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Leveraging the co-evolution of offline and online video games: an empirical study

Wilson Ozuem , Michael Borrelli and Geoff Lancaster

ABSTRACT

Much research has been carried out on online shopping and the implications of such a purchasing format for consumers and retailers. The majority of these studies have focused on consumer attitudes toward online shopping and how these can be useful predictors of online shopping adoption. Despite these insights from adoption theory, extant research has not yet distilled the most effective means of understanding consumers' attitudes toward online video game purchases. Based on qualitative study, our study contributes to the literature on adoption theory in two ways. First, by showing some explanatory capacity in extant studies on online video games purchases, and second, by identifying salient individual perceptions on both online and offline motivations on video games purchases, the current study advances some moderating roles of incentives in making purchase decisions.

Keywords: video games, attitudes, online, motivation, retailers, transaction, offline

INTRODUCTION

There are considerable debates on how the advent of Internet technologies along with its prototypical subsets impacts video games. Some scholars have recently outlined that Internet technologies broaden the massification of video games, thereby increasing the level of revenue generation (Marchand & Hennig-Thurau, 2013; Williams, 2002; Teach, 2013). As a primary source of revenue, attracting and retaining consumers remain the principal objectives of both online and offline video game retailers; however, a few retailers directly compete against each other for market share by operating purely through one channel (online or offline), and other retailers have sought to integrate their offline and online operations (Stuart, 2012). These actions have spread confusion among industry practitioners and interested parties regarding the impact that online shopping has had on the video game retail industry as a whole (Krohn, 2012; Warman, 2012; Euromonitor, 2010). This confusion combined with limited research within the video game retail industry has left industry leaders and scholars unclear as to consumer purchasing decisions in regard to online and offline shopping, and more specifically, it has spawned a debate among scholars as to the motivations driving consumers' online video game purchases (Williams, 2002; Morgan Stanley, 2013; Zhu & Zhang, 2010; Conley et al., 2004; Alba et al., 1997; Biyalogorsky & Naik, 2003; Lovell, 2011; Kain, 2013; Warman, 2013; Flew, 2012).

Researchers suggest that online shopping facilitates easier transactions and leverages lucrative marketing opportunities within the growing online marketplace, but existing research is vague in terms of how online shopping motivates consumer purchases (Ha & Stoel, 2009; Nemat, 2011; Ling et al., 2010; Grewal et al., 2010; Enders & Jelassi, 2000; Eroglu et al., 2001). Existing research exploring online shopping and how it relates to consumer purchasing behaviour is primarily based on the theory of reasoned action (TRA), the theory of planned behaviour (TPB), and the technology acceptance model (TAM). All three models have been used to predict online shopping purchases based on behavioural intentions (Ajzen, 1991; Davis et al., 1989; Su & Huang, 2011). It is argued that the credibility of research based on intentions is undermined because intentions do not represent conclusive actions (Pahnila & Warsta, 2010).

Similarly, controversy exists within the literature as to which research model possesses the relevant variables to accurately predict consumer purchasing behaviour (Crespo et al., 2009; Pavlou & Fygenon, 2006). Furthermore, the applicability of these deterministic models is criticised considering that the predictions simplify a complex process and risk ignoring influential subjective variables (Werner, 2004).

There is an acknowledgement among scholars in the academic community that existing research has focused on behavioural determinants of intention across generic broad categories, while neglecting which exact variables induce online shopping for specific products (Hernandez et al., 2009; Pahnila & Warsta, 2010; Wang et al., 2007). This is compounded by the fact that online shopping intention and purchase behaviour vary for individual products because of their different product characteristics and attributes (Malik & Gupta, 2013; Keisidou et al., 2011). For example, Crespo et al. (2009) found that the impact of perceived risk on online shopping purchases varies depending on the tangibility of the product.

A number of studies have set out to predict online shopping intention and purchase behaviour using broad product categories and generic examples as a basis for their predictions (Huang et al., 2009; Hu et al., 2008; Verhagen & Van Dolen, 2009; Chu & Li, 2008). From this perspective, predicting online shopping intention and purchase behaviour for niche products (such as video games) is difficult because although certain products exhibit similar qualities (music CDs), consumer purchasing behaviour is likely to be unique for every product (Levin et al., 2005). The work of Chiu et al. (2009) can be used to illustrate this point because they acknowledge that a gap in the literature exists regarding the identification of hedonic and utilitarian values related to preference toward specific products and how they drive and enhance consumer satisfaction.

A leading academic research journal focuses explicitly on how online shopping has induced video game sales, specifically the impact of online game reviews on sales of particular video game titles (Zhu & Zhang, 2010). This represents an acknowledgement from within the academic community that there is a need to research video games (software) as separate entities from consoles (hardware) and to identify how online shopping has influenced consumer purchasing decisions for video games (Clements & Ohashi, 2005; Phau & Liang, 2012). The beliefs of experts regarding the strategic benefits of online shopping in relation to consumer purchasing decisions for video games complement the data found in recent reports (PWC,

2013; GTAI, 2013; Orsini et al., 2013). These reports suggest that consumers prefer to purchase video games online because they derive value from researching and buying products in online environments (PWC, 2013; GTAI, 2013). However, the reports do not offer an examination of why consumers dislike offline shopping channels and the motivations behind their online shopping purchases in terms of the video games marketplace. Furthermore, while acknowledging a link between online shopping and video game purchases, such reports fail to acknowledge consumer preferences for these channels (Orsini et al., 2013).

It is these gaps within online shopping and the video game retail industry that this study provides some answers to. By evaluating online shopping features that are valued by consumers in the context of video game purchasing decisions, this study will contribute to the paucity of literature on the video game retail industry relative to other retail industries. The study will also provide online retailers with a foundation for future research, in order to inform their approach to consumers, with the aim of driving them toward repeat purchases. In addition, the research will try to establish a link between online shopping motivations and consumer purchasing decisions of video games, to better understand the motivations that drive these purchases.

BACKGROUND

Business-to-consumer (B2C) transactions conducted over the Internet (referred to as “online shopping” in this study) developed from an ambitious concept in the late 1960s to a multibillion value retail channel worth more than \$680 billion worldwide in 2011 (De Lange et al., 2012; Kleinman, 2012). The retailing potential of the Internet was realised in the early 1990s with the formation of hypertext mark-up language (HTML), which enabled interactive Web sites to be created whereby consumers browse and purchase product offerings (Amazon, for example, started trading in July 1995). Subsequently, by February 2007, more than 30 billion pages on 109 million distinct Websites were recorded (OFT, 2007). The exponential growth of online shopping (with an average weekly spending of £545.5 million in January 2013) is mainly due to the increasing range of products offered online (including CDs, DVDs, food, downloadable music and movies, and electronic goods) and the initial barriers to consumption (access to the Internet and PCs) becoming obsolete (ENISA, 2010; ONS, 2013a).

In this context, the growth of broadband and mobile technology and the development of alternative electronic devices (such as PDAs, tablets, and consoles) have enabled more consumers to access the Internet “on the go” and to make online purchases (ENISA, 2010). For example, in 2012 more than 33 million adults (aged 16 years or older) accessed the Internet every day compared with 16 million in 2006. Some 58% of consumers accessed the Internet “on the go,” and more than 67% of adults bought products representing a pronounced increase from 53% in 2008 (ONS, 2013a; ONS, 2013b). Moreover, consumers have cited the Internet as a useful resource for gathering product information, which has led to the demise of traditional shopping channels (De Lange et al., 2012; ONS, 2013b).

The video games sector has experienced explosive growth over the past three decades, shifting from a controversial and contentious industry in the 1980s to becoming a multibillion-dollar worldwide entertainment industry worth more than \$6.7 billion in 2012 (ESA, 2013). Video games have become an important part of contemporary global entertainment, and continuous

technological innovation has provided the catalyst for growth. Video game developers are now able to attract a much larger consumer audience by offering a wider range of products (such as games for families and products for “hard core” gamers) (Adolph, 2011; Gallagher & Park, 2002). For example, on average, every US household has two gamers and one dedicated game console, and 43% of players believe that video games gave them greater value for money than DVDs and music. Consumers are therefore increasingly playing and buying video games (ESA, 2013).

Although the retail industry has suffered from the effects of the global economic recession (2008–2013) and the subsequent adverse impact on disposable incomes, the retailing of video games via online channels has, in contrast, seen robust growth (Lawson, 2013). For example, the share of online purchases for video games is higher than for offline purchases, and there has only been a marginal decrease to the value of online sales (3.7%) in contrast to offline sales (28.8%) (Butler & Redmond, 2013). High-profile video game retailers such as Blockbuster, who failed to establish an online presence, have succumbed to the destructive nature of online shopping (Sorescu, 2011). On the other hand, retailers who have integrated their online and offline operations are able to leverage the capabilities of the Internet to obtain a competitive advantage. Gamestop, for example, offers consumers the opportunity to research and place orders for products online and pick them up in-store (Teach, 2013). It is this impact that has made online shopping and video games a hot topic of debate within the retail industry.

Online shopping is a widespread term used to describe the “sale and purchase of products over the Internet” (Keeney, 1999: 533); however, the term can be used interchangeably with *e-shopping*, *e-tailing*, *e-commerce*, *Internet shopping*, and *Web-based shopping* (Van Slyke et al., 2004; Zhou et al., 2004; Al-mehmadi & Al-Maghrabi, 2012; Ha & Stoel, 2009; Ling et al., 2010; OECD, 2012; Jarvenpaa & Todd, 1996; Chen et al., 2002). The term *e-commerce* has been acknowledged as being too broad and unspecific because it describes different forms of technologies, such as mobile commerce and supply chain management, and different forms of electronic communication, such as electronic data interchange (business-to-business data exchange), and e-mail (Wigand, 1997; Bakos, 2001; Liu & Arnett, 2000; Warkentin et al., 2000; Vaithianathan, 2010).

Ngai and Wat (2002) describe online shopping as a form of electronic commerce, specifically the online capability of buying and selling products and information on the Internet and across other online services. In this respect, online shopping signifies the B2C aspect of electronic commerce where the Internet represents the electronic channel where retailers and consumers buy and sell products and consumers conduct their pre-purchase search and purchase activities (Chen et al., 2002; Lee et al., 2011; Weiber & Kollman, 1998; Van Slyke et al., 2004; Rowley, 2000; Nemat, 2011; Enders & Jelassi, 2000; Sorescu et al., 2011; Malik & Gupta, 2013).

Online shopping is described as a “non-monolithic” behaviour that consists of obtaining product information and then purchasing a product from a Web vendor (Pavlou & Fygenson, 2006). Beatty and Smith (1987) elaborate further and affirm that purchasing via the Internet is preceded by sub-goals such as an information search. Therefore, in this context, “online shopping” refers to the search and purchasing of goods online (Enders & Jelassi, 2000).

Offline shopping is commonly referred to as “real-world” and “traditional” shopping based on the historical heritage of the shopping experience (Bernstein et al., 2008; Ozuem et al., 2008; Dellaert et al., 2004). The term refers to B2C shopping activities that are not conducted over the Internet but that occur in brick-and-mortar stores across face-to-face interactions between vendors and consumers. Such transactions are further defined by transparency of merchandise (through in-store displays) and individual store layouts (Enders & Jelassi, 2000; Lohse & Spiller, 1999; Lindquist, 1974; McDaniel & Burnett, 1990). Unlike online shopping, offline shopping is perceived to be “safer” because of the absence of information security concerns and the tangibility of product quality (Verhoef et al., 2007; Shim et al., 2001). Therefore, the retail industry uses the term *offline shopping* uniquely to specifically refer to shopping activities that are not conducted over the Internet (Dellaert et al., 2004).

Conceptual definition

Video games is an umbrella term used to describe a category of entertainment mass media whereby various types of games are played on mobiles, personal computers, consoles, and portable consoles, and these are also referred to as *computer games* and *console games* (Williamson, 2002; Griffiths, 1997; Marchand & Hennig-Thurau, 2013; Guttenbrunner et al., 2010; Miller et al., 2012; Esposito, 2005; Zhu & Zhang, 2010; Johns, 2006). The term *computer games* has been used interchangeably with *video games* because both encompass the notion of play (participation in an activity for a source of pleasure) and game (organised play that gives enjoyment and pleasure), where six key structural elements combine to engage a “player,” and these include rules, goals and objectives, outcomes and feedback, challenge, interaction, and representation or story (Mitchell & Savill-Smith, 2004).

Console games have been included within the umbrella definition of *video games* because the video games industry consists of three major subindustries of which consoles represent only one category (Williamson, 2002). Video game systems consist of software (game titles) and hardware (console), and software is run on proprietary hardware with a systems output displayed on a television screen. Games can either be purchased physically as compact discs (CDs) or downloaded electronically via the Internet (Clements & Ohashi, 2005; Guttenbrunner et al., 2010; Toivonen & Sotamaa, 2011; Miller et al., 2012). Video games in this context do not include computer games because the latter does not require a games console (Mitchell & Savill-Smith, 2004; Gaume, 2006; Fikry & Bustami, 2012).

Therefore, for the purposes of this study, the terms *online* and *offline* shopping will focus on B2C transactions and will include both electronic (downloading and ordering from retail Websites) and physical (in-store purchase) forms of consumption via computers, mobile phones, tablets, game consoles, or any other form of digital device that has Internet capability and can access Web sites or relevant electronic marketplaces. Within this definition, such purchases are made from either brick-and-mortar retailers or click-and-mortar retailers. *Video games* will strictly refer to game titles (software) that can only be played on a console (hardware) and purchased in either physical format (as boxed cases including CDs) or in electronic format (downloaded onto hardware hard drives). This study is primarily focused on

the presence of online shopping channels and the motivations that drive consumers' purchasing decisions of video games online. Further clarification as to the features of online shopping that drive the consumer purchasing decisions of video games will be provided. The study also explores online and offline purchasing decisions while exploring the link between online shopping and video game purchasing.

ONLINE SHOPPING AND PERSONALISED MARKETING

Much research has been carried out on online shopping, and the implications of such a purchasing format for consumers and retailers (Laroche et al., 2005; Hart et al., 2000; Brynjolfsson & Smith, 2000). The majority of these studies have focused on consumer attitudes toward online shopping and how these can be useful predictors of online shopping adoption because of the net value of the benefits and because the costs of finding, ordering, and receiving products influence consumer purchasing decisions (Keeney, 1999; Kim et al., 2012; Shergill & Chen, 2005).

According to Hoffman and Novak (1996), online shopping is the result of the development of hypermedia computer-mediated environments (CMEs), of which the Internet is the current globally recognised example. The development of this "virtual marketplace" has enabled retailers to set up Web sites that are effective platforms for advertising and selling merchandise to the wider Internet community (Ozuem et al., 2008; Enders & Jelassi, 2000). Because the Internet transcends geographical borders, consumers can access these virtual markets at any time, and they can conduct transactions from the comfort of their homes. In addition, based on this model, retailers avoid having to pay for physical infrastructure (leasing or building space) and business expenses such as rates and tax (Enders & Jelassi, 2000; Ruddick, 2013; Li & Zhang, 2002; Grewal et al., 2010).

Research on online shopping has documented the relatively low search costs associated with this retail channel (Bakos, 2001; Brynjolfsson & Smith, 2000; Bakos, 1997; Gupta et al., 2004). Search costs faced by buyers include the costs of obtaining and processing information about the process and product features of seller offerings. Commonly cited search costs include the opportunity cost of time spent searching and the associated expenditures involved in obtaining this information (magazine subscriptions) (Bakos, 2001; Lynch & Ariely, 2000). The presence of multiple online retailers and the ability of consumers to shift between sites using hypertext links allow consumers to browse through the various product and price offerings between retailers using tools such as miniature product images (Brynjolfsson & Smith, 2000; Bakos, 1997; Close & Kukar-Kinney, 2010; Kim & Stoel, 2005; Lam et al., 2007). In Brynjolfsson and Smith's (2000) study of online and offline retailers, prices for homogeneous goods such as CDs were 9%–16% lower for online retailers than for offline retailers, and consumers spent less time finding the products they were looking for as a result of low search costs and the sheer number of alternative products (Punj & Moore, 2009).

In this context, the law of diminishing returns states that as alternatives are considered, the potential increase in benefits offered by the next alternative is small, and at the threshold point at which the expected costs exceed potential increases in benefits, consumers will terminate their search for additional products (Alba et al., 1997). This suggests that consumers are likely

to use the retail channel that is the most time efficient, and the tendency to prefer online shopping is dependent on the possession of relevant computer literacy skills gained from prior experience (Shim et al., 2001).

Much of the literature on online shopping has focused on the marketing communication aspect of the channel (Weiber & Kollmann, 1998; Hoffman & Novak, 1996; Kiang et al., 2000; Mulhern, 1997; Ailawadi et al., 2009). The online shopping channel is acknowledged as a “virtual world,” characterised by digitalised information and communication channels in which information is handled and processed. This is commonly referred to as the “marketspace” (Ozuem et al., 2008). The work of Ozuem et al. (2008) and the term can be used to describe the existence of one-to-one marketing communications and new forms of marketing media (such as online discussion forums), which have facilitated greater interaction between consumers and which have contributed to improved consumer loyalty (Hagel & Rayport, 1997; Devaraj et al., 2002; Mulhern, 1997; Lee et al., 2011; Reynolds & Beatty, 1999; Hennig-Thurau et al., 2004; Cheung & Lee, 2012).

One-to-one marketing advocates the tailoring of one or more aspects of the firm’s marketing mix to the individual customer, facilitating interactive exchanges of information between retailers and consumers (Peppers et al., 1999; Arora et al., 2008). In this context, Senecal and Nantel (2004) investigated consumer usage of online recommendation sources as a one-to-one marketing tool and the influence on consumers online shopping purchasing decisions. They found that consumers who consulted online product recommendations selected recommended products twice as often as those who did not consult such recommendations and that online recommendations were more influential than traditional online sources, such as consumer product reviews.

Moreover, Zhang and Wedel (2009) examined the effectiveness of customised promotions in online and offline stores. They found that loyalty promotions and customised promotions at all levels are more profitable than undifferentiated promotions in online stores compared with offline stores. These studies provide evidence that one-to-one marketing increases the likelihood of consumers purchasing products online.

An attempt to establish a link between online reviews and online shopping sales of consumer electronics and video games was conducted by Cui et al. (2012), and the authors found that the volume of reviews has a stronger effect on new product sales in the early stages of the product life cycle and on experience goods. This suggests that the extent to which online reviews influence product sales is dependent on what stage the product is at in the life cycle and that it only applies to specific goods. Huang et al. (2009) contradicted this finding as they found that online consumers looked at fewer pages when researching experience goods. These findings imply that the effect of online reviews on product sales depends on individual consumers, and this might be because intangible goods need to be experienced by the consumer, meaning that purchasing patterns will be unique to every individual (Zhu & Zhang, 2010).

CONSUMER ATTITUDES TOWARD ONLINE SHOPPING

In general terms, attitude is acknowledged as a behavioural construct, representing a reflection of one's beliefs about the importance and consequences of a purchasing behaviour and influencing the intention of consumers toward that behaviour (Ha & Stoel, 2009; Hemamalini, 2013; Sorce et al., 2005). The framework of Dellaert et al. (2004) shows that individuals' behavioural intention toward online shopping is determined by their attitude toward using new technology. Specifically, they outline three key utilitarian attitudinal constructs:

1. Usefulness – the degree to which a person believes that using technology will improve their performance or productivity (that is, the perceived outcome of the experience)
2. Ease of use – the extent to which a person believes that using the new technology will be effortless
3. Enjoyment – the extent to which activity is perceived to provide reinforcement

Consumer attitudes toward online shopping have been the focus of much research, primarily because consumer attitudes toward the perceived difficulty of a purchasing behaviour influence consumers' motivations and intentions and to carry that behaviour (Azjen, 1991).

The primary evidence base behind much of the research on consumer attitudes toward online shopping has included the TAM, the TRA, and the TPB (Fishbein & Azjen, 1975; Davis et al., 1989; Azjen, 1991). Both the TPB and the TAM represent extensions of the TRA. The TPB resonates with the TRA in the sense that behavioural intention is determined by attitudes and subjective norms, such as consumer judgement regarding others' preferences and support for a behaviour (Werner, 2004; Azjen, 1991). Equally, the perceived difficulty in performing a specific behaviour, termed "perceived behavioural control," influences consumer motivations toward performing that behaviour and is susceptible to external factors (environmental influences). TAM, on the other hand, constitutes a modification of the TRA used to predict consumer acceptance of new information technology (IT) and asserts that attitude is determined by consumer attitudes toward the system and perceived utility (Legrís et al., 2003; Davis et al., 1989). Bandura (1982) and Davis et al. (1989) identify a key similarity between TPB and TAM as the idea of self-efficacy in TAM, which is about the consumers' sense of efficacy in relation to system usage difficulty. The authors liken this to the concept of perceived behavioural control in TPB. Despite the fact that the models use validated criteria to predict online shopping behavioural intentions and purchase behaviours (Pavlou & Fygenon, 2006), consumers do not always behave as predicted according to those criteria (Werner, 2004). Furthermore, in order to account for additional criteria that influences purchase behaviour, research has refined the models (Faqih, 2013; Yu & Wu, 2007) and combined models (Su & Huang, 2011) in order to widen the assessment criteria. Thus, the absence of consensus in the literature makes it hard to understand which criteria can measurably elicit consumer purchases. The literature review will therefore focus on the different consumer attitudes toward online shopping and the impact on purchasing decisions.

The perceived risk of online shopping has been widely touted as a key attitude for explaining customer purchasing behaviour (Lee & Tan, 2003; Laroche et al., 2005; Forsyth & Shi, 2003; Van der Heijden et al., 2003; Liu & Forsythe, 2010; Crespo et al., 2009). Perceived risk is a powerful index for explaining customer behaviour because consumers are more motivated to avoid mistakes than to maximise utility in purchasing (Faqih, 2013). The extent to which consumers derive utility from shopping experiences depends on the risk involved in making purchasing decisions and specifically on the financial, time, and product performance risks associated with this (Laroche et al., 2005; Forsythe & Shi, 2003; Forsythe et al., 2006).

It has been reported that consumers perceive higher risk of service failure in online shopping than in offline shopping because of the assumed risks involved, which include the disclosure of proprietary information, credit card misuse, fraudulent sites, shipping problems, and product failure. Such risks act as an impeding factor for consumers to engage in online shopping (Van Noort et al., 2007; Yeung & Morris, 2010). Garbarino and Strahilevitz (2004) revealed that women are more likely to perceive a higher level of risk in online purchasing compared with men, and they are more hesitant to make purchases online (Bae & Lee, 2011; Jayawardhena et al., 2007; Cha, 2012). In contrast, Malik and Gupta (2013) ascertain that purchase intention and behaviour are unaffected by gender and that perceived risk (security concerns, quality of products, and trustworthiness) remains a key factor that inhibits online purchase intentions. Consequently, it is argued that intention is not a definitive action but represents a strong likelihood of an action occurring (Pahnila & Warsta, 2010).

Furthermore, the absence of an in-store sales assistant together with the added “sense of powerlessness” caused by product uncertainty and low retailer visibility increases the perceived risks associated with online shopping (Alba et al., 1997; Luo et al., 2012; White et al., 2000). The study of Teo et al. (2004) suggests that behavioural uncertainty (the inherent difficulty of consumers in evaluating the contractual performance of online stores) is positively related to transaction cost, which impinges upon the consumer’s motivation to buy online. In addition, the research conducted by Laroche et al. (2005) examining the retail context utility and perceived product and service risks revealed that consumers perceive high product risk when purchasing in online environments compared with offline environments and that consumers who have never bought anything from the Internet are more likely to be “risk adverse.”

The work of Wan et al. (2012) can be used to expand on the notion of “experience.” The authors investigated the perceived uncertainty of product quality across all product types in online shopping and revealed a positive association between consumer shopping experiences and lower perceived risks. Evidence suggests that younger consumers are more adept at adapting to the new online shopping environment and are therefore more inclined to shop online as a result of lower perceived risks (Ranganathan & Sanjeev, 2007; Hemamalini, 2013; Friedrich et al., 2010).

Conversely, Crespo et al. (2009) reveal that perceived risk levels among inexperienced shoppers have a negative effect on attitudes toward the Internet, whereas for experienced shoppers, risk has a negative effect on the perceived usefulness of the Web vendor. Azjen (1991) explains that inexperienced shoppers’ beliefs regarding the system are less elaborate

where risk perception has a direct effect on attitude, whereas experienced shoppers' beliefs are consistent with transactions made and their perceived risk level reduces the usefulness they attribute to a Web vendor. This study suggests that consumers will be reluctant to use a particular Web vendor because of the perceived risks involved.

Trust has been identified as a factor in a number of empirical studies that has a positive association with reducing the perceived risk of online shopping (Dellaert et al., 2004; Quelch & Klein, 1996; Gefen et al., 2003). *Trust* is defined as "a willingness to rely on an exchange partner in whom one has confidence" (Moorman et al., 1993: 82). From a trust-building perspective, McKnight et al. (2002) develop a model that shows that consumer trust is dependent on structural assurance, such as consumer perceptions of the safety of the Web environment, and on perceived Web vendor reputation and Web site quality. In regard to risk mitigation, trust in Web merchants has a positive impact on purchase intentions via the Web (Van Slyke et al., 2004). The research of Tsai et al. (2011), for example, suggests that Website traders who correctly display privacy policy information are more trustworthy and attract higher consumer spending with a small percentage willing to pay a premium to purchase products.

Furthermore, research into repeat and potential shoppers shows that trust is as important to online shopping as perceived usefulness, price, and ease of use in inducing future purchasing intentions (Kim et al., 2012). Trust on the Internet can be built through

- a belief that the online vendor has nothing to gain by cheating;
- the belief that there are safety mechanisms built into the Web site;
- having a typical interface; and
- a purchasing interface that is easy to use (Gefen et al., 2003; Poddar et al., 2009).

It should be noted that in this context, negative attitudes toward online shopping are the manifestation of the trust between the consumer and the computer system, termed "institutional trust" rather than between the retailer and the consumer, "interpersonal trust." In terms of interpersonal trust, Mudambi and Schuff (2010) suggest that the perceived diagnosticity of the Website induces positive attitudes toward online shopping. Specifically, if the Website is well designed with features that allow consumers to rate products and interact with other consumers, they are more likely to spend more time on the Website and experience "telepresence" (the mediated perception of an environment), therefore reducing uncertainty (Mudambi & Schuff, 2010; Kim & Stoel, 2005). The availability of stock information on Websites is also a motivational factor.

These studies provide a good understanding of attitudes toward online shopping and their resulting consequences. However, none of these studies address what specifically induces positive attitudes toward online shopping. It is important to therefore outline the factors that influence consumers to develop positive attitudes toward online shopping. Satisfaction represents a key variable in eliciting positive attitudes toward online shopping (Devaraj et al., 2002; Butler & Peppard, 1998; Davis et al., 2013; Bhattacharjee, 2001; Kim et al., 2009). Devaraj et al. (2002:318) cite *satisfaction* as an "ex-post evaluation of consumer experience

with the service as is captured as a positive feeling, an indifference or a negative feeling.”It is argued that a level of satisfaction is reached by consumers when they negate any postpurchase feelings of “missed opportunities” and when the extensive product range and low search costs afforded by online shopping mitigate the risk of missed opportunities (Alba et al., 1997; Bakos, 2001).

Consumer satisfaction is significantly related to consumer satisfaction outcome with the channel, and this can be obtained through time responsiveness and convenience measures (Devaraj et al., 2006; Chiang & Dholakia, 2003). The work of Yulihisri et al. (2011) can be used to develop this argument, and the authors highlight that salient beliefs (such as perceived usefulness and ease of use) are significant influencers of consumer attitudes and purchasing intentions toward online shopping. They suggest that these are positively related to satisfaction and channel preference (Overby & Lee, 2006; Pahlila & Warsta, 2010). Similarly, Chiu et al. (2009) reveal that perceived usefulness and perceived ease of use have significant effects on customer satisfaction and loyalty intentions toward online shopping. In this context, Hernandez et al. (2009) suggest that the degree to which an attitude elicits a level of satisfaction depends on the experience of the consumer because perceived ease of use has a stronger influence at the adoption stage, whereas perceived usefulness exerts stronger influence as consumers accept the Internet as a purchasing channel.

Nonetheless, studies of both Yulihisri et al. (2011) and Chiu et al. (2009) applied the TAM as a predictor of IT usage and satisfaction. Yet, the authors did not capture the key beliefs affecting consumer attitudes toward online shopping (Li & Qui, 2008).

Conversely, the credibility of convenience as a predictor of online shopping is undermined as evidence suggests that consumers rarely purchase goods online because of utilitarian restrictions, such as the availability of time due to the perceived difficulty of online shopping (Alreck & Settle, 2002). In addition, the research of Bosnjak et al. (2007) into the personality determinants of online shopping purchase intent reveals that affective involvement as opposed to cognitive involvement is a significant determinant of online shopping intentions. The findings suggest that the decision to shop online is made with emotion rather than logical reasoning.

CONSUMER PURCHASING DECISION PROCESS

The focus of much mainstream literature on “online shopping” and limited research into “offline shopping” necessitate the use of the consumer purchasing decision process as a basis for comparison between the two (Butler & Peppard, 1998). The comparison between online and offline shopping has been the main construct of much research, and it therefore seems logical to examine the different perspectives in the context of consumer preferences (Keen et al., 2004; Bernstein et al., 2008; Lee & Tan, 2003).

An insight into the consumer purchasing decision process is gained from the five-stage decision process that comprises of the following (Butler & Peppard, 1998; Shahraki et al., 2012):

1. Problem recognition
2. Information search

3. Evaluation of alternativeness
4. Purchase stage
5. Postpurchase behaviour

The framework provides an understanding of how consumers make their purchasing decisions. In regard to online and offline shopping, literature has focused on examining “research shopping” and “multichannel shopping” (Verhoef et al., 2007; Shim et al., 2001; Kumar & Venkatesan, 2005; Fang-Fang & Xing, 2001; Neslin & Shankar, 2009; Jeffers & Nault, 2011). This refers to the tendency of consumers to research products in one channel and to then purchase it through another channel (Dholakia et al., 2010). Scholars suggest that the Internet is the most popular choice for searching product and is less likely to be chosen as a future purchase channel (Torkzadeh & Dhillon, 2002; Frambach et al., 2007). Verhoef et al. (2007) attribute this to a lack of channel lock-in (the inclination to use one channel for search and purchase) and high cross channel synergy (with reference to the economic and psychological benefits associated with each channel).

Drawing on the work of Verhoef et al. (2007), Levin et al. (2003) assert that the perceived convenience of online shopping incentivises multichannel shopping as consumers prefer to use the Internet for search and comparison decisions and tend to conduct the final purchase for experience goods offline because of the perceived convenience of this channel. In addition, Shim et al. (2001) liken convenience to perceived behavioural control over a channel and highlight that the intention of consumers to use the Internet for information search is the result of increased perceived behavioural control.

It has been suggested that the convenience of online shopping can elicit channel lock-in (Brynjolfsson et al., 2009; Levin et al., 2005; Rohm & Swaminathan, 2004). The research of Ling et al. (2010) shows a positive relationship between impulse purchase intention and consumer preferences for online purchase intention. Donthu and Garcia (1999) argue that impulse individuals are more prone to online shopping because of the convenience of transactions. On the other hand, literature reveals that fundamental shopping orientations (convenience factors) have no impact on consumer tendencies to shop online. Rather, they suggest that it is the result of repeat purchases that elicit channel lock-in, and the two most likely consumer groups to purchase online are “economic-” and “recreational-” oriented shoppers (Brown et al., 2003; Liao & Cheung, 2001; Ancarani & Shankar, 2004).

Su and Huang (2011) carried out research using the TPB and revealed that the main factor that influences the online shopping intentions of consumers was the price advantage. Similarly, Close and Kukar-Kinney (2010) reveal that consumer motivations to place items in online shopping carts are the result of securing online price promotions. This suggests that the tendency to shop online is influenced by the availability of affordable prices (Shergill & Chen, 2005). Despite this, however, the examination by Keen et al. (2004) of consumer retail preferences revealed that consumers ultimately prefer to purchase products from the Internet, but in the case of low-priced goods such as CDs, the retail format is more important than the price because of the convenience of the purchasing format. This indicates that consumers are willing to pay a higher price for a product at an alternative retail format if they perceive it to

be more convenient. It further suggests that valuations of a particular product can influence this decision. Furthermore, Yao and Zhang's (2012) research suggests that high costs can motivate multichannel shopping whereby consumers will abandon their online shopping carts and purchase goods offline if they encounter hidden or excessive shipping charges.

Video Games

Academic research on video games, so far, has been neglected in comparison with coverage of other entertainment industries, such as movies (Hennig-Thurau et al., 2007) and music (Kwong & Park, 2008). Greater insight and understanding into what video games are can be gained by examining current literature on the characteristics of video games and the wider industry (Marchand & Hennig-Thurau, 2013).

Within academic literature, video games are classified as "experience goods" (Zhu & Zhang, 2010; Mudambi & Schuff, 2010; Bergemann & Valimaki, 2006; Lian & Yen, 2013; Chellappa & Shivendu, 2005; Huang et al., 2009) or hedonic goods (Hirschman & Holbrook, 1982; Davis et al., 2013; Yang & Mai, 2009; Gretz, 2010; Clement et al., 2006; Turel et al., 2010). Mudambi and Schuff (2010: 191) assert that in terms of experience goods, "it is relatively difficult and costly to obtain information on product quality prior to interaction with the product. Key attributes are subjective and difficult to compare, and there is a need to use one's senses to evaluate quality." Similarly, hedonic goods are described as those whose consumption is primarily characterised by an affective and sensory experience of aesthetic or sensual pleasure, and product characteristics are also difficult to convey pre-purchase (Hirschman & Holbrook, 1982). Clement et al. (2006) note that experience goods are categorised into different classes of hedonic goods depending on the extent of interaction required. In this context, video games can be described as hedonic goods because of the high degree of flow¹ required when playing video games (Hsu & Lu, 2004).

Research on video games has typically focused on the network effect (Clements & Ohashi, 2005; Yang & Mai, 2009; Bayus & Shankar, 2003; Bonardi & Durand, 2003). Clements and Ohashi (2005) assert that high-technology products exhibit network effects, wherein the value of the product to an individual increases with the total number of users of a complementary product. In their work, they illustrate that the value of software increases as the sales of hardware increase, thereby increasing software sales. Mai et al. (2011) build on the work of Clements and Ohashi (2005), and their research points to a positive relationship between the primary product network size and the sales of complementary products. They also indicate that previous transaction value and consumer purchase frequency influence complementary product sales. The implication is that individual valuations of hardware purchases can be an indication of how often consumers buy software and the degree to which such sales influence future purchases. Conversely, Gretz (2010) contradicts the work of Clements and Ohashi (2005) and suggests that increased software provision negatively impacts upon console prices, making hardware less "valuable." However, the rise in software sales incentivises developers to

¹ Mental state characterised by energized focus, full involvement, and intense activity.

produce more games, and consumers are more inclined to purchase hardware because of the lower costs associated with the product (Venkatraman & Lee, 2004; Gretz, 2010).

In addition to the existing literature, external variables can influence the network effect dynamics between video game software and hardware (Binken & Stremersch, 2009). An investigation into superstar software titles (video games of a very high quality) reveals that they increased hardware unit sales by 14% on average during the first six months of their inception (Binken & Stremersch, 2009). Landsman and Stremersch (2011) argue that the impact on hardware unit sales is limited by the extent to which seller multihoming (applications of a particular seller on the platform are also available for buyers of competing platforms) is present across platforms. They attribute this to games being produced exclusively for one hardware unit at the expense of others, which influences consumer valuations of both products.

The video game industry is referred to as a cyclical business because of the extended product life cycles between each console generation, the short product life cycles of game titles—culminating in demand peaks and troughs—and an existence of a “secondary market” for “downloadable content” (Clements & Ohashi, 2005; Yang & Mai, 2009; Mai et al., 2011; Miller et al., 2012; Cadin & Guerin, 2006; Daidj & Isckia, 2009). In this context, a *secondary market* refers to the resale and trading-in of video games for cash or in-store credit. Research conducted into the impact of secondary markets on new video game purchase intentions highlighted that primary market video game sales are driven by consumers who have made prior purchases or trade-ins, and the research suggested that access to the secondary video games market was also a predictor of new video game purchases (Miller et al., 2012). Although this might suggest that consumers will buy and trade-in games at a secondary market level, the experience of doing so is positively related to new game sales, and the in-store value obtained from trading in a game can be used to purchase a new game.

Downloadable content refers to the extension of a product’s lifetime through small payments designed to enhance a game text, to which the consumer already has access, in order to access additional game content (Lizardi, 2012). In this context, it is posited that the extension of video game purchasing has galvanised online purchasing, and research into consumer attitudes toward downloading pirated video games validates this assertion as consumers have expressed a strong affection to downloading pirated games from the Internet (Phau & Liang, 2012).

Online Shopping Motivations and Video Game Purchases

Research into online shopping and video games supports the notion that video gaming consumption is moving toward purchasing via the Internet (Dyer-Witheford & De Peuter, 2009; Zackariasson & Wilson, 2010; Hennig-Thurau et al., 2010; Landsman & Stremersch, 2011; Stuart, 2012; Phau & Liang, 2012; Bradley et al., 2012). Building on the concept of channel lock advocated by Verhoef et al. (2007), research indicates that video game consumers (both potential users and other existing users) increasingly rely on user reviews and sales information when searching for product attributes. In addition, Zhu and Zhang’s (2010) findings indicate that online reviews have a positive influence on sales for less popular games and games preferred by players with greater Internet experience. Although this indicates a positive relationship between online reviews and product sales, they suggest that the influence is

minimal in the early phase of a game's life cycle because offline marketing methods can influence purchase intentions toward offline retail formats.

The experience nature of video games means that the ability to obtain prepurchase information is a fairly safe indicator of purchase intention (Bounie et al., 2005; Dellarocas et al. 2007; Chevalier & Mayzlin, 2006). In this context, Lal and Sarvary (1999) argue that because of the digital attributes of video games, product information is best communicated via the Internet. Furthermore, the absence of shelf space restrictions and the possibility of gathering information on a wider selection of games make online shopping more attractive for consumers (Williams, 2002). However, Cheema and Papatla (2010) claim that the importance of online information for experience products is low, and in the case of Internet purchases, offline information becomes more important for consumers with more experience (Levin et al., 2003).

Extant literature on consumer motivation and demographics highlights a growing trend toward Internet consumption for video games (Davis et al., 2013; Wan et al., 2012, Fikry & Bustami, 2012; Olson, 2010). Davis et al. (2013) observed the motivation behind video game purchases and revealed similarities between these and the reported benefits of online shopping, such as ease of use and convenience. In light of the findings of Davis et al. (2013), Molesworth (2009) asserts that video game players have limited time for leisure activities and, therefore, are more inclined to be time considerate when conducting their purchasing activities. However, no past or recent research to date has examined how these factors influence online shopping intentions for a particular class of good or which factors have the largest influence (Wang et al., 2007; Yu & Wu, 2007; Pahnla & Warsta, 2010; Hernandez et al., 2009; Dennis et al., 2009; Yulhasri et al., 2011; Faqih, 2013).

In addition, the material possession of experiential goods is becoming less important for consumers because of "dematerialisation" (Belk, 2013). *Dematerialisation* refers to the attachment to and singularisation of virtual possessions, and it is argued that because video games are digital products that can be downloaded easily, the importance of the physical possession of video games to consumers is diminishing (Born, 2011; Marchand & Hennig-Thurau, 2012). Karanika and Hogg's (2012) research examining consumer possessions throughout the consumption cycle shows that consumers who value possessions for recreational reasons (with reference to products such as music CDs and video games) perceive possessions as valuable but replaceable and will directly replace these when object-relevant factors change, such as functionality loss and obsolescence. On the other hand, Price et al. (2000) suggest that older consumers attach meaning to their possessions and are reluctant to replace them in their attempt to pass them on, suggesting that such consumers will stick to their original purchasing patterns.

An analysis of the primary demographics of video game players and online consumers shows similarities where young consumers are the most likely demographic to purchase video games and conduct the majority of their purchases online. The finding suggests that online shopping is the most likely purchase medium (Olson, 2010; Fikry & Bustami, 2012; Sorce et al., 2005; Zhu & Zhang, 2010; Bounie et al., 2005; Williams, 2002; PWC, 2011; Thomson & Laing, 2003). Moreover, consumers are becoming more "socially oriented" and increasingly buy

video games for their social interaction capabilities (Nielsen, 2008). Research into the sociability of Web interfaces and the impact of these on consumer attitudes toward online shopping suggests that higher levels of social presence can positively influence the perceived usefulness, trust, and enjoyment of Websites. This research further suggests that “socially oriented” shoppers are more likely to purchase goods from the Internet (Hassanein & Head, 2007; Parliament, 2012). Despite this, however, Bridges and Florsheim’s (2008) study examining hedonic and utilitarian shopping goals highlights that the hedonic elements of flow are unrelated to online buying.

The lack of literature linking video games and online shopping means that this part of the literature review will examine online shopping intentions from an experiential goods perspective using close equivalents such as CDs (Zhu & Zhang, 2010; Verhagen & Van Dolen, 2009; Hu et al., 2008). Mumtaz and Schuff (2010) examined online review ratings and the perceived helpfulness of experience goods, and their findings indicate that 63% of consumers find such reviews helpful in making purchasing decisions, suggesting that consumers are more likely to search for and purchase video games online rather than offline. However, because of the uncertainties and risks associated with online transactions of experience goods, consumers are more likely to shop online for search products than for experience goods (Girard et al., 2006; Chu & Li, 2008). In addition, Levin et al. (2003) argue that although generic experience goods (such as CDs) exhibit similar qualities to video games, the research cannot be applied to video games because consumer purchasing behaviour is unique to every product.

To justify the claim that video game consumption is moving online at a rapid pace (Sorescu et al., 2011; Zackariasson & Wilson, 2010), this study will draw on a specific finding from a recent thesis conducted by Berman-Grutsky and Cederholm (2010) from a retailing perspective. Berman-Grutsky and Cederholm’s (2010:11) thesis examined the video game industry value chain and outlined the impact of disintermediation on this. Specifically, the report outlined the impact on the value chain in relation to the digital distribution theory, and they further elaborated:

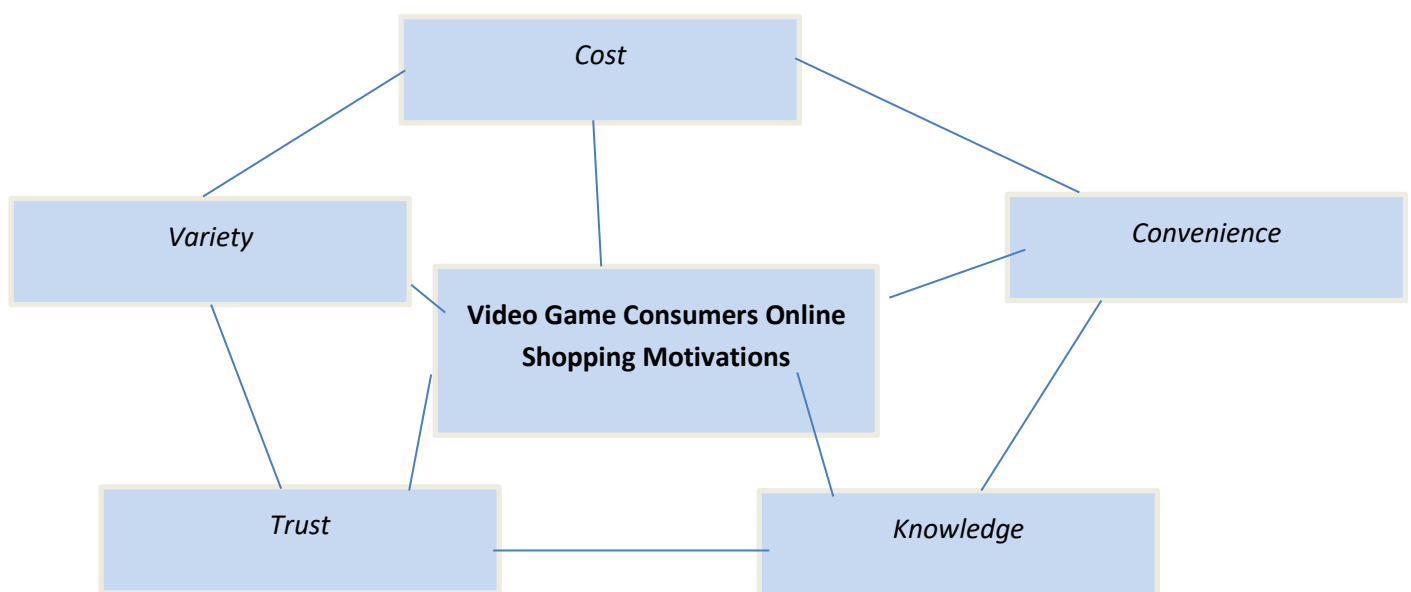
The distribution of Video Games is going through a change because of several reasons. Leaving out the intermediary and selling directly to the consumer is often considered more profitable and cost-efficient for the producers since there are fewer actors that share the eventual sales profits. Since the digital distribution of video games does not involve tangible or physical products (except for the console hardware and accessories) there are no physical storage or transportation costs to consider. This development in distribution is made possible mainly because of the technical breakthrough and the development of the Internet.

Therefore, this finding alongside the development and emergence of innovative, easy-to-use, and more secure payment schemes over the Internet, which have helped to inspire greater consumer confidence and participation in online shopping, suggests that video games are “going digital” and will be primarily purchased online in the future (McKinsey & Company, 2013; OECD, 2012). Xia et al. (2004) explain that the move toward digital consumption is the result of the lower marginal costs associated with producing digital products, compared with

more traditional versions of products. Government incentives also support the rise of online shopping, where planned games tax reliefs have enabled game developers and digital publishers to compete on a “level playing field” to facilitate the development of a low carbon game industry based on digital distribution (Parliament, 2013). In addition, evidence supports the relationship between online shopping and searching and purchase intentions toward video games (Zhu & Zhang, 2010; Davis et al., 2013; Phau & Liang, 2012; Zackariasson & Wilson, 2010).

Data Collection and analysis

The method followed by this study is rooted in an embedded case study. The thematic analytical process of categorising data into relevant themes was achieved through the 6 main phases of thematic analysis outlined by Braun and Clarke (2006: 87-93). These consisted of: 1) familiarisation of data (including transcription of verbal data), 2) preliminary code generation, 3) theme search, 4) review of chosen themes, 5) defining and naming chosen themes, 6) report produced. In essence, the researcher re-read the interview data and cross checked it against the main themes derived in the literature review to identify commonalities within the data. Such data were used as a structure for subsequent thematic generation. The theoretical thematic analytical method ensured that the themes produced were relevant in regards to the online shopping context and were able to effectively answer the research question.



The emergent themes were placed into a thematic map which showed how all the initial themes and data extracts linked to each other. The resulting 3 major themes and 2 permeated themes are articulated below. The researchers adopted the approach suggested by Ozuem et al (2008) by placing all the themes into tables with their descriptions and key issues to enable readers to comprehend them (see Tables 1 & 2 below).

| Major Themes | