out of the total respondents of 79 indicated they agree that this factor influences their buying decision. Also the skewness is -0.879 re-emphasizing the number of people who agree.

The data analysis revealed that whether a product is posted or advertised by a celebrity or influencer on social media that does not influence their buying decision, this was revealed by a mean value of 2.5 which is approximately equal to 3. This suggests that on average the respondents neither agree or disagree that celebrity or influencer do actually have an impact. Only 14 out of the 79 respondents either agreed or strongly agreed which further backs up this finding. The data analysis also revealed that if the product is advertised by the brand on Social media that does not influence their buying decision, this was revealed by a mean value of 3.025 which is approximately equal to 3. This suggests that on average the respondents neither agree or disagree that this factor influences their buying behaviour. Also only 35 out of the total respondents of 79 agreed that this factor influences their buying decision. The results also showed that whether the respondent can recommend the product to family or not, that does not impact their buying decision. The mean value was 2.763 which is approximately equal to 3. This suggests that on average the respondents neither agree or disagree that this factor influences their buying behaviour. Also only 25 out of the total respondents of 79 agreed or strongly agreed that this factor influences their buying decision showing that this factor is not considered important. The skewness of this distribution is 0.16 indicating that the distribution is positively skewed and that they are more people who disagree than agree.

4.3. Reliability and Validity

Cronbach's Alpha and Composite Reliability (CR) were utilized to test the dependability of the variables, and any variables scoring below 0.5, namely EE1 and EE6, PVDE3 and PVDE4, were eliminated which are represented on Table 2. The overall sample's Table 3 displays the factor loadings, reliability, and validity outcomes for the remaining items. Since the Alpha values and CRs did not accurately reflect the underlying construct, they were all higher than the suggested 0.700 threshold. Convergent validity was supported by the fact that both the Average Variance Extracted and CRs were equal to or greater than 0.500 and 0.700, respectively. (Ringle, Wende , & Becker, 2022)

EE1 showed that consumers had no issue regarding registering on the platform to buy a product and was discarded. EE6 which covered exchange policy, was also discarded.

Table 2

Construct reliability and validity
Overview

	Cronbach's alpha	Composite reliability (rho_a)	Composite reliability (rho_c)	Average variance extracted (AVE)
Customer Satisfaction	0,960	0,971	0,969	0,863
Delivery time/cost	0,456	0,541	0,653	0,328
Effort Expectancy	0,829	0,845	0,882	0,568
Performance Expectancy	0,798	0,822	0,852	0,455
Social Influence	0,800	0,828	0,857	0,548

Table 3

Construct reliability and validity
Overview

	Cronbach's alpha	Composite reliability (rho_a)	Composite reliability (rho_c)	Average variance extracted (AVE)
Customer Satisfaction	0,960	0,971	0,969	0,863
Delivery time/costs	0,516	0,525	0,748	0,500
Effort Expectancy	0,926	0,938	0,947	0,817
Performance Expectancy	0,798	0,827	0,851	0,454
Social Influence	0,800	0,829	0,857	0,548

4.4. Structural equation model and its corresponding path coefficient, r-square, adjusted r-square

According to the findings, the questionnaire data was transferred to Excel and then to SmartPLS v4, where the structural equation model and its corresponding path coefficient, r-square, adjusted r-square analysis was conducted. The output was

obtained and displayed in Table 4. The R-squared value, which indicates the proportion of the variance in the dependent factor predicted from the independent factor, was reported. However, for multiple regression analyses, it is more appropriate to use the adjusted R-squared value, which is adjusted for the number of predictors in the model. The adjusted R-squared value for this study is 0.64 (64%), indicating that 64% of the variability in the behavioral intention to shop online is explained by the model's independent factors. Therefore, the model is useful for explaining the factors that affect the behavioral intention to shop online (Saunders, Lewis, & Thornhill, 2009)

