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Perceptions of consumer online trust and transaction issues in South Africa

Avinesh Pillay

A research report submitted to the Faculty of Commerce, Law and Management, University of the Witwatersrand, in partial fulfilment of the requirements for the degree of Master of Business Administration

Wits Business School

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ABSTRACT

The South African online landscape is growing, with more consumers connecting to the Internet and as more connected South Africans start using the Internet, more will search and transact. The ability to search and purchase online allows consumers the opportunity to make informed decisions about what they want to buy and whether or not products and services can be procured online or in-store. This self-education through the online search process allows consumers to become smarter shoppers, which saves time and money while enabling convenience.

A connected consumer in South Africa is able to find what they are looking for and is in a position to search online at any time. This is apparent, as the Internet has become more available, and online purchasing more prevalent, through the use of various mobile devices and e-commerce businesses. Online purchasing also means that more consumers will have to make informed decisions whether both website and mobile sites are trusted channels for transacting, where information or goods or services are exchanged on these platforms.

International studies in online trust focus on several factors that consumers take into consideration before making an online decision about information, goods and services. Limited studies have been conducted that address the perception of consumer trust and willingness to transact online in South Africa.

This study assessed the perceptions of consumer online trust and willingness to transact in South Africa. It evaluated the online trust landscape in South Africa, and was exploratory in nature. The data was collected through interviews that were semi-structured in nature from a sample of senior digital marketing specialists from the retail industry. The perception of consumer online trust and their willingness to transact in South Africa was provided, through the lens of these digital marketing specialists, who were considered experts in the online retail industry. Their insights also provided a view of the consumer journey when purchasing online.

Results from research indicated that a high level of trust is required from consumers to transact with e-commerce businesses. The research also indicated that several combinations of trust antecedents would result in a positive online transaction and that both trust in the systematic process and trust in the experiential process would affect consumer trust in online transactions.

DECLARATION

I, _____, declare that this research report 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 University of the Witwatersrand, Johannesburg. It has not been submitted before for any degree or examination in this or any other university.

Avinesh Pillay

Signed at ……

On the …….. day of …… 20…..

DEDICATION

My research is dedicated to my loving wife, who supported me through this journey by taking on the void I left in raising three amazing children and building a loving home.

To my children, who understand that always learning is an important life lesson, and to never stop learning.

ACKNOWLEDGEMENTS

This research report could have not been possible without the assistance and support of the following people.

To my supervisor, Antony Soicher, for getting me through with his amazing positive attitude: thank you Sir.

To all the respondents who gave me their time to discuss their experiences, knowledge and insights, thank you for sharing.

Lastly to my family and friends for understanding the sacrifice of this journey especially my wife and children who endured this journey with me. Without your love, support, guidance, motivation and encouragement, this journey would not have been possible.

TABLE OF CONTENTS

ABSTRACT ii

DECLARATION iv

DEDICATION v

ACKNOWLEDGEMENTS vi

LIST OF FIGURES x

LIST OF TABLES xii

CHAPTER 1. INTRODUCTION 1

1.1 PURPOSE OF THE STUDY 1

1.2 CONTEXT OF THE STUDY 1

1.2.1 ONLINE LANDSCAPE IN SOUTH AFRICA 1

1.2.2 ONLINE TRUST 2

1.3 PROBLEM STATEMENT 4

1.3.1 RESEARCH PROBLEM 4

1.4 SIGNIFICANCE OF THE STUDY 4

1.5 DELIMITATIONS OF THE STUDY 4

1.6 DEFINITION OF TERMS 5

1.7 ASSUMPTIONS 5

CHAPTER 2. LITERATURE REVIEW 7

2.1 INTRODUCTION 7

2.2 BACKGROUND 7

2.2.1 ONLINE E-COMMERCE LANDSCAPE SOUTH AFRICA 7

2.2.2 ONLINE E-COMMERCE LANDSCAPE UNITED KINGDOM 13

2.2.3 ONLINE E-COMMERCE LANDSCAPE NIGERIA 15

2.3 TRUST 18

2.3.1 NATURE AND CHARACTERISTICS OF TRUST 18

2.4 MODELS AND FACTORS OF ONLINE TRUST 19

2.4.1 TRUST ANTECEDENTS 24

2.4.2 TRANSACTIONAL CHARACTERISTICS 26

2.4.3 TRANSACTIONAL ENVIRONMENT OR CONTEXT 27

2.5 CONCLUSION OF LITERATURE REVIEW 28

2.5.1 PROPOSITION 1 29

CHAPTER 3. RESEARCH METHODOLOGY 30

3.1 RESEARCH METHODOLOGY 30
3.2 RESEARCH DESIGN 31
3.3 POPULATION AND SAMPLE 33
3.3.1 POPULATION 33
3.3.2 SAMPLE AND SAMPLING METHOD 34
3.4 THE RESEARCH INSTRUMENT 35
3.5 PROCEDURE FOR DATA COLLECTION 35
3.6 DATA ANALYSIS AND INTERPRETATION 36
3.7 LIMITATIONS OF THE STUDY 38
3.8 VALIDITY AND RELIABILITY 38
3.8.1 EXTERNAL VALIDITY 38
3.8.2 INTERNAL VALIDITY 38
3.8.3 RELIABILITY 39

CHAPTER 4. PRESENTATION OF FINDINGS 40

4.1 INTRODUCTION 40
4.2 PROFILE OF RESPONDENTS 40
4.3 RESTATEMENT OF THE PROPOSITION 43
4.3.1 TRUST IN SYSTEMATIC PROCESS 43
4.3.2 TRUST IN THE EXPERIENTIAL PROCESS 51
4.3.3 ACCESS 54
4.4 SUMMARY OF RESULTS 55
4.4.1 TRUST IN THE SYSTEMATIC PROCESS 55
4.4.2 TRUST IN THE EXPERIENTIAL PROCESS 56
4.4.3 ACCESS 56

CHAPTER 5. DISCUSSION OF THE RESULTS 57

5.1 INTRODUCTION 57
5.2 TRUST IN SYSTEMATIC PROCESS 57
5.3 TRUST IN THE EXPERIENTIAL PROCESS 62
5.4 ACCESS 64
5.5 CONCLUSION 65

CHAPTER 6. CONCLUSIONS & RECOMMENDATIONS 66

6.1 INTRODUCTION 66
6.2 CONCLUSIONS OF THE STUDY 66
6.2.1 TRUST IN SYSTEMATIC PROCESS 66
6.2.2 TRUST IN EXPERIENTIAL PROCESS 68
6.2.3 ACCESS 68
6.3 RECOMMENDATIONS 69
6.4 SUGGESTIONS FOR FURTHER RESEARCH 70

REFERENCES 72

APPENDIX A 78

APPENDIX B: Interview Guide 79

LIST OF FIGURES

Figure 1: Trust architecture (Urban et al., 2009). 3

Figure 2: Proportion of people accessing internet on the devices daily (Ericsson ConsumerLab, April 2015). 8

Figure 3: Devices and connection types (Ericsson ConsumerLab, April 2015). . 8

Figure 4 Services consumers want to engage in on their mobile devices in different situations (Ericsson ConsumerLab, April 2015). 9

Figure 5: Online and offline purchases (TNS Study South Africa, 2013). 10

Figure 6: What drives you to purchase more online? Stack ranked and adapted from (Effective Measures IAB South Africa, 2014). 11

Figure 7: Devices used for Researching in South Africa (Consumer Barometer South Africa, 2015) 12

Figure 8: Types of local business information needed being researched in South Africa (Consumer Barometer South Africa, 2015). 13

Figure 9: Device used for research in the United Kingdom (Consumer Barometer United Kingdom, 2015). 14

Figure 10: Types of local business information needed being researched in The United Kingdom (Consumer Barometer United Kingdom, 2015) 15

Figure 11: Types of local business information needed being researched in Nigeria (Consumer Barometer Nigeria, 2016). 16

Figure 12: Types of local business information needed being researched in Nigeria 17

Figure 13: Proposed model of trust (Mayer et al., 1995). 18

Figure 14: A Model of Purchase Intention (X. Chen et al., 2014) 21

Figure 15: Model of relations between online consumer trust, consumer satisfaction and purchase decision (Yoon, 2002). 22

Figure 16: An holistic framework of trust in online transactions (Li et al., 2012). 24

Figure 17. An overview of the data analysis process (Creswell, 2013, p. 197). 37

LIST OF TABLES

Table 1: Common measures by e-commerce websites for building and maintaining trust. (Li et al., 2012) 28

Table 2: Qualitative data collection types, options, advantages and limitations (Bogdan & Biklen, 1997; Creswell, 2013; Merriam, 1998). 32

Table 3: continued. Qualitative data collection types, option, advantages and limitations (Bogdan & Biklen, 1997; Creswell, 2013; Merriam, 1998) 33

Table 4: Demographics of respondents interviewed 41

CHAPTER 1. INTRODUCTION

1.1 Purpose of the study

The purpose of this research was to determine how senior digital marketing specialists perceive online trust issues that influence consumers' online transactions in South Africa.

1.2 Context of the study

The context of this study included the online landscape in South Africa and online trust.

1.2.1 *Online landscape in South Africa*

An earlier study in South Africa concluded that slow bandwidth and websites were not practical and that customer satisfaction was an obstacle (Maniraj Singh, 2004). The author went on to discuss that unsafe online transactions was a reason why people were not banking online. Crime in South Africa also affects people's approach to trust, with South Africa having one of the worlds highest crime rates (Demombynes & Özler, 2005). Crime was listed as a constraint for businesses in South Africa and added to a lack of business confidence (Kingdon & Knight, 2004).

Academic research on the online landscape in South Africa is limited and as such recent studies concluded by Ericsson aims to give a view of this online landscape and the way in which South Africans are using the internet .The online landscape in South Africa was estimated at approximately 48.9% of the population that is connected to the internet (Deloitte, 2014). The report explained that most of these connections are mobile connections and the rapid growth of digital technology allows Africans to leapfrog poor landline infrastructure. Ericsson ConsumerLab (April 2015) explained how the Internet is

driving mobile activity further in the South African landscape and it points out the following:

- 47% of internet users would like to have connected homes
- 42% have an interest in connected cars
- 55% switch between mobile broadband and Wi-Fi in pursuit of better speed.

Smartphones are driving the usage of mobile broadband higher, 87% of smartphones users connect via their phones to the Internet. Internet connections on desktops and laptops are still Wi-Fi driven and only 30% and 9% respectively connect to the Internet via mobile broadband (Ericsson ConsumerLab, April 2015).

1.2.2 *Online trust*

Since the introduction of the Internet, our ability to obtain information online has significantly increased the speed at which we are able to do a number of things. Whether it is communication or research or purchasing, trust has become apparent when online purchasing is considered. Lack of trust is the greatest barrier for online transactions (Urban, Amyx, & Lorenzon, 2009). The authors explained how trust is developed when consumers react positively to electronic websites and are willing to accept the risk.

Trust can be broken down into three dimensions (Urban et al., 2009):

- Integrity/confidence
- Ability/competence
- Benevolence

The trust architecture flow depicted below indicates that trust manifests at an important stage of the process. Trust occurs early in the process so that consumer decisions around the point of trust impact their decisions to take action through a purchase, which will result in a successful transaction or result in a learning process, which results in more research on the Internet. Figure 1 gives an overview of this process where certain factors affect trust and lead to

an action that, if positive, will result in a good outcome. This process also has a social implication where word of mouth and social networks are engaged if the experience was positive or negative.

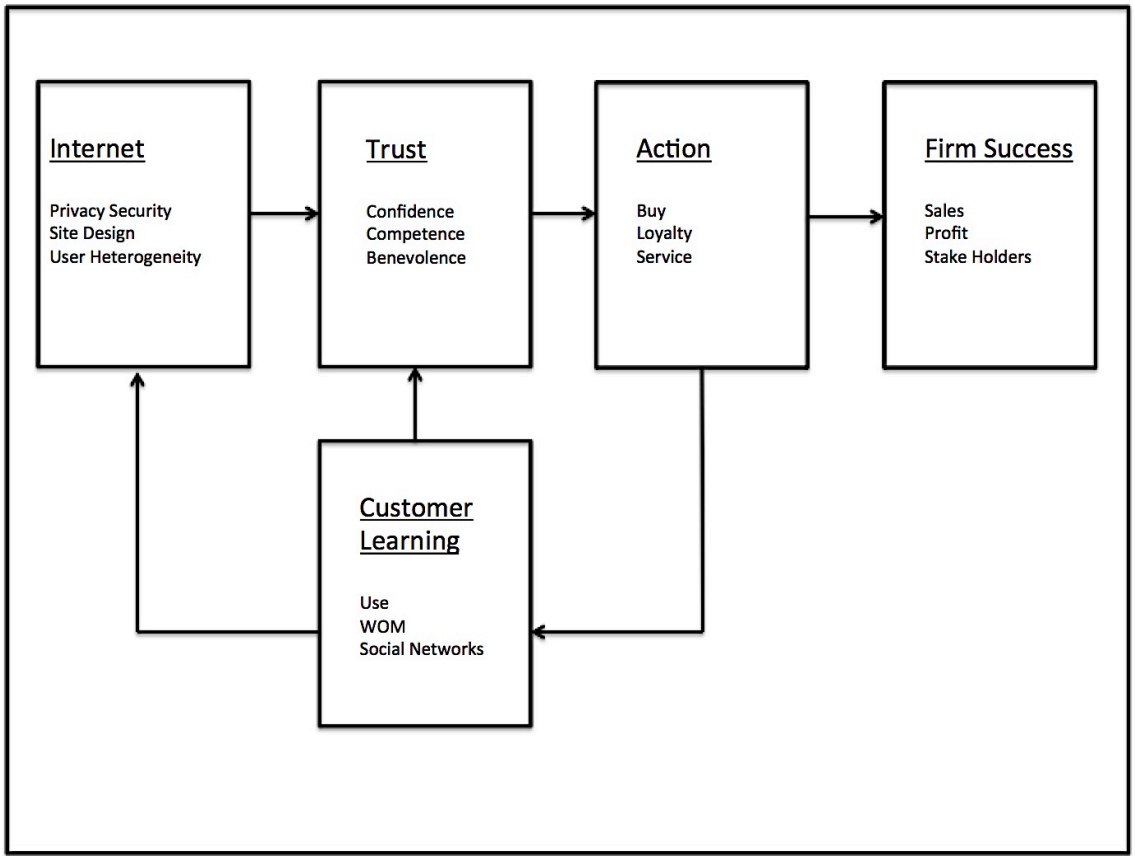


Figure 1: Trust architecture (Urban et al., 2009).

When consumers consider a purchase on any e-commerce website from classifieds to online retail to online banking, online trust plays a vital role.

Online trust includes a number of factors in identifying how the website would deliver on expectations, how credible the website's information is, and the confidence levels of the website (Bart, Shankar, Sultan, & Urban, 2005). The authors argue that consumer perceptions, beliefs and confidence are major factors when websites deliver on managing customer expectations.

1.3 Problem statement

1.3.1 *Research problem*

This research problem aims to assess digital marketing specialists' perception of consumer online trust and transaction issues in South Africa.

1.4 Significance of the study

Significant research was available internationally on the influences that trust plays with regard to online shopping. However, in South Africa, the perception of online trust is still in its early stages as Internet adoption is also at an early stage. The study fills a gap, as there is a need to understand the perceptions of trust and online purchases, an area in which very little research has been conducted in South Africa. The research discusses the following:

- The research discussed the digital marketing specialists' perception of consumer online trust and transaction issues.
- The research considered retail industries that have a vested interest in e-commerce platforms.

