

**An investigation into whether
Customer Care initiatives are being implemented
on South African E-commerce web sites**

by

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Submitted in partial fulfilment of the requirements for the degree of

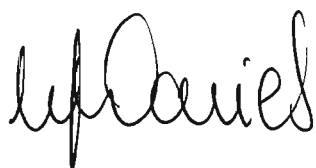
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Declaration

This study is the original work of the author and has not been submitted for another degree. Where use has been made of the work of others, it has been duly acknowledged in the text.

A handwritten signature in black ink, appearing to read 'Nicola Jane Davies'. The signature is written in a cursive style with a large initial 'N'.

Nicola Jane Davies

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Executive Summary

This study examined whether customer care initiatives are being implemented on South African e-commerce web sites. The customer care initiatives are categorised into four sections:

- General section which assessed the web site's content,
- Contact section which assessed various contact mechanisms and community development,
- Security section which determined the security aspects of the web site, and
- Ordering section which assessed the payment options, shipping and tracking the order.

A search engine was used to generate a random sample of web sites that engaged in e-commerce. The web sites were then assessed against a checklist to determine if the 58 customer care initiatives were present or not. In order to capture the data, a generic Internet browser was developed so that the top half the screen comprised the web site and the lower half of the screen contained the checklist. As the initiatives in the checklist were captured, the data was transferred into a database where it was later analysed both in the database and in a spreadsheet.

The results revealed that, on the whole, the web sites fared well in the General section particularly with respect to the designs of the web sites. However, it was apparent that more commitment is needed in the Contact, Security and Ordering sections of web site design.

The main recommendations include greater management commitment towards the more costly technologies such as encryption software to increase the security of online financial transactions and protect personal information; the inclusion of shopping basket technology and the inclusion of search facilities on the web sites. To a lesser extent there needs to be more commitment towards the creation of communities via the web site.

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Chapter 1: Introduction

1.1 Statement of the problem

Businesses around the world have to operate under circumstances in which competitors copy successful products or successful business practices (Dorrian, 1996, p.34). However, by providing additional services to the customer businesses can gain a competitive advantage and differentiate themselves from the competition (Kotler, 2000, p.286 and 292).

However, Schulze (2000, p.21) points out that many businesses have replaced former interpersonal services with electronic services such as automated electronic mail (e-mail) and the Internet. Investing in electronic technologies to look after customers does make economic sense compared with investing in staff that need constant training and motivation (Schulze, 2000, p.22).

Directing customers to a business' web site allows the business to provide other services to the customer such as additional product information and online purchases (Kotler, 2000, p.222). However, customers have to help themselves in the online world (Schulze, 2000, p.22). Furthermore, electronic technologies can easily be copied by rival businesses thus removing the differentiating factor between competitors (Dorrian, 1996, p.34 and Kotler, 2000, p.286).

In addition, online customers need "hand-holding" particularly with complex or expensive purchases (Kotler, 2000, p.223). Consequently with the growth in the Internet and online purchasing, there has been a growing move by businesses to offer contact mechanisms and interpersonal services to online customers (Burrell, 2000, p.4).

Therefore with the growing interest in providing online customer services and care, businesses and their web sites stand to be able to differentiate themselves from their online competitors. Much will depend, however, on the investment made into adopting and implementing various online customer care initiatives.

1.2 Background to the study

The idea of investigating how customer care was being implemented on web sites grew while the researcher was studying the Marketing and Electronic commerce (e-commerce) modules for this Masters in Business Administration (MBA) degree.

The researcher works in a services industry and creates and maintains the web site that advertises the services offered. Therefore the researcher was interested to learn what the literature was proposing as customer care initiatives for web sites. Initially studying the literature's proposals on customer care was done to improve the researcher's own web site. However, as the researcher's web site does not engage in e-commerce, it was felt that analysing web sites that do participate in e-commerce to determine their customer care status would be a worthwhile study.

Discussions were then undertaken with two professional web designers to gather their input and to determine the feasibility of such a study. As will be seen in Chapter 4, a test phase was undertaken to analyse a well-known international web site and determine whether the literature's proposals were actually being implemented. During the test phase a well-known South African web site was also analysed to determine whether the local web site was implementing the same or similar customer care initiatives.

As positive results were received from both the web sites, it was felt that this initial research could be expanded into a larger study which would only focus on South African e-commerce web sites.

It is hoped that this study will make a positive contribution to the design of all web sites and the customer care strategies to be implemented on the web sites.

1.3 Objective of the study

The purpose of this study was to determine whether South African e-commerce web sites were implementing customer care initiatives. Although the literature appears to recommend that all web sites should implement customer care initiatives, this study focuses only on web sites that were participating in e-commerce.

The emphasis of the study was to determine whether each web site in the sample contained 58 customer care initiatives. The majority of these customer care initiatives had been identified from the literature. A small minority were added into the research as it was felt that they added value to the customer's experience while visiting a web site.

Due to the number of customer care initiatives in the study, they were grouped into four sections. These included:

1. General section: This section included the web site's design, the layout of text and graphics and the content of the information displayed. These features contributed to the overall impression of the web site.
2. Contact section: This section assessed whether the web site provided a variety of methods for the customer to contact the business. In addition this section included whether the web site promoted community building.
3. Security section: This section determined whether the web site offered security mechanisms to secure the online transactions and provided ways to inform the customer about the security on the web site.
4. Ordering section: This section assessed the payment options given to the customer, the ordering and shipping process, whether an order could be tracked and whether items could be returned.

As no actual purchases were done from the web sites in the sample, much of the research for the Security and Ordering sections was done by reading the policy documents given by the web sites. An assumption has to be made that the web sites would be adhering to their own policies with respect to the security on the web site and the ordering of items from the web site.

1.4 Structure of the dissertation

- Chapter 2: This chapter provides a literature review on the general concepts of customer needs, customer satisfaction and customer care. This chapter ends with a brief look at the electronic interface in customer care.
- Chapter 3: This chapter provides a background to the history of the Internet, both worldwide and within South Africa, as well as a background to the development and characteristics of e-commerce. The chapter ends with a look at online customer care as presented in the literature.
- Chapter 4: This chapter presents the research methodology for this study as well as the limitations of this research.
- Chapter 5: This chapter contains the results of the research.
- Chapter 6: This chapter presents the discussions of the results of the research.
- Chapter 7: This chapter draws conclusions from the findings and discussions of the research.
- Chapter 8: This chapter provides recommendations and a model is suggested as an e-commerce customer care strategy. Areas for further research are also suggested in this chapter.
- Appendices: Appendix 1 presents the original customer care checklist.
Appendix 2 contains a screen image of the generic internet browser that was developed for this study.
Appendix 3 contains screen images of the electronic database forms that were used to capture the data from the web sites.
Appendix 4 lists the web sites used in the sample.

Chapter 2: Customer Care

2.1 Introduction

A most important strategy in any business is attracting and retaining customers (Kay, 2003, p.342). According to Rand (2005, p.52) previous business approaches treated customers as external components of the business. However, as new technologies have developed and more freedom has been bestowed on customers, so customers have become more demanding in their choices (Rand, 2005, p.52).

While the adoption of new technologies, such as the Internet, have enabled businesses to connect with their customers and provide solutions to customer problems (Kelson cited in Rand, 2005, p.52), the technologies have removed opportunities to provide customer care (Rand, 2005, p.52). Therefore nowadays, according to Grace (2003, p.583), customer care should include the systems and processes needed to provide for the customer and to enhance the customer's experience thereby adding value to both the business and the customer.

Rogusky (cited in Rand, 2005, p.52) maintains that businesses need to automate both internal and external processes to create closer links to their customers and ultimately make their customers more profitable. According to Wilhelm and Rossello (a, 1997, p.19) some successful businesses regard customer care as an additional business opportunity and a differentiator in the market place. Customer care in this sense is used on an ongoing basis to increase customer loyalty, grow customer relationships and collect relevant information on customers and competitors to improve products and business processes (Wilhelm and Rossello, a, 1997, p19). Therefore implementing a profitable customer care strategy makes good business sense (Wilhelm and Rossello, a, 1997, p.21).

This chapter begins with the origins of customer care and the value of the customer to the business. Customer needs, expectations and satisfaction and the elements of customer care are

discussed next. The chapter ends with a brief look at the electronic interface with respect to customer care.

2.2 Background to Customer Care

According to Carson (1999, p.550) customer care initially consisted of after-sales service to support particular products that required ongoing maintenance or repair. Gradually awareness developed of the benefits of providing good after-sales service and eventually this service, known as “added value”, was incorporated into the product package (Carson, 1999, p.551).

The market place was also responsible for this development as it was undergoing changes. As a result of greater consumer disposable income, an increase in demand for greater product variety and a consequent increase in competitive pressures, businesses had to change their orientation towards the market place. Carson (1999, p.551) refers to the changed businesses as “customer-led” as they attempted to care for their customers by satisfying every whim.

In the mid-1950s, the marketing concept was born which Kotler (2000, p.19) defined as follows:

“The marketing concept ... consists of the company being more effective than competitors in creating, delivering, and communicating customer value to its chosen target markets”.

Kotler (2000, p.20) calls this an “outside-in” approach to marketing as it begins with defining the target market, assessing the customers’ needs, co-ordinating all activities to meet those needs and finally returning profits by satisfying those needs. According to McDonald and Payne (1997, p.225) businesses that adopt a marketing orientation should proactively respond to customers and their needs. Consequently it is evident from this that the customer is placed at the core of the business’ marketing activities.

2.3 The Value of the Customer

There is a strong relationship between providing excellent customer service and a business' profitability (Dorrian, 1996, p.32). However, traditional accounting methods such as the discounted cash flow and the price-to-earnings ratio which focus on tangible assets tend to be used most frequently for financial reporting and for valuing a business (Flynn, 2001, p.364 and 366). However, while difficult to measure, intangible assets such as the brand and, more importantly, the customer should be included as additional determinants of the business' value (Gupta, Lehmann and Stuart, 2004, p.7).

Research done by Gupta *et al* (2004, p.17) suggest that customer lifetime value provides a useful metric with which to value a business. Customer lifetime value is the expected future profit to be made from a customer less the costs of acquiring and maintaining the customer (Kotler, 2000, p.659). Gupta *et al's* (2004, p.17) research shows that businesses that invest in marketing strategies to enhance customer retention contribute to improving customer value and ultimately the overall value of the business. Consequently customers should be considered as valuable intangible assets and as such should be measured and managed as any tangible asset belonging to the business (Gupta *et al*, 2004, p.17).

Cohan (2000, p.8) maintains that other intangible assets surrounding a customer include customer relationships, customer preferences and customer feedback. These are explained below:

- Once a business has created a relationship with a customer, the business has a mechanism in place as well as the opportunity to sell additional products to existing customers. This contributes to increasing the business' revenues.
- Information on the customer's preferences and interests enables the business to make recommendations on other products. This contributes to increasing the revenues per customer.
- Information used to solve customer problems as well as customer feedback can be used by the business to improve its own offerings to existing and potential customers. This contributes to decreasing after-sales service costs and therefore affects the business' bottom line.

Therefore businesses need to put mechanisms in place to exploit the value of the customer and convert the intangible assets into increased shareholder value (Cohan, 2000, p.8 and p.12).

Thompson (2000, p.89) maintains that businesses should understand what their customers value and then align the business to those values. The difficulty with this strategy is that values are unique and depend on individual perceptions (Thompson, 2000, p.89). Furthermore customer values change with daily interactions, however, as Thompson (2000, p.90) points out, if businesses focus on understanding and adapting to match customer values, they will improve customer loyalty and increase market share.

From the customer's perspective, an experience that adds value to the customer is likely to be repeated while an experience that does not add value is unlikely to be repeated (Walker, Denvir and Ferguson, 2000, p.52). It is also well-known that low-value or unsatisfactory experiences are communicated by customers and, using Internet technology, thousands of people can be told very quickly (Walker *et al*, 2000, p.52). Therefore Cohan (2000. p.4) emphasises that businesses should implement new strategies and business models to concentrate on offering better value to customers.

However, in order to offer better value to customers, the customers' needs have to be understood.

2.4 Customer Needs

Customers have needs which marketers need to assess in order to match the product or service to the customer's needs (McDonald and Payne, 1997, p.4).

Kotler (2000, p.21) identifies five types of needs:

- Stated needs which describe what the customer wants.
- Real needs which describe what the customer is actually looking for.
- Unstated needs are what the customer expects from the business.
- Delight needs are the added extras that the business might give the customer.
- Secret needs refer to how the customer is seen by his/her community.

Consequently this complicates matters for managers and creative marketing is required to attempt to meet these different types of needs.

A framework of needs was developed by Kano (cited in Thompson, 2003, p.98) to determine how customer needs affected buying behaviour and how this impacted on the business. The framework grouped customer needs into three levels:

- The bottom level contained “basic needs” which comprised fundamental expectations anticipated by the customer such as the telephone being answered in three rings. According to Kano (cited in Thompson, 2003, p.99) these needs have a one-way effect on the customer as, because these needs are expected, fulfilling them will result in customer satisfaction while not fulfilling them will cause dissatisfaction. However, fulfilling these needs extremely well will not result in higher levels of customer satisfaction, therefore businesses should not over-invest in the ability to ensure these needs are met (Kano, cited in Thompson, 2003, p.124).
- The middle level contained “satisfier needs” which represent those items that exceed expectations such as leather seats in a waiting room. Kano (cited in Thompson, 2003, p.99) maintains there is a two-way effect on customers as the more these needs are met the greater customer satisfaction will be. However, meeting these needs will have little impact on the customer’s future buying decisions. Therefore this category is the least important to businesses (Kano, cited in Thompson, 2003, p.125).
- The top level contained “attractor needs” which represent those items that excite and delight the customer. These needs have a one-way effect on the customer as, because they are not expected, if they are not provided dissatisfaction does not occur (Kano, cited in Thompson, 2003, p.99). However, by providing these needs and delivering value to the customer, businesses will be able to differentiate themselves and increase market share by attracting customers away from competitors (Kano, cited in Thompson, 2003, p.125).

Thus it is evident from both Kotler (2000, p.21) and Thompson (2003, p.99 and 124) that customers exhibit many different kinds of needs. Furthermore, customers assign different levels

of importance to the different needs. Therefore this complicates matters for businesses attempting to satisfy their customers' needs.

Hamel and Prahalad (cited in Kotler, 2000, p.21) on the other hand, maintain that customers do not really know what they want and provide examples of electronic equipment, such as cell phones, that customers would not have asked for or needed. Frigo (2004, p.9) supports this idea and suggests that businesses should go beyond existing needs to offer new products or services that the customer was not aware of both within existing and potential customers. Furthermore the suggestion maintains that businesses will be able to follow a growth strategy if the business meets the customers' unmet needs as well as paying attention to the market forces that might affect customers' needs.

However, according to research referred to by Marshall and Heffes (2005, p.10), businesses admit to gaps in understanding customer needs. In the same research 87% of businesses admitted improving their ability to identify new consumer trends while only 45% said they responded quickly to the changing market place to attempt to retain existing and gain new customers (Marshall and Heffes, 2005, p.10). Consequently failing to identify and respond to customer needs has contributed to diminished business growth and reduced profits (Marshall and Heffes, 2005, p.10).

The Chartered Institute of Management (a, 2002, p.462) maintains that businesses should get close to their customers by identifying them and collecting facts and opinions as this will enable the business to respond better and tailor their offerings to meet their customers' needs. A further recommendation is that businesses should profile their customers as many factors influence customer needs such as gender, age, education and income group to name a few (Chartered Institute of Management a, 2002, p.462).

There are, however, risks to profiling customers which include a reluctance to reveal personal information, the expectation of a reward and untruths that may be told, therefore the information collected would have to be carefully analysed (Chartered Institute of Management a, 2002, p.462). However, the collection of customer information and the analysis thereof demonstrates

the business' commitment into determining their customers' needs in order to provide for their customers. While businesses are concerned with fulfilling customer needs, customers also have certain expectations which impact on the interaction between the customer and the business.

2.5 Customer expectations

Customer expectations are formed through past experience with the business, word of mouth and through the media (Kotler, 2000, p.36). Macstravic (2005, p.22), however, refers to research that shows customer expectations are comprised of future benefits together with anticipated regret if a business relationship ends. Findings from this research showed that customers that had low satisfaction from previous service but had high expectations of future benefits were more likely to renew the business relationship than customers that had high satisfaction levels but low expectations of future use (Macstravic, 2005, p.22). Therefore this research does show that expectations of future use and anticipated regret had an impact on customer satisfaction and decision making. Macstravic (2005, p.23) suggests that businesses should stimulate future benefits and anticipated regrets by asking customers questions on their objectives and goals that lead to a visualisation of an improved or reduced business relationship. This requires businesses to take an active role in creating customer expectations rather than relying on third-party input to formulate expectations.

According to Thompson (2000, p.60) as technology assists with fulfilling customer expectations in one industry, so customers are expecting the same or better performances by businesses in other industries. However, while this ability to delight customers may be profitable in some industries, it may not be possible to achieve in other industries, yet, customers will put businesses under pressure to perform and meet their expectations (Thompson, 2000, p.60).

A further trait of customer expectations is that they can change frequently which makes it difficult for businesses to provide what the customer was expecting (Anderson and Kerr, 2002, p.84). Therefore Corrigan (2004, p.48) maintains that customer expectations and buying behaviour continually adjust the rules of competition. Hence businesses that pursue innovation with regard to their products and services will be able to fulfil customer expectations and will, in

turn, further contribute to the competition within their industry (Corrigan, 2004, p.48). Consequently, as Corrigan (2004, p.48) points out, businesses that adapt to the changing market place and innovate to meet customer expectations will become market leaders.

To conclude customer needs and expectations from the business' perspective: businesses need to monitor and recognise what their customers value with respect to their needs and expectations and, furthermore, businesses need to align what they are capable of doing to what their customers value (Thompson, 2000, p.88).

2.6 Customer Satisfaction

At this point a discussion on satisfaction and the factors that lead to satisfaction is necessary to determine what contributes towards customer satisfaction. Kotler (2000, p.36) defines satisfaction as:

“... the person's feelings of pleasure or disappointment resulting from comparing a product's perceived performance in relation to his or her expectations”.

Thus customer satisfaction or dissatisfaction is subjective and dependent on perceived performance and expectations. Three outcomes can be anticipated: customer dissatisfaction will occur if the performance is less than expected; customer satisfaction occurs if performance matches expectations; and lastly, customer delight occurs when performance exceeds expectations (Kotler, 2000, p.36). Aiming for customer delight is the strategy many businesses choose as this enhances brand loyalty and customer retention which prevents customers switching to competitors and, furthermore, this has a positive effect on profitability (Kotler, 2000, p.36 and Ngobo, 1999, p.469).

An important point is that customer satisfaction originates at the customer level. In addition the customer's emotional reactions and responses to the interaction with the business will determine whether the customer returns and becomes loyal to the business (Ngobo, 1999, p.469). This leads to the assumption that if the customer has a good experience, satisfaction will increase which will

result in stronger loyalty to the business. Much research has shown a linear relationship exists between customer satisfaction and loyalty (Ngobo, 1999, p.469).

However, additional research by Coyne (cited in Ngobo, 1999, p.469) shows that customer satisfaction goes through a tapering off period after the first threshold of satisfaction is reached during which marginal loyalty develops. When a second satisfaction threshold is reached, that is the customer delight phase, loyalty increases considerably to the point of other brands being ignored (Ngobo, 1999, p.469).

Jones and Suh (2000, p.147) point out that management need to focus on customer satisfaction due to increasing competitive pressures and the development of relationship marketing. They offer a distinction between “transaction-specific satisfaction” and “overall satisfaction”. “Transaction-specific satisfaction” refers to the customer’s satisfaction or dissatisfaction with a particular service interaction while “overall satisfaction” refers to the customer’s satisfaction or dissatisfaction with the business which is based on all previous interactions and experiences with the business. It can be interpreted then that “overall satisfaction” is cumulative and as such the total impression of the business will influence any future “transaction-specific satisfaction” (Jones and Suh, 2000, p.148).

However research done by Jones and Suh (2000, p.154) shows that if “overall satisfaction” is low then “transaction-specific satisfaction” directly influences whether a customer will repurchase from the business. In this situation the customer evaluates the previous interaction with the business and formulates the decision to purchase or not. Alternatively if “overall satisfaction” is high and “transaction-specific satisfaction” for the previous interaction is low, customers are not inclined to let the service failure influence their purchase decisions negatively (Jones and Suh, 2000, p.154). The research showed that customers were inclined to give the business a second chance if their “overall satisfaction” was high. As a result of this outcome, Jones and Suh (2000, p.155) emphasise the importance for businesses to recognise and develop “overall satisfaction” as this is a better predictor of repurchase intentions than “transaction-specific satisfaction”.

Research, with a brand loyalty focus, done by Bloemer and Lemmink (1992, p.361) showed that the more satisfied the customer was with the physical product, the more brand loyalty developed. Consequently this indicates that the quality of the product needs to be monitored as it is an important factor in building customer satisfaction, brand loyalty and repeat purchases which contribute to the business' economic performance.

Bloemer and Lemmink (1992, p.362) also demonstrated that customer satisfaction with the service further contributed to brand loyalty. Their research, which dealt with motor car dealerships, showed that customer satisfaction with after-sales service was more important than the service experienced at the time of the sale. Thus this indicates that the customer's interaction with the business, how the customer is treated and whether a customer relationship develops is a critical area that managers need to focus on in their approach to customer care.

Consequently strategies are needed that focus on quality, satisfaction and loyalty as they all affect buying behaviour and the business' future (Bloemer and Lemmink, 1992, p.352). Ultimately businesses must implement ways to prevent their customers from switching to competitors as this will affect profitability, therefore businesses need to offer excellent customer service that delights their customers rather than simply satisfying them (Kotler, 2000, p.36).

2.7 Elements of Customer Care

The following represent areas where customers and businesses interact. It is important to demonstrate that a wide range of areas within the business will impact on the business' commitment to implementing a customer care programme.

2.7.1 Frontline employees

Customer retention needs to start within the organisation with internal marketing which shows all employees that they have a role in caring for the customer (Carson, 1999, p.557). Traditionally, frontline employees often comprise the first point of contact with a customer. Research by Hartline and Ferrell (cited in Singh, 2000, p.15) shows that frontline jobs are stressful, cultivate

“burnout” and consequently have a high turnover. Nevertheless frontline jobs and employees are critical for interacting with the customer.

With respect to frontline employees, it is what they say to customers, how they say it and what they do which either promotes or demotes the business in the eyes of the customer (Clegg, 2000, p.32). Training and development should empower the employee and provide them with the necessary skills required to satisfy the customer at the time of contact (Elvy, 1995, p.123). Boundaries should also be set within which frontline employees are able to make decisions which delight customers such as the \$2000.00 monthly limit that staff of the Ritz-Carlton hotels can spend to solve a customer’s problem (Schulze, 2000, p.23).

According to Elvy (1995, p.38) one in five shoppers is over 65 years of age and therefore he emphasises that frontline staff need to be discerning towards different customers and to match their own behaviour and attitudes to the individual customer, particularly in the treatment of older customers (Elvy, 1995, p.27). Furthermore, Elvy (1995, p.27) points out that frontline employees must be able to subdue their own prejudices when dealing with customers as personal opinions can tend to distort perceptions which will affect the customer’s interaction with the business. In addition, body language needs to be kept in check as this silent form of communication enables the customer to form an opinion of the business before any words are spoken (Elvy, 1995, p.29).

Rayport (2002, p.147) on the other hand maintains that frontline jobs will be replaced by technology. His argument is that technology will transform the front office and computers will be used to manage and maintain the customer relationship. Brownell (2000, online) supports this idea and points out that a business’ web site creates the frontline image for the business and therefore the web site needs to create a positive experience for the customer.

2.7.2 Management commitment

The manner in which customers are treated by all employees will reflect the management’s commitment towards a customer care programme (Etherington, 2005, p.23) therefore this item forms a relevant part of customer care. It is suggested that the business’ culture regarding

customers needs to be addressed from senior management to the lowest level of employees. When senior levels of management are seen to be adopting a new culture the changes will be reinforced throughout the business (Clegg, 2000, p.34).

As senior management are responsible for the business' long-term strategic planning and for influencing the business' culture (Smit and de J Cronjé, 1999, p.13), accurate communication systems need to be in place within the business (Business Insight, no date, online). According to Business Insight (no date, online) the communication within the business needs to be reliable so that a consistent message is conveyed which is interpreted in the same way by all staff. Therefore senior management need to implement an internal downward communication system to inform all levels of staff of the business' commitment to the customer and the customer care programme adopted by the business (Smit and de J Cronjé, 1999, p.337).

Furthermore there needs to be senior management commitment towards the frontline employees to motivate them to ensure a caring attitude towards the customer which creates a pleasant experience for the customer (Clegg, 2000, p.34 and Dorrian, 1996, p.27). Whether frontline employees are located in the business' own offices or in a call centre, Cusack (no date, online) maintains these employees often receive low salaries and are subject to "burnout" which results in a high staff turnover. Therefore management need to demonstrate their commitment to these staff by means of recognising and rewarding performance as well as providing mechanisms that assist with their family lives such as child care centres (Kotler, 2000, p.444). Rosenbluth and Peters (cited in Kotler, 2000, p.443) suggest that businesses should give a higher priority to their employees than their customers as good employee relations will result in good customer relations.

Further management commitment towards employees is also demonstrated by involving employees prior to implementing a customer care programme, dealing with their concerns and investing in them through training and development (Armstrong, 2002, p.43). In addition management need to empower employees to make important decisions and encourage their involvement and contributions (Walton, cited in Armstrong, 2002, p.40). This, according to Armstrong (2002, p.43), will result in employee commitment in the programme.

Management also need to commit to the customer as, according to Thompson and Strickland (2003, p.34), a business is incomplete if managers focus solely on the product or service created by the business. Their recommendation is that managers need to pay close attention to the customer and his/her needs and whether those needs are being satisfied by the business' product or service. Thus this suggests that management commitment is vitally important for the business' long-term outlook. Wellemin (2003, p.50) further emphasises senior management commitment by suggesting that managers should spend time outside their offices to talk to customers and employees as this will build trust and respect which will go a long way towards enhancing all relationships within the business.

As pointed out by Business Insight (no date, online), if senior management are not fully committed to the notion of customer care, any customer care initiatives adopted by the business will fail. This is not to say that senior management must dictate the way forward as that too will result in failure. As Covey (1992, p.143) points out, when management make changes such as setting organisational goals or implementing new systems, all levels of staff need to be involved in order to get commitment from the staff and thus guarantee the success of the changes.

As committing to a customer care programme challenges all employees within the organisation, all levels of managers need to show their own commitment to reinforce the programme and to demonstrate how important the programme and the customer are to the business (Armstrong, 2002, p.284 and Elvy, 1995, p.103).

2.7.3 Customisation

Another element of caring for the customer involves customising the product or service to suit the customer's needs. According to Ansari and Mela (2003, p.131) customised products and communications contribute towards attracting customer attention as well as developing customer loyalty and "lock-in". Furthermore the use of targeted and personalised communications will increase switching costs for the customer which ultimately contributes to the business' profitability (Ansari and Mela, 2003, p.131).

Customised products, however, have proven difficult to achieve due to limited feedback from customers together with the costs of implementation (Ansari and Mela, 2003, p.131). However, the interactive nature of the Internet has provided businesses with an inexpensive opportunity to collect unique data on each customer and to tailor the product or service to match the customer's needs. As Kotler (2000, p.259) points out, this results in a "segment of one" which is considered the ultimate level of market segmentation.

Businesses that choose a customisation strategy need to undertake careful investigations of their customers. The business needs to understand what their customers regard as value and what they are willing to pay as successful customisation will build customer loyalty but at the same time it is costly to customise products (Thompson and Strickland, 2003, p.163). A point worth noting is a business should customise those product or service features that cannot be copied in order to maintain a competitive advantage over its rivals (Thompson and Strickland, 2003, p.167).

Some businesses have been able to customise their products and services to create unique relationships with their customers such as Levi's "measure-to-fit" jeans (Kotler, 2000, p.260). Customisation is easy to achieve and cost effective on the Internet with examples of e-commerce sites such as AMAZON.COM and DELL that customise their web site content to encourage repeat visits and promote cross-selling of different products (Ansari and Mela, 2003, p.131).

2.7.4 Incentives

Instead of losing customers to competitors, various incentive plans can form part of a customer care programme. As Schneider (2004, online) emphasises, 80% of sales come from 20% of the customers therefore customer retention is an essential and cost effective business strategy. However, with greater choice and the convenience of online shopping, it is proving harder to keep customers and for customers to remain loyal (Schneider, 2004, online).

Marketers have discovered that it is five times more expensive to attract new customers than to service existing customers (Dorrian, 1996, p.45, Kotler, 2000, p.22, Schneider, 2004, online and

Wellemin, 2003, p.10). Therefore it seems strange that many business incentives and special offers are targeted at attracting new customers while existing customers are often ignored (Schneider, 2004, online).

Cheales (1994, p.53 to 60) makes the point that businesses need to focus on what makes them unique and sets them apart from their competitors as this provides the incentive for customers to return. However, the business also needs to communicate this to the customer to make them aware of the uniqueness otherwise the business' efforts will be wasted.

Carson (1999, p.556) supports the use of incentives as they contribute to the customer's overall impression of the business. In this situation the incentives may be intangible such as additional attention or extended service, or tangible by means of providing product samples or price discounts.

Additional examples of services and/or incentives as provided by Schneider (2004, online), that would add value to the customer include:

- Membership cards and loyalty programmes that provide the customer with preferential treatment,
- Communications on product launches and events that the customer would be interested in, and
- After-sales surveys and complaint inquiries.

While incentives are used to attract customers to the business, Dobson, Gupta and Yoo (cited in Palazón-Vidal and Delgado-Ballester, 2005, p.182) discourage the use of promotions, such as price promotions, as they erode brand value and encourage brand switching. In addition, Keller (cited in Palazón-Vidal and Delgado-Ballester, 2005, p.182) maintains that the sales experience may affect brand knowledge which may have a long-term effect on the business.

However the research results of Palazón-Vidal and Delgado-Ballester (2005, p.198) indicated that sales promotions positively impacted on brand knowledge as the customer was stimulated by the promotion and promotional material. Additional results showed that monetary promotions had a

positive impact on only “utilitarian products” such as laundry soap powder and the customer’s shopping experience, while non-monetary promotions impacted positively on both “utilitarian and hedonic products” such as emotions and the sense of pleasure (Palazón-Vidal and Delgado-Ballester, 2005, p.198).

While promotion activities create short-term brand switching which results in a short-term shift in market share, this approach cannot be sustained as a long-term marketing strategy due to the long-term effect on brand knowledge (Palazón-Vidal and Delgado-Ballester, 2005, p.201). Furthermore, the same type of promotion will not work for all different products therefore careful analysis of the product and respective promotion must be done (Palazón-Vidal and Delgado-Ballester, 2005, p.201).

By implementing different incentive strategies the business will be targeting different customers. However, as Schneider (2004, online) points out, existing customers are often forgotten about. Therefore, as part of a customer care programme, businesses need to implement incentive strategies that target existing customers.

2.7.5 Complaint handling

Customers whose complaints were dealt with efficiently will talk about their experience (Kotler, 2000, p.48) therefore making complaint handling part of customer care has been an important shift for businesses. In the past businesses tended to avoid complaints, however, there has been a move towards encouraging customers to complain as this is a way for businesses to get feedback on customer needs and opinions on products and services (Wellemin, 2003, p.60). Reasons given for this changed approach are firstly economic, as it is less expensive to keep a customer, and secondly, the development of the “brand” together with customer loyalty (Wellemin, 2003, p.60). Instead of losing dissatisfied customers to competitors, businesses that engage and manage a complaining customer to a satisfactory solution tend to find that the customer recommends the business to friends and colleagues and, furthermore, the customer returns to the business for further purchases (Wellemin, 2003, p.60, 61, 63).

Another major reason to encourage complaints as provided by both Wellemin (2003, p.60) and Kotler (2000, p.48) is that dissatisfied customers not only stop buying from the business but they tell their friends and colleagues which can do more harm to the business in the long term. Therefore both authors suggest that businesses should make it easy for customers to complain so that the business has a chance to rectify the situation.

Businesses also need to implement systems in order to manage complaints efficiently and effectively. According to Kotler (2000, p.441) only half the dissatisfied customers that complain report a satisfactory resolution to their problem. Research done by Tax and Brown (cited in Kotler, 2000, p.442) showed that customers who received an effective resolution to their complaint became more loyal to the business and as such the business received greater revenues and profits.

According to Cusack (no date, online), the area of complaint handling requires commitment from management with regard to the development of policies and procedures for staff to follow when dealing with customer complaints. Furthermore, staff training programmes need to be implemented to teach staff how to deal with complaints effectively without becoming defensive (Chartered Institute of Management b, 2002, p.465). In addition the Chartered Institute of Management (b, 2002, p.465) recommends that management should analyse customer complaints in order to take corrective action within the business.

This indicates that not only must the business care for its customers during and after the transaction, but it must encourage feedback from its customers. Complaints or compliments allow the customer to contribute to the long term success of the business.

2.7.6 Call centres

An important element of many customer care systems is the development of Call centres which are also referred to as Help desks, Support centres and Care centres. These centres utilise combinations of technologies such as telephones, electronic mail and the Internet as well as people to take advantage of each customer interaction (Kotler, 2000, p.52). The aim behind call

centres is to maintain consistency with each customer interaction (Kotler, 2000, p.52). However, while it is easy to hand over the customer problems to a call centre, Wellemin (2003, p.74) emphasises that these centres need to be regarded as tools to assist in achieving the business' customer care goals. Wellemin (2003, p.75) maintains that these tools need to be integrated as far as possible into the business processes so that the entire business can benefit from this investment. The point is made that both the business and the call centre need to remain sensitive to the customer's needs and to the manner in which the customer is dealt with (Wellemin, 2003, p.76).

There are, however, various risks associated with using call centres. As Wellemin (2003, p.75) points out, these risks include a reliance on technology which removes the human element from the customer care system. Furthermore, if the business is relying on proprietary technology, the customer may not be familiar with or have access to the same technology (Wellemin, 2003, p.75).

A further potential problem with call centres is that the call centre would recruit its own employees. This creates concerns regarding the call centre employees' knowledge of the business' products or services as well as their ability to communicate effectively with the business' customers (Wellemin, 2003, p.75). It is accepted that call centres do provide a primary support function, however, for the business to fully benefit from this support function, the business needs to integrate the call centre function into its own support and service operation (Wellemin, 2003, p.75).

Dwek (2003, p.38) on the other hand opposes call centres particularly if they are operated by a third party, which appears to be the trend. This is due to the call centre presenting the customer with additional, and perhaps unrelated, options that have to be decided upon by the customer before a solution is reached (Dwek, 2003, p.38). Dwek's (2003, p.38) recommendation is that businesses should be offering customers as much as possible via the Internet where customers can help themselves and, generally, solve their own problems which contributes to customer satisfaction as the customer will have resolved their problem.

However, Dwek's recommendation would require that all web sites are designed in a similar way to satisfy customers' needs to find information quickly and easily. As there are currently no design standards for web sites, Wellemin's (2003, p. 77, 78) suggestion of integrating the different technologies to offer the best and most suitable support to the customer makes the best sense.

2.8 Measuring customer care

Both Dorrian (1996, p.42) and Cheales (1994, p.94) emphasise that if the business is not measuring the results of the customer care programme, then the business will not know how successful it has been nor will it know how to manage the programme. The difficulty is that management are used to measuring tangibles such as accounting data, and not intangible elements such as service quality and customer feedback (Cohan, 2000. p.8).

Parasuraman, Zeithaml and Berry (cited in Cheales, 1994, p.95 and Kotler, 2000, p.440) have observed that customers evaluate and measure a business on the following five factors in order of importance:

1. Reliability which refers to the business' ability to perform the service accurately and dependably.
2. Responsiveness which is the willingness to provide prompt assistance.
3. Assurance which refers to the employee's knowledge and ability to convey confidence and competence.
4. Empathy which is the ability to care for the customer and provide attention.
5. Tangibles which refers to the business' physical facilities and equipment.

As can be seen the tangible element is the last factor to gain approval from the customer's perspective. Consequently management should be measuring the same intangible factors internally and through requesting feedback from customers as, only then, would problem areas become evident and easier to manage (Cheales, 1994, p.96). Furthermore Cheales (1994, p.98) suggests that the following should be implemented to improve the measurement of service received by customers:

- Measurement techniques should be visible to all staff as an indication of how the entire team is doing.
- Barriers to customer complaints should be removed so that customers feel at ease to voice their opinions. This will enhance customer loyalty and promote a long-term relationship.
- Performance targets should be set with specific goals and deadlines so that progress can be monitored.
- The customer should be involved in the measurement process as this will make the customer feel special and strengthen the relationship.
- Measuring should occur frequently as ongoing competition creates the challenge for business to continually raise their standards.

Carson (1999, p.554) supports the notion that using purely quantitative methods to measure a business' success is bound to lead to failure. This is because quantitative methods ignore the psychological aspects of the customer's expectations and experience. It is accepted that various services can be implemented with rigid rules and procedures to adhere to strict standards such as the telephone being answered within three rings. However, where qualitative elements dominate the interaction, the psychological aspects will play an important role in the customer's evaluation of the product or service (Carson, 1999, p.555). As a result the evaluation of customer care programmes needs to include measurements of both the tangible, quantitative elements as well as the qualitative elements such as perceptions, attitudes and behaviours of both the customer and the frontline staff (Carson, 1999, p.555).

As the majority of customer feedback for measurement purposes appears to make use of detailed survey questionnaires (Carson, 1999, p.555 and Cheales, 1994, p.102), there is concern that the information contained in the surveys is too bulky, not interpreted correctly or not relayed back to management.

Therefore the technique used by Enterprise Rent-A-Car as provided by Reichheld (2003, p.47) is worth mentioning. This survey asked customers two questions: one concerned the quality of the service received and the second asked whether the customer would use the company again. Only customers who gave the highest ratings were then targeted by the company to develop long-term

profitable relationships. This had a direct impact on the business' growth which was measurable through an increase in profits.

Reichheld's (2003, p.48) own research showed that survey responses could be linked to customer behaviour such as repeat purchases and referral patterns over time, and this could ultimately be a predictor and a measure of company growth. This research condensed drawn out customer satisfaction surveys into one question: "would the customer recommend the product or service to someone else?" As Reichheld (2003, p.48) admits, customer loyalty will not guarantee a business' growth, however, customer loyalty is an important driver of profitable growth.

Unfortunately many businesses tend to track customer defection as a measure of customer loyalty (Reichheld, 2003, p.49). Customer defection can result from a lack of incentives to keep the customer, poor rewards offered to the customer and poor customer service (Abu-Shalback Zid, 2004, p.6). As Griffin (2001, p.8) points out, many businesses do not have systems that can identify customers who are at risk of defecting and, because customers do not inform a business of their intention to move to a competitor, businesses have to analyse purchase behaviours and profits to determine the result of customer behaviours. By not implementing such systems businesses are making themselves vulnerable to customer loss as well as denying themselves the opportunity to prevent customer loss (Griffin, 2001, p.8).

As a lost customer also represents lost goodwill, Griffin (2001, p.9) maintains that businesses need to protect themselves from customer defection by creating customer information systems to assist with managing the customer. Furthermore, "win-back" programs should be implemented to attempt to lure a defected customer back to the business (Griffin, 2001, p.9).

2.9 The Empowered Customer

A further challenge to any customer care program is that it needs to be dynamic and adaptable to the way customers are changing. As a result of increased competition, the media, various consumer awareness groups and the wealth of information presented on the Internet, existing and potential customers are better informed about products, services and competitors and therefore

they are empowered to make decisions (Minkoff, 2000, p.1 and Wellemin, 2003, p.14). As the Internet presents customers with greater choices and the speed to make purchases 24 hours a day, control has shifted to the customer and away from the business (Cook, 2002, p.20 and Thames, 2000, p.28). Consequently businesses have had to adjust their marketing and communication strategies as well as evaluate how to care for their customers in a situation in which the customer is in control and there is little human interaction (Clegg, 2000, p.85).

The convenience, information and hassle-free shopping that the Internet provides (Kotler, 2000, p.665) may be the cause of decreasing customer loyalty according to Schneider (2004, online) due to the transactions becoming dehumanised and customers simply being known as an electronic mail address. While marketers can benefit from these new technologies, businesses will have to adjust their strategies and use innovative means to determine customer needs in order to satisfy and retain their customers (Thames, 2000, p.28).

On the other hand Minkoff (2000, p.2) maintains that the Internet can strengthen relationships with customers particularly in the banking sector. Banks are able to utilise the technologies to learn about their customers' needs and offer value-added services to meet those needs. In this case the Internet is simply being used as another communication channel to enable businesses to reach potential customers.

This idea is echoed by Schaaf (1996, p.9) who maintains that as customers already know what their needs and expectations are, businesses should exploit this knowledge in the design and delivery of their products and services. The result will be that customer loyalty and long-term relationships increase due to the customer's sense of involvement and this will have a positive effect on profitability (Schaaf, 1996, p.9).

A trend that Myer (cited in Minkoff, 2000, p.2) has identified is that Internet companies are beginning to offer customers "live" customer service via various communication mechanisms such as the telephone and Internet chat. There has been a realisation that the Internet does not suit all transactions and furthermore customers still want to have human interaction (Minkoff, 2000, p.2). This awareness will challenge business strategies as the cost effectiveness of the

Internet will be overshadowed by the costs of employing additional support staff to deal directly with customers and solve their problems (Minkoff, 2000, p.2).

Another form of customer empowerment is the adoption of various technologies by the customer. As a result of the customer demanding some of the newest technologies offered through the Internet such as broadband and wireless, businesses will have to invest in these technologies to keep ahead of the competition (Khandelwal and Kell, 2001, online).

As Khandelwal and Kell (2001, online) point out, businesses that adopt the challenge of new customer-driven technologies, will be rewarded as the customer will be served and profits will be generated concurrently. Furthermore, businesses that do implement new technologies will not only differentiate themselves but they will be able to identify additional opportunities that can be exploited (Kandelwal and Kell, 2001, online).

The result is a “clicks and mortar” strategy rather than the old “bricks and mortar” one to create demand for products and services via the Internet and its technologies (Thames, 2000, p28).

2.10 The Electronic Interface

It could be assumed that the adoption of technology would remove the risks associated with the interactions between people and ultimately offer a more stable customer care programme to customers. However, Schulze (2000, p.21) points out that service in the virtual or online world has done a disservice to customer care as management’s focus has become “eyeballs and transactions” rather than customer retention and loyalty. Nevertheless, Schulze (2000, p.22) maintains that adopting technologies is a cheaper option as there is a single payment and not an ongoing investment into staff development and motivation.

Khandelwal and Kell (2001, online) support the argument that too often technology is used to drive the customer care strategy. Even though a significant investment is made into the technology, few benefits will be derived by the business. A better approach, according Khandelwal and Kell (2001, online), would be to align the technology investment with the

business' customer care strategy which again focuses on the human element needed in the strategy.

Even in the technological world, Schulze (2000, p.23) maintains that customers will return based on how they were treated by the service provider and not on the quality of the product. Schulze's (2000, p.23 and 24) secrets to customer care focuses on how long a customer is kept waiting, whether employees are empowered to take authority and make decisions and whether the business is aware of and is addressing areas of potential error in the customer-employee interaction. At the end of the day the customer care programme should be constructed to maximise customer loyalty (Dorrian, 1996, p.39).

With the explosion of the Internet, between 1995 and 2000 the number of "eyeballs" or customers visiting a web site emerged as a new approach to doing business with customers (Cohan, 2000, p.1). At the beginning of the Internet phenomenon, as Cohan (2000, p.1) points out, senior management were suspicious of the Internet and misunderstood it's potential. However, businesses that took risks on the Internet were quick to achieve first mover advantage and they were rewarded by gaining customers, exploiting opportunities and building business networks (Gupta *et al*, 2004, p.8).

From the customer's perspective, the Internet is appealing and attractive to use as comparative shopping can be done and information exchange is rapid (Cohan, 2000. p.2). The effect of this has moved customers away from the business which has resulted in businesses having to redefine their strategies to become more customer-focused (Thompson, 2000, p.219). Thompson (2000, p.235) furthermore maintains that as more customers adopt the Internet and customer expectations are created, so businesses will have to implement strategies to understand the market better in order to target the market more accurately and ultimately become closer to their intended customers. This correlates with Rayport and Jaworski's (2001, p.115) proposal that a well-researched and designed web site should attract the targeted customer segment and repel the non-targeted customer segment.

Consequently, as Bird (2002, p.56) points out, businesses that are prepared to adopt new business practices and strategies will gain a competitive advantage over their rivals.

2.11 Conclusion

The literature reviewed demonstrates that implementing a customer care programme is an important strategy for a business. Even though the development of various technologies has changed the customer-business interaction, much research has shown that customers still want some form of human interaction with the business. Furthermore, the Internet has contributed to changes in the way business is conducted and the way in which businesses interact and communicate with their customers (Cohan, 2000, p.1). Therefore, according to Khandelwal and Kell (2001, online), in the business world of today, businesses need to maintain a balance between the human and technology interactions in order to offer excellent customer care to their customers.

It is important for businesses to take a holistic view of customer care and to assess how every aspect of the business impacts on the customer. According to Etherington (2005, p.23) a close relationship exists between delighted customers and the business' profitability therefore striving to implement a customer care programme contributes to the long-term survival of the business.

The next chapter will present a brief history of the Internet both internationally and within South Africa. Thereafter the development of e-commerce is presented. The chapter ends by presenting recommendations from the literature regarding customer care in the online world.

Chapter 3:

Internet, E-commerce and online Customer Care

3.1 Introduction

While some people praise the advantages of the Internet and others take it for granted, it is necessary to provide some background detail to its invention. This chapter will provide information on the development of the Internet and how electronic commerce (e-commerce) has developed. The latter section will then lead into the area of online customer care.

3.2 History of the Internet

The Internet's origin was as a result of world-wide political developments in the late 1950's (Richardson, 2001, online). The United States military originally developed the Internet to facilitate scientific and military collaboration between researchers (Laudon and Laudon, 2002, p.267). Initially as Howe (2004, online) points out, the Internet was designed as a communications medium that would continue to operate even if some sections were destroyed. Computers called "routers" would redirect the traffic via alternative routes on the network to reach the destination.

The early Internet users comprised computer experts, scientists, engineers and librarians who had to work with a complex and an unfriendly system (Howe, 2004, online). As the Internet matured in the 1970's and standards were put in place, non-technical users began participating. Furthermore, discussion boards were developed thus starting community building via the networks (Howe, 2004, online). However, it is important to note that due to government funding of the Internet, no commercial uses were allowed unless they supported research and education (Howe, 2004, online). This continued until the 1990's after which independent commercial networks and Internet service providers developed which bypassed the government Internet backbone (Howe, 2004, online). By 1995 government funding ended and any limitations on the use of the Internet fell away.

According to Howe (2004, online), a new protocol was developed in 1989 which provided a new mechanism for information distribution. This system was based on embedded text links, known as hypertext, which eventually became the World Wide Web (WWW) in 1991. The development of a graphical Internet browser in 1993 gave emphasis to this protocol which has since become the standard of Internet browsing (Laudon and Laudon, 2002, p.19).

3.3 History of the Internet in South Africa

The earliest connections to the Internet from South Africa occurred during the late 1980's which was considered a difficult time for the country. The previous government was receiving pressure internally from the general public and externally in the form of sanctions imposed by the United States government. In addition to this the South African government did everything necessary to curb the flow of information out of the country and control communication within the country (Lawrie, 1997, online).

However, despite the political situation, a team of innovative computer enthusiasts at Rhodes University in Grahamstown fought against the odds and created the first rudimentary connections to the Internet. According to Lawrie (1997, online), he and two other people (F.C. Guillarmod and D. Wilson) created a sustainable e-mail link to the United States by 1988. This link connected Rhodes University to the Internet via a private home in Oregon. This e-mail link went "live" for general use at the Rhodes University campus in February 1989.

Other South African universities were interested in this venture and by 1990 a link was established from Rhodes University to the University of Cape Town. Based on the success of this link a second one was established to the University of Natal, Durban, in the same year (Lawrie, 1997, online). Gradually, according to Lawrie (1997, online), this connectivity within the country grew to include other South African universities and various research and non-profit organisations that were all accessing the Internet via the Rhodes University link.

Other networking activities developed concurrently within South Africa. These included the connectivity between different independent organisations as well as the banking networks. Through the interest created by Rhodes University, the services offered by businesses and a more liberal approach to communication within the country resulted in the growth of the Internet in South Africa (Lawrie, 1997, online).

3.4 Development of E-commerce

According to Sethuraman (no date, online) as a result of the connectivity that resulted from the development of the Internet, businesses started pioneering various means of transferring data. This happened during the 1980's when the catch-phrase "electronic data interchange" (EDI) emerged. The early EDI efforts were hampered by differences in data formats which resulted in the creation of various bodies in Europe and the United States to establish standards for transferring data (Sethuraman, no date, online).

However, EDI never reached wide spread acceptance due to a number of reasons, the most important of which was the growth of the Internet (Sethuraman, no date, online). The Internet offered different messaging techniques as well as being a medium for rapidly transferring business data which increased the Internet's popularity (Sethuraman, no date, online). The Internet also offered a networking protocol that enabled businesses to undertake development where transactions were to occur at the client's computer (Groenewald, 1999, online). An equally important development was the emergence of a graphical Internet browser in 1994 that supported safe online transactions (Hiser, Lanka, Li and Oliver, no date, online).

The term "electronic commerce" or e-commerce developed from the original EDI which occurred between businesses. This newer term encompassed "computing and communications services to transfer digital information between remote sites" according to Sethuraman (no date, online). Nowadays e-commerce includes transactions between businesses as well as consumers (Rayport and Jaworski, 2001, p.3).

As different definitions of e-commerce exist it is important to select one as a point of reference for this research.

3.5 Definitions of E-commerce

An important distinction to be made is the difference between e-business and e-commerce. E-business is interpreted by Laudon and Laudon (2002, p.24) as “using the Internet and other digital technology for organisational communication and co-ordination and the management of the firm”.

Laudon and Laudon (2002, p.23) further define e-commerce as “the process of buying and selling goods and services electronically, involving transactions using the Internet, networks, and other digital technologies”. This is similar to a traditional business model, however, the inclusion of technology to enable purchases sets it apart (Hiser *et al*, no date, online). The focus of this research is in the e-commerce arena.

A more formal explanation provided by Rayport and Jaworski (2001, p.3) defines e-commerce as “technology-mediated exchanges between parties (individual, organisations, or both) as well as the electronically based intra- or inter-organisational activities that facilitate such exchanges”. This definition highlights the fact that e-commerce is dependent on technology for the transactions to occur. Furthermore, it is interesting to note that reference is made to transactions occurring both between and within organisations.

However, this straightforward definition provided by the BambooWeb Dictionary (no date, online) states that “electronic commerce consists of the buying, selling, marketing, and servicing of products or services over computer networks”. Understanding the concept of e-commerce is facilitated by the simplicity of this definition which highlights that both products and services can be bought, sold and marketed via electronic means. Therefore, this definition will form the term of reference on e-commerce for this research dissertation.

3.6 Characteristics of E-commerce

A major benefit of e-commerce is convenience, as customers can order and purchase items 24 hours a day, seven days a week, now referred to as 24x7 (Kotler, 2000, p.665 and Rayport and Jaworski, 2001, p.5). Kotler (2000, p.665) refers to this as hassle-free shopping as the customer does not have to deal with sales people or have to stand in queues.

E-commerce affords customers the opportunity to perform comparative searches. The customer is able to compare products, suppliers, product availability and compare prices to assist them with their decision-making (Rayport and Jaworski, 2001, p.5).

Added convenience as highlighted by Hiser *et al* (no date, online) shows that e-commerce allows customers to purchase products which are not normally available in their own country. Therefore e-commerce is making exotic and unusual items more easily accessible to customers around the world.

Another very important feature of e-commerce is that the customer is in control of the interaction with the web site and thus with the business (Rayport and Jaworski, 2001, p.6). Unlike in a shop where a sales person would try and influence the sale, on a web site the customer controls the time spent on the various pages, the degree of interaction with the web site and ultimately the decision to purchase from the web site (Rayport and Jaworski, 2001, p.6).

This is where care of the online customer becomes important. By providing and caring for the customer the business may be able to influence the customer's online experience. Online customer care has not been extensively researched, however, various customer care initiatives that are being promoted in the literature are presented in the next section.

3.7 Online customer care

According to research quoted by Burress (2000, p.4), online customer assistance was requested by 4.8 million online customers in 1999. As a result of this there has been a spell of activity by businesses to improve the service offered to online customers (Burress, 2000, p.4). As Burress

(2000, p.4) points out, online customer care is very similar to offline customer care: the differences occur in the “methods of communicating and interacting with the customer”.

Each one of the following researchers has a different perspective on customer care and therefore emphasises different customer care initiatives.

Adcock (2002, online) maintains that even though much creativity has been employed in customer care on particular web sites, certain basic methods of supporting the customer must be provided. Adcock’s initiatives include the following:

- Discussion boards: These enable customers to communicate with fellow customers thus creating a community of loyal customers. An indirect advantage to the business is that employees are freed up to perform more critical work for the business.
- E-mail and telephone support: This provides a mechanism for the customer to contact the business which generates credibility for the business. Telephone support, in particular, enables the customer to have verbal contact and personal interaction with a support person.
- Frequently asked questions (FAQ): Providing a list of questions and answers collected from previous customer queries allows the customer to help themselves and solve their problem quite quickly.
- Product tracking: This provides the customer with a mechanism so they can track the progress of the product from the warehouse to their doorstep. This empowers the customer and frees employee resources in the business.
- Web site instructions: Instead of providing customer care after a purchase, displaying instructions on how to use the web site demonstrates customer care to potential customers. These instructions should include how to make a purchase, how to pay for the product, how it will be shipped, and how to track the product after shipping. (Often these instructions are found in policy documents.)

From this list it can be seen that Adcock (2000, online) is referring to fundamental customer care initiatives that would form the core of supporting a customer. To summarise these initiatives

then Adcock's focus is on giving information, providing contact, creating a community and enabling tracking of the product.

Burress (2000, p.4-5) concentrates on communication as the most essential initiative of customer care. Communication enables an interaction between the customer and the business therefore web sites need to implement the necessary technologies that will enable and enhance communication with the customer. Burress' initiatives include the following:

- Telephone support: This type of support provides for personal contact and immediate responses to the customer's queries. A further advantage for the business is that an attempt can be made to sell additional products to the customer.
- E-mail support: From the customer's perspective e-mail contact might be the preferred communication medium when there is only one telephone line. The e-mail can be created while still online with the web site open. Furthermore e-mail responses from the business can be saved for future reference.
- Text chat: This allows the customer to have live typed electronic communication with a support person while the web site is open. This supports situations where there is only one telephone line. This initiative provides quicker results than e-mail as the correspondence between the customer and the business occurs immediately. (Text chat is also referred to as instant message.)
- Voice over Internet Protocol (VOIP): This communication strategy allows the customer to participate in verbal communication with a support person in the business via the Internet connection. This technology requires the customer to have a sound card and microphone installed on their computer. This again supports customers with only one telephone connection.
- Self-help: Providing self-help pages on the web site presents an indirect form of communication between the customer and the business. Any type of self-help either in the form of instructions or FAQs, is a cost effective method of customer care that empowers the customer to find information on the web site to do their own problem solving.

A summary of Burress' (2000, p.4-9) customer care initiatives includes active forms of communication such as typed and spoken contact, and passive forms of communication such as help pages presented on the web site.

The Commerce Cubed Awards (2001, online) strongly emphasise that the web site must show a strong commitment to putting the customer first by implementing a variety of customer care initiatives. These initiatives are provided below:

- **Content:** A great degree of importance is given to the content of the web site in terms of its originality, relevance and being kept up to date. Technical products should have descriptions as well as include the necessary specifications. In addition, attention needs to be given to the manner in which the information is presented on the screen to make the web site appealing.
- **Community:** The web site should promote the development of a user community through offering discussion boards, live text chat, newsletters and members' contributions in the form of reviews and opinions. Furthermore incentives should be offered to the community such as promotions and special events which promote the community and online experience and not simply to promote sales.
- **Care:** By offering 24x7 support with different forms of verbal communication the web site is showing its commitment to putting the customer first.

According to the Commerce Cubed Awards (2001, online) if web sites integrate content, community and care they are demonstrating their dedication to their customers rather than simply using the Internet to market their products.

Levine (1998, online) takes a different angle and focuses on specific aspects of caring for the customer. These are summarised below:

- **Show your product:** As the Internet is a graphic medium it is essential to show high quality pictures of the product being sold. In addition text descriptions should accompany the pictures particularly where technical specifications are needed.
- **Know your purpose:** The business needs to know what the purpose of the web site is, how it will support the business and how it will serve the customers. A clear

understanding of the business' goals and the web site's goals will prevent resources from being wasted on the e-commerce venture.

- Entertain and educate: Web pages should entertain the customer through the content and the design. At the same time the web site has the opportunity to educate the customer with every web page visited. Both entertaining and educating the customer contribute to enhancing the customer's experience.
- Don't make your customer feel like an idiot: Reference is made here to navigational links on the web site that do not work, a complex web site design and not providing instructions for the customer. Consequently if a customer has a negative experience on the web site it is unlikely that they will return to the web site.
- Let your customers do things their way: This item promotes enabling customers to create their own view of the web site by selecting what they are interested in. Furthermore it supports allowing customers to use the web site the way they want to as opposed to being forced to follow particular navigational links.
- Create trust: Any policy documents need to be explicitly written and displayed openly for the customer's attention. More importantly, however, the business needs to adhere to its own policies.
- Sweat the details: Spelling, punctuation, grammar and accuracy of the content all contribute to making that first impression. According to Levine (1998, online) web site users base their judgement of a web site on content accuracy as well as design.
- Listen to your customers: By asking for and receiving feedback the web site is creating opportunities to learn how well it is meeting its customer's needs.

Levine's (1998, online) customer care initiatives require the web site to be designed from the customer's perspective. Customer opinion and feedback is important for the web site to maintain objectivity and to adjust itself in order to keep the customer's interest.

Since these researchers published their recommendations for online customer care, new technologies have been developed for the Internet. Therefore, as will be seen in the Methodology chapter, certain additional customer care initiatives have been included in the research, which are not evident in the literature but are evident on web sites. While the core focus of customer care

remains the same i.e. “to put the customer first”, web sites need to identify how to do this in an original way to develop their own uniqueness. However, customer care needs to be integrated into both the message and the operational aspects of the web site to enhance the customer’s experience.

3.8 Conclusion

What has emerged is that the Internet has provided another outlet for businesses to present their products and reach their customers. However, this has come at a price as businesses have had to invest in the design aspects of web pages as well as the technology required to support the web site.

Further evidence from the literature has also shown that in the self-service environment of the Internet, online customers have expected various forms of support from the business. Consequently businesses have had to invest in ways to support and care for their customers in the online world.

The next chapter describes the research methodology employed by this research to determine whether any or some customer care initiatives are being implemented on a sample of South African e-commerce web sites.

Chapter 4:

Research Methodology

Sales on the Internet are continuing to grow exponentially. According to Forrester Research (as cited in Kessler, 2003, online) e-commerce grew by 42% from 2002 to 2003 and generated sales worth US \$12.2 billion in 2003. With that many commercial transactions occurring on the Internet the question that needs answering is how well the customer is being treated. Therefore this chapter details the research undertaken to ascertain whether the various initiatives that demonstrate customer care, as outlined in the previous chapter, have been included on the web pages of a sample of South African e-commerce web sites.

4.1 Research objective

This research attempts to establish whether South African e-commerce web site developers are implementing customer care initiatives in the web site design.

4.2 Research design

In order to establish whether the theory was applicable to real e-commerce web sites, a test sample was selected and evaluated as a pilot phase. After this proved successful, a sample of sites was collected and tested.

4.2.1 Test sample phase

After researching what was being proposed as customer care with respect to web site design by Adcock (2002, online), Burrell (2000, p.4-9), the Commerce Cubed Awards (2001, online) and Levine (1998, online), a shortened and non-specific list of customer care initiatives was created as a pilot phase. This list included assessing the design of the web pages with respect to layout, colour and navigational links, the ordering and payment mechanisms offered, whether secure payment was offered, whether the order could be tracked and whether a sense of community was

promoted. AMAZON.COM was selected as an international web site to test the validity of the literature research. The selection of AMAZON.COM was due to this web site having undergone considerable growth with respect to products on offer and popularity.

This pilot phase proved to be worthwhile as the proposed initiatives were found on the AMAZON.COM web site. Furthermore Amazon.com is used as a benchmark against which other web sites are measured (Commerce Cubed Awards, 2001, online).

A South African web site was then tested against the same list of customer care initiatives to determine if they would be applicable to a local web site. KALAHARI.NET was selected due to its similarity to AMAZON.COM with respect to having started as a book retailer. KALAHARI.NET has also imitated AMAZON.COM by expanding the variety of products available plus it has gained a reputation for positive customer experiences. Consequently testing KALAHARI.NET proved to be both useful and relevant research as the customer care initiatives were found on this web site.

4.2.2 Sampling methodology

The next stage involved determining what search criteria would be used to generate a sample of web sites for the research. Therefore, in order to remove bias and to increase the sample size, it was decided that generic search criteria would be necessary to locate any web site that offered e-commerce. By taking a small sample of South African web sites (CITYLODGE.CO.ZA, COMPUTICKET.CO.ZA, KALAHARI.NET, SAA.CO.ZA, SHAPEMAG.CO.ZA and TAKE2.CO.ZA) it was found that “shopping basket”, “my basket”, “shopping cart” and “checkout” were the most common terms used on e-commerce web sites. Therefore these terms were used as the search criteria for the South African web sites.

After investigating how search engines reference and select their results, it was decided to select GOOGLE.COM as the preferred search engine. Furthermore GOOGLE.COM has become the top ranking search engine on the Internet according to Sullivan (2004) and the Sunday Times Business Times (2004).

GOOGLE.COM uses a unique page ranking system that is based on how many web sites reference and/or link to a particular web site. This is done using a mathematical algorithm which allocates a score to the pages then ranks them and presents them with the most important at the top of the list. An additional reason for using this search engine was that the search criteria in GOOGLE.COM could be set to reference only particular country domains. This was done by adding “site:za” at the end of the search criterion which resulted in only South African web sites being returned. (Subsequent to this research GOOGLE.COM has added an option on their web page to search only pages from South Africa.)

In order to select 100 web sites at a time, the preferences for GOOGLE.COM were set to 100 so that the search engine would return that many sites for each search criterion. Searching for web sites using the above criteria was first done in April 2004 and again in September 2004 with Table 1 below revealing the increase in the total number of web sites matching the criteria. This emphasises the dynamic nature of the World Wide Web.

Table 1: Changes in web site quantities

Criteria	26 April 2004	22 September 2004	% Increase or Decrease
Shopping basket	7850	18500	235% Increase
My basket	2020	9950	492% Increase
Shopping cart	49000	73000	149% Increase
Checkout	42200	61300	145% Increase

It was decided to take the search engine results of 22 September 2004 as the final list of web sites that would be analysed. As the preferences for GOOGLE.COM had been set to return 100 web sites at a time, the lists of the first 100 web sites returned for each criterion was printed out for record purposes. In fact GOOGLE.COM returned 100 web sites for “shopping basket”, “shopping cart” and “checkout” but only 89 web sites for “my basket” as GOOGLE.COM determined that the remaining web sites were repetitions of previously returned sites. Therefore this gave a total of 389 web sites in place of the originally anticipated 400 web sites.

After visiting each of the original 389 web sites it was determined that 196 were usable to be assessed against the complete checklist of customer care initiatives. The main reason for the unusable web sites was due to the web site having a different focus and not engaging in e-commerce which was a prerequisite for the analysis. Table 2 represents the breakdown of how the web sites were grouped according to the results received for each criterion and how the original sample of 389 web sites was reduced to 196 web sites after eliminating unsuitable sites.

Table 2: Grouping of web site results

Criteria	Developer	Duplicates	ISP	No retail	Not available	Usable	TOTAL
Shopping cart	17	38	1	8	4	32	100
Checkout	7	10	0	2	6	75	100
My basket	2	23	0	31	4	29	89
Shopping basket	22	8	0	8	2	60	100
TOTAL	48	79	1	49	16	196	389

A description of the groups used for the eliminated web sites is given next:

Developer: This constitutes software development companies and independent consultants who were involved with designing software that functions as a “shopping cart” or “shopping basket” on Internet e-commerce sites.

Duplicates: This incorporates cached duplicates that were presented by the search engine for each criterion. In addition this includes sites that were repeated between criteria. For example both “shopping cart” and “checkout” criteria were present on the site.

ISP: This represents an Internet Service Provider which enables users to connect to the Internet.

No retail: These web sites presented news, events or stories which either referred to or made mention of the words of the search criteria.

Not available: When the Internet searching was done on 22 September 2004, these sites were not available for analysis.

Usable: These represent the core of web sites that were usable for analysis as they met the requirement of offering electronic commerce to users.

Therefore all the web sites that fell in to the Developer, Duplicates, ISP, No retail and Not available categories were eliminated from the sample. As a result 193 web sites were eliminated thus leaving 196 web sites to form the sample.

4.3 Representativeness

It was decided that selecting 100 web sites for each criterion would sufficiently represent the Internet. It can be seen from Table 2 that GOOGLE.COM returned 100 web sites for “shopping basket”, “shopping cart” and “checkout” but only returned 89 web sites for “my basket”. In this case GOOGLE.COM determined that the remaining web sites were repetitions of what had already been returned for the “my basket” criterion.

After eliminating the unusable web sites, there was a return of 196 out of 389 web sites which represents a 50.4% return. It was felt that a return of 196 web sites was sufficient to assess whether the customer care initiatives referred to in the previous chapter were being implemented. Furthermore it was felt that even if the sample was increased beyond 196, it would not make a significant difference to the research results.

4.4 Research instrument

It was decided that a checklist would be used as the analysis instrument against which each web site would be assessed. Appendix 1 contains a printout of the checklist. In order to remove subjectivity the checklist was drawn up as a series of questions that required a “Yes” or “No” answer. Each question refers to specific initiatives that are regarded as essential to offering customer care on a web site according to Adcock (2002, online), Burrell (2000, p.4-9), the Commerce Cubed Awards (2001, online) and Levine (1998, online). The questions have,

however, been re-worded to identify specific elements of customer care while assessing each web site. In particular instances this research has also included additional elements that were considered important for customer care for which there are limited or no references in the literature. These include the presence of a postal address, a facsimile number, offline payment using money orders, discounted shipping and the presence of a wish list and a gift list.

However, due to the research requiring an interaction with each web site, it was decided that it would be more user-friendly to present the checklist on the screen and to be able to click on checkboxes to answer the questions. Therefore a database was developed in Microsoft Access to store the checklist questions which were then presented in a form on the screen while each web site was being analysed. The database stored the web sites that were analysed as well as the results of the analysis. Furthermore a customised Internet browser was developed so that the web site and the form could be displayed on the screen at the same time. This made the analysis more seamless without having to move between two different windows as the web page was displayed in the top pane and the form in the bottom pane. (See Appendix 2 for a print out.)

4.5 Database form design

There are five sections in the database form (see Appendix 3 for a sample printout). A description of each section is given below together with a list of the items included under each section. Each item represents a question which would elicit a “Yes” or “No” response during the web site analysis. Background detail for each item is given to describe further what the research was trying to analyse with each item.

4.5.1 Comment section

This section provided space for recording any additional comments, opinions or assessments not covered in the additional four sections of the form during the analysis.

4.5.2 General section

This section allowed for the overall impression of the web site to be analysed with respect to the design, how products or services were portrayed as well as the content.

Product or Service sold: This established what type of retail the web site was engaging in.

Text quality: Spelling, punctuation and grammar were assessed as errors in the text message would impact on the customer's perception of the web site. Furthermore with the prevalence of electronic language tools, there is no excuse for errors in the text message (Levine, 1998, online).

Entertaining content: This identified whether the content was interesting and engaging. A background question behind this item was "Would I return to this site?" Entertaining content would tend to encourage customers to return to the web site (Commerce Cubed Awards, 2001, online and Levine, 1998, online). Furthermore entertaining or playful content provides intrinsic, personal and emotional satisfaction to customers and therefore entertaining content is an important consideration for web sites (Chang, Arnett, Capella and Taylor 2001, p.71).

Educational content: This item determined whether the text message was interesting and inspiring and whether the customer would learn anything new. As Levine (1998, online) points out the web site has the potential to provide different messages on each page of the site that should encourage and engage the customer.

Appropriate design elements: This tends to be a subjective item, therefore, the research focussed on the use of menus, drop-down lists and clickable links that assist users with navigating the pages of the web site which Smith and Wheeler (2002, p.148) consider essential basic design components.

Pictures or photographs on the site: As the Internet supports graphic material, instead of relying only on text, web sites should include some graphic images to enhance the message and to provide additional interest for the customer (Levine, 1998, online).

Pictures of the items for sale: Levine (1998, online) suggests that "people won't buy what they can't see" therefore including pictures or photographs of the items for sale provides a visual description for the customer and helps with the decision-making process. The research did not do an in-depth assessment of the size or quality of the pictures as the focus was merely to determine whether pictures of the items for sale were given or not.

Text description of items for sale: In addition to picture of the items a text description is just as important for promoting the product. This is particularly relevant when poor quality pictures are given or when technical specifications are needed to enhance the images (Commerce Cubed Awards, 2001, online). However, as Levine (1998, online) points out particular customers prefer both a text description and the visual stimulus.

Search Facility: This enables the customer to do a search and find information that would only be available on the particular web site. As search engine technology has decreased in cost it has become more affordable for web sites to include this facility to assist their customers (Burke, R., Rangaswamy, A. and Gupta, S., 2001 cited in Wind and Mahajan, 2001, p.228).

Shopping basket: An online shopping basket is a program that operates in a similar manner to an offline shopping basket as it holds the items the customer intends to purchase. For a web site to offer e-commerce it is considered important to present a shopping basket on the retail pages of the site (WebWoods, 2002, online).

Gift registry: This facility enables a customer to create a list of items that they would like purchased for them by other people (Pitta, 2000, p.94). The Commerce Cubed Awards (2001, online) consider a gift registry as an important item that increases online customer care.

Cross selling: This assessed whether the web site made recommendations or offered other related or non-related products to the customer as a way of inducing additional sales (Levine, 1998, online).

Shopping assistants: A shopping assistant is a program that learns the customer's preferences and in that way enables the customer to quickly find a desired item without having to browse through many irrelevant pages on a web site (Tran and Tran, no date, online). The Commerce Cubed Awards (2001, online) consider the inclusion of shopping assistants on web sites as important customer service as these assistants will help the customer select products to purchase.

Wish list: This allows the customer to create a list of items that s/he would like to purchase in the future from the web site (Kalahari b, Kalahari.net, no date, online). While limited references to this item were found in the literature, it was, however, considered important to assess whether the web sites in the sample offered this facility.

Customisable website content: This feature allows customers to select particular items to customise their view of the web site. Therefore this offers freedom to the customer to see the web site the way they want to (Levine, 1998, online).

Text only version: In order to reduce resource-hungry graphic material from being downloaded, the web site should offer the option of only displaying text. This is simply another way of letting the customer “do things their way” which Levine (1998, online) maintains is important.

Translations: The Commerce Cubed Awards (2001, online) suggest that multi-national translations are an important element in customer care. This research, however, only assessed whether the web site offered translations into any of the official South African languages.

Request feedback: This determined whether the web site actively requested feedback by presenting a button or a link for the customer so that their comments could be sent back to the web site administrators. Levine (1998, online) maintains that asking for help and receiving criticism is important so that the web site maintains its objectivity and can be adjusted to accommodate customer needs. However, he warns that it is important that web site designers must listen to the feedback.

Intuitive site: This assessed whether the web site made use of menus, links and buttons to guide the customer into making the correct choices. It is important that customers do not feel foolish and frustrated by error messages and wrong choices so web site designers need to design the interface as clearly as possible and to test for errors (Levine, 1998, online).

Unrelated marketing pop-ups: A pop-up is simply another browser page that opens containing content that promotes related or unrelated products (Allen, Kania and Yaeckel, 2001, p.141). This research evaluated whether pop-ups that were unrelated to the web site appeared when the web site opened.

Discounts and vouchers: This item assessed whether the web site offered either a discount or voucher if more than one item was purchased. Both these mechanisms promote the sale of more products and, furthermore, contribute towards creating a community of frequent shoppers to the web site (Commerce Cubed Awards, 2001, online).

4.5.3 Contact section

This section recorded the various methods offered to a customer to contact the company behind the web site. In addition this section analysed whether there was an ongoing attempt at creating a community through contact between the web site and its customers in the form of newsletters and community forums.

Cell phone, Telkom phone number and Toll-free number: These three items determined if the customer could phone a contact number for assistance. According to Adcock (2002, online) providing telephonic support increases the credibility surrounding a web site with particular emphasis on Toll-free numbers as the customer does not have to pay for the call.

Fax number: While none of the authors mention the use of a fax number, it was decided to include this item as an extension of providing a different form of contact for customers.

24/7 Customer support: The Commerce Cubed Awards (2001, online) consider this as an essential customer care initiative for web sites. Web sites that offer 24/7 customer support are proud to provide this and therefore advertise this feature fairly prominently on the web site. Therefore the research assessed whether the web site advertised this or not.

Postal address: A postal address is another mechanism that adds to a web site's credibility (Adcock, 2002, online). This research determined whether a postal address was presented on the web site or not.

E-mail support: This established whether either a contact e-mail address was given on the web site or a form was presented for the customer to fill in which would be e-mailed back to the business. Due to the ease of use and the effectiveness of e-mail support Adcock (2002, online) promotes this initiative to support customers. However, Adcock (2002, online) does warn that the turn-around time for responding to a customer needs special attention as customers cannot be kept waiting.

Self-help/FAQ: A self-help section or a list of frequently asked questions (FAQ) present very cost-effective methods of customer care. FAQ lists are simply created from real or anticipated questions which the web site receives from its customers. Furthermore both or these mechanisms empower the customer to interact with the web site and find the relevant information (Adcock, 2002, online and Burress, 2000, p.7). This research established whether the web site presented a link to either a self-help page or an FAQ page.

Instant message: This enables customers to stay online and receive assistance from a support person while visiting a web site. The customer and the support person communicate via text messages (Burruss, 2000, p.7). This research assessed whether this initiative was offered on the web sites in the sample.

VOIP: Voice over Internet Protocol (VOIP) allows customers to talk to a support person through the Internet connection, via a microphone connected to their computer (Burruss, 2000, p.8). At the time of this research this form of communication was not widely supported in South Africa. Prior to 1 February 2005 VOIP could only be legally used in South Africa within an organisation's own network thus saving expenses between branches of the organisation (Thomas, 2005, p.8).

Community discussion boards: These are public discussion centres where the web site's customers can discuss products and provide answers to each others questions thus freeing up the web site's staff (Adcock, 2002, online). The Commerce Cubed Awards (2001, online) judge web sites on their ability to create a community and consider discussion boards or messages boards as an important contributing element to building a community. This research determined whether a discussion board was available on the web site but did not participate in any discussions.

Community promotions: This established whether the web site's community members were rewarded in any way. This type of incentive further contributes to the building of the community (Commerce Cubed Awards, 2001, online).

Community newsletters: An additional mechanism for web sites to build and maintain contact with its community is to send out newsletters (Commerce Cubed Awards, 2001, online). This research determined whether the web site offered newsletters to its community of frequent customers.

Customer reviews: This established whether the web site allowed its customers to submit product reviews which would be displayed on the web site. This initiative engages the customer to make contributions and further build the web site's community (Commerce Cubed Awards, 2001, online).

4.5.4 Security section

This section deals with how the web site offers and informs the customers that their online transactions would be secure.

Secure certificate logo: This logo would simply serve as an indication that the web site has committed to securing the customer's sensitive data (VeriSign, 2005, online). The research determined whether a secure logo was displayed on any of the web pages of the web site.

Secure payment: This item analysed whether the web site offered secure payment by encrypting the customer's sensitive information. This was not tested during the research, however, evidence was taken from the web site's privacy policy or from the changes displayed on the screen once the purchasing pages were displayed. A secure web page displays a padlock icon in the status bar and the address of the web site changes from http: to https: (Thawte a, no date, online).

Privacy policy/information: Levine (1998, online) maintains that web sites should make the policy documents explicit and readily available to build customer trust. Furthermore web sites must follow through with what is stipulated in the policy documents. This research was not able to test whether web sites adhered to their own policies, as the research was simply to assess whether access was given to a privacy policy document.

Account login and password: This item determined whether the web site created unique accounts for each customer prior to doing a purchase. By creating individual accounts the web site would provide better security for the customer's personal information. In addition by setting up customer accounts the web site can be designed to identify a customer and thus prevent repetitive data, such as addresses, from being re-entered (Levine, 1998, online).

4.5.5 Ordering section

This section provides information on whether the web site offers different payment methods, shipping details, product catalogues and whether the order can be tracked. Many of these items were not tested during the research. Information was taken from the web sites' policy documents therefore an assumption has to be made that the web sites would be adhering to their policies.

International currencies quoted: The issues of taxation and currency exchange have become barriers to international trade via the Internet (Trepper, 2000, p.66, 68) therefore this item

determined if the South African web sites in the sample were advertising their products with or without international currencies.

Online payment methods: The research evaluated whether the following different methods of online payment were offered to the customer:

Credit card payments, which are the easiest way of doing online payments, entail providing the credit card details to the web site (Chen, Lee and Mayer, 2001, p.141).

An Electronic wallet or E-wallet is a program that stores the customer's credit card details on their own computer in an encrypted format (Chen *et al*, 2001, p.141). Purchases are then done at web sites that support that particular type of encrypted e-wallet.

Other mechanisms for online payment included E-bucks¹ and Bluebean². In addition if the web site provided its banking details so that the customer could do online Internet banking, this was included here.

Offline payment methods: As not all customers have access to online payment methods the research also determined whether the web site provided details for the customer to make use of a variety of offline payment methods.

Credit card details would have to be faxed to the business for the payment to take effect. This would be the case if the web site did not offer a secure mechanism for encrypting the customer's details. In addition there is still suspicion over the security of web sites, therefore by offering an offline option for credit card payments, the web site is providing alternatives to its customers (Guedes, 2004, online).

Bank deposits or transfers would require that the web site provides banking details for the customer to go to the bank to effect the payment.

Money orders are purchased from the Post Office and then posted to the business to pay for the product purchased.

Cheque payments require the customer to post the cheque to the business to pay for the product purchased (Chen *et al*, 2001, p.142).

International shipping: This criterion determined if the South African web sites in the sample were shipping their products internationally.

¹ E-bucks are a First National Bank initiative that enables their customers to earn rewards through spending. These rewards represent a currency which can be spent on both online and offline purchases.

² Bluebean is a Standard Bank credit card offering lifestyle products to its customers as well as secure electronic payments for online purchases.

Free shipping: The Commerce Cubed Awards (2001, online) consider free shipping to be an important element in web site customer care.

Discounted shipping: None of the previous researchers mentioned discounted shipping as they were promoting free shipping. Therefore it was decided to include this in the research to determine what the web sites in the sample were doing with regard to shipping.

Fast shipping: This entails either “same-day” or “next-day” shipping in order to get the product to the customer in the shortest time (Commerce Cubed Awards, 2001, online).

Free return shipping: If a customer needs to return an item the web site needs to make it clear who would be responsible for the return shipping costs. The Commerce Cubed Awards (2001, online) consider offering free return shipping as good customer service.

Online inventory available: An online inventory would inform customers of how many of a particular item was in stock prior to an order being done. This would inform the customer up front therefore decreasing possible frustrations and preventing the customer from visiting a competitor’s web site (Commerce Cubed Awards, 2001, online).

E-mail order status tracking: This determined whether the web site sent e-mails to the customer to inform them of the status of the order and if any changes occurred to the order. This is important communication keeping the customer informed of their order at all times (Commerce Cubed Awards, 2001, online).

Online order status tracking: This would provide the customer with a tracking number and a link to the shipping company’s web site where the customer could track the status of their order. Adcock (2002, online) and the Commerce Cubed Awards (2001, online) consider this to be an important element in caring for the customer after the purchase has been made.

Return policy: This would establish whether the web sites in the sample displayed a return policy detailing whether they accepted returned products or not. This criterion is promoted by the Commerce Cubed Awards (2001, online). In addition, Levine (1998, online) makes the point that any policies should be explicit and easily available on the web site.

4.6 Data collection

The web sites were analysed and the data collected over a two-month period from December 2004 to January 2005. The research was done using a permanent Internet connection from the University of KwaZulu-Natal, South Africa.

4.7 Data analysis

As the web sites were evaluated the answers to the questions were stored in an MS Access database. In order to analyse the resultant data, the data was transferred from the MS Access database into an MS Excel spreadsheet where calculations were done to count the actual numbers of “Yes” and “No” answers per criterion. Thereafter the answers were converted to a percentage and a chart of the percentage result was created for each criterion.

4.8 Limitations

The following are presented as limitations of this research:

1. The research used search criteria that were text-based. Consequently the search engine would have ignored any web sites that used a graphic image to represent the shopping basket or cart in place of text.

Well-designed web sites that contain graphic images should include alternate text to represent the graphic image (Nielsen, 2003, online). Therefore it is possible that particular web sites that did not contain alternate text were not found by the search engine during this research.

Furthermore, at this stage of search engine technology, it would not be possible to use graphic-based search criteria.

2. The Security and Ordering sections were not completely tested as items would have to be purchased from each web site. The data for these two sections was gathered from the web sites’ policy documents therefore an assumption has to be made that the web sites adhere to their own policies regarding the customer’s security and the ordering of items.

The next chapter provides the findings of this research.

Chapter 5: Research Findings

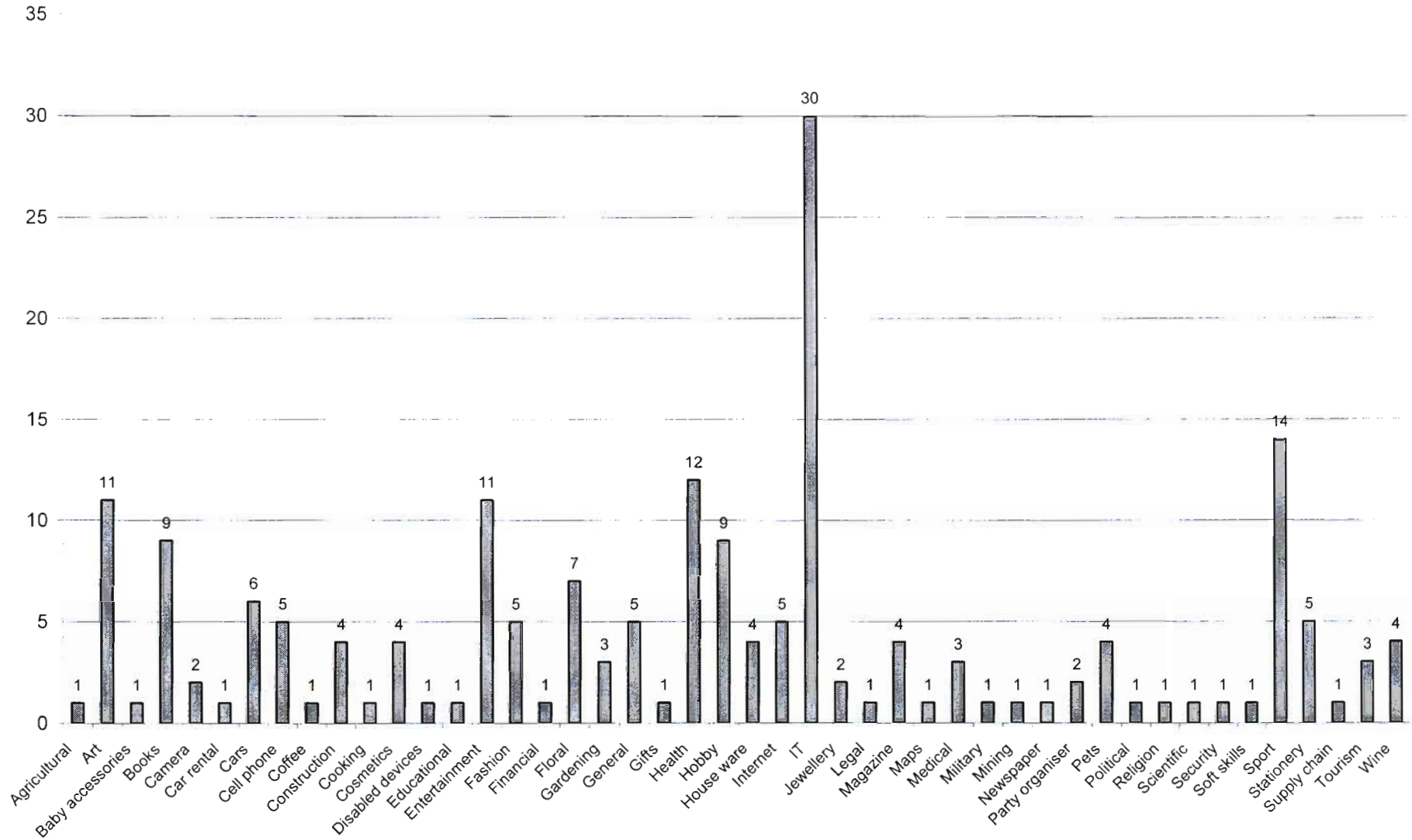
Due to the dynamic nature of the Internet, three web sites from the original sample of 196 were not available for analysis. One site had been taken down for maintenance and displayed a message to that effect which informed potential customers of this change. The other two sites either presented errors when connecting or gave warnings regarding not having authority to view the site. After investigating both sites with Uniforum at www.co.za which administers domain registrations for South African web sites, it was discovered that both these errant web sites are currently registered and paid up. Consequently the errors received cannot be explained further than that there were problems with the computers hosting the web site information and were therefore not available on the days that the research was done.

As a result of this the original sample of 196 web sites was decreased to 193. A list of the 193 web sites is given in Appendix 4. Even though this may appear to be a small number with respect to the number of web sites available³, it was felt that this sample was still representative of the available web sites on the Internet. Furthermore, even if three additional web sites had been added to the sample, this would not have had a significant impact on the results.

What was interesting to note was the breakdown of the industries which the web sites were representing. This is presented in the following chart and an explanation of the industries follows the chart.

³ As a matter of interest the total number of registered .co.za web sites was listed as 177,751 on 22 March 2005 (e-mail communication with Uniforum). However, according to Biz-Community (2005, online), the number of e-commerce web sites is much less: in 2001 there were 215 e-commerce web sites and this grew to 719 in 2003 which represents a 30% growth rate in two years. By extrapolating, using the same 30% growth rate, there would be 935 e-commerce web sites in 2005. Therefore the sample of 193 in this research would represent 21% of the South African e-commerce web sites.

Figure 1 Count of industries represented by web sites



Industry	Description
Agricultural	Documentation to assist with farming and governmental acts were presented for sale.
Art	Original art work, posters, pottery and sculptures were being sold.
Baby accessories	Furniture, clothing, music and toys for babies were for sale.
Books	Books relating to all topics were for sale.
Camera	Camera equipment and accessories could be purchased.
Car rental	Bookings for car rental could be arranged electronically.
Cars	Passenger and off-road cars and accessories were being sold.
Cell phone	Phones, accessories, ring tones and graphics could be purchased.
Coffee	Range of different coffee flavours could be purchased.
Construction	Timber and electrical equipment was offered for house construction.
Cooking	Oriental ingredients and products could be purchased.
Cosmetics	Personal care items such as make-up, perfume, hair accessories were for sale.
Disabled devices	Any devices for the disabled community could be ordered.
Educational	Educational software for children was for sale.
Entertainment	Digital music and movies was for sale.
Fashion	Accessories such as belts, scarves, hats and hand bags were for sale.
Financial	Financial services were offered.
Floral	Floral arrangements and gifts could be ordered for delivery.
Gardening	Seeds and bulbs were offered for sale.
General	This comprised shopping portals which sold a wide variety of South African goods ranging from personal care to house ware items.
Gifts	Personal and corporate gifts were available for purchasing.
Health	Natural health products for health and beauty were for sale.
Hobby	Items available for hobby enthusiasts ranging from needlework to go-karts.
House ware	Mattresses and household furniture was being sold.
Internet	Domain names were being sold and space to host web sites was available.

Industry	Description
Information Technology (IT)	Computer software, hardware and accessories were available to purchase.
Jewellery	Various items of male and female jewellery was for sale.
Legal	Electronic legislative material was for sale.
Magazine	Various magazine subscriptions were available.
Maps	Maps, route guides and atlases were for sale.
Medical	Medical equipment, prescriptions and emergency kits were for sale.
Military	Military clothing and souvenir items were for sale.
Mining	Mining publications were for sale.
Newspaper	Online equivalent of the printed newspaper offering its classified advertising services was for sale.
Party organiser	Menus, entertainment and venues could be arranged for different types of parties.
Pets	Pets, accessories, veterinary equipment and prescriptions were offered for sale.
Political	A South African political party was selling promotional clothing and memorabilia.
Religion	Religious promotional material was for sale.
Scientific	Suppliers of scientific software and exploration equipment.
Security	Household security equipment and accessories were for sale.
Soft skills	Motivational, leadership and self-improvement training courses were offered.
Sport	Equipment, accessories, clothing and promotional material was offered for sale.
Stationery	Paper, greeting cards and writing tools were for sale.
Supply chain	Supply chain management solutions were offered as a service.
Tourism	Accommodation and tours could be purchased.
Wine	Wines, grape juice and accessories was for sale.

From the sample of 193 web sites, the above 46 different industries represented a wide cross section of products and services available for purchase via the Internet.

As can be seen from the chart the most commonly represented industry in the sample was IT. This may be due to IT hardware and software being relatively easy to sell as it represents a standard item to the customer (Reibstein, cited in Wind and Mahajan, 2001, p.209).

The second highest represented industry is sport which may be due to the fact that sporting equipment and accessories are also standard items. Furthermore South Africans participate in sporting events and follow the activities of their favourite teams which could further account for the high numbers within this industry.

The following five sections present the research findings of the web sites in the sample.

5.1 *Result findings per section*

5.1.1 Comment section

It was not necessary to record additional comments on each web site, except where features were found which were either both good or bad.

5.1.2 General section

This section established the nature of the web site in terms of what was being sold and how the core message was being portrayed to the customer. Furthermore this section focused on the quality of the information presented primarily on the home page. In some cases where a home page contained only graphic material, it was necessary to browse a couple of the web pages in order to determine the quality of the information presented.

On the whole, this section assessed how user-friendly the web site was with respect to being able to navigate and understand the web site's content and layout.

Each criterion is depicted in the following tables with the actual results and the percentage results given. The percentage result is then presented in a chart.

Figure 2 Product sold

Criterion	Results	Graphic representation of percentage results
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Product sold	Yes = 177
	No = 16
	Yes = 92%
	No = 8%

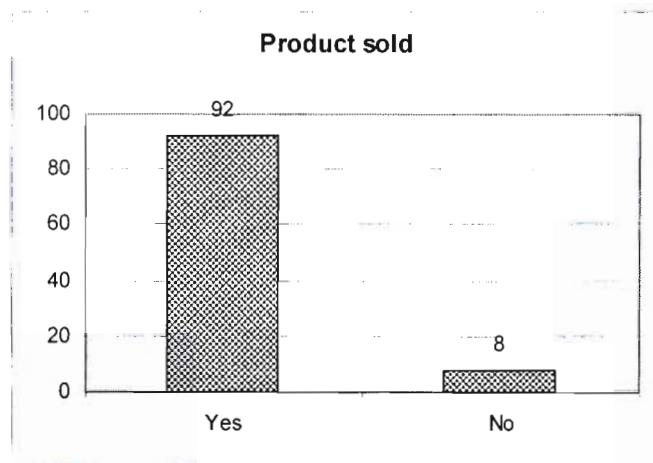
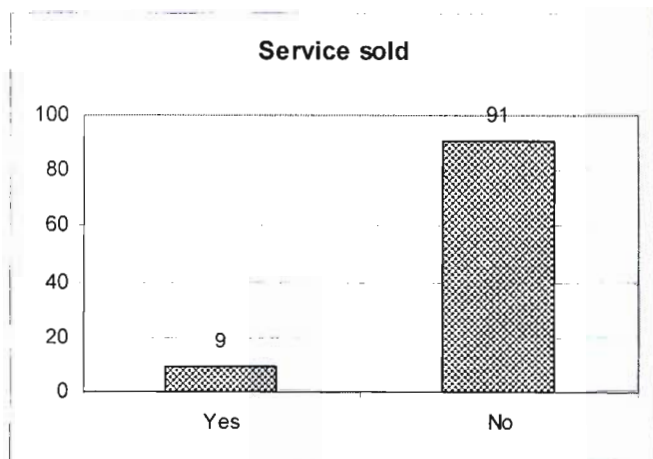


Figure 3 Service sold

Service sold	Yes = 17
	No = 176
	Yes = 9%
	No = 91%

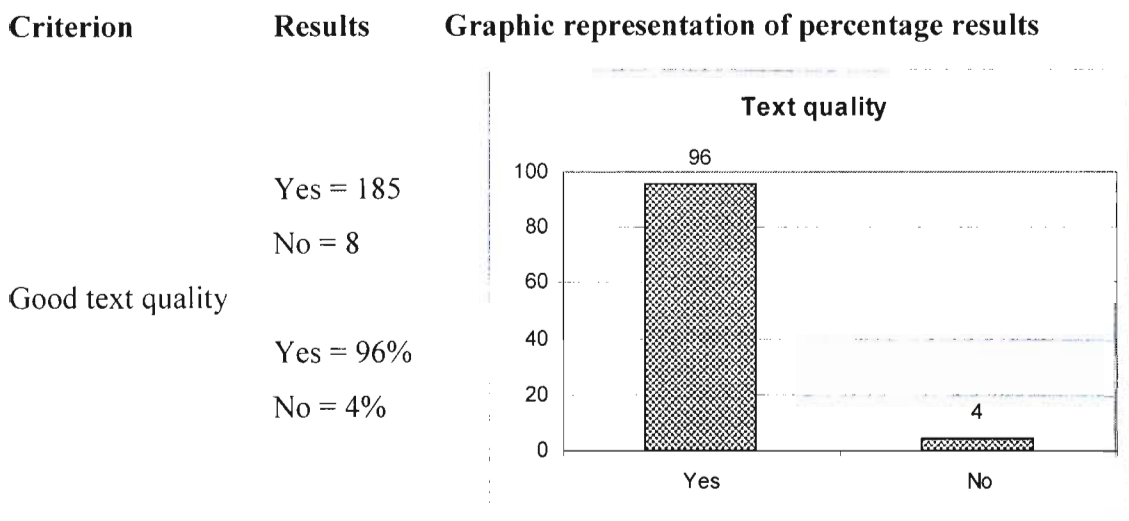


The evidence from the sample shows that a higher proportion of web sites are marketing products rather than services. The difference between a product and service is based on Kotler's (2000, p.396 and p.429) classification which identifies products as tangible and either durable or nondurable while services are intangible and perishable. It was interesting to note that all the products comprised "boxed goods" representing standard items thus

facilitating the customer's decision making.

It was interesting to discover five web sites marketing both a product and a service. They comprised the web sites in the Internet industry and offered the sale of domain names together with the creation and hosting of web sites. For the purposes of this study, domain names are regarded as a product as they represent an entity that exists even though they do not fit into Kotler's classification.

Figure 4 Text quality



The text on the majority of web sites was of a high quality with respect to grammar, spelling and the use of colour. The smaller percentage of web sites recorded without good text quality contained spelling and grammar errors on the home page.

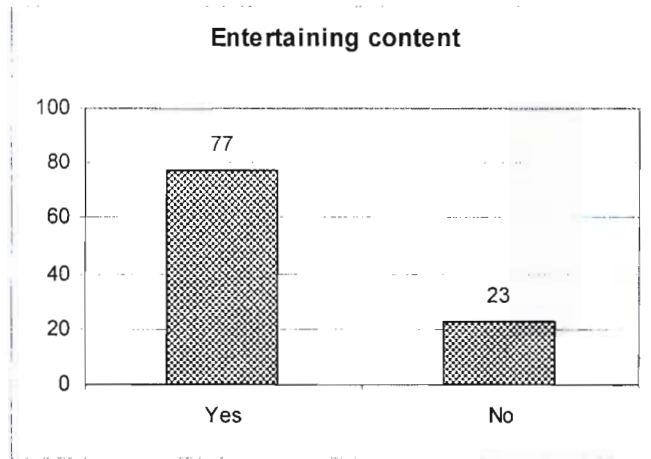
Figure 5 Entertaining content

Criterion Results Graphic representation of percentage results

Entertaining
content

Yes = 148
No = 45

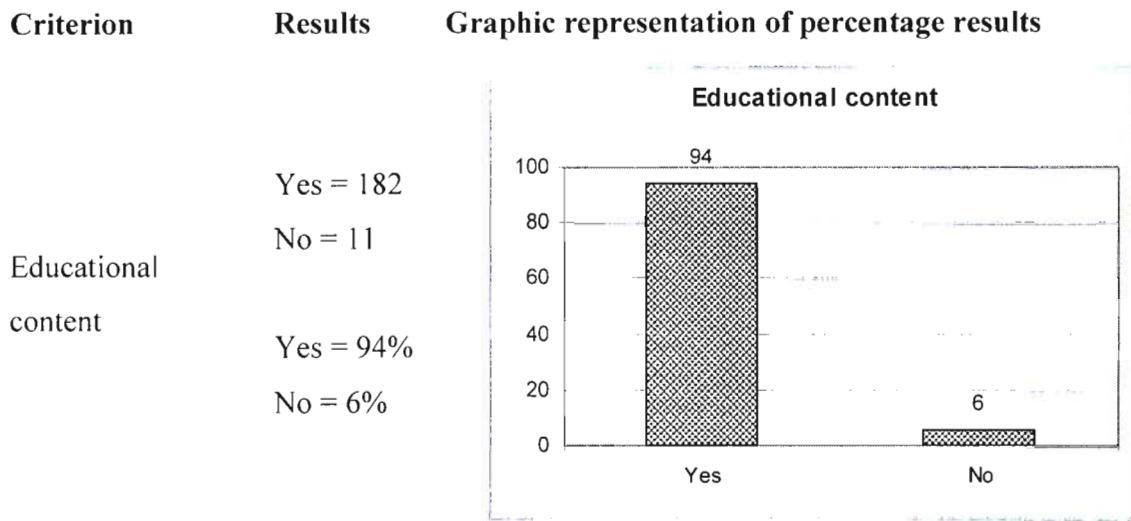
Yes = 77%
No = 23%



Entertaining content comprises content that holds the customer’s attention and maintains interest (Chang *et al*, 2001, p.71).

The majority of web sites had been structured with interesting design elements that did not distract from the core message. However, there were a smaller percentage of web sites that were not pleasing to assess. This was due either to not having any interesting features such as only containing text, or too many different elements were included which were distracting from the core message. It is accepted that the assessment presented of the minority of web sites may be due to the researcher’s own subjectivity.

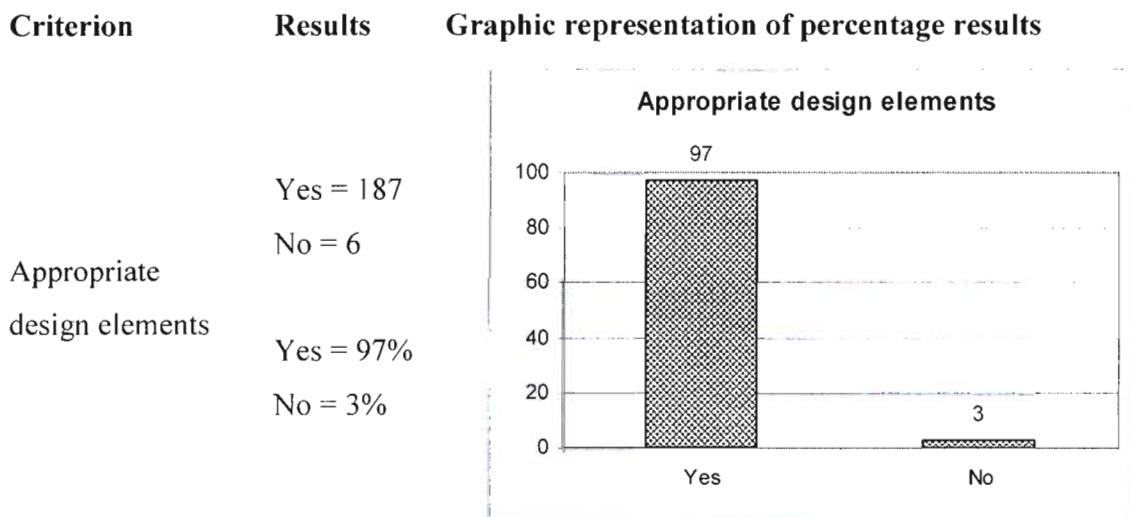
Figure 6 Educational content



Educational content enables the customer to learn from the material displayed (Levine, 1998, online).

The majority of web sites did display useful information that described the company and its products or services. A smaller percentage of web sites lacked descriptive information.

Figure 7 Appropriate design elements



This criterion represents design elements such as menus, drop-down lists and clickable links which assist the customer with navigating around the web site (Smith and Wheeler, 2002, p.148).

The majority of web sites contained these basic design elements. A small percentage of web sites did not contain menus but relied on very long text-based information containing clickable links on the home page, which did not facilitate the use of the web site.

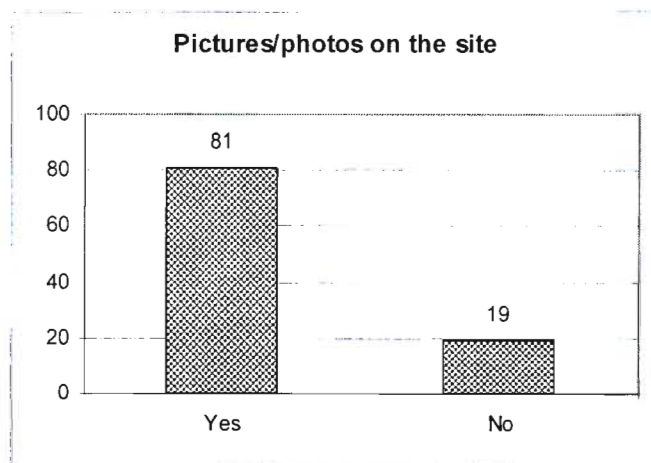
Figure 8 Pictures on the site

Criterion Results Graphic representation of percentage results

Are there pictures
on the site?

Yes = 157
No = 36

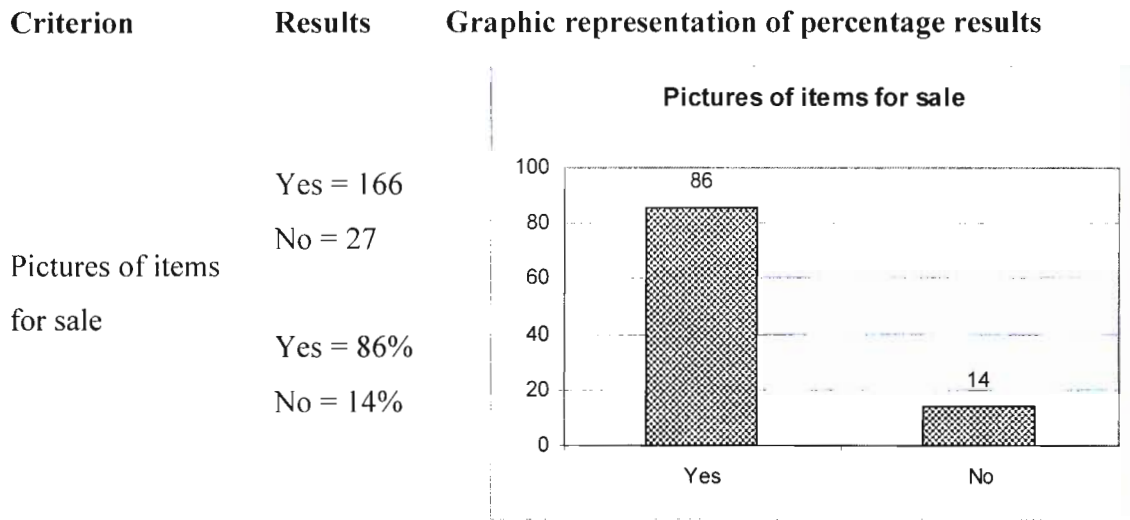
Yes = 81%
No = 19%



This criterion assessed whether any graphic material was presented on the home page and could include a company logo, clip art images or photographs to enhance the web site’s message (Nielsen d, 2004, online).

The majority of web sites did contain a variety of graphic material to enhance the core message while 19% of web sites did not contain any graphic material on the home page.

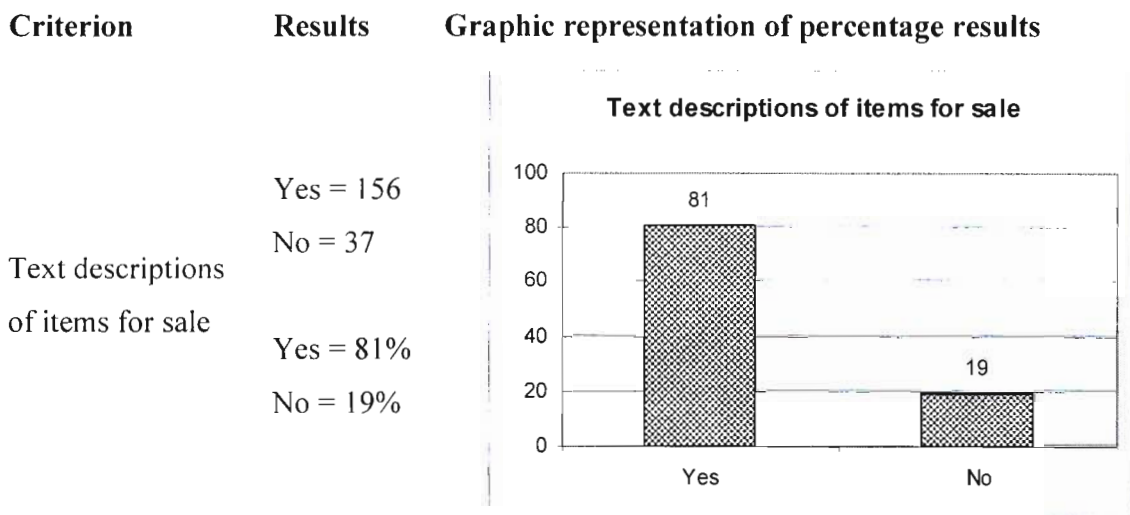
Figure 9 Pictures of items for sale



Any graphic representation, either clip art or a photograph, of the item being sold was being assessed as pictures of items tend to encourage sales (Levine, 1998, online).

The majority of web sites did contain graphic images of the items being sold. Some web sites had excellent quality photographs, others had a thumbnail image which could be clicked to enlarge the image, while others simply had small clip art images to show the items.

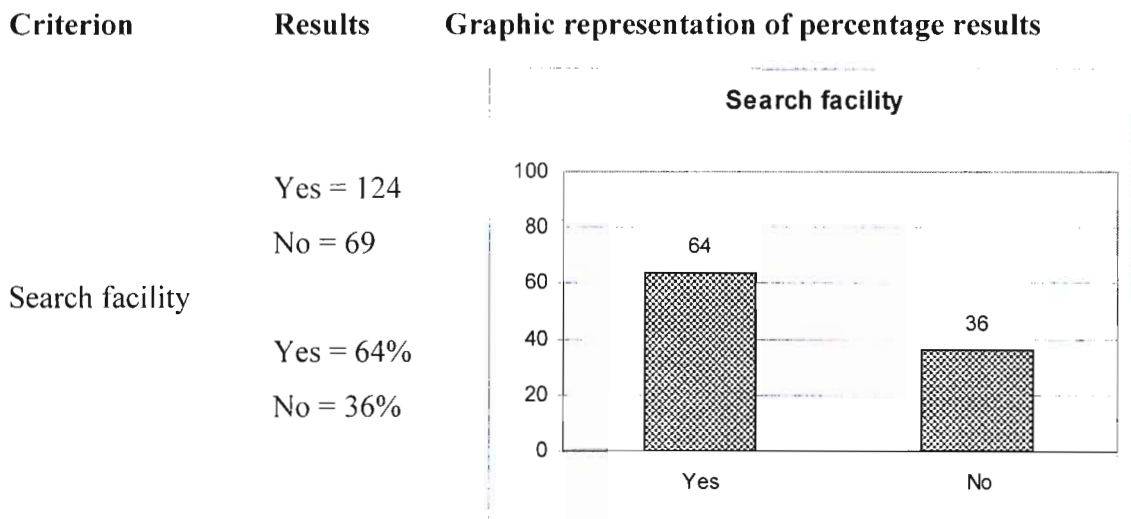
Figure 10 Text descriptions of items for sale



In addition to graphic images of the items being sold, text descriptions are equally important to provide explanations for the customer (Commerce Cubed Awards, 2001, online).

The majority of web sites contained text descriptions while a smaller percentage of web sites did not have text descriptions of the items being sold.

Figure 11 Search facility



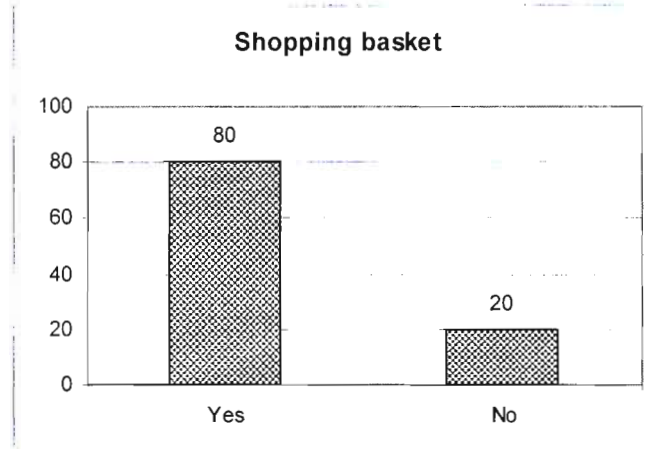
This criterion assessed whether the web site offered a search facility for searching the web site.

The majority, almost two thirds, of web sites did contain search facilities while a third of the web sites did not contain a mechanism to assist the customer find information on the site.

Figure 12 Shopping basket

Criterion	Results	Graphic representation of percentage results
------------------	----------------	---

Shopping basket	Yes = 154
	No = 39
	Yes = 80%
	No = 20%



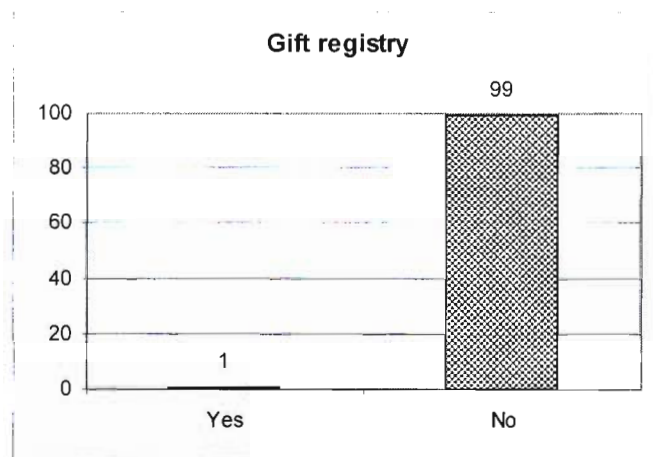
A shopping basket provides the ability to select items for purchase on the web site (WebWoods, 2002, online).

The majority of web sites in the sample contained a shopping basket for customers to use for purchases. A small percentage of web sites did not provide a shopping basket or similar facility for customers.

Figure 13 Gift registry

Criterion	Results	Graphic representation of percentage results
------------------	----------------	---

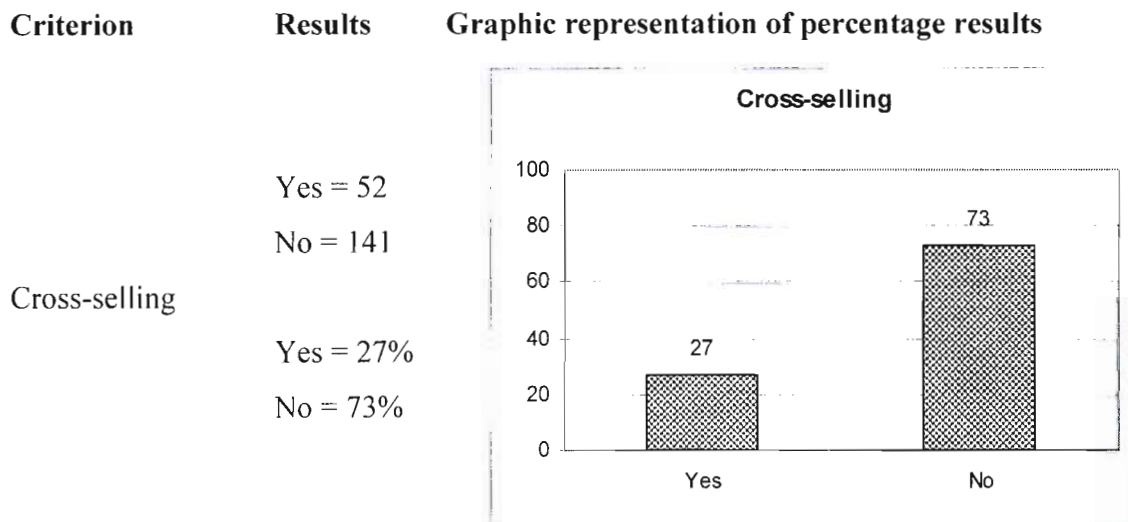
Gift registry	Yes = 1
	No = 192
	Yes = 1%
	No = 99%



A gift registry allows customers to create a list of items that they would like purchased for them (Pitta, 2000, p.94).

Only one web site in the sample provided a gift registry while the remainder did not.

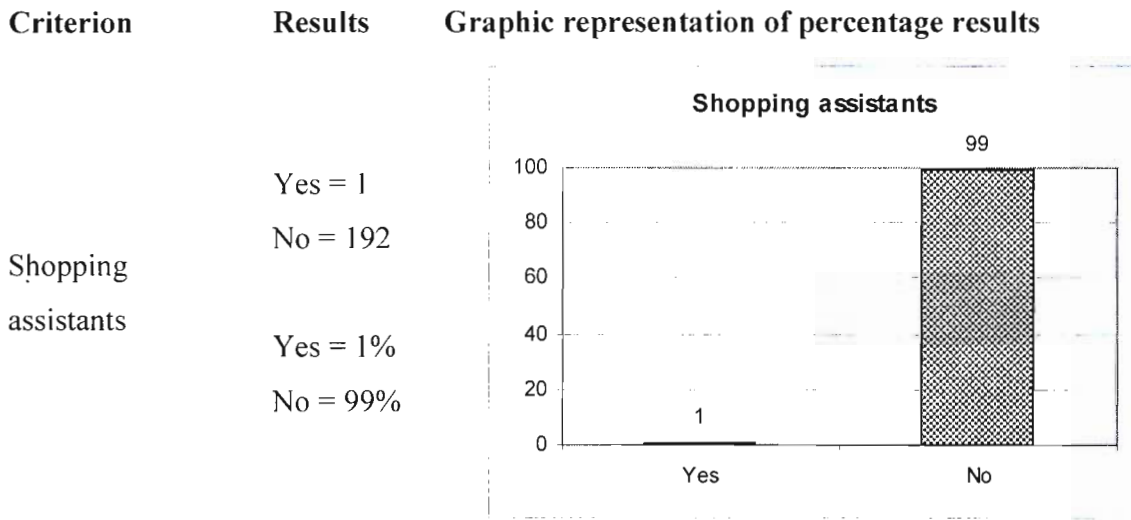
Figure 14 Cross-selling



This criterion determined whether the web site offered other related or unrelated products after an item was selected for purchase.

A small percentage of web sites participated in cross-selling other items while the majority of web sites did not offer other items to the customer.

