

**E-COMMERCE: THE IMPACT OF INTERNET TECHNOLOGY ON
RETAILING**

by

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STATEMENT OF OWN WORK

"I declare that E-commerce: The impact of Internet technology on retailing (*Title of thesis*) is my own work, that it has not been submitted before for any degree or assessment in any other University, and that all the sources I have used or quoted have been indicated and acknowledged by means of complete references".



NWOFFIAH LUCY

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ABSTRACT

Where customers have freedom of choice, their level of satisfaction will determine if they are loyal, long-term and profitable customers. If customers are not satisfied they will take their business elsewhere.

The increase in the level of satisfaction in key element areas would increase overall customer satisfaction and increase customers' future behaviours such as purchasing on the Internet and recommending the e-retail websites to others.

This thesis also explains in the previous chapters that early adopters of e-retailing exhibited more of the elements of service transactions than goods transactions and that these elements best explain the e-retailer-consumer relationship. Creating the trust between a customer and its service provider (e-retailer) is one of the key factors in ensuring customer loyalty and retention. Other challenges that were discussed include controlling customer data, integrating on-offline orders, delivering goods cost effectively and handling of returns. Strategies e-retail businesses implement and use in improving product and service quality, gain market share and maintain greater customer loyalty were discussed in this research.

If the e-retail businesses can continue to improve consumers' satisfaction they will be rewarded with continued improvement in overall customer satisfaction, customer loyalty and retention and increase profitability. While the Internet certainly poses new challenges for e-retailers, and offers them invaluable new tools, a spate of new research suggests that there is no reason for traditional retailers to consider themselves doomed. The big question is: how does Internet technology assist e-retail businesses to create loyal e-customers?

TABLE OF CONTENTS

	Page
STATEMENT OF OWN WORK	ii
ACKNOWLEDGEMENTS	iii
ABSTRACT	iv
CHAPTER 1: INTRODUCTION	
1.1 BACKGROUND TO RESEARCH PROBLEM	2
1.2 SIGNIFICANCE OF THE RESEARCH	2
1.3 STATEMENT OF RESEARCH PROBLEM	2
1.4 RESEARCH QUESTIONS	3
1.5 AIMS AND OBJECTIVES OF RESEARCH	3
1.6 DELINEATION OF STUDY	3
1.7 OVERVIEW OF CHAPTERS	4
CHAPTER 2: LITERATURE REVIEW	
2.1 INTRODUCTION	5
2.2 E-RETAILING AND CUSTOMER LOYALTY	6
2.3 THE EMERGENCE OF E-COMMERCE	8
2.3.1 E-commerce technologies	10
2.3.2 Internet technology and service quality	15
2.4 INTERNET TECHNOLOGY USE IN E-RETAIL ACTIVITIES IN DEVELOPED AND DEVELOPING COUNTRIES	19
2.4.1 Internet technology use for retail activities in South Africa	20
2.5 E-RETAILING AND BUSINESS STRATEGY	24
2.5.1 E-retail opportunities	27
2.5.2 E-retail challenges to retailers	29
2.5.3 E-retail challenges to e-customers	32

2.6	INTERNET TECHNOLOGY AND ITS IMPACT ON THE BEHAVIOUR OF E-CUSTOMERS	35
2.7	TECHNOLOGICAL BARRIERS FACING E-RETAIL BUSINESS	37
2.8	E-RETAIL BENEFITS TO E-CUSTOMERS	40
2.9	SUMMARY	44
CHAPTER 3: RESEARCH DESIGN AND METHODOLOGY		
3.1	APPROACH TO THE RESEARCH	45
3.2	THE USE OF QUESTIONNAIRE	46
3.3	INTERVIEW DESIGN	46
3.4	DATA COLLECTION AND SAMPLE SIZE	48
CHAPTER 4: DATA ANALYSIS AND INTERPRETATION		
4.1	INTRODUCTION	50
4.2	E-COMMERCE MANAGER'S INTERVIEW RESULTS	50
4.2.1	The demographics of the e-retail companies	53
4.3	E-RETAIL IMPACT	54
4.4	E-CUSTOMER SURVEY RESULTS	61
4.4.1	The demographics of e-customers	62
4.4.2	E-customers reasons for using the Internet	64
4.5	CONCLUSION AND FURTHER RESEARCH	65
CHAPTER 5: RECOMMENDATION AND CONCLUSION		
5.1	INTRODUCTION	70
5.2	PRODUCT AND SERVICE QUALITY	70
5.3	CUSTOMER SATISFACTION AND LOYALTY	70
5.4	IMPROVED MARKET SHARE AND PROFITABILITY	72
	REFERENCES	74

TABLES AND FIGURES

TABLES

CHAPTER 2

2.1	Types of e-commerce technologies	10
2.2	Total retail market in South Africa	21
2.3	Estimated quarterly U.S. retail sales	22

CHAPTER 4

4.1	Products and services offered by e-retailers	56
4.2	Benefits of e-retailing	61
4.3	Demographics, category and response rate	62

FIGURES

CHAPTER 2

2.1	My Virtual Model	14
2.2	Hallmark reminder service	26
2.3	Barriers to purchasing online in 2000	34

CHAPTER 3

3.1	Research model	45
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CHAPTER 4

4.1	What has led to the move into e-retailing	55
4.2	E-retailers understanding of customer needs	60
4.3	E-customer's reason(s) for using the Internet	64

APPENDICES

A.	Introductory letter to e-retailers interviewed	
B.	Questionnaire - e-customers	
C.	Questionnaire analysis - e-customers	
D.	Online interview questions - e-retailers	
E.	Analysis of the online interview questions - e-retailers	
F.	Transcribed interviews - e-retailers	
G.	Directory of retail websites in South Africa	

CHAPTER 1 INTRODUCTION

The Internet provides new ways for customers to shop for their needs. Internet technology is available almost everywhere on the planet and using the Internet for information is already the number one reason customers' state for being online. Internet technology allows products and services to be offered on a scale never possible before: a potential global market with a variety of choices that is simply not possible with limited physical floor space (Cunningham, 2000:35).

E-retailers can now serve their customers 24/7 with variety of products and services at reduced price (Walsh & Godfrey, 2000). Though there a potential business benefits arising from the usage of Internet, successful e-retailing still face numerous challenges such as:

- improved customer service
- increased competition and
- increased cost of website and content management

While these remain an important managerial challenge, there is also a changing wave of customers growing expectation for continuous improved products and service offering. Retail businesses should therefore take advantage of Internet opportunities and build enduring customer-retailer relationship for a sustained customer loyalty. More personalised service that satisfies customers need can be developed and deployed into e-retail environment (Windham & Orton, 2000:145).

This research examines e-retailing and identifies convenient shopping experience as a strategy that can be used to improve service offering to attract and retain customers. Thus, it is useful for retailers to understand the differences between e-retailing and traditional retailing to enable them identify

the new Internet-based opportunities that might better satisfy the unique needs and desires of their customers.

1.1 BACKGROUND TO THE RESEARCH PROBLEM

Retailers understand the importance of continuous and consistent delivery of good service quality as fundamental to customer loyalty. It is now possible to meet various business objectives by satisfying customers' taste every time with Internet technology. An examination of retail environments that support business success reveals the importance of the Internet. There is a potential for retailers to improve customers shopping experience by implementing appropriate e-retail strategies.

1.2 SIGNIFICANCE OF RESEARCH

This research will help e-retailers to understand retailing and various ways to create a loyal customer environment that enhances online customers' patronage.

1.3 STATEMENT OF RESEARCH PROBLEM

One of the challenges for retailers is to understand the new technologies and to ascertain how to use them to ensure customer loyalty. For e-retailers to survive in this new environment, the Internet, a constant improved e-retail approach will be required to improve quality of customer service. Improved customer service creates a foundation for customers' loyalty that leads to repeat patronage. This study identifies and examines factors affecting customer loyalty in e-retail environment.

1.4 RESEARCH QUESTIONS

This research explored business opportunities of Internet technology and how this has impacted on retailing. With growing competition and increased level of customer demand for quality products and services, the Internet and Internet related activities has become an important field of study for both researchers and practitioners. A study of e-commerce literature is conducted and used to develop framework that describes customer loyalty as an important element of successful e-retailing. The following research questions are put forward for the research:

- Does e-retailing improve customers' shopping experience?
- Can e-retailers easily overcome the challenges of e-retailing?
- What are the effects of business strategies on e-retailing?

1.5 AIMS AND OBJECTIVES OF THE RESEARCH

The objectives of this research are:

- To examine the use of Internet technology in ensuring convenient e-retail shopping experience.
- To identify the strategic challenges of e-retailing.
- To analyse these challenges for improved e-retail service delivery.

1.6 DELINEATION OF STUDY

The study of the use of Internet technology in e-retailing has attracted much attention from academic and practitioners from various backgrounds, however, little attention has been given to its impact on the loyalty of e-consumers. This research addresses retail activities aided by Internet technology (e-retailing) to understand how the changes in convenient

shopping experience has resulted in improved customer loyalty level. Other aspect of e-commerce such as business and human resource strategy is therefore not covered.

1.7 OVERVIEW OF CHAPTERS

In Chapter 2, discusses e-retailing and customer loyalty based on the literature. The emergence of e-commerce is also discussed.

Chapter 2 also looks at e-commerce technologies as well as Internet technology and service quality. Internet technology use for e-retail activities in developed and in developing countries is discussed. Chapter 2 also discusses e-retail business strategy, Internet technology and its impact on e-customer behaviour. Technological barriers facing e-retail business and e-retail benefits to e-customers are discussed.

Chapter 3 explains the research design and methodology used as well as the description of the principle research design.

Chapter 4 presents the analysis and interpretation of data collected. The results of the interview conducted with role players in e-retail business as well as the questionnaire results of e-consumers are illustrated with graphs and tables. Areas for further research were also stated.

Chapter 5 is based on interpretations made and conclusions. Lastly, this chapter discusses recommendations in terms of e-retail business development.

CHAPTER 2 LITERATURE REVIEW

2.1 INTRODUCTION

Payne (2003) chooses to define electronic commerce as:

"[the] exchange of information, conduct of buying and selling, logistics, or other organisational management activities across electronic networks within an organisation, between businesses (B2B), between businesses and consumers (B2C), or between the public and private sectors (B2G), whether paid or unpaid" (Payne, 2003).

Payne (2003) further explains that a narrower definition of electronic commerce might be limited to electronic exchange of business transactions, e.g., orders and invoices (with or without the use of a website). Taking the above statement into consideration, businesses in developing countries may be able to reap significant benefits from e-commerce. Furthermore, the legal, regulatory or infrastructural constraints could make it difficult or impossible for them to actually transact business electronically. For example, a business in a developing country might be able to use Internet searches to figure out market prices for one of its products so that it can compete better and win new customers.

The above stated activities falls under the broader definition of electronic commerce and could be termed "e-business". This includes transacting business or exchanging business-related information between B2C - business and consumers (their customers). B2B - business to business can be referred to as a situation where one business buys from another business. B2G - businesses to government is where businesses conduct transactions electronically with government regarding various business licensing or reporting requirements or where businesses sell products or services to governments (Rayport & Jaworski, 2001).

Both local and international e-retail businesses may find beneficial ways to use e-commerce to enhance positive relationships with their customers and suppliers to ensure customer loyalty (Whysall, 2000).

2.2 E-RETAILING AND CUSTOMER LOYALTY

In e-retailing, because a company website represents the brand and stands as a substitute for the traditional shop, customer loyalty depends, even in the first instance, on the website's performance. Judgement about performance will be based on its usefulness and more specifically on its impact on service quality, during and after purchase. The interrelationships among loyalty, trust, and relationship have been well established in marketing and service management literature (Berry, 1995; Berry and Parasuraman, 1991; Foster and Cadogan, 2000; Graham, 1999; Kandampully, 1997).

Customer loyalty is essential for all businesses, especially for e-commerce ventures that seek to strengthen their brand image (Barton, 1999). Building customer loyalty is vital to the success of the e-retailer because, without loyal customers, even the most effective business model will fail, and the business will eventually try to satisfy the whims of only price-sensitive customers (Reichheld & Scheffer, 2000). Reichheld and Scheffer further explain that attracting and retaining a larger number of customers requires e-retailers to remain devotedly customer centric, as e-customers continue to demand more from their Internet experiences and have many more opportunities to migrate to other sources of supply, based upon easily available price comparison information.

A few years ago Gosh (1998) predicted that competitive pressures of new electronic markets in improving customer loyalty, and meeting up with customers' demand would force businesses to join the market, irrespective of their willingness to do so. The question is no longer whether to deploy the

Internet, but how to deploy it profitably. However, the disastrous experiences of new Internet-based businesses in the “dot-bomb” period have proven that the pressures to join in are no guarantee of success (Porter, 2001).

In recent years, an increasing number of e-retail businesses have specialised in selling service products such as airline seats and hotel room nights. As service intermediaries, these businesses have successfully gained the interest and patronage of customers because they are able to offer substantial benefits to the customers through e-retailing, such as product choices, convenience, and value for money (Foster & Cadogan, 2000).

To maintain this relationship, the e-retailer continues to find ways to build the customer's commitment and loyalty. For example, when Amazon planned to introduce their music store they asked customers to help create it. They asked customers to provide reviews on a number of CDs and videos. When Amazon.com finally opened the doors of its music store, they already had a potentially loyal customer base. This was a store created by customers for them; it was natural that they would start shopping there. Customers, who recognise that an offering is targeted at them, or when they have a hand in its creation, are more likely to return (Walsh & Godfrey, 2000). The explosive growth of usage of the Internet provides a great number of potential customers to e-retailers.

When an e-retail business deploys its website as a source of information and service interaction for its customers, research indicates that it will discover that customers will tell them exactly what they want and need with great precision. Such businesses will probably learn, to their dismay, that in order to satisfy their customers need they will have to do major work on their existing systems. In the long run, customers will prefer to do business with companies that put the customer's needs first (Seybold & Marshak, 1998).

These authors believe that there is a need to understand more clearly how e-commerce emerged, and what the business consequences have been.

2.3 THE EMERGENCE OF E-COMMERCE

Seybold and Marshak (1998) are not the only authors who have looked at multiple retailing channels from a research standpoint. Some years earlier, Rayport and Sviokla (1994) had noted that business transactions were already occurring in both traditional and web-based channels. These authors were writing at a time when the Internet was barely known and were already thinking about the consequences. In technology-based business channels transactions occur "on screen" in an electronic environment, rather than as physical interactions "over the counter". Nothing special today, but quite remarkable at the time.

E-commerce impacts directly on marketing, as the record of published work shows - some of the earliest experience with e-commerce revealed that not everyone will be interested. Berry (1995) reported that in moving to e-commerce, businesses must first identify the potential customers interested in working with that technology. Although technically a company website in principle has the capacity to serve an unlimited number of users, not everyone will be attracted. Strategically, it is important to identify the specific market segment that the website will attract and can be directed to serve its customers. In this pattern of evolving experience, it becomes clear that the emergence of e-commerce dramatically raises the significance of competition between businesses, and forces businesses to adapt continuously to new market situations (Mellahi & Johnson, 2000).

Leave out

The growth of e-commerce has attracted considerable recent attention within all business spheres. Increasingly, traditional retail businesses have also

begun to utilise the opportunities offered by trading activities through the Internet (La & Kandampully, 2002).

As different regions of the world take e-retailing in different ways and at different rates, it is interesting to contemplate how quickly the United States (US) population has adopted the Internet and it is easy to understand why. Historically, the US has been a country in which new technologies are assimilated fairly rapidly, given the relative lack of economic constraints and the manufacturing realities of the time (Burt & Sparks, 2003). Windham and Orton (2000) further explains that the US is the source of most Internet technologies and it is not surprising that it should be in the lead in their application. The Internet reached as many Americans in the first six years as telephones did in four decades. Everyday, Internet access is becoming available to a growing percentage of the US population (Windham & Orton, 2000:3). These authors argue that of all the wealthier economies in the USA, Asia and Europe, more than half the combined population has Internet access and it is inevitable that more consumers will choose to make purchases through the Internet as access becomes more widespread.

The increasing importance of e-commerce was apparent in a large study conducted by researchers at the Georgia Institute of Technology (Provost, 2000). It was found that electronic commerce was taking off both in terms of the number of users shopping as well as the total amount people were spending via Internet based transactions. Provost (2000) also found that through the connectivity provided by the Internet, the range of goods and services offered can be extended. It is feasible for retailers to sell millions of products via their websites as the technology brings buyers and sellers together regardless of their geographical location. Clearly, electronic commerce brings new forms of market to e-customers and e-retailers, partly out of new ways to do business, but originally because of the technologies that are now in use.

2.3.1 E-commerce technologies

Start
 As e-commerce technologies moves fast, it is important for businesses to take decisions that are both fast and right and choose a sustainable approach that fits into their business activities (Fisher, 2000). No single technology covers all possible e-commerce applications. Given the variations in technical and telecommunications infrastructure in developing countries this research includes the use of the Internet and websites powered by computers, but also the use of mobile phones (sometimes used in what is referred to as “m-commerce”), voice-over-IP, and even computer applications with no telecommunications component. All of these can and are being used in innovative ways by businesses to improve service offering, attract and retain customer (South Africa Department of Trade & Industry, 2002).

Similarly, any technology qualifies as long as it supports the core business activities at different levels. Not only can their technologies speed up certain processes that hinge on the processing or dissemination of information, they also permit certain activities to be restructured and re-engineered, or carried out at reduced cost, or with improved accuracy and reliability. Hence this will be a foundation for building customer loyalty and may lead to repeat patronage. *end*

The table 2.1 shows a list of some technologies used in e-commerce (South African Department of Trade & Industry, 2002).

Types of e-commerce technologies	Definition
Website	A collection of related documents published on the Internet.
Intranet	An internal computer network that operates using the same protocols as the Internet. Its main benefit is seen as being a means of sharing information between company employees.

Extranet	An extension of a company's Intranet that allows external users to access some parts of the Intranet.
Electronic Data Interchange (EDI)	Electronic exchange of forms, such as invoices and orders, between geographically dispersed locations
Internal e-mail	The electronic transmission of letters or messages from one computer to another or from one electronic device to another, internally within a company.
External e-mail	The electronic transmission of letters or messages from one computer to another or from one electronic device to another, external to the company
Mobile technologies	Include mobile portals and wireless LANs, such as mobile phones, PDAs
Electronic point-of-sale (EPOS)	Systems supported by sophisticated computer-based distribution systems, together with the mass market use of electronic forms of payment e.g. credit and debit cards.
Efficient Consumer Response (ECR)	The enabling of easier and faster sharing of data to enable trading partners to exploit common opportunities.
Customer relationship management (CRM)	Making more effective use of data collected e.g. through loyalty cards, for targeted marketing.
Computer Based Training (CBT)	Use of multimedia touch-screen technology to improved education and training.
Radio frequency identification (RFID)	It is a technology similar in theory to bar code identification. It refers to the technology that uses devices attached to objects that transmit data to an RFID receiver. With RFID, the electromagnetic or electrostatic coupling in the RF portion of the electromagnetic spectrum is used to transmit signals.
Virtual Reality (VR)	An interface which combines diverse technical systems with the goal of enabling users to interact in real time within Virtual Environments (VEs).

Virtual Environments (VEs)	Three-dimensional (3D) computer-based environments representing applications for visualisation, animation, generation or modification of real or abstract objects/ situations.
File Transfer Protocol (FTP)	It is a common method of transferring bulk data files via the Internet from one computer to another
Hypertext Markup Language (HTML)	The document format language used on the World Wide Web. Web browsers read HTML and display the page. HTML defines the structure and layout of a Web document by using a variety of tags and attributes.
Extensible Markup Language (XML)	It is a "metalanguage" that can be used to create markup languages for specific applications. For example, it can describe items that may be accessed when a Web page loads. XML allows users to create a database of information without having an actual database. While it is commonly used in Web applications, many other programs can use XML documents as well.

Table 2.1: Types of e-commerce technologies

E-commerce technologies are increasingly making e-retailing and delivery a reality, possibility by combining high-bandwidth wide area networks running on TCP/IP (Transmission Control Protocol/Internet Protocol), high bandwidth spread-spectrum radio frequency networks in shops, and lightweight ergonomically-designed handheld data management devices, which are able to run web-based applications at the shelf. These technologies can improve e-retailers', product and service quality, increased customer satisfaction and profitability. These could be achieved and maintained through streamlining processes internally and with suppliers. The use of electronic ordering and processing in particular can significantly reduce costs by enabling continuous stock tracking, eliminating processing errors, reducing headcount and reducing lead-times and stock holding costs (South African Department of Trade & Industry, 2002).

On the customer side of the business, the technologies in the table 2.1 can be used as tools to better satisfy the unique needs of their customers. These e-commerce technologies potentially offers new channels for customers to make purchases (websites), and can improve the in-store experience by making it more interactive e.g. through touch-screen intranet access, to display more information about products or to allow customers to browse the retailers' entire product range (Fisher, 2000).

EDI is used in many sectors but particularly by both small and large retailers who have the finance available to invest in systems. EDI is mainly used for ordering and viewing product catalogues/specifications (Browne, Allen, Anderson, & Jackson, 2001).

According to Birch, Gerbert and Schneider (2000) speed and flexibility are the key elements for success in e-shopping and these technologies have brought Birch *et al's* view into perspective. VR (Virtual reality) describes the combination of systems comprising computer processing (PC based or higher), a building platform for creating 3D environments, and peripherals such as visual display and interaction devices, that are used to create and maintain virtual environments. In the context of VR, the attributes of Virtual environments (VEs) are listed as follows:

- Computer-generated representations of real or imaginary environments; experienced as three-dimensional via a number of senses - visual, aural and/or tactile.
- Objects within these environments are independent of the user and can display real world behaviour.
- The user or users have autonomous control - the freedom to navigate and interact with objects, using a number of different viewpoints.
- Interaction occurs in real-time; and the users experience feelings of presence and/or immersion.

Chittaro and Scagnetto (2001) note that the most relevant usability issue of VE is the navigational support provided by its user interface. They believe that inadequate support to user navigation will likely result in users not being satisfied while exploring the visited VE. This problem becomes even more critical with the growing number of VE's on the web, such as the apparel e-retailers.

Achieving the correct garment fit has long been a challenge to both traditional catalog and apparel e-retailers. Poor fitting clothes result in dissatisfied customers who buy fewer items, shop less, and return their purchases. The founders of MyVirtualModel Inc. have used VR technology in envisioning a world where consumers can complete a quick size and fit questionnaire, then access that data to "see" and "try on" clothes on the Internet before making a purchase decision. Early results such as this suggest that MyVirtual Model Inc. may re-fashion the fashion industry (Birch *et al*, 2000).

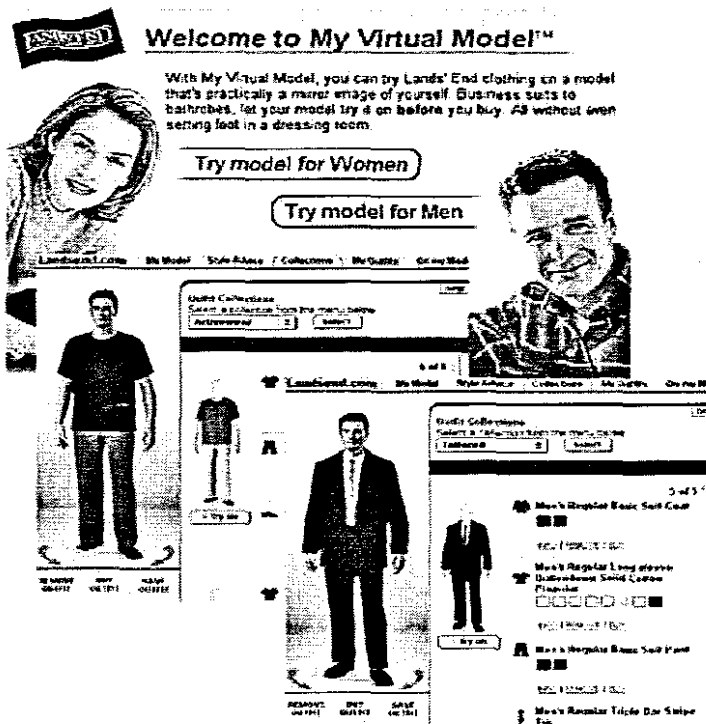


Figure 2.1: MyVirtual Model

Fisher (2000) believes that the technology with the highest levels of penetration is external e-mail. This is partly because it is cheap to implement but also because e-mail has reached a level of critical mass whereby even companies who were reluctant to adopt the technology now feel compelled to use e-mail as a method of communication both with customers and suppliers. However, further developments include radio frequency technology, enabling further streamlining of inventory management and distribution, wireless EPOS (Electronic point-of-sale) and voice recognition technologies.

However, e-commerce technologies vary widely at the consumer end. They are often beyond the control of the e-retailer and are hard to predict or even to identify. Specifically, each person on the Internet is using different hardware and software configurations and e-retailers are not privy to the specifics of those configurations. Management within this technological environment is significantly more difficult and requires an understanding of the impediments and the conditions that create them. It appears that the evolution of Internet technology created many opportunities for retailers especially in the area of service quality, unfortunately, opportunities are often offset by costs, streamlining of business strategy, and challenges engendered by these same technologies (Rose, Khoo & Straub, 1999).

2.3.2 Internet technology and service quality

There has never been a better time to start a business, especially an e-commerce business. Five years ago, Internet shopping was something consumers did from a home or office PC. The Internet has dramatically reduced the cost of setting up, and especially of reaching customers. Marketing costs, provided an e-customer has something interesting to sell, could amount to paying a few cents for a search-engine keyword. For a commission, sites such as eBay and Amazon will also list a customer's wares. PayPal will look after credit-card payments, saving the customer the bother of establishing a business account. Also companies such as UPS will

deliver anywhere, and provide online tracking facilities for checking how far a parcel has gone (The Economist, 2004). Indeed, dot-com upstarts such as Netgrocer, Peapod and Webvan, all of which delivered goods ordered on the Internet to e-customers' doors aimed to put a serious hurt on their traditional shop counterparts, not to work with them (Buderi, 2005).

All over the world, individuals have begun businesses this way. They might be selling avatars (virtual personas for online gaming) in South Korea, tribal carvings in South Africa, model steam-engine parts in Germany, or classic Corvettes in California. Web publishing too can now more easily be supported by advertising. Some e-commerce companies will find and place ads on their website for individuals or companies, and split the revenue. Google's AdSense service, for instance, uses the search engine's technology automatically to match the content of a website with appropriate text-based ads. In other moves, Google has been steadily expanding its operations beyond its core Internet search sites, to include free e-mail, web logs and online comparison shopping. The Economist believes that the more popular a site becomes, the higher the income (The Economist, 2004).

Now, a different approach to supermarket e-commerce is emerging. E-retailers start to gather information from the moment the customer accesses the site until the moment the customer exists, regardless of whether the customer makes a purchase or not. The e-retailer now begins to learn about each customer. This information forms a basis for initiating a dialogue with the customer in the future and starts to build a customer relationship. They also use this data to target advertising and promotions, treating demographically identical neighbours differently. Customers will no longer be treated as segments but as unique individuals. The objective of the e-retailers is to convert browsers into loyal customers. This is evident in Peapod.com, an e-retail supermarket and Tesco (Walsh & Godfrey, 2000).

Peapod.com delivers a wide range of groceries, household products and toiletries directly to customer's address of choice. They keep a list of the customer's previous purchases including brand, pack size and quantity purchased. The customer need make only minor changes from week to week, saving time and effort. Tesco services Internet orders in its shops. This arrangement is extremely profitable, because it builds on spare capacity within the shop network, and shop staff fills orders during quiet periods. Whether customers purchase from the Internet or traditional shop, the data about what they buy is linked to Tesco's loyalty card, so the company knows who their customers are irrespective of the channel the customer used. If the customer log onto the company website through a home computer or PDA, it lists their favourite or recently purchased items whether they bought in a store or online (Buderi, 2005).

In this manner, Tesco has amassed a mountain of data about its customers, which it uses in various ways. The regular mail statements to all loyalty card customers include quasi personalized coupons tailored to their buying habits. Some coupons might provide discounts on products a customer has recently purchased. In addition, Tesco puts out five editions of a quarterly hard-copy magazine, each of them tailored to a broad audience segment: students, young adults without dependents, young families with children, people age 40 to 60 and those over 60. Finally, the retailer offers a number of further segmentations, or clubs – *World of Wine, Baby and Toddler*, that customers choose to join, and which enable even more precise delivery of promotional offers (Buderi, 2005).

Walsh and Godfrey (2000) illustrate further that e-commerce also offers e-retailers the opportunity to operate their business round the clock and round the globe. The shop is always open and in most cases, a virtual shop assistant, the help desk or customer service personnel are ready help. If a customer wants to place an order with a US based Amazon.com at 9 o'clock

South African time on Sunday morning, this customer can. Despite the time difference, Amazon.com answers the customer's questions, offers advice, gives recommendations, processes and confirms the order, and even advises of the expected time of delivery. In the meantime, Amazon.com locates the book in the physical world and notifies the customer of any problems that may occur in obtaining or shipping it. As the customer receives the confirmation of shipment, tracking of the order can be done by accessing Amazon.com's tracking system on their website. The ability of the e-retailers to carry out a *constant dialogue with their customers is an integral part of the personalisation process*. How opportunities for dialogue between e-retailer and customer are conducted, is what differentiates sites.

