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Jonna Järveläinen

ONLINE OR OFFLINE
Motives behind the Purchasing
Channel Choice of Online
Information Seekers

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Jonna Järveläinen

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1. Järveläinen, Jonna (2003) Preferring Offline Bookings: An Empirical Study of Channel Choice Motives of Online Information Seekers. In: *Proceedings of the 16th Bled eCommerce Conference*, ed. by Rolf T. Wigand - Yao-Hua Tan - Jože Gricar - Andreja Pucihar - Tjasa Lunar. Bled, Slovenia, June 9-11 2003.109
2. Järveläinen, Jonna (2003) The Impact of Prior Online Shopping Experience on Future Purchasing Channel Choice. In: *Proceedings of the 11th European Conference on Information Systems*, ed. by Claudio Ciborra - Riccardo Mercurio - Marco De Marco - Marcello Martinez - Andrea Carignani, Naples, Italy, June 19-21 2003.....127
3. Järveläinen, Jonna - Puhakainen, Jussi (2004) Distrust of One's Own Web Skills: A Reason for Offline Booking after Online Information Seeking. In *Electronic Markets - the International Journal of Electronic Commerce & Business Media (forthcoming)*.....141
4. Järveläinen, Jonna (2004) Online Purchase Intentions: An Empirical Testing of a Multiple Theory Model. In review process for *Journal of Organizational Computing and Electronic Commerce*.....163

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1 INTRODUCTION

“Be careful that what you write does not offend anybody or cause problems within the company. The safest approach is to remove all useful information.”¹

The objective of this study is to understand the channel choice made by consumers between traditional and online channels in a secure Internet environment. By understanding the motives of the channel choice made by consumers, companies have a foundation to build and develop their Web shop and achieve cost-effectiveness in customer service.

There is great potential in the enormous mass of people that is using the Internet. Consumers have become familiar with the Internet while using it for communication, entertainment, and banking (OECD 2003; Tuisku 2004). Furthermore, the Web shopping sites are used for product information seeking but generally the transaction is made offline², even when it could have been completed online. Fortunately, online shopping is continuously becoming more common³, and here researchers may assist online vendors in improving their customer service and shopping sites⁴ on the Web so that they will be able to provide consumers with a useful shopping channel.

Hence, the reasons for consumers' choice of purchasing channels should be studied. The preference for a traditional purchasing channel is understandable when the product is tangible, which is customarily inspected physically (e.g. Tanskanen, Yrjölä & Holmström 2002; Citrin, Stem, Spangenberg & Clark 2003). Alternatively, it is explicable that consumers prefer offline purchasing when the vendor is unfamiliar, the security of transaction is questionable, or the privacy of personal information is threatened (e.g. Corbitt, Thanasakit & Yi 2003; Gefen, Karahanna & Straub 2003b). However, let us assume that the merchant is familiar, transactions are secure, privacy of personal information

¹ Dogbert in “*Build a better life by stealing office supplies*” (1991) by Scott Adams

² Merely 3.6 per cent of total retail sales revenues came from online transactions of consumers in 2002 (OECD 2002).

³ In 2000, the online transactions accounted for approximately 1% in the retail sector (OECD 2003).

⁴ An online or Web shopping site is defined in this thesis, as a Web site where consumer is able to make a purchase and pay for it, hence the transaction is immediate. This excludes sites with delayed transaction e.g. e-mail based shopping (see 2.1).

is guaranteed and the product is based on information. In that situation, why do consumers still prefer offline transaction?

The purchasing channel choices made by consumers have not been studied in a relatively secure Internet environment (see 2.1) exhaustively. Consumers' adoption of electronic commerce and reasons behind it have been examined, but the choice between online or offline purchasing channel choice is rather unexplored territory. No single theory seems to be able to explain the whole phenomenon, thus in this study applies a multi-theoretical approach. The central constructs of four media choice models (media choice theory, social influence model, technology acceptance model and media appropriateness theory) were used as a basis. A preliminary research model was empirically studied with a Web survey placed on the Web site of a Finnish passenger cruise company. Altogether 2,479 respondents filled the self-administered survey questionnaire including mainly quantitative, but also a few qualitative questions.

The findings suggest that prior online purchasing experience, preference for offline purchasing and perceived ease-of-use of the online channel have a more substantial role in the channel choice than has been established in the past. The results were used to formulate a model of online channel choice in a secure Internet environment and the construct items for future measurement. In addition, the results were examined in order to propose some practical guidelines for Web shopping site development and marketing.

1.1 The Research Setting - Determination of Research Boundaries and Justification

The electronic commerce research area is wide, and therefore the boundaries of this study should be defined carefully. To begin with, the perspective of this study is the viewpoint of consumers. The Internet is merely one more channel for consumers; they already have many familiar and trustworthy purchasing channels offering friendly and knowledgeable service. Although the benefits of the Internet are significant for both the consumers and the companies (Keeney 1999; Barua, Konana, Whinston & Yin 2001; Krumwiede, Swain & Stocks 2003)^{2,3}, business-to-consumer Internet commerce is growing slowly, but steadily. The benefits of Web shopping have to be improved in order to attract consumers to online purchasing.

The consumers studied are Internet users living in Finland (mostly). Approximately 70 per cent of 15-74 year old Finns are using the Internet regularly, but only 29 per cent has made any online purchases (Sirkiä, Nurmela & Mustonen 2004). Thus, one third of Finns are familiar with the

Internet, since they use it for e-mail, searching product information, reading newspapers, and banking services, but have not yet purchased anything online (Sirkiä et al. 2004). The non-adopters of the Internet are outside the scope of this study, since they have neither means nor motive to use the Internet, let alone to shop online.

The empirical testing of this study was implemented in co-operation with a click and mortar company selling products both offline and online. In January and February 2002, approximately 64,000 customers used the online shopping site of the company for checking prices and availability of products, but only 10 per cent made a transaction according to the company statistics. What happened to the others? Let us assume that half of the visitors intended to purchase (while others were merely browsing), thus almost 30,000 customers finished the purchasing process offline, traditionally.

The brick and mortar companies are in a privileged position when entering the commercial arena on the Internet compared to businesses operating only online. Some companies operating only on Internet have even opened physical channels to be able serve customers better (Steinfeld, Bouwman & Adelaar 2002; Saeed, Grover & Hwang 2003). Many established brick and mortar companies have a strong trustworthy brand, which can be used in marketing and in acquiring customers (Berry 2000; McCole 2002; Steinfeld et al. 2002; Chan & Pollard 2003). They also have other distribution channels that may be utilized in customer complaint and return situations (Steinfeld et al. 2002; Chan & Pollard 2003; Saeed et al. 2003). Referring to the above statistics, customers seem to be satisfied with and locked into the traditional channels (cf. Shapiro & Varian 1999; Zauberan 2002). Learning another means to transact business is not effortless for the consumer, and they prefer using a familiar vendor also online (Johnson, Bellman & Lohse 2003). Furthermore, the brick and mortar companies may not see the reason for building another distribution channel⁵, especially if chances for success are obscure.

The established click and mortar company in this study is a passenger cruise company selling its cruise products in traditional channels, call centre, travel and ticketing agency, and in the online channel. Their online booking system was developed based on a “best practice” study of 39 transactional Web sites of European passenger cruise companies (Järveläinen 2000) and launched in the spring 2001. With the system, customers are able to book and pay for cruises and route trips including meals and vehicle transports. The payment alternatives include Internet banking transaction, credit card and bill payment; the same alternatives as in traditional channels. In December 2002,

⁵ According to OECD, less than 20 percent of companies were selling products on the Internet in 14 countries of 20 studied (2003a).

approximately 4 per cent of the company's consumer bookings were made online.

Many of the electronic commerce success stories are from the travel industry; especially low cost airlines have been innovative in their use of ICT and Internet (Buhalis 2003). Some low cost carriers have managed to sell as much as approximately 50 per cent of their products online⁶ (Southwest Airlines Co. 2002). Despite the predicted threat of disappearance, the travel intermediaries - such as travel agencies and online travel intermediaries - have managed to find their place in the online travel market, and account for 34% of European online travel sales and 54% in the USA (Marcussen 2003a; 2003b).

According to the latest statistics in Finland the travel products are the most popular online shopping items (Tuisku 2004), for example Finnair sells approximately one sixth of its bookings online (Salo 2003). The advantage of the travel product is its information intensive nature, the product does not require physical inspection (Werthner & Klein 1999). In fact, the product is only reserved or booked in advance on the basis of some pieces of information: departure point and time, destination point and length of visit, etc. The airline tickets and packaged tours are relatively simple travel products and the supplier companies have many attractive pricing strategies for customers on the Internet (Anckar 2002; Buhalis 2003; Klein & Loebbecke 2003).

There is one more limitation to the scope of this study; the online shopping environment⁷ in this study is relatively secure for consumers (see 2.1). Since the company is operating in Finland and therefore the Finnish and European consumer protection laws are applicable, the consumer may return the purchased product within seven days from the purchase date and receive a full refund. The vendor is an established and trustworthy company, one of two in the market, with a strong brand that has transported Finns and Swedes over the Gulf of Bothnia for over 50 years. The transactions are secured by the customers' own banks and a credit card company. Additionally, privacy of personal information is guaranteed.

⁶ British Airways recently announced the closure two of its five UK Call Centres, since the number of telephone bookings has declined after the online bookings have become more popular. Marcussen (2004) argues that many low cost or no-frills airlines are reaching maturity in their online sales with over 90 per cent of seats sold on the Internet.

⁷ The data is collected from the travel industry and therefore the words "travel product", "making travel reservations", "booking travel products" are used often in this thesis. After all, the purchasing process in the travel industry results in a reservation of a seat or room and the travel product or service is consumed afterwards. However, the booking of a travel product online is very similar to purchasing of literature or shopping for clothes on the Internet, since the products, cruises on a ship, a book or a pair of jeans are not immediately available for consumption. Thus, the author has used the words "purchasing", "shopping" and "booking" synonymously in the thesis.

Hence, it seems odd that the consumers have not transferred their bookings to an online channel. The problem is not access, since the target group is Web information seekers. The problem is not the product, since the travel product should be ideal for online distribution (as noted, particularly simple packaged cruises). The reason is not even the lack of trust; this is a relatively safe Internet environment (see 2.1). The online booking system is very similar to other booking systems on the Web, and therefore familiar user interface and easy to use (cf. Johnson et al. 2003). The online channel should be useful; it is accessible 24 hours a day 7 days a week without having to go to a travel agency or queuing on the phone. This study aims to locate the problems behind online shopping rejection.

1.2 The Research Questions

This study intends to uncover the channel choice motives of consumers who search product information online. Consequently, the first major research question (MRQ) is:

MRQ-1: What affects the channel choice of the online information seekers in a secure Internet environment?

The answer to the first major research question will be presented as a new theoretical model. The difference between model and theory has been defined as the lack of model validation and testing (Anttila 2002). However, the model would be useless in further research if there were no guidelines for the model validation or testing. Four a priori media choice models are applied in this study. One common denominator for these models is their history in organisation studies: the models have been used for studying the media choices of managers and employees. However, their application in consumer research is limited, and the instruments developed originally for organisation studies are not modified for consumer research or alternatively modified but not validated. Since the model will be formulated based on the results of an empirical study, the results can also be used in creating items for measuring. Therefore, the second major research question is:

MRQ-2: How can consumers' motives for channel choice be measured?

In order to find the answer to the first major research question, the perceptions and experiences of online information seekers will be studied. The subjects are expected to comprise consumers who have made the purchase

either online or offline. Hence, there should be an opportunity to examine the reasons for not selecting the online channel for purchasing after the product information search on the Internet. As the online booking system of the company is a rather new channel, there may be possibility to also learn from the motives of consumers who have recently adopted online shopping and booking. The motives of both the offline and online channel choice are thus explored in order to compare differences. Therefore, the following sub research question (srq) will also be considered in this study:

1st srq: *Why do consumers who use the Internet for seeking product information purchase these products through a traditional or online channel?*

Finally, the underlying assumption of this study is that the understanding of consumers' motives is useful for practitioners. There are many visitors on the Web site of co-operating company (64000 in January-February 2002) of whom a fraction actually makes the booking online. The answer of the first major research question could be used in transforming online information seeking offline customers into online customers. The results may be used in deriving suggestions for the development and marketing of companies' Web shopping sites. Therefore the last research question is:

2rd srq: *How can the company transform the online information seeking offline customers into online customers?*

1.3 The Book at a Glance

The book is organized into two parts: Synopsis and the original research papers. There are six chapters in the Synopsis part. The Introduction presents the background, scope, research questions, and the outline of the study. The prior relevant literature in electronic commerce consumer research is presented in the Theoretical Foundation chapter. In addition, the four media choice models - media richness theory, the social influence model, media appropriateness theory and the technology acceptance model - are described. The Web survey method and technique, theory-creating approach, and interpretative research paradigm as well as the measures and analysis methods used are explained in the Methodological Toolbox chapter.

The central results of the five original research papers are synthesized in the Summary of Findings chapter. Prior online shopping experience, offline channel preference and perceived ease-of-use of the online channel had a more substantial role than in prior studies when people chose and intended to choose

the online channel. In the Lessons Learned chapter, the theoretical implications are discussed by presenting a model of online channel choice in a secure Internet environment and construct items for model measurement. Furthermore, some suggestions that are applicable for practitioners in Web shopping site development and marketing are proposed. Finally, the study is summarized in the Final thoughts chapter. After the References, questionnaires are presented in the Appendices.

The five original research papers form the second part of this study. The first paper published at the 16th Bled eCommerce Conference in June 2003 is titled “Preferring Offline Bookings: An Empirical Study of Channel Choice Motives of Online Information Seekers”. The focus of the paper is on explaining the reasons why online information seekers have made their previous travel reservation offline. The motive for the previous channel choice (actual behaviour) is explained with the four models.

The second original research paper was presented at the 11th European Conference on Information Systems in Naples, Italy, in June 2003 and it is called “The Impact of Prior Online Shopping Experience on Future Purchasing Channel Choice”. The paper concentrates on the role of prior channel experience of online information seekers in selecting and intending to select the online channel. By applying the technology acceptance model and media appropriateness theory, the function of prior experience in behaviour and behavioural intention is considered.

The third original research paper is forthcoming in December 2004 in *Electronic Markets - The International Journal of Electronic Commerce and Business Media* and its title is “Distrust of One’s Own Web Skills: A Reason for Offline Booking after Online Information Search”. In this paper it is argued, using the media appropriateness theory, that the lack of trust in one’s own online shopping skills is one reason behind the choice of the traditional channel (actual behaviour).

The fourth original research paper “Online Purchase Intentions: An Empirical Testing of a Multiple Theory Model” is in the review process (2nd round) for *Journal of Organizational Computing and Electronic Commerce*. The topic of the paper is the motives of online information seekers for intending to select the online channel for purchases in a relatively secure Internet environment. Here again all the models are applied, but the focus is on behavioural intention.

The fifth original research paper titled “Perceived Usefulness and Ease-of-Use Items in B2C Electronic Commerce” is accepted for the Fourth IFIP Conference on e-Commerce, e-Business, and e-Government in Toulouse, France in August 2004. The paper is concerned with the problems of commonly used construct items of technology acceptance when applied in the

online shopping consumer research. Grounded theory and factor analysis is used in examining the qualitative data in order to suggest alternative items for measuring perceived usefulness and ease-of-use.

The structure and relationships between the introductory part and the five original research papers are illustrated in Table 1. After the Introduction chapter, where the research context, motivation and structure were presented, we proceed to the Theoretical Foundation chapter.

Table 1. The structure and relationships between Synopsis and original research papers.

<i>PART I</i> <i>Synopsis</i>	<i>PART II: THE ORIGINAL RESEARCH PAPERS</i>					
	<i>Paper 1</i>	<i>Paper 4</i>	<i>Paper 3</i>	<i>Paper 2</i>	<i>Paper 5</i>	
Introduction	All models		Media Appropriateness Theory		Technology Acceptance Model	
EC Consumer Research + All models						
Paradigm, Approach, Method and Technique	Web Survey					
	Q u a n t i t a t i v e				Qualitative	
	Partly Qualitative					
Demographics	Sample Descriptives					
Synthesis of Results + Sub Research Question 1	Behaviour	Intention	Experience, Conversation Preference and Intention	Behaviour and Intention	Items for measuring	
2 Major and 2 nd Sub Research Questions	Reason for Offline Booking	Reason for Channel Choice Intention	Distrust of One’s Own Online Skills	Role of Prior Experience	Perceived Ease-of-Use & Usefulness Items	
Summary						

2 THEORETICAL FOUNDATION

*“Quot homines, tot sententiae...”*⁸

In this chapter, the theoretical approach is introduced. First, prior research concerning security of the Internet environment in this study is examined. Then we glance at the electronic commerce consumer research to briefly review prior relevant literature. The theoretical base of the study, the four media choice models, is presented in the light of an online shopping context. Finally, the important constructs from these models are summarized into an initial research model.

2.1 Secure Internet Environment

When the author started this research project, the electronic commerce as a research area was just emerging. Many articles both professional and academic concerned the security of transactions and privacy of information and disregarded other motives that might influence the online shopping adoption decision of consumers (e.g. Zwass 1996; Urbaczewski, Jessup & Wheeler 1998; Shaw 1999; Jarvenpaa, Tractinsky & Vitale 2000). However, the author perceived this limitation unfortunate, especially when the co-operating company of this study had 1) a strong trustworthy brand, and was going to use 2) secure payment methods and 3) guarantee the privacy of information on the online booking system which was under development during the beginning of the research project. Furthermore, the consumer protection in Finland was fairly high also in electronic commerce. Below, the literature focusing on these four aspects of security is reviewed.

To consumers, brands mean for example quality, consistency and trustworthiness (e.g. Erdem 1998; Davis 2000; Holt, Quelch & Taylor 2004). In fact, even knowledge of a brand has been noticed to have a positive effect on intention to adopt online retailer (Chen & He 2003). As Berry (2000, p. 136) states: “Strong brands increase customers’ trust of invisible products

⁸ “As many opinions, as many persons.” by a Roman (Phoenician) playwright Terentius 185?-159 B.C. in his play “*Phormio*”. The version “Quot capita, tot sensus” appears e.g. in “*Asterix and the Magic Carpet*” by Albert Uderzo (1987).

while helping them to better understand and visualize what they are buying.” Also reputable bookstore and travel product brands have been discovered to increase trust in Internet vendors (McCole 2002; Ha 2004).

There are two major cruise ship operators transporting passengers (over 10 million year 2003) on the Gulf of Bothnia between Finland and Sweden. Both companies have operated over 45 years on the market and the market shares of both companies are approximately 50%. According to the annual study of the most valued brands in Finland⁹, there were only six service brands in top 100, the national airline Finnair being one and the co-operating company the other one from travel sector (Markkinointi & Mainonta 2004). The competing company was in top 200.

