The Internet as a Marketing Environment:

Consumer Perceptions, Attitudes, and Behavior

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VITA

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ABSTRACT

The Internet as a Marketing Environment:
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by

Hande Bahar Kımıloğlu (Türker)

In this dissertation, we aim to discover consumers' perceptions of, attitudes toward, intentions about the usage and behavior on the Internet as a decision making and purchasing environment. One major objective of the study is to draw a general profile of Internet consumers. Although we have encountered attempts to disclose the demographics of the online consumer community, an overall picture consisting of both demographic and psychographic attributes is an important contribution we can make to the literature. The other objectives of the study are to provide an understanding of some of the contextual factors preceding the formation of consumers' dispositions toward and actual behavior on the virtual marketplace, to demonstrate consumers' perceptions about the characteristics of the Internet as a marketing environment, to determine the suitability attributed to the performance of different stages of the purchasing process in this medium, to assess the potential it carries for different types of products and services, and to identify consumers' perceptions about current and future usage and adoption levels.

In the introduction, prominent issues about online consumer behavior have been explored and information is provided about how the Internet changed the world of marketing, how it challenged established theories, and what the most conspicuous differences between traditional and contemporary marketing practices are. Then, a comprehensive review of the literature has been presented. In this section, a framework that serves as a guideline to categorize the major titles and subtitles of the topic has been constructed. We expect this classification to reveal the numerous research avenues available about the subject and to disclose the missing spots that need to be investigated further. As for the theoretical base the

study lies on, a comprehensive model including a conglomeration of the variables expected to affect the consumer-Internet encounter is constructed. After touching upon how each variable fits into the model, a selected part of it has been used for empirical purposes.

The research methodology employed rests on a questionnaire that has been carefully designed and tested with a pilot study before application. The data collection instrument has been directed toward 503 members of the Turkish online community who are potential and actual users of the Internet as a decision making and purchasing environment. SPSS 10.0 has been used for the statistical part of the study. Cross-tab, Pearson correlation, T-Test, One-Way ANOVA, regression and discriminant analyses have been performed for testing our hypotheses.

Our findings suggest that the Internet is, yet, quite a novel environment for consumer decision making and purchasing activities. However, expectations about its future state are very positive indicating a high potential of growth especially for certain sectors. Still, the Internet is apt to become one of the attractive marketing media among many others available to consumers and businesses rather than a development that eliminates traditional shopping channels and structures as a whole. It is currently preferred more extensively for informational and comparative purposes. Although consumers have developed positive perceptions about the major advantages of this medium, they have certain concerns toward the disadvantages it possesses, too.

Finally, in light of the various interesting and original findings that we have obtained, numerous implications have been proposed for online and offline businesses, consumers, governments and legal authorities, Internet service providers and for further research.

In short, this study makes considerable contributions to the relevant literature by providing a theoretical framework that proposes a model to understand online consumer behavior and also utilizing the model for practical purposes, too.

KISA ÖZET

Internet'in Bir Pazarlama Ortamı Olarak İncelenmesi: Tüketici Algılamaları, Tutum ve Davranışları

Hande Bahar Kımıloğlu (Türker)

Bu çalışmadaki amaç, tüketicilerin Internet'i bir karar verme ve satın alma ortamı olarak nasıl değerlendirdikleri ve bu yolla alışveriş yapma konusundaki görüş, tutum ve davranışlarını incelemektir. Bu hedef doğrultusunda, sanal dünyadaki tüketici davranışları ile ilgili başlıca konu başlıkları belirlenmiş ve incelenmiştir. Bu hususlardan birisi Internet tüketicilerinin genel profilinin oluşturulmasıdır. Sanal tüketici nüfusunun demografik özelliklerinin ortaya konduğu bazı çalışmalara rastlanmışsa da, bu çalışmada hem demografik hem de psikografik özelliklerin birararada sunulduğu genel bir çerçeve çizilerek konu ile ilgili literatüre katkıda bulunulmuştur. Çalışmada ayrıca, tüketicilerin siber pazarlara karşı yaklaşımları ve bu ortamdaki davranışlarını şekillendirmekte rol oynayan değişkenlerin belirlenmesi, tüketicilerin bir pazarlama kanalı olarak Internet'in değişik özelliklerini nasıl algıladıklarının ortaya konması, bu ortamda tüketici karar verme sürecinin değişik aşamalarının gerçekleştirilme olasılığının gösterilmesi, Internet'in farklı ürün ve hizmet tipleri için ne derece uygun bir pazarlama kanalı olduğunun saptanması ve tüketicilerin sibermarketi kullanım ve benimseme dereceleri ile ilgili görüş ve beklentilerinin belirtilmesi hedeflenmiştir.

Çalışmada önce, Internet'in pazarlama dünyasını nasıl etkilediği, varolan teorileri ne tür değişikliklere yönlendirdiği ve geleneksel ve modern pazarlama yöntemleri arasındaki başlıca farklılıkların neler olduğu ile ilgili bir giriş bölümü bulunmaktadır. Bunun ardından kapsamlı bir yazın taraması gelmektedir. Bu bölümde, konu ile ilgili çalışmalar belli başlıklar altında sınıflandırılarak sunulmuştur. Bu gruplandırma, konu ile ilgili farklı araştırma olanaklarını da ortaya koymakta ve ele alınmamış noktaların belirlenmesine yardımcı olmaktadır. Çalışmanın teorik altyapısı ise tüketici-Internet ilişkisini etkileyeceği düşünülen tüm değişkenlerin ele

alındığı geniş kapsamlı bir modele dayanmaktadır. Her değişkenin bu model içindeki yerinin saptanmasından sonra, oluşturulan altyapının bir bölümü ampirik yollarla test edilmiştir. Çalışmada veriler pilot çalışmayla test edilmiş olan bir anket yoluyla, Türkiye'deki Internet kullanıcılarının içinden 503 kişi üzerinde uygulanarak toplanmıştır. İstatistik analizleri için SPSS 10.0 kullanılmış ve çapraz tablo, korelasyon, iki gruplu t testi, ANOVA varyans analizi, F testi ve ayırma testleri yapılmıştır.

Elde edilen bulgulara göre, Internet'in tüketici karar verme ve satın alma sürecinde kullanılmasının henüz yaygınlaşmadığı, ancak tüketicilerin bu ortamın geleceği ile ilgili düşünce ve beklentilerinin çok olumlu olduğu ortaya çıkmıştır. Yine de, sanal pazarlama dünyası geleneksel alışveriş kanal ve yapılarını tamamen ortadan kaldıracak bir gelişme olmaktan çok, tüketiciler ve firmalar tarafından çok sık kullanılacak yeni ve cazip bir pazarlama ortamı olarak değerlendirilmelidir. Çalışmamızın sonucunda, bu kanalın daha çok bilgi edinme ve karşılaştırma amaçlı kullanıldığı ortaya çıkmıştır. Tüketiciler Internet'in avantajlarını gözlemlemekle beraber, bu ortamın diğer pazarlama yöntemlerine göre daha dezavantajlı olduğu noktaları da gözden kaçırmamaktadırlar.

Sonuç kısmında, elde edilen ilginç ve orijinal bulgulardan yola çıkılarak pazarlama faaliyetlerinde Internet'i kullanan ve kullanmayan firmalar, tüketiciler, kamu ve yasal kuruluşlar, Internet hizmet sağlayıcıları ve ileride yapılacak araştırmalar için çok sayıda öneri geliştirilmiştir.

Özetle bu çalışma, gerek sanal tüketici davranışlarını anlayabilmek için oluşturulan teorik altyapısı ve yazın taraması, gerekse uygulamaya yönelik birçok öneri üreten ampirik yönü açılarından literatüre önemli katkılarda bulunmuştur.

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I. INTRODUCTION

The last decade of the twentieth century has been a revolutionary period of time through which the marketing discipline has been restructured to a great extent. The subject matter of the discipline has not changed; marketing still pertains to the exchange of value between markets and customers. However, the routes through which these exchanges take place and the dynamics of the systems that accommodate these transactions are under strong challenges today.

Looking back at the history of the major developments in the discipline of marketing, it is possible to see that nearly every decade represents different dominating themes and approaches. Kerin (1996) has summarized these developmental stages quite conspicuously in the following manner:

- 1936-1945 Marketing as Applied Economics
- 1946-1955 Marketing as a Managerial Activity
- 1956-1965 Marketing as a Quantitative Science
- 1966-1975 Marketing as a Behavioral Science
- 1976-1985 Marketing as a Decision Science
- 1986-1995 Marketing as an Integrative Science

As this overall picture displays, the changes and shifts in the approaches dominating the area are surprisingly diverse. The reason for this is clear. Marketing is an applied science that is strongly affected from the changes in the environmental factors surrounding it. It is not an abstract set of rules or formulas but rather a part of human life, which is where the dynamism of the discipline is rooted. Through the continuous efforts spent to mould and reshape the basic principles of the discipline, theoreticians have been under a constant pressure to consider the effects of the major leaps affecting human life and, thereby, marketing transactions.

One such change that has had a profound effect on many aspects of the lives of individuals, the activities of businesses, and the transactions of organizations is the emergence of a new medium of communication and exchange called **the Internet**. This phenomenon, representing the abbreviation of an international network of computers, is encountered in almost any aspect of social sciences as it has affected all dimensions of our lives extensively.

First and foremost, it has become a revolutionary medium of "communication". Information of any kind and amount can be exchanged in a matter of seconds regardless of distance and with more affordable charges compared to other communication media.

As a natural result, it has become a rich and fertile environment for any kind of "research" since the amount and diversity of available information is borderless and the distribution of this information is free.

Still another advantage introduced by this medium is the "recreational opportunities" it accommodates. People can spend hours on the WWW meeting and communicating with new people, satisfying a diverse set of personal interests and hobbies, playing games, learning many new things, and becoming a part of a new world called the cyberspace whose citizens are expected to outnumber the largest nations in the world in a few years (The Economist, 1995). Table 1.1 that shows the past and forecasted figures about the number of people connected to the Internet confirms this expectation:

Table 1.1: Number of Internet Users and Percentage of World Population

Year	Number of Internet Users	Percent of World Population
1993	3,913,843	.07
1994	7,827,687	.13
1995	15,655,374	.26
1996	31,310,749	.52
1997	62,740,532	1.05
1998	125,481,064	2.09
1999	250,962,128	4.18
2000	501,924,256	8.37
2003	4,023,026,663 (forecast)	67.05

(http://www.anamorph.com/docs/ stats/stats.html c.f. Yaylı, 2000)

With the development of a virtual world parallel to the real one, people have been triggered to find out about the opportunities available to use this medium in a way that can contribute positively to their lives. One of the manifestations of this desire has reflected itself through the creation of a cybermarket over which people and firms began to conduct marketing exchanges in matters of seconds. This potential filled marketers with awe and they built the largest shopping mall of the world on the Internet within a few years. Now this market consists of approximately 1.6 million commercial sites (Hoffman and Novak, 2000) the number of which is increasing at a continuous geometric pace. Complementing this, the number of people online, representing the potential consumer base of the virtual market, is expected to reach 230 million by the end of 2001 (Wortman, 1999).

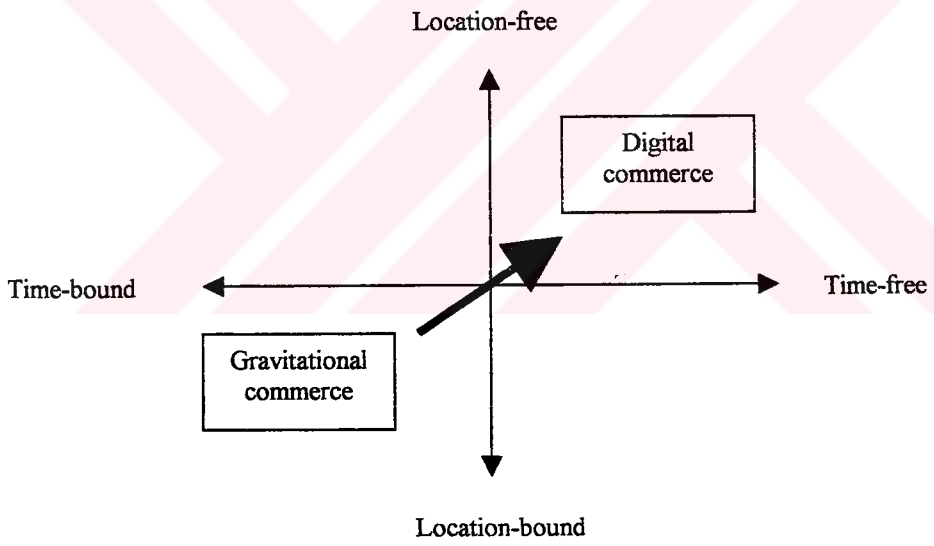
1.1 An Overview of the Internet Marketing Environment

What has changed and why does the Internet pose so many challenges to established theories and practices of marketing? In this section, we will provide a brief answer to this question in order to justify why Internet marketing deserves a special place of its own in the literature and why we have handled this issue within the scope of our study.

The Internet is the medium for time-free and location-free digital commerce compared to the time-bound and location-bound gravitational commerce practices of traditional marketers.

This is the most basic differentiating factor between classical marketing practices and the Internet. While in the traditional sense, consumers and marketers have to come together at the same time and location in order to engage in a transaction, the Internet has challenged this basic requirement by providing the means through which commercial activities can be conducted at the convenience of individuals and firms independently. Sheth and Sisodia (1997) demonstrate this argument as follows:

Figure 1.1: Past and Future Modes of Marketing



Source: Sheth, J. N. and R.S. Sisodia (1997), "Consumer Behavior in the Future", Electronic Marketing and the Consumer (ed. Robert Peterson), p.24

The Internet is an interactive environment where communications between consumers and marketers are two-way rather than the unidirectional nature of traditional marketing efforts.

Another very important differentiating characteristic of this medium is that it has prepared a platform through which messages can flow back and forth between marketers and consumers rather than being imposed on consumers by marketers only. While an advertising message is shot at a specific TV channel at some time of the day when the marketer should hope the consumer is there to see, the Internet provides a platform for continuous presence where the consumer can voluntarily come and retrieve the part of the marketer's message that is of interest to him/her. Furthermore, the same consumer can respond by making personal inquiries or asking questions and has the chance to be answered immediately at a personal level.

The Internet is a medium where most of the marketing mix elements can be customized according to personal needs and desires.

The cyber market accommodates the opportunity to offer an endless variety of products and services to consumers. It combines the advantages of customized production where individuals identify their personal specifications and mass production where large numbers of standardized items are produced for a large population of potential consumers. This practice, known as "mass customization", is most efficiently applied on the Internet market giving marketers the chance to personalize products and services to a great extent.

Similarly, as stated before in the discussion about interactivity, the promotion element of the marketing mix does not have to comprise of a standard message constructed according to the average expectations of the target market. Communications can be personalized and monologues leave their legacy to dialogues, which are arbitrarily constructed at the spur of the moment between marketers and consumers. Thereby, customers can get the desired amount and type

of information about an offering at the desired time of the day from the desired marketer.

The Internet is a disintermediated market.

Facts about distribution have been challenged totally, too. The Internet market has eliminated many of the intermediaries that existed between producers and consumers. Instead, new types of intermediaries have emerged providing the classical utilities of traditional channel members for consumers on the Internet.

The Internet is a virtual environment where personal interactions or experimental shopping experiences cannot be exercised.

It is not possible to advocate the advantages introduced by the Internet without touching upon its major drawbacks. It is unquestionable that the social side of the shopping experience is threatened extensively in this virtual marketplace. Personal interactions are not possible and experimental shopping experiences become history. Hoffman and Novak (1996) have successfully metaphorized this situation by saying that machine-interactivity replaces person-interactivity in this new era of electronic commerce.

There are many other issues that have been pointed out in studies where traditional marketing practices are compared with the new world of Internet marketing. We will cover them in detail in the literature review section. The major points stated here are the most important ones obligating practitioners and theoreticians to think in a totally different manner today. In this respect, the importance of our study is the development of a new theoretical model that aims to explain the consumer-Internet encounter. We have taken the consumer behavior

perspective of the issue into consideration and have tried to contribute to the literature by offering a study with a strongly built theoretical base and extensive empirical work as supportive evidence.

1.2 The Scope and Objective of the Study

The purposes of this study are two-fold. One of the major considerations in this dissertation is to propose a comprehensive theoretical model that includes the major components and variables that should be taken into account in trying to understand how the marketing environment has been challenged by the Internet. It consists of four components and numerous variables included in each component in order to identify the major dynamics and forces affecting the consumer-Internet encounter.

A second purpose is to provide extensive empirical support about a selected part of this wide scoped model. The variables to be included have been selected after the definition of a specific scope and a set of research questions that we found to carry primary importance. The focus defined is "drawing a general profile of Internet consumers by identifying the major demographic and psychographic characteristics of this consumer group and to understand which contextual factors play a role in the formation of consumer attitudes toward, intentions about the usage of and behavior on the online marketplace". Additionally, we aimed to measure consumer perceptions about the various characteristics of the Internet as a marketing environment, the potential this medium carries for different stages of the consumer decision making and purchasing process, the suitability of the Internet for marketing different types of offerings and the conceptual differences observed by consumers between current and future usage and adoption levels and patterns.

1.3 Outline of the Study

After this introductory section, in the second chapter, we will provide a literature review based on a framework that we have constructed to categorize the theoretical and empirical studies conducted about this subject.

This will be followed by the third chapter where we present our theoretical model and the explanations about each component and variable.

In the fourth chapter, a part of this model will be retrieved for empirical purposes. The tested model will be presented in detail and the variables included in this selection will be operationalized. The hypotheses of the study will be stated.

This will be followed by the fifth chapter where explanations about the details of our research methodology are presented.

The sixth chapter is about the findings we obtained from a field work. All statistical results will be discussed and conclusions will be drawn about the findings obtained.

The seventh chapter is where we discuss the various implications of the results of the study for different parties like researchers, institutions and consumers.

Finally, we provide a concluding statement about the study in general followed by the necessary technical supplementary material.

II. LITERATURE REVIEW

Although its origination dates back to the 1960's, it has been less than a decade since the Internet has entered the world of marketing. It is a revolutionary development that suddenly filled most scholars and practitioners with awe, challenged most of the established theories of marketing, and created turbulence in the way firms conduct their business. In this respect, an interest in examining what it has yet done and what it further is expected to do to the discipline and the practice of marketing emerged among both theoreticians and practitioners.

With this excitement, many studies have been conducted to handle this phenomenon from various perspectives. In this part of our study, we will provide a categorization of these studies with respect to the issues and headings considered in order to understand the covered and uncovered aspects of the main topic and to achieve a skeleton on which the literature review conducted within the scope of this study can be presented. However, before moving on to the presentation and examination of this categorization, we would like to touch upon the past and the current states of the Internet marketing literature as an introductory discussion.

2.1 A Brief Overview of the Evolution of the Internet Marketing Literature

As it has been only a few years since the Internet took its special place in the lives of consumers and in the practices of firms, it is still a new, fertile, and underinvestigated area of research. The abundance of results that a researcher might achieve by typing "Internet marketing" or "electronic commerce" as keywords in a search medium should not mistakenly make a person conclude that adequate attention is being paid to the subject. Compared to the capacity it carries as a

revolution, the attempts taken until now to explain the possible effects on various parties remain minimal.

An overview of the past studies conducted about this new development in marketing shows that initial attempts were general, didactic studies trying to clarify what this phenomenon is and what its possible effects are at the broadest level. Accompanying this trend, there were abundant attempts to meet the immediate needs of firms that were thirsty to learn about the direction they should take to succeed in the approaching era of electronic commerce. In short, initial products were either textbook style introductory studies or those tactically oriented attempts directed at managers used to receive quick recipes as consultancy. While there was massive amount of attention given to the Internet in the popular press, the amount of scholarly effort undertaken to understand the Internet marketing environment was not sufficient (Hoffman and Novak, 1996).

After the first effects of the shock have been absorbed, academics, who had some evidence now, began to handle the issue from a theoretical perspective and studies about how the Internet challenges the established content of the marketing discipline dominated the arena. Comparative studies were abundant and the adaptation or re-creation of marketing theories were the main issues at hand. With the addition of academic attempts into the field, the literature took a trichotomized form as follows (Sindhav, 1998):

*literature dealing with technical aspects of the Internet

*popular books and articles offering advice on functional and management aspects of the marketing Web site

*scholarly literature providing theoretical underpinnings to the phenomenon of electronic commerce

With the gradual contributions achieved from both the academic and the practitioner parties, the current state of the literature came into existence. Today, the subject is discussed extensively in both theory and research based studies and many subtitles pertaining to the issue have emerged. However, this should not mean that we have reached a dead-end about the borders of the area. There are still many uninvestigated issues waiting to be explored by enthusiastic researchers.

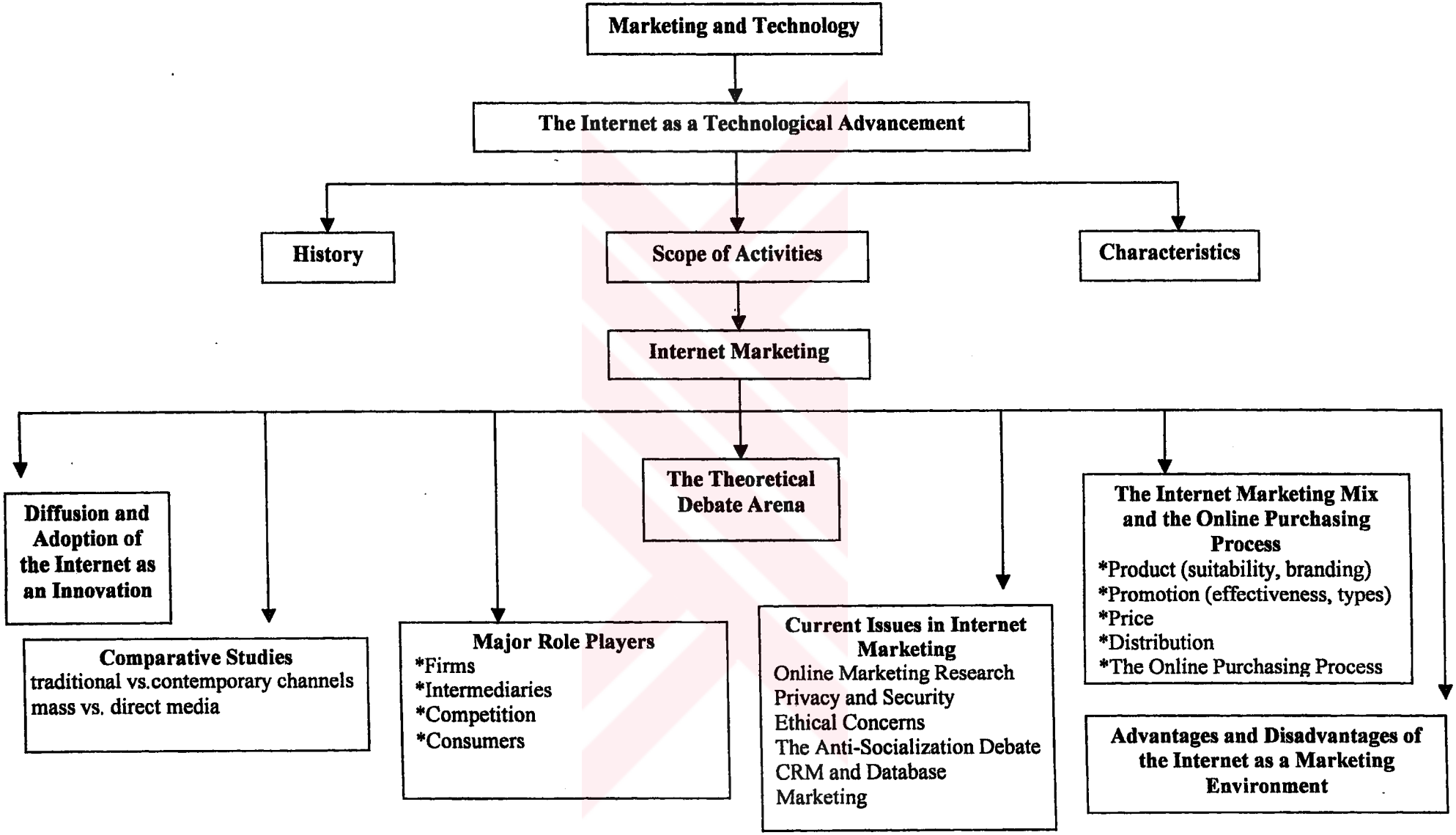
2.2 Categorization of the Internet Marketing Literature

When we look at the Internet marketing literature, we observe a deductive approach as the starting point. First of all, there are studies that mainly deal with the general effects of technological developments on marketing. In other studies, the Internet is examined in general as one of the specific technological developments of the 20th century. Within this group, the history of the medium, the scope of activities that can be conducted in this medium, and the major characteristics of the cyber world are discussed in detail. Finally, the marketing side of the topic is handled, which is our main area of interest within the scope of this study.

We have provided a classification of the Internet marketing literature in which seven major categories are identified first. Then, each group of studies have been divided further into their subtitles for the purpose of organizing the immense amount of information we have collected from the compilation of studies about this current and popular research area (Figure 2.1).

The first one of these seven categories is the group that contains comparative studies about Internet marketing. Here, there are valuable attempts comparing traditional and conventional marketing activities or mass and direct marketing in general.

Figure 2.1: A Framework for the Internet Marketing Literature



A second major category includes studies involving various role players that are affected in different ways from the diffusion of the Internet into the world of marketing. Firms represent one such party and the literature about how firms are to act or react against this development and how different types of firms are affected is very rich. It is important to note that different implications have been observed for business-to-business applications compared to business-to-consumer type of firms. Another very important party falling under this category is intermediaries or middlemen whose position has produced one of the hottest discussions in the literature about this subject. The new distribution system and the emerging developments about supply chain management issues are very popular headings. A third party that is of close concern for us is consumers, who have been handled with the purpose of identifying the major characteristics of the online community, especially in terms of demographic attributes. As for competitors, many studies ponder over the new face of competition and how classical theories and tactics will change with this revolution in the environment.

The third category deals with a distinct part of the literature. We called this the theoretical debate arena because there is a very important debate that takes up a special place of its own in this framework and deserves special attention. This is the evolution versus revolution debate the details of which will be handled in the relevant section.

In the fourth category, we have included facts and findings about the elements of the Internet marketing mix. For the product element, the potential different types of products or services carry and various issues about branding are the most popular points of discussion. Similarly, Web-based promotion and advertising activities have received special attention. However, there are few points available for inclusion

about the price element and those about distribution are included in the section about intermediaries.

A distinct group of studies examine the adoption and diffusion of the Internet into the world of marketing including many statistical data.

Still another category compiles the current issues of Internet marketing, namely, marketing research on the WWW, privacy and security concerns, Internet marketing ethics, the social or anti-social side of WWW marketing, customer relationship management in the new era of electronic commerce and database marketing.

Finally, we have created a special category for handling the advantages and disadvantages of the Internet as a marketing tool as there are numerous studies examining this specific side of the topic, too. In the coming sections, facts and findings from various studies about the above topics will be presented.

2.2.1 The Marketing and Technology Interphase

In 1987, an article called "Marketing and Technology: A Strategic Coalignment" appeared in the "Journal of Marketing" (Capon and Glazer, 1987). In that study, the authors have clearly claimed that "the long run competitive position of most individual firms depends on how well they learn to manage and increase their technological asset bases". It is argued that product life cycles, definitions of market segments and industries, competition, etc. will all change and the increased globalization of markets induced by technology will strengthen the realization of Marshall McLuhan's famous vision of "one global village" (Rao et al., 1998).

Similarly, in the special issue of the "Journal of Marketing" in 1999, Day and Montgomery (1999) have pointed out that the connected knowledge economy is the first one of the five main themes charting the new direction of marketing. With this

transformation and the power of networks, diffused and hard-to-reach information, consumers and markets become universally connected. In short, communication and information technology is creating a totally new world of its own whose citizens will outnumber the largest nation in a very short period of time (The Economist, 1995).

This is such a nation that it is not a compilation of people who have access to and use some common technological tools but have a common culture as well (Cooper et al., 1996). Technoculture, as Mick and Fournier (1998) have termed it, is so irrefutable and pervasive (Postman, 1992) that without it, contemporary culture is unthinkable (Aronowitz, 1994).

There are various terms authors have used to identify the Internet as one of the latest and most effective technological developments taking place in the world of marketing. Dickson (2000) has called it a "super innovation" while Christensen and Tedlow (2000) have preferred the term "disruptive technology". Whatever term is used, there is no question that the Internet is the largest shock marketing academics and practitioners have ever faced since the invention of the television which was supposed to be the largest technological development of the 20th century. (Romano, 1995).

2.2.2 The History of the Internet

Although there are some inconsistencies about the facts provided in the literature with respect to the emergence and the development of the Internet, we have succeeded to compile an overall picture of its history. First of all, it is surprising that it was not intended to become a worldwide network like this at the outset (Dickson, 2000). It began as an experimental network connecting different university centers throughout the country (Paul, 1996). It was initiated in 1968 and was funded by the

Advanced Research Projects Agency (ARPA). Named for the agency that initiated the project, the first large computer network of the world, ARPANET, was formed in 1969. ARPANET was first broken into two distinct networks called MilNet and NSFNet (Paul, 1996) and was followed by others like the BITNET or the UseNet. Milnet was used for governmental purposes whereas NSFNet was used to support education and research. Eventually NSFNet absorbed ARPANET and all other networks. Finally, this network was superseded by ANSNET, which was owned by a consortium of firms, before the Internet became the network of all networks and connected anybody with a PC and a modem to a global chain (Peterson et al., 1997; Prakash, 1996).

The real boom of the medium took place when the Internet linked up with public and commercial networks in the mid 1980's and took on multimedia wings in 1993. With this advent in technology and the use of a special software, users began to travel the network with pictures sound and video. The Internet was not just a way to send e-mail and download flies anymore. It was a place to visit full of people and ideas.

It is interesting that an invention seems to have blossomed out of nowhere so no one can place full claim on its birth. Is it the first agency funding the project or the studies at the European Particle Physics Laboratory in Switzerland trying to create a network that aimed to facilitate the distribution and access of research papers among scientists around the world (Muller, 1996) that initiated the WWW as we know it today? Whether it is the software engineer at the physics lab in Switzerland or the undergraduate from the University of Illinois who wrote the software that popularized the medium, it is clear that the Internet was produced by people whom the corporate world might consider nobodies (The Economist, 1995). Anyone who

contributed to the expansion of the network from its birth to the current stage it has reached has added an incremental value to this global event according to Metcalfe's famous law which can be summarized as "The larger a network, the more valuable it is." (The Economist, 1995).

2.2.3 What is the Internet?

As it is the case with all innovations, a massive amount of effort has been put forward in the literature to define the Internet and various components or related concepts. Academicians and practitioners have found it difficult to converge on a single definition that is both parsimonious and clear about identifying this phenomenon. However, the difficulty arises mainly because of not knowing exactly what the subject matter to be defined is. Is it a network, an application, an association or a service? (Umbaugh, 1996) The truth is, none knows the exact answer.

For the sake of providing a definition within the scope of this study, we have made a compilation attempt. While it has shortly been defined as "a vast computer network interconnected globally" (Palumbo and Herbig, 1998) we prefer a more comprehensive one that has been attained by combining two other attempts: "a global information infrastructure consisting of a system which connects public and private computer networks and enables people, governments, businesses, universities and various other parties to communicate via computers, modems, and phone lines (Peterson et al., 1997 and www.alaskaoutdoors.com, 1999). As we have preferred not to provide a list of specific technical definitions pertaining to different components of the Internet within the literature review here, a selection of such definitions has been located in Appendix 1.

2.2.4 Characteristics of the Internet

There are many studies pointing out the characteristics of the Internet as a communication and transaction medium. The most unique and prominent characteristics pointed out are presented in this section.

There is a natural emphasis on the technical superiorities of the Internet such as its rich audio and video features and graphical orientation making it a visually appealing communication medium (The Economist, 1995; Muller, 1996), its ability to inexpensively store, search, organize, and disseminate information (Peterson, 1997), navigability (Muller, 1996; Palmer and Griffith, 1998), flexibility and platform independence meaning it is compatible with any computer regardless of what operating system is used (Deighton, 1996; Senn, 1996, Muller, 1996), interactivity, responsiveness, and the ability to provide information on demand (Berthon, 1996; Deighton, 1996; Peterson, 1997), dynamism (Muller, 1996), openness to public as a shared ownership system (Berthon, 1996; Senn, 1996), informality (Berthon, 1996), and global reach and diversity (Senn, 1996).

2.2.5 The Scope of Internet Activities

In addition to the major characteristics distinctively identifying this communication and transaction medium, authors have pondered over the wide assortment of activities that can be conducted through the Internet. The compilation of its possible applications shows that the potential it carries in terms of diffusing into all aspects of our lives is really astounding.

First of all, it is the largest and richest "communication" medium currently available. It enables individuals to contact each other through facilities like instant messaging, electronic mail or discussion groups (Partick, 1999; Fill, 1999). In addition, it is an

"information" arena where participants can collect, exchange, classify and distribute information on a global basis (Gray, 1996; Wallace, 1999). Furthermore, it is a medium on which "work" is conducted, "investments" are done, and "bargains" and negotiations take place. It is an environment of "entertainment" for individuals of all ages. And finally, of greatest interest for us, it is the largest market the world has seen until now, where infinite "business and marketing activities" are conducted. As Bruner (1997) has pointed out, this aspect of the medium is especially very important because the greatest growth has been observed in the marketing-oriented content of the WWW in the last few years.

What are the possible marketing activities that can be done online? As Prakash (1996) points out, "marketing and sales" is one of the three strategic applications that can be and are performed in this environment, the other two of which are "research and development" and "production and inventory management". A modest list of possible marketing activities would include building brand awareness and loyalty, direct response promotions, market and consumer education, product demonstration and distribution, public and press relations, market research, customer service and support, advertising, taking and placing orders, making and receiving payments, direct or indirect delivery, image creation, promoting company philosophies, stakeholder information, communicating with customers and other firms, and presentation of any sort of marketing message in an interactive format. (Gray, 1996; Quelch and Klein, 1996; Bruner, 1997; Palmer and Griffith, 1998; Palumbo and Herbig, 1998; Dufour, 1999; Sheth and Sisodia, 1999; Sullivan, 1999; Prior, 2000)

Looking at this long list of opportunities, it is easy to understand why the marketing side of the Internet phenomenon has attracted so much attention from researchers, theoreticians, and practitioners. In the coming sections, we dive closer to

the focus and handle the major categories and the subtitles within the categories of the topics related to marketing on the Internet.

For the purpose of providing some empirical evidence about this issue, we find it useful to refer to the Karakaya and Karakaya (1998) study regarding the frequency of certain activities represented by percentages:

Table 2.1 – Common Online Activities and Their Frequencies

Research	95%
Education	90%
Entertainment	77%
News	83%
Hobbies	83%
Game playing	50%
Obtaining information about computers or software	76%
Socializing	49%
Investing	46%
Shopping	36%

Source : Karakaya, F. and F. Karakaya (1998), "Doing Business on the Internet", SAM Advanced Management Journal, vol.63, iss.2, p.11

We can summarize the general headlines of those activities that can be performed on the Internet as follows:

International
Network of
Telecommunications
Entertainment
Research
News
Education and
Trade

2.2.6 Diffusion and Adoption of the Internet

There are many studies in the literature handling the issue of the diffusion of the Internet into the world of marketing and the adoption rates displayed by consumers. Actually, in almost every study about Internet marketing, some set of statistical

figures about the birth, growth and adoption of the medium has been provided. However, these statistics have a serious problem of inconsistency. Most probably arising from the difficulty of measuring online behavior, statistics about the number of connections, the amount of commerce that has taken place on the Internet at a specific period of time, the number of sites on the Web, the number of households using or firms conducting business online, etc. are surprisingly inconsistent with each other. This problem has been discussed in the literature, too. Umbaugh (1996), for example, clearly states that he is having trouble deciding how many Internet users there are, as figures vary by millions. In addition to the difference between figures, there is a problem about what the stated numbers really mean. The point is that statistical figures may not be representing what they are expected to. More clearly, the number of Internet connections, for example, does not directly pertain to the number of active users of the Web. According to 1995 data (Hoffman c.f. Deighton 1996), only 5 million of the total of 16.5 million Internet users were regular participants meaning they used the Net at least once a week. While 6 million visited the Web infrequently, 5 million never even had. After five years, findings about this issue did not show a significant change. Sisk (2000) has compiled results from a commercial research which explicitly shows that 30% of consumers who have an Internet connection did not get online for three months, another 20% did not use the Internet for a whole month, and among the remaining 50%, most individuals spend very short time on the Internet like the few minutes spent for reading mail, checking the weather and the traffic, and looking at the current situation of their stock portfolio. This leaves marketers a very small portion of Internet users who actually spend enough time on the Internet to become active respondents to marketing efforts. As a result of the differences observed between the measures used and the figures

provided about online marketing diffusion and adoption, we have preferred to provide the long set of relevant statistical figures in Appendix 2 rather than presenting them all in this part of the literature review. We are more interested in outcomes than numbers so the real question that is of interest for us at this point is: What creates the reluctance consumers display for adopting the Internet and what slows down the diffusion?

Serious interest has been directed towards this issue in the literature. According to Bayus (1993), revolutionary technologies such as color TV, refrigerators, VCRs, etc. experience a long introduction period followed by rapid growth and eventually high levels of penetration (Burke, 1997). As the Internet is still in its introduction period, attention is directed toward the factors that will be effective on its expansion and adoption. Years ago, Quelch and Takeuchi (1980) had identified the major factors affecting the diffusion of hi-tech systems as technological barriers, consumer barriers, and cost barriers. This was a correct but firm-oriented perspective. Taking the consumer point of view, Moschis (1985) had found the following factors likely to impinge upon customer acceptance of at-home shopping: the relative advantages provided by, and the compatibility, complexity, trialability, and observability of at-home shopping systems. Finally, Prakash (1996) has introduced a compilation consisting of four such sets of factors which are: environmental factors such as infrastructure and regulations, organizational factors such as strategy and structure, technological factors such as technological skills and resources, and cultural factors such as beliefs, values, systems, and traditions. However, our aim is not to provide a pessimistic view of the future of Internet marketing. As large innovations require more time to be understood, accepted, and implemented, we believe that the real explosion has still not happened and can be expected in the coming decade as

Wortman (1999) agrees: The public is slowly beginning to accept the idea that purchasing products online can be safe and convenient although they have not personally engaged in such transactions extensively yet.

2.2.7 Comparative Studies

A review of the studies about the Internet as a marketing environment reveal that considerable effort has been shown toward demonstrating how marketing has evolved and reached its current state. For this purpose, there have been attempts to make comparisons between the old or traditional and the new or conventional marketing paradigms. While some authors have differentiated mass and direct marketing, others have taken an even more specific perspective and have handled the differences between the Internet and other forms of direct marketing or communication media. Now we can look at some exemplary studies that accommodate the most important points of comparison.

First of all, there are studies in which traditional mass marketing efforts and activities have been compared with the emerging forms of direct marketing in general. In his book about the future of direct marketing, Reitman (1994) has pointed out that while historical marketing focused on mass communications and undifferentiated promotion intensity, the new understanding of the discipline has a tendency toward customized communications and differential promotion intensity. In short, the evolution has been from marketing on the averages to marketing on the differences. He has gone even further to differentiate between inside-out and outside-in direct marketing activities, the latter of which means forecasting what customers might buy and offering that specific product to him through direct channels. In this respect, the Internet is not only a form of direct marketing overcoming the

disadvantages of the mass marketing approach, but it also is, specifically, a method of outside-in direct marketing which is the ultimate level of customer orientation that is currently possible.

As Kara and Kaynak (1997) have clearly demonstrated, this is a form of finely segmented or personalized marketing in which segmentation activities aim at markets of "one" to best satisfy individual customers' unique needs and wants with the help of the various supplementary tools available such as database marketing, relationship marketing, and mass customization.

At this point, we have preferred to compile the most outstanding points of comparison in a tabular format before providing brief explanations about each item. The following issues are the most commonly cited elements of comparison:

Table 2.2: A Comparison of Traditional and Modern Marketing Practices

TRADITIONAL MARKETING	MODERN MARKETING
mass production	mass customization
aggregate market	customer-driven market
low customer participation and power in decision making	high customer participation and power in decision making
high distance between producers and consumers	low distance between producers and consumers
involuntary exposure to marketing efforts	voluntary exposure to marketing efforts
one-way, passive communication	two-way, many-way, active interaction
less expansive with higher costs	more expansive with lower costs
local	global
low amount of general information	high amount of detailed information
limited and unjust competition	intense and fair competition
unmeasurable response	measurable response
reach or richness	reach and richness
static	dynamic
pushing channels	pulling channels
brief presence	permanent presence
more secure	less secure
person interactivity	machine interactivity
more limited assortment	wider assortment
experimental shopping	non-experimental shopping
less comparative shopping	more comparative shopping
immediate gratification	delayed gratification

One of the major differences between traditional and modern forms of marketing is that the dichotomy between mass production and customized production has left its place to the concept of "mass customization". This idea, which was first conceptualized by Davis in 1987 (Kara and Kaynak, 1996), was based on making use of computer-based information systems with flexible manufacturing and just-in-time production systems to provide each customer with tailor-made benefits at the low cost of modern production (Kara and Kaynak, 1996). The idea is very suitable for being applied on the Internet. Actually, Elofson and Robinson (1998) have clearly outlined how the process can be performed in three basic steps: find like-minded buyers, decide on product/service characteristics acceptable to the group, and seek and negotiate with relevant suppliers to provide the tailor-made offering. In short, by providing an opportunity to collect acceptable numbers of customers with unique needs and by making it possible to finalize the production of goods and services quickly with the abundance of various suppliers, the Internet is a very fertile area for applying mass customization and meeting customer needs better compared to the more traditional practice of mass production. This makes the Internet a more customer-driven market where consumer participation in decision making starts at the outset with the production of goods or services compared to the aggregate markets in the traditional world of mass production where customer participation is accepted only as feedback after consumption.

Another important difference stated above is that the Internet has reduced the distance between producers and consumers by eliminating an important number of intermediaries and providing a medium of direct contact and delivery between manufacturers and customers. Moreover, it has become a market in which the customer goes to the marketer rather than vice versa (Berthon, 1996). As Mark

Borsuk has pointed out "the Internet has changed the geocentric pattern of shopping" (Wadsworth, 1997).

While classical practices of marketing involve involuntary exposure to marketing efforts, and one-way passive communications, with the appearance of the online opportunity, marketing efforts have become two-way interactive communications to which consumers voluntarily expose themselves. This difference is successfully summarized as the passage from broadcast marketing to interactive marketing (Deighton, 1996; Day and Montgomery, 1999).

Interactivity is an issue that has attracted special attention within the Internet marketing literature because of the value it possesses in terms of building and maintaining customized customer relationships. This results out of three main features inherent in the concept of interactivity: the ability to address an individual, the ability to receive a direct and immediate response, and to re-address the individual in a way that takes into account his/her unique response. Alba et al. (1997) have stated this in a slightly different way as response time and response contingency. In other words, on the Internet responses are both immediate and are a function of the response made by the other party. Cooper et al. (1996) have also successfully demonstrated the difference between the traditional marketing media victim model, in which the consumer is bombarded with standard information reaching him from numerous sources of mostly undifferentiated communication media, and the Internet utility model in which the information is customized, filtered and voluntarily collected. Wallace (1999) summarizes this point quite well: As a result of its interactive potential, the Internet is an environment that we can affect and mould.

Three other important issues that differentiate the Internet market from others is that it is, by nature, a global market compared to most markets that start out as local attempts although they may gradually turn out to be global, too. Therefore, the Internet is accepted to be more expansive with lower costs while traditional markets are less expansive with higher costs. A final comparative statement made in this study in terms of marketing communications is that the Internet provides a permanent presence in the form of a Web site, whereas traditional promotional activities such as a TV spot or a radio ad are termed to be "brief blurbs". (www.alaskaoutdoors.com/Misc/info.html, 1999)

Another important study about comparative issues between in-store and online shopping belongs to Li and Gery (2000) who have made a compilation from the Alba et al. (1997) study. Other than the points that we have already mentioned, they have added that the Internet provides wider assortment, more information and the opportunity to compare alternatives more intensely. In other words, the Internet lowers the costs of comparative shopping (Elofson and Robinson, 1998). The search costs of acquiring information about seller prices and product offerings and locating an appropriate seller and transaction costs of purchasing a product are all lowered to a great extent by the introduction of this medium (Bakos, 1997). However, it restrains the consumer from performing experimental shopping where merchandise can be sensed and felt and provides delayed gratification of needs because of longer delivery periods compared to the instant gratification opportunity provided by classical marketing media.

A study that is much worthy of notice here is the one conducted by Hoffman and Novak (1996). These authors have compared nine forms of mass media, seven forms of interpersonal communication, eleven forms of computer-mediated

communication, and eight forms of interactive media -the WWW being one of them- in terms of person interactivity, machine interactivity, number of linked sources, communication model, content, media feedback symmetry, and temporal synchronicity. According to this comparison, the WWW is a medium with no person interactivity but strong machine interactivity. The communication model is one of the few "many-to-many" models with a lot of sources linked at the same time. Although it does not contain media feedback symmetry, it has temporal synchronicity. In terms of content, it is one of the richest communication media with text, audio, video, and image facilities all used at the same time. And, finally, the costs versus the profits of conventional channels and the Internet have been compared. Here, the authors suggest that it is nearly one-fourth less costly to perform direct marketing through the Internet than through conventional channels (Verity and Hof c.f. Hoffman and Novak, 1996).

Finally, the Internet market is stated to be more competitive but less secure compared to traditional markets in Table 2.2. However, as these issues have their own special place in this framework and will be handled in more detail in the relevant sections, we do not prefer to provide a review of the studies about those arguments in this part of the study.

2.2.8 Studies About Major Role Players in the Field of Marketing

In this section, studies handling how different parties are affected from the developments in the online world will be presented.

2.2.8.1 Intermediaries:

A very extensively discussed topic in the literature is the issue of the changing structure of intermediation. While there are studies that point out how the number of

intermediaries will decrease and how their functions will become outdated, another set of studies point out the possible problems that will arise out of this development. Still others ponder over the emerging roles for intermediaries with the changes taking place in the marketing environment and the newly appearing types of middlemen carrying the discussion from an intermediation vs. disintermediation scope to a disintermediation vs. re-intermediation direction.

Forecasts about the diminishing role of intermediaries started long ago with the emergence of the first forms of non-store marketing. In their study where they examined the possible effects of telephone and mail orders, interactive cable TV, catalogs, and televised promotional offerings, Quelch and Takeuchi (1981) had pointed out that many functions that traditionally happened sequentially would eventually turn out to take place simultaneously. This is very similar to the arguments put forward by many researchers today who state that disintermediation will be widespread in this new era of electronic commerce (Gallaugher, 1999) and that middlemen are at great risk. Erem and Bayraktar (1999) agree by showing that electronic channels lower selling costs to the maximum extent possible. The idea that electronic markets will reduce the extent to which brokers will be used by buyers dominates numerous studies (Choudhury et al., 1998). Christensen and Tedlow (2000), for example, have stated that retailers have four specific missions, which are: bringing the right product, at the right place, at the right price, and at the right time. The Internet creates the opportunity to pass all of these functions directly to the manufacturer except the last one where providing the desired offering at the right time may not be valid for all types of products or services. This clearly demonstrates that the number or the functions of intermediaries may be expected to decrease substantially with the growth of this revolutionary medium.

However, more critical point of views has been put forward in response. Many studies have concentrated over the importance and variety of the functions performed by intermediaries and the possible incompetence of manufacturers when it comes to performing these functions themselves. For example, Alba et al. (1997) have argued that the classic functions undertaken by retailers such as breaking bulk (converting caseload shipments into individual items), providing assortments that permit one-stop shopping, holding inventory to make merchandise available when customers want it, providing a variety of transaction features and services that include credit, alteration, and assembly of merchandise, attractive display, dressing rooms, personal assistance in selecting merchandise, repair services, return services, warranties, etc. (Levy and Weitz 1995 c.f. Alba et al., 1997) cannot easily and efficiently be duplicated by manufacturers who are not highly skilled at selling directly to consumers and lack the efficient systems to fulfill orders at a household level. There are attempts to overcome these difficulties such as Best Buy, a specialty retailer who has been running a series of ads assuring customers that anything purchased on its Web site can be returned at any store, but these examples are very infrequent and far from achieving total convincement. Similarly, Palumbo and Herbig (1998) have reminded manufacturers without intermediaries of the difficulty and costs of designing a logistical system that allows a firm to deliver its products across nations in direct manner. The problem is not limited to the difficulty of implementing the utilities provided by classical intermediaries. It, further, is the danger or the risk of having to deal with and facing various possible oppositions from those same intermediaries if the manufacturer does not plan to abandon its real-world marketing efforts and go completely online. Such intermediaries might threaten manufacturers by delisting product or reducing promotional support (Quelch and Takeuchi, 1981).

Similarly, a firm selling information-intensive products which are suitable for immediate delivery on the online market and low information-intensive products that cannot be transferred immediately will face the problem of having to create and maintain multiple distribution systems without facing any opposition from any of the actors in different systems (Palmer and Griffith, 1998). In short, many studies have shown that disintermediation is not necessarily desirable and should not constantly be stated to be an advantage of the Internet market. Berghel (2000) has summarized this point of view quite successfully: "I foresee a great deal of harm resulting from disintermediation that becomes predatory. In this sense, the purpose of the disintermediation migrates away from the concept of adding value and establishing closer links with customers, toward the destruction of another value-added industry".

While these discussions were being made, the Internet market naturally took on an evolved form in which disintermediation turned into re-intermediation in which the control of different elements in the value chain moved to different players (Hawkins et al., 1999). Quelch and Klein (1996) have clearly forecasted this development by arguing that if intermediaries could perform a different mix of services made necessary by the Internet, they would continue to play critical roles and extract value. They have shortly summarized this idea as information management rather than inventory management. This forecast has turned into reality with the appearance of new forms of intermediaries such as price searching and comparing services (Sheth and Sisodia, 1999) or electronic malls that include many suppliers' offerings rather than single-company or single-brand electronic channels (Malone et al, 1989; Emerick 1996).

Some of these new types of intermediaries may be called communication intermediaries who collect, screen and sort the various offerings available for the

consumer according to his/her specifications, acting more or less like a buyer guide. Another type could be transactional intermediaries who facilitate the realization of purchases between producers and consumers just like they do in the real world by providing promotions, extending credits, etc. Still another type could be information intermediaries which act like agents between producers and consumers by providing and updating the information about consumers for producers, and, similarly, continuously refreshing the available offerings that the consumer would be interested in and providing ongoing information about market opportunities (Sheth and Sisodia, 1999). Carr (2000) has termed this emerging trend as "hyperintermediation" and has identified various examples of these new types of intermediaries such as special content pages providing links to shopping sites, financial institutions and banks that handle electronic payment issues, the suppliers or distributors that electronic retailers collect their inventory from (such as the numerous bookstores Amazon is in agreement with), the delivery services bringing the ordered products to customers, search services, and affiliates taking commissions from each customer they send to a specific shopping site. In short, with a market whose borders are much larger than the markets of the offline world, a totally disintermediated marketing environment is unthinkable. The fact is that only the functions provided by and, thereby, the names attributed to the middlemen have changed but their existence and necessity remains a never-ending story of the marketing process.

2.2.8.2 Firms:

One group of studies in the portion of the literature about how firms are affected from the introduction of the Internet market deals with the types of activities they can perform in this virtual environment. A source from the WWW itself points out the 20 most important reasons for why firms should put their business on this global

network. These are: to establish a presence, to network, to provide basic business information, to serve customers, to heighten public interest, to sell products, to reach a highly desirable demographic market, to answer questions, to stay in contact with salespeople, to internationalize, to provide 24-hour service, to update information quickly, to allow feedback, to reach specialized markets, to reach the education and the youth market, to test products and services, to reach the media, etc. (www.net101.com/reasons.html, 1999). Similarly, Palmer and Griffith (1998) have pointed out that organizations can use the Internet to offer products and services and make sales, to establish a presence and build up corporate image, to conduct customer research, and to use this environment as a medium of communication, promotion, and advertising. Other than the ones put forth by these studies, Palumbo and Herbig (1998) mention taking and placing orders, promoting philosophies, communicating with other firms, and increasing brand awareness and Senn (1996) points out bypassing traditional channels, augmenting traditional markets, and boosting service. Finally, Emerick (1996) has mentioned real time discussions with channel members, information gathering, dissemination, and discussions, problem solving, finding out about new business opportunities, and business-to-business marketing as some of the other activities in which firms can participate in once they enter the WWW.

In short, the scope and variety of firm transactions that are made possible and even more convenient over the Internet are very high. Therefore, regardless of their size and resources, many firms have either made or on the verge of making an attempt to become a member of this universal business network. Just looking at all that they can do by simply preparing a Web site for themselves, it would be unacceptable to watch the growth of the cybermarket as an outsider. However, some

authors have found it important to identify which businesses are more suitable to enter the online arena and which should not expect too much from it. National Association of Realtors (2000) has provided a list of questions which firms should consider before entering the WWW. The most important points that managers should consider before turning all or a part of their business into e-business are: whether the company has a defined e-strategy and whether it will work, whether the company can manage information flow on the WWW, what effect going online will have on customer relations and on the organization, what niche opportunities exist, if any, on the WWW, and what the fiscal impact of this attempt will be. Still another set of questions by Elfrink et al. (1997) has complemented this list. They advice firms to consider whether they have the resources an interest for such a project, whether their current or potential clients use the Internet, and whether this form of promotion is compatible with the firm's image.

Considering that so many questions need to be answered before going online, it seems there are a comparable number of disadvantages as well as the advantages of becoming an e-business. Starting from the more positive side of the picture, Paul (1996) states that becoming easily accessible from different parts and time zone of the world, being introduced to global opportunities, decreased red tape in international operations, possibility to conduct effective advertising, and the availability of marketing research and analysis tools are some of the most important advantages of going online. Flynn (1996) has noted that cyber-retailers have the advantages of low capital costs as they do not have to tie their money up in bricks and mortar, do not have commercial district rents to pay, no windows to dress, no rest rooms to clean, no hours to keep, and no lost inventory because of shoplifting. Rosen and Howard (2000) add lower operating costs and decreasing cost of capital,

tax advantages, increasing competitiveness in terms of adopting technology, increased efficiency in business-to-business transactions, and convenience to this list. The fact that electronic channels eliminate clerical and paperwork, transaction costs, and inventory costs (as companies need to keep less inventory now) (Malone et al., 1989) and the fact that Web sites are flexible communication systems that are easy to update, and the costs efficiencies attained by releasing the staff that normally undertook the activities conducted automatically by a Web site, i.e. collecting information, processing orders, etc. (Fill, 1999) complete only a preliminary list of advantages.

However, one should not perceive the picture in an over-optimistic manner. There are an equal number of disadvantages cited in many studies. For example, the security issue that creates a hindrance both for businesses and for consumers, lack of regulation concerning the content and distribution of material made available (Fill, 1999), the difficulty of controlling online transactions and measuring outcomes, and the high costs of entering e-business are the major drawbacks cited by Paul (1996). Palumbo and Herbig (1998) provide an even longer list consisting of the difficulty of setting differentiated prices at an international level, intensified competition, the unavailability of electronic payment means for an important portion of consumers, cultural differences, privacy concerns, censorship, differences in international trade laws, the changes between the telecommunication infrastructure and technical standards of different countries, varying rates of PC availability, varying difficulties in access, and slow access and downloading time (Fill, 1999). Furthermore, the high costs of individual delivery and the difficulty of dealing with virtual transactions, problems about disintermediation, the fear of technology most consumers experience, and the lack of socialization and tactility that are very important

components of shopping are factors that all businesses should seriously consider and take precautions about before making this innovative move into the cyber world (Rosen and Howard, 2000).

After going over the scope of activities, and the pros and cons of entering the electronic business world for firms, another important part of the Internet marketing literature, which is the comparison between business-to-consumer and business-to-business markets, will be handled.

As Friel (1999) and Wortman (1999) have asserted, the Internet, by now, has produced the most promising results for the b-to-b market compared to the b-to-c market. Oliver (1999) has provided outstanding statistics about this comparison which demonstrate that consumer spending is only a small fraction of the total volume of online business. b-to-b sales, making up the majority of e-commerce transactions, have doubled every six months during 1996 and 1997 and have continued to double every 3.5 months during 1998 and 1999. E-marketer also says that b-to-b markets are selling more online than consumer-oriented companies. While consumers bought $4.5 billion of goods and services online, businesses spent $15.9 billion in 1998 (McCune, 1999).

Craig (2000) agrees with the high potential the b-to-b market carries in comparison to the b-to-c market. He states that although many businesses have failed in transforming their Web sites into profitable commerce machines, they have succeeded in turning them into highly productive supply chain tools. The ease of applying JIT (Just-in-Time) systems on the Net reduces the overall cost of the supply chain (Friel, 1999). For example, when unpredictable factors such as customer demand, plant capacity or the weather create supply demand imbalances, the e-markets can make instant balancing available as a result of the abundance of

suppliers and make it easier to meet such supply-chain upheavals (Banham, 2000). Therefore, the economic incentives for manufacturers, wholesalers, and retailers to adopt e-commerce are very strong.

However, the opportunities of the b-to-b world are not free from the complications accompanying them. While the Internet expands the b-to-b market, it increases competition, too. Similarly, as it eases some business processes, it complicates others (McCune, 1999). Therefore, the general rule that companies should think twice before going online is just as valid for the b-to-b market as it is for the b-to-c market.

Another subtitle relevant to the firm-oriented literature of Internet marketing is the suitability of the Internet for small businesses. A simple statistical figure shows how big the potential the Internet carries for small businesses is: As of 1999, 85% of the 400,000 commercial sites on the WWW were small businesses with less than 100 employees (Akın, 1999).

There are two distinct studies worthy of notice in this category as they compile and summarize much of the information found in studies about this issue. Hormozi et al. (1998) state that certain types of small businesses may find the Internet to be a very beneficial marketing medium. It provides entrepreneurs the opportunity to expand their businesses with low entry barriers and promising large markets. The three main methods they can use to make use of this medium are the billboard model, the Yellow Pages approach, and virtual storefronts (Yudkin, 1995 c.f. Hormozi et al., 1998). The billboard model consists of presenting small pieces of information such as a banner ad on popular Web sites. These displays usually contain minimal information and indicate where the reader may go to find further information. This is the lowest cost and easiest to accomplish method for small businesses. Another way

to enter e-business is to set up a guide that contains advertisements and information about the business's own services or products. This requires a higher level of investment. Finally, the virtual storefront is a full-information service designed to include the marketing of offerings, online purchasing, promotion, marketing research, and customer support. This requires the heaviest investment in time and money (Holzberg, 1997 c.f. Hormozi et al., 1997).

The other important study handling this issue is Dandridge and Levenburg's (2000) attempt to show the advantages of the Internet specific to small businesses. They provide a successful compilation of these factors as follows: gathering intelligence on the industry, competitors, their strategies, and potential markets, searching out information on possible products to offer, new suppliers or resources, expanding market access, creating immediate awareness of their offerings, gaining access to key decision makers by bypassing gatekeepers, positioning themselves on equal footage with large companies, and serving niche markets that are usually ignored by larger competitors.

A final distinction made that deserves special notice before closing the discussion about the firm-oriented side of the literature is that traditional retailers who enter the electronic commerce world are at an advantage when compared with the pure-play Internet retailers meaning those who start as an electronic business at the outset. The reason is that pure e-tailers, cannot leverage the key fundamentals of retailing efficiently enough to achieve or sustain profitability over the long-term. Such fundamentals include fulfillment, service, inventory, warehousing, and distribution. This results in the appearance of joint ventures between brick-and-mortar companies and purely online retailers. An example is Toys'R'Us and Amazon

who leverage each other's strengths more efficiently than going it alone (Lisanti, 2000).

2.2.8.3 Competition:

With the changing face of the marketing world, the classical understanding of competition is being challenged to a great extent in the Internet environment. An important issue that has been mentioned by a lot of authors is the fact that size will lose importance as a competitive edge (Gallaugher, 1999) leaving its legacy to the level of technological sophistication and compatibility of companies (Quelch and Klein, 1996). In this respect, as Rosenberg and Hirschmann (1980) have forecasted a long time ago, the major factor concerning competition in the telecommunication world is the implementation of superior technologies compared to other players in the field. As Schultz (1997) advises firms: "Make sure you check out what your competitors are doing on the Internet. If their sites look good, yours had better look great!"

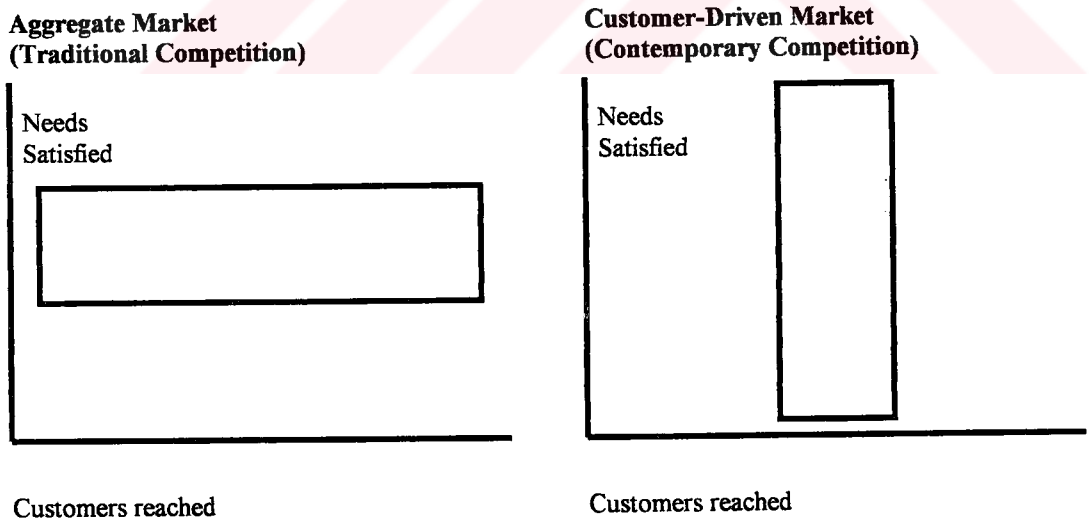
Besides competition at the technological level, discussions about fierce price competition are very hot in the Internet marketing literature. Bill Gates, cofounder of Microsoft, describes this new commercial arena as "friction-free capitalism" where buyers and sellers are directly connected (Palmer and Griffith, 1998) and where the most important competitive issue is price because marketers are stripped off many of the other competitive advantages that they used as make-up. Choudhury et al. (1998), for example, have clearly stated that as price search options increase in the electronic marketplace, price competition will naturally increase. As a result of this, suppliers will engage in attempts to differentiate their product offering in terms of other factors such as performance quality or support services (Dickson, 2000).

On the other hand, there are studies where authors disagree that the Internet provides an opportunity of perfect price competition. Brynjolfsson and Smith (2000) argue that the perfectly competitive environment of the Internet where brand loyalty vanishes is a myth and that consumers still put higher value on trustworthy brands that they recognize and favor. The findings of their study show that online retailers with the lowest prices do not necessarily receive the most sales. Similarly, O'Rourke (2000) disagrees that perfect competition has not and cannot be attained on the Internet. One of the reasons for this is that there are many barriers to enter the online market although many studies reach direct conclusions about the opposite. These are the huge marketing and technical costs in setting up an online business and the fact that consumers do not want to go through a new customization process each time a new player enters the field. In other words, brand loyalty builds just as fast in the virtual marketplace, too. Another reason is that although the amount is higher, the Internet does not provide perfect information for customers. However, costless exchange of perfect information is a compulsory prerequisite of the perfectly competitive market. Besides, search costs may be less compared to traditional media but do not approach zero, and product differentiation is possible in the cyber market, too, so the homogenous product assumption of the perfectly competitive market is not met either.

Still another set of studies concentrate on the most important competitive advantages and strategies in the online world. Alba et al. (1997) have listed the most important competitive advantages of non-store marketing formats as distribution efficiency to homes, provision of complementary assortments, collection and use of customer information, presentation of merchandise information, and the ability to offer unique merchandise. In other words, companies that score better on these

attributes will have the greatest advantage in comparison with the other participants of the online market. In this study, as set of factors have been provided for the offline retailers who want to react to the competitive forces of the cyber market. These are focusing on merchandise that have important experiential attributes, providing information tailored to the needs of specific customers, emphasizing the non-informational benefits of shopping, complementing non-store marketing formats with in-store business, and placing more emphasis on unique merchandise. Another study by Yoffie and Cusumano (1999) stress the three elements of judo as the most important competitive strategies of the Internet market. These are rapid movement into new markets and uncontested ground, flexibility by being ready for surprise attacks, and leverage by using the weight and strength opponents against them. Naturally, the content of competition will change just as much as the conditions surrounding it. Peppers and Rogers (1997) have depicted this development in a simple and clear format:

Figure 2.2 – The New Face of Competition



Source: Peppers, Don and Martha Rogers (1997), Enterprise One to One, Currency Doubleday, Random House Inc., New York, pp.20-21

2.2.8.4 Consumers:

An important portion of the studies about consumers in the Internet marketing literature aim to draw a general profile of the current and potential users of the Internet as a shopping environment. It was interesting to find three quite old studies aiming to characterize those people who are more prone to non-store retailing and in-home shopping.

According to Quelch and Takeuchi (1981), for individuals or families with little leisure time, and for those people who value convenience more than price, non-store retailing is more than an opportunity. However, for those who enjoy shopping as a form of entertainment and are less interested in convenience compared to product quality and reliable delivery, non-store retailing is quite inappropriate. Additionally, the willingness to take risks determines how high consumers' propensity to utilize these modern forms of marketing will be.

In another study, Berkowitz et al. (1979) had found that in-home shoppers have significantly higher family incomes, higher educational levels, and higher status occupations compared to other shoppers but are not significantly different from them in terms of age and family size. They have also determined that in-home shoppers are willing to assume more risk compared to store shoppers which is consistent with the findings of the previous study.

To complement these two examples, Moschis et al. (1985) have found that at-home shoppers tend to be young, better educated, innovators and heavy users of technology in general. Looking at a much more recent work from Palumbo and Herbig (1998), it is surprising to find out that most of the characteristics stated in studies approximately twenty years ago are similar to what the picture is today. The typical Internet user is young, male, professional, and affluent. They are those

consumers with higher levels of income and higher education who can deal with complexity and change. They are more demanding and have greater control over the purchasing process from initiation to completion (Rao et al., 1998). They value time more than money which automatically makes the working population and dual-income or single parent households with time constraints about work and family (Burke, 1997) better candidates to be targeted by non-store retailers. However, conflicting results are always available. While a few years ago Paul (1996) stated that 50% of Internet users are 25 or younger, McMellon and Schiffman (2000), have more recently found that an important segment adopting the Internet is the elderly. Naming this trend as "cybersenior mobility", they justify this development as a way that older consumers use to make up for the deterioration of their social life because of the decline in their physical capacity. In other words, they use the Internet as an opportunity to socialize and carry out the activities that they normally might not conduct so easily because of aging.

Income and purchasing power have consistently been found to be general factors shaping the capacities of individuals to conduct consumption activities online and shift their spending away from brick-and-mortar to virtual shops (Comor, 2000).

There are studies that aim to identify the characteristics of Internet shoppers in terms of their usage history and intensity patterns, too. Sisk (2000), for example, states that as Internet usage history increases, the intensity of consumers' shopping experiences also increase. Hoffman and Novak (1996) are on a similar track. They argue that consumer skills and their perceptions of the Internet are related to each other. Still another example comes from Liao and Cheung (2001) who include IT education and Internet usage as one of the precedents of willingness to e-shop.

Besides, it is possible to encounter attempts to segment Internet users and shoppers. For example, as taken from a research conducted by the Sunday Times (Hürriyet, 30 Ekim 1999), there are five types of Web surfers classified as: novice surfers, surfing professionals, professional surfers, cyber mothers, and active students. Another attempt comes from Sisk's study where a categorization used by McKinsey & Co. (2000) is provided. According to this categorization, Internet surfers fall into one of the following groups: Surfers, Simplifiers, Connectors, Routiners, Bargainers, and Sportsters. Among these six groups, simplifiers, who have the longest history of Internet usage, are the heaviest online shoppers as well, confirming previous results.

At this point we find it important to provide a general profile of the Internet users both on a worldwide basis and specifically for the Turkish population.

One of the most extensive studies performed for the purpose of understanding the general characteristics of the online community is the "Graphic Visualization and Usability Center (GVU) Survey" (1998) which has been conducted with 5,000 people from USA, Europe and other parts of the world. The most important results of this study can be summarized as follows:

*The average age of Internet users is 34.9

*The gender distribution shows that 33.6% are females while 66.4% are males.

*A majority of Internet users have a college or university degree with 62.4% falling into this category. 22% have a post-graduate degree and 8.2% are high school graduates.

*47.6% of Internet users are married, 31.8% are single and the rest are divorced, widowed or separated.

*45.2% of Internet users have an annual income level of $50,000 or higher while

22.7% fall into the $30,000-$50,000 interval. The rest have lower income levels or have not preferred to state their financial status.

*36.9% of all users use the Internet over 9 times every day, 19.9% use it 5 to 8 times, and 35.8% use it 1 to 4 times in a day. Only 7.4% use it less than these stated intervals.

*15.4% of Internet users have been personally acquainted with the medium for more than 7 years. 37.1% have been using this innovation since 4 to 6 years. 34.6% have stated to have adopted the Internet within the last 1 to 3 years. Finally, 13% have become Internet users within the last year.

*10.6% of all users have claimed to be actively online for more than 40 hours in a week. While 21.2% fall into the 21-40 hours interval, 34% have selected the 10-20 option. The rest have declared to be using this environment for less than 9 hours in a week.

While this study provides an overall picture of the general characteristics and usage habits of the online community, it should not be forgotten that 84.7% of this sample comes from the USA and 7.3% from Europe. Therefore, these findings cannot be generalizable and specific figures for the Turkish online community are important to provide.

We have encountered inconsistent figures between studies and have fallen into conflict about the correct figures. Therefore, we find it crucial to provide two different sets of results as it is impossible to be confident about which one to rely on. One of these tables has been complied from a study by Biçkes (2000). The author has provided the results of a survey conducted about the demographics of Turkish Internet users:

Table 2.3 – The Major Demographic Characteristics of Turkish Internet Users

Gender Distribution	
Male	93%
Female	7%
Marital Status	
Married	26%
Single	74%
Education	
Elementary/Primary School	5%
Secondary School	3%
High School	22%
University	70%

Location	
Istanbul	65%
Ankara	13%
Izmir	7%
Bursa	2%
Adana	2%
Eskişehir	2%
Other	9%

Source: Biçkes, M. (2000), "Elektronik Ticaret", Pazarlama Dünyası, p.44

While the above figures are not unreasonable, questions may arise about whether the gender distribution is really so distorted. On the other hand, another study that has focused on "Internet consumers" rather than "users" shows a much more expectable distribution:

Table 2.4 – The Major Demographic Characteristics of Turkish Online Consumers

Gender Distribution	
Male	57%
Female	43%
Age Distribution	
18-34	40%
35-49	41%
50 or older	18%
Education	
High school or lower	30%
College or university	70%
Income	
$50,000 or less	41%
$50,000-$75,000	22%
$75,000 or higher	36%

Source: "Kim bu e-tüketici?", Sabah:İşte İnsan, Apr.2, 2000, p.25

The inconsistencies in these figures and the question marks they pose point out the importance of studies that aim to identify the demographic characteristics of the Turkish online community and consumer groups. As one of the purposes of our

study is to serve this objective, we hope to contribute to the disappearance of this discrepancy by providing statistically reliable figures.

2.2.9 The Theoretical Debate Arena

A very hot discussion that is currently going on among marketing scholars is about whether these technological advancements are the signs of a marketing **revolution** or whether they are only a new page in the eternally turning cycle of marketing **evolution?**

It was 1981 when Quelch and Takeuchi first introduced this question into the marketing arena: "Will non-store marketing become a revolution in retailing?" Their answer was an unquestionable yes, which now finds a lot of support from many other colleagues. Mahajan and Wind (1989), for example, say that the Internet is a market discontinuity, that is, a shift in the market forces and interrelationships that cannot be predicted. Complementing this point of view, Deighton (1997) argues that "when a new method of marketing arrives as an exogenous shock and displaces other tools, the disciplinary knowledge accumulated to make sense of the displaced tools is, of course, itself displaced". In a previous study, Deighton (1996) had put forth a similar statement by saying that the theories and practices of marketing are experiencing unsettling amounts of innovation which put the discipline under pressure to reshape. As Hofacker (1996) says, at that time, nobody could predict the 15-second spot, the infomercial or the shopping channel and that the same unknown potential is held by the Internet today. As stated in the Internet survey of the "The Economist" (1995): "If it were an economy, it would be the triumph of the free market over central planning. In music, jazz over Bach. Democracy over dictatorship."

In a much more recent study, Christensen and Tedlow (2000) claim that Internet retailing is the fourth disruptive event in the history of retailing, the first three being the appearance of department stores, mail-order catalogs, and discount stores. This argument positions their study on the "revolution" side of the debate, too.

On the other hand, there are those who believe that the Internet and its effects on the world of marketing are being overestimated. Peterson et al. (1997) have provided various examples of how exaggerated expectations from Internet marketing have been and still are. They counter the arguments of Benjamin and Wigand (1995) who claimed that the Internet has the capacity to eliminate retailers and wholesalers entirely. Similarly, Rust and Varki (1996) speculate that this new tool will functionally replace traditional mass media. In support of the evolutionary perspective, Burke (1997) emphasizes that retail sales through electronic channels are unimpressive and that the figures are much too low compared to the expectations of the revolutionists. He argues that the actual impact of these innovations is often much less and takes much longer than expected, turning them into natural evolutions rather than revolutions. Friel (1999) also states that the value of e-commerce is debatable and that experts disagree strongly about its impact. It forms a minuscule part of the trade through all possible avenues (Sindhav, 1998). There are even stronger advocates of the dominance of retail stores like Achenbaum (1999) who asserts that the Internet cannot hold a candle to retail stores which will remain the single most convenient and pleasurable place to get what you want while having an enjoyable time.

The important point here is that the controversy is worded incorrectly. The evolution versus revolution discussion should more correctly be perceived as a conflict between those who think that the Internet will dominate the world of

marketing and will replace all other channels and media versus those who expect it to complement the practices of traditional marketing with a touch of technology. In short, it is the fight between those who accept that the pace of technological growth is going to change our lives forever and those that want to leave a less techno-cultural world to the coming generations.

2.2.10 Current Issues in the Internet Marketing Literature

In this section, studies handling specific subtitles that do not fall under the other categories of the Internet marketing literature will be handled one by one.

2.2.10.1 Marketing Research:

A very important opportunity provided by the Internet is the endless methods of market research techniques that can be applied on this medium and the high number of potential respondents that can be caught from the online sample population. Kannan et al. (1998) have dichotomized the techniques available for online marketing research as primary methods which include online focus groups, chat rooms, and bulletin boards. Participants in such research can interact with each other and the facilitator in a multimedia setting. In some discussion groups, entries can be posted any time at the convenience of the participants. Another technique of primary research is online surveys where companies provide incentives and promotional material to motivate Web site visitors to complete certain surveys. If the respondents accept to give personal information, they may go into a mailing list file, too. (Karakaya and Karakaya, 1998). The importance of secondary data has also increased to a great extent with the proliferation of large online databases. Collecting published data, accessing online databases and geographic information systems constitute some of the important research opportunities realized by the introduction

of the Internet (Kannan et al., 1998). A very innovative method of conducting research on the Internet has been discussed in Burke's (1996) study. As he states that most marketing research techniques are sadly outdated, "virtual shopping simulation" can help managers make tactical decisions in areas such as new products and promotions, packaging, and merchandising. He has compared the utilization of this technique with many other methods such as the traditional test market, the controlled field experiment, questionnaires, surveys, and focus groups and has concluded that this specific innovative research method has important superiorities compared to the classical methods such as duplicating the distracting clutter of an actual market, the ability to set up and alter tests very quickly, low production costs as displays are electronic, and the flexibility of the simulation. This reminded us of the Urban et al. (1997) study where the ability of computer simulations to represent products, people, and situations were measured and all of them were found to realistically duplicate the real environment. However, researchers should not be so easily convinced about this result because, as Burke et al. (1992) have previously found, simulations do not work at the same level for all product types. As experience attributes enter the scene and as the number of decision makers exceed a single person, simulations begin to lose their value as accurate measurement tools.

In short, the Internet provides a fertile ground for applying current research methods online as well as developing more hi-tech ways to simulate real shopping experiences in order to understand virtual consumer behavior.

2.2.10.2 Privacy and Security Issues, Internet Marketing Ethics

In numerous studies, the Internet has been characterized as an insecure and unreliable environment where individuals' and organizations' privacy rights are seriously intruded. On one side, hackers pose the risk of false transactions (i.e. credit

card fraud) leaving both online consumers and companies at great risk while users are intimidated both by hackers and unethical businesses finding out every step that they take on the WWW and matching this data with the unauthorized information they can easily collect about participants of the cyber world (Gray, 1996). There are apparently no laws and regulations about the crimes that take place on this medium. As Umbaugh (1996) notes, there is no governing body and handshake standards are used which can work only as long as users have an implicit agreement to cooperate and show respect for one another. One should not be mistaken to think that individuals are the only party at risk. As Dufour (1999) openly states few organizations have a network security plan and they keep their shop or building unlocked all the time leaving anybody a few key strokes away from their corporate jewels.

There are two types of personal information that are exposed to privacy intrusions on the online world: static private information, which are unchanging personal details (i.e. name, race, religion, etc.), and dynamic personal information such as Internet surfing history and content. This information may be exposed to improper access, collection, monitoring, analysis, and transfer, and storage (Wang et al., 1998). As Hoffman et al. (1999) has similarly stated this hinders online shopping activities to a great extent (The Economist, 1995) because individuals fear giving away personal information that may be used for data mining and warehousing opportunities and to track the consumer's online adventure in an unauthorized and unethical manner. For example, by a method called "computer matching" manager who have access to several large databases match data about an individual from various sources to draw a detailed profile (Bloom et al., 1994).

The reason such a lawless and unpoliceable environment has blossomed is that

the Internet was not originally intended to become what it is today. Actually, as it was built for the purpose of being able to share as much information as possible at the outset, measures to protect undesired information flows were not considered at all (Paul, 1996).

Of course, there have been and still are numerous attempts to overcome this problem. An important place has been given to the availability and details of such techniques in the literature. The most commonly cited protection method is encryption, which means "the transformation of data into a form unreadable by anyone without a secret decryption key". In other words, the digital form of online information is scrambled in such a way that only the intended receiver is able to translate this information. There are examples of special software that enables the usage of this system such as Mosaic, which is the translating program used by Netscape Corporation for its software (ComputerWorld, 1994 c.f. Paul, 1996). This system is suitable especially for transmitting credit card information (Deighton, 1996). Another such security system is called "firewall". Firewalls help control who gets into or out of a particular network (Hormozi et al., 1998), thereby, preventing hackers from collecting unsolicited information by breaking into regions that they are not authorized to enter. Still another tool that helps individuals to surf the Web comfortably is the Anonymizer which ensures that requests to Web sites cannot be linked to an IP address from which a user can be identified (Cranor, 1999). A final method that we will touch upon is the utilization of crowds, which work by collecting Web users into a geographically diverse group and performing Web transactions on behalf of these members (Reiter and Rubin, 1998). But Meeks (1999) questions the current applicability of these methods. He states that he has never sent an encrypted message, nor received one and he believes that he is not alone. This

dictates the importance of the diffusion and the widespread utilization of these systems in order to achieve a totally secure environment on the Internet.

Finally, we would like to point out the possible measures and precautions that can be taken by different parties to achieve the ultimate goal of security on the Internet. Governments can promote strong privacy laws for both the public and private sectors while businesses promote self-regulation for fair information practices and individuals adopt privacy enhancing technologies such as the tools described in this section (Wang et al., 1998). Companies can forewarn customers about the information that will be collected about them and offer the choice of choosing to have that data remain unavailable to third parties. Furthermore, they should be given the right to inspect the information that on-line vendors have collected about them (Kiely, 1997).

Actually, the AMA Code of Ethics for Marketing on the Internet (2001) summarizes these issues in a very clear format. They state the five basic rules of professional conduct of Internet marketing activities as: supporting of professional ethics to avoid harm by protecting the rights of privacy, ownership, and access; adherence to all applicable laws and regulations with no use of Internet marketing that would be illegal, if conducted by mail, telephone, fax or other media; awareness of changes in regulations related to Internet marketing; effective communication to organizational members on risks and policies related to Internet marketing, when appropriate; and organizational commitment to ethical Internet practices communicated to employees, customers and relevant stakeholders.

A notable study handling the issue of Internet ethics from various perspectives is that of Bush et al. (2000). They have sampled a large number of marketing executives regarding their perceptions of the regulation of the Internet, the potential

ethical issues facing the industry and the role of ethics and Internet marketing in their organization. The results show that the ethical issues marketers have considered are as follows in the order of the importance attributed to each: security of transactions, illegal activity (fraud, hacking, etc.), privacy, honesty/truthfulness, judged by the same standard as other media, pornography, product warranty, plagiarism, targeting children, unsolicited e-mail, and false advertising.

This list shows that the ethical and regulatory issues involving the world of Internet marketing are numerous and the abundance of such factors creates a great disadvantage on behalf of marketers who want to carry their business to the cyber environment.

2.2.10.3 Database Marketing and Customer Relationship Management

Following from the previous section, we would like to start by noting that not all information collected by firms from the Web is unauthorized. Data can be collected through professional marketing research (Weiss et al., 1998) or through voluntary provision by consumers. Such information can be used to improve market knowledge, response capabilities, persuasive communications, and strategy selection (Bloom et al., 1994). At this point, the advantage of the Internet for providing rich, large, and various information about customers in order to build a database emerges. This is a very important issue because databases are central to the company's marketing activities if its corporate strategy embraces customization or customerization (Cooke, 1994). By making use of the information building up in their databases, online marketers may understand the particular needs of their customers and find the option that best fits those needs (Day and Montgomery, 1999).

After this objective is achieved, building and keeping successful relationships

with customers that marketers have never come face-to-face becomes much easier. As Kara and Kaynak (1997) state, relationship marketing is based on identifying, building, and continuously updating a database to store relevant information about customers, which can easily be done on the Internet.

Examples of successful stories about customer relationships abound in the literature. A very striking example comes from Amazon where John Updike wrote the first installment of a story and 45 individuals carried it up until he wrote the last paragraph (Chiagouris, 2000). This was a very fun experience through which Amazon got to know 45 potential customers and entertained them. Another successful experience is from Yahoo! Which gives the chance to personalize the Internet experience but at the cost of giving away certain personal details (Chiagouris, 2000).

In short, current applications of marketing such as CRM or database marketing have begun to attain their special places in the Internet marketing literature. As McCune (2000) also states, the virtual market is another medium to provide a phone number and bring people closer to companies. No wonder why books named "customers.com" (Seybold, 1998) or "Loyalty.com: Customer Relationship Management in the New Era of Electronic Marketing" (Newell, 2000) are written these days.

2.2.10.4 The Anti-Socialization Issue

"One inescapable factor that will balance out the losses of the department store is shopping as a form of entertainment. Home shopping systems are likely to add to the alienation that modern consumers already feel. Shopping has always provided a scene for social exchange. Stores and shopping centers that are able to play up their value as a meeting and entertainment place will be more able to protect their share of

the market." This statement quoted from Flynn (1996) touches upon one of the most important concerns of Internet marketers. As Mick and Fournier (1998) have pointed out in their study, one of the paradoxes of technology is that it creates isolation while assimilating people with a different world. Similarly, Gray (1996) has argued that virtual communities weaken social bonds and Wortman (1999) has clearly stated that relationships cannot be built without personal contact because robots don't act as consumer activists. He further claims that such a depersonalized environment affects marketers' ability to compete and sell products and that while salespeople are getting better connected to the world via new technology, they are also at the risk of becoming isolated from their customers in new ways (Wortman, 1999).

One of the important studies that have succeeded to measure the effects of this development is conducted by Forman and Sriram (1991) quite long ago. They have introduced the concepts of SSE (Shopping as a Social Experience) and PDS (Perceived Depersonalization of the Shopping Experience) into the literature. They have found out that, as stated very long ago by Tauber (1972) in his study about identifying the basic reasons of why people shop, a very important motive is "social experience outside the home". The results simply show that people have a negative attitude toward the depersonalization of the shopping experience.

In short, as Wortman (1999) states in his relevant study, new technologies both help and hurt us. The development of a virtual market with virtual relationships and virtual communities has come at the cost of an anti-social shopping experience.

2.2.11. The Internet Marketing Mix and the Online Purchasing Process

There are various studies pondering over the elements of the Internet marketing mix and how consumer decision making processes are conducted online.

Examples having a relevance to this title will be handled in the coming sections.

2.2.11.1 Product

In this section of the study, we will review the literature pertaining to the elements of the marketing mix within the online context. As for the "product" element, one of the most commonly held issues in the Internet marketing literature is typologies or categorizations of products and services with respect to their suitability for being marketed online. The studies handling this point are abundant.

Actually, this issue has concerned marketers ever since the first signs of the introduction and diffusion of non-store marketing methods. Rosenberg and Hirschmann (1980) have projected that people will continue to shop in different ways for different goods and services. While consumers pressed for time will use non-store shopping methods for staple goods such as groceries, they have expected others to turn to it for expensive specialty items. On the other hand, Quelch and Takeuchi (1985) have argued that expensive, heavy, fragile or bulky items such as stereo equipment, products that may be needed for immediate purposes like health remedies or perishables like groceries would not lend themselves to nonstore marketing formats whereas product groups like collectibles represent a promising market.

Looking at the more current studies in the literature, we can see that the issue of product suitability is a major concern about the development of Internet marketing. As Dumiak (2000) says, a lot of people are working to find out what the next big idea on the Internet can be as all sectors apparently do not carry the same potential. Lin (1997) argues that success on the online world depends on concentrating toward knowledge and service based activities more than manufacturing or production

services. Choudhury et al. (1998) stress the importance of preferring products that are low in asset specificity and complexity of description as an important criterion. Other attempts categorize products according to their information-intensiveness as a measure of suitability. Palmer and Griffith (1998) assert that low-information intensive products and services such as cigarettes, food, and utilities are at a disadvantage compared to information-intensive market offerings such as insurance. Watson et al. (2000) have also considered information intensity as a major determinant of suitability for online marketing as well as Rao et al. (1998) who argue that industries where products and services can be digitized, the Internet serves as a suitable medium for information, sales, distribution, and delivery. Wadsworth (1997) has put is still another way by saying that standardized products for which retailers can provide little value-added like books, software, supermarket items, pharmacy etc. are at a significant advantage against purchases where retailer-value-added is important like in the case of buying a piece of furniture. Quelch and Klein (1996) provide empirical evidence supporting this point. They state that 64% of online purchases consist of software, books, hardware, music, and magazines and that 60% of all purchases are under $50.

Among all the attempts made to differentiate the propensities of different product and service groups for being marketed on the Internet, we have found two typologies worthy of notice. One of them is the convenience, shopping, and specialty goods categorization used in a few studies while another is the distinction between search and experience goods. Alba et al. (1997) have concluded that search goods are more amenable to electronic retailing as direct experience is not required whereas merchandise purchased on the basis of experience attributes will continue to be dominantly purchased in stores. As for the other typology, Li and Gery (2000), have

provided a useful summary of the suitability attributed to each product type on the Internet market:

Figure 2.3 – E-Tailing Suitability of Different Product Categories

	Convenience Goods	Shopping Goods		Specialty Goods
		Homogenous	Heterogenous	
E-tailing suitability	Low	High	Moderate	Low

Source: Li, Z.G. and N. Gery (2000), "E-tailing – For All Products?", Business Horizons, vol.43, iss.6, p.52

They claim that convenience goods such as staples, impulse items or emergency items and specialty goods promoted through close, personalized service and first-class shopping experience are not suitable for online marketing. May (1989) agrees by saying that high-fashion apparel, one-of-a-kind merchandise (i.e. fine jewellery or a wedding dress), new or markedly different merchandise (i.e. PC, furniture for the first baby), and infrequently purchased high-ticket items (i.e. furniture, carpeting) will not find easy places for themselves on the WWW market. However, they attribute a high level of suitability to homogenous shopping goods that are largely similar in features and quality and exemplify them with books, CDs or airline tickets. As for heterogenous goods, which carry differences in terms of features, functions, price, style, warranties, service, etc., authors have found the Internet to be at a medium level of convenience for marketing and shopping purposes. The statistics about the top 10 shopping sites by reach as of Fall 1999, and the online consumer sales for the first six months of 1998 confirm this argument. The information provided by the Rosen and Howard (2000) study and the Goolsbee (1999) study respectively present two important pieces of data:

Table 2.5 – Popular Web Sites

Rank	Site	Product Type
1	Amazon.com	Books, music, gifts
2	Ebay.com	Auctions
3	Etoys.com	Toys, gifts
4	Barnes&Noble.com	Books, music, gifts
5	Toys'R'Us	Toys, gifts
6	Buy.com	Computers, books, music, games
7	CDNow.com	Music
8	E-greetings	Greeting cards
9	Expedia	Travel
10	Travelocity	Travel

Source: Media Metrix c.f. Rosen and Howard (2000), "E-Retail: Gold Rush or Fool's Gold?", California Management Review, vol.42, iss.3, p.86

Table 2.6 – Distribution of Electronic Commerce Volume Among Sectors

Sector	Amount (in million $)
Computer goods	1,510
Financial services	1,429
Auctions	898
Travel	848
Books and entertainment	366
Gifts	138
Consumer goods	138
Apparel	92
Food and wine	67
Automotive	28
Home and garden	27
Total	5,541

Source: BCG c.f. Goolsbee (1999), "Evaluating the Costs and Benefits of Taxing Internet Commerce", National Tax Journal, vol.52, iss.3, p.416

At this point, it is useful to summarize the most important factors that come into the consideration sets of consumers before choosing the medium for making a purchase. Rosen and Howard (2000) have compiled a successful list consisting of: tactility, the importance and pleasantness of in-store experience, customization, personal nature, high margin, cost of delivery, importance of instant gratification, standardization, price sensitivity, gift orientation, and information intensiveness.

Frequency of purchase, tangibility, informational vs. physical value, and differentiation potential are the major factors that Peterson et al. (1997) have used in grouping goods and services according to their online shopping suitability.

Before concluding this section, it is important to note that no product or service is totally out of consideration in terms of being marketed on the Net. We can only put various categories at different levels of advantage on a continuum, but extreme or surprising examples do and will always exist like the popularity of online auctions for second hand automobiles in Japan (Lee, 1998) or the success some real estate companies like realton.com have reached on the Web (Hunt, 1999). Plus, although some products or services may not be suitable for complete sales and delivery, they may make use of the Internet for more limited purpose like physicians utilizing the Internet for exchanging medical information between doctors' offices, hospitals, and insurance companies. Some even recommended the Internet to patients for receiving medical advice (Eder and Darter, 1998).

In short, it is obvious and reasonable that no medium carries an absolute potential for being preferred for any sort of purchase whatsoever. Just like the differences that exist between specialty stores and direct mail or discount stores and catalog shopping, the cyber market is found suitable for some purchases whereas it lacks suitability for others. A consideration of which goods and services may be more prone to online marketing may also be assessed after going over the major advantages and disadvantages that we will provide in this section and by assessing the importance of each pro or con in the purchase of a specific item.

Another important subtitle falling under the product element is the issue of "branding on the Internet". There are conflicting views about this issue. While Flynn (1996) argues that brand recognition is important in the online market in terms of

locating desired products or services easily, Gallaugher (1999) seems to counterargue that brand strength is less important for online firms. However, his own study shows that brands supply three important functions vital for Internet businesses: lowering search costs, building trust, and communicating quality. Degeratu et al. (2000) summarizes this issue quite well. Brand names become more important in some categories on the online market but not in others depending on the extent of information available to consumers. Brand names are more valuable when information on fewer attributes is available online. Seybold (2000) asserts that building and sustaining a brand presence that delivers consistent value, resonates with the customer, and keeps her coming back is a very important issue that e-marketers should understand. Once this is achieved there is no reason for online marketers to fail in building online brand communities consisting of strongly loyal customers engaging in discussions, question-answer sessions or any kind of interactive communication that strengthens their loyalty even further (McWilliam, 2000).

Abbott et al. (1999) have constructed a very successful model about the determinants of loyalty on the online environment. They have summarized the major factors that precede loyalty as overall store image, latent satisfaction before the first purchase, and manifest satisfaction after the first purchase, all of which are strongly affected from the following attributes: accessibility, information availability, customization/personalization, speed of acquisition, security, atmospherics, service/experiential convenience, price across brands, assortment, and physical presence. Similarly, Chiagouris and Wansley (2000) assert that the Internet has a major advantage against mass media in terms of building brand loyalty because of the opportunity to address individuals in a customized way and create a more strong

personal relationship with him/her.

A final point worth consideration under this subtitle is the issue of global branding. Quelch and Klein (1996) have asserted that a major challenge for MNCs is the management of global brands, corporate names or logos. Companies should not confuse their customers with several Web sites each communicating a different message, format, image, and content. Therefore, most global companies choose to have one homepage where consumers can select a country from a list of available options to go specifically to the information relevant about that branch of the MNC. In short, building a global brand with a consistent online image and message on a worldwide basis is also a very important issue on the Internet.

2.2.11.2 Price

Another element of the marketing mix that is open to discussion within the Internet marketing context is "price". There are not many studies discussing this issue extensively. Therefore, we will briefly go over a few important points that have been considered in the literature.

One of these is the fixed plus the variable price of e-shopping. Liao and Cheung (2001) correctly state that the Internet is a unique shopping environment because it requires an initial fixed cost to become a consumer in this medium. This market participation price consists of computer hardware and software, Internet subscription, and the relevant updating and replacement costs. Another important point is mentioned by Degeratu et al. (2000) who argue that price sensitivity is higher online, but that this is due to online promotions being stronger signals of price discounts. One other important issue is the difficulty of differentiating prices on the WWW, which used to be a very easy and advantageous process for international marketers (Quelch and Klein 1996). A final point worth consideration in this section is the fact

or perception that competition on the Internet environment is strongly price-based because of the intensified effect introduced into this medium with the appearance of price search services such as pricescan.com (Dickson, 2000). Both because of this effect and because of the fact that less sales taxes are imposed on Internet commerce in general (Goolsbee, 1999).

2.2.11.3 Promotion

Another subtitle of the literature is about the various promotional activities performed on the Internet, mainly, online advertising.

First of all, there are studies dealing with the types of online advertising and promotion activities marketers can engage in. One of the most popular forms used commonly are banner ads. However, while they were the most frequently used type of promotional activities until a short time ago, interstitial ads began to take their popularity away to a great extent. The reason for this is that viewers quickly learned to recognize banner ads and to filter them out of their consideration as irrelevant noise as they became more skilled in using the Internet. However, they do not have the chance to skip interstitials as they appear before a page that they have selected to view and last up to ten seconds (http://imarketingsolutions.com/interstitial.htm, 1999). In other words, banner ads are optional whereas interstitials are compulsory. The decline in the interest directed toward banner ads caused a great drop in their effectiveness, too. As Romano (1996) says, those selling ad space are the only ones really making any money. Therefore, companies had to develop more creative promotional methods that were more suitable for the specific characteristics of this environment. One of these is the e-catalogs developed by e-tailers as a more targeted effort. Another example is affiliate marketing. This is a partnership program where participating Web sites provide links to a specific e-store for the purchase of a

product and take commissions out of every customer they send. CDNow can be considered to be the inventor of this marketing activity and has built a virtual commissioned sales force out of the successful implementation of this method (Hoffman and Novak, 2000). Of course, we should not forget that company Web sites themselves act as important promotional tools, too. As Levin puts forward in Deighton's (1996) study, Web sites should not be considered as locations where aggressive marketing activities are conducted but also spaces at which all sorts of company information and image is transmitted to the customer. Szymanski and Hise (2000) similarly state that site design is one of the most important factors affecting e-satisfaction. Dufour (1999) adds that the attractiveness and visibility of a company's Web site is one of the most significant communication activities of Web marketing. To achieve this purpose, many hi-tech methods like the 3-D design technology used by BobVila.com are available to Internet marketers (DSN Retailing Today, 2000).

There are studies about the performance of other promotional activities on the WWW, too. Uslu and Bayraktar (2000) have stated that the Internet can be used for public and customer relations very effectively. It is especially a very effective PR environment where companies can employ all tools of public relations to the utmost extent (Gürel, 2000). They have also stressed the importance of developing new promotional mechanisms, which aim to develop site loyalty similar to the frequent flyer programs of airline companies. Still another marketing activity that is effectively carried out on the online market is sponsoring popular Web sites or portals. In short, it is obvious that the cyberspace carries various opportunities for companies who want to communicate their messages to consumers.

An issue stressed in this part of the literature is that these activities should be integrated with the overall marketing strategies of companies. Integrating Web sites

into conventional marketing campaigns gives companies an edge and it is crucially important that marketers should prefer putting the Internet into their business rather than putting their business on the Internet (McCune, 1998). This medium has the potential to serve various strategic marketing purposes from branding to customer acquisition, from customer service to relationship and database building and should be utilized at the maximum extent to intensify the effects of conventional marketing activities (Sinden, 2001).

If the cyberspace provides such a fertile ground to plant company communications, e-businesses must sure be spending a lot of money as promotional investments in this medium. Figures seem to confirm this expectation. Online advertising more than doubled from $1.9 billion in 1998 to $4.6 billion in 1999 and is expected to hit $24.4 billion by 2004. Total revenue in the communications industry grew 8.1% to $524.7 billion in 1999 and is expected to grow at a 7.8% compound annual rate between 1999 and 2004 reaching $745.8 billion by the end of this period (DSN Retailing Today, 2000). However, Dumiak (2000) argues that figures will show a sudden drop as dollars will begin to flow back to traditional media because of the ineffectiveness of online promotional efforts. This argument does not find many proponents though. Most researchers observe and assert that the cost of promoting and marketing products and services on the Internet are very low when compared with the advertising costs associated with traditional methods (Corbitt, 1996 c.f. Palumbo and Herbig, 1998). Similarly, Verity and Hof (1994) suggest that it is nearly one-fourth less costly to perform direct marketing through the Internet than through conventional channels (Hoffman and Novak, 1996). Furthermore, the Direct Marketing Association reveals that ad-to-sales ratios have nearly doubled for the Internet in the past three years. Approximately, $1,000 spent

for advertising yields $7,000 (Wortman, 1999).

There are studies focusing on the most important characteristics of online advertising and promotion activities, too. Leong et al. (1998) list ability to use attention-getting device, conveying information and detail, stimulating emotions, changing or maintaining attitude, ability to involve the audience, precipitating action, cost to reach target market, creating brand/product/corporate awareness, communicating product/brand image, and communicating corporate image as the ten most important criteria to assess the quality of Web sites. Shepherd and Fell (1995) have focused on incorporating relevant information aimed at specific target audiences, being designed with the advantages and limitations of the electronic medium in mind, being reviewed and update regularly, and including some form of tracking mechanism as the most important factors. Finally, the fact that online advertising can be targeted to specific segments (www.onlineadvertising.com/target1.htm, 1999) and that consumers are free to explore as little or as much of the information as they want, instead of having all of it shoved down their throats (The Economist, 1995) is a very important differentiating characteristics of Internet advertising, too.

A final group of studies falling under this subtitle are those about online metrics, meaning those studies aiming to provide measures of promotional effectiveness. Quelch and Klein (1996) propose Web visitor tracking, that is, automatically collecting data on the paths that visitors travel while in the site, including time spent at each page to be an important measure as well as advertising measurement recording the link through which each Web visitor enters a site. Goodwin (1999) has added click-through rates (CTR), cost per click (CPC), cost per impression (CPI), and return on investment (ROI) as the important criteria marketers can use to

measure their effectiveness. Berthon (1996) also makes a valuable attempt and provides many alternative measures such as contact efficiency, conversion efficiency, retention efficiency, and overall Web site efficiency the details of which we leave aside for now.

In short, online advertising and promotions are very popular research concerns these days, because Internet marketers are trying to discover innovative methods to attract and retain customers on the WWW. Apparently, traditional methods and measures are not directly applicable to the cyber market and it will take some time and plenty of trials before researchers and professionals find out what works best in an environment like this.

2.2.11.4 Place

We have provided a review of the studies about this part of the literature during the discussion about intermediaries, therefore, we see no need to replicate that portion of the study under this subtitle.

2.2.11.5 The Online Purchasing Process

In this section, a review of the studies that touch upon the issue of how different stages of the purchasing process are affected from the appearance and development of online markets will be provided. Peterson et al. (1997) offer a useful trichotomization to assess the suitability of the Internet for different stages of the purchasing process. According to this categorization, the cybermarket is a useful communication intermediary and is very beneficial for the creation and distribution of information to buyers. As a transaction intermediary, it is likely to serve as a substitute but whether it is more advantageous compared to classical methods or not depends on the characteristics of the good in question. Finally, it can serve as a distribution intermediary if the good is based on digital assets.

O'Keefe and Mceachern (1998) list the generic Internet and Web facilities available for each step of the purchasing process. A selection is provided below:

*need recognition: banner advertising on other Web sites, discussions in newsgroups

*information search: Web directories and classifiers, external search engines

*evaluation: discussions in newsgroups, cross-site comparisons

*purchase: electronic cash and virtual banking

*after purchase evaluation: discussions in newsgroups

As we can see from this example, most researchers observe and marketers experience that the information search and alternative evaluation stages are the most popular phases of the purchasing process for being efficiently conducted online. In other words, the Internet is dominated by "window-shoppers" (Oliver, 1999). Therefore, the most important challenge confronting Web marketers today is how to turn surfers into interactors, purchasers, and repeat purchasers (Berthon, 1996).

However, the only reason for the low percentages of online purchasers compared to passive observers in the online market is not consumer reluctance. There are many factors that distract potential customers from becoming actual ones according to a study conducted by BizRate (Harvard Business Review, 2000). The main reasons of abandoning a shopping cart on the virtual market are:

*site does not accept consumer information	6%
*shipping and handling charges are too expensive	24%
*order form asks too much information	3%
*technical error with site	8%
*other	14%

In other words, marketers should reduce the complexity of the buying process and make their ordering and shipping transactions as user-friendly and cheap as possible in order not to lose their customers at the last minute. The nine guidelines provided to consumers as online buying tips by DeEra (2000) point out the most

important points that marketers should pay attention to for turning potential customers into actual ones. Additionally, they must be assured that the seven fundamental requirements of electronic payments are met by the system offered online: reliability, accuracy, privacy/security, safety, accessibility, liquidity, and finality (Glassman, 1996). Only after such an environment is created can we expect the Internet to be fully utilized as an environment where complete shopping experiences take place.

2.2.12 Advantages and Disadvantages of the Internet as a Marketing Environment

In this section, studies or arguments about the characteristics, and the positive and negative aspects of Internet marketing in general will be presented. Although many of the points mentioned here have been discussed in other sections of this study, we found it necessary to provide a compilation of the general profile of this new marketing medium because there are studies that are specifically aimed to assess these factors and they constitute an important portion of the literature. For this purpose, we will shortly touch upon each benefit and drawback of cybermarketing with references from studies that have accommodated these issues.

2.2.12.1 Advantages

- The Internet is a new channel for sales which provides **global access** to a worldwide audience, thereby extending the firm's reach to a great extent (Quelch and Klein, 1996; Senn, 1996, www.alaskaoutdoors.com, 1999).
- It is a channel of **direct communication** between firms and their clients and customers. Therefore, it is a highly interactive and addressable environment with immediate response time and contingency (Deighton, 1997, Alba et al., 1997, Day and Montgomery, 1999; www.alaskaoutdoors.com, 1999).

- It is a gold mine that can inexpensively store, search, organize and disseminate vast amounts of **information** for consumers. This leads to better buying decisions and higher levels of e-satisfaction on behalf of consumers. In response, it has the advantage of collecting and utilizing customer information for database marketing purposes (Burke, 1997; Kannan et al., 1998; Alba et al., 1997; Szymanski and Hise, 2000).
- It includes a **great number of offerings** with an expanded range of products and services and unique merchandise. This intensifies comparative shopping and multiple item sales. (Alba et al., 1997; Quelch and Klein, 1996; Szymanski and Hise, 2000).
- The Internet provides the opportunity to serve **molecular markets** with the endless customization opportunities it possesses (Day and Montgomery, 1999). **Niche products** have the chance to find the necessary critical mass on this medium (Quelch and Klein, 1996).
- It **reduces costs** to a great extent. First of all, inventory costs are decreased with the possibility of utilizing JIT (just-in-time) ordering. The costs of promoting and marketing products and services are also very low compared with advertising and distribution costs associated with traditional methods. It lowers the costs of communication, which is most clearly exemplified by comparing the cost of sending e-mail versus making telephone calls. It eliminates clerical and paperwork, thereby reducing bureaucracy and transaction costs. From the consumer point of view, search costs and the costs of comparative shopping are seriously reduced in this environment. In short, with the utilization of this technology the difference between the market price and the full price of products and services are extensively decreased which results in **lower prices** in general

(The Economist, 1995; Senn, 1996; Corbitt, 1996; Burke, 1997; Alba et al., 1997; Bakos, 1997; Elofson and Robinson, 1998).

- The Internet is a very **convenient shopping** environment. It can economize on time and effort by making it easy to locate merchants, find items, and procure offerings. It eliminates the visit to the supermarket that two thirds of all shoppers dislike. Consumers can perform other activities like cooking, exercise, child care, etc. while shopping. They can avoid crowded parking lots, bad weather, and drive and checkout time, too. It also makes it possible for the sick, the disabled, and the elderly to benefit from the easier shopping experience. Finally, it provides access to different stores and makes it possible to make cross-comparisons easily (Rosenberg and Hirschmann, 1980; Burke, 1997; Alba et al., 1997; Szymanski and Hise, 2000).
- Internet shopping imposes **no time constraints** on the consumer (Peterson et al., 1997).
- For firms, **store location loses importance**. They do not have to spend extra costs on developing a stylish store image in a good region. The shopping environment does not even have to have wide aisles for people to be able to walk through comfortably (Burke, 1997). Furthermore, online marketers can still make use of less costly methods of atmospherics to augment consumers' intentions to browse and revisit Web sites just like they do in the real world (Dailey and Heath, 1999).
- The **perceptual experiences** provided by the virtual market are superior to other forms of media display, such as print ads or billboards. With the inclusion of audio and video techniques, the demonstrative capabilities of the Internet have become much more attractive compared to the other forms.

- The **entry and establishment costs** of a Web site are quite low. While the price of a two-page Web site is $450, the cost increases to $600, $750, and $900 for three, four, and five pages respectively. These figures are incomparably low compared to other forms of promotion and advertising (www. alaskaoutdoors. com, 1999).
- While many arguments are put forth about the erosion Internet caused in terms of the social hedonism derived from shopping, it has created a **unique shopping experience** of its own which is, in many respects, just as entertaining as traditional shopping environments.
- Consumers make **fewer impulse purchases** on the Internet as they go directly to specific product categories, products or brands (Burke, 1997).
- The Internet **educates the consumer**.
- **Advertising on the Internet is customized**. The consumer has access to it voluntarily, and can be exposed to it as much or as little as he likes. He may even alter the content in some cases (The Economist, 1995). Through the unique capabilities of interactivity, consumers can construct their own ad and may feel partial ownership of the result (Schlosser and Shavitt c.f. Schlosser, 1999).
- The Internet **delivers value** rather than only products and services, which triggers the development of long-lasting **relationships** between marketers and consumers (Rao et al., 1998).
- The concerns about security are resolved to a great extent with the development of **encryption technologies**. Through this method, the personal information disseminated into the cyber environment is coded against those who want to have unauthorized access to it (The Economist, 1995; Gray, 1996; Deighton, 1996; www.alaskaoutdoors.com, 1999).

2.2.12.2 Disadvantages

- A major disadvantage of the Internet is that many people still do not have **access** to it, which creates social inequality. Besides, it is expected that the gap between the diffusion rates among different countries will grow further because while PC availability is a measure of a medium level of income for a US family, it requires a high income level for developing countries (Gray, 1996; Peterson et al., 1997; Palumbo and Herbig, 1998).
- While some perceive and define the Internet as an information superhighway, without professional knowledge of how to handle this endless source of information, it may easily turn to a **data junkyard, a data tsunami** or an unwieldy collection of electronic catalogs (Alba et al., 1997; Kannan et al., 1998; Day and Montgomery, 1999).
- The Internet is a very unattractive and unusable environment for those consumers who are highly **technophobic**. The number of these consumers should not be underestimated (Peterson et al., 1997). Therefore, the success of electronic commerce depends on the ease with which customers can shift through the vast amounts of information and place their orders (O'Connor, 1999).
- It is difficult to apply **copyright and trademark laws** on the Internet (Simons, 2000).
- Some think that the Internet provides **too much freedom** of speech (Gray, 1996). It allows for the quick dissemination of information, both false and true (Katz, 1998).
- A very important issue is the subject of **security and privacy**. There are many studies which state that the Internet is an insecure, unreliable, unsafe, totally lawless and unpoliceable environment in which consumer privacy is given away

through improper access, collection, monitoring, analysis, and transfer of personal data. While ID information can easily be accessed by hackers and criminals, consumers' navigation activities through the cyberspace can also be followed by certain illegal techniques, which create great consumer reluctance to participate in the Internet marketing environment. Unfortunately, there currently is no central authority and no government that can exercise legal sanctions over it. Although there are techniques such as encryption or anonymizer systems, these have not reached the state of totally eliminating illegal access and use of information over the Internet. At this point in time, consumers have to rely on "handshake standards" while engaging in any kind of purchase activity over the virtual market (Bloom et al., 1994; The Economist, 1995; Gray, 1996; Umbaugh, 1996; Hofacker, 1996; Palumbo and Herbig, 1998; Dufour, 1998; Wang et al., 1998; Cranor, 1999; Meeks, 1999; Day and Montgomery, 1999).

- The Internet market is not a suitable environment to promote and sell all kinds of **products and services**. There have been some attempts to classify offerings according to their suitability to be marketed in the cyberspace that have been discussed earlier in detail.
- The Internet creates and nourishes **inconsistency between real and virtual consumer behavior**. Consumers may do things online that they might never do in any other environment and that they even might regret later. They can swap gender, choose a new date of birth, etc. (Wallace, 1999).
- The problem of **cultural differences** (language, symbol, color, etc.) is also an important point. These, in turn, may create certain political barriers as well. As the English language dominates the WWW currently, consumers who do not speak, read or write this language have a serious disadvantage compared to those

who do (The Economist, 1995; Quelch and Klein, 1996; Gray, 1996; Lin, 1997; Palumbo and Herbig, 1998).

- It is **not possible to distribute goods physically and immediately** on the Internet.
- The perceptual experiences provided in this environment can never be as rich as the opportunity of **personal inspection**.
- The Internet **depersonalizes the shopping experience**. It is associated with increases in loneliness and depression, reductions in family communication, eroding social bonds and less entertainment. It destroys the value the shopping activity itself adds to products and services. It is disappointing in terms of personal customer service, too, as there is no human agent to clarify or interpret product information, answer questions, and discuss problems (Forman and Sriram, 1991; Gray, 1996; Burke, 1997).
- While there are opposing arguments, there are many studies that mention the **difficulties of comparison shopping** or cross-store comparisons on the Internet.
- The WWW is **hard to navigate** which makes it difficult to find specific items.
- Contrary to some arguments, the time and money required to establish a Web presence is high and the **ROI (return on investment) is uncertain**.
- Competitors have easy **access to critical information** about one another (Burke, 1997).
- The environment is **not very profitable** yet as sales are quite low (Deighton, 1996).

Following the discussion about the advantages and disadvantages of the Internet as a marketing environment, an overview of the most notable studies we examined for our literature review is demonstrated in Table 2.7 to conclude this chapter.

Table 2.7 - AN OVERVIEW OF THE LITERATURE:
A Quick Look at Some of the Most Notable Studies about Internet Marketing

Author	Title	Variables/Content	Findings/Results
Li and Gery (2000)	E-tailing – For All Products?	*a comparison of online and in-store shopping *determination of e-tailing suitability based on product categories	*convenience and specialty goods carry low suitability while heterogenous shopping goods are moderately suitable and homogenous shopping goods are highly suitable
Alba et al. (1997)	Interactive Home Shopping: Consumer, Retailer, and Manufacturer Incentives to Participate in Electronic Marketplaces	*dimensions of interactivity *the inconvenient side of comparative shopping on the Internet *filtered vs. unfiltered product information, information bombardment and difficulty of decision making on the Internet *introduction of a new system of shopping called IHS, customized comparative shopping	*the Internet has various disadvantages such as infinite variety making comparative shopping a difficult task, a dis-intermediated but overcrowded shopping environment, and unfiltered information *IHS provides the opportunity to filter through the available options according to personal specifications and combine the advantages of interactive comparative shopping with personalized search options
Hoffman and Novak (1996)	Marketing in Hypermedia Computer-Mediated Environments: Conceptual Foundations	*comparison of hypermedia environments with traditional media *various communication models between firms and consumers *characteristics of various media in comparison with the WWW *the "flow" construct *navigation behavior of consumers *person vs. machine interactivity	*consumers may exhibit goal-directed or experiential navigation behavior on the WWW depending on search purposes *the new communication model for hypermedia CMEs is a many-to many model with machine interactivity vs. the one-to-one models with person interactivity
Bloom et al (1994)	Avoiding Misuse of New Information Technologies: Legal and Societal Considerations	*marketers' use of information *purposes of utilizing information technologies *methods to prevent unauthorized collection and usage of information	*the misuse of the information transmitted, stores, sorted and transformed by marketers can damage reputation and relationships *information technologies can be used to improve market knowledge, response capabilities, persuasive communications, and strategy selection *"computer matching" and "caller ID" methods are useful for protecting private information

Author	Title	Variables/Content	Findings/Results
Burke (1996)	Virtual Shopping: Breakthrough in Marketing Research	*pros and cons of the traditional test market, controlled field experiment, questionnaires, surveys, focus groups *the introduction of a new marketing research technique called virtual-shop simulation	*virtual shopping simulation can duplicate an actual market, the level of complexity and variety are realistic, setting up and altering tests can happen quickly, production costs are low, simulation is flexible
Choudhury et al. (1998)	Uses and Consequences of Electronic Markets	*scope of firm activities that can be conducted on electronic markets *type of products suitable for electronic markets *the impact of electronic markets on price *the impact of electronic markets on intermediation *the impact of electronic markets on inventory levels	*firms can identify potential trading partners, selection of price information and comparison, execution of transactions *products low in asset specificity and complexity of description are more suitable *prices are lowered in commodity markets and markets with differentiated products as a result of abundant price information *usage of brokers are reduced *inventory levels are lowered
Forman and Sriram (1991)	The Depersonalization of Retailing: Its Impact on the Lonely Consumer	*the importance of the social side of shopping *SSE: Shopping as a Social Experience *PDS: Perceived Depersonalizations of the Shopping Experience *APD: Attitude Toward Perceived Depersonalization	*consumers believe that the shopping experience is depersonalized and they have a significantly negative attitude toward this development
Degeratu et al. (2000)	Consumer Choice Behavior in Online and Traditional Supermarkets: The Effects of Brand Name, Price and Other Search Attributes	*the value of brand names in online vs. traditional markets *which attributes carry higher importance in online decisions	*the value of brand names depends on the extent of information available to consumers, brand names are more valuable when information on other attributes are low *sensory search attributes (i.e. visual cues) have lower impact on online choices compared to factual information
Seybold (2000)	Web Wise	*the importance of brand experience on the Web *important factors about successful customer experiences on the WWW	most important factors: *identify and streamline customer scenarios (empathy) *organize content and provide tools to ease decision making *invest in inventory management, logistics and fulfillment *staff and train call/contact personnel flawlessly *instrument and manage all customer-impacting applications

Author	Title	Variables/Content	Findings/Results
Szymanski and Hise (2000)	e-satisfaction: An Initial Examination	*convenience of online shopping *assortment *rich information *site design *security of financial transactions	most important factors about online shopping are: convenience, information richness, and low complexity in Web sites
Leong et al. (1998)	Comparing the Effectiveness of the Web Site with Traditional Media	*TV, press, radio, magazines, direct mail, telemarketing, point of purchase and outdoor methods are compared with Web sites	most important comparative issues are: attention getting, conveying information and detail, stimulating emotions, changing or maintaining attitude, ability to involve audience, precipitate action, cost to reach target market, create awareness, communicate image
Bush et al. (2000)	Ethics and Marketing on the Internet	*ethical considerations at the society, industry, and organizational levels	most important ethical concerns facing e-marketers: security of transactions, illegal activity, privacy, honesty, truthfulness, judged by the same standards with other media, pornography, product warranty, plagiarism, targeting children, unsolicited e-mail, false advertising
Comor (2000)	Household Consumption of the Internet: Income, Time, and Institutional Contradictions	the impact of income and time on online consumption	*income, purchasing power, and time constraints generally shape online shopping capacity
Liao and Cheung (2001)	Internet-based e-shopping and Consumer Attitudes: An Empirical Study	*factors affecting e-willingness to shop	transaction security, price, shopping experiences, vendor quality, IT education and Internet usage capacity and network speed are the most important factors
Peterson et al. (1997)	Exploring the Implications of the Internet for Consumer Marketing	*characteristics of the Internet *the intermediating functions of the Internet *classification of products and services in terms of their suitability for being marketed over the Internet	*information capacity, interactivity, low costs are the most important characteristics *the Internet can serve as a distribution, transaction and communication intermediary *low-cost, frequently purchased and intangible products are most suitable for online markets (i.e. online newspapers and magazines, stock market quotes, etc.)
Yoffie and Cusumano (1999)	Judo Strategy: The Competitive Dynamics of Internet Time	*the three of elements of successful online competition	*firms need to be "rapid movers", "flexible" and capable to "leverage the weaknesses of online competitors" to be successful

Author	Title	Variables/Content	Findings/Results
O'Rourke (2000)	Shaping Competition on the Internet: Who Owns Product and Pricing Information?	*how close can the Internet bring use to perfect competition	*perfect competition requires the costless exchange of information, no entry and exit barriers, homogenous products – the Internet brings us closer to this state but absolute perfect competition is not possible online
Brynjolfsson and Smith (2000)	Frictionless Commerce? A Comparison of Internet and Conventional Retailers	*the importance price vs. brand image on the Internet	*the study is conducted on books and CDs and the results show that value-added and brand trustworthiness are more important than price even for homogenous shopping goods
Rosen and Howard (2000)	E-Retail: Gold Rush or Fool's Gold?	*advantages of the Internet for consumers and retailers *catalysts and deterrents of e-commerce *criteria for measuring suitability to online marketing	*consumer advantages are price competition, customization, expanded information, increased choice and convenience while retailer advantages are increased market access and information, decreased operating costs
Flynn (1996)	Interactive Retailing	*different forms of interactive retailing *advantages of building an online business *importance of brand recognition *shopping as entertainment	*online services, TV shopping channels, and a newly introduced system called "shopper vision" will become popular in the future *low investment and operating costs is the major advantage of e-business *alienation of consumers is an important problem
Malone et al. (1989)	The Logic of Electronic Markets	*an evolution away from single-source electronic sales channels toward electronic markets that include many suppliers offerings *make vs. buy decisions *advantages of electronic channels	*shopping malls will be an emerging form of marketing in electronic environments *make vs. buy decisions will shift toward buying so vertical integration will decrease *inventory and transaction costs, clerical and paperwork are history
Elfrink et al. (1997)	Internet Marketing: Evidence of a Viable Medium	*reasons for firms to go online	Web sites are used for building and communicating image, utilizing local vs. global opportunities, services, advertising, and raising interest
O'Keefe and Mceachern (1998)	Web-based Customer Decision Support Systems	*five stages of the purchasing process and what can be done for each on the Internet	*need recognition-banners, online discussions *information search – Web directories, search engines *evaluation – discussions in newsgroups, cross site comparisons *purchase – electronic cash and virtual banking *post-purchase evaluation – online discussions

Author	Title	Variables/Content	Findings/Results
Katz (1998)	Struggle in Cyberspace: Fact and Friction on the WWW	*dissemination of information and quality control problems on the WWW	*the amount of resources do not determine audience population anymore *the Internet creates fast spread of false information
Goodwin (1999)	Measuring the Effectiveness of Online Marketing	*measures of online marketing effectiveness	proposed methods: *click-through rates *cost per click *cost per impression *return on investment
Quelch and Klein (1996)	The Internet and International Marketing	*evolutionary paths of a Web site *changing role of intermediaries *external implications	*Web sites' evolution follows: image/product information, information collection/market research, customer support/service, internal support/service *local adaptation and customization are easier on the WWW, niche products can reach more customers on a global basis, global branding opportunities exist, competition is intensified, language and cultural barriers exist
Gray (1996)	The Global Information Infrastructure: From the Internet Toward Worldwide Commerce	*the Internet: its users and applications *Internet services *characteristics of the global information infrastructure	*the Internet can be used to find/learn, talk, work, shop, play, invest, etc. *major tools are e-mail, Telnet, FTP, and the WWW *it is not secure, does not guarantee instant response, has high costs for bandwidth and is unreliable
Palumbo and Herbig (1998)	International Marketing Tool: The Internet	*important issues about adapting international marketing strategies to the WWW environment	*international price, global branding, territory, channel conflict, international distribution, organizational structure, increase of competition and payment means are most important
Mick and Fournier (1998)	Paradoxes of Technology: Consumer Cognizance, Emotions, and Coping Strategies	*the introduction and characteristics of technoculture	the most central paradoxes of technology are: control vs. chaos, new vs. obsolete, competence vs. incompetence, efficiency vs. inefficiency, fulfilling vs. creating needs, assimilation vs. isolation, engaging vs. disengaging
Rao et al. (1998)	Marketing on the Internet	*the global village *characteristics of the online community *the importance of value-added on the WWW	*it serves to deliver value rather than only products and services, it facilitates relationships *Internet consumers are better educated, more demanding, control over the purchasing process

Author	Title	Variables/Content	Findings/Results
Cooper et al. (1996)	Is Electronic Commerce Ready for the Internet ?	*the comparison of traditional and modern communication models	*The old media model: various communication media attack the customer *The Internet Utility Model: consumers use various information sources to reach and select preferred pieces of information
Paul (1996)	Marketing on the Internet	*the history of the Internet *statistical information about the medium *demographics of users *pros and cons	*major advantages are global opportunities, decreased red tape in international business, accessibility, utility, advertisement effectiveness, market research and analysis *major disadvantages are security concerns, high costs for the users, access problems, control concerns
Dickson (2000)	Understanding the Trade Winds: The Global Evolution of Production, Consumption and the Internet	*diffusion technologies *system dynamics	*the Internet can be categorized as a superinnovation in terms of speed, efficiency, and effectiveness but this will reduce diffusion rate
Prakash (1996)	The Internet as a Global Strategic IS Tool	*strategic applications on the Internet *factors affecting diffusion	*the three most important strategic applications are marketing and sales, R&D, and production and inventory management *diffusion of the Internet depends on: environmental, organizational, technological and cultural factors
Muller (1996)	Expanding the Help Desk Through the WWW	*characteristics of the WWW	most influential characteristics are: *dynamic (changes every day), interactive, graphic oriented, distributed to everyone, platform independent
Senn (1996)	Capitalizing on Electronic Commerce	*firm benefits of e-commerce *features of the Internet	*most important firm benefits are: extending the firm's reach, bypassing traditional channels, augmenting traditional markets, boosting service, and advertising *four most conspicuous features of the Internet are: public, global reach, shared ownership, and cost advantages
Lisanti (2000)	Traditional Retailers will dominate the Internet	*the comparison between fully virtual vs. real and virtual firms	*it is argued that pure-play Internet retailers cannot leverage the key fundamentals of retailing as successfully as classical retailers do, therefore, real and virtual firms will dominate Internet retailing

Author	Title	Variables/Content	Findings/Results
Kannan et al. (1998)	Marketing Information on the I-Way	*marketing research on the Internet	*both primary and secondary research can be conducted: online focus groups, chat rooms, bulletin boards, panels, discussion groups can be used to conduct primary research while published data and online databases can be used for secondary purposes
Kara and Kaynak (1997)	Markets of Single Customer: Exploiting Conceptual Developments in Market Segmentation	*database marketing *niche marketing *relationship marketing *mass customization *segmentation	*finer segmentation consisting of niche markets of one exist in newly developing environments; this can also be called personalized segmentation *modern marketing carries us to the ultimate satisfaction of individual demands
Erem and Bayraktar (1999)	"The Role and Importance of Internet Marketing in the 21st Century"	*the big 7 of cybermarketing *functions of Web sites *development of Internet marketing in Turkey	*brand consciousness and loyalty, direct response promotions, consumer education, product display and distribution, PR, research and development, service and support functions represent the most common functions of the cybermarket *Web sites can be used for building recognition or selling offerings – it is not a selling environment, it is a marketing tool *Turkey is at a very preliminary stage in terms of using Internet marketing opportunities but it is a very promising market
Shepherd and Fell (1995)	Marketing on the Internet	*characteristics of a successful online promotion strategy	successful online promotions should: *incorporate relevant information aimed at specific audiences, be designed with the pros and cons of the electronic market in mind, be reviewed and updated regularly, include tracking mechanisms
McWilliam (2000)	Building Stronger Brands Through Online Communities	*the opportunities of online communities *reasons for the survival of successful online communities	online communities enhance brand recognition and loyalty by: *attracting brand-conscious members to the site *keeping the number of members at an adequate level to trigger exchange of brand-based information *contain links to relevant sites *encourage active participation

Author	Title	Variables/Content	Findings/Results
Wang et al. (1998)	Consumer Privacy Concerns About Internet Marketing	*types of information transferred via the Internet *possible uses or misuses of consumer information	*both static and dynamic personal information passes through online communication lines *both types of information can be improperly accessed, acquired, collected, monitored, stored and distributed
Cranor (1999)	Internet Privacy	*methods to protect privacy	*Anonymizers" and "crowds" can be used to protect privacy to a great extent but the problem with both methods is that they are not communicated to consumers, therefore, consumer reluctance to participate in online shopping continues
Deighton (1996)	The Future of Interactive Marketing	*the evolution vs. revolution discussion *the importance and uses of interactivity *statistical facts about the diffusion of the Internet	*the revolution perspective is emphasized *interactivity contains two characteristics: ability to address an individual, ability gather and remember the response of that individual; the second item will create the revolution
Palmer and Griffith (1998)	An Emerging Model of Web Site Design for Marketing	*transaction value enhancement *new competitive paradigms *friction-free capitalism	the five most important characteristics of a successful Web site: multimedia use, site navigability, promotional activities, sales and delivery, product support
Elofson and Robinson (1998)	Creating a Custom Mass-Production Channel on the Internet	*The CMP Framework	this framework depends on: *finding like-minded buyers *deciding on product characteristics acceptable to the group and *seeking and negotiating with suppliers
Sullivan (1999)	What are the Functions of Corporate Home Pages?	*the major functions of corporate home pages	corporate Web sites can be used as: gatekeepers, information sources, image-creating tools, marketing, electronic commerce, communication, and research
May (1989)	A Retail Odyssey	*the substitution vs. complementation effect of non-store shopping	complementation will never turn to substitution because in-store shopping accommodates: *touching and feeling the merchandise *viewing wide varieties *receiving support from personnel *comparing prices *social interaction *entertainment *instant gratification

Author	Title	Variables/Content	Findings/Results
Achenbaum (1999)	Retail Stores, not E-Commerce, will Dominate	*the substitution vs. the complementation debate	**the Internet is much more valuable for exchanges within institutions like academia, military, and business, too, but it is not a good transaction medium *the power of retail stores: distinctive identity, personality, face-to-face service, merchandising, ambiance, person-to-person interaction, convenient locations and hours
Chaigouris and Wansley (2000)	Branding on the Internet	*the difference between and Internet brand and a traditional brand	*the Internet has the advantages of building easy awareness, engaging in totally personalized relationships, voluntary relationships, motivation to purchase
Wortman (1999)	Selling on the Web: Are Robots Up to the Task	*a depersonalized shopping environment *transactional convenience	*the Web is a suitable environment for exchanging technical information with customers but relationships cannot be fully personalized without face-to-face interaction
Hoffman and Novak (2000)	How to Acquire Customers on the Web	*customer acquisition challenges on the WWW	* new and emerging forms of marketing communications are appearing on the Web in order to enhance customer acquisition; the most notable and current example is "affiliate marketing" which is shortly building as large a network as possible through relevant Web sites on the WWW
Carr (2000)	Hypermediation: Commerce as Clickstream	*the new face of intermediation on the Internet	*Disintermediation on the Internet is only a myth. The emerging trend is hypermediation. New types of intermediaries are emerging. The Internet will become so intermediated that profits will come from clicks rather than sales in the future.
Glassman (1996)	Electronic Payments: New Questions, Few Answers	*fundamental requirements for successful electronic transactions	most important requirements of electronic payments are: reliability, accuracy, privacy/security, safety, accessibility, liquidity, and finality
Christensen and Tedlow (2000)	Patterns of Disruption in Retailing	*four missions of retailing *major disruptions in retailing *disruptive vs. sustaining technologies	*Four major missions of retailing on the WWW: right product, place, and price. The problem is with "right time". *Suitability of products depend on need immediacy and importance of experimenting

Author	Title	Variables/Content	Findings/Results
McCune (1999)	Boon or Burden?	*business vs. consumer marketing *uses of the Internet for consumer marketing	*businesses are more active and advantageous *The Internet can be used for any stage of marketing communications from building awareness to the finalization of a purchase
Watson et al. (2000)	Integrated Internet Marketing	*important points firms should consider before building an Internet presence	*the two most important points firms should consider before building a Web presence are the number of existing and potential customers on the WWW and the information intensity of a company's products or services
Biçkes (2000)	Electronic Commerce	*evolution of electronic commerce *major tools and users *the new system dynamics introduced by the Internet *the profile of Turkish online consumers	*the major advantages of the Internet are low advertising, delivery, and production costs, improved marketing strategies, advantages for small businesses, availability of various new markets, close interaction with customers *the major disadvantages of the Internet are financial and legal constraints
Wadsworth (1997)	Cyber Malling: A Retail Death Sentence?	*comparison between statistical facts about real and virtual markets *standardized vs. customized products *advantageous and suitable sectors	*standardized products for which retailers can provide little value-added are easier to sell online *no inventory and shelf space limitations, no staff salaries, overhead, maintenance costs *no hedonism of shopping – important drawback
Gallaugher (1999)	Challenging the New Conventional Wisdom of Net Commerce	*the factors online firms should attribute the highest importance to	*least important factors for online businesses are: brand strength, scale economies, size, intermediation

III. THEORETICAL FRAMEWORK

In this part of the study, we will provide a theoretical model which contains a comprehensive collection of variables that are expected to influence consumer perceptions, attitudes, and behavior in the Internet market. First, we will discuss each component of the model and each variable included in order to define how they may affect online consumer attitudes and behavior in general. However, we have not included all of these variables in the model designed for the empirical part of the study. In other words, this dissertation proposes two models: one for theoretical discussion and a second one derived out of this for empirical purposes. To avoid misunderstandings, we will refer to the first model as the "theoretical" one and the second as the "tested" one.

After discussing all of the components and variables in the theoretical model, we will demonstrate our tested model. The selection of the variables has been performed based on a definition of a specific focus for this dissertation and certain measurement constraints. However, before presenting the components and variables of the theoretical model in detail, we found it necessary to clarify the basic idea that lies at the core of its formation.

It is theorized that four main components should exist in a model that aims to explain the consumer-Internet encounter. These are:

The Consumer: The characteristics of the consumer that are expected to exert a direct or indirect influence on the encounter

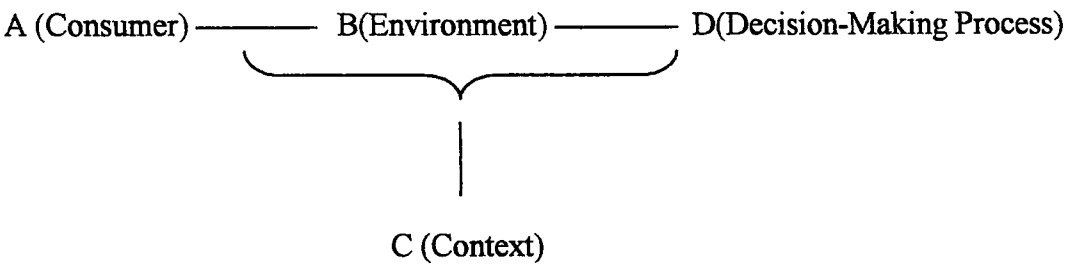
The Environment: The characteristics of the Internet as a marketing environment in general

The Context: Specific contextual factors that mediate the relationship between the consumer and the virtual marketplace

Attitudes and Intentions Toward and Behavior in the Online Market: How the above factors affect consumer attitudes, intentions, and behavior in the online market

To make the idea clearer, the relationship formulated between these four dimensions can simply be depicted as:

Figure 3.1 – Components of the Theoretical Model



After explaining the core idea behind the creation of our model, it is now time to present each dimension in detail by considering which factors and variables fall under each one of them and what kinds of relationships are proposed between those elements. The theoretical model is presented in Figure 3.2.

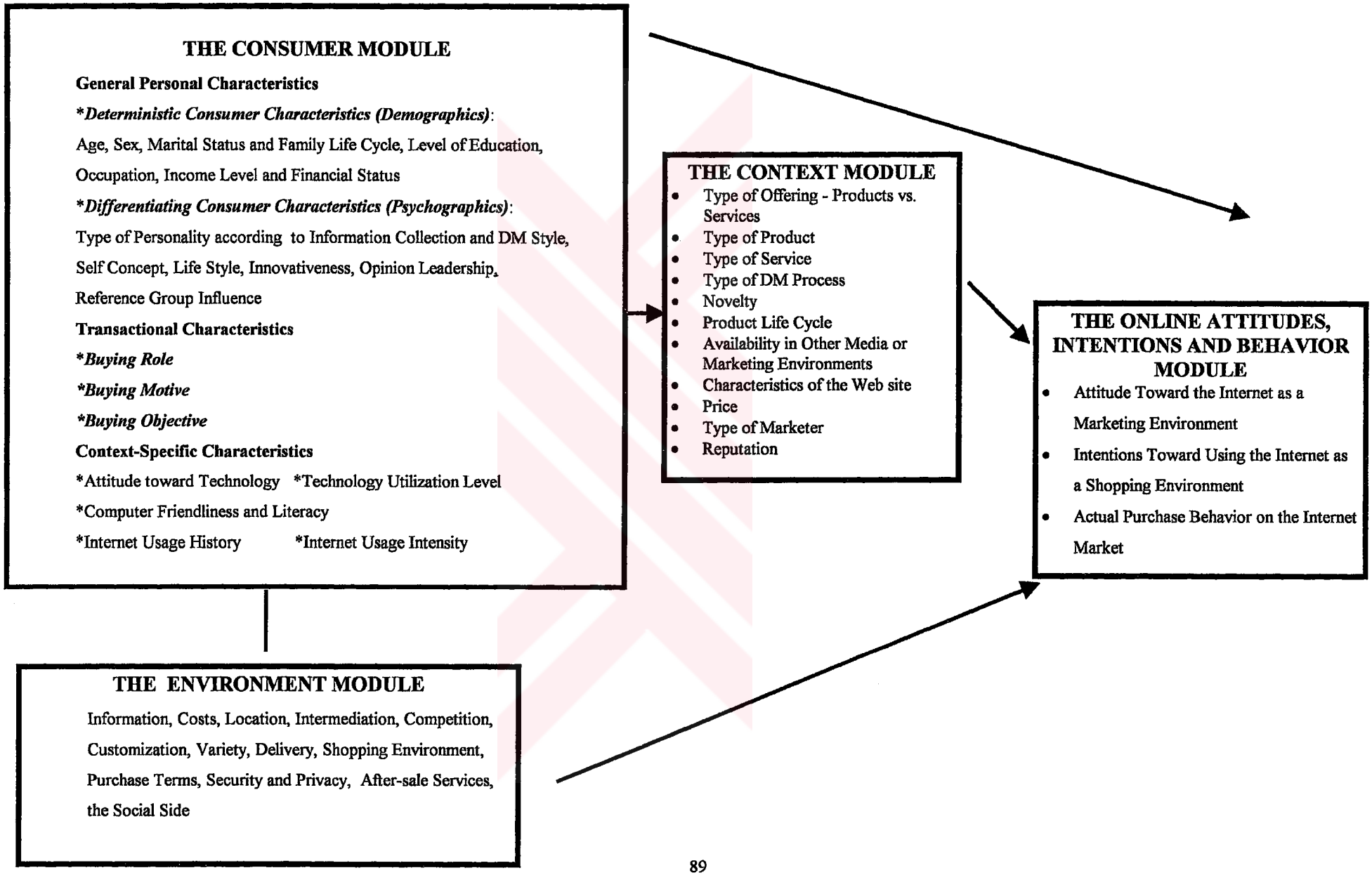
3.1 Module 1: The Consumer

This module includes the various characteristics that may play a direct or indirect role in determining how the consumer responds to and acts toward the Internet as a marketing environment and how this relationship affects his/her final decision making process. For this purpose, we have categorized the characteristics of the consumer as "general", "transactional", and "context-specific" as shown in the model.

3.1.1 General Personal Characteristics

In most studies about consumer research that naturally involve individual sample units, the general personal characteristics of consumers should be expected to influence the propositions and hypotheses of the study, therefore, it is essential to include and measure them.

Figure 3.2 – The Theoretical Model



In this specific study, we include both objective and specifically measurable personal characteristics, which are simply the demographics of the respondents, and the more subjective and less quantifiable characteristics, which are the social, cultural and personality-related elements. To distinguish these two groups of characteristics from one another, we have named them as "deterministic" and "differentiating" with the idea that the first group of characteristics are more static, straightforward and directly identifiable while the latter are more dynamic, abstract and contextual.

3.1.1.1 Deterministic Consumer Characteristics:

In this section the demographic characteristics of consumers are handled in terms of their relevance to the theoretical model.

3.1.1.1.1 ***Age*****:** Although this is one of the demographic variables that are included in almost any research, it has a special importance and relevance in this specific study. Our general expectation is that age will be an important differentiating factor for many of the variables in our tested model. As we will specifically point out in the relevant hypotheses, younger people can be expected to show a greater tendency toward utilizing technology, using the Internet and, therefore, having a more positive attitude toward Internet marketing in general. People, who are exposed to this environment at an earlier stage of their lives, when they are more innovative and open to new ideas and concepts, can be expected to respond more positively toward it.

3.1.1.1.2 ***Sex*****:** Similar to age, sex can also be an important segmentation variable if significant differences are found between the way males and females act toward utilizing technology or responding to marketing activities over the Internet. It is

difficult to find results about gender differences in studies examining the demographic profile of Internet users. However, one study points out that although the environment had begun as overwhelmingly male, this imbalance has left its legacy by now (Wallace, 1999). Of course, it is important to see how valid this result is in our context and whether sex is an important differentiating variable within the scope of this study.

3.1.1.1.3 ***Marital Status*****:** While examining the basic demographics of consumers, it is impossible to ignore marital status. As it is well known that this variable may influence the shopping habits of consumers, it may be expected to play a role in determining the attitudes and the decision making behavior of individuals in the virtual environment, too.

3.1.1.1.4 ***Education Level*****:** One of the results that is consistent in most of the studies about the characteristics of in-home shoppers in general is that these people have a higher level of education compared to those who show a resistance toward using such innovative purchasing habits. Therefore, we found it important to determine how applicable this result is for the context in which our study has been applied. According to the numerous results that mostly show a positive correlation between increasing level of education and attitude toward at-home shopping or shopping over the Internet, the general expectation in this study is also in that direction as will be hypothesized later.

3.1.1.1.5 ***Occupation*****:** There is no well-established factual result about the relationship between a person's occupation and his/her behavior as an Internet consumer. However, if expectations about educational level should prove to be correct, then, as a derived result, this could trigger further expectations that

professionals and people with more managerial or executive positions utilize the Internet more as consumers.

3.1.1.1.6 ***Income Level and Financial Status*****:** Similar to educational status, income level has also been found to be an important distinguishing factor between adopters and non-adopters of innovative shopping techniques as stated before in the literature review section. This can be justified in two ways. One of them is that adopting such technologies requires a certain amount of monetary investment from the outset so income automatically becomes a determinant of adoption. Secondly, the general amount of purchasing activities that people with higher levels of income engage in is greater compared to those with lower income levels. Therefore, consumers with higher income levels can be expected to be stronger adopters of these methods from this perspective, too.

Here, a variable that is usually not common in the demographics sections of surveys has been included under the name of financial status, which means how abundant the economic resources of the consumer are. This factor is essentially important in a study about Internet marketing as this medium requires a virtual flow of money if the consumer wants to finalize a purchase. Therefore, the potential Internet consumer either has to have a personal economic resource to fund such a purchase or must have access to another person's transferable funds.

3.1.1.2 Differentiating Consumer Characteristics:

Personality-related factors are expected to exert a strong influence on the way individuals think, feel and behave as consumers in the Internet environment. Among the numerous factors that could be included under this subtitle, the ones that we assumed to be the most relevant are discussed below.

3.1.1.2.1 Type of Personality Based on Information Collection and Decision Making Style: There are various exemplary studies about this dimension that can be applied to our model. Among the various alternatives, we have selected Karl Jung's (1923) approach where personalities are classified into four groups based on two dimensions. They are categorized as "sensing" and "intuiting" according to how they find out about things and the way they obtain and process information. At the same time they are grouped as "thinking" and "feeling" personalities based on their styles of reaching final decisions. As a result, four personality types emerge with the specific characteristics summarized below:

Sensing-Thinking: These are rational decision makers with a logical and empirical viewpoint and an objective orientation. They have strong economic considerations and will search for a large amount of information before reaching a final decision. They avoid risk to a great extent.

Sensing-Feeling: Although these people also have a high propensity to collect a lot of information before making a decision, they have a more subjective orientation at the point of final decision making. They prefer to benefit from other people's ideas and thoughts before reaching a closure and also share their risk with them.

Intuiting-Thinking: These people rely more on imagination rather than logic in approaching decisions and are willing to take more risk. However, at the final point of making a decision, they weigh the alternatives mentally.

Intuiting-Feeling: These people have a subjective orientation both before and during the decision making process. They have a broad view, consider a wide range of options and other people's ideas to a great extent.

Source: Gould, S.J. (1991), "Jungian Analysis and Psychological Types: An Interpretive Approach to Consumer Choice Behavior", ACR, vol.18, ed. Holman, R.H. and Solomon, M.R., pp.743-748

One of the objectives of the study will be to examine whether Jungian personality types display differences in terms of other variables in the model.

3.1.1.2.2 ***Self-Concept:*** The idea of the self-concept is a well-known construct in the consumer behavior literature in terms of identifying the different motives that lie behind a person's approach toward himself/herself in various situations. Theoretically, it can be expected that people with stronger actual, ideal, and expected self-concepts could be more prone to utilizing the Internet as a shopping environment compared to those with stronger social and ideal social self-concepts. The explanation of this argument is that the Internet is a highly personal medium and any activity conducted on or through this medium refers to the "sole individual" rather than the "individual as a social being". In other words, the Internet is not a strong agent in which people can identify themselves as a social being and therefore, it would not be logical to expect them to use this agent to improve their social self-concepts. However, using this environment for any part of their shopping experiences may be directly or indirectly related to the way they perceive themselves as consumers. We note that we will not include this variable for measurement in our tested model.

3.1.1.2.3 ***Life-Style:*** As a major element of psychographic segmentation, life-style appears to be a relevant variable for the model we propose here. It is expected that the life-styles of people that exhibit varying shopping habits, attitudes, and behavior as consumers are also significantly different from one another and that some life-styles are more suitable to adopt Internet marketing compared to others. Although there have been numerous attempts to categorize life-styles, the one that will be used in this study is the VALS (Values and Life Style) classification created by SRI International. This segmentation attempt categorizes consumers into eight

specific groups with the following differentiating characteristics (Schiffman and Kanuk, 2000):

Experiencers - Young, vital, enthusiastic, impulsive and rebellious people who seek variety and excitement, savoring the new, the offbeat and the risky. Still in the process of formulating life values and patterns of behavior, they quickly become enthusiastic about new possibilities but are equally quick to cool. They have an awe of others' wealth, prestige and power. Their energy finds an outlet in exercise, sports, outdoor recreation, and social activities. They spend much of their income on clothing, fast food, music, movies, etc.

