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The Effects of Small Business Website Designs and Functions on Consumer Online Shopping Behavior

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Abstract
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Keywords
small business, website, consumer

Disciplines
E-Commerce | Entrepreneurial and Small Business Operations | Marketing

Comments

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The Effects of Small Business Website Designs and Functions on Consumer Online Shopping Behavior

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Key Words: small business, website, consumer

Introduction: E-commerce has grown at an exponential rate and has brought exciting marketing opportunities for businesses. Forrester analysts predicted that E-commerce sales in the U.S. will grow to $230 billion in annual sales, representing 10% of total retail sales by 2008 (Forrester, 2003).

While large, global companies are investing significantly in expansion of their online presence, small businesses struggle to obtain and maintain a competitive edge. Due to time, staff, and financial limitations, these small businesses must make tough choices about what constitutes their most effective marketing channel and how to develop that channel. In order to seize the significant business opportunities that e-commerce offers, small business owners must consider key elements of effective website development as part of their marketing strategies.

Purposes/Objectives: The purpose of the study was to expand understanding of what constitutes an effective website design for small business. Specifically, the objectives were to:
1. Explore consumers’ experiences of surfing the websites of selected small businesses and their rating of the website designs and functions,
2. Examine the effects of perceived small business website designs and functions on consumer satisfaction with the website and their intention to purchase from the website, and
3. Compare online shopping experiences between two consumer groups: those who have visited the physical stores and those who have not.

Method: A survey questionnaire was developed based on a literature review of website design evaluation studies. Websites of four small businesses related to craft in a Midwestern state in the U.S. were identified based on a previous web content analysis study done by the researchers. The selected websites were selling similar type of merchandise and had similar level of sophistication in design. Two had physical stores, while the other two didn’t.

The survey was administered to 214 undergraduate students enrolled in a Midwestern state university. Each respondent was randomly assigned to one store and instructed to surf the assigned website within a given 4-hour timeframe and browse the website for 15 minutes. After surfing the website, they filled out the questionnaire. The questionnaire included 5 sections.
including 1) website information quality, 2) aesthetic quality, 3) structural design features, and 4) interactive features. The items were rated on a 7-point Likert-type scale with 1=Strongly disagree and 7=Strongly Agree. The respondents were also asked to rate their overall satisfaction with the design of the website they visited, their intention to purchase from the website, and whether they have visited the physical store of the website. In addition, demographics were collected. Descriptive statistics, exploratory factor analysis with varimax rotation, multiple regression analysis, and t-test were performed for analyzing the collected data.

**Findings:** Factor analysis identified multiple dimensions of information quality, aesthetic features, and interactive features. However, the 5 items measuring structural design features loaded on one component. For information quality, two factors were identified as *Credibility of the Information* and *Usefulness of the Information*. These factors explained 75.3% of the total variance. For aesthetic features, two factors were identified as *Appropriate Image and Format*, and *Consistent Design and Layout*. These two factors explained 66.6% of the total variance. For interactive design features, the four factors were *Ease of Order Procedures, Ease of Product Search, Security and Quick Download Procedure*, and *Quick Response to Customer Questions*. These four factors explained 65.7% of the total variance. Cronbach’s alpha values (.76 to.93) revealed acceptable internal consistency (Hair, Anderson, Tatham, & Black, 1998) for each dimension. The items under each factor were summated and then submitted to further analysis.

Multiple regression analyses suggested a significant impact of information quality and aesthetic features on consumers’ overall satisfaction with website design and purchase intentions toward the website, respectively. Specifically, *Credibility of the Information* and *Appropriate Image and Format* were significantly associated with the dependent measure of overall satisfaction (p<.001) and influence on purchase intention (p<.05). In addition, *Quick Response to Customer Questions* were marginally insignificant at affecting overall satisfaction (p=.059).

Independent sample t-tests indicated significant differences between the two consumer groups (those who had visited the physical stores and those who had not) on their evaluation of all website design dimensions (p<.05), except two: *Consistent Design and Layout*, and *Ease of Order Procedures*. For all the significant dimensions, respondents who had visited the physical store of the retailer consistently rated the websites higher than those who had not.

**Implication and Recommendations:** Based on these empirical findings, we recommend the following strategies for developing E-commerce websites and promoting e-businesses.

1. Small businesses should strive to provide creditable information on their e-business websites. To convince consumers that creditable/believable information is provided, small business owners should pay close attention to accuracy of the product/service information provided with minimal vagueness that could lead to consumers “second guessing” the information. Including more pictorial images, actual measurements, enlarged and/or close-up pictures should be helpful. E-business websites should be...
updated frequently to reflect timely information. As well, the information posted at e-commerce websites should be as ethical and unbiased as possible.

2. Appropriate image and format of e-commerce websites is also critical. Small e-business owners should develop website design strategies based on the products/services they provide, and also their target market. Following fundamental design principles is important for the visual appeal of e-commerce websites. Attractive and appropriate websites may lead to more satisfaction and consumer purchases.

3. For “click-and-mortar” businesses, it is important to keep a consistent image between the physical store and cyber store. A consumer’s experience at a physical store may enhance positive perception of the e-commerce website.

4. Regardless of whether consumers have previous experience with physical store, consistent design layout and ease of order procedure of websites appear to be reasonably important to all online retailers.

Reference:
http://www.forrester.com/ER/Research/Brief/Excerpt/0,1317,15480,00.html