The second aspect of secure Internet environment was the security of transactions. Nowadays there are two payment instruments available in the online booking system of this study namely online bank transfers and credit card¹⁰. The online bank transfers are an additional service to the customers using Internet banking of the three largest banks in Finland¹¹. Online shopping customer is redirected from the vendor’s site to his or her own Web bank, where the immediate money transfer is made with the PIN codes of the customer. According to European Union e-payment instrument report (Hegarty, Verheul, Steupaert & Skouma 2003, p. 101) the four most secure instruments are (in no particular order): Secure card protocols (SET), electronic/mobile banking, *Online bank transfer* and electronic payment account systems.

After two years of operation, the credit card payment was added as an alternative payment instrument to the system, since customers had been repeatedly requesting for it. According to the system online help information, the credit card information is secured with SSL 128-bit encryption, and the card information is not preserved in any database after the transaction has been handled. According to the above mentioned EU study, Finns have the highest level of trust in electronic payment instruments (Hegarty et al. 2003). Therefore, the security of transactions in this study context is relatively high.

⁹ The study was implemented by Markkinointi & Mainonta -trade publication and marketing research firm Taloustutkimus.

¹⁰ Initially when the system was launched, the bill was one payment instrument; credit card was not available then. Bill had been used in the company owned call centre for a long time, it is a rather risk-free instrument from the company viewpoint. Bill is also rather safe payment instrument for the customers, since it involves no transferring of financial information on the Internet, the company aimed to serve also those customers who had doubts about the transaction security of online bank transfers. Currently bill is not available instrument on the online booking system.

¹¹ For a long time, only the three major banks in Finland offered this service, although all banks have had the Internet banking system for years. Nowadays the smaller banks also offer online bank transfer services. According to Nordea (Kahai & Cooper 2003) approximately 3.8 million (of total 5.3 million) Finns use Internet banking systems for paying bills.

Privacy of personal information is the third important security aspect in the Internet environment. The co-operating company has had a privacy statement in the system online help from the initial launch of the system and nowadays the statement is on the general company web pages. The privacy statement specifies the types of collected data, and states that they will not be distributed to third parties without consent from the customer and furthermore the customer has a right to check and correct any flaws in the stored data.

According to Liu, Marchewka, Lu & Yu (2004) this kind of privacy statement increases trust in an Web shop, which increases the purchasing intention. Earp & Baumer (2003) discovered that consumers were more willing to give their personal information such as e-mail address, social security or credit card number to known online brand than less familiar web site. Also Belanger, Hiller & Smith (2002) found that reputation may affect the perception of trustworthiness of an online vendor. Therefore, customer trust in the privacy of personal information in this case should be relatively high, because of the content of the privacy statement and trustworthy brand.

The fourth aspect regarding the security of the Internet environment specifically in this case is the legal environment. There are two applicable directives in European Union, which are followed also in Finland, namely 2000/31/EC concerning electronic commerce and 97/7/EC focusing on consumer protection in distance selling contracts (Finocchiaro 2003). According to the second directive, consumer has a right to withdraw from the distance selling contract within seven days, or in other words return the product and get full refund including reasonable returning costs.

European Opinion Research Group (2004) studied the opinions of over 16,000 Europeans including 1,011 Finns. According to the survey, approximately 18% of Finnish online shoppers were worried about the consumer rights in online shopping (36% of Europeans), and 26% of Finns who have not made any online purchases were worried about the consumer rights in online shopping (23% of Europeans).

In another survey made by European Opinion Research Group, 1,022 Finns were interviewed amongst over 16,000 Europeans. Approximately 84% of Finns perceived consumer protection was high in Finland (49% of Europeans) and 43% of Finns perceived the consumer protection was on high level in online shopping when the vendor was located in home country (22% of Europeans). Interestingly, Finns had the highest level of consumer confidence in their own country in four out of five studied categories, however Finns did not trust consumer protection in other countries.

The consumer protection and other regulations based on law are classified as structural assurances, which are antecedents for institution-based trust. Another antecedent is situational normality, which can build trust for example

in a physical shop, when a store is built as it is supposed to be built (of bricks-and-mortar) and sales people look like they ought to look like. On a web shopping site, customer compares the site to similar others and if there is nothing suspicious, customer perceives the situation as normal and trusts the e-vendor. (e.g. McKnight, Choudhury & Kacmar 2002; Gefen et al. 2003b)

In the online booking system of this study, co-operating company developed the online booking system based on a study of similar systems owned by European passenger cruise operators. Totally 92 Web sites were evaluated, of which 39 had some kind of booking systems. Only 8 companies had an real-time interactive system in October-November 1999, but 31 companies offered opportunity to make booking enquiries. Some booking enquiry services were free form e-mail links to the company reservation service, others offered customised forms for making enquiries about or reservations of specific departures, but nevertheless they were based on e-mail. The real-time interactive systems made the reservation automatically and immediately and confirmed the reservation quickly. The difference between interactive and enquiry services were comparable to real-time and batch-processed information system. (Järveläinen 2000)

All these four aspects - strong brand, secure transactions, relatively secure privacy of personal information and favourable and trustworthy consumer protection - make the Internet environment in the study context rather secure. In addition, the online booking system was based on similar systems, and therefore familiar and easier-to-use (Johnson et al. 2003) and assuring of situational normality (McKnight et al. 2002; Gefen et al. 2003b) than totally different system. Therefore, the author decided to concentrate in other reasons for online purchasing channel choice than security aspects.

2.2 The Consumer in Electronic Commerce Research

As Alba, Lynch, Weitz, Janiszewski, Lutz, Sawyer & Wood (1997) presented in their article, the benefits of interactive home shopping are numerous compared to traditional purchasing channels: the product range is wider and deeper, the product information may be richer and although the delivery time and costs may be higher, the customer transaction costs should be lower. Later e.g. Grover & Ramanlal (1999) have shown that the reality in electronic commerce is not as rosy as was expected. Another classic by Lohse & Spiller (1998) categorised the critical success factors of the online retail store into 1) better quality and variety of merchandise, 2) fast and competent customer service, 3) attractive and practical promotion, 4) ease-of-use and convenience

of the Web shopping site, 5) familiar and informative checkout process and 6) logical store navigation.

Since then, the focus of the electronic commerce research area has been redirected from describing the benefits to understanding consumer acceptance and behaviour of online shopping. The inhibitors and drivers for electronic commerce have been studied from different angles. Burke (2002) confirmed that consumers were satisfied with the convenience, quality and selection, but required more and better service and product information. Consumers also find the 24-7 availability and the fast purchasing process of the Web useful (Heung 2003). In order to improve the usability of the user interfaces, the navigation, content, reliability and technical performance of e-commerce sites have been assessed (e.g. Liu, Arnett & Litecky 2000; Merwe & Bekker 2003). In addition, trust in the vendor, privacy of personal information as well as security of transaction have become very hot topics (e.g. Gefen 2000; Jevons & Gabbott 2000; Johnson-Page & Thatcher 2001; Miyazaki & Fernandez 2001; McCole & Palmer 2002).

Another area of research in electronic commerce is the increase in online shopping frequency or intention. It has been argued that time savings and online shopping experience increase online purchasing (George 2002; Koivumaki, Svento, Perttunen & Oinas-Kukkonen 2002). Brown, Pope & Voges (2003) argued that the convenience of online shopping does not affect purchase intention whereas product type and prior online purchases do. Devaraj, Fan & Kohli (2002) tested three models: technology acceptance, transaction cost and SERVQUAL -model and discovered that the ease-of-use of a Web shopping site, assurance of good service quality as well as time and price savings were the most important factors influencing satisfaction with the online channel and channel preference. Maybe even social or group norms could affect purchasing intentions (e.g. Foucault & Scheufele 2002)

A further field of interest in electronic commerce research is the online or offline channel choice. Schoenbachler & Gordon (2002) argued that perceived risk, prior home shopping experience, motive to buy online, product category and the Web shopping site affect the channel choice. Ward (2001) discovered that the consumers who have learned to shop from home or catalogue are likely to consider the online channel a substitute (for them). Some consumers seem also to reject the online and other non-store channels totally, some use it for information seeking while others use the online channel for recreation (Kaufman-Scarborough & Lindquist 2002). Nicholson, Clarke & Blakemore (2002) observed that the channel choice depends on the situation, the combination of factors such as time of date, physical location of a store, mood etc. determine the final choice.

In addition to online shopping in general, researchers study electronic commerce in different industries. Travel has become the most successful industry in electronic commerce (Sirkiä et al. 2004). One reason behind that may be the suitability of the information intensive travel product for online selling (Werthner & Klein 1999; Anckar 2002). Compared to travel agents, online travel booking systems do not rush users to make a choice, but on the other hand, the product information, shopping enjoyment and assistance are inferior on the Web (Morgan, Pritchard & Abbott 2001). In traditional channels, it is also possible to feel the excitement of travelling beforehand by browsing a brochure with large attractive destination pictures or visiting a classy travel agency (Morgan et al. 2001). Additionally, the time-consuming nature of product search is one barrier for online travel reservations. Searching for the optimal price/product combination is slow, since the range of travel products is as wide as the price dispersion in the industry (Anckar 2002; Clemons, Hann & Hitt 2002; Öörni 2002).

To sum up, several factors have been found to affect our intention to purchase products online and actual online shopping. Although travel products suit online distribution well, the price dispersion and product range make the reservation task difficult. There are many useful elements in online shopping, but if the booking is slow and difficult, it is perhaps not sufficiently easy for consumers. However, the perception of ease of shopping may improve simultaneously while more experience and skills are gained.

The research questions are focused on channel choice. Therefore, the suitable theoretical approach would be media choice theories, which have been used in studying the communication media choices in organisational settings. Treviño, Webster & Stein (2000) categorise factors affecting media choice into objective, social and person/technology factors. Objective factor can be for example ambiguity of message, which is an aspect in media richness theory. An example of a social factor is the social influence, which can be studied by social influence model. Person factor is e.g. the prior experience of a medium, a central theme in media appropriateness theory. Furthermore, a technology factor could be the perceived ease of use related to technology acceptance model.

There are several media choice theories other than the above mentioned: task-technology fit (Goodhue & Thompson 1995), channel expansion theory (Carlson & Zmud 1999), media symbolism (Treviño, Daft & Lengel 1990) etc. Furthermore, technology acceptance model (see 2.6) is usually defined as user acceptance theory, which are also numerous: theory of planned behaviour (Ajzen 1991), theory of reasoned action (Fishbein & Ajzen 1975), innovation diffusion theory (Rogers 1995) etc.

Since including all possible theories would have made the thesis project quite complex, a selection had to be made. The four chosen theories were sufficiently different from each other, and allowed examining the phenomenon from multiple angles. Many theories had to be excluded since they were mainly applicable in organisational settings, for example the task -technology fit (Goodhue & Thompson 1995) and channel expansion theory (Carlson & Zmud 1999). In channel expansion theory, media richness theory and different experience constructs were combined. Not all the experience constructs were applicable in consumer research, but media appropriateness theory was applicable and contained the experience aspect also, therefore the latter was chosen. Media symbolism (Treviño et al. 1990) argues that sometimes communication medium is chosen because medium is supposed to be part of the message; a theoretical feature difficult to translate into consumer context.

“Attitude towards behaviour” is a central construct in theory of planned behaviour (Ajzen 1991) and theory of reasoned action (Fishbein & Ajzen 1975). The author was interested mainly on the antecedents of attitude, and therefore perceived usefulness and ease-of-use in the technology acceptance model were more interesting. On the other hand, the media appropriateness theory was based on these three user acceptance theories and thus they were all represented in this study. Diffusion of innovation (Rogers 1995) is also interesting framework, but its viewpoint is on macro level, and the author was interested in the consumer level i.e. micro level.

Furthermore, theories of planned behaviour and reasoned action contained the subjective norm construct, which was similar to social influence in social influence model. Influence of social environment too interesting to be excluded totally from the research, therefore the social influence model was chosen.

2.3 Fitting Task to Media: Media Richness Theory

Media richness theory (Daft & Lengel 1986; Daft, Lengel & Treviño 1987) is concerned with the effective and efficient performance of a communication task in a medium. Media choice depends on the nature of the task, which may be ambiguous or straightforward¹². An ambiguous task requires clarification or negotiation since the concepts used are not clear and unambiguous. Concepts have multiple, even conflicting meanings, due to different frames of reference or cultural backgrounds (Daft & Lengel 1986; El-Shinnawy & Markus 1992).

¹² In the original theory tasks are divided in equivocal and uncertain tasks, see papers 1 and 3. The word “ambiguous” is used as a synonym for “equivocal” in this section.

A part of task ambiguity is complexity. Lindsley, Brass & Thomas (1995) describe straightforward tasks as having a few separate parts to be performed and their cause-and-effect relationships are well understood, thus a complex task contains several parts and their relationships are more difficult to understand. The different travel products are regarded as the separate parts in the context of this study.

Booking a travel product may be perceived as an ambiguous or a straightforward task, since the products may be complex or simple. As shown in Figure 1, the packaging of travel products has made them simpler, since experts have collected all the required parts, transportation, accommodation and other services at the destination. The booking of a packaged product is a rather straightforward task (Werthner & Klein 1999). Packaged travel products are also simpler to sell to inexperienced customers because only minimal knowledge of travel industry is required. The price of the package is usually notably lower than the price of a equivalent tour aggregated of components.

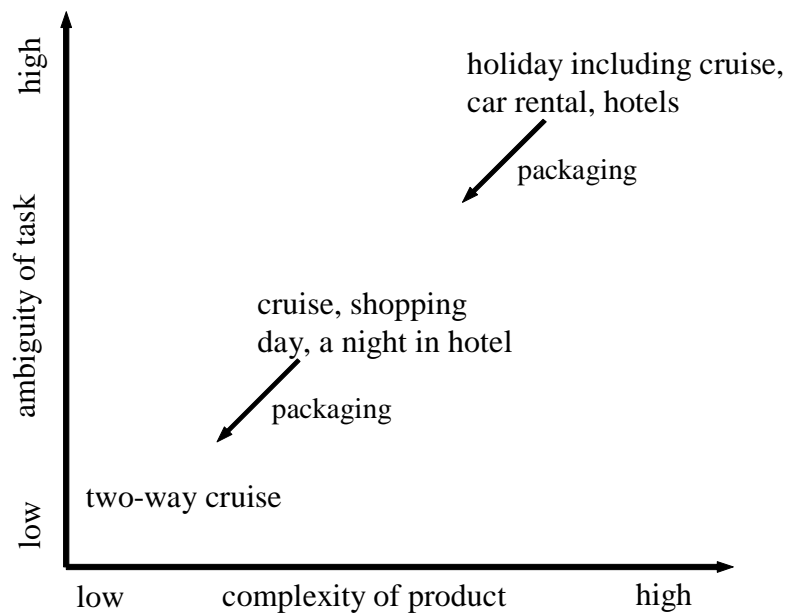


Figure 1. Packaging decreases product complexity and task ambiguity.

However, when a travel product consists of for example transport, accommodation, and meals, the product is more complex and the booking task more ambiguous (Werthner & Klein 1999). An ambiguous task usually requires high social presence, such as face-to-face interaction (Daft & Lengel 1986), which might be commonly available on the Internet in the future. On the other hand, a less ambiguous task can be completed purely with the help of rich product information, which can be offered on the Web even now (Jahng,

Jain & Ramamurthy 2001). A last minute flight or packaged tour is quite simple whereas an expedition is a complex product (Figure 2).

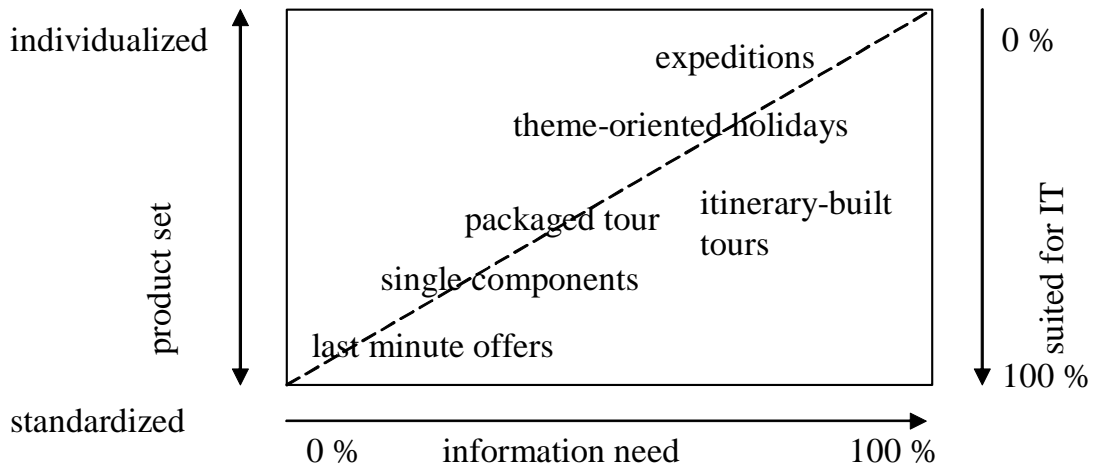


Figure 2. Low and high complexity travel products (Werthner & Klein 1999).

The ambiguity of the booking task may be viewed from a price perspective. Since the cost of the travel product is usually relatively high in relation to income (Anckar 2002; Clemons et al. 2002; Öörni 2002), consumers travel seldom and have little experience and knowledge of travel products. Therefore, consumers have different frames of reference than experts such as travel agents and content providers of travel Web sites.

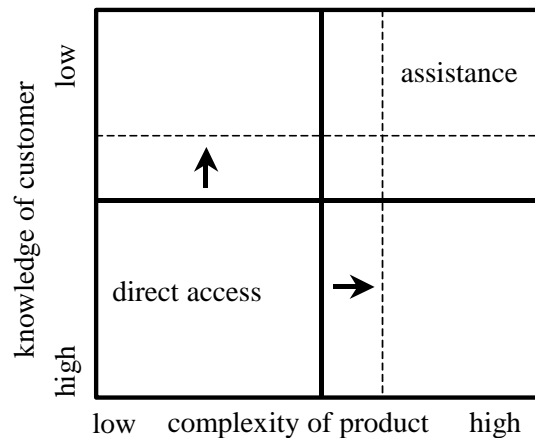


Figure 3. As consumer's knowledge decreases and product complexity increases, assistance is required (Werthner & Klein 1999).

In a complex product with many arrangements of which the consumer has little knowledge, the task ambiguity should be higher. In cheaper products, travel frequency may be higher and bookings routine-like, hence consumers have knowledge of the products and the ambiguity of task should be lower.

The consumer may make the travel reservation by her/himself when the travel product is familiar, and assistance is required with an unusual product (see Figure 3).