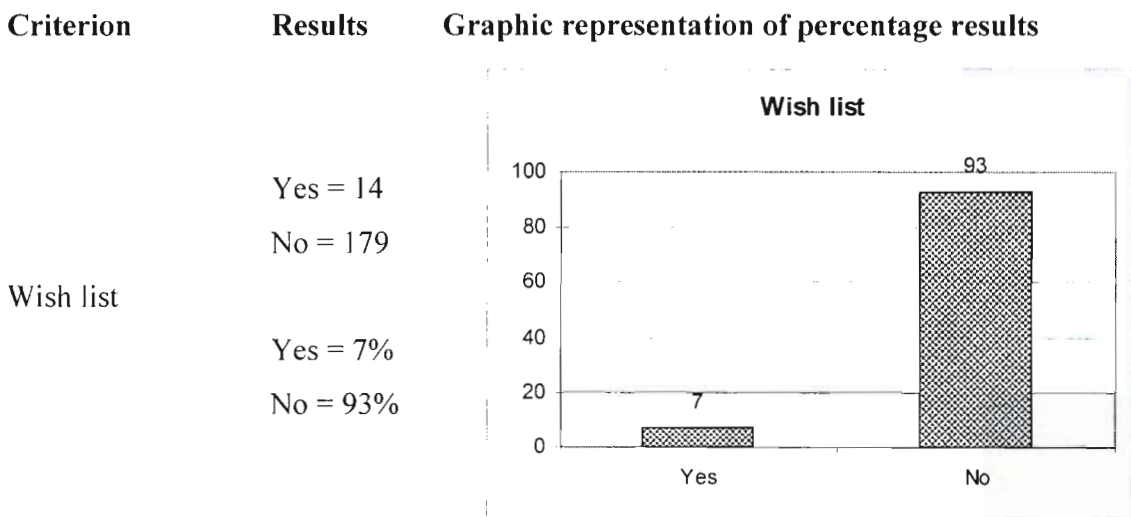
Figure 15 Shopping assistants



A shopping assistant helps the customer by doing repetitive tasks and providing products according to the customer’s preferences (Tran and Tran no date, online).

Only one web site contained a shopping assistant while the majority of web sites did not offer such a facility.

Figure 16 Wish list

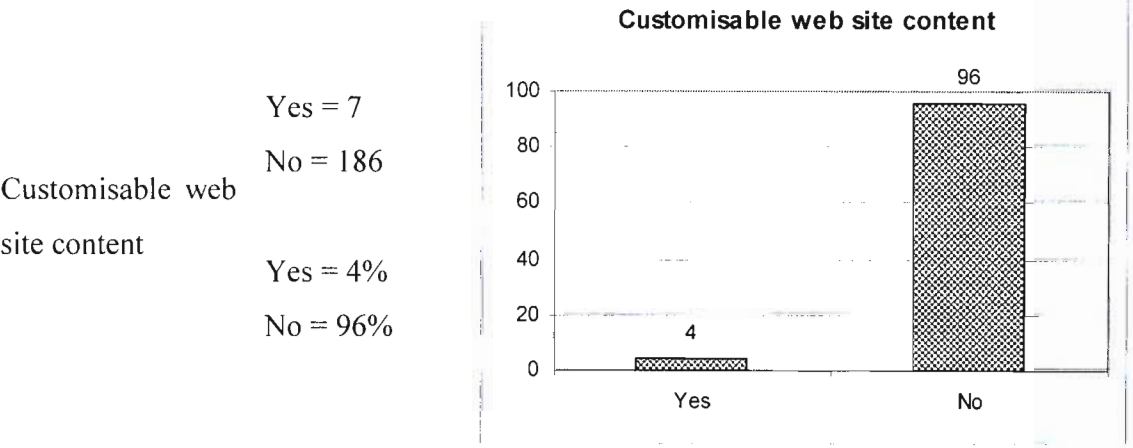


A wish list allows customers to keep a list of items they would like to buy in the future from the web site (Kalahari b, Kalahari.net, no date, online).

A small percentage of web sites offered customers the ability to create and maintain wish lists while the majority of web sites did not provide a wish list facility.

Figure 17 Customisable web site content

Criterion Results Graphic representation of percentage results



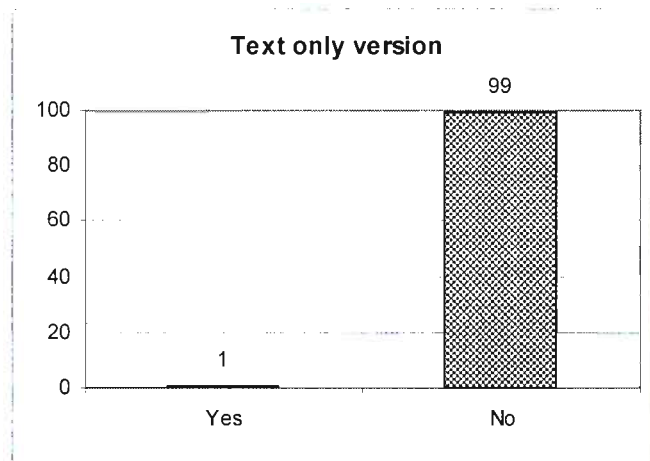
This criterion assessed whether the web site allowed the customer to customise their own view of the web site.

The minority of web sites provided for individual customisation while the majority of web sites did not allow for this feature.

Figure 18 Text only version

Criterion	Results	Graphic representation of percentage results
------------------	----------------	---

Text only version	Yes = 1
	No = 192
	Yes = 1%
	No = 99%



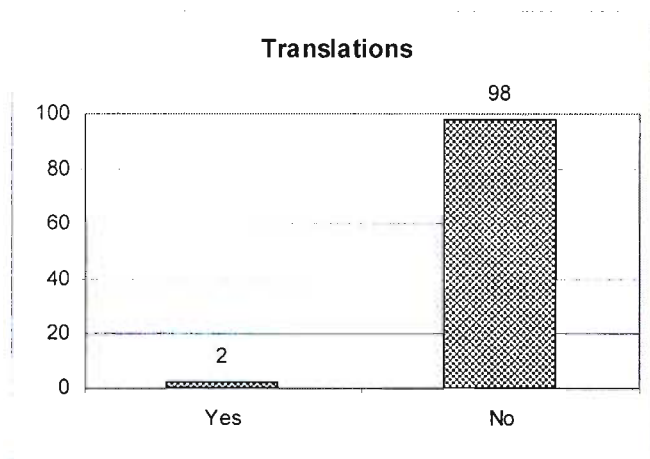
To assist with speeding up the downloading time and therefore reduce the customer’s connection time and costs, web sites can offer a text only version.

Only one web site offered this feature while the remaining sites were only available in a single format.

Figure 19 Translations

Criterion	Results	Graphic representation of percentage results
------------------	----------------	---

Translations	Yes = 4
	No = 189
	Yes = 2%
	No = 98%

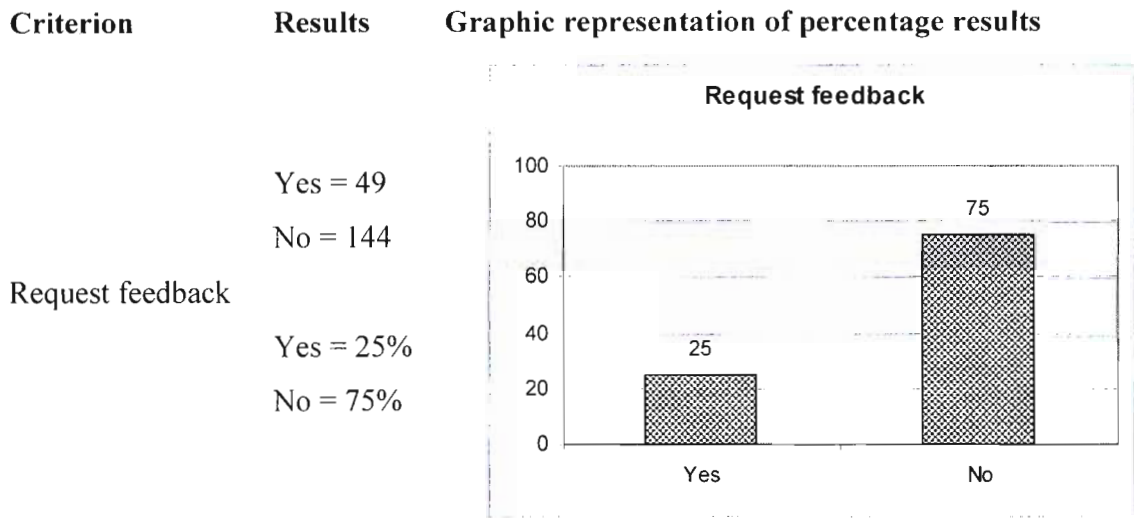


This determined whether the web site offers itself in different South African languages.

A small percentage of web sites offered the ability to translate the web site into either English

or Afrikaans while the majority of web sites were only available in English.

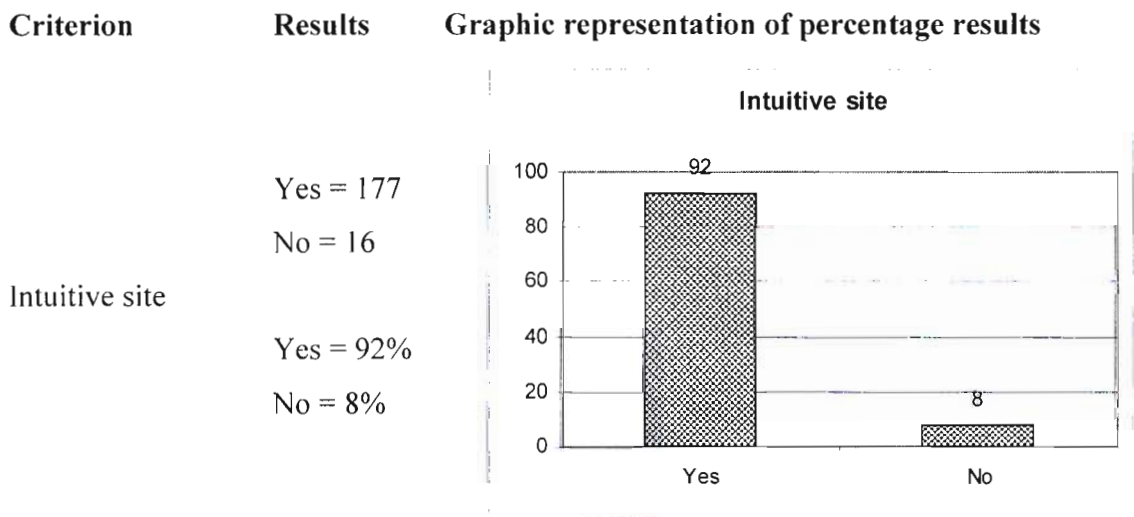
Figure 20 Request feedback



This determined whether the web site asked the customer to provide feedback.

The web sites that are seeking customer feedback are in the minority compared with those web sites that are not asking for feedback.

Figure 21 Intuitive site

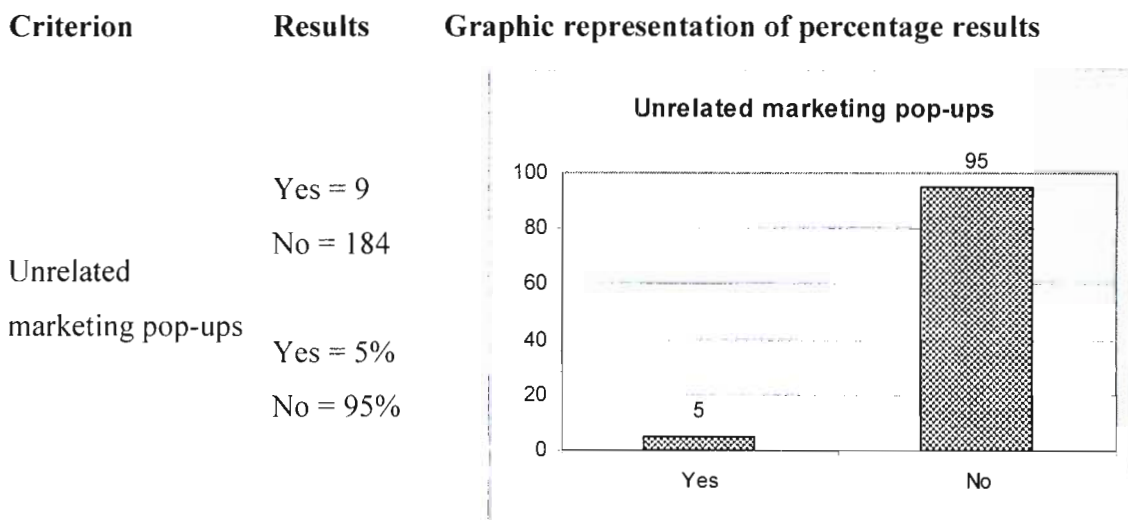


An intuitive web site is one that is easy to navigate due to providing menus and clear links to different sections as this can persuade a customer to buy from the web site (Nielsen cited in

Maguire, 2004, online).

The majority of web sites assessed were considered intuitive as they were easy to navigate through. However, a small percentage of web sites were presented in a confusing way which resulted in unclear navigation.

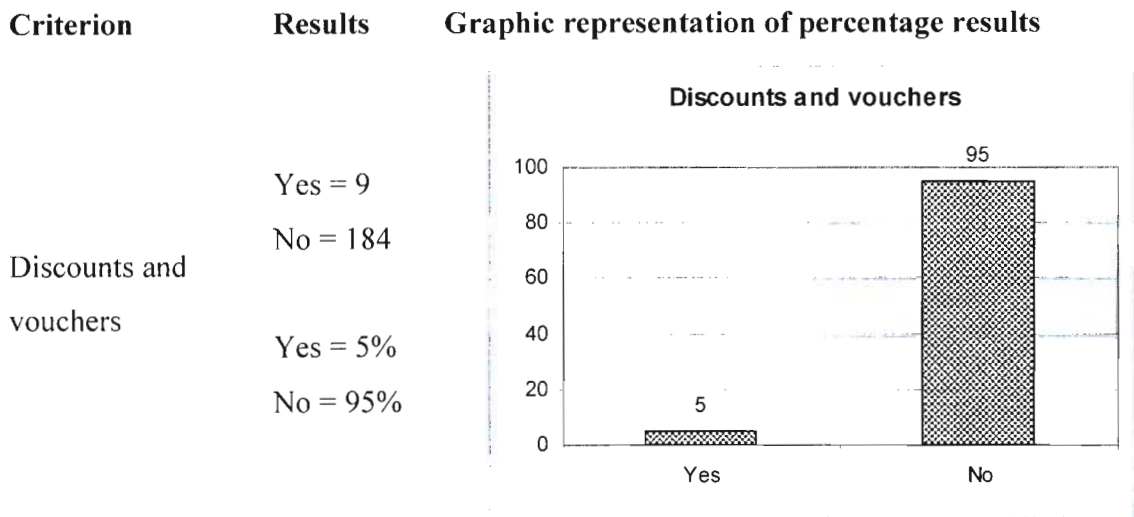
Figure 22 Unrelated marketing pop-ups



A pop-up is a marketing tool used to advertise a product or service which may or may not be related to the web site being visited (Allen *et al*, 2001, p.141). The research was specifically assessing unrelated pop-ups as these can frustrate and annoy customers (Nielsen cited in Maguire, 2004, online).

Only a small percentage of web sites made use of unrelated pop-ups. The majority of the web sites did not make use of pop-ups as a form of advertising.

Figure 23 Discounts and vouchers



Discounts and vouchers are offered to entice customers back to the web site and to purchase more than one item (Commerce Cubed Awards, 2001, online).

A small minority of web sites offered either discounts or vouchers to elicit higher sales from customers while the majority did not use this marketing tool to increase sales via the web site.

5.1.3 Contact section

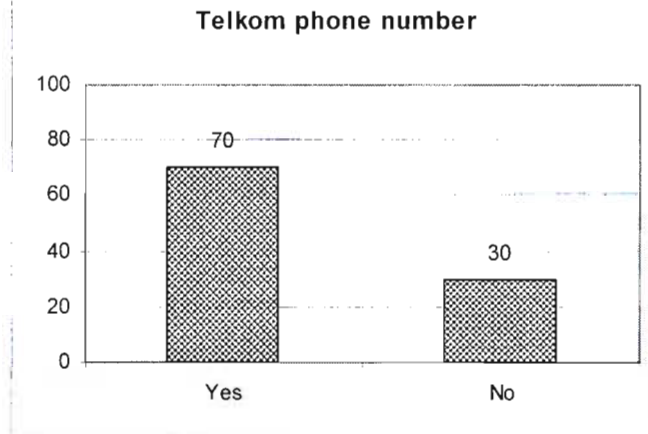
This section deals with contact details which are presented on the web site. The Commerce Cubed Awards (2001, online) outlines that the more ways there are for a customer to contact the business behind the web site, the better the customer service. Therefore the research investigated the many different ways the customer could contact the business to assess how many of these were offered by the web sites in the sample.

In addition this section investigates whether web sites are promoting community development amongst their customers by means of discussion groups, discounts and ongoing communication with the customer.

Figure 24 Telkom phone number

Criterion	Results	Graphic representation of percentage results
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Telkom phone number	Yes = 135
	No = 58
	Yes = 70%
	No = 30%



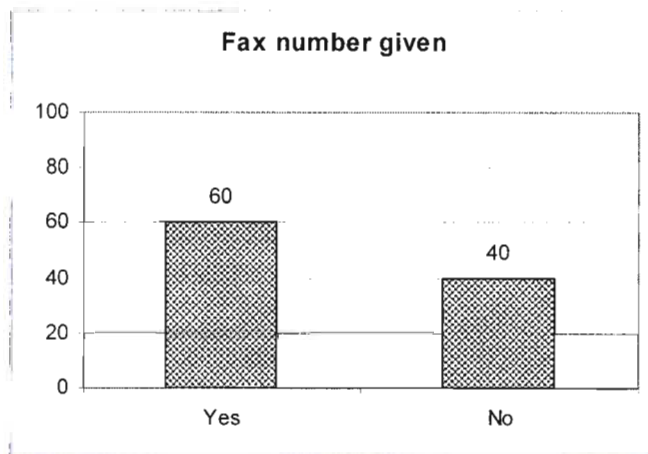
This criterion assessed whether a land-line telephone number was given for the customer to be able to contact the business.

The majority of web sites did include a land-line telephone number, however, this result was surprisingly low.

Figure 25 Fax number given

Criterion	Results	Graphic representation of percentage results
-----------	---------	--

Fax number given	Yes = 115
	No = 78
	Yes = 60%
	No = 40%

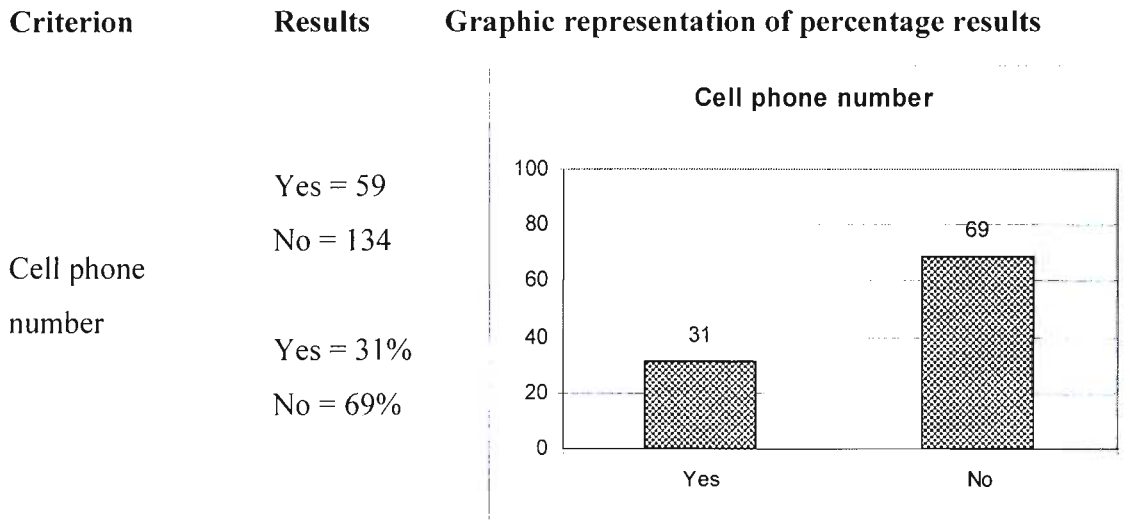


This assessed whether the customer would be able to send a facsimile to the business.

With respect to being able to send the business a facsimile, just over half the web sites

included this form of contact. There was a very small difference between the numbers of web sites that did and did not include a facsimile number.

Figure 26 Cell phone number



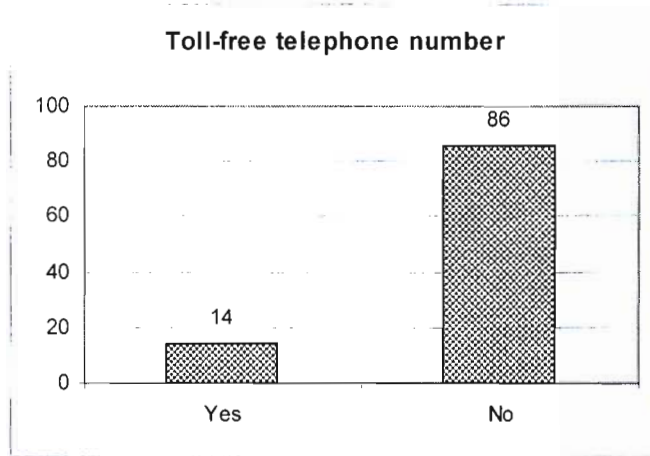
The research looked at whether the web site offered an alternative telephonic means to contact the business.

The majority of web sites did not offer a cellular phone number as a form of contact. The small minority of web sites that offered a cellular phone number were spread across all the industries represented in the sample and ranged from large businesses to the smaller one-person operation.

Figure 27 Toll-free telephone number

Criterion	Results	Graphic representation of percentage results
-----------	---------	--

Toll-free telephone number	Yes = 27
	No = 166
	Yes = 14%
	No = 86%



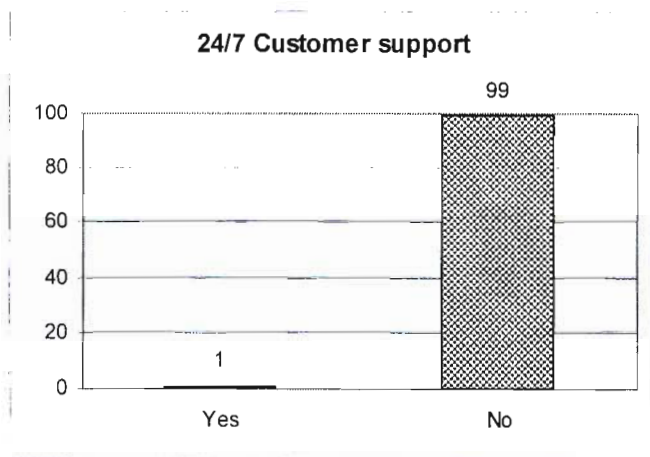
The call made to a toll-free telephone number is free to the customer but the business has to pay for that call.

A very small percentage of the web sites in the sample offered a toll-free telephone number on the web site. It was evident that those web sites that did offer a toll-free telephone number represented larger companies that would be able to afford the cost of the toll-free telephone calls. The majority of web sites did not offer a toll-free telephone number.

Figure 28 24/7 Customer support

Criterion	Results	Graphic representation of percentage results
-----------	---------	--

24/7 Customer support	Yes = 2
	No = 191
	Yes = 1%
	No = 99%

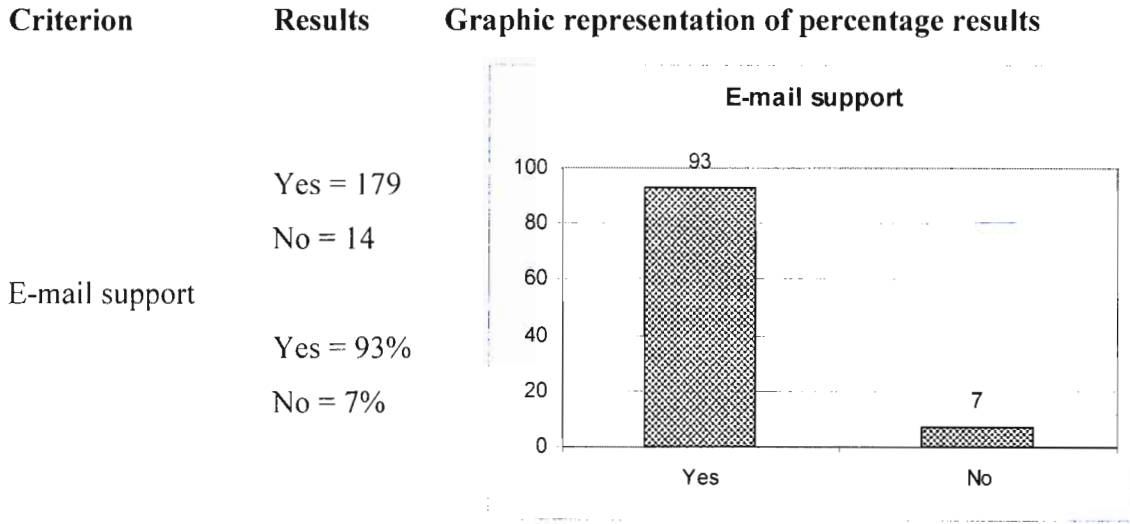


This criterion assessed whether customer support was available at any time of the day or

night.

Only two web sites in the sample offered round-the-clock support. The remaining web sites either gave the working hours or specific times when customers could contact the business.

Figure 29 E-mail support

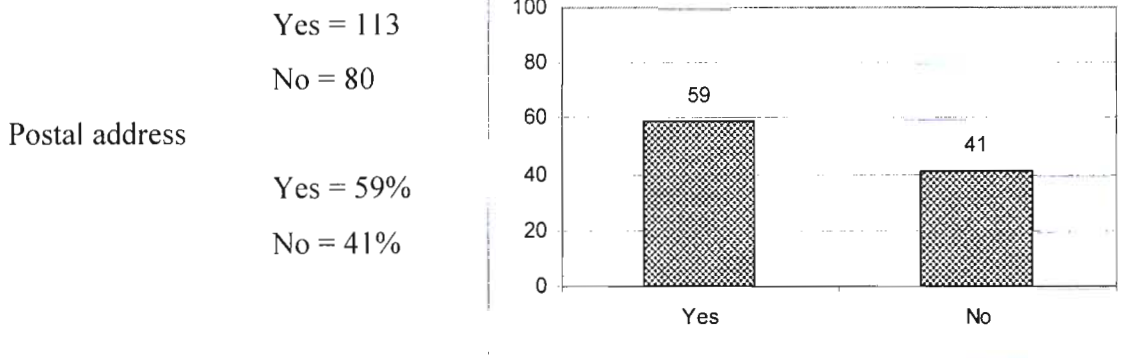


This looked at whether either an e-mail address was given or a form could be filled in by the customer which would be e-mailed back to the company.

A large majority of the web sites included either an e-mail address or a form that could be filled in and e-mailed back to the company.

Figure 30 Postal address

Criterion Results Graphic representation of percentage results

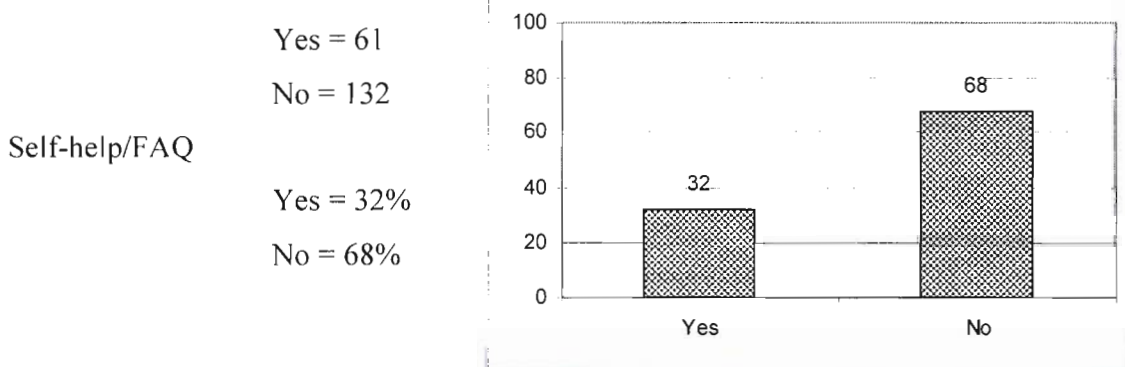


This assessed whether the web site provided postal address details.

It was found that the majority of web sites did provide a postal address. However, the difference between those that did and those that did not provide a postal address was not that significant. Although not recorded, some web sites even gave a physical address.

Figure 31 Self-help/FAQ

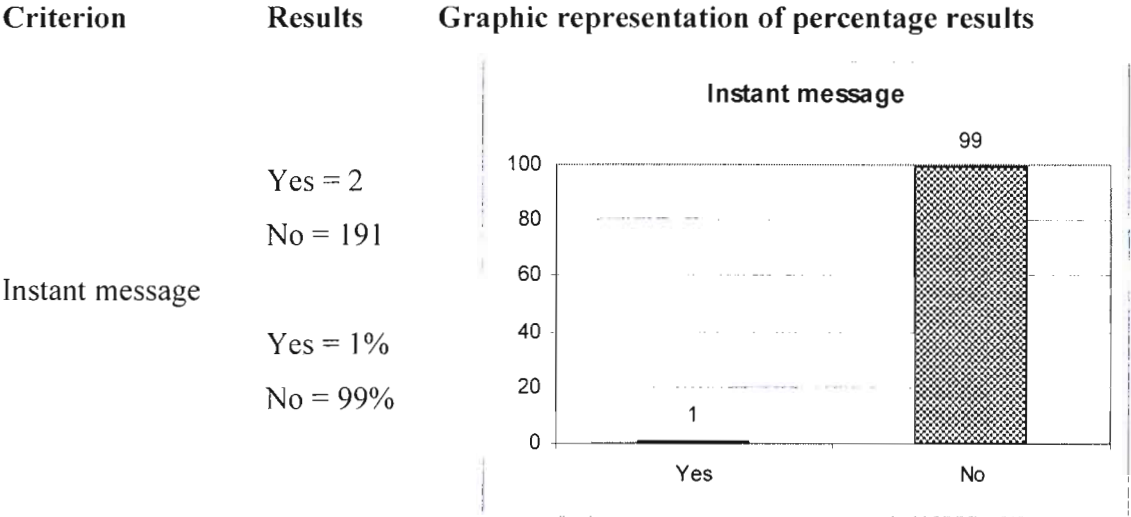
Criterion Results Graphic representation of percentage results



This criterion assessed whether the web site provided any form of help or guidance for the customer.

The majority of web sites did not provide a form of on-line help for the customer while the minority of web sites did provide help for the customer.

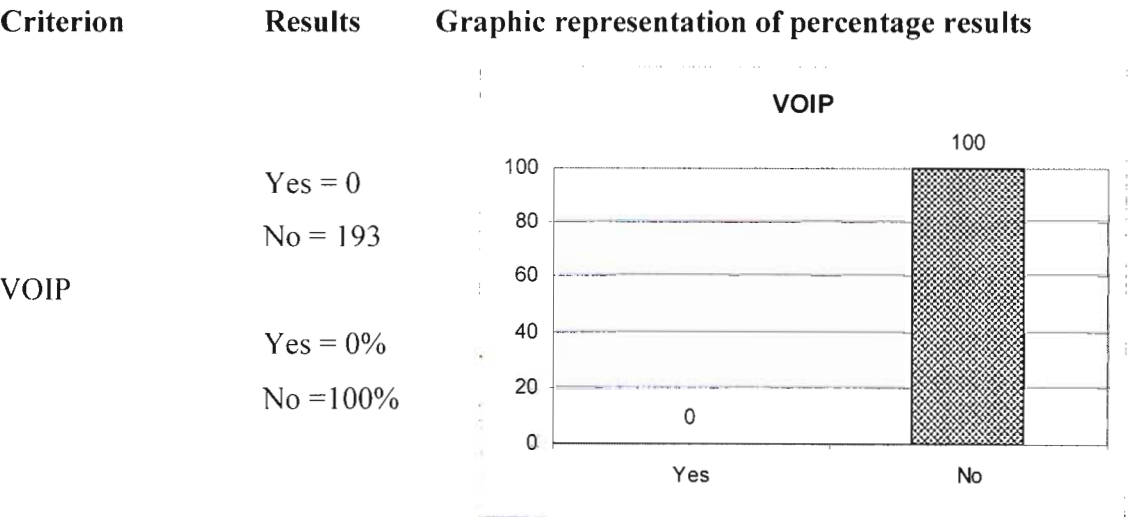
Figure 32 Instant message



This assessed whether the web sites offered instant communication between the customer and the company.

Only two web sites offered this facility with the vast majority of web sites not offering this sort of communication to the customer.

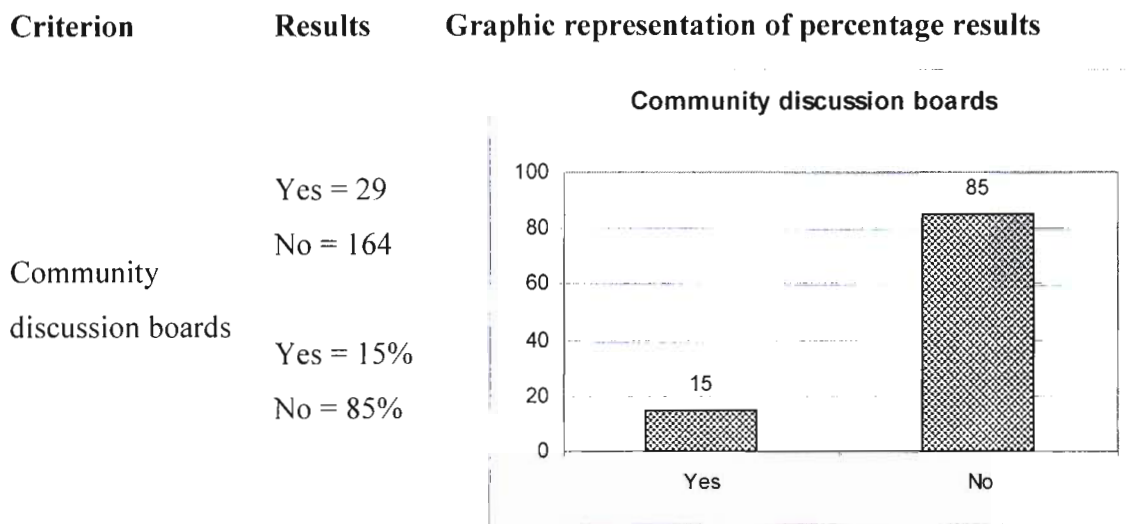
Figure 33 VOIP



Voice over Internet Protocol enables voice communication via the Internet.

At the time the research was done VOIP was not allowed on a wide scale in South Africa. However, subsequent to this research, VOIP was legalised in South Africa on 1 February 2005.

Figure 34 Community discussion boards



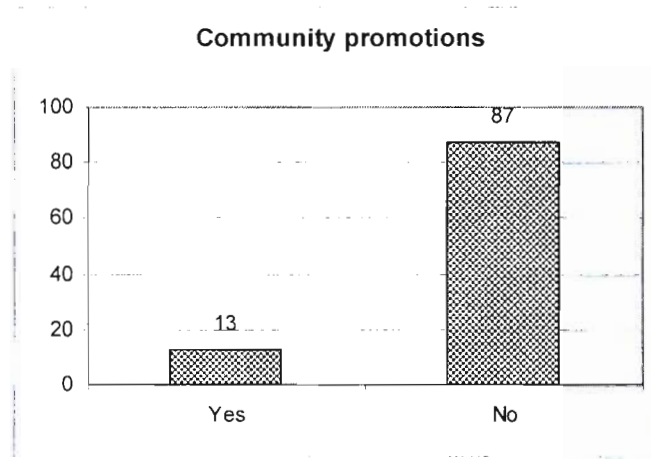
Discussion boards enable existing and potential customers to engage in live chat sessions which contribute to community development (Commerce Cubed Awards, 2001, online).

A minority of web sites offered a discussion board facility while the majority did not offer this facility on the web site.

Figure 35 Community promotions

Criterion	Results	Graphic representation of percentage results
-----------	---------	--

Community promotions	Yes = 25
	No = 168
	Yes = 13%
	No = 87%



This assessed whether the web site rewarded their loyal customers and community members with various promotions.

The results showed that the minority of web sites offered various promotions to their loyal customers. This was shown by either directly stating this on the web pages or by means of differential pricing listed with the products.

Figure 36 Community newsletters

Criterion	Results	Graphic representation of percentage results
-----------	---------	--

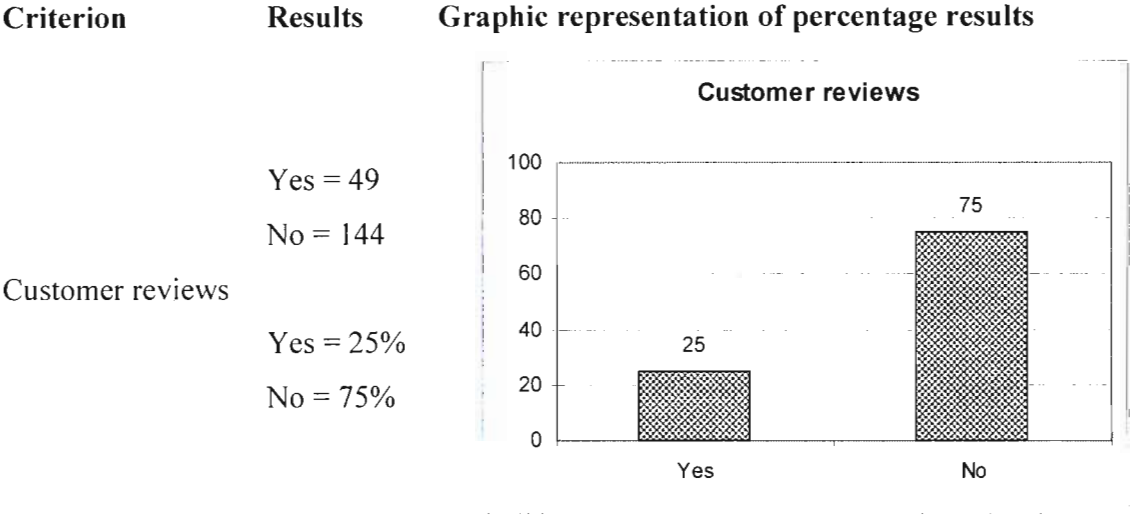
Community newsletters	Yes = 79
	No = 114
	Yes = 41%
	No = 59%



Newsletters sent out to the community of customers facilitate communication and helps to build loyalty amongst the members (Commerce Cubed Awards, 2001, online).

The majority of web sites did not offer community newsletters. However, those web sites that did offer a newsletter appeared to be offering it to anyone doing a purchase which may be interpreted as e-mail gathering and not a genuine attempt at community building.

Figure 37 Customer reviews



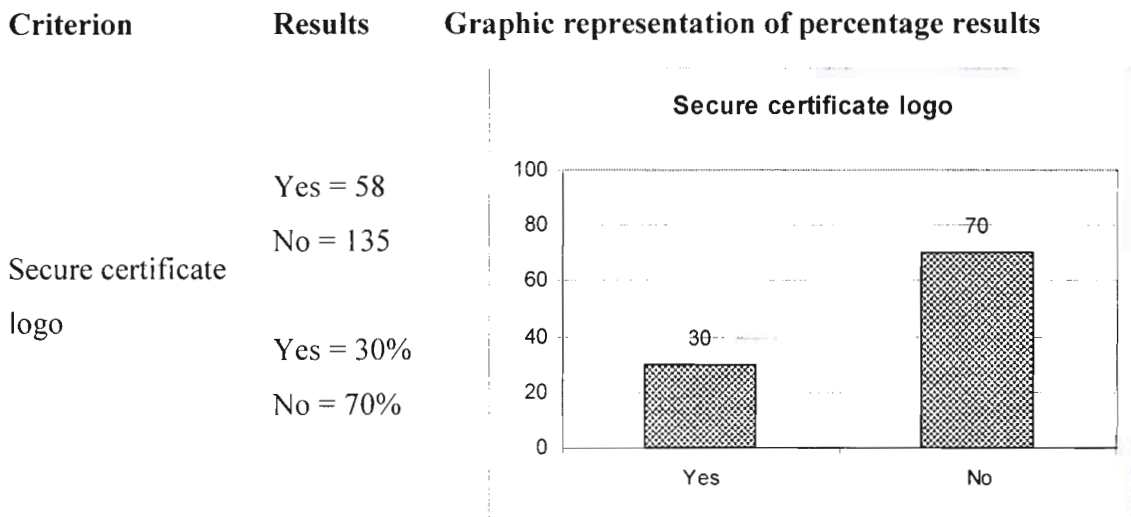
This assessed whether the web site offered customers the opportunity to provide their own review of a product or service.

The majority of web sites did not offer this facility to customers and thus were not capitalising on a further mechanism to build a community.

5.1.4 Security section

Providing a secure environment within which to transact contributes to building customer confidence in the business behind the web site (Levine, 1998, online). Therefore this section investigates security mechanisms which should be visibly presented on the web site.

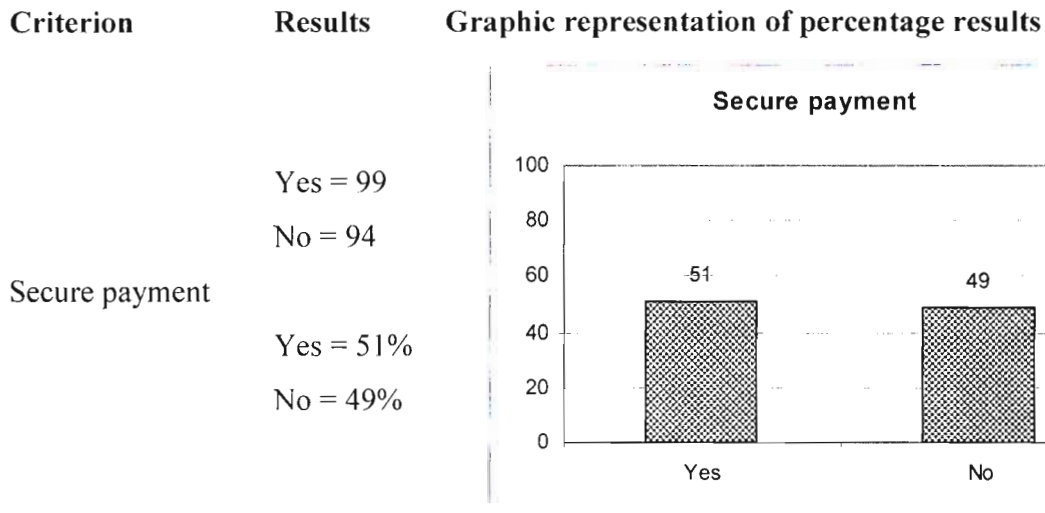
Figure 38 Secure certificate logo



The logo representing the security certificate selected for the web site would inform customers that the web site is genuine and that their transactions would occur under secure conditions (Thawte b, no date, online and VeriSign, 2005, online).

The majority of web sites did not present a security certificate logo on any of the pages of the web site and particularly those pages that dealt with the actual purchase processes.

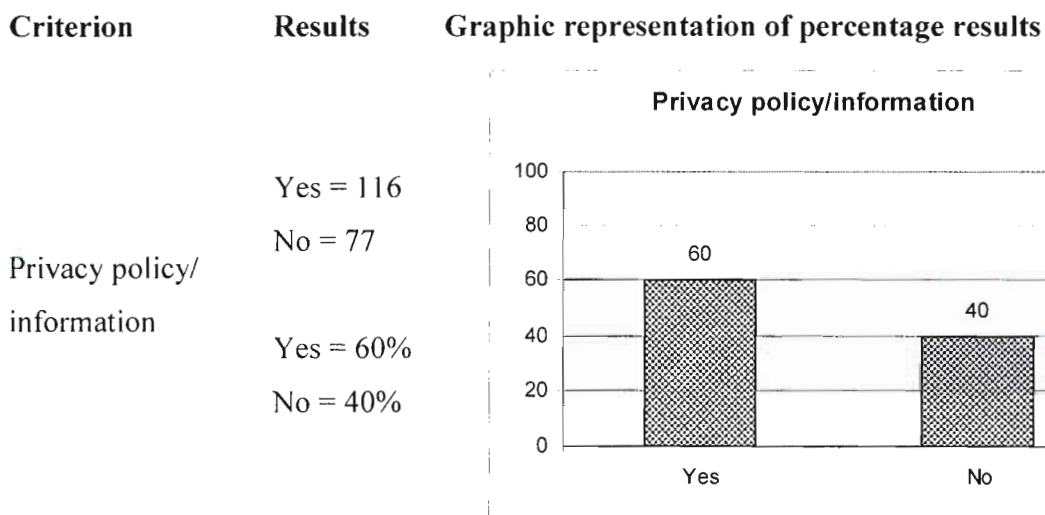
Figure 39 Secure payment



Offering secure payment on the web site means that the customer’s details would be encrypted prior to being transmitted. The encrypted information would only be interpreted by the company holding the encryption key (Thawte a, no date, online and VeriSign, 2005, online).

The majority of web sites did provide for secure payment, however, there was a very small difference between those web sites that did and those that did not provide secure payment.

Figure 40 Privacy policy/information



This criterion assessed whether the web site presented a privacy policy regarding the use of

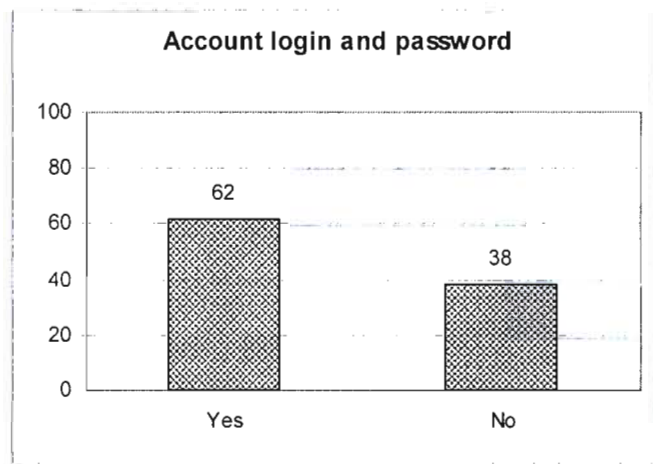
customer's details.

The majority of web sites did contain a link to their privacy policy. On some web sites, however, the privacy policy was not clearly displayed.

Figure 41 Account login and password

Criterion Results Graphic representation of percentage results

Account login and password
Yes = 119
No = 74
Yes = 62%
No = 38%



This assessed whether a web site enabled a customer to create an account profile on the web site. The profile would be kept securely and would only be accessible with the customer's login and password (Levine, 1998. online).

The majority of web sites allowed customers to create account profiles and in most cases these had to be set up prior to being able to complete the purchase.

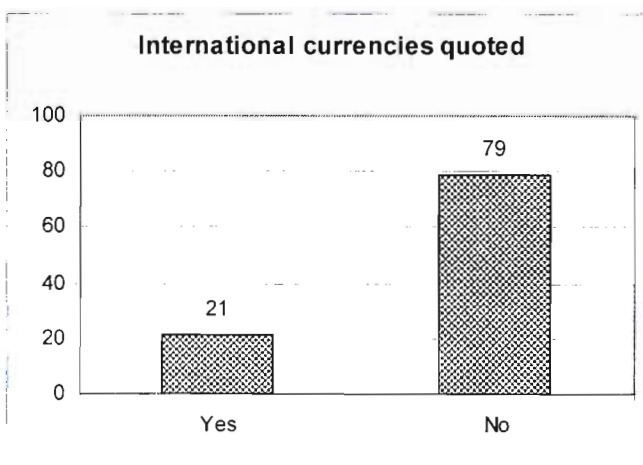
5.1.5 Ordering section

Providing easy methods to fulfil the order and to pay for the goods is outlined as an important customer care element by the Commerce Cubed Awards (2001, online). This section therefore, examines the commitment the web site is making by means of offering different payment methods together with the ordering and tracking processes employed by the web site.

Figure 42 International currencies quoted

Criterion	Results	Graphic representation of percentage results
-----------	---------	--

International currencies quoted	Yes = 41
	No = 152
	Yes = 21%
	No = 79%



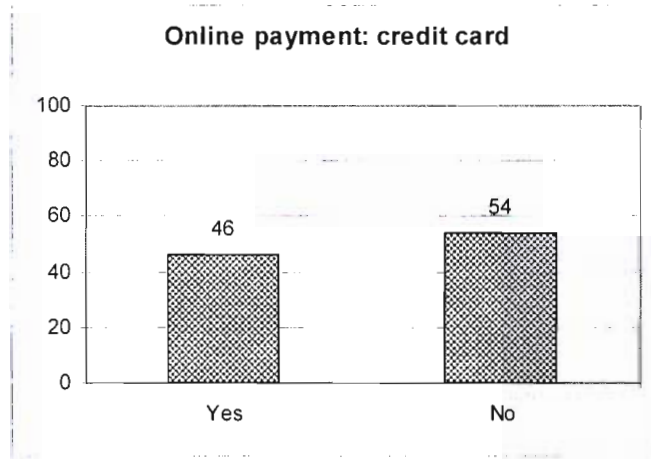
With the borderless nature of the Internet, an assumption could be made that all web sites would advertise their products or services in international currencies in addition to the local currency.

However, only a small minority of web sites in the sample provided international pricing. The most popular international currency was the American dollar, however, the Euro was given on two web sites.

Figure 43 Online payment: credit card

Criterion	Results	Graphic representation of percentage results
-----------	---------	--

Online payment: credit card	Yes = 89
	No = 104
	Yes = 46%
	No = 54%



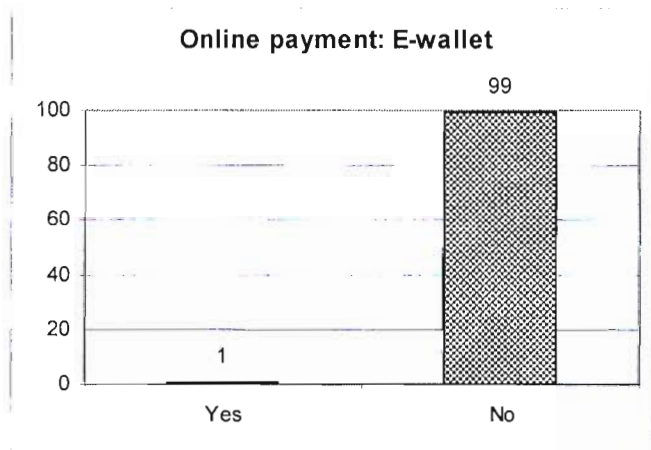
According to Chen *et al* (2001, p.141) using a credit card would be the simplest and easiest method of paying for online purchases.

However, the minority of web sites offered credit card payment facilities. A few of the web sites apologised that they no longer offered credit card payments due to the increase in fraud.

Figure 44 Online payment: E-wallet

Criterion	Results	Graphic representation of percentage results
-----------	---------	--

Online payment: E-wallet	Yes = 2
	No = 191
	Yes = 1%
	No = 99%

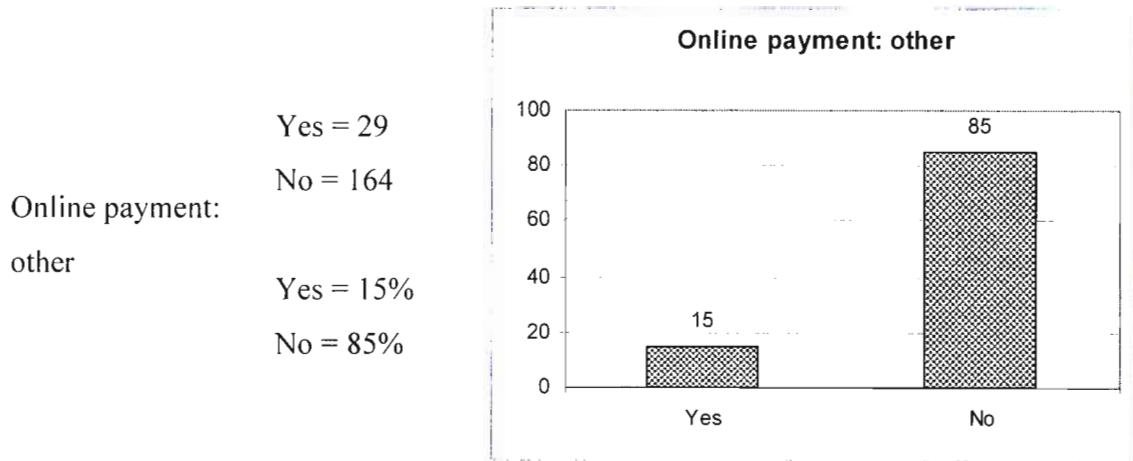


An E-wallet is a program that resides on the customer's computer containing the encrypted credit card details and purchases can be made on web sites that support the corresponding e-wallet program (Chen *et al*, 2001, p.141).

A very small percentage of the web sites offered E-wallet as a form of online payment.

Figure 45 Online payment: Other

Criterion Results Graphic representation of percentage results



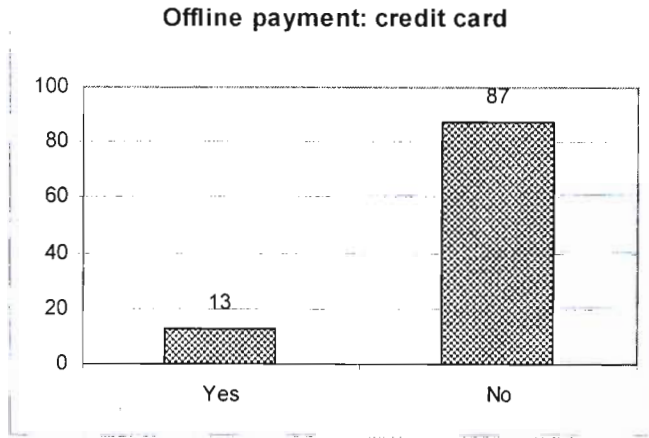
This assessed whether the web site offered other forms of online payment such as Internet bank transfers or payments through mechanisms such as Ebucks and Bluebean, which are explained in the Discussion chapter.

A small percentage of web sites offered the ability to pay for purchases through other online means.

Figure 46 Offline payment: credit card

Criterion	Results	Graphic representation of percentage results
-----------	---------	--

Offline payment: credit card	Yes = 25
	No = 168
	Yes = 13%
	No = 87%



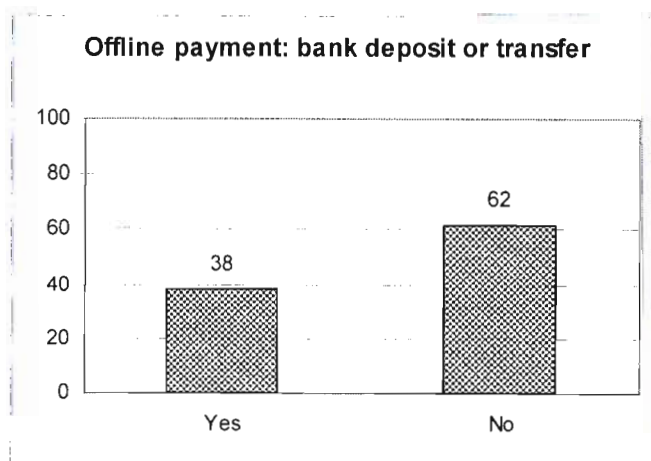
Offline credit card payments required the customer to phone or fax their credit card details to the company to complete the purchase (Chen *et al*, 2001, p.142).

A small minority of web sites offered offline credit card payments for online purchases.

Figure 47 Offline payment: bank deposit or transfer

Criterion	Results	Graphic representation of percentage results
-----------	---------	--

Offline payment: bank deposit or transfer	Yes = 74
	No = 119
	Yes = 38%
	No = 62%

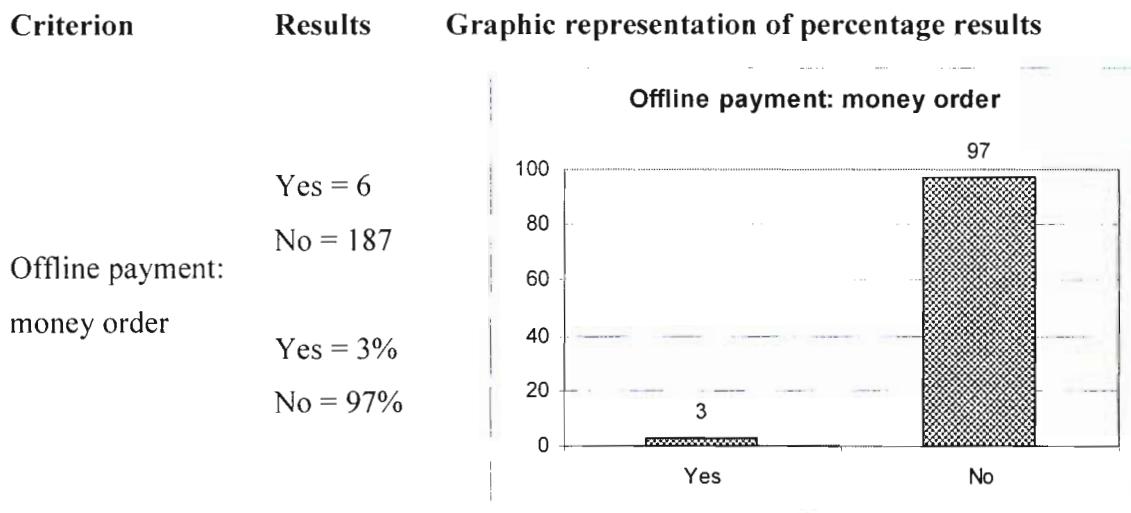


This type of payment would require the customer to go to the bank and do a deposit or organise a transfer.

The minority of web sites required the customer to do a bank deposit or transfer to pay for the

items purchased.

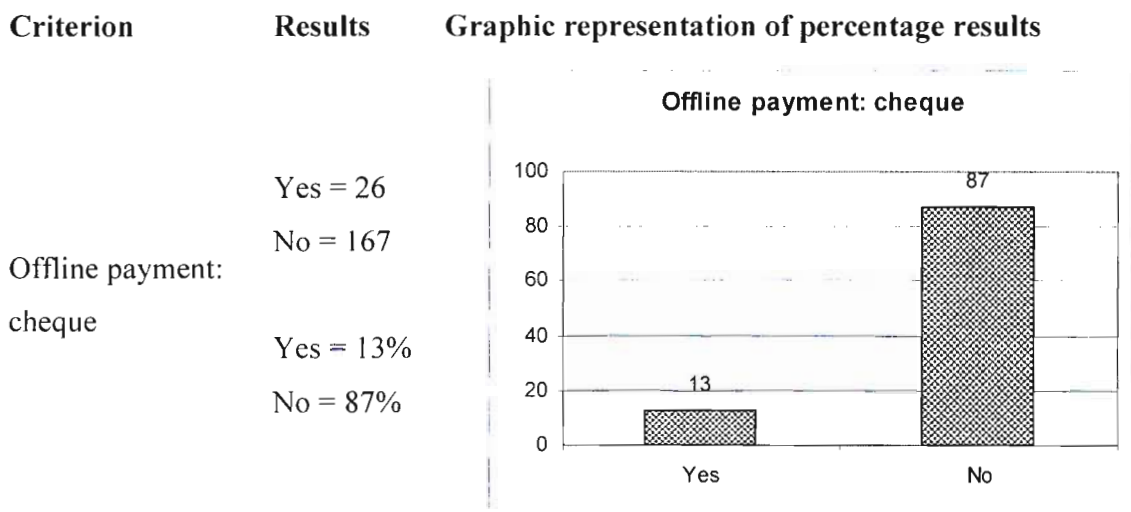
Figure 48 Offline payment: money order



A money order is a form of payment purchased at the Post Office.

A very small minority of web sites offered this form of offline payment for purchases done by South African customers only and not international customers.

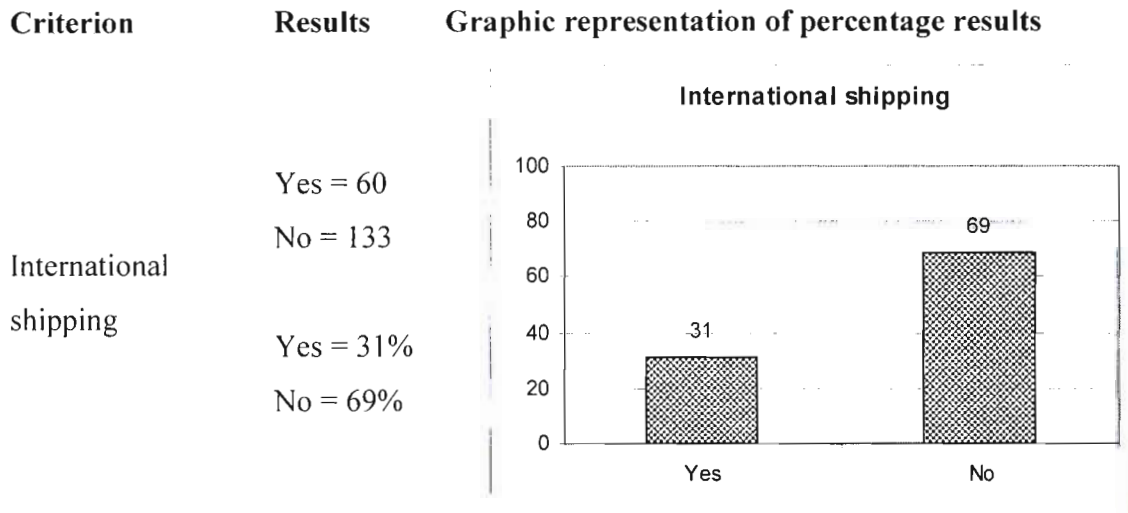
Figure 49 Offline payment: cheque



This would require the customer to send a cheque to the company to pay for the purchases (Chen *et al*, 2001, p.142).

The minority of web sites offered this form of offline payment for online purchases.

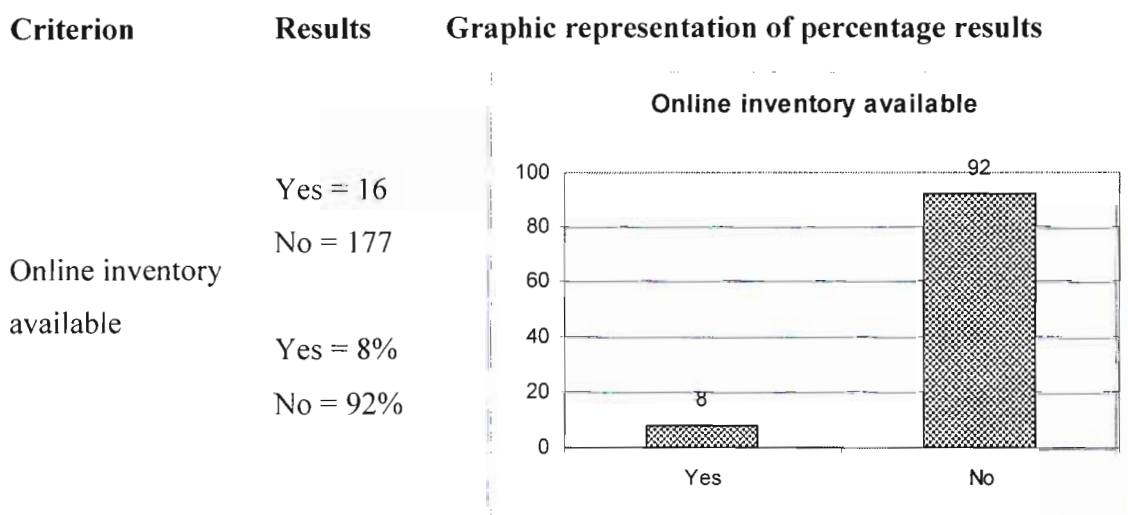
Figure 50 International shipping



This assessed whether the web sites in the sample were competing with their international counterparts and marketing their products outside South Africa.

The majority of web sites are only shipping their products locally with a small minority offering international shipping.

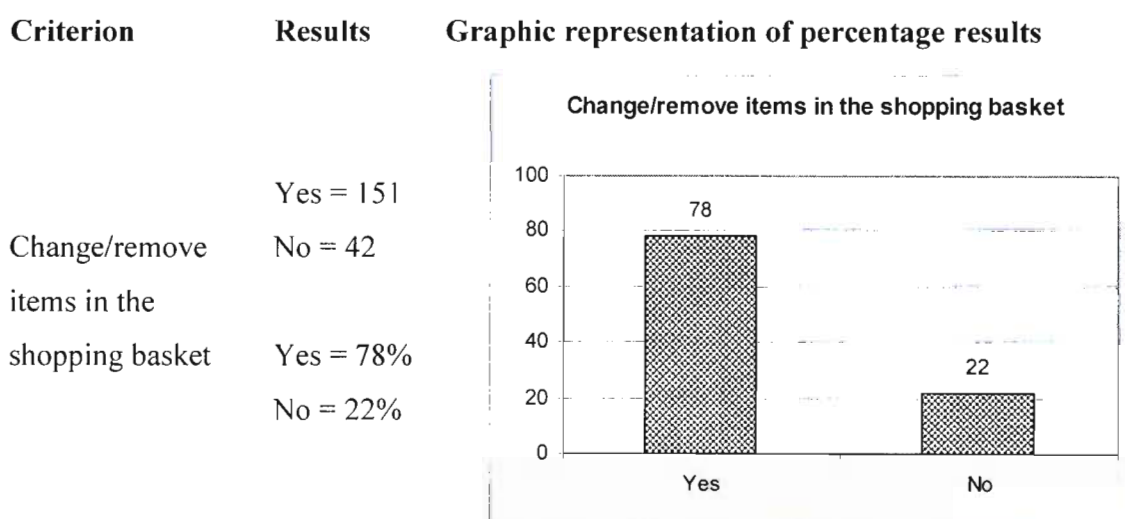
Figure 51 Online inventory available



This assessed whether the web site provided the figures of how many of each product was available.

A small minority of web sites provided this detail for the products on sale while a number of web sites simply provided a catalogue of items for sale.

Figure 52 Change/remove items in the shopping basket



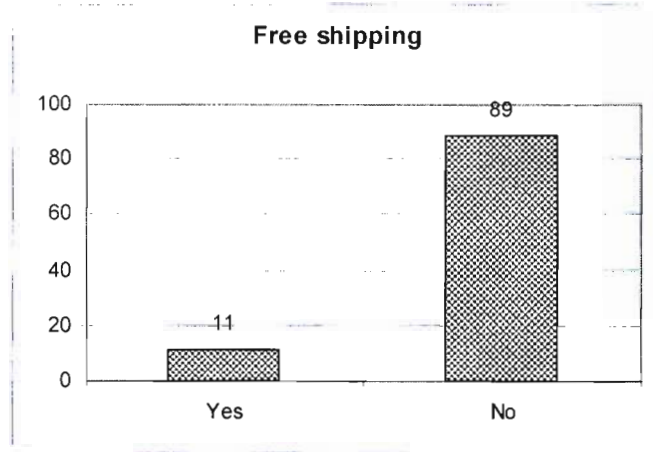
This assessed whether the shopping basket provided on a web site was a dynamic entity that allowed the customer to make changes to the product selected for purchase. This was tested by going through the stages of selecting a product and changing or removing the product from the shopping basket on each web site.

The majority of web sites did allow for changes to be made to the shopping basket.

Figure 53 Free shipping

Criterion	Results	Graphic representation of percentage results
-----------	---------	--

Free shipping	Yes = 22
	No = 171
	Yes = 11%
	No = 89%



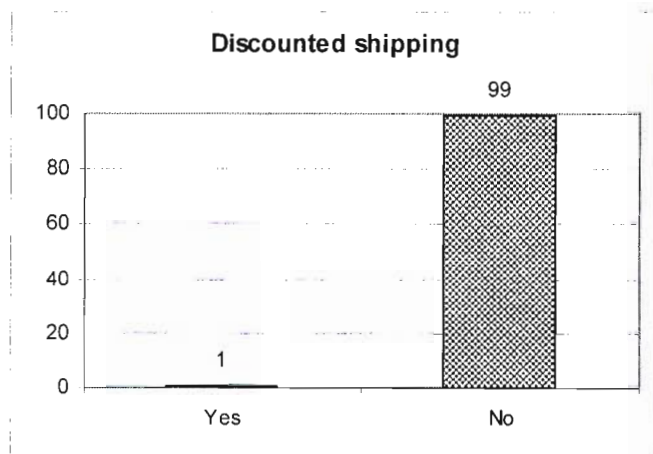
Free shipping meant no additional costs to the customer after purchasing the product.

A minority of web sites offered free shipping to the customer. Free delivery was interpreted as free shipping on some web sites such as those in the floral industry.

Figure 54 Discounted shipping

Criterion	Results	Graphic representation of percentage results
-----------	---------	--

Discounted shipping	Yes = 2
	No = 191
	Yes = 1%
	No = 99%



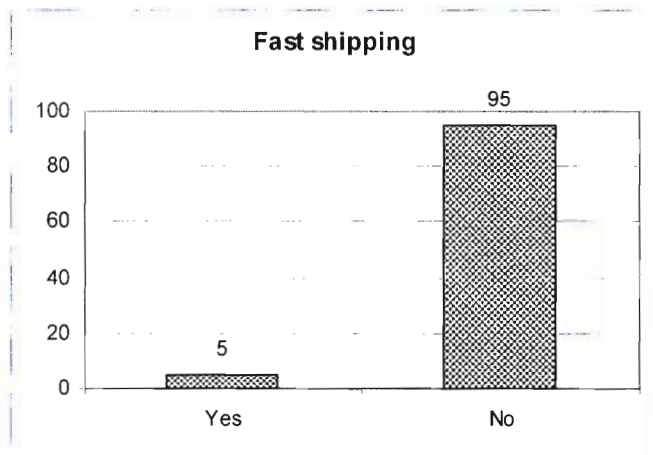
Discounted shipping meant that decreased shipping rates were offered to the customer either due to bulk purchases being done or due to the customer being a frequent buyer from the web site.

The two web sites that offered discounted shipping only offered this if bulk purchases were done by the customer.

Figure 55 Fast shipping

Criterion Results Graphic representation of percentage results

Fast shipping
 Yes = 10
 No = 183
 Yes = 5%
 No = 95%



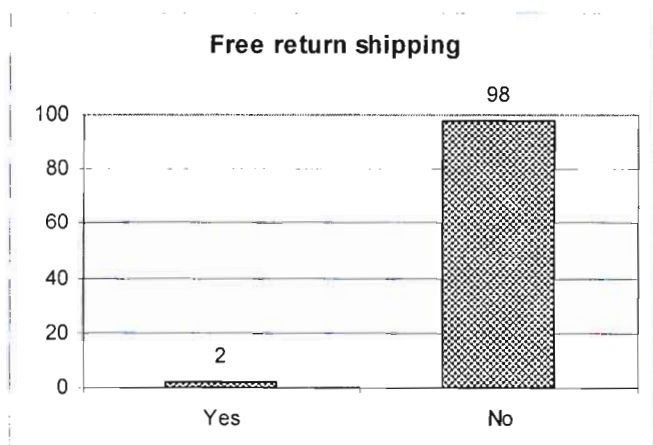
Fast shipping meant that the product was shipped on the same day that the order was done.

Only a small minority of web sites offered fast shipping. Furthermore an order only qualified for fast shipping if the order was done by a certain time of the day.

Figure 56 Free return shipping

Criterion Results Graphic representation of percentage results

Free return shipping
 Yes = 3
 No = 190
 Yes = 2%
 No = 98%

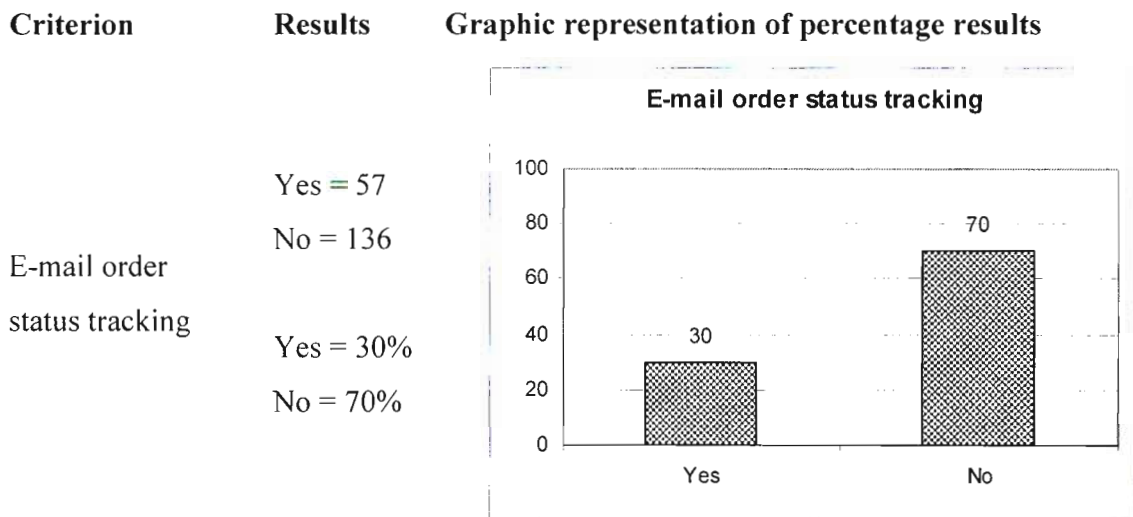


This assessed whether the web site offered free return shipping if the customer wanted to

return the product.

A small minority of web sites offered free return shipping. The majority of the remaining web sites allowed the product to be returned under particular circumstances, however, the cost of the return shipping was for the customer's account.

Figure 57 E-mail order status tracking



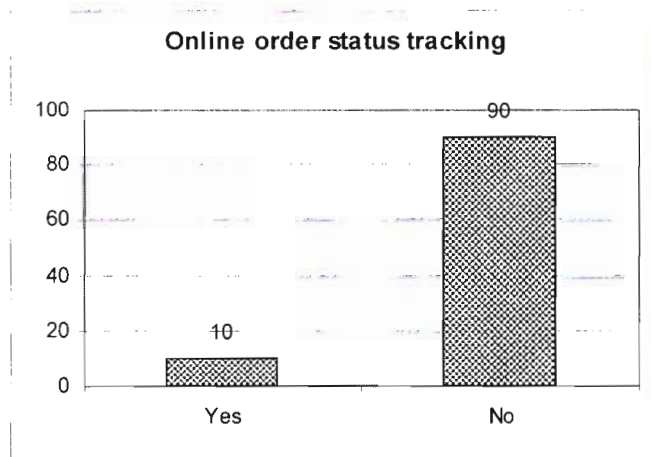
This assessed whether the web site sent E-mail to the customer to inform them of the status of the order. While the researcher was not able to test this criterion, the results were taken from policy information given on the web sites.

The minority of web sites provided for this means of tracking an order while the majority did not send email to the customer on the status of the order.

Figure 58 Online order status tracking

Criterion	Results	Graphic representation of percentage results
-----------	---------	--

Online order status tracking	Yes = 19
	No = 174
	Yes = 10%
	No = 90%



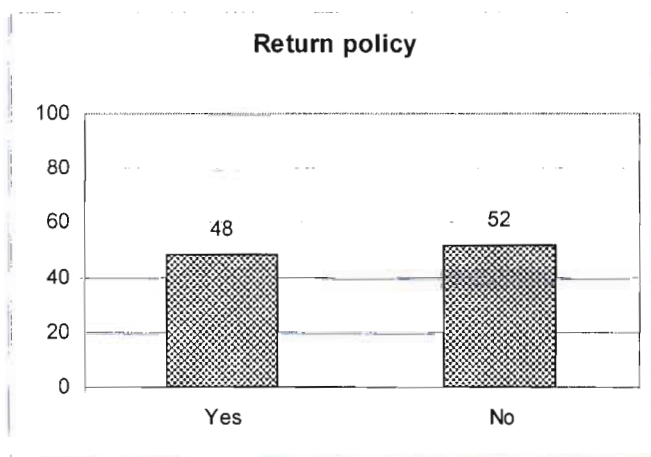
This criterion assessed whether the web site allowed the customer to monitor the status of their order online. The researcher was not able to test this, however, the results were taken from policy information presented on the web sites.

The minority of web sites provided customers with the ability to track their orders online while the majority of web sites did not provide this facility.

Figure 59 Return policy

Criterion	Results	Graphic representation of percentage results
-----------	---------	--

Return policy	Yes = 93
	No = 100
	Yes = 48%
	No = 52%



This assessed whether the company's return policy was presented on the web site.

The majority of web sites did not display their return policy on any of the pages of the web site. However, the difference between the majority and minority of web sites for this criterion was not that significant.

The next chapter discusses the findings of this research in relation to the literature and the findings of other research.

Chapter 6: Discussion

6.1 Introduction

In 2001 the trends of American online shoppers showed that the majority of shoppers were males with an average age of 40 years (Reibstein, cited in Wind and Mahajan, 2001, p.213). Furthermore, the majority of shoppers had a bachelor's degree and an average annual household income of \$76,690.

The trends of South African online shoppers given by Webchek (2003, online) show that the majority of shoppers in 2001 were males ranging between the ages of 25 and 34 years. The majority of shoppers tended to have a bachelor's degree and they were mostly English speaking with an average monthly household income of R20,000.

While the number of online shoppers is skewed toward males, both Reibstein (cited in Wind and Mahajan, 2001, p.213) and Webchek (2003, online) concede that the numbers of female online shoppers is increasing annually.