Personalisation is not just limited to the service that is offered. E-retailers are increasingly customising products and offering them on a mass-market basis at an acceptable price to the customer. Customised products according to Walsh and Godfrey (2000) are probably the ultimate in personalised service and can command a price premium. Dell.com pioneered this concept. They custom-built each computer so that rarely do two computers leave the factory with exactly the same configuration. Children can custom design their own Barbie® doll through Mattel.com's My Design®, choosing a name, hair, eyes, fashion accessories and even her personality. Acumin's SmartSelect™ determines what vitamins a customer needs and how much of each and then *custom formulates a vitamin pill*. Levi's offers over 750 options for custom-made jeans through their levi.com or original spin website. Customers can create a CD with their own selection of tracks with CDNow.com. Landsend.com uses a 3D Internet model of the customer to personally recommend a range of suitable swimwear and 'mix and match' beachwear options, based on a customer's size and profile. Customer's can even custom-design eyewear on the Internet using Paris Miki's Japanese site. Using a self scanned image, customer's view eyewear best suited to their lifestyle and facial features (Burt & Sparks, 2003).

According to Buderer (2005), there will be a massive growth in the electronic economy in the next decade. This will be as a result of:

- Increased and extended usage of Internet shopping from existing e-customers.
- Continual development and evolution of Internet shopping as more companies decide to have a web presence.
- A demographic drive caused by the maturation of an Internet-savvy generation.
- Greater accessibility to electronic shopping processes as they become more widely available in some markets.
- The potential demise of physical stores and traditional retail outlets. This is a very real threat.

2.4 INTERNET TECHNOLOGY USE IN E-RETAIL ACTIVITIES IN DEVELOPED AND DEVELOPING COUNTRIES

It is widely presumed that e-commerce is thriving around the globe. But where developing countries are concerned, as long as the business-to-business (B2B) segment of the market does not take off, e-commerce volumes there will remain “negligible”, warns the e-commerce and development report 2002, released by UNCTAD. The report says that the route to a prosperous B2B sector, and its attendant benefits for the economy at large as benefits drive through to the consumer (B2C), lies in joining regional and global supply chains. The prospects for that happening are good, especially given that the rapid growth in both e-commerce and Internet use is expected to continue. This applies particularly to the developing world, where penetration rates are lower. The UNCTAD report further states that Internet use soared 30% in 2001, with one third of all new users in the developing world. E-commerce is also increasing in these countries, although more slowly, and that is particularly true of B2B, which comprises 95% of all

e-commerce² (Bytheway, 1995). For the retailer all the B2B activity upstream in the supply chain makes for more reliable supply and lower administration costs. The question arises as to whether the final stage retailing to the consumer will follow through and “go digital” through increased B2C activity.

The UNCTAD report concludes that the main impediment to the takeoff of e-commerce in the third world is inadequate information and communications technology (ICT) infrastructure, as well as shortcomings in physical infrastructure, logistics and trade facilitation.

2.4.1 Internet technology use for retail activities in South Africa

The mixed results in Asia, the US and Europe are generally far in advance of what has been achieved in Africa. The UNCTAD report explains that although Internet connectivity is slowly improving in Africa, e-commerce there remained limited at the time of the study. Local Internet connection is now available in all African capitals, and legal monopolies in Internet service provision have almost disappeared, resulting in a 30% rise in data traffic from the continent in 2001 alone. But the e-commerce infrastructure gap between developed and developing countries is largest in Africa, where only one in 118 people use the Internet – or only one in 440, when the five countries with the most users are excluded.

According to a study of South Africa's Internet industry by independent technology research organisation World Wide Worx, the rollout of Internet access services by South Africa's telecommunications operator (Telcom) is

² It is actually inevitable that the greater majority of e-commerce will be B2B; unpublished research from the Cranfield School of Management (UK) found that for every movement of goods in a supply chain there are typically eleven movements of information; if goods move seven times (again, this was found to be typical) then there will be 77 movements of information, only a few of which have anything at all to do with the retailer and the customer.

one of three factors that influenced the kick-start growth in Internet access in the country.

However, e-commerce has been reported to be concentrated in South Africa and Egypt, while B2B outside South Africa remains negligible. B2B opportunities do, however, exist for Africa in the traditional and Internet based services sector. And in the meantime, exporters of handicrafts and products and services targeting Africans outside their home countries are doing a thriving business in B2C (UNCTAD report, 2002).

It is evident in the South African Department of Trade and Industry report (2002) that e-retailers in South Africa have always had a bad press, and both the good and the bad have been lumped together as chronic underperformers from the start. Where American e-retailers experienced a 'honeymoon' of media hype for several years before the crash that began in April 2000 South African e-retailers have usually been assumed to be on a hiding to nothing.

As table 2.3 shows the total retail market in South Africa was worth R212-billion in 2002 and R234-billion in 2003. Given an e-retail market of R252-million for 2002 and R341-million for 2003, e-retail accounted for little more than 0,1% of total retail sales in 2002 (0,12%) and only slightly more in 2003 (0,14%).

South Africa	Total retail	E-retail	% of Total
Year	R000 000s	R000 000s	
2001	188 263	162	0.08%
2002	212 231	252	0.12%
2003	234 923	341	0.14%

Source: Goldstuck, 2004

Table 2.2: Total retail market in South Africa

By contrast, as table 2.4 shows, the total e-retail market in the United States was worth \$54.9 billion in 2003, out of a total retail market worth \$3.421-trillion. E-retail thus accounted for 1.6% of total sale. In 2002, e-retail had reached \$43.4 billion, accounting for 1.3% of total sales.

Year	Total Retail	Online Retail	% of Total
2000	3,071,692	28,349	0.9%
2001.	3,153,315	34,595	1.1%
2002.	3,245,407	43,466	1.3%
2003	3,421,857	54,902	1.6%

Source: Goldstuck, 2004

Table 2.3: Estimated quarterly U.S. retail sales (\$billions)

Contrasting these proportions, it is clear that e-retailing remains at a very early stage of its market penetration, even as its implementation matures in South Africa. While e-retailing in the US makes up a similarly low proportion of total retail sales, it is growing fairly strongly, and will probably have passed the 2% mark in 2005. While this remains low in percentage terms, it is a vast market in dollar terms. The US market will be looking at more than \$70 billion in e-retail sales towards the end of 2005, while South Africa will be hoping to touch the half a billion rand mark only the following year (Goldstuck report, 2004)

The Goldstuck report (2004) further illustrates that despite the slow-down in growth of e-retail businesses in South Africa, the number of retail websites has exploded from 215 at the end of 2001 to at least 719 at the end of 2003. However, the market is dominated by the top eight e-retailers (M-Web ShopZone, Pick 'n' Pay Home Shopping, Kalahari.net, Woolworths, Netflorist, Digital Mall, CyberCellar and Streetcar.com) who between them account for about 80% of all e-retail sales in South Africa (Goldstuck report, 2004). The Goldstuck report also found that online sales by retailers - which exclude property, cars and travel operators increased by 35% in 2003, but was

expected to grow by only 25% in 2004. A total of R341-million in e-retail sales was achieved in 2003 – a mere 0.14% of the total retail market in South Africa.

The South African Department of Trade and Industry report (2000) states that one of the most frequently asked questions in e-retail strategy is, "What sells online?" The report found that products with a high content element, and those that have relatively standard sizes, are the most obvious Internet selling lines. These include: books, music CDs, DVDs and videos and the first of these features prominently among the dominant e-retail categories in South Africa. According to the South African Department of Trade and Industry report (2000), the leading categories, or what may be called the Big Three of e-retail, were: food, beverages, groceries, apparel, books, stationery. This is in contrast to the USA, where apparel is at the top of the table. The reason for this is historic. The USA has a century-old tradition of purchasing clothing via mail order, and it is mail order categories that translate best into Internet sales. Books, music and videos have long been a staple of mail order in South Africa, and these translated strongly into Internet sales.

As a result, many prospective e-retailers have been given undue reason for optimism in the spending habits of South African e-customers. Often, however, it is simply a case of misunderstanding statistics. When, for instance, one website announced several years ago that it was halting Internet sales, a message on its website reflected bitterly on the fact that the company had been led to believe there were 1,8-million Internet users in South Africa. The reality, they had discovered, was that only 70 000 of those were actively purchasing from the Internet (South African Department of Trade and Industry report, 2000). There is a need for retailers moving to e-retailing to understand its impact on business strategy.

2.5 E-RETAILING AND BUSINESS STRATEGY

Reichheld and Schefter (2000) suggest that a one-size-fits-all e-retail strategy will not work for the increasingly diverse Internet shopping community. Trying to be all things to all customers will be increasingly challenging as greater proportions of the mass market come online. Not focusing may result in finding no volume market at all. E-retail businesses must identify their target customers and offer value propositions that will appeal to customers' unique needs. These businesses may choose to address multiple segments, but realise that the same offer will not appeal to all shoppers.

Walsh and Godfrey (2000) also suggest that analogies can be drawn from the approach that e-retailers take in building customer loyalty and satisfying customer need. An e-retailer builds the relationship over time by demonstrating an interest in the customer, listening and understanding the customer. There is an interaction with the customer one-on-one. In turn the customer grows to trust the e-retailer. Once the relationship is established the customer needs to have a strong reason not to continue with it. There is a familiarity, a commitment, and a sense of belonging. An emotional element now exists between customer and e-retailer and it goes beyond any rational reason for preference based on physical or functional product attributes.

Jackson and Harris (2002) note that the scope of Internet applications can vary hugely between organisational strategic initiatives, highlighting differences between e-commerce and e-business strategies. They characterise e-commerce strategies as "catalogues put on the Internet to allow electronic ordering". Such arrangements typically involve dedicated e-retailers, acting independently of other distribution channels, which are often the exclusive electronic contact point for customers. Siegel (2000) also states that such e-retail websites tend to be mere virtual versions of their concrete counterparts. A genuine business strategy, on the other hand, seeks to "foster conversations" with customers throughout the organisation (actually or

figuratively), with all employees having a direct electronic link. Such customer led approaches, according to Siegel (2000), involve listening to customers in a strategic way, deepening relationships and loyalty. E-retailers are reminded that the benefits of e-commerce are not just faster ordering from bigger catalogues, but better service and a closer relationship with a more 'faithful' customer.

Newell (2000) highlighted that companies must leverage customer information for the effective management of customer relationships on the Internet. Seybold and Marshak (1998) made similar points, again focusing on the need for customer-focused strategies that engage customers and build communities of loyal customers. Such strategies suggest something much more radical than the basic e-commerce/brochure-ware approach adopted by many businesses at the moment. It calls for a re-engineering of processes and structures focused around key customer groups, rather than product or service divisions. It also implies cross-functional, team working. As Siegel (2000: 107) puts it:

"[a] customer-led company has a broad interface across which all employees can get to know their customers. Employees invite customers in to collaborate on new products, support systems, and methodologies. Facilitating those interactions will take new communication skills, new tools, and the ability to move people in and out of product teams easily".

In addition, most e-retail businesses today are not prepared to create truly unique and special offers for individual customers based on customer profile information (Siegel, 2000). Infact, most companies are still only capable of offering relatively simple solutions based on customer preference data. Siegel (2000) further explain that creating uniquely customised product offers to target customers, requires better data not just about the customer's preferences, but about the products as well.

For example, Hallmark Cards, Inc., a \$3.6 billion company with a 44% market share in the United States, is a classic consumer products company selling millions of greeting cards to millions of anonymous customers through retail outlets. Like most companies that sell through retail outlets, Hallmarks kept close tabs on what cards sold in different demographic areas and continuously refined its product offerings to meet those needs as well as to keep up with the times. But when the company asked customers what they wanted, it discovered that what its customers could really use was a reminder service. This service reminds them to go buy a card and a gift for someone's birthday or anniversary (Seybold & Marshak, 1998). Refer to figure 2.

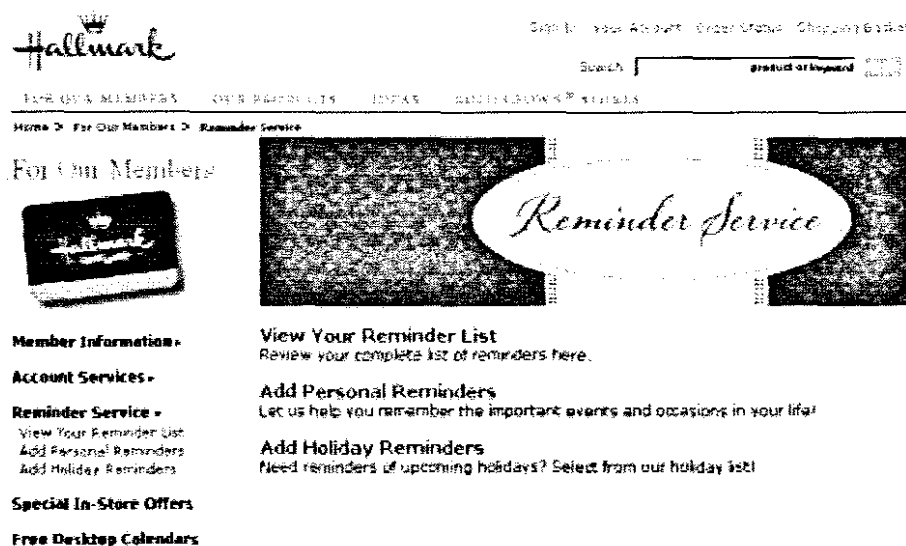


Figure 2.2: Hallmark reminder service

Hallmark took that requirement to heart and today on Hallmarks website (Hallmark.com), they have a reminder service where customers can enter the important dates they want to remember and specify when they want to be reminded. Whether the customer asked to be reminded a week before, three days before or a day before, the customer will receive an e-mail as a reminder for the occasion that was programmed. Hallmark now has a database of customer profile information. This helped the company in identifying who some of its end customers are, when they need to send remembrances, and to whom they need to send them (Seybold & Marshak,

1998). Seybold and Marshak recommend Hallmark as one of the e-retail companies that was able to begin to build a one-to-one relationship with its customers in a cost effective manner using electronic commerce technologies such as the Internet.

In addition, e-retailers identify who their valued customers are and treat them accordingly. Amazon.com sends a special promotional offer to valued customers who have not recently purchased. This does not happen for every *inactive customer, only those Amazon.com feels are worth keeping*. Walsh and Godfrey (2000) suggest that all e-retailers must provide those components that create a good customer experience to establish Internet brand loyalty and remain competitive. How well individual Internet brands meet these customer expectations will determine who keeps users loyal, and who will fall prey to more savvy competitors that lure customers away by offering more of what they want online. Walsh and Godfrey (2000) believe that the struggle to acquire and retain customers will define the e-marketplace of the future.

These e-retailers have to figure out how to lure consumers and how to keep them without relying on face-to-face interactions. Many people according to experts think of the Internet as impersonal. Yet these retail businesses have utilised the opportunities presented to them by Internet technology to build *close bonds with their customers without ever meeting them or, in many cases, talking with them*.

2.5.1 E-retail opportunities

work

The introduction of *electronic commerce* has offered numerous opportunities to businesses, including reduced costs, closer relationships with customers, increased profit and customer loyalty. At a very fundamental level, businesses operating via the Internet usually enjoy much lower overheads than their traditional retail counterparts (Liu & Arnett, 2000). Through

websites, e-retail businesses are able to provide customers with various self-service and delivery options. These, of course, offer considerable benefits to these businesses in improving product and service quality, increasing productivity and in lowering costs. For example, company websites allow businesses to decrease the number of phone calls, maintain global reach and targeted marketing, shorten transaction times (better customer service), reduce manpower, mass customisation, establish new forms of specialised stores and niche marketing (Tarn, Razi, Wen & Perez, 2003).

According to Windham and Orton (2000) a number of measurable elements that relate to achieving higher profitability via customer retention include:

- **Base revenue:** It is the revenue an e-retail business receives from a given transaction, regardless of customer relationship or loyalty or product discounts. The longer the business keeps a paying customer, the more of this base revenue they receive.
- **Growth:** When the initial transaction creates value for a customer, the customer purchases additional products from the e-retailer. The revenue generated from that customer grows as the e-retailers' share of that customer's buying dollar/rand grows.
- **Referral:** Referral revenue occurs when a satisfied customer refers an e-retail business to other potential customers. The longer the business relationship with a customer lasts, the more new customers are referred to such e-retail business.
- **Price premium:** Contrary to popular belief, loyal customers will pay more for an e-retail business product than will a new customer who is not necessarily convinced of the value of the offerings. If the customer is satisfied with the value of a product, why would the customer incur the trouble and risk of trying another product? Loyal customers are not tempted to defect by competitors' discounts, and they do not require

discounts to continue to purchase from an e-retailer. The more satisfied the customer is with the business relationship, the greater the premium the customer will pay.

Once acquired, a loyal customer boosts the business profits by making more purchases, paying higher prices, and being less expensive to work with. The customer also refers potential customers or associates to preferred retailer, eliminating the cost of acquiring those customers (Reichheld & Schefter, 2000).

2.5.2 E-retail challenges to retailers

One of the first challenges retailers face when attempting to embrace e-business and its technologies is how to move from being a traditional or “bricks and mortar” businesses to being e-retail or “clicks and mortar” business. Here, a more virtual form of business may result, mixing traditional ways of working with electronic communications (Jackson & Harris, 2002).

Jackson and Harris (2002) further explain that one of the key problems for existing retail businesses is to migrate from their “legacy infrastructure” to an e-business infrastructure. While start-up companies can leapfrog these problems, established ones face some difficult challenges. This was one of the reasons why it was originally speculated that the Internet start-ups (also known as “dot.coms”) would become the dominant business model in the business to customer (B2C) Internet market place. In other words these businesses have to be prepared to reorganise and restructure themselves continuously. As such, understanding how to manage change effectively becomes essential. As Stroud (1998: 225) notes:

“The benefits that the Internet technology is expected to deliver will not be realised unless a business adapts its organisational structure and methods to meet the radical new ways of working that this new technology makes possible”...

Stroud (1998) further explains that effective e-retail business solutions demand integrated front and back end systems. This means that when customers interact via the Internet, placing orders and purchasing goods, the stock control and financial systems also need to “speak the same language” and carry out their part of the transaction processing. The problem is that many such back end systems are unlikely to be based on open Internet protocols and may even have been custom-built. Nonetheless, such systems may be critical to a company’s business, and include such details as bank account data and stock rotation information.

Seybold and Marshak (1998) mentioned that back in the heyday of reengineering, many companies focused on the wrong things, such as reengineering their businesses to make them more cost-efficient. Instead, they worked from the inside out, streamlining administrative processes, manufacturing operations, procurement process, and so forth. These were all valuable initiatives, but they left out the most important piece of the equation. They did not start from the outside (the end customer) and work in. Many of these initiatives saved companies a great deal of money and made them more productive, but they have not necessarily improved revenue.

Agrawal, Andrews, Kabiraj and Singh (2002) however pointed out that e-retailing has not been so profitable for businesses for these reasons;

- Too many websites. One estimate puts the number at a mind-boggling of over 250 million, of which at least a quarter is e-retailing in one form or the other.
- Most e-retailers have not been successful in building strong back-end systems. Accenture’s worldwide research has demonstrated that 1 in 4 attempted purchases over the Internet fails. The question arises,

would a customer go back to a shop that does not attend to the customer's need?

- Integration of e-retail websites with the associated supply chain processes has been poor. Accenture research indicates that the most common complaint of e-shoppers is: "items ordered are out of stock".

Every e-retail fulfilment operation, large or small, faces other challenges such as controlling customer data, integrating on-and off-line orders, delivering the goods cost effectively, and handling returns (Agrawal *et al.*, 2002).

- Controlling customer data: As outsourcing arrangements proliferate and delivery services become more expert in using information technology, retailers risk losing their lock on consumer data. This knowledge, ranging from the socioeconomic status of customers to their buying patterns and preferences, helps intermediaries and shippers reduce costs, but they can also use it to compete with retailers.
- Integrating on-and off-line orders: From an operations perspective, the easiest route for companies with a foot in both the traditional and e-retail business might be to enter electronic orders manually into an off-line order management system. This option makes most sense when the volume of Internet orders is high and companies must decide how much integration they need.
- Delivering the goods cost-effectively: At present, every single transaction challenges e-retailers to deliver the goods quickly, cheaply and conveniently. The existing model for home delivery works well for letters and flat packages but not for e-retail high volumes and wide variety of packages shapes and sizes. But this is largely a technical

and logistical, and it will be possible (though perhaps expensive) to solve it by developing new sorting and scanning equipment and by deploying larger delivery vehicles.

- Handling returns: The problem of returns is encapsulated in an old saying in the book business: “gone today, with which customers can return here tomorrow”. Some companies have built their reputations partly on the ease with which customers can return defective or unwanted merchandise and the graciousness with which it is received.

E-retail businesses, with emphasis on convenience and customisation, must be able to meet the above mentioned challenges. E-customers are also faced with a few challenges and will be discussed.

2.5.3 E-retail challenges to e-customers

Some of the electronic channels ^{Social} through which customers interact with e-retail businesses include the web, integrated voice response (IVR) systems, e-mail, handheld digital appliances, cell phones and “smart” call centers. (Seybold & Marshak, 1998).

Some studies have attempted to understand whether browsing on the Internet is correlated with purchasing on the Internet (Lindquist & Scarborough, 2002). It is questionable whether a perfect match is possible, since some shoppers enjoy browsing as a separate activity, while others purchase without browsing if their choice is clear and determined in advance.

The phenomenal growth of the e-retail sector has not been without its own unique troubles and challenges to its customers. One of the main issues arising repeatedly concerns the level of service provided during the course of electronic transactions. For example, a market research suggests that one out of every four e-shoppers perceives that there are “major” problems

associated with Internet shopping, ranging from confusing information, long upload sessions, and payment difficulty (Ryan & Valverde, 2003). Internet holiday shoppers have also reported myriad problems including late delivery, paying extra shipping costs for products to arrive on time, receiving partial orders, and receiving damaged merchandise (Zemke & Connellan, 2001).

Despite the recognition of the fact the service problems are relatively widespread in the e-commerce sector to date, research on service failure and recovery issues has focused almost exclusively on failure and recovery in the context of interpersonal service encounters. That is, service situations in which the service customer and provider interact with each other in order to consummate the service transaction (Smith & Bolton, 2002).

To comprehend the impact of customer disappointment, it is important to know what consumers consider to be bad experiences and how those experiences will impact in their future actions. When experienced shoppers were asked which barriers, if any, might prevent them from making more online purchases in the near future, the need to touch, feel, and try on products was the most common response as shown in figure 2.3 (see questionnaire analysis: Appendix C). Internet retailers choosing to carry high-involvement products will continue to struggle with the consumer's need to experience these types of products in future years (Windham & Orton, 2000).

Windham and Orton (2000) further illustrates that these high-involvement retailers should seek ways to provide target customers with the required tactile information to overcome the barriers to the sale. Whether addressed through the use of better graphics technology and higher bandwidth or through, multichannel alternatives, the issue must be addressed to break through current barriers.

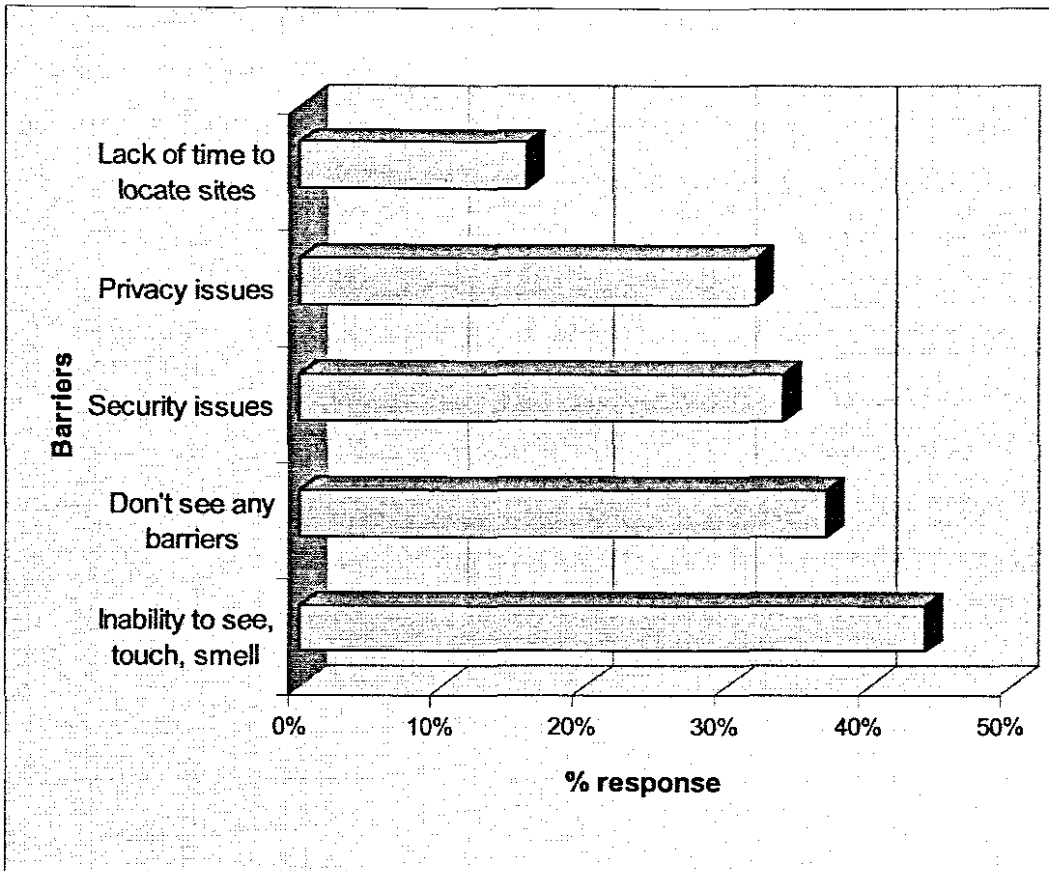


Figure 2.3: Barriers to purchasing online in 2000

Even though e-customers are becoming more and more comfortable with providing credit card and personal information on the Internet, security and privacy issues are still seen as barriers to e-shopping in the future. E-retailers need to be sensitive to e-customers' reluctance to provide their personal information on the Internet. One way to gain an e-customers' confidence suggested by Windham and Orton (2000) is for e-retailers to address the issue up-front with reassuring security and privacy policy statements. Furthermore, it is imperative that companies abide by those policies. While there are still barriers to break down, Windham and Orton note that in the year 2000, 37% of customers remain optimistic and report that they did not anticipate any barriers preventing them from buying more on the Internet.

Internet shopping, however, so far has not proven to be the panacea for the e-customers' shopping wants and needs. These authors outlined these primary drawbacks to Internet shopping;

- products not conducive to an Internet purchase.
- many customers appreciate and want to experience the "aesthetics of shopping," i.e., touching things and trying items on.
- returning products that do not meet customer requirements is a hassle.
- customers are reluctant to participate in e-commerce if they do not recognise or trust the company brand.

For some product categories, the Internet poses a threat to other shopping channels. At the same time, companies who can address the disadvantages present in the current Internet shopping alternatives have potential opportunities.

These challenges however influence e-customers buying behaviour in various ways, such as: use of the Internet to search and compare, while going to the traditional shops to make their purchases (Koprowski, 2000; Levy & Nilson, 1999).

social 2.6 INTERNET TECHNOLOGY AND ITS IMPACT ON THE BEHAVIOUR OF E-CUSTOMERS

Strategies for traditional retailing commonly refer to "location, location, and location" as the critical factor, above all others. In e-retailing, all websites are created equal and location becomes irrelevant. No site is "closer" to its customers than any other, in the physical sense, and it is extremely easy to slip from one retailing website to another. This makes it vital that businesses persuade customers to come to their shops in the first place, and then come back on future occasions. The key to this goal, it is said, is to optimise factors

such as efficiency, personalization, socialization, the look and the feel of the website, offering incentives such as coupons, discounts, special offers, vouchers and gift certificates to purchase and security (Agrawal *et al.*, 2002). This actually remains to be demonstrated in Chapter 4.

It has been over ten years since B2C e-commerce first evolved. Experts in e-commerce constantly strive to gain an improved insight into customers' behaviour when using the Internet. Along with the development of e-retailing, researchers continue to explain e-customers' behaviour from different perspectives. According to Shergill and Chen (2003), there are general models of buying behaviour that depict the process which customers use in making a purchase decision. These models are very important to e-retailers because they have the ability to explain and predict e-customers' purchase behaviour.

According to Shergill and Chen (2003), the antecedents of Internet purchase include many attitudinal components, e.g., attitude towards an e-retail website, and perceived risk of Internet purchase. E-customers Internet shopping experience, website design and fulfilment quality are deemed by these authors to be the major contributions of successful Internet transactions.

Kleijnen, Ruyter and Wetzels (2001) in their pre-Internet study, investigated why people shop, why they go to the traditional shops, and why they browse but do not buy. This survey went beyond retail patronage and demonstrated that people have numerous motives for shopping that are unrelated to the actual purchasing of products. The e-customers in these authors' sample reported that their shopping motives included:

- Carrying out expected roles
- Diversion from daily routine
- Self-gratification and response to moods

- Learning about new trends
- Physical activity
- Mental activity
- Sensory stimulation
- Social experiences outside the home
- Communication with e-customers with similar interest
- Peer group attractions
- Status and authority
- Pleasure of bargaining

These motives according to Kleijnen *et al* (2001) are likely to result in browsing that does not necessarily lead to purchasing. E-retailers who know their customers and identifies these motives could use it as an advantage over their competitors.

2.7 TECHNOLOGICAL BARRIERS FACING E-RETAIL BUSINESS

Internet and World Wide Web technologies provide the infrastructure for the e-commerce revolution now taking place. As a result of these technologies, even the smallest business can afford to market its products and services to hundreds of millions of potential customers. However, these technologies also pose threats to the very e-commerce which they enable (Rose *et al.*, 1999).

For managers to strategize and implement e-commerce effectively in their businesses, these impediments need to be recognised and understood. Six categories of technological impediments have been identified by (McCrohan, 2003). Those which appear to pose the greatest threats to the development of e-retailing are;

- Download delays
- Limitations in the interface

- Search problems
- Inadequate measurement of web application success
- Security (real and perceived) weaknesses and
- Lack of Internet standards.

Download delays, security weaknesses and lack of Internet standards will be discussed briefly.

- **Download delays:** Download time is described as the amount of time it takes for a Web client machine to receive and display a data file submitted by a Web server after that file was requested by the client. Download delays impede the development and use of Internet technologies such as multimedia for B2C e-commerce. For example, technology exists to show a television ad on a company web page. However, the waiting time required before such an ad is downloaded and shown is prohibitive, and therefore is not often used. Download delays are responsible for the virtual absence of television-style 30-second audio and video advertising over the Internet (McCrohan, 2003).

For the most part, practical limits of multimedia use are established by what e-customers think is acceptable download time. Under normal computing conditions, e-customers find it objectionable to wait more than a few seconds between computer processing cycles (such as the amount of time it takes to load a web page upon requesting it). Waiting more than half a minute is considered intolerable for e-customers (van der Merwe & Bekker, 2003).

- **Security weaknesses:** Security threats exist for both e-customers and for e-retailers. There appears to be sufficient technology for secure B2C e-commerce transactions on the networks between server and

client. However, technological impediments exist in the security technologies that prevent hackers from attacking the client and server sites themselves (McCrohan, 2003).

Transaction security concerns typically involve issues of either privacy or guarantees of knowing to whom one is sending or from whom one is receiving data. Much of the anxiety over Internet security is unfounded and not a result of actual technological flaws. Primarily, weaknesses in Internet security are the failure to utilize existing security features of the Internet such as authentication and encryption (De Borchgrave, Cilluffo, Cardash & Ledgerwood, 2000).

Just as a phone line can be tapped, an Internet message can be overheard by various sources. Fear of privacy breaches over the Internet is a product of its design. One core problem is that the Internet is a very public and accessible communications network. Data transmitted can be intercepted fairly easily. If not scrambled or made uninterpretable during transmission, messages can likewise be easily read at any forwarding node on the Internet (Gordon, Loeb, Lucyshyn & Richardson, 2005).

Internet technology is no better or worse than telephone technology in guaranteeing that the person on the other end of the line is who they claim to be. Short of having a guarantor analogous to a thumb print or a signature, one cannot be sure with whom one is dealing. To secure Internet computing, technology was created to conceal messages and guarantee the identity of people on each end of the transmission. Digital signatures, Secure Electronic Transaction (SET), and similar technologies can act as guarantors for the transaction, assuring interested parties that the signatories involved currently exist and are who they claim to be (Gordon, Loeb, Lucyshyn & Richardson, 2005).

- **Lack of Internet standards:** Lack of Internet standards is another technological impediment to e-retail businesses. This results from the absence of well established and agreed-upon Internet standards. Internet standards are used as guidelines for the development of Internet software which conforms to generally accepted rules for communication between applications. For example, by conforming to standard protocols, a browser developer can know the format needed to request, receive and interpret HTML files. Using this format allows browsers to communicate with all Web servers which also conform to the same standards (Jackson & Harris, 2002).

Jackson and Harris (2002) further explain that problems occur when there is either an absence of a standard or when an existing standard is augmented. In the case where standards are augmented, multiple parties are often augmenting the original standard in proprietary ways to meet a new perceived need. The difficulty is that many solutions to a single problem may coexist simultaneously without an agreed-upon standard.

2.8 E-RETAIL BENEFITS TO E-CUSTOMERS

Walsh and Godfrey (2000) emphasises that it is the ability of e-retailers to offer a high level of added value, beyond ease and convenience of the shopping process that makes shopping on the Internet a real threat to traditional retailing. At its most basic this is a gift-wrapping service, at the most extreme it is personalised recommendations, gifts or promotions. It is much easier to offer these services in the virtual world. Musica recommend new titles by a favourite author or topic of interest. CDNow.com informs the customer that a long-awaited DVD has been released. Netflorist, South Africa's known flower and gift service sends a reminder of Mum's birthday and makes gift suggestions (Walsh & Godfrey, 2000). Travelocity.com

advises when a particular trip a customer has been waiting for becomes available. As customers increasingly use the Internet to shop and realise the added value it offers, as they get used to being treated as individuals, they will come to expect this both on and off the Internet. These authors further explain that e-commerce cannot simply be considered as an alternative outlet for distribution.

Furthermore, Ryan and Valverde (2003) explain that customers who choose to communicate through a particular medium expect the firm to respond in that same medium. For e-retailers, it is also important to recognise that, because the Internet is an instant means of communication. Customers who choose to communicate through the Internet are unwilling to tolerate delays. Moreover, they demand an information service that is not only prompt, but also proactive.

The pioneers of e-commerce have had an advantage. They have had time to learn by their mistakes in a relatively quiet, non-competitive environment when the industry was in its infancy and customer expectations were lower. They have also built up an information bank, which they use to deliver added value to their customers. They do this in a variety of different ways.

- **Customised Web-Pages:** E-retailers allow customers to develop their own web or home pages. 'My Peapod.com and MyCDNow.com which includes a personal 'Wish List' are examples of customised web pages. Customers can also design their own garden with the online nursery Gardenes-cape.com or keep a furniture plan with Furniture.com's 'make it your home' (Adelaar, Bouwman & Steinfield, 2004).
- **Targeted Information:** E-retailers actively target information to customers. This includes the targeting of advertising, promotions and tailor-made activities. They are personally directed, highly relevant to

the customer and appear to be designed specifically for them. By targeting advertising, e-retailers create an opportunity to cross-sell. A customer who books a holiday to Botswana through Travelocity.com, the US worldwide travel site, will be exposed to relevant advertising. For example, the customer can make a direct link to Amazon.com with a recommendation on travel books on Botswana and guides to the fauna and flora of the area. The customer gets added value through the additional information that the advertising offers but only because the content is relevant and the timing is right (Walsh & Godfrey, 2000).

- **Customer-retailer interaction:** E-retailers involve customers directly by asking for feedback, points of view on products, comments or suggestions on a range of topics. E-retailers are courteous and grateful to the customer for this input. They send an automated 'thank you' and/or follow up with a personalised response. The e-retailer also creates opportunities for online participation in, or virtual access to, real-time in-store activities. At Printemps.fr, a French department store, a customer can gain access to specific store events. VictoriaSecret.com, the US based underwear and lingerie store, invited customers to join their Internet fashion show (Adelaar *et al.*, 2004).
- **Customer-to-Customer Interaction:** Customer-to-customer interaction, whether direct or indirect, also creates value. VirtualVineyard.com's food site uses their 'Recipe Queen' to indirectly link customers. They offer recipes, cooking tips and suggestions but also post the answers to customer's questions, comments and ideas on the Internet for other e-customers to view. Amazon.com, CDNow.com use customer input in the creation of their book, music and film reviews, to the benefit of other customers (Walsh & Godfrey, 2000).

Walsh and Godfrey also state that e-retailers establish direct customer-to-customer interaction through online communities. These bring like-minded groups of people together for discussions or chats, or to participate in 'talk forums' hosted by a representative of the e-retailer. The e-retailer posts on the net the specific topic and the time of the discussion in advance. Anyone is free to 'join in'. E-trade.com, the US financial and trading services company, has two successful sites for online communities - 'Communities at E-trade' and '*Live@E-trade*'. This is probably the closest that e-retailers get to address the social aspects of shopping on the Internet.

- **Rewards and Incentives:** As in the traditional shop, e-retailers are developing reward programmes and purchase incentives. Clickrewards offers frequent flyer air miles when purchasing from specific online sites. Mypoints offers points that can later be redeemed for purchases on the Internet. Other forms of incentives are 'structured surprises'. Customers appear to like this because the gifts are relevant but unexpected.

E-retail shops offer e-consumers a set of conveniences, and also introduce some new conveniences for shopping. For instance, while e-shopping attempts to be quick and efficient, its round the clock availability adds a dimension of "schedule convenience" that allows the customer to access merchandise and make comparisons regardless of the time of day. These customers can fit shopping into their schedule, it can be started, paused, and resumed when interruptions occur (Dennis, Harris & Sandhu, 2002).

It can be argued that Internet shopping eliminates many of the structural barriers that disabled shoppers have encountered in the bricks and mortar setting. This i According to Reichheld and Schefter (2000), successful e-retailers do not win the loyalty of customers through technological application

but, rather, through the process of consistently delivering a superior customer experience.

2.9 SUMMARY

And so it can be seen that technology and the behaviour of e-customers has evolved. Recognising this at an early stage in the evolution of e-retailing, Rowley (1996) suggests that e-retailers need to continuously enhance the value of their digital online offering. This gives a direction for the research that is to be done. In an interactive two-way world, it is the customer and not the e-retailer, who decides with whom to interact, what to interact about, and how to interact (Rowley, 1996). This requires that e-retailers acquire a good knowledge of customer behaviour within such an environment and understand their habits and preferences, in order to sell products and services that meet customer needs. To this end, e-retailers have the technology capabilities on their side, as the e-retail environment provides them with an enormous amount of information they can use to enhance their understanding of the customer. The more informed an e-retailer is about its customer, the bigger the change in the dynamics of shopping process such as convenience, 24-hour availability or competitive pricing. It is here that the value of e-retailing is expected to be seen.

CHAPTER 3 RESEARCH DESIGN AND METHODOLOGY

3.1 APPROACH TO THE RESEARCH

This research began with a wide ranging literature review. This also included a review of documents of various organisations involved with e-retailing such as the International e-retail Association and the Department of Trade and Industry. From this review, previous work was identified and also evidence of research design and methodology was found. The collection of primary research data proceeded in two stages, using a qualitative research design and a quantitative research design. Questionnaires (quantitative) and personal interviews (qualitative) were used as instruments for data collection to locate where quality of service can be improved to ensure customer loyalty and reveal the overall impact of the Internet in the e-retailing environment. The use of questionnaires and personal interviews also helped to identify where stability in the retail environment could be enhanced to ensure that an effective e-retail benefits are gained.

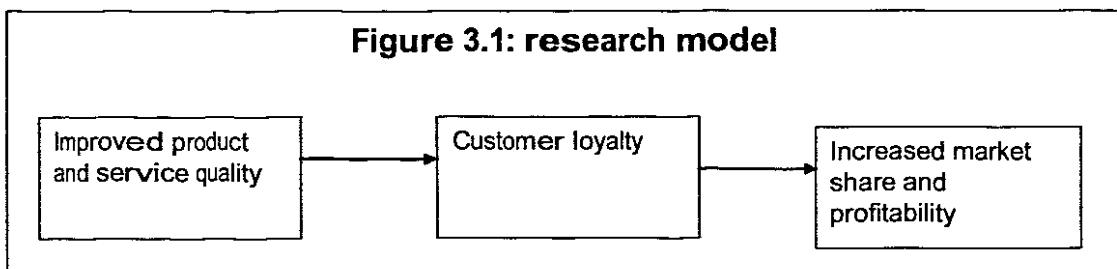


Figure 3.1: research model

Figure 3.1 above shows the research model. The researcher collected data through questionnaires to examine how e-retailing improves customers shopping experience. The survey method was considered useful for this particular project because it carries good and accurate study of the population surveyed (Saunders, Lewis and Thornhill, 2003). Identifying the needs of e-customers with a view to satisfying them is important to e-retailers.

The survey method through the design of questionnaire has generated useful empirical data that can be used to develop appropriate e-retail strategies. It is also convenient to generate comparative data that is used to analyse dependent variables. While case study method requires long period of time in the field and emphasise detailed observational evidence, the survey method can generate quick data (Jones and Smith, 2001) cited in Saunders et al, (2003). Convenient shopping is an important element for e-shoppers, investigating this through survey questionnaires provides the basis for this research.

3.2 THE USE OF QUESTIONNAIRE

150 (One hundred and fifty) respondents were targeted for the completion of the questionnaire and these respondents are expected to be able to read and understand the questions, computer literates and Internet users. Therefore the implications of age, literacy level and visual ability were taken into consideration (Denscombe, 2003:145). Areas that were investigated include the quality of goods and services available to e-customers, customers' satisfaction and profitability. These areas of enquiry were derived from the research domain. Denscombe (2003) states that the premise of using a questionnaire is that it can be used generate the right information from the respondent.

The reason for using this method is to ensure that varieties of data and sources used are relevant to a broader spectrum of e-commerce businesses, particularly those involved in e-retailing.

3.3 INTERVIEW DESIGN

Interviews were chosen for the investigation of management viewpoints because of the uncertainty of the outcome (there views could not be

anticipated so as to design a questionnaire) and because they were few in number. The interview sample was made up of seven e-commerce and e-business professionals whose experiences are based upon work in South Africa and the United States. The professional e-retail experience of the respondents ranges from three to ten years. The respondents were required to participate in a 45-minute semi-structured interview. The researcher had a list of themes and questions to be covered. During the interview, the extent to which the respondent understands the questions were determined (Denscombe, 2003:167).

The objective of the interviews was to help reveal how e-retail businesses ensure customer loyalty in the e-retail environment. Respondents interviewed include;

Mr Yahya Patel - E-commerce Manager of Musica in Cape Town

Mr Mojeed Biobaku – Senior Systems Analyst for Woolworth Head office in Cape Town

Mr Elred Lawrence - E-commerce Business Systems Manager for Pick 'n' Pay Head office in Cape Town

Ms Jennifer Schreuder - E-commerce Executive for MegaShopper in Cape Town

Mr Warien Moss - E-commerce Manager for Digital Planet in Cape Town

Mr Chike Nwoffiah - Executive Director for Oriki Theater in California, USA

Mrs Deffria Bass - Managing Director for T-Shirts for the Soul in California, USA.

The interviewees maintained that the views expressed are from their own personal capacity. The interviews conducted were a combination of face-to-face and web-based interview. The interviews were recorded, transcribed and analysed.

3.4 DATA COLLECTION AND SAMPLE SIZE

The researcher administered one hundred and fifty questionnaires (150) through fax, hand delivery and web-based. The group of respondents comprised of working class people, credit card holders and student from both the University of Cape Town and Cape Peninsula University Technology. These respondents were randomly selected and contacted.

Out of the one hundred and fifty people contacted, fifty (50) respondent return completed questionnaire. This represent 33% response rate from the questionnaire. This according to the CPUT MTech research criteria for a mini thesis can be classified as successful. This success rate was achieved because the questionnaires were administered electronically. Respondents see this as more convenient, user friendly and less time consuming than the manual process. The sample of the questionnaire can be found in Appendix B.

One advantage of using the survey method is that data collection can be done through telephone, e-mail, postal and personal survey compared to case study that requires in-depth study of variables. The cost effect and time requirement is another useful reason the researchers consider web-based surveys as appropriate. A significant limitation of this method is the self-selection sampling procedure (Mathwick, 2002).

The web-based survey was developed to meet the following four objectives;

- easy and quick feedback from respondents is possible with Internet;
- the software program used could be transparently incorporated into the questionnaire, to prompt respondents for a complete response and to avoid duplication in the answers;

- it provided convenient data collection instrument that can be completed and returned easily and
- data transferability required for statistical analysis without the burden of data entry are possible

- The reliability of the questionnaire is important and it is considered to be the primary instrument of data collection. It was therefore prepared with objective of addressing the above stated research questions.

The review of the literature, comments from questionnaire respondents, the comments of the interviewees and the resulting findings are all analysed and interwoven in the next chapter. For clarity, the findings are also presented graphically in Chapter 4.

CHAPTER 4 DATA ANALYSIS AND INTERPRETATION

4.1 INTRODUCTION

From previous e-commerce research, the impact of Internet technology on retailing is described in chapter 1 and 2. Based on the research design and methods, this chapter presents the results of the in-depth interviews conducted with various role players in the e-retail industry. The questionnaires and interviews were used to generate data that is now analysed against the background problem stated earlier in preceding chapters. Appendices B and D presents a sample of the questionnaires that were used for data collection.

4.2 INTERVIEW RESULTS OF E-COMMERCE MANAGERS

The role players available for interview consisted of seven people from the food, groceries, clothing, music, household goods, computer hardware and software e-retail Industries in Cape Town and two people from the entertainment and clothing e-retail Industry in the United States. A brief profile of the business activities is given below.

- **Musica - Cape Town:** Musica is a music retail shop that offers its customers music CD's, DVD's, gaming, gift vouchers, pulse magazine and downloads such as ringtones and MMS. Musica has recently introduced a new service where customers can listen to their choice of music online before making a purchase. This kind of service has created additional shopping pleasure to e-customers in different geographical locations. The competitive nature of retail business requires competitive strategies that are progressive, dynamic and sustainable. The Internet technology adds a new dimension capable of achieving this objective for increased market share and profitability.

- Woolworth Inthebag - Cape Town: Woolworths is one of the major retailers throughout the world operating with a "single brand" philosophy and the only store of its kind in South Africa offering textiles/clothing, food, homeware and financial services under its own brand name. These services and products are available on their e-retail shopping site for customers. The e-retail business of Woolworths is a long term strategic initiatives. According to Mojeed Biobaku, systems analysis, Woolworths state that the operation have limited profit potential, however, the company is committed to the delivery of improve products and services to its customers. The level of commitment to customers' satisfaction is important in maintaining customer loyalty. As customer will always patronise products and services that most satisfy their needs.
- Pick 'n' Pay Home Shopping - Cape Town: The Pick 'n' Pay Group is one of South Africa's retailers of food, clothing and general merchandise.

Pick 'n' Pay Home Shopping offer customers the opportunity to shop for groceries over the Internet. Pick 'n Pay Home Shopping has expanded its offering to include general merchandise, videos, DVDs, music, toys and games, an online liquor store and party platters (Gauteng and Pretoria only). Customers can buy almost everything that they would expect to find in your local Pick 'n' Pay Supermarket, online, at the same prices. This according to Elred Lawrence is one of Pick'n' Pay's business strategy in improving their customers shopping experience and it is seen as a necessity in maintaining customer loyalty.

- **MegaShopper - Cape Town:** MegaShopper is an e-retail shop that sells products such as audio visual and computers, electrical appliances, furniture, housewares, jewellery, toys and baby products.
- **Digital Planet - Cape Town:** Digital Planet offers IT vendors, service providers and manufacturers the unique opportunity to market their company's products and services on what has become the online electronics hub in South Africa. Their targeted customers are corporates and IT professionals. Digital Planet has thousands of products from PCs, notebooks, games and DVDs to fridges, microwaves and home theatre systems.
- **Oriki Theatre - California, USA:** Oriki Theatre is a non profit community based theatre, that provides opportunities for their communities to have a shared experience of the real Africa, its people and their way of life through a unique combination of dance, drama, music, poetry, chants, folk stories and the drum. From outreach programs in local schools to seasonal productions, the theatre seeks to provide various ways for participants to experience Africa and their way of life. Oriki sells tickets and make online bookings of their shows on their website. They also sell T-shirts and memorabilia of different dance or drama groups from different festivals held.
- **T-Shirts for the Soul - California, USA:** T-shirts for the Soul create designs with their customers in mind. Their design centre customises designs for all businesses and all occasions. T-shirts for the Soul offers corporations a new logo or T-shirts for any event, schools t-shirts for band trips or athletes, churches a new design for a summer church picnic or individuals a new design for a family reunion.

4.2.1 The demographics of the e-retail companies

The first demographic question asked was how many employees the company has. Three of the respondents indicated that their company has fewer than 20 employees, two companies have more than 50 employees and two companies also have more than 500 employees. This question was asked to ascertain the size of the company – small, small-medium or large.

Small sized e-retail businesses are financially limited and their service and product offerings are also limited. This could be a hindrance for such business in implementing the best business strategy for the growth of the business. Strategies such as acquiring a greater market share or improving service quality through the introduction of various technologies and functionalities for an effective customer shopping experience. Large or medium sized businesses have more advantage of offering a complete service online, e.g. payment and delivery.

Each of these businesses was asked how long they have been in business: 14% of the e-retail businesses have been in business for the period of 2 to 4 years. 43% have been in business for a period of 5 to 7 years, 14% - 8 to 10 years and 28% more than 10 years. These e-retailers that have been in business for 4 years or less did not see e-retailing contributing a high or fairly high percentage towards the company's overall profit margin. This is a result of not being in the business for longer to help monitor and determine the growth.

In the finding, 43% of the businesses interviewed incorporated e-retailing at the initial stage of their business model development, 29% at the middle stage and 29% at a later stage. Businesses that incorporated e-retailing earlier or at an initial stage had the benefit of acquiring more market share. They were able to achieve that by listening to their customers' complaints, satisfying their needs and improving service quality. Some of these early adopters also failed initially because an existing e-retail business model was not available rather they had to create one and try it out. E-retailers that

included e-retailing at the middle or later stage had the privilege to learn from the doom of other companies and try not to repeat same failed model.

4.3 E-RETAIL IMPACT

According to one of the interviewees, e-retailing has impacted on their company's general business activities. They had to implement new strategies and processes in their shops and made sure they worked. They also had to develop new competencies, such as managing the unfamiliar issues that arise from partnerships. The experience of outsourcing partnerships with delivery companies, IT service providers and call centre operators all presented new challenges to the business. These findings have helped to have an overview e-retail companies views on the following;

- reasons for moving into e-retail business
- the experience and products and services offered
- impact of e-retailing on existing traditional shop
- e-commerce managers' view on customer loyalty
- impact of e-retailing on business strategy

Reasons for moving into e-retailing

Respondents were then asked what led to the move into e-retailing, 29% said that it was to increase sales, 43% said it was to improve customer relations by providing better service, 43% said that the decision was driven by competition while 14% responded that it was a new concept introduced to help reduce overhead costs. In this question, the respondents could choose more than one option and could also add any additional reason. Competition was one of these reasons and another was because e-retailing is a global thing, said one of the respondents. Figure 4.1 provides explanation on why companies embark on e-retailing and it is leadership in what they do over their competitors.

The main focuses for the research were evident in the response of the e-retailers and this includes; improved product and service quality, customer loyalty and increased market share and profitability. Improving customer relations and loyalty through improvement of service quality is seen as great importance to the business. Increase in sales was rated as less important.

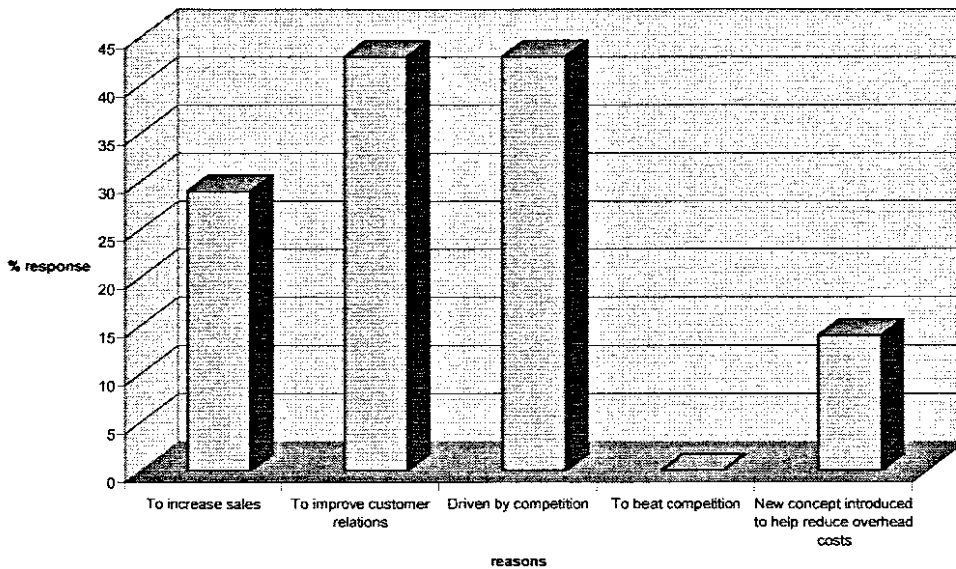


Figure 4.1: What has led to the move into e-retailing

The experience and products and services offered

The experience according to one of the respondents has been complex, difficult, painful, challenging and exciting. One of the respondents continues;

"It's a very difficult marketing invention. The advantages from our company's perspective are that we already set our own rules and set our own brand. Also people understand the brand. The disadvantage is that the brand has already been created in terms of it being something that we dare not break. So, in whatever we do, we have to consider the fact that our company is in question and we also have to be exceedingly careful in whatever decisions we are taking".

The table 4.1 lists all the products and services offered by e-retailers interviewed and the right hand column is the proportion of responding companies.

Products and services offered	Proportion of responding companies
Computer hardware	43%
Computer software	14%
Books	29%
Travel	14%
Music, video (CD's, DVD's, audio)	43%
Domestic & kitchen	43%
News	14%
Tickets	14%
Toys/gifts	29%
Banking	14%
Entertainment	43%
Arts & craft	14%
All retail related products e.g. what you find in Game stores – South Africa	29%

Table 4.1: Products and services offered by e-retailers

The purpose of the above question is to compare the retailer's choice of products and services with the customers' wants and needs. In order for e-retailers to maximum benefit from e-retailing, there is a need to identify the needs of their customer and make provision for it.

Impact of e-retailing on existing traditional shop

Furthermore, the respondents were asked if they have an existing traditional shop. 43% of the businesses have traditional shops while 57% said that they only operate online. Those e-retailers who have traditional shops were asked

the effect of e-retailing on their company's traditional shop. 43% of the interviewees believe that e-retailing does not have much impact on their traditional shop. At the initial stage, the concern was that e-retailing would take away substantial part of the traditional shop's trade but it did not. The 57% that does not have traditional shops responded 'no effect'.

However, there were fears that employees might lose their jobs in the shops due to this, but job losses have proved to be negligible, according to e-retailers who have traditional shops.

E-commerce managers' view on customer loyalty

When respondents were probed to obtain their opinion on their customers' shopping experience, most of the respondents felt that people see shopping as an experience and a way of socialising and not just buying goods. Customers buy emergency goods from the Internet and still go out on weekends to do weekly or monthly shopping. This is part of socialising and not just shopping. Customers who order via the Internet also shop at the traditional shop.

One of the respondents illustrated further, when customers purchase from the Internet or traditional shop, the data about what they buy is linked to the company loyalty card, so the company knows who their customers are irrespective of the channel the customer uses. If the customer logs onto the company website through a home computer or PDA, their favourite or recently purchased items will be listed whether they bought in a store or online. The company has extended this card membership system to every person that walks into the shop. After a period of time customers who have accumulated points will be rewarded with a voucher based on how much they have spent in the shop. The company uses this method to track other non-card carriers, at the same time retaining the existing customers and attracting new ones.

All the e-retail respondents mentioned improved customer service as one of the ways e-retailers could maintain customer loyalty. These respondents recommend that e-retailers must leverage customer information for the effective management of customer relationships on the Internet. Such strategy, according to the e-retailers interviewed suggests something much more radical than the basic e-commerce approach adopted by many e-retail businesses at the moment. It calls for a re-engineering of processes and structures focused around key customer groups, rather than product or service divisions. It also implies cross-functional, team working. As Siegel (2000:107) puts it:

“The customer-led company has a broad interface across which all employees can get to know their customers. Employees invite customers in to collaborate on new products, support systems, and methodologies. Facilitating those interactions will take new communication skills, new tools, and the ability to move people in and out of product teams easily.”

In order for e-retailers to attract a higher percentage of e-customers, they will need to take their (e-customers) suggestions into consideration in order to attract new ones as well as retain loyal customers.

Impact of e-retailing on business strategy

The entire e-retail managers noted that e-retailing has provided them with an opportunity to maintain a global reach and to promote their services to a wider audience. 43% believe that e-retailing helped them to increase the company profit margin, 57% felt e-retailing has provided them with world wide visibility and 71% believed e-retailing has assisted them in maintaining the company's accessibility to customers. 43% mentioned that e-retailing enabled them to incorporate targeted marketing, shorten transaction times (better customer service) and reduce manpower. 29% of the respondents

stated that e-retailing helps the company to manage its franchise stores in different regions.