Table 4

R-square
Overview

	R-square	R-square adjusted
Online shopping intention	0,664	0,646

Table 5

f-square
Matrix

	CUSTOMER SATISF	DELIVERY	EFFORT EXP	PERFORMANCE EXP	SOCIAL INFL
CUSTOMER SATISF				0,046	
DELIVERY				0,615	
EFFORT EXP				0,175	
PERFORMANCE EXP					
SOCIAL INFL				0,008	

Table 6

Path coefficients
Mean, STDEV, T values, p values

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (|O/STDEV|)	P values
CUSTOMER SATISF -> SHOPPING INTENT	0,155	0,142	0,121	1,275	0,203
DELIVERY -> SHOPPING INTENT	0,283	0,306	0,114	2,475	0,013
EFFORT EXP -> SHOPPING INTENT	0,249	0,257	0,157	1,588	0,112
SOCIAL INFL -> SHOPPING INTENT	0,152	0,162	0,148	1,025	0,305

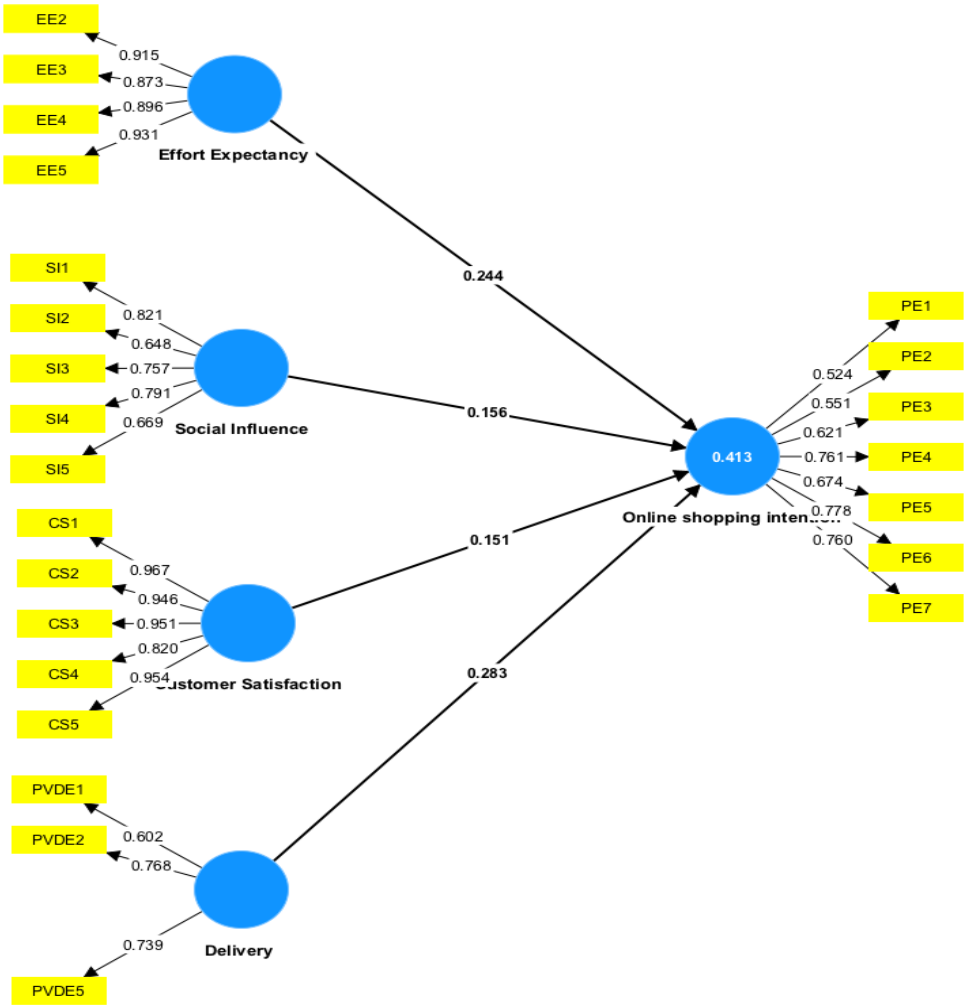
Table 7

Path coefficients

	Path coefficients
CUSTOMER SATISF -> SHOPPING INTENT	-0,210
DELIVERY -> SHOPPING INTENT	0,780
EFFORT EXP -> SHOPPING INTENT	0,373
SOCIAL INFL -> SHOPPING INTENT	-0,079

Path coefficient for customer satisfaction is negative and, upon closer inspection, the questionnaire asks about customer dissatisfaction or dissonance and not satisfaction. This is the reason why customer dissatisfaction negatively influences online shopping intention.