The general profile of this consumer group would be one of the most suitable ones for the Internet market in general. It represents highly innovative people who would adopt this novelty in a rapid manner. These people would see cybermarketing as one of the new varieties and excitements introduced into their lives which they should make use of. As they would prefer to spend their money mostly on personal pleasures, they would be less reluctant to utilize the Internet for shopping purposes.

Actualizers - Successful, sophisticated, active, take-charge people with self-esteem and abundant resources. They are interested in growth and seek to affect the people around them. Image is important to actualizers as an expression of taste, independence, and character. They have a wide range of interests, are concerned with social issues and are open to change. Their lives are characterized by richness and the finer things in life.

For the Internet market, this life-style represents those consumers who would be affected more from the emotional motives behind belonging to the cyberworld. Additionally, the Internet can be useful for such people as they have a higher tendency to follow print media rather than audiovisual media because of the

differences in information content. The cyberspace would serve a dual purpose by providing an even richer content of information while presenting it in a more attractive format.

Fulfilleds - These are mature, satisfied, comfortable and financially above average people who value order, knowledge, and responsibility. They are well-educated, well-informed and alert to opportunities. Their careers and families are very important for them. They are open-minded about new ideas and social change. They are self-assured and practical consumers who are concerned about functionality, value, and durability in the products they buy instead of image or prestige.

This segment would be an attractive one to target for Internet marketers because it consists of consumers with a high level of innovativeness and propensity to follow new ideas and current developments. They also conform to the generally expected demographic profile of the Internet consumer with a high level of education and an above average level of income. However, in contrast to actualizers, they would be expected to show a stronger tendency toward the rational motives behind Internet marketing rather than emotional motives. In other words, they would be interested more in the practicality and functionality of the cyberspace rather than the status and position it would provide them with in their social environments.

Makers - These are practical people who have constructive skills, value self-sufficiency and live in the traditional context of their families and jobs. They are also interested in physical recreation and very domestic activities like fixing things, raising children. They shop for comfort and are unimpressed by luxuries. However, they are conservative and suspicious of new ideas.

Whether makers represent a promising group for Internet marketing is a question mark. These people are not good candidates for utilizing the latest technological

advancements as they are conservative and suspicious of new ideas. However, after the practice of shopping over the Internet diffuses into the lives of consumers to a certain extent, they may be attracted by the convenience and the practicality of the medium to a great extent. In other words, they can be expected to adopt the Internet as a marketplace but not as innovators or early adopters. Rather, they fit more into the late adopters category.

Achievers - These are successful career and work-oriented people who like to feel in control of their lives. They do not value risk a lot. They are deeply committed to their work and families. They value material rewards and prestige. They are self-confident people. Image is important for achievers, too.

As potential Internet consumers, this group represents those that would make use of the environment as a supplement but would continue to conduct their shopping activities in the traditional manner. In other words, they are neither too conservative to ignore the emergence and existence of such a novelty nor as innovative as necessary to utilize it for purchasing purposes, at least until the idea is well-diffused into the lives of consumers in general.

Believers - These are conservative people with beliefs and attachments to traditional institutions such as the family, religious institutions, the nation, etc. They follow rules, both written and moral. Their social lives are modest and predictable. They prefer national products and established brands. Their education and income are also modest but sufficient to meet their needs.

It is not necessary to say that consumers with such a profile are unsuitable candidates for Internet marketing. People belonging to this life-style segment should not be expected to engage in any kind of activity regarding such a novelty until it has diffused so much into the world of marketing that it has become a traditional way of

conducting certain shopping activities. In other words, as an adoption group, they would represent the laggards for Internet marketing.

Strivers - These people seek approval from the world around them. They are quite unsure of themselves and low in terms of economic and social resources. Money defines success for them but they don't have enough of it. They are easily bored and impulsive. Many of them seek to be stylish. They emulate those who have more impressive possessions, but what they wish to obtain is generally beyond their reach. These consumers are not good prospects for the Internet market as they have limited financial resources. While having a PC, being connected to the Internet and shopping over the cybermarket could be an average activity for a person with a high income level, for this group, these are all pure luxuries. However, it is not possible to say that they would not be attracted toward the idea. In contrast, being an Internet consumer could be a matter of image and prestige for them so they would take their chance to engage in cybershopping if and when they have the necessary financial and related resources to do so. However, with their current situation, they cannot be expected to be quick adopters and regular users.

Strugglers - Their lives are constricted. They are not well-educated, are chronically poor and strive to meet their urgent needs. They represent a very modest market for most products and services. They are very cautious. They cannot face the challenge of taking risks at all.

These people represent the consumer group that is the least promising one for the Internet market. They do not have any of the financial and personality-related qualifications required to become an Internet consumer. This novelty is more than unnecessary for them. It is simply out of question.

Based on the above categorization, our general expectation is that experiencers, actualizers, fulfilleds, achievers are suitable consumers for Internet marketing while believers, strugglers, and strivers are currently unsuitable candidates. Makers represent a mediocratic and questionable group.

3.1.1.2.4 ***Locus of Control:*** Locus of control refers to the attitude people develop regarding the extent to which they are in control of their own destinies. If individuals interpret the results of events to be contingent upon their own actions, it is called an internal locus of control. In contrast, if they attribute outside forces as causes of events, they are said to have an external locus of control (Whetten and Cameron, 1998). Our expectation is that people who are more internally locused can be expected to be more innovative and adaptive to changes in general. Anything that may go wrong or unexpected during the adoption process may be handled by the individual. However, for externally locused consumers, we expect a lower level of adoption toward all advancements, including Internet shopping, as they fear unexpected events that are greatly out of their control. The level of risk they perceive in terms of using such an innovative purchasing tool is much higher compared to internally locused consumers according to our expectations.

3.1.1.2.5 ***Innovativeness:*** Innovativeness, as defined by Leavitt and Walton (1988), refers to being open to new experiences and novel stimuli, possessing the ability to transform information about new concepts, ideas, products or services for personal use and having a low threshold for recognizing the potential application of new ideas. This characteristic is strongly relevant in the model we have constructed as the Internet is yet a very novel marketing and shopping environment and there is a natural expectation to find out a positive relationship between the adoption level of this medium by innovative consumers compared to less innovative ones.

3.1.1.2.6 ***Opinion Leadership:*** As a corollary to the innovativeness construct, it is also possible to determine whether people with stronger tendencies to become or behave as opinion leaders exhibit more positive attitudes and behavior toward the Internet as a marketing environment.

3.1.1.2.7 ***Reference Group Influence:*** The importance of this dimension arises from the fact that shopping, buying, and consuming are activities that carry a social aspect to a great extent. Our thoughts, attitudes, decisions, and behavior as consumers are highly affected from our social environment. Therefore, we have found it critical to examine the effect of social interactivity and reference group influence on the consumer-Internet encounter. A reference group is any person or group that serves as a point of comparison (or frame of reference) for an individual in forming either general or specific values, attitudes or behavior (Schiffman and Kanuk, 2000). There are numerous parties that can serve as reference groups for consumers such as family, relatives, friends, neighbors, acquaintances, experts, celebrities, etc. Our objective in this study is to find out whether people who are susceptible to a greater level of reference group influence are different from those with less susceptibility as Internet consumers. Our expectation is that people whose attitudes and behavior are influenced less from reference groups are better candidates for the cyberenvironment.

3.1.2 Transactional Characteristics

In addition to the personal factors stated above, there are various characteristics of the consumer that emerge only when there is a specific purchase in question. These have been named as the "transactional characteristics" of the consumer and they are expected to influence the consumer's specific attitudinal and behavioral

responses to Internet marketing under different contexts. The three main transactional characteristics that have been included in the theoretical model are the buying role, the buying motive and the buying objective. We note that these three variables are not included in the tested model.

3.1.2.1 Buying Role:

Consumers play one or more of the five basic buying roles in a specific decision making process. The role(s) a person plays change according to numerous factors such as who the purchase is being made for, whether the product/service purchased will be consumed personally, by others, or in a joint manner, the type of product/service in consideration, the level of involvement and risk inherent in the purchase, etc. among many others that cannot all be listed here right now. We have found it essential to include this variable in the theoretical model because the buying role(s) a consumer plays in a decision making process determine which stages he/she will be involved in and how strong this involvement will be. This, in turn, will affect that consumer's perception of, attitude toward and usage of the Internet at any stage of the process.

3.1.2.2 Buying Motive:

The buying motives of the consumer can be categorized into two as rational or emotional. These motives can also be expected to play a role in the level of adoption of the Internet as a decision making and purchasing environment. Rational buying motives are more closely related to considerations affecting the full long-run cost of the purchase made. On the other hand, emotional buying motives represent more abstract considerations involving feelings toward the purchase rather than its utility.

The most basic rational motives that can be considered for comparison are price, cost, security and reliability, level of information provided, servicing, payment conditions and delivery terms while the emotional motives that would be relevant for using the Internet as a shopping environment are play and relaxation, self-esteem, pride or ego, imitation or emulation, curiosity or the desire for new experience, desire to be different, satisfaction of the "wise shopper" feeling, and finally, comfort and avoidance of effort. Which group of motives play a more important part of a specific decision making process may be a determinant of whether the Internet will be used for this purchase or not. Our general expectation would be that the online market can be considered more useful and suitable when rational motives dominate a decision compared to situations when emotional motives surpass the rationality of a decision.

3.1.2.3 Buying Objective:

This variable is borrowed from Hoffman and Novak's (1996) study in which they develop a model for computer-mediated hypermedia marketing environments. According to that study, two types of consumer behavior have been identified. "Goal-directed consumer behavior" refers to activities that are guided by specific goals or outcomes while "experiential consumer behavior" consists of the activities that are directed by the process itself. In other words, while goal-directed consumers have a determined result that they want to reach, experientially behaving consumers do not head for a finalization of the process in which they are engaged. The dimensions that characterize each type of behavior are as follows:

Table 3.1 – A Dichotomy of Online Consumer Behavior

Goal-Directed Consumer Behavior	*Experiential Consumer Behavior*
extrinsic motivation	intrinsic motivation
instrumental orientation more intentional and selective	ritualized orientation less intentional and non-selective
situational involvement (pre-purchase search)	enduring involvement (ongoing search)
utilitarian benefits	hedonic benefits
directed search aiming at task completion	nondirected search aiming at building information bank or recreation
Goal-directed choice	navigational choice

Source: Adapted from Hoffman, Donna L. and Thomas P. Novak (1996), "Marketing in Hypermedia Computer-Mediated Environments: Conceptual Foundations", Journal of Marketing, vol.60, July, p.62

According to this classification, it would be more reasonable to expect that experiential consumer behavior will be more common in the Internet environment compared to goal-directed consumer behavior. As the adoption level of this novel environment is yet at quite a low level and as many consumers perceive risks in completing a purchasing process at a virtual and intangible medium, this expectation is not unreasonable.

3.1.3 Context-Specific Characteristics

In determining the relationship between a consumer and the virtual marketplace, it is important to identify whether and how that person uses this environment in general. Therefore, the final category or subtitle of the consumer dimension takes into consideration the consumer's attitudinal and behavioral responses toward utilizing technology in general as well as determining the specifications of this consumer's Internet usage.

3.1.3.1 Attitude toward Technology:

This variable is very important in understanding how "technophobic" the consumer is in general. Our expectation is that there is a positive relationship between a consumer's general attitude toward novel technologies and his/her attitude toward being an Internet user. Therefore, initially, it is necessary to investigate how techno-prone versus techno-phobic the consumer is.

3.1.3.2 Technology Utilization Level:

This element is about how technologically sophisticated various aspects of a person's life in general is. We expect that people who are used to utilizing various technological advancements in their daily lives should be more positive toward and active about using the Internet as a shopping environment.

3.1.3.3 Computer Friendliness and Literacy:

Taking the above arguments one step further, we propose that the level of computer friendliness and literacy a person possesses can also be expected to be an important determinant of how quick he/she will be in terms of adoption the Internet as a shopping environment.

3.1.3.4 Internet Usage History:

Following from the proposed arguments listed above, we believe that the history of a consumer's Internet usage can also be effective on how much online shopping he/she will engage in.

3.1.3.5 Internet Usage Intensity:

As well as Internet usage history, the level of acquaintance with the medium, meaning how extensively it is used by the consumer in general is also an important preceding variable that is expected to affect attitudes toward and behavior in the online market.

3.2 Module 2: The Environment

The second module of the study focuses on the characteristics of the Internet as a marketing environment. We believe that the advantages and the disadvantages of the virtual marketplace are just as important as the characteristics of the consumers who will use them.

3.2.1 Information

The Internet has various advantages and disadvantages in terms of its informational content. Starting with the positive side, first of all, it is one of the richest sources available and contains abundant information about almost any subject. The consumer has the comfort and luxury of asking for as much information as he/she likes. There is no limit to the number of questions that can be asked in this environment while, in a real one, individuals would face various obstacles such as embarrassment, compressing the time of other people or encountering a source that has or contains limited knowledge about an offering. Furthermore, the Internet can increase the scope of a person's informational requirements by presenting more information than asked for and answering questions that the consumer did not even have in mind. Other advantages could be the objectivity, the comprehensiveness, and the comparative characteristics of the information found. For example, a salesperson

can neither be expected to memorize and provide information about the technical details and the prices of 250 different versions of a product nor can he be asked to compare and contrast the offerings of various firms in the marketplace while the Internet has the capacity to perform such tasks. A final advantage that can be noted here is that the Internet has "memory". It has the ability to remember previous purchases, the kinds of payment terms preferred the most or the times of the year that a consumer most frequently purchases a specific product. This is terminologically named as "database marketing" and it is one of the developments that reshape the concept of relationship marketing in the 21st century. For example, once a consumer becomes an amazon.com customer, he/she is referred to with his/her name and presented with new offerings about his/her previous subjects of interest each time a visit to the site takes place.

However, the Internet is not free from certain disadvantages as an information source for consumers. In contrast to the abundance of information, the possibility of not being able to locate the desired piece is always there. There are two possible reasons for this. One reason is that some information is intentionally not provided. For example, some companies use the Internet to present their offerings but give their telephone numbers or other contact information for those who want to make a purchase. In that case, they prefer not to give away the prices of their offerings because of certain strategic or competitive concerns. Another reason is that, it may be very difficult to know exactly where to look for relevant information and how to screen and sort the data load that reaches the consumer in response when he/she asks for some information.

3.2.2 Costs

There are various costs that a consumer incurs during a decision making and purchasing process such as the time, energy, psychic, and monetary costs of making that specific purchase. In terms of the time costs, the Internet is usually perceived to be more advantageous compared to the traditional forms of shopping. It is a store that never closes. The consumer can go shopping any time he/she likes without any time and place constraints. Moreover, the time spent to "go" shopping is totally eliminated with the world's marketplace at your own convenience anywhere you like. For example, a working woman can save an incredible amount of time by ordering her daily needs from the Internet supermarket before leaving work and have them delivered to her right after she comes home.

However, a contrasting perspective should also be taken for the issue of time. The time to complete a transaction over the Internet has certain phases: the time to look for and find the relevant information, plus the time required to make the purchase and, finally, the time required to receive the shipment. So the picture is not always as pink as it seems. Who would like to wait for 3 days for something that can be purchased in a few hours with just a little more effort? Or who would prefer to spend hours to find the right place to shop in the cyberspace when no such time is wasted in the shopping mall? Obviously, both sides of the coin are equally important in the consideration of this aspect.

The energy costs, however, are reduced to a great extent. Normally, a consumer has to spend the energy to go shopping, travel from store to store to compare alternatives and reach a decision, and, hopefully, finalize the process by selecting the best available alternative. This energy is reduced to a great extent as the stores come to the consumer who uses the Internet rather than waiting for him/her, and every

store is only one click away from the other one. Finally, the purchased item or service is delivered to the consumer by the seller so the consumer does not have to spend any effort for this part of the process either. In short, Internet shopping is generally less tiring compared to traditional shopping.

Finally, the monetary costs of products may decrease because of less intermediation and the reduction of the extra costs that are incurred for traditional shopping purposes (i.e. travel costs, parking fees, etc.). However, additional costs may be added to the purchase because of customization requirements and delivery. For example, while a book may cost 50% less on a virtual bookstore, the total price may turn out to be higher when the customer asks for an urgent delivery.

3.2.3 Location

Another advantage of the Internet is that the consumer can visit any store from all around the world as long as it exists in the cyberspace. The environment has a global reach and it brings shopping places to the consumer's feet that would otherwise be either unavailable or very difficult to visit. For example, a collectionist can find numerous stores selling interesting hobby items on the Internet while this individual would not possibly be able to visit these stores physically.

3.2.4 Intermediation

It is well-known and understood that the Internet is a direct marketing and distribution channel that connects producers and consumers without utilizing many intermediaries. This aspect of the medium is advantageous in terms of reducing the extra costs that are added to the retail prices of products by the various intermediaries that it travels through.

3.2.5 Competition

In classical marketing textbooks, the subject of competition always hosts a title called "entry and exit barriers". These are the obstacles that firms face when they want to enter into or exit from a competitive environment. They are usually related to advantages or disadvantages about company size, resources or competitive power in general. However, on the Internet, the rule of the "divine justice" turns into reality for all types of firms. Small-scale companies now do not have to fight with the forces of an unfairly oligopolistic market and be left out of competition because of insufficient capacity and resources. On the other hand, large-scale companies face the challenges of real competition at a global level and they are flanked from all sides with firms from different countries and with various competitive advantages and disadvantages. In short, it takes one Web site to enter the world of Internet marketing which hosts real fair competition.

3.2.6 Customization

The Internet is an environment in which two opposing production methods have been merged. In classical terms, production could either be "mass" or "customized". With the convenience of the cyberspace, these two opposing production systems can now be exercised together under the name of "mass customization" which is "the availability of widely differentiated goods and services so that offerings can be tailored to suit individual demand" (Peterson et al., 1997). As companies do not have to produce mass amounts of standardized products for homogenous markets anymore, they can adapt various specifications of their products and services as a result of the inquiries made by their consumers on the Internet.

Customization does not relate to production only. It can be applied to any element of the marketing mix, especially promotion. While consumers are involuntarily exposed to most forms of mass media, Web site or Internet advertising exposure is highly voluntary. Furthermore, while the information provided in a TV commercial is standard with a standard content, timing and sequence, on the Internet, the consumer can choose to collect the information that is most relevant for him/her at the desired time, at the desired sequence.

3.2.7 Variety

The Internet is the market with the highest brand, product, service and dealer variety in the world. As there is no constraint about shelf space, there is continuous and endless availability for various types of products and services and the different forms, versions, sizes, etc. of these offerings. It is also a very rich medium for novelties and products or services that are very difficult to find otherwise. However, among all these advantages, there is an issue that deserves special attention. Is a high number of offerings always advantageous? What is the marginal difference between being presented with 100 versus 200 different varieties of a product or service? What is meant here is that, the increase in product/service variety may turn out to become a disadvantage rather than an advantage after a point of saturation. The consumer would like to make use of the chance of evaluating a high number of alternatives before choosing one, but this task may become very unpleasant if the number is too high.

3.2.8 Delivery

Most products or services cannot be delivered directly and immediately over the Internet. Only those that can be totally digitized and transferred between computers are suitable for immediate delivery in the cyberspace. Some services can also be distributed in this manner. Therefore, the Internet is not suitable for all types of offerings. It is appropriate only when the purchase has no urgency and when the consumer finds it more convenient to have the product or service delivered rather than going to make the purchase himself.

3.2.9 Shopping Environment

What kind of a shopping environment is the Internet? It sure has its advantages. It is always open but never crowded. There are no parking problems. There is no limit to the amount you can buy other than your financial limits. You can walk from store to store or among aisles for as long as you like. You can ask the same question 50 times to a salesperson who will not be tired of answering you. These are only some of the various characteristics that make the virtual market an advantageous place to shop. However, these benefits are countered with various disadvantages of the Internet that usually pertain to the lack of the social hedonism that classical shopping accommodates. This is one of the intangible characteristics that we will handle a little later.

3.2.10 Purchase terms

Another important experimental characteristic of the Internet is that it requires ownership of or access to a form of transferable funds the most commonly used types of which are credit cards or bank accounts. In other words, consumers who want to

make purchases over the Internet have to have transferable financial resources as stated before in the section about demographics. While there currently seems no other way possible to conduct monetary transactions in the cyberspace, this situation bears various perils that are among the hottest discussion issues about the security and privacy of Internet transactions.

3.2.11 Security and Privacy

As stated above, in order to conduct a specific purchase activity, consumers have to give away confidential information about themselves, the most important of which are their bank account or credit card numbers. Wang et al. (1998) have categorized the personal information that is given away into two groups as "static private information" which includes referential information, historical financial information, health information, personal affiliations and beliefs, and personal documents. On the other hand, the second group, "dynamic personal information" includes activity history and activity content over the Internet. In other words, it is the information about which Web sites the person visits, the frequencies of these visits, and the transactions carried out or the time spent at each contact. With the advances in the technologies that can track all of these records, privacy, solitude, secrecy, and autonomy over the Internet becomes out of question. This leads to the unauthorized collection, disclosure, use and transfer of personal data and this may increase consumers' reluctance to trust in and use the Internet for purchase transactions.

3.2.12 After-sale Services

Another important factor that may come to mind under the heading of experimental characteristics is the availability or, more correctly, unavailability of

the Internet for offering and engaging in after-sale services. In its current state, the cyberspace is a marketing environment in which the relationship between the consumer and the marketer ends at the point a purchase transaction takes place and the delivery is completed. There are, yet, few successful companies who promise or conduct additional after-sales activities for their virtual consumers. Therefore, marketers can gain a very competitive edge if they promise to and do provide additional after-sale services such as technical assistance, informational guidance, repair and maintenance services, etc. after they make a sale in the virtual market. For example, a consumer who wants to purchase a camera on the Internet will be encouraged if the cyber-marketer promises to repair the product within the guarantee period or provide spare parts if necessary. However, if the marketer takes no responsibility on whatsoever other than delivering the offering, the consumer may be more timid about the same purchase because of the possibility of ending up with an unusable, low quality or unexpected product.

3.2.13 The Social Side

This is an issue highly debated among marketing scholars who are interested in the consumer side of Internet marketing. While one of the arguments blame the cyberspace for "technologizing" the lives of consumers at an unacceptable level, others counter this argument by stating that the Internet environment is introducing an alternative type of socialization opportunity that can replace the classical enjoyment of shopping to a great extent.

To put it more clearly, the Internet is blamed to destroy the hedonism of shopping. In this environment, consumers shop alone with no company. However, the cyberspace has entertaining aspects of its own, too. People spend hours

navigating in a virtual world in which they like to experiment the opportunity of visiting stores or finding out about products they have never seen before. In short, marketers can develop a new type of encounter between themselves and their consumers, which can be termed as "techno-social", rather than the classical understanding of "social". Technology should not necessarily be seen as a devil killing interpersonal relationships but rather a modification in the format of the relationships only.

3.3 Module 3: The Context

The third module of the model contains variables that are expected to moderate the relationship between the consumer and the Internet as a marketing environment. There are various contextual factors that are expected to influence the consumer-Internet encounter to a great extent. In this section, these will be examined with discussions about how they may alter the specifications of consumers' attitudes toward and behavior in the virtual marketplace.

3.3.1 Type of Offering – Products vs. Services

Services marketing is accepted to exhibit important differences from product marketing. The four most well-known characteristics that differentiate services from products are intangibility, inseparability, heterogeneity, and perishability. Based on these differences, especially the intangibility aspect of services, which is highly consistent with the virtuality of the Internet environment, the type of offering that is expected to be more suitable for being marketed over the cyberspace are services rather than products in general. For example, when a consumer wants to purchase an insurance policy, he/she will examine the conditions, the advantages and

disadvantages, the price, the payment terms, etc. of the service, which are all intangible aspects. The examination and evaluation of these specifications in the cyber-environment will not be highly different from the way they are conducted in a real marketing environment because the relevant features are just as intangible in both cases. However, in the purchase of a pair of blue-jeans, the difference between the examination and evaluation of the product in a real and a virtual environment is great because there are "experience" factors that enter the scene in a real environment. Therefore, we expect services to be more suitable for being marketed online compared to products in general.

3.3.2 Type of Product

After differentiating between goods and services, we take a further step and distinguish different types of products and services within themselves in order to determine which categories are more suitable for which stage(s) of the decision making and purchasing processes of consumers over the Internet.

Convenience goods are those that the customer usually purchases frequently, immediately, and with minimum effort in comparison and buying. Shopping goods, on the other hand, are those that the customer compares on such bases as suitability, quality, price, and style in the process of selection and purchase. Specialty goods are those with unique characteristics for which a significant group of buyers are habitually willing to make a special purchasing effort. Finally, unsought goods are those that the consumer does not know about or knows about but does not normally think of buying (Kotler, 2000).

If we consider the suitability of each type of product for the Internet market, various arguments can be formulated. First of all, convenience goods are not suitable

to be purchased alone because they usually serve immediate purposes and the delivery time and costs required for making purchases over the Internet are not appropriate for such goods. For these types of goods, most stages of the decision making process will either be skipped or performed at very low levels over the Internet just as the case is for the real environment. For recognizing the need for or collecting information about a convenience good, consumers are not expected to prefer the Internet to a great extent. This environment can serve to compare a few alternatives and make the purchase at most. Especially, the post-purchase phase is nearly totally inapplicable for marketing convenience goods over the virtual market.

Coming to shopping goods, these products require more elaboration in the decision making and purchasing process, therefore, they are more prone to being marketed over the Internet compared to convenience goods. Consumers may find it more reasonable to find out about, evaluate the alternatives of, and purchase such products over the Internet. They may even engage in some post-purchase activities such as returning an unsatisfactory choice or asking for additional components. For example, in purchasing a walkman, the Internet may be a very good environment to search for and collect information about various brands, evaluate the various alternatives and even finalize the purchase if one of the choices fulfills the consumer's expectations.

As for specialty goods, the Internet again has various advantages but it is not likely that the total decision making and purchasing process will be conducted in the cyberspace. For these types of goods, the Internet may be a very suitable environment for need recognition, information collection and alternative evaluation purposes. In other words, the stages of the decision making process that do not require a commitment on the side of the consumer can be performed in the

cyberspace. However, finalizing the process with a purchase in a virtual and intangible environment may be found too risky for products with which consumers are highly involved and the prices of which are quite high.

Finally, the Internet is a very fruitful environment for unsought goods for various reasons. First of all, it is a very convenient medium to find out about the existence of or the need for such products in the cyberspace. The process for such goods has to be initiated by an external source for which the virtual market is a very good candidate. Consumers may encounter products that they become interested in during the navigation process and may impulsively decide to collect information about various available alternatives. As for the purchasing phase, the cybermarket is again the best candidate that could come to mind as such products are traditionally quite difficult to locate and find.

Another classification that can be used to assess the suitability of different types of products and services on the Internet is the one used by Alba et al. (1997). According to this classification, "search goods" are those whose quality and value to the consumer can be assessed easily prior to purchase whereas the quality of "experience goods" is difficult to assess before purchase and usage. According to Alba et al.'s (1997) argument, search attributes are more amenable to electronic retailing because direct experience is not required whereas merchandise purchased on the basis of experience attributes will more likely be purchased in stores. Our expectations are directly parallel in this study.

3.3.3 Type of Service

Although it has been proposed that services are generally more suitable to be marketed over the Internet compared to goods, the suitability of different types of

services also vary. At this point, we have made use of two of the classifications Lovelock (1983) has proposed to differentiate services from one another.

According to one of these classifications, services are categorized as:

- "tangible actions directed at people's bodies" such as health care, passenger transportation or haircutting
- "tangible actions directed at things" such as equipment repair and maintenance or lawn care
- "intangible actions directed at people's minds" such as education, broadcasting or museums
- "intangible actions directed at intangible assets" such as banking or insurance

According to this classification, it can be argued that services with a tangible component are not suitable to be marketed over the Internet as the consumer has to be physically present during the performance of such services. However, for those services, which are totally intangible with no tangible component whatsoever, the applicability of Internet marketing increases to a great extent.

Another classification used by Lovelock (1983) differentiates services according to the importance of the judgment of customer contact personnel:

- "services in which the importance of the judgment of customer contact personnel is high" such as legal services, health care or education
- "services in which the importance of the judgment of customer contact personnel is low" such as hotel service, retail banking or repair

In this case, the second group is more suitable for virtual marketing because for services where the judgment of customer contact personnel is high, interpersonal encounters may be directly required or, at least, preferred. According to the terminology used by Hoffman and Novak (1996), person interactivity is required in

this case rather than machine interactivity. There is a contrary argument though. Urban et al. (1997) have shown that multimedia computer representations represent products, people and situations successfully. They have proven that a showroom (product), a technician (person) and a sales forecast (situation) can be successfully represented by multimedia in a computerized environment. However, our argument in this study is in the opposite direction. Even if this may be technically possible, the diffusion and adoption of this technology by consumers will take a long time and it is too early to expect machines to replace people in cases where interpersonal relationships are needed or required.

3.3.4 Type of Decision Making Process and Purchasing Behavior

In our theoretical model, we have distinguished between type of products/services and type of consumer decision making processes although in terms of content, the two variables produce arguments or propositions that are quite close to one another. In handling this variable, the decision making model that we will utilize is that of Howard and Sheth (1969). According to this approach, consumer decision making processes are categorized into three as shown below:

DM process	Amount of information collected prior to purchase	Speed of DM
Extensive Problem Solving (EPS)	High	Low
Limited Problem Solving (LPS)	Medium	Medium
Routinized Response Behavior (RRB)	Low	High

The idea that will be proposed at this point is that the type of decision making process that a consumer engages in is one of the contextual factors that determine its suitability to be conducted over the Internet.

For EPS processes, the risks perceived by consumers are quite high. Therefore, the amount of information collected prior to purchase is high while the speed of

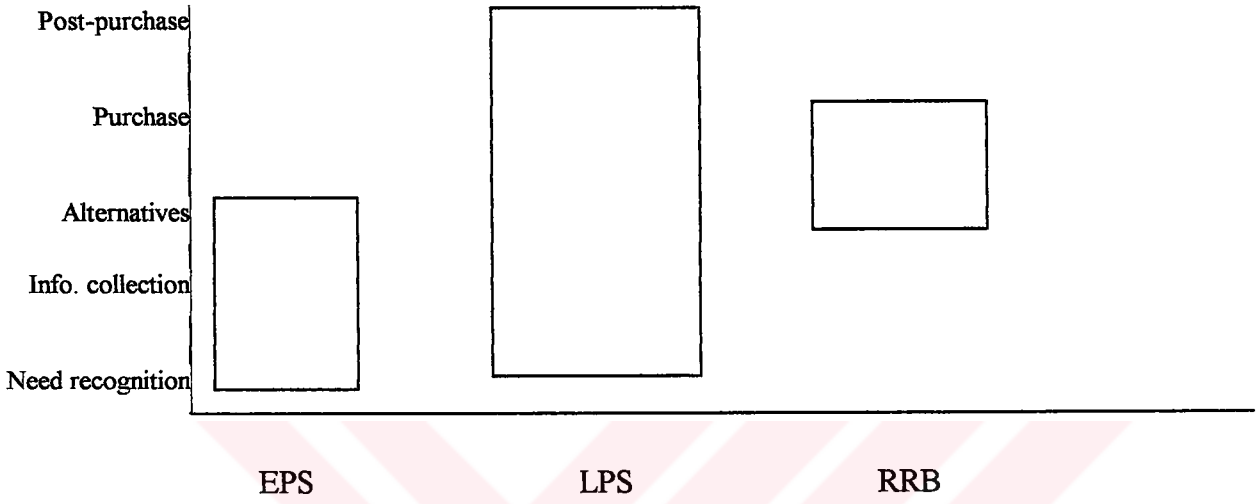
decision making is low. A consumer who is considering the purchase of an automobile or a graduate education program is at the EPS stage of Howard and Sheth's (1969) model. For such purchases, the Internet can serve up until the first three stages of the total decision making process and only as a supplement to the various other sources that the consumer would make use of for such a purchase.

For LPS processes, perceived risk drops to a more moderate level, therefore, the amount of information collected is lower and the speed of decision making is higher. A consumer considering the purchase of a new travel bag or a databank is at the LPS stage. In such cases, the Internet can again serve until the first three stages but may additionally be utilized to go further and make the purchase and even engage in some post-purchase activities as well. Additionally, the number and variety of sources that are used to supplement the Internet will decrease to a great extent compared to the EPS stage.

Finally, at the RRB phase, consumers make routine purchases without going through the earlier stages of the decision making process. Such purchases carry a low level of perceived risk for consumers. Therefore, purchasing such products over the Internet would be highly probable and consumers would not even need to supplement the Internet with other sources of information about the product before making the purchase. But the major drawback is that such purchases usually, though not always, have a very low price range, therefore, the disadvantage of the Internet for such products may be the inefficiency created because of the delivery time and costs required. However, they can be purchased in bundles or complementarily with other purchases performed in the virtual marketplace. For example, rather than purchasing a single CD, a consumer may prefer to purchase 5 CDs and 5 DVDs distributing the delivery cost among a higher number of items. Similarly, the

consumer may purchase the CDs along with a stereo discman, which is an LPS type of purchase. In short, we can demonstrate the suitability of the Internet for the three types of decision making processes theorized by Howard and Sheth (1969) as follows:

Figure 3.3 – Stages of the Purchasing Process and Decision Making Situation



3.3.5 Novelty

The level of novelty a product or service carries is also important in determining its suitability for and the range of activities that can be performed in the decision making and purchasing process over the Internet. For products that are novel to the world or to the consumer, the Internet is expected to be perceived as a high-risk environment. In this case, only need recognition, information collection or alternative evaluation stages may be performed over the Internet.

For products or services that are not novel to the consumer, the level of experience gains importance. Even if the product is not novel to him/her, a consumer may be more reluctant to purchase a product or service that he/she has never used or have had experience with before.

For products or services that the consumer has had prior experience with, the Internet may be a more suitable marketing environment because the risk of the purchase decreases to a great extent as the result of the purchase and the satisfaction that the consumer is expected to get from it is not unknown.

3.3.6 Product Life Cycle

According to Burke et al.'s (1992) study about comparing consumer choice in real and computer-simulated environments, consumers are expected to base their decisions on less critical criteria and the buying process becomes more routine and habitual as products advance through the PLC. In other words, the energy spent for and the involvement in purchasing a product or service decreases as consumers' level of acquaintance with that offering increases.

Similar to this idea, we propose that the PLC is also a contextual factor that moderates the consumer-Internet encounter to a certain extent. For products or services at the introduction stage, the Internet would not be considered as a suitable environment to serve as a purchasing medium but it can be one of the informative sources about the product/service. For the growth stage, the informational advantage of the Internet increases further while the possibility of purchasing may also increase to a certain extent. However, for mature products, the Internet can be a very good medium for alternative evaluation and purchasing. We can demonstrate this idea as follows:

Table 3.2 – PLC and The Purchasing Process

	Introduction	Growth	Maturity
Information collection	Somewhat likely	Very likely	Somewhat likely
Alternative evaluation	Somewhat likely	Somewhat likely	Very likely
Purchase	Not likely	Somewhat likely	Very likely

3.3.7 Availability in Other Media or Marketing Environments

This is another contextual factor that is expected to produce differences in the way consumers respond to products or services offered in the cyberspace. The availability of a specific offering in one or more other media or marketing environment is expected to decrease the risks perceived with the purchase of that offering. In other words, a product or brand that the consumer has never come across before may induce a greater number of question marks in terms of reliability. However, an offering that the consumer has observed in a real environment before being introduced to it in the cyberspace may reduce the concerns about reliability and decrease the risks perceived by consumers to a great extent.

3.3.8 Characteristics of the Web Site

A very important factor that influences the consumer-Internet encounter is the general profile of the Web site in question. There are various characteristics of Web sites that may have a positive or negative impact on the responses that consumers show toward the Internet as a marketing medium. The most striking features that are expected to exert such an influence are: complexity, visual attractiveness, informative content, and level of technical sophistication.

3.3.9 Type of Marketer

Another important variable that may create contextual differences is the type of firm, marketer or seller that the consumer is exposed to. A striking distinction at this point is the level of "virtuality" of this party. To put it more clearly, the firm side can be totally virtual or the virtual representation of a firm that is originally real. Our point is that the second type of firm is expected to be perceived as less risky and

more reliable compared to a totally virtual company with which the consumer has had no real acquaintance with.

3.3.10 Reputation

Of course, the above argument may not be valid for each specific case. For example, amazon.com is a very good example of a virtual firm that has proved its security and reliability to a great extent. There may be consumers who trust amazon.com just as much as, maybe even more than a real bookstore represented on the WWW. In other words, besides the reality versus the virtuality of a marketing environment, the reputation of the firm is also a very important factor in terms of how consumers behave toward it. While a person's attitude toward and consumption activities in a Web site which is not well-known is more conservative, the same person may be much more positive toward another Web site.

3.4 Module 4: The Online Attitudes, Intentions, and Behavior Module

The fourth and final module of the model accommodates the major dependent variable of the study, that is, consumers' attitudes and intentions toward and behavior on the Internet as a marketing environment.

3.4.1 Attitude Toward the Internet as a Marketing Environment

We think that it is essential to understand the attitudes consumers have developed toward the Internet as a marketing environment in order to understand their purchase intentions and actual behavior on the online market. An important measure of this variable is how suitable consumers find this medium for conducting various stages of the purchasing process. Our general expectation is that the Internet

may be found more suitable to be utilized for the first three steps compared to the last two steps of the decision making and purchasing process. In the first three phases, the consumer does not have to make any commitment and engage in a specific action while the fourth step is a critical point at which this situation changes to a great extent. After that point, the individual turns out to become an "actual" consumer rather than a "potential" one.

Our assumption about the decision making process over the Internet can be demonstrated as follows:

Table 3.3 – Active-Passive Phases of the Purchasing Process

Need recognition	Information collection	Alternative evaluation	Purchase behavior	Post-purchase activities
Passive Phase	Passive Phase	Passive Phase	Active Phase	Active Phase

Passive Phase - unidirectional relationship, no dual commitment
Active Phase - bi-directional relationship, dual commitment

3.4.2 Intentions Toward Using the Internet as a Shopping Environment

For the purpose of assessing purchase intentions, we have proposed to measure the difference between current usage levels and expected future usage levels of this medium by consumers. We will ponder more over this issue in the operationalization section of the study.

3.4.3 Actual Purchase Behavior on the Internet Market

Finally, we have included the actual purchase behavior of consumers as the third component of our dependent variable. This dimension has been measured by assessing current levels and frequencies of online shopping as well as comparing preferences toward Internet purchases in comparison with traditional shopping practices.

This concludes our discussion of the theoretical model proposed in this study. Our next task is to derive a model to be tested out of this comprehensive theoretical framework all of which cannot be handled at a single attempt. Therefore, we will present the model tested empirically and how each variable included in that model has been operationalized and measured in the coming section.

IV. THE TESTED PART OF THE MODEL

In this section, we will provide information about the part of the theoretical model that we have selected for our empirical study, the justification of this selection, the operationalization of the included variables and the hypotheses of the study.

4.1 Construction of the Model to be Tested

We have derived a model to be tested by making a selection of the variables included in various components of the theoretical model. This selection was not an arbitrary one though. With the realization that it exceeds a researcher's task to investigate all possible relations possessed by the theoretical model within the scope of a single study, we decided to define a clever focus for ourselves and select our variables accordingly. In this respect, our preference was to focus on the consumer module for the purpose of drawing a general profile of Internet shoppers and to identify the characteristics that differentiate adopters of online marketing from non-adopters.

As for the environment module, we followed a different route. In the original model, the environment module contains the characteristics of the Internet as a marketing environment and the effects of these characteristics are accepted to be independent variables just like the variables of the consumer module. However, our measurement instrument was designed to be a questionnaire directed at consumers. Therefore, we accepted that this research design would not make it possible to measure the "independent" effects of these variables on the consumer-Internet encounter. Instead, it would give us the chance to measure how consumers "perceive" those characteristics. In other words, we would not be able to measure the

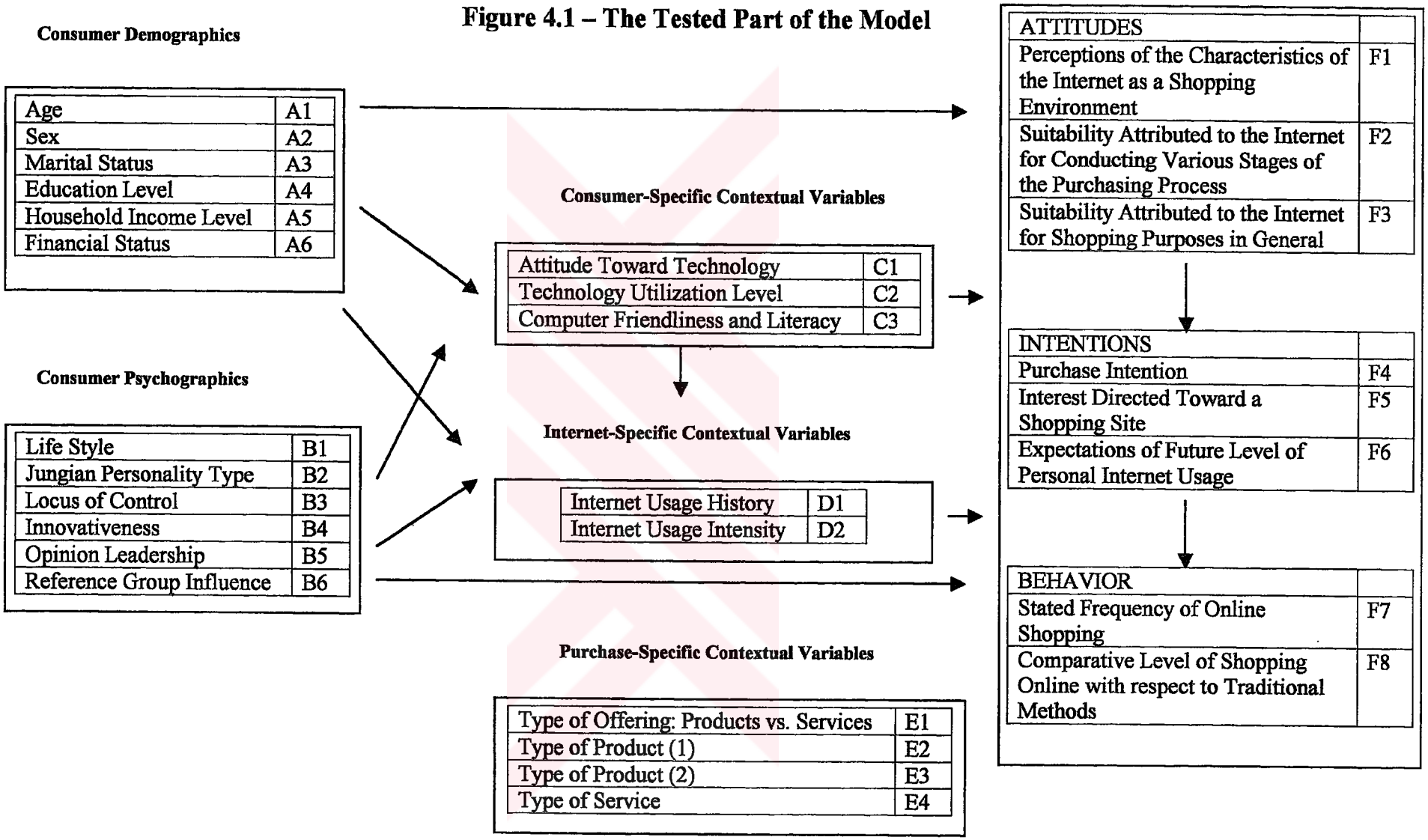
"actual" effects of these factors on the decision making processes of consumers in the online environment but alternatively, we could make use of this set of variables in terms of determining how consumers "perceive" the Internet as a marketing environment. As a result, it was not possible to include this module as an independent component of the model like in the theoretical one. Instead, we placed this set of variables as one of the measures of consumer attitudes toward online shopping in the dependent component.

Coming to the context module, only three of the variables in the total list included in this component have been selected for measurement purposes. As its name implies, this component consists mostly of variables that produce different effects under different contexts. Therefore, making accurate measurements for this module imposed many research constraints and validity problems. This led us to limit the inclusion of this component in the tested part of the model by type of offering, type of product, and type of service.

Finally, the dependent component of our model was designed. In deriving the tested model out of the theoretical one, we included all three components for measurement, namely, attitudes, intentions, and behavior. However, we took a further step and decided to measure the relationships between attitudes, intentions, and behavior as well. Our aim is to understand whether these three measures are consistent with each other. In other words, rather than assuming that attitudes lead to the formation of intentions which, in turn, trigger positive or negative behavior, we preferred to test whether this assumption is empirically valid.

The resulting model ready for empirical analysis is presented in Figure 4.1.

Figure 4.1 – The Tested Part of the Model



4.2 Operationalization of the Variables

In this section, we will point out how the variables selected for measurement have been operationalized and how they have been measured in the questionnaire. The questionnaire is provided in Appendices 3 and 4 for reference.

4.2.1 Independent Variables

Age: This variable has been measured using a six-group ordinal interval scale. It has also been recoded into three groups after the original coding process for analytical purposes.

(Part I – Question 1)

Marital Status: This variable has been measured with a four-group nominal scale.

(Part I – Question 2)

Sex: This variable has been measured with a two-group nominal scale.

(Part I – Question 3)

Education Level: This variable has been measured by using a six-group nominal scale. However, no responses belonging to the first three groups have been received as one of the limitations we used in the determination of our sample characteristics was that respondents should be at least high school graduates.

(Part I – Question 7)

Household Income Level: This variable has been measured using a seven-point ordinal interval scale. The results obtained have been used to recode the variable into three groups representing the lower, medium, and higher levels of income as well for analytical purposes.

(Part I – Question 8)

Occupation: This variable has been measured in an open-ended format.

(Part I – Question 9)

Financial Status: We have included two questions in the questionnaire for the purpose of determining the financial status of our respondents. Subjects were asked to state how many credit cards they had and whether they had a personal or accessible bank account or not.

(Part I – Questions 10&11)

These results have been combined with the results obtained from the question about income level to determine the financial status of the subjects. The procedure is as follows:

Income (recoded)	1 (low) 2 (medium) 3 (high)
Number of credit cards	0 (none) 1 (one or two) 3 (three or more)
Bank account	0 (No) 1 (Yes)
Total score	Income + No. of credit cards + Bank account

This total score, then, has been recoded in order to determine three levels of financial status as low, medium, and high.

Jungian Personality Type: This variable has been measured by using a scale of information collection and decision making style (Jung, 1923 c.f. Whetten and Cameron, 1998). Respondents have been classified into one of four personality types

according to the answers they gave to the questions in the scale. However, the sample size for this variable is not exactly equal to the total size of the sample as some subjects have not been qualified for being considered as a member of one of these four groups. Those subjects who have scored equal for opposite parts of the information collection or decision making continuums have been excluded from categorization.

(Part II – Questions 1 through 12)

Locus of Control: Similarly, this variable has been measured by using a six-item scale adapted from Rotter's (1966) original scale. As a result of the relevant computations, subjects have been grouped into two as those with an external locus of control and those with an internal locus of control. Again, those respondents who have scored equal for opposite parts of the locus of control continuum have been excluded from categorization. Therefore, just like the case with Jungian personality types, the sample size for this variable is quite less than the total.

(Part II – Questions 13 through 18)

Life Style: This variable has been investigated by asking respondents to select one of eight life style patterns based on the VALS (Values and Life Style) categorization developed by SRI International.

(Part I – Question 12)

Innovativeness: Innovativeness has been measured by using a nine-item scale derived from Leavitt and Walton's (1988) study. The responses to each statement were collected in a four-point interval scale format. The scale has first been

standardized by reverse coding the negatively stated items. Then, subjects' scores for each statement in the scale have been added up to reach an overall score for that variable. Finally, those scores have been recoded into three groups for analytical purposes.

(Part I – Question 14 & Part II – Question 19)

Opinion Leadership: This variable has been measured with a four-point interval scale item included in the innovativeness scale.

(Part I – Question 14)

Reference Group Influence: Reference group influence has been measured by using a five-item scale created by the author. The responses to each statement were collected in a four-point interval scale format. The measurement procedure has been conducted as explained in the innovativeness section.

(Part I – Question 15)

4.2.2 Mediating Variables

Attitude Toward Technology: Attitude toward technology has been measured by using a seven-item scale. The scale has been created by the author but the formulation of the items has been inspired from Mick and Fournier's (1998) study where they define the major paradoxes of technology. The responses to each statement were collected in a four-point interval scale format. The measurement procedure has been conducted as explained in the innovativeness section.

(Part I – Question 14 & Part II – Question 19)

Technology Utilization Level: Technology utilization level has been measured by using a five-item scale created by the author. The responses to each statement were collected in a four-point interval scale format. The measurement procedure has been conducted as explained in the innovativeness section.

(Part I – Question 13)

Computer Friendliness and Literacy: Computer friendliness and literacy has been measured by using three items developed by the author. The responses to each statement were collected in a four-point interval scale format. The measurement procedure has been conducted as explained in the innovativeness section.

(Part I – Question 13)

Internet Usage History: This variable has been measured with a three-point ordinal interval scale.

(Part III – Question 1)

Internet Usage Intensity: Internet usage intensity has been measured by adding up the frequency codes attributed to nine common Internet-based activities for each subject. The responses for the activities were collected in a four-point interval scale format. The measurement procedure has been conducted as explained in the innovativeness section.

(Part III – Question 2)

4.2.3 The Dependent Variable

In the model that we tested, our dependent variable consists of three major components that are commonly examined and measured in consumer behavior literature. These three components are consumers' "attitudes", "intentions", and "behavior" on the online market. We find it important to note that, in this study, our focus has been directed toward measuring the attitude-intention-behavior link although alternative routes like measuring enforced behavior change are also available. The justification for the definition of such a focus is that our topic is about a novelty in the world of marketing and, therefore, those consumers displaying actual purchasing behavior constitute a minority of the total online community yet. In this respect, measuring attitudes and intentions more extensively and trying to find out how these measures lead to different frequencies and levels of online shopping behavior seemed to be a more reasonable choice. However, in a longitudinal attempt, the reverse effect may also be measured after the utilization of this medium becomes more common and an acceptable diffusion rate is achieved to understand how behavior may lead to the formation of attitudes, too.

Dimension 1: Attitude Toward the Internet as a Shopping Environment:

Element 1: Perceptions of Different Characteristics of the Internet as a Shopping Environment: This variable has been measured by adding up the agreement codes attributed to seventeen prominent characteristics of the Internet as a marketing environment. These are the characteristics that we have originally included in the environment module of the theoretical model. The responses for the characteristics were collected in a four-point interval scale format. The measurement procedure has been conducted as explained in the innovativeness section.

(Part III – Question 7)

Element 2: Perceptions about the Suitability of the Internet for Different Stages of the Purchasing Process: This variable has been measured by adding up the suitability codes attributed to the five specific stages of the purchasing process in terms of being conducted on the Internet. The responses for the steps were collected in a five-point interval scale format. The measurement procedure has been conducted as explained in the innovativeness section.

(Part III – Question 10)

Element 3: Perceptions about the General Suitability of the Internet for Shopping Purposes: This variable has been measured with a five-point interval scale.

(Part III – Question 16)

Dimension 2: Intentions Toward Using the Internet as a Shopping Environment:

Element 1: Purchase Intention: This variable has been measured by adding up the possibility codes attributed to the purchase of 16 products or services from the online market. The responses for the items were collected in a four-point interval scale format. The measurement procedure has been conducted as explained in the innovativeness section.

(Part III – Question 3)

Element 2: Interest Directed Toward a Shopping Site: This variable has been measured by counting the number of links consumers have selected from an example of a real shopping site taken from the Web. The rest of the measurement procedure has been conducted as explained in the innovativeness section.

(Part III – Question 4)

Element 3: Expected Future Level of Personal Online Shopping: This variable has been measured with a five-point interval scale.

(Part III – Question 6)

Dimension 3: Actual Behavior on the Internet Market:

Element 1: Frequency of Online Shopping: This variable has been measured with a four-point interval scale.

(Part III – Question 2)

Element 2: Current Level of Online Shopping: This variable has been measured with a five-point interval scale.

(Part III – Question 5)

Element 3: Preference over Current Practices: This variable has been measured with a four-point interval scale.

(Part III – Question 14)

4.2.4 The Six Gaps

An important part of our study is the identification and measurement of six theoretical gaps which we will define and discuss here. This section of the study is an independent contribution and, therefore, no reference has been made to it until now in the operationalization part.

We have asked respondents to state:

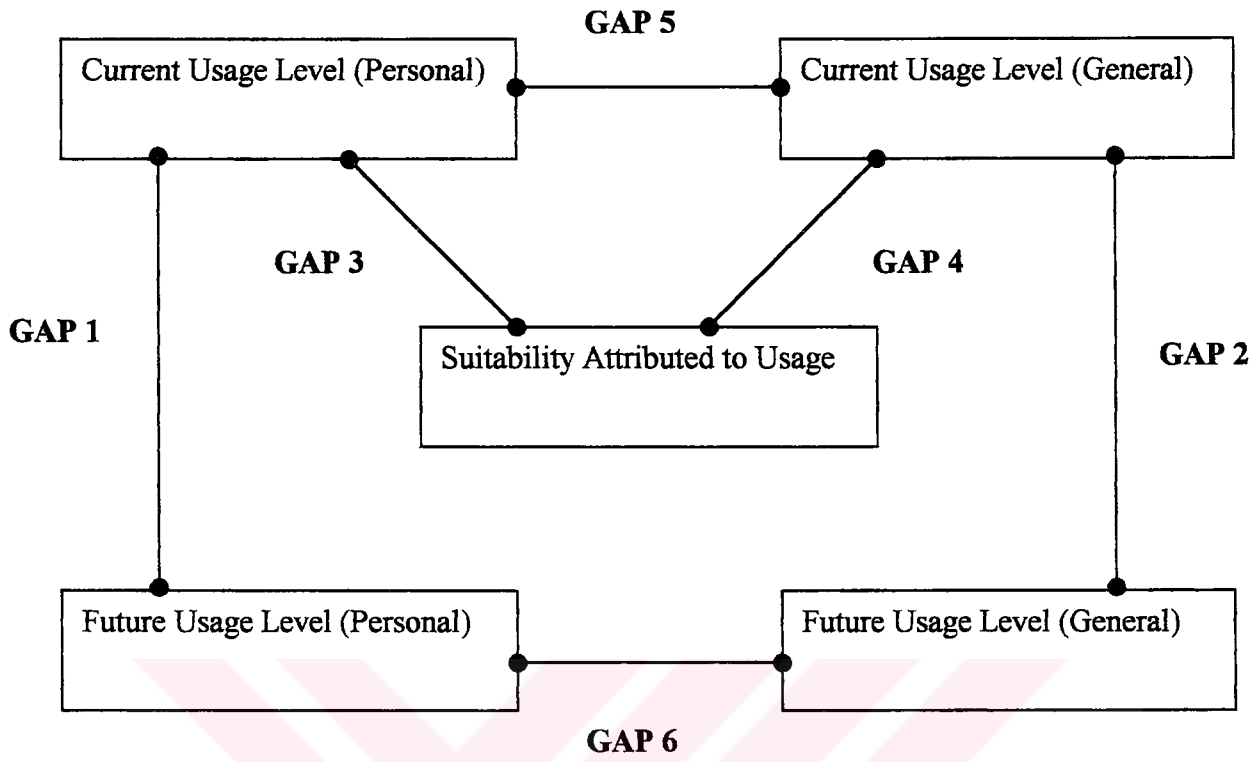
1. How much they currently use the Internet as a shopping environment
(Part III – Question 5)
2. How much they expect to use the Internet in the future as a shopping environment
(Part III – Question 6)
3. How much they think the Internet is currently being used as a shopping environment
(Part III – Question 15a)
4. How much they expect the Internet to be used in the future as a shopping environment
(Part III – Question 15b)
5. How much they think the Internet should be used as a shopping environment
(Part III – Question 16)

Based on these five elements, the below constructs have been developed by the author and have been measured empirically:

* Element 2 - Element 1 Personal Development Gap GAP 1
* Element 4 - Element 3 Market Development Gap GAP 2
* Element 5 - Element 1 Internal Conformity Gap GAP 3
* Element 5 - Element 3 External Conformity Gap GAP 4
* Element 3 – Element 1Current Adoption Gap GAP 5
* Element 4 – Element 2Future Adoption Gap GAP 6

These constructs have been demonstrated in Figure 4.2.

Figure 4.2 – The Six Perceptual Gaps Defined by the Study



This concludes the discussion about the definitions, operationalizations, and measurement methods used for each variable included in the tested model. Based on this information, we have formulated research questions and hypotheses pertaining to the relationships between different variables and components of the model.

4.3 Hypotheses of the Study

In this section, we will identify the research questions and the hypotheses of the study. For some of the variables, we have formulated directional hypotheses based on the findings we obtained from the literature review or according to the expectations we have developed based on common sense or personal justifications. However, for the variables or relationships that we did not have clear-cut expectations about, our hypotheses have been worded in a non-directional manner.

Because of the high number of hypotheses, we preferred to state the alternate forms only rather than stating the null hypothesis for each case, too. The statistical representations of the hypotheses are presented in a tabular format at the end of the section in Table 4.1.

4.3.1 Hypotheses About Age:

H1: Younger consumers are expected to have more positive attitudes toward technology compared to older ones.

H2: Younger consumers are expected to utilize technology more intensely compared to older ones.

H3: Younger consumers are expected to be more computer friendly and literate compared to older ones.

H4: Younger consumers are expected to have a longer history of Internet usage compared to older ones.

H5: Younger consumers are expected to be using the Internet more intensely and for a wider variety of purposes compared to older ones.

H6: Younger consumers are expected to have more positive perceptions about the characteristics of the Internet as a marketing environment compared to older ones.

H7: Younger consumers are expected to attribute higher levels of suitability to the Internet for shopping purposes compared to older ones.

H8: Younger consumers are expected to have stronger intentions about using the Internet for purchasing products or services compared to older ones.

H9: Younger consumers are expected to have stronger expectations about increasing their level of using the Internet for shopping purposes compared to older ones.

H10: Younger consumers are expected to be using the Internet more frequently for shopping purposes compared to older ones.

H11: Younger consumers are expected to spare a larger portion of their total portfolio of shopping activities for online purchases compared to older ones.

4.3.2 Hypotheses About Sex:

H12: There is a relationship between sex and attitude toward technology.

H13: There is a relationship between sex and technology utilization level.

H14: There is a relationship between sex and computer friendliness and literacy.

H15: There is a relationship between sex and Internet usage history.

H16: There is a relationship between sex and Internet usage intensity.

H17: There is a relationship between sex and perceptions about the characteristics of the Internet as a marketing environment.

H18: There is a relationship between sex and the suitability attributed to the Internet for shopping purposes.

H19: There is a relationship between sex and intentions about using the Internet for purchasing products or services.

H20: There is a relationship between sex and expectations about increasing the level of using the Internet for shopping purposes.

H21: There is a relationship between sex and frequency of using the Internet for shopping purposes.

H22: There is a relationship between sex and the distribution of a consumer's total portfolio of shopping activities between virtual and real environments.

4.3.3 Hypotheses About Marital Status:

H23: There is a relationship between marital status and attitude toward technology.

H24: There is a relationship between marital status and technology utilization level.

H25: There is a relationship between marital status and computer friendliness and literacy.

H26: There is a relationship between marital status and Internet usage history.

H27: There is a relationship between marital status and Internet usage intensity.

H28: There is a relationship between marital status and perceptions about the characteristics of the Internet as a marketing environment.

H29: There is a relationship between marital status and the suitability attributed to the Internet for shopping purposes.

H30: There is a relationship between marital status and intentions about using the Internet for purchasing products or services.

H31: There is a relationship between sex and expectations about increasing the level of using the Internet for shopping purposes.

H32: There is a relationship between marital status and frequency of using the Internet for shopping purposes.

H33: There is a relationship between marital status and the distribution of a consumer's total portfolio of shopping activities between virtual and real environments.

4.3.4 Hypotheses About Education Level:

H34: Consumers with higher levels of education are expected to have more positive attitudes toward technology compared to those with lower educational levels.

H35: Consumers with higher levels of education are expected to utilize technology more intensely compared to those with lower educational levels.

H36: Consumers with higher levels of education are expected to be more computer friendly and literate compared to those with lower educational levels.

H37: Consumers with higher levels of education are expected to have a longer history of Internet usage compared to those with lower educational levels.

H38: Consumers with higher levels of education are expected to be using the Internet more intensely and for a wider variety of purposes compared to those with lower educational levels.

H39: Consumers with higher levels of education are expected to have more positive perceptions about the characteristics of the Internet as a marketing environment compared to those with lower educational levels.

H40: Consumers with higher levels of education are expected to attribute higher levels of suitability to the Internet for shopping purposes compared to those with lower educational levels.

H41: Consumers with higher levels of education are expected to have stronger intentions about using the Internet for purchasing products or services compared to those with lower educational levels.

H42: Consumers with higher levels of education are expected to have stronger expectations about increasing their level of using the Internet for shopping purposes compared to those with lower educational levels.

H43: Consumers with higher levels of education are expected to be using the Internet more frequently for shopping purposes compared to those with lower educational levels.

H44: Consumers with higher levels of education are expected to spare a larger portion of their total portfolio of shopping activities for online purchases compared to those with lower educational levels.

4.3.5 Hypotheses About Income Level:

H45: Consumers with higher levels of income are expected to have more positive attitudes toward technology compared to those with lower income levels.

H46: Consumers with higher levels of income are expected to utilize technology more intensely compared to those with lower income levels.

H47: Consumers with higher levels of income are expected to be more computer friendly and literate compared to those with lower income levels.

H48: Consumers with higher levels of income are expected to have a longer history of Internet usage compared to those with lower income levels.

H49: Consumers with higher levels of income are expected to be using the Internet more intensely and for a wider variety of purposes compared to those with lower income levels.

H50: Consumers with higher levels of income are expected to have more positive perceptions about the characteristics of the Internet as a marketing environment compared to those with lower income levels.

H51: Consumers with higher levels of income are expected to attribute higher levels of suitability to the Internet for shopping purposes compared to those with lower income levels.

H52: Consumers with higher levels of income are expected to have stronger intentions about using the Internet for purchasing products or services compared to those with lower income levels.

H53: Consumers with higher levels of income are expected to have stronger expectations about increasing their level of using the Internet for shopping purposes compared to those with lower income levels.

H54: Consumers with higher levels of income are expected to be using the Internet more frequently for shopping purposes compared to those with lower income levels.

H55: Consumers with higher levels of income are expected to spare a larger portion of their total portfolio of shopping activities for online purchases compared to those with lower income levels.

4.3.6 Hypotheses About Financial Status:

H56: Consumers with higher financial status are expected to have more positive attitudes toward technology compared to those with lower financial status.

H57: Consumers with higher financial status are expected to utilize technology more intensely compared to those with lower financial status.

H58: Consumers with higher financial status are expected to be more computer friendly and literate compared to those with lower financial status.

H59: Consumers with higher financial status are expected to have a longer history of Internet usage compared to those with lower financial status.

H60: Consumers with higher financial status are expected to be using the Internet more intensely and for a wider variety of purposes compared to those with lower financial status.

H61: Consumers with higher financial status are expected to have more positive perceptions about the characteristics of the Internet as a marketing environment compared to those with lower financial status.

H62: Consumers with higher financial status are expected to attribute higher levels of suitability to the Internet for shopping purposes compared to those with lower financial status.

H63: Consumers with higher financial status are expected to have stronger intentions about using the Internet for purchasing products or services compared to those with lower financial status.

H64: Consumers with higher financial status are expected to have stronger expectations about increasing their level of using the Internet for shopping purposes compared to those with lower financial status.

H65: Consumers with higher financial status are expected to be using the Internet more frequently for shopping purposes compared to those with lower financial status.

H66: Consumers with higher financial status are expected to spare a larger portion of their total portfolio of shopping activities for online purchases compared to those with lower financial status.

4.3.7 Hypotheses About Life Style:

H67: There are differences between consumers with different life styles with respect to attitudes toward technology.

H68: There are differences between consumers with different life styles with respect to technology utilization level.

H69: There are differences between consumers with different life styles with respect to computer friendliness and literacy.

H70: There are differences between consumers with different life styles with respect to Internet usage history.

H71: There are differences between consumers with different life styles with respect to Internet usage intensity.

H72: There are differences between consumers with different life styles with respect to perceptions of the characteristics of the Internet as a marketing environment.

H73: There are differences between consumers with different life styles with respect to the suitability attributed to the Internet for shopping purposes.

H74: There are differences between consumers with different life styles with respect to intentions about using the Internet for purchasing products or services.

H75: There are differences between consumers with different life styles with respect to expectations about increasing the level of using the Internet for shopping purposes.

H76: There are differences between consumers with different life styles with respect to frequency of using the Internet for shopping purposes.

H77: There are differences between consumers with different life styles with respect to the distribution of the total portfolio of shopping activities between virtual and real environments.

4.3.8 Hypotheses About Jungian Personality Type:

H78: There are differences between consumers belonging to different Jungian personality groups with respect to attitudes toward technology.

H79: There are differences between consumers belonging to different Jungian personality groups with respect to technology utilization level.

H80: There are differences between consumers belonging to different Jungian personality groups with respect to computer friendliness and literacy.

H81: There are differences between consumers belonging to different Jungian personality groups with respect to Internet usage history.

H82: There are differences between consumers belonging to different Jungian personality groups with respect to Internet usage intensity.

H83: There are differences between consumers belonging to different Jungian personality groups with respect to perceptions of the characteristics of the Internet as a marketing environment.

H84: There are differences between consumers belonging to different Jungian personality groups with respect to the suitability attributed to the Internet for shopping purposes.

H85: There are differences between consumers belonging to different Jungian personality groups with respect to intentions about using the Internet for purchasing products or services.

H86: There are differences between consumers belonging to different Jungian personality groups with respect to expectations about increasing the level of using the Internet for shopping purposes.

H87: There are differences between consumers belonging to different Jungian personality groups with respect to frequency of using the Internet for shopping purposes.

H88: There are differences between consumers belonging to different Jungian personality groups with respect to the distribution of the total portfolio of shopping activities between virtual and real environments.

4.3.9 Hypotheses About Locus of Control:

H89: There are differences between consumers with an external locus of control and those with an internal locus of control with respect to attitudes toward technology.

H90: There are differences between consumers with an external locus of control and those with an internal locus of control with respect to technology utilization level.

H91: There are differences between consumers with an external locus of control and those with an internal locus of control with respect to computer friendliness and literacy.

H92: There are differences between consumers with an external locus of control and those with an internal locus of control with respect to Internet usage history.

H93: There are differences between consumers with an external locus of control and those with an internal locus of control with respect to Internet usage intensity.

H94: There are differences between consumers with an external locus of control and those with an internal locus of control with respect to perceptions of the characteristics of the Internet as a marketing environment.

H95: There are differences between consumers with an external locus of control and those with an internal locus of control with respect to the suitability attributed to the Internet for shopping purposes.

H96: There are differences between consumers with an external locus of control and those with an internal locus of control with respect to intentions about using the Internet for purchasing products or services.

H97: There are differences between consumers with an external locus of control and those with an internal locus of control with respect to expectations about increasing the level of using the Internet for shopping purposes.

H98: There are differences between consumers with an external locus of control and those with an internal locus of control with respect to frequency of using the Internet for shopping purposes.

H99: There are differences between consumers with an external locus of control and those with an internal locus of control with respect to the distribution of the total portfolio of shopping activities between virtual and real environments.

4.3.10 Hypotheses About Innovativeness:

H100: More innovative consumers are expected to have more positive attitudes toward technology compared to less innovative ones.

H101: More innovative consumers are expected to utilize technology more intensely compared to less innovative ones.

H102: More innovative consumers are expected to be more computer friendly and literate compared to less innovative ones.

H103: More innovative consumers are expected to have a longer history of Internet usage compared to less innovative ones.

H104: More innovative consumers are expected to be using the Internet more intensely and for a wider variety of purposes compared to less innovative ones.

H105: More innovative consumers are expected to have more positive perceptions about the characteristics of the Internet as a marketing environment compared to less innovative ones.

H106: More innovative consumers are expected to attribute higher levels of suitability to the Internet for shopping purposes compared to less innovative ones.

H107: More innovative consumers are expected to have stronger intentions about using the Internet for purchasing products or services compared to less innovative ones.

H108: More innovative consumers are expected to have stronger expectations about increasing their level of using the Internet for shopping purposes compared to less innovative ones.

H109: More innovative consumers are expected to be using the Internet more frequently for shopping purposes compared to less innovative ones.

H110: More innovative consumers are expected to spare a larger portion of their total portfolio of shopping activities for online purchases compared to less innovative ones.

4.3.11 Hypotheses About Opinion Leadership:

H111: Consumers with higher propensities of opinion leadership are expected to have more positive attitudes toward technology compared to those with little opinion leadership potential.

H112: Consumers with higher propensities of opinion leadership are expected to utilize technology more intensely compared to those with little opinion leadership potential.

H113: Consumers with higher propensities of opinion leadership are expected to be more computer friendly and literate compared to those with little opinion leadership potential.

H114: Consumers with higher propensities of opinion leadership are expected to have a longer history of Internet usage compared to those with little opinion leadership potential.

H115: Consumers with higher propensities of opinion leadership are expected to be using the Internet more intensely and for a wider variety of purposes compared to those with little opinion leadership potential.

H116: Consumers with higher propensities of opinion leadership are expected to have more positive perceptions about the characteristics of the Internet as a marketing environment compared to those with little opinion leadership potential.

H117: Consumers with higher propensities of opinion leadership are expected to attribute higher levels of suitability to the Internet for shopping purposes compared to those with little opinion leadership potential.

H118: Consumers with higher propensities of opinion leadership are expected to have stronger intentions about using the Internet for purchasing products or services compared to those with little opinion leadership potential.

H119: Consumers with higher propensities of opinion leadership are expected to have stronger expectations about increasing their level of using the Internet for shopping purposes compared to those with little opinion leadership potential.

H120: Consumers with higher propensities of opinion leadership are expected to be using the Internet more frequently for shopping purposes compared to those with little opinion leadership potential.

H121: Consumers with higher propensities of opinion leadership are expected to spare a larger portion of their total portfolio of shopping activities for online purchases compared to those with little opinion leadership potential.

4.3.12 Hypotheses About Reference Group Influence:

H122: There is a relationship between the level of influence reference groups have on a consumer and his/her attitude toward technology.

H123: There is a relationship between the level of influence reference groups have on a consumer and his/her technology utilization level.

H124: There is a relationship between the level of influence reference groups have on a consumer and his/her computer friendliness and literacy.

H125: There is a relationship between the level of influence reference groups have on a consumer and his/her Internet usage history.

H126: There is a relationship between the level of influence reference groups have on a consumer and his/her Internet usage intensity.

H127: Consumers who are more susceptible to reference group influence have more negative perceptions of the characteristics of the Internet as a marketing environment compared to those affected less from reference groups.

H128: Consumers who are more susceptible to reference group influence attribute less suitability to the Internet for shopping purposes compared to those affected less from reference groups.

H129: Consumers who are more susceptible to reference group influence have more negative intentions about using the Internet for purchasing products or services compared to those affected less from reference groups.

H130: Consumers who are more susceptible to reference group influence are expected to have weaker expectations about increasing their level of using the Internet for shopping purposes compared to those affected less from reference groups.

H131: Consumers who are more susceptible to reference group influence are expected to be using the Internet less frequently for shopping purposes compared to those affected less from reference groups.

H132: Consumers who are more susceptible to reference group influence are expected to spare a smaller portion of their total portfolio of shopping activities for online purchases compared to those affected less from reference groups.

4.3.13 Hypotheses About Attitude Toward Technology:

H133: Consumers with more positive attitudes toward technology are expected to utilize technological advancements more intensely compared to those with more negative attitudes.

H134: Consumers with more positive attitudes toward technology are expected to be more computer friendly and literate compared to those with more negative attitudes.

H135: Consumers with more positive attitudes toward technology are expected to have a longer history of Internet usage compared to those with more negative attitudes.

H136: Consumers with more positive attitudes toward technology are expected to have a higher intensity of Internet usage compared to those with more negative attitudes.

H137: Consumers with more positive attitudes toward technology are expected to have more positive perceptions of the characteristics of the Internet as a marketing environment compared to those with more negative attitudes.

H138: Consumers with more positive attitudes toward technology are expected to attribute higher suitability to the Internet for shopping purposes compared to those with more negative attitudes.