Five of the respondents were of the opinion that the administration costs have increased. Two respondents were unsure. These five respondents have established that the focus changed and the marketing department became the driving force followed by sales and IT. In these cases a totally new division was established where they had to implement a number of new functions to accommodate e-retailing. These had to do with IT systems and links to back end systems. It was also stated that in this shift to a new paradigm there is a need for faster decision making, more flexibility and empowerment, and old habits had to be unlearned. One respondent stressed that their initial model, which was to implement e-retailing within the existing infrastructure, was a mistake. Operationally they had to change their strategy in order to facilitate order taking and credit verification, and the delivery procedure had to be speeded up. New analytical procedures also had to be implemented to track performance.

However, one of the respondents felt that the buying of large bulky goods on the Internet requires high delivery cost, and this means that the cost of delivery is disproportionately high compared to the value of the goods. This is why people who are leaders in Internet retailing are those who deal in goods such as books, records, flowers; things that do not require special delivery arrangements.

The respondents were then asked what they understand their customers' needs to be, and to rate them, in order of importance. The question was asked to compare the e-retailers responses with e-customers responses.

E-RETAILERS UNDERSTANDING OF CUSTOMER NEEDS

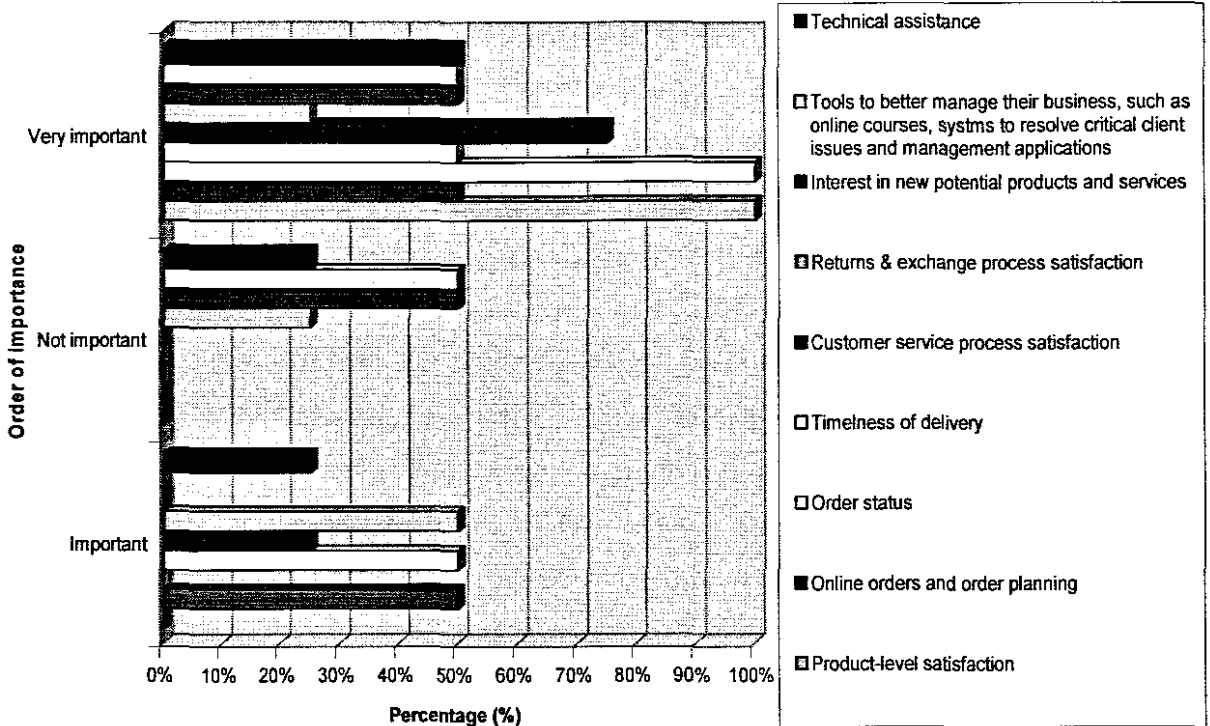


Figure 4.2: E-retailers understanding of customer needs

The chart shows that all the respondents' rated product-level satisfaction and order status as very important to customers while interest in new potential products/services and tools to better manage their business as least important.

All the respondents agree that moving their business online has attracted more customers for them. However, they suggest that in order to continue attracting new customers when trading over the Internet they need to be able to provide 'service, service, and service'. The respondents all admitted that they have not begun to achieve that yet. However, they need to continue finding new ways to cater for their customer needs and maintain service quality. One of the biggest problems identified by two of the respondents is being out of stock. This puts the company in a situation where they have to

try to second guess what the customers would want that is in stock. As an e-retail company the first thing, according to the respondents, is to make sure that the company does not run out of stock.

The advantages of e-retail business introduction from one of the respondent's perspective were that they already have the brand and also people understand the brand. The following were also identified by the respondents as the benefits of e-retailing to their company;

Benefits	No. of Responses
Extending customer reach	100%
Promoting our services to a wider audience	100%
Increasing company profit margin	43%
Providing customers with convenience	43%
World wide visibility	29%
Accessibility of company to customer	71%

Table 4.2: Benefits of e-retailing

The disadvantage according to one of the respondents is that the brand has already been created in terms of it being something that they dare not break. In other words in everything they do, they have to consider the fact that the company is in question. They also have to be exceedingly careful in whatever decisions the business takes so that it does not crumble which would result in the B2C site needing to start from scratch again.

4.4 E-CUSTOMER SURVEY RESULTS

A total of fifty (50) e-customers responded to the questionnaire administered. These e-customers consisted of 18% (students), 12% (office workers) and 70% (professionals). The following sections present the results of the questionnaires; demographics, use of the Internet as a means of shopping,

benefits and limitations and recommendation to e-retail businesses. (Refer to Appendix C for the questionnaire analysis).

The following sections present the results of the questionnaires:

4.4.1 The demographics of e-customers

E-customers were asked to indicate their gender, age, occupation, area of residence, approximate income and the highest qualification they have obtained. The objective of these questions is to group the respondents into various categories. This will be used to identify the factors that influence each respondent's usage of the Internet and the possibility of becoming an e-customer.

The table below shows the sections of the demographics used in the questionnaire and the percentage responses.

Demographics	Category	% Response
Gender	Male	46%
	Female	54%
Age	18 – 30	40%
	31 – 45	38%
	46 - 60	18%
Occupation	Student	18%
	Office worker	12%
	Professional	70%
Area of	In a major city	54%

residence	In a city	32%
	In a town or village	14%
Approximate income (SA 'R' or US '\$')	Less than 2 000	12%
	2 000 – 6 000	8%
	6 001 – 10 000	18%
	10 001 – 14 000	36%
	14 001 – 18 000	18%
	18 001 - 22 000	4%
	22 001 – 26 000	2%
	More than 26 000	2%
Highest qualification obtained	High school certificate	6%
	Diploma	12%
	Degree	42%
	Honours	20%
	Masters	18%
	Doctorate	2%

Table: 4.3: Demographics, category and response rate

The table clearly indicates that more females use the Internet compared to males and the age of Internet users that responded ranges from 18 to 60 years. The age result has proven that age is not such a factor that determines a user's capability of utilising the Internet. 70% of the respondents are professionals in the occupation category. This could be linked to how often they utilise the Internet, the medium and mode (laptop or desktop and ADSL - *Asymmetric Digital Subscriber*, 3G – *Third Generation connection* or Wi-Fi – *Wireless Fidelity connection*) of accessing the Internet, their financial status (6 001 to 18 000 - 'R' or '\$') as well as having a better

opportunity of becoming an e-customer. This category of respondents has greater opportunity of engaging in e-shopping at some stage.

4.4.2 E-customers reasons for using the Internet

E-customers were asked to indicate factors that affect their decision in accessing the Internet. E-customers were allowed to choose more than one option. This question was posed to find out if shopping will stand as the main reason for using the Internet. .

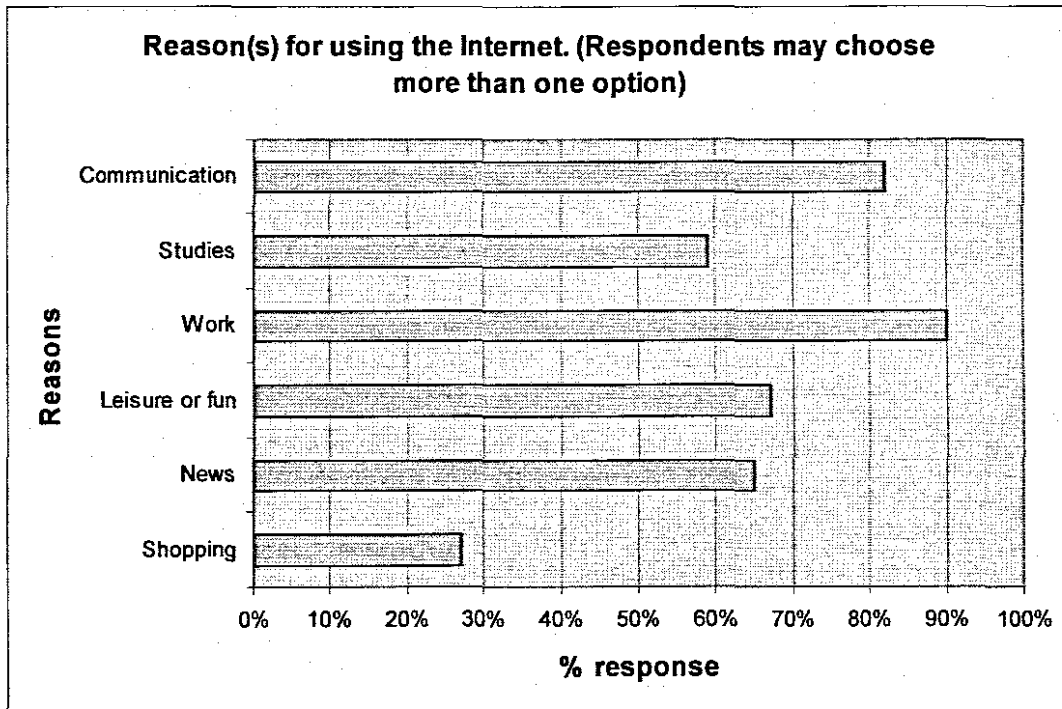


Figure 4.3: E-customer's reason(s) for using the Internet

The graph shows that the Internet as a convenient means of shopping has the lowest rating with 27%. This shows that respondents use the Internet for other purposes and more than for shopping. The questionnaire results also show that respondents utilise the services offered by companies on the Internet such as news (65%), general interest in browsing or for fun/leisure (67%). The respondents use the Internet more for work purposes (90%) and for communication (82%). These two reasons were the most highly rated.

Most of the respondents noted several other reasons why they do not purchase from the Internet: unfamiliar vendor, not enough information, lack of socialisation with customers, and a preference for human contact as opposed to a computer. These e-customers gave suggestions on how e-retail businesses could improve their websites to enable them to keep coming back to the site for transactions. These suggestions included;

- To expand range of products (46% respondents)
- To expand availability of products (12% respondents)
- To improve provisions of security and privacy (20% respondents)
- To reduce high cost of total purchase (10% respondents)
- To improve ease of use of the site (20% respondents)
- To make websites easier to find (16% respondents)

In the discussion of the interview results, two of the e-retail businesses interviewed focused on improving the speed of the website rather than the layout. When compared to e-customers suggestions listed above, it is evident that to improve speed aligns with ease of use of the company website.

4.5 CONCLUSION AND FURTHER RESEARCH

In order to contextualise the results in view of the aims/objectives of the research, one has to answer the three research questions (RQ) of the study to the light of these results.

RQ 1: Does e-retailing improve customers' shopping experience?

It is clear from the survey conducted that while customers are adopting the Internet as a shopping medium, gaps remain between the shopping experience in the physical world and the shopping

experience on the Internet that go against the Internet as the preferred medium for shopping. Some of the most frequently discussed limitations of e-retailing were security and privacy concerns, speed of access, mass penetration, and lack of navigation standards. This research has surveyed e-customers on their reasons for not engaging in e-shopping. The survey results have consistently listed security, ability to judge quality, privacy, and easier to buy locally as the top four most frequently cited reasons for customers not purchasing from the Internet. However, most of the customers seemed to be much less concerned about security, thus elevating inability to judge quality to the most frequently cited reason for not purchasing from the Internet.

The research also noted several other reasons that e-customers do not purchase from the Internet: unfamiliar vendor, not enough information, lack of socialization with customers, and a preference for human contact as opposed to a machine.

The survey not only identified the limitations but also identified the benefits and reasons that e-customers do shop on the Internet as: 24 hour availability, convenient means of shopping, availability of local and international manufactured goods and time saving. These reasons according to most of the customers, have contributed in improving their shopping experience. However, some respondents use the Internet for other reasons, such as read news and research and not for shopping. It is noted that whatever reason an e-customer uses the Internet; it could be seen as a change in the customer's original shopping pattern. (Hence, the research question 2 is answered.)

However, further research should be undertaken to determine the extent e-retailing has affected e-customers' attitude toward traditional retailing and their intention to shop in the traditional shop.

RQ 2: Can e-retailers easily overcome the challenges of e-retailing?

The e-retail businesses interviewed stated that improving customer loyalty and satisfaction, improving product and service quality, increasing profitability are the reasons for their move into e-retailing. . The key role players admitted that it is very difficult, practically to implement quality of service and product maintenance. However, the only way the company can foresee achieving an efficient quality of service, is by being "picky" in measuring how close the company is, as opposed to whether the company is actually achieving that is the way forward. In as much as companies focus on service quality, giving customer's value for their money so that they can come back was also identified as important. The key role players mentioned that since they are all in the same industry going for the same customers, studying the market reaction and frequent checking of the market share helped them in ensuring that their market share does not drop. One of the key e-retail business respondent mentioned that they had to go back and re-look at their business processes, change them if necessary, re-learn, re-motivate and re-teach them to staff. To ensure customer retention and loyalty, this e-retailer believes that a service provider must "educate" its own users about the potential benefits resulting from the supplied service.

E-retail businesses that also have traditional shops acknowledged that the business is working towards providing their online customers with variety of products and services offered on the traditional shop (integration). Out of stock and delivery problems are issues these e-retailers stated they also need to overcome to enhance the retention of their existing customers and help attract new ones. (Hence, research question 1 is answered.)

Further research should be conducted with e-retailers on how these improvements in their business operations impact on e-customers trust on the services they provide. As Reichheld, Markey and Hopton (2000) noted;

“E-satisfaction directly and positively affects e-loyalty. Trust is proposed as another important antecedent of loyalty”...

RQ 3: What are the effects of business strategies on e-retailing?

It emerged from the research that most of the e-retailers have a department with responsibility for business development that studies business strategies as well as what is happening to keep the company up to date. They come up with strategies and initiatives to help improve product and service quality for the company. With that they are able to maintain their lead in the market without being off the track with new strategies that could be tested and implemented. This also helps to improve services thereby gaining the loyalty of the customers. Once the customers are happy, it means that the business is achieving its set objectives.

It was also evident in the e-retailers response that listening to customer complaints and ideas helps e-retailers to understand their needs and endeavour them. Another important factor identified is making good quality products and services available to customers at the right time, place and at a price that give value for money.

Some of the key role players indicated that they had to make changes to the existing business structure and operations. They stated that because customers collect goods from their traditional shop, they were obliged to make changes to the shop as customer needs increased. In general there was no conclusive opinion about the effect e-retailing might have on their traditional retail shop's future expansion plan.

Most of the companies indicated that their existing computer systems can be leveraged to accommodate e-retailing, except when the issue of system incompatibility comes into play or the existing system is certified outdated. Then the need for new technologies arises, and they must be developed or purchased.

Leveraging service quality from the traditional retailing to the e-retail environment to guarantee continuity of loyal customers is another business strategy e-retailers stated. This could be done by incorporating the services offered into the traditional shop on the e-retail shop. The technology aspect will include changing the interface of the company e-retail website to a more effective one. (Hence, the research question 3 is answered.)

E-retailers that were interviewed stated some reasons for engaging in e-retailing: improved customer relations, increased income, entry to new markets and to attract new customers. While they are in the process of achieving these, they are faced with a few concerns and expectations from e-customers. The concerns and expectations include: improvement in customer relations, improvement in product information and product availability, improvement of e-retail techniques and establishing of procedures to fill Internet gaps.

In the next Chapter, recommendations will be made to enable e-retailers improve product and service quality, maintain customer loyalty and gain market share and profit.

CHAPTER 5 RECOMMENDATION AND CONCLUSION

5.1 INTRODUCTION

In conclusion, this chapter provides recommendations based on the results presented in Chapter 4.

These are:

- improved product and service quality
- customer satisfaction and loyalty
- increased market share and profit.

5.2 PRODUCT AND SERVICE QUALITY

The delivery of accurate product information on the Internet and timeous response to customers query are seen as crucial to e-customers. Therefore, to ensure that customer loyalty is achieved and sustained e-retailers should present accurate product information on the website regularly. Poor site management by e-retailers as evident in the survey results shows that e-customers are not satisfied with old data. Overcoming this requires commitment to content management culture that present a formidable shopping experience that guarantee customer loyalty. If the e-retailing opportunity is to be sustainable, profitable and useful to e-customers, there should be more aggressive development and deployment of effective and efficient e-retail strategy that address the many challenges experienced by retailers. A disappointing situation can be avoided by ensuring that e-retail transactions are reliable at all times to avoid the out-of-stock scenario usually experienced.

5.3 CUSTOMER SATISFACTION AND LOYALTY

Customer loyalty is a critical component for a successful e-retail business. This has been evident in the literature review section where most experts

argue that satisfied customer will remain loyal despite alternative product and service offers from competitors (Neil, 2002, Brown, 2000, Zikmund, McLeod and Gilbert, 2003, Graham, 2001 and Van der Walt, 1997). Having loyal customers suggest that companies can reduce operating costs; get extra business from referrals (have lower customer-acquisition costs). It can also lead to increased product penetration; high profit due to initial absorption of costs and premium pricing opportunities. While these factor amount to real e-retail benefit, they also have limitations in terms of appropriate strategies that can meet set objectives. This study shows how limited small retailers are in terms of resources needed to deliver successful retail business operation.

It is argued in chapter two that the reduced product prices and improved service quality is an incentive that attract customers. Retaining these customers requires up-to-date product and service information delivered timely on retail website. The reliance on high quality product and service by customers are accompanied by expectations of high level satisfaction that come with such products (Neil, 2002. Graham, 2001 and Brown, 2000).

E-retailing is a formidable tool that is used to keep in touch with customers more frequently at a cost-effective rate. It is also a management strategy that can be used by the retailers to keep their customers in check at all times. Cost saving are realised by managing old customer more than seeking new market and new market opportunity with Internet (Neil, 2002: 19). The lack of understanding of customers need and taste can impede the development of appropriate strategy and improvement in the retail business operation becomes a costly exercise. This is why the researcher employs the survey method to understand the unique challenges facing e-retailers, study the strength and analyse these against the opportunities of e-retailing.

5.4 IMPROVED MARKET SHARE AND PROFITABILITY

Improved e-retail technique for products and services enhances the possibility of the business gaining market share and increased profit. Displaying products in three-dimensional view using technologies such as immersive video or virtual reality further enhances the functionality of an e-retail site. The enhanced website enables customers to interact and experience products from various dimensions that are suitable to various market segments. This additional functionality can generate additional revenue stream for the e-retailer. Improve market share and profitability resulting from innovative strategy leads to e-retail business success. Therefore, innovative strategy development that recognises improved product and service quality are relevant component of this study.

The impact of Internet technology on strategy development and deployment are useful determinant of customer loyalty. Customers will now have the leverage of understanding offers of quality product and services before making purchase decision. The survey of e-customers shows high customer preference for e-retailers to expand range of products and services. These features are important factors for customers who rely heavily on useful and reliable product and service information for decision making purpose. Maintaining and increasing market share now requires that information management competency of the e-retailers are critical success factors.

Other suggestion and expectations of e-customer emerging from the survey are:

- to expand availability of products
- to improve security and privacy
- to improve ease of use of the website

Good e-retail sites should address the above concerns and provide necessary assurance to customers to guarantee repeat purchase. The technologies necessary to perform these tasks are available today. Therefore attracting new customers and retaining old ones should lead to increased profitability. From survey data three of the e-retail business respondents acknowledged the many problems of e-retailing. Overcoming these problems requires adequate understanding of customers needs and developing innovative strategy to satisfy them.

While the impact of Internet technology on retail business is positive the many challenges of ensuring customer loyalty remain a strategic issue. Further research that investigates the impact of management strategy on e-retail business operation is recommended. The objectives set out in this study is to understand the impact of Internet technology on e-retailing and how this understanding can be used to develop and deploy solutions that improves the quality of products and services. It is also imperative from this that increases in market share and profit will result from sustained customer loyalty.

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APPENDICES



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e-Commerce Research at CPUT

23 March 2005

Dear sir/madam

Do you sometimes wonder what all the e-Commerce fuss is about? We have heard a great deal about it over the last few years, and some of us are wondering whether the excitement was justified.

In fact, given some years of experience, it is now time to take stock of early experience and learn the lessons of success and failure. Nowhere is this more true than in the general area of retailing, and the relationship between retailers and their customers. As part of a wider programme of research activity into e-Commerce, at CPUT we are looking at this specific question through research that is being led by Lucy Nwoffiah. Lucy is a promising young member of the Faculty of Business Informatics, and I am writing to ask for your assistance in helping her gather information about your experiences with e-Commerce.

The Cape Peninsula University of Technology, formed by the merger of Cape Technikon and Peninsula Technikon, is committed to undertaking research that is relevant, practical and useful. As we move to University status we are investing heavily in research capability and I hope you will enjoy helping us as we take up this challenge. Lucy will of course treat all that you tell her as confidential, and there will be an opportunity to share the results of the work.

The formal objectives of the study are as follows;

- To develop an overview of e-retailing business.
- To analyse some existing e-retail businesses and describe the challenges presented by Internet technology.
- To examine the success and failure of some e-retail businesses with examples.
- To understand the consumer behaviour when purchasing goods and services from the Internet.
- To analyse the benefits consumers derive from purchasing goods and service from the Internet.
- To survey the Internet technologies used in e-retailing and examine their capabilities to attract consumers

If you have any questions at all about her work, or if you would like to hear more about our rapidly developing portfolio of research work, do feel free to contact me directly.

Thank you for your consideration of this request. There is a great future for businesses that take the right decisions and make the right moves; we look forward to sharing our new understanding of these things as our work moves forward.

Thank you,

Appendix B

Thank you for participating in this survey. It will take approximately 15 minutes to complete. Your contribution is important.

E-COMMERCE: THE IMPACT OF INTERNET TECHNOLOGY ON RETAILING. [INTERNET CUSTOMER QUESTIONNAIRE].

(Please tick the appropriate box)

1. Please indicate your gender.

Male

Female

2. Select your age bracket.

less than 18 years

18 to 30

31 to 45

46 to 60

more than 60 years

3. What is your occupation?

Student

Manual worker

Office worker

Professional

Entertainment/performer

Home duties

Unemployed

Retired

other, please specify

Lecturer

4. Where do you live?

in a major city

in a city

in a town or village

in the country

other, please specify

5. What is your approximate monthly income? (All in South African R)

less than 2 000

2 000 - 6 000

6 001 - 10 000

10 001 - 14 000

14 001 - 18 000

18 001 - 22 000

22 001 - 26 000

more than 26 000

6. What is your highest qualification obtained?

High school certificate/college

Diploma

Degree

- Honours
- Masters
- Doctorate
- other, please specify

7. Have you ever used the Internet?

- Yes No

If YES, please continue. If NO, thank you for your contribution.

8. How many times do you use the Internet?

- never
- once a day
- many times a day
- once a week
- many times in a week
- once a month
- many times a month

9 What factors affect your decision to use the Internet? (tick as many as possible).

- work
- studies
- fun
- communication
- convenient means of shopping

- other, please specify

10. How much time do you allocate to accessing the Internet in these places? (tick the appropriate number)

1	2	3	4	5	6
0 - under 10 %	10 - under 20 %	20 - under 40 %	40 - under 60 %	60 - under 80 %	80 - under 100 %

Home

1	2	3	4	5	6
---	--------------	---	---	---	---

Friends home

1	2	3	4	5	6
---	---	---	---	---	---

School, college or university

1	2	3	4	5	6
---	---	---	---	---	---

Your work place

1	2	3	4	5	6
---	---	---	---	---	--------------

Public building, e.g. library

1	2	3	4	5	6
---	---	---	---	---	---

Commercial service, e.g. Internet café

1	2	3	4	5	6
---	---	---	---	---	---

11. What mode of access do you use to access the Internet? (tick more than one, if applicable)

- LAN (Local Area Network)
- Dial-up (e.g. telephone Land line)
- ADSL (Asymmetric Digital Subscriber Line)
- 3G (Third Generation connection)
- Wi-fi (Wireless Fidelity, e.g. dual-band)
- ISDN (Integrated Services Digital Networks)

other, please specify

GPRS (cellphone)

12. When was the first time you used the Internet?

- today
 last week
 this week
 last month
 1 to 3 months ago
 more than 4 months ago
 ever since its inception

13. Indicate when you make a purchase(s) from the Internet or use the service(s) on the Internet. (tick more than one, if applicable).

1	2	3	4
Anytime during the week	Evening time	Occasionally	Never

Computer hardware

<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
-------------------------------------	--------------------------	--------------------------	--------------------------

Computer software

<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------	-------------------------------------	--------------------------

Book(s)/magazine(s)

<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
-------------------------------------	--------------------------	--------------------------	--------------------------

Music & video (CD, DVD or audio etc.)

<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
-------------------------------------	--------------------------	--------------------------	--------------------------

Games

<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------	-------------------------------------	--------------------------

Food

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
--------------------------	--------------------------	--------------------------	-------------------------------------

Groceries

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
--------------------------	--------------------------	--------------------------	-------------------------------------

Domestic & kitchen equipment

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
--------------------------	--------------------------	--------------------------	-------------------------------------

Ticket(s)

<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	-------------------------------------	--------------------------	--------------------------

Building materials

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
--------------------------	--------------------------	--------------------------	-------------------------------------

Toys

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
--------------------------	--------------------------	--------------------------	-------------------------------------

Gift pack

<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------	-------------------------------------	--------------------------

Garden products

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
--------------------------	--------------------------	--------------------------	-------------------------------------

Arts & crafts

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
--------------------------	--------------------------	--------------------------	-------------------------------------

Plants & flowers

<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------	-------------------------------------	--------------------------

Clothing

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
--------------------------	--------------------------	--------------------------	-------------------------------------

Property

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
--------------------------	--------------------------	--------------------------	-------------------------------------

Vehicles

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
--------------------------	--------------------------	--------------------------	-------------------------------------

News

<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
-------------------------------------	--------------------------	--------------------------	--------------------------

Banking

<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
-------------------------------------	--------------------------	--------------------------	--------------------------

Financial/insurance services

<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
--------------------------	--------------------------	--------------------------	-------------------------------------

Other, please specify

14. What is/are your reason(s) for using the Internet? (tick more than one, if applicable).

- shopping
- read news
- leisure/fun
- work
- studies
- communication
- other, please specify

15. Do you recommend e-commerce activities for businesses?

- Yes No

16. Is there an e-commerce business that you recommend to friends, colleagues, e-consumers, etc?

- Yes No

If YES, please specify:

1.	NgrComputers.co.za
2.	Kalahari.net
3.	BeyComputers.co.za

If NO, thank you for your contribution

17. How long have you been a customer to ONE of the above mentioned e-commerce business(es)? (Indicate with a number to specify the particular business).

- less than 1 year
- 1 to under 3 years
- 3 to under 5 years

2

- 5 to under 10 years
- 10 years or more

18. Why do you choose this e-commerce website? (tick as many answers as possible).

- easy navigation
- good content management
- product satisfaction
- availability of online order status tracking
- timeous delivery of goods and services
- returns and exchange process satisfaction
- availability of potential products and services
- good product description
- trust and credibility
- availability of online technical support/help
- security of personal and credit card details
- ability to do comparison shopping
- number and variety of products availability
- lower prices than in traditional channels
- ability to link to other websites with related information
- speed of process
- ability to link to search engines
- ability to have sales experience tailored towards needs
- ability to share information with other online visitors

other, please specify

19. How did you know about this website?

search engine

recommended by a friend/colleague

prior knowledge of the company

advertisement on another website

link from another website

this is the website my company uses for services/purchases

word of mouth

other, please specify

20. What was your intention for visiting this site?

general interest in browsing

comparing prices

purchase a specific product

make an order

utilise the online service. e.g. banking, news etc

finding information for a product or service

research

other, please specify

21. How easy was it to make a purchase or use the service on this site?

easy

very easy

difficult

very difficult

neither easy nor difficult

22. Are you satisfied with the website used?

satisfied

very satisfied

dissatisfied

very dissatisfied

neither satisfied nor dissatisfied

23. Would you use the same website in future?

definitely

probably

probably not

definitely not

24. Would you recommend this company to a friend, relative or colleague?

definitely

possibly

probably not

definitely not

25. Do you have any suggestions on how the websites could be improved? (tick as many as possible).

- expand range of products
- expand availability of products
- improve provisions for security and privacy
- reduce high cost of total purchase
- improve ease of use of the site
- easy finding the site
- simplify finding your way around and site
- simplify completing the purchase procedures
- provide more details about products/services
- provide more details about delivery
- reduce cost of delivery
- improve speed of loading
- other, please specify

Thank you! Your contribution is greatly appreciated.