More recent research done by Webchek showed that 30% of South African online shoppers have purchased online more than five times thus indicating a growing confidence in online shopping (Vecchiatto, 2005, online). This research also indicated that the Internet was accessed more by users at home rather than at the office. The home users also tended to have children at home. Other findings in this research indicated that a higher number of older users, over 55 years of age, were accessing the Internet.

In light of the growing confidence shown by South African online users, it is therefore worth considering what the literature contains regarding web site design and discussing this with regard to the results presented from the sample of South African web sites.

It is worth re-stating that the research objective was to establish whether South African e-commerce web site developers are implementing customer care initiatives in the web site design.

6.2 Discussion on the Results

To maintain continuity, this discussion follows the same four sections as the research findings (General, Contact, Security and Ordering), however certain criteria within the sections have been grouped together to provide for a more complete discussion.

6.2.1 General section

The initial impression created by the web site contributes to the customer's overall online experience (Dayal, Landesberg and Zeisser, 2000, p.43). Furthermore, as Chang *et al* (2001, p.70) point out, customers will have the final say about web site designs as, if they are dissatisfied, they can simply move to another web site. The items presented in this section attempt to assess the overall impression created by the web site and whether particular elements are included on the site to assist the customer.

Products versus Services sold

The concept of tangibility and intangibility (Kotler, 2000, p.396 and p.429) was used to distinguish between a product and a service sold on a web site.

Reibstein (cited in Wind and Mahajan, 2001, p.203) refers to products as "hard goods". With respect to the products being sold on the web sites in the sample, both non-durable and durable products were available to purchase. From the research results 92% of the web sites sold a tangible product while a smaller percentage, 9%, of the web sites sold intangible services.

Five web sites in the sample offered the sale of domain names together with the creation and hosting of web sites thus selling both a product and a service. While a domain name and its accompanying web site are not tangible per se, it does represent an entity that exists and can be resold, therefore, for the purposes of this study, domain names were regarded as products.

Therefore this mix of a product and service to sell domain names and host web sites can be considered as a “good” with accompanying “service” according to Kotler’s (2000, p.429) categories of service and product mixes.

Design of the web site

Poorly designed web sites with too many large graphics, confusing navigation and poorly presented information increase customer frustration which ultimately results in fewer sales according to Trepper (2000, p.129). However, as artistic design is very subjective, web designers need to prioritise the customer’s needs and focus on the elements that make the web site more usable (Price cited in Palmer, 2002, p.151 and Trepper, 2000, p.129).

A trend noticed in the literature is to refer to the “usability” of a web site when referring to the clarity of the information and interaction with the content, ease of reading the material and the layout and arrangement of the content (Palmer, 2002, p.153). The Internet’s multimedia capabilities tend to result in a continuum of web site designs ranging from those that are overflowing with content and design elements to those that are lacking interesting features (Daft and Lengel cited in Palmer, 2002, p.153). This continuum of content and design contributes to the range of web sites receiving high and low usability ratings (Palmer, 2002, p.153).

Research done by Nielsen (d, 2004, online) indicated that on average customers left a web site after 1 minute and 49 seconds due to the web site not fulfilling the customers’ needs. Therefore with so little time to convince a prospective customer, Nielsen (d, 2004, online) suggests that there should be global design standards that web designers should follow to create consistency for customers on the Internet and boost the usability of all web sites.

In order to remove subjectivity, the research focussed on assessing specific elements with respect to the design of web sites, which included:

- The quality of the text with regard to spelling and grammar errors (Levine, 1998, online),
- The ability of the web site to entertain the customer and encourage them to return to the web site (Commerce Cubed Awards, 2001, online),

- Whether the customer could learn and be educated from the content provided (Levine, 1998, online),
- Appropriate design elements which included menus, drop-down lists and clickable links to facilitate navigation (Smith and Wheeler, 2002, p.148),
- The presence of pictures such as a logo or other images to enhance the customer's experience (Levine, 1998, online),
- Pictures of the items for sale to encourage sales (Levine, 1998, online), and
- Text descriptions of the items for sale help to back up the picture and provide explanations and technical information on the item for sale (Commerce Cubed Awards, 2001, online).

Text quality

Levine's (1998, online) catch phrase is to "sweat the details" when it comes to the quality of the text and as such there should be no spelling, punctuation or grammar errors on the web site. Smith and Wheeler (2002, p.148) also consider the fonts used and the space surrounding text as contributing to the quality of the text-based message on the web site.

Using Levine's (1998, online) characteristics 96% of the web sites in the sample presented good quality text. The remaining 4% of web sites contained spelling errors and grammatical mistakes on the home page of the web site which would contribute to the customer's perception and reaction to the web site (Levine, 1998, online).

Entertaining content

Both Levine (1998, online) and Chang *et al* (2001, p.71) suggest that web sites should entertain customers as creating an enjoyable experience will likely result in more time spent on the web site as well as repeat visits. As Chang *et al* (2001, p.71) point out, customer satisfaction comes from both the extrinsic reward of the purchase and the intrinsic reward of personal or emotional pleasure.

The multimedia nature of the Internet allows for web sites to entertain their customers, however, Nielsen (d, 2004, online) cautions against using too many design elements as this leads to

confusing the customer. From the research 77% of the web sites were presented in an entertaining way while 23% were not entertaining. This was due to either to the web site presented in a bland way without the inclusion of any design elements or due to the inclusion of too many design elements which caused confusion.

Educational content

Information presented on web sites should provide an educational function for customers so they can learn about the business as well as the products for sale via the web site (Levine, 1998, online and Chang *et al*, 2001, p.71). However, both Chang *et al* (2001, p.71) and Smith and Wheeler (2002, p.148) indicate concerns over the quality of the information presented on web sites. Smith and Wheeler (2002, p.148) warn against converting existing paper-based literature, such as brochures, to an electronic format and placing this on the web site. Smith and Wheeler (2002, p.148) recommend that the content of the business' literature needs to be reworked to make it more suitable for the nature of the Internet.

From the research 94% of the web sites contained educational content that included information on the business and the products for sale while the remaining 6% of web sites neglected to present educational information.

Appropriate design elements

Including particular design elements such as menus, drop-down lists and clickable links all contribute to assisting customers navigate and find information on the web site (Nielsen d, 2004, online, and Smith and Wheeler 2002, p.148). Smith and Wheeler (2002, p.148) suggest that navigational elements, such as those mentioned above, should be presented in a logical and consistent way with text that best describes what the customer will receive after clicking on the link.

The majority of the web sites in the sample, 97%, contained appropriate design elements that assisted with navigating around the web site. The remaining 3% of web sites contained long text descriptions as links and none of the conventional design elements which therefore tended to cause confusion during the research.

Although not assessed in the research due to its subjectivity, but included as appropriate design, is Smith and Wheeler's (2002, p.148) suggestion regarding the use of colour. According to them, appropriate colour(s) should be included to reinforce the business' identity and to emphasis sections of the web site. Furthermore consideration should be given to lower-literacy users and colour blindness when using colour in the design of web sites. Lower-literacy users are people who have difficulty with reading and read slower therefore the web site's design should not detract from the message (Nielsen, 2005, online). Colour blind people have difficulty distinguishing between red and green colours which need to be considered when designing a web site (Kyrnin, 2005, online). Consequently web designers need to be aware of reading and visibility difficulties when designing web sites.

Pictures on the site

The inclusion of pictures, photographs and other images contribute to entertaining and educating the customer as well as building business credibility particularly if the images are of the business and the staff (Nielsen e, 2004, online and Trepper, 2000, p.142). However, unnecessary graphics tend to distract customers from the web site's core message and should therefore be avoided (Nielsen e, 2004, online).

Trepper (2000, p.142) and Smith and Wheeler (2002, p.147) caution against very large images and animated images as they will increase the time taken to download the web pages. Web designers need to take this into consideration as Internet users will have different computing power and different modem speeds for connecting to the Internet (Trepper, 2000, p.142).

The research results indicated that the majority of web sites, 81%, contained a variety of graphic material to enhance the web site's message while 19% of web sites were only text-based and did not contain any graphic material at all. As the research was done using a permanent Internet connection, the download time of the web sites could not be assessed.

Pictures of items for sale

A salient point made by Levine (1998, online) is that customers will not buy something that they cannot see therefore pictures of the products being sold is a key factor for web sites participating in e-commerce. However, the concerns expressed by Trepper (2000, p.142) and Smith and Wheeler (2002, p.147) are applicable here regarding the size of the images affecting the download time.

Nielsen (2003, online) and Trepper (2000, p.142) recommend that smaller versions of the images, referred to as thumbnail images, should be included on the web site as clickable links to the full version of the image. This increases the web site's usability and decreases the download time therefore demonstrating sensitivity towards the customer (Nielsen, 2003, online).

Results of the research indicated that 86% of the web sites contained graphic images of the items being sold while the remaining 14% relied on text descriptions. Included simply as observations in the research was that some web sites presented excellent quality photographs without thumbnails, some web sites presented clickable thumbnail images while other web sites presented non-clickable thumbnail images only. The web sites containing high quality photographs and clickable thumbnail images are increasing the opportunity for their customers to see good representations of the items for sale (Web Strategy and Support Unit, 2002, online). The web sites that contained non-clickable thumbnail images are disadvantaging themselves as, without good pictures that show sufficient detail (Sapphire web design, no date, online), their customers may not feel confident to purchase the item from the web site.

Text descriptions of products

As the customer cannot handle the product, pictures (Levine, 1998, online) and text descriptions of the products are important (Reibstein cited in Wind and Mahajan, 2001, p.218). However, Reibstein (cited in Wind and Mahajan, 2001, p.218) is concerned about the quality of the text descriptions and questions whether the descriptions are representative of the product the customer is purchasing. An important point made by Nielsen (cited in Maguire, 2004, online) is that web sites have an advantage over the space limitations imposed by printed brochures, therefore web designers should include comprehensive descriptions of the products.

On the other hand, Nielsen (cited in Maguire, 2004, online) is concerned about the quality of text descriptions as the descriptions tend to be written by either marketing or technical people and as such different styles of language are used. Nielsen's (cited in Maguire, 2004, online) suggestion is that product descriptions should be aimed at the middle ground starting with a marketing angle and offering more technical details via a clickable link.

Research referred to by Dholakia and Bagozzi (cited in Wind and Mahajan, 2001, p.173) found that customers were more sensitive to prices on web sites that did not include product descriptions. Therefore the inclusion of text descriptions contributes to decreasing price sensitivity in customers and promoting sales via the web site.

The research determined whether text descriptions were presented in addition to the pictures of the items for sale and did not assess the quality or the representativeness of the descriptions given. The majority of web sites, 81%, did contain text descriptions while 19% of the web sites relied only on the pictures of the items to promote sales.

To conclude the design section, research done by Reibstein (cited in Wind and Mahajan, 2001, p.218) indicated that respondents did not rate the web site's design and navigational ability as important when selecting a web site to purchase from. However, it has to be considered whether a poorly designed web site might be sufficient motivation to not buy from that site.

Search facility

Research done by the Society of Consumer Affairs Professionals in Business (SOCAP) indicated that 95% of customers considered keyword searching as an important criterion in rating a web site (Thorpe, 2000, online). Furthermore as Burke *et al* (cited in Wind and Mahajan, 2001, p.228) point out, search engine technology has become more affordable for web sites to include.

Trepper (2000, p.133) maintains that as web sites grow and new information is presented on the pages, there will always be a need to be able to find old or archive material. Trepper (2000, p.135) warns against implementing search engine technology that uses unusual commands and

rather promotes using search engines that utilise simple language commands. The rationale behind this is to enhance the customer's experience rather than frustrate them.

Results of the research indicated that 64% of the web sites included a search facility. The research did not test the accuracy or usability of the searching technology.

Shopping basket and Changing or removing items in the shopping basket

A shopping basket in e-commerce refers to a virtual shopping basket or shopping cart that allows customers to add items for purchasing (Trepper, 2000, p.41). The shopping basket is a software program that interrogates the business' database and allows the customer to select items and change or remove the items to purchase (WebWoods, 2002, online).

Although the ability to change or remove an item from the shopping basket was researched under the Ordering section, it is being presented here for discussion purposes. As no actual purchasing was done during this research the information on changing and removing items from the shopping basket was assessed by pretending to do a purchase. Items were selected and placed in the shopping basket and then attempts were made to change the item, change the quantity of the item and remove the item(s).

From the results of the research 80% of the web sites in the sample presented a shopping basket therefore the majority of web sites were offering technologies to assist the customer in e-commerce activities. However, only 78% of the web sites presenting a shopping basket allowed for the items to be changed or removed from the shopping basket which may lead to customer frustration.

Gift registry

The Commerce Cubed Awards (2001, online) consider the presence of a gift registry on a web site as important in providing additional services for the customer. As Pitta (2000, p.94) explains, a gift registry containing a list of wanted items and comments, is created by the customer. The registry is then e-mailed to the e-mail addresses provided by the customer. Recipients of the registry can then make purchases directly from the web site.

While this may appear to be a selfish way for people to get what they want, the advantage of a gift registry is that duplicate gifts will be prevented as the registry keeps track of the items purchased, discounts can be offered to the recipients of the registry and furthermore, this facilitates gift buying for long-distance relatives (Pitta, 2000, p.94).

From the research only 1% of the web sites offered a gift registry for customers to record items they would like purchased for them. Therefore the majority of web sites in the sample were not capitalising on this additional service to promote online purchases.

Cross-selling

Web sites have an ideal opportunity to cross-sell related or unrelated products to customers while they are purchasing from a web site (Levine, 1998, online). Cross selling entails selling a customer a different kind of product while the customer is buying a particular product (Gorman, 1998, p.346).

The results of the research indicated that 27% of the web sites did attempt to cross-sell other products. This was evidenced by selecting and placing items in the shopping basket and monitoring whether the web site responded with suggestions of other products. Therefore the minority of web sites that attempted cross-selling were creating opportunities for possible additional sales to their customers.

Shopping Assistants

Shopping assistants, also referred to as electronic agents, are software programs that will act on behalf of a customer by performing repetitive tasks such as searching for items and presenting them according to the customer's preferences (Dholakia and Bagozzi, cited in Wind and Mahajan, 2001, p.181 and Allen *et al*, 2001, p.336). Other tasks that shopping assistants can perform include evaluating alternatives, negotiating the terms of a contract, placing orders and automating payments for orders (Dholakia and Bagozzi, cited in Wind and Mahajan, 2001, p.180). As Dholakia and Bagozzi (cited in Wind and Mahajan, 2001, p.181) point out, shopping

assistants take over the tedious and repetitive tasks needed on the Internet to allow the customer to focus on processing and evaluating the information presented by the shopping assistant.

Tran and Tran (no date, online) maintain that the implementation of shopping assistants on the Internet is still in the early stages and that they will become more popular and prevalent. The low result of 1% of web sites in the sample offering a shopping assistant indicates that South African web sites have not widely accepted or implemented this initiative.

Wish list

According to the KALAHARI.NET (b, no date, online) help files, a wish list enables customers to create a list of items they would like to purchase in the future from the web site. KALAHARI.NET (b, no date, online) also allows their customers to add items not currently available on the web site to their wish lists. This does require additional investment from the business as the availability of items has to be monitored, items on backorder have to be matched to customers requesting the item and e-mails have to be sent to the customers once the item arrives. This requires the business to invest in the development of a database to track and monitor wish list requests and fulfilments as well as the human resources required to manage the database as well as the handling of wish list orders.

According to Pitta (2000, p.94) presenting a wish list on a web site goes beyond simply using the Internet as a retail outlet for the business' products. The wish list facilitates the shopping experience and therefore it motivates customers into purchasing from the web site and contributes to increasing customer satisfaction (Pitta, 2000, p.94).

The results of the research established that only 7% of the web sites offered customers the ability to create a wish list. Therefore the majority of web sites were not offering this as a service to their customers.

Customisable web site

Customisation or personalisation of the web site transfers control to the customer to create their own personal interface with the web site (Dayal *et al*, 2000, p.48). Customers can design their

own view of the web site and only include content that is of interest and relevance to them (Trepper, 2000, p.246).

The downside of enabling web site customisation from the customer's perspective is that the customer has to invest time to provide information on their personal preferences which increases the risk of exposing personal details on the Internet (Salmen and Muir, 2003, p.138). Customisation challenges the business at the operational level as the personal information given by the customer has to be maintained and managed securely thus creating more risk within the business (Dayal *et al*, 2000, p.48).

The research determined whether the web sites in the sample offered customers the opportunity to create a customised view of the web site. Only 4% of the web sites offered customisation thus enabling their customers to view the web site in a way that best suited them (Levine, 1998, online).

Text only version

Research done by the Society of Consumer Affairs Professionals in Business (SOCAP) indicated that 97% of customers considered fast downloading time as an important criterion in rating a web site (Thorpe, 2000, online). As Trepper (2000, p.143) emphasises, too much graphic material clutters the web site, confuses the customer and increases the downloading time.

Therefore the research assessed whether the web sites in the sample offered a text only version of the web site. Only 1% of the web sites presented this opportunity while the remaining web sites were only available in one format that included the text and graphic material.

Translations

The Commerce Cubed Awards (2000, online) promotes the concept that a web site should be able to be translated into different languages. While no other literature on this concept was found, it may appear that this is either not a high priority in web design or that as English is the common business language, presenting the web site in English will suffice.

The research assessed whether the web sites in the sample were able to be translated into any of the other official South African languages. Only 2% offered the ability to translate the web site into either English or Afrikaans with none of the African languages mentioned.

Request feedback

The interactive nature of the Internet allows for web sites to request feedback from their customers by setting up a form that customers can fill in and submit to the web site (Trepper, 2000, p.136). Levine (1998, online) promotes the idea of requesting feedback as it allows the web site to be adjusted to accommodate customer needs.

The mistake many web sites make according to Nielsen (cited in Maguire, 2004, online) is that just prior to completing an order the web site presents a survey form for the customer to complete. As Nielsen (cited in Maguire, 2004, online) points out, a survey form is not the same as a feedback form and presenting a compulsory survey form will frustrate customers resulting in lost sales.

The research assessed whether the web sites in the sample specifically requested feedback and provided a link to a feedback form or displayed an open form which was usually located under the Contact section of the web site. The results indicated that only 25% of the web sites requested feedback from their customers, while the majority of web sites did not request feedback.

Intuitive site

Including good content and design are two elements for setting up a web site, however, if the customer cannot find the information all the effort will have been wasted. The challenge to creating a really usable web site is the categorisation of information, the menu structure and linking mechanisms that enable navigating through the web site (Nielsen e, 2004, online and Palmer, 2002, p.153). Navigation not only assists customers move around the web site but makes the information easier to find (Machlis cited in Palmer, 2002, p.153). An important point made by Trepper (2000, p.143) is that if the web site confuses and frustrates the customer, it is unlikely that they will return.

As assessing navigation tends to be subjective, the research attempted to identify specific navigational tools which included the presence of clickable menus, clickable buttons and whether a menu or button worked correctly by presenting the page that corresponded with the name on the button or menu (Trepper, 2000, p.143). Results of the research indicated that 92% of the web sites did contain clickable menus and buttons and, after clicking on a link, the resultant pages were correct.

Unrelated marketing pop-ups

A pop-up is a marketing tool used to advertise a product or service which may or may not be related to the web site being visited (Allen *et al*, 2001, p.141). It has become accepted that advertisements are displayed on web pages, however, web sites need to be cautious of how different forms of advertisements affect their customers' online experiences (Nielsen c, 2004, online). In particular, Nielsen (c, 2004, online) cautions against using pop-ups as a form of advertising on web sites. In a usability study done by Nielsen (c, 2004, online) 95% of users claimed that pop-ups negatively affected their online experience. Furthermore, Nielsen (c, 2004, online) indicates that the customer's negative experience and perceptions will be translated onto the web site that exposed them to the pop-up which will therefore undermine the web site's credibility.

From the research only 5% of web sites made use of pop-ups. This is a positive result as it does indicate that South African web sites are not including content that will frustrate their customers.

Discounts and vouchers

The Commerce Cubed Awards (2001, online) support the use of discounts and vouchers particularly to returning customers. Discounts and vouchers represent a marketing strategy to entice customers to return and to promote higher sales (Kotler, 2000, p.472). An electronic voucher is similar to an offline voucher as it represents an amount of money paid to the web site which is e-mailed to the recipient (KAHALARI.NET a, no date, online).

Only 5% of the web sites in the sample offered either discounts or vouchers. Therefore the majority of web sites are not implementing this marketing initiative to promote higher sales.

6.2.2 Contact section

The items researched in this section have been grouped into two areas for discussion. These include the various methods to contact the business behind the web site and the development of a community via the web site.

Contact mechanisms

Adcock (2002, online) and the Commerce Cubed Awards (2001, online) promote various ways for the customer to get help, either through contacting the business or through online self-help, as these add credibility to the web site.

Figallo (1998, p.175) maintains that any visitor to the web site whether they are new or returning, should be able to get quick and immediate answers while navigating through web pages. The concept of a help button on each web page is promoted to provide easily accessible explanations and information. Figallo (1998, p.176) furthermore claims that if web sites improved their online documentation then the business would not have to provide much personal support.

Online self-help by means of specific help pages, examples and lists of frequently asked questions (FAQ) represent an inexpensive way to provide help for customers, however, as Bowers (1999, p.45) points out, these methods have caused confusion due to a lack of understanding of this new form of help. Furthermore this type of help may only provide assistance for common problems as determined by the web site designer, and not necessarily provide help for customers experiencing unusual problems (Burruss, 2000, p.7).

The research results showed that only 32% of the web sites in the sample provided online help. Furthermore this online help primarily consisted of an FAQ. This indicates that the web sites in the sample are not taking advantage of cost effective self-help methods to provide assistance for their customers. In addition, the web sites could offer more imaginative ways of providing help

such as step-by-step graphic guides and clear instructions (Adcock, 2002, online) that assist a customer through the process of ordering a product.

In contrast to providing online help, Smith and Wheeler (2002, p.138) maintains that there needs to be a blending of technology and human interaction for businesses to maximise the use of technology. Smith and Wheeler (2002, p.138) believe that follow-up service and customer care are essential in keeping the customer particularly once the customer is no longer impressed by technological gimmicks.

Salmen and Muir (2003, p.141) particularly promote one-to-one communication as a useful preventative measure as the personal communication between the customer and a support consultant allows for online complaint management and conflict resolution. Furthermore if this communication is handled well then rather than losing a customer, the business stands to win the customer and his/her future business (Salmen and Muir, 2003, p.141).

The results of the research with respect to telephonic contact revealed that 70% of the web sites in the sample provided a land-line telephone number, 31% of the web sites provided a cellular phone number and only 14% of the web sites provided a toll-free telephone number.

It is accepted that, in comparison to international standards, telephone costs are high in South Africa (Arde, 2004, online). Telephone costs are determined by the time of the day, the distance of the call, which networks are being phoned (land-line or cellular) and what number is being phoned (CapeTalk, 2005, online). Telephone calls made between land-line numbers are much cheaper than calls made from a land-line to cellular numbers (Arde, 2004, online), therefore, it was thought that more web sites would provide a land-line number rather than a cellular phone number which was the case in this sample. It was assumed that as land-line telephone contact provides a less expensive contact mechanism for customers, more than 70% of the web sites would have provided a land-line number, however, this was not the case in this sample. It was interesting to note that 21% of the web sites in the sample provided both a land-line and cellular phone number thus increasing the ways that customers could contact the business.

Research done by the Society of Consumer Affairs Professionals in Business (SOCAP) indicated that customers preferred using a toll-free telephone number to contact the business if they experienced a problem on the web site or after purchasing a product (Thorpe, 2000, online). Furthermore, according to Adcock (2002, online) offering a toll-free telephone number adds credibility to the web site. However, the low response rate of 14% from the research indicates that South African business will have to consider offering toll-free telephone numbers particularly if the Internet community expects to use this form of communication with the business.

An important consideration while e-commerce is still growing in South Africa is whether businesses should have to pay the costs of offering a toll-free number when the call may not contribute to the businesses' bottom line (CapeTalk, 2005, online). Therefore, businesses will have to carefully consider which phone numbers to offer their customers.

One would expect that with the ability to scan pages into an electronic format and e-mail them to recipients, that facsimile (fax) technology would be reaching the end of its life span. This is corroborated by statistics given by Telecom Asia (2005, p.9) that revealed that 105 billion fax messages were sent in 1998 and this has decreased to 5 billion per year while e-mail messages are projected to increase to 36 billion in 2005.

However, as Telecom Asia (2005, p.9) points out, the advantages of fax messages are that they are considered legally binding documents and they do not present virus risks to computers. As such 60% of the web sites in the sample provided fax numbers for customers to use for sending information to the business thus enabling customers to still use old technology.

While the Internet has increased businesses accessibility to customers, as the web site is available 24 hours a day, seven days a week (24/7), it has also contributed to the increased customer expectations that they will receive 24/7 support (Rayport and Jaworski, 2001, p.5). Research done by the Society of Consumer Affairs Professionals in Business (SOCAP) indicates that 92% of customers using customer support state 24-hour access as the main reason for doing so (Thorpe, 2000, online).

The research results indicated that only 1% of the web sites in the sample offered 24/7 customer support while the remaining web sites stipulated contact times or gave the business' working hours. Consequently if South African web sites are committed to e-commerce then this area needs attention to improve 24/7 customer care. A suggestion given by Bland (2004, online) is that businesses outsource their 24/7 support to call centres as this will raise service levels and, through cross selling, provide additional revenues.

From the results it appears that the South African web sites are relying more on e-mail support as 93% of the web sites in the sample offered either an e-mail address or an online form that the customer could complete and e-mail back to the company. Further analysis of the sample indicated that 66% of the web sites provided both an e-mail address and a land-line telephone number thus showing a greater commitment to providing contact mechanisms for customers.

The presence of a postal address on a web site was included in the research as another contact mechanism due to Adcock (2002, online) advising web sites to provide as many opportunities as possible for customers to contact the business. Chase and Leech (2003, p.2) consider both postal and physical addresses as necessary to providing contact information for the customer. The research indicated that 59% of the web sites provided a postal address and, although not recorded in the research, the larger companies provided a physical address as well. As the web site represents the online "shop front", providing additional contact mechanisms in the form of postal and/or physical addresses contribute to building customer confidence in the business behind the web site (Adcock, 2002, online).

The research results showed that only 1% of the web sites offered a form of instant electronic communication between the customer and the business. The sample of web sites is again not taking advantage of another cost effective communication mechanism to support customers. While various forms of online chat do not replace the benefits of offline chat such as facial expressions, vocal cues and tactile experiences, the advantage of this form of contact is that large amounts of information can be provided very quickly particularly if the material has already been created and saved (Bowers, 1999, p.45).

A disadvantage of instant online communication provided by Burress (2000, p.7) is that an electronic chat system requires an ability to communicate in the typed form and an ability to type quickly which are not easy to identify in customer care support staff. Consequently this could further contribute to the low result from the sample of web sites.

Voice over Internet Protocol (VOIP) allows customers to talk to someone in the business via their Internet connection. The advantage of this system is that the customer only needs one telephone line to make the connection as they can connect to the web site and communicate with the business through the same connection (Burress, 2000, p.8). While VOIP has existed for a number of years it is only recently that decreasing connection and communication costs have become the main attraction for VOIP in business and home users (Conti, 2004, p.27). At the time the research was done VOIP was not legal in South Africa and therefore this mechanism could not have been offered to Internet customers.

To conclude on the contact mechanisms offered to customers, it appears that the South African web sites are, on the whole, providing a variety of contact opportunities to customers, with some contact methods more popular than others. However, from the research it is apparent that there is still more development needed in the areas of toll-free telephone numbers, 24/7 support, FAQs and instant message or online chat in order to compete with international web sites.

Community development

Both Adcock (2002, online) and the Commerce Cubed Awards (2001, online) promote the creation of a community by a web site where customers can interact and contribute. Salmen and Muir (2003, p.142) refer to online communities as virtual circles of customers where experiences and knowledge can be exchanged particularly when information is difficult to obtain. McKinsey research referred to by Smith and Wheeler (2002, p.137) shows that the more a person makes use of the community features of a web site, the more the person tends to purchase from that web site. In addition the McKinsey research shows that the more a customer is able to contribute to the community in the form of reviews and posted messages, the more loyal the customer remains to the web site. Therefore the value of a community as given by Salmen and Muir (2003, p.142)

is “comprised of the sum of experiences and knowledge of numerous individuals” participating in the community.

Businesses can also stand to benefit from the ideas discussed by online communities. Hallmark Cards created an online idea exchange where customers share their experiences resulting in new product ideas for the company which has decreased the time and costs involved in new product generation (Smith and Wheeler, 2002, p.134).

An additional type of community comprises an online forum which is regarded as a “closed” customer community. Usually the members of an online forum are provided with emotional and material benefits and offered the same advantages and incentives (Salmen and Muir, 2003, p.142).

Four different types of online communities are identified by Dholakia and Bagozzi (cited in Wind and Mahajan, 2001, p.192):

1. Transaction communities develop to promote the buying and selling of goods and services. Membership to these communities is easily taken up or given up. As the members participate by providing reviews and opinion, much member-generated information is provided by these communities.
2. Interest communities are formed amongst members with a particular interest in a subject. These members usually communicate via a text medium which includes newsgroups and newsletters.
3. Fantasy communities are recreational communities that allow its members to manipulate their identities.
4. Relationship communities are formed around life experiences such as various crises or diseases.

This research did not investigate whether the sample of South African web sites distinguished between virtual communities and online forums. Furthermore the research did not determine the nature of the community as per the distinctions given by Dholakia and Bagozzi (cited in Wind

and Mahajan, 2001, p.192). The research simply ascertained whether a community discussion board was available for customers to participate in online discussions with other customers.

The results of the research showed that only 15% of the web sites in the sample offered community discussion boards to its customers and only 13% offered community promotions.

With respect to community newsletters 41% of the web sites in the sample offered electronic newsletters, however, it appeared that the newsletter was offered to anyone doing a purchase which is not the same as building and promoting a community. One of the biggest problems with untargeted newsletters is that the newsletter could be regarded as spam⁴ which frustrates the customer and creates a bad name for the business (Figallo, 1998, p.207). On the other hand Nielsen (b, 2004, online) promotes the power of electronic newsletters provided they are informative and concise. An important point is that customers should have the choice of subscribing and unsubscribing to newsletters (Nielsen b, 2004, online).

Only 25% of the web sites in the sample offered an opportunity to its customers to provide reviews and opinions. Thus the majority of web sites are denying their customers an opportunity to interact with fellow customers. Furthermore the web sites are denying themselves the opportunity to take ideas from their customers and develop them into new products.

To conclude the discussion on online community development; the low response rate of the web sites in the research sample with respect to the four areas of building communities shows that South African web sites are not placing enough emphasis on developing communities attached to the web site. Therefore the majority of the web sites in the sample are missing out on the opportunity of optimising net profits by creating contact possibilities with their customers via discussion boards, promotions, newsletters and customer reviews (Salmen and Muir, 2003, p.142).

⁴ Spam comprises unsolicited e-mail that uses this medium for advertising similar to the mass mailing done in the offline world (Rayport and Jaworski, 2001, p.174).

6.2.3 Security section

Much has been written on the risk of Internet transactions and the threat of security issues by academics and the media. Security threats impact on the business in the form of receiving intentional or unintentional e-mail viruses from customers, credit card fraud and internal data theft (Smith and Manna, 2004, p.374). An estimate given by The American Society for Information Security is that 74% of security violations occur within the business therefore security and privacy policies need to be implemented internally within the business as well as on the web site (Armstrong, 2004, p.5).

From the customer's perspective concerns are expressed over credit card theft and the security of personal information (Smith and Manna, 2004, p.380). Identity theft, also called phishing, is one of the fastest growing crimes according to Oehlers (2004, p.20) and Hembry (2005, online). Patrick Evans, regional manager of Symantec Africa, (cited in Clarkson, 2005, online) maintains that credit card details are no longer as attractive as customers' personal information which can be used to set up fake accounts for the purpose of making money. Research done by Symantec showed that from July to December 2004 there was an increase of 366%, which represents 33 million, phishing threats per week, therefore this security threat is a serious concern for both businesses and customers (Evans, cited in Clarkson, 2005, online). As Batchelar (cited in Hembry, 2005, online) points out, the need to build protection against security threats reflects a general change in society, however, businesses should not act too complacently regarding the security of online and offline data.

Steps that businesses need to take to secure data in the office include doing security checks prior to employing staff, monitoring staff that have access to customer information and limiting access to information to only particular staff (Oehlers, 2004, p.22). On the web site businesses need to build customer confidence by clearly displaying their policies, allowing customers the choice of having their data stored in a database or not, allowing customers to access and edit their information and submitting to audits by third-parties (Rayport and Jaworski, 2001, p.355 and Salmen and Muir, 2003, p.138).

Research done by Han and Maclaurin (2002, p.35) showed that control over personal information is central to customer concerns regarding Internet transactions. Customers were concerned that their details would be added to spam lists or shared with other businesses. Therefore Han and Maclaurin (2002, p.36) suggest that businesses should display their privacy policies on the web site and advertise these publicly to build customer confidence. While a privacy policy is considered a legally binding document (Trepper, 2000, p.140), Han and Maclaurin (2002, p.36) suggest that instead of being written in legal terms, privacy policies should be straight forward and easily understandable. Furthermore Han and Maclaurin (2002, p.36) suggest that links to the privacy policy should be easily identifiable and accessible on each web page of the web site.

But as Viseu, Clement and Aspinall (2004, p.107) point out, many privacy policies are unread, difficult to find and contain vague statements. Furthermore customers do not have the time or expertise to understand the policies. In addition, research undertaken by Viseu *et al* (2004, p.105) indicated that customers were becoming passive and insensitive to online privacy issues. Viseu *et al* (2004, p.105, 107, 108) blame the media for the passivity encountered in customers as the increasing number of articles published has decreased their collective value and contributed to the perception of the Big Brother society. Common responses in Viseu *et al*'s (2004, p.103) research were that the customers had nothing to hide and therefore nothing to fear with Internet transactions. However, as Marx (cited in Viseu *et al* 2004, p.103) points out, privacy only becomes a concern when it is lost.

Viseu *et al* (2004, p.107) therefore suggest that web sites need to make their privacy policies obvious and to display them at the point at which customers have to enter their personal information. According to Viseu *et al* (2004, p.107) privacy policies need to include how the customer's information will be used, whether there will be third-party sharing of the data, how the customer can access and edit the information and how to make complaints as this will make web sites more accountable and educate customers on their rights to privacy.

Nielsen (f, 2004, online) on the other hand, does not believe that user education should be the main approach to Internet security and privacy issues for two reasons. Firstly, this places the responsibility on the customer which may result in them not engaging in e-commerce transactions

due to fear. Secondly, computer and Internet security is complex, so relying on the customer assumes the customer is knowledgeable in all spheres of online security and privacy which may not be the case.

Nielsen (f, 2004, online) suggests turning on all security settings on the computer, all software updates such as operating systems and anti-virus programs should be automated, all data leaving the customer's computer should be encrypted as a matter of course and digital signatures should be attached to all information to show that it has been sent from a trusted source. Nielsen is thus promoting the notion that security and privacy should become built-in features of all computing elements to make customers and businesses feel safer about the Internet.

What adds to the complexity surrounding information security and privacy is that "privacy" has different meanings to different people and within different countries which has a variety of implications for businesses engaging in e-commerce across global boundaries (Viseu, 2004, p.93). According to Friel (2004, p.48) different states in America have different laws governing the collection and use of online customer information with some states more strict than others. The current trend in American privacy policies is to contain specific disclosures, notifications on the intention to make alterations to the policy, and to allow for opt-in/opt-out decisions by customers (Friel, 2004, p.48). Furthermore, the American Federal Trade Commission (FTC) has issued guidelines that go beyond the web site to certify that the business is complying with security in the office by using up-to-date technology, training its employees in cyber-security, ensuring that all software is current with security patches installed and that backups of the data are being done (Friel, 2004, p.50).

The data protection law, as it is called in the European Union (EU), restricts personal information from being transferred outside the boundaries of the European Economic Area (EEA) unless the business complies with a code of certain conditions (Armstrong, 2004, p.3, 4). However, according to Armstrong (2004, p.4) not many American businesses have applied this code as it contains certain clauses which are unappealing to American business. Furthermore, with different rules and regulations in place, the issues of data security and privacy will create barriers

for businesses and will impact on international trade (South African Law Reform Commission, 2003, p.viii).

In South Africa the right to privacy is protected by the common law and section 14 of the constitution which includes “the recognition and protection of the right to privacy as a fundamental human right” (South African Law Reform Commission, 2003, p.vi). Further to this South African web sites have to comply with the Electronic Communications and Transactions Act (Republic of South Africa, Act 25, 2002, Chapter 8, sections 50 and 51) on the subject of personal information protection by:

- Disclosing why personal information is collected and what the intended use is.
- Not disclosing personal information to a third party unless permission to do so has been obtained from the customer.
- Keeping a backup of the data that is in use.
- Keeping a backup of the information on third-parties who have access to the data.
- Deleting or destroying all obsolete data.

Thus it would appear that the South African regulations are in keeping with the American recommendations on security and privacy. However, more stringent measures may have to be implemented by South African web sites wanting to trade within the EEA.

This research did not evaluate whether the South African web sites’ security and privacy policies complied with the Electronic Communications and Transactions Act, but rather whether the web sites offered a secure environment and notified their customers to this. For online customers to trust their interaction with a web site all security policies should be clearly displayed, account logins should be created and secure payment should be offered and clearly advertised as such with a graphic logo (Levine, 1998, online).

Results of the research indicated that only 30% of the web sites contained a secure certificate logo while 51% of the web sites offered secure payment. As no purchasing was done during the research it may be that some of the web sites only presented the secure certificate logo on those

pages containing the items for sale and the purchasing pages and hence the logo was not seen during the research.

It was interesting to note that of the 92% of web sites that sold a product, only 51% of them offered secure online payment. The remaining web sites offered a variety of offline payment methods. Therefore the web sites are not offering a quick and easy mechanism for their customers to purchase online. A possible reason for the low percentage of web sites offering secure payment may be that it is costly to purchase the security software that enables data encryption (Thawte a, 2004, online and VeriSign, 2005, online) and therefore small businesses may choose to simply offer offline payment methods.

Only 60% of the web sites in the sample presented a privacy policy which appears to be quite a low response. It would be expected that as South Africa now has an Electronic Communications and Transactions Act in place, every South African web site should present a privacy policy even if the web site is not engaging in e-commerce. It may be that particularly small businesses feel exempt or are slow to catch up with creating and presenting a privacy policy on the web site. It may also be that the media have not disclosed this information sufficiently therefore businesses may not aware of the requirements of the act.

While this was not part of the research, it is worth noting that the privacy policies were often not presented in an obvious way and consequently were not easy to find on many of the web sites. Quite often the privacy policy was presented as a list of statements or guidelines and more often these statements were included in the “Terms and Conditions of use” policy which was usually presented in a small font at the bottom of the home page of the web site. Even if the privacy policy was presented as a list of statements or embedded in another document, it was included in the research.

From the research results, the majority of web sites, 62%, provided for customers to create logins thus enabling the customer to build security around their private details. In most cases these logins had to be created before being allowed to do a purchase from the web site thus securing the customer’s data from the point at which it is being divulged.

To conclude the security section, electronic security and privacy has become a worldwide concern and as such The Center for Information Assurance and Security (CIAS) has been set up at the University of Texas, Austin, to research innovative security solutions and to train professionals in the security field (No author, 2005, p.31). A good tip given by Han and Maclaurin (2002, p.38) is to adjust the security and privacy messages to accommodate different customer segments as by doing so the web site is accepting that not all customers are the same.

6.2.4 Ordering section

The items in this section have been combined into four groups for the purpose of discussion. These include methods of payment which incorporates displaying the costs in international currencies, shipping and tracking the order, the availability of an online inventory and a return policy.

Payment

As Trepper (2000, p.66) points out, the issue of taxation on Internet transactions has caused much concern as there is no definitive agreement on where the transaction occurs. Furthermore foreign currency exchange rates affect e-commerce initiatives that span across international boundaries which will impact on the price the customer pays and the business' potential profits (Trepper, 2000, p.68). Consequently taxation and foreign currency act as potential barriers to e-commerce. It was therefore interesting that 21% of the web sites quoted prices in currencies other than the South African Rand. The most popular currency was the American dollar, however, the Euro was given on two web sites. Another interesting point is that many of the IT web sites stipulated that the prices were only for South African customers and that they could not sell their products to customers outside the South African borders. This may be due to special pricing being negotiated for South Africa or that the IT products were already out of date in other parts of the world.

Even though barriers to e-commerce exist (Trepper, 2000, p.66 and 68) and security concerns affect customer perceptions of safety (Smith and Manna 2004, p.380), businesses need to offer

what Chen *et al* (2001, p.140) refer to as technological and behavioural approaches to payment. The technological approach includes various forms of electronic payment such as credit card payment, digital wallet, which is also referred to as an e-wallet, and other forms of online payment systems (Chen *et al*, 2001, p.141). Results of the research indicated that 46% of the web sites offered online credit card payment, 1% offered e-wallet payment and 15% offered other forms of online payment such as Internet bank transfers or mechanisms such as Ebucks and Bluebean.

Interestingly, although not counted during the research, a number of web sites indicated that they had stopped offering online credit card payment due to the increase in credit card fraud.

Chen *et al*'s (2004, p.142) behavioural approach to payment includes various non-electronic methods such as offline credit card payment, sending a cheque to the business and paying cash on delivery. The research results showed that only 13% of web sites offered offline credit card facilities and 13% offered cheque payments. Cash on delivery was not evident on any of the web sites.

Additional offline payment options included in the research were bank deposits and transfers and money orders. The results showed that 38% of web sites offered payment by means of bank deposits or transfers. With respect to money orders, only 3% of the web sites offered this as a form of payment for purchases. Furthermore money orders were only available to South African customers and not to international customers.

Therefore it appears that South African web sites have not totally committed themselves to all forms of electronic payment with some sites preferring offline forms of payment. However, the results do tend to favour electronic payment methods slightly more with online credit card payment scoring the highest percentage (46%). The second highest percentage (38%) was recorded by offline bank deposits and transfers.

Shipping

The Commerce Cubed Awards (2001, online) consider fast or same-day shipping as a high priority to online customer care. Furthermore shipping the items to the customer as well as any return shipping from the customer should be offered free of charge (Commerce Cubed Awards, 2001, online). From the research only 5% of web sites offered fast shipping and this was on condition that the order was placed by a certain time of the day, presumably this was due to constraints imposed by the shipping companies.

With regard to free shipping, only 11% of the web sites offered free shipping. The majority of the web sites added on the shipping costs as the customer proceeded with the ordering process. Therefore the adage “the price you see is the price you pay” does not hold true for the majority of the web sites as the shipping costs were added at the end of the ordering process. The term “free delivery”, as used by the web sites in the floral industry, was included as free shipping.

Included in the research but not referred to in the literature, is discounted shipping. Only 1% of the web sites offered discounted shipping and this was dependent on the customer doing a bulk purchase from the web site.

With respect to international shipping, the research indicated that 31% of the web sites specifically indicated that they were prepared to ship their items to international customers. The remaining web sites either indicated that they only shipped to South African customers or made no mention of where the items could be shipped to. This low response and reluctance to ship internationally corresponds with research done by Chase *et al* (2003, p.2) on American web sites based in Virginia. The research indicated that their sample group of web sites was unwilling to ship their products internationally due to the high costs of international shipping. This may be a contributing factor with the South African sample of web sites as well.

With regard to the cost of shipping returned items, the Commerce Cubed Awards (2001, online) consider this an important item in online customer care. Chase and Leech’s (2003, p.2) research indicated that, while web sites were willing to accept returned items, the customer was responsible for the shipping costs. From the research it was evident that South African web sites

are following their American counterparts as only 2% offered free return shipping. Furthermore, the majority of the web sites stipulated particular conditions under which items could be returned such as damage during shipping, but once the item had been opened it could not be returned. Therefore it is apparent that returning items is not an easy procedure.

Tracking the order

Once the online purchase has been made, it is important to communicate with the customer regarding the status of the order and to allow the customer to track their order (Adcock, 2002, online). This can be done by sending an e-mail to the customer to confirm the order (Chase and Leech, 2003, p.2) and via the Internet by providing the customer with a tracking number so they can monitor the order on the shipping company's web site (Adcock, 2002, online). The research indicated that only 30% of the web sites sent e-mails to their customers to confirm the order. Furthermore, only 10% of the web sites provided a mechanism for their customers to track the status of their order via the Internet. From these results it may appear that South African customers have to place their trust in their online e-commerce transactions without much after-sales support from the business.

Online inventory

Trepper (2000, p.32) makes the point that with the growth in electronic communications, businesses and their supply chains should have access to electronic inventories to automate re-orders. Furthermore electronic inventories should be made available for online customers to assist them with their e-commerce purchasing decisions as an additional way of providing assistance and care for the customer (Commerce Cubed Awards, 2001, online).

However, the results from Chase and Leech's (2003, p.1) research indicated that there was a lack of information given on item availability prior to the purchase being made. From the research on South African web sites, only 8% of the web sites provided an online inventory that indicated how many of the items were available for purchasing. A number of the remaining web sites provided a catalogue of items for sale but no inventory was provided.

Return policy

The Commerce Cubed Awards (2001, online) promote a “no questions asked” return policy for the returning of items purchased via a web site. However, the research done by Chase and Leech (2003, p.1) indicated that only half the web sites in their sample displayed a return policy. The research of the South African web sites is consistent with Chase and Leech’s findings, as just under half, 48%, of the web sites presented a return policy.

Although not included as a specific criterion in the research, some of the return policies were read as a matter of interest. It was a concern that unlike the “no questions asked” return policy promoted by the Commerce Cubed Awards (2001, online), the South African web sites contained return policies that were filled with conditions that the customer had to comply with in order for the business to determine whether to take back the item or not.

6.3 Conclusion

It is apparent that some of the customer care initiatives assessed have faired well while others have not. The next chapter will conclude on the findings and discussion of the research.

Chapter 7:

Conclusion

Research done by Konradt, Wandke, Balazs and Christophersen (2003, p.165) indicated that disorganised web pages that contain non-intuitive menus or links and have a poorly designed navigation system all have an adverse effect on online shopping. Furthermore, badly designed web sites may misinform customers of the web sites' intention and products or services offered (Konradt *et al*, 2003, p.135).

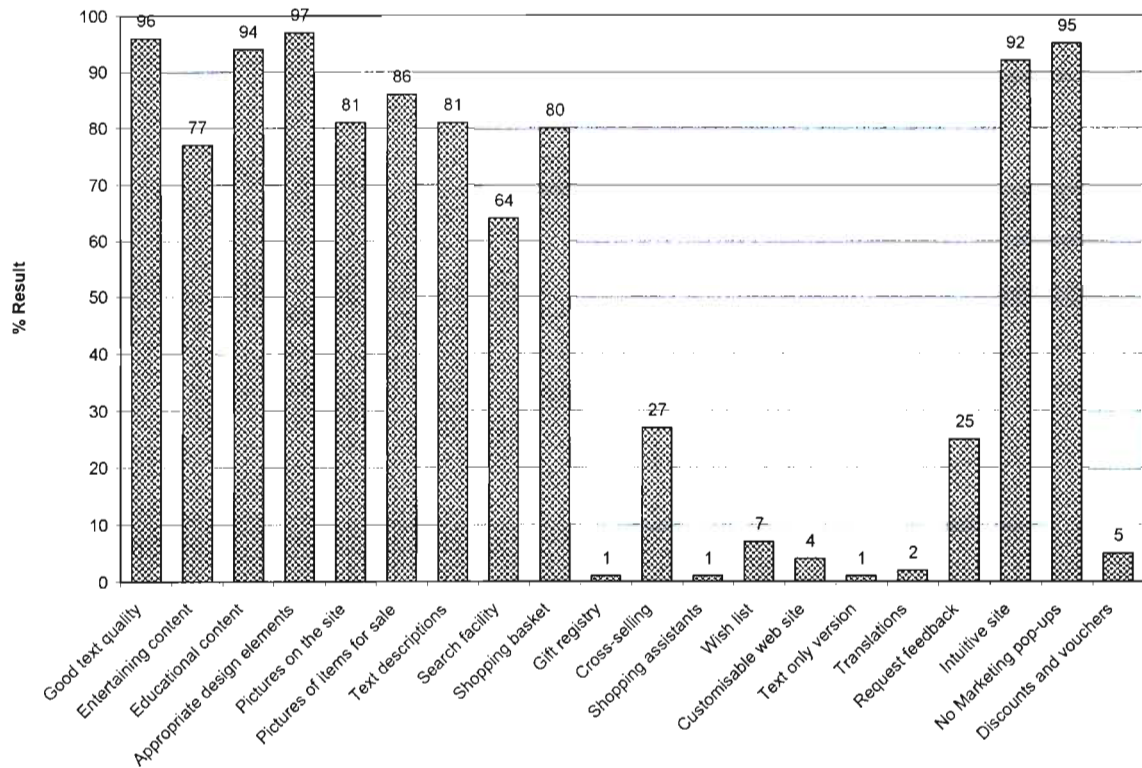
Therefore web sites that are being designed with the customer's needs in mind, will be the web sites that are able to attract customers and, more importantly, retain customers (Riebstein cited in Wind and Mahajan, 2001, p.225).

In order to visualise the results of the research, the "Yes" responses have been charted for each of the four sections of the research. The visual representation in these charts demonstrates where web site designers are doing well and not so well with respect to the customer care initiatives as provided by Adcock (2002, online), Burrell (2000, p.4-5), the Commerce Cubed Awards (2001, online) and Levine (1998, online). Furthermore, as none of the web sites scored 100% for any of the customer care initiatives, a cut-off point of 75% has been used to indicate that at least two-thirds of the web sites have implemented the initiative. Therefore initiatives scoring less than 75% will be discussed in more detail than those scoring 75% or higher.

7.1 General section

This section evaluated the overall impression of the web site and focussed primarily on the design and content. Excluding whether the web site sold a product or a service, 20 different initiatives were assessed and the percentage result of the web sites that scored a "Yes" response are displayed in Figure 60.

Figure 60 General section: % Yes responses



Important note for Figure 60: High results are good and mean that a large number of web sites have implemented the particular customer care initiative. With respect to the “Unrelated marketing pop-ups” initiative, the research determined that only 5% of the web sites made use of this advertising tool. This would be considered a good result by Nielsen (c, 2004, online) as marketing pop-ups are considered to be the worst forms of advertising on the Internet. Therefore, for the benefit of this chart, this initiative has been inverted to indicate that 95% of the web sites had “No Marketing pop-ups”. This result is displayed second from the right on the chart.

The overall impression from this chart is that the web sites scored fairly highly with respect to the design and content. In particular, 50% of the initiatives scored above the cut-off point of 75% and 50% of the initiatives scored below the 75% cut-off point. Only items scoring below 75% will be discussed in detail. Furthermore, as these items cannot be grouped they will be dealt with individually.

Search facility

Although 64% of the web sites contained a search facility, this is considered to be a fairly low response due to the cost of search engine technology decreasing (Burke *et al.* cited in Wind and Mahajan, 2001, p.228). Furthermore, as Trepper (2000, p.133) points out, customers will come back to a web site if they know they can find what they are looking for. Therefore the inclusion of search technology on web sites to boost the customer's experience and increase customer satisfaction will lead to repeat visits which will ultimately be good for business.

Gift registry

As the Internet spans international boundaries and as families are becoming more dispersed, a gift registry enables long distance relatives to make the right decisions with gift buying (Pitta, 2000, p.94). Therefore, with only 1% of the web sites offering a gift registry, the majority of web sites were not making use of a facility that helps customers make purchase decisions (Pitta, 2000, p.94).

Cross-selling

According to Nielsen (a, 2004, online), a big challenge of e-commerce is getting the first order. As Levine (1998, online) points out, web sites have an ideal opportunity to cross-sell related or unrelated products to customers while they are purchasing from a web site. However, only 27% of the web sites attempted to cross-sell items which is considered to be a low response.

Shopping assistants

Shopping assistants can undertake tedious and repetitive tasks thus freeing the customer to focus on information that affects his/her purchase decision such as evaluating information the shopping assistant presents (Dholakia and Bagozzi, cited in Wind and Mahajan, 2001, p.181). According to Tran and Tran (no date, online) the implementation of shopping assistants is still in the early stages and this might be impacting on the results recorded in the research. The low result of 1% of web sites in the sample offering a shopping assistant indicates that South African web sites have not widely accepted or implemented this initiative.

Wish list

As a wish list allows customers to create a list of items they would like to purchase in the future, this service assists customers to keep track of current and future purchases (KALAHARI.NET, b, no date, online). The customer gives responsibility to the web site to monitor the items and to contact the customer once items become available which contributes to customer satisfaction (Pitta, 2000, p.94). With only 7% of the web sites offering this facility, this indicates that only a minority of web sites were committing to this customer care initiative and to their customers' satisfaction.

Customisable web site

There are pros and cons to offering customisation on a web site. Therefore businesses need to determine if the short-term return on investment in enabling customisation will be balanced by higher sales from customers (Dayal *et al.* 2000, p.48). Furthermore the business needs to assess its own ability to manage the increased risk and security needed to store the collected personal information from its customers (Dayal *et al.* 2000, p.48). The 4% of web sites offering customisation indicated that this initiative has not been widely accepted and implemented by South African web sites.

Text only version

Web site designers have to carefully balance creating an interesting and entertaining web site with the speed of downloading the web pages. From the literature it was noted that customers rate web sites on how quickly the web pages are downloaded (Thorpe, 2000, online). However, only 1% of web sites in the sample offered this option to its customers which may indicate that web site designers have not considered this as an important initiative to improve customer service.

Translations

According to the Commerce Cubed Awards (2000, online), offering the ability for web sites to be translated is an important criterion with respect to caring for the customer. The low response from the research shows that this initiative has not been widely accepted as important for web sites.

Request feedback

Displaying the facility for customers to provide feedback has a dual function as it contributes to the development of a community and the web site can benefit from the suggestions given by customers (Levine, 1998, online). The low response of 25% indicates that only a quarter of the web sites have taken advantage of offering this mechanism to their customers. It has to be assumed that the feedback and suggestions are evaluated by the business.

Discounts and vouchers

Much has been written about the expense of attracting new customers as opposed to retaining existing customers. Therefore offering discounts and vouchers to existing customers creates the incentive for further purchases (Kotler, 2000, p.472).

If the web site represents a purely online business then using discounts and vouchers to incentivise customers makes business sense. However, if the web site represents the electronic front for an offline business, then discounts and vouchers offered on the web site may cannibalise offline sales and create confusion in the customer's mind. As a consequence businesses must carefully balance the need to create purchase incentives and the business' reputation.

The low 5% response shows that the majority of the businesses behind the web sites are not taking advantage of creating incentives for their customers and promoting higher sales.

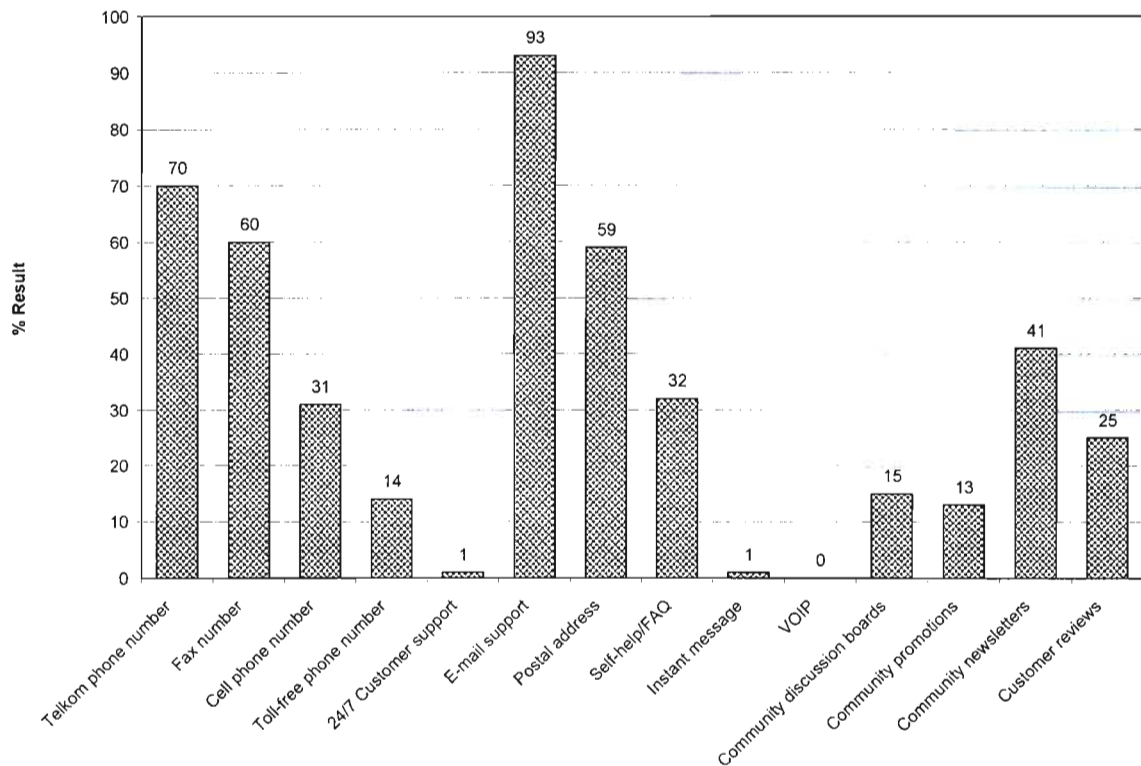
To conclude the General section: The design and content of the web sites has received high scores, as can be seen from Figure 60, therefore the web sites are being efficient in marketing their products or services. However, there appears to be a lack of management commitment towards the more complex technologies on the web sites such as those scoring less than 75%. As referred to in the literature, it is these more complex technologies which add to the customer's online experience and which build customer care in the online environment.

7.2 Contact section

This section evaluated the different methods offered to the customer to contact the business together with whether the web site provided mechanisms to create a community. As can be seen from Figure 61 only E-mail support scored above 75% which indicates that the large majority of web sites are already offering this as a form of contact for their customers.

The items in this section will be grouped into contact and community initiatives for the purposes of concluding.

Figure 61 Contact section: % Yes responses



Contact mechanisms

While some authors (Adcock, 2002, online and Commerce Cubed Awards, 2001, online) promote various contact mechanisms as forms of customer care, Figallo (1998, p.175) promotes online self-help systems for customers to get immediate help and not have to wait for responses from the

business. With only 32% of web sites providing online help, this is an area that needs attention as providing online help may contribute to reducing telephonic and e-mail support calls that staff have to do.

It is evident that while there are a number of different contact mechanisms that web sites can offer their customers, there is no commitment to including all of them on the web site.

Community initiatives

All the community initiatives (discussion boards, promotions, newsletters and customer reviews) received fairly low scores. While the literature (Adcock, 2002, online and Commerce Cubed Awards, 2001, online) promotes the interactive nature of the Internet as ideal for creating communities, the results of the web sites researched indicated that creating communities is not a high priority. Consequently the South African web sites do not stand to benefit from ideas and suggestions that tend to happen in online communities (Smith and Wheeler, 2002, p.134).

Furthermore, and probably more important, by not establishing online communities, the South African web sites are denying themselves the opportunity of creating loyal customers which contributes to increased sales (Smith and Wheeler, 2002, p.137). In addition the web sites are preventing themselves from profiling their customers and, consequently, the web sites may not be meeting their customer's needs (Chartered Institute of Management a, 2002, p.462).

To conclude the Contact section: The different contact mechanisms create an anomaly for web sites as, on the one hand, some authors (Minkoff, 2000, p.1 and Wellemin, 2003, p.14) refer to customers as becoming empowered and wanting to help themselves therefore online self-help systems would suffice. However, on the other hand, other authors (Myer cited in Minkoff, 2000, p.2 and Salmen and Muir, 2003, p.141) maintain that there should be human intervention to help resolve customers' problems and consequently conventional contact mechanisms are promoted.

It has become apparent that web sites need to balance the technological mechanisms with human contact mechanisms to fulfil customers' different needs (Smith and Wheeler, 2002, p.138). This

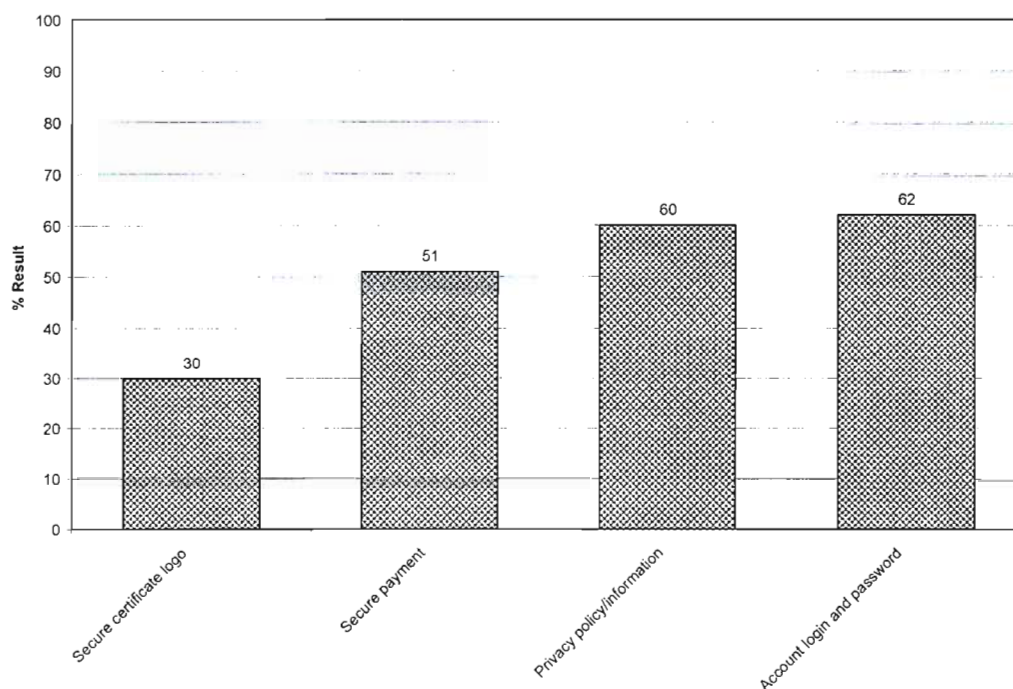
will assist in removing any barriers so customers will feel at ease when having to contact the business to complain or to request assistance (Cheales, 1994, p.96).

The interactive nature of the Internet lends itself ideally to the establishment of online communities connected to web sites. It is evident that both customers and the businesses behind the web sites stand to gain from this relationship: customers through a sense of belonging and a feeling that their needs are being catered for, and businesses through ideas generated by customers as well as increased sales. However, it appears that web site developers, and perhaps management, have not considered that creating online communities would ultimately benefit the business.

7.3 Security section

This section assessed whether the web site offered and informed the customer on the security of online transactions.

Figure 62 Security section: % Yes responses



As can be seen from Figure 62, the entire Security section received fairly low scores. Once again this demonstrates a lack of commitment in terms of the web site's real intention of participating in e-commerce. By not fully committing to the security aspect of e-commerce, the web sites are creating barriers that are restricting the sales of their products or services. Furthermore, through previous exposure to other web sites that do offer secure online transactions, customer expectations will have been created and if these are not met and fulfilled by the web site, it is unlikely that the customer will return to the web site.

A further point to consider is that if the customer wants the item but the web site only offers offline payment, when the customer has to travel to the bank to make the payment, the customer may find the item and purchase it from a competitor. Therefore the web site will have lost the sale.

The threat of credit card and personal information theft via the Internet is a reality (Smith and Manna, 2004, p.380), therefore web site designers have to consider the importance of building customer confidence in the web site and any transactions that will occur via the web site (Rayport and Jaworski, 2001, p.355). It is accepted that security is a major issue on the Internet, however secure transactions are a possibility, therefore web site e-commerce strategies should be aligned with what customers value (Thompson, 2000, p.88) in order to capitalise more immediately in the customer's online purchase decisions.

To conclude the Security section: The low results shown in Figure 62 once again demonstrate a lack of management commitment in the more expensive technologies required to enhance the customer's online shopping experience. As Carson (1999, p.555) points out, psychological aspects such as perceptions and attitudes play a role in the evaluation of products and services, and this will also be true of customer evaluations of web sites. Therefore, in the highly competitive Internet environment, if customer experiences are not acceptable and expectations are not being met and fulfilled, competitors will be found as they are simply a click away.

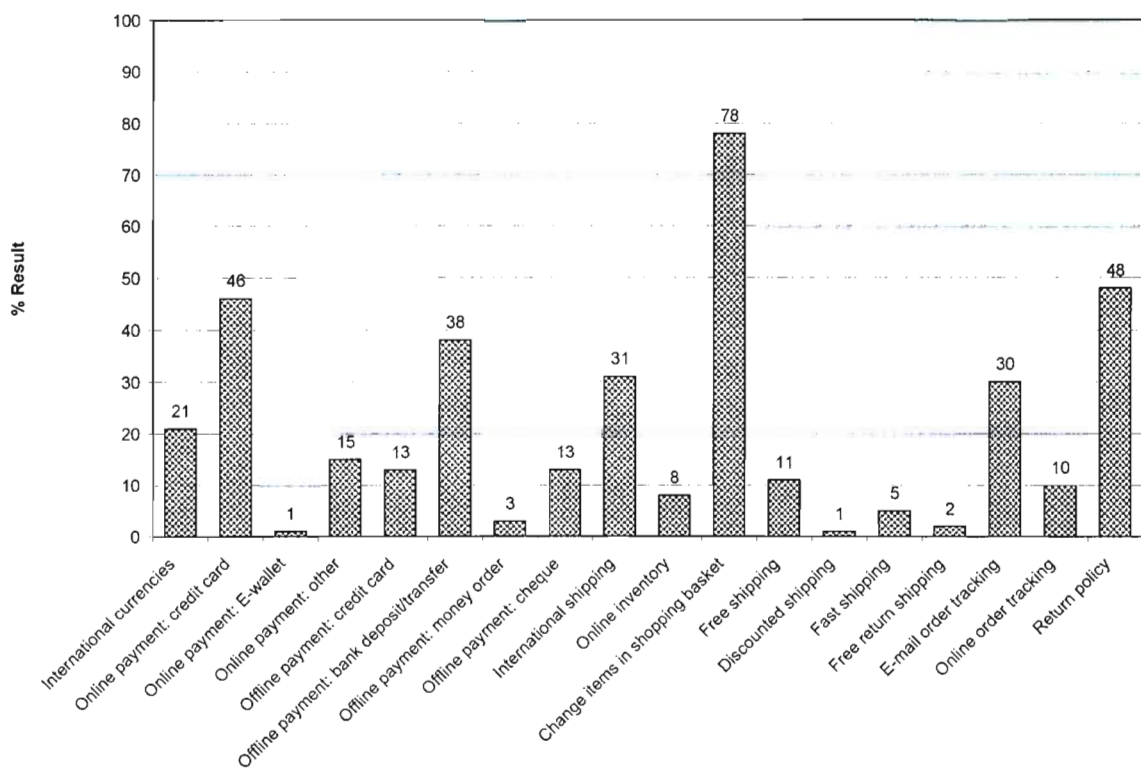
7.4 Ordering section

This section determined whether different payment options were provided, the shipping arrangements and whether electronic tracking of the order was provided.

From the results given in Figure 63, only one item, “Change items in shopping basket”, scored a result higher than 75%.

For the purpose of concluding, the remaining items have been grouped into Payment, Shipping and Tracking. The Online inventory and Return policy items will be dealt with individually.

Figure 63 Ordering section: % Yes responses



Payment

The initiatives incorporated into this group include International currencies and all the Online and Offline payment options.

As can be seen from Figure 63 the “Online payment: credit card” and “Offline payment: bank deposit/transfer” initiatives received the highest scores and yet both of these were below 50%. While a variety of payment options were presented, there appears to be no commitment in including all of them on the web sites.

It is interesting that 51% of web sites offered Secure payment (from the Security section) while 62% of web sites offered various forms of Online payment. This was calculated by adding the three forms of Online payment. This difference may either be due to some web sites offering more than one form of online payment or some web sites may not be offering “secure” online payment.

The Internet has the potential to remove distance barriers by enabling customers to see and interact with the items away from the physical shop. However, by not committing to online payment methods, the business is placing payment barriers on potential customers. Schulze (2000, p.23) maintains the customer’s experience and how they were treated will determine whether they return to a web site. Therefore without various forms of online payment available, the customer’s experience will be more negative than if online payment was available. A consequence of this may be that the customer may not return to a particular web site resulting in reduced sales.

Shipping

The overall impression regarding the offering of Free, Discounted and Fast shipping, had conditions attached them such as buying in bulk or placing the order by a certain time of the day. If it is assumed that the web sites are not in the shipping business, then the conditions stipulated by the web sites may be as a result of the shipping providers.

The low results received for International shipping may be directly related to the costs of shipping items internationally from South Africa. As these low results correlate with those of Chase and Leech (2003, p.2) for American web sites, it has to be considered whether e-commerce

really is spanning international borders on a large scale, or whether certain barriers are keeping it to a national level.

Tracking

Both Adcock (2002, online) and Chase and Leech (2003, p.2) maintain that there needs to be ongoing communication with the customer after an item has been purchased. This type of communication may be considered as after-sales support, which goes a long way to building customer confidence and enhancing the online experience. However, the low results received for both E-mail and Online order tracking will not build customer confidence in online purchasing.

Online inventory

Providing an online inventory of items may be considered as a form of empowering the customer as, based on the knowledge gained from the inventory, the customer can decide on the number of items to purchase. This pre-purchase information is considered as important communication by the Commerce Cubed Awards (2001, online).

The absence of an online inventory again demonstrates a lack of commitment from the business. Furthermore, with the advances in technology, it should be easy for web sites to include online inventories of the items for sale.

Return policy

The fairly low result for this initiative is indicative of poor communication between the web site and the customer. If there is no return policy or it is difficult to find on the web site, the customer will not know what procedure to follow if an item has to be returned.

There appears to be consistency between the South African web sites researched and Chase and Leech's (2003, p.1) research on American web sites regarding the lack of easily available return policies. This indicates that even though the Commerce Cubed Awards (2001, online) promote a return policy as relevant for online customer care, the reality regarding return policies appears to be a global issue.

The potential loss of earnings due to returned goods can be appreciated. Therefore, whatever the business' strategy is regarding returned goods, this should be communicated to the customer as pre-purchase information as this will empower the customer to make purchase decisions (Wellemin, 2003, p.14).

7.5 Final comments

From the four figures given in this chapter it is evident that the General section scored the highest "Yes" responses which indicates that, in general, the web sites have good designs and content. The Contact section scored high responses in particular areas thus indicating areas for improvement. The Security and Ordering sections displayed fairly low scores which indicate more investment and commitment needs to be focussed in these two areas of web site design. A commitment to improve all four sections, as determined by this research, will change the strategy of many web sites from simply being a marketing tool to a genuine commercial channel that incorporates sound customer care principles for businesses.

While it is apparent that businesses are engaging in e-commerce, more commitment needs to be directed towards the customer care side of e-commerce. The lifetime value of the customer as provided by Kotler (2000, p.659) should be regarded as an important criterion in the design of web sites to enhance the customer's online experience, increase customer satisfaction and improve customer retention rates. Ultimately caring for and retaining customers will contribute to the business' long term profitability (Gupta *et al.* 2004, p.17) which is the essence of being in business.

A useful experiment would be for web designers, managers and business owners to use their own web sites as if they were a customer and place orders to experience what their customers have to go through.

Finally, just as shop owners pay attention to detail in offline shops, so businesses need to pay attention to a different set of details in designing a web site in order to optimise the web site's usability (Nielsen e, 2004, online) and create the best online experience for their customers.

The next chapter provides recommendations that South African web site developers should consider to improve the functionality of their web sites and to build customer confidence in the business' commitment to its customers.

Chapter 8: Recommendations

The following recommendations are made based on the results of both the research and readings from the literature. The recommendations again follow the four sections from the research i.e. General, Contact, Security and Ordering sections.

8.1 General section

This section focussed primarily on the design and content. Based on the responses received from the research, the following recommendations relate to the design and content of the web sites.

Design

To increase the usability of a web site it is recommended that web sites include a clear design with no ambiguous sections, logical navigation represented by standardised design elements and comprehensive product descriptions should accompany the high quality product images (Nielsen cited in Maguire, 2004, online). Furthermore the content needs to educate and entertain and any text should be presented without any errors (Levine, 1998, online).

Results of the research indicated that the majority of web sites (more than 75%) in the sample were well designed and made use of appropriate design elements. Only 77% of the web sites contained entertaining content and perhaps this needs to be improved upon. While it is appreciated that certain material such as mining publications may not be entertaining, web designers should involve and get feedback from the target market to determine how best to display non-entertaining subject matter.

Search facility

With almost two thirds (64%) of the web sites in the sample offering search technology, and with search engine technology becoming more affordable (Burke *et al.* cited in Wind and Mahajan, 2001, p.228), it is recommended that all web sites should include a search facility. The inclusion

of a search facility supports Burress' (2000, p.5) suggestion of enabling the customer to help themselves. Ultimately, according to Minkoff (2000, p.1) and Wellemin (2003, p.14), this results in an empowered customer who is able to make better decisions.

Shopping basket and changing or removing items from the basket

Even though 80% of the web sites in the sample contained a shopping basket, it is recommended that if the management team is serious about e-commerce, all web sites should include shopping basket technology. Furthermore, the technology should allow for items to be changed or removed from the shopping basket to enhance the customer's online experience. E-commerce represents a new channel for businesses to market their products and services directly to their customers (Kotler, 2000, p.663), therefore the addition of a shopping basket makes the purchasing process easier and more immediate for the customer.

Gift registry

Due to the nature of how a gift registry functions, including a gift registry on the web site contributes to offering additional customer service (Commerce Cubed Awards, 2001, online). Furthermore, according to Pitta (2000, p.94), a gift registry can motivate sales. Therefore if web sites are serious about caring for their customers it is recommended that a higher number of web sites, rather than the low 1% response, should include a gift registry as part of the service offered to the customer. The inclusion of a gift registry may also function as an incentive to attract and retain customers which is proving harder to do with the choice available via the Internet (Schneider, 2004, online).

Cross-selling

As cross-selling creates the potential to increase sales (Gorman, 1998, p.346), only 27% of the web sites are taking advantage of this potential increase in sales. It is recommended that web sites should implement the technologies that monitor the customers' purchases and offer related products to the customer. A major challenge of e-commerce is getting the first order (Nielsen, a, 2004, online), therefore if web sites engage in cross-selling, they will be creating incentives to increase their sales.

Shopping Assistants

Shopping assistants free the customer from repetitive and menial tasks so that the customer can focus on decision making (Dholakia and Bagozzi, cited in Wind and Mahajan, 2001, p.181). Once the shopping assistant presents the customer with information collected from the Internet, the customer becomes empowered to make better decisions (Minkoff, 2000, p.1 and Wellemin, 2003, p.14). Therefore, in order to offer a better and more intelligent service to customers, it is recommended that more than 1% of web sites should implement shopping assistant technology in order to assist customers with the drudgery of tedious and repetitive tasks that are performed on the Internet.

Wish list

Only 7% of web sites offered a wish list to its customers. Therefore, in order to build and improve on the service offered to customers, it is recommended that web sites should include a wish list that allows customers to keep track of items they want to purchase in the future (KALAHARI.NET, no date, online). This will contribute to the customer's impression (Carson, 1999, p.556) of the web site and create an incentive to return (Cheales, 1994, p.53) to the web site. Furthermore, offering a wish list facility will help to build an ongoing interaction between the customer and the web site and thus increase customer service.

Customisable web site

Even though Ansari and Mela (2003, p.131) recommend customisation as a method to attract and "lock-in" customers, only 4% of web sites offered this option. This indicates that South African web sites are not "letting their customers do things their way" as proposed by Levine (1998, online). However, it is difficult to make a blanket recommendation on this initiative as businesses will have to invest in technology and security measures to protect their customers' details and profiles and the costs of these investments may be beyond the scope of many small businesses. Therefore, while presenting a customisable web site is a recommended customer care initiative, it is up to the business to determine if the short-term return on investment in the technologies to enable customisation will be balanced by higher sales from customers (Dayal *et al.* 2000, p.48).

Text only version

With only 1% of web sites offering a text only version of the site, not much thought has been given to this by web designers. Offering the option to see a text only version is an important customer care consideration as it decreases customers' downloading times (Trepper, 2000, p.143) and allows customers to see the web site the way they want to (Levine, 1998, online). Furthermore, by allowing customers to choose the way they want to view the web site may act as an incentive to return and thereby create customer "lock-in" (Ansari and Mela, 2003, p.131). Therefore, it is recommended that additional time is invested into the design so that the web site is available to be viewed as either a text only version or a version that includes the text and graphic material.

Translations

If businesses want to target different South African racial groups via the Internet, the web site should include the ability to be translated into the different South African languages. The low response of 2% of web sites enabling translations between English and Afrikaans indicates not much commitment towards translated versions of the web site and furthermore, not much consideration for the remaining South African languages. Providing different translations of the web site will require more investment into the design of the web site, however, this will indicate management commitment towards accommodating and caring for the customer by providing the customer with the ability to use the web site in a language of their choice (Commerce Cubed Awards, 2001, online).