H139: Consumers with more positive attitudes toward technology are expected to have more positive intentions about using the Internet for purchasing products or services compared to those with more negative attitudes.

H140: Consumers with more positive attitudes toward technology are expected to have stronger expectations about increasing their level of using the Internet for shopping purposes compared to those with more negative attitudes.

H141: Consumers with more positive attitudes toward technology are expected to be using the Internet more frequently for shopping purposes compared to those with more negative attitudes.

H142: Consumers with more positive attitudes toward technology are expected to spare a larger portion of their total portfolio of shopping activities for online purchases compared to those with more negative attitudes.

4.3.14 Hypotheses About Technology Utilization Level:

H143: Consumers with higher levels of technology utilization are expected to be more computer friendly and literate compared to those with lower technology utilization levels.

H144: Consumers with higher levels of technology utilization are expected to have a longer history of Internet usage compared to those with lower technology utilization levels.

H145: Consumers with higher levels of technology utilization are expected to have a higher intensity of Internet usage compared to those with lower technology utilization levels.

H146: Consumers with higher levels of technology utilization are expected to have more positive perceptions of the characteristics of the Internet as a marketing environment compared to those with lower technology utilization levels.

H147: Consumers with higher levels of technology utilization are expected to attribute higher suitability to the Internet for shopping purposes compared to those with lower technology utilization levels.

H148: Consumers with higher levels of technology utilization are expected to have more positive intentions about using the Internet for purchasing products or services compared to those with lower technology utilization levels.

H149: Consumers with higher levels of technology utilization are expected to have stronger expectations about increasing their level of using the Internet for shopping purposes compared to those with lower technology utilization levels.

H150: Consumers with higher levels of technology utilization are expected to be using the Internet more frequently for shopping purposes compared to those with lower technology utilization levels.

H151: Consumers with higher levels of technology utilization are expected to spare a larger portion of their total portfolio of shopping activities for online purchases compared to those with lower technology utilization levels.

4.3.15 Hypotheses About Computer Friendliness and Literacy:

H152: More computer friendly and literate consumers are expected to have a longer history of Internet usage compared to computer-phobics.

H153: More computer friendly and literate consumers are expected to have a higher intensity of Internet usage compared to computer-phobics.

H154: More computer friendly and literate consumers are expected to have more positive perceptions of the characteristics of the Internet as a marketing environment compared to computer-phobics.

H155: More computer friendly and literate consumers are expected to attribute higher suitability to the Internet for shopping purposes compared to computer-phobics.

H156: More computer friendly and literate consumers are expected to have more positive intentions about using the Internet for purchasing products or services compared to computer-phobics.

H157: More computer friendly and literate consumers are expected to have stronger expectations about increasing their level of using the Internet for shopping purposes compared to computer-phobics.

H158: More computer friendly and literate consumers are expected to be using the Internet more frequently for shopping purposes compared to computer-phobics.

H159: More computer friendly and literate consumers are expected to spare a larger portion of their total portfolio of shopping activities for online purchases compared to computer-phobics.

4.3.16 Hypotheses About Internet Usage History:

H160: Consumers who have been using the Internet for a longer period of time are expected to have a higher intensity of Internet usage compared to more recent adopters of this medium.

H161: Consumers who have been using the Internet for a longer period of time are expected to have more positive perceptions of the characteristics of the Internet as a marketing environment compared to more recent adopters of this medium.

H162: Consumers who have been using the Internet for a longer period of time are expected to attribute higher suitability to the Internet for shopping purposes compared to more recent adopters of this medium.

H163: Consumers who have been using the Internet for a longer period of time are expected to have more positive intentions about using the Internet for purchasing products or services compared to more recent adopters of this medium.

H164: Consumers who have been using the Internet for a longer period of time are expected to have stronger expectations about increasing their level of using the Internet for shopping purposes compared to more recent adopters of this medium.

H165: Consumers who have been using the Internet for a longer period of time are expected to be using the Internet more frequently for shopping purposes compared to more recent adopters of this medium.

H166: Consumers who have been using the Internet for a longer period of time are expected to spare a larger portion of their total portfolio of shopping activities for online purchases compared to more recent adopters of this medium.

4.3.17 Hypotheses About Internet Usage Intensity:

H167: Consumers using the Internet more intensely and for a wider variety of purposes are expected to have more positive perceptions of the characteristics of this medium as a marketing environment compared to those with a lower usage intensity level.

H168: Consumers using the Internet more intensely and for a wider variety of purposes are expected to attribute higher suitability to this medium for shopping purposes compared to those with a lower usage intensity level.

H169: Consumers using the Internet more intensely and for a wider variety of purposes are expected to have more positive intentions about using this medium for purchasing products or services compared to those with a lower usage intensity level.

H170: Consumers using the Internet more intensely and for a wider variety of purposes are expected to have stronger expectations about increasing their level of using this medium for shopping purposes compared to those with a lower usage intensity level.

H171: Consumers using the Internet more intensely and for a wider variety of purposes are expected to be using this medium more frequently for shopping purposes compared to those with a lower usage intensity level.

H172: Consumers using the Internet more intensely and for a wider variety of purposes are expected to spare a larger portion of their total portfolio of shopping activities for online purchases compared to those with a lower usage intensity level.

4.3.18 Hypotheses About the Interrelationships Between the Three Components of the Dependent Variable:

H173: General attitudes toward the Internet as a marketing environment determine consumers' intentions about using this medium for shopping purposes. More positive attitudes lead to stronger intentions.

H174: Consumers' intentions about using the Internet for shopping purposes determine their actual behavior in the online marketplace. Stronger intentions about using this medium during the purchasing process lead to more frequent and higher levels of online shopping.

4.3.19 Hypotheses About Purchase-Specific Contextual Variables:

H175: Services are more suitable to be marketed over the Internet compared to products.

H176: Shopping goods are more suitable to be marketed over the Internet compared to convenience and specialty goods.

H177: Unsought goods are more suitable to be marketed over the Internet compared to convenience and specialty goods.

H178: Search goods are more suitable to be marketed over the Internet compared to experience goods.

H179: Services which are more standard and require less personal assistance and customization are more suitable to be marketed online compared to services for which customization and personal encounters carry great importance.

4.3.20 Hypothesis About Stages of the Purchasing Process:

H180: The Internet is more suitable for conducting the passive stages of the purchasing process, which are the awareness building, information collection and alternative evaluation stages, compared to the active phases, which are the purchase and post-purchase activities.

4.3.21 Hypotheses About Perceived Gaps:

H181: Consumers expect to experience a significant difference between their current and future levels of online shopping indicating the existence of a "personal development gap".

H182: Consumers expect to observe a significant difference between current and future levels of online shopping in general indicating the existence of a "market development gap".

H183: Consumers perceive a significant difference between the suitability of the Internet as a shopping environment and their own adoption level of this medium indicating the existence of an "internal conformity gap".

H184: Consumers perceive a significant difference between the suitability of the Internet as a shopping environment and the general adoption level of this medium indicating the existence of an "external conformity gap".

H185: Consumers perceive a significant difference between their own adoption levels of online shopping compared to the general adoption level indicating the existence of a "current adoption gap".

H186: Consumers expect to observe a significant difference between their future adoption levels of online shopping compared to the future adoption level in general indicating the existence of a "future adoption gap".

Table 4.1 – Statistical Representations of Hypotheses

H1	$H_a: r_{A1,C1} > 0$
H2	$H_a: r_{A1,C2} > 0$
H3	$H_a: r_{A1,C3} > 0$
H4	$H_a: r_{A1,D1} > 0$
H5	$H_a: r_{A1,D2} > 0$
H6	$H_a: r_{A1,F1} > 0$
H7	$H_a: r_{A1,F2/F3} > 0$
H8	$H_a: r_{A1,F4/F5} > 0$
H9	$H_a: r_{A1,F6} > 0$
H10	$H_a: r_{A1,F7} > 0$
H11	$H_a: r_{A1,F8} > 0$
H12	$H_a: r_{A2,C1} \neq 0$
H13	$H_a: r_{A2,C2} \neq 0$
H14	$H_a: r_{A2,C3} \neq 0$
H15	$H_a: r_{A2,D1} \neq 0$
H16	$H_a: r_{A2,D2} \neq 0$
H17	$H_a: r_{A2,F1} \neq 0$
H18	$H_a: r_{A2,F2/F3} \neq 0$
H19	$H_a: r_{A2,F4/F5} \neq 0$
H20	$H_a: r_{A2,F6} \neq 0$
H21	$H_a: r_{A2,F7} \neq 0$
H22	$H_a: r_{A2,F8} \neq 0$
H23	$H_a: r_{A3,C1} \neq 0$
H24	$H_a: r_{A3,C2} \neq 0$
H25	$H_a: r_{A3,C3} \neq 0$
H26	$H_a: r_{A3,D1} \neq 0$
H27	$H_a: r_{A3,D2} \neq 0$
H28	$H_a: r_{A3,F1} \neq 0$

H29	H_a: $r_{A3,F2/F3} \neq 0$
H30	H_a: $r_{A3,F4/F5} \neq 0$
H31	H_a: $r_{A3,F6} \neq 0$
H32	H_a: $r_{A3,F8} \neq 0$
H33	H_a: $r_{A3,F8} \neq 0$
H34	H_a: $r_{A4,C1} > 0$
H35	H_a: $r_{A4,C2} > 0$
H36	H_a: $r_{A4,C3} > 0$
H37	H_a: $r_{A4,D1} > 0$
H38	H_a: $r_{A4,D2} > 0$
H39	H_a: $r_{A4,F1} > 0$
H40	H_a: $r_{A4,F2/F3} > 0$
H41	H_a: $r_{A4,F4/F5} > 0$
H42	H_a: $r_{A4,F6} > 0$
H43	H_a: $r_{A4,F7} > 0$
H44	H_a: $r_{A4,F8} > 0$
H45	H_a: $r_{A5,C1} > 0$
H46	H_a: $r_{A5,C2} > 0$
H47	H_a: $r_{A5,C3} > 0$
H48	H_a: $r_{A5,D1} > 0$
H49	H_a: $r_{A5,D2} > 0$
H50	H_a: $r_{A5,F1} > 0$
H51	H_a: $r_{A5,F2/F3} > 0$
H52	H_a: $r_{A5,F4/F5} > 0$
H53	H_a: $r_{A5,F6} > 0$
H54	H_a: $r_{A5,F7} > 0$
H55	H_a: $r_{A5,F8} > 0$
H56	H_a: $r_{A6,C1} > 0$
H57	H_a: $r_{A6,C2} > 0$
H58	H_a: $r_{A6,C3} > 0$
H59	H_a: $r_{A6,D1} > 0$
H60	H_a: $r_{A6,D2} > 0$
H61	H_a: $r_{A6,F1} > 0$
H62	H_a: $r_{A6,F2/F3} > 0$
H63	H_a: $r_{A6,F4/F5} > 0$
H64	H_a: $r_{A6,F6} > 0$
H65	H_a: $r_{A6,F7} > 0$
H66	H_a: $r_{A6,F8} > 0$
H67	H_a: $r_{B1,C1} \neq 0$
H68	H_a: $r_{B1,C2} \neq 0$
H69	H_a: $r_{B1,C3} \neq 0$
H70	H_a: $r_{B1,D1} \neq 0$

H71	H_a: $r_{B1,D2} \neq 0$
H72	H_a: $r_{B1,F1} \neq 0$
H73	H_a: $r_{B1,F2/F3} \neq 0$
H74	H_a: $r_{B1,F4/F5} \neq 0$
H75	H_a: $r_{B1,F6} \neq 0$
H76	H_a: $r_{B1,F7} \neq 0$
H77	H_a: $r_{B1,F8} \neq 0$
H78	H_a: $r_{B2,C1} \neq 0$
H79	H_a: $r_{B2,C2} \neq 0$
H80	H_a: $r_{B2,C3} \neq 0$
H81	H_a: $r_{B2,D1} \neq 0$
H82	H_a: $r_{B2,D2} \neq 0$
H83	H_a: $r_{B2,F1} \neq 0$
H84	H_a: $r_{B2,F2/F3} \neq 0$
H85	H_a: $r_{B2,F4/F5} \neq 0$
H86	H_a: $r_{B2,F6} \neq 0$
H87	H_a: $r_{B2,F7} \neq 0$
H88	H_a: $r_{B2,F8} \neq 0$
H89	$\mu_{in \cap C1} \neq \mu_{ex \cap C1}$
H90	$\mu_{in \cap C2} \neq \mu_{ex \cap C2}$
H91	$\mu_{in \cap C3} \neq \mu_{ex \cap C3}$
H92	$\mu_{in \cap D1} \neq \mu_{ex \cap D1}$
H93	$\mu_{in \cap D2} \neq \mu_{ex \cap D2}$
H94	$\mu_{in \cap F1} \neq \mu_{ex \cap F1}$
H95	$\mu_{in \cap F2/F3} \neq \mu_{ex \cap F2/F3}$
H96	$\mu_{in \cap F4/F5} \neq \mu_{ex \cap F4/F5}$
H97	$\mu_{in \cap F6} \neq \mu_{ex \cap F6}$
H98	$\mu_{in \cap F7} \neq \mu_{ex \cap F7}$
H99	$\mu_{in \cap F8} \neq \mu_{ex \cap F8}$
H100	H_a: $r_{B4,C1} > 0$
H101	H_a: $r_{B4,C2} > 0$
H102	H_a: $r_{B4,C3} > 0$
H103	H_a: $r_{B4,D1} > 0$
H104	H_a: $r_{B4,D2} > 0$
H105	H_a: $r_{B4,F1} > 0$
H106	H_a: $r_{B4,F2/F3} > 0$
H107	H_a: $r_{B4,F4/F5} > 0$
H108	H_a: $r_{B4,F6} > 0$
H109	H_a: $r_{B4,F7} > 0$
H110	H_a: $r_{B4,F8} > 0$
H111	H_a: $r_{B5,C1} > 0$
H112	H_a: $r_{B5,C2} > 0$

H113	$H_a: r_{B5,C3} > 0$
H114	$H_a: r_{B5,D1} > 0$
H115	$H_a: r_{B5,D2} > 0$
H116	$H_a: r_{B5,F1} > 0$
H117	$H_a: r_{B5,F2/F3} > 0$
H118	$H_a: r_{B5,F4/F5} > 0$
H119	$H_a: r_{B5,F6} > 0$
H120	$H_a: r_{B5,F7} > 0$
H121	$H_a: r_{B5,F8} > 0$
H122	$H_a: r_{B6,C1} \neq 0$
H123	$H_a: r_{B6,C2} \neq 0$
H124	$H_a: r_{B6,C3} \neq 0$
H125	$H_a: r_{B6,D1} \neq 0$
H126	$H_a: r_{B6,D2} \neq 0$
H127	$H_a: r_{B6,F1} > 0$
H128	$H_a: r_{B6,F2/F3} > 0$
H129	$H_a: r_{B6,F4/F5} > 0$
H130	$H_a: r_{B6,F6} > 0$
H131	$H_a: r_{B6,F7} > 0$
H132	$H_a: r_{B6,F8} > 0$
H133	$H_a: r_{C1,C2} > 0$
H134	$H_a: r_{C1,C3} > 0$
H135	$H_a: r_{C1,D1} > 0$
H136	$H_a: r_{C1,D2} > 0$
H137	$H_a: r_{C1,F1} > 0$
H138	$H_a: r_{C1,F2/F3} > 0$
H139	$H_a: r_{C1,F4/F5} > 0$
H140	$H_a: r_{C1,F6} > 0$
H141	$H_a: r_{C1,F7} > 0$
H142	$H_a: r_{C1,F8} > 0$
H143	$H_a: r_{C2,C3} > 0$
H144	$H_a: r_{C2,D1} > 0$
H145	$H_a: r_{C2,D2} > 0$
H146	$H_a: r_{C2,F1} > 0$
H147	$H_a: r_{C2,F2/F3} > 0$
H148	$H_a: r_{C2,F4/F5} > 0$
H149	$H_a: r_{C2,F6} > 0$
H150	$H_a: r_{C2,F7} > 0$
H151	$H_a: r_{C2,F8} > 0$
H152	$H_a: r_{C3,D1} > 0$
H153	$H_a: r_{C3,D2} > 0$
H154	$H_a: r_{C3,F1} > 0$

H155	$H_a: r_{C3,F2/F3} > 0$
H156	$H_a: r_{C3,F4/F5} > 0$
H157	$H_a: r_{C3,F6} > 0$
H158	$H_a: r_{C3,F7} > 0$
H159	$H_a: r_{C3,F8} > 0$
H160	$H_a: r_{D1,D2} > 0$
H161	$H_a: r_{D1,F1} > 0$
H162	$H_a: r_{D1,F2/F3} > 0$
H163	$H_a: r_{D1,F4/F5} > 0$
H164	$H_a: r_{D1,F6} > 0$
H165	$H_a: r_{D1,F7} > 0$
H166	$H_a: r_{D1,F8} > 0$
H167	$H_a: r_{D2,F1} > 0$
H168	$H_a: r_{D2,F2/F3} > 0$
H169	$H_a: r_{D2,F4/F5} > 0$
H170	$H_a: r_{D2,F6} > 0$
H171	$H_a: r_{D2,F7} > 0$
H172	$H_a: r_{D2,F8} > 0$
H173	$H_a: r_{F1/F2/F3,F4/F5/F6} > 0$
H174	$H_a: r_{F4/F5/F6,F7/F8} > 0$
H175	$\mu_{E1a} \neq \mu_{E1b}$
H176	$\mu_{E2a} \neq \mu_{E2b/E2c}$
H177	$\mu_{E2d} \neq \mu_{E2b/E2c}$
H178	$\mu_{E3a} \neq \mu_{E3b}$
H179	$\mu_{E4a} \neq \mu_{E4b}$
H180	$\mu_{F2a} \neq \mu_{F2b}$
H181	$\mu_{usenow(self)} \neq \mu_{usefuture(self)}$
H182	$\mu_{usenow(gen)} \neq \mu_{usefuture(gen)}$
H183	$\mu_{usenow(self)} \neq \mu_{suitability}$
H184	$\mu_{usenow(gen)} \neq \mu_{suitability}$
H185	$\mu_{usenow(self)} \neq \mu_{usenow(gen)}$
H186	$\mu_{usefuture(self)} \neq \mu_{usefuture(gen)}$

This concludes our discussion about the empirical framework of the study. In the next section, the methodological specifications that have been determined to apply this empirical base on have been presented.

V. RESEARCH METHODOLOGY

In this section, we will provide the necessary information about the technical details of our study. Important issues such as the method and procedure of data collection, the type of investigation and study setting, results obtained from the pilot study, the designation and re-designation of the questionnaire, and sampling practices will be covered. Our research constraints, when relevant, will also be clearly stated.

A summary table including the headlines of the methodological structure that we have designed is provided below:

Table 5.1 – The Methodological Structure of the Study

Type of Data	Primary
Type of Investigation	Correlational and Group Differences
Study Setting	Field study
Time Horizon	Cross-sectional
Data Collection Method	Questionnaire
Sampling Method	Convenience
Sampling Units	Consumers
Sample Size	503

5.1 Type of Data

The type of data that has been collected in this study is "primary data". As we have stated before in the literature review section, the subject is a very new, fertile and yet under-researched issue about which extensive empirical studies are required. Our modest aim here was to perform one such exemplary study that is expected to explain the effects of and the relationships between numerous variables pertaining to the Internet as a consumer market.

Of course, this is not to deny the importance of secondary data within the context of our study. Our purpose in starting out with such an extensive outline at the outset was to perform a research that possesses both descriptive and empirical value.

Therefore, we have conducted a wide-scope literature survey that serves as an overall assessment of the Internet marketing literature rather than focusing on the specific issues of interest for our research considerations. Additionally, we have collected and provided an appendix about statistical facts pertaining to the issue of online marketing. In short, although technically our data collection method may be called primary, this does not mean that we have overlooked or under-utilized the available sources of secondary information about the subject.

5.2 Type of Investigation

Among the three available types of investigation, namely, causal, correlational, and group differences, we have made most common use of the correlational design followed by group differences. The correlational design is used when the researcher wants to identify and find out about the relationships between certain crucial factors that are expected to influence a dependent variable as well as one another. Group differences, on the other hand, are utilized to differentiate certain segments of the sample from another with respect to some of the variables in the study. Therefore, we have found both of these investigation types suitable for our research purposes and excluded the causal design, which is nearly impossible for a model that contains so many variables.

5.3 Study Setting

Most correlational studies are conducted as "field studies" in natural environments. Using a noncontrived setting in which respondents function normally is the best choice for a study in this format. An experiment is, naturally, out of

question so we do not find it necessary to aggressively justify the choice of a field study further.

5.4 Time Horizon

The study is designed as a "cross-sectional" one. Although the time required to complete the collection of the data with a large sample size and a considerably long questionnaire is extensive, methodologically, it is a one-shot study. However, as this subject is a very promising field of research in the long run, too, and as most scholars expect to observe many changes in a few years that will invalidate or question the results of the studies done today about this issue, the study may be replicated or conducted after a redesignation in the future for longitudinal purposes.

5.5 Data Collection Method

The data collection method used for this study is a "partially disguised and structured questionnaire". By "partially disguised" we mean that the subject and the purpose of the research have not been disclosed at the introductory note addressed to the participants. However, the questions leaded to a clear understanding of what we have been exploring anyway. Additionally, it was a structured survey meaning a standard questionnaire was applied to all respondents.

At this point, we find it important to ponder over the construction of our questionnaire, the pilot study conducted to test the technicalities, and the restructuring that took place after the pilot study.

5.5.1 The Initial Questionnaire:

The first draft of the questionnaire contained proposed questions about all of the variables in the theoretical model. In its original form, it was not designed to be conducted at full length but rather a clever selection was to be made by the dissertation proposal committee and ourselves. As a joint decision of the committee members, certain parts of the theoretical model have been excluded from the section selected for measurement. This filtering process and its accompanying justifications have been explained in Chapter 4.

After this filtering process, the questionnaire was ready for the pilot study.

5.5.2 The Pilot Study:

The pilot study was conducted with 10 people from Boğaziçi University. The volunteers were distributed as follows:

*1 instructor at the Assistant Professor level

*6 MBA or PhD students who were research assistants at the same time

*3 volunteers from the faculty secretariat

The reason we did not find it crucial to keep the number of respondents for the pilot study too high was that the questionnaire was prepared with the utmost consideration of the advisor and the candidate as well as two other marketing professors from the dissertation proposal committee. Most of the technicalities were resolved at that level as understood from the minority of the alterations made after the pilot study. At this point, we feel content with summarizing the major contributions made by the ten volunteers:

- The questionnaire was sectioned into three parts.
- A few of the items in the scales used were rephrased for easier understanding.

- Two additions have been made to the list of possible activities that can be done on the Internet, namely, playing games and reading newspapers.
- The intervals for the question about Internet usage history have been changed:

Initial form:	Final form:
- less than 6 months	- less than 1 year
- 6 to 11 months	- 1 to 3 years
- 1 to 2 years	- more than 3 years
- more than 2 years	

In the pilot study, we have found out that most respondents found it useless to differentiate between the first and the second groups. Also, as the original questionnaire was prepared in 2000 and the actual data collection activity took place in 2001, the last interval representing early adopters had to be rephrased as those using the Internet for more than three years rather than two.

5.5.3 Reliability Analyses:

After the data has been collected from the pilot study, we ran reliability analyses for the five scales used in the questionnaire. These are:

Scale 1: Innovativeness

Scale 2: Attitude toward technology

Scale 3: Reference group influence

Scale 4: Technology Utilization Level

Scale 5: Familiarity with and attitude toward computers

As the first step, we ran inter-item correlations and those items that were correlated with at least one other item in the scale were accepted as qualified for reliability analysis. As the second step, we ran reliability tests and accepted each scale ready for measurement if Cronbach's alpha was greater than 0.60 and the error of Hotelling's T was less than 0.05 at the same time. As a result of this two-stage

procedure, some items have been excluded from the scales they belonged to. The original forms of the scales are provided in Appendix 5. The final scales that we achieved have been shuffled to avoid measurement bias and have been placed in the questionnaire after this re-allocation. The Cronbach's alpha values and the significance of Hotelling's T for each scale are as follows:

Scale 1: Innovativeness:	$\alpha = 0.6094$	Prob. of Hotelling's T (error) = .0148
Scale 2: Attitude Toward Technology:	$\alpha = 0.6589$	Prob. of Hotelling's T (error) = .0385
Scale 3: Technology Utilization Level :	$\alpha = 0.7586$	Prob. of Hotelling's T (error) = .0091
Scale 4: Reference Group Influence:	$\alpha = 0.8077$	Prob. of Hotelling's T (error) = .0404
Scale 5: Computer Friendliness and: Literacy	$\alpha = 0.7273$	Prob. of Hotelling's T (error) = .0256

5.5.4 Final Form of the Questionnaire:

The final questionnaire consists of ten pages excluding the cover page where an introductory note is addressed to the participants. As assessed from the pilot study, the average response time is 30 minutes.

The first section consists of questions about demographics, psychographics, and context-specific characteristics. The second section consists mainly of the scales about Jungian personality types and locus of control. The third and the final section includes questions about Internet usage history, intensity, attitudes, perceptions, habits, and behavior on the online market. The original form of the questionnaire used in the field has been provided in Appendices 3 and 4.

There are a few number of open-ended questions in the survey and they are listed below:

- the sex and ages of the respondents' children, if any
- the department graduated from for university or post-university graduates

- job/occupation/current working position
- products or services purchased once, a few times or regularly over the Internet

The rest of the questions in the questionnaire were all closed-ended and multichotomous.

5.6 Sampling

In this part of the section about research methodology, we will discuss how the sampling plan has been prepared and carried out.

5.6.1 Sample Population:

In this study, our population is all individuals in Turkey who have access to the Internet. It is very difficult to determine the exact number in this population, though. The number of Internet connections is not an accurate source of estimation because the number of users who utilize one connection is unknown. A computer connected to the Internet in a school, an Internet cafe or a working environment may host varying numbers of users which is very difficult to determine. Even a home computer may connect one or more members of a household at the same time. Therefore, we will have to rely on published data from commercial sources about the number of Internet users in Turkey.

According to the study conducted by Salomon Smith Barney, the number of users in Turkey was 120,000 in 1998. Their estimates were 350,000 for 1999 and 1,000,000 for 2000. Another figure shows that, as of 2000, every 8 out of 1,000 people is an Internet user in Turkey (Hürriyet, March 26, 2000). This corresponds to an approximate figure of 500,000. However, because of the boom experienced in the

Internet sector in Turkey within the last two years, these estimations lagged far behind reality. The actual figures have been found to be much higher.

CyberAtlas, which is one of the largest online databases that collects the most recent research results about country-based figures about the Internet shows that: "According to IBS's Turkish Internet Sector Report, subscriptions claimed by Turkish ISPs grew from 322,000 at the end of 1999 to 2.3 million at the end of 2000. This followed a 280% increase in 1999. IBS's end-user research shows that each subscriber has an average of 1.5 ISP subscriptions. Thus, the number of individual Internet subscribers in Turkey is approximately 1.5 million. The research further shows a subcriber-user ratio of 2.4:1 **meaning that Turkey has around 3.7 million residential users**." (http://cyberatlas.internet.com/big_picture/geographics/article/0,,5911_574601,00.html, Apr.30, 2001)

5.6.2 Sampling Units:

Coming to the sampling units, the study will be conducted on individuals as this will be a consumer-based project. At this point, we find it important to identify the two criteria we have used to restrict participation to our study. These were that the respondent has to have a minimum education level of high school and he/she must be working at a private sector company.

5.6.3 Sampling Method:

The sampling method that we have used is convenience sampling. The method we have employed to collect our data obligated us to use this option. We have found contact people at managerial positions in well-established private institutions and have informed them about the full details of the questionnaire and how it should be

conducted. Then, respondents meeting the criteria we have defined have been accepted as qualified to participate in the study. They filled out the questionnaires and returned them to the contact person selected.

5.6.4 Sample Size:

Finally, the sample size is determined according to the following procedure:

Step 1 - Specify Error (E) - An error level of 0.05 is determined.

Step 2 - Specify Confidence Level - The confidence level has been specified as 95%. ($\propto = 0.05$)

Step 3 - Define z value - The z value that corresponds to a 95% confidence level is 1.96.

Step 4 - Define standard error - $\propto / z$

$0.05 / 1.96 = 0.0255$

Step 5 - Estimate population proportion (Π) - This is usually selected as 50% which is what we will do for this study.

Step 6 - Calculate sample size - $n = z^2.\Pi.(1-\Pi) / E^2$

$n = (1.96)^2 . (0.50) . (0.50) / (0.05)^2 = 384$

By employing 548 questionnaires and achieving a response rate of 92%, we have obtained 503 usable questionnaires for statistical analysis meeting the minimum sample size requirement.

Before concluding this section, it is important to note that at step 4, standard error (σ_p) was calculated by dividing the error level specified at step 1 (E) by the z value that corresponds to the confidence level specified at step 2 ($\propto$). Now that we know the sample size (n), we can re-calculate the standard error (σ_p) by using the following formula:

$$\sigma_p = \sqrt{\frac{\Pi(1-\Pi)}{n}}$$

The value obtained from this calculation is 0.0223. This improves our initially defined error level (E) from 0.05 to 0.043 as follows:

E / 1.96 = 0.0223

E = 0.043

In other words, by using a sample size of 503 instead of the minimum requirement of 384, we have improved our error level by 14%.

VI. FINDINGS OF THE STUDY

In this section, we will present the descriptive, correlational and group difference findings we obtained as a result of the statistical tests conducted on our data.

6.1 Findings Obtained From Descriptive Statistics

Under this subtitle, the frequency distributions of and the findings about the descriptive statistics for each variable will be discussed.

6.1.1 Consumer Demographics (A1, A2, A3, A4, A5, A6)

One of the major components of the model we tested includes variables about the demographic characteristics of consumers. The descriptive results obtained about these variables are presented in the following sections.

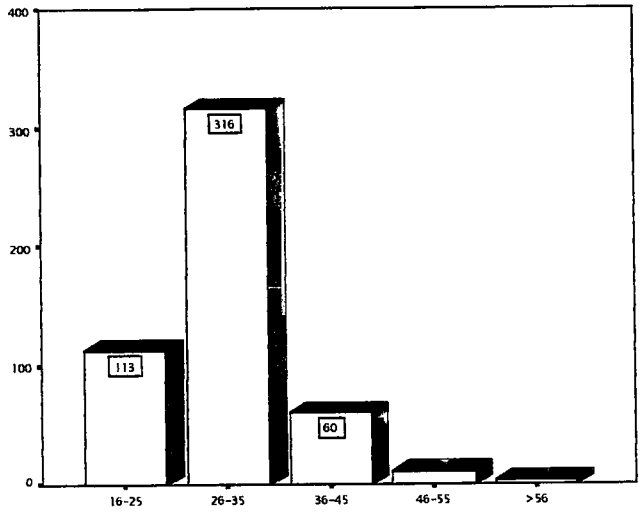
6.1.1.1 Age Group (Part I – Question 1):

Table 6.1 – Frequency Distribution of Age Groups

	Frequency	Valid Percent
15 or younger	0	0
16-25	113	22.5
26-35	316	62.8
36-45	60	11.9
46-55	11	2.2
56 or older	3	0.6
Missing	0	
Total	503	100

Mode: 3 **Median: 3**

Figure 6.1 – Frequency Distribution of Age Groups



This variable has been measured using a six-group ordinal interval scale with the concern that some respondents may be reluctant to depict their exact age in an open-ended ratio format. The results obtained from frequency analyses show that a very large portion of the sample has been concentrated into the second and third groups pertaining to the age interval between 16 and 35. Approximately, 85% of our sample comes from this age group. There are two main reasons for this situation. The first is that we have limited our scope by including the working population into our sample which, automatically, leaves the "15 and lower" group out of question. Another condition for being included in the sample was to be an "Internet user" which limited participation from the middle and older age groups to a great extent. Furthermore, the average age group of the working population and of the contacted portion of that population mostly fell into the 16 to 35 age group which created this concentration. However, we do not consider this as a limitation. As Internet users mostly comprise of younger people both in Turkey and on a worldwide basis, this is further expected to increase the representativeness of our sample rather than creating a limitation.

For statistical purposes, it was necessary to recode this variable and use the recoded version for certain analyses. Based on cumulative percentages, age group has been re-grouped as follows:

Table 6.2 – Recoded Frequency Distribution of Age Groups

Groups	Frequencies	Valid Percent
25 or younger	113	22.5
26-35	316	62.8
36 or older	74	14.7
	503	100

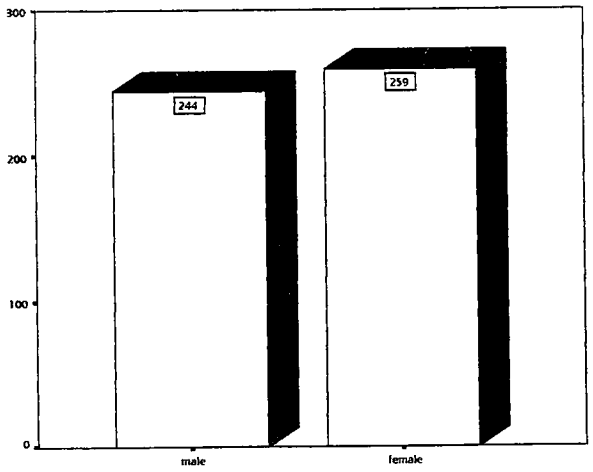
It was important to keep the 16-25 and the 26-35 intervals apart from each other in order to create meaningfully different age groups. Otherwise, the percentage distribution would be too distorted making the related statistical analyses meaningless.

6.1.1.2 Sex (Part I – Question 3):

Table 6.3 – Frequency Distribution of Sex

	Frequency	Valid Percent
Male	244	48.5
Female	259	51.5
Missing	0	
Total	503	100

Figure 6.2 – Frequency Distribution of Sex



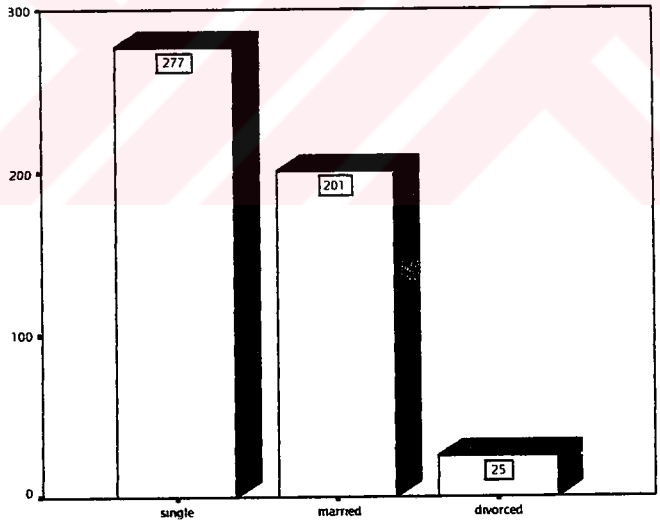
As seen from the table and figure above, a very balanced distribution has been achieved between the two sexes with 48.5% male and 51.5% female respondents. Thus, any analysis based on a comparison of these two groups can be considered free from statistical limitations.

6.1.1.3 Marital Status (Part I – Question 2):

Table 6.4 – Frequency Distribution of Marital Status

	Frequency	Valid Percent
Single	277	55.1
Married	201	40
Divorced	25	5
Widowed	0	0
Missing	0	
Total	503	100

Figure 6.3– Frequency Distribution of Marital Status



These results demonstrate that 55.1%, meaning more than half of the sample, consists of single respondents whereas 40% consists of married people. This is a natural result of the age distribution falling mostly into 16-35 interval. On the average, people falling into this age group come from a single or newly married population as will be shown below in the analysis of the frequency results about

marriage years, too. This distribution has provided an avenue for being able to conduct discriminant analyses between married and single respondents and to observe whether marital status creates a difference in terms of our dependent variables.

6.1.1.4 Marriage Years (Part I – Question 2) :

Married subjects have been asked to state their marriage years in an open-ended format. The results obtained from this question show that the mean years of marriage in our sample is 6.7284 with a standard deviation of 6.5711. For analytical purposes, we recoded marriage years based on cumulative percentages as follows:

Table 6.5 – Frequency Distribution of Marriage Years

Values	Frequencies	Valid Percent
0 ≤ years < 4	86	43.7
4 ≤ years < 8	47	23.9
8 ≤ years < 12	29	14.8
12 ≤ years	35	17.8
Total	197	100

Looking at the table above, it is observed that approximately 68% of the married sample, which is roughly two-thirds of the total population of married respondents, is in the earlier stages of the family life cycle with 44% being married for less than 4 years and 24% being married for 4 to 8 years. Another indication of this distribution is the number of people having one, two or more children and the ages of these children.

6.1.1.5 The Number and Ages of Children: (Part I – Questions 5-6)

Table 6.6 – Frequency Distribution of the Number and Ages of Children

Do You Have Children?

	Frequency	Valid Percent
Yes	102	20.3
No	401	79.7
Missing	0	
Total	503	100

Age of Child 1

Age	Freq.	Valid Perc.
0-6	39	48.1
7-13	25	30.9
>14	17	21
Total	81	100

Age of Child 2

Age	Freq.	Valid Perc.
0-6	11	44
7-13	9	36
>14	5	20
Total	25	100

Note: There was only one respondent with a third child belonging to the 0 to 6 age group, therefore, we did not prepare a separate table for that single response.

The above figures indicate that only 102 respondents have one or two children, which corresponds to approximately 20% of the total sample and 50% of the married sample. Among those families with one or more children, it is confirmed that a large proportion falls into the earlier stages of the family life cycle as understood from the average ages of their children.

In short, all related frequencies show that the sample consists of single or newly married respondents at the early stages of the family life cycle.

6.1.1.6 Number of Family Members in Household (Part I – Question 4):

Another demographic variable that was measured in our questionnaire is the number of members in household excluding the respondent. The frequency results are provided below:

Table 6.7 – Frequency Distribution of Number of Family Members in Household

	Frequency	Valid Percent
0	84	16.8
1	154	30.7
2	128	25.5
3	98	19.6
4	28	5.6
5	7	1.4
6	2	0.4
Missing	2	
Total	501	100

Mean:1.7226 **S:** 1.2300

These figures indicate that our respondents come mostly from uncrowded households. An important portion, corresponding to an approximate value of 17%, is living alone. Another 31% of the households consist of two members only. These two groups alone make up 48% of the total sample. In other words, it is possible to say that roughly one half of the sample comes from single or double member households while the other half consist of three or more members.

For statistical purposes, number of members in household has been recoded as follows:

Table 6.8 – Recoded Frequency Distribution of Number of Family Members in Household

	Frequency	Valid Percent
0 or 1	238	47.5
2 or more	263	52.5
Missing	2	
Total	503	100

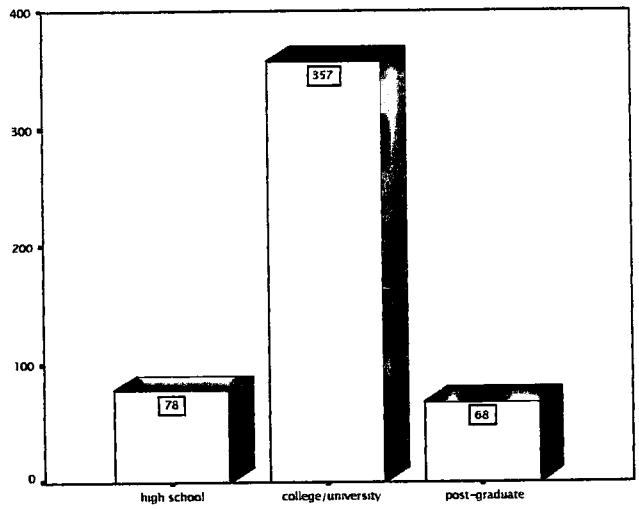
6.1.1.7 Education Status (Part I – Question 7):

As indicated in the section about sample selection, one of the constraints we included in the determination of the characteristics of the respondents who can participate in our survey was education level. During our discussions about which variables should be kept within certain limitations, we decided that education level could be an important determinant of Internet usage, which meant that we should naturally direct our effort toward those with a minimum education level of high school. The resulting frequencies are displayed below:

Table 6.9 – Frequency Distribution of Education Level

	Frequency	Valid Percent
Literate	0	0
Primary / Elementary School	0	0
Secondary School	0	0
High School	78	15.5
College / University	357	71
Post-Graduate	68	13.5
Missing	0	
Total	503	100

Figure 6.4 - Frequency Distribution of Education Level



These results show that our sample comes from a homogenous population of educated people with 71% falling into the university-graduate section. 15.5% have a high school diploma and 13.5% have received graduate education, which gives us the chance to make cross comparisons within this distribution as well.

6.1.1.8 Household Income Level (Part I – Question 8):

Table 6.10 – Frequency Distribution of Household Income Level

	Frequency	Valid Percent
250,000,000TL. or less	7	1.4
251,000,000TL.–500,000,000TL.	26	5.2
501,000,000TL.-750,000,000TL.	48	9.6
751,000,000TL.-1,000,000,000TL.	72	14.4
1,000,000,000TL.-1,250,000,000TL.	60	12
1,250,000,000TL.-1,500,000,000TL.	65	13
1,500,000,000TL. or more	221	44.3
Missing	4	
Total	503	100

The results obtained from the question about the amount of household income level show that 16.2% of the respondents receive a maximum of 750,000,000 TL. monthly. A considerable group of 39.4% has stated to have a monthly family income of 750,000,000 TL. to 1,500,000,000 TL. Finally, the largest portion of the sample

consisting of 44.3% of the respondents has declared a monthly household income level of 1,500,000,000 TL. or higher.

For analytical purposes, household income level has been recoded as follows:

Table 6.11 – Recoded Frequency Distribution of Household Income Level

	Frequency	Valid Percent
750,000,000TL. or less	81	16.2
751,000,000TL.-1,500,000,000TL.	197	39.4
1,500,000,000TL. or more	221	44.3
Missing	4	
Total	503	100

6.1.1.9 Profession/Current Occupational Position: (Part I – Question 9)

Respondents have been asked to indicate their professions and current occupational positions. The range of responses collected carried such great variations that it hindered our attempts to combine and create meaningfully different groups. Results were inconsistent as some subjects preferred to state the sector they worked in, some expressed their positional status only, while others provided very specific job descriptions. Therefore, we have done our best to classify these responses into meaningful groups and the findings are presented in Appendix 6. However, the classification can be used for descriptive purposes only, The responses received have not made it possible to conduct comparative analyses between occupation and profession and other variables in the model.

6.1.1.10 Financial Status: (Part I – Questions 10-11)

We have included two questions in the questionnaire for the purpose of determining the financial status of our respondents. Subjects were asked to state how many credit cards they had and whether they had a personal or accessible bank account or not. The results are presented below.

Table 6.12 – Frequency Distributions of Financial Status

Do You Have a Credit Card?

	Freq.	Valid Perc.
Yes	474	94.2
No	29	5.8
Missing	0	0
Total	503	100

How Many Credit Cards Do You Have?

	Frequencies	Valid Percent
1 or 2	207	44.4
3 or more	260	55.7

Do You Have a Bank Account?

	Freq.	Valid Perc.
Yes	487	96.8
No	16	3.2
Missing	0	0
Total	503	100

These results have been combined with the income levels declared by the respondents to determine the financial status of each subject. The procedure is as follows:

Income (recoded) : 1 (low) 2 (medium) 3 (high)
Number of credit cards : 0 (none) 1 (one or two) 3 (three or more)
Bank account : 0 (No) 1 (Yes)
Total score : Income + Number of credit cards + Bank account

The resulting score can be a value from 1 to 6. Based on cumulative percentages, financial status has been recoded as follows:

Table 6.13 – Recoded Frequency Distribution of Financial Status

Scores	Frequencies	Valid Percent
1-3 (low)	59	12
4 (medium)	133	27.1
5-6 (high)	298	60.8
Missing	13	
Total	503	100

These results show that approximately 12% of our sample has a low financial status; 27% have a medium financial status, and 61% have a high financial status.

Comparisons have been made about whether any significant difference exists between these groups in terms of our dependent variables. The results will be presented in the relevant section.

6.1.2 Consumer Psychographics (B1, B2, B3, B4, B5, B6)

In this section, we will present the results about the psychographic characteristics of consumers which constitute a second group of independent variables in the tested model.

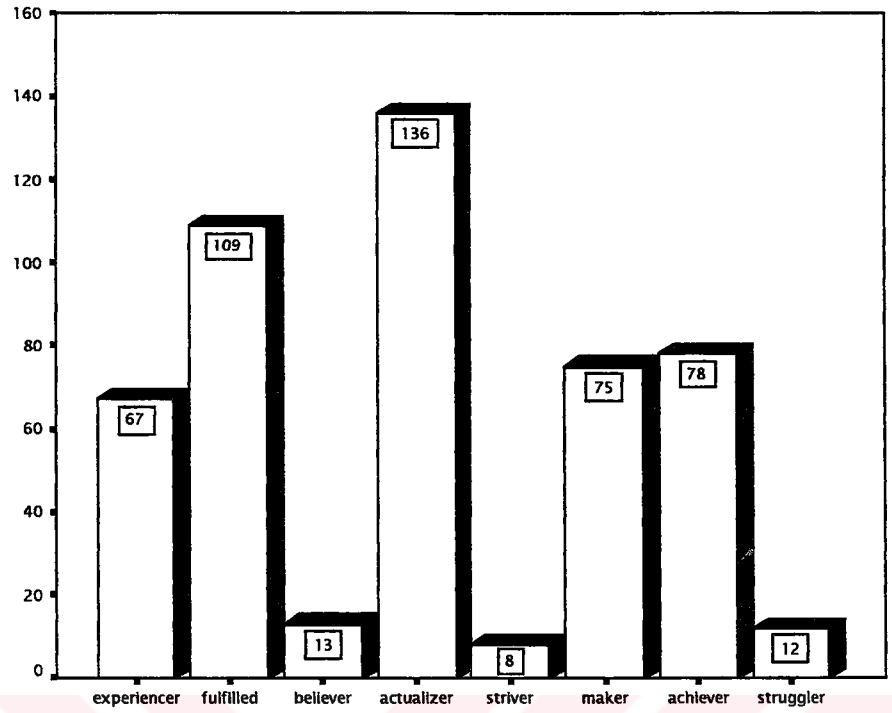
6.1.2.1 Life Style: (Part I – Question 12)

Life style is one of the variables that have been included in the set of psychographic characteristics defining consumer personalities. In this study, we have used the VALS (Values and Life Style) categorization (SRI International c.f. Schifmann and Kanuk, 2000) according to which people are classified into one of eight life style patterns. As the characteristics of each group have been discussed before, we are content with providing the results of the descriptive statistics here.

Table 6.14 – Frequency Distribution of Life Style

	Frequency	Valid Percent
Actualizer	136	27.3
Fulfilled	109	21.9
Achiever	78	15.7
Maker	75	15.1
Experiencer	67	13.5
Believer	13	2.6
Struggler	12	2.4
Striver	8	1.6
Missing	5	
Total	503	100

Figure 6.5 - Frequency Distribution of Life Style



These results demonstrate a relatively reasonable picture of the population we aim to represent with our sample. While responses have converged mainly around five life style patterns, three groups have received a limited number of responses, which is quite acceptable. These unpopular categories are the "believers", "strivers", and "strugglers". Strivers and strugglers are directly associated with a low income level and a very unsatisfactory life which is normally not a very common situation for this respondent group. Although a portion of the total population in Turkey may fall into these two groups, the selected population of Internet users with a relatively high level of education and a professional occupation in the private sector are less prone to personalizing themselves as strugglers or strivers. The reason why believers are not abundant in this sample is also clear. By their nature, believers represent a very conservative group who do not adopt innovations rapidly. Considering that Internet usage, by itself, is an innovative activity in Turkey, it is no surprise that few believers have been encountered in our sample.

Coming to the more popular life style patterns selected by respondents, we can see that the most crowded group consists of "actualizers" followed by "fulfilleds". The rank order goes on as "achievers", "makers", and "experiencers". These results are not surprising with the exception that experiencers, who represent the most innovative group among the eight life style patterns presented here, could be expected to rank higher than fifth. More important than this categorization is whether these different life style patterns are in any way related to the other variables in the model which will be investigated in the relevant sections.

6.1.2.2 Jungian Personality Types: (Part II – Questions 1-12)

According to the Jungian typology, individuals can be categorized based on their information collection and decision making styles into four groups. One of the dimensions of this categorization is information collection style according to which personalities are dichotomized as "sensing" or "intuiting" types. The other dimension is decision making style according to which personalities are classified as "thinking" or "feeling" types. Respondents' tendencies toward putting themselves into one of the four personality types resulting from the combination of these two dimensions has been measured by using a carefully selected portion of the relevant original scale. As for the measurement process, first, a score has been calculated for each information collection or decision making style for every respondent. The results are displayed as follows:

Table 6.15 – Frequency Distribution of Jungian Personality Style Scores

Sensing Score

	Freq.	Valid Perc.
0	14	2.8
1	36	7.2
2	75	15.1
3	114	22.9
4	142	28.5
5	83	16.7
6	34	6.8
Missing	5	
Total	503	100

Mean: 3.4438 **S:** 1.4374

Intuiting Score

	Freq.	Valid Perc.
0	34	6.8
1	83	16.7
2	142	28.5
3	114	22.9
4	75	15.1
5	36	7.2
6	14	2.8
Missing	5	
Total	503	100

Mean:2.5562 **S:** 1.4374

Thinking Score

	Freq.	Valid Perc.
0	3	0.6
1	27	5.4
2	54	10.8
3	86	17.2
4	127	25.4
5	138	27.6
6	65	13
Missing	3	
Total	503	100

Mean: 3.9620 **S:** 1.4087

Feeling Score

	Freq.	Valid Perc.
0	65	13
1	138	27.6
2	127	25.4
3	86	17.2
4	54	10.8
5	27	5.4
6	3	0.6
Missing	3	
Total	503	100

Mean: 2.0380 **S:** 1.4087

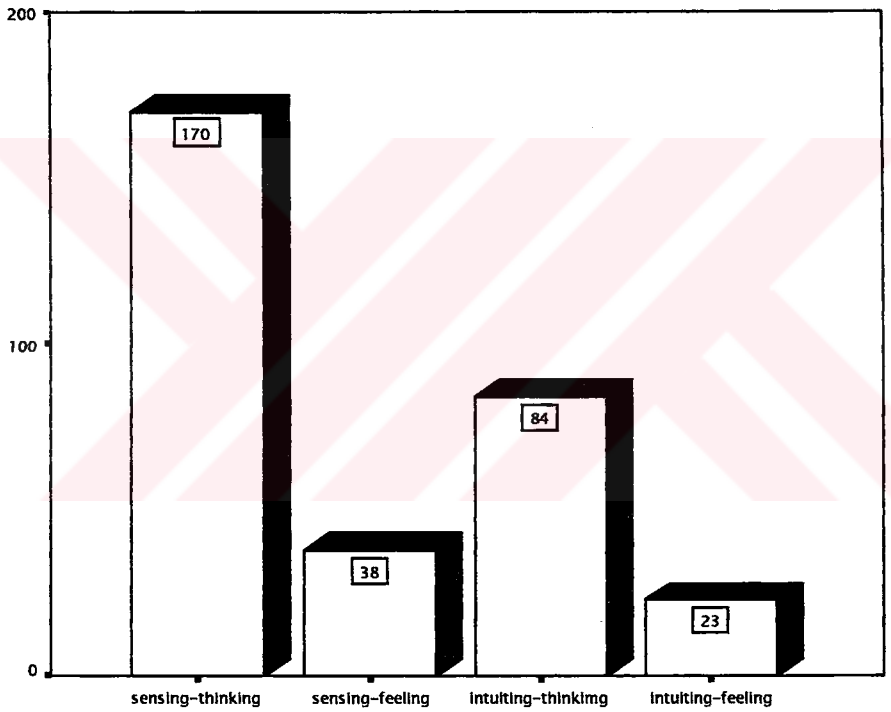
After this scoring process, subjects have been classified into one of the two groups for each dimension if they have scored higher for one category compared to the other. In other words, if a subject scored higher for the sensing style compared to the intuiting style, he/she has been considered to be a sensing personality in terms of information collection attitude; similarly, if a subject scored higher for the thinking style compared to the feeling style, he/she has been considered to be a thinking personality in terms of decision making attitude. If the score was equal for both groups (in the case of scoring "3" for each), this respondent has not been accepted suitable for being classified into one of the two groups. Therefore, in the final categorization during which the two results have been combined, some respondents

have automatically been left out of the classification process. This explains the high number of missing respondents in the final categorization table provided below.

Table 6.16 - Frequency Distribution of Jungian Personality Types

	Frequency	Percent
ST (Sensing-Thinking)	170	33.8
SF (Sensing-Feeling)	38	7.6
IT (Intuiting-Thinking)	84	16.7
IF (Intuiting-Feeling)	23	4.6
Missing	188	37.4
Total	503	100

Figure 6.6 - Frequency Distribution of Jungian Personality Types



The results displayed above indicate a highly distorted distribution of personality styles. 33.8% of the respondents have positioned themselves into the "sensing-thinking" group while only 7.6% accept to be a "sensing-feeling" type. 16.7% are "intuiting-thinking" personalities, while a micro segment of 4.6% exists representing the "intuiting-feeling" style. Finally, 37.4% have not been clearly categorized into one of these four typologies.

These findings do not appear to be very realistic. We have interpreted this distribution to represent respondents' ideal self-concepts rather than the actual self-concepts. It is observed that subjects have a strong tendency to define themselves as rational decision makers with a logical and empirical viewpoint and an objective orientation. They claim to collect a large amount of reliable information before reaching a final decision as they, most probably, believe that this is the "correct" route. In other words, we believe that people have viewed relying on their intuitions and making subjective decisions as an incorrect or unsophisticated manner and have not preferred declaring that they behave so.

We accept this to be a methodological contribution of the study rather than a problem. Our interpretation is that the scale may be third-personalized in a future attempt to avoid the personification problem in which case the actual self-concepts will be revealed more comfortably by respondents in a disguised manner.

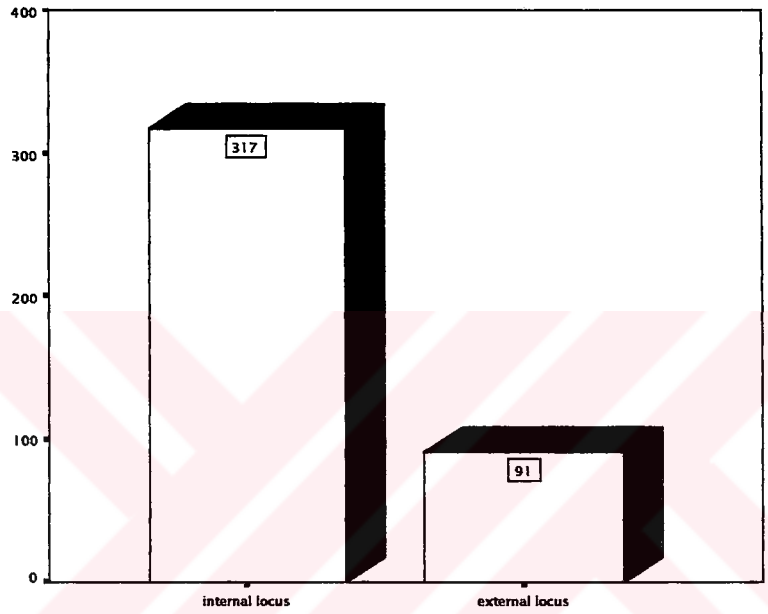
6.1.2.3 Locus of Control: (Part II – Questions 13-18)

Another psychographic variable that has been measured in this study is locus of control which pertains to the causes people attribute to events. While those who attribute environmental and uncontrollable causes to events are considered to have an external locus of control, those who search for the cause within themselves or within a controllable set of factors are accepted to have an internal locus of control. The measurement of this variable has been based on six issues for which respondents were asked to choose an internal or external factor as a cause. Those who showed a stronger tendency toward one side have been categorized into that group while those who scored equal for both orientations have been excluded from this categorization. The results are as follows:

Table 6.17 – Frequency Distribution of Locus of Control

	Frequency	Percent
Internal Locus of Control	317	63
External Locus of Control	91	18.1
Unqualified	94	18.7
Missing	1	0.2
Total	503	100

Figure 6.7 – Frequency Distribution of Locus of Control



These results show that the methodological limitation faced with the measurement of Jungian personality types have been observed here, too. A disproportionately large section of the sample attributed internal or controllable causes to events rather than external or uncontrollable factors. Such an uneven distribution is not very realistic and, according to our interpretation, depicts the reflection of ideal behavior rather than actual behavior.

6.1.2.4 Innovativeness: (Part I – Question 14 & Part II – Question 19)

An important psychographic variable that we aimed to investigate in this study was the level of innovativeness of the respondents. In order to measure this, an

innovativeness scale belonging to Leavitt and Walton (1988) has been used. The mean scores achieved for the statements in that scale are presented below.

Table 6.18 – Descriptive Results About Innovativeness Statements

	Mean	S
Trying new things is nice. (+)	3.4632	.5339
It may be quite risky to purchase a product newly introduced into the marketplace. (-)	2.4891	.6179
I usually try new brands before others do. (+)	2.2962	.6198
I like taking risks. (+)	2.6302	.6845
People usually consult me about the latest trends, newest brands or products, etc. (+)	2.3745	.6828
The best way to do something is the known way. (-)	2.5726	.7923
I like to take a chance. (+)	3.1352	.6100
I try to follow the latest fashion about many things.(+)	2.7137	.6926
I wait for others to try a novelty before I do. (-)	2.4652	.6393

1 – Strongly Disagree 2 – Disagree 3 – Agree 4 – Strongly Agree

For the purpose of obtaining an overall measure of innovativeness using this scale, negative statements have been reverse coded first. Then, each respondent's score for each of these nine statements have been added up to calculate an overall innovativeness score. The minimum possible score from this calculation was 9 and the maximum possible score was 36. As a final step, innovativeness scores have been recoded based on cumulative percentages as follows:

Table 6.19 – Frequency Distribution of Innovativeness Scores

Innovativeness Scores	Frequencies	Valid Percent
15-22 (low)	155	30.9
23-25 (medium)	192	38.2
26-33 (high)	155	30.9
Total	502	100

Mean: 24.0876 **S:**2.8712

This recoding process has not been conducted necessarily based on strictly equal intervals. Intervals have been determined based on the minimum and maximum possible values, the mean, and the percentage distribution within the sample. The aim

in following such a procedure is to be more precise about whether differences in innovativeness scores represent a significantly meaningful difference in terms of other variables in the model.

According to the results achieved from this recoding process, 38.2% of the population represents the mediocratic group in terms of innovativeness with an equal proportion of 31% lying at both upper and lower sides.

6.1.2.5 Opinion Leadership: (Part I – Question 14)

One of the items within the innovativeness scale aims to measure how much the respondent can be identified as an opinion leader:

"People usually consult me about the latest trends, newest brands or products, etc."

The results about this specific statement are as follows:

Table 6.20 – Frequency Distribution of Opinion Leadership

	Frequency	Valid Percent
Strongly Agree	21	4.2
Agree	183	36.5
Disagree	261	52
Strongly Disagree	37	7.4
Missing	1	
Total	503	100

According to the above table, 4.2% of the total sample identify themselves strongly as opinion leaders while 36.5% show a high tendency to view themselves so, too. On the other hand, a total of 59.4% show a negative propensity toward being considered as opinion leaders. Whether declaring to be an opinion leader or an opinion follower signals any difference in terms of the other variables in the model will be discussed in the relevant section.

6.1.2.6 Reference Group Influence (Part I – Question 15)

The last psychographic variable we included in our model is reference group influence. This construct has been measured for the purpose of finding out whether

individuals with different social or interpersonal orientations toward the shopping experience depict differences in terms of online shopping attitudes and behavior as well. For this purpose, a scale consisting of five items has been used and the responses obtained for each statement is presented below.

Table 6.21 - Descriptive Results About Reference Group Influence Statements

	Mean	S
I attribute the greatest importance to my own ideas and experiences during purchase decisions. (-)	**3.0458**	**.4769**
When I feel indecisive about the purchase of a product or service, I take the ideas of the people around me into consideration . (+)	**2.6243**	**.7000**
I almost do not take any purchase decision alone regardless of its importance.(+)	**1.8628**	**.7163**
I don't like shopping alone. (+)	**2.2227**	**.8481**
I don't like taking important purchase decisions alone. (+)	**2.3877**	**.8367**

1 – Never 2 – Sometimes 3 – Often 4 – Always

As the next step, necessary recoding procedures have been conducted in order to regroup the scale values and obtain an overall score for reference group influence for each respondent. The minimum possible score from this calculation was 5 and the maximum possible score was 20. As a final step, reference group influence scores have further been recoded for analytical purposes as follows:

Table 6.22 - Frequency Distribution of Reference Group Influence Scores

Values	Frequencies	Valid Percent
5-9 (low)	118	23.5
10-12 (medium)	260	51.7
13-19 (high)	125	24.9
Total	503	100

Mean: 11.0517 **S:** 2.3057

The above table demonstrates that 23.5% of the sample declare to be relatively unaffected from reference group influence while 51.7%, representing roughly one half of the whole population of respondents, claim to be exposed to a medium level

of reference group influence. Finally, 24.9% of the sample consists of individualistic decision makers who are not affected from other people's influences or views during their shopping experiences and processes. The relationship between reference group influence and the social or, to put it more correctly, the "anti-social" side of online shopping is especially an important relationship to investigate. These and other findings pertaining to comparative analyses between reference group influence and other variables in the model will be discussed in the relevant section.

6.1.3 Consumer-Specific Contextual Variables (C1, C2, C3)

This component of the model has been created for the purpose of identifying one group of mediating variables that are expected to have an impact on the relationship between the consumer and the virtual marketplace. The results obtained from the frequencies and descriptive statistics for these variables are presented in the following sections.

6.1.3.1 Attitude Toward Technology: (Part I – Question 14 & Part II – Question 19)

We believe that it is not possible to determine the technology friendliness of a consumer based on a predetermined set of demographic or psychographic variables. Therefore, we found it necessary to specifically measure perceptions of technology in order to understand whether changes in these attitudes had any relationship with the other variables in the model. For this purpose, a scale consisting of seven statements about the positive and negative aspects of technological developments have been used and consumers have been asked to state their agreement levels for each statement. The results are as follows:

Table 6.23 – Descriptive Results About Attitude Toward Technology Statements

	Mean	S
Technology increases people's productivity and efficiency. (+)	**3.2227**	**.6422**
While trying to make certain aspects of life easier, technology may complicate other aspects of it at the same time.(-)	**2.7058**	**.6716**
Technology triggers continuous personal development and self-renewal. (+)	**3.1392**	**.5615**
Technology meets people's needs in the easiest and best way possible. (+)	**3.0040**	**.5988**
Technology weakens social ties and affects relationships negatively. (-)	**2.5149**	**.8128**
Technology lowers the distance between and connects people, countries, even cultures with the advancements that it offers. (+)	**3.1054**	**.5635**
Technology mechanizes human life too much. (-)	**2.4990**	**.6911**

1 – Strongly Disagree 2 – Disagree 3 – Agree 4 – Strongly Agree

These results indicate that subjects have shown a tendency to agree with both the positive and negative contributions of technology to their lives. However, there still is a propensity to agree a little more strongly with the positive contributions compared to the negative ones. The average mean for positive statements is 3.1178 while the average mean for negative statements is 2.5732. Both lie on the positive side of the continuum but the former figure is greater than the latter.

Similar to previous examples, the negatively worded items have been reverse coded and total scores have been calculated for each individual. The minimum possible score was 7 and the maximum possible score was 28. As with previous scales in the questionnaire, the resulting scores for attitude toward technology have been recoded for analytical purposes as follows:

Table 6.24 – Frequency Distribution of Attitude Toward Technology Scores

Scores	Frequencies	Valid Percent
12-18 (low)	165	32.8
19-20 (medium)	154	30.6
21-28 (high)	184	36.6
Total	503	100

Mean: 19.7515 **S:** 2.6048

It is important to note once again that the recoding has not been based strictly on an equal interval concern. Instead, we tried to achieve as normal a distribution as possible within the results obtained from this specific sample in order to avoid too much mediocracy or over-concentration into one side of the continuum. According to these results, 32.8% of the sample has shown a lower tendency to display positive views about technology whereas 30.6% have more mediocratic views and 36.6% have a tendency to favor technological developments in general.

6.1.3.2 Technology Utilization Level: (Part I – Question 13)

Another important mediating variable is the actual level of technological sophistication a consumer displays in his/her life. This is measured with a scale consisting of five items about utilization of technology in everyday life. The results obtained for each statement are shown below.

Table 6.25 – Descriptive Results About Technology Utilization Level Statements

	Mean	S
While purchasing a home appliance or a similar product, I prefer the most hi-tech option produced with the most advanced techniques.(+)	**3.0915**	**.6736**
I find it unnecessary to do everything from cutting onions to brushing teeth, from taking a walk to heating water with technological tools, machines, and appliances.(-)	**2.5646**	**.8765**
I take pleasure from using any kind of electronic system in general. (+)	**3.0596**	**.6889**
Living continuously with technology at home, work, school, etc. Has become an unalterable fact in my life. (+)	**3.3280**	**.5868**
My life style does not obligate me to be face-to-face with technology all the time.(-)	**1.7097**	**.6995**

1 – Strongly Disagree 2 – Disagree 3 – Agree 4 – Strongly Agree

Like previous cases, after reverse coding the negatively worded items, the total score each subject has obtained from these five statements have been added up. The

minimum possible score was 5 and the maximum possible score was 20. Finally, these scores were once again recoded and respondents have been classified into three groups according to their level of technological utilization as follows:

Table 6.26 – Frequency Distribution of Technology Utilization Level Scores

Scores	Frequencies	Valid Percent
9-13 (low)	114	22.7
14-15 (medium)	169	33.6
16-20 (high)	220	43.7
Total	503	100

Mean: 15.2048 **S:** 2.2028

These results indicate that only less than one-fourth of the total sample can be considered as low-intensity users compared to 33.6% displaying a medium level of technological sophistication and 43.7% reflecting a highly extensive usage of technology. This is a natural result as the sample consists of Internet users. For a consumer to use the Internet regularly for various purposes, general level of technological sophistication may be expected to be higher than average. Therefore, we can easily say that our sample consists of a generally technology-prone group of consumers.

6.1.3.3 Level of Computer Friendliness and Literacy: (Part I – Question 13)

Taking the discussion one step further, we have investigated how intensely this consumer group uses computers and how they feel about being computerized. This variable has been measured using three statements about general intensity of computer usage, attitude toward computerization and the ability to make use of computers in general. The results are displayed below.

Table 6.27 – Descriptive Results About Computer Friendliness and Literacy Statements

	Mean	S
Using computers is an inseparable part of my life. (+)	**3.5408**	**.6199**
I don't like using computers. (-)	**1.6561**	**.7672**
I can perform quite advanced operations with computers. (+)	**2.8147**	**.7338**

1 – Strongly Disagree 2 – Disagree 3 – Agree 4 – Strongly Agree

These values indicate that our sample consists of individuals who are highly computerized in their daily lives, who believe to be capable of using computers for advanced operations, and, finally, having a positive attitude toward computers in general. After the necessary reverse coding procedure, respondents' scores for the three statements have been added up and the results for computer friendliness and literacy have been recoded as follows:

Table 6.28 – Frequency Distribution of Computer Friendliness and Literacy Scores

Scores	Frequencies	Valid Percent
5-8 (low)	114	22.7
9-10 (medium)	209	41.6
11-12 (high)	179	35.6
Missing	1	
Total	503	100

Mean: 9.6972 **S:** 1.5528

According to the above results, 22.7% of the total sample is accepted to have a lower level of computer friendliness and literacy compared to 41.6% having medium scores for this variable and 35.6% who have a very computerized life and who like it.

6.1.4 Internet-Specific Contextual Variables (D1, D2, D3)

This component of the model includes the second group of mediating variables that are expected to have an impact on the relationship between the consumer and the virtual marketplace. As well as the general attitudes consumers display about technology and computers, more specific factors like consumers' history and intensity of Internet usage have also been accepted to serve as important mediating variables in this model. The results obtained from the frequencies and descriptive statistics for these variables are presented in the following sections.

6.1.4.1 Internet Usage History: (Part III – Question 1)

Considering that the Internet has diffused most rapidly within the last one to three years, we preferred to accept those that adopted this development within that period to be the early and the late majority while those that have an Internet usage that exceeds three years are accepted as innovators and those that have become acquainted with the virtual world within the last year as laggards. Of course, this categorization is valid only within the population that we are considering for this survey, meaning Internet users. Taking the whole population into consideration, all of the respondents in our sample should be considered as innovators since a very small part of the total population in Turkey has yet adopted the Internet. The results for Internet usage history within our sample are displayed below.

Table 6.29 – Frequency Distribution of Internet Usage History

	Frequency	Valid Percent
1 year or less	58	11.5
1-3 years	199	39.6
3 years or more	246	48.9
Missing	0	
Total	503	100

These figures indicate that a very large portion of the total sample have an Internet usage history of at least one year. To be more specific 39.6% of the respondents have stated to have an Internet usage history of one to three years while 48.9% claim to be using this technology for more than three years. A considerably small percentage consisting of 11.5% of the total sample belongs to the group who has adopted the Internet within the last year only.

6.1.4.2 Internet Usage Intensity (Part III – Question 2)

We have asked respondents to indicate the frequency with which they conduct certain activities on the Internet. The results for each of these nine activities are displayed below.

Table 6.30 – Descriptive Results About Common Online Activities

	Mean	S
Communicating via e-mail	3.5637	.7169
Surfing the Web	2.9084	.7838
Conducting Research	2.8998	.8906
Scanning newspapers	2.8327	.8261
Communicating with newslists or special interest groups	2.4531	.8991
Chatting	1.6866	.7795
Playing games	1.6527	.7149
Shopping	1.6275	.6766
Preparing Web pages	1.3473	.6805

1 – Never 2 – Seldom 3 – Often 4 – Very often

As these figures show, communicating via electronic mail is the most common activity performed by Internet users followed by surfing the WWW, conducting research, reading online newspapers, and communicating with newslists or special interest groups. Less common activities are chatting, online shopping, playing games, and preparing Web pages. Those activities specifically stated by respondents in the "other" section have been presented in Appendix 7.

This question has also been used to calculate an overall score of Internet usage intensity for consumers. The scores for all activities have been added up for each subject to obtain a cumulative figure representing overall usage. The minimum possible score was 9 and the maximum possible score was 36. The resulting scores have been recoded to determine three levels of Internet usage intensity as follows:

Table 6.31 – Frequency Distribution of Internet Usage Intensity Scores

Scores	Frequencies	Valid Percent
10-19 (low)	166	33.3
20-22 (medium)	171	34.3
23-34 (high)	161	32.3
Missing	5	
Total	503	100

Mean: 20.9679 **S:** 3.6567

As demonstrated in the table above, 33.3% of the respondents have been classified as low-intensity users, 34.3% are accepted to be medium intensity users and, finally, 32.3% of the subjects are accepted as high-intensity users of the Internet. Whether differences between these groups have a discriminatory effect in terms of other variables in the model has been investigated and will be presented in the relevant section.

6.1.5 Purchase-Specific Contextual Variables (E1, E2, E3)

A final set of mediating variables consists of purchase-specific contextual factors which are type of offering (products vs. services), type of product, and type of service. As explained in detail in the section about our theoretical model, the number of purchase-specific contextual variables is actually much higher. However, for previously stated reasons about limiting the scope of our study, we have not included all variables in the theoretical model for the empirical part. Furthermore, we have not investigated the relationship between purchase-specific contextual variables and the other components of the tested model. Our modest aim about these three variables is to conduct descriptive analyses and to compare consumer preferences among different groups of offerings, products, and services.

In this section we will display the mean scores obtained for each group of offering, product, and service. The significance of the differences between them has also been tested with the appropriate statistical method but those results will be presented in the section where we present the test results for the important research questions of the study.

6.1.5.1 Purchase Intention toward Different Product Categories (Part III – Question 3)

In Question 3 of Part III, consumers have been asked to state the probability they place on purchasing each item from a list containing 16 items. These 16 items consist of:

- 8 services and 8 products to test whether services are really found more suitable for online marketing or not
- 2 convenience, 2 shopping, 2 specialty, and 2 unsought goods to test whether there are differences between the probabilities assigned to each product group

We would like to note here that, although performing banking transactions is very common on the Internet, we have preferred not to include that specific service in our 16-item list because of the distortion it could have caused in terms of the product vs. service comparison.