Survey Results (Included Responses)

E-COMMERCE: THE IMPACT OF INTERNET TECHNOLOGY ON RETAILING (INTERNET CUSTOMER QUESTIONNAIRE)

final

Report created on: 08 August 2005 13:46:00

The results of your survey are displayed below. If your survey includes text responses, click the "View" button to read individual results. To exclude a particular response, click the Included Responses button. You can then view the set of individual responses that are currently included and select those you wish to exclude. Results below contain only Included responses

Go to Individual Complete Responses:

Show respondent's emails.

INCLUDED RESPONSES

EXCLUDED RESPONSES

Included Respondents: 50

Excluded Respondents: 0

- Cross Tabulate
Cross reference multiple questions
- Download Results
Receive results in spreadsheet format

EXCLUDE BLANK RESPONSES

Launch Date 08/04/2005 - 2:34 PM

Modified Date

Close Date

Email Invites 0

Visits 54

Partials 0

Completes 50

Responses: Completes only Partials only Completes & Partials

1. Are you a male or female?

	Number of Responses	Response Ratio
Male	23	46%
Female	27	54%
Total	50	100%

2. Select your age bracket

	Number of Responses	Response Ratio
less than 18 years	0	0%

18 - 30	20	40%
31 - 45	19	38%
46 - 60	9	18%
more than 60 years	2	4%
Total	50	100%

3. What is your main occupation?

	Number of Responses	Response Ratio
Student	9	18%
Manual worker	0	0%
Office worker	6	12%
Professional	35	70%
Entertainer/performer	0	0%
Home duties	0	0%
Unemployed	0	0%
Retired	0	0%
Other, Please Specify	1	2%
Total	50	100%

4. Where do you live?

	Number of Responses	Response Ratio
In a major city	27	54%
In a city	16	32%
in a town or village	7	14%
in the country	0	0%
Other, Please Specify	0	0%
Total	50	100%

5. What is your approximate income monthly income? (amount in South African R or US \$)

	Number of Responses	Response Ratio
less than 2 000	6	12%
2 000 - 6 000	4	8%
6 001 - 10 000	9	18%

10 001 - 14 000	18	36%
14 001 - 18 000	9	18%
18 001 - 22 000	2	4%
22 001 - 26 000	1	2%
more than 26 000	1	2%
Total	50	100%

6. What is your highest qualification obtained?	Number of Responses	Response Ratio
High school certificate/college	3	6%
Diploma	6	12%
Degree	21	42%
Honours	10	20%
Masters	9	18%
Doctorate	1	2%
Other, Please Specify	0	0%
Total	50	100%

Have you ever made use of the Internet? (If YES, please continue. If NO, thank you for your contribution).

7. contribution.	Number of Responses	Response Ratio
Yes	50	100%
No	0	0%
Total	50	100%

8. How many times do you use the Internet?	Number of Responses	Response Ratio
never	0	0%
once a day	4	8%
many times a day	22	44%
once a week	2	4%
many times a week	15	30%
once a month	0	0%

many times a month	7	14%
Total	50	100%

What factors affect your decision to access the Internet? (Tick as many as possible).

	Number of Responses	Response Ratio
Work	47	94%
Studies	31	62%
Fun	32	64%
Communication	43	86%
Convenient means of shopping	18	36%
Other, Please Specify	1	2%

What proportion of your time do you allocate to accessing the Internet from these places? (Tick the appropriate number).

	1	2	3	4	5	6	7	8	9	10
<i>The top percentage indicates total respondents ratio; the bottom number represents actual number of respondents selecting the option</i>	0-9%	10-19%	20-39%	40-49%	50-59%	60-69%	70-79%	80-89%	90-99%	100%
1. Home	38%	14%	4%	0%	16%	0%	10%	14%	4%	0%
2. Friends home	98%	2%	0%	0%	0%	0%	0%	0%	0%	0%
3. School, college or university	62%	4%	10%	4%	8%	2%	2%	2%	2%	4%
4. Your work place	4%	10%	10%	8%	14%	4%	6%	26%	6%	12%
5. Public building, e.g library	90%	6%	4%	0%	0%	0%	0%	0%	0%	0%
6. Commercial service, e.g. Internet café	70%	12%	6%	4%	2%	4%	0%	0%	2%	0%

What mode of access do you use to access the

11. internet? (Tick more than one, if applicable)	Number of Responses	Response Ratio
LAN (Local Area Network) ██████████	46	92%
Dial-up (e.g. telephone Land line) ██████████	34	68%
ADSL (Asymmetric Digital Subscriber Line) ██████████	13	26%
ISDN (Integrated Services Digital Networks) ●	4	8%
3G (Third Generation connection)	1	2%
WiFi (Wireless Fidelity, e.g. dual-band) ██████████	7	14%
Other, Please Specify	2	4%

12. When was the first time you used the Internet?	Number of Responses	Response Ratio
today	2	4%
this week	0	0%
last week	0	0%
1 - 3 months ago	2	4%
more than 4 months ago ██████████	30	60%
ever since its inception ██████████	16	32%
Total	50	100%

Indicate when you make a purchase(s) from the Internet or use the service(s) on the Internet. (tick more than one, if applicable)

	1 Anytime during the week	2 Evening time	3 Occasionally	4 Never
1. computer hardware	8%	2%	10%	80%
	4	1	5	40
	8%	4%	24%	64%

2. computer software	4	2	12	32
	12%	4%	28%	56%
3. books/magazines/newspaper	6	2	14	28
	42%	8%	8%	42%
4. news	21	4	4	21
	22%	8%	26%	44%
5. travel	41	4	13	22
6. music & video (CD's, DVD's, audio)	16	4	30	50%
	8	2	15	25
	0%	4%	12%	84%
7. games	0	2	6	42
	2%	0%	12%	86%
8. food	1	0	6	43
	2%	0%	6%	92%
9. groceries	1	0	3	46
10. domestic & kitchen equipment	0	0	1	49
	0%	0%	0%	100%
11. garden products	0	0	0	50
	0%	0%	4%	96%
12. plants & flowers	0	0	2	48
	2%	0%	0%	98%
13. clothing	1	0	0	49
	24%	2%	20%	54%
14. tickets	12	1	10	27
	0%	0%	2%	98%
15. building materials	0	0	1	49
	0%	0%	2%	98%
16. toys	0	0	1	49
	10%	0%	8%	82%
17. gift packs	5	0	4	41
	4%	0%	4%	92%
18. properties	2	0	2	46
	0%	0%	0%	100%
19. arts & crafts	0	0	0	50
	4%	0%	4%	92%
20. vehicles	2	0	2	46
	56%	10%	2%	32%
21. banking	28	5	1	16

22. financial services/insurance	4%	8%	24%	64%
	2	4	12	32

What is/are your reason(s) for using the Internet?

14. (Tick more than one, if applicable)

	Number of Responses	Response Ratio
shopping	13	27%
read news	32	65%
leisure/fun	33	67%
work	44	90%
studies	29	59%
communication	40	82%
Other, Please Specify	3	6%

Do you recommend e-commerce activities for 15. businesses?

	Number of Responses	Response Ratio
Yes	46	92%
No	4	8%
Total	50	100%

Is there an e-commerce business that you recommend to friends, colleagues, e-consumers, etc? If YES, please specify. If NO, thank you for 16. your contribution.

	Number of Responses	Response Ratio
Yes	34	68%
No	16	32%
Total	50	100%

VIEW 29 Responses

How long have you been a customer to ONE of the stated e-commerce business(es)? [Indicate 17. with a number to specify the particular business].

	Number of Responses	Response Ratio
less than 1 year	7	14%
1 to under 3 years	19	38%

3 to under 5 years	20	40%
5 to under 10 years	4	8%
10 years or more	0	0%
Total	50	100%

Why have you chosen this e-commerce website? 18. (tick as many answers as possible)

	Number of Responses	Response Ratio
easy navigation	36	72%
value added content	21	42%
purposeful information	18	36%
product level satisfaction	17	34%
availability of online order status tracking	14	28%
timeliness of delivery	28	56%
customer service process satisfaction	15	30%
returns and exchange process satisfaction	5	10%
interest in new potential products and services	19	38%
availability of potential products and services	23	46%
How well products and their use are described	17	34%
trust and credibility	16	32%
availability of online technical support/help	3	6%
overall security of personal and credit card details	13	26%
ability to do comparison shopping	10	20%
number and variety of products availability	10	20%
lower prices than in		

traditional channels	10	20%
ability to link to other websites with related information	6	12%
overall speed of process	12	24%
ability to link to search engines or other websites with related information	6	12%
overall speed of process	6	12%
ability to have sales experience tailored towards needs	4	8%
ability to share information with other online visitors	1	2%
Other, Please Specify	1	2%

19. How did you know about this website?

	Number of Responses	Response Ratio
search engine	12	24%
recommended by a friend/colleague	11	22%
prior knowledge of the company	8	16%
advertisement on another website	2	4%
link from another website	2	4%
this is the website my company uses for services/purchases	0	0%
word of mouth	12	24%
Other, Please Specify	3	6%
Total	50	100%

20. What was your intention when you visited this site? (Tick more than one, if applicable).

	Number of Responses	Response Ratio
general interest in browsing	11	22%
comparing prices	3	6%
purchase a specific product	16	32%
purchase a product but not sure which one	0	0%
make an order	1	2%
utilise the online service, e.g banking, news etc	14	28%
finding information for a product or service	4	8%
research	1	2%
Other, Please Specify	0	0%
Total	50	100%

21. How easy was it to make a purchase from or use the service on this site?

	Number of Responses	Response Ratio
easy	36	80%
very easy	8	18%
difficult	0	0%
very difficult	0	0%
neither easy nor difficult	1	2%
Total	45	100%

22. Are you satisfied with the website used?

	Number of Responses	Response Ratio
satisfied	37	82%
very satisfied	7	16%
dissatisfied	0	0%
dissatisfied	0	0%

very dissatisfied	0	0%
neither satisfied nor dissatisfied	1	2%
Total	45	100%

23. Would you use the same website in future?

	Number of Responses	Response Ratio
definitely	40	93%
probably	3	7%
probably not	0	0%
definitely not	0	0%
Total	43	100%

24. Would you recommend this company to a friend, relative or colleague?

	Number of Responses	Response Ratio
definitely	40	91%
possibly	3	7%
probably not	1	2%
definitely not	0	0%
Total	44	100%

25. Do you have any suggestions on how the site could be improved? (Tick as many as possible).

	Number of Responses	Response Ratio
expand range of products	23	46%
expand availability of products	6	12%
improve provisions of security and privacy	10	20%
reduce high cost of total purchase	5	10%
improve ease of use of the site	10	20%
easy finding of the website	8	16%

simplify completing

the purchase procedures	5	10%
provide more details about products/services	12	24%
provide more details about delivery	5	10%
reduce cost of delivery	6	12%
improve speed of loading	11	22%
Other, Please Specify	6	12%

Survey Results (Included Responses)



E-commerce: The Impact of Internet technology on retailing. [E-RETAILERS' QUESTIONNAIRE]

You are currently viewing survey results by individual respondents. You may page through respondents by clicking the arrow buttons below, or to view a specific respondent's answers, type in a number and click Go.

1/4 1

1. What is the name of your company?
Orki Theater

2. How many employees do you have?
less than 20 employees

3. What is the educational level of most of your employees?
University degree

4. How long has your company been in business?
6 - 10 years

5. How long has your company been in the e-retail business?
8 - 10 years

6. Does your company have an existing traditional shop?
No

7. What is the effect of e-retailing on your company's traditional shop?

no effect

8. At what stage was e-retailing incorporated into your business model?
Later stage

9. What has led to such move?
To improve customer relations (by providing service)

10. What categories of products or services does your company sell/offer online?
tickets
entertainment
art and craft

11. Your e-retail site offers variety to your customers.
Agree

12. What type of functionality does your company use to identify whom your customers are?
Newsletter
Online registration

13. Your customers perceive your online security measures as
very secure

14. Going online has attracted more customers for your company.
Agree

15. Who are you targeting with your online shop?
Credit card holders
Students
Working class individuals

16. What do you understand are your customer needs? Rate in order of importance.

	Important	Not Important	Not Important
Product-level satisfaction			1
Online orders and order planning			1
Order status			1
Timeliness of delivery	1		
Customer service process satisfaction	1		

Returns and exchange process satisfaction		1	
Interest in new potential products and services		1	
Tools to better manage their business, such as online courses, systems to resolve critical client issues and management applications		1	
Technical assistance		1	

17. What are the benefits of e-retailing to your company?

Extending our customer reach
Promoting our services to a wider audience
World wide visibility

18. How does your company ensure that these potential benefits are achieved? Rate according to the order of importance.

	1 important	2 not important	3 very important
Exclusive supplier (sell popular items that are customized)		1	
Right personality on our website as expressed in design and assembly	1		
Fast shipping and delivery	1		
Convenience (quick access to popular products and alternatives to those products)			1
Knowing what our unique retail value proposition is	1		
Knowing our market	1		
Knowing our customers	1		
Segmenting our customer groups (could be based on style, personality, product category, popular brand names, peer groups, geography and more)		1	
Prioritizing our customer segments		1	
Filtering in the best customer	1		
Market access (search engine indexes being an important pointer for the flow of traffic on our site)	1		
Allowing keyword based entry points for our site		1	
Value added content		1	
Purposeful information	1		
Trust and credibility	1		
Return policy		1	

19. How does your company deal with the issue of competition with rivals in the same sector?

Provide technical assistance

20. To what extent are these activities carried out on your e-retail website?

	1 on the website	2 not on the website
order processing		1
order tracking	1	
customer relations management (newsletter management)	1	
search	1	
gift certificate		1
online support		1
payment	1	
comparison shopping functionality		1
feedback/comment functionality	1	
facility to share information with other online visitors/customers		1

21. To what extent are the following activities carried out (entirely) under your management? Rate according to the importance to e-retailing.

	1 not important	2	3 important	4	5 very important
Informing customers			1		
Receiving orders from customers			1		
Replenishment of suppliers	1				
Payment					1
After sales	1				

22. Rate the importance of online sales activities to your organization?

	1 not important	2	3 important	4	5 very important
customer service			1		
customer relations			1		
logistics and stock and management	1				
payment/settlement			1		
data processing, analysis, study	1				
website maintenance			1		
electronic equipment maintenance	1				
purchasing - HR Management	1				
availability of stock	1				

23. What challenges do you think face e-retailers today?

Fast technology change
Language barriers leading to limited expansion in other countries
Shifting regulations and distribution and logistics hassles

24. Below is a list of factors identified by Ernest and Young as important to a customer when purchasing on the Internet. Rate according to the importance in the implementation and operation of your website.

Security of sending credit card information over the net	1		
Ease of finding your way around the site	1		
Getting latest products information and newest products		1	
How well products and their use are described		1	
Ability to do comparison shopping		1	
Ability to ask questions and get answers online		1	
Number and variety of products available for purchase		1	
Merchandising/organization of products at the site		1	
Lower prices than in traditional shops		1	
Ability to link to other websites with related information			1
Overall speed of process			
Ability to have sales experience tailored towards needs		1	
Ability to share information with other online visitors		1	

Give an indication of your company's proportion of sales achieved via the Internet.
 median = 15% - 40%

Survey Results (Included Responses)

REPORT OVERVIEW



E-commerce: The Impact of Internet technology on retailing. [E-RETAILERS' QUESTIONNAIRE]

You are currently viewing survey results by individual respondents. You may page through respondents by clicking the arrow buttons below, or to view a specific respondent's answers, type in a number and click Go.

1 2 3 4 / 4 > >> 4 GO

1. What is the name of your company?
MEGASHOPPER

2. How many employees do you have?
less than 20 employees

3. What is the educational level of most of your employees?
High school diploma

4. How long has your company been in business?
2 - 4 years

5. How long has your company been in the e-retail business?
2 - 4 years

6. Does your company have an existing traditional shop?
No

7. What is the effect of e-retailing on your company's traditional shop?

no effect

8. At what stage was e-retailing incorporated into your business model?
Initial stage

9. What has led to such move?
NEW CONCEPT - MODERN TECHNOLOGY-REDUCTION OF OVERH

10. What categories of products or services does your company sell/offer online?
computer hardware
domestic & kitchen equipment
toys/gifts
All retail related products eg what you find game

11. Your e-retail site offers variety to your customers.
Agree

12. What type of functionality does your company use to identify whom your customers are?
Online registration

13. Your customers perceive your online security measures as
secure

14. Going online has attracted more customers for your company.
Agree

15. Who are you targeting with your online shop?
Credit card holders
Students
Working class individuals

16. What do you understand are your customer needs? Rate in order of importance.

Product-level satisfaction			1
Online orders and order planning	1		
Order status			1
Timeliness of delivery	1		
Customer service process satisfaction			1

Returns and exchange process satisfaction	1		
Interest in new potential products and services		1	
Tools to better manage their business, such as online courses, systems to resolve critical client issues and management applications		1	
Technical assistance	1		

7. What are the benefits of e-retailing to your company?

- Extending our customer reach
- Promoting our services to a wider audience
- Increasing company profit margin
- Providing customers with the convenience of home shopping
- Accessibility of company to customer

8. How does your company ensure that these potential benefits are achieved? Rate according to the order of importance.

	1	2	3	4
Exclusive supplier (sell popular items that are customized)	1			
Right personality on our website as expressed in design and assembly	1			
Fast shipping and delivery				1
Convenience (quick access to popular products and alternatives to those products)				1
Knowing what our unique retail value proposition is	1			
Knowing our market	1			
Knowing our customers				1
Segmenting our customer groups (could be based on style, personality, product category, popular brand names, peer groups, geography and more)			1	
Prioritizing our customer segments	1			
Filtering in the best customer		1		
Market access (search engine indexes being an important pointer for the flow of traffic on our site)				1
Allowing keyword based entry points for our site				1
Value added content	1			
Purposeful information				1
Trust and credibility				1
Return policy	1			

9. How does your company deal with the issue of competition with rivals in the same sector?

- Optimize delivery and inventory
- Increase process efficiency

- Provide technical assistance
- Provide Contact Centre with "rss" people.

20. To what extent are these activities carried out on your e-retail website?

	1	2	3	4
order processing	1			
order tracking				1
customer relations management	1			
newsletter management				1
search	1			
gift certificate				1
online support	1			
payment	1			
comparison shopping functionality				1
feedback/comment functionality	1			
facility to share information with other online visitors/customers				1

21. To what extent are the following activities carried out (entirely) under your management? Rate according to the importance to e-retailing.

	1	2	3	4
Informing customers				1
Receiving orders from customers				1
Replenishment of suppliers			1	
Payment				1
After sales				1

22. Rate the importance of online sales activities to your organization?

	1	2	3	4
customer service				1
customer relations				1
logistics and stock and management			1	
payment/settlement				1
data processing, analysis, study				1
website maintenance				1
electronic equipment maintenance			1	
purchasing - HR Management			1	
availability of stock				1

23. What challenges do you think face e-retailers today?

- Improvement in terms of navigation
- Designing our website around customers' likely action patterns through observing what the customer does.
- Customers' easy access to contextual help

Below is a list of factors identified by Ernest and Young as important to a customer when purchasing on the Internet. Rate according to the importance in the implementation and operation of your website.

	1	2	3
Security of sending credit card information over the net			1
Ease of finding your way around the site			1
Getting latest product information and newest products	1		
How well products and their use are described			1
Ability to do comparison shopping		1	
Ability to ask questions and get answers online			1
Number and variety of products available for purchase	1		
Merchandising/organization of products at the site			1
Lower prices than in traditional shops		1	
Ability to link to other websites with related information		1	
Overall speed of process			
Ability to have sales experience tailored towards needs	1		
Ability to share information with other online visitors		1	

Survey Results (Included Responses)

REPORT OVERVIEW



E-commerce: The Impact of Internet technology on retailing. [E-RETAILERS' QUESTIONNAIRE]

You are currently viewing survey results by individual respondents. You may page through respondents by clicking the arrow buttons below, or to view a specific respondent's answers, type in a number and click Go.

3 / 4 3 GO

1. What is the name of your company?
T-Shirts for the SOUL

2. How many employees do you have?
Other, Please Specify
Small Company 4 Employees and Volunteers

3. What is the educational level of most of your employees?
High school diploma
University degree

4. How long has your company been in business?
5 - 7 years

5. How long has your company been in the e-retail business?
2 - 4 years

6. Does your company have an existing traditional shop?
No

7. What is the effect of e-retailing on your company's traditional shop?
no effect

8. At what stage was e-retailing incorporated into your business model?
Middle stage

9. What has led to such move?
To increase sales
To improve customer relations (by providing service)

10. What categories of products or services does your company sell/offer online?
books
travel
news
banking

11. Your e-retail site offers variety to your customers.
Agree

12. What type of functionality does your company use to identify whom your customers are?
Online registration

13. Your customers perceive your online security measures as
secure

14. Going online has attracted more customers for your company.
Agree

15. Who are you targeting with your online shop?
Working class individuals
Suppliers
Manufacturers

16. What do you understand are your customer needs? Rate in order of importance.

Product-level satisfaction			1
Online orders and order planning	1		

Order status			1
Timeliness of delivery			1
Customer service process satisfaction			1
Returns and exchange process satisfaction	1		
Interest in new potential products and services			1
Tools to better manage their business, such as online courses, systems to resolve critical client issues and management applications			1
Technical assistance			1

17. What are the benefits of e-retailing to your company?

Extending our customer reach
Promoting our services to a wider audience
Increasing company profit margin
Providing customers with the convenience of home shopping
World wide visibility
Accessibility of company to customer

18. How does your company ensure that these potential benefits are achieved? Rate according to the order of importance.

	1	2	3	4
Exclusive supplier (all popular items that are customized)				1
Right personality on our website as expressed in design and assembly	1			
Fast shipping and delivery		1		
Convenience (quick access to popular products and alternatives to those products)		1		
Knowing what our unique retail value proposition is		1		
Knowing our market	1			
Knowing our customers				1
Segmenting our customer groups (could be based on style, personality, product category, popular brand names, peer groups, geography and more)	1			
Prioritizing our customer segments	1			
Filtering in the best customer	1			
Market access (search engine indexes being an important pointer for the flow of traffic on our site)	1			
Allowing keyword based entry points for our site	1			
Value added content	1			
Purposeful information	1			
Trust and credibility				1
Return policy	1			

19. How does your company deal with the issue of competition with rivals in the same sector?

Increase process efficiency

20. To what extent are these activities carried out on your e-retail website?

	1	2	3	4
order processing	1			
order tracking				1
customer relations management				1
newsletter management				1
search	1			
gift certificate				1
online support				1
payment				1
comparison shopping functionality				1
feedback/comment functionality	1			
facility to share information with other online visitors/customers				1

21. To what extent are the following activities carried out (entirely) under your management? Rate according to the importance to e-retailing.

	1	2	3	4
Informing customers			1	
Receiving orders from customers				1
Replenishment of suppliers	1			
Payment			1	
After sales			1	

22. Rate the importance of online sales activities to your organization?

	1	2	3	4
customer service				1
customer relations				1
logistics and stock and management		1		
payment/settlement				1
data processing, analysis, study	1			
website maintenance			1	
electronic equipment maintenance	1			
purchasing - HR Management			1	
availability of stock			1	

Survey Results (Included Responses)

REPORT OVERVIEW



E-commerce: The impact of Internet technology on retailing. [E-RETAILERS' QUESTIONNAIRE]

Questions that required written responses are displayed by individual query. The "Report Overview" button or "Back" button will return you to your survey results.

Each individual respondent is referenced under the # column.

1. What is the name of your company?

#	Response
1	Orki Theater
2	Digital Planet
3	T-Shirts for the SOUL
4	MEGASHOPPER

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Survey Results (Included Responses)



E-commerce: The impact of Internet technology on retailing. [E-RETAILERS' QUESTIONNAIRE]

Report created on: 02 June 2005 12:33:00

The results of your survey are displayed below. If your survey includes text responses, click the "View" button to read individual results. To exclude a particular response, click the Included Responses button. You can then view the set of individual responses that are currently included and select those you wish to exclude. Results below contain only Included responses

EXCLUDE BLANK RESPONSES

Launch Date	04/01/2005 - 10:17 PM
Modified Date	04/19/2005 - 12:50 PM
Close Date	
Email Invites	13
Visits	9
Partials	0
Completes	4

Responses: Completes only Partials only Completes & Partials

1. What is the name of your company?

VIEW 4 Responses

Go to Individual Complete Responses:
 Show respondent's emails.

INCLUDED RESPONSES

EXCLUDED RESPONSES

Included Respondents: 4
 Excluded Respondents: 0

- Cross Tabulate
Cross reference multiple questions
- Download Results
Receive results in spreadsheet format
- View Recipient Status
Check the response status of each of your recipients

2. How many employees do you have?	Number of Responses	Response Ratio
less than 20 employees	2	50%
20 to 50 employees	0	0%
more than 50 employees	1	25%
100 to 200 employees	0	0%
more than 200 employees	0	0%
300 to 400 employees	0	0%
more than 500 employees	0	0%
Other, Please Specify	1	25%
Total	4	100%

SMALL COMPANY FOR EMPLOYEES AND VOLUNTEERS

3. What is the educational level of most of your employees?	Number of Responses	Response Ratio
Secondary school certificate	0	0%
High school diploma	3	75%
University degree	2	50%
Technikon diploma	0	0%
Post graduate degree	0	0%
Advanced studies diploma/degree	0	0%
Other, Please Specify	0	0%

4. How long has your company been in business?	Number of Responses	Response Ratio
less than 1 year	0	0%
2 - 4 years	1	25%
5 - 7 years	2	50%
8 - 10 years	1	25%
more than 10 years	0	0%
Other, Please Specify		

Specify	Number of Responses	Response Ratio
	0	0%
Total	4	100%

5. How long has your company been in the e-retail business?	Number of Responses	Response Ratio
less than 1 year	0	0%
2 - 4 years	2	50%
5 - 7 years	1	25%
8 - 10 years	1	25%
more than 10 years	0	0%
Other, Please Specify	0	0%
Total	4	100%

6. Does your company have an existing traditional shop?	Number of Responses	Response Ratio
Yes	0	0%
No	4	100%
Total	4	100%

Responses

7. What is the effect of e-retailing on your company's traditional shop?	Number of Responses	Response Ratio
no effect	4	100%
reduce the number of new shop planned	0	0%
change the shop design	0	0%
improve shop design	0	0%
increase the number of distribution centers	0	0%
decrease the number of distribution centers	0	0%
Other, Please Specify	0	0%

At what stage was e-retailing incorporated into
8. your business model?

	Number of Responses	Response Ratio
Initial stage	2	50%
Middle stage	1	25%
Later stage	1	25%
Other, Please Specify	0	0%

9. What has led to such move?

	Number of Responses	Response Ratio
To increase sales	1	25%
To reduce the cost of sales	0	0%
To improve customer relations (by providing service)	2	50%
Driven to it by competition	0	0%
To beat competition	0	0%
Other, Please Specify	2	50%

ALWAYS BEEN THERE
NEW CONCEPT - MODERN TECHNOLOGY REDUCTION OF OVERHEAD COST

What categories of products or services does
10. your company sell/offer online?

	Number of Responses	Response Ratio
computer hardware	2	50%
computer software	1	25%
books	2	50%
magazines	0	0%
newspaper	0	0%
travel	1	25%
music & video (CD's, DVD's, audio)	1	25%
food stuffs	0	0%
groceries	0	0%
domestic & kitchen	1	25%

equipment		
garden products	0	0%
plants & flowers	0	0%
cloths	0	0%
cars	0	0%
news	1	25%
tickets	1	25%
building materials	0	0%
toys/gifts	2	50%
banking	1	25%
entertainment	2	50%
financial services/insurance	0	0%
Other, Please Specify	2	50%

ART of CRAFT
All retail related product by what you find in game files

11. Your e-retail site offers variety to your customers.

	Number of Responses	Response Ratio
Agree	4	100%
Disagree	0	0%
Strongly disagree	0	0%
Strongly agree	0	0%
Total	4	100%

What type of functionality does your company
12. use to identify whom your customers are?

	Number of Responses	Response Ratio
CRM	1	25%
Newsletter	2	50%
Loyalty card	1	25%
Online registration	4	100%
Other, Please Specify	0	0%

Your customers perceive your online security

13. measures as	Number of Responses	Response Ratio
secure ██████████	2	50%
moderately secure	0	0%
very secure ██████████	2	50%
not secure	0	0%
Total	4	100%

Going online has attracted more customers for your company.

14. your company.	Number of Responses	Response Ratio
Agree ██████████	4	100%
Disagree	0	0%
Total	4	100%

15. Who are you targeting with your online shop?	Number of Responses	Response Ratio
Credit card holders ██████████	3	75%
Students ██████████	3	75%
Working class individuals ██████████	4	100%
Suppliers ██████████	2	50%
Manufacturers ██████████	2	50%
Senior citizens ██████	1	25%
Pensioners ██████	1	25%
Other, Please Specify	0	0%

What do you understand are your customer needs? Rate in order of importance.

The top percentage indicates total respondent ratio; the bottom number represents actual number of respondents selecting the option

	1 important	2 not important	3 very important
1. Product-level satisfaction	0%	0%	100%
	0	0	4
2. Online orders and order planning	50%	0%	50%
	2	0	2
3. Order status	0%	0%	100%

	0	0	4
4. Timeliness of delivery	50%	0%	50%
	2	0	2
5. Customer service process satisfaction	25%	0%	75%
	1	0	3
6. Returns and exchange process satisfaction	50%	25%	25%
	2	1	1
7. Interest in new potential products and services	0%	50%	50%
	0	2	2
8. Tools to better manage their business, such as online courses, systems to resolve critical client issues and management applications	0%	50%	50%
	0	2	2
9. Technical assistance	25%	25%	50%
	1	1	2

What are the benefits of e-retailing to your company?

	Number of Responses	Response Ratio
Extending our customer reach ██████████	4	100%
Promoting our services to a wider audience ██████████	4	100%
Increasing company profit margin ██████████	3	75%
Providing customers with the convenience of home shopping ██████████	3	75%
World wide visibility ██████████	2	50%
Accessibility of company to customer ██████████	3	75%
Other, Please Specify	0	0%

How does your company ensure that these potential benefits are achieved? Rate according to the order of importance.

The top percentage indicates total respondent ratio; the bottom number represents actual number of respondents selecting the option

	1 important	2 not important	3 very important
--	----------------	--------------------	---------------------

1. Exclusive supplier (sell popular items that are customized)	25%	25%	50%
	1	1	2
2. Right personality on our website as expressed in design and assembly	75%	0%	25%
	3	0	1
3. Fast shipping and delivery	25%	25%	50%
	1	1	2
4. Convenience (quick access to popular products and alternatives to those products)	0%	25%	75%
	0	1	3
5. Knowing what our unique retail value proposition is	50%	25%	25%
	2	1	1
6. Knowing our market	75%	0%	25%
	3	0	1
7. Knowing our customers	25%	0%	75%
	1	0	3
8. Segmenting our customer groups (could be based on style, personality, product category, popular brand names, peer groups, geography and more)	25%	50%	25%
	1	2	1
9. Prioritizing our customer segments	50%	25%	25%
	2	1	1
10. Filtering in the best customer	50%	25%	25%
	2	1	1
11. Market access (search engine indexes being an important pointer for the flow of traffic on our site)	50%	0%	50%
	2	0	2
12. Allowing keyword based entry points for our site	25%	25%	50%
	1	1	2
13. Value added content	50%	25%	25%
	2	1	1
14. Purposeful information	50%	0%	50%
	2	0	2
15. Trust and credibility	25%	0%	75%
	1	0	3
16. Return policy	50%	25%	25%
	2	1	1

How does your company deal with the issue of 19. competition with rivals in the same sector?	Number of Responses	Response Ratio
Deliver new electronic services for our customers and our internal sales force.	1	25%
Flexible architecture that enables us to tailor our service offerings to fulfill specific local requirements	1	25%
Improve supply chain management	1	25%
Optimize delivery and inventory	2	50%
Reduce transaction, administration and marketing costs	1	25%
Increase process efficiency	3	75%
Provide technical assistance	3	75%
Other, Please Specify PROVIDE CONTACT CENTRE WITH "REAL" PEOPLE	1	25%

To what extent are these activities carried out on your e-retail 20. website?	The top percentage indicates total respondent ratio; the bottom number represents actual number of respondents selecting the option	
	1 on the website	2 not on the website
1. order processing	50%	50%
	2	2
2. order tracking	50%	50%
	2	2
3. customer relations management	25%	75%
	1	3
4. newsletter management	50%	50%
	2	2
5. search	100%	0%
	4	0
	0%	100%

6. gift certificate	0	4
	50%	50%
7. online support	2	2
	75%	25%
8. payment	3	1
	25%	75%
9. comparison shopping functionality	1	3
	100%	0%
10. feedback/comment functionality	4	0
	0%	100%
11. facility to share information with other online visitors/customers	0	4

To what extent are the following activities carried out (entirely) under your management? Rate according to the importance to e-21. retailing.

	1 not important	2	3 important	4	5 very important
<i>The top percentage indicates total respondent ratio; the bottom number represents actual number of respondents selecting the option</i>					
1. Informing customers	0% 0	0% 0	50% 2	0% 0	50% 2
2. Receiving orders from customers	0% 0	0% 0	25% 1	0% 0	75% 3
3. Replenishment of suppliers	50% 2	0% 0	25% 1	0% 0	25% 1
4. Payment	0% 0	0% 0	25% 1	25% 1	50% 2
5. After sales	25% 1	0% 0	25% 1	0% 0	50% 2

22. Rate the importance of online sales activities to your organization?

	1 not important	2	3 important	4	5 very important
<i>The top percentage indicates total respondent ratio; the bottom number represents actual number of respondents selecting the option</i>					
1. customer service	0% 0	0% 0	25% 1	0% 0	75% 3
2. customer relations	0% 0	0% 0	25% 1	0% 0	75% 3
3. logistics and stock and	25% 0	0% 0	50% 1	0% 0	25% 1

management	1	0	2	0	1
	0%	0%	50%	25%	25%
4. payment/settlement	0	0	2	1	1
	50%	0%	0%	25%	25%
5. data processing, analysis, study	2	0	0	1	1
	0%	0%	50%	0%	50%
6. website maintenance	0	0	2	0	2
	50%	0%	25%	25%	0%
7. electronic equipment maintenance	2	0	1	1	0
	25%	0%	75%	0%	0%
8. purchasing – HR Management	1	0	3	0	0
	25%	0%	25%	0%	50%
9. availability of stock	1	0	1	0	2

What challenges do you think face e-retailers 23. today?

	Number of Responses	Response Ratio
Improvement in terms of navigation	2	50%
Designing our website around customers' likely action patterns through observing what the customer does,	1	25%
Customers' easy access to contextual help	1	25%
Fast technology change	1	25%
Competition with first world countries with more advanced technology and resources	0	0%
Language barriers leading to limited expansion in other countries	1	25%
Shifting regulations and distribution and logistics hassles	2	50%
Other, Please		

VIEW

Specify

0 0%

Below is a list of factors identified by Ernest and Young as important to a customer when purchasing on the Internet. Rate according to the importance in the implementation and operation

24. of your website.

The top percentage indicates total respondent ratio; the bottom number represents actual number of respondents selecting the option

	1 important	2 not important	3 very important
1. Security of sending credit card information over the net	25% 1	0% 0	75% 3
2. Ease of finding your way around the site	25% 1	0% 0	75% 3
3. Getting latest produce information and newest products	50% 2	25% 1	25% 1
4. How well products and their use are described	0% 0	25% 1	75% 3
5. Ability to do comparison shopping	25% 1	50% 2	25% 1
6. Ability to ask questions and get answers online	25% 1	25% 1	50% 2
7. Number and variety of products available for purchase	25% 1	25% 1	50% 2
8. Merchandising/organization of products at the site	0% 0	25% 1	75% 3
9. Lower prices than in traditional shops	0% 0	50% 2	50% 2
10. Ability to link to other websites with related information	0% 0	75% 3	25% 1
11. Overall speed of process	0% 0	0% 0	100% 4
12. Ability to have sales experience tailored towards needs	25% 1	25% 1	50% 2
13. Ability to share information with other online visitors	0% 0	75% 3	25% 1

Give an indication of your company's proportion of sales achieved via the Internet.

	Number of Responses	Response Ratio
high = 75% - 100%	1	25%
average = 45% - 70%	2	50%
median = 15% - 40%	1	25%
low = 0% - 5%	0	0%
Other, Please Specify	0	0%
Total	4	100%

VIEW

Appendix F

INTERVIEW CONDUCTED WITH MR ELRED LAWRENCE BY LUCY NWOFFIAH

COMPANY: PICK 'N' PAY SUPER MARKET
POSITION: BUSINESS SYSTEMS MANAGER
DATE: 23 FEBRUARY 2005
TIME: 11:30

Q: WHAT IS YOUR POSITION AND RESPONSIBILITY IN THE COMPANY?

A: My title is the business systems manager of the company which means that I basically relate back to the business, find out what the issues and problems that needs be resolved through IT systems and then define, document and pass them through to the IT to work or act on them. But my specific role is to deal with issues relating to e-commerce in the business.

Q: WHAT ARE YOUR EXPERIENCES IN TERMS OF E-COMMERCE AND E-BUSINESS IN THE COURSE OF PERFORMING YOUR DUTY?

A: I was the technical architect in the implementation of the Pick 'n' Pay shopping site. I've been with them since last year in implementation and was also involved in previous projects.

Q: WHEN DID PICK'N PAY DECIDE TO MAKE A MOVE AS NOT ONLY A RETAIL SHOP OR OUTLET BUT TO INCORPORATE E-RETAIL BUSINESS?

A: In November 2000.

Q: HOW HAS IT BEEN SO FAR?

A: It has been complex, *difficult, painful, challenging and exciting*. It's very difficult marketing invention. The advantages from pick and pay perspective (my own perspective) is that *you already have the brand and also people understand the brand but the disadvantage is that the brand has already been created in terms of it being something that you dare not break* so in whatever you do you have to consider the fact pick and pay is in question and you also have to be exceedingly *careful in whatever decisions you are taking so the business will not crumble resulting to starting a B2C site from the scratch. Set your own rules and set your own brand.*

Q: WHAT NEW STRATEGIES HAVE YOU BEEN ABLE TO INCORPORATE IN THE MARKET THAT OTHER E-RETAIL BUSINESSES DOES NOT HAVE AND WHICH MAKES YOU OUTSTANDING?

A: Sad to say *not much* because technology is such as these days that you can buy anything at any level essentially. If you start an e-retail site today, your competition could start up today and being at exactly at the same place we are without any difficulty. The only true advantage right now, we will maintain that for awhile is if you went into our home shopping site, over the years we've *collected huge amount data of our customers* and unlike Clicks stores we don't know who is spending in our shop because we *don't have club card* etc but what we do know that is that customers come in and pay

with credit card/debit card/cheque and we know what that person has bought because *we can link the card with the items bought. Like if you come into our shop and say here's my credit card, we can prepare the shopping list for this customer.* One our newest added services is the Go Banking. Apart from that, it's not much but we have big *plans to start offering services you find in our traditional shops like in incorporating third party payments - SABC TV license, payment of electricity, airtime etc that you can do in our traditional shops and that will obviously it will give us a strategic advantage.*

Q: WHAT ACTUALLY LED TO PICK 'N' PAY'S DECISION TO GO INTO E-RETAILING?

A: Essentially I will say *it is a strategic move* because we are proud to be known as one of the leading e-retailers in the country. Being on the lead comes from our technology and also from our stores plus all sorts of reasons. We offer a whole menu of services if you come into our stores many things that we do that you can't do with our competition. We therefore see this as *an additional service* which we offer to compliment all the rest of the services and keep us in the lead.

Q: DOES ALL YOUR SUPER MARKETS OFFER E-RETAIL SERVICES OR DO YOU HAVE CERTAIN SUPER MARKETS AND STORES THAT DOES THAT?

A: Our module is such that we identify key stores in key areas that we put out there in order to follow our customer orders. In the Gauteng region we have four stores that we use. Also in the Pretoria area there are about six stores, two in Cape Town and one in the Durban areas. It depends on the density, region and the requirements of the customers.

Q: COULD YOU EXPAND ON THE IMPACT OF INTRODUCING E-RETAILING IN YOUR COMPANY?

A: It is not a great profit to be honest; it costs a lot of money to run so it really becomes prospective strategic decisions. There are very few modules in the world where people are making money from a retailer doing e-retailing businesses. Standalone retailing has almost disappeared internationally because people who started can't make it. *The difficulty comes around physical delivery.* Any physical buying of goods on the Internet requires delivery and it requires a *lot of cost* to such. That's why people who are leading in *Internet retailing are people that deal in goods such as books, records, flowers, things that does not require much delivery.* They make use of other peoples delivery mechanisms. Any physical shopping of goods using the Internet requires delivery and in the case of large bulky products they are very expensive.

Also the *cost of fulfilling orders is very high* and also Internet shopping has become something that you have to adopt and execute which also is very complex. It has impacted our business activities because it is very real and we have to implement processes in those stores and make sure it works.

We also had to become partner-partner with other companies such as, outsourcing to a delivery company. We outsourced the development and maintenance of the website of the company site to a company, we've outsourced the call center through developing new business partnerships.

Q: DOES PICK 'N' PAY OPERATE ONLY LOCALLY OR ALSO INTERNATIONALLY?

A: We own Franklins in Australia and half of a big retailing company in Zimbabwe otherwise we are just local.

Q: WHAT CATEGORIES OF PRODUCTS DOES PICK 'N' PAY SELL ONLINE? DOES IT RANGE FROM GROCERIES TO HARDWARE?

A: It is. Our initial decision was to make sell products ranging from what you can obtain from our traditional-shops. They include CDs, pool acids, electrical goods and things like that, but not Fridges and Stoves. However, that is the beginning, we have established a separate site where we can sell fridges and stoves other than the hypermarkets but it is not doing great. It is one of the things which we want to implement into one site so that we can have *a-one-stop-shop*.

Q: HOW ARE YOU ABLE TO IDENTIFY WHO BUYS ONLINE?

A: Because of Internet *security we do not hold credit card details on or site*. However when the purchase is made, it's complex. Because we have a *store model from which we fulfill*, we actually take the payment in the store from the credit card and link it up in the normal way.

Buying online is standard as people *have to register and that is how you get to know who they are*.

Q: WHAT KIND OF CUSTOMERS DO YOU EXPECT TO PURCHASE FROM YOUR ONLINE STORES?

A: In our business module we expect it to be people between the *ages of about 25 and 35*. We also expect that they should be *fully employed*, essentially be *computer* or *Internet literates* and also have *access to the computer/Internet either at work or at home*.

We found that majority of our *users are female and mothers* with babies or small kids are on top of our list and maybe mother that just *had a baby or whose children are small and do not like going shopping*. We have also found that about 80% of our customers on the site are *English-speaking* but I think this is *because of our marketing and not because of demographic*. Our online customers also include maids. The funny ones we found are that 70% of our customers have dogs and about a few (30%) have cats.

Q: BASED ON THE STATISTICS OF PEOPLE PROBABLY FEMALES AND MOTHERS THAT VISIT YOUR SITE AND MAKE PURCHASES, WHAT KIND OF PRODUCTS OR SERVICES DO THEY PURCHASE?

A: The statistics we found is that it takes about four shops to become a regular shopper. If our frequent shoppers tend to stay, they buy everything. The goods purchases ranges from toothpaste, toilet papers etc. We have also found that our customers spend more at a single time on home shopping than they do if they went to the stores. For instance, where a person goes to the shop and spends R300, we found out that they spend an average of a home shopper spends at about R12 a day on the online shop which is basically on items needed for about a month and then do the rest of the shopping at the convenient time. The reason is because the delivery fee is R45 which means that the same amount is paid for the small goods and the big ones too.

Q: IS YOUR STATISTICS NOT MADE UP OF OLD AGE PEOPLE?

A: We do have but they are very few in number. We try to market to old age homes but it is *not very successful*.

Q: HOW DOES THE COMPANY HANDLE THE ISSUE OF SATISFYING CUSTOMER VARIETY OF NEEDS THROUGH E-RETAILING?

A: Because of our business model, our customers purchase from our physical stores and because of this, the whole business is organised around *providing variety for our customers*. So we do say to customers that whatever is in the stores is what they can buy. We can't say to them that you can only have Algold instead of providing them with Koo. Therefore we would say that we *offer full range*.

We need to integrate some services, such as general merchandise, and entertainment sections, Go banking. We need to integrate some services that run across. So that all our Go Banking customers can shop online and pay their fines bills etc.

Q: LOOKING AT YOUR FINANCIAL REPORT OF 2004, THE TRADING PROFIT INCREASED BY ABOUT 15.9%, WHAT PERCENTAGE OF THE PROFIT IS GENERATED FROM YOUR E-RETAIL BUSINESS?

A: It is *very small*, about *0.21%*. It's millions but very small.

Q: IS ANYTHING BEING DONE TO IMPROVE THIS PROFIT?

A: Yes. We are busy now with the process. The site online went live in March 2001 was our 1st retail store online, which is four years now and it was still have the same site and service. We are going through the process that would improve it a little bit in entirety to attract more customers. The steps include:

We have got 121,000 registered customers on the net. That is fantastic but only about half of these people actually shop on the Internet, so people just

register but have not shopped. The view is not to only attract these people to the site but to also make them to start shopping. It doesn't help us to advertise on radio etc rather we try to market to them directly, find out what is stuck in them and also try to improve the site in order to attract them. So, if we get those people in we'll improve the profit and that is the logic.

Q: DO YOU KNOW WHAT COULD BE THE REASON WHY SOME PEOPLE WHO VISIT YOUR SITE DO NOT SHOP?

A: Yes we know. We have asked these questions and some have responded to it. A lot of them just think that the site is a little bit unreal. For instance the *registering processes takes a long time to complete* as it is about three pages. We have cut it down to about a page making it *easier to register*. Although online shopping process is always very complex and very difficult, we think that we've got it right. There are at least about 20,000 products which you can choose from. In order to present these in a way *that makes it easy for the person to go from e.g. buying shampoo for the baby to baked beans for the braai*, we have to find a way to present the *layout* nicely to the buyer. At the moment we have presented it relatively simple but we need to re-look at that in terms of *speed more than the layout*. We need to increase the speed rather than concentrating more on the layout.

Q: IS E-RETAILING WORKING FOR THE COMPANY AND IN WHAT WAYS?

A: Yes it is working and it is becoming more established. Going to its fifth year tells me that it's working and it's settled. This process is working out nicely and we are very proud of it.

Q: DOES E-RETAILING WORK FOR YOUR COMPANY IN TERMS OF ADVANTAGES AND DISADVANTAGES. WHAT ARE THE WAYS IN WHICH E-RETAILERS SUCH AS YOUR COMPANY CAN ATTRACT MORE CUSTOMERS?

A: It is called *service, service, service!* And we haven't even really scratched that. We need to find ways to really cater for people. For instance, one of *our biggest problems is being out of stock*. From the site we tell the customer that he/she can get about 500ml All Gold tomato sauce but on the day he goes to the store to buy it, he does find none in the shelf. So what do we do? We don't want the customer to use Koo because she can't find what he/she originally wanted. We will now say ok we can get her a smaller bottle. Initially this customer is usually fine with it, but this might make us loose such a customer. So, we try to second guess what our customers want that we have not got in stock. As an e-retail company the first thing we need to do is to make sure that we are *not out of stock* and this is one of the bad issues facing the company and we need to resolve that.

Also we need to find a way of not irritating our customer. On the site our customer can say that she would take this substitute but in the store she would say that she would take something else but to substitute it, must be of this particular range. So, we need to have simple things available that will make it easy for the customer to choose from.

I will go back to delivery. ***Delivery is always difficult*** because we tell our customers that we would get to their house at about 10am or 11am tomorrow but then we do not make it at time maybe because there were other deliveries to be made before hers. In this way, we are loosing customers so we need to find ways to improve our services, and if we say that we are doing something, we should go ahead and do it. When we overcome these two major problems ***out of stock and delivery*** we will be ahead of other people in the business as it is a common problem in the market.

Q: LESSONS LEARNT FROM BEING IN THIS POSITION OF MANAGING AN E-RETAIL SECTION OF THE COMPANY

A: It is the most incredible difficult thing to do. That little e-bubble that everyone is saying... The entire thesis that you read at the University, every single magazine that you picked up was absolutely adamant saying that Clicks will replace Bricks but I can tell you now from my experience, ***Clicks will never replace Bricks, never.*** Essentially in a very short space of time a lot of the original thinking was disproved. Now what we have to do is to ***find a new way to integrate the clicks with the bricks so that people can have the same experience they have in the traditional shop online also.*** This will help ***to have a choice on which medium of shopping to use.***

Q: HOW DOES THE BOARD OF DIRECTORS SEE THIS SECTION OF PICK'N PAY BUSINESS – E-RETAILING?

A: They will like to see it adding a lot to the bottom line to the company. And hence ***improve*** more, get more customers and help change the way people see Pick 'n' Pay.

Q: HOW DOES YOUR EMPLOYEES SEE THIS SECTION OF PICK 'N' PAY BUSINESS – E-RETAILING

A: It's interesting because unless you are in one of the stores where you are directly affected, ***I don't think many of the employees know too much about it.*** And it sounds strange but if you consider we have 35 000 people in the company and of those 2000 have access to computers, I honestly don't believe that it's been thought out very well. It's sad but that's the way it is.

Q: YOU DO HAVE INTERNAL MAGAZINES THAT YOU USE TO MARKET AND ALSO CREATE AWARENESS TO BOTH CUSTOMERS AND EMPLOYEES?

A: Yes, we do, plenty in the company. On occasions some marketing is done through that for e-retailing. Our home shopping division also runs an electronic magazine that we send to our customers not necessarily employees. We also have one that is on the Intranet, so anyone who has access to computer within the company can access the Internet magazine if they want to.

Q: HOW DOES PICK 'N' PAY MANAGE QUALITY OF INFORMATION, SERVICE/PRODUCT?

A: By being picky, picky picky. It's a **very difficult thing to do**. If we look at the quality of service in the store and I will go back to the fact that we have 35000 people in our stores. It's very easy for the CEO to say, we don't want customers standing in queues in our stores, which is one of our five promises. But that's very **difficult to implement**. It's easy for us to say we guarantee we will deliver in the stock time, we promise that. The only way we can get anywhere near there is to measure how close you are as opposed to whether you actually achieving it. Because it is by **constantly reviewing**, so you have to keep going back, look at the **business processes change them if necessary, re-learn, re-motivate, re-teach them to the people**. And that goes for the quality and cleanliness of the store.

Q: WHERE DO YOU THINK E-RETAILING IS GOING?

A: If I look at the way retailing is going. We tend to follow the retail pattern. Retailing is moving towards **convenient store, close to where you live, ease of preparation for you**, not going to slice and dice because people want **instantaneous satisfaction, high quality product, convenience**. Looking at that model, if you link e-retailing to that, that model says that we should be able to link into that. This shows that we should be to be **delivering the services as quickly to customers** as possible.

The issue we have in SA and Africa in general is that we have relatively small population and relatively wide spread areas are not the high densely populated and our supplier chain is very long that we have to move things from Durban and Cape Town, where is in the European market and the big cities there is more chances of its success because everything is so densely populated. I still think their will be a segment in the market who actually will choose to do e-retailing and huge segment that will want to just walk down the street rather than e-retail purchases.

Q: WHAT IS YOUR BIGGEST CHALLENGE, WITH REGARDS TO YOUR EXPERIENCE IN THE E-RETAIL BUSINESS?

A: **Change management both internally and externally**. Getting people to understand what you are trying to do, justifying it. Technology is easy but change management is difficult.

Q: HOW DO YOU THINK THESE CHALLENGES SHOULD BE HANDLED TO MAKE THE BUSINESS A SUCCES IN THE FUTURE?

A: I think we have to be responsive to consumer needs. When I look back four years ago, when we started up, we had to believe in the way people would respond to customer need and we essentially structured our business model within those needs. There wasn't this huge movement from bricks to clicks as anticipated at the time and yet there's a whole need for people to be dealt in a different way. As I explained to you, we have to deal with people in a way that they will appreciate. We should rather try not to be a follower than a

leader. We should try to *anticipate* some of those *needs* and *be ahead of the game*. *If you are always following, you will always going to be a three hundred thousand miles people behind you.*

Q: HOW DO YOU HANDLE INTERNAL CHANGE MANAGEMENT

With great difficulty, *internal change management has to deal with continuous to communication*. You have to keep on telling people what you are doing and make sure the message sits in, the sad thing about it is, by the time they get it, you've actually moved on ten paces.

INTERVIEW CONDUCTED WITH MR MOJEED BIOBAKU BY LUCY NWOFFIAH

COMPANY: WOOLWORTHS
POSITION: SENIOR SYSTEMS ANALYST
DATE: 23 MARCH 2005
TIME: 11:30

Q: HOW MANY EMPLOYEES DOES WOOLWORTHS HAVE?

A: Head alone hold more than 2 000 employees, more than 130 stores within the country. We are moving to other countries like Nigeria, Ghana, Zambia, Lesotho, Botswana, Dubai, Tanzania. The head office is here in Cape Town and we supply to other stores.

Q: WHAT IS THE EDUCATIONAL LEVEL OF YOUR EMPLOYEES ARE?

A: It varies. *Mostly standard Matric.* Quite a good number of them with Matric with *experience* and others have tertiary educational.

Q: HOW LONG HAS WOOLWORTHS BEEN IN BUSINESS?

A: I do not have the information off hand, lets say more than 30 years. Mark & Spencer (sister company) in Europe, most of the clothing you see in Wooltru are supplied by Mark & Spenser's suppliers.

Q: IN TERMS OF E-RETAIL BUSINESS, WHEN DID IT START?

A: Immediately after the Y2K trend. Inthebag manages our electronic business. Partially owned by Wooltru.

Q: WHAT IS THE EFFECT OF THE E-RETAIL BUSINESS TO YOUR PHYSICAL STORE

A: Initially the anticipation wasn't really what it is. We thought it was going to take away substantial part of the traditional shop but it wasn't. *People see shopping as an entertaining thing and experience and not just buying goods.* People also want to *socialise*. I don't think the impact is much. The same people that order via online also shop on the traditional shop. For example, having a Woolworths café is there to serve the customers need to sit down and socialise before or after shopping and see all the activities happening around them. Because of the trend and how people see shopping, it really did not take people way from the traditional shop.

People buy emergency good from the Internet. They still go out on weekends to do weekly or monthly shopping, *this is part of socializing and not just shopping.* For food it's easy but also clothing, people want to try it on.

The fear people are having is that people will loose their jobs in the shops due to that, but it is negligible. *E-retailing is still an add-on.*

Q: AT WHAT STAGE WAS E-RETAILING INCORPORATED INTO WOOLWORTHS BUSINESS MODEL?

A: Woolworth's started development long time ago. We had a vision prior to the Y2K. When the Internet boom started, we saw it as an opportunity and thought that there is a need for e-business *not just a means of communication but do business.*

Q: HAS IT HAD ANY EFFECT IN TERMS OF BEING KNOWN WORLD WIDE OR INTERNATIONAL?

A: That is actually a big part of e-business. That is the symbol we used to market ourselves worldwide. *Provided opportunity for Woolworths to be known worldwide.* Helps us to *mange our franchise stores*, especially our overseas partners do not need to travel down and make purchase rather they can order online.

Q: WHAT LED TO THE MOVE TO E-RETAILING?

A: *Competition* is one and because it's a global thing. The company want to make money and also want to be the leader in what we do (*competitive advantage*) over our competitors.

Q: DOES IT OFFER CUSTOMERS VARIETY OF SERVICE?

A: *Offers them varieties but they have limited varieties of products.* Because *some services cannot be carried out offered online e.g. clothing because customer wants to try that on first before purchase.* But there are other services we offer them e.g. *financial services, check their accounts*, log a call, make enquires. These are the advantages the e-business actually to Woolworths.

Q: DO YOU HAVE ONLINE TECHNICAL SUPPORT?

A: We don't have online support but we have a system purely for *customers where they can log a call and track the status of their order or queries with there reference number.* It makes it much easier for customers and the technical support to be able to manage the call until that call is closed, without being neglected.

Q: IS YOUR INTRANET SITE FOR YOUR STAFF AND CUSTOMERS?

A: No, it's only for staff who are allowed to log into the network with their password.

Q: DO YOU HAVE ANY FUNCTIONALITY THAT ALLOWS YOU TO KNOW WHO YOUR CUSTOMERS ARE?

A: Yes, we have the Woolworths card for our customers which will hold all their information. With that we build our customer database. This helps us to where our customer's shops and which products they purchase and which

ones they enquire for. But we cannot track all non card carry members, that is, customers that walk in and buy with cash. So what we've done is to extend that functionality to non-card members. We launch the CK Project sometime, so we give every person that comes to the shop a card. It's a form a *loyalty reward* that offered to all customers. After a period of time these customers that have accumulated certain point will now be rewarded with a voucher based on how much they have spent in the shop. We use that to *track other Woolworth's non-card carrying members*

Q: DO YOU USE ANYTHING LIKE ONLINE NEWSLETTER?

A: Yes we have online newsletter to lunch information to our customers. If there is any problem we *use that to reassure customers that any problem at hand will not affect them.*

Q: HOW DO YOUR CUSTOMERS PERCEIVE YOUR ONLINE SECURITY MEASURES?

A: I do not have the full detail information and view of the report that deals with customer satisfaction. I can speak as a Woolworths customer yes it is secure. We so have some downtime as well but there is nothing major but we handle it and make sure it does not affect the customers so that we could loose them

Q: DO YOU THINK HAVING AN E-RETAIL BUSINESS HAS HELPED IN INCREASING YOUR CUSTOMER DATABASE?