So how does the media richness theory relate to product complexity and task ambiguity? The theory argues that for complex tasks, an information rich medium is more efficient and effective¹³ whereas for simpler tasks, an information lean medium is sufficient. The degree of richness depends on four factors (Daft & Lengel 1986): the ability to transmit multiple cues, immediacy of feedback, use of natural language, and personal focus of the medium. In the context of this study, the travel agency or telephone are information rich media, which can convey facial expressions or at least the tones of a human voice. An online booking system is an information lean medium, which uses formal language and cannot convey personal cues. It is not very personal and the language used is not very natural, but feedback from the system can be very speedy. After the telephone, the Web booking system can therefore be classified as a relatively lean communication medium.

On the other hand, the Internet is able to present very rich product information with multimedia, audio and video clips (McCullough Johnston 2001; Karayanni & Baltas 2003). Users are interested in some information richness properties, such as navigational hyperlinks, price comparison and suggestion of a substitute product or customized information (Liang & Lai 2002). In addition, Bean, Boles & Rodriguez Cano (2003) discovered that the use of lean media decreases trust in vendors, but increases depth and breadth of information which is in print and can also be referred to later. Nevertheless, users may perceive making a complex task in a traditional way, verbally, as easier, and for a simpler task, the Internet may be sufficient (Lowengart & Tractinsky 2001). The relationship between tasks and media is presented in Figure 4.

Kahai & Cooper (2003) state that although the empirical testing results of the theory are not very impressive, there is sufficient supportive evidence to continue using and developing the media richness theory in further studies (Rice 1992; Vickery, Droge, Stank, Goldsby & Markland 2004). El-Shinnawy & Markus (1992) argue that media richness theory can not be applied to new media without modifications concerning preferences of individuals. According to Huang, Watson & Wei (1998) media choice may not be just a rational decision based on the task or message that needs to be passed, it may also be a social decision, because research has shown that people may choose lean e-mail medium to convey rich information (e.g. Fulk 1993; Lee 1994).

¹³ Efficiency is defined as the speed of accomplishing the task effectively or reaching the desired outcome (Akhter 2003; Rodgers & Harris 2003).

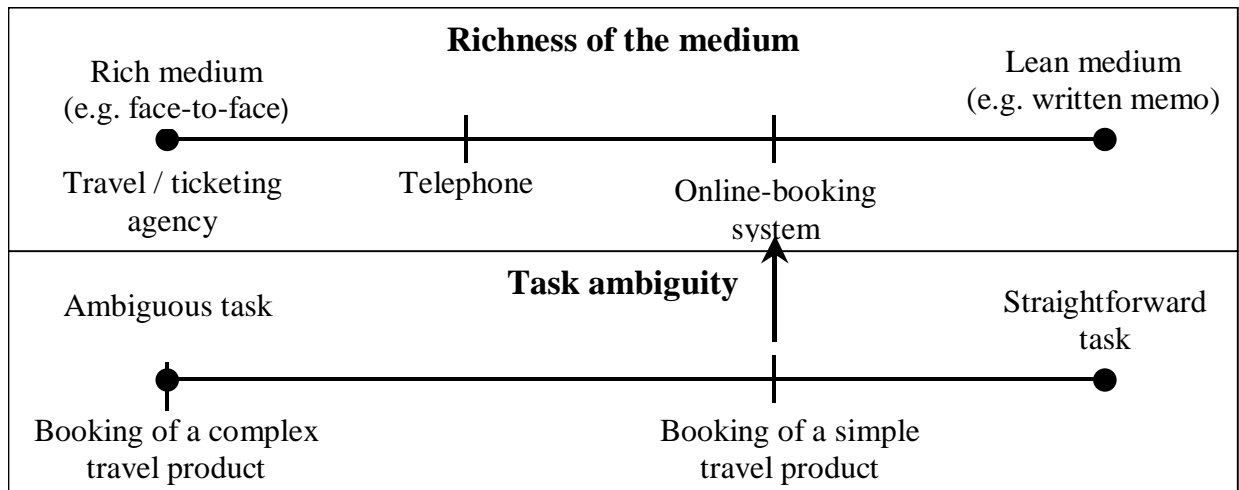


Figure 4. The relationship between tasks and media in media richness theory.

However, the product complexity and task ambiguity concepts may be used for measuring the consumer perceptions of the travel products and booking tasks in this study, thus they will be included in the research model. In addition, task efficiency and conversation preference will be included in the model to study whether consumers really choose the media based on efficiency and effectiveness. On the other hand, it is noted that product complexity, task ambiguity and efficiency or conversation preference cannot be the only factors consumers consider when choosing the purchasing channel (El-Shinnawy & Markus 1992; Lee 1994; Huang et al. 1998). Therefore, the notion of Huang et al. (ibid) of social decision will also be examined.

2.4 The Impact of Social Opinion: Social Influence Model

Social environment may also affect people's perceptions of a medium. It has been found that peers, superiors and others who are important to an individual have a significant influence on his/her perceptions of technology (Fulk 1993; Taylor & Todd 1995; Venkatesh & Morris 2000). As group norms affect the media choices of individuals, social opinion may even prevent the most efficient behaviour. Social influence or subjective norm is studied by several models, for example the social influence model, the technology acceptance model (Davis 1989; Davis, Bagozzi & Warshaw 1989) and theory of planned behaviour (Ajzen 1991).

Social influence model (Fulk, Schmitz & Steinfeld 1990; Fulk 1993) argues that media perceptions are partially subjective and socially constructed, not merely based on objective media characteristics (as in media richness theory).

Therefore, people's perceptions of the richness of media are different and suitable for particular tasks. The media choice is subjective, retrospective and under the influence of information provided by others. Therefore, prior experience is also part of the social influence model.

In organizations where a system use is mandatory, social influence has a larger effect. In addition, the inexperienced workers, women, and older workers tend to be influenced by social pressures more than other groups. Women have been found to be more people-oriented and thus comply with the opinion of the majority. When experience with the system is increased it has been observed that the effect of social influence or subjective norm decreases. (Venkatesh & Morris 2000; Venkatesh, Morris, Davis & Davis 2003)

Social influence and subjective norm have been studied in several industries in an e-commerce context. In retail, the social influence model was partially supported in a study of students' online book shopping. Foucault & Scheufele (2002) discovered that professors had influenced the online book shopping behaviour of their students in the past, and friends influenced the future purchase intentions. Social influence also positively affects the intention to buy airline tickets through the Internet (Athiyaman 2002). Karjaluoto, Mattila & Pento (2002) observed that strong relationships with bank personnel as well as other group norms negatively affected the attitude towards and the usage of Internet banking in Finland. In addition, they found that subjects with higher income were less influenced by their reference group's norms.

In conclusion, the influence of the near social environment will be included in the research model. However, neither social environment, product complexity, task ambiguity and efficiency, nor conversation preference address the effect of improved skills and increased comfort. Therefore media appropriateness theory will be investigated also.

2.5 The Role of Channel Experience: Media Appropriateness Theory

Media appropriateness theory (King & Xia 1997) is based on social cognitive theory (Bandura 1977), the theory of planned behaviour (Ajzen 1991) and the technology acceptance model (Davis 1989; Davis et al. 1989). It argues that users make their media choice not only rationally considering media or task features but also their own experience affects the choice. Increased experience increases skills, abilities, and comfort to use a computer system (Novak, Hoffman & Yung 2000).

However, if the user has had bad experiences with for example an e-mail system other means of communication are chosen. Because most of us are familiar with face-to-face, telephone and group meetings and written notes,

before e-mail or other new media, we tend to choose traditional media instead of new media for many tasks¹⁴. (King & Xia 1997)

King & Xia (1997) found in a longitudinal study that when subjects were able to use a multitude of media, and they gained experience with the new media, the most appropriate media of all the alternatives - new and old - was chosen for tasks instead of using the media in which they had more experience. Channel expansion theory (Carlson & Zmud 1999), which is quite similar to media appropriateness theory, defines and shows evidence that experience with a particular media/channel and communication partner has a positive influence on media richness perceptions.

The role of experience has been studied in an electronic commerce context to some extent. Prior experience of online browsing has been found to correlate with online purchasing (Bellman, Lohse & Johnson 1999; Perotti, Sorce & Widrick 2003). Prior Internet usage experience has been found to be one of the variables influencing the intention to buy products online (Miyazaki & Fernandez 2001, Novak et al. 2000). Experienced online shoppers valued the convenience of Internet shopping most (Torkzadeh & Dhillon 2002). Some studies have also measured the online shopping experience of a specific product group, such as apparel (Goldsmith & Goldsmith 2002) or groceries (Morganosky & Cude 2000) or books, computer software and videos (Shim et al. 2001).

Prior experience of in-home shopping (catalogue or TV) has been found to facilitate transference to computer or online shopping channels (Dholakia & Uusitalo 2002). In addition, prior experience of online information seeking and shopping affects positively trust in Internet security, decreases the perceived risk and increases user confidence (Miyazaki & Fernandez 2001; McKnight et al. 2002; Schoenbachler & Gordon 2002). Interestingly, McCole & Palmer (2002) found that online shoppers who had made less than 16 transactions on the Web, would be more careful in the future after one bad experience, but more experienced shoppers would just try again.

Gefen (2003) studied the effect of habitual online shopping on purchasing intentions on the Web. A habit was defined as something that a person usually does, and therefore the person does not cognitively or rationally consider for example channel choice, but automatically chooses the channel he or she is used to. It was observed that the habit of purchasing from some specific Web

¹⁴ On the other hand, the media experiences of consumers are changing rapidly. As we know, most of the Internet users have been young, male and highly educated (Tuorila 2004). According to a recent study, even the consumers aged over 50 years are using the Internet for communication, information seeking and banking services in Finland (Thomson & Laing 2003). In the future, the so-called "Net generation", the young children or teenagers who are experienced Web surfers (Benbasat, Goldstein & Mead 1987; Eisenhardt 1989), will become consumers and then they should also be likely to prefer the Internet in their purchasing tasks, according to media appropriateness theory.

site affects the behavioural intention to purchase from that Web site in the future.

Gefen (*ibid.*) argued that his study confirmed the lock-in phenomenon by Shapiro & Varian (1999), which is a form of mandatory customer loyalty that happens when the switching costs are higher than the consumer is willing to pay for buying another vendor's substituting product. Although it has been mentioned that the switching and search costs are lower on the Internet (Bakos 1997; Burke 2002), there are also conflicting findings (Zauberman 2002; Johnson et al. 2003). In fact, Anckar & Walden (2001) and Öörni (2002) found that one of the barriers for online travel purchasing is the time-consuming nature of information seeking on the Internet.

Johnson et al. (2003) argued that an easy-to-use user interface, which consumers can learn quickly, is one of the main assets of an Internet vendor. The Internet users are locked in to one site and the purchase intention is higher on that site than on others. In addition, they recommended that the user interface should not be redesigned because this would cause the lock-in effect to decrease.

According to literature, the prior experience may be a significant factor affecting online shopping and the intention to choose the online channel, thus it will be included in the research model with the perceived appropriateness of an online channel for shopping. Furthermore, the media appropriateness theory is partly based on the technology acceptance model, which is applied in numerous studies. Therefore, it will be also explored in order to find variables that could be used in measuring the perceptions of convenience and ease-of-use.

2.6 The Attributes of Channel: Technology Acceptance Model

The technology acceptance model was presented by Davis, Bagozzi & Warshaw (1989) and Davis (1989). The model, presented in Figure 5, argues that the perceived usefulness and ease-of-use are key factors in the user's acceptance of technologies. Perceived usefulness (PU) has been defined as a user's subjective perception of the ability of a computer to increase job performance when completing a task, and it is derived from the word "useful" or from "capable of being used advantageously". Perceived ease-of-use (PEOU) is a person's subjective perception of the effortlessness of a computer system, which affects the perceived usefulness, thus having an indirect effect on a user's technology acceptance. (Davis 1989; Davis et al. 1989)

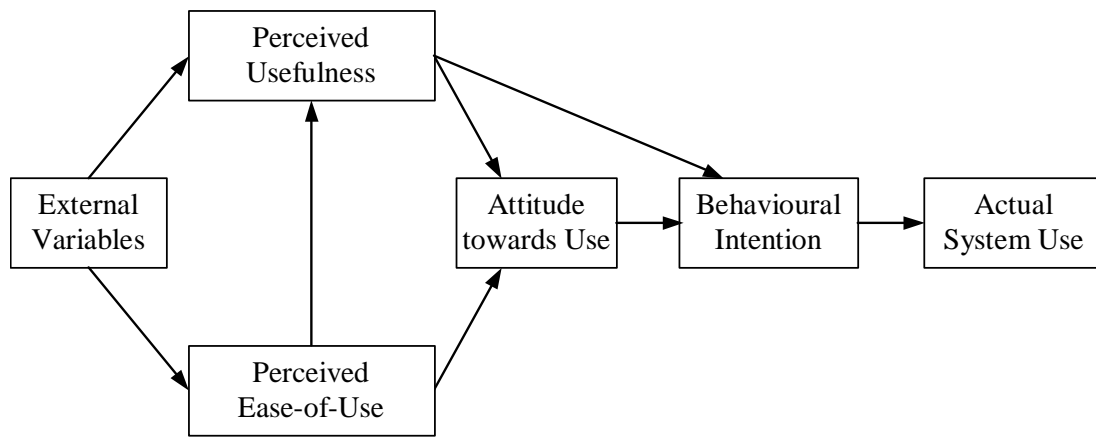


Figure 5. Technology acceptance model.

TAM studies in organizational context have defined the behavioural intention (BI) as the likelihood of using a system regularly in the future (Davis 1989; Venkatesh & Davis 2000). In an e-commerce TAM study, Pavlou (2003) considered the likelihood of the system being used for information retrieval and exchange and extended the definition with the BI to making transactions. Gefen, Karahanna & Straub (2003b) regard the BI as willingness to give credit card and other required information to an e-vendor in order to receive good service.

It has been discovered in e-commerce TAM research that trust-related constructs, in addition to perceived usefulness and ease-of-use, affect behavioural intention (Gefen et al. 2003b; Heijden, Verhagen & Creemers 2003; Pavlou 2003; Wang, Wang, Lin & Tang 2003). Chen, Gillenson & Sherrell (2002) found support for the model extended with compatibility (from the diffusion of innovation theory), except for the PU - BI relationship.

The support on attitude towards using a system and BI have been mixed and therefore many studies have focused on actual system usage (Lederer, Maupin, Sena & Zhuang 2000). The perceived usefulness and ease-of-use have been confirmed to affect usage also in the Web environment (Lederer et al. 2000).

Attitude has also been studied in an e-commerce context. Liu, Tucker, Koh & Kappelman (2003) and O'Cass & Fenech (2003) confirmed the impact of perceived usefulness and ease-of-use on attitude towards standard user interface and online retail shopping. PU and PEOU as well as importance of improving business functions affected attitudes of Chinese MBA students towards e-commerce in general (Stylianou, Robbins & Jackson 2003). In addition to utilitarian aspects such as PU and PEOU, shopping enjoyment also affects the attitude towards online retail shopping (Childers, Carr, Peck & Carson 2001). Furthermore, Hsu & Chiu (2003) discovered that perceived risk, general Internet self-efficacy and social norm also have an influence on the attitude towards e-service usage.

Numerous external variables for perceived usefulness and ease-of-use have been studied in these models, such as computer self-efficacy, prior system experience, subjective norm, voluntariness of use, gender and age (Legris, Ingham & Colletette 2003; Lu, Yu, Liu & Yao 2003; Venkatesh et al. 2003). Subjective norm, prior system experience, gender and age are discussed in other sections.

Computer self-efficacy (CSE) has been defined as the judgment of one's ability to use a technology (e.g. computer) to accomplish a particular job or task (Venkatesh et al. 2003). CSE is an antecedent of perceived ease-of-use and has been measured as a separate construct (Venkatesh & Davis 1996; Wang et al. 2003). In some studies, it has been included in PEOU construct (Devaraj et al. 2002; Gefen 2003). It has been also developed into Internet self-efficacy (Hsu & Chiu 2003). It has been discovered that in organizational settings voluntary and mandatory use of a system also affect BI and social influence (Venkatesh et al. 2003).

TAM has been supported by numerous studies, and therefore PU and PEOU were included in the research model. However, the constructs used for measuring PU and PEOU have been developed initially for organisational settings and could not be used without modification in consumer research in an electronic commerce context. This will be discussed further in the Methodological Toolbox section.

2.7 The Research Model

The factors derived from the models are, in brief: product complexity, task ambiguity and efficiency and conversation preference (media richness theory), social influence, perception of appropriateness and prior experience of online shopping (media appropriateness theory), and perceived usefulness and ease-of-use (technology acceptance model). Behavioural intention to choose the online channel in the future and actual behaviour or channel choice in previous booking will be used as the dependent variables. These are variables used as a priori constructs in the empirical data collection phase of the study and the variables are summarized in Figure 6.

This chapter has focused on the prior business to consumer electronic commerce research particularly applying the chosen models. Indeed, there are as many opinions on the variables influencing the channel choice of consumers' as many researchers on the field. Although the models have also been discussed to some extent in the attached papers, the formatting instructions have restrained the depth of descriptions by limiting them to present merely the basic arguments of the models. Therefore, it was essential

to clarify some concepts with examples from the travel industry, review the models from the electronic commerce perspective and synthesize the relationships to the model below.

The methodology of the study will be discussed in the next chapter.

“...*Quod erat demonstrandum.*”¹⁵

¹⁵ “What was to be proven” by the Greek mathematician Euclid. Also appears in “*Asterix and Son*” by Albert Uderzo (1983).