Request feedback

Only 25% of web sites requested feedback. It is recommended that all web sites should request feedback from their customers and include a mechanism for the feedback such as a form which can be completed and submitted to the web site. By eliciting feedback from customers, web sites will be able to capitalise on suggestions and improve the web site's ability to support its customers (Levine, 1998, online). From the customer's perspective, this initiative will empower the customer to more easily provide suggestions and complaints which is encouraged by both Wellemin (2003, p.60) and Kotler (2000, p.48). Furthermore, by being able to contribute, customers will feel that they are part of the web community.

Unrelated pop-ups

Only 5% of web sites made use of unrelated pop-ups which, with respect to Nielsen's (c, 2004, online) recommendation of not frustrating the customer, is a good result. However, it is recommended that all web sites should not include any form of advertising that customers will not like such as pop-us, misleading adverts that trick users to click on them, moving content and sound that plays automatically (Nielsen c, 2004, online). Web sites should aim to enhance the online experience and increase customer satisfaction as failing to do so will alienate customers which will impact negatively on the web site's credibility and ultimately on the bottom line (Nielsen c, 2004, online).

Discounts and vouchers

As Kotler (2000, p.471) suggests businesses should adapt prices to accommodate different customers and conditions and therefore be prepared to make different profits from the same item sold under different conditions. According to Willcocks and Sauer (2000, p.131) if businesses are inflexible regarding offering different prices, it may work against the business as customers will rather visit web sites that do offer discounts. With only 5% of web sites offering discounts and vouchers, it is recommended that web sites should consider including this initiative to entice customers into doing volume sales as well as return to the web site in the future. Offering discounts and vouchers will act as incentives and stimulate the customer (Palazón-Vidal and Delgado-Ballester, 2005, p.198) to firstly return to the web site and secondly, to purchase items from the web site.

8.2 Contact section

This section assessed the different contact methods provided for the customer together with whether the web site promoted community development. The following recommendations are made based on the findings of the research.

Contact

The only contact mechanism that received a high score was e-mail support at 93%. However, as this form of communication has surpassed other forms of electronic communication such as faxes

(Telecom Asia, 2005, p.9), it is recommended that all web sites should offer e-mail as a form of contact for customers.

It is recommended that what can be referred to as conventional contact mechanisms should be provided on all web sites. These include a Telkom phone number, a fax number and a postal address. The number of web sites offering these contact mechanisms was 70% with a Telkom phone number, 60% offering a fax number and 59% providing a postal address. The main reasons for recommending these contact mechanisms are economic and building customer confidence. In the case of Telkom, land-line telephone calls are less expensive than cellular calls (Arde, 2004, online), providing a postal address increases customer confidence in the business (Adcock, 2002, online) and providing a fax number presents a mechanism for customers to provide printed or written feedback which is legally acceptable (Telecom Asia, 2005, p.9).

Even though Adcock (2002, online) suggests that web sites present as many contact mechanisms as possible, with respect to the remaining contact mechanisms such as cell phone numbers (31%), toll-free phone numbers (14%), 24/7 customer support (1%), self help or FAQ (32%), instant message (1%) and VOIP (0%), the businesses' management would need to determine whether the cost of providing these mechanisms would be offset by increased sales. However, at the same time, management need to monitor international developments and trends and new technologies which would impact on the business and its customers and assess the viability and costs of offering these innovative mechanisms such as broadband and wireless connectivity.

Businesses should also derive feedback from their long-standing customers (Levine, 1998, online) on their preferred method of getting help such as via online self-help/FAQs, via e-mail or through personal communication. This would have a two-fold effect as the business would benefit from the feedback and the customers would gain a sense of involvement which would contribute to increasing loyalty. Furthermore the business, without trying too hard, will have started the beginnings of creating a community.

If businesses are serious about offering 24/7 support for customers then the staff in the call centre must receive training on telephone skills, how to communicate particularly with difficult

customers and business writing skills for online communication (Burrell, 2000, p.8). Furthermore the business may need to set up a quality assurance programme for management to measure how well the customer service interactions are assisting the customers (Burrell, 2000, p.9). This would relate back to Dorrian's (1996, p.42) and Cheales' (1994, p.94) recommendations that businesses must measure the results of the customer care programme to determine successful areas and those that need attention.

It is apparent that there needs to be a blend of technological and human interactions to provide the best methods for customers to either help themselves or to get help from the business (Smith and Wheeler, 2002, p.138). Furthermore, it is recommended that web designers monitor international trends and incorporate new technologies to accommodate customer needs with respect to getting help.

Community

As a sense of belonging can lead to increased customer loyalty (Salmen *et al.* 2003, p.142), it is recommended that South African web sites need to pay more attention to developing communities which will ultimately lead to optimising online profits. The number of web sites offering community-building initiatives was fairly low: only 15% contained community discussion boards, 13% offered community promotions, 41% sent out community newsletters and 25% encouraged customer reviews. Therefore more management commitment is needed to determine the nature of the community and how both the community and the web site can benefit from each other.

8.3 Security section

This section of the research determined whether the web site offered secure online transactions and whether the customer was informed regarding the security of the transactions. Section 8.3 provides recommendations on the security aspects assessed in the research.

It is accepted that there are risks to doing online purchases as credit card details and personal information can be stolen (Smith and Manna, 2004, p.380), therefore web site designers have to

consider ways to build customer confidence in transactions via the web site, as suggested by Levine (1998, online). By using encryption software such as from Thawte or VeriSign, the web designers would be allowed to display a security certificate logo to inform customers of the security of the transactions. However, often this secure certificate logo is only displayed on the pages where the customer has to reveal their personal details. From the research a secure certificate logo was only found on 30% of the web sites. The remaining 70% of web sites may not have a secure site or they may only be displaying the secure certificate logo on the ordering pages. Therefore, in support of Chase *et al's* (2003, p.2) research, it is recommended that web sites display the secure certificate logo on every page of the web site and not just the ordering pages.

As only 60% of web sites displayed a privacy policy, it is recommended that all web sites display security and privacy policies prominently on the web pages. Furthermore, as Trepper (2000, p.140) suggests, privacy and security policies need to be written in a simple, non-legal language to make the policies easier to read and understand. In addition, as different countries tend to follow different laws (Armstrong, 2004, p.3 and Friel, 2004, p.48, 50), it is recommended that web sites wanting to participate in global e-commerce should comply with the different laws and include such information in their security and privacy policies.

As South Africa now has an Electronic Communications and Transactions Act in place, it is recommended that every South African web site should present a privacy policy even if the web site is not engaging in e-commerce. This would indicate to the customer the management's commitment to protecting the rights of their customers. Furthermore, this may contribute to alleviating the uneasy feelings regarding online transactions. As a privacy policy is considered a legally binding document, according to Trepper (2000, p.140), the presence of a privacy policy will give the customer legal recourse should the business not adhere to its own policy.

51% of web sites offered secure online payment with the remainder of web sites offering various forms of offline payment. It may be that only larger businesses in the sample were able to afford encryption software to make the transactions secure, while the smaller businesses could not afford this facility. As current encryption software is expensive (Thawte, 2004, online and

VeriSign, 2005, online), development needs to occur into offering a less expensive encryption mechanism that would enable small businesses to afford to offer secure online payments to their customers. This would offer a more complete solution to the customer and remove the frustration and hassle that the customer has to go through with offline payments. Furthermore it may increase potential e-commerce sales as, while the customer is looking at the web site, he/she would be more inclined to purchase the item with the knowledge that the transaction is secure rather than having to queue at a bank to make the payment.

An alternative option for the encryption software developers would be to offer differentiated pricing based on the business' turnover. This would also contribute to assisting small businesses acquire the encryption software necessary to offer secure online payment.

The presence of a login and password was available on 62% of the web sites which is slightly higher than the 51% of web sites offering secure payment. This may be due to some of these businesses developing a database of its customers in order to offer other benefits such as newsletters and special offers. However, it is recommended that if the web site is providing secure online transactions, that an account login and password should be created for each customer. This would build confidence that the customer's details are secure, as recommended by Levine (1998, online), and it would enable the customer to login and monitor the shipping of the order which is dealt with in the next section.

8.4 Ordering section

The Ordering section assessed whether online and offline payment options were provided, the shipping arrangements for orders and whether the order could be tracked. Section 8.4 provides recommendations for the various items dealt with in this section.

Payment

It is not possible to make a blanket recommendation regarding the presence of international currencies on South African web sites as this would depend on the items being sold. Due to country-specific laws, certain items sold in one country may be restricted or prohibited in other

countries such as medicines. The 21% of web sites that did quote international currencies were selling art, books, cell phones, hobby items, leather ware, magazines, sport items, tourism and wine which are items that should not break any laws when sold in other countries. It is, however, recommended that all web sites, not just the South African ones, should inform potential customers on the home page of the web site which countries the items can be sold in. This will create an immediate form of communication with the customer and improve their online experience (Commerce Cubed Awards, 2001, online) as they will know up front whether or not they can purchase the item.

Even though the most number of web sites offered “Online payment: credit card” (46%) and “Offline payment: bank deposit/transfer” (38%), all the payment options offered received low scores. In the Online payment options, E-wallet was offered on 1% of web sites and various other forms of online payments were offered on 15% of web sites. For the various Offline payment options, Credit cards were offered on 13% of web sites, Money orders occurred on 3% of web sites and Cheques were accepted by 13% of web sites.

In order to offer online methods of payment which facilitate the payment of the order for the customer, it is recommended that businesses need to invest in mechanisms that will guarantee the security of the customers’ personal information (Thawte, 2004, online and VeriSign, 2005, online) as this will contribute to increasing customer confidence as suggested by Levine (1998, online) and trust in the business and the web site.

Furthermore businesses need to work with the banking institutions at a national and international level to create electronic systems that would very rapidly identify fraudulent monetary transactions (Ping, 2004, p.54). This would contribute to the business’ confidence in offering e-commerce and online payment systems as well as the customer’s confidence in the security of their personal and credit card details.

Businesses need to commit to more forms of online payment by offering e-wallets in addition to credit card payments. New research is underway to make e-wallets able to securely store customer details and marketing data which will enable a “point and click” online payment system

and thus build customer confidence in the online transaction (Bielski, 1999, p.56). Furthermore, this mechanism will contribute to reducing fraud which should build confidence from both the bank and the business' perspective (Bielski, 1999, p.58).

Shipping

International shipping of items will be affected by laws and regulations that govern the availability of specific items in other countries. Hence it is not possible to recommend that South African web sites should be shipping their items to international customers. It is, however, recommended that the web site should be informing the customer up front which countries the items can or cannot be shipped to, to improve online communication.

South African businesses and web sites are obliged to operate under the conditions as stipulated by the shipping companies such as collection and delivery times. However, from the results of the research it is apparent that web sites need to focus more attention on the shipping aspect of the local customer's purchase. To recap the findings, free shipping was offered by 11% of web sites, discounted shipping by 1%, fast shipping by 5% and free return shipping by 2% of web sites. Therefore by committing to any of these four criteria researched, online purchasing will look more attractive to the customer and this will contribute to increased profits in the business (Salmen and Muir, 2003, p.142).

Tracking

If South African businesses are serious about engaging in online e-commerce activities, then it is recommended that the various tracking mechanisms suggested by Adcock (2002, online) and Chase and Leech (2003, p.2) which include e-mails and tracking via the web site, should be implemented on the web sites. From the research, 30% of web sites sent e-mails to track the order and 10% of web sites allowed customers to monitor their order online via the web site. Both e-mail and online order status tracking empower the customer and increase communication with the customer which is an important consideration for customer care (Kotler, 2000, p.445). As Nielsen (b, 2004, online) points out, even if the order is going to be on time, sending e-mail to customers builds their confidence and gives the business more credibility.

Online inventory

Only 8% of web sites presented an online inventory. As part of the pre-purchase communication, it is recommended that web sites should present an online inventory to inform customers of the availability of the items marketed via the web site (Commerce Cubed Awards, 2001, online). This will empower the customer to make an informed decision regarding the purchase. Furthermore it will remove the frustration that occurs when, in the final stages of doing a purchase, the web site informs the customer that the item is not available.

Return policy

Even though just less than half (47%) the web sites in the sample presented a return policy, it is recommended that every web site that engages in e-commerce must display a return policy as part of the pre-purchase information required by customers (Chase and Leech, 2003, p.1). This is recommended even if the business does not accept returned items so that the customer is aware of the situation. This will demonstrate the management's commitment towards the customer (Thompson and Strickland, 2003, p.34) by communicating the business' strategy regarding returned items to the customer.

8.5 Overall comment

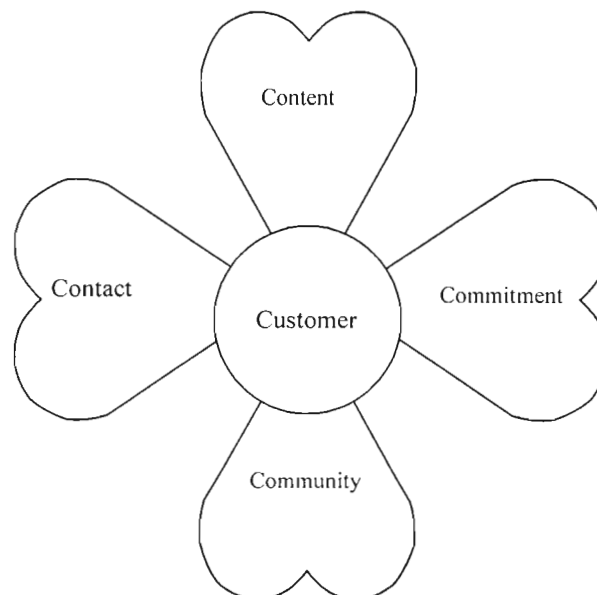
On the whole, it appears that South African web sites are including certain customer care elements in varying degrees of commitment. The elements that are mostly included appear to be the less expensive mechanisms, but web sites are failing to include the more costly technologies such as search facilities, encryption software and shopping basket software. However, it is these more costly technologies that enhance the customer's experience on the web site.

A valid point made by Mott and McKenna (2002, p.73) is that a web site is going to affect every section of the business and furthermore the web site reveals critical insights into how the business operates. In particular, if a customer care policy has not been implemented throughout all levels of the business, this will be reflected in the design, the strategy and the technologies included on the web site (Whiteley, 2002, p.71).

It may be that many businesses simply view the Internet as another channel to generate leads for the offline business (Dayal *et al.* 2000, p.43). However as Smith and Wheeler (2002, p.136) recommend, the starting point for businesses wanting to engage in e-commerce is to establish who the web site's target audience will be and what their needs and expectations are. Thereafter the web site must be created accordingly, taking into account the design, contact mechanisms, security and the ordering processes. A further consideration will be how the business can back up these elements in the offline world by management committing to various tactics that support and develop the business' e-commerce strategy together with committing to an online customer care strategy.

8.6 5C Model

After evaluating the results of the research, the following 5C model has been created as a guideline for businesses regarding their e-commerce customer care strategy:



Customer:

According to Dorrian (1996, p.32) there is a close relationship between good customer service and the profits a business makes. Furthermore, the customer lifetime value, which is the expected future profit made from the customer less the expenses to maintain the customer

(Kotler, 2000, p.659), is a useful metric in valuing a business (Gupta *et al*, 2004, p.17). Therefore placing the customer at the centre of the model gives focus to the customer and shows their importance. The four items surrounding the “customer” in the model have been identified as important elements that underpin serving the needs of the customer via a web site.

Content:

This focuses on what is going to be placed on the web site and includes both the text (the message) and the graphic material (pictures or photographs). The following would be listed under the Content section:

- The text-based message should be of a high quality particularly with regard to spelling, punctuation and grammar (Levine, 1998, online).
- The text message should educate and entertain the customer (Levine, 1998, online).
- Appropriate design elements should be included and these should be standardised across all the web pages in the web site (Levine, 1998, online and Nielsen, d, 2004, online).
- Relevant and good quality pictures should be included on the site together with well written text descriptions (Levine, 1998, online and Nielsen, e, 2004, online). A text-only version of the site should be available to accommodate customers with slow or expensive Internet connections (Thorpe, 2000, online and Trepper, 2000, p.143).
- Search facilities should be included and a link to this should appear on each page of the web site (Adcock, 2002, online, Thorpe, 2000, online and Trepper, 2000, p.133).
- A gift registry and a wish list should be presented (Commerce Cubed Awards, 2001, online).
- A shopping assistant should be available for customers to use (Dholakia and Bagozzi cited in Wind and Mahajan, 2001, p.181 and Tran and Tran, no date, online).
- Links to view translated versions of the web site should be presented on the home page (Commerce Cubed Awards, 2001, online).
- Discounts and/or vouchers should be offered to frequent customers as a way of thanking them for their business but also to motivate more sales (Commerce Cubed Awards, 2001, online).

Commitment:

This broad section reflects the business' assurance to the customer. The following items should be included under this section:

- The business should commit to a usable, user-friendly design. Furthermore the business should do usability tests on their web sites with a wide range of potential customers to gather feedback for future modifications (Nielsen, d, 2004, online and Palmer, 2002, p.153).
- Adjustments and updates should be done regularly to keep the content fresh and relevant (Commerce Cubed Awards, 2001, online).
- While Levine (1998, online) proposed cross-selling, this model suggests customers should be allowed to opt in/opt out of cross-selling therefore making the customer part of this decision and not simply assuming the customer would be interested in other products.
- The web site should promote all aspects of security to re-assure the customer of the security surrounding their personal details and their online financial transactions (Chase *et al*, 2003, p.2 and Levine, 1998, online). Information on how the business is implementing the back office security mechanisms for the web site should be published on the web site (Oehlers, 2004, p.22, Salmen and Muir, 2003, p.138 and Rayport and Jaworski, 2001, p.355).
- A variety of different payment methods, including both online and offline should be offered to the customer (Chen *et al*, 2001, p.141).
- An online inventory of the items for sale should be presented to indicate the availability of the products (Chase and Leech, 2003, p.1 and Trepper, 2000, p.32).
- An online ordering mechanism such as a shopping basket should be presented and the shopping basket should allow items to be changed or removed (Trepper, 2000, p.41).
- Where possible the costs of shipping should be included in the price of the item being purchased (Commerce Cubed Awards, 2001, online). However, if this is not possible, the customer should be informed of this prior to starting the ordering process to avoid additional unforeseen expenses while doing the order.
- Both e-mail and online status tracking should be offered to the customer to increase communication and boost the customer's confidence in the order actually arriving (Adcock, 2002, online).

- Businesses should facilitate the process of returning products (Commerce Cubed Awards, 2001, online) even if the customer has to be responsible for the costs of the return shipping. (Customers are responsible for the costs of returning an item in the offline world.) By using reverse psychology, the mere fact that the web site allows products to be returned may build customer confidence in the business.
- Businesses should show commitment to investigating new technologies that are either customer- or business-driven, such as wireless connectivity (Khandelwal and Kell, 2001, online).

Community:

The business can benefit from a community through word of mouth advertising and useful comments and ideas that the community generates. Furthermore the community can benefit from the sense of belonging and contributing to the online world.

- An online community should be created and maintained through discussion boards, various promotions, newsletters and enabling customer participation through opinions and reviews (Nielsen, b, 2004, online, Adcock, 2002, online and Commerce Cubed Awards, 2001, online).
- Specialised discounts and vouchers should be presented to the members of the online community (Commerce Cubed Awards, 2001, online).
- Various localised offline functions or gatherings should be created to extend the community beyond the online world. This may have to be evaluated amongst the community members first. (There is no reference for this item as it is an extrapolation of the Commerce Cubed Awards' intention to create an online community to the offline equivalent.)

Contact:

Contact mechanisms that enhance bi-directional communication between the customer and the business should be implemented. The following items would be included under this section:

- All forms of contact, already researched and discussed, should be presented for the customer to contact the business. This would include all forms of telephone contact, a fax

number, 24/7 call centre availability, e-mail details and a postal address (Adcock, 2002, online, Commerce Cubed Awards, 2001, online and Burress, 2000, p.4-5).

- Feedback forms or easy e-mail opportunities should be set up to facilitate requesting feedback from the customer (Levine, 1998, online).
- The online help should include an FAQ, well written instructions and step-by-step guides to assist the customer particularly with respect to difficult areas such as making a purchase from the web site (Adcock, 2002, online).
- With the legalisation of VOIP in South Africa, web sites should investigate the investment required to offer this new technology to their customers to enable an immediate form of communication. If VOIP technology is still too costly, web sites should at least start by offering various forms of instant chat so customers can benefit from personal communication with a support person (Burress, 2000, p.4-5).

The shape of the model represents a four-leaf clover which is considered to bring good luck. Businesses that follow this model for their e-commerce and online customer care strategies will, hopefully, be brought good luck in the form of loyal customers, repeat purchases and increasing profits.

If web sites are used as additional channels to increase sales and ultimately to grow the business' profits, then businesses need to invest in creating web sites that will firstly attract customers, and secondly, retain those customers by enhancing their experience on the web site (Kotler, 2000, p.46, 47). Furthermore as Kotler (2000, p.48) points out the "key to customer retention is customer satisfaction" therefore, by incorporating and integrating the elements from the four areas of the model, businesses stand to improve the way their customers are serviced via the web site. If customer expectations are exceeded customer satisfaction will increase and customers will return to the web site for future orders therefore impacting on the business' bottom line.

8.7 Further Research

Below is a list of areas where further research could be done to determine how well South African web sites are implementing customer care initiatives:

- The abstract and recommendations of this dissertation could be sent to the web sites in the sample and after a particular time period the same web sites could be re-analysed to determine whether some or all of the recommendations given were implemented on the web sites.
- If funding or sponsorship could be obtained, a purchase could be made from either all or a smaller sample of the web sites in this sample to assess the security and ordering functions of the web sites. Furthermore this would assess the tracking and the shipping of the purchase made. This could also open the opportunity to return an item and to assess the web sites' return policies and shipping practices.
- A usability study could be done on the web sites in the sample to determine whether the web sites are being designed to increase their usability.
- As VOIP is now legal in South Africa, a study could be done to determine how many web sites in this sample have implemented VOIP.
- Using a different sample of web sites that offer 24/7 support, the call centres could be contacted at different times of the day and night with different types of problems to determine the quality of customer support offered.

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Appendices

Appendix 1

Original Customer Care Checklist

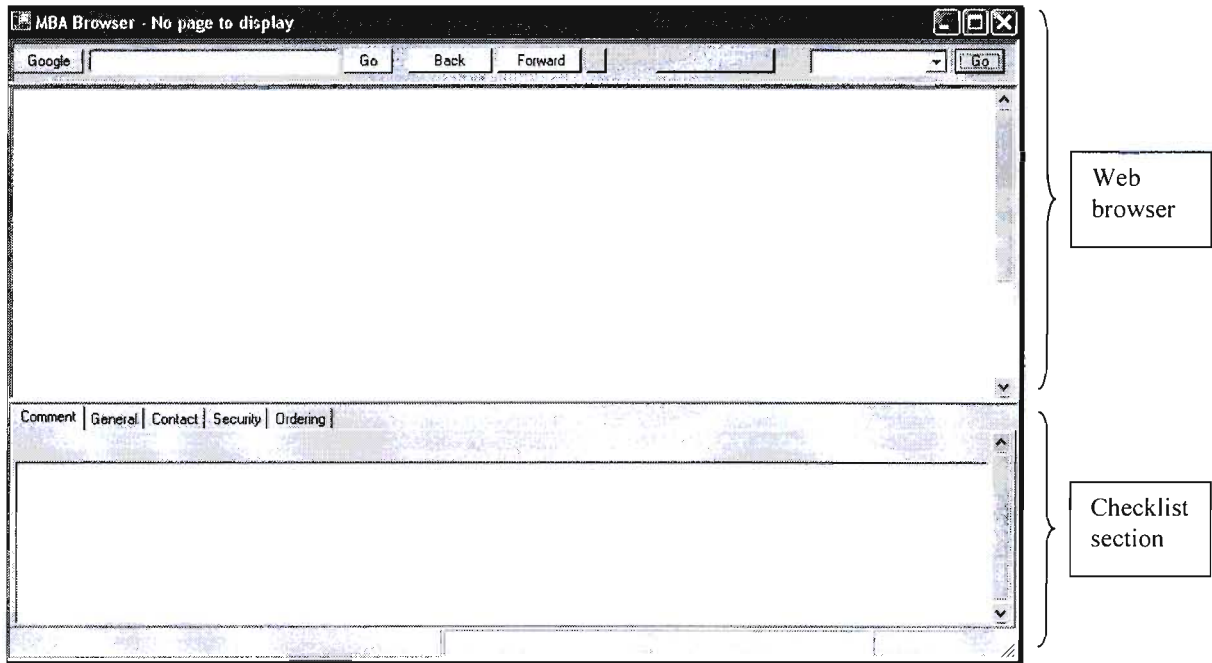
Web site address:	
Is there an alternate domain URL i.e. a .com site?	
Navigation / Overall:	
Accuracy (spelling, grammar, broken links, colour)	
Cross-selling	
Educational	
Entertaining	
Feedback from customers	
Frequent shopper discounts / vouchers	
Gift registry	
Interface designed to guide user to correct choices	
Multi-national translations	
Natural language search and help	
Personalised/customised page display	
Product or service sold	
Product visibility	
Quality photographs	
Text descriptions	
Shopping assistants to select products	
Type of industry:	
Viewing / testing the product	
Wishlist	
Contact:	
24x7 customer support	
Community discussion boards	
Community newsletters	
Community promotions	
E-mail support	
Instant message	

Member contributions / product reviews	
Self-help / FAQ	
Toll-free telephone number	
Voice Over Internet Protocol (VOIP)	

Ordering:	
E-mail order status changes	
Fast shipping	
Free / discounted shipping	
International shipping	
Online order status tracking	
Online inventory availability	
Payment:	
E-wallet	
PayPal	
E-bucks/ blue beans	
Icanonline	
Credit card	
Bank Deposit	
Returns policies	
Free return shipping	
Money-back guarantee	
Security:	
Account password	
Explicit privacy policy	
Personal information protection	
Secure ordering	
Security certificate logo displayed	
Security protocols	

Appendix 2

Sample of generic Internet browser



Appendix 3

Five sections of the database form

Comment section:

Comment | General | Contact | Security | Ordering

Site:

General section:

Comment | General | Contact | Security | Ordering

<input checked="" type="checkbox"/> Product Sold?	<input checked="" type="checkbox"/> Text descriptions of items for sale	<input checked="" type="checkbox"/> Text only version
<input checked="" type="checkbox"/> Service Sold?	<input checked="" type="checkbox"/> Search Facility	<input checked="" type="checkbox"/> Translations
<input checked="" type="checkbox"/> Quality text content	<input checked="" type="checkbox"/> Shopping Basket	<input checked="" type="checkbox"/> Request Feedback
<input checked="" type="checkbox"/> Entertaining Content?	<input checked="" type="checkbox"/> Gift Registry	<input checked="" type="checkbox"/> Intuitive Site?
<input checked="" type="checkbox"/> Educational Content?	<input checked="" type="checkbox"/> Cross-Selling	<input checked="" type="checkbox"/> Unrelated marketing pop-ups
<input checked="" type="checkbox"/> Appropriate Design Elements	<input checked="" type="checkbox"/> Shopping Assistants	<input checked="" type="checkbox"/> Discounts & Vouchers
<input checked="" type="checkbox"/> Are there pictures on the site	<input checked="" type="checkbox"/> Wish List	
<input checked="" type="checkbox"/> Pictures of items for sale	<input checked="" type="checkbox"/> Customised Website Content	

Site:

Contact section:

Comment | General | Contact | Security | Ordering

<input checked="" type="checkbox"/> Telkom phone number	<input checked="" type="checkbox"/> Community Discussion Boards
<input checked="" type="checkbox"/> Fax number given	<input checked="" type="checkbox"/> Community Promotions
<input checked="" type="checkbox"/> Toll-free Telephone Number	<input checked="" type="checkbox"/> Community Newsletters
<input checked="" type="checkbox"/> 24/7 Customer Support	<input checked="" type="checkbox"/> Customer Reviews
<input checked="" type="checkbox"/> Email support	
<input checked="" type="checkbox"/> Self-Help/FAQ	
<input checked="" type="checkbox"/> Instant Message	
<input checked="" type="checkbox"/> VOIP	

Site:

Security section:

Comment	General	Contact	Security	Ordering
<input checked="" type="checkbox"/> Secure Certificate Logo				
<input checked="" type="checkbox"/> Secure Payment				
<input checked="" type="checkbox"/> Privacy Policy/Information				
<input checked="" type="checkbox"/> Account Password				
Site:				

Ordering section:

Comment	General	Contact	Security	Ordering
<input checked="" type="checkbox"/> International currencies quoted				
<input checked="" type="checkbox"/> Online payment: Credit Card				
<input checked="" type="checkbox"/> Online payment: E-Wallet				
<input checked="" type="checkbox"/> Online payment: Other				
<input checked="" type="checkbox"/> Offline payment: Credit Card				
<input checked="" type="checkbox"/> Offline payment: Direct Bank Transfer				
<input checked="" type="checkbox"/> Offline payment: Money Order				
<input checked="" type="checkbox"/> Offline payment: Cheque				
<input checked="" type="checkbox"/> International Shipping				
<input checked="" type="checkbox"/> Online Inventory Available				
<input checked="" type="checkbox"/> Change/remove items in the shopping cart				
<input checked="" type="checkbox"/> Free Shipping				
<input checked="" type="checkbox"/> Discounted Shipping				
<input checked="" type="checkbox"/> Fast Shipping				
<input type="checkbox"/> Free Return Shipping				
<input checked="" type="checkbox"/> Email Order Status Tracking				
<input checked="" type="checkbox"/> Online Order Status Tracking				
<input checked="" type="checkbox"/> Return Policy				
Site:				

Appendix 4

Sample of South African web sites

Presented in alphabetical order according to web site address:

Web Site Name	Web Site Address
4xForum	4xforum.co.za
Fashion Fantasy	bizmag.millo.nitric.co.za
Fine bush people	finebushpeople.co.za
Fragrance.co.za	fragrance.co.za
JustGifts	justgifts.co.za
KartZone	kartzone.co.za
Eterniti Timeless jewels	menshealth.eterniti.co.za
Performance-online	performance-online.co.za
SA Flower Essences	safloweressences.co.za
Tin Racers	tinracers.co.za
Tonefx	tonefx.co.za
Ascension Studios webstore	webstore.ascension.co.za
CMPOne	www.aaca.co.za
African Association of Political Science	www.aaps.org.za
Ageless	www.ageless.co.za
Aha!	www.aha.co.za
African International Shopping Mall	www.aism.co.za
Alexanderfontein wine store	www.alexanderfonteinwines.co.za
Alter Ego	www.alter-ego.co.za
Ananzi SA	www.ananzi.co.za
Wrinkle removal	www.anti-aging-product.co.za
A Piece of Africa	www.apieceofafrica.co.za
Apprentice doctor	www.apprenticedoctor.co.za
Agricultural Research Council	www.arc.agric.za
ArtComputers	www.artcomputers.co.za
Artistic Designs	www.artisticdesigns.co.za
AscotDirect	www.ascotdirect.co.za
BDI Eye on Technology	www.bdi.co.za
BeautyNet Business Directory	www.beautynet.co.za
Bentrepreneur	www.bentrepreneur.co.za
Muscle SA	www.bodybuilder.co.za
Acacia Safaris	www.boerboels.co.za/acacia/ac_index.htm
Botanical Society of SA	www.botanicalsociety.org.za
Boulders Beach lodge	www.bouldersbeach.co.za

Web Site Name	Web Site Address
Bowline	www.bowline.co.za
Bss Online Super Store	www.bsscc.co.za
Wedding & Party Bubblers	www.bubblers.co.za
Budget Rent a Car	www.budget.co.za
MWEB Business	www.business.mweb.co.za
Buy Domains online	www.buydomains.co.za
Perkins Power	www.bwep.co.za
CaCell	www.cacell.co.za
Cards 4 Africa	www.cardsforafrica.co.za
Cell 2 Sell	www.cell2sell.co.za
Cheapsoftware	www.cheapsoftware.co.za
Chi Control	www.chicontrol.co.za
Coffee.co.za	www.coffee.co.za
CompuAct	www.compuact.co.za
Com-Xpert Computers	www.comx.co.za
IBS Premium books	www.covosdaybooks.co.za
Cape Vintners International	www.cvi.co.za
Cybertrek	www.cybertrek.co.za
Democratic Alliance	www.da.org.za
Deco Art	www.decoart.co.za
Devices South Africa	www.devices.co.za
Foto Digital World	www.digital-cameras.co.za
Digital Fine Art	www.digital-fine-art.co.za
Digital Planet	www.digitalplanet.co.za
Dream Baby	www.dreambaby.co.za
DSF Online	www.dsfonline.co.za
Dynamic Link	www.dyna.co.za
Edit Microsystems	www.editmicro.co.za
Eject	www.eject.co.za
Embroidery South Africa	www.embroiderysa.co.za
Enigmatek	www.enigmatek.co.za
ePets Pet site	www.epet.co.za
Esoteric oils	www.essentialoils.co.za
eStart Website design & hosting	www.estart.co.za
ExoticPets	www.exoticpets.co.za
FlyFisherman	www.flyfisherman.co.za
Black Flys	www.flys.co.za
Framing warehouse	www.framingwarehouse.co.za
FranklinCovey	www.franklincovey.co.za
GeoAfrica	www.geoafrica.co.za
Chacaro gift hampers	www.gift-hampers.co.za
Glomail	www.glomail.co.za
Gismap GPS shop	www.gps-shop.co.za
Grafton Paper	www.graftonpaper.co.za

Web Site Name	Web Site Address
David Gresham record company	www.greshamrecords.co.za
Hadeco	www.hadeco.co.za
Health Spas Guide SA	www.healthspas.co.za
Henry Williams Florist	www.henrywilliams.co.za
Hide IT	www.hideit.co.za
The Hobby Specialists	www.hobbyspecialists.co.za
Icanonline	www.icanonline.co.za
iFlora web florists	www.iflora.co.za
SQI website	www.impex.co.za
Incredible Connection	www.incredible.co.za
Infinite Technologies	www.infinitetechnologies.co.za
Intoweb	www.intowebdesign.co.za
IT Shopping	www.itshopping.co.za
J Friedman Jewellers	www.jfriedman.co.za
John Abbot Porsche dealer	www.johnabbot.co.za
Johnson philatelics	www.johnson.co.za
Jump Shopping	www.jump.co.za
Junk Mail Online	www.junkmail.co.za
Just Flowers	www.justflowers.co.za
Centurion Cycles	www.jyweetdit.co.za
Karro Classics	www.karoclassics.co.za
Laptop Direct	www.laptopdirect.co.za
Lemac Timber Products	www.lemac.co.za
Leserskring/Leisure books	www.leserskring.co.za
Look and Listen	www.lookandlisten.co.za
Mags4All	www.mags4all.co.za
Makro	www.makro.co.za
Map Studio	www.mapstudio.co.za
MaxOnline	www.maxonline.co.za
Mecer computers	www.mecerpc.co.za
Pharma Natura	www.medicine.co.za
MegaShopper	www.megashopper.co.za
Mens Health Magazine	www.menshealthsa.co.za
Michael Costa	www.michaelcosta.co.za
ModChip SA	www.mod-chip.co.za
ModShop	www.modshop.co.za
Mod Zone	www.modzone.co.za
Motor merchandise	www.motormerchandise.co.za
Motorola South Africa	www.motorola.co.za
The MovieSite	www.moviesite.co.za
Mr Mattress	www.mrmattress.co.za
House of Oxygen	www.mroxygen.co.za
M-Tech computers	www.mtechcomputers.co.za
MWEB Shopping	www.mwebshopping.co.za

Web Site Name	Web Site Address
Namaste	www.namaste-india.co.za
National hardware & software distrib	www.national-software.co.za
Herbalife health & weight loss	www.natural-health.co.za
NetFlorist	www.netflorist.co.za
Net Flowers	www.netflowers.co.za
Neil Harvey & Associates	www.nha.co.za
Nokia	www.nokia.co.za
Nulu Windows & Doors	www.nulu.co.za
Office Savers	www.officesavers.co.za
Olympic Cycles	www.olympiccycles.co.za
Orions Belt	www.orionsbelt.co.za
Your Pregnancy	www.parent24.co.za
Party Shop	www.partyshop.co.za
PC Shopping	www.pcshopping.co.za
Pen & Paper	www.penandpaper.co.za
Pharmacy4u	www.pharmacy4u.co.za
Porcupine Ceramics	www.porcupine.co.za
Porterville Cellars	www.portervillecellars.co.za
Poster shop	www.postershop.co.za
Powerzone	www.powerzone.co.za
Pro Digital	www.prodigital.co.za
Spray Vitamins	www.promail.co.za
Radio Pulpit/ Radio Kansel	www.radiokansel.co.za
Rally Star	www.rallystar.co.za
Readers Digest	www.readersdigest.co.za
Rebirth African Tribal art gallery	www.rebirth.co.za
RF Design	www.rfdesign.co.za
RockSport Mountain & Outdoor	www.rocksport.co.za
Rosebank Clinic Pharmacy	www.rosebankpharmacy.co.za
Runners World	www.runnersworld.co.za
SA Air Force	www.saairforce.co.za
SA Computer Magazine	www.sacm.co.za
SA Everything	www.saeverything.co.za
SA Institute of Mining & Metallurgy	www.saimm.co.za
SA Sports Illustrated	www.sasi.co.za
PaddleYak Sea Kayak store	www.seakayak.co.za
Securi-Sym	www.securi-sym.co.za
Setcom	www.setcom.co.za
Shamwari Crafts	www.shamwari-crafts.co.za
Sharp Faranani	www.sharpsa.co.za
SA Show Horse	www.showhorse.co.za
Silverhill Seeds & books	www.silverhillseeds.co.za
Simplicity Online	www.simplicityonline.co.za
Simply IT	www.simplyit.co.za

Web Site Name	Web Site Address
Soul Books	www.soulbooks.co.za
Spear of the Nation	www.spearofthenation.co.za
Sports Equipment	www.sportsequipment.co.za
Steel Obsessions	www.steelfurniture.co.za
Subscribe24	www.subscribe24.co.za
Super Floral distributors	www.superfloral.co.za
Surf Centre	www.surf.co.za
Sybaritic Trading	www.sybaritic.co.za
Systems 104	www.systems104.co.za
Take2	www.take2.co.za
Taste of Japan	www.tasteofjapan.co.za
Art of Africa	www.theartofafrica.co.za
The Pro Shop	www.theproshop.co.za
Time 4 Wine	www.time4wine.co.za
Tins for Africa	www.tinsforafrica.co.za
Truworths	www.truworths.co.za
United Art Furniture	www.uafgarden.co.za
African Karate Federation	www.ufak.co.za
Ultra Violet Book Café	www.ultra-violet.co.za
Vet Products Online	www.vetproductsonline.co.za
Van Schaik book store	www.vsonline.co.za
Warrior Sports martial arts	www.warriorsports.co.za
Creations	www.wed.co.za
Worlds Ultimate Online Rugby store	www.worldrugbyshop.co.za
XMania	www.xboxsa.co.za
XtremeRC Models	www.xtremercmodels.co.za
Zanemvula	www.zanemvula.co.za