The mean scores for the possibilities assigned to these 16 items are presented at Table 6.32 in the following page:

Table 6.32 – Descriptive Results About Purchase Intentions for Different Types of Offerings

Offering	Type	Mean	S
Movie ticket	Service	2.7220	1.0290
A weekend holiday in a five-star hotel	Service	2.4880	1.0621
An encyclopedia consisting of five CD-ROMs	Unsought	2.4309	1.0961
Sending flowers	Service	2.3620	1.0608
Registration to a university's certificate program	Service	2.2820	1.0885
A bank's credit card	Service	2.2500	1.1000
Annual membership to a sports club	Service	2.2340	1.0457
Automobile insurance	Service	2.1240	1.0709
A three-week computer training program for the weekends	Service	2.0720	1.0183
Shower gel	Convenience	1.8380	.9928
Travel bag	Shopping	1.7680	.9164
Cellular phone	Specialty	1.7640	.9154
Different types of coffee	Convenience	1.7340	.8836
A room fragrance with five scents	Unsought	1.6580	.8824
A hi-tech music system	Specialty	1.5940	.8188
Sunglasses	Shopping	1.3940	.6809

1 – Very low 2 – Quite low 3 – Quite high 4 – Very high

Although it is possible to make numerous interpretations from this list, we prefer to check the differences between the mean values for the different categorizations that have been used in the previously stated expectations.

First of all, when we look at the mean probability for services compared to the mean probability for products, the resulting figures are:

Mean Score for Products: 1.7720

Mean Score for Services: 2.3171

As expected, consumers show a higher propensity to purchase services compared to products from the online market. We have tested the significance of this result with the appropriate statistical method and will present that finding in the relevant section, too.

Another important point we aimed to investigate was whether the mean scores for shopping and unsought goods were higher compared to the mean scores for convenience and specialty goods. The resulting figures are as follows:

Mean Score for Convenience Goods: **1.7860**

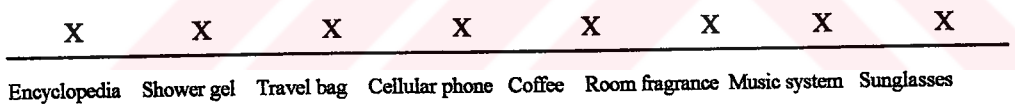
Mean Score for Shopping Goods: **1.5810**

Mean Score for Specialty Goods: **1.6790**

Mean Score for Unsought Goods: **2.0431**

According to these results, unsought goods have been found to be the most suitable group of products for being purchased online. However, shopping goods have been attributed the least possibility for being purchased from the Internet. A closer investigation to find out the reason why such a result has been obtained justified this situation. One of the shopping goods that was selected was "sunglasses". As this product carries the most dominant characteristics of experience goods and is very prone to investigation prior to purchase, it was the least preferred item on the list. This dropped the average for the mean score of shopping goods to a level lower than the other categories.

The resulting picture for these eight products can be summarized on a continuum from the most to the least suitable item for online shopping as follows:



This result indicates that convenience goods are found to be more suitable compared to specialty goods in which price is considered to be an important factor. As price increases, the risk associated with the purchase increases as well, therefore, online shopping becomes a less preferred means of obtaining an offering. We have tested the significance of the differences between these four groups with the appropriate statistical method and will present that finding in the relevant section, too.

6.1.5.2 Intentions of Purchasing Search and Experience Goods Online (Part III – Question 8)

We also wanted to see the differences between the purchase probabilities assigned to search goods vs. experience goods on the online market. In Question 8 of Part III, consumers have been asked to rank six items consisting of a combination of search and experience goods in order of their probability to purchase them from the Internet.

Table 6.33 – Descriptive Results About Intentions Toward Purchasing Search and Experience Goods Online

Product	Type	Mean Rank	Mode Rank
Books	Search	1.8496	1
DVD	Search	2.1829	2
Cosmetic products	Experience	3.4248	3
Perfume/aftershave	Experience	3.9204	4
Sunglasses	Experience	4.6696	5
Blue-jeans	Experience	4.9617	6

According to the results displayed above, it is clear that search goods are more preferable compared to experience goods for being purchased online. The significance of this difference has also been tested and the result of this statistical analysis will be presented in the relevant section.

Finally, different service types have been distinguished from one another by using four examples and measuring consumers' propensity to show willingness to receive each one from the Internet. The relevant results are demonstrated below.

6.1.5.3 Suitability Attributed to Purchasing Certain Services Online: (Part III – Question 9)

Finally, in Question 9 of Part III, four different services have been presented to consumers again for the purpose of having them assign probabilities to each one in

terms of their propensity to receive these services online. The results for all three questions are displayed below.

Table 6.34 – Descriptive Results About Purchase Intentions Toward Different Types of Services

Service	Mean (over 4)
I can use the Internet for acquiring the necessary information when I have a problem about my health.	3.3140
I can benefit from an online education service provided over the Internet.	2.6480
I can purchase life insurance over the Internet.	2.4780
I can visit the museums of the world over the Internet.	3.1140

1 – Strongly Disagree 2 – Disagree 3 – Agree 4 – Strongly Agree

First of all, the overall mean for the four services included in the question is 2,885 over 4, which is a confirmatory indication that consumers generally find the Internet to be a useful tool to receive certain services. The results about the significance of the differences between different types of services will be presented in the relevant section.

6.1.6 Online Attitudes, Intentions and Behavior

6.1.6.1 Attitude Measures (F1, F2, F3)

We have used various measures for our dependent variable rather than relying on one or a few elements. These are:

-the overall score obtained from the 17-item list about different characteristics of the Internet as a shopping environment (attitude)

-the overall score from the question about the suitability of the Internet for different stages of the purchasing process (attitude)

-how suitable the Internet is found to be for shopping purposes (attitude)

-the purchase intention score achieved from the 16-item list (intention)

-total number of selections made from the www.kangurum.com Web site (intention)

-expectations of future level of personal Internet usage (intention)

-the stated frequency of online shopping (two different questions measuring the same dimension) (behavior)

-comparative usage level of the Internet with respect to traditional shopping methods (behavior)

6.1.6.1.1 Perceptions About the Characteristics of the Internet as a Shopping Environment: (Part III – Question 7): This question includes a conglomeration of a set of statements about the major characteristics of the Internet as a marketing and shopping environment. Consumers' perceptions of each characteristic have been measured in order to develop a general understanding of their views pertaining to each issue. Here, we are providing the mean scores for each item measuring a specific characteristic of the Internet as a shopping environment at Table 6.35 on the following page.

Table 6.35 – Descriptive Results About Perceptions About the Characteristics of the Internet as a Marketing Environment

Statement	Mean	S
It is a great advantage to be able to reach any store in the world at any time of the day on the Internet. (+)	3.3353	.6923
Having to give away my credit card number or private personal information during Internet shopping disturbs me. (-)	3.3028	.8358
An important drawback of Internet shopping is not being able to touch or feel products before making a purchase. (-)	3.1912	.8037
The Internet contains more information than any other source about products or services.(+)	3.1796	.7872
The Internet provides the advantage of finding and purchasing products that are normally not available at very convenient locations in the real marketplace. (collection items, hobby products, etc.) (+)	3.1733	.6442
I would be frustrated about what to do if I am dissatisfied with a purchase made from the Internet. (-)	3.1257	.7708
It is less tiring to shop on the Internet. (+)	3.0339	.7354
Internet reduces the monetary costs of shopping to a great extent. (parking fees, travel expenses, etc.) (+)	3.0199	.7473
There is an infinite variety of brands and products on the Internet . (+)	2.9399	.7686
The Internet serves as a suitable marketplace for products that consumers may feel uncomfortable or reluctant about buying in the real environment. (+)	2.9182	.7558
The Internet is a very colorful market where customized products can be offered according to the individual desires and specifications of consumers. (+)	2.9133	.6502
The Internet market includes so many choices that making decisions becomes a difficult task. (-)	2.5792	.7652
The fact that only those with a credit card or bank account can shop on the Internet is a major disadvantage. (-)	2.5230	.9044
A long time is required for the delivery of products and services purchased from the Internet. (-)	2.5155	.6452
Having no one to exchange ideas with during shopping on the Internet is a disadvantage.(-)	2.4460	.8744
I think Internet shopping is very boring. (-)	2.2390	.8516
It is very difficult to locate the desired piece of information about a product or service on the Internet.(-)	1.8004	.6900

1 – Strongly Disagree 2 – Disagree 3 – Agree 4 – Strongly Agree

When we rank order the mean values for the 17 characteristics handled here, we can see that the highest mean comes from the item stating that the Internet provides a great advantage in terms of reaching any store worldwide at any time of the day. This is closely followed by two important concerns. One of them is the reluctance people feel about giving away valuable personal information such as credit card numbers in the virtual environment. The other is the impossibility of physically examining goods or services in the online market before making a purchase. Consumers have

attributed the next greatest importance to the richness of the information provided on the Internet followed by the advantage it brings about finding products that are normally not very easy to find in the traditional marketplace (i.e. hobby products, collection items, etc.). Then, subjects have agreed on the concern about what will happen if they are dissatisfied with a purchase made from the virtual market. However, right after this, we can see that respondents have stated their agreement toward the statements about the less tiring and less costly conditions of online shopping.

These items carry the greatest strength of agreement. Their mean values lie between the "agree" to "strongly agree" part of the continuum. Following this group comes those characteristics carrying a secondary level of importance. The fact that the Internet provides infinite variety and the chance to purchase products that consumers would normally feel uncomfortable about buying have also been perceived to be quite important. Opportunities for customization have been positively regarded. Also, consumers have displayed a medium level of agreement toward the statements that there is too much variety on the Internet making the comparative selection process too difficult, the inconvenience of being able to shop only with a credit card or bank account number, and the time needed for product delivery. Finally, the mean values for our subjects have fallen below the agreement level for three characteristics: the disadvantage of having no shopping mate to exchange views, the statement that online shopping is boring, and the difficulty of reaching relevant marketing information on the WWW.

To summarize, it is clear that the most conspicuous advantage of the online market is "convenience" and "richness" both in terms of information and product variety. On the other hand, the most outstanding disadvantages are the security and

compensation concerns as well as the lack of physical experimentation which, sometimes, is a very important decision making criterion.

An important result that we derived from this section is the fact that the average mean values for items stating the positive aspects of online shopping scored somewhat higher compared to the average of those items stating a more negative point of view about the virtual marketplace. It is possible to interpret this situation by saying that the advantages of the Internet mostly outweigh the disadvantages, at least for our sample which we believe to have great representativeness of the Turkish online community. Of course, another possibility is scale bias, meaning that respondents generally have a tendency to agree with positive items, which may be another reason for the difference between the responses collected about positive and negative statements.

These results have further been utilized to provide a measure of the dependent variable of our model. After the negatively worded items have been reverse coded, the total score of each subject for these 17 characteristics have been calculated. The minimum possible score for this calculation was 17 and the maximum possible score was 68. The results obtained have been used to picture consumers' overall perceptions of the Internet as a marketplace and have been recoded into three groups as follows:

Table 6.36 – Frequency Distributions of the Scores About Perceptions of the Characteristics of the Internet as a Marketing Environment

Scores	Frequencies	Valid Percent
29-42 (low)	122	25.8
43-47 (medium)	175	37.1
48-64 (high)	175	37.1
Missing	31	
Total	503	100

Mean: 45.9004 **S:** 5.6816

These results indicate that, within this sample group, 25.8% can be considered to have an overall negative attitude toward the Internet as a shopping environment. However, 37.1% of mediocratic views and another 37.1% of positive views exist about the potential Internet serves as a worldwide market.

6.1.6.1.2 The Suitability of the Internet for Different Stages of the Purchasing Process (Part III – Question 10): Consumers have been asked to state how suitable they find the WWW for each stage of the purchasing process. The mean scores over 5 for each step are presented below.

Table 6.37 – Descriptive Results About the Steps of the Purchasing Process

Steps of the Purchasing Process	Mean	S
To collect information about products and services	4.3453	.7762
To become aware of products and services, to determine needs	4.1317	.8892
To evaluate and compare different choices and alternatives	4.1138	.8349
To purchase a product or a service	2.9381	.9582
To engage in post-purchase activities about a product or service (i.e. returns, warranties, expressing opinions or complaints, asking for information or assistance, vs.)	2.8224	1.1128

1-not suitable at all 2-not very suitable 3-neither suitable nor unsuitable 4-quite suitable 5-very suitable

As expected and hypothesized, consumers find the Internet to be more suitable for the passive stages of the purchasing process where they develop awareness, search for information and compare alternatives. However, when it comes to engaging in a transaction, in which case the active part of the purchasing process is in question, consumers become more reluctant to utilize the WWW compared to the prior three stages. The significance of these differences has been tested and the results will be presented in the relevant section.

This ranking suggests that consumers have an increased awareness of the richness of the information provided on the Web but are more reluctant about making purchases and are less knowledgeable about the post-purchase options that they can

utilize. Still, the overall suitability attributed to the Internet as a shopping environment is 3.67 over 5, which shows that respondents have displayed an overall positive attitude for making use of this medium for different shopping purposes.

6.1.6.1.3 Sources Consumers Use for Online Purchases: (Part III – Question 13): Relevant to this finding are the responses obtained from the question about the information sources consumers use for online purchases. As the below table indicates, online shoppers make use of the Internet itself as the main information source for their purchases rather than relying on other popular sources of information. The highest mean as an information source belongs to the Internet which is followed by friends, print media, and catalogs. TV and radio based information are quite unpopular for online purchases. This shows that purchasing a product or service from the Internet is an independent shopping activity for which consumers do not consult other sources for information or comparative purposes. In other words, Internet shopping is, yet, a non-integrated part of the total pool of marketing activities conducted by consumers.

Table 6.38 – Descriptive Results About the Information Sources Used for Online Purchases

	Mean	S
Internet	3.3052	.8491
Friends	2.6089	1.0042
Newspapers and magazines	2.5887	.9858
Catalogs	2.4779	1.0552
TV	1.8790	.9141
Radio	1.6734	.8829

1 – very high 2 – quite high 3 – quite low 4 – very low

Coming back to the main issue, we can turn back to how the question about the suitability of the Internet for different stages of the purchasing process has been used

as a measure of our dependent variable. Similar to previous scales, the responses to this question have also been added up to achieve an overall score of suitability. The minimum possible score was 5 and the maximum possible score was 25. Then, the resulting scores have been recoded to group respondents into three groups in terms of their propensity to make use of the Internet for the five stages of a purchasing process as a whole. The results are as follows:

Table 6.39 – Frequency Distribution of the Scores About the Steps of the Purchasing Process

Scores	Frequencies	Valid Percent
5-15 (low)	93	18.6
16-19 (medium)	216	43.1
20-25 (high)	192	38.3
Missing	2	
Total	503	100

Mean: 18.3513 **S:** 3.2113

This table indicates that the Internet is perceived to be less suitable for different stages of the buying process by 18.6% of the respondents compared to 43.1% who have considered this channel to have a medium level of acceptability for the overall purchasing process. Finally, 38.3% of the subjects in our questionnaire have attributed a high level of suitability for the Internet as a medium on which all stages of the purchasing process can be conducted.

6.1.6.1.4 How Suitable the Internet is Found to be for Shopping Purposes

(Part III – Question 16): The same variable has been measured by using a more straightforward question and directly asking consumers to state how suitable they find the Internet for shopping purposes on a five-point interval scale. The responses obtained are:

Table 6.40 – Frequency Distribution of the Suitabilities Attributed to the Internet for Shopping Purposes

	Frequency	Valid Percent
Very suitable	34	6.8
Quite suitable	159	31.6
Both suitable and not	243	48.3
Not very suitable	58	11.5
Not suitable at all	9	1.8
Missing	0	
Total	503	100
Mean: 3.3002	**S:** .8274	

The greatest concentration among responses has been obtained at the midpoint of the scale. Approximately one half of the total sample has agreed that this medium has its peculiar advantages and disadvantages for shopping purposes. The next most crowded group consisting of 31.6% of the whole sample believes that the Internet can efficiently and effectively be used for shopping purposes. On the positive side, there is even a 6.8% group advocating that this medium is very useful as a marketing environment. Although 13.3% of respondents lie at the negative side of the scale, consumers generally have a positive attitude toward the WWW as a big market to shop at.

6.1.6.2 Intention Measures (F4, F5, F6)

6.1.6.2.1 The Purchase Intention Score Achieved from the 16-item List:

(Part III – Question 3): A 16-item product/service list was previously used for the purpose of identifying differences between the intentions directed toward different types of offerings in terms of their probabilities of being purchased online. The same question has been used as a measure of the dependent variable as well. The scores for all items have been added up for each subject and the score table obtained as a result of this procedure has been recoded such that the sample is divided into three groups

according their overall intention level for making these purchases on the WWW. The minimum possible score was 16 and the maximum possible score was 64. The results of the recoding process are as follows:

Table 6.41 – Frequency Distribution of Purchase Intention Scores

Scores	Frequencies	Valid Percent
16-28 (low)	173	34.7
29-37 (medium)	164	32.9
38-62 (high)	162	32.4
Missing	4	
Total	503	100

Mean: 32.7134 **S:** 10.4827

This table demonstrates that 34.7% of the sample has a low purchase intention as calculated from the overall willingness they have shown to purchase 16 specific items from the Internet market. 32.9% have displayed a medium level of willingness while 32.4% declare to be most willing to make these purchases online.

6.1.6.2.2 Number of Links Selected from the Shopping Site www.kangurum.com: (Part III – Question 4): Similar to the 16-item question, consumers have been asked to select the links that they would be interested in and would like to investigate from a very popular shopping site of Turkey. From a total list of 60 available links, the results about the number of links selected by the respondents have been recoded for the purpose of classifying our sample into three groups with respect to the interest directed at a real shopping site. The minimum possible score was 0 and the maximum possible score was 60. The results of the recoding process are as follows:

Table 6.42 – Frequency Distribution of the Number of Links Selected From a Popular Shopping Site

Scores	Frequencies	Valid Percent
0-7 (low)	165	32.9
8-13 (medium)	179	35.7
14-60 (high)	158	31.5
Missing	1	
Total	503	100

Mean: 11.7271 **S:** 8.5303

As a result of this categorization, 32.9% of the sample have been classified as those who showed a below average level of interest in the various links included in this shopping site. 35.7% have displayed a medium level of interest while 31.5% have shown a high propensity of willingness to visit the various links on this site.

6.1.6.2.3 Expectations of Future Level of Personal Internet Usage: (Part III – Question 6): In this question, consumers have been asked to state how frequently they expect to use the Internet as a shopping environment in the future. On a five-point interval scale, the responses collected have been distributed as follows:

Table 6.43 – Frequency Distribution of Expectations of Future Level of Personal Internet Usage

	Frequency	Valid Percent
Very frequently	18	3.6
Quite frequently	101	20.1
Sometimes	165	32.8
Seldom	171	34
Never	48	9.5
Total	503	100

Mean: 3.2584 **S:**1.0004

These results indicate that an important portion of the respondent group have positive expectations about their future levels of Internet shopping. A total of 23.7% state very positive expectations while a considerable amount of 32.8% expect to use it from time to time. However, those with more negative expectations constitute

43.5% of the total sample, which is not an ignorable figure. In short, while one part of the total sample of Internet users expect to be more frequent shoppers in the future, a considerable portion insist on the currently negative disposition they have toward the virtual marketplace.

6.1.6.3 Behavior Measures (F7, F8)

6.1.6.3.1 Current Frequency of Online Shopping: (Part III – Question 2):

As stated before in the section about Internet usage intensity, consumers were asked to state their frequency of conducting a set of nine common activities on the Internet one of which was online shopping. That item is used as a measure of the behavior component of our dependent variable. The frequencies of the responses obtained are:

Table 6.44 – Frequency Distribution of Current Frequency of Online Shopping

	Frequency	Valid Percent
Never	236	47
Seldom	224	44.6
Often	35	7
Very often	7	1.4
Missing	1	
Total	503	100

Mean: 1.6275 **S:** .6766

These results indicate that the current level of online shopping actively performed by this set of respondents is quite low. 47% declare that they have never engaged in such an activity while 44.6% state that they participate in the virtual marketplace quite infrequently. Those who have claimed to be more frequent users of the online market constitute only 8.4% of the whole sample. Very similar figures have been obtained from questions about comparative usage levels and another question measuring current level of online shopping.

6.1.6.3.2 Current Level of Online Shopping: (Part III – Question 5): There is another question in the survey measuring the frequency of the current online shopping activities of the respondents. This question has been prepared in a five-point interval scale format. The distribution of the results is as follows:

Table 6.45 – Frequency Distribution of Current Level of Online Shopping

	Frequency	Valid Percent
Very frequently	9	1.8
Quite frequently	23	4.6
Sometimes	87	17.3
Seldom	156	31
Never	228	45.3
Total	503	100

Mean: 1.8648 **S:** .9766

These results are strongly consistent with the responses we obtained from the previous question about current Internet shopping frequency (Part III – Question 2). While 45.3% of consumers have never engaged in any sort of online purchasing activity at all, 31% have used this medium very rarely, 17.3% use it from time to time and the remaining minority of 6.4% displays a very high frequency.

6.1.6.3.3 Comparative Usage Level of the Internet with Respect to Traditional Shopping Methods: (Part III – Question 14): In this question, consumers have been asked to declare their comparative level of utilizing the Internet as a shopping medium with respect to the traditional means by which they make their purchases. On a four-point scale, the responses have been compiled as follows:

Table 6.46 – Frequency Distribution of the Responses About Comparative Usage Level of the Internet

	Frequency	Valid Percent
I use the Internet more frequently compared to other shopping methods.	6	1.2
I use the Internet and other shopping methods at the same level.	23	4.6
I use other shopping methods more frequently compared to the Internet.	269	53.5
I don't use the Internet for shopping.	205	40.8
Total	503	100

Mean: 2.7078 **S:** 1.4477

This table shows that the Internet is yet used very infrequently for shopping purposes. 40.8% of the respondents have stated that they do not make use of the Internet as a shopping environment at all. This figure is immediately followed by a large portion of 53.5% who claim to be using the Internet less than the traditional means of shopping. Only 4.6% of the respondents have weighed the traditional methods and the Internet equally in terms of their actual level of usage and a very minor portion of 1.2% have stated that they use the Internet more frequently compared to traditional shopping channels.

The above picture displays our expectations in the most accurate format. We believed and saw that the WWW retains its novelty as a market to a great extent and that, although consumers may expect to use the virtual marketplace more frequently and more intensely in the future, we do not expect the cyber-market to substitute the traditional means of shopping. A complementary effect is more reasonable and realistic.

6.1.6.4 The Six Gaps About Current and Future Levels of Internet Usage and the Suitability of the Internet as a Shopping Environment:

We have defined six specific gaps pertaining to the differences between current and future levels of Internet usage both at the personal and general levels, and also about the suitability of the Internet as a shopping environment. Five questions have been asked in a five-point interval scale format to investigate whether such gaps really existed as we expected. The mean values of the responses obtained are as follows:

Table 6.47 – Descriptive Results About The Six Perceptual Gaps

Measures		Mean	S
Current Level of Personal Internet Usage as a Shopping Environment (Part III – Question 5)	1	1.8648	.9766
Expectation of Future Level of Personal Internet Usage as a Shopping Environment (Part III – Question 6)	2	3.2584	1.0004
Perception of General Level of Internet Usage as a Shopping Environment (Part III – Question 15a)	3	2.7052	.7264
Expectation of General Level of Internet Usage as a Shopping Environment (Part III – Question 15b)	4	3.9821	.7188
How Suitable the Internet is Found to be for Shopping Purposes (Part III – Question 16)	5	3.3002	.8274

6.1.6.4.1 Personal Development Gap (2-1): This gap aims to measure the difference consumers expect to experience between their current and future levels of online shopping. As the mean figures indicate, a considerable difference exists between how much they use this channel now for their purchases and how extensively they expect to do so in the future. The significance of this difference has been tested and the result of this analysis is presented in the relevant section.

Table 6.48 – Frequency Distribution of the Personal Development Gap

	Frequencies	Valid Percent
Future Usage(self) > Current Usage(self)	432	85.9
Current Usage(self) > Future Usage(self)	3	0.6
Current Usage(self) = Future Usage(self)	68	13.5
Total	503	100

This frequency table demonstrated the existence of the personal development gap by showing that for 85.9% of the sample, expectations of future levels of online shopping exceed current usage levels while 13.5% expect no increase or decrease and only 0.6% expect a decline in their usage intensity.

6.1.6.4.2 Market Development Gap (4-3): This gap aims to measure the difference consumers perceive between the current level of online shopping

performed in general and the future level of online shopping again at the general level. As the mean figures indicate, a similarly considerable difference exists between the two measures which signals the existence of a market development gap, too. The significance of this difference has been tested and the result of this analysis is presented in the relevant section.

Table 6.49 – Frequency Distribution of the Market Development Gap

	Frequencies	Valid Percent
Future Usage(general) > Current Usage(general)	459	91.4
Current Usage(general)>FutureUsage(general)	3	0.6
Current Usage(general) = Future Usage(general)	40	8
Missing	1	
Total	503	100

This frequency table demonstrates the existence of this gap by showing that for 91.4% of the sample, expectations of future levels of online shopping exceed current usage levels while 8% expect no increase or decrease and only 0.6% expect a decline in the general level of usage intensity.

6.1.6.4.3 Internal Conformity Gap (5-1): This gap aims to measure the difference between how suitable consumers find the Internet to be as a shopping channel and their own level of adoption. As the mean figures indicate, a considerable difference can be observed between the two measures which signals the existence of an internal conformity gap. In layman's language, consumers perceive this medium as a suitable shopping environment but have not yet adopted it for personal usage. The significance of this difference has been tested and the result of this analysis is presented in the relevant section.

Table 6.50 – Frequency Distribution of the Internal Conformity Gap

	Frequencies	Valid Percent
Suitability > Current Personal Usage	427	84.9
Suitability = Current Personal Usage	66	13.1
Suitability < Current Personal Usage	10	2
Total	503	100

This frequency table demonstrates the existence of this gap by showing that for 84.9% of the sample, the general level of suitability of the Internet as a shopping environment exceeds current level of personal adoption.

6.1.6.4.4 External Conformity Gap (5-3): This gap aims to measure the difference between how suitable consumers find the Internet to be as a shopping channel and the general level of adoption. As the mean figures indicate, a considerable difference exists between the two measures which signals the existence of an external conformity gap. The significance of this difference has been tested and the result of this analysis is presented in the relevant section.

Table 6.51 – Frequency Distribution of the External Conformity Gap

	Frequencies	Valid Percent
Suitability > Current General Usage	267	53.1
Suitability = Current General Usage	188	37.4
Suitability < Current General Usage	47	9.4
Missing	1	0.2
Total	503	100

This frequency table further confirms the existence of this gap by showing that for 53.1% of the sample, the general level of suitability of the Internet as a shopping environment exceeds current level of general adoption.

6.1.6.4.5 Current Adoption Gap (3-1): This gap aims to demonstrate the difference consumers perceive between their own levels of Internet shopping adoption compared with that of the population in general. The relevant frequency findings are presented below:

Table 6.52 – Frequency Distribution of the Current Adoption Gap

	Frequencies	Valid Percent
Current Usage (self) < Current Usage (general)	310	61.8
Current Usage (self) > Current Usage (general)	48	9.6
Current Usage (self) = Current Usage (general)	144	28.7
Missing	1	
Total	503	100

These figures show that 61.8% of the sample, representing the majority, perceive themselves to be lagging behind the population in terms of adopting online shopping while a minority of 9.6% believe they are further ahead compared with the average. 28.7% of the respondents think they are consistent with the population in terms of Internet shopping adoption. The significance of this difference has been tested and the result of this analysis is presented in the relevant section.

6.1.6.4.6 Future Adoption Gap (4-2): This gap aims to demonstrate the difference consumers perceive between their future levels of Internet shopping adoption compared with that of the population in general. The relevant frequency findings are presented below.

Table 6.53 – Frequency Distribution of the Future Adoption Gap

	Frequencies	Valid Percent
Future Usage (self) > Future Usage (general)	268	53.4
Future Usage (self) < Future Usage (general)	22	4.4
Future Usage (general) = Future Usage (self)	212	42.2
Missing	1	
Total	503	100

These figures show that the 53.4% of the sample, representing the majority, expect to be left behind by the population in terms of adopting online shopping while a minority of 4.4% believes they will surpass the average adoption level in the future. There is a 42.2% group who believe they will display a consistent adoption pattern with the population in terms of Internet shopping adoption. The significance of this difference has been tested and the result of this analysis is presented in the relevant section.

6.2 Findings Obtained From Dependence, Correlational and Group Differences Analyses

In this section, we will discuss the findings obtained from the dependence and correlational analyses conducted on combinations of variables from different components of the model.

6.2.1 Consumer Demographics

These are the findings obtained about the relationships between "consumer demographics" and "consumer-specific contextual factors", "Internet-specific contextual factors", and "online attitudes, intentions and behavior".

6.2.1.1 Age Group:

Table 6.54 – Dependence and Correlational Statistics About Age

		$\chi 2$	p	Corr. Coef.	p
H1	**Attitude Toward Technology**	**13.060**	**.011**	-.055	.214
H2	**Technology Utilization Level**	**14.192**	**.007**	**-.088**	**.049**
H3	**Computer Friendliness and Literacy**	**10.138**	**.038**	**-.188**	**.000**
H4	**Internet Usage History**	**8.414**	**.078**	**-.096**	**.032**
H5	**Internet Usage Intensity**	**9.485**	**.009**	**-.218**	**.000**
H6	Perceptions of Internet Characteristics	3.723	.445	-.026	.575
H7	**Suitability-Purchasing Process**	.728	.948	**.455**	**.000**
H7	Suitability-General	11.073	.198	.037	.412
H8	Purchase Intention	.832	.934	-.028	.537
H8	Interest Toward a Shopping Site	4.311	.361	-.027	.549
H9	Expected Future Level of Online Shopping	9.032	.340	-.061	.172
H10	Frequency of Online Shopping	3.652	.724	-.001	.985
H10	Current Level of Online Shopping	7.838	.449	-.009	.845
H11	**Comparative Level of Online Shopping**	**5.939**	**.430**	**.384**	**.000**

As demonstrated by the table above, age has been found to have a significant relationship with all of the mediating variables in our tested model, namely, "attitude toward technology", "technology utilization level", "computer friendliness and

literacy", and "Internet usage intensity" at the .05 level and with "Internet usage history" at the .10 level. We took a further step to determine the strength and direction of these relationships by conducting correlational analyses. The results showed that older consumers display a lower level of technology utilization in their daily lives and they are less involved with computers compared to younger ones. However, when it comes to their attitudes toward technology, the significance of the correlation falls below statistically acceptable limits. In other words, although the dependence analysis between age and attitude toward technology produced a significant result, the negative correlation between these two variables did not turn out to be significant. This signals a possible interpretation. It is highly probable that older consumers do display a lower level of technology utilization, however, they may not be doing so as a result of a negative attitude but rather because of weaker skills toward technology-based activities compared to younger people.

As a natural result of this picture, older consumers are slower in adopting the Internet and using it for various purposes in their daily lives. Therefore, they have scored significantly lower on both "Internet usage history" and "Internet usage intensity" compared to the younger population.

As for different measures of our dependent variable, age has not been found to be significantly correlated with most of these elements. Among the three measures about attitude toward online shopping, age is positively correlated only with the "general level of suitability assigned to the Internet for conducting various stages of the purchasing process". However, we cannot rely too much on this correlation because the dependence analysis conducted between the same two variables has produced insignificant results. Similarly, age is found to be positively correlated with the "comparative level of online shopping", meaning that older consumers prefer

online shopping compared to traditional methods more commonly compared to younger respondents. Meanwhile, the dependence analysis between the same two variables has produced insignificant results in this case as well.

These findings seem to be in conflict with the previous results about the mediating variables where we observed that older people are less friendly toward and less willing to use technology-based opportunities. This led us to contemplate over why such a conflict might have occurred. A possibility was that the group representing the older category in our sample was not old in the classical sense of the retired population in the very late stages of their life cycle. They are the middle age group that are comparatively older compared to the young population of the workforce. Therefore, we thought that the reason for these findings could be the difference in the income levels between these two groups making the older consumer group more capable of making purchases in general. This naturally makes them more common purchasers both in the traditional and online environments compared to the younger population who do not have too much disposable income to make use of even though they have a positive attitude toward online shopping. The correlation analysis we ran between age and income level directly confirmed our interpretation by producing a positive correlation at the .01 level.

Table 6.55 – Correlation Results Between Age and Income Level/Financial Status

	Corr. Coef.	p
Age Group – Income Level	.241	.000
Age Group – Financial Status	.251	.000

Based on these results, the following conclusions have been reached about our hypotheses:

- H2, H3, H4, H5, and H11 are confirmed.

- H1 and H7 are partially confirmed, promising possibilities for future research.
- H6, H8, H9, and H10 are not confirmed.

6.2.1.2 Sex:

Table 6.56 – Dependence Statistics About Sex

		χ^2	p
H12	Attitude Toward Technology	2.607	.272
H13	Technology Utilization Level	.622	.733
H14	**Computer Friendliness and Literacy**	**7.858**	**.020**
H15	**Internet Usage History**	**12.112**	**.002**
H16	Internet Usage Intensity	3.739	.154
H17	Perceptions of Internet Characteristics	1.347	.510
H18	Suitability-Purchasing Process	2.921	.232
H18	Suitability-General	4.523	.340
H19	Purchase Intention	2.228	.328
H19	Interest Toward a Shopping Site	.710	.701
H20	Expected Future Level of Online Shopping	5.475	.242
H21	**Frequency of Online Shopping**	**9.403**	**.009**
H21	**Current Level of Online Shopping**	**11.308**	**.010**
H22	**Comparative Level of Online Shopping**	**9.736**	**.008**

Looking at the relationship between sex and consumer and Internet-specific contextual factors, we can see that this demographic variable is in significant relationship with "computer friendliness and literacy" and "Internet usage history". "Attitude toward technology", "technology utilization level" and "Internet usage intensity" do not have a discriminating power between the two sexes.

In terms of computer friendliness and literacy, cross-tabulation results show that male consumers have a higher propensity to show willingness for using computers in their daily lives compared to females. While 20.3% of males have a very positive attitude toward computers and a high level of computer literacy, the corresponding percentage is only 15.3% for females. On the other hand, females score higher for medium or low tendencies toward using computers. The medium tendency

percentages are 23.5% for females, whereas the figure is only 18.5% for males. Similarly, for the low tendency group, females represent 12.5% compared to males who constitute 10.2%.

The other mediating variable, which signals a significant difference between the two sexes, is Internet usage history. While 27.5% of males have been using this medium for three or more years, early adopters constitute only 21.7% among females. However, females are on attack in the last one to three years as reflected by the figures that show that the percentage of females using the Internet for the last one to three years is 24.1% compared to 15.5% of males. Finally, an equal percentage of 5.8% exists for both sexes when it comes to the late adopters who have become Internet users within the last year. This finding seems to be a natural result of the fact that males are more computer friendly and computer literate compared to females. However, similar to worldwide trends, our figures dictate that females are on the verge of equalizing this distorted distribution by displaying a more rapid manner of adopting Internet usage in the last few years.

As for the relationship between sex and different measures of our dependent variable, an interesting finding is observed. Although sex is not significantly related to the three measures of attitude toward online shopping and the other three measures of intentions of shopping online, it is in significant relationship with all three measures of actual online shopping behavior. For stated "frequencies of online shopping", "current level of online shopping", and "online shopping intensity compared to more traditional methods", males are consistently more active compared to females.

We interpret this as the result of less perceived risk on behalf of males as this group has generally been using the Internet for various purposes for a longer period

of time and are more computer friendly and literate. Women may perceive higher risks with shopping online or may find the transactional processes more difficult compared to males.

As for the interpretation of why behavioral differences exist between males and females although there are no significant differences between the two sexes in terms of attitudes and intentions, the reasoning is quite obvious. Females develop attitudes and intentions but do not depict them through behavior because of the high amount of risks they attach to such behavior whereas males act more courageous and active. Therefore, in terms of attitudes and intentions, both sexes display parallel dispositions but when it comes to tangibilizing those attitudes and intentions through behavior, females turn out to be more reluctant compared to males.

Based on these results, the following conclusions have been reached about our hypotheses:

- H14, H15, H21, H22 are confirmed.
- H12, H13, H16, H17, H18, H19, H20 are not confirmed.

6.2.1.3 Marital Status

Table 6.57 – Dependence Statistics About Marital Status

		χ^2	p
H23	Attitude Toward Technology	1.790	.774
H24	Technology Utilization Level	2.533	.639
H25	**Computer Friendliness and Literacy**	**9.840**	**.043**
H26	Internet Usage History	.932	.920
H27	**Internet Usage Intensity**	**5.728**	**.057**
H28	Perceptions of Internet Characteristics	2.256	.689
H29	Suitability-Purchasing Process	4.314	.365
H29	Suitability-General	8.071	.427
H30	Purchase Intention	1.069	.899
H30	Interest Toward a Shopping Site	1.714	.788
H31	Expected Future Level of Online Shopping	8.493	.387
H32	Frequency of Online Shopping	5.364	.498
H32	Current Level of Online Shopping	4.659	.793
H33	Comparative Level of Online Shopping	5.339	.501

This variable is found to be in significant relationship with two mediating variables only, namely "computer friendliness and literacy" and "Internet usage intensity".

For computer friendliness and literacy, singles generally score higher compared to married consumers. The number of divorced individuals is too low to make any statistical inferences based on the percentage values of the cross-tab table. The percentages of single individuals who have a medium or high level of computerization are 24.7% and 20.5% respectively while the corresponding figures are 14.7% and 13.3% for married respondents. On the contrary, married subjects constitute a higher percentage of those who have a low tendency to use computers with 12% compared to 9.8% for singles.

Logically following this result, Internet usage intensity is higher among singles with 44.4% having a medium level of usage and 3.8% having a very high level of usage compared to 30.1% for the medium intensity group and 1.6% for the high intensity group among married consumers.

This result is open to many interpretations. It may be concluded that singles generally may be expected to have more free individual leisure time that can be used in the virtual world for various purposes. Also, as singles can generally be expected to represent the younger population, they may be more prone to using computers and the Internet as the results about age confirm, too.

Based on these results, the following conclusions have been reached about our hypotheses:

- H25 and H27 are confirmed.
- H23, H24, H25, H26, H27, H28, H29, and H33 are not confirmed.

6.2.1.4 Education Level:

Table 6.58 – Dependence and Correlational Statistics About Education Level

		χ^2	p	Corr. Coef.	p
H34	**Attitude Toward Technology**	**9.808**	**.044**	.012	.787
H35	Technology Utilization Level	1.273	.866	.012	.791
H36	**Computer Friendliness and Literacy**	**9.711**	**.046**	**.171**	**.000**
H37	**Internet Usage History**	**33.163**	**.000**	**.210**	**.000**
H38	**Internet Usage Intensity**	2.240	.326	**.122**	**.006**
H39	**Perceptions of Internet Characteristics**	**11.743**	**.019**	**.115**	**.013**
H40	**Suitability-Purchasing Process**	**12.100**	**.017**	**.147**	**.001**
H40	**Suitability-General**	**19.355**	**.004**	**.121**	**.007**
H41	**Purchase Intention**	**10.383**	**.034**	**.125**	**.005**
H41	**Interest Toward a Shopping Site**	6.578	.160	**.109**	**.014**
H42	**Expected Future Level of Online Shopping**	9.954	.127	**.139**	**.002**
H43	**Frequency of Online Shopping**	**10.990**	**.027**	**.124**	**.005**
H43	**Current Level of Online Shopping**	**13.611**	**.034**	**.146**	**.001**
H44	**Comparative Level of Online Shopping**	**14.680**	**.005**	**.133**	**.003**

This variable has produced many significant results in the dependence and correlational analyses creating a rich opportunity for discussion. From among the five mediating variables, education level is found to be in significant relationship with "attitude toward technology", "computer friendliness and literacy", and "Internet usage history". According to these results, increasing education level signals more positive dispositions toward technological advancements and higher levels of computerization. Furthermore, earlier adopters of the Internet seem to be more educated compared to the consumers in the late adopter category. However, the correlational analysis between education level and attitude toward technology has produced an insignificant result, putting the conclusions we reached based on the dependence analysis in question. Although the relevant correlational analysis does not confirm a significantly positive relationship between these two variables, we still accept educational status to be a variable that is more suitable to be measured with

the cross-tab analysis compared to the correlational analysis used. Therefore, we conclude that as education level increases, people's attitudes toward technology become more positive.

A similar situation is observed for Internet usage intensity. However, this time, the dependence analysis used depicts no significant relationship while the correlational analysis produces a significantly positive correlation. Therefore, we can only be partially confirmed about the significance of the relationship between these two variables. Correlational results show that more educated consumers make more extensive use of the Internet for a variety of purposes. However, as the dependence analysis is insignificant, this relationship is only partially confirmed.

Coming to the three measures of consumers' attitudes toward online shopping, education proves to be in significant relationship and positive correlation with all of them, namely "perceptions of the characteristics of the Internet", and the two measures of "suitability" attributed to the Internet as a marketing environment to conduct different stages of the purchasing process. We can directly conclude that those individuals with a higher level of education have a more positive attitude toward the online shopping experience in general, even if they have personally engaged in such a transaction or not. Highly educated people have more positive views about the characteristics of the Internet as a shopping environment, find this medium highly suitable for conducting various stages of the purchasing process and for all kinds of shopping purposes in general.

When it comes to the three measures of purchase intentions, though, two of the relationships are somewhat questionable. Although education level is significantly related and positively correlated with "purchase intentions" derived from a set of possible purchase alternatives from the Internet, the same strength cannot be

observed for the two other measures of intention, which are, "interest directed toward a popular shopping site", and "expected future level of online shopping". The relationships between education and these two variables are insignificant although correlational analyses provide positively correlated results. Therefore, we are only partially confirmed that more educated consumers have stronger online purchase intentions.

Coming to the three measures of actual buying behavior on the Internet, more educated consumers have scored significantly higher on all dimensions compared to less educated ones. As education level increases, the frequency with which online purchases are made and the preferences directed toward the Internet market compared to traditional shopping methods become stronger.

In order to provide a reasoning for this situation, we ran a one-way analysis of variance about whether the online market was perceived more positively by highly educated subjects because of its informational value. Findings confirmed our expectations:

Table 6.59 – Group Difference Statistics About Education Level

	Mean1 (high school)	Mean2 (university)	Mean3 (post-graduate)	F	p
Conducting research	2.5513	2.8952	3.3235	14.410	.000
Suitability attributed to Step 2 of the purchasing process (collecting information)	4.1316	4.3613	4.5000	4.365	.013

These results indicate that consumers with higher levels of education conduct more intense research on the Web and attribute greater suitability to the online market for information collection purposes during the purchasing process. These consumers clearly seem to favor more informed decision making processes for which the Internet is a very suitable environment.

Based on these results, the following conclusions have been reached about our hypotheses:

- H36, H37, H39, H40, H41, H43, and H44 are confirmed.
- H34, H38, H41, and H42 are partially confirmed, promising possibilities for future research.
- H35 is not confirmed.

6.2.1.5 Income Level and Financial Status:

Table 6.60 – Dependence and Correlational Statistics About Income Level

		χ^2	p	Corr. Coef.	p
H45	Attitude Toward Technology	3.380	.496	-.006	.892
H46	Technology Utilization Level	4.322	.364	.036	.419
H47	Computer Friendliness and Literacy	2.909	.573	.045	.311
H48	**Internet Usage History**	**27.641**	**.000**	**.217**	**.000**
H49	**Internet Usage Intensity**	1.106	.575	**.083**	**.065**
H50	**Perceptions of Internet Characteristics**	4.742	.315	**.082**	**.075**
H51	**Suitability-Purchasing Process**	**24.253**	**.000**	**.231**	**.000**
H51	**Suitability-General**	**10.532**	**.032**	**.142**	**.001**
H52	**Purchase Intention**	**13.900**	**.008**	**.104**	**.021**
H52	**Interest Toward a Shopping Site**	**11.352**	**.023**	**.120**	**.007**
H53	**Expected Future Level of Online Shopping**	**15.659**	**.016**	**.175**	**.000**
H54	**Frequency of Online Shopping**	**26.551**	**.000**	**.198**	**.000**
H54	**Current Level of Online Shopping**	**22.807**	**.001**	**.211**	**.000**
H55	**Comparative Level of Online Shopping**	**16.113**	**.003**	**.151**	**.001**

Table 6.61 – Dependence and Correlational Statistics About Financial Status

		χ^2	p	Corr. Coef.	p
H56	Attitude Toward Technology	4.170	.384	-.043	.342
H57	Technology Utilization Level	3.865	.425	.068	.135
H58	**Computer Friendliness and Literacy**	4.473	.346	**.079**	**.080**
H59	**Internet Usage History**	**31.268**	**.000**	**.209**	**.000**
H60	**Internet Usage Intensity**	3.006	.222	**.102**	**.024**
H61	**Perceptions of Internet Characteristics**	**12.194**	**.016**	**.115**	**.013**
H62	**Suitability-Purchasing Process**	**10.769**	**.029**	**.156**	**.001**
H62	**Suitability-General**	**11.906**	**.018**	**.129**	**.004**
H63	**Purchase Intention**	**11.952**	**.018**	**.095**	**.037**
H63	**Interest Toward a Shopping Site**	**12.402**	**.015**	**.115**	**.011**
H64	**Expected Future Level of Online Shopping**	**17.613**	**.007**	**.134**	**.003**
H65	**Frequency of Online Shopping**	**15.296**	**.004**	**.160**	**.000**
H65	**Current Level of Online Shopping**	**17.017**	**.009**	**.170**	**.000**
H66	**Comparative Level of Online Shopping**	**16.703**	**.002**	**.170**	**.000**

These two variables will be handled together as they are very closely related and, naturally, have produced nearly identical results. In fact, income is one of the components determining the financial status of a respondent, therefore, this situation is clearly expectable.

First of all, our findings suggest that the income level of a consumer does not have a significant relationship or correlation with consumer-specific contextual factors, namely, "attitude toward technology", "technology utilization level", and "computer friendliness and literacy". However, for financial status, the correlation with computer friendliness and literacy is significantly positive at the .10 level.

Coming to Internet-specific contextual factors, both income level and financial status are strongly related and positively correlated with "Internet usage history". This makes us think that the early adopters of the Internet belonged to the high-income group while, more recently, the more medium-income category have gained access to the Internet with less costly conditions. This can logically be derived from the fact that subscription fees to ISPs have decreased extensively within the last three years.

Coming to "Internet usage intensity", however, the results are puzzling. While there appears to be no significant relationship between income level or financial status and Internet usage intensity, correlational analyses have produced significantly positive results for both variables. This partially confirms our expectation that Internet usage intensity is higher among people with better financial conditions compared to those with more limited terms.

As for attitudes toward, intentions about, and behavior on the online market, household income level and financial status have been found to be significantly

related and positively correlated with all nine measures of our dependent variable. There is only one exception where household income level does not appear to have a significant relationship with "perceptions about the characteristics of the Internet as a shopping environment". However, the same pair of variables has produced significantly positive correlations.

Looking at these findings, we can easily conclude that consumers with higher income levels or better financial conditions have more positive attitudes and intentions toward online shopping and are more active users of the cyber market compared to those with lower income levels and worse financial conditions.

Based on these results, the following conclusions have been reached about our hypotheses:

- H48, H51, H52, H53, H54, H55, H59, H61, H62, H63, H64, H65, and H66 are confirmed.
- H49, H50, H58, and H60 are partially confirmed, promising possibilities for future research.
- H45, H46, H47, H56, and H57 are not confirmed.

6.2.2 Consumer Psychographics

These are the findings obtained about the relationships between "consumer psychographics" and "consumer-specific contextual factors", "Internet-specific contextual factors", and "online attitudes, intentions and behavior".

6.2.2.1 Life Style:

Table 6.62 – Dependence Statistics About Life Style

		χ^2	p
H67	**Attitude Toward Technology**	**14.379**	**.045**
H68	**Technology Utilization Level**	**14.838**	**.038**
H69	**Computer Friendliness and Literacy**	**17.067**	**.017**
H70	**Internet Usage History**	**29.054**	**.000**
H71	**Internet Usage Intensity**	**21.069**	**.004**
H72	Perceptions of Internet Characteristics	16.895	.262
H73	Suitability-Purchasing Process	18.029	.205
H73	Suitability-General	33.739	.210
H74	**Purchase Intention**	**16.834**	**.018**
H74	Interest Toward a Shopping Site	15.579	.340
H75	**Expected Future Level of Online Shopping**	**24.360**	**.041**
H76	**Frequency of Online Shopping**	**31.283**	**.004**
H76	**Current Level of Online Shopping**	**37.387**	**.015**
H77	Comparative Level of Online Shopping	29.283	.107

Life style has proven to be significantly related to a number of variables in the model producing interesting results to discuss. To start out with, it is found to have a significant relationship with "attitude toward technology". The percentage distributions within each life style category shows that the majority of "fulfilleds" and "actualizers" fall into the highest interval for attitude toward technology meaning they have a very positive disposition toward technological advancements in general. The respective percentages of respondents falling into this interval are 38.5% of fulfilleds and 43.4% of actualizers. Following these two groups, "achievers" display the next best attitude toward technology with 41% of this group falling into the middle interval. Finally, the majority of "experiencers", "believers", "strivers", "makers", and "strugglers" seem to have negative dispositions toward technology. 40.3% of experiencers, 53.8% of believers, 62.5% of strivers, 40% of makers, and 41.7% of strugglers have declared to view technological advancements negatively. However, for experiencers and makers, the next highest percentages should also be

taken into consideration. 37.3% of experiencers fall into the most positive interval while 34.7% of makers are placed in the middle interval. These two results show that although majorities within these two life styles represent negative attitudes, there are competitively high percentages within each group displaying more positive approaches as well. This is understandable as experiencers and makers should not be expected to be as conservative and prejudiced toward technological developments as strivers, believers or strugglers.

The relationship between life style and technology utilization level is also significant. "Experiencers", "actualizers","makers" and "achievers" accommodate the largest percentages within themselves as extensive users of technology. 50.7% of all experiencers and actualizers, 37.3% of all makers, and 46.2% of all achievers have declared high levels of technology utilization. The highest percentages within "fulfilleds", "believers", and "strivers" belong to the medium usage intensity interval with 38.5%, 46.2%, and 50% respectively. For all three groups, the second highest percentages closely follow these and show that a considerable number of respondents within each group fall into the most extensive usage interval. The related percentages are 37.6% for fulfilleds, 38.5% for believers, and 37.5% for strivers. Finally, strugglers display a low level of technology utilization, which is reflected by 58.3% falling into the lowest interval for technology usage. These results show that, except strugglers, individuals with different life style patterns all display a medium or high level of technology utilization as a fact of everyday life regardless of what kind of a disposition they have developed toward technological advancements. Only strugglers are excluded from this argument as they strongly lack the means to make use of most technological developments anyway.

Interesting findings have been obtained from the cross-tabulation between life style and computer friendliness and literacy. "Experiencers", "fulfilleds", and "achievers" were found to have medium levels of computer friendliness and literacy with 43.3% of experiencers, 46.3% of fulfilleds, and 53.8% of achievers displaying mediocratic usage levels. "Actualizers" have displayed a higher level of computerization with 44.1% falling into the interval representing the most extensive usage. However, for the other four life style patterns, distributions have not been concentrated toward one interval. 46.2% of believers scored low while another 46.2% scored medium on this variable. 37.5% of strivers scored low compared to an exactly opposite 37.5% who scored high. An equal percentage of 34.7% exists both in the low propensity and medium propensity groups for makers with the similar pattern observed for strugglers where the percentages are 41.7%. These results are quite interesting and mind-challenging. We can conclude that believers, makers, and strugglers are not highly computer friendly and literate as the equal percentages belong to low and medium tendencies. However, for strivers two alternative explanations can be made at the same time. The 37.5% group falling into low intensity level are those who lack the means to make use of this advancement although they feel positive toward it. The other 37.5 lying at the exact opposite shows that an equally high number of respondents either do have access to computers or confess to aspire for being computerized to a great extent. This would be acceptable for strivers who, as the name of implies, aim to achieve or emulate facilities that are usually out of their reach.

Life style has been found to have significant relationships with Internet-specific contextual variables, too, namely, "Internet usage history", and "Internet usage intensity". The results show that "experiencers", "fulfilleds", "actualizers", and

"achievers" have been using the Internet for a longer period of time compared to "believers", "strugglers", "makers", and "strivers". The percentage distributions of early adopters within experiencers, fulfilleds, actualizers, and achievers are 58.2%, 62.4%, 52.2%, and 43.6% respectively. On the other hand, 61.5% of believers, 50% strivers, 50.7% of makers, and 41.7% of strugglers belong to the interval containing respondents who have adopted the Internet within the last one to three years. However, for Internet usage intensity all life style patterns seem to have converged around the medium interval with only strivers positioned between the low and medium intensities. The highest percentages within each life style pattern with respect to a medium level of Internet usage intensity are 76.9% for "experiencers", 83.5% for "fulfilleds", 58.3% for "believers", 83.7% for "actualizers", 37.5% for "strivers", 68% for "makers", 83.1% for "achievers", and 75% for "strugglers". As we noted before, an equal percentage of 37.5% is located at the low usage intensity interval for "strivers".

Coming to attitudes toward online shopping, we can see that life style is not significantly related with any of the three measures of this component in our dependent variable. However, as for purchase intentions, findings suggest significant relationships between life style and "purchase intention" and "expected level of online shopping in the future". In terms of purchase intention, "experiencers", "believers", "makers", and "strugglers" all display a concentration toward the low intention interval with 34.8%, 61.5%, 50.7%, and 50% from each group constituting the majority and falling into the lowest intention group respectively. While "fulfilleds" demonstrate the highest level of purchase intention with 38% of this group falling into the most positive intention interval. "Actualizers", "strivers", and "achievers" are the three life style patterns where the majority of the respondents fall

into the medium usage intensity group with 36.8%, 50%, and 41% respectively. In terms of their "expectations about future levels of online shopping", "experiencers", "fulfilleds", "actualizers", "strivers", "makers" and "achievers" all show very positive signs of development with 49.2%, 45%, 50%, 50%, 33.3%, and 42.3% of respondents from each group falling into the positive expectation side. However, it is important to note that another 33.3% falls into the medium expectation level for makers. Finally, "believers" and "strugglers" do not display hopeful future developments about their online shopping levels. 46.2% of believers and 58.3% of strugglers think that they will not be making more use of online shopping opportunities in the future, too.

Finally, life style has been found to be in significant relationship with "current frequency of online shopping" which has been asked twice in the questionnaire within different contexts and with different measurement intervals. One of the intervals did not have a mid-point and the results obtained show that respondents fall extensively on the infrequent part of this continuum. 83.6% of "experiencers", 89.9% of "fulfilleds", 100% of "believers" , 92.7% of "actualizers", 75% "of strivers", 96% of "makers", 93.6% of "achievers", and 100% of "strugglers" have declared infrequent levels of online shopping. In the other measure, where there *was* a mid-point this time, we observed tendencies from a considerable portion of "experiencers", "fulfilleds", "actualizers", and "achievers" to place themselves at a mediocratic level of online shopping. The relevant percentages are 22.4%, 22%, 21.3%, and 14.1% respectively.

Based on these results, the following conclusions have been reached about our hypotheses:

- H67, H68, H69, H70, H71, H74, H75, and H76 are confirmed.

- H72, H73, and H77 are not confirmed.

6.2.2.2 Jungian Personality Type:

Table 6.63– Dependence Statistics About Jungian Personality Type

		$\chi 2$	p
H78	**Attitude Toward Technology**	**10.728**	**.097**
H79	Technology Utilization Level	3.613	.306
H80	Computer Friendliness and Literacy	4.729	.579
H81	Internet Usage History	4.930	.177
H82	Internet Usage Intensity	5.576	.472
H83	Perceptions of Internet Characteristics	4.727	.579
H84	Suitability-Purchasing Process	7.580	.271
H84	**Suitability-General**	**13.672**	**.034**
H85	Purchase Intention	7.445	.282
H85	Interest Toward a Shopping Site	3.609	.729
H86	Expected Future Level of Online Shopping	15.662	.207
H87	Frequency of Online Shopping	10.895	.283
H87	Current Level of Online Shopping	11.371	.497
H88	Comparative Level of Online Shopping	9.662	.379

This variable has been found to be in significant relationship with "attitude toward technology" and "the suitability attributed to the Internet for shopping purposes in general" only.

When we look at the results about attitude toward technology, it is obvious that sensing-thinking personalities have the highest tendency to show positive attitudes with 45.9% of these respondents falling into the interval representing the most positive disposition. Intuiting-thinking types follow this group by displaying a mediocratic attitude toward technology. 35.7% of these respondents fall into the middle interval. However, both feeling patterns, have primarily negative attitudes toward technology with 42.1% of sensing-feeling respondents and 43.5% of intuiting-feeling types falling into the lowest interval for attitude toward technology. This result is understandable as sensing-thinking personalities are expected to make

use of any opportunity that may increase their informational capacity and wisdom in reaching a decision for which technology may be of great help. Intuiting-thinking types, on the other hand, may have displayed a relatively positive attitude because of their risk-prone attitudes in general which is an important requirement for being techno-wizards.

The second significant relationship was observed between the Jungian personality typology and the suitability attributed to the Internet for shopping purposes in general. The results show that 49.2% of the total sample consists of "sensing-thinking" personalities attributing a medium or high level of suitability to the Internet for shopping purposes. This is followed by 21.3% of all respondents consisting of "intuiting-thinking" personalities and again a medium or high level of suitability attributed to the Internet for shopping purposes. Finally, 9.3% of all respondents have been found to be "sensing-feeling" and attributing medium or high suitability to this environment for making purchases followed by 6.7% of the sample with an "intuiting-feeling" style and falling into the medium and high suitability intervals.

We conducted a secondary analysis to find a possible reason for this result. We ran a dependence analysis between Jungian personality type and consumers' level of using the Internet as an information source for making online purchases in order to understand whether the higher levels of suitability attributed to the Internet by thinking personalities were the result of the informational value of the medium giving these individuals the chance to make more rational decisions. The results showed that the relationship between these two variables was significant at the .01 level. An examination of the findings confirmed our expectations. The distribution of the respondents who claim to make frequent or very frequent use of the Internet for

collecting information before online purchases was highest among sensing-thinking personalities followed by intuiting-thinking types. Sensing-feeling types rank third while intuiting-feeling personalities are the group least willing to make use of this medium for information collection.

Based on these results, the following conclusions have been reached about our hypotheses:

- H78 and H84 are confirmed.
- H79, H80, H81, H82, H83, H85, H86, H87, and H88 are not confirmed.

6.2.2.3 Locus of Control:

Table 6.64– Group Difference Statistics About Locus of Control

		t-value	p	Group1 Mean	Group2 Mean
H89	**Attitude Toward Technology**	**1.984**	**.048**	**2.0852**	**1.8901**
H90	Technology Utilization Level	.059	.953	2.1924	2.1868
H91	Computer Friendliness and Literacy	.979	.328	2.1546	2.0667
H92	Internet Usage History	-1.171	.242	2.3565	2.4505
H93	Internet Usage Intensity	.330	.742	1.8952	1.8778
H94	Perceptions of Internet Characteristics	.838	.403	2.1267	2.0465
H95	**Suitability-Purchasing Process**	**1.820**	**.069**	**2.2437**	**2.0879**
H95	**Suitability-General**	**1.703**	**.089**	**3.3553**	**3.1868**
H96	Purchase Intention	1.148	.157	2.0287	1.8901
H96	**Interest Toward a Shopping Site**	**1.726**	**.085**	**2.0221**	**1.8571**
H97	**Expected Future Level of Online Shopping**	**1.932**	**.054**	**3.3281**	**3.0989**
H98	Frequency of Online Shopping	.517	.606	1.6467	1.6044
H98	Current Level of Online Shopping	.772	.441	1.8927	1.8022
H99	Comparative Level of Online Shopping	-.053	.957	2.7161	2.7253

Group 1: Internal Locus of Control
Group 2: External Locus of Control

We preferred to conduct t-tests for measuring the difference between those consumers with an external locus of control and those with an internal locus, if any. The reason for this choice is that, as explained in the section about frequencies, the distribution between the two groups is quite unequal making cross-tabulation a little

less reliable. With t-tests, we aimed to compensate for this distorted distribution while looking for differences between the two groups.

The results displayed above show that we can differentiate individuals with an external locus of control and those with an internal locus of control in terms of "attitude toward technology" at the .05 level and in terms of "suitability attributed to the overall purchasing process online", "general suitability attributed to online shopping", "interest directed toward a popular shopping site", and "expected future level of online shopping" at the .10 level.

For all these five variables, those consumers with an internal locus of control have scored significantly higher compared to those with an external locus of control. They have a more positive attitude toward technology, attribute greater suitability to the online market for shopping in general and conducting various stages of the purchasing process, have shown stronger interest toward a popular shopping site, and expect to shop more frequently in the cyber market in the future when compared with those consumers locused externally.

We believe that these differences arise because of the difference between these two groups in terms of their perceived risk levels and adoption rates. As individuals with an external locus of control attribute environmental and uncontrollable causes to events, they may be perceiving greater risks with innovations and, thereby, may be characterized as late adopters. They are suspected to believe that the success of an innovation, even at the personal level, will depend on factors that are out of their spectrum of control. On the other hand, those with an internal locus of control can be expected to feel more in charge of events and to believe that they have the power to control the disadvantages and make use of the advantages of an innovation.

Therefore, internally focused consumers may show more positive dispositions toward online shopping while externally focused consumers seem to resist it.

Based on these results, the following conclusions have been reached about our hypotheses:

- H89, H95, H96, and H97 are confirmed.
- H90, H91, H92, H93, H94, H98, and H99 are not confirmed.

6.2.2.4 Innovativeness and Opinion Leadership:

Table 6.65 – Dependence and Correlational Statistics About Innovativeness

		χ^2	p	Corr. Coef.	p
H100	**Attitude Toward Technology**	**76.283**	**.000**	**.409**	**.000**
H101	**Technology Utilization Level**	**50.927**	**.000**	**.360**	**.000**
H102	**Computer Friendliness and Literacy**	**25.887**	**.000**	**.249**	**.000**
H103	**Internet Usage History**	**9.001**	**.061**	**.140**	**.002**
H104	**Internet Usage Intensity**	**22.655**	**.000**	**.291**	**.000**
H105	**Perceptions of Internet Characteristics**	**21.899**	**.000**	**.256**	**.000**
H106	**Suitability-Purchasing Process**	**7.891**	**.096**	**.159**	**.000**
H106	**Suitability-General**	**29.783**	**.000**	**.226**	**.000**
H107	**Purchase Intention**	**22.329**	**.000**	**.206**	**.000**
H107	**Interest Toward a Shopping Site**	5.201	.267	**.090**	**.044**
H108	**Expected Future Level of Online Shopping**	**45.571**	**.000**	**.256**	**.000**
H109	**Frequency of Online Shopping**	**18.553**	**.001**	**.219**	**.000**
H109	**Current Level of Online Shopping**	**23.775**	**.001**	**.223**	**.000**
H110	**Comparative Level of Online Shopping**	**21.616**	**.000**	**.162**	**.000**

Table 6.66– Dependence and Correlational Statistics About Opinion Leadership

		χ^2	p	Corr. Coef.	p
H111	**Attitude Toward Technology**	**23.898**	**.001**	**.209**	**.000**
H112	**Technology Utilization Level**	**49.220**	**.000**	**.311**	**.000**
H113	**Computer Friendliness and Literacy**	**32.602**	**.000**	**.277**	**.000**
H114	**Internet Usage History**	**18.163**	**.001**	**.169**	**.000**
H115	**Internet Usage Intensity**	**18.809**	**.001**	**.290**	**.000**
H116	**Perceptions of Internet Characteristics**	**26.510**	**.000**	**.150**	**.001**
H117	Suitability-Purchasing Process	5.847	.211	.040	.373
H117	**Suitability-General**	**19.105**	**.004**	**.107**	**.016**
H118	**Purchase Intention**	**10.764**	**.096**	**.152**	**.001**
H118	Interest Toward a Shopping Site	10.040	.123	.042	.350
H119	**Expected Future Level of Online Shopping**	**15.588**	**.016**	**.159**	**.000**
H120	**Frequency of Online Shopping**	**14.737**	**.005**	**.153**	**.001**
H120	**Current Level of Online Shopping**	**15.453**	**.017**	**.166**	**.000**
H121	Comparative Level of Online Shopping	4.001	.406	.047	.290

Similar to income level and financial status, innovativeness and opinion leadership are both conceptually very closely related and have produced nearly identical results, therefore, they will be examined together, too. In order to justify our expectation that these two variables can be examined together, we ran a correlation analysis between innovativeness and opinion leadership and found that the two variables are positively correlated with a coefficient of .534 at the .01 level.

First of all, we have found out that both of these variables are significantly correlated in a positive direction with both consumer-specific and Internet-specific contextual variables. In other words, consumers with higher levels of innovativeness and stronger probabilities of acting as opinion leaders have more positive attitudes toward technology, utilize technology more extensively, are more computer friendly and literate, have a longer history of Internet usage and are more engaged in various activities in the online world.

Coming to the three measures of attitudes toward online shopping, innovativeness has been found to be significantly and positively correlated with "perceptions about the general characteristics of the Internet as a shopping environment", "suitability attributed to the Internet for shopping purposes in general" and "suitability attributed to this medium for conducting various stages of the purchasing process". However, opinion leadership lags behind for one of these variables, namely, suitability of the Internet for various stages of the purchasing process. Although it is significantly related and positively correlated with the other two measures of attitudes toward online shopping, it is found to have no significant relationship or correlation with this specific dimension of attitude toward online shopping. To summarize, we conclude that more innovative personalities perceive the characteristics of the Internet market from a more positive point of view and find

the cyber market more suitable for general shopping purposes as well as for different phases of the buying process. The same argument can be made for opinion leaders with the exception that they are more reluctant about whether the Internet is suitable for all stages of the buying process.

Coming to the intentions toward online shopping, both variables have been found to be strongly correlated with two of the measures of this component, namely, "purchase intention" and "expectation of future online shopping frequency", but the same result has not been achieved from the variable that measures "interest toward a real shopping site". For this specific variable, innovative consumers have demonstrated a more positive intention compared to less innovative ones. However, a significant relationship or correlation has not been observed for opinion leadership.

Finally, the behavioral component of our dependent variable includes three measures of actual behavior on the online market shows that innovative consumers display their positive attitudes and intentions by using the Internet more frequently and extensively for shopping purposes compared to less innovative people. Opinion leaders also follow a similar pattern with the exception that they have not been significantly more active users of the Internet in comparison with traditional shopping methods when weighed against people with a lower probability of being opinion leaders.

Generally, regardless of a few exceptions which are justifiable, the abundance and the strength of the relationships and correlations show that innovativeness and opinion leadership are both very obvious determinants of online shopping attitudes, intentions, and behavior as well as an important part of the contextual variables preceding them.

Based on these results, the following conclusions have been reached about our hypotheses:

- H100, H101, H102, H103, H104, H105, H106, H107, H108, H109, H110, H111, H112, H113, H114, H115, H116, H117, H118, H119, and H120 are confirmed.
- H121 is not confirmed.

6.2.2.5 Reference Group Influence:

Table 6.67 - Dependence and Correlational Statistics About Reference Group Influence

		$\chi 2$	p	Corr. Coef.	p
H122	**Attitude Toward Technology**	**12.470**	**.014**	**-.146**	**.001**
H123	Technology Utilization Level	.303	.909	-.033	.465
H124	Computer Friendliness and Literacy	4.658	.324	-.036	.417
H125	Internet Usage History	6.044	.196	-.011	.805
H126	Internet Usage Intensity	1.230	.873	-.041	.356
H127	Perceptions of Internet Characteristics	2.773	.596	-.060	.192
H128	Suitability-Purchasing Process	5.006	.287	-.031	.491
H128	**Suitability-General**	**17.540**	**.025**	**-.121**	**.007**
H129	Purchase Intention	5.131	.274	-.065	.148
H129	Interest Toward a Shopping Site	3.705	.447	-.029	.521
H130	Expected Future Level of Online Shopping	10.516	.231	-.068	.128
H131	Frequency of Online Shopping	4.160	.655	-.072	.106
H131	**Current Level of Online Shopping**	**14.738**	**.064**	-.040	.374
H132	Comparative Level of Online Shopping	7.524	.275	-.018	.695

When we look at the analysis results for reference group influence, it is observed that this variable is in significant relationship and negative correlation with "attitude toward technology" and "suitability attributed to the Internet for shopping purposes in general". In other words, for individuals' whose propensities of being influenced from various groups during their decision making and purchasing processes are higher, general dispositions toward technological advancements become more

negative and such people do not find the Internet to be a very suitable environment for shopping purposes.

These results signal that individuals affected more strongly from reference groups favor joint decision making processes and social shopping experiences compared to the individual and virtual world of the Internet market. In order to understand whether the above results could be based on this justification, we ran a correlation analysis between "reference group influence" and one of the statements about the characteristics of the Internet as a shopping environment, namely, "*Having no one to exchange ideas with during shopping on the Internet is a disadvantage*". The result confirmed our expectations. These two variables were found to be positively correlated with a coefficient of .197 at the .01 level.

Another finding about reference group influence is that this variable is in significant relationship with "current level of online shopping". An examination of the cross-tabulation tables show that for consumers affected more from reference groups, current frequencies of online shopping are lower compared to those consumers with more individualistic decision making attitudes. While 83.2% of consumers affected strongly from reference groups made no or very infrequent use of the Internet for shopping purposes, this percentage drops to 74.2% and 73.8% for those affected less and least from reference groups respectively.

Based on these results, the following conclusions have been reached about our hypotheses:

- H122 and H128 are confirmed.
- H131 is partially confirmed, promising possibilities for future research.
- H123, H124, H125, H126, H127, H129, H130, and H132 are not confirmed.

6.2.3 Consumer-Specific Contextual Factors

In this section, we will present our findings about the statistical analyses conducted with consumer-specific contextual factors. As the first set of results, a correlation matrix including all the variables within the consumer-specific contextual factors and Internet-specific contextual factors is prepared.

Table 6.68 –Correlational Statistics About Within Group Relationships Among Consumer-Specific Contextual Factors

		Attitude Toward Technology		Technology Utilization Level		Computer Friendliness and Literacy		Internet Usage History		Internet Usage Intensity
Attitude Toward Technology	**r**	1.000	**H133**	**.454**	**H134**	**.325**	**H136**	**.106**	**H137**	**.173**
	p	.000		**.000**		**.000**		**.017**		**.000**
Technology Utilization Level	**r**	.454		1.000	**H143**	**.422**	**H144**	**.219**	**H145**	**.295**
	p	.000		.000		**.000**		**.000**		**.000**
Computer Friendliness and Literacy	**r**	.325		.422		1.000	**H152**	**.387**	**H153**	**.409**
	p	.000		.000		.000		**.000**		**.000**

This table provides a summary of the relationships among the three consumer-specific contextual factors of our model as well as the relationships of these variables with Internet-specific contextual factors. As these results indicate, all three variables within the consumer-specific contextual factors are significantly and positively correlated with one another. In other words, consumers with a more positive attitude toward technology make more intense use of it and are more computer friendly and literate. Another finding presented in the table above is that all consumer-specific contextual factors are significantly and positively correlated with the Internet-specific contextual factors of our model, too. Conceptually stated, this means that consumers with more positive attitudes toward technology, with greater technology utilization levels, and higher computer friendliness and literacy have been using the Internet for a longer period of time and are more extensive and active users of the medium for various purposes.

Based on these results, the following conclusions have been reached about our hypotheses:

- H133, H134, H136, H137, H143, H144, H145, H152, H153 are confirmed.

Table 6.69 –Correlational Statistics About Consumer-Specific Contextual Factors and Online Attitudes, Intentions and Behavior

			Attitude Toward Technology		Technology Utilization Level		Computer Friendliness and Literacy
Perceptions of Internet Characteristics	r	H137	.367	H146	.300	H154	.284
	p		.000		.000		.000
Suitability-Purchasing Process	r	H138	.179	H147	.212	H155	.213
	p		.000		.000		.000
Suitability-General	r	H138	.265	H147	.209	H155	.189
	p		.000		.000		.000
Purchase Intention	r	H139	.183	H148	.163	H156	.219
	p		.000		.000		.000
Interest Toward a Shopping Site	r	H139	.107	H148	.112	H156	.156
	p		.017		.012		.000
Expected Future Level of Online Shopping	r	H140	.199	H149	.261	H157	.247
	p		.000		.000		.000
Frequency of Online Shopping	r	H141	.234	H150	.212	H158	.196
	p		.000		.000		.000
Current Level of Online Shopping	r	H141	.207	H150	.254	H158	.181
	p		.000		.000		.000
Comparative Level of Online Shopping	r	H142	.180	H151	.164	H159	.169
	p		.000		.000		.000

The second set of results in this section is about correlations between consumer-specific contextual variables and online attitudes, intentions, and behavior. The findings reveal that consumers with more positive attitudes toward technology, higher technology utilization levels, and stronger computer friendliness and literacy have more positive attitudes toward and stronger intentions about online shopping. They are also more active users of the cyber market for shopping and purchasing purposes. In short, all of our consumer-specific contextual variables are significantly and positively correlated with all nine measures of our dependent variable.

Based on these results, the following conclusions have been reached about our hypotheses:

- H137, H138, H139, H140, H141, H142, H146, H147, H148, H149, H150, H151, H154, H155, H156, H157, H158, and H159 confirmed.

6.2.4 Internet-Specific Contextual Factors

In this section, we will present our findings about the statistical analyses conducted with Internet-specific contextual factors. Initially, a correlation has been run between "Internet usage history" and "Internet usage intensity". The result is a significantly positive correlation as expected. In conceptual terms, people who have been using the Internet for a longer period of time are using it more extensively and for a wider variety of purposes.

Table 6.70 – Correlation Results Between Internet Usage History and Internet Usage Intensity

	H160	Internet Usage Intensity
Internet Usage History	r	.444
	p	.000

A second set of results is also provided in order to display the results of the correlation analyses between Internet-specific contextual variables and online attitudes, intentions, and behavior.

Table 6.71 –Correlational Statistics About Internet-Specific Contextual Factors and Online Attitudes, Intentions and Behavior

			Internet Usage History		Internet Usage Intensity
Perceptions of Internet Characteristics	r	H161	.189	H167	.279
	p		.000		.000
Suitability-Purchasing Process	r	H162	.184	H168	.249
	p		.000		.000
Suitability-General	r	H162	.182	H168	.269
	p		.000		.000
Purchase Intention	r	H163	.105	H169	.270
	p		.019		.000
Interest Toward a Shopping Site	r	H163	.086	H169	.252
	p		.054		.000
Expected Future Level of Online Shopping	r	H164	.252	H170	.387
	p		.000		.000
Frequency of Online Shopping	r	H165	.297	H171	.486
	p		.000		.000
Current Level of Online Shopping	r	H165	.288	H171	.436
	p		.000		.000
Comparative Level of Online Shopping	r	H166	.260	H172	.349
	p		.000		.000

These figures indicate that Internet usage history and Internet usage intensity are both significantly and positively correlated with all measures of the three components of our dependent variable. In other words, those who have been using the Internet for a longer period of time and those who are more active and extensive users of the medium in general display more positive attitudes toward and intentions about online shopping. Furthermore, they display this positive attitude and intention by engaging in more frequent online shopping activities compared to late adopters or more passive users of the medium.

Based on these results, the following conclusions have been reached about our hypotheses:

- H160, H161, H162, H163, H164, H165, H166, H167, H168, H169, H170, H171, and H172 are confirmed.

6.2.5 Online Attitudes, Intentions, and Behavior

The figures displayed in Table 6.72 about the relationships and correlations between different measures of the three components our dependent variable, namely, attitudes toward, intentions about and actual behavior on the online market, show that all nine measures are significantly related and positively correlated with each other meaning that in the online world, attitudes toward cyber shopping determine intentions toward the Internet market, which, together, produce relevant shopping behavior. In other words, our model depicts a consistent attitude-intention-behavior relationship. Furthermore, the measures of each component are significantly related and positively correlated with one another, too, indicating that the different measures used to analyze the same variable are consistent with each other and can be trusted to produce valid results.

Table 6.72 - Dependence and Correlation Statistics Between Different Measures of Online Attitudes, Intentions and Behavior

	Frequency of Online Shopping				Purchase Intention				Interest Toward a Shopping Site			
	Cross-Tab	Sign.	Corr. Coef.	p	Cross-Tab	Sign.	Corr. Coef.	p	Cross-Tab	Sign.	Corr. Coef.	p
Frequency of Online Shopping	xxxx	xxxx	xxxx	xxxx	38,647	0,000	0,274	0,000	15,761	0,003	0,184	0,000
Purchase Intention	xxxx	xxxx	xxxx	xxxx	xxxx	xxxx	xxxx	xxxx	69,314	0,000	0,429	0,000
Interest Toward a Shopping Site	xxxx	xxxx	xxxx	xxxx	xxxx	xxxx	xxxx	xxxx	xxxx	xxxx	xxxx	xxxx

	Current Level of Online Shopping				Expected Level of Int. Shopping				Suitability-General			
	Cross-Tab	Sign.	Corr. Coef.	p	Cross-Tab	Sign.	Corr. Coef.	p	Cross-Tab	Sign.	Corr. Coef.	p
Frequency of Online Shopping	622,753	0,000	0,840	0,000	186,675	0,000	0,536	0,000	108,016	0,000	0,475	0,000
Purchase Intention	51,120	0,000	0,295	0,000	95,053	0,000	0,470	0,000	51,610	0,000	0,343	0,000
Interest Toward a Shopping Site	27,026	0,000	0,202	0,000	56,620	0,000	0,329	0,000	32,018	0,000	0,259	0,000
Current Level of Online Shopping	xxxx	xxxx	xxxx	xxxx	167,194	0,000	0,601	0,000	115,149	0,000	0,479	0,000
Expected Level of Int. Shopping	xxxx	xxxx	xxxx	xxxx	xxxx	xxxx	xxxx	xxxx	154,234	0,000	0,551	0,000
Suitability-General	xxxx	xxxx	xxxx	xxxx	xxxx	xxxx	xxxx	xxxx	xxxx	xxxx	xxxx	xxxx

	Characteristic Perceptions				Suitability-Purchasing Process				Comparative Level of Online Shopping			
	Cross-Tab	Sign.	Corr. Coef.	p	Cross-Tab	Sign.	Corr. Coef.	p	Cross-Tab	Sign.	Corr. Coef.	p
Frequency of Online Shopping	51,616	0,000	0,385	0,000	43,413	0,000	0,326	0,000	412,147	0,000	0,648	0,000
Purchase Intention	45,786	0,000	0,354	0,000	34,384	0,000	0,290	0,000	41,546	0,000	0,247	0,000
Interest Toward a Shopping Site	21,553	0,000	0,253	0,000	16,551	0,002	0,276	0,000	24,636	0,000	0,178	0,000
Current Level of Online Shopping	57,854	0,000	0,387	0,000	48,548	0,000	0,349	0,000	522,245	0,000	0,595	0,000
Expected Level of Int. Shopping	78,870	0,000	0,470	0,000	56,802	0,000	0,428	0,000	143,396	0,000	0,461	0,000
Suitability-General	92,093	0,000	0,545	0,000	71,976	0,000	0,455	0,000	108,954	0,000	0,384	0,000
Characteristic Perceptions	xxxx	xxxx	xxxx	xxxx	57,689	0,000	0,545	0,000	49,042	0,000	0,309	0,000
Suitability-Purchasing Process	xxxx	xxxx	xxxx	xxxx	xxxx	xxxx	xxxx	xxxx	33,152	0,000	0,242	0,000
Comparative Level of Online Shopping	xxxx	xxxx	xxxx	xxxx	xxxx	xxxx	xxxx	xxxx	xxxx	xxxx	xxxx	xxxx

Based on these results, the following conclusions have been reached about our hypotheses:

- H173 and H174 are confirmed.

6.2.6 Purchase Intentions Developed Toward Products and Services on the Online Market

As stated before, one of the purposes of our study is to determine whether consumers develop significantly different intentions toward purchasing different types of offerings on the online market. For this purpose, a series of "t-test pairs" have been conducted.

The first set has been performed in order to understand whether services or products are better candidates for being marketed online. The results of the t-test analysis are presented below in Table 6.73:

Table 6.73 – Group Differences Statistics About Online Purchase Intentions Toward Different Types of Offerings

	Mean	S	t	p
Products	1.7720	.6393	-21.360	.000
Services	2.3171	.7825		

This finding shows that consumers' intentions about purchasing products or services from the online market are significantly different. Services are found to be more suitable for being purchased from the online market. Our expectation was exactly in this direction. We reasoned that services do not require experimental purchasing experiences like products. Therefore, consumers may not perceive the difference between the virtual and real shopping experiences to be so high for services whereas this difference is heightened for the case of products. The results confirmed our expectations. Based on this finding we can conclude that:

- H175 is confirmed.

6.2.7 Purchase Intentions Developed Toward Convenience, Shopping, Specialty, and Unsought Goods on the Online Market

Besides differentiating between products and services in general, we had further expectations about the preferences consumers would develop toward purchasing different types of goods and services from the online market. For this purpose, we used the convenience, shopping, specialty, and unsought goods categorization and hypothesized that shopping and unsought goods are more suitable for being marketed online compared to convenience and specialty goods. As explained before, our reasoning was that purchases of convenience goods are usually more immediate and the prices of specialty goods are too high for being purchased online. However, shopping goods, which are suitable for longer delivery periods and require more investigation and comparison, are better candidates for being marketed online. Similarly, the probability of building awareness and arousing interest for unsought goods may be more probable on the online market compared to real environments. Also, locating where such items are sold may usually be more difficult in the real world compared to the virtual market. With these in mind, we conducted t-test pairs for each combination within this four-group categorization. This resulted in six t-test pairs analyses which all turned out to be significant. The results are as follows:

Table 6.74 – Group Differences Statistics About Online Purchase Intentions Toward Different Types of Products (1)

	t	p
Convenience-Shopping	6.372	.000
Convenience-Specialty	3.078	.002
Convenience-Unsought	-8.256	.000
Shopping- Specialty	-3.490	.001
Shopping-Unsought	-13.945	.000
Specialty-Unsought	-10.844	.000

As all pairs have produced significant group difference results, we can rank order these four product categories based on their mean values in order to display the order of suitability attributed by consumers to each group:

Table 6.75 – Mean Online Purchase Intention Scores for Different Product Categories

	Mean	S
Unsought	2.0431	.8363
Convenience	1.7860	.7953
Specialty	1.6790	.7737
Shopping	1.5810	.6935

These results show that, as expected, unsought goods carry a high potential for being marketed online. However, results about shopping goods did not turn out to be as expected. After some contemplation over why such a result might have occurred, we figured out that the selection of one of the shopping goods was problematic. "Sunglasses" turned out to be the least preferred item for being purchased online because of the strong requirements of experimental shopping associated with this product. This lowered the mean score for shopping goods to a great extent. We figured out that this justification was correct when we obtained the results about the comparison between search goods and experience goods which will be discussed now.

Based on these results, we can conclude that:

- H177 is confirmed.
- H176 is not confirmed.

6.2.8 Purchase Intentions Developed Toward Search and Experience Goods on the Online Market

Another issue we investigated was whether search goods or experience goods were more suitable for online shopping. Our expectation was that search goods

would be more preferable because of the experimental shopping requirements of experience goods. Results confirmed our expectations:

Table 6.76 – Group Differences Statistics About Online Purchase Intentions Toward Different Types of Products (2)

	Mean	S	t	p
Search Goods	2.0162	1.0833	-25.219	.000
Experience Goods	4.2441	.5442		

According to these results, the mean value for experience goods seem to be higher compared to that of search goods. The reason for this is that the related question was asked in such a way that consumers were asked to rank search and experience products from 1 to 6 where "1" represented the product that they found most suitable to purchase from the Internet and "6" represented the least suitable one. Therefore, the above figures pertain to the mean ranks attributed to the two product categories. In this respect, a lower mean value signals a higher level of preference. Based on these results, we can conclude that:

- H178 is confirmed.

6.2.9 Purchase Intentions Developed Toward Different Types of Services on the Online Market

We developed expectations about the differences consumers would perceive about purchasing various services from the Internet market. Our general expectation was that services where personal encounters carry great importance are not suitable for Internet marketing. Related to this, services open to rich customization opportunities may not be preferred by consumers of the Internet market. In this respect, we expected visiting museums (least personal, most standard) to be the most suitable online service, followed by education and insurance (somewhat personal,

somewhat customized), and finally health services (most personal and customized). The results are as follows:

Table 6.77 – Group Differences Statistics About Online Purchase Intentions Toward Different Types of Services

	t	p
Health-Education	14.273	.000
Health-Insurance	15.283	.000
Health-Museum	4.065	.000
Education-Insurance	3.536	.000
Education-Museum	-8.227	.000
Insurance-Museum	-10.149	.000

Table 6.78 – Mean Online Purchase Intention Scores for Different Service Categories

	Mean	S
Health	3.3140	.7698
Museum	3.1140	.9481
Education	2.6480	.9348
Insurance	2.4780	1.0333

With these findings, our expectations were confirmed to some extent with a surprising exception. While we expected health to receive the lowest score, in contrast, it was the most preferred service by online consumers. The rank order of the other three services followed the expected pattern. Another contemplation session about why this result might have been achieved revealed that we had formulated the statement about the health service in such a way that consumers have perceived it as a supplementary information collection opportunity rather than the sole mean of meeting a specific need. Therefore, the Internet has naturally been attributed to be highly suitable for a situation like this. Again, we consider this as a methodological contribution rather than a drawback. It reminds us of the importance of being consistent in meaning and wording when we want to make cross-group comparisons.

Based on these results, we conclude that:

- H179 is partially confirmed.

6.2.10 Consumer Preferences About Conducting the Active and Passive Stages of the Purchasing Process on the Internet Market

One of the other hypotheses of the study was that the Internet is more suitable for the passive (uni-directional) stages of the purchasing process compared to the active (bi-directional) stages. This expectation resulted from the heightening perceived risk attached to the active phases (purchase and post-purchase activities) compared to the passive phases (awareness, information collection, alternative evaluation) of the purchasing process. Findings confirmed our expectations:

Table 6.79 – Group Differences Statistics About Conducting Different Stages of the Purchasing Process on the Internet

	Mean	S	t	p
Passive (Uni-directional) Stages	4.1969	.7048	32.400	.000
Active (Bi-directional) Stages	2.8802	.8847		

These results clearly show that on the online market, consumers prefer to conduct the passive (uni-directional) stages of the decision making and purchasing process more extensively compared to the active (bi-directional) stages. Based on this finding, we conclude that:

- H180 is confirmed.

6.2.11 Six Gaps About Current and Future Levels of Internet Usage and the Suitability of the Internet as a Shopping Environment:

We have already defined and discussed the meanings of the six gaps about perceived differences between current and future levels of Internet usage and the suitability of the Internet as a shopping environment. Here, we will provide a summary table showing that all of the defined gaps exist and the pairs of variables making up each of these gaps are significantly different from one another:

Table 6.80 – Results About the Significance Tests Conducted for the Six Perceptual Gaps

		t	p
Personal Development Gap	**Current Usage (self)** **Future Usage (self)**	14.273	.000
Market Development Gap	**Current Usage (general)** **Future Usage (general)**	15.283	.000
Current Adoption Gap	**Current Usage (self)** **Current Usage (general)**	4.065	.000
Future Adoption Gap	**Future Usage (self)** **Future Usage (general)**	3.536	.000
Internal Conformity Gap	**Current Usage (self)** **Suitability**	-8.227	.000
External Conformity	**Current Usage (general)** **Suitability**	-10.149	.000

Based on these findings, we can conclude that:

- H181, H182, H183, H184, H185, and H186 are confirmed.

6.3 Findings About Model Fit

After conducting all possible combinations of dependence and correlational analyses between the independent, mediating, and dependent variables of the model, we have decided to test the fit of our model by conducting regression analyses between various components. The combinations created are:

Nine Measures of the Dependent Variable Five Mediating Variables	as Dependent as Independent
Nine Measures of the Dependent Variable Four Demographic Variables	as Dependent as Independent
Nine Measures of the Dependent Variable Three Psychographic Variables	as Dependent as Independent

The reason that we have not been able to include all of the demographic and psychographic variables is that some of them are non-metric and are not suitable for regression analysis. The results of the tested portion are presented in order in this section.

After analyzing each combination, we will have the chance to understand which variables are better in determining our dependent variables compared with others. In other words, this part serves to make a comparative analysis while dependence and correlational tests measured the independent relationship between two variables only.

Before moving on to the discussion of the results, we would like to specify which statistics we included in the presentation of the findings and what they aim to measure.

As for determining the model fit, "R" specifies the correlation between observed and predicted values of the dependent variable. It ranges from –1 to 1 and larger absolute values indicate stronger correlations. R^2 is the proportion of variance of the

dependent variable that is explained by the proposed regression model. However, "adjusted $R^{2"}$ is used for interpretations because the original R^2 figure may sometimes present over-optimistic model fit values. The "F value" is determined by finding out the proportion between the regression sum of squares (measured variation) and residual sum of squares (unmeasured variation) which produces a high significance value for our model if F is large enough to account for a majority of the variation in the model. Finally, the "t-values" determine the relative importance of each variable in the proposed regression model and the attached significance level. In this section, we will shortly touch upon the fit of each model and which variables turn out to be more important in determining various measures of our dependent variables compared with others.

6.3.1 Regression Analyses Between Each Mediating Variable and Different Measures of the Dependent Variable

6.3.1.1 Mediating Variables with Perceptions of the Characteristics of the Internet as a Shopping Environment:

Table 6.81 – Model Fit Statistics About the Relationship Between Five Mediating Variables and Perceptions of the Characteristics of the Internet as a Shopping Environment

Independent Variables	b	t	p
Attitude Toward Technology Score	**.263**	**5.536**	**.000**
Technology Utilization Level Score	**.094**	**1.879**	**.061**
Computer Friendliness and Literacy Score	**.082**	1.616	.107
Internet Usage History	**.036**	.764	.445
Internet Usage Intensity Score	**.147**	**3.011**	**.003**
Constant	**9.976**		**.000**

R = .442	**R^2 = .195**	**F = 22.281**	**p = .000**	**Durbin Watson = 1.882**

These results show that the observed values of our dependent variable and the values predicted by this regression model are correlated with a coefficient of .442

and .186 of the variance in the dependent variable is explained by this model. Our F value is significant at the .01 level indicating a meaningfully higher portion of explained variance compared to the unexplained part. According to the t-values, **the best predictors of "consumer perceptions of the characteristics of the Internet as a shopping environment" are "attitude toward technology", "technology utilization level", and "Internet usage intensity".**

6.3.1.2 Mediating Variables with Suitability Attributed to the Internet for Conducting Various Stages of the Purchasing Process:

Table 6.82 – Model Fit Statistics About the Relationship Between Five Mediating Variables and the Suitability Attributed to the Internet for Conducting Various Stages of the Purchasing Process

Independent Variables	b	t	p
Attitude Toward Technology Score	.079	1.621	.106
Technology Utilization Level Score	.082	1.587	.113
Computer Friendliness and Literacy Score	.066	1.251	.212
Internet Usage History	.059	1.193	.234
Internet Usage Intensity Score	**.156**	**3.092**	**.002**
Constant	**7.380**		**.000**

R = .305	**R^2 = .093**	**F = 10.066**	**p = .000**	**Durbin Watson = 1.710**

These results show that the observed values of our dependent variable and the values predicted by this regression model are correlated with a coefficient of .305 and .084 of the variance in the dependent variable is explained by this model. Our F value is significant at the .01 level indicating a meaningfully higher portion of explained variance compared to the unexplained part. According to the t-values, **the best predictor of "suitability attributed to the Internet for conducting various stages of the purchasing process" is "Internet usage intensity".**

6.3.1.3 Mediating Variables with Suitability Attributed to the Internet for Shopping Purposes in General:

Table 6.83 – Model Fit Statistics About the Relationship Between Five Mediating Variables and the Suitability Attributed to the Internet for Shopping Purposes in General

Independent Variables	b	t	p
Attitude Toward Technology Score	**.206**	**4.311**	**.000**
Technology Utilization Level Score	**.051**	1.014	.311
Computer Friendliness and Literacy Score	**.003**	.063	.950
Internet Usage History	**.061**	1.256	.210
Internet Usage Intensity Score	**.189**	**3.818**	**.000**
Constant	**1.869**		**.062**

R = .358	**R^2 = .128**	**F = 14.435**	**p = .000**	**Durbin Watson = 1.940**

These results show that the observed values of our dependent variable and the values predicted by this regression model are correlated with a coefficient of .358 and .119 of the variance in the dependent variable is explained by this model. Our F value is significant at the .01 level indicating a meaningfully higher portion of explained variance compared to the unexplained part. According to the t-values, **the best predictors of "suitability attributed to the Internet for shopping purposes in general" are "attitude toward technology" and "Internet usage intensity".**

6.3.1.4 Mediating Variables with Online Purchase Intentions:

Table 6.84 – Model Fit Statistics About the Relationship Between Five Mediating Variables and Online Purchase Intentions

Independent Variables	b	t	p
Attitude Toward Technology Score	**.107**	**2.188**	**.029**
Technology Utilization Level Score	**.017**	.330	.741
Computer Friendliness and Literacy Score	**.104**	**1.988**	**.047**
Internet Usage History	**-.044**	-.887	.375
Internet Usage Intensity Score	**.221**	**4.388**	**.000**
Constant	1.024		.306

R = .316	**R^2 = .100**	**F = 10.814**	**p = .000**	**Durbin Watson = 1.893**

These results show that the observed values of our dependent variable and the values predicted by this regression model are correlated with a coefficient of .316 and .100 of the variance in the dependent variable is explained by this model. Our F value is significant at the .01 level indicating a meaningfully higher portion of explained variance compared to the unexplained part. According to the t-values, **the best predictors of "online purchase intentions" are "attitude toward technology", "computer friendliness and literacy" and "Internet usage intensity".**

6.3.1.5 Mediating Variables with Interest Directed Toward a Popular Shopping Site:

Table 6.85 – Model Fit Statistics About the Relationship Between Five Mediating Variables and Interest Directed Toward a Popular Shopping Site

Independent Variables	b	t	p
Attitude Toward Technology Score	.051	1.026	.305
Technology Utilization Level Score	.011	.218	.828
Computer Friendliness and Literacy Score	.059	1.107	.269
Internet Usage History	-.047	.932	.352
Internet Usage Intensity Score	**.236**	**4.606**	**.000**
Constant	-1.554		.121

R = .267	**R^2 = .071**	**F = 7.526**	**p = .000**	**Durbin Watson = 1.929**

These results show that the observed values of our dependent variable and the values predicted by this regression model are correlated with a coefficient of .267 and .062 of the variance in the dependent variable is explained by this model. Our F value is significant at the .01 level indicating a meaningfully higher portion of explained variance compared to the unexplained part. According to the t-values, **the best predictor of "interest directed toward a popular shopping site" is "Internet usage intensity".**

6.3.1.6 Mediating Variables with Expected Future Level of Online Shopping:

Table 6.86 – Model Fit Statistics About the Relationship Between Five Mediating Variables and Expected Future Level of Online Shopping

Independent Variables	b	t	p
Attitude Toward Technology Score	**.088**	**1.903**	**.058**
Technology Utilization Level Score	**.120**	**2.479**	**.014**
Computer Friendliness and Literacy Score	.025	.515	.607
Internet Usage History	.076	1.625	.105
Internet Usage Intensity Score	**.291**	**6.094**	**.000**
Constant	-.819		.413

R = .434	**R^2 = .189**	**F = 22.828**	**p = .000**	**Durbin Watson = 1.879**

These results show that the observed values of our dependent variable and the values predicted by this regression model are correlated with a coefficient of .434 and .180 of the variance in the dependent variable is explained by this model. Our F value is significant at the .01 level indicating a meaningfully higher portion of explained variance compared to the unexplained part. According to the t-values, **the best predictors of "expected future level of online shopping are" are "attitude toward technology", "technology utilization level", and "Internet usage intensity".**

6.3.1.7 Mediating Variables with Stated Frequency of Online Shopping:

Table 6.87 – Model Fit Statistics About the Relationship Between Five Mediating Variables and Stated Frequency of Online Shopping

Independent Variables	b	t	p
Attitude Toward Technology Score	**.166**	**3.788**	**.000**
Technology Utilization Level Score	**.017**	.366	.715
Computer Friendliness and Literacy Score	**-.086**	**-1.839**	**.067**
Internet Usage History	**.109**	**2.459**	**.014**
Internet Usage Intensity Score	**.439**	**9.682**	**.000**
Constant	**-3.616**		**.000**

R = .519	**R^2 = .270**	**F = 36.263**	**p = .000**	**Durbin Watson = 1.889**

These results show that the observed values of our dependent variable and the values predicted by this regression model are correlated with a coefficient of .519 and .262 of the variance in the dependent variable is explained by this model. Our F value is significant at the .01 level indicating a meaningfully higher portion of explained variance compared to the unexplained part. According to the t-values, **the best predictors of "online shopping frequency" are "attitude toward technology", "computer friendliness and literacy", "Internet usage history" and "Internet usage intensity".**

6.3.1.8 Mediating Variables with Current Level of Online Shopping:

Table 6.88 – Model Fit Statistics About the Relationship Between Five Mediating Variables and Current Level of Online Shopping

Independent Variables	b	t	p
Attitude Toward Technology Score	.122	2.722	.007
Technology Utilization Level Score	.096	2.035	.042
Computer Friendliness and Literacy Score	-.097	-2.014	.045
Internet Usage History	.124	2.714	.007
Internet Usage Intensity Score	.372	7.978	.000
Constant	-4.348		.000

$R = .478$	$R^2 = .229$	$F = 29.146$	$p = .000$	Durbin Watson = 1.919

These results show that the observed values of our dependent variable and the values predicted by this regression model are correlated with a coefficient of .478 and .221 of the variance in the dependent variable is explained by this model. Our F value is significant at the .01 level indicating a meaningfully higher portion of explained variance compared to the unexplained part. According to the t-values, **all of the five mediating variables are significantly powerful in terms of determining "current level of online shopping".**

6.3.1.9 Mediating Variables with Comparative Level of Online Shopping with Respect to Traditional Methods:

Table 6.89 – Model Fit Statistics About the Relationship Between Five Mediating Variables and Comparative Level of Online Shopping with Respect to Traditional Methods

Independent Variables	b	t	p
Attitude Toward Technology Score	**.128**	**2.701**	**.007**
Technology Utilization Level Score	**.014**	.279	.781
Computer Friendliness and Literacy Score	**-.046**	-.916	.360
Internet Usage History	**.135**	**2.818**	**.005**
Internet Usage Intensity Score	**.281**	**5.739**	**.000**
Constant	**-2.491**		**.013**

R = .387	**R^2 = .150**	**F = 17.295**	**p = .000**	**Durbin Watson = 1.835**

These results show that the observed values of our dependent variable and the values predicted by this regression model are correlated with a coefficient of .387 and .141 of the variance in the dependent variable is explained by this model. Our F value is significant at the .01 level indicating a meaningfully higher portion of explained variance compared to the unexplained part. According to the t-values, **the best predictors of "comparative level of online shopping with respect to traditional methods" are "attitude toward technology", "Internet usage history" and "Internet usage intensity".**

6.3.2 Regression Analyses Between Each Demographic Variable and Different Measures of the Dependent Variable

6.3.2.1 Demographic Variables with Perceptions of the Characteristics of the Internet as a Shopping Environment:

Table 6.90 – Model Fit Statistics About the Relationship Between Demographic Variables and Perceptions of the Characteristics of the Internet as a Shopping Environment

Independent Variables	b	t	p
Age Group	-.064	-1.3444	.180
Education Level	**.083**	**1.698**	**.090**
Household Income Level	**-.065**	-.855	.393
Financial Status	**.171**	**2.308**	**.021**
Constant	**14.447**		**.000**

R = .167	**R^2 = .028**	**F = 3.265**	**p = .012**	**Durbin Watson = 1.972**

These results show that the observed values of our dependent variable and the values predicted by this regression model are correlated with a coefficient of .167 and .019 of the variance in the dependent variable is explained by this model. Our F value is significant at the .05 level indicating a meaningfully higher portion of explained variance compared to the unexplained part. According to the t-values, among four of the six demographic variables accepted for analysis **the best predictors of "perceptions of the characteristics of the Internet as a shopping environment" are "education level" and "financial status".**

6.3.2.2 Demographic Variables with Suitability Attributed to the Internet for Conducting Various Stages of the Purchasing Process:

Table 6.91 – Model Fit Statistics About the Relationship Between Demographic Variables and the Suitability Attributed to the Internet for Conducting Various Stages of the Purchasing Process

Independent Variables	b	t	p
Age Group	**-.080**	**-1.765**	**.078**
Education Level	**.089**	**1.904**	**.058**
Household Income Level	**.267**	**3.785**	**.000**
Financial Status	**-.060**	-.862	.389
Constant	**10.211**		**.000**

R = .258	**R^2 = .067**	**F = 8.645**	**p = .000**	**Durbin Watson = 1.823**

These results show that the observed values of our dependent variable and the values predicted by this regression model are correlated with a coefficient of .258 and .059 of the variance in the dependent variable is explained by this model. Our F value is significant at the .01 level indicating a meaningfully higher portion of explained variance compared to the unexplained part. According to the t-values, among four of the six demographic variables accepted for analysis **the best predictors of "suitability attributed to the Internet for conducting various stages of the purchasing process" are "age group", "education level" and "household income level".**

6.3.2.3 Demographic Variables with Suitability Attributed to the Internet for Shopping Purposes in General:

Table 6.92 – Model Fit Statistics About the Relationship Between Demographic Variables and the Suitability Attributed to the Internet for Shopping Purposes in General

Independent Variables	b	t	p
Age Group	**-.005**	-.118	.906
Education Level	**.072**	1.526	.128
Household Income Level	**.060**	.831	.407
Financial Status	**.084**	1.179	.239
Constant	**6.106**		**.000**

R = .173	**R^2 = .030**	**F = 3.744**	**p = .005**	**Durbin Watson = 1.984**

These results show that the observed values of our dependent variable and the values predicted by this regression model are correlated with a coefficient of .173 and .022 of the variance in the dependent variable is explained by this model. Our F value is significant at the .01 level indicating a meaningfully higher portion of explained variance compared to the unexplained part. However, the t-values show that among four of the six demographic variables accepted for analysis none of the variables supercede the others in terms of measuring **"suitability attributed to the Internet for shopping purposes in general".**

6.3.2.4 Demographic Variables with Online Purchase Intentions:

Table 6.93 – Model Fit Statistics About the Relationship Between Demographic Variables and Online Purchase Intentions

Independent Variables	b	t	p
Age Group	**-.074**	-1.590	.112
Education Level	**.106**	**2.232**	**.026**
Household Income Level	**.092**	1.269	.205
Financial Status	**.000**	-.005	.996
Constant	**4.698**		**.000**

R = .162	**R^2 = .026**	**F = 3.234**	**p = .012**	**Durbin Watson = 1.894**

These results show that the observed values of our dependent variable and the values predicted by this regression model are correlated with a coefficient of .162 and .018 of the variance in the dependent variable is explained by this model. Our F value is significant at the .05 level indicating a meaningfully higher portion of explained variance compared to the unexplained part. According to the t-values, among four of the six demographic variables accepted for analysis **the best predictor of "online purchase intentions" is "education level".**

6.3.2.5 Demographic Variables with Interest Directed Toward a Popular Shopping Site:

Table 6.94 – Model Fit Statistics About the Relationship Between Demographic Variables and Interest Directed Toward a Popular Shopping Site

Independent Variables	b	t	p
Age Group	**-.068**	-1.466	.143
Education Level	**.078**	1.627	.104
Household Income Level	**.103**	1.421	.156
Financial Status	**.018**	.248	.804
Constant	1.157		.248

R = .159	**R^2 = .025**	**F = 3.151**	**p = .014**	**Durbin Watson = 1.943**

These results show that the observed values of our dependent variable and the values predicted by this regression model are correlated with a coefficient of .159

and .017 of the variance in the dependent variable is explained by this model. Our F value is significant at the .05 level indicating a meaningfully higher portion of explained variance compared to the unexplained part. However, the t-values show that among four of the six demographic variables accepted for analysis none of the variables supercede the others in terms of measuring **"interest directed toward a popular shopping site"**.

6.3.2.6 Demographic Variables with Expected Future Level of Online Shopping:

Table 6.95 – Model Fit Statistics About the Relationship Between Demographic Variables and Expected Future Level of Online Shopping

Independent Variables	b	t	p
Age Group	**-.119**	**-2.584**	**.010**
Education Level	**.079**	**1.670**	**.095**
Household Income Level	**.157**	**2.203**	**.028**
Financial Status	**.029**	.407	.684
Constant	**5.326**		**.000**

R = .222	**R^2 = .049**	**F = 6.304**	**p = .000**	**Durbin Watson = 1.912**

These results show that the observed values of our dependent variable and the values predicted by this regression model are correlated with a coefficient of .222 and .042 of the variance in the dependent variable is explained by this model. Our F value is significant at the .01 level indicating a meaningfully higher portion of explained variance compared to the unexplained part. According to the t-values, among four of the six demographic variables accepted for analysis **the best predictors of "expected future level of online shopping" are "age group", "education level", and "household income level.**

6.3.2.7 Demographic Variables with Stated Frequency of Online Shopping:

Table 6.96 – Model Fit Statistics About the Relationship Between Demographic Variables and Stated Frequency of Online Shopping

Independent Variables	b	t	p
Age Group	-.072	-1.560	.119
Education Level	.050	1.064	.288
Household Income Level	**.132**	**1.854**	**.064**
Financial Status	.087	1.236	.217
Constant	**3.186**		**.002**

R = .221	R^2 = .049	F = 6.216	p = .000	Durbin Watson = 1.893

These results show that the observed values of our dependent variable and the values predicted by this regression model are correlated with a coefficient of .221 and .041 of the variance in the dependent variable is explained by this model. Our F value is significant at the .01 level indicating a meaningfully higher portion of explained variance compared to the unexplained part. According to the t-values, among four of the six demographic variables accepted for analysis **the best predictor of "online shopping frequency" is "household income level".**

6.3.2.8 Demographic Variables with Current Level of Online Shopping:

Table 6.97 – Model Fit Statistics About the Relationship Between Demographic Variables and Current Level of Online Shopping

Independent Variables	b	t	p
Age Group	**-.079**	**-1.1718**	**.086**
Education Level	**.070**	1.497	.135
Household Income Level	**.145**	**2.036**	**.042**
Financial Status	**.080**	1.134	.257
Constant	**1.735**		**.083**

R = .238	R^2 = .057	F = 7.279	p = .000	Durbin Watson = 1.921

These results show that the observed values of our dependent variable and the values predicted by this regression model are correlated with a coefficient of .238 and .049 of the variance in the dependent variable is explained by this model. Our F value is significant at the .01 level indicating a meaningfully higher portion of

explained variance compared to the unexplained part. According to the t-values, among four of the six demographic variables accepted for analysis **the best predictors of "current level of online shopping" are "age group" and "household income level".**

6.3.2.9 Demographic Variables with Comparative Level of Online Shopping with Respect to Traditional Methods:

Table 6.98 – Model Fit Statistics About the Relationship Between Demographic Variables and Comparative Level of Online Shopping with Respect to Traditional Methods

Independent Variables	b	t	p
Age Group	**-.077**	**-1.664**	**.097**
Education Level	**.076**	1.614	.107
Household Income Level	**.049**	.683	.495
Financial Status	**.120**	**1.686**	**.092**
Constant	**1.771**		**.077**

R = .195	**R^2 = .038**	**F = 4.792**	**p = .001**	**Durbin Watson = 1.862**

These results show that the observed values of our dependent variable and the values predicted by this regression model are correlated with a coefficient of .195 and .030 of the variance in the dependent variable is explained by this model. Our F value is significant at the .01 level indicating a meaningfully higher portion of explained variance compared to the unexplained part. According to the t-values, among four of the six demographic variables accepted for analysis **the best predictors of "comparative level of online shopping with respect to traditional methods" are "age group" and "financial status".**

6.3.3 Regression Analyses Between Each Psychographic Variable and Different Measures of the Dependent Variable

6.3.3.1 Psychographic Variables with Perceptions of the Characteristics of the Internet as a Shopping Environment:

Table 6.99 – Model Fit Statistics About the Relationship Between Psychographic Variables and Perceptions of the Characteristics of the Internet as a Shopping Environment

Independent Variables	b	t	p
Innovativeness	**.253**	**4.494**	**.000**
Opinion Leadership	.012	.221	.825
Reference Group Influence	.013	.276	.783
Constant	**11.434**		**.000**

R = .256	**R^2 = .066**	**F = 10.938**	**p = .000**	**Durbin Watson = 1.887**

These results show that the observed values of our dependent variable and the values predicted by this regression model are correlated with a coefficient of .256 and .060 of the variance in the dependent variable is explained by this model. Our F value is significant at the .01 level indicating a meaningfully higher portion of explained variance compared to the unexplained part. According to the t-values, among three of the six psychographic variables accepted for analysis **the best predictor of "perceptions about the characteristics of the Internet as a shopping environment" is "innovativeness".**

6.3.3.2 Psychographic Variables with Suitability Attributed to the Internet for Conducting Various Stages of the Purchasing Process:

Table 6.100 – Model Fit Statistics About the Relationship Between Psychographic Variables and the Suitability Attributed to the Internet for Conducting Various Stages of the Purchasing Process

Independent Variables	b	t	p
Innovativeness	**.198**	**3.633**	**.000**
Opinion Leadership	**-.065**	-1.232	.218
Reference Group Influence	**.015**	.333	.740
Constant	**8.370**		**.000**

R = .169	**R^2 = .028**	**F = 4.842**	**p = .002**	**Durbin Watson = 1.174**

These results show that the observed values of our dependent variable and the values predicted by this regression model are correlated with a coefficient of .169 and .023 of the variance in the dependent variable is explained by this model. Our F value is significant at the .01 level indicating a meaningfully higher portion of explained variance compared to the unexplained part. According to the t-values, among three of the six psychographic variables accepted for analysis **the best predictor of "suitability attributed to the Internet for conducting various stages of the purchasing process" is "innovativeness".**

6.3.3.3 Psychographic Variables with Suitability Attributed to the Internet for Shopping Purposes in General:

Table 6.101 – Model Fit Statistics About the Relationship Between Psychographic Variables and the Suitability Attributed to the Internet for Shopping Purposes in General

Independent Variables	b	t	p
Innovativeness	**.216**	**4.015**	**.000**
Opinion Leadership	-.012	-.240	.810
Reference Group Influence	-.063	-1.390	.165
Constant	**5.086**		**.000**

R = .235	**R^2 = .055**	**F = 9.699**	**p = .000**	**Durbin Watson = 1.865**

These results show that the observed values of our dependent variable and the values predicted by this regression model are correlated with a coefficient of .235 and .050 of the variance in the dependent variable is explained by this model. Our F value is significant at the .01 level indicating a meaningfully higher portion of explained variance compared to the unexplained part. According to the t-values, among three of the six psychographic variables accepted for analysis **the best predictor of "suitability attributed to the Internet for shopping purposes in general" is "innovativeness".**

6.3.3.4 Psychographic Variables with Purchase Intention:

Table 6.102 – Model Fit Statistics About the Relationship Between Psychographic Variables and Online Purchase Intentions

Independent Variables	b	t	p
Innovativeness	**.171**	**3.151**	**.002**
Opinion Leadership	.059	1.137	.256
Reference Group Influence	-.012	-.252	.801
Constant	**3.054**		**.002**

R = .212	**R^2 = .045**	**F = 7.745**	**p = .000**	**Durbin Watson = 1.879**

These results show that the observed values of our dependent variable and the values predicted by this regression model are correlated with a coefficient of .212 and .039 of the variance in the dependent variable is explained by this model. Our F value is significant at the .01 level indicating a meaningfully higher portion of explained variance compared to the unexplained part. According to the t-values, among three of the six psychographic variables accepted for analysis **the best predictor of "online purchase intentions" is "innovativeness".**

6.3.3.5 Psychographic Variables with Interest Directed Toward a Popular Shopping Site:

Table 6.103 – Model Fit Statistics About the Relationship Between Psychographic Variables and Interest Directed Toward a Popular Shopping Site

Independent Variables	b	t	p
Innovativeness	**.093**	**1.694**	**.091**
Opinion Leadership	-.008	-.154	.878
Reference Group Influence	-.004	-.090	.928
Constant	1.257		.209

R = .090	**R^2 = .008**	**F = 1.366**	**p = .252**	**Durbin Watson = 1.907**

These results show that the observed values of our dependent variable and the values predicted by this regression model are correlated with a coefficient of .090 and .002 of the variance in the dependent variable is explained by this model. Our F

value is insignificant indicating an inadequate portion of explained variance compared to the unexplained part. According to the t-values, among three of the six psychographic variables accepted for analysis **the best predictor of "interest directed toward a popular shopping site" is "innovativeness".**

6.3.3.6 Psychographic Variables with Expected Future Level of Online Shopping:

Table 6.104 – Model Fit Statistics About the Relationship Between Psychographic Variables and Expected Future Level of Online Shopping

Independent Variables	b	t	p
Innovativeness	**.240**	**4.489**	**.000**
Opinion Leadership	.031	.596	.552
Reference Group Influence	.000	.000	1.000
Constant	**2.307**		**.021**

R = .257	**R^2 = .066**	**F = 11.761**	**p = .000**	**Durbin Watson = 1.829**

These results show that the observed values of our dependent variable and the values predicted by this regression model are correlated with a coefficient of .257 and .061 of the variance in the dependent variable is explained by this model. Our F value is significant at the .01 level indicating a meaningfully higher portion of explained variance compared to the unexplained part. According to the t-values, among three of the six psychographic variables accepted for analysis **the best predictor of "expected future level of online shopping" is "innovativeness".**

6.3.3.7 Psychographic Variables with Stated Frequency of Online Shopping:

Table 6.105 – Model Fit Statistics About the Relationship Between Psychographic Variables and Stated Frequency of Online Shopping

Independent Variables	b	t	p
Innovativeness	**.197**	**3.653**	**.000**
Opinion Leadership	.049	.946	.344
Reference Group Influence	.016	.352	.725
Constant	1.021		.308

R = .223	**R^2 = .050**	**F = 8.708**	**p = .000**	**Durbin Watson = 1.854**

These results show that the observed values of our dependent variable and the values predicted by this regression model are correlated with a coefficient of .223 and .044 of the variance in the dependent variable is explained by this model. Our F value is significant at the .01 level indicating a meaningfully higher portion of explained variance compared to the unexplained part. According to the t-values, among three of the six psychographic variables accepted for analysis **the best predictor of "online shopping frequency" is "innovativeness".**

6.3.3.8 Psychographic Variables with current Level of Online Shopping:

Table 6.106 – Model Fit Statistics About the Relationship Between Psychographic Variables and Current Level of Online Shopping

Independent Variables	b	t	p
Innovativeness	**.182**	**3.387**	**.001**
Opinion Leadership	.067	1.301	.194
Reference Group Influence	-.016	-.356	.722
Constant	.449		.653

R = .230	**R^2 = .053**	**F = 9.265**	**p = .000**	**Durbin Watson = 1.897**

These results show that the observed values of our dependent variable and the values predicted by this regression model are correlated with a coefficient of .230 and .047 of the variance in the dependent variable is explained by this model. Our F value is significant at the .01 level indicating a meaningfully higher portion of explained variance compared to the unexplained part. According to the t-values, among three of the six psychographic variables accepted for analysis **the best predictor of "current level of online shopping" is "innovativeness".**

6.3.3.9 Psychographic Variables with Comparative Level of Online Shopping with Respect to Traditional Methods:

Table 6.107 – Model Fit Statistics About the Relationship Between Psychographic Variables and Comparative Level of Online Shopping with Respect to Traditional Methods

Independent Variables	b	t	p
Innovativeness	**.204**	**3.748**	**.000**
Opinion Leadership	**-.059**	-1.122	.263
Reference Group Influence	**.037**	.800	.424
Constant	.368		.713

R = .172	**R^2 = .030**	**F = 5.089**	**p = .002**	**Durbin Watson = 1.830**

These results show that the observed values of our dependent variable and the values predicted by this regression model are correlated with a coefficient of .172 and .024 of the variance in the dependent variable is explained by this model. Our F value is significant at the .01 level indicating a meaningfully higher portion of explained variance compared to the unexplained part. According to the t-values, among three of the six psychographic variables accepted for analysis **the best predictor of "comparative level of online shopping with respect to traditional methods" is "innovativeness".**

6.4 Findings About Other Research Questions

Until this part we have concentrated on the direct relationship between the independent, mediating, and dependent variables of our tested model. These analyses led us to conclusions about the general profile of consumers with different attitudes toward, intentions about, and behavior on the online market. However, the richness of our data enables us to answer three more research questions that we have selected with careful concentration among hundreds of other combinations that were possible. These, according to our own judgment, are three of the most important questions we would like to provide an answer to within the context of this study.

In order to obtain the necessary findings about these issues, which promise very important results for targeting, segmentation, and positioning purposes, one-way analysis of variance (ANOVA) tests and discriminant analyses have been conducted depending on the number of groups the variables comprise of. For those cases where the variable is measured with or recoded into three groups, ANOVA tests have been used whereas discriminant analyses were preferred for those variables measured with or recoded into two groups.

6.4.1 Research Question 1:

"Are there significant differences between the groups representing our independent variables in terms of their perceptions about the characteristics of the Internet as a shopping environment?"

6.4.1.1 One-Way ANOVA Results Between "Age Group" and "Perceptions about the Characteristics of the Internet as a Shopping Environment":

The analysis of variance that we ran between the three age groups and their perceptions about the characteristics of the online shopping environment showed that

only one of the seventeen specified characteristics is perceived in a meaningfully different manner by the three groups. The relevant statistics are provided below:

Table 6.108 - One-Way ANOVA Results Between "Age Group" and "Perceptions about the Characteristics of the Internet as a Shopping Environment"

	Levene	p	F	p	Mean1	Mean2	Mean3
Less shopping costs	2.128	.120	3.181	.042	2.8750	3.0443	3.1351

Group 1: 16-25
Group 2: 26-35
Group 3: 36 or older
Note: As the significance of the Levene value is higher than .05, we can assume that the variances of the three groups are equal.

The F value shows that between group differences are significantly higher compared to within group differences at the .05 level for this specific characteristic. When we examine the mean values for the three education groups, it is observed that the population aged 36 or higher perceive lower costs with online shopping compared to the two younger age groups. Those respondents belonging to the 26 to 35 age group rank second in terms of positive perceptions about the cost savings associated with online shopping. Finally, respondents falling into the 16 to 25 age category rank lowest among these three groups.

6.4.1.2 One-Way ANOVA Results Between "Marital Status" and "Perceptions about the Characteristics of the Internet as a Shopping Environment":

None of the characteristics of the online shopping environment are perceived in a significantly different manner by the three groups of marital status.

6.4.1.3 Discriminant Analysis Results Between "Sex" and "Perceptions about the Characteristics of the Internet as a Shopping Environment":

Table 6.109- Test of Equality of Group Means for the Discriminant Analysis Between "Sex" and "Perceptions about the Characteristics of the Internet as a Shopping Environment"

	Wilks' Lambda	F	p	Mean 1	Mean2
No exchange of ideas with others	.987	6.271	.013	2.5294	2.3291
Less tiring	.990	4.984	.026	3.1218	2.9701
Customized products	.991	4.209	.041	2.9832	2.8632
Long delivery time	.992	4.001	.046	2.5756	2.4573
Very rich information	.993	3.512	.062	3.2479	3.1111
Less shopping costs	.993	3.275	.071	3.0882	2.9615

Group 1: Male
Group 2: Female

Table 6.110- Loadings for the Discriminant Analysis Between "Sex" and "Perceptions about the Characteristics of the Internet as a Shopping Environment"

	Function 1
no exchange of ideas with others	**.355**
less tiring	**.317**
customized products	**.291**
long delivery time	**.284**
very rich information	**.266**
less shopping costs	**.257**
non-experimental shopping	-.208
too much variety	-.201
questionable dissatisfaction compensation	-.189
possibility of disguised purchasing	.176
24 hour worldwide shopping	-.136
only credit card or bank account payment	.131
Boring	-.123
giving away personal information	-.105
finding products that are difficult to find	.074
difficult to locate information	.017
Infinite variety	.002

Summary of Canonical Discriminant Function

Box's M – p: 186.828 .068
(equal population covariance)
Eigenvalue: .106
Canonical Correlation: .309
χ^2 (of Wilks' Lambda) – p: 46.329 .000
Centroids: **G1:** .322 **G2:** -.327
Percent of Cases Correctly Classified: 61%

Note: The proportional chance criterion for this analysis has been calculated to be .50 according to the $C_{pro} = p^2 + (1-p)^2$ formula. The difference between the percent of correct classification and C_{pro} has been found to be significant based on a calculated t value of 4.78 compared to a critical t value of 1.96.

The results of the discriminant analysis between "sex" and "perceptions about the characteristics of the Internet as a shopping environment" show that males and females differ in terms of six of the seventeen characteristics considered for analysis. Male respondents are more concerned about having no one to exchange ideas with during online shopping. They put more value on the fact that the Internet is a less tiring shopping environment and are more strongly affected from the opportunities of purchasing customized products from the cyber market compared to female respondents. However, their concerns about the length of the delivery time are stronger, too. Finally, they value the rich informational content of the medium more and have more positive views about the decreased costs of shopping online compared to females.

These six variables were those for which between group differences are significantly higher compared to within group differences. As the χ^2 transformation of Wilks' Lambda is significant at the .01 level, we can accept the discriminant function resulting from the combination of these six variables to be significant and, therefore, we have found it necessary to show the Loadings and the correlations of each predictor variable with the resulting canonical discriminant function, too. The canonical correlation figure gives an overall score of .309 for the association between the discriminant scores and the groups. The eigenvalue indicates that the ratio of between to within group sum of squares is .106. Finally, 61% of the cases in our sample are correctly classified with this discriminant function meaning that by knowing the responses consumers have given to these six variables, we can be 61% confident about which sex group he/she belongs to by utilizing this discriminant function.

6.4.1.4 One-Way ANOVA Results Between "Education Level" and "Perceptions about the Characteristics of the Internet as a Shopping Environment":

The analysis of variance that we ran between the three groups with different education levels and their perceptions about the characteristics of the online shopping environment showed that seven of the seventeen specified characteristics are perceived in a meaningfully different manner by the three groups. The relevant statistics are provided below:

Table 6.111 - One-Way ANOVA Results Between "Education Level" and "Perceptions about the Characteristics of the Internet as a Shopping Environment"

	Levene	p	F	p	Mean1	Mean2	Mean3
Difficult to locate information	2.880	.057	2.736	.066	1.9610	1.7815	1.7164
Only credit card or bank account payment	.035	.965	3.020	.050	2.7403	2.5000	2.3971
Giving away personal information	2.267	.105	4.414	.013	3.2987	3.3557	3.0294
Non-experimental shopping	1.591	.205	4.658	.010	2.9740	3.2577	3.0882
Boring	5.375	.005	3.887	.021	2.1429	2.3025	2.0147
No exchange of ideas with others	6.196	.002	7.393	.001	2.4000	2.5238	2.0882
Possibility of disguised purchasing	.403	.669	2.762	.064	2.7662	2.9244	3.0597

Group 1: high school
Group 2: university
Group 3: post-graduate
Note: For variables for which the significance of the Levene value is higher than .05, we can assume that the variances of the three groups are equal. For those with values lower than .05, this assumption is not valid, therefore, significance of F values should be interpreted with this reservation.

The F values show that between group differences are significantly higher compared to within group differences for these specific characteristics. When we examine the mean values for the three age groups, we observe that consumers with the lowest education level (high school graduates for our sample) are most disturbed about the difficulty of locating the desired information and the fact that only bank account transfers or credit card payments are valid for the online market. As for university graduates, the more disturbing characteristics of the Internet market are the non-experimental nature of the environment, the boredom consumers may feel on the online market, the lack of an opportunity to exchange ideas with others during

online shopping, and the requirement of having to give away personal information on the online environment. Finally, our findings show that the possibility of making disguised purchases in the virtual world are favored more by consumers with higher education levels compared to those with lower education levels.

6.4.1.5 One-Way ANOVA Results Between "Household Income Level" and "Perceptions about the Characteristics of the Internet as a Shopping Environment":

The analysis of variance that we ran between the three groups with different income levels and their perceptions about the characteristics of the online shopping environment showed that only one of the seventeen specified characteristics is perceived in a meaningfully different manner by the three groups. The relevant statistics are provided below:

Table 6.112 - One-Way ANOVA Results Between "Household Income Level" and "Perceptions about the Characteristics of the Internet as a Shopping Environment"

	Levene	p	F	p	Mean1	Mean2	Mean3
No exchange of ideas with others	.487	.615	3.125	.045	2.5696	2.5102	2.3348

Group 1: low income
Group 2: medium income
Group 3: high income
Note: As the significance of the Levene value is higher than .05, we can assume that the variances of the three groups are equal.

The F value shows that between group differences are significantly higher compared to within group differences at the .05 level for this specific characteristic. When we examine the mean values for the three income levels, it is observed that those with the lowest financial resources have the most negative perceptions about not having the opportunity to exchange ideas with others during the online shopping process. As income level increases, the strength of this complaint decreases significantly. Previous results showed that online purchasing intensity increases a lot

as income level increases. Therefore, we may interpret this as a justification developed by the low-income group to explain why they do not commonly engage in online purchasing activities.

6.4.1.6 One-Way ANOVA Results Between "Financial Status" and "Perceptions about the Characteristics of the Internet as a Shopping Environment":

The analysis of variance that we ran between the three groups with different financial status and their perceptions about the characteristics of the online shopping environment showed that five of the seventeen specified characteristics are perceived in a meaningfully different manner by the three groups. The relevant statistics are provided below:

Table 6.113 - One-Way ANOVA Results Between "Financial Status" and "Perceptions about the Characteristics of the Internet as a Shopping Environment"

	Levene	p	F	p	Mean1	Mean2	Mean3
Difficult to locate information	1.968	.141	4.036	.018	2.0345	1.7895	1.7576
Less tiring	2.218	.110	4.088	.017	2.9828	2.8872	3.1007
Only credit card or bank account payment	.935	.393	3.153	.044	2.7931	2.5263	2.4680
No exchange of ideas with others	.608	.545	4.590	.011	2.5965	2.5789	2.3401
Possibility of disguised purchasing	.695	.499	2.838	.059	3.0690	2.8045	2.9428

Group 1: low financial status
Group 2: medium financial
Group 3: high financial status
Note: As the significances of the Levene values are higher than .05, we can assume that the variances of the three groups are equal.

The F values show that between group differences are significantly higher compared to within group differences for these specific characteristics. When we examine the mean values for the three age groups, we observe that those consumers with the lowest financial status display stronger attitudes about the negative aspects of the medium. They are the strongest advocates of the difficulty of locating the desired information on the WWW, the inconvenience of having to use a bank

account or credit card to make an online purchase, and the lack of an opportunity to exchange ideas with others during the online shopping process. On the other hand, as financial status increases, consumers seem to develop more positive views about the convenience offered by this environment by stating that the Internet is a less tiring shopping channel. The only positive statement for which consumers with low financial status have responded most strongly to is the fact that the Internet possesses the opportunity of making disguised purchases. However, they are very closely followed by the group with the highest financial status for this characteristics. In general, we can conclude that consumers with less financial resources develop stronger attitudes about the negative aspects of the medium while those with more abundant resources prefer to give primary consideration to the advantages of the medium.

6.4.1.7 Discriminant Analysis Results Between "Sensing and Intuiting Personalities" and "Perceptions about the Characteristics of the Internet as a Shopping Environment":

The discriminant analysis we ran between "sensing and intuiting personalities" and "perceptions about the characteristics of the Internet as a shopping environment" did not produce a significant discriminant function although the two groups seemed to be discriminated by three of the seventeen characteristics of the Internet as a shopping environment. Therefore, we find it unreliable to display these three variables as discriminating factors between sensing and intuiting personalities.

6.4.1.8 Discriminant Analysis Results Between "Thinking and Feeling Personalities" and "Perceptions about the Characteristics of the Internet as a Shopping Environment":

The discriminant analysis we ran between "thinking and feeling personalities" and "perceptions about the characteristics of the Internet as a shopping environment" did not produce a significant discriminant function although the two groups seemed to be discriminated by one of the seventeen characteristics of the Internet as a shopping environment. Therefore, we find it unreliable to display this variable as a discriminating factor between thinking and feeling personalities.

6.4.1.9 Discriminant Analysis Results Between "Locus of Control" and "Perceptions about the Characteristics of the Internet as a Shopping Environment":

The discriminant analysis showed that consumers with internal and external locus of controls cannot be significantly discriminated in terms of these 17 characteristics.

6.4.1.10 One-Way ANOVA Results Between "Innovativeness" and "Perceptions about the Characteristics of the Internet as a Shopping Environment":

The analysis of variance that we ran between the three groups with different levels of innovativeness and their perceptions about the characteristics of the online shopping environment showed that nine of the seventeen specified characteristics are perceived in a meaningfully different manner by the three groups. The relevant statistics are provided below:

Table 6.114 - One-Way ANOVA Results Between "Innovativeness" and "Perceptions about the Characteristics of the Internet as a Shopping Environment"

	Levene	p	F	p	Mean1	Mean2	Mean3
24 hour worldwide shopping	.802	.449	13.161	.000	3.1169	3.3770	3.5032
Less tiring	1.304	.272	2.686	.069	2.9226	3.0684	3.1032
Less shopping costs	1.751	.175	2.406	.091	2.9226	3.0995	3.0194
Giving away personal information	1.786	.169	4.324	.014	3.4452	3.2984	3.1677
Questionable dissatisfaction compensation	.058	.944	2.506	.083	3.2323	3.1099	3.0390
Non-experimental shopping	.824	.439	4.870	.008	3.2774	3.2565	3.0258
Boring	3.913	.021	5.080	.007	2.4194	2.1623	2.1548
No exchange of ideas with others	.578	.561	5.543	.004	2.6299	2.4031	2.3117
Finding products that are difficult to find	16.283	.000	2.640	.072	3.0903	3.1728	3.2581

Group 1: Low innovativeness
Group 2: Medium innovativeness
Group 3: High innovativeness
Note: For variables for which the significance of the Levene value is higher than .05, we can assume that the variances of the three groups are equal. For those with values lower than .05, this assumption is not valid, therefore, significance of F values should be interpreted with this reservation.

The F values show that between group differences are significantly higher compared to within group differences for these specific characteristics. When we examine the mean values for the three age groups, we observe that the advantages of the Internet market are perceived more positively as innovativeness level increases and the disadvantages of the medium are perceived more negatively as innovativeness level decreases. As the innovativeness levels of consumers increase, they favor the opportunities of being able to shop on a worldwide basis at any time of the day, with less effort and lower shopping costs more strongly. They also put more value on the opportunity provided by the Internet for locating items that are difficult to find in the real marketing media. In contrast, consumers with lower levels of innovativeness are more concerned about the disadvantages of having to give away personal information during online shopping, the non-experimental nature of the cyber-purchasing process, the frustration a consumer would feel when an online

purchase results in dissatisfaction, the lack of entertainment and the unavailability of exchanging ideas with others during Internet shopping. We observe that consumers with higher levels of innovativeness prefer to perceive the convenience of the medium whereas those with lower levels of innovativeness concentrate on the possible risks.

6.4.1.11 Discriminant Analysis Results Between "Opinion Leadership" and "Perceptions about the Characteristics of the Internet as a Shopping Environment":

Table 6.115 – Test of Equality of Group Mean for the Discriminant Analysis Results Between "Opinion Leadership" and "Perceptions about the Characteristics of the Internet as a Shopping Environment"

	Wilks' Lambda	F	p	Mean 1	Mean2
Boring	.977	10.989	.001	2.3238	2.0632
24 hour worldwide shopping	.981	9.298	.002	3.2669	3.4632
Customized products	.981	9.292	.002	2.8505	3.0316
No exchange of ideas with others	.985	7.006	.008	2.5160	2.3000
Finding products difficult to find	.990	4.586	.033	3.1352	3.2632
Possibility of disguised purchases	.992	3.732	.054	2.8683	3.0053
Non-experimental shopping	.992	3.698	.055	3.2349	3.0895
Too much variety	.994	2.795	.095	2.6299	2.5105

Group 1: not an opinion leader
Group 2: opinion leader

Table 6.116 – Loadings for the Discriminant Analysis Results Between "Opinion Leadership" and "Perceptions about the Characteristics of the Internet as a Shopping Environment"

	Function 1
Boring	**.556**
24 hour worldwide shopping	**-.512**
customized products	**-.511**
no exchange of ideas with others	**.444**
finding products that are difficult to find	**-.359**
Possibility of disguised purchasing	**-.324**
Non-experimental shopping	**.323**
too much variety	**.281**
very rich information	-.265
Less tiring	-.236
questionable dissatisfaction compensation	.134
only credit card or bank account payment	.124
Less shopping costs	-.106
difficult to locate information	.093
infinite variety	-.047
Giving away personal information	.033
Long delivery time	-.014

Summary of Canonical Discriminant Function

Box's M – p:	170.439	.262
(equal population covariance)		
Eigenvalue:	.076	
Canonical Correlation:	.265	
χ^2 (of Wilks' Lambda) – p:	19.023	.009
Centroids:	**G1:** .226	**G2:** -.334
Percent of Cases Correctly Classified:	62.2%	

Note: The proportional chance criterion for this analysis has been calculated to be .5164 according to the $C_{pro} = p^2 + (1-p)^2$ formula. The difference between the percent of correct classification and C_{pro} has been found to be significant based on a calculated t value of 4.59 compared to a critical t value of 1.96.

The results of the discriminant analysis between "opinion leadership" and "perceptions about the characteristics of the Internet as a shopping environment" show that respondents with higher propensities to act like opinion leaders and those who are low in opinion leadership potential differ in terms of eight of the seventeen characteristics considered for analysis. Respondents who do not have strong tendencies to act as opinion leaders find the Internet market more boring and complain more about having no one to exchange ideas with during shopping. They find the amount of variety or choice alternatives on the online market too much making the task of comparison, evaluation and selection more difficult. Finally, they are more concerned about the non-experimental nature of Internet shopping and complain more strongly about this issue compared to opinion leaders.

Opinion leaders, on the other hand, favor the opportunity the Internet brings for shopping 24 hours on a worldwide basis. They feel more advantageous about being able to shop in a disguised manner, find customized products or items that are more difficult to locate in real markets compared to those consumers who are not opinion leaders. As these results show, opinion leaders agree more strongly with the positive aspects of the medium whereas consumers with less opinion leadership potential agree more with the statements about the negative characteristics. These results are

consistent with our previous finding where we had determined that opinion leaders have more positive attitudes toward, intentions about, and behavior on the online market.

These eight variables were those for which between group differences are significantly higher compared to within group differences. As the χ^2 transformation of Wilks' Lambda is significant at the .01 level, we can accept the discriminant function resulting from the combination of these eight variables to be significant and, therefore, we have found it necessary to show the Loadings and the correlations of each predictor variable with the resulting canonical discriminant function, too. The canonical correlation figure gives an overall score of .265 for the association between the discriminant scores and the groups. The eigenvalue indicates that the ratio of between to within group sum of squares is .076. Finally, 62.2% of the cases in our sample are correctly classified with this discriminant function meaning that by knowing the responses consumers have given to these eight variables, we can be 62.2% confident about whether he/she is an opinion leader or not by utilizing this discriminant function.

6.4.1.12 One-Way ANOVA Results Between "Reference Group Influence" and "Perceptions about the Characteristics of the Internet as a Shopping Environment":

The analysis of variance that we ran between the three groups with different levels of susceptibility to reference group influence and their perceptions about the characteristics of the online shopping environment showed that only one of the seventeen specified characteristics is perceived in a meaningfully different manner by the three groups. The relevant statistics are provided below:

Table 6.117 – One-Way ANOVA Results Between "Reference Group Influence" and "Perceptions about the Characteristics of the Internet as a Shopping Environment"

	Levene	p	F	p	Mean1	Mean2	Mean3
No exchange of ideas with others	3.981	.019	6.468	.002	2.3136	2.3938	2.6829

Group 1: low reference group influence
Group 2: medium reference group influence
Group 3: high reference group influence
Note: As the significance of the Levene value is lower than .05, we cannot assume that the variances of the three groups are equal.

The F value shows that between group differences are significantly higher compared to within group differences at the .01 level for this specific characteristic. When we examine the mean values for the three groups, it is observed that as susceptibility to reference group influence increases, consumers become more disturbed about having no one to exchange ideas with during online shopping. This is a very natural result that should clearly be expected. Those individuals who value the social side of the shopping experience most perceive this disadvantage to be one the most important drawbacks of the Internet marketing environment.

6.4.2 Research Question 2:

"Are there significant differences between the groups representing our independent variables in terms of the possibilities they assign to the purchase of different products or services from the online market?"

6.4.2.1 One-Way ANOVA Results Between "Age Group" and the "Possibilities Assigned to the Purchase of Different Products or Services from the Online Market":

The analysis of variance that we ran between the three age groups and the possibilities they assign to the purchase of different products and services from the online market showed that consumers belonging to different age groups attributed

significantly different suitabilities to two of the choices on a sixteen-item list. The relevant statistics are displayed below:

Table 6.118 - One-Way ANOVA Results Between "Age Group" and the "Possibilities Assigned to the Purchase of Different Products or Services from the Online Market"

	Levene	p	F	p	Mean1	Mean2	Mean3
Automobile insurance	1.394	.249	2.461	.086	1.9558	2.1433	2.3014
Weekend holiday in a 5-star hotel	.628	.534	2.364	.095	2.3009	2.5318	2.5890

Group 1: 16-25
Group 2: 26-35
Group 3: 36 or older
Note: As the significances of the Levene values are higher than .05, we can assume that the variances of the three groups are equal.

The F values show that between group differences are significantly higher compared to within group differences for two specific offerings. When we examine the mean values for the three groups, we observe that consumers belonging to the oldest age group display the strongest intentions toward purchasing automobile insurance and a weekend holiday in a 5-star hotel from the online market. The strength of this purchase intention decreases for younger respondents. As we stated before during the interpretation of some previous findings, in our sample, income level and age are positively correlated. This may be the reason of the increase we observe in the purchase intentions as consumers' ages increase. Another possible interpretation is that consumers belonging to higher age groups may be directed toward more big-scale and need-oriented specialty purchases compared to younger consumers whose consideration sets consist mostly of hobby items and shopping goods.

6.4.2.2 One-Way ANOVA Results Between "Marital Status" and the "Possibilities Assigned to the Purchase of Different Products or Services from the Online Market":

The analysis of variance that we ran between the three groups with different marital status and the possibilities they assign to the purchase of different products

and services from the online market showed that consumers belonging to different marital status groups attributed significantly different suitabilities to only one of the choices on a sixteen-item list. The relevant statistics are displayed below:

Table 6.119 - One-Way ANOVA Results Between "Marital Status" and the "Possibilities Assigned to the Purchase of Different Products or Services from the Online Market"

	Levene	p	F	p	Mean1	Mean2	Mean3
Sending flowers	2.437	.088	3.939	.020	2.4746	2.2462	2.0400

Group 1: single
Group 2: married
Group 3: divorced
Note: As the significance of the Levene value is higher than .05, we can assume that the variances of the three groups are equal.

The F value shows that between group differences are significantly higher compared to within group differences for this specific offering. When we examine the mean values for the three groups, we observe that single consumers have the highest propensity to purchase flower-sending services from the online market followed by married consumers, and finally, by divorced individuals. This result signals two possible interpretations. One of them is the fact that these three groups may differ in terms of the frequency with which they send flowers in general. Another possible explanation is that single consumers may be making most extensive use of the Internet market in general and this result is only a manifestation of the fact that they make ultimate use of the various convenience opportunities offered by the virtual marketplace. Single respondents display a mediocratic attitude in this respect while divorced people show the least tendency to use the Internet for such purposes.

6.4.2.3 Discriminant Analysis Results Between "Sex" and the "Possibilities Assigned to the Purchase of Different Products or Services from the Online Market":

Table 6.120 – Test of Equality of Group Means for the Discriminant Analysis Results Between "Sex" and the "Possibilities Assigned to the Purchase of Different Products or Services from the Online Market"

	Wilks' Lambda	F	p	Mean 1	Mean2
Automobile insurance	.984	7.937	.005	2.2645	1.9961
Sunglasses	.991	4.717	.030	1.4628	1.3307
Cellular phone	.992	4.140	.042	1.8471	1.6809
Stereo system	.993	3.457	.064	1.6653	1.5292
Sending flowers	.993	3.371	.067	2.4504	2.2763

Group 1: Male
Group 2: Female

Table 6.121 – Loadings for the Discriminant Analysis Results Between "Sex" and the "Possibilities Assigned to the Purchase of Different Products or Services from the Online Market"

	Function 1
automobile insurance	**.427**
Sunglasses	**.329**
Cellular phone	**.308**
stereo system	**.282**
sending flowers	**.278**
computer course for three weekends	-.246
credit card	.221
different types of coffee	-.216
cinema tickets	-.140
spray room fragrance	.068
university certificate program	-.067
travel bag	-.048
CD-ROM encyclopedia	.046
weekend holiday in a five-star hotel	.040
shower gel	.017
annual membership to a fitness center	.003

Summary of Canonical Discriminant Function

Box's M – p:	148.459	.313
(unequal population covariance)		
Eigenvalue:	.088	
Canonical Correlation:	.284	
χ^2 (of Wilks' Lambda) – p:	41.085	.001
Centroids	**G1:** .304	**G2:** -.287

Percent of Cases Correctly Classified: 61.5%

Note: The proportional chance criterion for this analysis has been calculated to be .5004 according to the $C_{pro} = p^2 + (1-p)^2$ formula. The difference between the percent of correct classification and C_{pro} has been found to be significant based on a calculated t value of 5.12 compared to a critical t value of 1.96.

The results of the discriminant analysis between "sex" and the "possibilities assigned to the purchase of different products or services from the online market" show that males and females differ in terms of their intentions toward purchasing five of sixteen different products and services from the online market. Male respondents are more prone to purchasing automobile insurance, sunglasses, cellular phones, stereo systems, and flower-sending services from the online market compared to females.

These five products/services were those for which between group differences are significantly higher compared to within group differences. As the χ^2 transformation of Wilks' Lambda is significant at the .01 level, we can accept the discriminant function resulting from the combination of these five variables to be significant and, therefore, we have found it necessary to show the Loadings and the correlations of each predictor variable with the resulting canonical discriminant function, too. The canonical correlation figure gives an overall score of .284 for the association between the discriminant scores and the groups. The eigenvalue indicates that the ratio of between to within group sum of squares is .088. Finally, 61.5% of the cases in our sample are correctly classified with this discriminant function meaning that by knowing the intentions a consumer carries about purchasing these five offerings from the online market, we can be 61.5% confident about which sex group he/she belongs to by utilizing this discriminant function.

6.4.2.4 One-Way ANOVA Results Between "Education Level" and the "Possibilities Assigned to the Purchase of Different Products or Services from the Online Market":

The analysis of variance that we ran between the three groups with different education levels and the possibilities they assign to the purchase of different products

and services from the online market showed that consumers with different educational status attributed significantly different suitabilities to ten of the choices on a sixteen-item list. The relevant statistics are displayed below:

Table 6.122 - One-Way ANOVA Results Between "Education Level" and the "Possibilities Assigned to the Purchase of Different Products or Services from the Online Market"

	Levene	p	F	p	Mean1	Mean2	Mean3
Sending flowers	.741	.477	3.336	.036	2.0779	2.4073	2.4478
Different types of coffee	2.482	.085	6.090	.002	1.5455	1.7163	2.0448
Cinema tickets	9.009	.000	4.373	.013	2.4675	2.7303	2.9701
Sunglasses	3.455	.032	2.494	.084	1.5455	1.3567	1.4179
Automobile insurance	.309	.734	2.483	.084	1.9091	2.1376	2.2985
Cellular phone	.814	.443	2.357	.096	1.6494	1.7500	1.9701
CD-ROM encyclopedia	4.985	.007	4.791	.009	2.1429	2.4423	2.7015
Weekend holiday in a 5-star hotel	.372	.690	6.675	.001	2.1558	2.5028	2.7910
Annual membership to a fitness center	3.096	.046	2.996	.051	1.9870	2.2584	2.3881
University certificate program	3.719	.025	12.693	.000	1.8052	2.3090	2.6866

Group 1: high school
Group 2: university
Group 3: post-graduate
Note: For variables for which the significance of the Levene value is higher than .05, we can assume that the variances of the three groups are equal. For those with values lower than .05, this assumption is not valid, therefore, significance of F values should be interpreted with this reservation.