The study provided insights and guidance as to how consumers interact and transact online from senior digital marketing specialists' point of view as well as the role that online trust plays for consumers. The study also looks at the necessary steps that have taken place by e-commerce businesses to facilitate the use of online channels as a trusted platform. Based on findings from Hernández, Jiménez, and Martín (2010) it was deemed appropriate to engage with digital marketing specialists who have vast experience in the e-commerce space, as their experiences evolve so do their repurchases, rather than consumers that rely only on first time purchase experiences.

1.5 Delimitations of the study

The research was limited to the digital marketing specialists' perceptions of consumer online trust and transaction issues. The study focused on a limited

number of industries, namely retail and banking that have invested in online platforms as channels for retail business.

1.6 Definition of terms

‘**Bricks and mortars’** – refers to businesses that have a physical presence.

‘Bricks and clicks’, ‘clicks and mortars’ – refers to businesses that have transformed from bricks and mortars to internet sales (Bernstein, Song, & Zheng, 2008).

E-commerce – electronic commerce.

‘Pure plays’, ‘e-tailers’ – businesses that derive all the revenues from e-commerce (Amit & Zott, 2000).

M-commerce – known as mobile e-commerce (Clarke, 2001). Mobile commerce is defined as all activities on a mobile device that connects through a communication network for commercial transactions (Tarasewich, Nickerson, & Warkentin, 2002)

Feature phones – a mobile phone that has primary features that allow for basic data and voice services but lacks the full functionality of a smartphone.

Mobile App – mobile application.

Mobi site – mobile website

1.7 Assumptions

This study assumed that the interviewees reflect their perspective and experiences openly and honestly and agreed to be part of this research. The interviewees have the required knowledge and experiences that assist in understanding the industries in which they work and are able to respond to questions as clearly as possible. It was possible to obtain credible, sufficient data from the respondents so that the analysis could suggest credible outcomes

and findings. All interviewees accepted that the study is confidential and anonymous.

CHAPTER 2. LITERATURE REVIEW

2.1 Introduction

The following section gives an overview of the literature relating to an assessment of trust and transactions issues in South Africa from digital marketing specialists perspective. The themes that play an important role in the study are further evaluated, discussed, and reviewed. The themes are positioned around online trust, which includes the antecedents of trust and the transactional attributes, characteristics, transactional environment and context.

2.2 Background

2.2.1 *Online e-commerce landscape South Africa*

Global innovation and research on the Internet, has been seen to have a positive influence in purchase intention and online buying (Goldsmith, 2002). The author explains that when consumers are attracted to purchase online they will continue to do so in the future. The author deduces that consumers that are satisfied with their purchases will continue to buy online where dissatisfied consumers would search elsewhere.

Ericsson ConsumerLab (April 2015) report suggested that there is scope for the growth of mobile broadband in South Africa as penetration is not yet 100%. Figure 2 indicates that smartphone connections to the Internet are the preferred connection with 83% of people using smartphones connecting to the Internet followed by 61% of people using tablets connecting to Internet and finally only 30% of people using their computers connecting to the Internet, indicating that South Africa is a mobile Internet market.

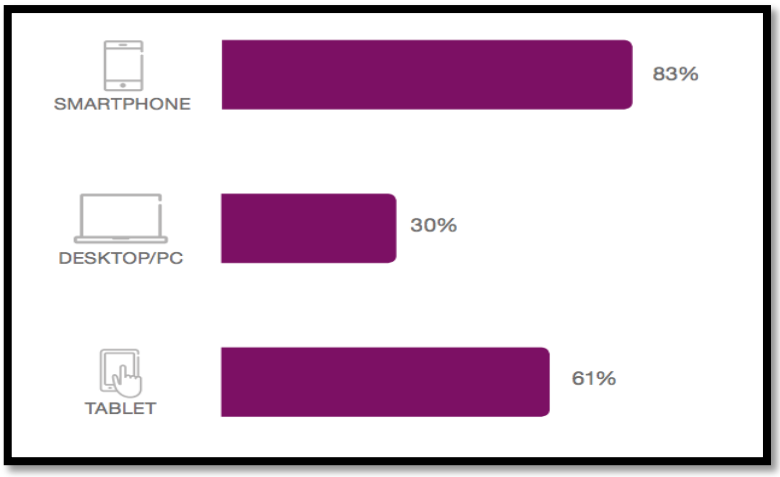


Figure 2: Proportion of people accessing internet on the devices daily (Ericsson ConsumerLab, April 2015).

Figure 3 shows the devices and connection types with mobile broadband being the primary connection for smartphones whilst Wi-Fi is the preferred connection method for both laptops/PC's and tablets, this indicates that South Africans still use their mobile phones operator data plans, to connect to the Internet. Schmiedl, Seidl, and Temper (2009) found that mobile optimised versions of websites was preferred by most users when connecting with a brand when presented with both the full browser (desktop) and mobile version. The authors also found that mobile tailored versions' users as being 40% faster on achieving certain tasks than users on desktop.

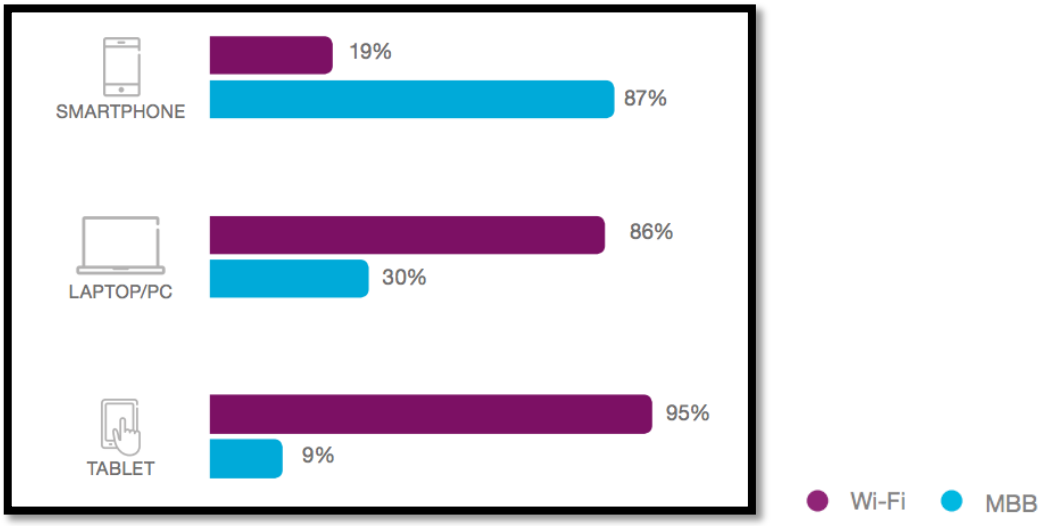


Figure 3: Devices and connection types (Ericsson ConsumerLab, April 2015).

Like global counterparts, South African Internet users show a great tendency to embrace technology and to connect; Ericsson ConsumerLab (April 2015) also confirms growing demand for connected lifestyles among South African consumers with 52% of internet users' interest in multiscreen usage - connecting via their mobile phones, televisions, tablets, and personal computers. Ericsson, EDS, Sonera and other companies formed an alliance to promote public key infrastructure (PKI), which is a standard for m-commerce transaction security (Tarasewich et al., 2002). The authors also discuss how encryption technologies can make it more difficult to decode data if the transmitted data are intercepted, however this is not fail-safe and the technologies need to be more efficient.

Consumers also connected on their devices during different activities with figure 4 looking at the consumer engagement and usage of services in different situations. It also shows that South Africans Internet users expect to go online regardless of where they are and what they do. Socialising with friends and family in real time showed the highest percentage of engagement with others online and even at a low engagement, when shopping in-store, consumers are still connected online.

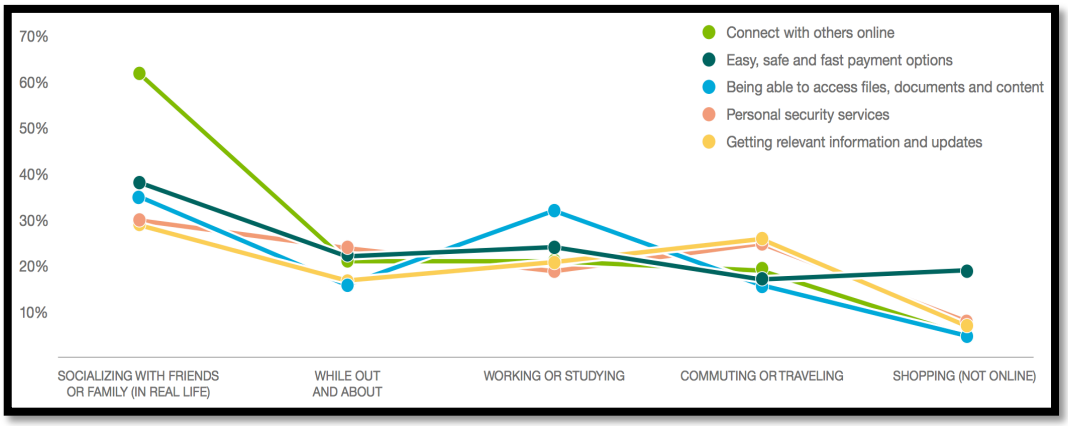


Figure 4 Services consumers want to engage in on their mobile devices in different situations (Ericsson ConsumerLab, April 2015).

A TNS study in South Africa found that consumers generally prefer purchasing offline: going in-store. However there is a growing trend for online purchases in some categories (TNS Study South Africa (2013). The study shows that whilst

offline purchases still account for a majority of sales, online was gaining traction as depicted in figure 5, which gives an overview of the categories with the highest propensity for online sales. Advanced developments in devices, which can process information quicker and offer a better experience, together with faster and more reliable connectivity to the Internet would allow for more people to experience a higher quality of online shopping (Hausman & Siekpe, 2009).

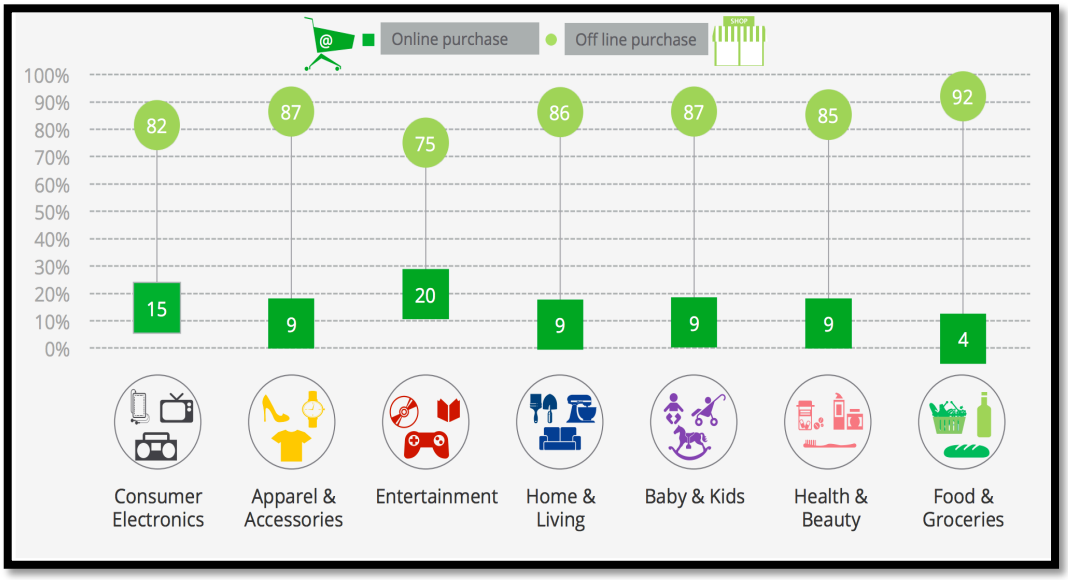


Figure 5: Online and offline purchases (TNS Study South Africa, 2013).

An Effective Measures study highlighted some key points on South African users and their online shopping habits identified below (Effective Measures IAB South Africa, 2014).

- 45% of online shoppers are from Gauteng, whilst 22.6% are from Western Cape
- 73.76% of online shoppers use the Internet to make payments, transfer money and pay utility bills.
- Books, airline tickets, hotel reservations, events/concerts/sports tickets, music and computer software are the most purchased items online.

The study went on to find that the key reasons for users not purchasing online was that users do not trust payment systems, they also prefer to touch and feel a product and that the web site itself was not trustworthy. The study indicated

that 38% of shoppers use the mobile phone for online banking and 23% use their mobile phone for online purchases.

The study also looked at what drives more online purchases. Figure 6 indicates that the most important driver for purchasing online was competitive pricing at 60%, followed by quality of products at 47%. Website local languages ranked lowest at around 6% and quality packaging at around 13%, however trust was ranked lower at 30% (Effective Measures IAB South Africa, 2014).

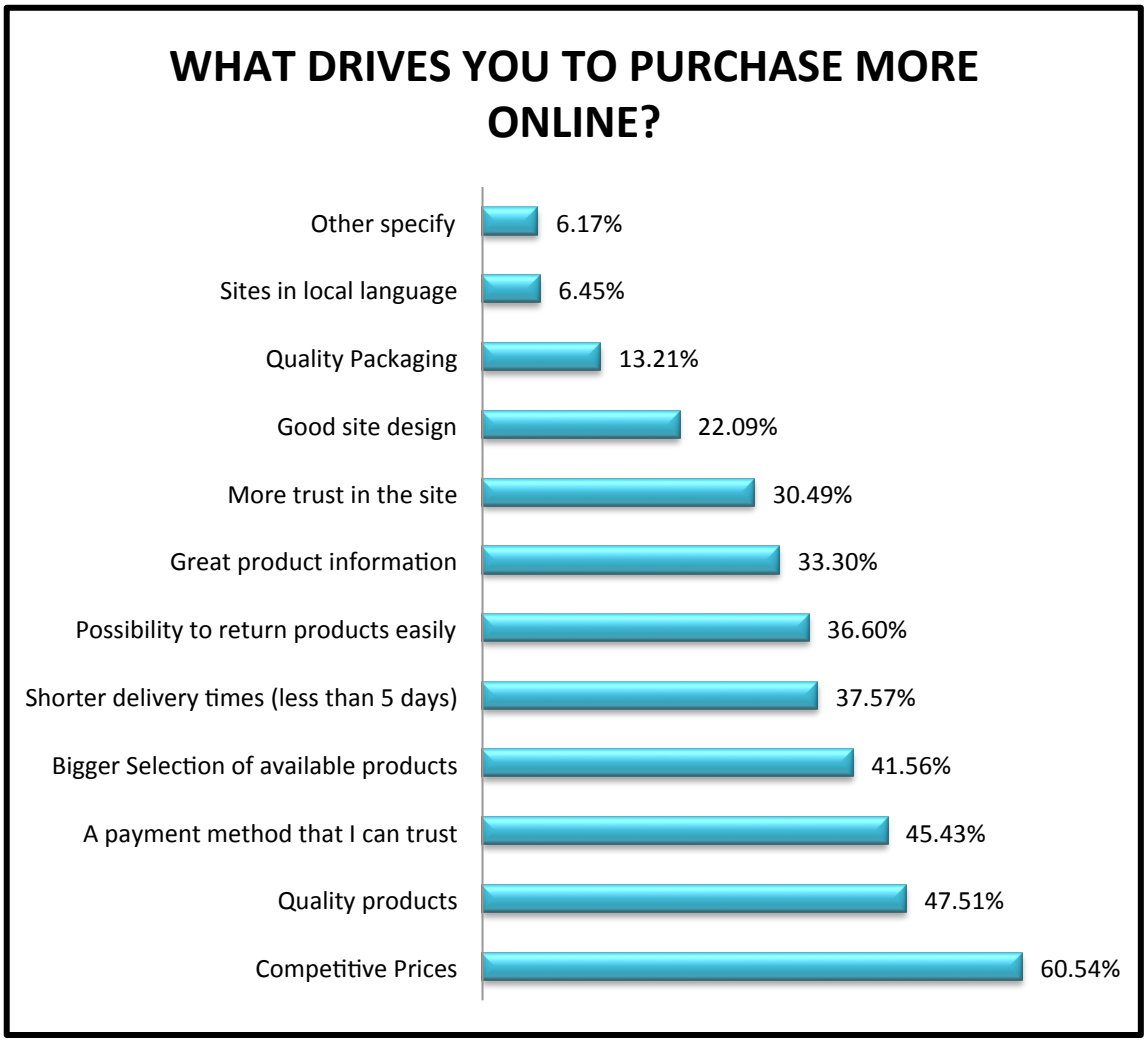


Figure 6: What drives you to purchase more online? Stack ranked and adapted from (Effective Measures IAB South Africa, 2014).