A: Yes, it has a little bit. It hasn't taken customers away from the floor. We have people because of distance who are in the remote area or do not shop frequently, the online store have helped to bridge that gap.

Q: WHAT GROUP OF PEOPLE DOES WOOLWORTH TARGET WITH ITS ONLINE SHOP?

A: The target market is the food market, people that really enjoy quality food. We have increase to garment as well but our primary target is food customers.

Q: WHAT DO UNDERSTAND ARE YOUR CUSTOMERS NEEDS?

A: In terms of customer need, it varies. Woolworths has a vision which one of them is customer satisfaction which is our priority. To give our *customers value for their money.* In as much as we also focus on quality, also give customers value for their money so that they can come back.

Q: HOW DO YOU COPE WITH COMPETITION TO ABLE TO BE ONE OF THE LEADING RETAIL BUSINESSES IN THE COUNTRY?

A: The way to deal with competition is always to be ahead of your competitors, look are what we are doing and studying the market reaction to it, frequent

checking of the market share. We are all in the industry going for the same customers so checking that will help the market share not to drop.

We have a department that studies what is happening (Business development department) out there and keep the company up to date. They can come up with new product or initiative for the company. With that, Woolworths is able to maintain their lead in the market without being off the track with new strategies that could be tested and implemented. This also helps on how to improving our services and also in launching new products.

If you listen to your customer complains and ideas you will be able to understand their needs and try to satisfy those needs. The most **important** for us is **availability of products**. And also try to make it **value for money** and not just availability, we have to **align** it somehow. For example if a customer wants an item or food and its out of stock, that does not portray a good image of the company because we not abiding to our stated vision which like I mentioned is satisfying customer needs and make the **customer happy and also get more customer**. This will also push our customers away.

Q: HOW DOES YOUR DELIVERY POLICY WORK?

A: Woolworths has a policy that says that whatever you buy and your location, there is delivery fee to it. As soon as customer logs on, one of the profiles the customer has to fill in is the location. The turn around time is 24 hours.

Q: WHAT CHALLENGES DO YOU THINK FACE E-RETAILERS TODAY?

A: From my view, I think is the technology itself because systems **change** very quickly. **System management, viruses attack**, all the technical issues which handicap the business because they cannot do anything about it. **Technical issue** is the main issue; **uptime cannot be guaranteeD, low download/view of the webpage, online/offline connectivity**. Again for example with order, a customer wants a red shirt, yes you have the stock but when the customer clicks he/she doesn't get anything because somehow the catalogue is not updated yet, things like that.

Also the **security** to some extent and the **competence of the user itself**, which is not Woolthworths problem but it's all technical problems. Also **making the interface user friendly and easy navigability**

Q: CAN YOU GIVE ME AN INDICATION OF HOW MUCH THE INTERNET SALES HAS CONTIRUBUTED TO THE COMPANY?

A: I do not have the statistics at hand but I can get it for you some other time.

Q: WHAT HAPPENED TO INTHEBAG?

A: There was a whole of repositioning of the business a couple of 4years ago. Wooltru was part of the business and when they pulled out and bringing in Inthebag. Woolworths had to re-engineer and they had to go through

downsizing some departments and sections as the logical thing to do. To incorporate sections of the company into departments. because Woolworths cannot manage two different companies at the time. It wasn't Woolworths decision then. In terms of running a separate company wasn't working for the company but I see it going back to Inthebag

There will be new things happening in the company soon because Woolworths wants to establish more in Africa and become number one in Africa especially food. In next two years it will grow more.

INTERVIEW CONDUCTED WITH MR YAHYA PATEL BY LUCY NWOFFIAH

COMPANY: MUSICA
POSITION: E-COMMERCE MANAGER
DATE: 30 MARCH 2005
TIME: 10:30

Q: CAN YOU BRIEFLY TELL ME ABOUT SOME OF YOUR ROLES IN THE BUSINESS?

A: Am the e-commerce manager for Musica head office. I manage the e-commerce side of the business.

Q: WHEN DID YOUR COMPANY MAKE A MOVE TO BECOME AN E-RETAIL STORE?

A: When we saw that there was a demand for it. Also when we needed to add something to the business that we think will attract more customers to our stores.

Q: WHAT HAS LEAD TO SUCH MOVE? WAS IT STRATEGIC?

A: Absolutely. Initially we never knew that going online would put us ahead of our competitors and like I said we wanted our customers to keep coming back and possibly new one will also come in.

Q: IN WHAT WAYS HAS YOUR COMPANY INCORPORATED THE INTERNET INTO ITS BUSINESS OPERATIONS?

A: Online retail sale is one of it. Where we offer various products and services to our customers, like selecting a particular track and listening to it before purchase, instead of having to listen to all the CD/album or buying the entire CD track with undesired tracks on it. We use the Internet to keep track of our customers and their rating of our services. We use the Internet for research purposes, find what is new in the industry, how it is working for different companies and maybe incorporate that at some stage.

Q: HOW HAS THE INTRODUCTION OF E-RETAILING IMPACTED ON YOUR COMPANY'S BUSINESS ACTIVITIES?

A: It has impacted positively on our sales and in our customer relations. Also we now have a presence worldwide through our website and it has helped in bringing our international customers especially Africans all over the world to. They can purchase our Africa music/products from us.

Q: WHAT CATEGORIES OF PRODUCTS DOES MUSICA SELL ONLINE?

A: Music, DVD, digital downloads, ringtones, MMS, games, gift vouchers, online magazine. We will be introducing movie digital download soon.

Q: HOW DO YOU KNOW WHO BUYS ONLINE?

A: Our customers have to register firstly if they want to carry out a transaction on our site. Also our Pulse magazines attracts readers who do not actually purchase on the site but just to read some updates in music maybe.

Q: WHAT KINDS OF CUSTOMERS DO YOU EXPECT TO PURCHASE FROM YOUR ONLINE STORE?

A: Anyone. If you love music, have a cellphone, you are welcome. We've actually found out that students visit our site more. You know they like free stuff.

Q: WHAT PRODUCTS AND SERVICES DOES YOUR CUSTOMERS OFTEN PURCHASE?

A: Music, DVD, ringtones

Q: HOW DOES YOUR COMPANY HANDLE THE ISSUE OF SATISFYING CUSTOMER VARIETY OF NEEDS?

A: Listening to our customers. Asking for their opinion on our services and how they feel we can add value to their needs. We also try to add variety on the website, e.g we've categorised our music according to genre, artist. We have a search facility. All these are what our customers need. Very importantly, we have to be up to date with our music and update the site as soon we get verification from our sources. We try to let our customers hear and download the latest music/DVD first from us.

Q: WHAT WAYS DOES YOUR COMPANY ATTRACT MORE CONSUMERS AND ALSO GAIN A COMPETITIVE ADVANTAGE OVER RIVALS IN THE SAME SECTOR?

A: I think my previous response did cover that.

Q: WHAT WERE THE CRITICAL COMPETENCIES NEEDED TO MAKE THIS WORK?

A: Being the best in what we do. This we do by having the best support staff. We always do research and be up to date with both our national and international competitors.

Q: WHAT HAVE YOU LEARNT FROM THIS EXPERIENCE OF MANAGING AN E-RETAIL BUSINESS?

A: Very challenging. I have learnt that customers are the reason we are in business today, so satisfying their needs is very essential.

Q: HOW DOES MUSICA MANAGE QUALITY GENERALLY (QUALITY OF INFORMATION, PRODUCTS AND SERVICES)?

A: Like I mentioned earlier. Being the best in what we do. This comprises of providing our customers with good products and services.

Q: ON YOUR WEBSITE, CUSTOMERS HAVE MORE APPROPRIATE VARIETY.

A: Yes. You can visit our site and see for yourself

Q: WHAT CHALLENGES DO YOU THINK FACE E-RETAILERS TODAY?

A: The fast technology change is the biggest challenge. The developed countries are ahead and by the time we try to get at least a quarter of where they are they've moved 5 paces away from us. Our *bandwidth and telecommunications* systems are also a challenge which affects both our customers and our business. For example, we want to introduce digital movie download, if a customer does not have the appropriate connection, they will not be able to enjoy such service. *Shifting regulations* and the processes involved also a challenge.

Appendix G

Directory of retail web sites in SA

1 Market 4 All	www.1market4all.com	arts and crafts
5 Star Pawnshop	www.5starpawnshop.co.za	classifieds/comparison/pawn
A Gospel Shop	www.gospel-shop.co.za	specialist - general
AA Biltong	www.lekker.freezerservers.com	food, beverage, groceries
AACA Music	www.aaca.co.za	sports, rec., outdoor, hobby
Abba Moosa Wholesalers	www.orientaldeflight.co.za	food, beverage, groceries
Accessories Tosh	www.tosh.co.za	jewellery
Accessories.za.com	www.accessories.za.com	apparel
Ace Wholesalers	www.acewholesalers.co.za	general
Active Cellular	www.activecellular.co.za	electronic and cellular
Ads for Africa	www.afrjads.co.za	general
Adstyle	www.adstyle.co.za	home and garden
Adult Zone	www.adultzone.co.za	specialist - adult
Advanced Business Systems	www.absystems.&n.com	hospitality
Affordable Baby Concepts	www.affordablebabyconcepts.co.za	health, beauty, baby
Africa Origins	www.africaorigins.co.za	gifts
African Crystals	www.africancrystals.com	jewellery
African Gemstones	www.afrgems.co.za	jewellery
African Gifts	www.africangift.net	gifts
African Online Shop	www.over2u.com	gifts
African Rock and Crystal	www.africanrockandcrystal.com	jewellery
African Rooibos Tea	southafricanroobosteaa.com	food, beverage, groceries
African Sandals	sandals.freeyellow.com	apparel
African Sewing Machine Co.	www.afrsew.co.za	home and garden
African Touches	www.africantouches.com	gifts
Africansandal.com	www.africansandal.com	apparel
Africaplus.com	www.africaplus.com	Africa
AfricaRead	www.africaread.com	books
Ahlan Wasahlan	www.ahlan.co.za	specialist - general
Airgun	www.airgun.co.za	firearms
Alexanderfontein wine store	www.alexanderfonteinwines.co.za	alcohol
Alfa Bakery & Confectionery	www.alfabakery.com	food, beverage, groceries
All Continents	www.allcontinents.co.za	home and garden
Allied Arms	www.alliedarms.co.za	firearms
AlmostBare	www.almostbare.co.za	lingerie
Alstroemeria	www.alstroemeria.co.za	flowers
American Swiss Jewellery	www.americanswiss.co.za	jewellery
Amor-Lingerie	www.amor-lingerie.co.za	lingerie
Ananzi Auctions	www.ananziauctions.co.za	auction
Ananzi Flowers	www.netflorist.co.za/ananzi	flowers
Ananzi Shopping	www.ananzishopping.co.za	general
Andan Mattresses	www.andan.co.za	home and garden
Andrea Semples Topiary Creations	www.topiary.co.za	flowers
Angel Fashion Accesories	www.angelfashion.co.za	apparel
Anrogift	www.anrogift.co.za	gifts
Apple Tree Gifts	www.atgifts.com	gifts
Appliance Africa	www.applianceafrica.co.za	home and garden
Appliance Online	www.applianceonline.co.za	home and garden
Appliances Online	www.appliancesonline.co.za	home and garden

Appropriate Clothing	www.appropriate.co.za	apparel
Aquacool Water Coolers	www.aquacool.co.za	home and garden
Aquarius	www.angelfire.com/ct/aquarius	home and garden
Artika Ceramics	www.artika.co.za	gifts
Ascot	www.ascot.co.za	home and garden
Ascot Direct	www.ascotdirect.co.za	health, beauty, baby
Aspen Promotions	www.aspenpromotions.com	arts and crafts
Assegai Trading	www.assegaitrading.co.za	specialist - general
Astor Cash & Carry	www.astor.za.com	food, beverage, groceries
Astro-Nuts	www.astronuts.co.za	food, beverage, groceries
At-Wine Wine Sales	www.at-wine.com	alcohol
AucorActive	www.aucoractive.co.za	auction
Auction Guide	www.auctionguide.co.za	auction
AuctionNet	www.auctionnet.co.za	auction
Austware	www.austware.com	home
Avondale Harp Enterprises	www.harps.co.za	music, movies, dvd
Avonlea	www.avonlea.co.za	apparel
Baird Technologies	www.bairdtech.com	stationery and office
Balloon City	www.ballooncity.co.za	sports, rec., outdoor, hobby
Balu Design Centre	www.balu.co.za	apparel
Bang & Olufsen - WP	www.beoshop-wp.co.za	electronic and cellular
Bargain Box	www.bargainbox.co.za	classifieds/comparison/pawn
Bargain Electronics	myweb.mailbox.co.za/bargainelect	electronic and cellular
Bamey's Belts	users.lantic.net/bdewet/	apparel
Batteries	www.batteries.co.za	electronic and cellular
Bed Zone	www.bedzone.co.za	home and garden
Beds-On-Line	www.beds-on-line.co.za	home and garden
Bellabianca Exclusive Handmade	www.bellabianca.com	apparel
Benmore Florists	www.benmoreflorists.co.za	flowers
Best Cut Butchery Group	www.bestcut.co.za	food, beverage, groceries
Bid or Buy	www.bidorbuy.co.za	auction
Big John Clothing Manufacturers	www.bigjohn.co.za	apparel
Big Save Cash & Carry	www.bigsave.co.za	food, beverage, groceries
Bigfoot Men's Shoe Store	www.bigfoot.co.za	apparel
Billies Biltong	www.cynet.co.za/billies/	food, beverage, groceries
Biltong2u	www.biltong2u.co.uk	food, beverage, groceries
BizPoint (Pty)Ltd	www.bizpoint.co.za	stationery and office
Black Coffee	www.blackcoffee.co.za	apparel
BlastZone	www.blastzone.co.za	gifts
Blomeyers	www.blomeyers.co.za	electronic and cellular
Bloomers of Knysna	www.bloomers.co.za	flowers
Blue Max (Pty) Ltd	www.bluemax.co.za	apparel
Boeremark	www.boeremark.com	specialist - general
Boland Wine Cellar	bolandwines.co.za	alcohol
Bonny's Best Buys	www.bestbuys.co.za	general
Books24	www.books24.co.za	books
Bouquet Online	www.bouquet.co.za	flowers
Bra Shop	www.brashop.co.za	lingerie
Brainpowergames	www.brainpowergames.co.za	sports, rec., hobby
Brandberg Crystals	www.crystals.co.za	jewellery
Broadway Arms	www.broadwayarms.co.za	firearms

Broadway Sweets	broadwaysweets.co.za	food, beverage, groceries
Bryanpark Mica Hardware	www.icon.co.za/~bpark/	home and garden
Bumblebeetuna Hairoes, Headdresses	www.bumblebeetuna.co.za	apparel
Bundu Creations	www.bunduclothing.co.za	apparel
Bushcamp Trading	www.Bushcamptrading.co.za	sports, rec., outdoor, hobbies
Buy Flowers Online	www.buy-flowers-online.co.za	flowers
Buy Gifts Online	www.buy-gifts-online.co.za	gifts
Buy-sa.com	www.buy-sa.com	African
CA Agencies	www.caagencies.co.za	gifts
CaCELL	www.cacell.co.za	electronic and cellular
Cameraland	www.cameraland.co.za	photographic
Can it	www.canit.co.za	gifts
Canimals	www.icon.co.za/~canimals/Welcome.html	gifts
Cape Hospitality Supplies	www.jaywalk.com/capehospitality	hospitality
Cape TV Spares - Africa's Spares	www.capetvspares.co.za	electronic and cellular
Cape Union Mart	www.capeunionmart.com	apparel
Cape Watchmakers Supplies, Tools	www.capewatch.co.za	jewellery
Cape Wine Gallery	www.capewinegallery.com	alcohol
Capensis	www.new.co.za/~capensis	flowers
Caperberry Corporate Gifts	www.caperberry.co.za	gifts
Captivity Headwear	www.captivityheadwear.co.za	apparel
Carbro Manufacturers	www.carbro.co.za	specialist - general
Cardies: Says it Best	www.cardies.co.za	gifts
Cards by Erica	www.geocities.com/zacardz	gifts
Cards for Africa	www.cardsforafrica.co.za	gifts
Cards.co.za	www.cards.co.za	gifts
Carlina - Lingerie	www.mjyn.co.za/carlina	lingerie
Carol's Creations	www.carolscreations.theshoppe.com	apparel
Carrol Boyes at Bits of Africa	bitsofafrica.com	home and garden
Carrol Boyes Functional Art	www.presenttime.co.za	arts and crafts
Casanova	www.casanova.co.za	apparel
Cash Converters South Africa	www.cash-converters.co.za/	classifieds/comparison/pawn
Cash Register Sales and Service	www.cashregister.co.za	stationery and office
Castor Creations cc	www.castorcreations.co.za	specialist - general
Cat Litter	www.catlitter.co.za	general
Catertrade	www.catert.co.za	hospitality
Cathby Trading	www.cathby.co.za	home and garden
Catherine Moore Classic Ladies Wear	www.catherinemooore.co.za	apparel
Catherine Tarr Couture	www.catherinetarr.co.za	apparel
Cavalli Ostrich Leather Products	www.cavalli.co.za	specialist - general
CBG Cap Distributors	www.cbg.co.za/	apparel
CBG Peak Caps, South Africa	www.webpro.co.za/clients/cbg/	apparel
Cbk heat	users.iafrica.com/c/cb/cbkheat/	home and garden
CCTV Toolbox	www.cctvtoolbox.co.za	electronic and cellular
CD Orders	cdorders.inext.co.za	specialist - adult
CDSelect Online	www.cdselectonline.co.za	music, movies, dvd
Celia Trading	www.celia.co.za	educational/toys
Cellitec	www.cellitec.co.za	electronic and cellular
Cellular.co.za	www.cellular.co.za	electronic and cellular
Central Liquors	www.centralliquors.co.za	alcohol
Central Products (Mitra's Amenities)	myweb.absa.co.za/mitri/	hospitality

Ceramics, Glass and Fancy Goods	www.baskets.co.za	gifts
Chacaro Gift Hampers	www.gift-hampers.co.za	gifts
Cheap Cigarettes Online	www.cheapcigarettes.co.za	tobacco
Chef Gear	www.chefgear.com	apparel
Chicco S.A.	www.chicco.co.za	health, beauty, baby
Chocolate Fantasies	www.chocshop.co.za	food, beverage, groceries
ChristmasCards.co.za	www.christmascards.co.za	gifts
Cigarette Domain	www.cigarettesdomain.com	tobacco
City Girl	www.citygirl.co.za	apparel
Classic Surf	www.classicsurf.co.za	sports, rec., outdoor, hobby
Classifind Ads	www.classifind.co.za	classifieds/comparison/pawn
Clean-Swipes (Mallard)	users.iafrica.com/a/ararros/	home and garden
Clippa & Berotex South Africa	www.clippa.co.za	tobacco
Cocobay Clothing Company	www.cocobay.co.za	apparel
CoCo-Bay Internet Auctions	sa.coco-bay.com	auctions
Cocopelli Frames ? now Jock's Indaba	users.iafrica.com/t/totitrus/	home and garden
Coffee.co.za	www.coffee.co.za	food, beverage, groceries
Commodore Distributors	www.commodore.co.za	food, beverage, groceries
Compupos	www.compupos.co.za	stationery and office
Cord-Less-Fones, Comptrs, CCTV, AV	cordlessfones.qjb.net	electronic and cellular
Corporate Gifts	www.corporategifts.co.za	gifts
Cosmos	www.geocities.com/cosmoinvestment	apparel
CritiKill Inc.	come.to/critikill	apparel
Crystals Online	www.crystalsonline.com	jewellery
CSAFin	www.csafin.co.za	food, beverage, groceries
Cybercellar	www.cybercellar.co.za	alcohol
Cyber-Chix	www.cyberchix.co.za	food, beverage, groceries
Cycle Lab	www.cyclelabshop.co.za	sports, rec., outdoor, hobby
D & H MILNER	www.icon.co.za/~dhrmilner/	apparel
Dales Bros Estate Agents, Auctioneers	www.dalesbros.co.za	auctions
Dandy Agencies	www.dandy.co.za	tobacco
Dave's Exclusive Handmade Gifts	www.exclusivegifts.co.za	gifts
De Blauwe Gans	www.deblauwegans.co.za	home
Deal McCoy Price Comp. Shopping	www.dealmccoy.co.za	classifieds/comparison/pawn
Designer Underwear Shop	www.designerunderwear.co.za	lingerie
Diamonds for Africa	www.diamondsforafrica.com	jewellery
Digital Cameras	www.mjvn.co.za/hd/digital_cameras	photographic
Digital Cameras South Africa	www.digitalcameras.co.za	photographic
Digital Designs & Systems	www.edeals.co.za	photographic
Digital Express	www.digitalexpress.co.za	electronic and cellular
Digital Mall	www.digitalmall.co.za	general
Digital World	www.wholesaledigital.co.za	electronic and cellular
Digitaloptics	www.digitaloptics.co.za	photographic
Dippenaar & Reinecke	www.dippenaarreinecke.co.za	apparel
Discrete Products	www.diskreetapteek.co.za	health, beauty, baby
Display House	www.displayhouse.co.za	home
DJStore.co.za	www.djstore.co.za	music, movies, dvd
Donna-Claire	www.donnaclaire.co.za	apparel
Dotshop	www.dotshop.co.za	specialist - general
DSF Enterprises	www.dsfoonline.co.za	health, beauty, baby
Duchess and Uniform Specialists	www.duchess.co.za	apparel

Ducko Processing	www.ducko.info	home
Durban Guns & Ammo	www.durbanguns.co.za	firearms
Dynamite Clothing	www.dynamiteclothing.co.za	apparel
Eagle Appliances	www.eagleappliances.co.za	home
Earth Addict	www.earthaddict.com	apparel
Earthbound	www.earthbound.best.cd	general
Easi-Lace Self Tying Shoelaces	www.easilace.co.za	apparel
Easybid	www.easybid.co.za	auctions
Easybuy.co.za	www.easybuy.co.za	food, beverage, groceries
Ebucks Shop	www.ebucks.com	general
Edgars	www.edgars.co.za	apparel
E-Diamonds	www.ediamonds.co.za	jewellery
Educational Toy Shop Online	www.educationaltoyshop.co.za	educational / toys
Educorp	www.educorp.co.za	educational / toys
Eikestad Vintique	www.vintique.co.za	alcohol
Electric Butterfly	www.flowerscape.co.za	flowers
Electronics Online	www.electronicsonline.co.za	electronic and cellular
Elegant Dining	www.elegant-dining.co.za	home
Eli Stroh On-line Auctions	www.elistroh.co.za	auctions
e-Lingerie	www.e-lingerie.co.za	lingerie
Elite cc	www.elitecc.co.za	food, beverage, groceries
Elleveto	www.elleveto.co.za	apparel
Elmulab	www.elmulab.co.za	photographic
Elna South Africa	www.elna.co.za	home
El-Paso Leather Shoppe	www.el-paso.co.za	apparel
EnergyZone	www.energyzone.co.za	health, beauty, baby
Enzer - Technology with Style	www.enzer.co.za	electronic and cellular
Eshelby Pianos	www.eshelbypianos.co.za	music, movies, dvd
Ethnicks	www.ethnicks.co.za	gifts
Ethnix	www.ethnix.co.za	apparel
Everblast Online	members.tripod.co.uk/everblast/	arts and crafts
Exact!	www.exact.co.za	apparel
Exclusive Books	www.exclusivebooks.com	books
Expo Liquor Wholesale	www.expoliq.co.za	alcohol
Express School Foods	www.esf.co.za	food, beverage, groceries
F T H Clothing	www.faithclothing.co.za	apparel
Fantasia Music	www.fantasiamusic.co.za	music, movies, dvd
Fashion Cabaret	mzone.mweb.co.za/residents/dwkleyn	apparel
Fast Pulse Malawi Coffee Distributor	www.fastpulsetrading.co.za	food, beverage, groceries
Female Undergarments	www.touchdesign.co.za	lingerie
Field Crest	www.fieldcrest.co.za	food, beverage, groceries
Fine Time Watchmakers, Clock Restore	www.finetime.co.za	jewellery
First Mail Orders	www.firstmailorders.com	home
FISA	www.fisa.org.za	apparel
Fishfinger	www.fishfingeronline.com	apparel
Flora Dora	www.floradora.co.za	flowers
Flora Niche Florist	www.floraniche.co.za	flowers
Florentines luxury Belgian chocolates	www.florentines.co.za	food, beverage, groceries
Florist .co.za	www.florist.co.za	flowers
Florist Online	www.floristonline.co.za	flowers
Florists (Ruby Mountain Flowers)	www.florists.co.za	flowers

Florists South Africa	www.floristsouthafrica.com	flowers
Flower Power	www.flowerpower.za.net	flowers
Flowers Online	www.flowersonline.co.za	flowers
Flowers.co.za	www.flowers.co.za	flowers
flyshop.co.za	www.flyshop.co.za	sports, rec., outdoor, hobby
Fold	www.fold.za.net	apparel
For Him Only	www.forthimonly.com	apparel
Foxy Fashion	www.foxy.co.za	apparel
Freeads South Africa	www.freeads.co.za	Classified ads
Freestyle Handmade Originals	www.veldskoekoen.co.za	apparel
Fresh Organic Duck	www.organicduck.co.za	food, beverage, groceries
Friar's Tuckaway Box Co.	www.decoupage.co.za	arts and crafts
Fudumeza Sheepskin Products	www.fudumeza.com	apparel
G & H Novelties	hixnet.co.za/home/ghnovel	gifts
Gadgetz	www.gadgetz.co.za	general
Gallery Africa	www.galleryafrica.co.za	arts and crafts
Game Stores	www.game.co.za	general
Garden Route Shop	www.gardenrouteshop.co.za	general
Gardenshop	www.gardenshop.co.za	home
Gerbil Gifts	www.gerbilgifts.co.za	gifts
Gerda's Clothing	www.gerda.co.za	apparel
Gift Candles	www.giftcandles.co.za	gifts
Gifts 4 Two	www.gifts4two.co.za	home
Gifts International	www.giftsint.co.za	gifts
Gifts of Gratitude	www.gog.co.za	gifts
Gifts SA.com	www.giftssa.com	gifts
Gifts4Africa	www.gifts4africa.com	gifts
Glen's Awesome Salad Dressing	www.glensawesome.com	food, beverage, groceries
Global Grinders	www.global-grinders.com	home
Glomail	www.glomail.co.za	general
Glowhead Glow Sticks	glowsticks.netfirms.com	gifts
Go-Digital	www.godigital.co.za	electronic and cellular
GOFUN	www.gofun.co.za	entertainment
Golden Footwear	www.footwork.co.za	apparel
Grand Shoe	www.geocities.com/grandshoestore/index.html	apparel
Grant Prix Unlimited	www.grandprixunlimited.co.za	apparel
Grapevine Postcards	www.grapevinepostcards.co.za	gifts and cards
Grasmere Ostriches	www.grasmereostriches.com	apparel
GS Vickers & co.	www.gsvickers.co.za	apparel
Guava - Bandanas	www.guava.co.za	apparel
Habits	www.habits.co.za	apparel
Haritex Online	www.haritex.co.za	cigarettes
Hawes and Curtis	www.hawesandcurtis.co.za	apparel
HeadoverHeels	www.headoverheels.co.za	specialist - adult
Hein's Leather	www.heinsleather.com	specialist - adult
Henry Williams Florist	www.henrywilliams.co.za	flowers
Herbafrica.com	www.herbafrica.com	food, beverage, groceries
Hi Fi Connection	www.hifico.co.za	electronic and cellular
Hide Design	hidedesign.co.za	apparel
HideWay Leather	www.hidewayneleather.co.za	apparel
Himalayan Handmades	www.kathmandu.co.za	apparel

Hirsch's	www.hirschs.co.za	home
Hi-Tec Magnum	www.hi-tecmagnum.co.za	apparel
Hi-Turn Sales	www.hiturnsales.co.za	gifts
Hobby Specialists	www.hobbyspecialists.co.za	sports, rec., hobby
HomeMark	www.homemark.co.za	home
Hooligans Kids Clothing	www.hooliganskids.com	apparel
House of Coffees	www.houseofcoffees.co.za	food, beverage, groceries
House of Nappies	www.houseofnappies.co.za	health, beauty, baby
Hyannis Port	www.hyannisport.co.za	apparel
IBS Premium Books	www.ibs.co.za	books
Identity Watch	www.identitywatch.co.za	gifts
iFlora	www.iflora.co.za/	flowers
iFlowers Internet Florist	www.iflowers.co.za	flowers
Image Creator	www.imagecreator.co.za	apparel
Imagemakers	www.imagemakers.co.za	apparel
Impact Video Online	www.impactvideo.co.za	music, movies, dvd
Ind-Lex Products	www.e-ostrich.com	apparel
Innerpiece	www.innerpiece.co.za	home
Interflora	www.interflora.co.za	flowers
International Coffee Equipment	www.icesa.za.net	home
Intersoft	www.intersoft.co.za	books
inthebag.com	www.inthebag.co.za	food, beverage, groceries
Intimate Toys South Africa	www.intimatetoy.com	specialist - adult
Investment Clothing	www.investmentclothing.com	apparel
Irie Hemp	www.iriehemp.co.za	apparel
Ithemba Gems	www.itembagems.co.za	arts and crafts
It's Africa	www.itsafrica-cc.com	apparel
Izami Florist - Bloemfontein	www.izami.20m.com	flowers
Jacques Janssens	www.jacquesjanssens.com	apparel
James Ralph (Pty) Ltd.	www.jamesralph.com	jewellery
Jasons Flowers	www.jasonsflowers.co.za	flowers
Jazz For Africa	www.jazzforafrica.co.za	music, movies, dvd
Jeep Clothing Stores	www.jeepstore.co.za	apparel
Jenna Clifford	www.jennaclifford.co.za	apparel
Jessica's Clothing	www.jessicas.co.za	apparel
Jill Indrio Importers and Exporters	welcome.to/jillindrio	apparel
Jim Green Footwear Online Shop	www.jimgreenfootwear.co.za	apparel
Jockey Underwear	www.jockey.co.za	apparel
Johannesburg Fresh Produce Market	www.jfpm.co.za	food, beverage, groceries
John Craig	www.johncraig.co.za	apparel
JollyJumbo	www.jollyjumbo.co.za	food, beverage, groceries
Jonsson Clothing	www.jonsson.co.za	apparel
Jumbo Cash and Carry	www.jumbo.co.za	general
JungleShop	www.jungleshop.com	classifieds/comparison/pawn
Junk Mail	www.junkmail.co.za	auction
Just Flowers	www.justflowers.co.za	flowers
Just Roses	www.justroses.co.za	flowers
Just You - Fashion for Executives	www.justyou.co.za	apparel
JustClothing	www.justclothing.co.za	apparel
JustGifts	www.justgifts.co.za	gifts
Kalahari Arms	www.kalahariarms.com	firearms

Kalahari.net	www.kalahari.net	books
Kalla Knitwear	www.kalnit.co.za	apparel
Kana's Wholesalers	www.kanas.co.za	apparel
Kaos Collectables	www.kaos.web.za	educational/toys
Kaoz-Afric Designers	www.kaoz-afric.co.za	apparel
Kaplan Wholesalers	home.tiscali.co.za/~20359599	apparel
Kartal Industry Wear	www.kartal.co.za	apparel
KaZoo Creations	www.kazoocreations.co.za	home
Keedo Childrens Clothing	www.keedo.co.za	apparel
Khaki Clothing & Corporate Wear	www.khakiclub.co.za	apparel
Kiddies Direct	www.kiddiesdirect.co.za	educational / toys
Kingdom Amenities Suppliers	myweb.absarnail.co.za/kingdomsuppliers	entertainment
Kinghorn Brushware	www.kinghorn.co.za	home
KINX Fetish	www.kinx.co.za	specialist - adult
Kitchen Garden	www.kitchengarden.co.za	home
Kitchens Systems Electrical	www.kse.co.za	home
Klein Karoo Co-operative Limited	www.kleinkaroo.co.za	arts and crafts
Koala Kare	www.chicco.co.za/koala.htm	health, beauty, baby
Kottlers gift store	www.kottlersafrica.co.za	arts and crafts
L.A. Group Ltd.	www.lagroup.co.za	apparel
La Bomboniera	www.labomboniera.co.za	gifts
La Marina Foods	www.lamarinafoods.co.za	food, beverage, groceries
Leather Innovations	www.leatherinnovations.co.za	apparel
Legacy's Gifts	www.legacys.co.za	gifts
Lekker Deals	homepage.ntworld.com/troy.dike	general
Leo Garments	www.leogarments.co.za	apparel
Lets Talk About Sox	www.letstalkaboutsox.com	apparel
Life-Light Flashlight	www.life-light.co.za	electronic and cellular
Lindiwe Kuzwayo	www.lindiwekuzwayo.co.za	apparel
Lingerie Lair	www.lingerielair.co.za	lingerie
Lingerie Lane	www.lingerie.co.za	lingerie
Livingstones Garden Warehouse	www.livingstones.co.za	home
Loan Corp	www.loancorp.co.za	classifieds/comparison/pawn
Look & Listen	www.lookandlisten.co.za	music, movies, dvd
Lowest Offer Wins	www.low.co.za	auction
Lucky's Discount Centre	www.luckys.co.za	home
Lucy Clothing Manufacturers	www.lucy.co.za	apparel
Lynmar Promotions - T-shirt printers	www.lynmar.co.za	apparel
M.I.K.Vending	www.mikvending.co.za	food, beverage, groceries
Macaroni Kids Clothing	www.macaroniclothing.co.za	apparel
Madam and Eve	www.madameve.co.za	books
MAGSathOME	www.magsathome.co.za	books and magazines
MagZone	www.magzone.co.za	books and magazines
Makoti Down Products	www.makoti.co.za	home
Makotis	www.makotis.co.za	apparel
Makro	www.makro.co.za	wholesale
Malingi Trading	www.malingi.com	general
Maluti Water	www.maluti.co.za	food, beverage, groceries
Marlon Trading (Pvt.) Ltd.	www.marlon.co.zw	food, beverage, groceries
Materialistic	www.materialistic.co.za	home
Mazoe dot com	www.mazoe.com	books

Mc Cullagh & Bothwell	www.mccandb.co.za	apparel
Megashopper	www.megashopper.co.za	general
Melville & Moon	www.melvilleandmoon.com	sports, rec., outdoor, hobby
Memory Storage Systems	www.memstore.co.za	electronic and cellular
Metabolica Clothing	www.geocities.com/bvd_18	apparel
Michael Frey's Fresh Meat KZ-Natal	www.freshmeat.co.za	food, beverage, groceries
Military and Army Stores	www.armystores.co.za	sports, rec., outdoor, hobby
Military Stores	www.militaryandarmy.co.za	sports, rec., outdoor, hobby
Millenitek	www.millenitek.co.za	health, beauty, baby
Milord Clothing	www.milord.co.za	apparel
Mindgifts	www.mindgifts.co.za	gifts
Mira's Amenities	www.mitras.co.za	hospitality
Mobitronics	www.mobitronics.co.za	electronic and cellular
More than Flowers	www.morethanflowers.co.za	gifts
Morgenhof Wine Estate	www.morgenhof.co.za	alcohol
Mount Rozier	www.mountrozier.co.za	alcohol
Mr Mattress Online	www.mrmattress.co.za	home
Ms Lupano	www.geocities.com/mslupano/index.html	apparel
Multi Vending Services cc	www.multivendingservices.com	food, beverage, groceries
Multibraai	www.multibraai.co.za	home and garden
Music Peyer Violins	home.intekom.com/musicpeyer/	music, movies, dvd
Musica	www.musica.co.za	music, movies, dvd
Musica Instruments	www.musicainstruments.co.za	music, movies, dvd
Must Haves	www.must-havesonline.com	general
M-Web Shopping	www.mweb.co.za	general
My Cheri Diamonds	www.mycheridiamonds.com	jewellery
Mystique Exclusive Gifts	www.mystique.co.za	gifts
Nabeela Wholesalers	www.nabeelawholesalers.co.za	electronic and cellular
Nadya's Creations	www.nadyacreations.co.za	gifts
Natural Bras	www.naturalbras.co.za	apparel
Nederburg Wines	www.nederburgwines.co.za	alcohol
NEDSA	home.worldonline.co.za/~evertvandyk	books
Net Flowers	www.netflowers.co.za	flowers
NetFlorist	www.netflorist.co.za	flowers
Nevapayretail.com	www.nevapayretail.com	sports, rec., outdoor, hobby
Nikonbroker	nikonbroker.tripod.com	photographic
Nina Roche Shoe Collection	www.ninaroche.co.za	apparel
Nine-2-Five Jewellery	www.nine2five.co.za	jewellery
NMG Trading	www.nmgtrading.co.za	general
NMK Schutz Fine Wines and Spirits	www.nmk.co.za	alcohol
NoGapGifts	www.nogapgifts.co.za	gifts
Novel Greeting Cards	www.novelgreetingcardsandgifts.co.za	gifts and cards
Numain Cash & Carry	www.numain.co.za	food, beverage, groceries
Nutri Rusks	www.nutrirusks.co.za	food, beverage, groceries
NWJ Jewellers	www.nwj.co.za	jewellery
Nyosi Bee	www.nyosi-bee.com	apparel
Oasis Trading	www.oasistradelink.com	jewellery
Obros	www.obros.co.za	home
Ocean arts	oceanarts.co.za	gifts and cards
Oggi Clothing	www.oggi.co.za	apparel
One-Twenty Clothing	www.one-twenty.com	apparel

Online Florist	www.webemporium.co.za/flowers/	flowers
Oodles of Doodles	www.oodlesofdoodles.co.za	gifts
Orient Cash & Carry	www.orient.co.za	food, beverage, groceries
Orion's Belt	www.orionsbelt.co.za	educational/toys
Out of the Blue	www.out-of-the-blue.co.za	apparel
Overland	www.overland.za.com	food, beverage, groceries
Pandora Bra Studio	users.iafrica.com/p/pb/pbshosa/	lingerie
Pappa's Pizza Ovens	www.adsforafrica.co.za/pizzaovens	home and garden
Paradiso	www.paradiso.co.za	flowers
Paragon Boxes and Gifts cc	www.paragonboxesandgifts.co.za	gifts
Parklane Corporate Clothing	www.parklanecorporate.co.za	apparel
Parsons Home Appliances cc	www.parsons.co.za	home and garden
Parties 4 Africa	www.parties4africa.co.za	entertainment
Party Shop	www.partyshop.co.za	entertainment
PartyXpress	www.partyxpress.co.za	entertainment
Pay Less 2 Smoke	www.payless2smoke.com	tobacco
PEG - Premium Executive Gifts	www.peggift.co.za	gifts
Perfect Gift	www.perfectgift.co.za	gifts
Perfectly Pretty Lingerie & Bra's	www.lingerie-business.com	lingerie
Perle d'Afrique - Beads of Africa	www.perledafrique.com	apparel
Personalised Labels	www.pertabels.co.za	apparel
Pharmacy4u	www.pharmacy4u.co.za	health, beauty, baby
Phonemac	www.phonemac.co.za	electronic and cellular
Pick 'n Pay Home Shopping	prod.hs.pnp.co.za	food, beverage, groceries
Pick-A-Print	www.pickaprint.net	arts and crafts
Pink Hedgehog	www.saeverything.co.za/pinkhedgehog.htm	flowers
Piper Fox	www.piperfox.co.za	gifts
Plascon	www.plascon.co.za	home and garden
Police Sunglasses	www.police-sunglasses.co.za	apparel
Polo	www.polo-sa.co.za	apparel
Pondorosa Liquour Store	home.yebo.co.za/~20031387	alcohol
Porterville Cellars	portervilecellars.co.za/	alcohol
PR Vending cc	www.prvending.com	food, beverage, groceries
Prelude Textiles	www.preludetex.com	specialist - general
Premium Cape Wines	www.premiumcapewines.com	alcohol
Presence	www.presence.co.za	gifts
Presents South Africa	www.presents.co.za	gifts
President Hyper	www.presidenthyper.co.za	general
Prick'nStitch Keepsake Cards	www.pricknstitch.com	arts and crafts
Products of South Africa	www.productofsa.co.za	apparel
Projector Portal	www.projectorportal.co.za	electronic and cellular
Propens	www.propens.co.za	general
Pulse Clothing	www.pulseclothing.co.za	apparel
Pure Pleasure (Stingray)	www.purepleasure.co.za	home and garden
Purists Boulevard	www.puristsboulevard.co.za	general
Q'Dos	www.qdos.co.za	apparel
Quality Products Soap Manufacturers	www.tradepage.co.za/qualityproducts	home and garden
Rachel Gee - Natural Knitwear	www.naturalknitwear.com	apparel
Radeen Fashions	www.radeen.co.za	apparel
Rainbow Embroidery	www.rainbowembroidery.com	apparel
RanchMeat	www.ranchmeat.co.za	food, beverage, groceries

Rave Clothing	www.raveunderwear.com	apparel
Rave Personal Care	www.xtclub.com	health, beauty, baby
RaysGourmet.com	www.RaysGourmet.com	food, beverage, groceries
RedLorry	www.redlorry.co.za	gifts
Red's Range Guns (Motose Arms)	www.redsrange.co.za	firearms
Reggies	www.reggies.co.za	educational/toys
Reluke Hat and Cap Manufacturers	www.reluke.co.za	apparel
Remotes Unlimited	www.remotesunlimited.com	electronic and cellular
Ribbons & Giftwrap Specialists	www.sandrailjon.co.za	gifts
Rixon Shirts	www.rixonshirts.com	apparel
Rob Roy	www.robroy.tv	apparel
Rogue Outdoor Leather Gear	www.rogue.co.za	apparel
Roseknit	home.global.co.za/~silvana/roseknit/	apparel
Rose's Handmade Confectionery	www.roseshandmade.co.za	food, beverage, groceries
Rosewood Shoppe	www.rosewoodshoppe.co.za	apparel
RSA Leisurewear	www.rsaleisurewear.co.za	apparel
Rubitex Fashion Fabrics	www.rubitex.co.za	specialist - general
Ruby Mountain Flowers	www.rubymountainflowers.co.za	flowers
RxNam.com	www.rx-nam.com	health, beauty, baby
Ryncor On-line	www.ryncor.com	auction
S.A. Cash Register	www.sacashregister.co.za	stationery and office
SA Products.Biz	www.saproducts.biz	general
SA Wine Shop (see above)	www.wine.co.za	alcohol
Sad Sacks	www.sadsacks.co.za	sports, rec., outdoor, hobby
Saddle Up Jeans	www.geocities.com/imexsa2000	apparel
Saeco Coffee, Espresso, Machines	www.saeco.co.za	food, beverage, groceries
Safety First	www.sawebs.co.za/safetyfirst	specialist - general
Saleys Travel Goods	www.stgbags.co.za	apparel
Sample Division	www.sampledivision.co.za	music, movies, dvd
San Luzia Gifts	www.sanluzia.co.za	gifts
Sandstorm Decorative Sandblasting	users.iafrica.com/t/tuffcoat/index.htm	home and garden
SATOOZ	www.satooz.com	food, beverage, groceries
Savemoor Cash & Carry	www.savemoor.co.za	food, beverage, groceries
Say it with Chocolate	www.sayitwithchocolate.co.za	gifts
Say it With Flowers	www.interflora.co.za	flowers
Scuba-, Skate- & VanShop	www.scubashop.co.za	sports, rec., outdoor, hobby
Second Skins	www.secondskins.co.za	apparel
Sellanything.5u.com	www.sellanything.5u.com	general
Send Flowers	www.sendflowers.co.za	flowers
Sensations	www.sensations.co.za	gift
Shanti Cotton	www.shanticotton.co.za	apparel
Sharp	www.sharpsa.co.za	stationery and office
Shelley's Art & Glass	www.shelleysartglass.co.za	gift
Sherco Group	www.sherco.co.za	apparel
Shoes by Appointment	www.eshoes.co.za	apparel
Shop for SA Products	groups.msn.com/ShopSouthAfricaonline	gift
Shop Gifts	www.shopgifts.co.za	gift
ShopASave	www.shopasave.co.za	entertainment
ShopHustler	www.shophustler.co.za	specialist - adult
Shopping Handbag	www.shoppinghandbag.co.za	general
Shoppingmatrix.com (now Toyzz.com)	www.theshoppingmatrix.com	educational/toys

Silk Concepts cc	users.iafrica.com/s/si/silk	apparel
Silver People	www.silverpeople.co.za	jewellery
Simonsvlei Winery	www.simonsvlei.co.za	alcohol
SimpleStone	www.simplestone.com	jewellery
Single Shot - Cigarette Vending	www.singleshot.za.cx	tobacco
Slazus Bears	users.lantic.net/slazus/	gifts
Slingshots4u	www.slingshots4u.com	entertainment
Slane Meat Market	www.heat-n-eat.co.za	food, beverage, groceries
SmokingSA	www.smokingsa.co.za	tobacco
Sneakers	www.sneakers.co.za	sports, rec., outdoor, hobby
Soapy Options	www.soapyoptions.com	home and garden
Sound and Image	www.soundandimage.co.za	electronic and cellular
Sounds Unique	www.soundsunique.co.za	electronic and cellular
SoundTech	www.soundtech.co.za	electronic and cellular
South African Corp. Gift and Trophy	www.vinalti.com	gifts
South African Diamonds	www.diamonds.co.za	jewellery
South African Groceries	www.sagroceries.com	general
South African Lifestyle Trends	www.salt-sa.co.za	apparel
South African Wine	www.wine.co.za	alcohol
South Africans.com	www.southafricans.com	food, beverage, groceries
Southern African Minerals For Sale	www.samin.co.za	jewellery
Soviet Jeans	www.sovietjeans.co.za	apparel
Spar Home Orders	www.homeorders.spar.co.za	food, beverage, groceries
Spiral-Latex	www.spiral-latex.com	specialist - adult
Sportmans Warehouse	www.swh.co.za	sports, rec., outdoor, hobby
Spring Tide Childrens Swimwear	www.springtidesa.co.za	apparel
Springbok Trading	www.springboktrading.co.za	apparel
Stars & Stripes	www.starsandstripes.co.za	apparel
Stationery and Art	www.stationeryandart.co.za	arts and crafts
Stikini Bikini	www.stikini.co.za	apparel
Straight Lines	www.straight-lines.co.za	apparel
Streetcar.com	www.streetcar.com	gifts
Strongbow - A2Z Hotel Supplies	www.a2zhotel/supplies.co.za	hospitality
Stuttafords	www.stuttafords.co.za	apparel
SuccessfulDressing	www.successfuldressing.co.za	apparel
Sun Moon Star	www.sunmoonstar.co.za	apparel
Sunstoppers	www.sunstoppers.co.za	apparel
SuperbUniwelSystems	www.superbcashregisters.co.za	hospitality
SuperSites	supersites.co.za	general
Supreme Gifts Online	www.supreme-gifts.co.za	gifts
Swear	www.swear.co.za	apparel
Sweets International	www.sweetsint.com	food, beverage, groceries
Swopshop	www.swopshop.co.za	general
SWS Tech C.C.	www.swstech.co.za	photographic
T. Birch and Co. (Pty)Ltd	www.birchs.co.za	apparel
Table Bay Supplies	www.tablebaysupplies.co.za	hospitality
Take 2	www.take2.co.za	music, movies, dvd
Taste of Japan	www.tasteofjapan.co.za	food, beverage, groceries
Taybron Trading	www.taybron.co.za	home and garden
Tayler & Co. Wine and Spirit Merchants	www.taylerwines.co.za	alcohol
Taylor Bath and Candles	www.bathandcandles.com	gift

Silk Concepts cc	users.iafrica.com/s/si/silk	apparel
Silver People	www.silverpeople.co.za	jewellery
Simonsvlei Winery	www.simonsvlei.co.za	alcohol
SimpleStone	www.simplestone.com	jewellery
Single Shot - Cigarette Vending	www.singleshot.za.cx	tobacco
Slazus Bears	users.lantic.net/slazus/	gifts
Slingshots4u	www.slingshots4u.com	entertainment
Sloane Meat Market	www.heat-n-eat.co.za	food, beverage, groceries
SmokingSA	www.smokingsa.co.za	tobacco
Sneakers	www.sneakers.co.za	sports, rec., outdoor, hobby
Soapy Options	www.soapyoptions.com	home and garden
Sound and Image	www.soundandimage.co.za	electronic and cellular
Sounds Unique	www.soundsunique.co.za	electronic and cellular
SoundTech	www.soundtech.co.za	electronic and cellular
South African Corp. Gift and Trophy	www.vinaliti.com	gifts
South African Diamonds	www.diamonds.co.za	jewellery
South African Groceries	www.sagroceries.com	general
South African Lifestyle Trends	www.salt-sa.co.za	apparel
South African Wine	www.wine.co.za	alcohol
South Africans.com	www.southafricans.com	food, beverage, groceries
Southern African Minerals For Sale	www.samin.co.za	jewellery
Soviet Jeans	www.sovietjeans.co.za	apparel
Spar Home Orders	www.homeorders.spar.co.za	food, beverage, groceries
Spiral-Latex	www.spiral-latex.com	specialist - adult
Sportmans Warehouse	www.swh.co.za	sports, rec., outdoor, hobby
Spring Tide Childrens Swimwear	www.springtidesa.co.za	apparel
Springbok Trading	www.springboktrading.co.za	apparel
Stars & Stripes	www.starsandstripes.co.za	apparel
Stationery and Art	www.stationeryandart.co.za	arts and crafts
Stikini Bikini	www.stikini.co.za	apparel
Straight Lines	www.straight-lines.co.za	apparel
Streetcar.com	www.streetcar.com	gifts
Strongbow - A2Z Hotel Supplies	www.a2zhotelsupplies.co.za	hospitality
Stuttafords	www.stuttafords.co.za	apparel
SuccessfulDressing	www.successfuldressing.co.za	apparel
Sun Moon Star	www.sunmoonstar.co.za	apparel
Sunstoppers	www.sunstoppers.co.za	apparel
SuperbUniwellSystems	www.superbcashregisters.co.za	hospitality
SuperSites	supersites.co.za	general
Supreme Gifts Online	www.supreme-gifts.co.za	gifts
Swear	www.swear.co.za	apparel
Sweets International	www.sweetsint.com	food, beverage, groceries
Swopshop	www.swopshop.co.za	general
SWS Tech C.C.	www.swstech.co.za	photographic
T. Birch and Co. (Pty)Ltd	www.birchs.co.za	apparel
Table Bay Supplies	www.tablebaysupplies.co.za	hospitality
Take 2	www.take2.co.za	music, movies, dvd
Taste of Japan	www.tasteofjapan.co.za	food, beverage, groceries
Taybron Trading	www.taybron.co.za	home and garden
Taylor & Co. Wine and Spirit Merchants	www.taylorwines.co.za	alcohol
Taylor Bath and Candles	www.bathandcandles.com	gift

Teesav	www.teesav.co.za	apparel
Tekweni Clothing	www.tekweni.co.za	apparel
Teleflora Turkey – South Africa	www.teleflora.com.tr/southafrica.php	flowers
Texclothing	www.texweb.8m.com	apparel
The Asian Discovery	www.asiandiscovery.co.za	home
The Assistant (stationery)	www.theassistant.co.za	stationery and office
The Bar Shop	members.freemail.absa.co.za/thebarshop/	home
The Belikoff Group	www.belikoff.com	apparel
The Cravateur Tie Co.	www.cravateur.co.za	apparel
The Cross Trainer	www.xtrainer.co.za	apparel
The Crystal Company	www.crystalcompany.co.za	jewellery
The Digital Pub	www.thedigitalpub.com	electronic and cellular
The Excitement Store	www.excitement.co.za	general
The Gift Basket	giftbasket1.netfirms.com	gifts
The Gift Company	www.thegiftcompany.co.za	gifts
The Goods Shed Indoor Fleamarket	www.thegoodsshed.co.za	general
The Jackie Brown Collection	www.thejackiebrowncollection.co.za	apparel
The Lace Shop	www.thelaceshop.co.za	apparel
The Mindframe Technique	www.mindframetechnique.com	health, beauty, baby
The Music Shop for Pianos	www.themusicshop.co.za	entertainment
The Nut Lady Online	www.nutlady.co.za	food, beverage, groceries
The Pawn Shop	www.thepawnshop.co.za	general
The Peanut Gallery	www.peanutgallery.co.za	hospitality
The Pink Hedgehog	www.safforist.co.za	flowers
The Plush Company	www.plushco.co.za	educational/toys
The Pro Shop	www.theproshop.co.za	sports, rec., outdoor, hobby
The Rich Shop	www.richshop.co.za	lingerie
The Safari Club	safariclub.co.za	gifts
The South African Food Shop	www.southafricanfoodshop.com/	food, beverage, groceries
The Spring Collection	www.springcollection.co.za	home
The Style Factory	www.stylefactory.co.za	apparel
The Wand Company	www.wandco.co.za	gifts
The Wine Boutique	www.wineatcellarprices.co.za	alcohol
theBestPrice.co.za	www.thebestprice.co.za	general
TheFairyShop	www.fairyshop.co.za	gifts
Third Eye	www.third-eye.co.za	gifts
Threads: Cross-Stitch Supplies Online	www.threads.co.za	sports, rec., hobby
Thrupps	www.thrupps.co.za	food, beverage, groceries
Tiago Trading	www.tiago.co.za	apparel
TimeSlice	www.timeslice.co.za	photographic
Titanic Model Ship	www.smarthost.co.za/modelships/titanic.html	auction
TJ Collection Shoes	www.tjcollection.co.za	apparel
Tokoloshes	www.tokoloshes.za.net	apparel
Toms	www.toms.co.za	entertainment
Top Vending	www.topvending.co.za	hospitality
Toprocks Gemstones & Minerals	www.toprocks.info	jewellery
TOPview	www.os.co.za/tv/	health, beauty, baby
Towles Edgar Jacobs (Pty) Ltd	www.tej.co.za	apparel
Tradestar	www.tradstar.co.za	food, beverage, groceries
Trentino Clothing	www.trentinoclothing.co.za	apparel
Trophy City	www.trophynet.net	specialist - general

True Love Diamond Cutting Works	www.truelovediamond.co.za	jewellery
Truworths	www.truworths.co.za	apparel
Tummies Maternity Wear	home.new.co.za/~tummiesmaternity	apparel
Tums 'n Tots	www.tumstots.co.za	apparel
Tutuka.com	www.tutuka.com	general
U&ME Baby Products	www.uandme-baby.com	health, beauty, baby
Unioro Findings	www.uniorofindings.co.za	jewellery
Unipos Retail Solutions	users.iafrica.com/u/un/unipos	stationery and office
Utopian Vending	www.utopianvending.co.za	hospitality
Van Rensburgs Foods	www.vrfoods.co.za	food, beverage, groceries
VdB Trading	www.vdbtrading.com	apparel
Vedic Books	www.vedicbooks.co.za	books
Vending Designs CC	www.vendingdesigns.qjb.net	hospitality
Verimark	www.verimark.co.za	general
Vet Products Online	www.vetproductsonline.co.za	pets
Via La Moda	www.vialamoda.com	apparel
Vino-Tech Wines	www.geocities.com/janizaf	alcohol
Virtual Florist	www.virtualflorist.co.za	flowers
Visual Creations	www.visualcreations.co.za	gifts
Vitria Glassware	www.vitria.co.za	gifts
Vodacom Gear Online	www.vodacomgear.co.za	apparel
Volpes Online	www.volpes.co.za	home
VS Online (Van Schaik/Kalahari)	www.vsonline.co.za	books
Walrus Clothing	www.walrus.co.za	apparel
Waltons	www.waltons.co.za	stationery and office
Watch Market	www.watchmarket.co.za	jewellery
WatchCo	www.watchco.co.za	jewellery
Water Filters and Purifiers	www.virinh2o.co.za	home
Waterama Waterski's and Accessories	www.waterski.co.za	sports, rec., outdoor, hobby
Waterfront Leathers	www.ostrich.co.za	apparel
Webagift	www.webagift.co.za	gifts
Webbikes	www.webbikes.co.za	sports, rec., outdoor, hobby
Webshop	www.webshop.co.za	food, beverage, groceries
What's in? The Basket!	www.giftbasketsa.co.za	gifts
Wheel A Deal	www.wheeladeal.com	classifieds/comparison/pawn
Whirlpool SA (Pty) Ltd	www.whirlpool.co.za	home and garden
Wild Affair Flowers	www.wildaffairflowers.com	flowers
Wine Village - Hermanus	www.wine-village.com	alcohol
Winecellar	www.winecellar.co.za	alcohol
WINEdotCOM	www.winedotcom.co.za	alcohol
WineMail	www.winemail.co.za	alcohol
Wines-4-U	www.wines-4-u.com	alcohol
WinesCenter	www.winescenter.com	alcohol
WINEstores.co.za	www.winestores.co.za	alcohol
WingWalker	www.wingwalker.co.za	sports, rec., outdoor, hobby
Wizard Clothing	www.wizardc.co.za	apparel
Wordsworth	www.wordsworth.co.za	books
www.herbafrica.com	www.herbafrica.com	food, beverage, groceries
Wypamaka	www.grobler.co.za/wypamaka/index.htm	stationery and office
Xtreme Electronics	www.extreme-elec.com	electronic
xTreme Gear	www.xtremegear.co.za	sports, rec., outdoor, hobby

Yebo Electronics / Fort777	www.fort777.co.za	electronic
YETI Online Shopping	www.yeti.co.za	sports, rec., outdoor, hobby
Young Designer's Emporium	www.yde.co.za	apparel
Yt Shining	www.webserv.co.za/ytshining	general
Zen Gardens	www.zengarden.co.za	gifts
ZenPoint Hammocks	www.hammocks.co.za	sports, rec., outdoor, hobby
Zifferelli Executive Italian Men's Wear	www.zifferelli-italianmenswear.com	apparel
Zio Cash & Carry	www.zio.co.za	food, beverage, groceries
Zip	www.zipsa.co.za	food, beverage, groceries
Zonke Fruit Exporters	www.zonke.co.za	food, beverage, groceries