Table 8



4.5. Pearson correlation analysis

Additionally, an analysis using Pearson Correlation was carried out in SmartPLS v4 to examine if a linear connection existed between the independent and dependent variables. The Pearson Correlation Coefficient measures the extent of the linear relationship between two variables, with a value of 1 indicating a complete positive correlation, 0 indicating no correlation, and -1 indicating a complete negative correlation.

Based on the data presented in Table 9, which outlines the findings obtained from the Pearson Correlation Coefficient Analysis, all of the independent variables are related to

the dependent variable, as the correlation value is not zero. This indicates that there is a linear relationship between our independent and dependent variables, which is necessary to proceed with the multiple linear regression analysis. Moreover, the Pearson correlation coefficient is positive for all independent factors, indicating that a positive relationship exists between the independent factors and the dependent factor.

Moreover, in a multiple regression model, multicollinearity occurs when there are moderately or highly correlated independent variables (Farra & Glauber, 1967). Multicollinearity becomes problematic if the coefficients between the independent variables are too high. However, as shown in Table 7, the Pearson Correlation Coefficient between all of our independent variables is less than 0.7, indicating that our data does not exhibit multicollinearity (Pallan, 2007)

Table 9

Correlations

	Customer Satisfaction	Delivery time/cost	Effort Exp	Online shopping intention	Social Influence
Customer Satisfaction	1,000	0,514	0,593	0,489	0,303
Delivery time/cost	0,514	1,000	0,351	0,507	0,385
Effort Expectancy	0,593	0,351	1,000	0,519	0,551
Performance Expectancy (intention to shop online)	0,489	0,507	0,519	1,000	0,445
Social Influence	0,303	0,385	0,551	0,445	1,000

Chapter 5: Conclusion

The growth of online shopping in South Africa has been a remarkable phenomenon in recent years. With the rise of technology and the internet, more and more people are turning to online shopping as a convenient and cost-effective way to purchase goods and services. This shift has had a significant impact on the South African economy, with online shopping becoming an increasingly important part of the retail landscape. With more people having access to the internet, they are able to shop online more easily and conveniently. The study found that an overwhelming 78% use their cell phone to shop online. Which means they shop anywhere, anytime which refers to the point of convenience. Additionally, the study found that most South African shopper's preferer online shopping because it is convenient and saves them a lot of time and money.

Another factor that has contributed to the growth of online shopping in South Africa is the increasing number of online retailers. With more retailers offering their products and services online, consumers have more choice when it comes to where they shop. The study found that this was another important factor for South African shoppers. They value the product variety that online shipping offers to them. This has also made it easier for consumers to compare prices and find the best deals. Additionally, online retailers have been able to offer more competitive prices than traditional brick-and-mortar stores, which has further encouraged people to shop online. According to Growth from Knowledge (2020) study during 2020 black Friday, consumers spent more time researching each purchase of which 38% used "Price comparison websites" to research the price before making their purchasing decision. (GFK, 2020).

Customer satisfaction seems to be the main driver the respondents' shopping intention. When asked if they would ever shop at a certain merchant if they delivered a product that is not the same an advertised, 72 out of 81 respondents agree and strongly agree that they would never shop at that merchant again. Similarly 70 out of 81 felt the same way about a merchant that delivers a product of low quality. Another big factors that the study revealed is the customer service that they receive after they have purchased the

product: 71 respondents agree and strongly agree that they would never shop at a merchant if their customer service team is not helpful.

5.1 Managerial implications

The analysis shows that there are several key factors that are very important to online shoppers in South Africa, including (1) product variety, (2) ease of website navigation, (3) fast delivery times,(4) online reviews above a 4-star rating, and (5) post-purchase customer satisfaction. For online retailers to take advantage of these factors and maximize their online sales, the below strategies are recommended:

Offer a wide range of products: They need to ensure that their online store offers a wide variety of products to appeal to different customer segments. This will help them attract a larger customer base and increase their sales.

Optimize their website for ease of use: Ensure that their website is user-friendly and easy to navigate. This will help customers find what they are looking for quickly and easily, leading to increased sales and customer satisfaction. They need to particularly focus on building mobile apps as most respondents use their cell phones to shop online.

Focus on efficient delivery times: They need to ensure that their delivery times are as fast as possible. This is especially important in South Africa, where customers often have limited patience for long delivery times.

Encourage positive online reviews: Encourage their customers to leave reviews using strategies like “loyalty programs” which will give points to customers for leaving a review. Most importantly, online retailers have to provide excellent experience to encourage customers to leave positive reviews on their website and other online platforms. Reviews with a 4-star rating or higher can increases the brands’ credibility and help attract new customers.

Prioritize post-purchase customer satisfaction: To ensure that they prioritize customer satisfaction after the sale. This can be done by focusing on various strategies i.e Respond promptly to customer inquiries and complaints and offer refunds or exchanges when necessary. This will help you build a loyal customer base and increase customer retention. Have an easily accessible customer service center.

In summary, online retailers in South Africa can exploit online shopping by ensuring that their website is user-friendly and having a variety of products, providing excellent customer service, and providing fast and reliable delivery options. By focusing on these factors, they can attract and retain more customers, increase their sales, and build a strong reputation as a reliable and trustworthy online retailer in South Africa.

5.2 Contribution

(Izogo & Jayawardhena, 2018) reported that a company that understands the behaviour of their e-commerce shopper will gain insights on how the shopper search for products, services and information online before making a purchase. In that way they can align and design their website to suit their shopping needs and the company can gain advantage over their comp etitor.

According (Fiore & Kim, 2018), there are two processed that costumers go through when shopping whether online and in a physical store:

1) The product evaluation which formulate the attitude they have towards the goods or services,
2) Shopping responses which entails post-shopping satisfaction and purchase behaviour and online store design (Fiore & Kim, 2018).

Study of e-commerce, particularly in South Africa is still developing compared to the more advance countries like China and USA who have a big market share. This study will contribute to e-commerce industry in South Africa. Business can benefit from this study to tailor their strategies to the specific needs and preferences of South African consumers, businesses can drive growth, identify market opportunities, overcome

challenges, enhance customer experience, and contribute to the development of the e-commerce industry in the country.

5.3 Limitations

Due to time constraints, the study surveyed only 81 responses, potentially raising concerns about the sample's representativeness of the findings. The use of the snowball sampling technique inherently introduces bias and limits the diversity of the sample, potentially affecting the external validity of the results. Furthermore, self-reporting bias due to collecting self-reported measures, such as social desirability bias or recall bias, limit the objectivity of the data collected. Participants may provide responses that they perceive as more socially acceptable or may have difficulty accurately recalling their experiences or perceptions.

The cross-sectional design adopted by the research was useful for capturing data at a single point in time. This design limits the ability to establish patterns or processes of online shopping behaviour or causal links between the determining factors that influence online shopping behaviour. The conceptual model was underpinned by the UTAUT 2 model with adapted constructs. The insignificance of the relationships between social influence and online shopping intention creates ambiguity and limits the applicability of the relationship in future research. The research questions also focus on specific factors influencing online shopping behaviour, but there may be other variables that could potentially impact online shopping intention. The absence of control variables limits the ability to isolate the effects of the factors under investigation and may introduce confounding variables.

5.4 Recommendations for future research

Longitudinal or experimental designs with a larger sample size should provide more representative findings as well as stronger evidence for causality for better extrapolation

of results. In addition to mitigating self-reporting bias, an experimental design can test alternative factors such as website design, product variety, and trustworthiness of online retailers which likely play a significant role in user acceptance and usage of online shopping.

Researchers are also encouraged to investigate the lack of significance of social influence in determining online shopping intention in future research. Further exploration of wider scope of scales and structures should enhance the validation and understanding of the significance of social influence in online shopping. More holistically, comparative research between online and offline shopping experiences in traditional retailing hold potential for a more comprehensive understanding of consumer shopping behaviour and preferences.

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Annexure 1:

Graduate School of Business Administration
University of the Witwatersrand, Johannesburg

Wits Business School Ethics Committee
Constituted under the University Human Research Ethics Committee (Non-Medical)

Ethics Clearance Certificate

Ethics protocol number: WBS/BA1960806/659
This certificate is only valid with a legitimate ethics protocol number and signed by the Researcher (below)

Project title	Factors influencing shoppers on online shopping in the South African markets
Investigator / Researcher	Ms Lilian Bertina Tshabalala
Nature of Project	MBA (Research Article)
Decision of the Committee	Approved, provided stakeholders and participants are guaranteed anonymity and confidentiality.
Issue Date of Certificate	16 09 2022
Expiry date	Date of submission of the project / research report
Chairperson	Prof Anthony Stacey ☎ +27 11 717 3587 +27 82 880 4531 anthony.stacey@wits.ac.za

Declaration by Researcher

One copy must be signed by the Researcher and returned to the Chairperson of the Wits Business School Ethics Committee.

I fully understand the conditions under which I am authorized to carry out the abovementioned research and I guarantee to ensure compliance with these conditions. Should any departure to be contemplated from the research procedure as approved I undertake to resubmit the protocol to the Committee.

20 September 2022

Signature Date:

Annexure 2

Survey instrument

Demographic Questions:

01. Please select the age range that is applicable to you.

1. 18 – 25 (Gen Z), 2. 26 – 39 (Millennial), 3. 40 – 57 (Gen X), 4. 57+ (Baby boomers)

02. Education

1. Below grade 12, 2. Grade 12, 3. Diploma, 4. Degree, 5. Honours,6. Masters+

02. Geographic location

1. Gauteng, 2. KwaZulu Natal, 3 Western Cape

Primary Question: (Dependent Variables)

01. Which one do you prefer over the other regarding shopping:

1 = Online, 2 = Physical Store

Extra question for dependable variable

02. Why do you prefer online shopping? (If response is 1)

1. It saves me to time and money to drive to a physical store, 2. It's convenient, 3. I can compare prices easily, 4. I get more discounts online, 5. Loyalty program, 6. I can see what other shoppers say about the product

03. Why do you prefer physical retail store? (If response is 2)

1. Customer service is better, 2. Return process is easier 3. Instore promotions and discounts, 4. I can swipe my loyalty program, 5. I want to touch and feel the product, 6. I get my product immediately

04. How many times do you shop online in a month?

1. Less than once a month, 2. One - three times a month, 3. More than four times a month

05. Which product/s category do you frequently buy online?

1 Groceries, 2 Clothing, 3 Furniture, 4 Technology & Electronic, 5 Toiletries

Secondary Question: (Independent variables)

Effort Expectancy:

01. Websites that don't require me to signup, makes my shopping experience better.

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

02. Online retails that offer product variety, creates a better shopping experience for me.

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

03. It's easy for me to navigate and shop online

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

04. It’s easy for me to find the product/s that I am looking for online.

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

05. Having fast estimated time of delivery would encourage me to shop at a certain platform over the other.

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

06. It's difficult for me to find information about returns and exchanges when shopping online.

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

Performance Expectancy:

01. I am more likely to abandon a cart because: [I was just browsing].
1. Strongly disagree 2.Disagree 3.Neither agree nor disagree 4.Agree 5.Strongly agree

02. I am more likely to abandon a cart because: [I was researching online to buy the product in-store].
1. Strongly disagree 2.Disagree 3.Neither agree nor disagree 4.Agree 5.Strongly agree