Consumers rely on various connected devices when researching online with the intent to purchase, smartphones rank highest at 84%, followed by computers

21% and then tablets 4% (Consumer Barometer South Africa, 2015).Figure 7 looks at the different devices used for research in South Africa.

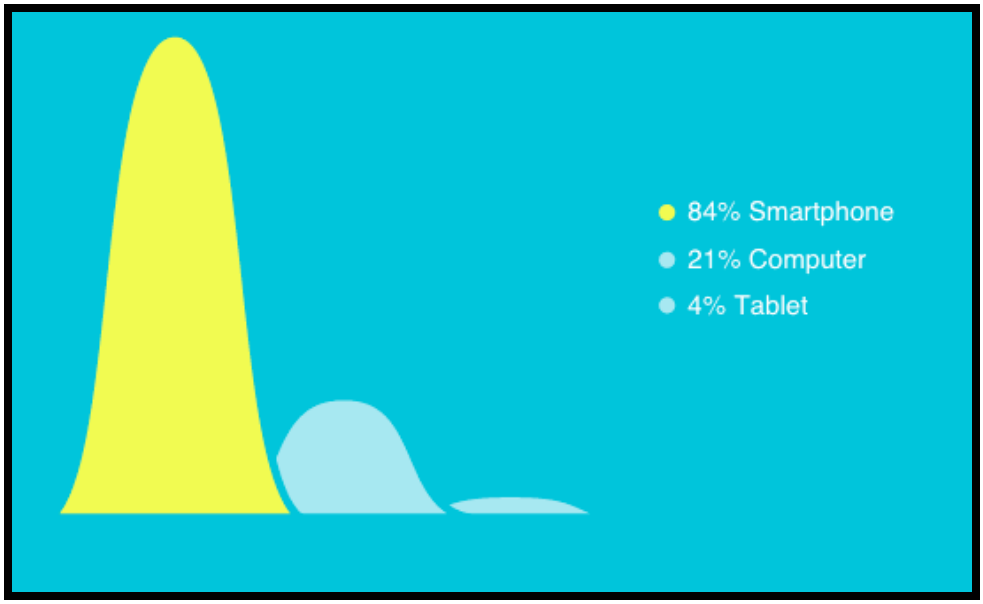


Figure 7: Devices used for Researching in South Africa (Consumer Barometer South Africa, 2015) .

The larger yellow area indicates that the primary type of device for researching the Internet in South Africa are smartphones at 84% with computers being the second most used device at 21% and tablet devices making up the remaining 4%.

When researching for local business information, the Consumer Barometer South Africa (2015) found that information about prices was the highest sought after information consumers were accessing on their devices. Figure 8 looks at the type of business information that is being researched in South Africa.

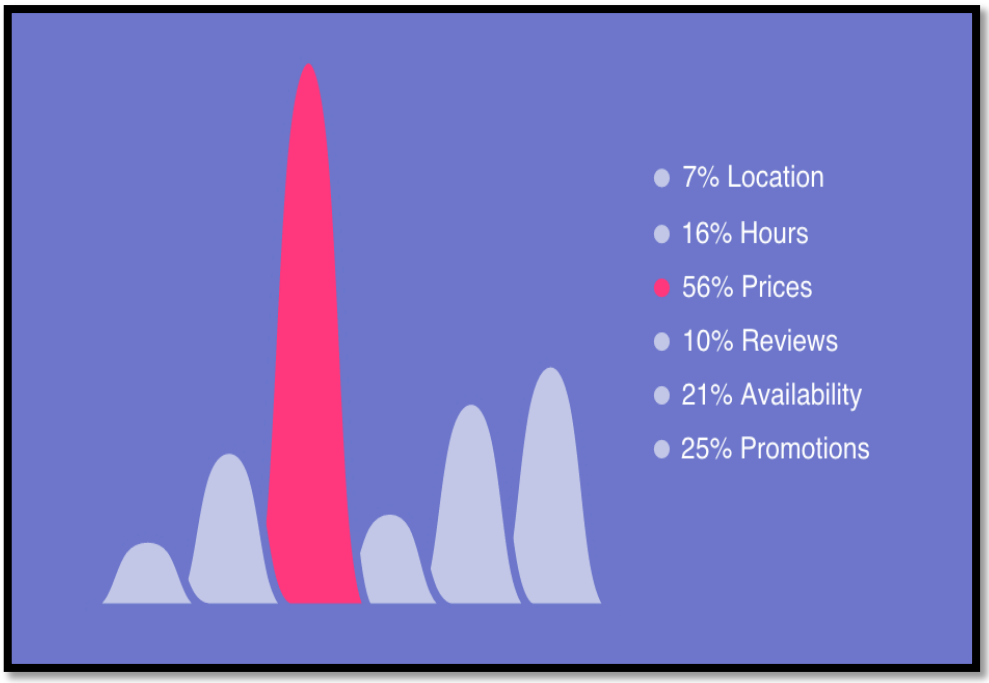


Figure 8: Types of local business information needed being researched in South Africa (Consumer Barometer South Africa, 2015).

The large pink area in the above figure highlights that information about pricing is the most researched information when local business information is being researched in South Africa; information about location was the least researched.

2.2.2 *Online e-commerce landscape United Kingdom*

E-commerce globally has given consumers the power of choice and convenience and calls for traditional businesses to redefine their strategies and reposition themselves (Bingi, Mir, & Khamalah, 2000). Unlike South Africa, the United Kingdom has computers as the primary connected devices when looking online for information for purchase intent or consideration (Consumer Barometer United Kingdom, 2015). Figure 9 indicates devices used for connecting to the Internet in the United Kingdom.

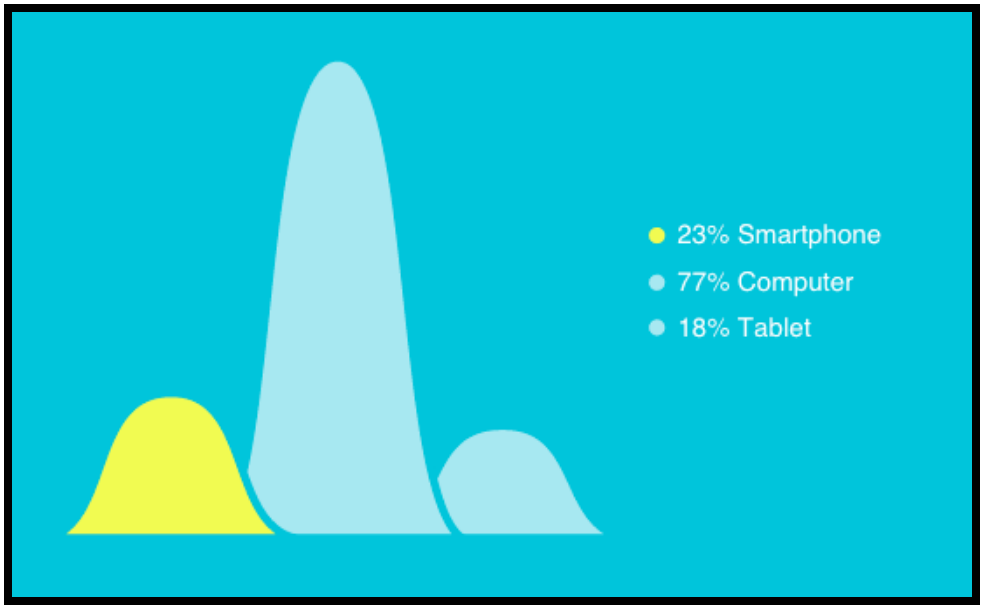


Figure 9: Device used for research in the United Kingdom (Consumer Barometer United Kingdom, 2015).

The smaller yellow area indicates that smartphones are second to computers as the type of device for researching the Internet in the United Kingdom representing just 23%, whereas computers are the primary devices at 77% and tablet devices making up the remaining 18%. However very similar to South Africa, prices was the most searched for piece of information when researching for local businesses in the United Kingdom.

The large pink area in the below figure highlights that information about pricing is the most researched information when local business information is being researched in the United Kingdom; information about location, hours, reviews availability and promotions were equally researched but nearly half as much as prices.

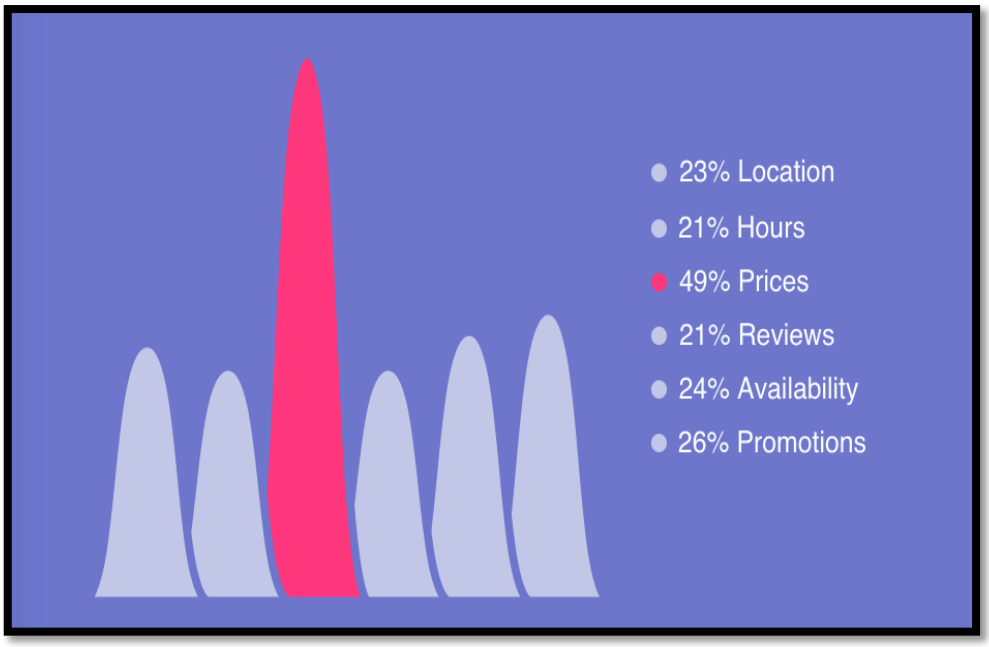


Figure 10: Types of local business information needed being researched in The United Kingdom (Consumer Barometer United Kingdom, 2015)

2.2.3 *Online e-commerce landscape Nigeria*

Like South Africa, Nigeria, a Sub-Saharan African country, experiences similar trends to that of South Africa when looking at people that access the Internet, smartphones come up number one as a device that is used for research in Nigeria (Consumer Barometer Nigeria, 2016) .

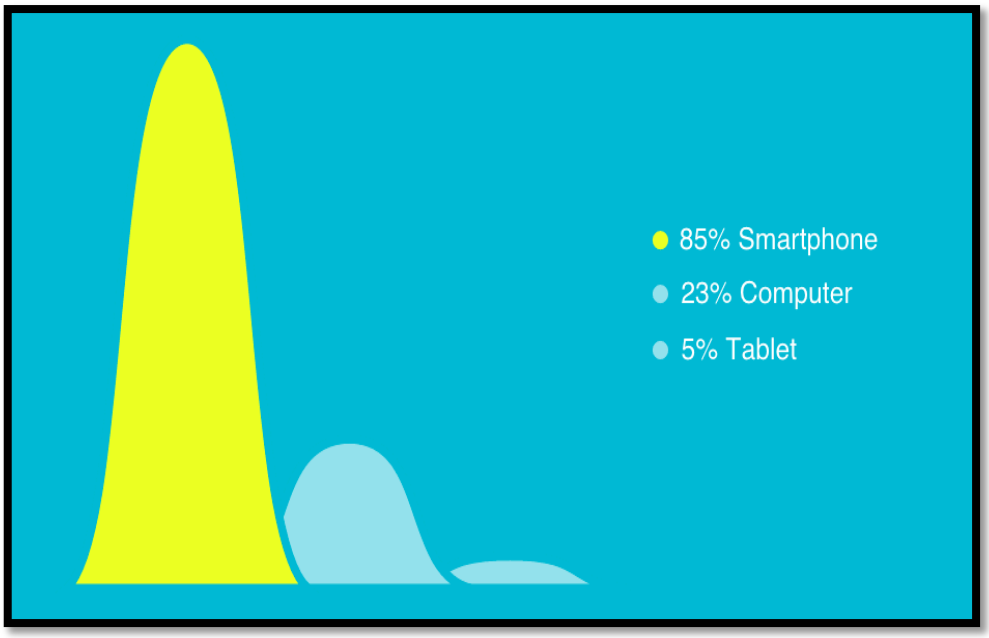


Figure 11: Types of local business information needed being researched in Nigeria (Consumer Barometer Nigeria, 2016).

Similar to South Africa, the large yellow area indicates that Smartphones are the primary device for researching the Internet in Nigeria representing 85%, whereas computers are the secondary devices at 23% and tablet devices making up the remaining 5%.

Similar to both South Africa and the United Kingdom, the large pink area in the below figure highlights that information about pricing is the most researched information when local business information is being researched in Nigeria; However information about availability was a closely researched second to information about prices information.

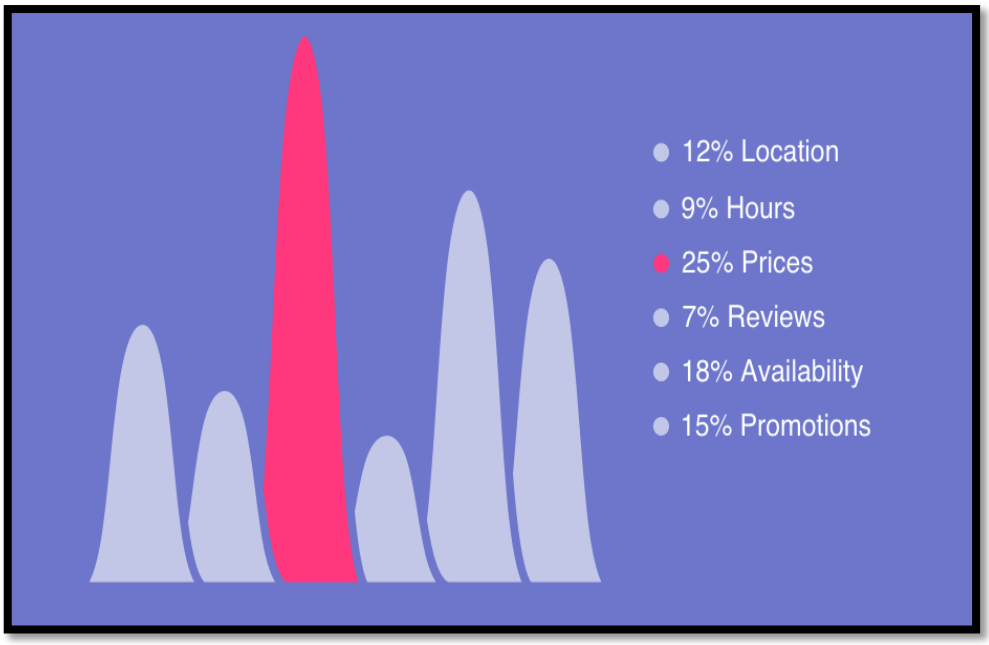


Figure 12: Types of local business information needed being researched in Nigeria (Consumer Barometer Nigeria, 2016).

According to Internet Society (2015), the United Kingdom Internet penetration is at 89.9% versus South Africa which is 48.9% and Nigeria at 38%, however mobile broadband penetration is at 58.5%% in South Africa versus the United Kingdom which is at 87.2% and Nigeria at 10.1%.

The growth of the base of Internet users has to do with education about the Internet, access to the Internet via a connection and device as well as having the right type of content; these are factors that will enable the growth in the base (June, 2005).

Gong, Li, and Stump (2007) explain that as e-commerce developments in mature countries progress, this helps undeveloped countries evolve their e-commerce plans faster to facilitate more business between the countries. Having access to better information increases trade and grows export (Freund & Weinhold, 2004).

The comparison between the markets indicates that in mature online markets the consumers' perception of online trust exists with more consumers willing to transact online than in markets that is still growing.

2.3 Trust

2.3.1 *Nature and characteristics of trust*

A definition of trust is a willingness by one party to be vulnerable to another party based on the expectation that the other will perform an action important to the trustor (Mayer, Davis, & Schoorman, 1995). The authors go on to say that trust is willingness to take a risk and looked at components of trust in a model.

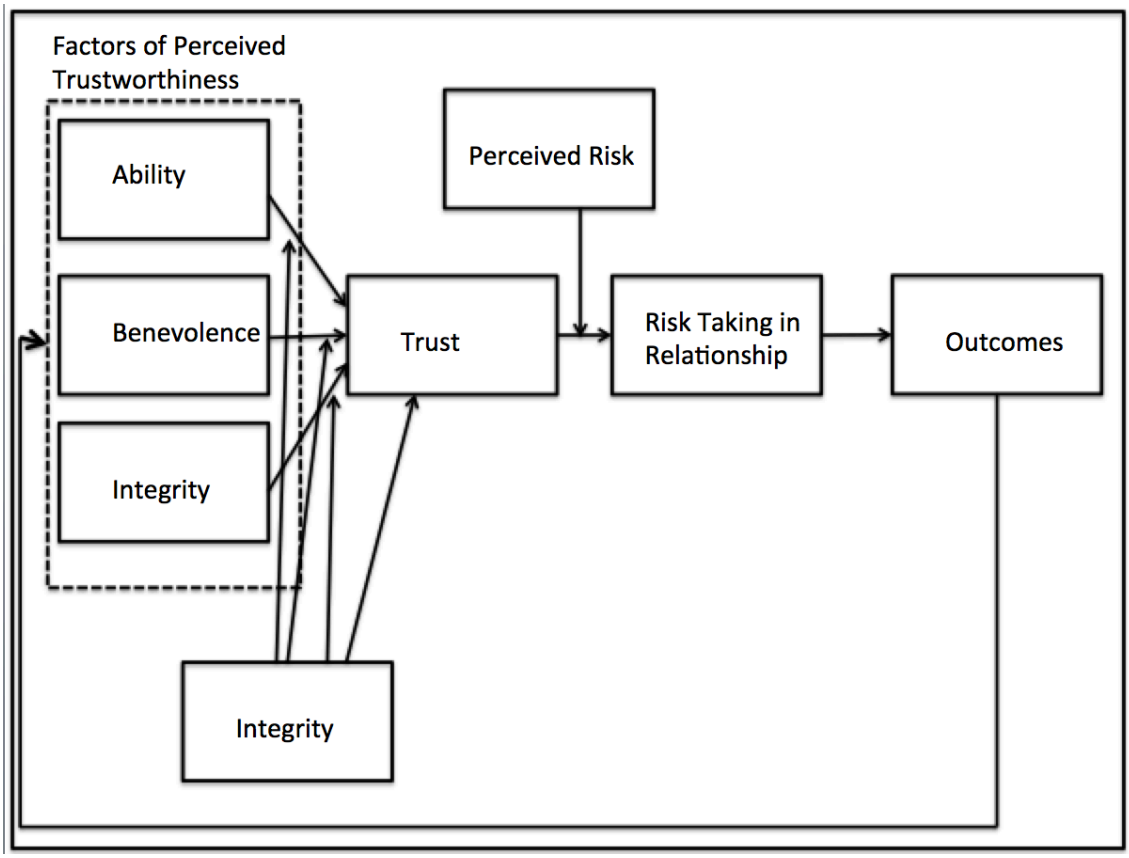


Figure 13: Proposed model of trust (Mayer et al., 1995).

The proposed model has several components, which includes factors of; perceived trustworthiness, propensity to trust, perceive risk and outcomes. This model explains that when a positive outcome is experienced trust is enhanced, however, when the outcome is negative, this will decline and result in an unfavourable conclusion. Dasgupta (2000) mentioned that trust can be seen as a relationship between two parties where one party will act and behave in a manner of interest to another party, within a transaction.

Even though a number of factors that lead to trust or trustworthiness have been proposed, three characteristics appear often in literature discussing the topic of trust: ability, benevolence and integrity (Mayer et al., 1995).

These three factors have been associated with broader synonyms where ability and competence were closely related, benevolence, intentions and motives also grouped together and finally integrity, openness and fairness (Butler, 1991; Mayer et al., 1995). The authors discuss how in earlier models of trust antecedents, they did not use just the three factors and expanded these into larger sets of antecedents.

Risk is an essential component in the trust model (Mayer et al., 1995). The authors discuss that one party does not risk anything to trust, however, this party must take a risk to engage in a trusting behaviour. When risk is taken and the outcome is positive, perception of the trustee is enhanced, as in the proposed model in figure 13, if the 'Outcome' of the risk taking relationship is positive and likely to re-engage the trustee.

In summary, this model considers both trustee and trustor, differentiating trust from the factors that contribute to it and differentiates trust from risk taking within the context of the relationship (Mayer et al., 1995).

2.4 Models and factors of online trust

Trust and satisfaction are seen as the recipe for success for business engaging in long-term relationships with customers (D. J. Kim, Ferrin, & Rao, 2009). Researchers are of the opinion that e-commerce needs to be trusted as customers cannot touch or feel products that are online and therefore need to trust sellers (D. J. Kim, 2012) . The authors suggest that the issue of trust is more pertinent for online than it is for consumers in traditional businesses, such as bricks and mortars, where consumers have the ability to experience the product and interact on a personal, physical level within the business.

Trust in online comprises three dimensions – ability, benevolence and integrity (Urban et al., 2009). Characteristics such as benevolence, integrity and

dependability are a basis for an individual's interpersonal trust and how they interact with each other within context (Li, Pieńkowski, Van Moorsel, & Smith, 2012). The authors also considered two other factors into which trust can be classified; system trust and dispositional trust. System trust looks at the reliability of the organisation and dispositional trust also explains the perspective of the participant towards trust.

The three dimensions can also be attributes to trustworthiness. Integrity is primarily affected with engagement to purchase (Gefen D & Heart T, 2006). The author also explains how familiarity and predictability affects all three dimensions and that ability affects intentions to inquire without resulting in a purchase. Ability and integrity does not have as strong an effect as benevolence does when it comes to price (Pavlou & Dimoka, 2006).

Bart et al. (2005) explain how online trust differs from offline trust, the authors explain that the object of online trust is the website itself or the Internet or the technology. Jarvenpaa, Tractinsky, and Saarinen (1999) explain that a company's website is an extension of its shop front on an online platform, where trust is earned in-store, the likelihood to purchase online is high, the same can be said for the reverse.

There are several models identified within academic literature that provide theoretical frameworks for online trust and the adoption of online shopping.

The recent model used by X. Chen, Huang, and Davison (2014) looks at online purchase intention and how website quality can enhance these intentions. The limitation of this model was that some sample characteristics were controlled and other variables, like product characteristics and satisfaction, should also have been taken into account. The major focus was that the safety mechanisms in place, together with the quality of the website would influence the effect that trust in the platform has on trust in the seller (X. Chen et al., 2014).This study did not look at the antecedent of trust but focused on the platform and sellers. Figure 14 gives an overview of the relationship between the platform, seller and purchase intention. The model explained that if the perceived website quality of the seller is high, this reduces uncertainty. However, when perceived website

quality of the seller is low, purchase intention is associated with more hesitancy. The model also explains that if perceived effectiveness of e-commerce institutional mechanisms is low, additional assurance will be needed to increase confidence, higher perceived effectiveness provides better assurances, this will affect purchase intention either way.

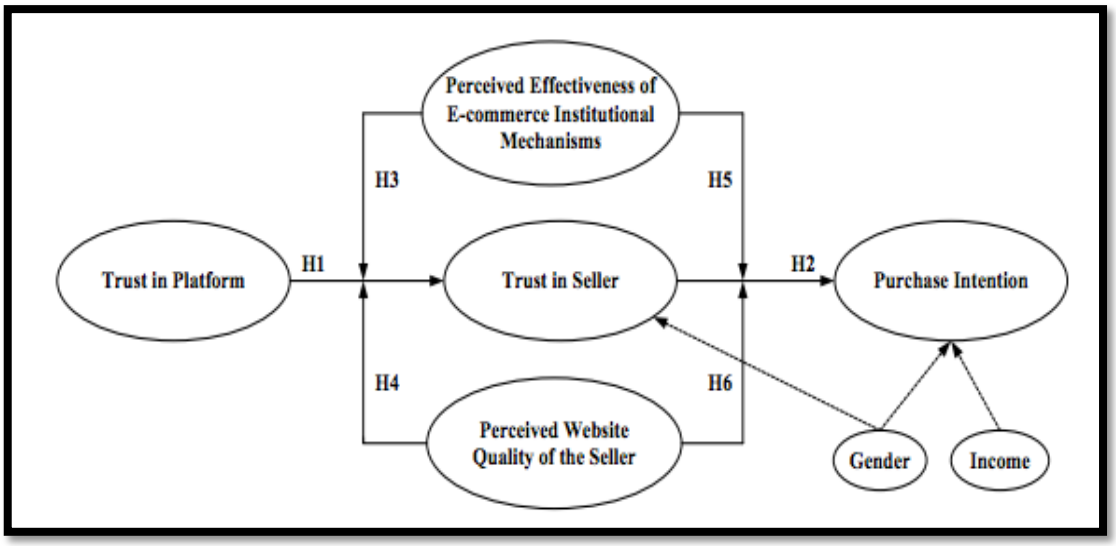


Figure 14: A Model of Purchase Intention (X. Chen et al., 2014)

An earlier model, which was conceptualised by Yoon (2002), found that consumer needs determine their online purchase preferences which dictate purchase intentions and their satisfaction and that trust influences purchase intention online. The author went on to find that:

- Website companies' brands are more important than functionality of website.
- Pure plays require more trust than bricks and clicks.
- Having a satisfying online experience will influence trust positively and will result in higher usage and familiarity.
- Web-site trust and satisfaction are highly correlated with each other.

Limitations of this model found that a web-awareness variable was the only variable that was related to trust and satisfaction and that further investigation should be warranted. The focus of the study was aimed at Internet savvy students that understood online and ecommerce platforms. Y.-H. Chen, Hsu,

and Lin (2010) also noted that consumers who were experienced with e-commerce platforms are also able to ascertain whether another e-commerce platform has the necessary security measures and authentications protocols in place. The authors looked at various factors relating to purchase intention, which was seen as the users willingness to engage with a company through its online platform. The Boston Consulting Group looked at a way of how efficiency gains were made when experience comes into play, in so understanding this, they developed the experience curve in 1968 (Dess, Lumpkin, Eisner, & McNamara, 2014).

Trust in website quality is also increased when branding connections are made, this transfers positive feelings to lesser known web sites (Lowry, Vance, Moody, Beckman, & Read, 2008).

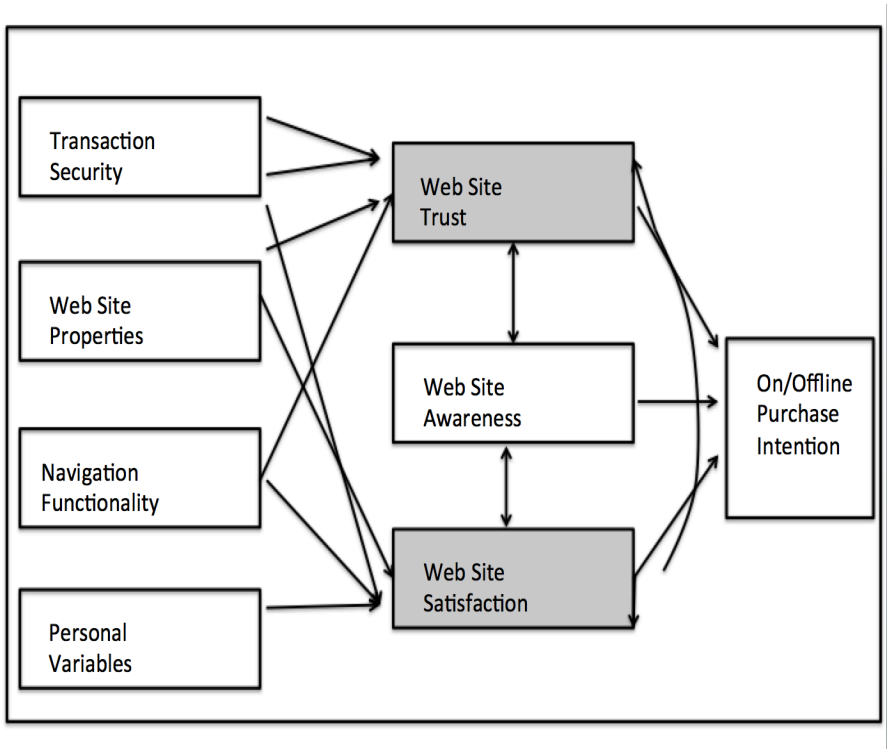


Figure 15: Model of relations between online consumer trust, consumer satisfaction and purchase decision (Yoon, 2002).

Figure 15 shows a conceptual model for the antecedents and consequences of consumer trust in the context of online purchase decision-making. The model indicates how the four antecedents; web-site properties, transaction security, navigation functionality and personal variables will have a higher satisfaction if they are all fulfilled, these four factors are considered crucial for the formation of trust and how these factors relate to website trust and satisfaction resulting in intention for purchase and the link between online search and purchase.

Li et al. (2012) attempt to build a structure from previous research studies for developing trust in online transactions. It looks at how the online landscape is linked by the participants, the context and the environment, the transactional characteristics and the degree of trustworthiness for both the participants and the transactions.

Six trust antecedents are presented that can be used to evaluate the integrity of the transaction (Li et al., 2012); it also identified key characteristics of transactions in an environment or context. As validation of this model, the author seeks new research to enhance this framework and further identifies three types of research that are further needed; identification and classification of all online transaction frameworks, different participants and safeguards need to be implemented to refine and maintain trust in transactions. There is a need to develop further hypotheses and empirical validation. Finally, the research needs to report on the emergence of platforms and services.

Figure 16 represents an holistic framework look at the entire ecosystem of online transaction which includes the participant or parties' view and the trust antecedents to transact or not and the environment and how the attributes and characteristics play a part in the context.

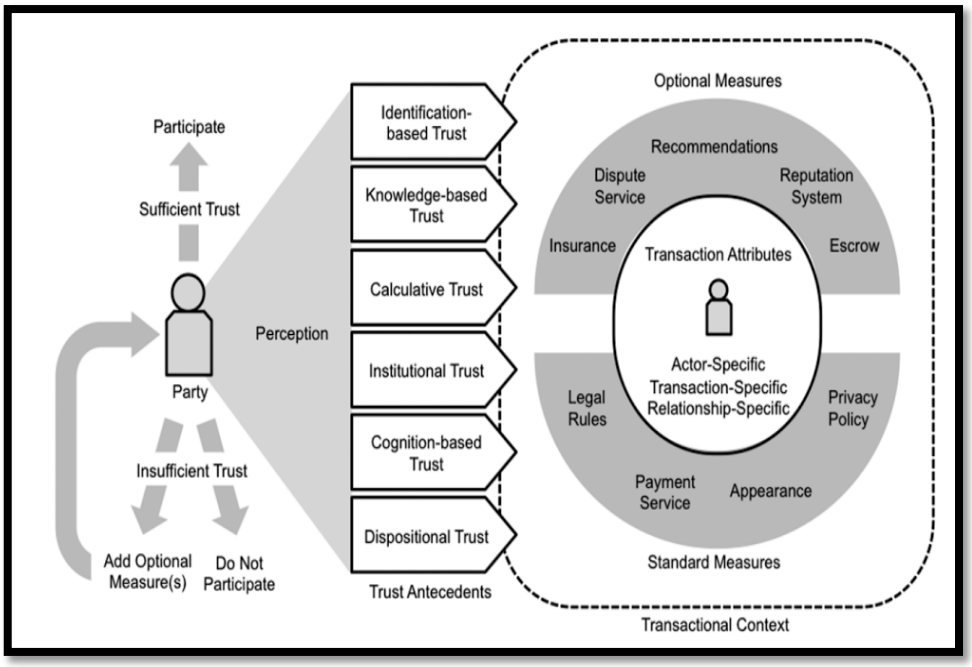


Figure 16: An holistic framework of trust in online transactions (Li et al., 2012).

2.4.1 *Trust antecedents*

Trust antecedents can be referred to as the things that lead to trust (Li et al., 2012). The authors also noted that trust can be a process of intertwined derivatives which include:

- Calculated process – the cost and benefit for collaboration in relationships
- Predictions process – ability to predict behaviour
- Capability process – ability to fulfil commitments
- Intentional process – perceptions of actions
- Transference process – transfer of trust (Leimeister, Ebner, & Krcmar, 2005).

These processes give the different views of trust antecedents and how levels of trust are formed (Li et al., 2012).

There have been a number of studies that have established many types of trust antecedents (Gefen, 2000; Gefen, Karahanna, & Straub, 2003a; Mayer et al.,

1995). These have been grouped into the following broad categories (Li et al., 2012) .

- Dispositional-based trust / personality-based trust (Gefen, Karahanna, & Straub, 2003b)
- Cognition-based trust
- Institutional-based trust
- Knowledge-based trust
- Calculative-based trust
- Identification-based trust

Various authors have described these antecedents using different terminology, dispositional trust looks at subjective quality; Mayer et al. (1995) refers to this as dispositional, whereas Gefen et al. (2003b) refers to this as personality-based trust. Cognitive-based trust originates from first impressions, specifically, categorisation process and illusion of control process (Gefen et al., 2003b), this process is socially determined as it deals with culture and language. Knowledge-based trust is based on consumer familiarity and how well a consumer understands the e-commerce platform and systems (Gefen et al., 2003b). Institutional trust antecedents are impersonal, based on rules that regulate behaviour (Li et al., 2012). Institutional trust was also defined as the belief that the needed structural conditions are present (e.g., in the Internet) to enhance the probability of achieving a successful outcome in an endeavour like e-commerce (McKnight, Choudhury, & Kacmar, 2002). Calculative-based trust points to economic permutations (Lee, Huynh, & Hirschheim, 2009). Identification-based trust is based on wants and aspirations of others (Lewick & Bunker, 1996).

These trust antecedents form a degree of trust in the exchange; if sufficiently favourable, an exchange takes place, if unfavourable, the exchange is abandoned. Tsiakis and Sthephanides (2005) explain everyone who participates in the system has complete trust in that system and this is a precondition for trust.

2.4.2 *Transactional characteristics*

There are many characteristics towards transacting and it is performed in a specific transactional environment. Parties wanting to transact have different points of views, using their relevant trust antecedent, on these attributes (Li et al., 2012). The authors explain how the parties' different perceptions of the level of trust will impact their transactions. The authors go on to explain that if additional safeguards are needed to increase the level of transaction that additional measures would be needed for this benefit, however such measures come at an additional cost. Transactional characteristics in developed markets includes additional security, such as consumer protection policies and privacy policies, as well as ease of use of the website (Peffers & Ma, 2003).

Four specific attributes were highlighted by Li et al. (2012).Transactional-specific attributes described specific features of transactions. These included transactional costs (Gunasekaran, McGaughey, Ngai, & Rai, 2009), volume and frequency of the exchange. F.-F. Tang et al. (2003) explain how insurance as a safeguard for online transaction would increase the transaction cost. Participant or actor specific attributes towards how they transact online, should one transaction be more essential to a participant than another, demonstrate that there is a different degree of trust between the parties in the transaction (Li et al., 2012). Electronic payment systems that are secure will promote trustworthy transactions and, as such, will impact the business positively (C. Kim, Tao, Shin, & Kim, 2010). However payments systems that are unreliable and unprotected would threaten the integrity of the business (Yu, Hsi, & Kuo, 2002).

There are a few transactional characteristics that rely on relationship exchange; a positive experience with an organisations website can lead to long-term relationship (Rose, Hair, & Clark, 2011; Yoon, 2002). Rose et al. (2011) discuss that through a positive relationship, there is an intention to re-purchase.

2.4.3 *Transactional environment or context*

The transactional environment includes the factors that provide different safeguards that determine the quality of the site (Li et al., 2012). Ease of use, website design, customisation, responsiveness and assurance are expected to impact customer satisfaction with the e-tailer (Ribbink, Van Riel, Liljander, & Streukens, 2004). Policies adopted by Governments to facilitate e-commerce and support consumer privacy results in added trust and promotes transactional environments (Z. Tang, Hu, & Smith, 2008).

Third party certificates are a common measure for building trust (Canavari, Fritz, Hofstede, Matopoulos, & Vlachopoulou, 2010). The authors also point out that website design and communication with buyers are important measures for trust (Canavari et al., 2010). Jiang, Jones, and Javie (2008) mention that having third party seals of approval also added to the validity of websites. Cotteleer, Cotteleer, and Prochnow (2007) look at the various e-payment options and how dispute management and payment services add to a common measured trust. Li et al. (2012) identified several more factors, which are commonly measured for building and maintaining trust. Table 1 looks at the factors and description for trust.

Table 1: Common measures by e-commerce websites for building and maintaining trust. (Li et al., 2012)

Trust	Meaning
Dispositional trust Disposition to trust Personality-based trust Propensity to trust	Trust that stems from individual propensity to trust, described as 'the general willingness to trust others' (Mayer *et al*. 1995, p. 715).
Cognition-based trust Cognitive trust Characteristic-based trust Similarity-based trust	Trust that stems from individual, rapid, cognitive cues or first impressions; it is context-dependent.
Institutional trust Institution-based trust System trust Impersonal trust Hyphenated trust	It 'refers to one's sense of security from guarantees, safety nets, or other impersonal structures inherent in a specific context' (Gefen *et al*. 2003b, p. 64).
Knowledge-based trust Process-based trust Familiarity	Trust that 'is grounded in the other's predictability . . . relies on information rather than deterrence' (Lewicki and Bunker 1996, p. 121).
Calculative trust Calculus-based trust Deterrence-based trust	Trust based on economic calculations that balance potential costs against the benefits of co-operation.
Identification-based trust	Trust that is guarded by identification with others' desires, intentions and empathy.

2.5 Conclusion of literature review

Studies on research models and frameworks conclude that there are many limitations that exist with the current studies in online trust and transacting online. The literature looks at multiple variations of online trust, together with online transactions, and concludes that there is an opportunity to extend further into detailed research on these variables. The above research highlights the shortcomings of the research between the different factors, which includes antecedents of trust, characteristics, safeguards, sellers, and platform. Whilst there have been many international studies in online trust, there is a gap in the literature for emerging markets, specifically South Africa. There is a lack of research in online trust and online transactions in South Africa. The purpose is

to look at South African organisations and address this online trust and transaction issue. The online industry in South Africa is growing and there is an opportunity for organisations to invest in e-commerce and digital platforms to benefit from this growth. Mobile Internet represents the biggest opportunity and m-commerce is growing. The purpose of this research is to explore the perceptions of online trust issues and online transactions for organisations that have invested in e-commerce and m-commerce platforms.

2.5.1 *Proposition 1*

Consumer perceptions of trust whilst performing online transactions impact their willingness and outcome of the transaction. These factors include:

- Trust in systematic process
- Trust in experiential process
- Access

CHAPTER 3. RESEARCH METHODOLOGY

This chapter outlines and gives detail of the research methodology that was used in the research. It begins with a description of the methodology that was used, followed by the design. Population and sampling was discussed. The data collection, analysis and interpretation methods are outlined and explained, followed by the issues of validity and reliability of the research.

The following topics give detail on the outcomes of the discussions:

- Research design
- Population and sampling
- Research Instrument
- Data collection
- Data analysis and interpretation
- Limitation of the study
- Validity and reliability

3.1 Research methodology

A qualitative study to gather the appropriate data was used in this research. Qualitative research involves a naturalistic and interpretive approach to the world, as discussed by Denzin and Lincoln (2011). The authors further define how qualitative researchers study things in their natural settings whilst attempting to understand the meanings people bring to them. Empirical materials such as personal experience, life story, interviews, and case studies, were studied and used, as part of the involvement of the qualitative research methodology.

By purposefully selecting participants who have access to documents and/or visual material, this helps the researcher with understanding the research question and the research problem (Creswell, 2013).

Face-to-face interviews were conducted using semi-structured interviews with respondents.

3.2 Research Design

The research was conducted using semi-structured questions in one-to-one type interview sessions. The interviews took place with digital marketing managers and chief marketing officers that have access to the technology and e-commerce platforms. The meeting took place at their places of business. The respondents are kept anonymous in the research and any direct quotes are also kept anonymous.

The advantages and limitations of qualitative data types are tabulated below for the different data collection types (Creswell, 2013, p. 191). The author describes the options with the advantages and limitations of the four basic types, which are:

Qualitative observation is when researcher takes notes on the behaviour of individuals and the activity. The recordings are unstructured or semi-structured. Observations are open-ended so that the interviewees are allowed to provide views freely.

Qualitative interview is when the interviewer conducts face-to-face interviews and/or telephone interviews. These interviews are open-ended questions, intended to gain views and opinions of the interviewees.

Qualitative documentation is used when the researcher collects public or private documentation, with permission, to be further investigated.

Qualitative audio and visual materials may include video, photos, web pages; it can also include e-mails, text messages, social media text and any forms of sound.

Table 2: Qualitative data collection types, options, advantages and limitations (Bogdan & Biklen, 1997; Creswell, 2013; Merriam, 1998).

Data Collection Types	Options Within Types	Advantages of the Type	Limitations of the Type
Observations	• Complete participant—researcher conceals role • Observer as participant—role of researcher is known • Participant as observer—observation role secondary to participant role • Complete observer—researcher observes without participating	• Researcher has a firsthand experience with participant. • Researcher can record information as it occurs. • Unusual aspects can be noticed during observation. • Useful in exploring topics that may be uncomfortable for participants to discuss.	• Researcher may be seen as intrusive. • Private information may be observed that researcher cannot report. • Researcher may not have good attending and observing skills. • Certain participants (e.g., children) may present special problems in gaining rapport.
Interviews	• Face-to-face—one-on-one, in-person interview • Telephone—researcher interviews by phone • Focus group—researcher interviews participants in a group • E-mail Internet interview	• Useful when participants cannot be directly observed. • Participants can provide historical information. • Allows researcher control over the line of questioning.	• Provides indirect information filtered through the views of interviewees. • Provides information in a designated place rather than the natural field setting. • Researcher's presence may bias responses. • Not all people are equally articulate and perceptive.
Documents	• Public documents—minutes of meetings or newspapers • Private documents—journals, diaries, or letters	• Enables a researcher to obtain the language and words of participants. • Can be accessed at a	• Not all people are equally articulate and perceptive. • May be protected information unavailable to public or private access.

Table 3: continued. Qualitative data collection types, option, advantages and limitations (Bogdan & Biklen, 1997; Creswell, 2013; Merriam, 1998) .

Data Collection Types	Options Within Types	Advantages of the Type	Limitations of the Type
		• time convenient to researcher—an unobtrusive source of information. • Represents data to which participants have given attention. • As written evidence, it saves a researcher the time and expense of transcribing.	• Requires the researcher to search out the information in hard-to-find places. • Requires transcribing or optically scanning for computer entry. • Materials may be incomplete. • The documents may not be authentic or accurate.
Audio-Visual Materials	• Photographs • Videotapes • Art objects • Computer messages • Sounds • Film	• May be an unobtrusive method of collecting data. • Provides an opportunity for participants to directly share their reality. • It is creative in that it captures attention visually.	• May be difficult to interpret. • May not be accessible publicly or privately. • The presence of an observer (e.g., photographer) may be disruptive and affect responses.

Table 2 and 3 shows the collection process in qualitative research involving the four basic types and their strengths and weaknesses.

3.3 Population and sample

3.3.1 *Population*

The research population comprised senior digital marketing managers and chief marketing officers employed in both bricks and clicks businesses which are

traditional businesses in nature that have an online presence as well as pure-play businesses that are pure on-line businesses that only have a store presence in the digital environment. These managers were referred to as digital marketing specialists'.

3.3.2 *Sample and sampling method*

A sample of thirteen individuals was interviewed. The participants are from key industries that have a high tendency to use online as a means to research and transact. These respondents also have access to their online businesses and data sets. It was a criterion for selection that all organisations considered had invested in an e-commerce platform which was currently being used and that would provide the necessary information. The sample selected was a convenience sample made up of respondents who had several years experience working in marketing and digital marketing divisions.

Thus the following organisations were considered in the sample frame:

- Google
- Dion-Wired
- Pick n Pay
- Makro
- Netflorist
- Takealot
- Wantitall
- Superbalist
- Parcel Ninja
- Price Check
- Bid or Buy
- Silvertree Capital
    - Zando
- ABSA
- First National Bank
- Standard Bank

- Lenovo
- Equi-Show

The sample consisted of the above list, excluding Standard Bank and ABSA, for the reason that data saturation was reached without the two banking institutions and no new themes were emerging. The sample process was stopped as a number of my experts interviewed, started reaching convergence on the topic with similar comments and views being expressed.

3.4 The research instrument

A cover letter was used to gain access to the necessary senior managers requesting permission for an interview; the letter is included in Appendix A. An interview schedule guide was used as an actual research instrument for the interviews; the interview schedule guide is included in Appendix B. The open ended semi-structured schedule was used as a guide for the interviews.

The interview schedule for this study includes:

- An introduction
    - Explanation of research question and proposal
- Experience related questions
    - Life story.
    - Personal experiences.
    - Professional experiences.
- Inductive and deductive data analysis (Creswell, 2013).
- Probing and prompting questions.

3.5 Procedure for data collection

In face-to-face interviews between August 1st 2015 and November 1st 2015, planned meetings were setup with the interviewees', semi-structured questions were asked and data collection was undertaken by the researcher. The initial first interview was used as a pilot study to help with defining lines of questions (Yin, 2013).

All the interviews were recorded with permission and transcripts securely hosted. The transcriptions were prepared and used to create themes and ideas that could be used to group common thoughts together (Yin, 2013). The author also discusses how the sorting of the compilation more methodically would determine the strength of these themes and ideas.

The major tasks for collecting data included:

- Gaining access to both organisations, as well as interviewees
- Sufficient resources for collating data during the interview process, meaning access to computers, writing utensils, notepads and stationery needed for the process as well as a quiet place in which to collate and draft the data privately
- Having access to colleagues and team members who could offer assistance and guidance should the need arise
- Having a clear schedule and timetable so that the data collection activities were managed within a set time and within a specific period of time.
- Elements that could arise from changes in availability of both the interviewee and that of the researcher, including other factors like mood and energy.

The above are topics that could be included in the field work for data collection (Yin, 2013).

3.6 Data analysis and interpretation

The dissemination of the information can be done in the following steps to further sort the themes out and the flow of information. This can be done in three steps as suggested by (Creswell, 2013, p. 197) as illustrated in figure 15, an overview of the data analysis process: the of capturing and analysing the data as well as the interpretation and meaning the themes.

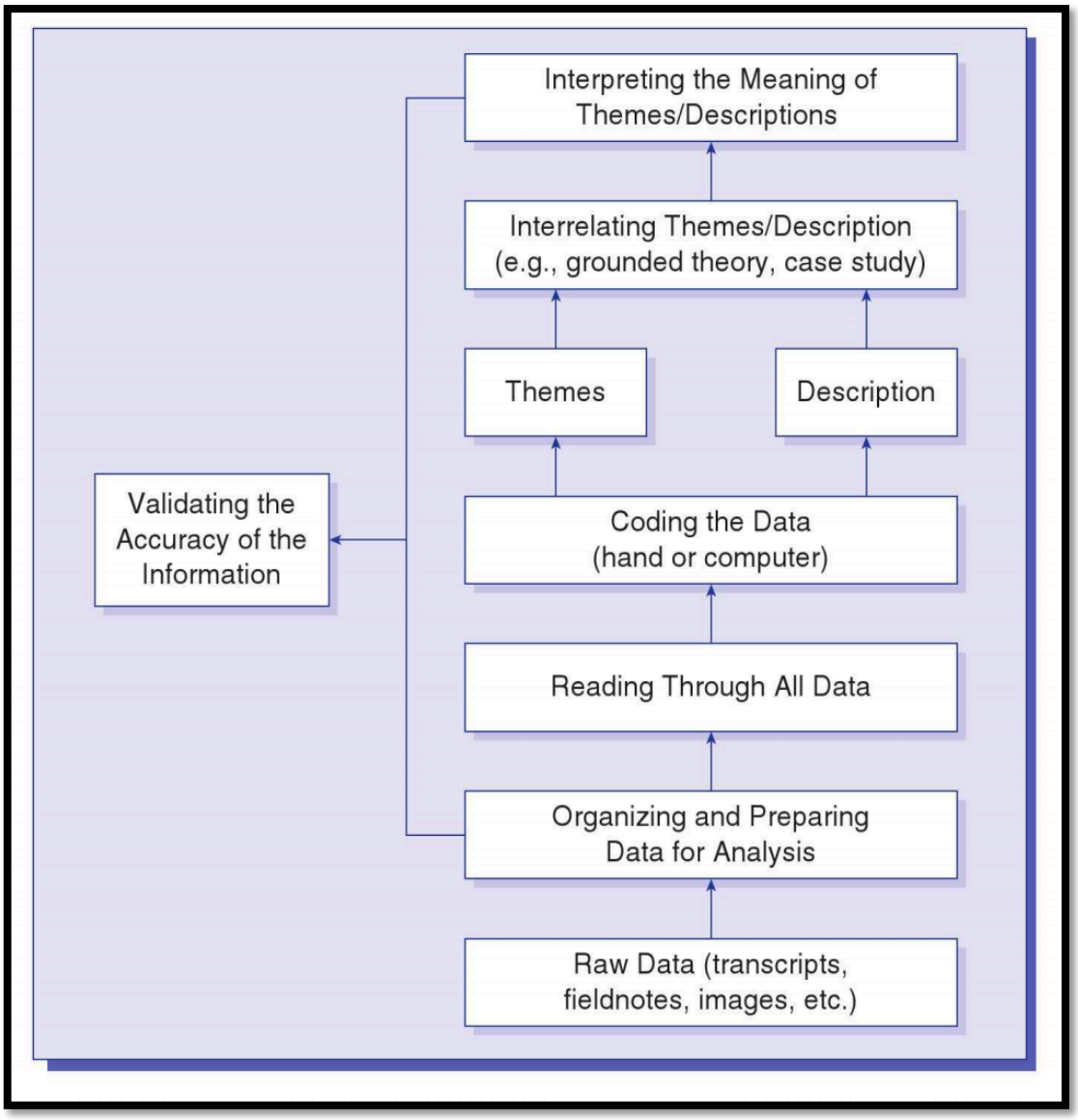


Figure 17. An overview of the data analysis process (Creswell, 2013, p. 197)

Step 1: Organising the notes and preparing the data for analysis. This looked at sorting the data by viewing the material, typing field notes, transcribing interviews and cataloguing material, both documented and visual notes, into different sources of information.

Step 2: The information was read, and evaluated to get a better sense of the overall meaning and questions were asked around what the interviewee is trying to express. Ideas and tones were gathered to build impressions around credibility and how this information would be used.

Step 3: The data were deciphered, sorted and categorised by text and pictures and the collection was labelled.

3.7 Limitations of the study

The research relied on the availability, willingness and the co-operation of the individuals. As these are senior management within their respective organisations with busy schedules, had any of the delegates been unavailable or cancelled the interviews, this would have affected the study.

The views expressed by my expert panel were from a limited number of highly skilled, digital senior managers who are responsible for a specific type of marketing channel.

3.8 Validity and reliability

Qualitative validity means that the researcher checks for the accuracy of the findings by employing certain procedures (Creswell, 2013).

3.8.1 *External validity*

The procedure, both to sample and to capture data, was done with utmost precision and austerity. Although the sample size was broad with diverse individuals from different industries, broad generalisation is not the intention of this study.

3.8.2 *Internal validity*

The data were captured over a three-month period; the interviewees would not have been unduly influenced by the outcomes or changes in the industry due to interests that would affect the responses (Creswell, 2013). Participants were also not likely to change during the research which might have influenced the results (Yin, 2013). Accurate and unbiased analysis and data capture improved the internal validity of the research.

3.8.3 *Reliability*

Reliability of qualitative research is questioned as a concern stems from the view of whether the results can be reproduced if conducted in a similar manner. If each interview is conducted by the same interviewer and if uniformity is ensured, then, provided nothing else has changed (Roberts, Priest, & Traynor, 2006), the results can and will be reproduced. When conducting interviews and to ensure reliability, the following guidelines were followed (Spiggle, 1994):

- Proceed systematically
- Record
    - Analyse
    - Preserve
- Report for audit purposes.

CHAPTER 4. PRESENTATION OF FINDINGS

4.1 Introduction

This chapter outlines and presents the findings of the semi-structured interviews that were conducted with the recipients. It looks at the profiles of the interviewees with an overview of consumer online trust and transactions in South Africa. This is followed by results on the research question to assess the perception of the trust issues on consumer online purchasing in South Africa and the findings thereof. The results were obtained from thirteen semi-structured interviews. The respondents are situated in Cape Town, Durban and Johannesburg.

The respondents interviewed were from pure-play online businesses as well as bricks and clicks. A conclusion of this summary includes findings from the results presented.

4.2 Profile of respondents

Thirteen face-to-face semi-structured interviews were conducted with professionals in the digital online space. These organisations, between them, either have a presence online only, represented by pure-play businesses or both a physical and online presence represented by bricks and clicks businesses. These interviews were broken down with businesses that had both an online and physical presence (bricks and clicks) in the retail space, and business that solely rely online (pure plays). The respondents from these businesses included Senior Marketing Managers, Chief Executive Officers, Chief Marketing Offices and Founders represented by both bricks and clicks businesses and pure-play businesses interviewed.

The basic demographics of the thirteen respondents interviewed are shown in the table below.

Table 4: Demographics of respondents interviewed

Demographic variables	Variations	Senior Marketing Manager	CMO / CEO / Founder	Total respondents
Age	25- 35	2	1	3/13
	35 plus	6	4	10/13
Gender	Female	4	0	4/13
	Male	4	5	9/13
Work Experience (years)	5-9 years	2	1	3/13
	10 years plus	6	4	10/13
International Experience	Yes	5	4	9/13
	No	3	1	4/13

The roles of the individuals differed, however, they were all part of the broader marketing function of the organisations and they shared a common objective, which is to market the products and services of their organisation.

It was important to have access to senior managers in the organisation who understood their online strategy and how this plays into the broader marketing strategy and the role that trust plays on the website.

Two individuals were between the ages of 25 – 35, however these individuals had international experience which was deemed important as their experience was in international markets, where significantly more people were online and the investments made in online marketing was higher than that of South Africa.

Six individuals over the age of 35 had more than 10 years' work experience and understood the marketing function, including that of digital marketing experience with a significant amount of time spent in their current roles.

Four respondents over the age of 35 were Chief Executive Officers; two of them had founded other online businesses and had investments in other online businesses.

One respondent was between the ages of 25-35 years of age and had experiences working for an International search engine company and it was felt that the experiences learnt at this company would make this individual ideal as a candidate for the role of Chief Marketing Officer.

Three individuals had less than 10-years working experience, ten respondents had in excess of 10 years plus experience. These professionals have also experienced the rapid growth of the Internet in the last five years.

It was interesting to note that nine of the respondents had worked in an international market (mainly the United Kingdom) where the internet penetration is much higher than in South Africa and they could apply their experiences gained in a market where the Internet use is much higher than that of South Africa.

4.3 RESTATEMENT OF THE PROPOSITION

Consumer perceptions of trust whilst performing online transactions impacts their willingness and outcome of the transaction. These factors include

- Trust in systematic process
- Trust in experiential process
- Access

4.3.1 Trust in systematic process

Trust in the system allowed our respondents to give their views on what they deemed to be issues of trust that would impact online transactions.

Most retailer and pure plays believed that offering international brands on their platforms, for sale, would result in trusting the seller and the website itself.

> *"You will see on our home page we feature Nike, we feature Adidas because that gives people trust to see big brands"*

Having trusted brands that were being sold or advertised added to the confidence of purchasing from that online store and if the process to purchase on line was simplistic then repeat purchases would occur. Seeing a trusted brand added to trustworthiness of the website.

Respondents gave different views on trust in platforms; however, the majority of the respondents felt that whilst trust in platforms is important, it is not the most important issue for transacting online. One of the respondents commented:

> *"Platform is irrelevant whether the platform uses Magento or Hybris, the consumer does not know, therefore the platform is irrelevant."*

Another respondent noted the progression and availability of technology and that, as more companies and brands move to an online space, it has become

easier to roll out an e-commerce platform catered especially for an intention to purchase.

> *"I think if you look back to 2007 when people started their businesses, if you had said to me what is the biggest hurdle to start running* an e-commerce business *I would have said platform, the systems, the processes would have been the most difficult. Nowadays when I look at it I think it is completely different; I think that a lot of the initial problems have been solved through these software and service businesses, in other words you go 'I want an –ecommerce platform' – well now you can choose one, choose Shopafind, Magento, Big-commerce or one of those tick the box options. It will cost you like R300 a month and you have an e-commerce platform."*

Another respondent highlighted that a platform is an important element that needs to work. The consumer might not think that platforms are important, however businesses relied on their online platforms to provide information to their customers.

> *"our digital presence being our online shop which is open 24 hours a day so that has got to be appealing and important, call it our destination or platform so it has to work, it is how people get stuff, the process of research, purchase and finding information".*

Having a responsive website that caters to both the needs of mobile and desktop consumers, meant that usability would be the same across both platforms. A respondent remarked on the following.

> *"We find the website has to be responsive and they interact immediately with the website. I think there is a bit of reluctance to place orders on a mobile device, I think people*

may feel that it is a bit less secure, or maybe it is just a bit more difficult to try and enter your credit card details on a small keyboard. So the conversion on a desktop is higher than on a mobile device."

The emergence of mobile phone platforms as a result of mobile phone connections also necessitated the need for a platform that would support mobile payments. All respondents confirmed that mobile was especially important for both research and transaction.

"your platform needs to render across desktop and mobile devices easily. Also we see that people are now buying from their mobile devices so m-commerce is definitely on the up …"

Six respondents' views about platforms was that it was seen as an entry point for how people are accessing their business online depending on what type of device they have that connects to the Internet.

"customers see a platform as being a mobile website or a desktop landing page, they don't really know what it is, all they see is a 'place' to get in touch with brand, its another channel. So platform in its whole encompasses the type of commerce transactional engine, whether transacting information or goods or services, that you have are integrated."

One respondent shared the above view using an example where consumers that live in the outskirts of large cities can use their mobile devices as a means to connect with brands, the example indicated that people saved money in transport and delivery cost by being in a position to transact on their mobile phones.

"that customer in Polokwane can still come in, he can see the smaller version of that TV and we can facilitate that order on line for him, and you can still access customers wherever

they are and you can still give them access to the (online shops) full range, so that's important to me"

Views on mobile applications differed between respondents, where the view expressed was that a company's mobile site was equally as important as a website, however some respondents felt that mobile apps were not equally as important as mobi sites.

"I don't think people care much about our app, I would love everybody to download our app but I don't think that is what customers want. We have to have an app, we are expected to have an app, we have that kind of brand but my main focus right now is our mobi-site."

A view that supported mobile app was based on the user experience and the ability to customise the experience. People trusting the brand would find it easier if the retailer had an app embedded on the mobile device.

"you need to have a great mobile experience and the best way to do that is to build a really quality user experience through a mobile app. So it is simplicity and ease of use, quick checkout, it is being able to tailor the experience to that small screen."

One respondent noted that not all websites are developed for mobile interactions and this made it cumbersome for the user.

"what is a barrier is that not all websites are necessarily designed properly for mobile usage. So it makes it difficult for a user to really transact on the mobile device"

Whilst one respondent noted that mobile sites are not as good as they need to be, more people have started purchasing on their mobile phones, with queries from mobile phones increasing over weekends. One respondent noting that mobile is more convenient:

> *“around mobile commerce, 10% of our orders are coming through on Mobile. This over indexes on weekends which is telling you that people use desktop because it's more convenient because they are at work, but actually on weekends I’ll just do it on my phone.”*

Another response was of the view that general search volumes in South Africa were originating from mobile devices.

> *“We have past our mobile moment in South Africa where search queries on mobile phones are now exceeding desktop queries. More people are now searching on their mobile phones for what they want.”*

Payments solutions and systems was identified as being essential for transacting online and if you wanted to be a trusted brand online it was explained that payment processes would be important for your strategy. The following view from one respondent was a major theme that was shared by all.

> *“Having (different) payment options invites the customer to want to work with you, so if you have EFT (electronic funds transfer) or credit cards and even COD (cash on delivery) solutions it means that your business is open all the time and as long as your terms and conditions explain delivery times that means, essentially, that when your physical store is closed at 5pm your digital store is open all the time.”*

Four respondents offered the view that not having the expected option to pay would result in customers leaving the site altogether, so part of the experience of transacting online meant putting yourself in the shoes of the customer and experiencing payments as if you wanted to purchase something.

> *“If there are not enough payment options, if there are no payment options that I want to use – that being the basic payment options then I will leave. But I think most businesses nowadays do offer credit card or some form,*

because I think we generally find that most people just want to accept EFT."

Trust in payments also meant that once a transaction was successfully concluded then returning to repurchase was easier, it was the initial purchase which was important, once that step had been overcome, then trust in payment and transacting with that brand had been achieved.

"Once a payment solution or gateway is used and the resulting product is bought then that trust has been earned, if everything went smoothly the process will be easier the next time and less concern will be put on the payments option as trust would have been gained. "

Pure play respondents explained that transactional websites were absolutely important for their businesses, as this was the how they survived.

"payment and purchase options are important and for pure online businesses is key, its our bread and butter"

Some respondents felt that trust in payment was likely to happen, as more customers became savvy around online purchasing and ensuring that the platform was safe to transact on was an a formality. Usage also counted towards trusting the methods of payments that brands used versus the willingness of users in the past.

"So again the customer trusts us (the brand) to have a level of surety around the payment mechanism we choose to offer. So they have given us the responsibility to handle that. If we put it in front of them they see it as carrying the same weight as the brand. So payment has never been an issue for us and I think payment is less of a thing in SA than it was made out to be; it was made out to be a big deal five years ago, people didn't trust online. I think that has largely fallen away. It is nice to have multiple payments types, tender types."

The respondents gave different views on the perception of online security in South Africa. Most respondents agree that online security is important to consumers but had two views on security. Some views considered that protection of personal information to be implemented as a given security measure as this was passed into South African law in 2013, so any collection of personal information would need to be protected.

> *"POPI (protection of personal information) is there to protect the users' data so that their personal information is kept secured and the holders of this information are accountable if the data is compromised, but such is the nature of online businesses that security measures needs to cater for all potential scenarios where data is compromised."*

A similar view to personal information loss or theft was shared by another respondent.

> *"you have to place the order yourself anonymously through our website which of course is fully equipped, and we can't see it, it is absolutely vital we do that because if you get that wrong and you can have data stolen then that trust can disappear out the window."*

Three respondents' views on security concerns also looked at the possibility of security breaches, such as hacking and stolen credit cards and/or fraudulent cases.

> *"So from a security point of view the quality of data is significantly better there (in the UK) so you can do allot more with it and the beauty of that you, using the UK post code example again, you can go right down to a street which means it's very easy to blacklist dodgy areas - because in the UK (much like South Africa) you can have two streets back-to-back, one is dodgy and one is good, you can have poverty and wealth literally next door to each other. In this country we have got no way of blocking that or determining*

that, so we have to use allot more additional steps to protect ourselves against fraud which actually impacts the overall conversion rate."

In the case of pure plays with no physical store presence, the need to have additional security came through as an important point to earn that trust and to be seen as a valued business.

"Security for an online pure play is also important as having no physical stores you can't afford for security mishaps and then people cannot find you from a physical point of view, so we need to make sure that this does not happen and that our clients are secure with the security that we have invested in products like Thawte and also partnered with the banks on their loyalty programmes so customers feel more secure."

Having additional safeguards to protect websites was important to all, one respondent noted that there are additional vulnerabilities and ones brand is at stake all the time with not having the right online security protocols in place.

"Security goes without saying. That is the one thing that will unwind your business very quickly ... it takes 50 years to build up a reputation and 10 seconds to have it destroyed by a 16 year old hacker – … "

One respondent felt that such security measures became a barrier to conversions from finding a product to payment but admitted a preference to having the security safeguards than be compromised on security.

"we don't store any credit card information internally whatsoever. It is sometimes a barrier from the customer experience side, so for example if a payment fails we can't recover the transaction because we don't have any record of it… It could be potentially damaging to our whole business."

Five respondents viewed security safeguards as having an overall increase in trust in the brand with having added security measures with partners that were seen in the security industry as leaders.

> *"I found just by using my 3D Secure Visa and MasterCard secure logos that there is an element of credibility that comes in - that's important to partner with partners and have the right stamps (trusted partner)".*

One respondent believed that security was already built into the online environment and that consumers are concerned about it, however there are measures in place that protect online consumers and online transactions.

> *"I worry that security is overhyped personally, I think it is something that if a retailer ever gets hit and credit card details are compromised, that will be the end of their business – so I don't mean it in that way, I mean that security must be there. but I think people are accepting that you have got to do electronic transactions, there is a little bit of exposure but you have chip and pin, 3D secure and all of that."*

Even though this was the view of one particular respondent, the overall view of perception of security online was seen as an important aspect for consumers when transacting online, it was important for them to trust the brands and companies that were providing a service or good.

4.3.2 Trust in the experiential process

Respondents' views around trust in the experiential process were about experiences that were had after trusting the system.

Outcome and delivery ranked amongst the highest in terms of what the respondents felt was important (for online trust) when transacting (online). Managing customer expectation was key for returning online transactions.

One respondent indicated how they would track customer behaviour online and find out what the consumers experiences were by calling and engaging with them, they noted:

> *"We see a number of people that just want to experience it. They just want to understand and then they stop. So we generally contact a number of people that don't check out, we want to understand why and many people say 'I just wanted to see what the process is'. A lot of people are test-driving it."*

> *"Delivery is key for managing your customers' expectation, if we say tomorrow and we deliver tomorrow our customers know that we are a brand that can be trusted and deliver on that trust. Also having the channels equipped to handle our customer queries when delivery might be a problem makes us a company that people want to do business with."*

Delivery was important in getting product to customers, generally the feeling was that if this was not within an acceptable time frame then that would affect the customers' willingness to return to the website.

> "*people want to experience a positive outcome, you buy something you get it hassle free, so part of the delivery will ensure that you have a good experience and that means that more people will come back. A positive outcome means a positive customer and this means another online transaction. So delivery is very closely linked with outcome, you don't want bad delivery time as that will affect the outcome of return users."*

The positive outcome was shared with other respondents who felt that if the process of buying online is positive and the customers receive what they order

then repeat orders would take place, however the same is true if the outcome was negative.

> *" you order something for your wife, for your anniversary and it comes the next day, it is a train smash. So the delivery component is absolutely crucial, if you mess this up then this would be your last order, the negative outcome experienced means that you would not have someone using your services again, you have one chance to get it right."*

A retailer that was simple and easy to use would mean that they would have a higher outcome and delivery on that good or product and level of trusted store. A similar view was shared around convenience adding to managing expectations positively.

> *"It's convenience, and also it is the promise. So when Retailer A says you will have delivery on X day then the delivery usually happens even maybe a day earlier. I am delighted with the outcome and this means that I trust that brand's promise to meet with my expectations…"*

One respondent acknowledged that even at a higher cost, retailers that were consistent with delivery would be used more, resulting in a positive experience and outcome.

> *"If online retailer A is slightly more expensive but I can get my item tomorrow and I know I am going to visit the other one where it is slightly cheaper but the delivery is somewhat inconsistent, then I will probably say I will take this one because I know I trust them, I know they are going to be efficient, they are going to be delivering to me next day or tomorrow or whatever that is. So that plays an important role as I know that I will experience a good outcome."*

Convenience was also evident with all respondents as being important to outcome and delivery. Most mentioned and agreed that in order for online

shopping to be a trusted channel, when you sought convenience, that online platform needed to delivered on that convenience.

> *"So let's start with the convenience aspect right, now that comes down to a lot of the things mentioned: payment types, how good your website is, what your delivery mechanisms are, who do you trust, if it is a physical delivery how does that work, what is the cost, do I have to be there to receive it. All those aspects are in an attribute called convenience*."

Related topics that were noted were that the outcome of an online transaction meant that the brand was committed to fulfill its promises on both delivering the intended product purchased and the process that was used by going online and the benefit and costs associated with the online experience.

The next point was not obvious in the literature but came out in the research due to local conditions where the population in South Africa has limited access to the Internet; this would affect both systematic trust and experiential trust.

4.3.3 *Access*

Access to the Internet was seen as a potential barrier for online transactions and this would increase the trust factor if more people were experiencing the Internet and these experiences led to trial purchases.

> *"… perhaps more people coming online would result in a willingness to buy more…"*

In order for people to come online, the cost of connecting and accessing the Internet needs to be more affordable and widely available for would-be consumers.

> *"There are a lot of hurdles that a consumer has to get through. Connectivity is a problem and the cost of data is a problem"*

The costs also include establishing better ways of connecting to the Internet. This view was shared by most of the respondents with a specific comment around accessibility.

> *"it depends on smartphone access or penetration in the market and what can be made available to consumers. How much of the population actually buy mobile data? When Wi-Fi and data becomes more accessible more people will connect."*

Development to the Internet eco-system was seen to be beneficial to economic conditions with a respondent's view that:

> *"the sooner these building blocks are developed, accessibility to the internet and cost of data, the quicker this market will grow, the more trustworthy companies will start to develop online that have a broad range, a good price and good delivery."*

4.4 Summary of results

Several topics became apparent when discussing perception of online trust and transactions in South Africa

4.4.1 *Trust in the systematic process*

- The importance of platform and how this would impact users to engage or disengage with websites that have an e-commerce or m-commerce capabilities was seen as an important point, however, more for brands selling products than for consumers purchasing, as consumers just want a platform that is trusted and that works.
- Payment solutions formed a major step in the ability to actually transact online, without a payment gateway solution, consumers would not be able to transact if the desired payment option was not an option.

- Online security is seen to be an important feature of a website that aims to ensure that transactions do occur because the website is a trusted channel.

4.4.2 *Trust in the experiential process*

- Outcome and delivery would impact the intended purchase online if the experience did not meet with the expectation of the customer, If the experience was positive then a conversion on the website would take place, the reverse was true for a negative experience where a drop off the site would be the result.

4.4.3 *Access*

- Access to the Internet was seen as important in growing the number of people that would experience online shopping and a propensity to buy, this also includes access to device, connections and platforms that would support an increase in users.

CHAPTER 5. DISCUSSION OF THE RESULTS

5.1 Introduction

This chapter discusses the results obtained from the qualitative semi-structured interviews that were explored during the interviews with the various respondents. The findings of the results were obtained from the thirteen respondents who participated in the interview process.

5.2 Trust in systematic process

Two respondents specifically noted, and believed, that customers do not really take note of the type of solution and backend that they use, “Platform is irrelevant” and “I want an e-commerce platform – well now you can chose one”; these comments suggests that advancements in technology and services meant that platforms for businesses are more readily available and consumers are now able to pick and choose an option for their online business. The companies that were mentioned: Hybris, Magento and Shopafind, gave the impression that these were trusted providers of platforms.

It was important that the functionality and interface is important so that consumers could navigate their way through the web interface whether on mobile phones or desktop computers, in order to transact via an e-commerce or m-commerce platform and solution. Respondents agreed that having an interactive website was important to having an increase in usability, “we find the website has to be responsive and they interact immediately with the website”.

X. Chen et al. (2014) noted that the higher the website quality, the more inclined were the buyers and sellers to transact and conclude business and ultimately, drive purchase intention. The authors go on to note that trust in the platform has a positive relation to trusting the seller. This was shared by the respondents who explained that when customers experienced a fulfilment of an order, and was happy with the process, they would purchase more than once. Not all customers are savvy about the Internet and the literature does look at platform

from a technical implementation perspective, it is essentially how you link the two that will build your website's trust. The literature and the respondents agree that a quality interactive web site will result in more use of the platform and this adds to the trust, however respondents add that consumers' technical knowledge will not impact their trust.

Respondents also believed that the importance of getting web site usability to a certain standard meant that users would stay on site longer and trial purchases. The quality of the website with regard to navigation, look and feel and functionality also added to the willingness to try the site again. This resulted in users experimenting with websites who would be left with enough of an impression on whether the e-commerce platform was a good experience or not (McKnight et al., 2002). One respondent felt that they would see customers experience the website and trial to see how the overall site would perform and based on their positive or negative trial make a judgement on its quality: "We see a number of people that just want to experience it." The company would initiate a follow-up call to find out why the consumer stopped using it, the business came to the conclusion that the consumer was testing the waters and wanted to see how the website performed. Other considerations are that consumers are shopping on multiple sites to find the one that best meets with their satisfaction and trustworthiness and when found, a long-term relationship is formed (D. J. Kim et al., 2009). The respondents and the literature shared the same view.

Websites that supply customers with information on competitor offerings and industry information is also seen as an overall website trust builder with respondents explaining that they are being seen as a trusted site and offering the complete picture of what is available online (Urban et al., 2009). "We became a sense check for all the sites what were selling the same product, so we became almost like a trusted adviser". Having access to other online businesses from a trusted site, in this case, meant that all companies that were associated with this "trusted adviser" added to their trustworthiness.

Respondents believed that their online businesses needed to be more credible as consumers could not touch or feel the product and that they transacted in a

digital world. This was supported by the research conducted by D. J. Kim (2012), that bricks and clicks businesses felt that having a physical store meant that trust was easier to come by, however, pure play businesses needed to build more trust to convince the consumer to transact with them and, as such their website platform needed to be trustworthy. It was also tied to the study conducted by TNS (TNS Study South Africa, 2013). “Brick and clicks businesses are more fortunate than pure plays as there is a place where you can ultimately go and touch the product to get some sort of reassurance. Pure-plays have to build a lot of trust.” This view came across from most of the respondents and added that when it was fast consumer goods, shoppers did not have to really touch and feel it, so it was more relevant to durable goods.

Mobi-optimised websites are important as the number of connected devices to the Internet means that consumers are accessing more websites via their mobile phone than desktop computers (Ericsson ConsumerLab, April 2015). The literature on mobile platforms also indicates that users are most likely to use a mobile version of the web site than the desktop of the full version (Schmiedl et al., 2009) . South African online landscape is driven by mobile connections and people are now using mobile platforms to buy more, with so many users coming from mobile devices, therefore trust needs to shift across platforms, especially mobile platforms. Both the literature and respondents noted more consumers are starting to purchase using mobile platforms. “Your platform needs to render across desktop and mobile devices easily”.

One respondent noted that consumers in remote areas could still be assisted when shopping on mobile phones, which means they do not need to travel long distances for their shopping: “You can still access customers wherever they are and you can still give them access to (online shops) full range”. South Africans still have access to mobile phones in remote areas and are connecting to the Internet using smart phones, which allows them to shop from any part of the country where they have access to the Internet via a smart phone and mobile broadband; having access to better information increases trade (Freund & Weinhold, 2004). Respondents agreed with the literature that better access to the Internet results in economic growth.

All of the respondents believed that trust in the platform is important so that the desired action to transact is available, which will result in a satisfying action. A respondent compared his digital presence as his online shop. Jarvenpaa et al. (1999) mirror this view and explain that online stores are an extension of physical businesses. “Our digital presence being our online shop which is open 24 hours a day”, people’s search behaviour does not change when they get home from work so even when they are home and retail stores have closed, they are still in a position to shop for goods that they need.

The ability to have different online payment systems was seen as an important factor when dealing with businesses; not all customers wanted to use certain payment methods, but having access to more methods meant that customers had a choice with a method they most felt comfortable with; this was the view of one respondent, “ If there are no payments options that I want to use… then I will leave”. Even though costly to the online business, having payments systems that are widely used would be beneficial to the online business for secure and trustworthy transactions (Tsiakis & Sthephanides, 2005).

When a payment method was missing and that was the option of that particular respondent then no further transaction would take place and the consumer would leave that online business. If the payments system is not secure, this will undermine trust and confidence (Yu et al., 2002).