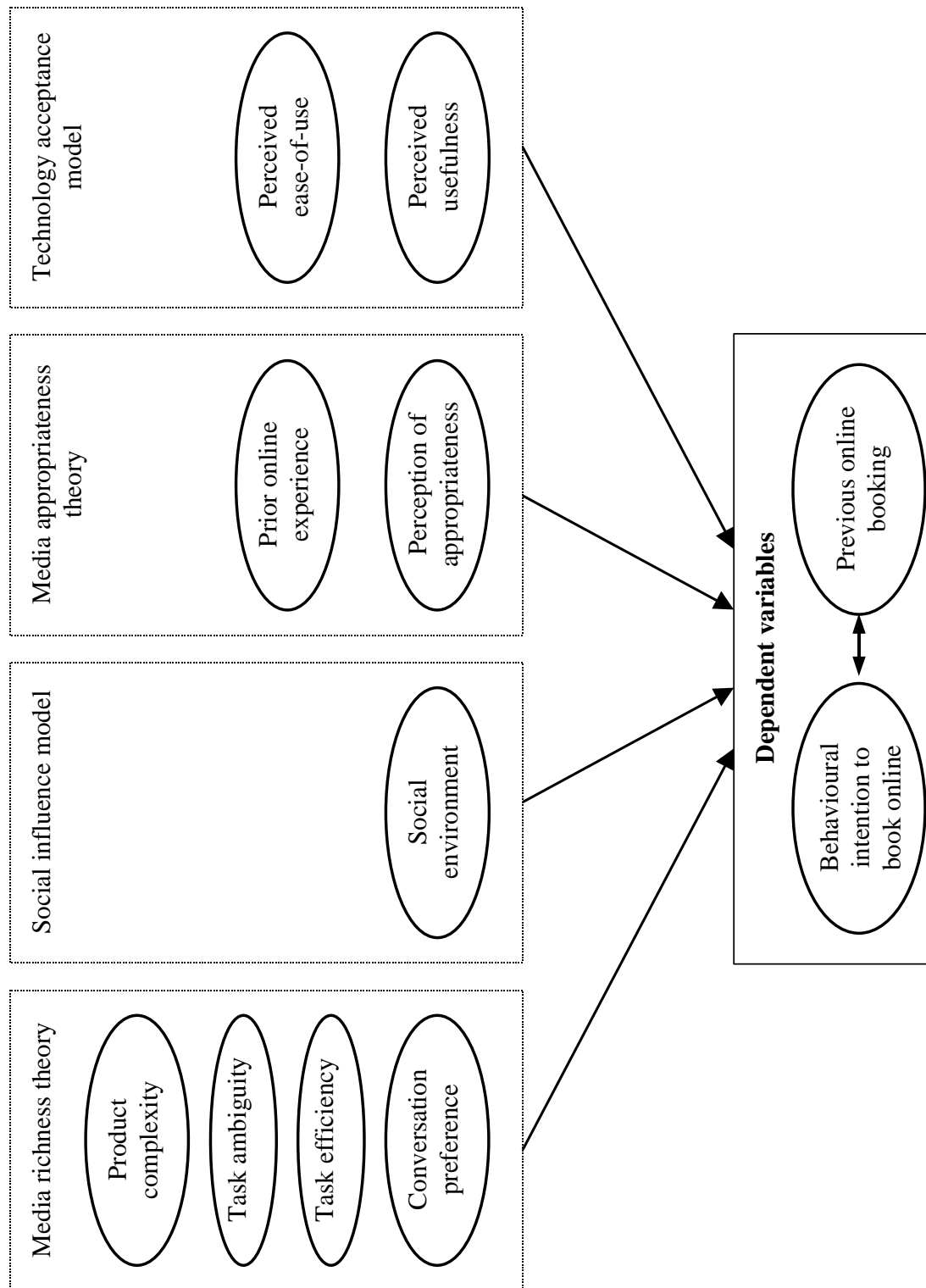


Figure 6. The research model incorporating a priori constructs from the models.

3 METHODOLOGICAL TOOLBOX

“The most crucial career decision is picking a good ‘ism’ so everyone knows how to categorize you without understanding the work”¹⁶

The methodology can be seen as the toolbox in the research process. The methodological toolbox of this study was divided into four levels: paradigm, approach, method and technique. The implementation process was planned with the blue prints provided by the theory creating approach and the frame of the study was then built on the theoretical foundation from the material measured with a Web survey. The measures and analysis of the material are summarized after describing the method and technique. The paradigmatic assumptions are related to both positivist and interpretive research philosophy.

3.1 The Blue Prints: Theory-Testing vs. Theory-Creating Approach

As in any research project, the aim is to contribute by e.g. creating a new concept, model or framework to the field. For a long time, there was one new concept hovering above this research project, and after the first major research question evolved to its current form (see 1.2) it became clear: the objective should be to create a combined model based on the a priori ones. This created problems in research approach selection: since the model is based on existing ones, is the approach theory testing? Or is the approach theory creating, since the final aim is a model? Moreover, is mainly quantitative survey data allowed in a theory creating approach?

Sutton & Staw (1995) wrote an article called “What theory is not” in astonishment at the lack of strong theoretical base in many published papers. According to them, a theory is not references to existing, published models, which can, however, assist in developing new concepts. Lists of variables, diagrams or hypotheses are not theories either. Data may be used in displaying the observations, but theory explains why the observations were discovered. Moreover, Anttila (2002) stresses that theory is an existing framework,

¹⁶ Calvin, in “*It’s a magical world*” by Bill Watterson (1997)

validated and tested, and a model is only a preliminary framework that has not yet been tested extensively.

Järvinen (1999) describes the process of theory testing research approach: the researcher finds and becomes familiar with a suitable theory, derives hypotheses from the theory, implements an empirical test, analyses the data and confirms or rejects the hypotheses and the theory. The theory, model or framework may be developed from scratch for the study or an existing theory may also be extended by new elements. In a theory creating approach, the theory emerges from qualitative data and qualitative research methods such as grounded theory, phenomenological study, or hermeneutics should be more suitable than quantitative ones according to Järvinen. (Järvinen 1999)

Also Eisenhardt (1989) explains the theory creating research approach, albeit in case studies¹⁷, summarized in Table 2. She argues that a priori constructs may be used in the process, but neither theory nor hypotheses can be used to endanger flexibility. She also stresses the usage of multiple data collection methods, to strengthen the theory building with triangulation.

The Editor-In-Chief of MIS Quarterly calls for theory building research papers, which do not include any empirical work. He considers that the theory creating process includes the “articulating” of four parts: the constructs, laws of interaction, lawful state space and lawful event space. In the first two parts, a researcher can create new, add constructs or relationships, delete or define existing ones in a more detailed manner. In other words, a good theory may be developed from an existing theory and again Weber does not include empirical work in the theory creating process at all. (Weber 2003)

The DeLone and McLean IS Success Model is an example of a purely theoretical paper, where the theory was derived from an extensive literature review (DeLone & McLean 1992). Alba et al. (1997) discussed without any empirical input in their paper the motives of different actors to engage in interactive home shopping; one of the classic papers in the electronic commerce field. These two examples show us that even if the models could emerge from pure data (qualitative or quantitative), the new justifiable knowledge has to be in some relation to the existing knowledge.

Töttö (2000) argues that specifically quantitative analysis answers the explanatory and empirical “Why” questions. According to him, the answer to the “Why” question is a causal relationship, which can be achieved by testing hypotheses with quantitative analysis (see also Lucas Jr. 1991).

¹⁷ Case studies may also be considered to be positivist and data collection may be quantitative (Dubé & Paré 2003) as in 27% of papers published in seven leading IS journals on 1990's, in which data collection methods were described.

Table 2. Process of building a theory (adapted from Eisenhardt 1989)

Step	Activity	Reason
Getting started	Definition of research question	Focuses efforts
	Possibly a priori constructs	Provides better grounding of construct measures
	Neither theory nor hypotheses	Retains theoretical flexibility
Selecting cases	Specified population	Constrains extraneous variation and sharpens external validity
	Theoretical, not random sampling	Focuses efforts on theoretically useful cases i.e. those that replicate or extend theory by filling conceptual cases
Crafting instruments and protocols	Multiple data collection methods	Strengthens grounding of theory by triangulation of evidence
	Qualitative and quantitative data combined	Synergistic view of evidence
	Multiple investigators	Fosters divergent perspectives and strengthens grounding
Entering the field	Overlap data collection and analysis including field notes	Speeds analyses and reveals helpful adjustments to data collection
	Flexible and opportunistic data collection methods	Allows investigators to take advantage of emergent themes and unique case features
Analysing data	Within-case analysis	Gains familiarity with data and preliminary theory generation
	Cross-case pattern search using divergent techniques	Forces investigators to look beyond initial impressions and see evidence through multiple lenses
Shaping hypotheses	Iterative tabulation of evidence for each construct	Sharpens construct definition validity and measurability
	Replication, not sampling, logic across cases	Confirms, extends, and sharpens theory
	Search evidence for “why” behind relationships	Builds internal validity
Enfolding literature	Comparison with conflicting literature	Builds internal validity, raises theoretical level and sharpens construct definitions
	Comparison with similar literature	Sharpens generalisability, improves construct definition, and raises theoretical level
Reaching closure	Theoretical saturation when possible	Ends process when marginal improvement becomes small

Moreover, Töttö argues that no researcher is able to disregard his preunderstanding and therefore a theory emerging only from the data is impossible to achieve: “The data does not speak if the researcher does not pose questions to it!” However, the unexpected results from data analysis - quantitative or qualitative - might be the most interesting ones, and e.g. Einstein would not have discovered the theory of relativity if he had not made any assumptions (Töttö 2000).

Quantitative data has also been used in theory building before; it is quite common for example to extend TAM with new constructs and reach a new model (e.g. Legris et al. 2003). The common structure of scientific article, introduction, literature review, research design, analysis, results, discussion and conclusion, which is also normally used in papers of qualitative studies, articulates the relation of new knowledge to existing knowledge.

Referring to section 2.6, there are recent examples of quantitative theory building (e.g. Devaraj et al. 2002; Gefen et al. 2003b; Venkatesh et al. 2003). Venkatesh et al. (ibid.) used constructs from eight different models focusing on user acceptance of some technology. Their research model was tested with quantitative data and the framework was named the Unified Theory of Acceptance and Use of Technology. The research process was the following:

1. Eight models were identified.
2. All existing instruments of the models were included in a questionnaire, data collection in four organizations (215 respondents).
3. The data analysis revealed that four constructs and four moderators had the most significant influence on the dependent variables.
4. Hypotheses were derived for testing the effects of constructs and moderators.
5. The existing data was re-analysed to test the hypotheses concerning these constructs and moderators.
6. Additional tests were implemented in two companies.

The author began this study by reviewing theories and models, and found four useful models explained in the Theoretical Foundation chapter. After that 15 short semi-structured customer interviews were conducted in a ticketing agency owned by the co-operating company, to gain some preunderstanding of consumers' perceptions about online shopping and especially the online booking system of the company. Then the questionnaire containing quantitative and qualitative questions was designed, in which preliminary hypotheses and theoretical constructs were used in modifying the items for consumer settings. Next, the questionnaire was put on the home page of the co-operating company on the Web, in order to gather data from consumers purchasing through both online and offline channels. Altogether 2,511 respondents filled it in 11 days.

Subsequently the data has been analysed with several statistical methods and qualitative data categorised to codes emerged from the data. The analysis has not been carried out merely to test the relationships argued in models, but also several other relationships have been tested and discovered. Hypotheses and research questions have also been used in testing in original research papers. The observed relationships have been compared with contradicting and supporting literature. In Paper 4 and in section 5.1.1, these relationships have been illustrated with a model. Thus, the research process has been quite similar to the process of Venkatesh et al.(2003) described above.

Moreover, the blue prints of Eisenhardt (ibid.) have been followed relatively faithfully. The research process has more similarities with the theory creating approach than the theory testing approach. The constructs used may be seen as a priori constructs, and the result of the analysis is a preliminary model, not a validated theory. In the questionnaire design phase, hypotheses were used as preliminary research questions. However, multiple investigators were not used in any of the data collection phases, but three professors assisted in the questionnaire design phase and colleagues and a few customers of the company were used in the pre-test. Referring to the original research papers, the results of the analyses have been compared with similar and contradicting prior literature.

3.2 The Measuring Tape: Web Survey as the Method and Technique

Methodological choices are dependent on the research questions, not on research philosophy, paradigm or approach preferences (Galliers 1997; Töttö 2000). Referring to section 1.2, in order to answer the first major research question, the first sub research question has to be settled first. This question is a “Why” question, and according to Töttö (2000) it should be answered with quantitative analysis. Pinsonneault & Kreamer (1993) regard surveys as suitable for answering “Why” questions. However, Yin argues that “Why” questions could be answered with experiment, historical or case study analysis (Yin 1984). On the other hand, surveys can also be fruitful with “What” questions, such as the first major research question in this study (Yin 1984; Pinsonneault & Kreamer 1993).

Thus, who should we believe? In this study, the subjects were consumers, and we had a unique opportunity to use actual customers of a co-operating company, so it was decided that a survey would be used as the data collection method. Furthermore, many studies on electronic commerce or online shopping research area had been published already before this study began, so the purely qualitative approach did not seem appropriate.

In the survey method, demographical and attitudinal data is collected with questionnaires or structured interviews from individuals (Toivonen 1999). The survey may be used when the research has to be implemented in a natural setting, the controlled experiment is not meaningful or feasible or “the phenomena of interest” has recently happened or is happening at the moment (Pinsonneault & Kreamer 1993). The channel choice, the “phenomena of interest” in this study, had been made recently, and on the other hand controlling all the nine research variables plus demographical variables in an experiment would have required quite a significant number of subjects¹⁸, so the survey was applicable and sensible.

There are many deficiencies in the survey method. Toivonen (1999) lists six of them: 1) ignoring the social influence on attitudes, 2) equal value of each opinion, 3) responses are from only one place and time, 4) difficult to answer for lower social classes and undesirable to answer for upper social classes concerned about their privacy, 5) functional only in the cultural frame of reference of the researcher, and 6) ignoring the possibility for other response alternatives. However, Toivonen (*ibid.*) and Töttö (2000) argue that the same deficiencies also concern the qualitative data collection methods.

For example, the sixth deficiency is related to the depth of concerns about the operationalisation and the validity of the variables; in the case when the response alternatives do not meet the actual opinions of the respondents. In order to prevent that, a thorough pre-test of constructs to validate the instruments is a central part of the survey. Although the qualitative data allows the respondents to express the whole range of opinions to the researcher, the opinions are then grouped into typical categories; equivalent to the response alternatives in quantitative surveys.

As noted, the data for a survey may be collected with questionnaires and interviews, which were also considered in this study. Data could have been gathered aboard a passenger ferry by interviewing passengers with a structured questionnaire. Another alternative was to leave a questionnaire in every cabin, and motivate people with a monetary incentive. The author also considered collecting addresses (either postal or e-mail) from the company’s database of regular customers or from customers of the call centre or the online booking system.

However, there was also an opportunity to implement a Web survey with actual customers. The research question concerned the choices of online information seekers, so a Web survey suited the research question well. Web surveys had been used in the company before, and the numbers of respondents in two prior surveys were tempting: 920 responses in January 2000 and 2,875

¹⁸ (cf. Toivonen 1999, p.190)

responses in November 2001. Expertise in Web surveys was available from the co-operating company as well as the Information Systems Science, Turku School of Economics and Business Administration.

Table 3. Characteristics of a Web survey (Zhang 1999; Humphrey 2000; Ilieva, Baron & Healey 2002).

<i>Advantages</i>		<i>Disadvantages</i>	
<i>Rapid</i>	Sending and receiving letters or interviewing 2,511 subjects on the phone takes a much longer.	<i>Biased sample</i>	Are the respondents only after money, or merely computer nerds? ¹⁹
<i>Cheap</i>	No stamp or phone costs.	<i>Biased results</i>	Are the responses real or lies? ¹⁰
<i>Great amount of data</i>	Since mail or phone surveys are time-consuming, gathering is suspended earlier.	<i>Counting of response rate</i>	Counting the visitors of the web site.
<i>Easy to answer</i>	No writing with pen, or listening to alternatives on the phone without a written questionnaire.	<i>Validity of respondents</i>	Anonymity of Internet users. ¹⁰
<i>Easy data coding</i>	Data stored directly to database, no typos in coding phase.	<i>Hard to implement</i>	Requires programming expertise from the implementer.

A Web survey has many advantages and disadvantages (Table 3). To reach the target population and valid subjects, the Web survey was placed on the company's homepage and only the visitors who had made a reservation with the company during the previous three months were requested to answer the questionnaire. An effort was made to eliminate multiple responses from the same respondent with 1) no-reward policy (O'Neil & Penrod 2001), 2) a cookie that was saved in the respondent's computer under his own username (and so impeded answering more than once) and 3) a careful screening of responses to find exactly similar responses. The response rate of this survey can be counted to be approximately 5% of the Web page visitors during the first five days, after that 4 and 3 percents.

The challenge in any study is to ensure that the research question suits the data collection method. If the research question of this study had concerned all consumers, the non-adopters of Internet technology would have been omitted

¹⁹ Note the similar situation with mail and telephone surveys.

from the sample by using the Web survey. As noted, the non-adopters do not have either means or motive for online shopping and therefore it would not have been meaningful to include them in the target group.

3.3 The Units of Measurement

The Web survey was chosen as the data collection method. The questionnaire constructs may be developed by the researcher or validated and tested measurement items from the literature may be used. Using the validated constructs from literature is becoming more common since it is strongly encouraged in the field and a more rapid way than developing new measurement items (Boudreau, Gefen & Straub 2001)²⁰.

Table 4. References to the measures.

Variables	References
Ambiguity	(Dennis & Kinney 1998; Suh 1999)
Special arrangements	
Desire for discussion	(Daft & Lengel 1986)
Efficiency	(Dennis & Kinney 1998)
Social environments' attitudes and experiences	(Fulk, 1993)
Usefulness and ease-of-use	(Karahanna & Limayem 2000)
Internet as booking channel	(King & Xia 1997)
Internet shopping and booking experience	(Shim et al. 2001)

The measures of media choice models have been initially developed for organizational settings. Therefore, the measures required modification for consumer research. Some items could be found from literature (see Table 4), but a few had to be developed in the spirit of the existing theory and online shopping. After the modifications, the constructs have to be treated as non-established and non-validated. Three colleagues assisted in the design phase in order to improve the face validity of the constructs. Furthermore, the questionnaire was pretested with a few actual clients and 13 academic colleagues which resulted in the rewording and rearranging of some items. The questionnaire may be found in Appendices 1-2 (English translation and original Finnish version).

²⁰ However, Boudreau et al. (e.g. Orlikowski & Baroudi 1991) do not discourage the development new instruments as long as they are properly validated.

Table 5. The operationalisation of the variables.

<i>Construct</i>	<i>Description</i>
<i>Product complexity</i>	The most common special arrangements included in cruise products were documented. The respondents were asked if their previous reservation contained any special cabin arrangements, car, hotel, connections to other means of transport, or other special arrangements.
<i>Task ambiguity</i>	The respondents were asked if they perceived the previous booking task as simple, whether the concepts used during the reservation were clear and whether no misunderstandings had occurred.
<i>Task efficiency</i>	The reservation task performance was also checked; the respondents indicated if the task was quick and the outcome (booked cruise) correct (as he/she expected it would be).
<i>Conversation preference</i>	The respondents were asked if they wanted to talk to customer service during the booking.
<i>Social environments' attitudes and experiences</i>	The subjects were asked about their perceptions of their near social environment's (close relatives, friends, and colleagues at work) Internet use frequency and attitudes towards online shopping and travel booking. In addition, there were questions about whether someone in their near social environment had bought something or made travel bookings on the Internet or with the interactive online booking system.
<i>Perceived appropriateness</i>	The subjects were asked if they considered the Internet to be an appropriate channel for travel bookings.
<i>Prior online experience</i>	The respondents were asked the number of times they had bought something or booked with the Internet or the online booking system.
<i>Perceived usefulness</i>	Usefulness was measured by asking if the online booking channel was quicker or cheaper, and whether the respondents could obtain the extra information better online than from the traditional channels and if the Internet was suitable for travel bookings.
<i>Perceived ease-of-use</i>	PEOU contained items asking if the online booking channel was easier, or whether a more correct travel product could be acquired than from the traditional booking channels.
<i>Behavioural intention to book online</i>	Categorised from the qualitative data into "Yes", "Maybe" and "No" categories.
<i>Previous online booking</i>	The subjects indicated if they had made their previous booking online or through traditional channels (travel and ticketing agency and telephone).

The variables are presented in Table 5. The support on attitude towards using a system and behavioural intention have not been established in every study (Lederer et al. 2000) and therefore many studies have focused on actual system usage. Especially e-commerce studies have used self-reported usage (Jiang, Hsu, Klein & Lin 2000; Lederer et al. 2000; Chen et al. 2002; O'Cass

& Fenech 2003). Legris et al. (2003) also report that automatic tools have been used for measuring system usage in organisational settings. In this study, self-reported usage was also used. The behavioural intention was included as an open-ended question, and it had to be coded into yes, maybe and no categories.

Five-point Likert-scales were used in the questions about perceptions. In questions about prior online shopping, booking and the online booking system experience the categories were: none, once, 2-5 times, 6-10 times and over 10 times. Product complexity and previous online booking variables were scaled into dummy variables. Product complexity, conversation preference, perceived appropriateness and previous online booking were single-item variables. The other items were summated into constructs, and the normality assumption required by many statistical tests was met, except for the task ambiguity and task efficiency variables.

Table 6. The construct descriptives.

<i>Construct</i>	<i>Mode</i>	<i>Mean</i>	<i>Std. dev.</i>	<i>Skewness</i>	<i>Kurtosis</i>	<i>Cronbach's α</i>
<i>Product complexity</i>	0	0.305	0.460	0.850	-1.279	-
<i>Task ambiguity</i>	3	4.53	2.016	1.772	3.771	0.774
<i>Task efficiency</i>	2	3.141	1.479	1.710	3.314	0.513
<i>Conversation preference</i>	1	2.22	1.221	0.632	-0.627	-
<i>Social environments' attitudes and experiences</i>	13	11.60	2.815	0.523	1.109	0.811
<i>Perceived appropriateness</i>	2	1.870	0.861	0.942	0.752	-
<i>Prior online experience</i>	3	5.990	2.811	0.744	-0.170	0.708
<i>Perceived usefulness</i>	5	5.276	1.649	0.347	0.785	0.661
<i>Perceived ease-of-use</i>	10	9.786	2.483	0.326	0.947	0.749
<i>Previous online booking</i>	offline (0)	-	-	-	-	-

Construct descriptives are presented in Table 6. The reliability of constructs is satisfactory, except for the task efficiency and perceived usefulness constructs, as can be seen from the Cronbach's alpha values. Nunnally (1967) suggests that values above 0.5 are sufficient in the early stages of the study, but generally values should be above 0.7. Task efficiency had only a marginal effect on the dependent variables, and perceived usefulness construct items had to be modified most significantly from the original validated items to be

applicable to this consumer research. Correlation matrices for determining discriminant validity and results of factor analysis for convergent validity are presented in the original research papers, and they all are sufficient for statistical analysis.

3.4 Analysis

Several different statistical tests were used in the analysis phase. Although the constructs are also categorical after the summation, the Spearman correlation is allowed for categorical variables. It was used in Papers 1, 2 and 3. In Paper 1, logistic regression analysis was used for predicting which dependent (traditional or online booker) variable group a respondent would belong to by identifying independent variables that are most useful for this prediction. For the logistic regression analysis the categorical data was transposed into dummy variables, so the results were easier to interpret than if the reference cell coding in the SPSS had been used. Furthermore, AMOS or structured equation modelling analyses were used in Paper 4 for path analysis purposes.

Qualitative data was analysed with QSR NVivo 1.3. qualitative data analysis software, developed for managing and coding the data²¹. Approximately 1,900 open-ended responses were categorised, firstly by behavioural intention and then by reasons for behavioural intention. For example, during the coding of intention to use the online channel in the future, “Yes”, “Absolutely”, “Yeah”, “Of course” and “Certainly” (or their Finnish counterparts) were sought with the software and those responses were read carefully to check if the response truly indicated that he or she would use the online booking system in the future. After all possible words had been sought, the remaining responses were checked to see whether any more responses could be coded into categories.

After the qualitative data had been coded, the codes were transferred to the quantitative data file for further use. Behavioural intention codes were categorised into three classes, in other words, the results of the above mentioned word searches were combined into one category “Yes” etc. The coding of reasons for behavioural intention resulted in 25 initial categories, in which a response could be coded into one or several categories. With the large data and category set, the axial coding phase of grounded theory would have been too difficult manually; hence factor analysis was used for that. Finally,

²¹ According to the Web site of the producer QSR International (www.qsrinternational.com), the company is the world leader in the qualitative data analysis software business.

seven factors were extracted and initial categories were merged into 19 categories, presented in Table 7.

Table 7. Categories and their frequencies (n) in qualitative data.

Category	Description	n
<i>Online booking easy</i>	Perceives online booking as easy.	278
<i>Conversation preference</i>	Wants to communicate with a person or merely prefers offline booking.	213
<i>Product not available online</i>	Has e.g. a discount or gift voucher or a special cabin requirement, or a special service requirement for transportation, baby cot or pet, or a table reservation, none of which can be booked online.	199
<i>Other reason</i>	Books always with the same person or is a regular customer, or has no knowledge of the online booking system.	195
<i>Satisfied with traditional channel</i>	Used to or satisfied with trustworthy expertise or friendly customer service in traditional channels.	175
<i>Offline booking easier</i>	Perceives the booking (process or product) as complex or offline booking as easier or clearer than online, and therefore prefers traditional booking.	145
<i>Online booking quick</i>	Considers online booking quick or quicker than offline booking or dislikes queuing on the phone.	136
<i>(Product related) information easier to get traditionally</i>	Has specific questions about entertainment, destination or wants extra information and considers information more easily available from traditional channel.	125
<i>Distrust of the online channel</i>	Distrusts the online channel itself or the security or his /her own skills with the online booking system (cannot be sure that he or she is able to get the intended booking e.g. correct booking).	123
<i>Ability to browse independently</i>	Can check timetables, prices or availability independently at his or her own pace, or does not want to disturb customer service persons.	117
<i>Offline booking cheaper</i>	Knows or suspects that the products are cheaper offline or wants to ensure the cheapest product available or information about discounts and therefore books offline (e.g. discount cruises including bus transportation from home town).	107
<i>Online booking slow</i>	Perceives online booking as slow or slower than offline booking, e.g. because of having to click back and forth through the stages in the user interface or because of slow connection speed. Prefers to get immediate answers to his or her questions or to book last-minute cruises through traditional channels.	90
<i>Online booking system accessible 24h</i>	Online booking system accessible whenever most appropriate for customer, after call centre or agencies have closed.	85

Category	Description	n
<i>Satisfied with the system or the Web</i>	Used to or satisfied with online channel or system, or merely preferred online booking.	83
<i>User interface of the system complex</i>	E.g. clicking back and forth through the stages in the user interface.	64
<i>Experienced problems with the system</i>	The online booking system has not been available, or has received an error message or there has been some other system related problem.	63
<i>Offline when necessary</i>	Usually prefers online booking system, but books the special arrangements offline.	61
<i>Tested the system</i>	Either has tested or will test the system, possibly out of curiosity.	58
<i>Received an incentive when used the system</i>	Perceived online booking as cheaper or received an incentive when he or she used the system (during a marketing campaign).	40

Factor analysis is allowed for categorical and even nominal dichotomously coded data. Since the data and category set was so large, the dichotomous coding was clustered with principal components analysis. Dichotomous data may be analysed with factor analysis if the underlying inter-item correlations are moderate, below 0.6 or 0.7 (Kim and Mueller 1978).

3.5 The Goggles: Interpretive or Positivist Paradigm?

There is one additional level in methodology that still has to be discussed: the research paradigm. Should this study be regarded as positivist or interpretive research²²? Qualitative data has been traditionally related to the interpretive paradigm, as quantitative data has been characteristic of natural sciences and the positivistic paradigm (Sanders 1982; Thompson, Locande & Pollio 1989; Arnold & Fischer 1994). However, this kind of separation of qualitative and quantitative data into different paradigms has become obsolete: While arguing that qualitative and interpretive are not synonyms, Klein & Myers (1999) give examples of positivist, interpretive, and critical case and action research in their MIS Quarterly Paper of the Year.

Weber (2004) argues that the difference between or perceptions of positivism and interpretivism have become folklore; no one really knows what these paradigms actually contain. He also argues that the metatheoretical assumptions about these two paradigms are not relevant or actual differences,

²² There are also a other options, for example the critical research philosophy (2003). Although this study is critical, as all studies should be, the historical and social context of the subjects were not explored in such detail as critical research philosophy would require, and therefore the author does not perceive the critical paradigm as a possible choice.

but the real difference is in their data collection choices: for some reason positivists prefer e.g. experiments or surveys and interpretivists choose e.g. ethnographic or case studies. Töttö (2000) also provides many arguments that prove the common perceptions of positivism and interpretivism wrong and therefore make the borderline between the paradigms even more obscure.

Furthermore, as Lee (1991) argues the positivist and interpretive paradigms both have advantages and the benefits of both should be utilised. Mingers (2001) also claims for pluralist methodology in order to gain richer results by arguing: “In any case, it is possible to detach research methods (and perhaps even methodologies) from a paradigm and use them, *critically and knowledgeably*, within a context that makes different assumptions.”

In other words, the research paradigms are not clear or meaningfully separable even for the experienced researchers. Hence, the author has to declare that her own preference for interpretivism may be a result of a successful marketing campaign illustrating images of misguided positivism and the sensible interpretivism. For that reason, the author merely presents her beliefs and viewpoints and leaves the reader the possibility of judging this study as positivist or interpretive.

The research project began with a literature review and this preunderstanding has been used for gathering data. The data collection for this study was implemented with a Web survey or questionnaire including questions about people’s perceptions of and experiences in online booking and shopping. In other words, merely observing human behaviour was not considered sufficient, the motives behind the behaviour of the conscious and intentional individuals were the focus of interest. This is also manifested in the first major research question which begins with “What affects the channel choice of online information seekers”.

The questionnaire was mostly quantitative, as was the analysis. A few qualitative, open-ended questions were included, which were then analysed according to the assumptions of the grounded theory, categorised and then transformed into quantitative codes for the axial coding phase. Although hypotheses and research questions have been used in the analysis phase, the author has attempted to be open-minded and to look for unexpected results and relationships between the used constructs by not using predefined dependent and independent variables. The results of the analysis were used for building a model and items for testing it (see section 5.1). Hence, the paradigm applied in this study might be characterised as pluralist, incorporating features from both the positivist and interpretive research philosophy.

This chapter contained the description of methodological selections made in this study. Theoretical constructs were used as a priori constructs in model

building. Data was gathered with a Web survey in which the a priori constructs could be used as a starting point for the questionnaire and the research model. Measures were adapted from organisational to consumer research, and the quantitative data was analysed with several statistical tests and qualitative data by coding data into emerging categories. To summarize, consumer perceptions were studied by applying the pluralist paradigm, integrating the interpretive and positivist research philosophy.

4 SUMMARY OF FINDINGS

*“There’s Treasure Everywhere”*²³

In this chapter, the central findings from the five original research papers are synthesised. First, the sample characteristics are evoked, and after that, each of the studied quantitative constructs is discussed extended with online self-efficacy that emerged from the qualitative data. Finally, the focus of the discussion is turned around to the first sub research question.

4.1 Sample and Demographics

The sample demographics are presented in all papers, but for illustrational purposes, they will be briefly presented here. Approximately 58 per cent of the respondents were women and the majority of subjects were between 18 and 45 years of age. The majority of respondents live in the greater Helsinki area and Western Finland where the departure ports are situated. Almost all of the respondents, 92 per cent, used the Internet daily or almost daily. In other words, the demographically diverse sample represents the customers of the co-operating company well and the Finnish Internet users quite well.

Interestingly enough, demographic characteristics, usage of the Internet and travel experience (presented in Table 8) did not influence either previous channel choice or behavioural intention. The respondents who lived in Southern Finland, especially near the departure ports, made slightly more bookings online than their Northern peers. In addition, men intended to use the online channel in the future a little more than women did.

Gender and socio-economic group had significant negative effects on prior online experience, confirming that also in this study men and busy people such as self-employed entrepreneurs and upper-level employees or managers also had more prior online experience (e.g. Akhter 2003; Heung 2003; Rodgers & Harris 2003).

²³ Calvin and Hobbes collection by Bill Watterson (1996)

Table 8. Some descriptives of the sample.

	Number		Mode	Correlation to	
	Valid	Missing		Previous online booking	Intention to use online channel
Gender	2463	16	Woman	-0,054*	-0,110**
Age	2466	13	28-37 y	-0,018	0,007
Education	2446	33	Professional	0,032	-0,001
Socio-economic group	2203	276	Lower-level employee	-0,014	-0,069*
Place of residence	2444	35	Helsinki area	-0,073**	-0,073*
Internet usage	2465	14	Daily	-0,049*	-0,061
Cruises p.a.	2461	18	3-5 times	-0,021	0,052
Travelled in Finland p.a.	1572	907	1-2 times	0,018	0,052
Travelled abroad p.a.	1816	663	1-2 times	0,009	-0,028

Significant at ** = $p < 0,001$ level, * = $p < 0,1$ level

4.2 Product Complexity, Task Ambiguity and Efficiency

Product complexity was measured by asking the subjects to indicate whether they had included in their booking special cabin arrangements, a car, a hotel, connections to other means of transport or other special arrangements²⁴. Task ambiguity was measured by asking about the respondents' perceptions of the simplicity of the previous booking task, the clarity of the concepts used during the reservation and the occurrence of misunderstandings. Furthermore, the respondents specified their perceptions of the speed and correctness of their previous booking for the task efficiency construct. Spearman correlations, logistical and multiple regression analyses provided statistically significant, although quite weak, relationships with the previous booking channel, but not with the behavioural intention to book online in the future.

Complex travel products including special arrangements are preferably booked through traditional channels. In addition to cabins, the most common special arrangements can also be booked online, such as a vehicle, breakfast and dinner vouchers. The uncommon or exceptional arrangements are not available online such as special cabins for allergic persons, hotels in the destination, additional connecting transports, table reservations or cribs for babies. Still almost 90 per cent of respondents who included a vehicle in their

²⁴ The item asking whether the booking included "several passengers of various ages (adults, children, teenagers, senior citizens etc.)" was dropped since it had no statistically significant relationships with any variable.

previous booking used traditional channels. The qualitative data confirmed that respondents used traditional channels since some products were not available online or they perceived that offline booking would be cheaper or at least easier.

Thus, products that were booked online were mostly very simple. Both traditional and online booking processes resulted in a correct outcome, in other words, the respondents were able to book the travel products they desired. The traditional booking process was perceived as a little faster than the online booking process, but altogether the booking processes were considered relatively efficient and effective.

However, online booking tasks were perceived as more ambiguous than booking tasks through traditional channels, although online booking was considered easy. Moreover, the complexity of product did not affect task ambiguity. There could be several reasons for this result. Firstly, all the travel products in this study are relatively simple, and the lack of variation in product complexity may interfere with the results. Secondly, the booking tasks of this study may not be ambiguous but relatively straightforward requiring merely more information (instead of clarifying explanations due to different frames of references). Finally, this might indicate that the level of task ambiguity is channel dependent. According to qualitative data, the perception of many respondents was that it is easier to book and get product related information offline than from the Internet. Expert assistance is available on a rich traditional channel but the independently made booking may become more complex on the Internet.

Consequently, what is the impact of product complexity and task ambiguity on 1) choosing the online channel and 2) the intention to use the online channel in the future? Product complexity and task ambiguity had small but statistically significant relationships with the previous online booking.

4.3 Conversation Preference and Online Shopping Self-Efficacy

Conversation preference was measured with a single item, asking respondents to indicate their opinion on a 5-point Likert scale: "During the booking of a journey, I want to talk to a customer service person." Moreover, three qualitative categories were related to this variable: Conversation preference, Satisfied with traditional channel, and Other reason (e.g. personal relationship with a travel agent). The online shopping self-efficacy is based on the qualitative data, five categories were related to the concept, namely Distrust of the online channel, Offline booking easier or cheaper, Product related information easier to get traditionally and Online booking slow.

Conversation preference was the most important statistically significant variable of all, influencing both the choice of and the intention to choose a traditional channel. Over 70 % of the respondents who made their previous booking offline preferred conversation, and only 15 % of online bookers wanted to communicate verbally during the booking process. The importance of Conversation preference was also clear in the qualitative data: there were very definite responses refusing to use an online booking system:

"Personal service and contact with a person is always a better option."

Others were merely satisfied with the customer service:

"Your customer service personnel are very competent and I always get good and up-to-date tips from them."

The respondents who preferred conversation were mostly inexperienced online shoppers e.g. those subjects that had no online shopping or booking experience. On the other hand, the respondents who preferred a nonverbal booking process had more online shopping and booking experience and even more experience of the online booking system. From this perspective, choosing the traditional booking channel is a habit.

There are also other reasons why people prefer conversation during the booking process than merely the habitual use of traditional channels. The qualitative data contained responses showing that anxieties related to online booking are quite common. Searching for alternative product-price combinations or asking specific questions about entertainment or destination are considered more reliable, easier and less time-consuming through a traditional channel. Especially inexperienced respondents were worried about booking on the Internet.

Some of the respondents were unsure of their capability to book the intended travel product correctly, even when booking confirmation is sent to every online booker by e-mail:

"If the booking is made on the Web, there is always a small feeling of uncertainty as to whether the cruise is really booked. "

Alternatively, some respondents regarded the booking process and information retrieval to be easier offline:

"Booking is easy in case of so called normal cruise (with cabin A, B or C). But otherwise, it is more reliable to book over the telephone."

"Somehow the booking feels safer when it is done with a person and not a machine, especially if there are some questions or uncertainties. Online booking is OK if all the necessary information is on the Web pages."

Altogether 102 qualitative responses were concerned with distrust of online booking, 221 responses focused on the simplicity and cheapness of offline booking, and 107 on easier information retrieval offline. Approximately 60 % of these respondents did not intend to use the online channel in the future.

These qualitative categories have one common denominator, namely self-efficacy. As stated in section 2.6, self-efficacy is defined as judgment of one's ability to use a technology (e.g. a computer) to accomplish a particular job or task. Especially inexperienced users have been found to perceive their computer self-efficacy as low (Venkatesh & Davis 1996) as in this study. This is consistent with the results of King & Xia (1997) and Novak et al. (2000) who argued that skills and comfort with a system improve with experience.

4.4 Social Influence

Social influence was measured with four items. The respondents indicated their perceptions of the attitudes towards and experiences of the Internet, online shopping, booking and the booking system. Negative experiences of the respondents' near social environment were also asked, but the item was dropped from the social environment construct since it decreased the reliability of the construct. Spearman correlations and multiple regressions showed a statistically significant relationship with the previous booking channel, behavioural intention and perceived usefulness.

The respondents who made their previous booking offline had a more negative perception of social influence. The correlation was very small but still statistically significant. The respondents whose near social environment did not have much experience or regarded online shopping and booking more negatively preferred offline booking. On the other hand, those respondents who perceived the attitudes and experiences of their near social environment more positively preferred online booking.

Social environment had also a small but statistically significant positive effect on behavioural intention and larger effect on perceived usefulness.

4.5 Experience and Perceived Appropriateness

There were four online experience items in the questionnaire: prior online shopping experience, prior online booking experience, prior online booking system experience and previous online booking, which was also used as a dependent variable in many analyses. Prior online experience as well as previous online booking affected behavioural intention very significantly. Experience also correlated statistically significantly with previous online booking, conversation preference, perceived appropriateness, perceived usefulness and ease-of-use, hence it had several indirect effects on behavioural intention through these variables.

Therefore, all experience-related variables (including conversation preference) substantially affected the choice of the online channel and the intention to choose the online channel in the future. The relationship between prior experience and online shopping has not drawn much attention, but some studies have observed the same, although a weaker relationship (e.g. Brown et al. 2003; Gefen 2003; Gefen, Karahanna & Straub 2003a).

Why is the impact of experience much bigger in this study than in other studies? To begin with, the experience is measured with several variables from different viewpoints in this study compared to one variable in other studies. Second, this study was implemented in a very secure Internet environment, which may enhance the importance of prior experience. Prior studies have observed that experienced customers are not too concerned about security (e.g. McCole & Palmer 2002; McKnight et al. 2002; Gefen et al. 2003a). Positive experiences strengthen the trust and consequently the consumer will continue to shop online, since he or she can trust the Web shopping site (Burroughs & Sabherwal 2002; McCole & Palmer 2002; Holloway & Beatty 2003).

The experience items were also examined separately. It was found that prior online booking system experience affects channel choice in particular (also intention to choose), emphasizing the practical value of direct system experience. Moreover, the general online shopping and booking variables had effects on both the dependent variables. The more specialised experience the respondents had gained the more likely they were to book online in the future and to choose the online booking channel instead of traditional ones.

As noted in section 2.5, Gefen (*ibid.*) suggests that the lock-in effect is the reason for the importance of prior experience. The author would add the perception of one's Internet or computer self-efficacy to the picture, although there is a clear connection between lock-in and self-efficacy (Johnson et al. 2003). By gaining experience and learning to use a specific Web shopping site, the consumer is able to accomplish the desired outcomes and becomes locked-in to the Web site. In addition, general online shopping and booking

experience influence the channel choice. Therefore, one could also be locked-in to the habit of using the Internet for purchasing.

Although there were four appropriateness items in the questionnaire, only one had statistical significance. This item “Internet is a suitable channel for bookings” correlated with the perceived usefulness variable and therefore it was included in the perceived usefulness construct.

Perception of appropriateness affects channel choice to some extent, but the effect on behavioural intention is almost as important as conversation preference. In fact, approximately 95 per cent of the respondents who perceived the Internet as suitable for bookings intended to use the online channel in the future. Furthermore, the respondents who made their previous booking online had a more positive perception of the Internet’s suitability for travel reservations.

Perception of appropriateness is related to attitude towards usage, which has been found to affect behavioural intention (see section 2.6). In an actual choice situation, the practical issues such as direct experience of system, perceived usefulness etc. seem to be more valuable than attitude.

4.6 Perceived Ease-of-Use and Usefulness

The perceived ease-of-use and usefulness items were adapted from the standard TAM items to be applicable in consumer research. Perceived ease-of-use contained questions about whether the online booking channel was easier, or whether a more correct travel product could be acquired than from the traditional booking channels. Usefulness was measured by asking if the online booking channel was quicker or cheaper, and whether the respondents could obtain the extra information better online than from the traditional channels and whether the Internet was suitable for travel bookings (the perceived appropriateness item was included in the construct). Specifically the ease-of-use was important to the respondents, although both constructs were statistically significant.

The respondents valued the ease-of-use of the online booking system most of all the TAM items, according to both the quantitative and qualitative data. Almost three of four respondents perceiving the system easy-to-use intended to use the online channel in the future. In addition, of 220 respondents whose qualitative response concerned the ease of the system, approximately 90 per cent indicated their intention to use the online channel in the future. The system was developed according to the best practices in transactional Web sites of the passenger cruise line industry (Järveläinen 2000) so the customers could interact with a perhaps familiar and easy user interface.

Moreover, 46 per cent of respondents who had no direct experience of the online booking system thought that it would be easy to use. These respondents may have used the system for checking timetables, prices and availability. Alternatively, social environment or media may have influenced the perceptions of these respondents.

The correctness of the online bookings was perceived as being high; the respondents felt they would be able to book the desired travel product online at least in the future. Although some responses in the qualitative data concerned technical problems, difficult or slow user interface, still 89 per cent of the respondents who made their previous booking online were satisfied with the outcome.

Perceived ease-of-use had a bigger effect on actual behaviour than perceived usefulness, which is to some extent inconsistent with prior TAM studies. Generally perceived ease-of-use has been regarded as an antecedent of perceived usefulness (e.g. Venkatesh & Davis 2000; Gefen et al. 2003a). One reason for this might be that the ease-of-use may have an increased importance in an online shopping context, since the information seeking has proved to be slow and difficult (Anckar 2002; Öörni 2002).

Speed was the most useful feature of online bookings according to this study. Avoiding queuing on the phone is one of the major benefits of the online channel, as qualitative responses revealed. Compared to going to a travel agency, the consumer also saves physical transfer time. On the other hand, the search for optimal product-price combination may be slow, especially if the consumer “goes with the flow” (e.g. Hoffman & Novak 1996; Dholakia & Bagozzi 2001).

The 24-7 availability of the Internet is a useful feature for people who are unable to use traditional channels during normal opening hours. Although this feature was not included in the quantitative questions, the open-ended responses emphasised the availability. For example, customers on shift work and parents preferred booking late at night:

“Often I am able to use the Internet late at night, when the call centre is closed.”

“The best part (of the online booking system) is the ability to book together with the family, in peace, and even at night or during the weekend.”

Additionally, the qualitative data revealed that many people appreciate the independent browsing enabled by the online booking system:

"It is easy to explore the prices of different alternatives independently on the Web."

The product range and price differentiation are wide in the travel industry, and the consumer may perceive herself / himself as unable to examine all the options with a customer service person (e.g. Werthner & Klein 1999; Clemons et al. 2002). No travel agent is rushing the consumer into a decision, and the consumer is able to compare several alternatives and choose the most suitable one autonomously (see also Morgan et al. 2001).

Online bookings were not perceived as particularly cheap, although subjects who made their previous booking online believed they could book a cheaper cruise online than traditionally. Small incentives given in exchange for online booking were welcomed in qualitative data, in fact respondents who had not received an incentive for some reason felt betrayed.

Perceived usefulness had a large effect on behavioural intention and perceived ease-of-use did not, but perceived ease-of-use had a small effect on previous online booking. This may indicate that in an actual channel choice situation ease-of-use is more valuable than usefulness. Consumer evaluates the channels by considering whether he or she may accomplish the task efficiently and achieve the desired outcome.

4.7 Why Do Consumers Who Use the Internet for Seeking Product Information Purchase These Products through a Traditional or Online channel?

Of the 2479 respondents, altogether 1903 had made their previous booking offline. In order to answer the first sub research question, the major obstacles to online purchasing for online information seekers are summarized in Table 9 and the facilitators in Table 10. The first obstacle is the experience of offline and inexperience of online channels. It is very likely that some consumers will always demand traditional, verbal customer service (Kaufman-Scarborough & Lindquist 2002). Others do not see any reason to change their habit of using a traditional channel, since they are satisfied with the service they have received (see also Karayanni 2003). Some browse through the supply beforehand and then make the transaction traditionally; others check related information online afterwards.

The complexity of products is another obstacle to online purchases (see also Card, Chen & Cole 2003). Some travel products are easier to sell traditionally, and therefore are not available online; one significant reason for not booking online. Moreover, inexperienced consumers do not have the skills and are not

at ease with the online channel, and prefer traditional booking when special arrangements are required.

The third obstacle observed in this study was self-efficacy. Consumers who do not have sufficient experience with online shopping or booking feel that they are not capable of accomplishing the desired outcome online or making the travel reservation correctly. The lack of skills and comfort with the channel is also behind this obstacle. Once more, the experience has a very substantial role in the choice of the purchasing channel.

Table 9. Obstacles to online purchases in secure Web environment

Obstacle	Variable / category	Explanation
Experience of offline / Inexperience of online shopping	Conversation preference / Prior online experience	Consumers are satisfied with and prefer offline channel, and therefore are not certain about the suitability of the Internet for purchasing
Product complexity	Special arrangements	Complex products are easier to purchase through traditional channels and the most complex ones are not available online
Online shopping self-efficacy	Distrust of the online channel/ Offline booking easier / Product related information easier to get traditionally	Inexperienced consumers have not developed skills and comfort with online shopping and booking, nor information seeking, and therefore perceive themselves as unable to purchase on the Web.

Totally 576 respondents indicated in the web survey that they had made their previous cruise booking online. The facilitators for online purchases are synthesized in Table 10. Prior online shopping and booking experience is essential in choosing the online channel. Positive experiences enhance skills and comfort with the channel and eventually the continued use may even become habitual.

The ease of use and usefulness of the online shopping channel are also important. The advantages outweigh the disadvantages of the channel. Subsequently, the online channel is perceived as suitable for shopping. Furthermore, social influence enhances the positive perception of the channel.

Table 10. Facilitators for online purchases in a secure Web environment.

Facilitator	Variable /category	Explanation
Experience in online shopping	Prior online experience/ Previous online booking	Experienced online shoppers and bookers are used to the channel and capable of finding product information and purchasing them.
Easy and useful shopping channel	Perceived ease-of-use and usefulness (PUE)	Online shopping is easy and quick, The Internet is available 24 hours a day and a purchasing decision can be made autonomously
Internet suitable for shopping	Perceived appropriateness	The Internet is especially suitable for routine-like purchases and product information seeking; the offline channel may be used when necessary.
Social influence	Social environment	The positive experiences and attitudes of the near social environment enhance the intention to choose the online channel also in the future.

This chapter summarised the central results of the five original research papers. In addition, the first sub research question was answered here.

5 LESSONS LEARNED

- *I have a different theory*
- *You have 20 seconds.*
- *Imagine for a moment that this ... thing is not anything that can be identified, because it prefers not to be²⁵*

What have we learned from this study theoretically and practically? After the first sub research question has been discussed, the remaining questions will be answered in this chapter. In the theoretical implications section, the two major research questions will be examined by presenting the online channel choice model in a secure Internet environment and the construct items for measuring it. In the practical implications section, the second sub research question will be discussed and suggestions for developing and marketing a Web shopping site will be proposed.

5.1 Theoretical Implications: What Affects the Channel Choice of the Online Information Seekers in a Secure Internet Environment?

In order to conclude the theory creating research process a theory or model should be proposed. A theory is a validated and tested framework, whereas a model is a preliminary framework (Anttila 2002). In the original research papers, the a priori constructs from the models have been tested while the dependent variable or the focus of the papers has been different. Thus, a synthesis of theoretical implications is required. Furthermore, the qualitative data analysis revealed a new construct, which has not been tested statistically, but is definitely a finding. Consequently, a synthesising model will be presented first and after that, its measurement will be discussed.

²⁵ A discussion between Priest Vito Cornelius and the President of Federated Territories in “*The Fifth Element*” (1997) film directed by Luc Besson.

5.1.1 The Model

Figure 2 in Paper 4 presents a detailed and tested model of variables affecting the intention to choose the online channel for booking. However, the results of Papers 1-3 are not incorporated in that model. Hence, a synthesising model of the online channel choice will be introduced in Figure 7. The model is based on the statistically significant results of the analyses, both quantitative and qualitative. The impact of a priori constructs of the four models should not be forgotten. Compared to the detailed model in Paper 4, a few constructs have a different name and one new factor is included here, and the relationships between constructs are largely based on analysis results.

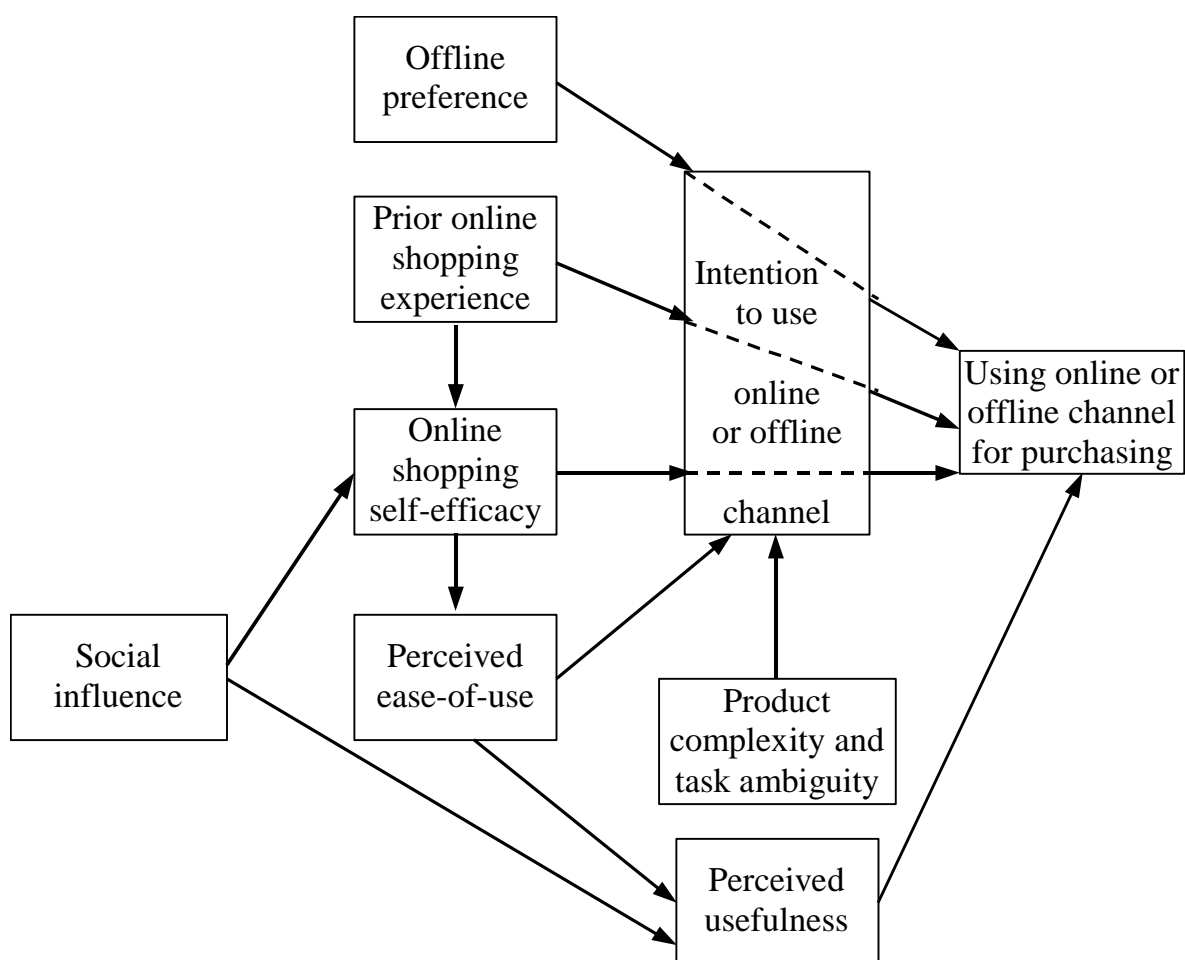


Figure 7. Online channel choice model in a secure Internet environment.²⁶

²⁶ The offline preference and prior online shopping experience as well as online shopping self-efficacy affect both intention and behaviour, and therefore the arrows in the picture continue through the intention construct.

The offline preference refers to the conversation preference construct; and both prior online experience and previous booking online are combined to prior online shopping experience. However, the product complexity and task ambiguity were found to affect particularly the actual channel choice, and therefore there is a relationship between the construct and using the online channel for purchasing. Furthermore, the perceived appropriateness and task efficiency items have very similar counterparts in the perceived usefulness and ease-of-use constructs, so they are excluded from the model.

The influence of online shopping self-efficacy on intention has not been statistically tested in the original papers. As already discussed in section 4.3, there were several qualitative categories in which the responses indicated a relationship with self-efficacy and channel choice. These categories may be combined into the online shopping self-efficacy construct, which will be included in the model. Furthermore, theoretically prior system experience has been found to affect self-efficacy, which has been discovered to be an antecedent of perceived ease-of-use (Venkatesh & Davis 1996; Novak et al. 2000). Additionally, social influence and computer self-efficacy are related to each other (Compeau & Higgins 1995). However, there was no sign of this relationship in the qualitative data, but due to theoretical assumptions, this should also be tested in the future.

The model should be different and better than its predecessors according to Järvinen (1999). The model is different from all of the a priori models, presented in Chapter 2. However, a Unified Theory of Acceptance and Use of Technology (UTAUT) was published recently, it combines constructs from eight adoption models (Venkatesh et al. 2003). Let us then compare the model to UTAUT, which incorporates many similar constructs. The dependent variables are behavioural intention and use behaviour in UTAUT, similar as in the above model. Performance expectancy and effort expectancy constructs incorporate the items very similarly as the perceived usefulness and ease-of-use constructs in the online channel choice model. The social influence construct is used in both models. However, UTAUT has a facilitating conditions construct, which upon closer examination reveals to combine items related to self-efficacy and perceived appropriateness, the latter of which is included in the perceived usefulness construct.

Furthermore, there are four moderators, namely gender, age, experience and voluntariness in UTAUT, of which experience is also included in the above model. Since the online channel choice model is based on the assumption that there are other channels users might prefer, voluntariness can be disregarded in this model. Gender and age were not found to be very significant variables in the analysis phase, and therefore they are not included in the above model.

In other words, offline preference, product complexity and task ambiguity are not part of UTAUT.

Next, the experience construct has been used as moderating or antecedent variable for constructs similar to perceived usefulness and ease-of-use in UTAUT, as it has a direct relationship with the dependent variable in this model. As noted, prior online shopping experience and offline preference have a very substantial effect on both behaviour and intention.

Additionally, perceived ease-of-use and usefulness have a different role in this model than in UTAUT. Perceived ease-of-use had a bigger impact on behaviour than perceived usefulness, but on behavioural intention perceived ease-of-use did not have any effect, and perceived usefulness did. The impact of perceived usefulness has generally been reported bigger than that of perceived ease-of-use, which in some studies has been only an antecedent to perceived usefulness, which was the case also in UTAUT testing. As has been noted, the possible reasons for this difference affecting actual behaviour may be the emphasised significance of ease-of-use in purchasing compared to the time-consuming and difficult search process.

How is the above model then better than the Unified Theory of Acceptance and Use of Technology? The model is specifically intended for selecting the online purchasing channel in a secure Internet environment. UTAUT focuses on user acceptance and does not consider the alternatives after user rejection. In this model, if the consumer decides to reject the online channel he or she chooses the offline channel. In addition, the new technology or the online channel is an open system not a closed, organisational one as is assumed in UTAUT. Moreover, consumer context is very different from the organisational context: the system use of consumers is voluntary, and this model is for consumer research especially.

This study differs from others in two aspects: There was a secure Internet environment and the products were information intensive travel products. It was a conscious decision not to examine the security related issues in this study (see 2.1). However, this is a limitation affecting the results. It is extremely likely that the perception of security affects also channel choice, which is demonstrated in numerous of studies (e.g. Gefen 2000; Jevons & Gabbott 2000; Johnson-Page & Thatcher 2001; Miyazaki & Fernandez 2001; McCole & Palmer 2002).

The travel product may also affect the results. Online shopping self-efficacy might not have any influence on online purchasing of simpler products such as books or CDs. The user interfaces of online bookshops are relatively easy, and obtaining product related information does not have such a significant role in the purchasing process.

After presenting the model, its measurement will be discussed.

5.1.2 How Can the Consumers' Motives for Channel Choice Be Measured?

The second major research question concerned the measurement. The author has learned amply about measuring constructs during the research process and a new questionnaire is required for measuring the online channel choice model. After all, at the beginning of the process, the model was not predictable, and now when the model has taken form, the accumulated knowledge of the analysis and questionnaire design can be utilized. In the fifth original research paper, the problems of the perceived usefulness and ease-of-use items used in online shopping studies applying TAM were discussed and the discussion will be continued here.

The items used in this study were based on models and in some cases only one item has served as a variable. The reliability of a single item cannot be calculated and therefore most studies use summated scales or constructs of multiple items (Nunnally 1967; Lucas Jr. 1991; Boudreau et al. 2001). At least three, but preferably four or five items are generally included in each construct in order to reach sufficient reliability. Before the analysis, the significance of the items was unknown. After the process, the constructs could have been operationalised differently. Therefore, in this section the author proposes items which have been either used in recent literature or are based on the qualitative data of this study.

Prior online experience was measured in this study from the shopping/booking perspective and Internet usage perspective. Neither did the Internet usage in general nor experience of the company's Web site have a significant relationship with behaviour or intention. The online shopping and booking experience on the other hand did. The categorical scale of the items is however problematic: according to statisticians, the mean of a categorical variable cannot be calculated. However, Likert scaling or equal-appearing interval scales, may be summated and treated as interval scales (dxResearch 2004), allowing for example calculation of means. Alternatively, the items could be formulated into an open-ended answer: "How many times have you purchased books online last year?"

In the qualitative data, some respondents indicated that channel choice depends on the complexity of a product. With a complex product, the respondent would not feel confident if the booking was made independently online. Therefore, prior online shopping experience could be measured with both simple and complex products. Experience items could contain different products, simple and complex ones such as books, CDs, flights, electronics, computers or independent tours etc.

The conversation preference was measured with a single item in this study. From the qualitative analysis, three related categories emerged (see 4.3), which could be used in measuring: Conversation preference, Satisfied with traditional channel (or used to some channel), and Other reason (e.g. personal relationship with a travel agent). The detailed descriptions of the categories are in Table 7.

Based on the categories, conversation preference could be measured with four items, instead of the single item:

"I prefer offline channel for purchasing every time."

"I am satisfied with offline channel purchasing."

"I am used to offline channel purchasing."

"I always purchase travel products from the same travel agent."

Subsequently, computer self-efficacy has been measured usually with items concerning the conditions under which the respondent could complete the task or use the system (e.g. Compeau, Higgins & Huff 1999; Venkatesh et al. 2003). These items would be applicable also here, but other items should be considered too, based on the qualitative data categories: Distrust of the online channel, Offline booking easier and Cheaper, (Product related) information easier to get traditionally and Online booking slow. For example:

"I am confident that I will be able to purchase the travel product from this Web site."

"I am confident that purchasing the travel product from this Web site will be easier than from a travel agent."

"I am confident that purchasing the travel product from this Web site will be cheaper than from a travel agent."

"I am confident that I will find all the product information necessary to be able to purchase the travel product on this Web site."

"I am confident that I will find all the information necessary to make the transaction on this Web site."

"I am confident that purchasing the travel product from this Web site will be faster than from a travel agent."

Next, social influence has been measured with subjective norm and social factor items (Venkatesh et al. 2003). Many of them would also be applicable in testing this model. In addition, the items used in this study were all significant except for the negative experiences of the near social environment item and the Cronbach alpha value of the construct was quite sufficient. However, the items of this study measured the actual perceptions of the

respondents' attitudes towards and experiences of the channel, not social influence per se. Therefore, the items used in Venkatesh (ibid.) would probably be more useful.

“People who influence my behaviour think that I should use the system.”

“People who are important to me think that I should use the system.”

“I use the system because people who are important²⁷ to me use the system.”

“People who influence my behaviour have been helpful in the use of the system.”

The product complexity was measured in this study with a dichotomical variable based on whether the respondent had included special arrangements on the booked travel product. A little more complicated version of this is a measure used by Swaminathan (2003), who determined the degree of product complexity by how many attributes the product contained and how many alternatives there were for these attributes. For example, if a cabin was included in cruise product, and the cabin attribute has six alternatives the complexity of product would be 1 times 6 equals 6.

Recently, the perceived product complexity has been also measured with the following items (Burnham, Frels & Mahajan 2003):

“I would have to know a lot to take full advantage of the options offered by service providers.”

“The offerings in this industry are difficult to understand.”

“A salesperson selling this kind of product needs to know a lot to do a good job.”

“This product is complicated by nature.”

Although the first option would be perhaps more objective, the perception of product complexity depends on the consumer, therefore the second option would be more useful. The product range is also very wide in the travel industry and the calculation of product complexity would be quite difficult. Furthermore, the qualitative data categories - offline booking easier and (product related) information easier to get traditionally - contain responses similar to these items.

²⁷ Venkatesh et al. (2003) use the items: “I use the system because of the proportion of coworkers who use the system.” and “The senior management of this business has been helpful in the use of the system.”

The task ambiguity was measured with three items in this study. To increase the reliability of the construct, more items should be included in the construct (Nunnally 1967). Breivik & Supphellen (2003) have used items that would express the attitudes of the respondents according to qualitative data.

“When I decided to purchase this travel product²⁸ I was not sure what to do.”

“I was very unsure about what I was supposed to do.”

The original research paper 5 contains the suggested items for measuring perceived usefulness and ease-of-use. The previous booking online question could be dichotomical: online or offline. In addition, the behavioural intention to choose the online channel should be indicated with a yes or no answer. To conclude, the suggested questionnaire is in Appendix 3.

5.2 Practical Implications: How Can the Company Transform the Online Information Seeking Offline Customers into Online Customers?

*“Resistance is futile.
You will be assimilated.”²⁹*

In this section, the focus of discussion is on how the results of this study can be used in practice. In January-February 2002, totally 64000 customers visited the Web site of the co-operating company. Approximately 10% of them actually made a transaction online. Possibly tens of thousands customers made the transaction offline, after online information seeking. The results of this study can be exploited in transforming offline customers into online ones by improving the site or in marketing. Three facilitators (see Table 10) namely the experience, perceived ease-of-use and usefulness factors are examined from that perspective.

5.2.1 The Experience-Factor

Nearly all respondents who had previously made a cruise reservation with the online booking system intended to use the system again in the future.

²⁸ Breivik & Supphellen (1998) originally used the phrase “When I received this task..”

²⁹ The Borg in *Star Trek Next Generation* television series (created by Gene Roddenberry).

Therefore, encouraging offline customers to try online booking system once or attracting new customers to use the online channel should be profitable. The attention of customers can be caught with marketing or by delivering online customers superior service quality or benefits not available in other channels and improving the Web shopping site.

"I have used the system once and probably will use it also later. Booking was easy, the cruise was cheap and the 5€ voucher for online bookers was a good reward."

The co-operating company in this study has tested several marketing campaigns for attracting especially loyal customers to the online booking system. The campaigns offering customers monetary benefits have been the most successful ones. Customers have for example received "snail" and e-mail promotions of cheap cruises available only on the online booking system. A small incentive of 5 euros given to online customers increased the number of daily online bookings from the usual 200 to 2,000 for a period of one week.

The experienced online shoppers and bookers were also more likely to use the online booking system than the inexperienced ones were. However, most of the respondents were using the Internet daily. Therefore advertising can also be used in encouraging online information seekers to try the system. According to Korgaonkar and Wolin (2002), compared to inexperienced Internet users and shoppers, the experienced ones perceive online advertising e.g. more informative and enjoyable and have a price decreasing effect on products. Therefore, different experience levels of consumers should be respected also in online advertising. For example, Korgaonkar & Wolin (2002) suggest more informative advertisements for inexperienced users and shoppers and more dynamic commercials for experienced ones.

"I am a busy person and want to take care of things when I have time, for ex. on Saturday mornings such as now. In the future I will continue booking cruises online."

- A very experienced respondent

"Someone should show how the booking system works once, then I could do it. I tried it once, but it did not go well. That is probably why I use telephone booking."

- A respondent with no experience of online shopping

The inexperienced and experienced customers, who differ in the degree of online shopping self-efficacy, could be served differently in order to provide

better service for both groups. A Web shopping site could be personalised for inexperienced customers who easily make the transaction offline after online information seeking. The basic user interface would be easy to use for inexperienced customers providing detailed (product) information and assistance throughout the shopping process. The experienced user could make the bookings more quickly, and pass some phases, since some of his or her previous preferences have already been saved in a database during previous visits. These preferences could include for example the route used normally, passenger details and preferred payment options. They could be saved if the customer has given permission.

5.2.2 "Make It Easy for Customers to Do Business with You"³⁰

It is relatively common for brick and mortar companies to start with informative Web pages and later add the functionality by developing a Web shopping site (e.g. Azzone, Bianchi & Noci 2000). Sometimes the informative pages are not integrated with the shop, and it is not possible to proceed from a product information page to buy that particular product on the shopping site. To improve the ease of the shopping experience, the product related information should be tightly integrated with the shopping site.

"It is more comfortable to call and make the booking, because then the expert assists you, when there is no help online!"

The inexperienced respondents perceived the information retrieval as easier offline. The online booking could be made easier in the travel industry by e.g. connecting a particular point in a timetable, price table, or in the entertainment and destination page directly to the shopping system to buy that particular journey on that date or at that price, with that entertainer or to that destination.

"I am used to the travel agency, where I have a better opportunity to get information on alternatives etc. and I do not have to spend my own time so much."

Some of the respondents who indicated in the open-ended answers satisfaction with traditional channels were pleased with the service and did not consider self-service attractive. Ease-of-use is also effortlessness, which could

³⁰ The quotation is from the book of Seybold & Marshak (1998) - Customers.com.

be improved by utilizing the frequent flyer or regular customer programs, which are common in the travel industry. For example, American Airlines, Hertz and General Motors collect some preferences of regular customers in order to improve service (Seybold & Marshak 1998). A frequent flyer or regular customer could enter his or her customer number, the online booking system would check the personal details and credit card number from the database, and the customer would merely have to accept the correct details. Moreover, the details of usually accompanying passengers, hotel room preferences and other useful information should be saved to provide the customer an effortless purchasing process.

"The booking system should be simplified, the fully [booked] dates should not be available [on the calendar]. Pointless clicking back and forth would be left out."

The online channel has made it easy for consumers to give feedback. Even from the qualitative responses it could be seen that consumers complain of negative service, product experiences and technical problems with Web pages, suggest improvements, ask questions etc. Unfortunately, it seems that companies are not using this as an important source of customer input. If the feedback is not handled and an appropriate answer provided, many customers may be lost for good, others may choose a traditional channel to make sure their question, complaint or suggestion is processed. Instead of relying on standard feedback reply e-mail, the companies should quickly provide a personal answer or perhaps publish the answers on the Web site.

5.2.3 Useful Features

The Internet is an information channel, the indefinite mass of Web pages filled with information about everything are connected to each other with hyperlinks. Moreover, information sharing is free; the information produced may be distributed to every interested consumer at no extra cost (Shapiro & Varian 1999). The product information may be richer online than in printed brochures, since multimedia, pictures and details are available (Jahng et al. 2001). One technique to transform offline customers into online ones could be to provide information-based benefits available only to online customers.

"...The machine cannot be asked about small things (such as is there room for baby carriages in the cabin)."

Especially in the travel business, product related information is essential because of the information intensive nature of the product (Werthner & Klein 1999; Card et al. 2003). For a customer interested in booking a family cruise to Stockholm the following information could be useful: (e.g.) parking facilities near the departure terminal, the check-in time, the services at the terminal, facilities for babies at the terminal and the ship, booking of a baby crib, what to do on board and in Stockholm with children etc.

"While making a booking I want a personal contact with a human, data from the machine is sufficient for information seeking. Surely I could make the reservation online in the future, it remains to be seen."

As many respondents stated in the qualitative data, they prefer the offline channel if they have some questions. The frequently asked questions (FAQ) lists on Web sites are very useful for both the customers and for the company (Seybold & Marshak 1998). Many of the customers' problems have already been solved, and it is cost-effective to concentrate on new and difficult problems while some customers refer to the FAQ on the Web site. The call centre personnel have to be encouraged to update the FAQ list when new problems and solutions emerge. The customers are able to quickly find the answer by themselves and the customer service personnel does not have to answer the same question repeatedly.

"...I am prone to seasickness. We have had to cancel the reservation because of the weather on few occasions. Nowadays I want to make the decision based on the weather, or at the last moment..."

Hence, this information should be on the Web shopping sites or linked to for example the tourist Web sites of the destinations. If the customer books meals for the journey, links to restaurants, menus and wine lists should be provided. The entertainers performing during the journey, pictures of hotel rooms and perhaps even weather statistics could also be presented.

"I want to discuss with an agent and maybe get some tips for the trip."

Another information-based benefit for the online customers could be to receive suggestions of activities at the destination in their booking confirmation. These suggestions should be customised for different customer

groups and could be produced in co-operation with the tourist information bureau at the destination. Furthermore, with the customer's permission, well-targeted marketing e-mails could be sent before a holiday season etc.

"[Booking] is easier on the phone for the time being. Because if the preferable cabin is not available on a specific date, one must click the pages backwards several times before the date can be changed. As a modem user this is a big problem..."

Speed was one of the most useful features of the online channel according to the results. In addition to the speed of technical equipment, the user interface design affects the customer's perception of speed. Clicking through several phases and returning to the first phase after the customer has discovered the product is out of stock is frustrating. The user interface has to be designed to ensure smooth and fulfilling service.

"I have used the system for checking reservation status and prices, but booked a cruise with a special price from the offering travel agent..."

Referring to the qualitative data category of "Offline booking cheaper", the online customers should be assured that the online channel is as cheap as traditional one. Travel products are heavily advertised in local newspapers, as well as on television etc. These advertisements are also supposed to attract people to the supplier's Web site, and the items in the campaigns should be easily booked online. Instead of the customer having to remember a product code or the specific prerequisites such as the destination, date and time of departure, he or she could click the same advertisement on the home page and proceed by filling his/her personal details in the transaction phase.

"Possibly [I could make the reservation online in the future], but all the special conditions and systems have to be clearly visible (for example a discount of 50% of a cruise booked and paid early)."

Last-minute flights, seasonal campaigns and emphasising prices in marketing are common especially with simple travel products. Consumers expect discounts, cheaper prices or service fees in self-service situations, such as in online purchasing. That is why many airlines offer the option to sort the

product search results by lowest price, which emphasizes the perception of the inexpensiveness of the channel.

"I want to negotiate with a person who will search for me the easiest alternative which is the best value for my money."

Although the company would not have a lower online pricing policy, booking the discounted and advertised products online should be made easy for consumers. If the Web shopping site presents firstly the list prices, customers may fear that the discounts are not available online or worse, the company is cheating customers into buying products at higher prices. After all, if the marketing efforts are successful these most advertised products are also the most popular products. For the company, it should be cost-effective to transfer the simple, popular bookings to the online channel when the more complex bookings are made in traditional ones.

"It is easy to book [online] if one knows what kind of a cruise one wants"

"It was not possible to book a so called family cabin online i.e. a cabin for four persons and a cabin for two persons with a door between. And there is no possibility to ask a bed for babies to the cabin online. "

Referring to Figure 3 and section 4.2, simple and routine tasks are especially suitable for online channel. Transferring the routine tasks of customer service personnel to the online channel would be cost-effective for companies. One routine task of customer service is updating and changing bookings. For example, the passenger details are updated or additional services included. In particular changes, which do not involve refunds, should be available from the online channel.

This chapter contained answers to the major research questions and the second sub question in the form of theoretical and practical implications. As the theoretical implications, an online channel choice model in a secure Internet environment and a questionnaire for model testing were presented. In the practical implications, the experience, perceived ease-of-use and usefulness factors were examined in order to propose some suggestions for practitioners as to how to turn the clicks of the online information seekers into bookings or.

6 FINAL THOUGHTS

Finally, it is time to conclude the study. However, let us first recollect the four research questions introduced in the Introduction chapter:

Major Research Question 1: *What affects the channel choice of the online information seekers in a secure Internet environment?*

Major Research Question 2: *How can consumers' motives for channel choice be measured?*

Sub Research Question 1: *Why do consumers who use the Internet for seeking product information purchase these products through a traditional or online channel?*

Sub Research Question 2: *How can the company transform the online information seeking offline customers into online customers?*

New knowledge should be in relation to earlier knowledge (see 3.1). So how do the findings of this study relate to prior research? Prior home shopping experience has been found to influence the channel choice between online, catalogue, television and physical store (Ward 2001; Schoenbachler & Gordon 2002). Furthermore, it has been observed that perceived risk, product category, situational variables and motive to use the online channel affect the channel choice (Nicholson et al. 2002; Schoenbachler & Gordon 2002). According to this study, prior online shopping experience, offline channel preference, online shopping self-efficacy, perceived ease-of-use and usefulness as well as product complexity and task ambiguity affect the choice of channel.

Prior online shopping experience is similar to prior home shopping experience. Catalogue or television shopping were not measured in this study, since home shopping is not as common in Finland as elsewhere. In the motivation to use the online channel construct, Schoenbachler & Gordon (2002) included elements similar to the offline channel preference construct in this study. Nicholson et al. (2002) incorporate the time and date in the situational variables, the same as the 24-7 availability in this study. Moreover, the product category relates to the product complexity to some extent.

Therefore, the different factors affecting the online channel choice compared to prior research are online shopping self-efficacy, perceived ease-of-use and usefulness, and task ambiguity. In addition, the perceived risk was

not included in this study, since the focus was on the secure Internet environment. Therefore, we can conclude that this study gives a more comprehensive view of the purchasing channel choices of consumers, because of its broader theoretical perspective and large and multifaceted data set consisting of actual customers of a company.

The measurement of the proposed model was discussed in section 5.1.2. The questionnaire used was evaluated and developed by comparing it to recent literature and the qualitative data of this study.

Then, the inexperience of online shopping, product complexity and online shopping self-efficacy were found as the obstacles to online purchasing. As noted in sections 2.3 and 2.5, the inexperienced customers tend to avoid online channel purchases and the complex products require rich information, which traditionally is available offline. As Einwiller (2003) discovered in her study about trust in B2C electronic commerce, the distrust of one's own online shopping skills affects the online shopping intentions. In conclusion, the contribution of this study is bringing all the different elements together in one study, which has not been done before as far as the author knows.

The facilitators for purchasing online were according to this study: Experience in online shopping, the ease, usefulness and suitability of the online shopping channel and social influence. Referring to chapter 2, it has been observed that all constructs influence the acceptance of online shopping apart from suitability of the online channel for shopping. Thus, the value of this study to this research area seems to be combining all these elements in the same study.

The second sub research question was: How can the company transform the online information seeking offline customers into online customers? The answer lies in the utilization of the research results to Web shopping site development and marketing, which was the focus of section 5.2. According to this study, the prior online shopping experience of a particular Web shopping site certainly locks customers into that site, and it is very probable that they will return to that site. Therefore, the marketing efforts should concentrate on attracting customers to the site, by e.g. offering small incentives or using informative and useful Web promotions. After the customers have been attracted to the Web shopping site, they should gain a positive online shopping experience by being able to use the useful and easy-to-use user interface.

In the development of an easy-to-use user interface, customer online shopping self-efficacy should be emphasised. In other words, the products offered should be easy to purchase, which can be achieved by providing well-organised and useful product related information and by presenting the prices of products clearly. According to the qualitative data, the customers appreciated the speedy shopping process, ability to independently browse the

products and 24-7 availability. These useful attributes of a Web shopping site offer plenty of room for improvement.

All of these practical implications may be derived from prior research results, although for example the around the clock availability has not been regarded as a useful attribute in online shopping studies applying the technology acceptance model (see the original research paper 5). However, the perspective of this study is broader than that of many others in this field, since the constructs of four media choice models are examined here. The growth of electronic commerce has been slow but steady and therefore the companies operating online need assistance in the development process of their Web shopping sites. The comprehensive and carefully examined results of this study can provide assistance for practitioners in the difficult take-off phase.

To sum up, the following is a SWOT-analysis of the study, considering the strengths, weaknesses, opportunities and threats.

Table 11. A SWOT-analysis of this study.

<i>Strengths</i>
<ul style="list-style-type: none"> - Constructs from four models - a broad perspective. - Large and demographically diverse data set from actual customers. - Both quantitative and qualitative data. - Channel choice as the topic/Focus on channel choice, not acceptance of technology.
<i>Weaknesses</i>
<ul style="list-style-type: none"> - Data from only one country, customers from one company in one industry. - The trust factor was excluded (intentionally) from the constructs. - The constructs studied are not established, since they were reworded. - The proposed model not tested or verified. - The results not revolutionary, except for the broad combination of constructs studied.
<i>Opportunities</i>
<ul style="list-style-type: none"> - Testing the model in a different industry or country. - Trust related constructs could be included in a future study. - Using a different data collection method, e.g. critical incident technique etc. - Longitudinal or comparative study later or in another country / industry.
<i>Threats</i>
<ul style="list-style-type: none"> - The dynamic nature of electronic commerce. - With a different product, the results could have been different. - If the trust factor had been included in the questionnaire, the results could have been different.

Except for the opportunities and for the threats to the study, the viewpoints have been discussed somewhere along the Synopsis part of the study.

Therefore, the author concentrates on the unexplained viewpoints of the last two sectors. The proposed model could be tested in various contexts, all of which would probably lead to interesting results. For example, comparison between a European country and the United States might be useful. The author herself would like to use different data collection methods, such as the critical incident technique, in which a subject will tell a story of a good or bad experience that he or she remembers well (e.g. Meuter, Ostrom, Roundtree & Bitner 2000; Massad & Crowston 2003). Another interesting data collection technique would be the vignette or policy capturing technique, in which short diverse situation descriptions are given to subjects to be evaluated whether this situation could happen and what they would do in that case in the research topic context (e.g. Bouwman & van de Wijngaert 2003)

The results of this study could have been different if e.g. trust constructs had been included or with another product. On the other hand, the prior literature on this research field increases the validity of the study, or in other words, it is very likely that the constructs studied affect the channel choice.

Electronic commerce is a dynamic environment and is still developing. The security of transactions will probably improve with time and consumers will learn to minimize the risks and shop safely online. With increasing experience, the skills and comfort with the Internet purchasing channel improve and consumers will perceive that they have high online shopping self-efficacy or that they are able to purchase online (see sections 4.3 and 4.5). This should soon be reality for the Net generation (Thomson & Laing 2003), the young children or teenagers who are experienced Web surfers and will in time begin to spend money, also offline. Perhaps people will then evaluate which channel they prefer best - online or offline.

Dilbert: "According to Einstein, time slows down as you approach the speed of light."

Dogbert: "Didn't he also prove that time flies when you're having fun? So, if you walk slower, do you have more fun or just get more light? Were we finished here?" ³¹

³¹ Comic strip from "Always postpone meetings with time-wasting morons" A Dilbert book by Scott Adams (1992, p. 79)

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Appendix 1. The original questionnaire (English translation)

Dear user of our Web site!

We would like to ask you a few questions about making travel reservations and the Web site of the company.

If you have booked a cruise from the company during the last three (3) months, you can answer the survey.

It will take about 5-15 minutes to fill the questionnaire. The results of the survey will be scientifically analysed and the independent responses will not be presented at any time so that the identity of the respondent could be revealed.

If you do not want to answer the survey, you can close the window by clicking on the link below. If you intend to book a journey with the company's online booking system during this visit, you can leave the window open and fill in the questionnaire after you have made the booking.

(Close the window) (Answer the survey)

How did you book your trip on previous time?

at a travel agency

- ☐ at the company's ticketing agency
- ☐ from the company's call centre
- ☐ from the company's online booking system in the Internet

Did the trip include ...

- ☐ several passengers of various ages (adults, children, teenagers, senior citizens etc.)
- ☐ special cabin arrangements for example a cabin for people/passengers with allergies
- ☐ a car
- ☐ a hotel
- ☐ connections to other means of transports
- ☐ other special arrangements, what? _____

Using the Web site of the company is...

	Strongly agree	Agree	Neither agree or disagree	Disagree	Strongly disagree	I don't know
a) easy	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
b) clear and understandable	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
c) effortless	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
d) flexible	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

My experiences with and attitudes towards the Internet

	Strongly agree	Agree	Neither agree or disagree	Disagree	Strongly disagree	I don't know
a) Internet is good for information retrieval.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
b) My prior experiences with online shopping and making travel reservations have mostly been positive.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
c) Earlier, I have had also negative experiences of online shopping and booking.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
d) The Internet is well suited for making travel bookings.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

In the next question, the near social environment refers to near relatives, acquaintances and colleagues.

In my near social environment

	Strongly agree	Agree	Neither agree or disagree	Disagree	Strongly disagree	I don't know
a) the Internet is used frequently.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
b) attitudes towards the Internet shopping and travel booking are mainly positive.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
c) people have bought or made travel bookings on the Internet.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
d) people have made travel bookings with the company's interactive online booking system.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
e) people have also had negative service quality experiences while making purchases or travel bookings online.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Why have you or haven't you used the company's online booking system? Do you intend to make your travel bookings on the Internet in the future?

Background**I am**

- ☐ male.
- ☐ female.

My age is

- ☐ under 18 years
- ☐ 18-27 years
- ☐ 28-37 years
- ☐ 38-47 years
- ☐ 48-57 years
- ☐ 58-67 years
- ☐ over 68 years

In my household, there is also

- ☐ spouse
- ☐ children, ages _____

My highest educational level is

- ☐ Primary school
- ☐ Comprehensive school
- ☐ High school
- ☐ Vocational school
- ☐ University

My profession is _____

I live in the region of ...

- | | |
|---|---|
| <input type="radio"/> Åland | <input type="radio"/> Southern Savonia |
| <input type="radio"/> Finland Proper | <input type="radio"/> Northern Savonia |
| <input type="radio"/> Uusimaa | <input type="radio"/> Northern Karelia |
| <input type="radio"/> Eastern Uusimaa | <input type="radio"/> Central Finland |
| <input type="radio"/> Satakunta | <input type="radio"/> Southern Ostrobothnia |
| <input type="radio"/> Tavastia Proper | <input type="radio"/> Ostrobothnia |
| <input type="radio"/> Pirkanmaa | <input type="radio"/> Central Ostrobothnia |
| <input type="radio"/> Päijänne Tavastia | <input type="radio"/> Northern Ostrobothnia |
| <input type="radio"/> Kymenlaakso | <input type="radio"/> Kainuu |
| <input type="radio"/> Southern Karelia | <input type="radio"/> Lapland |

Thank you for your time and opinions.

(Close the window)

Appendix 2. The original questionnaire.

Hyvä www-sivujemme käyttäjä!

Haluaisimme kysyä teiltä muutaman kysymyksen matkojen varaamisesta sekä Yrityksen www-sivuista.

Kyselyyn voi osallistua, jos olette varanneet Yrityksen laivamatkan viimeisten kolmen (3) kuukauden aikana.

Kyselyyn vastaamiseen kuluu aikaa noin 5-15 minuuttia. Kyselyn tuloksia tullaan käsittelemään tieteellisesti ja yksittäisten henkilöiden vastauksia ei tulla missään vaiheessa esittämään erillisinä, niin että vastaajan henkilöllisyys kävisi ilmi.

Ellette halua vastata kyselyyn niin voitte sulkea ikkunan alareunan linkistä. Jos olette varaamassa matkaa Yrityksen Online-varauksella tällä Internet-käynnilläänne, voitte jättää kyselyikkunan auki ja palata vastaamaan varauksenne jälkeen.

(Sulje ikkuna) (Vastaa kyselyyn)

Miten viimeksi varasitte matkanne?

- ☐ matkatoimistosta
- ☐ Yrityksen lipputoimistosta
- ☐ puhelimella Yritykseltä
- ☐ Yrityksen Online-varauksella Internetistä

Sisälsikö varaamanne matka...

- ☐ useita eri ikäisiä matkustajia (aikuisia, lapsia, nuoria, eläkeläisiä tms.)
- ☐ erityisvaatimuksia hytin suhteen esim. allergiahytti
- ☐ auton
- ☐ hotellin
- ☐ jatkoyhteyksiä
- ☐ muuta erityistä, mitä?

Varaan vuodessa keskimäärin ...	yli 5 kpl	3-5 kpl	1-2 kpl	vähemmän
a) laivamatkoja	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
b) kotimaan lomamatkoja	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
c) ulkomaan lomamatkoja	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Yrityksen www-sivuston käyttö on ...	Täysin samaa mieltä	Melko samaa mieltä	En eri enkä samaa mieltä	Melko eri mieltä	Täysin eri mieltä	En osaa sanoa
a) helppoa	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
b) selkeää ja ymmärrettävää	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
c) vaivatonta	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
d) joustavaa	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Kokemukseni ja asenteeni Internetiä kohtaan	Täysin samaa mieltä	Melko samaa mieltä	En eri enkä samaa mieltä	Melko eri mieltä	Täysin eri mieltä	En osaa sanoa
a) Internet on hyvä väline tiedon hankkimiseen	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
b) Aikaisemmat kokemukseni Internetistä ostamisesta tai matkojen varaamisesta ovat olleet pääasiassa myönteisiä	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
c) Olen aikaisemmin kokenut myös kielteisiä kokemuksia ostaessani tai varatessani matkoja Internetistä	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
d) Internet soveltuu matkojen varaamiseen hyvin	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Lähipiirillä tarkoitetaan seuraavassa kysymyksessä lähisukulaisia, tuttavlia ja työtovereita.

Lähipiirissäni	Täysin samaa mieltä	Melko samaa mieltä	En eri enkä samaa mieltä	Melko eri mieltä	Täysin eri mieltä	En osaa sanoa
a) käytetään Internetiä paljon	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
b) asenteet Internetistä ostamista tai matkojen varaamista kohtaan ovat pääasiassa myönteisiä	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
c) on ostettu Internetistä tai varattu matkoja Internetin kautta	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
d) on varattu matkoja Yrityksen Online-varauksella Internetistä	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
e) on saatu myös kielteisiä kokemuksia palvelun laadusta ostettaessa tai varatessa matkoja Internetistä	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

**Miksi olette tai ette ole käyttänyt Yrityksen Online-varausta Internetissä?
Entä tulevaisuudessa, aiotteko varata laivamatkanne Internetistä?**

Taustatiedot**Sukupuoleni on**

- ☐ mies
- ☐ nainen

Ikäni on

- ☐ alle 18 vuotta
- ☐ 18-27 vuotta
- ☐ 28-37 vuotta
- ☐ 38-47 vuotta
- ☐ 48-57 vuotta
- ☐ 58-67 vuotta
- ☐ yli 68 vuotta

Kotitalouteeni kuuluu myös

- ☐ puoliso
- ☐ lapsia, iät _____

Ylin koulutustasoni on

- ☐ kansakoulu
- ☐ peruskoulu
- ☐ ylioppilastutkinto
- ☐ ammatti(korkea)koulututkinto
- ☐ korkeakoulututkinto

Ammattini on _____

Asun

- | | |
|--|--|
| <input type="radio"/> Ahvenanmaan | <input type="radio"/> Etelä-Savon |
| <input type="radio"/> Varsinais-Suomen | <input type="radio"/> Pohjois-Savon |
| <input type="radio"/> Uudenmaan | <input type="radio"/> Pohjois-Karjalan |
| <input type="radio"/> Itä-Uudenmaan | <input type="radio"/> Keski-Suomen |
| <input type="radio"/> Satakunnan | <input type="radio"/> Etelä-Pohjanmaan |
| <input type="radio"/> Hämeen | <input type="radio"/> Pohjanmaan |
| <input type="radio"/> Pirkanmaan | <input type="radio"/> Keski-Pohjanmaan |
| <input type="radio"/> Päijät-Hämeen | <input type="radio"/> Pohjois-Pohjanmaan |
| <input type="radio"/> Kymenlaakson | <input type="radio"/> Kainuun |
| <input type="radio"/> Etelä-Karjalan | <input type="radio"/> Lapin |

maakunnassa

Kiitos vaivannäöstänne ja mielipiteistänne

(Sulje ikkuna)

Appendix 3. The proposed questionnaire for testing the online channel choice model in a secure Internet environment.

Prior online experience of simple products (open-ended question)

- How many times did you purchase books online last year?
- How many times did you purchase CDs online last year?
- How many times did you purchase flights online last year?

Prior online experience of complex products (open-ended question)

- How many times did you purchase electronics online last year?
- How many times did you purchase computers online last year?
- How many times did you purchase independent tours online last year?

Conversation preference (Likert scale)

- I prefer offline channel for purchasing every time.
- I am satisfied with offline channel purchasing.
- I am used to offline channel purchasing.
- I always purchase travel products from the same travel agent.

Online shopping self-efficacy (Likert scale)

- I am confident that I will be able to purchase the travel product from this Web site.
- I am confident that purchasing the travel product from this Web site will be easier than from a travel agent.
- I am confident that purchasing the travel product from this Web site will be cheaper than from a travel agent.
- I am confident that I will find all the product information necessary to be able to purchase the travel product on this Web site.
- I am confident that I will find all the information necessary to make the transaction on this Web site.
- I am confident that purchasing the travel product from this Web site will be faster than from a travel agent.

Social influence (Likert scale)

- People who influence my behaviour think that I should use the system.
- People who are important to me think that I should use the system.
- I use the system because people who are important to me use the system.
- People who influence my behaviour have been helpful in the use of the system.

Product complexity (Likert scale)

- I would have to know a lot to take full advantage of the options offered by service providers.
- The offerings in this industry are difficult to understand.
- A salesperson selling this kind of product needs to know a lot to do a good job.
- This product is complicated by nature.

Task ambiguity (Likert scale)

- In my opinion, booking the cruise was simple.
- Clear and understandable concepts were used in the booking situation.
- There were no misunderstandings during the booking of the cruise.
- When I decided to purchase this travel product I was not sure what to do.
- I was very unsure about what I was supposed to do.

Perceived usefulness (Likert scale)

- The website makes it easier to search for and purchase products.
- The website enables me to search for and buy products faster.
- The website is useful since I can use it at any time suitable for me.
- The website gives me greater control.
- The website would save me money when purchasing products.
- The website would save me time when purchasing products.
- I find the website useful in purchasing products.

Perceived ease-of-use (Likert scale)

- I find it easy to get the website to do what I want it to do.
- It is easy for me to place an order at this website.
- I can quickly find the information that I need at this website.
- Interacting with the website is often frustrating.
- I find the website cumbersome to use.
- My interaction with the website is clear and understandable.
- Interacting with the website does not require a lot of my mental effort.
- It is easy to become skilful at using the website.
- Learning to operate the website is easy.
- The website is flexible to interact with.

Previous channel choice (Online or Offline)

Intention to choose online channel in the future (Yes or No)

Included in the original thesis publication are the following conference and journal articles:

Järveläinen, Jonna (2003) Preferring Offline Bookings: An Empirical Study of Channel Choice Motives of Online Information Seekers. In: *Proceedings of the 16th Bled eCommerce Conference*, ed. by Rolf T. Wigand - Yao-Hua Tan - Jože Gricar - Andreja Pucihar - Tjasa Lunar. Bled, Slovenia, June 9-11 2003.

Järveläinen, Jonna (2003) The Impact of Prior Online Shopping Experience on Future Purchasing Channel Choice. In: *Proceedings of the 11th European Conference on Information Systems*, ed. by Claudio Ciborra - Riccardo Mercurio - Marco De Marco - Marcello Martinez - Andrea Carignani, Naples, Italy, June 19-21 2003

Järveläinen, Jonna - Puhakainen, Jussi (2004) Distrust of One's Own Web Skills: A Reason for Offline Booking after Online Information Seeking. In *Electronic Markets - the International Journal of Electronic Commerce & Business Media (forthcoming)*

Järveläinen, Jonna (2004) Online Purchase Intentions: An Empirical Testing of a Multiple Theory Model. In review process for *Journal of Organizational Computing and Electronic Commerce*

Järveläinen, Jonna (2004) Perceived Usefulness and Ease-of-Use Items in B2C Electronic Commerce. In: *Proceedings 4th International Conference on E-Commerce, E-Business, E-Government (I3E 2004)*, ed. by Winfried Lamersdorf - Volker Tschammer - Stéphane Amarger. Toulouse, France August 22-27 2004