03. I am more likely to abandon a cart because: [I have found the product cheaper at a physical retail store].
1.Strongly disagree 2.Disagree 3.Neither agree nor disagree 4.Agree 5.Strongly agree

04. I am more likely to abandon a cart because: [I find the estimated delivery time too long.]
1.Strongly disagree 2.Disagree 3.Neither agree nor disagree 4.Agree 5.Strongly agree

05. I am more likely to abandon a cart because: [I am compelled to register before checkout]
1.Strongly disagree 2.Disagree 3.Neither agree nor disagree 4.Agree 5.Strongly agree

06. I am more likely to abandon a cart because: [If there is a shipping cost]
1.Strongly disagree 2.Disagree 3.Neither agree nor disagree 4.Agree 5.Strongly agree

07. I am more likely to abandon a cart because: [If the return policy is not easily shown]
1.Strongly disagree 2.Disagree 3.Neither agree nor disagree 4.Agree 5.Strongly agree

Social Influence:
01. I am more likely to buy a specific product online: [If the product is recommended by family or friend on a social media platform]
1.Strongly disagree 2.Disagree 3.Neither agree nor disagree 4.Agree 5.Strongly agree

02. I am more likely to buy a specific product online: [If the product is posted or advertised by a celebrity or influencer on social media]
1.Strongly disagree 2.Disagree 3.Neither agree nor disagree 4.Agree 5.Strongly agree

03. I am more likely to buy a specific product online: [If the product is advertised by the brand on social media]
1.Strongly disagree 2.Disagree 3.Neither agree nor disagree 4.Agree 5.Strongly agree

04. I am more likely to buy a specific product online: [If the product has a rating of 4 stars or more]
1.Strongly disagree 2.Disagree 3.Neither agree nor disagree 4.Agree 5.Strongly agree

05. I am more likely to buy a specific product online: [I am more likely to recommend a product on social media to my friends and family].
1.Strongly disagree 2.Disagree 3.Neither agree nor disagree 4.Agree 5.Strongly agree

Customer Satisfaction (CS)
01. I am more likely will NEVER shop at a specific online store again if: [The products is not the same as advertised].
1.Strongly disagree 2.Disagree 3.Neither agree nor disagree 4.Agree 5.Strongly agree

02. I am more likely will NEVER shop at a specific online store again if: [The product is delivered damaged].
1.Strongly disagree 2.Disagree 3.Neither agree nor disagree 4.Agree 5.Strongly agree

03. I am more likely will NEVER shop at a specific online store again if: [The product is of low quality].
1.Strongly disagree 2.Disagree 3.Neither agree nor disagree 4.Agree 5.Strongly agree

04. I am more likely will NEVER shop at a specific online store again if: [The merchant shipped the wrong item]

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

05. I am more likely will NEVER shop at a specific online store again if: [Customer service was not helpful]
1.Strongly disagree 2.Disagree 3.Neither agree nor disagree 4.Agree 5.Strongly agree

Price value of Delivery Expectancy (DE)

01. I am more likely to choose to pick-up the product if it is quicker than delivery time
1.Strongly disagree 2.Disagree 3.Neither agree nor disagree 4.Agree 5.Strongly agree

02. I am more likely to purchase a product if there are no delivery costs
1.Strongly disagree 2.Disagree 3.Neither agree nor disagree 4.Agree 5.Strongly agree

03. I am more likely will NEVER shop at a specific online store again if: [Delivery is late]
1.Strongly disagree 2.Disagree 3.Neither agree nor disagree 4.Agree 5.Strongly agree

04. How long are you willing to wait for the delivery of your local goods?
1. I want my product the same day and I am willing to pay a premium fee for it. 2. I am willing to wait for 1-3 days for half the premium fee, 3. I am willing to wait for 3-5 days for a free delivery

05. How long are you willing to wait for the delivery of your international goods?
1. I am willing to wait 10 - 15 days and pay a premium, 2. I am willing to wait for 15 - 30 days and pay half a premium, 3. I am willing to wait more than 30 days for e free delivery