From an online business perspective, electronic payments were seen as an important process because this was the nature of pure play businesses. It was important to build trust in this process and ensure that customers trusted that the payment would result in a positive exchange. Electronic payment systems had a positive relationship to trust and security, when trust was established the impact on electronic payment systems was positive (C. Kim et al., 2010). The respondents agree with the literature that having payment options that meet with consumer expectations meant that consumers were willing to buy when their preferred method of payment was available.

Customers that have experienced online purchases in South Africa were more inclined to buy again as they became more experienced with their purchases

(Dess et al., 2014). The literature mentions that the experience curve which was developed by the Boston Consulting Group looks at the gains that were made when user experiences increase, all the respondents agreed that as more people trialled the internet and became more aware of online purchases they would transact online.

South African legislation on personal information has given consumers a positive sense of security as more online businesses become compliant with these laws. Government regulation can therefore improve consumer trust (Z. Tang et al., 2008). This gave added security that personal information is secure and that the process of purchasing online was safer, businesses felt that a compromise on security data loss would essentially kill their business, as trust would be lost, “it could be potentially damaging to our whole business”. Respondents agreed with the literature that adhering to government policy on personal information meant that consumer’s trust in online businesses would safeguard their information and they would re-engage with online businesses because of this.

Taking added security measures to protect themselves against any vulnerability in their current online security system would be a cost to them but would ensure that they gained trust with consumers. Low online purchase will be experienced in markets where low credit penetration exist and security is shown to be a concern (June, 2005).

Furthermore, it was found that partnering with the right organisations that they themselves were seen as secure organisations because of these partnerships and endorsements that they carried as official seals of approval (Jiang et al., 2008). The online businesses were keen to partner with banks and other payment gateways that were widely used; this would result in a transfer of trust that was already established. Respondents agreed with the findings in the literature and embarked on getting 3rd party verification as, in the case of the respondents who stated that: “using my 3D Secure Visa and MasterCard secure logo’s that there is an element of credibility”. This confirms the literature that that having a trust partner adds to the credibility of the online businesses.

Pure play businesses with no physical stores, had to provide the most compelling reason for consumers to do businesses with them as there was no physical interaction with that online business when things went wrong, this was absolutely critical that these businesses who rely on online trust to get their online security up to the best standard available, Yoon (2002) explains how pure play businesses require more trust than traditional retailers. The respondents agreed with the literature explaining that: “having no physical stores you can’t afford for security mishaps and then people cannot find you”. This was seen as a potential risk for trusting pure play businesses.

5.3 Trust in the experiential process

Respondents believed that outcome and delivery to be one of the most important aspects in shopping online, trust was increased with the ability to manage customer expectations positively and customers that were satisfied would return: “Delivery is key for managing customers’ expectation, if we say tomorrow and we deliver tomorrow our customers know that we are a brand that can be trusted”. Offline offers more instant gratification than online delivery (Wolfinbarger & Gilly, 2001), however in the local market having access to delivery mechanisms is seen as a positive because of the significant distances that people need to travel in order to obtain their purchases and that the introductions of better delivery services will add to this satisfaction. One respondent mentioned that they were “not really challenged at the moment” due to purchasing a fulfilment and delivery solution which meant that they were in a position to meet customer expectations and this added to their trust.

Delivery was also important as consumers found it to be convenient when being in a position to get their items delivered (Schaupp & Bélanger, 2005). The ability to also use parcel-tracking functionalities on websites meant that customers became less panicky and were in a position to follow the progress of delivery. Local delivery mechanisms included calling consumers to ensure when a delivery could take place; this added to trust. Websites that included areas of non-delivery was important to manage customer expectation and also included which in store branch has stock or not.

Online businesses that have logistics built in to their model also make certain processes as standard for delivery and this involves getting recipients to sign for goods as proof that goods have been received (Kollock, 1999). “We have taken precautions to make sure that customers sign for their goods so we have the proof that the whole process has been complete”; online businesses understand that there is a huge risk with delivery, so hence need to cover themselves in the event that there is a deviation in the process. The respondent felt that there was an element of trust when someone signed for his or her delivery.

“The delivery component is absolutely crucial, if you mess this up then this will be your last order”, one respondent felt that setting delivery expectations was important together with, costs and return policies need to be clear on websites so to manage the trust aspect in delivery (Shneiderman, 2000). Unlike instant gratification in-store, consumers hold online business accountable for delivery; trusting that you will receive your delivery within the expected time frame ensures that you will trust the site and continue to do business with them. All aspects on delivery were critical in getting right as a basis to creating that trust between business and consumer, however trust was lost if important deliveries were not made timeously.

One respondent noted how delight and surprise was a positive experience: “I am delighted with the outcome and this means that I trust that brand’s promise to meet with my expectation.” The outcome is positive when everything works and the consumer is willing to buy again because that trust has been built and consumers feel more comfortable to do business with brands they trust (Gefen et al., 2003b).

Customers were also willing to pay more for consistent deliveries from business that were slightly more expensive but had a positive delivery outcome. This was a result of trust that had been built from previous delivery experiences. Customers also had a positive feeling when delivery expectations were met, leaving the customer satisfied, meaning that trust with that business had been established and secured.

5.4 Access

Greater access to the Internet would allow more people to experience the capabilities and potential that the Internet brings. Lack of access to the Internet is seen as a barrier for brands that have an online presence, that would like to connect with their audience. Several respondent expressed thoughts that were similar to increase internet usage with one noting that: “Perhaps more people coming online would result in a willingness to buy”, advancements in broadband connectivity and computer developments would provide for better shopping experiences (Hausman & Siekpe, 2009). The literature and our respondents agree that developments in technology that make both devices and the availability to connect to the internet, more freely available, will increase the number of people that are willing to trial the Internet and in so doing, make their first purchase.

South Africa has a large population that is accessing the internet via mobile smartphones (Consumer Barometer South Africa, 2015). Whilst many are connecting via mobile broadband connections, the cost of data is high versus other first world markets, with one respondent explaining that, “mobile data costs on my phone is ridiculously expensive”. Gong et al. (2007) explain that as e-commerce in developed countries progresses, more countries are keen to evolve their own internet and e-commerce programmes to facilitate more business and international trade. All respondents confirmed that they had purchased from an international website and furthermore explained that the Internet had connected countries. They agreed with literature that the Internet gives you access to more markets and makes your business accessible to international markets.

The introduction of entry-level smartphones will make more affordable devices available for the consumer that would allow them to move from a feature phone to a smartphone. This adoption of smartphones will see an increased number of people connect to the Internet more than they are doing today.

5.5 Conclusion

In conclusion, consumer perception in online trust is likely to be affected if they, the consumers, do not trust the platform, delivery and outcome, payment and security features. All respondents believed that no factor was more important than any other but it was how they were implemented together that made consumers trust the website.

CHAPTER 6. CONCLUSIONS & RECOMMENDATIONS

6.1 Introduction

This chapter summarises and provides recommendations and suggestions for future research. Conclusions are presented on the problem that was determined in Chapter 1.

6.2 Conclusions of the study

Perceptions of trust in online use a variety of factors to assess trust in consumer online trust and transactions. The research presented looked at how these combinations ranked and mattered to our respondents and under their consideration, which of these was seen to be of absolute importance versus something which was important to have, but not crucial. The research problem was to assess the perception of trust issues on consumer online purchasing in South Africa.

Results indicated that all trust factors are important factors that influence online purchasing.

6.2.1 Trust in systematic process

The view on online platforms was that this was a reflection of your online business and whilst customers may not know what the technical specifications of the platform was, to them it needed to represent a good experience and was easy to use.

Bricks and clicks businesses understood that because of their physical presence with their stores that were distributed throughout the country, this was really an extension of their business and so too was the trust element of their online business, an extension of their physical stores. As the literature pointed

out, this made it easier for consumers to connect because they felt there was a physical place they could go if something went wrong.

Pure play businesses in comparison have a more challenging approach to platform. Online was essentially their business and with no physical stores with which to convince consumers of previous trust, they would have to delight consumers with how easy and convenient it was for consumers to use their platform and delivery to earn and build trust. Platform was therefore crucial for pure play businesses.

The emergence of mobile platforms was evident to both brick and clicks and pure plays. A shift in how people were searching for information made it extremely important for these businesses to build and cater to their customers' demands. The development of mobile platforms in both the form of mobile websites and mobile applications, were seen as extremely necessary to complete the user consumer experience to be able to inquire, explore and transact. This trust would be transferred from desktop to mobile.

The respondents agreed that the consumer trust in the platform was viewed on how the platform met with the customer expectations to deliver on a positive outcome. The technicalities of the actual platform specification has no impact on the consumers ability to transact; consumers were more likely to transact if they had a satisfying online experience, trusted the website and were satisfied (Yoon, 2002).

Consensus amongst the interviewees was that consumers would indeed purchase online if their preferred method of payment were an option. The views shared indicated that the wider the variety of payment methods which are available, to cater for all audiences, would be used and consumers would therefore transact.

Tsiakis and Sthephanides (2005) mention that using payments systems that are widely used, added trust to the overall transaction. Pure play respondents pointed out that as a purely online player, their payment solution needed to be trusted, else their core business would fail. Not having the preferred method of payment would result in no online transaction.

Trust was therefore an important factor for online payments.

Trust in online security was paramount to the online business; any flaw in security measures would mean that both consumer data and the business integrity were at stake. The policies of the business make it clear in accordance with government regulations how consumers are protected, this was clearly identified in the terms and conditions of the business.

Security was also linked to various other trust components, like payment and delivery. Having partnerships with the right security firms means that there was a trusted elements when seeing third-party accreditation and relationships with banking organisations. This added to the trust and made consumers feel more secure.

6.2.2 Trust in experiential process

The results of the interviews on outcome and delivery rated highest amongst all of the respondents. All the participants of the research shared the belief that outcome and delivery have a significant effect on trust.

When purchasing online if you had a positive outcome and your expectation on delivery was met, your trust in the online business was vindicated and the likelihood that you would return was very high. Wolfinbarger and Gilly (2001) mention that offline delivers instant gratification, when you purchase in-store, the transaction is immediate and an exchange is made. When the first delivery is made from online, trust in the process is finally secured together with a willingness to repurchase.

Respondents also mentioned that if this experience, on the other hand, was poor and resulted in a bad experience, the chances of your repurchasing from the same online business was very low and your trust levels would drop.

6.2.3 *Access*

Certain barriers for trust were linked to access to the Internet, respondents felt that more people who were online were likely to trial the Internet and through

their trials and experience, transact more. The experience curve would build this base of users over time (Dess et al., 2014).

Access to cheaper devices, smartphones, tablets and computers, together with a development in advancements in broadband and devices would help with a better quality of online shopping (Hausman & Siekpe, 2009).

More affordable ways to connect, the cost of data and more accessibility to wifi hotspots in South Africa would make accessing the Internet more widely available and this would see an increase of potential shoppers.

6.3 Recommendations

When transacting online there are a number of elements that result in a positive online transaction. These elements, and how they are linked together, ensure that the outcome of a transaction is a trustworthy one and would be repeated because of a good user experience, which was mostly convenient to the consumer.

Pure-plays who rely solely on the Internet to build their businesses need to have as close to perfect experience as possible when it comes to purchase and fulfilment. From first experience of the website, consumers need to find it extremely easy and convenient for them to have an interaction where they can do business with brands online and find a compelling reason to return. Online needs to represent a convenience, which outweighs instant gratification of in-store purchases.

Trust in all aspects of this process needs to work seamlessly so that the user experience flows properly into information which is being sought, which in turn will flow seamlessly with payments and delivery once the product has been selected. This overall process needs to work jointly with all other aspects of the website to build that trust which will result in an online conversion.

Bricks and clicks businesses rely on their store presence, for which they laid down large investments which assist with locations, distribution, touch and feel, purchase and delivery or collection. Their online businesses cater for the new

online channel, which has been created by the Internet that helps connect relevant searches with results. Bricks and clicks have the added benefits of being able to reach people online and connect them in-store, the 'ropo' effect of researching online and purchasing offline connects their online presence with the offline bricks businesses and gives consumers trust when it is convenient, but also suits their delivery needs of in-store collection. However, more bricks and clicks businesses mentioned that such is the nature of the Internet that convenience plays an important role and therefore trusting the brand to deliver online would be as important as an in-store purchase. Bricks and clicks businesses would have an advantage if their process was as good as pure-play businesses as having the best of both worlds means that there is already trust that exists and they can build on what has already been established. It would be beneficial to have this experience as good as possible, as global trends indicate an increase in the amount of e-commerce transactions taking place (Freund & Weinhold, 2004).

Government needs to support businesses and services and offer greater adoption to the Internet along with infrastructure and education (Gong et al., 2007). The author also indicated that global trade increases with developed countries and developing countries as the latter develops their e-commerce and Internet strategies.

6.4 Suggestions for further research

This study is exploratory in nature and given that local literature was minimal for South African research, proposals for further research are suggested.

Furthermore, this research only looked at the South African retail industry, research on Industries' adoption of e-commerce platforms could be conducted to include the Finance industries where online banking is prevalent, the Technology industries where in-app purchasing is growing and industries where trust seems to be much more accepted.

Suggestions for future studies can be conducted to understand the adoption of the Internet in South Africa. As we are in the early stages of Internet adoption in

South Africa the potential for growth of the Internet might create new opportunities and businesses that thrive on the Internet, these could offer more insights into how consumer trust has adapted to the growth of the Internet.

Mobile Internet for many South Africans is their first experience of the Internet; research in trust in mobile transactions and m-commerce could be studied, further evaluating the potential and opportunity for new revenue streams in mobile platforms when trust is secured.

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APPENDIX A

The Graduate School of Business Administration

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The Graduate School of Business Administration

05 March 2015

To Whom It May Concern

Dear Sir/Madam,

Non – Disclosure Letter: MBA Research Report

This is to confirm that the bearers of this letter are undertaking a *bona fide* academic assignment, provided they can produce a University of the Witwatersrand student card that confirms their current registration as Master of Business Administration (MBA) students.

Students at WITS Business School are required to carry out a Research Study on a topic of their choice that will serve as part of their Thesis which they need to complete in order to graduate and receive their Master in Business Administration certificate. It is envisaged that the Research Report studies will be published in the Wits internal journal for further study by other student who might be interested in carrying through this study.

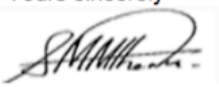
The purpose of the MBA Thesis is for students to develop a strong belief about a particular topic or subject, officially declare that belief on that subject within the beginning of the thesis, describe the process by which is intend to prove this belief, carry out that process, and finally describe the results of the process and write a conclusions.

We would appreciate any cooperation that you may be willing to give to our students in preparing their report, please note that any information received will only be used for academic purpose.

Your assistance will be truly appreciated.

Please feel to contact me should you have any further questions or alternatively you can contact Prof Anthony Stacey (Associate Professor – Decision Science and Research Methods; Anthony.Stacey@wits.ac.za)

Yours sincerely



Regards,
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APPENDIX B: Interview Guide



1. Can you tell me about you company and you're your experiences?
    a. Experience in digital
    b. Company history and digital plans
2. How do you perceive online trust when transacting in South Africa?
    a. And internationally
3. How important is your website to your business?
4. What are the factors that promote online trust?
5. Why do you think people use the Internet to purchase?
6. What are the key reasons why you would return to a web site and repurchase?
7. Why would you not transact online – what factors drive you to purchase online?
8. What do you think affects consumer purchases online and why?
9. What do you think consumers expect from online experiences?
10. Is online marketing important to driving trust?