The F values show that between group differences are significantly higher compared to within group differences for these ten offerings. When we examine the mean values for the three groups, we observe that all of the offerings except sunglasses follow the same pattern of results. As education level increases, the intentions consumers develop toward making these purchases from the online market also increase. This is, most probably, a result of the fact that more educated consumers generally have a higher propensity to use the Internet for shopping purposes compared to less educated consumers. We had displayed this finding before. It is important to note that for sunglasses, which were actually found to be the item least suitable for online purchasing, consumers with lower education levels display more positive purchase intention compared to more educated individuals.

However, this is only a comparatively positive intention. Overall, all three groups attribute very low intentions to purchase this product from the online market. Therefore, we do not attribute a lot of meaning to the difference observed for this specific item.

6.4.2.5 One-Way ANOVA Results Between "Household Income Level" and the "Possibilities Assigned to the Purchase of Different Products or Services from the Online Market":

The analysis of variance that we ran between the three groups with different income levels and the possibilities they assign to the purchase of different products and services from the online market showed that consumers with different financial resources attributed significantly different suitabilities to eight of the choices on a sixteen-item list. The relevant statistics are displayed below:

Table 6.123 - One-Way ANOVA Results Between "Household Income Level" and the "Possibilities Assigned to the Purchase of Different Products or Services from the Online Market"

	Levene	p	F	p	Mean1	Mean2	Mean3
Cinema tickets	13.667	.000	9.997	.000	2.2875	2.7245	2.8773
Sunglasses	16.084	.000	5.168	.006	1.6125	1.3673	1.3364
Credit card	.190	.827	5.746	.003	1.9500	2.1837	2.4091
Shower gel	.595	.552	4.017	.019	1.8375	1.6888	1.9636
CD-ROM encyclopedia	2.069	.127	6.455	.002	2.0875	2.3980	2.5890
Weekend holiday in a 5-star hotel	1.376	.253	9.642	.000	2.0875	2.4490	2.6773
Annual membership to a fitness center	.030	.971	3.287	.038	2.0000	2.2194	2.3455
University certificate program	1.423	.242	2.648	.072	2.1125	2.2245	2.4045

Group 1: low income
Group 2: medium income
Group 3: high income
Note: For variables for which the significance of the Levene value is higher than .05, we can assume that the variances of the three groups are equal. For those with values lower than .05, this assumption is not valid, therefore, significance of F values should be interpreted with this reservation.

The F values show that between group differences are significantly higher compared to within group differences for these eight offerings. When we examine the mean values for the three groups, we observe that consumers with better financial conditions attribute greater suitabilities to cinema tickets, credit cards, CD-ROM

encyclopedias, weekend holiday in a five-star hotel, annual membership to a fitness center, and registration to a university certificate program for being purchased from the online market. For sunglasses, the reverse pattern is observed. Finally, for shower gels, consumers with the highest income level attribute the greatest suitability followed by the lowest income level and, finally, by the medium income level. This last finding may be the result of the fact that a shower gel is a convenience item that does not require abundant financial resources. Therefore, consumers with lower income levels may have come closer to those with higher incomes in terms of the suitabilities attributed to this product for online purchasing. The findings for sunglasses are again not very meaningful. Consumers with lower income levels seem to attribute a higher suitability to sunglasses for being purchased online. However, as all three groups have an overall negative intention toward purchasing this product from the Internet, we do not attach a lot of meaning to this specific finding. For the rest of the offerings, it is reasonable to expect consumers with higher income levels to attribute greater intentions to these items for being purchased online both because they are more active users of the Internet and because their disposable income is higher in general making any market more suitable for making various purchases for them.

6.4.2.6 One-Way ANOVA Results Between "Financial Status" and the "Possibilities Assigned to the Purchase of Different Products or Services from the Online Market":

The analysis of variance that we ran between the three groups with different financial status and the possibilities they assign to the purchase of different products and services from the online market showed that consumers with different financial

resources attributed significantly different suitabilities to seven of the choices on a sixteen-item list. The relevant statistics are displayed below:

Table 6.124 - One-Way ANOVA Results Between "Financial Status" and the "Possibilities Assigned to the Purchase of Different Products or Services from the Online Market"

	Levene	p	F	p	Mean1	Mean2	Mean3
Cinema tickets	13.340	.000	10.389	.000	2.3448	2.5303	2.8855
Sunglasses	12.119	.000	4.096	.017	1.6207	1.3788	1.3468
Automobile insurance	2.521	.081	2.723	.067	1.9483	1.9924	2.2088
Credit card	1.086	.338	3.912	.021	1.8621	2.2803	2.2929
Shower gel	1.866	.156	3.186	.042	1.8448	1.6515	1.9125
CD-ROM encyclopedia	1.111	.330	4.938	.008	2.2586	2.2197	2.5473
Weekend holiday in a 5-star hotel	.350	.705	5.566	.004	2.1379	2.3788	2.5993

Group 1: low financial status
Group 2: medium financial status
Group 3: high financial status
Note: For variables for which the significance of the Levene value is higher than .05, we can assume that the variances of the three groups are equal. For those with values lower than .05, this assumption is not valid, therefore, significance of F values should be interpreted with this reservation.

The F values show that between group differences are significantly higher compared to within group differences for these eight offerings. When we examine the mean values for the three groups, we observe that the results are nearly identical to what we obtained for income level. The list of items and the patterns that the results about these items follow are the same except that two of the offerings found on the list for income level, namely, weekend holiday and fitness club membership are not observed on the list for financial status. However, instead, an addition is demonstrated. We have found that as the financial status of consumers increase, the intentions they develop about purchasing automobile insurance from the online market become more positive.

6.4.2.7 Discriminant Analysis Results Between "Sensing and Intuiting Personality Types" and the "Possibilities Assigned to the Purchase of Different Products or Services from the Online Market":

The discriminant analysis we ran between "sensing and intuiting personalities" and the possibilities assigned to the purchase of different products or services from the online market" did not produce a significant discriminant function although the two groups seemed to be discriminated by three of the sixteen items on the offering list. Therefore, we find it unreliable to display these three items as discriminating factors between sensing and intuiting personalities.

6.4.2.8 Discriminant Analysis Results Between "Thinking and Feeling Personality Types" and the "Possibilities Assigned to the Purchase of Different Products or Services from the Online Market":

The discriminant analysis we ran between "thinking and feeling personalities" and the possibilities assigned to the purchase of different products or services from the online market" did not produce a significant discriminant function although the two groups seemed to be discriminated by three of the sixteen items on the offering list. Therefore, we find it unreliable to display these three items as discriminating factors between thinking and feeling personalities.

6.4.2.9 Discriminant Analysis Results Between "Locus of Control" and the "Possibilities Assigned to the Purchase of Different Products or Services from the Online Market":

The discriminant analysis we ran between "locus of control" and the "possibilities assigned to the purchase of different products or services from the online market" did not produce a significant discriminant function although consumers with internal and external locus of controls seemed to be discriminated by two of the sixteen items on the offering list. Therefore, we find it unreliable to

display these two items as discriminating factors between consumers with internal and external locus of controls.

6.4.2.10 One-Way ANOVA Results Between "Innovativeness" and the "Possibilities Assigned to the Purchase of Different Products or Services from the Online Market":

The analysis of variance that we ran between the three groups with different innovativeness levels and the possibilities they assign to the purchase of different products and services from the online market showed that consumers with different innovativeness levels attribute significantly different suitabilities to thirteen of the choices on a sixteen-item list. The relevant statistics are displayed below:

Table 6.125 - One-Way ANOVA Results Between "Innovativeness" and the "Possibilities Assigned to the Purchase of Different Products or Services from the Online Market"

	Levene	p	F	p	Mean1	Mean2	Mean3
Sending flowers	2.068	.128	2.386	.093	2.2273	2.3632	2.4903
Different types of coffee	4.958	.007	4.734	.009	1.5714	1.7421	1.8774
Cinema tickets	2.141	.119	5.067	.007	2.5130	2.7684	2.8710
Automobile insurance	1.630	.197	4.731	.009	1.9091	2.1895	2.2581
Travel bag	5.452	.005	3.640	.027	1.6234	1.7737	1.9032
Credit card	1.393	.249	6.678	.001	2.0130	2.2632	2.4645
Stereo system	11.974	.000	6.898	.001	1.4091	1.6158	1.7484
Shower gel	1.854	.158	2.672	.070	1.6883	1.8789	1.9355
Cellular phone	8.395	.000	8.540	.000	1.5260	1.8211	1.9355
Spray room fragrance	1.842	.160	2.663	.071	1.5325	1.6737	1.7613
Weekend holiday in a 5-star hotel	2.215	.110	11.601	.000	2.1688	2.5579	2.7226
Annual membership to a fitness center	1.217	.297	8.945	.000	1.9481	2.3211	2.4129
University certificate program	3.798	.023	14.596	.000	1.9091	2.3842	2.5290

Note: For variables for which the significance of the Levene value is higher than .05, we can assume that the variances of the three groups are equal. For those with values lower than .05, this assumption is not valid, therefore, significance of F values should be interpreted with this reservation.

The F values show that between group differences are significantly higher compared to within group differences for these thirteen offerings. When we examine the mean values for the three groups, we observe that the intentions consumers develop about purchasing nearly all of the items on the provide list increase as their

innovativeness potential increases. Only three products have been left out of the list of items carrying significant differences. For all of the thirteen offerings displayed above, online purchase increase as innovativeness level increases.

6.4.2.11 Discriminant Analysis Results Between "Opinion Leadership" and the "Possibilities Assigned to the Purchase of Different Products or Services from the Online Market":

Table 6.126 – Test of Equality of Group Means for the Discriminant Analysis Results Between "Opinion Leadership" and the "Possibilities Assigned to the Purchase of Different Products or Services from the Online Market"

	Wilks' Lambda	F	p	Mean 1	Mean2
Cellular phone	.969	15.635	.000	1.6305	1.9557
University certificate program	.977	11.731	.001	2.1458	2.4828
Weekend holiday in a 5-star hotel	.978	11.379	.001	2.3559	2.6798
Different types of coffee	.981	9.817	.002	1.6271	1.8768
CD-ROM encyclopedia	.983	8.479	.004	2.3119	2.6010
Sending flowers	.984	8.160	.004	2.2475	2.5222
Stereo system	.984	8.058	.005	1.5085	1.7192
Cinema tickets	.987	6.499	.011	2.6237	2.8621
Automobile insurance	.989	5.450	.020	2.0339	2.2611
Shower gel	.990	4.886	.028	1.7559	1.9557
Credit card	.991	4.338	.038	2.1661	2.3744
Travel bag	.991	4.334	.038	1.6983	1.8719
Spray room fragrance	.992	3.928	.048	1.5898	1.7488
Registration to an intensive computer course for 3 weekends	.994	2.995	.084	2.0068	2.1675

Group 1: not an opinion leader
Group 2: opinion leader

Table 6.127 – Loadings for the Discriminant Analysis Results Between "Opinion Leadership" and the "Possibilities Assigned to the Purchase of Different Products or Services from the Online Market"

	Function 1
cellular phone	**.692**
university certificate program	**.599**
weekend holiday in a five-star hotel	**.590**
different types of coffee	**.548**
CD-ROM encyclopedia	**.509**
sending flowers	**.500**
stereo system	**.496**
cinema tickets	**.446**
automobile insurance	**.408**
shower gel	**.387**
credit card	**.364**
travel bag	**.364**
spray room fragrance	**.347**
computer course for three weekends	**.303**
annual membership to a fitness center	.264
Sunglasses	.143

Summary of Canonical Discriminant Function

Box's M – p:	249.865	.000
(equal population covariance)		
Eigenvalue:	.066	
Canonical Correlation:	.249	
χ^2 (of Wilks' Lambda) – p:	31.153	.013
Centroids:	**G1:**-.213	**G2:**.309

Percent of Cases Correctly Classified: 63.3%

Note: The proportional chance criterion for this analysis has been calculated to be .517 according to the $C_{pro} = p^2 + (1-p)^2$ formula. The difference between the percent of correct classification and C_{pro} has been found to be significant based on a calculated t value of 5.18 compared to a critical t value of 1.96.

The results of the discriminant analysis between "opinion leadership" and "the possibilities assigned to the purchase of different products or services from the online market" show that respondents with higher propensities to act like opinion leaders and those who are low in opinion leadership potential differ in terms of their intentions toward purchasing fourteen of the sixteen different products and services from the online market. An examination of the results displayed above shows that opinion leaders have stronger purchase intentions toward all of these fourteen offerings whereas respondents with low opinion leadership potential have scored lower on their purchase intentions for each of these items. This result is a strong confirmation of the fact that the Internet market is a much more suitable medium for making purchases for opinion leaders.

These fourteen offerings were those for which between group differences are significantly higher compared to within group differences. As the χ^2 transformation of Wilks' Lambda is significant at the .05 level, we can accept the discriminant function resulting from the combination of these fourteen variables to be significant and, therefore, we have found it necessary to show the Loadings and the correlations of each predictor variable with the resulting canonical discriminant function, too. The canonical correlation figure gives an overall score of .249 for the association between

the discriminant scores and the groups. The eigenvalue indicates that the ratio of between to within group sum of squares is .066. Finally, 63.3% of the cases in our sample are correctly classified with this discriminant function meaning that by knowing the intentions a consumer carries about purchasing these fourteen offerings from the online market, we can be 63.3% confident about whether he/she is an opinion leader or not.

6.4.2.12 One-Way ANOVA Results Between "Reference Group Influence" and the "Possibilities Assigned to the Purchase of Different Products or Services from the Online Market":

The analysis of variance that we ran between the three groups with different levels of susceptibility to reference group influence and the possibilities they assign to the purchase of different products and services from the online market showed that consumers with different susceptibilities attribute significantly different suitabilities to four of the choices on the sixteen-item list. The relevant statistics are displayed below:

Table 6.128 - One-Way ANOVA Results Between "Reference Group Influence" and the "Possibilities Assigned to the Purchase of Different Products or Services from the Online Market"

	Levene	p	F	p	Mean1	Mean2	Mean3
Cinema tickets	.917	.400	2.940	.054	2.8220	2.7674	2.5323
Weekend holiday in a 5-star hotel	6.483	.002	3.873	.021	2.4576	2.6008	2.2823
Annual membership to a fitness center	2.813	.061	3.336	.036	2.2458	2.3256	2.0323
University certificate program	1.739	.177	2.795	.062	2.2966	2.3682	2.0887

Note: For variables for which the significance of the Levene value is higher than .05, we can assume that the variances of the three groups are equal. For those with values lower than .05, this assumption is not valid, therefore, significance of F values should be interpreted with this reservation.

The F values show that between group differences are significantly higher compared to within group differences for these four offerings. When we examine the mean values for the three groups, we observe that cinema tickets are found most

suitable by those consumers with lowest susceptibility to reference group influence. For all the other three offerings, the middle group scores highest followed by the low reference influence group.

6.4.3 Research Question 3:

"Are there significant differences between the groups representing our independent variables in terms of the possibilities they assign to receiving four specifically different services (health information, education, life insurance, museum visit) from the WWW?"

6.4.3.1 One-Way ANOVA Results Between "Age Group" and the "Possibilities Assigned to Receiving Four Specifically Different Services (health information, education, life insurance, museum visit) from the WWW":

The three age groups have not been found to differ significantly in terms of their propensities to receive the specified four different services from the WWW.

6.4.3.2 One-Way ANOVA Results Between "Marital Status" and the "Possibilities Assigned to Receiving Four Specifically Different Services (health information, education, life insurance, museum visit) from the WWW":

The three marital status groups have not been found to differ significantly in terms of their propensities to receive the specified four different services from the WWW.

6.4.3.3 Discriminant Analysis Results Between "Sex" and the "Possibilities Assigned to Receiving Four Specifically Different Services (health information, education, life insurance, museum visit) from the WWW":

Table 6.129 – Test of Equality of Group Means for the Discriminant Analysis Results Between "Sex" and the "Possibilities Assigned to Receiving Four Specifically Different Services from the WWW"

	Wilks' Lambda	F	p	Mean 1	Mean2
Purchase life insurance online	.987	6.521	.011	2.5992	2.3643

Group 1: Male
Group 2: Female

Table 6.130 – Loadings for the Discriminant Analysis Results Between "Sex" and the "Possibilities Assigned to Receiving Four Specifically Different Services from the WWW"

Loadings

	Function 1
purchase life insurance online	.674
Online education	-.349
visit museums online	-.314
getting information about health	-.092

Summary of Canonical Discriminant Function

Box's M – p:	5.636	.849
(unequal population covariance)		
Eigenvalue:	.029	
Canonical Correlation:	.167	
χ^2 (of Wilks' Lambda) – p:	14.115	.007
Centroids:	**G1:** .175	**G2:** -.164

Percent of Cases Correctly Classified: 58%

Note: The proportional chance criterion for this analysis has been calculated to be .5006 according to the $C_{pro} = p^2 + (1\text{-}p)^2$ formula. The difference between the percent of correct classification and C_{pro} has been found to be significant based on a calculated t value of 3.55 compared to a critical t value of 1.96.

The results of the discriminant analysis between "sex" and the "possibilities assigned to receiving four specifically different services from the WWW" show that male respondents have a higher propensity to purchase life insurance from the Internet. Similarly, we had previously observed that males were more prone to purchasing automobile insurance from the online market compared to females, too. The combined interpretation of these two results could pose important implications

for the insurance market. Male consumers seem to be better prospects for the online market compared to females according to the results of our study.

This specific service was the only item for which between group differences are significantly higher compared to within group differences. The χ^2 transformation of Wilks' Lambda is significant at the .01 level, too. However, although these are the signs of a significant discriminant function, there is only one discriminating variable available to build a function in this case, which is quite inadequate. Still, we present the Loadings and the correlation of the predictor variable with the resulting canonical discriminant function. The canonical correlation figure gives an overall score of .167 for the association between the discriminant scores and the groups. The eigenvalue indicates that the ratio of between to within group sum of squares is .029. Finally, 58% of the cases in our sample are correctly classified with this discriminant function meaning that by only knowing the intentions a consumer carries about purchasing life insurance from the Internet, we can be 58% confident about the gender group this consumer belongs to.

6.4.3.4 One-Way ANOVA Results Between "Education Level" and the "Possibilities Assigned to Receiving Four Specifically Different Services (health information, education, life insurance, museum visit) from the WWW":

The analysis of variance that we ran between the three groups with different education levels and the possibilities they assign to receiving four different services from the online market showed that consumers with different educational status attribute a significantly different possibility to one of the services. The relevant statistics are displayed below:

Table 6.131 - One-Way ANOVA Results Between "Education Level" and the "Possibilities Assigned to Receiving Four Specifically Different Services from the WWW"

	Levene	p	F	p	Mean1	Mean2	Mean3
Online education	.431	.650	3.420	.033	2.4805	2.6394	2.8824

Note: As the significance of the Levene value is higher than .05, we can assume that the variances of the three groups are equal.

The F values show that between group differences are significantly higher compared to within group differences for this specific service. When we examine the mean values for the three groups, we observe that the possibility assigned to receiving online education increases as consumers' education level increases. This is a very natural result. More educated people value opportunities of receiving online education more strongly compared to those with lower educational status.

6.4.3.5 One-Way ANOVA Results Between "Household Income Level" and the "Possibilities Assigned to Receiving Four Specifically Different Services (health information, education, life insurance, museum visit) from the WWW":

The analysis of variance that we ran between the three groups with different income levels and the possibilities they assign to receiving four different services from the online market showed that consumers with different income levels attribute a significantly different possibility to one of the services. The relevant statistics are displayed below:

Table 6.132 - One-Way ANOVA Results Between "Household Income Level" and the "Possibilities Assigned to Receiving Four Specifically Different Services from the WWW"

	Levene	p	F	p	Mean1	Mean2	Mean3
Getting information about health	1.502	.224	2.657	.071	3.2000	3.2615	3.3982

Note: As the significance of the Levene value is higher than .05, we can assume that the variances of the three groups are equal.

The F values show that between group differences are significantly higher compared to within group differences for this specific service. When we examine the

mean values for the three groups, we observe that the possibility assigned to receiving information about health from the online market increases as household income level increases.

6.4.3.6 One-Way ANOVA Results Between "Financial Status" and the "Possibilities Assigned to Receiving Four Specifically Different Services (health information, education, life insurance, museum visit) from the WWW":

The analysis of variance that we ran between the three groups with different financial status and the possibilities they assign to receiving four different services from the online market showed that consumers with different financial resources attribute a significantly different possibility to one of the services. The relevant statistics are displayed below:

Table 6.133 - One-Way ANOVA Results Between "Household Income Level" and the "Possibilities Assigned to Receiving Four Specifically Different Services from the WWW"

	Levene	p	F	p	Mean1	Mean2	Mean3
Visit museums online	1.743	.176	4.534	.011	3.4138	3.1504	3.0169

Note: As the significance of the Levene value is higher than .05, we can assume that the variances of the three groups are equal.

The F values show that between group differences are significantly higher compared to within group differences for this specific service. When we examine the mean values for the three groups, we observe that the possibility assigned to visiting museums online decreases as financial status increases.

6.4.3.7 Discriminant Analysis Results Between "Sensing and Intuiting Personality Types" and the "Possibilities Assigned to Receiving Four Specifically Different Services (health information, education, life insurance, museum visit) from the WWW":

The discriminant analysis we ran between "sensing and intuiting personalities" and the "possibilities assigned to receiving four specifically different services from

the WWW" did not produce a significant discriminant function although the two groups seemed to be discriminated by one of the four items on the offering list. Therefore, we find it unreliable to display this item as a discriminating factor between sensing and intuiting personalities.

6.4.3.8 Discriminant Analysis Results Between "Thinking and Feeling Personality Types" and the "Possibilities Assigned to Receiving Four Specifically Different Services (health information, education, life insurance, museum visit) from the WWW":

The discriminant analysis we ran between "thinking and feeling personalities" and the "possibilities assigned to receiving four specifically different services from the WWW" did not produce a significant discriminant function although the two groups seemed to be discriminated by one of the four items on the offering list. Therefore, we find it unreliable to display this item as a discriminating factor between thinking and feeling personalities.

6.4.3.9 Discriminant Analysis Results Between "Locus of Control" and the "Possibilities Assigned to Receiving Four Specifically Different Services (health information, education, life insurance, museum visit) from the WWW":

Table 6.134 – Test of Equality of Group Means for the Discriminant Analysis Results Between "Locus of Control" and the "Possibilities Assigned to Receiving Four Specifically Different Services from the WWW"

	Wilks' Lambda	F	p	Mean 1	Mean2
Visit museums online	.975	10.388	.001	3.1873	2.8352

Group 1: internal locus of control
Group 2: external locus of control

Table 6.135 – Loadings for the Discriminant Analysis Results Between "Locus of Control" and the "Possibilities Assigned to Receiving Four Specifically Different Services from the WWW"

	Function 1
visit museums online	.968
purchase life insurance online	.268
getting information about health	.267
online education	.237

Summary of Canonical Discriminant Function

Box's M – p:	11.561	.330
(unequal population covariance)		
Eigenvalue:	.027	
Canonical Correlation:	.163	
χ^2 (of Wilks' Lambda) – p:	10.876	.028
Centroids:	**G1:** 8.9E-02	**G2:**-.307

Percent of Cases Correctly Classified: 60.1%

Note: The proportional chance criterion for this analysis has been calculated to be .6522 according to the $C_{pro} = p^2 + (1-p)^2$ formula. Because of the distorted distribution in the sample with respect to locus of control, predicting group membership based on chance has been found to be higher compared to the correct classification rate obtained from the discriminant analysis.

The results of the discriminant analysis between "locus of control" and the "possibilities assigned to receiving four specifically different services from the WWW" show that respondents with an internal locus of control have a higher propensity to visit museums online compared to those with an external locus of control.

This specific service was the only item for which between group differences are significantly higher compared to within group differences. The χ^2 transformation of Wilks' Lambda is significant at the .05 level, too. However, although these are the signs of a significant discriminant function, there is only one discriminating variable available to build a function in this case, which is quite inadequate. Still, we present the Loadings and the correlation of the predictor variable with the resulting canonical discriminant function. The canonical correlation figure gives an overall score of .163 for the association between the discriminant scores and the groups. The eigenvalue indicates that the ratio of between to within group sum of squares is .027. Finally, 60.1% of the cases in our sample are correctly classified with this discriminant function meaning that by only knowing the intentions a consumer carries about visiting museums online, we can be 60.1% confident about whether this individual has an internal or external locus of control.

6.4.3.10 One-Way ANOVA Results Between "Innovativeness" and the "Possibilities Assigned to Receiving Four Specifically Different Services (health information, education, life insurance, museum visit) from the WWW":

The analysis of variance that we ran between the three groups with different innovativeness levels and the possibilities they assign to receiving four different services from the online market showed that consumers with different innovativeness levels attribute a significantly different possibility to one of the services. The relevant statistics are displayed below:

Table 6.136 - One-Way ANOVA Results Between "Innovativeness" and the "Possibilities Assigned to Receiving Four Specifically Different Services from the WWW"

	Levene	p	F	p	Mean1	Mean2	Mean3
Purchase life insurance online	1.082	.340	3.933	.020	2.3007	2.5026	2.6258

Note: As the significance of the Levene value is higher than .05, we can assume that the variances of the three groups are equal.

The F values show that between group differences are significantly higher compared to within group differences for this specific service. When we examine the mean values for the three groups, we observe that the possibility assigned to visiting museums online increases as innovativeness increases.

6.4.3.11 Discriminant Analysis Results Between "Opinion Leadership" and the "Possibilities Assigned to Receiving Four Specifically Different Services (health information, education, life insurance, museum visit) from the WWW":

Table 6.137 – Test of Equality of Group Means for the Discriminant Analysis Results Between "Opinion Leadership" and the "Possibilities Assigned to Receiving Four Specifically Different Services from the WWW"

	Wilks' Lambda	F	p	Mean 1	Mean2
Purchase life insurance online	.990	5.000	.026	2.3932	2.6029
Visit museums online	.994	2.7666	.097	3.1729	3.0294

Group 1: not an opinion leader
Group 2: opinion leader

Table 6.138 – Loadings for the Discriminant Analysis Results Between "Opinion Leadership" and the "Possibilities Assigned to Receiving Four Specifically Different Services from the WWW"

	Function 1
Purchase life insurance online	**.761**
visit museums online	**-.566**
getting information about health	-.313
online education	.263

Summary of Canonical Discriminant Function

Box's M – p:	13.429	.207
(unequal population covariance)		
Eigenvalue:	.017	
Canonical Correlation:	.131	
χ^2 (of Wilks' Lambda) – p:	8.525	.074
Centroids:	**G1:** -.109	**G2:** .158
Percent of Cases Correctly Classified:	55.5%	

Note: The proportional chance criterion for this analysis has been calculated to be .5146 according to the $C_{pro} = p^2 + (1-p)^2$ formula. The difference between the percent of correct classification and C_{pro} has been found to be insignificant based on a calculated t value of 1.80 compared to a critical t value of 1.96. This means that using this discriminant analysis to predict group membership is not significantly better compared to making membership predictions based on chance.

The results of the discriminant analysis between "opinion leadership" and the "possibilities assigned to receiving four specifically different services from the WWW" show that opinion leaders have a higher propensity to purchase life insurance from the Internet whereas those with less opinion leadership potential have higher propensities to visit museums online compared to opinion leaders. This could be explained by the risks inherent in each activity. Purchasing a life insurance policy from the Internet may be accepted as a riskier activity compared to visiting museums online, therefore, opinion leaders may prefer to act more innovative about their purchase preferences while others may choose to use the Internet for less risky activities and purchases.

These two services were those for which between group differences are significantly higher compared to within group differences. As the χ^2 transformation

of Wilks' Lambda is significant at the .10 level, we can accept the discriminant function resulting from the combination of these two variables to be significant and, therefore, we have found it necessary to show the Loadings and the correlations of each predictor variable with the resulting canonical discriminant function, too. The canonical correlation figure gives an overall score of .131 for the association between the discriminant scores and the groups. The eigenvalue indicates that the ratio of between to within group sum of squares is .017. Finally, 55.5% of the cases in our sample are correctly classified with this discriminant function meaning that by knowing the intentions a consumer carries about purchasing life insurance or visiting museums online, we can be 55.5% confident about whether he/she is an opinion leader or not.

6.4.3.12 One-Way ANOVA Results Between "Reference Group Influence" and the "Possibilities Assigned to Receiving Four Specifically Different Services (health information, education, life insurance, museum visit) from the WWW":

The three reference group influence groups have not been found to differ significantly in terms of their propensities to receive the specified four different services from the WWW.

This concludes the presentation of the findings of our study. Based on these results, many implications have been developed for different parties that may be interested. These are discussed in the coming section.

VII. CONCLUSIONS AND IMPLICATIONS OF THE STUDY

This study is both a descriptive and empirical work from which various parties may benefit in different ways. In this section, we will discuss the conclusions and the implications for firms, researchers, governments and legal authorities, consumers, and Internet service providers as we expect these five groups to be most extensively interested in the subject matter and results of the study. However, this does not necessarily mean that the issues presented here pertain to those specific groups only. There are many public or private parties who can make use of the results for various purposes all of which we may not be able to cover. The most prominent implications of our study are presented in the coming sections.

7.1 Implications for Firms

One of the most important objectives of this study was to draw an overall profile of the consumers of the Internet market by determining their major demographic and psychographic characteristics. We aimed to find out the most important differentiating attributes between consumers with different attitudes toward, intentions about, and behavior on the online marketplace. These findings produced important results carrying many implications for firms.

7.1.1 Who are these Online Consumers?

The Turkish online consumer market consists mostly of a relatively younger portion of the population at the earlier stages of the family life cycle. They have an above average income level and quite abundant financial resources at their disposal. They are highly educated with a majority having a university degree.

The above profile summarizes the general demographic characteristics of the Turkish online consumer market. Our study showed that this community consists mostly of individuals belonging to the 16 to 35 age interval. The majority of the online population is comprised of single individuals closely followed by married consumers at the earlier stages of the family life cycle. Most of them have a monthly household income level of at least 1,500,000,000 TL. closely followed by a slightly lower income group having a monthly income level of at least 750,000,000 TL. They have a variety of financial resources such as numerous credit cards or personal bank accounts available at their disposal. Their occupational backgrounds are highly variant and do not carry common characteristics, but the general education level of the online community is quite high consisting mostly of university graduates.

These findings carry great importance for online businesses or firms that want to enter the Internet market. Having an idea about the most prominent characteristics of the online population is crucial for targeting, segmentation, and positioning purposes. Firms whose products appeal to the young and educated population with enough income to dispose at the cyber market are lucky and carry a great potential for growth. However, those businesses whose target market carries different characteristics should try to find out about the ways they can attract these segments to the online market. This may lead firms to decide about the extent to which they can utilize the opportunities of the virtual world. While a CD store or an e-shop of sporting goods may boom on the WWW, one should be more cautious about expecting the same from a site selling everyday clothing for the elderly. Therefore, an important finding and implication of this study is that **the Web is not promising at the same level for all types of businesses**. Although titles like "The New Gold Mine" or "Are You Still Offline?" abound in the commercial media, firms should not

forget that the portion of the population making use of this revolutionary shopping channel is only a minority and even those who have access to the Internet market use it mostly for window-shopping purposes. As we will discuss later on in this section, the products that are "purchased" by consumers of the Internet are quite limited compared to the variety one would see in the shopping carts of these individuals in the real marketplace. In short, this study implies that although it is not wise to be totally ignorant about this development and avoid it completely, **an important decision for firms is how much budget and marketing effort they should spend for the online medium**. While deciding about the extent to which they will make use of this environment, examining the demographic characteristics of the common users and assessing the fit between their target market and this consumer profile is an important issue.

Citizens of the cyberspace characterize themselves most commonly as active, successful, satisfied, and well-educated people caring most about their careers and families. They are open-minded about new ideas and social change and give importance to their personal image. They have a wide range of interests and are concerned about functionality and value. They are quite self-assured and practical. They favor knowledge and search for quality in every aspect of their lives. They tend to behave as rational-decision makers and feel very much in control of most of what is going around them. They are quite innovative but all of them cannot be characterized as opinion leaders. They weigh their personal thoughts and decisions and the ideas of valued reference points before reaching decisions.

To accompany the demographic characteristics and complete the picture, we found it important to draw the psychographic profile of online consumers, too.

Looking at the overview provided above, we can locate some important characteristics that carry significant implications for firms.

First of all, it is observed that online consumers value well-informed rational decision making processes. This means that these individuals have strong propensities to use the Internet for gathering high amounts of information about companies and their offerings before making purchases. **Companies should** pay attention to this issue and **provide a rich body of information about their offerings in order to turn potential consumers into actual online customers.**

Another important point is that these consumers are at a mediocratic point on the individualistic versus collectivistic decision making process continuum. They are self-assured and confident about their own ideas and preferences but do not totally ignore the thoughts of others in the decisions that they make. Therefore, **e-marketers should make attempts to account for the lack of important reference groups on the online market.** Efforts like including testimonials from other users or celebrities or having experts provide answers to possible questions online are examples of how the non-referential nature of the electronic market can be softened to a certain extent.

Still another important issue is that the above profile signals that consumers of the virtual market can be expected to favor product quality more than the price of the offering. As they search for high quality in every aspect of their lives and give importance to image-based criteria, we can expect them to value the strengths of a product's attributes more compared to how advantageous the price deal for that offering is. In this respect, **carrying known brands create a very important advantage for virtual stores.** Marketers whose brands are not highly recognized or valued should try to build a strong and trustworthy brand image and prefer to carry **high-quality merchandise with superior attributes.** Online consumers can be

metaphorized as those who prefer to shop at high-scale supermarkets compared to discount stores. So it is possible to say that an electronic store where site atmospherics are carefully planned and a strong brand image is communicated as well as a high amount of information about various offerings are those that can be expected to reach the highest level of success on the online marketplace.

7.1.2 Are There Other Factors That Characterize Online Consumers?

Besides the demographic and psychographic characteristics of the online community, we have investigated certain "technical" factors that may differentiate cyber-consumers from the offline population.

Consumers with more positive attitudes toward technology, higher levels of technology utilization, stronger computer friendliness and literacy, longer Internet usage history and higher levels of Internet usage intensity have more positive dispositions toward and intentions about online shopping. They are found to be significantly more active as purchasers from the Internet market, too.

Our research showed that consumers who already have a positive disposition toward technological developments and who utilize such advancements more frequently in other aspects of their lives are better candidates for and more active users of the online market. They are also that segment of the population, which is not bothered too much from being so computerized in daily life. Industries, which are more technology-based by their nature, can make significant use of this finding. Consumers of sectors like telecommunications or computer products represent very fruitful potential markets. The cellular communication service providers, for example, have made extensive use of this reasoning. They have characterized their

customer base as techno-wizards and have built interactive Web sites which include a very wide range of possible services that customers can make use of. Information about various price deals or tips and details about using the mobile communication service are provided on Web sites because it is impossible to bombard customers with all of this information in a matter of seconds on TV or through the radio. In short, **customers of technology-based sectors present a very promising segment that can be expected to make extensive use of various opportunities provided through this medium**.

As well as segmenting consumers as those who use the Internet and those who do not, online consumers can be segmented within themselves based on their usage history and intensity. The results of our study shows that the longer a consumer has been connected to the Internet, the higher his/her propensity to be an online customer. Those with a longer history of Internet usage represent a more promising market for online businesses. This is a sign of the fact that developing the courage to engage in purchase transactions on the cyberspace requires some time. Consumers may not be active shoppers on the first day of being connected to the Internet. For a long time, they may use it only for communicating through electronic mail. Gradually, they may develop the habit of surfing through the Web and visiting different sites to find out about different things, events, news, and offerings. It will take another long period before they decide to try making a purchase from this medium rather than staring at available alternatives. In a matter of years, this consumer may have a collection of tens of shopping sites on his "Favorites" list and may know exactly which address to shop or which e-store to visit for a specific need.

In short, Internet shopping is a gradually learnt process and a slow-developing habit. Firms should not forget that being patient with consumers who demand more

information than they can dream of is an essential requirement of being successful on the WWW market in the long run. **They have to act like patient teachers trying to communicate with kids that refuse to understand**. They must believe that a customer may visit a site for many times before a $10 purchase takes place. However, it is this first purchase that is very important and that determines the future attitudes consumers will develop toward online shopping in general.

7.1.3 What do Consumers do on the Internet?

One of the findings of this study that possesses important implications for firms is the frequency with which consumers engage in certain activities on the Internet. The most common tool utilized in this environment is electronic mail. The ease and convenience of the communication conducted through this medium is valued highly by the online community. The second and third most common activities on the Internet are surfing the Web and conducting research on the WWW. This is a very important issue. **Online marketers should understand and accept that customer acquisition on the Web depends mostly on accidental incidents** where potential consumers respond to an attractive banner ad placed successfully on a relevant site or following a link provided on a special-content Web page. However, it is possible to increase the number of such accidents with careful planning. Businesses should not be content with putting up a Web site and waiting for consumers to type in their address, come to their store, make a purchase, and wave goodbye. This is a very infrequent event on the virtual world compared to the frequency with which people flow from site to site following ads and links. Therefore, networking with other relevant businesses or Web-page owners, purchasing the correct banner ad space at the correct site, spending a portion of the budget for being placed on a popular portal

are only some of the possible activities firms can engage in to attract customers to their site. It is also important to note that online shopping ranks eighth on a nine-item list of possible activities consumers can perform on the Internet. It is obvious that this medium is used more for communication and information collection purposes as well as entertainment. Even playing games and chatting score higher than shopping. This is a manifestation of the fact that the Internet is yet perceived as a supplementary information source rather than a transaction medium as we will touch upon again during our discussion about the online purchasing process. Therefore, **e-marketers should stress the informational content of their Web sites rather than using hard-selling techniques** trying to convince consumers to purchase their offerings from their virtual store.

7.1.4 What Sells and What Does Not on the Online Market?

One of the objectives of our study was to find out about the differences between consumers' intentions toward purchasing different types of offerings from the Internet market. A major finding about this issue was that **services are attributed to be more suitable for being purchased from the online market**. The intangibility aspect of services makes them better candidates for the cyber market. Offerings like an insurance policy or a concert ticket are just as intangible in the real market as they are in the virtual environment. Such purchases do not require experimental shopping. The specifications of the service can be identified in exactly the same manner as they are with real agents. Of course, this finding does not pertain to those services, which are inseparable. Services like dental care or hair design are not transferable to the online market. In other words, **standard services, which do not require direct contact between the provider and the receiver, are best candidates for being**

marketed online. Examples are banking services, sending flowers, buying movie tickets or receiving legal advice.

This does not mean that providers who cannot fully perform their services on the Internet cannot make any use of this environment. They may benefit from building an online existence by reaching a higher number of potential visitors or contacting current customers. A dentist may receive appointments while a hair designer might make suggestions to consumers who scan their photos to the studio's electronic mail address. In short, it is not necessarily essential to provide the full form of an offering on the WWW. **Building an existence and using this medium to the best possible extent is an important competitive requirement for all types of firms, whatever their offering is**.

As for the findings about different types of products and the purchase intentions of consumers toward purchasing those products from the online market, unsought goods have been found to be the most popular category among others. Consumers seem to find the Internet to be a suitable medium over which products that are normally difficult to locate can be found. For example, a special polishing paste that protects automobiles from tough weather conditions is usually not a regularly purchased item that one can immediately know where to find. However, a consumer who navigates through sites about Formula 1 races may be attracted by such a banner ad and purchase the item from the site that offers it, as it would be less convenient to look for this product in the real marketplace. Therefore, **the Internet is a very promising market for companies that sell specific items for which consumers usually would not intentionally shop.** It is easier to trigger impulse buying behavior for such products on the online market. Virtual firms with such offerings should

stress this advantage and spend abundant resources to make their existence observable from numerous locations on the WWW.

Our findings also suggest that **specialty goods carry a considerable online marketing potential, too**. As stated before, price is not the first consideration an Internet consumer has in mind during the online shopping process. Quality and satisfactory attributes are much more important criteria for decision making. Therefore, if a specialty-item provider succeeds in convincing consumers that the offering carries the desired characteristics at the utmost level, a potential consumer may easily turn out to become a purchaser without making hectic price comparisons among hundreds of other alternatives.

Actually, as many studies before have also shown, **the Internet is a very suitable environment for selling shopping goods**. These products are very prone to comparative shopping for which the Internet is a wonderful source. Additionally, the average prices for such items are not high enough to make consumers reluctant toward taking the risk of making a non-experimental purchase. A possible dissatisfaction does not result in a tragic ego, money, time or hazard loss.

The potential convenience goods carry is questionable. While many people would not respond affirmatively if someone asked them whether they would purchase bread, cigarettes or Coke from the Internet, there are many people who regularly make these purchases from the online market. The important point here is that **convenience goods are usually not sold individually but carry higher potentials for being marketed in "bundles"**. To exemplify the difference, one can think of a consumer satisfying his thirst on a very hot day by purchasing a bottle of Coke from the nearest convenience store versus another consumer who orders 30 bottles from an online supermarket and has them delivered in order to avoid the task

of carrying them home himself. In short, convenience goods can be suitable for being purchased from the Internet if they are one of the items in a shopping cart consisting of many other purchases. They are complementary merchandise rather than individually purchased products.

At this point, we would like to state that there are difficulties about defining what exactly is a convenience, shopping or specialty good. Therefore, one alternative may be to study the impact of consumers' degree of involvement on their attitudes and behavior on the online marketplace. It may be interesting to investigate how consumers make use of the virtual market for purchases possessing different degrees of involvement.

Still another categorization that we used to differentiate between the potentials carried by various types of offerings on the Internet market is the "search vs. experience goods" classification. As expected, our study showed that search goods are much better candidates for being purchased from the cyber market compared to experience goods. **This puts firms with products where direct personal examination is not required or important at an advantage on the WWW.** They can communicate the major attributes of their offerings in words or through images but the same is not true for a firm trying to sell bathing suits or children's shoes online. These companies either have to use very creative means and hi-tech methods to convince consumers that they can live through a similar shopping experience on the online world or stress various post-purchase compensation alternatives extensively. If consumers are fully convinced that they can return or change an item if they are not satisfied with it, they may take the risk of purchasing this offering from the Internet. This means that **post-purchase opportunities are strongly**

important for firms trying to sell experience goods on the non-experimental market.

Another important point relevant to this section is the potential the cybermarket carries for second-hand or used products. **Auctions and C-to-C marketing is very common on the Internet**. The virtual world has provided a platform on which consumers with matching demands and supplies can come together and engage in direct transactions without any intermediation. The prices are usually determined by a bidding system. This is an interesting opportunity and research issue by itself and should be considered as one of the avenues the Internet has opened for examination.

7.1.5 What are the Perceived Advantages and Disadvantages of the Internet as a Marketing Environment?

One of the major objectives of our research was to find out the importance attributed to commonly cited advantages and disadvantages of the Internet as a marketing environment. The results obtained reveal prominent implications.

The most important characteristics of the Internet has been determined to be the convenience it provides by opening consumers' doors to any store at any point in the world at any time of the day. Consumers seem to be making the most of shopping on the largest mall of the world with millions of stores and billions of products and services. This shows that **firms should consider themselves as global entities the minute they step into the world of Internet marketing**. Neither size nor the amount of financial resources matter in the competitive arena of the WWW. Even individual entrepreneurs can find niche markets for themselves if they locate the correct opportunity and perform a few wise marketing tactics. Therefore, firms who go online should leave their local approaches aside and think and act as global

enterprises. Building multi-lingual sites, developing an effective international distribution system, and providing opportunities for customization are only some of the measures companies can take to make their existence on the WWW a meaningful and fruitful presence. However, while trying to become global entities, firms should not mistakenly forget about some specific factors that they might have to consider for different markets. Countries may have their own rules, laws, and regulations or may react differently to the same message simply because of cultural differences. Therefore, examining country-specific details should be accepted as one of the requirements of globalizing.

The second hottest issue about the Internet is the privacy concerns consumers have about giving away their credit card or bank account numbers and having to reveal important personal information to an unknown recipient. This is the most important disadvantage of the Internet market compared to real shopping environments. However, current attempts to weaken the reluctance consumers feel about making totally disclosed purchases in a totally disguised environment are futile. Some companies keep making "promises" about not using the information provided by consumers for other purposes. A security system based on promises is itself not very promising for a totally virtual market where buying and selling parties do not have any personal or emotional contact. Other firms claim to be utilizing systems that make it impossible for third parties to gain access to these critical pieces of information. But the point is no one can understand how such systems work and whether they really work or not. For example, it is highly questionable whether consumers really understand what the difference between e-credit cards and regular credit cards are or how security systems like "anonymizers" or "crowds" work. Therefore, two important issues deserve special attention at this point. **Firms should**

do their best to clearly explain how their security systems work and how they protect consumers' private information in the easiest layman terms they possibly can. They must speak the consumer's language if they really have such an efficient system available. Plus, **they should take full legal responsibility against incidents where a party other than the firm itself gains access to consumers' private information** for any purpose whatsoever. In this respect, this issue bears important implications for governments and the legal system, too. Preparation of efficient and applicable laws and regulations are strongly required for an environment carrying so many risks for all participants.

Another concern consumers have about online shopping is the question marks they have about what they can do if they are dissatisfied with a purchase done from the Internet. This shows that people still view cyber markets as un-real stores, which can vanish at the spur of a moment. The level of trust they have built toward virtual markets is very low and **they perceive the interaction between firms and themselves to terminate at the point of completing a purchase transaction**. They feel frustrated about the possibility of being dissatisfied from an online purchase because they do not consider the option of being compensated by Internet companies just like they are in the real world. Therefore, it is important to stress once again that **offering and communicating various post-purchase options is a very important competitive advantage** firms can make use of on the online market. Once consumers believe in on-going relationships rather than one-shot transactions, there is no reason for online businesses not to gain the large customer bases they currently pray for.

Following the rank order on which consumers have put the pros and cons of online shopping, the next statements that have received the highest rates of

agreement are those that stress the less tiring aspects of online shopping and the reduced costs of shopping on the WWW. These results further confirm that the convenience of the online market is its most conspicuous advantage. When shopping is a task on the to-do list rather than a recreational activity, the computer screen may look much more friendly to a consumer than it does at other times. Therefore, online marketers should emphasize the luxury of saving time, energy, and money by shopping on the cyber market. This finding sounds positive for those firms who sell products or services for which consumers normally do not prefer to shop. However, for certain items, consumers especially desire to spend time, effort, and money and they take social pleasure out of shopping for such products. For example, a woman looking for a new dress for a wedding party would not be attracted by the convenience provided by the online marketplace. This implies that **the virtual market is more suitable for products for which consumers do not intentionally want to shop**. Marketers selling such items or services may stress the benefits of convenience.

Another perceived advantage of the Internet market is the infinite variety it provides for various product or service categories. This medium is a heaven for purchases where the alternative evaluation and comparison stage carries great importance. Most shopping and specialty goods carry a high potential for the Internet market from this perspective. Even if the final purchase does not take place on the online market, consumers may favor the comparative opportunities provided by different companies all around the world to see whether they are really making the best choice for themselves. An important issue for firms is that they should be cautious about placing themselves on the lists of search engines and bargain-providing intermediaries whose usage has recently become very popular on the

Internet market. With so many choices to compare, consumers are easily frustrated. This is reflected by the fact while consumers favor having many alternatives to compare, an important part of the consumers we have contacted have complained about the difficulty of making choices among so many alternatives, too. This has triggered the emergence of information intermediaries that search for the best deals for a specific product according to a specified set of objectives. Those firms that rank higher on the lists that such intermediaries make use of have greater chances to contact customers with goal-directed purchase intentions on the WWW. In other words, **firms should not stand still on the virtual environment waiting for consumers to find out where they are**. They should take their special on the Web sites that have replaced the utilities of retailers on the online market. The chances that a consumer looking for a new tennis racquet visits the home pages of well-known sporting item companies one by one are lower compared to the probability that this person enters a price-scan or bargaining service and asks for the best available alternatives.

A very special opportunity exists for firms selling products that consumers feel uncomfortable about buying in real environments. With the possibility of making disguised purchases on the virtual world, these consumers may be attracted toward the Internet market very easily. Again, the important issue is to be found by those consumers. Firms should plan their online advertising activities carefully and place abundant links from relevant sites so that consumers can follow directions and reach the company's store easily.

Similarly, the virtual market is a factory where totally customized and personalized products are produced according to the detailed descriptions and specifications identified by consumers. Guitars on which the player's name is

engraved or scissors produced especially for left-handed kids are items that normally would not be available on standard marketplaces. There is no "We don't have that color" or "That version of this product is not produced" on the WWW. A consumer can nearly design a rocking chair that is produced in a matter of days and delivered to the customer's home before grandpa's birthday. Such opportunities make the Internet a very colorful and entertaining market as well as maximizing customer satisfaction. Therefore, **firms on the online market should adopt hi-tech production and inventory systems where they hold as many unfinished goods but finished parts as possible**. This environment is a very suitable medium for applying production and distribution systems like JIT. This, in turn, reduces production costs for companies extensively while minimizing inventory spending, too, as firms have to keep less unsold goods in their warehouses if they can successfully implement such systems.

The next two things consumers complain about when it comes to Internet shopping is the fact that only transferable financial resources like credit cards or bank accounts can be used for making purchases and the long time required for the delivery of product and services. These imply that there are important areas about which firms should provide further convenience for consumers. Delivery time should be reduced to the greatest extent possible in order to gratify the satisfaction of the shopping experience before a consumer forgets that he/she had asked for a specific item. **Developing efficient distribution systems for which consumers do not have to pay fortunes is one of the most important issues facing online businesses today**. If customers desire urgent delivery, the shipping costs they have to pay may exceed their expectations. If they ask for a more modest form of delivery, the time that passes between the purchase date and the day when they finally hold the desired

item in their hands may be too long making the online shopping experience an unpleasant memory through which they lose their enthusiasm as a result of delayed gratification. Therefore, large firms should make the necessary investment to build their own distribution system once they have built a customer base large enough to consider this option. Smaller companies should start with a lower scope of delivery so that sending products to consumers should not cost more than the sale itself.

As for the purchase transaction, currently, an alternative to using transferable financial resources does not exist. Cash payment systems are very difficult to implement successfully and carry very large risks for firms. Therefore, the point is that firms should try to understand why consumers complain about using financial services that they are very much used to utilizing in every day life when it comes to Internet shopping. As stated before, the main concern consumers have about this issue is the security problem. We emphasize again that **firms should invest in the best security system available to protect their consumers' private information and explain how their system works so that consumers feel comfortable about giving away their credit card or bank account numbers**.

One conspicuous complaint the online community has about the Internet market is the fact that this medium is a boring place to shop at. Companies should pay very special attention to this issue and try to make their virtual stores as entertaining as they possibly can. Online marketers need to use their utmost creative capacity to succeed in this difficult task. Amazon provided a good example where a contest for writing the best "next page" in a story started by John Updike was run for 45 days. At the end of the contest, a book started and finished by John Updike and written by 45 Amazon customers was created. **This shows the importance of entertaining customers on virtual stores so that they accept to spend a portion of their**

valuable time in the company's cyber market. If they like the visit to the company's store, in the long run, they may make a purchase in one such incident which, in turn, may be the starting point of a long-lasting relationship.

7.1.6 The Online Decision Making Process

One of the issues we were interested to find out within the context of our study was which steps of the decision making process were found to be more suitable for the online market and which were less popular. The results depicted that consumers show the highest propensity toward collecting information about specific products and offerings. We have discussed the importance of the informational value of this medium and how firms should make use of this tendency. The second step of the decision making process that has been found to be the most popular on the online market is building awareness and determining needs. This is an important issue as it shows that people use the Internet to learn about new products and find out about offerings that may satisfy various needs. This is an implication of the potential the Internet carries to introduce novelties. Firms that want to enter a new market segment with a new offering can make use of this environment to diffuse into the market. Having the chance to provide abundant information is a further advantage to trigger faster adoption by potential consumers. As the online community consists mostly of innovative personalities, too, **businesses that want to test the responses to a novel product may make extensive use of the Internet for test-marketing purposes or for initial diffusion attempts**.

Evaluating and comparing different choices and alternatives is the third most popular step of the purchasing process for online consumers. **Being aware of the competitive offerings and the terms with which these offerings are presented to**

virtual consumers is an important task for online marketers. An advantage of the Internet market is the fact that competitors can enter each other's stores in a disguised manner as consumers and personally experience the benefits provided and tactics employed at competing sites offering similar products or services. As discussed before, it is also important that they exceed each other in terms of their existence on various online agents that provide comparative shopping opportunities to consumers.

As we expected at the outset, finalizing this information search and alternative evaluation process on the Internet with a purchase is still not a common practice employed by consumers. They prefer to make ultimate use of the informational capacity provided by this environment and leave the store to make the purchase at their regular shopping environments as usual. This resembles the irritation a salesperson feels when a consumer enters his store, tries every available alternative, and leaves without spending a penny.

This implies the availability of two alternatives for online marketers. **If their offering belongs to one of the high potential groups that we discussed earlier, they should spend ultimate effort to keep a customer until a transaction takes place between them**. However, this may not happen at a customer's first visit. Therefore, e-marketers should work just as hard as real world marketers to benefit from the customer relationship management practices employed successfully in tangible environments. **Another alternative is to invest little on the WWW and use this medium as one of the information and communication tools of the company only**. If the offering does not carry a high potential to be marketed in an intangible environment, firms should not insist on trying to convince consumers to

finalize the purchasing process at the Web site. In that case, little money spent means more money saved for the firm.

Coming to the final stage of the buying process, we can see that consumers attribute little suitability to the online market for conducting after-purchase activities. This is an issue marketers can and should work on. **Various alternative post-purchase opportunities exist both for firms and consumers on the Internet**. The options of returning or changing merchandise, benefiting from warranties, asking for technical assistance or repair services, communicating opinions or complaints are all activities that are very easily applicable on the online world although it seems that consumers do not make extensive use of them. Online marketers should be cautious to emphasize such benefits as these may signal that such firms are there after the purchase, too, which is a fact that most consumers seem to ignore. Stressing how they can serve the customer after a purchase may be more motivating than providing various purchase options directly to consumers.

In short, the electronic market is yet a popular environment for window-shopping but consumers are still reluctant to spend money in this big shopping mall. Firms should do their best to build strong brand images, design attractive Web stores that consumers would like to visit from time to time and provide as many services as they possibly can to ensure potential buyers about the on-going and reliable nature of the relationship that they are offering.

7.1.7 The Importance of Integrated Marketing Communications

One of the important findings we obtained from our study was the fact that the Internet was not used as the sole information source for online purchases. Consumers stated that they used information provided by friends, newspapers, magazines or

catalogs quite frequently and TV or radio ads infrequently for the purchases that they make from the Internet market. This signals the importance of integrating the different marketing communication tools used by firms. Consistent messages should be provided through different media and each environment should be used for different purposes to reach the same goal. While a TV ad may be utilized to arouse emotional motives, the Web site of the same company may be utilized as an information bank. In short, **it is essential that companies do not view their Web existence as an independent market activity that should be managed separately**. It should be understood as one of the channels through which different forms of the same message is communicated to consumers. Many companies have become aware of this synergy and have found out ways to use different media to build awareness about their online existence. Recent bank commercials aiming to impose the Web addresses of these institutions into consumers' minds are obvious examples of this integrative attempt.

Before concluding this section, it is important to note that the Web can be used for public relations purposes as well as direct advertising. Companies have the chance to provide background information about themselves, brag about their long and notable history, communicate their company philosophy and customer relationships policy, and put up the latest news about themselves on a daily online newsletter. This strengthens the relationship between firms and their customers as they have the chance to get to know each other better. This is also an element of the integrated marketing communications that we have proposed for online firms.

7.1.8 The Future of Online Consumer Marketing

We have been emphasizing that the Internet is a new and promising environment at the verge of massive developments. However, what consumers think about the future of this medium is more important than the expectations developed by researchers or businesses. Therefore, we measured the differences consumers perceive between the current state of this novelty and what consumers expect from it in the coming years.

One of the perceptual gaps we measured was about how much consumers currently use the Internet versus how much they expect to use it in the future. A large number of consumers, corresponding to 85.9% of the sample, strongly believe that they will become more active users of this medium in the future. Only 0.6% expects to use it less while 13.5% believe that their future usage level will not be much different from their current intensity of utilization. This finding is a very prominent depiction of how promising or fertile this new marketing environment really is. Consumer are aware of the wide variety of activities they can engage in on the virtual world and think that they will adopt this shopping method more extensively compared to the low average usage levels they currently display. This demonstrates the importance firms should attach to showing persistence about the payoffs of the time, money, and various other resources they currently invest in this environment. **Impatient businesses, which develop quick disappointments about the Internet market, will regret having spent so little effort to survive**. No company should expect to reap fortunes out of the Internet overnight by building a Web site up there. It takes at least 10 years for companies to begin receiving the interest rates of the investments they are currently making. Consumers have confirmed this by promising

to carry heavier shopping carts on the online market in the future. In addition to believing that they personally will make more extensive use of this medium in the future, consumers have claimed that the market will show a similar development trend in general. In other words, the positive signs they show about the opportunities promised by the Internet market do not pertain to personal expectations only.

Consumers have pointed out another important issue. Most of them believe that their own adoption level lags behind the general diffusion experienced in the marketplace. The majority, consisting of 61.8% of the total sample, believes that others use the online market more frequently compared to themselves while 28.7% think that they have caught up with the society in terms of this development. Only 9.6% claim to be opinion leaders paving the roads for followers running after them. However, consumers believe that this gap will decrease in the future to a certain extent, though not totally. This finding carries another set of implications for firms. **Companies can hit consumers by mentioning the innovative potential they have and triggering them to behave with courage**. For example, a message like "Are you still waiting for long queues to pay bills?" can motivate consumers to make use of online banking services. Marketers should appeal to the potential but reluctant segment by making them feel like "techno wizards who can handle and make ultimate use of this medium". Thereby, consumers may not find it necessary to wait before using the Internet until the majority of the public does. Making them feel like initiators rather than adopters can help increase online customer bases for companies.

7.1.9 Different Consumers Have Different Perceptions about Online Shopping

One set of findings revealed by our study is that consumers with different demographic and psychographic characteristics put different emphasis on the various

advantages and disadvantages of the Internet as a shopping environment. One such finding depicts that older consumers value the cost saving opportunities provided by the Internet more compared to younger ones. This finding implies that firms whose products appeal to the teenager segment cannot attract them too much by stressing the benefits of lower shopping costs. However, young adults or middle-aged consumers, who have to manage their money more carefully and who do not have the luxury to spend every penny on personal pleasures, are more concerned about how much they can save by doing a part of their shopping from the online market. Therefore, **firms that target consumers who are more advanced in the age hierarchy should stress the monetary benefits of online shopping to a greater extent**.

Another important finding falling under this subtitle is that male consumers care more about not being able to exchange ideas with others during online shopping, are more interested in customization opportunities, find the less tiring, information-rich and less costly nature of the online shopping environment more advantageous but are more concerned about the length of the delivery time required to possess a product purchased from the WWW. These are the factors that firms whose target market consists mostly of male consumers should be more cautious about. It is generally stereotyped that females take more pleasure out of sharing their shopping experiences with others but our findings suggest that males feel the absence of this opportunity on the online shopping environment more than females do. When we combine this finding with the importance they give to information, we can conclude that males seek more confirmation before making a purchase, therefore, **providing expert assistance or help lines may be useful for online businesses targeted at males**. The other issues male consumers are interested in are about the more

technical aspects of the online shopping experience that all virtual businesses should pay continuous attention to regardless of their target market: keeping shopping costs as low and delivery time as short as possible and providing the least complicated and most convenient means of shopping on the Internet. One last issue that deserves attention here is that males seem to be more interested in customized products, therefore, **virtual marketers targeting male consumers should provide a high variety of options** among which they can choose. They seem to feel satisfaction out of looking for and finding the best alternative from among a long set of available choices. This may contribute to the ego satisfaction male consumers derive out of successful shopping experiences.

Looking at how consumer groups with different education levels can be compared in terms of the importance they attribute to different aspects of online shopping, one of the issues that attracts attention is that high school graduates, representing the low education category in our sample, find it difficult to locate the desired piece of information on the WWW. Marketers should pay attention to this issue and prepare Web sites that are as low in complexity as possible if they are not specifically targeting university graduates and are not interested in consumers with a lower level of education. If even a high school graduate has difficulty utilizing this medium from time to time, **online marketers should prepare more user friendly designs which seem less intimidating to consumers**. Similarly, the low education group complains about having to shop with a credit card or bank account. This may not necessarily signal privacy concerns for all cases. It may again be related to the complexity such consumers face about completing such transactions on the WWW. This may lower their willingness and courage to engage in an online purchase relationship on an e-store. Therefore, **online firms should comfort their potential**

customers about how easy it is to use and complete purchases on their Web sites in order to avoid the ego loss they will feel out of failing to shop on the cyber market. In short, electronic businesses should always design their Web sites with the thought that their consumers are not as electronic as their business. Changing well-established habits in a revolutionary way requires great sensitivity about every detail that may make the consumer turn away and leave the store with the click of a mouse if that is the easiest thing to do at a Web site.

One finding that is an important issue firms should care about is that consumers with lower financial status or lacking the various financial means required to become online consumers complain about the necessity to own transferable resources in order to make purchases from the Internet. Companies should use their creativity to the maximum possible extent to win those potential customers who want to make purchases but lack the means to do so. They may engage in agreements with financial institutions to issue low-limit credit cards for use on electronic markets. This may be a new segment banks can direct their efforts toward, too. Although it currently seems impossible to accept cash payments on the WWW, firms should try to implement methods that may enable this mechanism without incurring too many risks for them. **The online business that can design the first efficient system of liquid payment is sure to reach immense success on the WWW**.

Finally, needless to say, consumers with highest levels of susceptibility to reference group influence complain most about having to shop alone on the WWW. Firms whose target customers have a high propensity to search for or be influenced from reference groups can use creative methods like bringing together different people who are shopping at the Web site at the same time to exchange ideas with one another, creating online consumer communities where people can exchange ideas,

opinions, complaints, experiences or ask questions to one another or make up un-real but entertaining shopping mates like a site mascot that accompanies the consumer and provides assistance during the shopping experience. **It is the job of online marketers to find other implementable alternatives that will compensate for the loneliness consumers feel during the cyber-shopping experience.**

7.1.10 Which Offerings Should Be Directed at Which Consumers?

An important result of our research is about the differences between various product and service categories in terms of the potential they carry for being marketed online. Taking a step further, we can derive conclusions about which products/services should be targeted at which consumer segments by looking at a second set of results where consumers have been differentiated in terms of certain variables according to the potential they carry for various segments.

We have found out that middle-aged and older consumers are better candidates to purchase automobile insurance and a weekend holiday in a 5-star hotel. This signals the fact that higher age groups have stronger tendencies toward large-scale need-oriented specialty purchases. When this is combined with an above average income level, a very attractive market segment is formulated for firms expecting to sell such offerings on the WWW. Another issue is that these are services for which various customization opportunities exist. An automobile insurance may consist of various coverage options while a weekend holiday may take different forms depending on the type of room desired by the consumer or the extent to which certain facilities will be used. This age group seems to be more interested in such opportunities while avoiding many of the risks of online shopping. In short, **firms selling specialty services open to personalization should target the high-income**

adult segment on the WWW. They can issue quite high prices but the services they sell should be reaped off all possible risks that may come to mind.

Interesting significant differences have been observed between the potential male consumers carry for certain products or services. They are much better candidates than females for purchasing automobile insurance, life insurance, sunglasses, cellular phones, stereo systems online as well as being more prone to using flower sending services online. We can say that male consumers are more generous toward online firms. They have higher tendencies to be directed towards high-price specialty items rather than low-price convenience or shopping goods. **Firms should pay attention to the high profitability promised by male consumers and show greater effort to direct them toward large-scale purchases.**

Another important finding is that consumers with higher levels of education show stronger tendencies toward a large number and variety of products and services compared to less educated people. Our study has shown that consumers with a university or higher degree show greater propensities to send flowers, purchase different types of coffee, cinema tickets, automobile insurance, cellular phones, or CD-ROM encyclopedias, reserve a weekend holiday, register to a fitness center or a university certificate program over the online market compared to less educated consumers. They have the willingness to make utmost use of this medium regardless of product type. Any offering that may possess personal pleasure for them is suitable to be marketed on the cyberspace. This may be the result of the fact that less educated consumers lack the skills to locate the information they need on the WWW and feel reluctant about using credit cards or bank account for payment. As education level increases, consumers may become more competent on the online world making better use of the opportunities it promises. Besides, they may feel more confident

about making virtual purchases with transferable financial resources as they are more used to engaging in complex operations in their every day lives, too. **Firms should understand that highly educated consumers are better candidates as purchasers whatever their product or service may be**. Meanwhile, as stated before, they should try to implement as user-friendly software as possible so that consumers with a lower level of education can feel more comfortable about utilizing this environment, too.

Very similar results have been observed for consumers with higher income levels, more abundant financial resources, higher levels of innovativeness, and opinion leadership. The offering presented does not make much of a difference for innovative consumers with the funds required to make a purchase. Marketers who succeed to attract these consumers to their sites and place themselves in their consideration sets can be accepted to come halfway on the road to success. Online marketers should spend more of their effort to attract such consumers rather than trying to convince them for purchases. This means that **Web-wise marketing efforts are just as important for cyber-stores as site-wise activities**.

7.2 Implications for Off-line Marketers

Until now we have concentrated mostly on the implications our study has produced for online marketers. As this research has focused on consumer attitudes, intentions, and behavior on the online market, it has produced the richest group of implications for online businesses. However, all firms do not have a Web presence and the findings of this study bear some important implications for companies that are currently not a part of the online world, too.

First of all, it is observed that Internet marketing appeals to a specific portion of the total population of consumers. Members of the online community still represent a minority and carry some common characteristics that limit the potential the Internet carries for most businesses. Therefore, the initial consideration a firm should have is how promising the Internet market is for the sector it functions in. Although the general belief and observation is that this environment will become one of the major shopping channels of the future regardless of segment or sector divisions, the current state is not very fruitful for all businesses. For this reason, a company whose target market does not match the characteristics of the online community we have identified at the beginning of this section has the option to refrain from making huge investments trying to appeal to a customer base that has no interest in the company's offering at all. However, **no matter what business a company is in, there is no reason why a minimal budget should not be spent to put up a Web site and build a modest Web presence.** Entering the WWW does not necessarily mean that the firm should spend large amounts of money and resources to build a strong position for itself on the Internet market. A Web site may be used to communicate general information about the company and its offerings or to contact customers only. It is not obligatory to make aggressive sales through this channel. Having a Web address can even be considered as a matter of strengthening the company's image in the marketplace. After all, having an online presence will be as essential as a telephone or fax number in the coming decades. In short, we can suggest any business to purchase a location on the Internet regardless of how promising this channel currently is for the sector it belongs to. However, the amount of effort spent on and resources tied to this activity can be regulated depending on our findings that

reflect important details about what sells and what does not sell currently on the online arena.

7.2.1 Off-Line Businesses Should Direct Their Attention to Offline Consumers

Firms that are currently not interested in becoming a part of the Web should direct their attention toward consumers who share this intention. Off-line businesses can protect or enlarge their market positions by strengthening their relationships with consumers who carry a very low propensity to go online. For example, companies that target the elderly or the retired segment of the population should not be expected to devote all that they have to becoming a successful e-business. Similarly, the Internet can never replace the shopping experience a mother and a child engage in as a recreational activity. No little kid can be expected to take the same pleasure from an online mall compared to the fun he/she has at a big shopping center. Still another segment that carries a very low potential for the Internet market is the uneducated segment of the society. They lack the means and the skills required to shop online. Therefore, businesses with a customer base that has a low education status may prefer to stay away from electronic environments. Finally, companies appealing to the low-income segment of the population may reserve the right to stay as an offline business, too.

7.2.2 Offline Businesses Should Make Ultimate Use of the Disadvantages of Shopping Online

Offline businesses may offer alternative opportunities to consumers. First of all, they can stress the hedonistic value of shopping as a social and entertaining activity. Store atmosphere may be developed such that consumers take maximum satisfaction

out of visiting real retail stores rather than observing this form of shopping as a tiring and time-consuming activity. **They should try to increase the amount of time consumers spend in their stores while trying to maximize the pleasure they take out of this visit.**

They can emphasize the security and convenience of shopping in a tangible environment, too. Various payment options may be provided to consumers who will naturally be less reluctant to use their credit cards on real shopping environments. Samples, trials and product experimentation opportunities may further emphasize the benefits of being able to feel and touch merchandise before making a purchase. **Competent, patient, and well-educated store personnel should be employed in order to compete with the rich content made available to consumers on the WWW**. Consumers should not be embarrassed about asking questions, demanding assistance or taking up store personnel's time. **In-store technologies may also be installed for this purpose**. Kiosks that provide detailed information about all items available for sale is only one of the many options available to off-line retailers who can catch up with the benefits provided by the Internet with little investment and some creative thinking. **Stores should be open for longer hours and all week long** even if this requires the employment of a larger pool of workers. These firms should not forget that the most strongly favored advantage of the Internet is the opportunity it provides to consumers for reaching any store in the world at any time of the day.

The shopping experience offered by off-line retailers should be surrounded with various benefits that marketers did not care about until a short time ago. Simple benefits or services like building a small parking lot, choosing a convenient store location, providing extra services like childcare, etc. should all be carefully planned such that the shopping experience does not include any disturbing elements for

consumers. Again, **off-line retailers should be reminded that the most conspicuous advantage of the Internet is the "convenience" of shopping online**. For example, a consumer who purchases his family's weekly soft drink stock from the Internet in return for a considerable shipping cost may switch to a retailer who provides free delivery to the customer's home removing the disadvantage of having to carry heavy packages home.

Of course, it is not enough to improve and stress the benefits of the shopping experience only. Firms should pay careful attention toward what they are selling as well as how they are selling it. **Increasing variety and customization opportunities is a very important challenge off-line marketers are faced with**. Retailers should consider carrying a higher number of brands and manufacturing companies who distribute their products through real intermediaries should think about increasing the variety they offer to consumers. Besides, our study has shown that the Internet is perceived as a very suitable environment to locate products that are normally quite difficult to find or those products that consumers would be uncomfortable about buying in real markets. This means that a retailer selling specific hobby items may lose a large portion of its customer base against the convenience provided by online stores. In short, no firm can rest on a readily available market consisting of consumers who do not have a lot of alternative options anymore. **Even the most peculiar demand can be met by several suppliers on the Internet** which signals that offline retailers selling such specific items should revive and engage in extra marketing activities they never bothered about before.

7.2.3 Which Steps of the Purchasing Process Should Offline Retailers Direct More Effort on?

Another issue that carries important implications for off-line businesses is the suitability levels attributed by consumers to different steps of the purchasing process. These results show that **the Internet is still a very infrequently used environment for making purchases.** Rather, it is preferred for the rich amount of information and comparison alternatives it accommodates. Therefore, offline retailers may benefit from the preference consumers have toward finalizing their purchases in real markets.

More important than that, the stage of the purchasing process that consumers have attributed the lowest level of suitability to for the online market is the post-purchase phase. They do not believe that much can be done to compensate an unsatisfactory purchase made from virtual markets. This signals the existence of a great opportunity for off-line businesses. **Any purchase should be equipped with endless post-purchase services** ranging from full refund, or return guarantees to any sort of assistance that may be needed. Besides, all doors should be open to consumers who want to contact key personnel, express positive or negative opinions, make complaints or ask questions. **This is the key to building strong relationships that online consumers do not currently believe in.**

One of our findings summarizes the current comparative state of off-line and online marketers. While 40.8% of all respondents have stated that they do not use the Internet for shopping purposes, 53.5% have declared that they use traditional shopping channels more frequently compared to the Internet. The current state of events may not be too threatening for off-line businesses but in the long run the picture will change to a great extent. Therefore, off-line businesses have two

important tasks to survive. One is to stress the benefits of shopping in the real world to the maximum extent possible to meet the competition posed by online firms. The other and the more important task is to step into the online world and build an initial presence as an investment for the future.

7.3 Implications for Researchers

This study carries abundant implications for researchers. First of all, as we have stated since the very beginning of the study, the scope of the theoretical model that we have created and the part of it that we have empirically tested are not identical. We have had to exclude some parts of the theoretical model as it exceeds the task of a one-shot study to cover all variables proposed there and measure them reliably.

The focus we have defined has led us to concentrate on the consumer module of the theoretical model as well as the online attitudes, intentions and behavior component. However, we have not been able to measure all variables of the consumer module, too. One of the research issues that we have left out of our empirical scope is **whether different buying roles lead consumers to different behavior on the WWW.** Researchers can investigate how and the degree to which a consumer makes use of the Internet during playing different buying roles. Initiators, influencers, deciders, purchasers and users may all benefit from the environment in different ways and to different extents. Similarly, the buying motives surrounding a specific purchase may alter Internet usage levels and attitudes, too. **Researchers should ponder over the difference between the online attitudes, intentions and behavior consumers display in decision situations dominated by rational or emotional motives.** Finally, the specific buying objectives consumers are after may alter their usage level and intensity of the online market. **The difference between**

goal-directed purchase situations and experimental shopping experiences poses an underinvestigated research subject, too.

Another module in our theoretical model was the "context" component where we included purchase-specific situations that may alter the nature of the relationship between consumers and online markets. Although we have included offering type, product type, and service type as part of our tested model, we have excluded many other variables that promise rich and fruitful research opportunities. **One such area is the potential the Internet carries for the introduction and diffusion of novelties.** Our study has opened the road to researchers who may wish to investigate this side of the subject by showing that a majority of the consumers on the online market characterize themselves as innovative personalities open to new ideas and change. We have further found out that consumers attribute the highest level of suitability to unsought goods for being marketed on the Internet which means that novel ideas not encountered commonly in other shopping channels or marketing environments are promising offerings for the virtual world.

We had theorized that offerings at different stages of the product life cycle might carry different potentials for the Internet market, too. A question that an interested researcher may try to find an answer to is **whether products at the introduction, growth, maturity or decline stages of the life cycle carry differences in terms of their suitability for the cyber market and what marketers can do to utilize this new medium for products at different stages of the product/market life cycle**. Furthermore, the possibility of utilizing the Internet for rejuvenation purposes in the evolutionary process of market life cycles could be an interesting research topic, too.

As we have preferred to concentrate on consumer-oriented issues, we have not taken the firm perspective into consideration while constructing our theoretical

model. One issue that deserves special attention from researchers who prefer to conduct firm-based studies is **whether companies that exist in real environments as well as the online world carry a different level of potential compared to those businesses that do not have any presence in the real marketplace**. Relevant to this, the importance of company reputation and brand image can be investigated to find out whether brand loyalties that have already been built in tangible marketplaces can be extended to the cyberspace.

Still another variable that we had included in the context module of our theoretical model is the importance of the **characteristics of a Web site** and the most important points marketers should pay attention to while building a Web presence. Also, the place firms give to Web-based marketing activities in their total portfolio of marketing efforts and how much they plan to invest in the future can be investigated for the purpose of defining the future state of this development.

The implications this study bears for researchers are not limited with the variables that we have excluded from the empirical part of our study. Our own research has been generative in this respect, too. One of the issues that we encountered during our study was the difficulty of categorizing online consumers based on psychographic segmentation variables. It seems that people develop online personalities that do not match their real identities from time to time. Therefore, their shopping habits and attitudes may be much more different from the way they handle the purchasing process in real markets. This implies that new segmentation bases have to be defined to understand and categorize consumers of the online community. **New methods of measurement should be developed by researchers for the purpose of developing a full understanding of the different segments of the online community**. As our research has shown the importance of psychographic

variables as well as demographic ones, we emphasize the importance of this issue extensively.

A very important issue that requires close attention from researchers is **the development of specific and quantifiable measures of "effective marketing on the WWW".** In the real world, companies set specific and measurable goals for themselves such as gaining a certain percentage of market share, a clear sales volume or sales units or financial measures like return on investment or profitability. An important question waiting to be answered by researchers is "How can we define success on the WWW?" Is it the number of visitors to a Web site that counts or the number of purchases made? Is site recognition a measure and how can it be assessed? Are click-through rates better measures or should "return on clicks" be measured instead? The same problem exists for online advertising attempts. Currently, there is no firm who can provide a very correct response to the question of how effective their online advertising attempts are. Therefore, researchers should conduct firm-oriented research in order to find out about how they track their online business and which measures define their current state best.

Statistical measurements are another problem of the online research business. As we have personally encountered during our literature review, various statistical measures collected from different sources say completely different things about the number of online users, the amount of electronic business carried out in terms of volume, the number of Internet connections, etc. Standard measures should be developed and consumers, firms and researchers should all use a consistent set of information about important numbers that define electronic businesses.

A very important issue that deserves special attention from researchers is the necessity of developing forecasts for the future of online marketing. Both our

own research and many others that we have examined during the literature review show that the Internet market is on the verge of a great explosion. The important question here is where the bombs are placed. The current state of events has more or less been identified. The next thing on the minds of interested parties is what the next generation of successful ideas for the online market consists of. Case studies of current success stories may be a useful tool while special attention should be directed toward the sectors that spend the highest monetary and mental investment on this medium.

Of course, the marketing discipline does not consist of the relationship between consumers and firms. There are many other important players in the field of marketing that deserve special attention from researchers. Competition, for example, is a promising field to study. **The new competitive forces of the electronic era, the changing tactics and strategies, the entry and exit barriers into and out of the competitive environment are all important research considerations**. The argument that the Internet opens the road to the creation of a competitive environment, which resembles pure competition to a great extent, has recently raised hot discussions. Interested researchers may measure the potential the Internet carries for constructing a purely competitive environment.

Another set of players in the marketing field who have been influenced extensively from the development of an online business environment is intermediaries. A very hot discussion dominates the literature these days: **Is disintermediation possible**? If so, how will the new supply chain management environment be handled? What are the possible new types of intermediaries that can be expected to merge on the online world? Is it possible that online intermediaries fully perform the utilities provided by classical intermediaries? If so, how and to

what extent? These are all important questions that lie at the heart of recent discussions about this issue. Researchers may help the development of new distribution theories by investigating what kind of a structure is appearing on the WWW. Of course, it should not be forgotten that classical intermediaries will react and threaten manufacturers who want to eliminate them. Measuring their reactions and how manufacturers can manage dual distribution channels is an important research issue, too.

Finally, we would like to point out some methodological issues that are prominently important for researchers who want to work on this field. Conducting research about consumer behavior has always been difficult. Human beings may provide inconsistent responses and this may pose reliability problems in studies. However, this concern has been heightened by the difficulties introduced into the research arena with the development of a market where even consumers themselves cannot predict their next step. At this point, one important issue facing researchers is the choice of tools available for measurement. How reliable are surveys? **Can new and more hi-tech methods measure online consumer behavior more accurately**? This is also a challenging task for researchers to undertake.

In short, numerous opportunities exist for researchers who want to work in this area. The important point is that the correct measurement tools should be defined and reliable empirical studies should be conducted in order to replace those commercial studies with limited scope that are currently dominating the literature.

7.4 Implications for Governments and Legal Authorities

This study has shown that privacy and security concerns are one of the most important issues of the online marketing arena. As it was not intended to be an environment limiting the exchange of information at the outset, the Internet lacks the framework to protect some of the transferred information while processing another portion. However, unethical practices over the cyberspace are proliferating and both governments and legal authorities should team up with technology experts to build a system where transactions are as secure as they are in the real marketing environments. Security violations have gone so far that every step consumers take in the cyberspace are tracked by engines and information collected by different engines are combined at large databases to produce unauthorized profiles of consumers. The contact information a consumer has provided for a book purchase is matched with a mini survey that the same consumer has courteously filled out in a spare time of Web surfing. This combined set is further merged with the most commonly visited sites by this individual and the few sentences typed in a bulletin board for a special interest group ending up with an overall profile which the consumer has never intended to give away to unknown online parties. As a result, this person suddenly finds hundreds of junk mail in his inbox and may even get a $5 gift check from an online retailer he/she has never yet visited.

What measures can be taken? Legal authorities should consult and cooperate with technology wizards and governments should provide incentives for the construction of security systems that protect the unauthorized collection, distribution and dissemination of any sort of information. Firms who are or who want to go online should spend ultimate effort to achieve this goal in order to get rid of a very important impediment standing between themselves and potential consumers.

However, this does not solve the whole problem. There are copyright and trademark issues that disturb firms just as much as consumer privacy concerns. Domain names and Web site addresses are sold without careful consideration to whoever applies for them. There are individuals who invest serious amounts of money to purchase domain names or Web site addresses that carry high potentials of being used by companies in the future. They do and expect to earn high profits by reselling these domain names to those who desperately need them in return for very large amounts of money. This is another issue for which serious legal regulations should be carefully developed.

In addition to all of this, "who can go online" is a very important question that governments or legal entities should ponder over. Any entrepreneur or business with a minimal investment builds a Web site and begins to collect credit card numbers. Nobody knows what kinds of legal measures can be taken if the business vanishes overnight with the funds transferred by consumers who expect to receive a shipment that will never come. In short, specific and tough criteria should be identified for businesses that want to build a Web presence. Strict conditions should be imposed on all companies, especially those that do not function in the real marketplace. A license should be issued to any party that wants to sell products or services on the virtual world and achieving this license should not be so easy. Misusing it should be the worst risk a business can take.

Finally, careful sanctioning should be applied over the content provided by online businesses. Access to sensitive material should not be free for all consumers. For example, a Web site claiming to sell sexual health products may misuse this opportunity to provide material about child pornography. Similarly, a virtual store claiming to sell items specific to different countries may be propagandizing different

ideologies or political material meanwhile. In short, a system of licensed selling should be developed in order to protect consumers from illegal marketing activities, which may result with unrecoverable situations. Such a system will be just as protective for online businesses that want to pursue legal, authorized and ethical transactions.

7.5 Implications for Consumers

This study itself is about consumers' online attitudes, intentions, and behavior. Therefore, the richest implications it possesses are directed toward marketers, firms, and researchers. However, there are issues from which consumers can benefit, too.

7.5.1 It is Time to Change

First of all, this research shows that there is a change that is only at the beginning of its evolution. The way purchasing decisions and shopping activities will take place are going to change drastically in a few years. Children of today's adult consumer group will demand and conduct totally different means of meeting their demands and engaging in exchange transactions with suppliers. Therefore, the motto that is shouted at the face of marketers and firms every day is just as valid for consumers, too. **Things are changing and it is time to adapt** before becoming the "outdated" and the "laggard" portion of the consumer world. Consumers should learn to utilize the new means and media available to conduct marketing activities. They can start little with incremental steps in order to overcome the technology phobia if they have any. But if they do not make this revolution today, tomorrow they may be totally helpless.

7.5.2 Different Consumer Segments Can Use the Internet Differently

The demographic and psychographic profile of Internet users is useful knowledge for consumers, too. They can assess how close this picture is to themselves and position themselves on an adoption continuum. The young and educated consumer group with an above average income level should see that the Internet is a promising market for this segment and they can make great use of it as marketers will direct their attention toward this portion of the total population of potential customers. The range of offerings currently available appeal mostly to this group. On the other hand, others who may not be as interested in CDs, DVDs, and music or computer software may utilize the Internet environment for convenience purposes. They can save their time and energy by doing their supermarket shopping or banking applications on the WWW. Plus, the Internet is not a market for shopping only. Although our focus is in this direction, consumers from various segments should see that the Internet can be and is used for communication, entertainment and research, too. Considering that these are less risky compared to online shopping, they can take their first baby step by engaging in these sorts of activities. By increasing their cyber-literacy in this manner and becoming a part of the e-culture, they can make a swifter shift to becoming e-shoppers in the future.

7.5.3 Everybody Cares About Security

The main concerns and advantages stated by actual and potential online shoppers interest consumers, too. While many individuals are satisfied with the convenience advantages provided by the Internet, there are many complaints common to the online community, too. The most important issue is security. Consumers should understand that the WWW is not a heaven consisting of a compilation of the most

honest businesses and entrepreneurs of the world. They should be alert about the security systems utilized by the Web sites they are interacting with and become fully confirmed about the protection of their private personal information before giving away important details. The pressure consumers will direct toward e-marketers will be the pushing force behind the creation and implementation of Web-wide security systems and enforceable laws and regulations.

7.5.4 Demand After-Sale Service and Speak Up

Consumers should focus on merchandise that has the lowest opportunity to disappoint them because careful shopping gains double importance in an environment where experimental shopping is not possible. They should be as demanding as possible about all sorts of after-sales services because e-marketers should be pressured to employ these activities in order to compensate for the non-experimental nature of online shopping. They should make ultimate use of customer service opportunities. Plus, the Internet can be a very convenient medium to communicate opinions and complaints. In everyday life, taking any sort of public or private action in the case of being dissatisfied from a purchase may be a burden for consumers. With the WWW, the chance is only one click away. There are numerous complaint sites where dissatisfactory shopping experiences can be made public. Online communities may help to spread good or bad word of mouth. This increases the chance of being better served by both offline and online marketers because the platform can be used to exchange any sort of information about both types of marketers.

7.5.5 The Era of the "Informed" Consumer

Another advantage consumers should make use of is the informational capacity of the Internet. The more informed consumer decisions are, the better marketers are driven to be. Being able to make numerous comparisons before purchasing a product or a service may be a balancing force for exaggerated prices issues by certain retailers. With intensifying competition, consumers will have the chance to make use of lower prices in the near future.

They can use the advantages of the WWW as challenging forces against the off-line marketplace, too. If consumers communicate the fact that a whole new world of opportunities have arrived as competitors to the classical world of retailing, the importance real world marketers will give to their own special advantages will be intensified again resulting in higher customer satisfaction.

7.5.6 Atomic Markets for Consumers

Consumers have the chance to ask for as many customized features or services as they can on the online market. They can make use of this opportunity to personalize their shopping and consumption experiences to the maximum extent possible. Details they always longed for but never had the courage to ask for await them now. Besides, they can find out about offerings that they never even heard the existence of. Thereby, they may increase the quality of their lives extensively.

7.5.7 Free-of-Charge

Another issue consumers should ponder over is that the Internet is not an environment where every step a consumer takes costs a dollar. They should make ultimate use of charge-less services provided on the WWW. Our study has shown

that the online community has a tendency to benefit from "nonpay" services rather than charged ones. Consumers can ask for guidance about their health problems, may visit online libraries or museums, may make use of free education opportunities or may ask for online agents to do all the comparative shopping they would normally spend so much time or money for. This will contribute positively to their lives and decrease the costs of living in the real world, too, because of competitive effects. They should not forget that shopping does not only cost money when it comes to making the purchase and paying for a product or service. The learning and data-building, comparing, choosing, buying, and consuming stages all incur different costs. Consumers may make use of the cyber-market to deprive themselves from as many of those shopping costs as possible.

In short, the Internet accommodates endless opportunities for consumers, too. As they learn more about how to make the most out of this environment, both e-marketers and real retailers will have to change many of the current practices and strategies they are employing. Having to deal with a more informed and demanding consumer community, the quality of all markets will compulsorily increase, developing the quality of consumers' lives in return.

7.6 Implications for ISPs (Internet Service Providers)

One final party we will handle in terms of the implications our study possesses for them is the ISPs. As we have stated in the section about sample population, currently, the number of users of the Internet are approximately 3-4 million. Although it is difficult to estimate how many users make use of a connection, ISPs should direct their attention toward the booming number of subscriptions they have been enjoying for the last two years.

Turkey is a crowded country with a young population. The number of professionally working people is quite high, too. Moreover, urban life is very popular and the shift from the rural areas to big cities is continuing at a very high pace. All of these pose a very serious opportunity for all technology-based sectors and, thereby, ISPs. An overview of the immense jump experienced in the consumption of telecommunication services, mostly in the form of cellular mobile communication, shows that there is a very high-potential market waiting to adopt such technological advancements extensively. Looking at this picture, the number of subscribers can be expected to climb further. Therefore, ISPs should invest heavily in developing a strong infrastructure that can capture a high number of users and provide the most efficient service for them.

These businesses should pay attention to a few marketing issues meanwhile. First of all, both building and losing brand loyalty is very easy in this sector. Price is a very important purchasing criterion. However, service quality determines how loyal consumers will be to the ISP in the long run. Therefore, they should try to lower their prices as much as possible while increasing their service quality. They should engage in Web-wise marketing activities rather than staying behind the screen as a communication line. Building portals, creating communities out of connected segments, and engaging in all sorts of relationship marketing activities may contribute as additional benefits supporting the quality of the service they provide.

They should never forget that they have a very powerful marketing tool: an online consumer database. By examining the major characteristics of their customer group, they can affiliate with worldwide online retailing giants like CDNow or Amazon and become a commissioner out of the customers they send to those online

companies. This is the most profitable marketing activity online firms are currently after.

In short, ISPs should work at their full capacity to maximize their service quality, minimize their prices, and polish their service with additional features and benefits in order to build and keep a brand loyal online customer group.

7.7 A Concluding Remark

The objective of this study was to identify the profile of the actual and potential online consumer community, to understand how the Internet is perceived as a marketing environment, in what ways and to what extent it is used by consumers and what the current and future state of the online marketplace is.

We obtained many expected and surprising results with rich implications for various parties that have all been handled in the previous section. What is the major implication of the study for ourselves then?

Forecasts, statistics, expectations, gut feelings.... All show that the Internet is an undeniable development that has diffused into the marketing world and changed its nature and structure in an irreversible manner. Manufacturers had never come so "face-to-face" with consumers, intermediaries had never been this confused and uncomfortable, and consumers had never been bombarded with so much information and alternatives. If so, does this mean that classical marketing practices have come to a dead-end? Absolutely, not. The clearest result we have deducted out of our study is that:

The Internet is not going to be a revolution that substitutes all other forms of in-store marketing totally. The online market has its own advantages and

disadvantages that promise many opportunities for certain business sectors and consumer segments while posing minimal threats for others.

In short, those who expect a market that constitutes only 1-2% of the whole volume of retailing to replace supermarkets, specialty stores, shopping centers, convenience stores, discount markets, catalogs, and salespeople knocking doors totally are only dreaming. The Internet is a very powerful revolution but its effect is more complementary than substitutional. Neither firms nor consumers can compromise the value of real interactions against the benefits of higher convenience or more information. Firms can be expected to fully utilize the Internet as a facilitating and supplementing tool to improve the quality of their relationships with consumers, but they will not totally replace the pleasure of eye contact with mouse clicks. Consumers, too, should not be expected to give up the satisfaction they get out of real-world shopping experiences and flesh and blood interactions with producers or marketers. In other words, it is true that marketer-consumer relationships on the Internet are "live" but they sure are not "alive".

The challenges it has introduced into the marketing arena have been highly influential. Both online and offline marketers have dedicated themselves to perform at their utmost capacity, provide the best offerings at the most advantageous prices, match this couple with numerous additional benefits and services, and perform ultimate customer relationship strategies. They have been driven toward developing innovative means and wider perspectives about market segmentation and targeting practices. With the availability of an immense amount of consumer data, firms can now construct and choose their own segmentation bases and employ the Internet as an effective tool to engage in more direct and accurate targeting practices which is

beneficial for both marketers and consumers. In short, this medium has triggered a wind that serves to increase "quality of life" in general.

We have touched upon what this all means to different parties in great detail. Therefore, we will avoid any repetition and finalize our discussion by summarizing that **the consumers of the 21st century, the research-thirsty academics of marketing, the half asleep laid-back firms of the offline environment, the manufacturer who has never had an idea about how a consumer makes his demands and how fragile the relationships built with them are, etc.** have all been acquainted with a novel medium over which individuals, organizations, governments, universities or various other parties may communicate and interact. The creation of a cyber world parallel to reality has opened a fertile ground for development and research for all parties that we have handled within the scope of this study.

The special interest we have directed toward the construction of new or modified theories of marketing and consumer behavior is a crucial and urgent necessity of the marketing literature. We hope to have made a modest contribution and paved the way to new avenues of research for many valuable forthcoming attempts.

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APPENDIX 1 – A Mini-Dictionary of Technical Terms

Artificial Intelligence: cybersystems that learn, analyze, conclude and make utmost use of technology to create virtual reality (Reitman, 1994)

Asynchronous Text: a bulletin board in the form of a newsgroup or listserv that can handle one-to-one and many-to-many communication (Watson et al., 2000)

Client: the machine from which users of the Internet access its facilities; a PC, Apple Mac or Workstation that is joined to a network (Whiteley, 2000)

Electronic Commerce:

*the application of information and communication technologies to any or all of three basic activities related to commercial transactions: production and support, transaction preparation, and transaction completion (Hawkins et al., 1999)

*the carrying out of business activities that lead to an exchange of value across telecommunications networks (Rosen and Howard, 2000)

*the production, distribution, marketing, sale or delivery of goods and services by electronic means (Dufour, 1999)

Electronic Mail: an electronic mailbox where one can send and receive messages, can reduce mailing costs, increase delivering speed, improve customer relations, and do much more. (Mardenfeld, 1996 c.f. Palumbo and Herbig, 1998)

Electronic Market:

*an inter-organizational information system that allows the participating buyers and sellers in some market to exchange information about prices and product offerings (Bakos, 1997 c.f. Choudhury et al., 1998)

*an electronic intermediary over which multiple buyers and sellers do business (Malone et al., 1987)

Extranets: organizational Web sits available on the Internet but with access limited to account holders by a password system (Whiteley, 2000)

File Transfer Protocol (FTP): a system that permits the exchange of files across the Internet

Intranets: A Web site designed for use by the employees of an organization acting as a private Internet (Whiteley, 2000)

ISP: Internet service providers through which members of the public and small organizations gain access to the Internet. The user provides the client computer, uses a modem to connect to the ISP's server which, in turn, provides access to the Web, an e-mail address and very possibly user space for the client to set up their own home page (Whiteley, 2000)

Mailing List: a group of people with common interests such as membership in a credit union, who receive e-mail messages by subscribing to the list (Palumbo and Herbig, 1998)

Search Engine: systems that support finding information on the Web. While simple engines find Web pages, advanced ones locate and categorize information based on defined attributes. (Watson et al., 2000)

Server: A computer system that is linked into the Internet and that can be accessed by the clients. It may be a Web server that takes requests from client browsers, searches the Web, and passes the results back to the browser. It may also be a mail server that acts as a post office for the electronic mail system (Whiteley, 2000)

Sychronous Text: real time interactive sessions conducted on a channel where all participants can send and receive messages simultaneously (Watson et al., 2000)

Telnet: a system that enables an authorized user to connect to and run program on another computer (Watson et al., 2000)

Usenet: a huge conferencing or bulletin board messaging system with over 13,000 different newsgroups today, organized by topic. It is an application on the Internet where individuals post messages for public view and which can be used for various purposes such market research, communicating ideas or promoting a business. (Palumbo and Herbig, 1998)

Virtual Reality: customized physical and psychological experience on demand where experiences can be created and modified and inputs and outcomes selectable by the individual (Reitman, 1994) and where the visitor can look around a location through a full 360 degrees, as well as zooming in and out. (Watson et al., 2000)

WWW (World Wide Web): the multimedia component of the Internet comprising of a collection of millions of interlinked nodes sharing a common format (www.alaskaoutdoors.com/Misc/info.html, 1999) called Web sites facilitated with full-color graphics, sound and video. (Berton et al., 1996 c.f. Hill, 1999)

APPENDIX 2 – Statistics About the Internet and Electronic Commerce

Number of Users

Year	Statistics	Source
1994	13,500,000	The Economist (1995)
1995	*20,000,000*	*The Economist (1995)*
1995	16,500,000	Deighton (1996)
1996	35,000,000	Deighton (1996)
1996	12,500,000	Li and Gery (2000)
1996	12,000 users added every day	Deighton (1996)
1996	10 to 100 million	Gray (1996)
1996	20 to 30 million	Muller (1996)
1997	28,000,000	Li and Gery (2000)
1998	47,000,000	Li and Gery (2000)
1998	30,000,000	Palumbo and Herbig (1998)
1998	50,000,000	Wang et al. (1998)
1998	10% growth every month	Wang et al. (1998)
1999	54,000,000	Li and Gery (2000)
1999	65,000,000	www.alaskaoutdoors.com (1999)
1999	151,000,000	Wortman (1999)
2000	*62,000,000*	*Li and Gery (2000)*
2000	*100,000,000*	*Palumbo and Herbig (1998)*
2000	*1,000,000,000*	*Deighton (1996)*
2001	*230,000,000*	*Wortman (1999)*
2001	*68,000,000*	*Li and Gery (2000)*
2002	*85,000,000*	*Li and Gery (2000)*

Note: Italicized figures are forecasts.

Volume of Electronic Commerce

1993	$100 million	Paul (1996)
1994	$20 million	Quelch and Klein (1996)
1995	$400 million	Quelch and Klein (1996)
1995	$400 million	Palumbo and Herbig (1998)
1995	$350 million	Wadsworth (1997)
1996	$1 billion	Palumbo and Herbig (1998)
1996	$500 million	Alba et al. (1997)
1996	$500 million	Rao et al. (1998)
1997	$2.7 billion	Rosen and Howard (2000)
1997	$4 billion	Achenbaum (1999)
1998	*$24 billion*	*Sindhav (1998)*
1998	$8.5 billion	Achenbaum (1999)
1998	$8.6 billion	Rosen and Howard (2000)
1998	$2.35 billion	Wortman (1999)
1998	$4.5 billion (consumers)	McCune (1999)
1998	$15.9 billion (businesses)	McCune (1999)
1999	*$7 billion*	*Wortman (1999)*
1999	$33 billion in 1999	Li and Gery (2000)
1999	$12.1 billion	Rosen and Howard (2000)
2000	*$45.8 billion*	*Hoffman and Novak (2000)*
2000	*$61 billion*	*Li and Gery (2000)*
2000	*$7 billion*	*Rao et al. (1998)*
2000	*$45.8 billion*	*Deighton (1996)*
2000	$21.1 billion	Rosen and Howard (2000)
2001	*$29.4 billion*	*Rosen and Howard (2000)*
2002	*$27.5 billion*	*Rosen and Howard (2000)*
2002	*$45 billion*	*Achenbaum (1999)*
2003	*$108 billion*	*Rosen and Howard (2000)*
2003	*$35.5 billion*	*McCune (1999)*

Number of Web Sites

1995	3,000,000	The Economist (1995)
1996	2,000,000	Deighton (1996)
1997	20,000,000	www.alaskaoutdoors.com (1999)
2000	1,600,000 (commercial)	Hoffman and Novak (2000)

Advertising Spending

1998	$1.9 billion	DSN Retailing Today (2000)
1999	$4.6 billion	DSN Retailing Today (2000)
2000	*$5 billion*	*Deighton (1996)*
2004	*$24.4 billion*	*DSN Retailing Today (2000)*

Country-Specific Figures

North America	1996	22 million users	Deighton (1996)
US and Canada	1996	24 million users	Cooper et al. (1996)
North America	1996	At least 10 million users	Hoffman and Novak (1996)
North America	1996	9.47 computers connected	Hoffman and Novak (1996)
US	1998	31/1,000 PCs connected	Palumbo and Herbig (1998)
France	1998	4/1,000 PCs connected	Palumbo and Herbig (1998)
Germany	1998	8/1,000 PCs connected	Palumbo and Herbig (1998)
Britain	1998	12/1,000 PCs connected	Palumbo and Herbig (1998)
Russia	1995	500,000 computers sold	Palumbo and Herbig (1998)
China	1996	1.7 million PCs sold	Palumbo and Herbig (1998)

APPENDIX 3 – The Questionnaire (in Turkish)
(396-406)

Bu anket çalışması Boğaziçi Üniversitesi İşletme Bölümü doktora öğrencisi Hande Kımıloğlu'nun tez çalışması kapsamında gerçekleştirilmektedir. Sonuçlar genel olarak değerlendirileceğinden anketi cevaplayanlardan herhangi bir kimlik bilgisi istenmemektedir. Ancak çalışmanın verimliliği için tüm soruları eksiksiz yanıtlamanız çok önemlidir.

Katılımınız ve katkılarınız için teşekkür ederiz.

Prof. Dr. Eser Borak

Hande Kımıloğlu

I. BÖLÜM

1) Yaş grubunuzu belirtiniz:

15 ve altı ___
16-25 ___
26-35 ___
36-45 ___
46-55 ___
56 ve üstü ___

2) Medeni durumunuzu belirtiniz:

Bekar ___
Evli (kaç yıllık) ___ _____
Boşanmış ___
Dul ___

3) Cinsiyetiniz:

Bay ____ Bayan ____

4) Beraber yaşadığınız aile fert sayısı

(siz hariç): _____

5) Çocuğunuz var mı?

Evet ____ Hayır ____

6) Cevabınız "Evet" ise lütfen cinsiyet ve yaşlarını belirtiniz:

_____

7) Eğitim durumunuzu belirtiniz (son mezun olduğunuz okula göre):

Okur yazar ___
İlkokul/ilköğretim okulu ___
Ortaokul ___
Lise ___
Üniversite ___ Bölüm _____
Y.Lisans/Doktora ___ Bilim dalı _____

8) Yaklaşık hane geliri (aylık):

250,000,000 TL.'den az ____
251,000,000 TL. - 500,000,000 TL. ____
501,000,000 TL. - 750,000,000 TL. ____
751,000,000 TL. - 1,000,000,000 TL ____
1,000,000,000 TL. - 1,250,000,000 TL. ____
1,250,000,000 TL. - 1,500,000,000 TL. ____
1,500,000,000 TL.'den fazla ____

9) Mesleğiniz/ Çalıştığınız Yerdeki Görev Pozisyonunuz:

_____

10) Şahsınıza ait veya ek kart şeklinde kullanabildiğiniz bir kredi kartınız var mı?

Evet _____ Kaç tane?_____
Hayır _____

11) Kendinize ait veya kullanma hakkına sahip olduğunuz bir banka hesabı var mı?

Evet ___ Hayır ___

12) Lütfen aşağıdaki yaşam tarzları arasından sizi en iyi tanımlayan yalnız bir seçeneği işaretleyiniz.

A) Hayat dolu, dinamik, heyecanlı, yenilik ve farklılıklardan hoşlanan, riskten korkmayan, maymun iştahlı, para, güç ve prestije önem veren, değişik aktivitelerden hoşlanan

B) Olgun, rahat, istediği birçok şeyi elde etmiş, düzene, bilgiye ve sorumluluklara önem veren, iyi eğitimli, fırsatlara, yeni fikirlere ve değişime açık, ailesi ve kariyerine düşkün

C) İnançlarına düşkün, aile, din, millet gibi kurumlara önem veren, yazılı ve yazısız kurallara uyan, mütevazi, geleneklerine bağlı

D) Başarılı, aktif, sorumluluk sahibi, özsaygısı yüksek, gelişmeye önem veren, imajına ve etrafındakileri etkilemeye özen gösteren, değişik ilgi alanları olan, yeniliklere açık, zevk sahibi

E) Başkalarının düşüncelerine önem veren, pek kendinden emin olamayan, ekonomik ve sosyal kaynakları sınırlı, başarıyı önce parayla ölçen, çabuk sıkılan, hep daha iyiye özenen, stil sahibi

F) Pratik, becerikli, kendine yeten, zamanının çoğunu ailesi ve işiyle geçiren, evcimen, rahatına düşkün, lükse meraklı olmayan, yeni fikirlere hemen atılmayan

G) Başarılı, kariyerine ve işine düşkün, kendi hayatını kontrol eden, riskten pek hoşlanmayan, ailesine önem veren, maddiyata ve prestije değer veren, kendine güvenen, imajına düşkün

H) Sınırlı bir hayatı ve kısıtlı maddi olanakları olan, temel ihtiyaçlara önem veren, mütevazi ve tedbirli, risk alamayan

13) Lütfen aşağıdaki ifadelere ne derece katıldığınızı belirtiniz.

	Kesinlikle Katılıyorum	Katılıyorum	Katılmıyorum	Kesinlikle Katılmıyorum
Bir ev eşyası veya benzeri bir ürün satın alırken en gelişmiş, en ileri teknikle üretilmiş olanını tercih ederim				
Bilgisayar kullanmak artık benim hayatımın bir parçası				
Soğan doğramaktan diş fırçalamaya, yürüyüş yapmaktan su ısıtmaya kadar herşeyin teknolojik alet ve makinelerle yapılmasını gereksiz buluyorum				
Her türlü elektronik sistemi kullanmaktan genel olarak zevk alıyorum				
Bilgisayar kullanmaktan hoşlanmıyorum				
Bilgisayarlarla oldukça ileri düzeyde işlemler yapabiliyorum				
Evde, işte, okulda, vs. ister istemez sürekli teknoloji ile içiçe yaşıyorum				
Teknoloji ile sürekli karşı karşıya kalmamı gerektiren bir yaşam tarzım yok				

14) Lütfen aşağıdaki ifadelere ne derece katıldığınızı belirtiniz.

	Kesinlikle Katılıyorum	Katılıyorum	Katılmıyorum	Kesinlikle Katılmıyorum
Yeni ve değişik şeyleri denemek hoştur				
Teknoloji insanın üretkenliğini ve verimliliğini artırır				
Piyasaya yeni çıkmış bir ürünü satın almak oldukça riskli olabilir				
Yeni markaları genellikle çevremdekilerden önce denemiş olurum				
Risk almaktan hoşlanırım				
Teknoloji insana bir yandan kolaylık sağlarken, diğer yandan hayatını daha da zorlaştırabilir				
Etrafımdakiler yeni modalar, markalar, ürünler, vs. hakkında sık sık bana danışırlar				
Teknoloji insanın kendini devamlı geliştirip yenilemesini sağlar				
Teknoloji insanların ihtiyaçlarını kolay yoldan ve en iyi şekilde karşılar				
Birşeyi yapmanın en iyi yolu, bilinen yoldur				
Teknoloji insanların sosyal bağlarını zayıflatır ve ilişkileri olumsuz yönde etkiler				

15) Lütfen aşağıdaki ifadelerin karşılığında size en uygun olan cevabı seçiniz.

	Her zaman	Çoğu zaman	Bazen	Hiçbir zaman
Satın alma kararlarımda en çok kendi düşünce ve deneyimlerime önem veririm				
Bir mal ya da hizmeti satın alma konusunda kararsızlık çekerken etrafımdaki insanların görüşlerini dikkate alırım				
Önemli veya önemsiz hemen hemen hiçbir satın alma kararını yalnız almayı istemem				
Alışverişe yalnız çıkmaktan zevk almam				
Önemli satın alma kararlarını yalnız almayı sevmem				

II. BÖLÜM

Bu bölümdeki sorular bilgi toplama ve değerlendirme tarzınızı belirlemek amacıyla hazırlanmıştır. Lütfen her soru için "a" ve "b" seçeneklerinden size en yakın olanını seçerek işaretleyiniz.

Uzakdoğu ülkelerine seyahate gittiğinizi ve bu seyahatle ilgili eve bir mektup yazdığınızı düşünün. Aşağıdakilerden hangisi yazacağınız mektuba benzerdi?

1) a) Kişilerin ve olayların detaylı anlatımı
   b) Onların kültürel özellikleri

2) a) Kültürler arasındaki benzerliklerin belirtilmesi
   b) Onların kültürlerine özgü özellikler

3) a) Deneyimlerinizle ilgili genel izlenimler
   b) Yaşanan her olayla ilgili ayrı ayrı izlenimler

TÜBİTAK için çalışan ve görevi Satürn'ün uyduları hakkında bilgi toplamak olan bir bilim adamı olduğunuzu varsayın. Aşağıdakilerin hangisini incelemek sizin için daha ilginç olurdu?

4) a) Uyduların birbirine benzerlikleri
   b) Uyduların birbirlerinden farklılıkları

5) a) Uyduların bir sistem olarak incelenmesi
   b) Her uydunun kendi özelliği

6) a) Satürn ve uydularının, Dünya ve aydan nasıl farklı olduğu
   b) Satürn ve uydularının, Dünya ve aya nasıl benzediği

Yemek pişirecek olsaydınız:

7) a) Yemek tarifleri kullanırdım
   b) Yemek tarifleri kullanmadan pişirirdim

Lig şampiyonunu nasıl tahmin edersiniz?

8) a) Takımların oyuncularını ve çalışmalarını sistematik olarak inceledikten sonra
   b) His ve önsezilerime göre

Hangi tür oyunları tercih edersiniz?

9) a) Şans oyunları (tombala, spor toto, vb.)
   b) Satranç, dama, kelime oyunları

Yönetici olduğunuzu ve bir yardımcı alacağınızı varsayın. Bunun için aşağıdakilerden hangisini daha yüksek olasılıkla yapardınız?

10) a) Her adaya önceden belirlenmiş soruları sorardım.
b) Her aday için kişisel önsezi ve içgüdülerime ağırlık vererek yorum yapardım.

11) a) Kendim ve adayın kişilik uyumunu ön plana alırdım.
b) Adayın özellikleri ile iş gereksinimlerinin uyumuna bakardım.

12) a) Her adayın özgeçmişi ve onunla ilgili verilere bakardım.
b) Seçim yaparken his ve izlenimlerime dayanırdım.

Lütfen aşağıdaki her madde için "a" veya "b" seçeneklerinden size en yakın olanını işaretleyiniz.

13) a) İnsanlar doğru zamanda doğru yerde oldukları için başarılı olurlar.
b) Başarı çoğunlukla çok çalışmaya ve kabiliyete bağlıdır.

14) a) İyi çocuklar iyi ebeveynlerin ürünleridir.
b) Anne babaları nasıl davranırsa davransın, bazı çocuklar hayal kırıklığı yaratırlar.

15) a) Gelecekteki başarı düzeyim çoğunlukla kontrol edemeyeceğim şartlara bağlıdır.
b) Ben kaderime hükmederim.

16) a) Yeterince çalışan her öğrenci iyi notlar alabilir.
b) Bazı insanlar ne kadar uğraşırlarsa uğraşsınlar okul hayatında başarılı olamazlar.

17) a) Çiftler ilişkileri için çaba sarfederlerse ortaya iyi evlilikler çıkar.
b) Bazı evlilikler sadece çiftlerin uyumsuzluğundan dolayı başarısız olur.

18) a) Bazı insanlarda şeytan tüyü vardır.
b) İnsanlar davranışlarıyla kendilerini sevdirirler.

19) Lütfen aşağıdaki ifadelere ne derece katıldığınızı belirtiniz.

	Kesinlikle Katılıyorum	Katılıyorum	Katılmıyorum	Kesinlikle Katılmıyorum
Şansımı denemeyi severim				
Birçok konuda modayı takip etmeye çalışırım				
Teknoloji yarattığı imkanlarla insanları, ülkeleri, hatta kültürleri birbirine yakınlaştırır ve bağlar				
Teknoloji insanları makinalara mahkum hale getirir				
Bir yeniliği denemeden önce onu başkalarının denemesini beklerim				

III.BÖLÜM

1) Internet'i ne kadar zamandır kullanıyorsunuz?

___1 yıldan az
___1 –3 yıl
___3 yıldan fazla

2) Lütfen Internet'te aşağıdaki işlemlerden hangisini(lerini) yaptığınızı sıklık derecesi ile beraber belirtiniz:

	Çok sık	Oldukça sık	Nadiren	Hiçbir zaman
e-mail ile haberleşme				
Chat (sohbet)				
Surf (Internet'te gezinme)				
Haber grupları veya özel listelerle iletişim				
Alışveriş				
Oyun				
Gazete tarama				
Web sayfası hazırlama				
Araştırma yapma				
Diğer (lütfen belirtiniz):				

3) Lütfen aşağıdaki her mal ya da hizmeti Internet yoluyla satın alma olasılığınızı belirtiniz.

	Çok yüksek	Oldukça yüksek	Oldukça düşük	Çok düşük
Çiçek yollamak				
Değişik cins kahveler				
Sinema bileti				
Güneş gözlüğü				
Otomobilinize kasko sigortası				
Seyahat çantası				
Bir bankanın kredi kartı				
Yüksek teknoloji ürünü bir müzik seti				
Duş jeli				
Cep telefonu				
Beş CD-Rom'dan oluşan görsel ansiklopedi				
Beş değişik koku içeren spreyli oda kokusu				
Beş yıldızlı bir otelde hafta sonu tatili				
Üç haftalık hızlandırılmış bir haftasonu bilgisayar kursu				
Bir spor klübüne yıllık üyelik				
Bir üniversitenin paralı sertifika programına yıllık kayıt				

) Aşağıda www.kangurum.com'un ana sayfasından alınmış bazı alışveriş sitelerinin imleri bulunmaktadır. Burada görülen mal ya da hizmetler hakkında bilgi edinmek, raştırma yapmak ya da satın almak amacıyla bu sitelerden hangilerine girmeyi üşünebileceğinizi üzerlerini işaretleyerek belirtiniz.

KANGURUM

Tüm Mağazalar	Kategori Bazında Mağazalar	
Migros Sanal Market...	Divan Pastaneleri Pastalar, Turtalar...	Lcw & Lc Waikiki Hazır Giyim
Cat Hediyelik Ürünleri Hediyelik Ürünler...	Fenerium Taraftar Ürünleri...	M Elektronik Elektronik Ev Aletleri
Megavizyon CD, Kaset,...	The Magic Touch Hayatınız Renklensin	Tiglon Dvd Club DVD, VCD,...
Yeni Çizgi Kitabevi	Arçelik Beyaz Eşya...,	Goldaş Mücevherat
King Games Pc, Playstation Oyunları	Ram Mall Mutfak, Hediyelik Eşya	Altın&Sauder Mobilya, Yatak...
Galatasaray Megastore	Autorama Otomotiv Ürünleri...	Burcu Çiçekçilik Çiçek...
Eskidji Online Müzayede	Gemson Kuru Temizleme	Dimage Fotoğraf, Baskı,..
Setur Seyahat, Tur,...	Arena Open Bilgisayar Ürünleri...,	Dünya Gençlik Hediyelik Eşya,
Oyuncakçı Oyuncak,...	Braun Kişisel Bakım,...	Tepe Mobilya Mobilya,....
Hewlett Packard Donanım...	Gorbon Seramik...	Casio Elektronik...
Karel İletişim Ürünleri,	Altınbaş Altın, Pırlanta...	Mr.Bricolage Yapı Market...
Karamık Beyin Avcısı...	Havana Corner Purolar, Pipolar...	Jumbo Mutfak Ürünleri...
Kampanya Cep Telefonları...	Pami Sahaf Kitaplar, Fotoğraflar	Yazılım Market Yazılım, Donanım...
Varan Bilet Satış	Kütahya Porselen Porselen	Tempurpedic NASA onaylı ürünler
Multicanal Cine5...	Yalçınlar Fotoğraf Ürünleri...	Güral Porselen Porselen
Eray Reklam Kupalar, Plaketler...	Medishop Sağlık Ürünleri...	Gümüşsuyu Halı
Biletix Online Bilet Gişeniz	İnternet Bazaar Amerika'dan alışveriş	Tunalı Dersanesi Sanal Dersane
Timeart Quantum ve Belmond Saatleri	Manhattan Gourmet Kahveler, çaylar	Makro Bilgi İşlem Bilgisayar Ürünleri...
Romarket Bilgisayar Ürünleri...	Ekol Güvenlik Güvenlik ürünleri...	Nasa Deri Deri Giyim...
Kozan Shop Polo saatleri...	Collection Mücevherde Dünya Markaları	Şişli Optik Optik Ürünleri

5) Şu anda Internet'i bir alışveriş ortamı olarak ne sıklıkta kullanıyorsunuz?
a) çok sık **b)** oldukça sık **c)** bazen **d)** nadiren **e)** hiçbir zaman

6) İleride Internet'i bir alışveriş ortamı olarak ne sıklıkta kullanacağınızı düşünüyorsunuz?
a) çok sık **b)** oldukça sık **c)** bazen **d)** nadiren **e)** hiçbir zaman

7) Lütfen aşağıdaki ifadelere ne derece katıldığınızı belirten seçeneğin rakamsal karşılığını ifadelerin sonunda boşluklara yazınız:

Kesinlikle katılıyorum **4**
Katılıyorum **3**
Katılmıyorum **2**
Kesinlikle katılmıyorum **1**

a) Internet'te herhangi bir mal veya hizmetle ilgili başka hiçbir kaynaktan elde edemeyeceğim kadar çok bilgi var.___

b) Internet'ten herhangi bir mal veya hizmet ile ilgili istenen bilgiye ulaşmak çok zor.___

c) Internet'ten günün 24 saati dünyanın istediğim mağazasına ulaşabilmek çok büyük bir avantaj.___

d) Internet'ten alışveriş yapmak daha az yorucu.___

e) Internet alışverişin parasal maliyetlerini büyük ölçüde ortadan kaldırıyor (park yeri ücreti, benzin veya ulaşım parası, vs.)___

f) Internet'te sonsuz marka ve ürün çeşidi var.___

g) Internet'teki çeşit sayısı seçim yapmayı zorlaştıracak kadar fazla.___

h) Internet yoluyla satın alınan mal ya da hizmetlerin kişiye ulaşması uzun sürüyor. ___

i) Internet'te sadece kredi kartı veya banka hesabı olanların alışveriş yapabilmesi büyük bir eksiklik.___

j) Internet'ten alışveriş yaparken kredi kartı numaramı veya kendimle ilgili bazı önemli bilgileri vermek bana rahatsız edici geliyor.___

k) Internet yoluyla yapacağım alışverişten memnun olmama durumunda ne yapacağım beni endişelendirir.___

l) Internet'te alışveriş yaparken ürünlere dokunamamak, hissedememek büyük eksiklik.___

m) Bence Internet'ten alışveriş yapmak çok sıkıcı.___

n) Internet'te alışveriş yaparken görüş alışverişi yapabileceğin kimsenin olmaması çok kötü.___

o) Internet tüketicinin isteklerine göre hazırlanan özel ürünler sağlayabildiği için çok renkli bir pazar.___

p) İnsanın gerçek mağazalardan satın almaktan çekinebileceği ürünleri Internet yoluyla rahatlıkla satın alabilmesi çok avantajlı.___

s) Bulunması zor olan ürünlere Internet'te kolaylıkla ulaşabilmek çok avantajlı. (koleksiyon ürünleri, hobi ürünleri, vs.)___

8) Lütfen aşağıdaki ürünleri Internet'ten satınalma olasılığına göre 1'den 6'ya kadar sıralayınız. Her şık için yalnız bir sayı kullanınız.

(1 - alma olasılığınızın en yüksek olduğu ürün
6 - alma olasılığınızın en düşük olduğu ürün)

- Parfüm/traş losyonu ___
- Güneş gözlüğü ___
- DVD ___
- Kitap ___
- Kozmetik ürünü (sabun, şampuan, makyaj malzemesi...) ___
- Blue-jean ___

9) Aşağıdaki hizmetleri Internet üzerinden edinme veya kullanma konusundaki fikirlerinize uygun seçenekleri işaretleyiniz.

	Kesinlikle Katılıyorum	Kısmen Katılıyorum	Kısmen Katılmıyorum	Kesinlikle Katılmıyorum
Bir sağlık sorunum olduğunda gerekli bilgiyi edinmek üzere Internet'i kullanabilirim				
Internet'le verilen paralı bir eğitim hizmetinden faydalanabilirim				
Internet üzerinden hayat sigortası satın alabilirim.				
Internet sayesinde dünyanın ünlü müzelerini gezebilirim				

10) Sizce Internet aşağıda belirtilen amaçlar doğrultusunda ne derece kullanılabilir? Lütfen uygun bulduğunuz seçeneğin rakamsal karşılığını ifadelerin karşısındaki boşluklara yazınız.

Çok sık = 5 Oldukça sık = 4 Bazen = 3 Nadiren = 2 Hiçbir zaman =1

a) Mal ve hizmetlerin varlığından haberdar olmak, ihtiyaç belirlemek için___

b) Mal ve hizmetler hakkında bilgi toplamak için___

c) Değişik mal ve hizmet seçeneklerini değerlendirmek ve karşılaştırmak için___

d) Herhangi bir mal ya da hizmeti satın almak için___

e) Satın alınan bir mal ya da hizmetle ilgili satış sonrası işlemler için (iade, değiştirme, şikayet veya görüş bildirme, bilgi veya yardım talep etme, vs.)___

11) Sadece Internet yoluyla satın aldığınız bir mal/hizmet var mı? Lütfen belirtiniz. (Aklınıza birden fazla cevap geliyorsa, lütfen yazınız.)

a) Yalnız bir kez aldığınız mal/hizmet(ler): _____

b) Birkaç kez aldığınız mal/hizmet(ler): _____

12) Arasıra Internet yoluyla satın aldığınız bir mal/hizmet var mı? Lütfen belirtiniz. (Aklınıza birden fazla cevap geliyorsa, lütfen yazınız.)

_____

13) Internet yoluyla satın aldığınız bir tek ürünü ele alarak, bu ürünle ilgili satınalma kararınızı verirken genel olarak aşağıdaki kaynaklardan faydalanma derecenizi lütfen belirtiniz.
Seçtiğiniz mal/hizmet: _____

	Çok yüksek	Oldukça yüksek	Oldukça düşük	Çok düşük
Arkadaşlar				
Kataloglar				
TV				
Internet				
Gazete ve dergiler				
Radyo				

14) Internet'i diğer alışveriş yöntemlerine kıyasla ne derece tercih ediyorsunuz?

a) Diğer alışveriş yöntemlerini Internet'e kıyasla çok daha sık kullanıyorum.

b) Internet'i ve diğer alışveriş yöntemlerini eşit derecede kullanıyorum.

c) Internet'i diğer alışveriş yöntemlerine göre daha sık kullanıyorum.

d) Internet'i alışveriş için kullanmıyorum.

15) Sizce Internet bir alışveriş ortamı olarak:
a) Genellikle ne sıklıkta kullanılıyor?
çok sık___ oldukça sık___ bazen___ nadiren___ hiçbir zaman___

b) İleride ne sıklıkta kullanılacak?
çok sık___ oldukça sık___ bazen___ nadiren___ hiçbir zaman___

16) Internet'in bir alışveriş ortamı olarak kullanılmasını ne derece uygun buluyorsunuz?
a)çok uygun **b)**oldukça uygun **c)**hem uygun hem değil **d)**pek uygun değil **e)**hiç uygun değil

Teşekkür ederiz.

APPENDIX 4 – The Questionnaire (in English)
(407-417)

This survey is conducted within the scope of the doctoral dissertation study of Hande Kımıloğlu from the Management Department of Boğaziçi University. As the data will be used for general analytical purposes, no personal information is required from the participants. However, in order to ensure the efficiency of the study, it is crucial that you answer all of the questions.

Thank you very much for your contribution and cooperation.

Prof. Eser Borak

Hande Kımıloğlu

PART I

1) Please indicate your age group:

15 or younger ___
16-25 ___
26-35 ___
36-45 ___
46-55 ___
56 or older ___

2) Please indicate your marital status:

Single ___
Married (how many years) ___ _____
Divorced ___
Widowed ___

3) Your gender:

Male ____ Female ____

4) Number of family members in household (excluding you): _____

5) Do you have children?

Yes ____ No ____

6) If "Yes" please state their ages and sexes:

_____

7) Please indicate your educational status (with respect to the latest degree achieved):

Literate ___
Primary/Elementary school ___
Secondary school ___
High school ___
College/university ___ Department _____
Post-graduate degree ___ Department _____

8) Average household income level (monthly):

250,000,000 TL. or less ____
251,000,000 TL. - 500,000,000 TL. ____
501,000,000 TL. - 750,000,000 TL. ____
751,000,000 TL. - 1,000,000,000 TL ____
1,000,000,000 TL. - 1,250,000,000 TL. ____
1,250,000,000 TL. - 1,500,000,000 TL. ____
1,500,000,000 TL. or more ____

9) Your profession/ current working position:

_____

10) Do you have a personal or multi-user credit card?

Yes _____ How many?_____
No _____

11) Do you have a personal or multi-user bank account?

Yes ___ No___

12) From the set of alternatives provided below, please select only one profile that best describes your life style.

A) Lively, dynamic, enthusiastic, and impulsive people seeking novelties and variety, having various interests, valuing money, power, and prestige, not reluctant to take risks

B) Mature, comfortable, satisfied, well-educated people valuing order, knowledge and responsibility, open to opportunities, new ideas and change, caring for their careers and families

C) Conservative people with beliefs and attachments to traditional institutions such as their families, religious orientations, and nation, following both written and moral rules

D) Successful, active, innovative, take-charge people with self-esteem, attributing high importance to personal development, image and influencing others, having a wide variety of interests and a taste for the finer things in life

E) People who value others' thoughts to a great extent, quite unsure of themselves, having limited economic and social resources, measuring success with money, easily bored, emulating better possessions, seeking to be stylish

F) Practical, domestic and constructive people who value self sufficiency and live in the traditional context of their families and jobs, caring for comfort, unimpressed by luxuries, suspicious of new ideas

G) Successful, self-confident, career and work-oriented people who dislike risk and want to feel in control of their lives, deeply committed to their families, valuing image, material rewards and prestige

H) Cautious and modest people with a constricted and conservative life in lack of financial resources and in the need of meeting their urgent needs, unwilling to take risks

13) Please indicate how much you agree with the statements below.

	Strongly Agree	Agree	Disagree	Strongly Disagree
While purchasing a home appliance or a similar product, I prefer the most hi-tech option produced with the most advanced techniques.				
Using computers is an inseperable part of my life.				
I find it unnecessary to do everything from cutting onions to brushing teeth, from taking a walk to heating water with technological tools, machines, and appliances.				
I take pleasure from using any kind of electronic system in general.				
I don't like using computers.				
I can perform quite advanced operations with computers.				
Living continuously with technology at home, work, school, etc. has become an unalterable fact in my life.				
My life style does not obligate me to be face-to-face with technology all the time.				

14) Please indicate how much you agree with the statements below.

	Strongly Agree	Agree	Disagree	Strongly Disagree
Trying new things is nice.				
Technology increases people's productivity and efficiency.				
It may be quite risky to purchase a product newly introduced into the marketplace.				
I usually try new brands before others do.				
I like taking risks.				
While trying to make certain aspects of life easier, technology may complicate other aspects of it at the same time.				
People usually consult me about the latest trends, newest brands or products, etc.				
Technology triggers continuous personal development and self-renewal.				
Technology meets people's needs in the easiest and best way possible.				
The best way to do something is the known way.				
Technology weakens social ties and affects relationships negatively.				

15) Please select the most suitable alternative for you in response to the statements below.

	Always	Often	Sometimes	Never
I attribute the greatest importance to my own ideas and experiences during purchase decisions.				
When I feel undecisive about the purchase of a product or service, I take the ideas of the people around me into consideration.				
I almost do not take any purchase decision alone regardless of its importance.				
I don't like shopping alone.				
I don't like taking important purchase decisions alone.				

PART II

The questions in this section are prepared for the purpose of determining your information collection and decision making style. Please choose either "a" or "b" for each question after deciding which choice is closest to you.

Suppose you are visiting the Far East and you are writing home to tell about your trip. Which of the following would be most typical of the letter you would write?

1) a) A detailed description of people and events
b) Their cultural characteristics

2) a) A focus on similarities of our culture and theirs
b) A focus on the uniqueness of their culture

3) a) Overall, general impressions of the experience
b) Seperate, unique impressions of parts of the experience

Suppose you are a scientist in NASA whose job it is to gather information about the moons of Saturn. Which of the following would you be more interested in investigating?

4) a) How the moons are similar to one another
b) How the moons differ from one another

5) a) How the whole system of moons operates
b) The characteristics of each moon

6) a) How Saturn and its moons differ from Earth and its moon
b) How Saturn and its moons are similar to Earth and its moon

How are you more likely to cook?

7) a) With a recipe
b) Without a recipe

How would you predict the football league champion next year?

8) a) After systematically researching the teams, players, and their performance
b) On a hunch or by intuition

Which games do you prefer?

9) a) Games of chance (i.e. lottery, Bingo)
b) Chess, checkers, Scrabble etc.

Suppose you are a manager and need to hire an executive assistant. Which of the following would you be most likely to do in the process?

10) a) Interview each applicant using a set outline of questions
b) Concentrate on your personal feelings and instincts about each applicant

11) a) Consider primarily the personality fit between yourself and the candidates
b) Consider the match between the precise job requirements and the candidates' capabilites

12) a) Rely on factual and historical data on each candidate in making a choice.
b) Rely on feelings and impressions in making a choice.

Please select "a" or "b" for each statement provided below.

13) a) People often succeed because they are in the right place at the right time.
b) Success is mostly dependent on hard work and ability.

14) a) Good children are mainly products of good parents.
b) Some children turn out bad no matter how their parents behave.

15) a) My future success depends mainly on circumstances I can't control.
b) I am the master of my fate.

16) a) Anyone can get good grades in school if he or she works hard enough.
b) Some people are never going to excel in school no matter how hard they try.

17) a) Good marriages result when both partners continually work on the relationship.
b) Some marriages are going to fail because the partners are just incompatible.

18) a) The most popular people seem to have a special, inherent charisma that attracts people to them.
b) People become popular because of how they behave.

19) Please indicate how much you agree with the statements below.

	Strongly Agree	Agree	Disagree	Strongly Disagree
I like to take a chance.				
I try to follow the latest fashion about many things.				
Technology lowers the distance between and connects people, countries, even cultures with the advancements that it offers.				
Technology mechanizes human life too much.				
I wait for others to try a novelty before I do.				

PART III

1) Since when have you been using the Internet?

___Less than 1 year
___1 –3 years
___3 years or more

2) Please indicate the frequency with which you conduct the below activities online:

	Very frequently	Quite frequently	Quite infrequently	Never
communicating via e-mail				
chatting				
surfing the Web				
communicating with newslists or special interest groups				
shopping				
playing games				
scanning newspapers				
preparing Web pages				
conducting research				
other (please specify):				

3) Please indicate your probability of purchasing the below products or services through the Internet.

	Very high	Quite high	Quite low	Very low
Sending flowers				
Different types of coffee				
Movie ticket				
Sunglasses				
Automobile insurance				
Travel bag				
Credit card				
A hi-tech stereo system				
Shower gel				
Cellular phone				
CD-Rom encyclopedia				
Spray room fragrance				
A weekend holiday in a five-star hotel				
A three-week intensive computer training program				
Annual membership to a fitness center				
Registration to a university certificate program				

4) The following is the list of links available on the shopping site www.kangurum.com. Which of these links would you be interested in to find out about products or services or to make purchases. Please indicate by marking the links below.

KANGURUM

Tüm Mağazalar	Kategori Bazında Mağazalar	
Migros Sanal Market...	**Divan Pastaneleri** Pastalar, Turtalar...	**Lcw & Lc Waikiki** Hazır Giyim
Cat Hediyelik Ürünleri Hediyelik Ürünler...	**Fenerium** Taraftar Ürünleri...	**M Elektronik** Elektronik Ev Aletleri
Megavizyon CD, Kaset,...	**The Magic Touch** Hayatınız Renklensin	**Tiglon Dvd Club** DVD, VCD,...
Yeni Çizgi Kitabevi	**Arçelik** Beyaz Eşya...,	**Goldaş** Mücevherat
King Games Pc, Playstation Oyunları	**Ram Mall** Mutfak, Hediyelik Eşya	**Altın&Sauder** Mobilya, Yatak...
Galatasaray Megastore	**Autorama** Otomotiv Ürünleri...	**Burcu Çiçekçilik** Çiçek...
Eskidji Online Müzayede	**Gemson** Kuru Temizleme	**Dimage** Fotoğraf, Baskı,..
Setur Seyahat, Tur,...	**Arena Open** Bilgisayar Ürünleri...,	**Dünya Gençlik** Hediyelik Eşya,
Oyuncakçı Oyuncak,...	**Braun** Kişisel Bakım,...	**Tepe Mobilya** Mobilya,....
Hewlett Packard Donanım...	**Gorbon** Seramik...	**Casio** Elektronik...
Karel İletişim Ürünleri,	**Altınbaş** Altın, Pırlanta...	**Mr.Bricolage** Yapı Market...
Karamık Beyin Avcısı...	**Havana Corner** Purolar, Pipolar...	**Jumbo** Mutfak Ürünleri...
Kampanya Cep Telefonları...	**Pami Sahaf** Kitaplar, Fotoğraflar	**Yazılım Market** Yazılım, Donanım...
Varan Bilet Satış	**Kütahya Porselen** Porselen	**Tempurpedic** NASA onaylı ürünler
Multicanal Cine5...	**Yalçınlar** Fotoğraf Ürünleri...	**Güral Porselen** Porselen
Eray Reklam Kupalar, Plaketler...	**Medishop** Sağlık Ürünleri...	**Gümüşsuyu** Halı
Biletix Online Bilet Gişeniz	**İnternet Bazaar** Amerika'dan alışveriş	**Tunalı Dersanesi** Sanal Dersane
Timeart Quantum ve Belmond Saatleri	**Manhattan Gourmet** Kahveler, çaylar	**Makro Bilgi İşlem** Bilgisayar Ürünleri...
Romarket Bilgisayar Ürünleri...	**Ekol Güvenlik** Güvenlik ürünleri...	**Nasa Deri** Deri Giyim...
Kozan Shop Polo saatleri...	**Collection** Mücevherde Dünya Markaları	**Şişli Optik** Optik Ürünleri

5) How frequently do you currently use the Internet as a shopping environment?
a) very frequently **b)** quite frequently **c)** sometimes **d)** rarely **e)** never

6) How frequently do you expect to use the Internet as a shopping environment in the future?
a) very frequently **b)** quite frequently **c)** sometimes **d)** rarely **e)** never

7) Please write the numerical expression that indicates your agreement level on the space provided next to each statement:

Strongly Agree	**4**
Agree	**3**
Disagree	**2**
Strongly Disagree	**1**

a) The Internet contains more information than any other source about products or services.___
b) It is very difficult to locate the desired piece of information about a product or service on the Internet.___
c) It is a great advantage to be able to reach any store in the world at any time of the day on the Internet.___
d) It is less tiring to shop on the Internet.___
e) Internet reduces the monetary costs of shopping to a great extent (parking fees, travel expenses, etc.)___
f) There is an infinite variety of brands and products on the Internet.___
g) The Internet market includes so many choices that making decisions becomes a difficult task.___
h) A long time is required for the delivery of products and services purchased from the Internet. ___
i) The fact that only those with a credit card or bank account can shop on the Internet is a major disadvantage.___
j) Having to give away my credit card number or private personal information during Internet shopping disturbs me.___
k) I would be frustrated about what to do if I am dissatisfied with a purchase made from the Internet.___
l) An important drawback of Internet shopping is not being able to touch or feel products before making a purchase.___
m) I think Internet shopping is very boring.___
n) Having noone to exchange ideas with during shopping on the Internet is a disadvantage.___
o) The Internet is a very colorful market where customized products can be offered according to individual desires and specifications of consumers.___
p) The Internet serves as a suitable marketplace for products that consumers may feel uncomfortable or reluctant about buying in the real environment.___
s) The Internet provides the advantage of finding and purchasing products that are normally not available at very convenient locations in the real marketplace (collection items, hobby products, etc.)___

8) Please rank order the products below from 1 to 6 according to your probability of purchasing that offering from the Internet. Use one number only for each choice.

(1 – the product you attribute the highest probability to
6 - the product you attribute the lowest probability to)

- perfume /after-shave lotion ___
- sunglasses ___
- DVD ___
- Books ___
- Cosmetic products (soap, shampoo, make-up,...) ___
- Blue-jeans ___

9) Please select the choice that best describes your attitude toward receiving the services stated below from the Internet.

	Strongly Agree	Partly Agree	Partly Disagree	Strongly Disagree
I can use the Internet for acquiring the necessary information when I have a problem about my health.				
I can benefit from an online education service provided over the Internet.				
I can purchase life insurance over the Internet.				
I can visit the museums of the world over the Internet.				

10) How frequently can the Internet be used for conducting the activities stated below? Please write the numerical expression that indicates your agreement level on the space provided next to each statement.

Very frequently= 5 Quite frequently= 4 Sometimes= 3 Rarely= 2 Never=1

a) To become aware of products and services___

b) To collect information about products and services___

c) To evaluate and compare different choices and alternatives___

d) To purchase a product or service___

e) To engage in post-purchase activities about a product or service (i.e. returns, warranties, expressing opinions or complaints, asking for information or assistance, etc.)___

11) Are there products or services that you purchase only through the Internet? Please indicate specifically.
(More than one response can be provided.)

a) Product/services purchased only once through the Internet:_____
b) Products/services purchased a few times through the Internet:_____

12) Are there products/services that you purchase from the Internet from time to time?
(More than one response can be provided.)

_____

13) Considering one offering that you have purchased from the Internet market, please indicate the degree with which you make use of the information sources provided below to decide about this purchase.
Item selected: _____

	Very high	Quite high	Quite low	Very low
Friends				
Catalogs				
TV				
Internet				
Newspapers and magazines				
Radio				

14) How much do you prefer the Internet compared to other shopping methods?

a) I use the other shopping methods much more frequently compared to the Internet.

b) I use the Internet and other shopping methods at an equal level.

c) I use the Internet more frequently compared to other shopping methods.

d) I don't use the Internet for shopping.

15)
a) How frequently do you think is the Internet used as a shopping environment?
very frequently___ quite frequently___ sometimes___ rarely___ never___

b) How frequently do you think will the Internet be used as a shopping environment in the future?
very frequently___ quite frequently___ sometimes___ rarely___ never___

16) How suitable do you find the Internet as a shopping environment?
a)very suitable **b)**quite suitable **c)**both suitable and not **d)**not very suitable **e)**not suitable at all

Thank you.

APPENDIX 5 - The Original Forms of the Five Scales in the Questionnaire

Scale 1: Innovativeness
Scale 2: Perceptions of and attitude toward technology
Scale 3: Reference group influence
Scale 4: Actual level of technological sophistication
Scale 5: Familiarity with and attitude toward computers

Innovativeness:

Inno 1 +	Şansımı denemeyi severim
Inno 2 -	Yabancılarla konuşmaktan hoşlanmam
Inno 3 +	Birçok konuda modayı takip etmeye çalışırım
Inno 4 -	Aklıma farklı bir fikir geldiğinde bunu uygulamadan önce etrafımdakilere danışırım
Inno 5 -	Bir yeniliği denemeden önce onu başkalarının denemesini beklerim
Inno 6 +	Yeni ve değişik şeyleri denemek hoştur
Inno 7 -	Piyasaya yeni çıkmış bir ürünü satın almak oldukça riskli olabilir
Inno 8 +	Yeni markaları genellikle çevremdekilerden önce denemiş olurum
Inno 9 +	Risk almaktan hoşlanırım
Inno 10 *	Etrafımdakiler yeni modalar, markalar, ürünler, vs. hakkında sık sık bana danışırlar
Inno 11 -	Birşeyi yapmanın en iyi yolu, bilinen yoldur

Perceptions of and attitude toward technology:

Techper1 +	Teknolojik gelişmeler insan hayatını büyük ölçüde kolaylaştırır
Techper2 +	Teknoloji yarattığı imkanlarla insanları, ülkeleri, hatta kültürleri birbirine yakınlaştırır ve bağlar
Techper3 -	Teknoloji insanları makinalara mahkum hale getirir
Techper 4 -	Teknoloji insanların farkında olmadıkları ihtiyaçları ön plana çıkarır.
Techper5 +	Teknoloji insanın üretkenliğini ve verimliliğini artırır
Techper6 -	Teknoloji insanın yaratıcılığını yokeder
Techper7 -	Teknoloji insana bir yandan kolaylık sağlarken, diğer yandan hayatını daha da zorlaştırabilir
Techper8 +	Teknoloji insanın kendini devamlı geliştirip yenilemesini sağlar
Techper9 +	Teknoloji insanların ihtiyaçlarını kolay yoldan ve en iyi şekilde karşılar
Techper10 -	Teknoloji insanların sosyal bağlarını zayıflatır ve ilişkileri olumsuz yönde etkiler

Reference group influence:

Ref1 -	Satın alma kararlarımda en çok kendi düşünce ve deneyimlerime önem veririm
Ref2 +	Bir ürünü/hizmeti satın alma konusunda kararsızlık çekerken etrafımdaki insanların görüşlerini dikkate alırım
Ref3 +	Önemli veya önemsiz hemen hemen hiçbir satın alma kararını yalnız alamam
Ref4 +	Birşeyi satın aldıktan sonra bunu etrafımdaki insanlara göstermek için sabırsızlanırım
Ref5 -	Birşeyi çok beğenerek satın aldıysam etrafımdakilerin onu beğenip beğenmemesini umursamam
Ref6 +	Başkalarının satın alma işlemlerine katkıda bulunmaktan hoşlanırım
Ref7 +	Alışverişe yalnız çıkmaktan zevk almam
Ref8 +	Önemli satın alma kararlarını yalnız alamam

Actual level of technological sophistication:

Techuse1 +	Bir ev eşyası veya benzeri bir ürün satın alırken en gelişmiş, en ileri teknikle üretilmiş olanını tercih ederim
Techuse2 -	Soğan doğramaktan diş fırçalamaya, yürüyüş yapmaktan su ısıtmaya kadar herşeyin teknolojik alet ve makinelerle yapılmasını gereksiz buluyorum
Techuse3 +	Her türlü elektronik sistemi kullanmaktan genel olarak zevk alıyorum
Techuse4 +	Evde, işte, okulda, vs. ister istemez sürekli teknoloji ile içiçe yaşıyorum
Techuse5 -	Teknoloji ile sürekli karşı karşıya kalmamı gerektiren bir hayat tarzım yok
Techuse6 -	Elektronik aletleri kullanmak bana karışık gelebilir

Familiarity with and attitude toward computers:

Compuse1 +	Bilgisayar kullanmak artık benim hayatımın bir parçası
Compuse2 -	Bilgisayar kullanmaktan hoşlanmıyorum
Compuse3 +	Bilgisayarlarla oldukça ileri düzeyde işlemler yapabiliyorum
Compuse4 -	Bilgisayar kullanım düzeyim pek iyi değil

APPENDIX 6 – Professions/Occupation/Working Position of Respondents

Avukat (Lawyer) Hukuk (Law) Hukuk Müşavirliği (Legal Consultancy) AB (European Union) Uluslararası İlişkiler (International Relations)	7
Bankacılık Sektörü (Banking Sector) Borsa (Stock Exchange) Ekonomi (Economy) Finansman (Finance) Muhasebe (Accounting) Mali Müşavirlik (Financial Consultancy) Bütçe (Budgeting)	99
Mühendis (Engineer)	59
Bilgisayar ve IT Sektörü (Computers and the IT Sector)	34
Tıp ve Eczacılık (Medicine and Pharmacy)	6
Eğitim (Education)	4
Teknisyen (Technician) Grafiker (Graphic Design) Görsel İletişim (Visual Communications)	14
PR Reklamcılık (Advertising) Marka ve Ürün Yönetimi (Brand and Product Management) CRM Satış (Sales) Müşteri İlişkileri (Customer Relations) Pazarlama (Marketing)	105
Perakendecilik (Retailing) Catering Turizm (Tourism) Sigorta (Insurance)	45
İdari İşler (Administrative Tasks) Memur (Office Employee) Sekreter (Secretary) Güvenlik (Security)	32
İş Analisti (Business Analyst) İş Geliştirme (Business Development) Planlama ve Organizasyon (Planning and Organizing) Proje ve Sistem Yönetimi (Project and System Management) İthalat-İhracat (Exporting-Importing) Satınalma (Purchasing) Lojistik (Logistics) İnsan Kaynakları (Human Resources)	101
Yönetici (Manager) Müdür (Director)	19

APPENDIX 7 – Online Activities Other Than the Ones Stated in the Questionnaire

- **Bankacılık İşlemler (Banking Transactions)**
- **Otel rezervasyonu (Hotel Reservation)**
- **Finansal bilgi, borsa ve yatırım takibi (Financial information, stock market, investment tracking)**
- **Çocuk siteleri (Sites about kids and babies)**
- **Download işlemleri (Downloading software)**
- **Eğitim programları (Education programs)**
- **Hava ve yol durumu takibi (Information about weather and traffic)**
- **İş amaçlı araştırma ve iletişim (Work-related activities like research or communication)**
- **Sesli chat (Voice chat)**
- **Yemek tarifleri (Food recipes)**
- **Genel bilgi edinme ve araştırma faaliyetleri -sinema, gezi, sağlık, haber, spor, burs, restoran, teknoloji,vs. (general information collection and research about cinema, travel, health, news, sports, scholarships, restaurants, technology, etc.)**

APPENDIX 8 – Common Online Purchases

• Banka Hizmetleri (Banking Transactions)	8
• Bilet (Tickets)	31
• CD	9
• Cep Telefonu (Cellular phone)	1
• Çiçek (Flowers)	9
• DVD	41
• Kitap (Books)	76
• Kaset (Cassettes)	5
• Hediyelik eşya (Gift items)	3
• Giyim (Clothing)	15
• Yiyecek-içecek (Food and beverages)	32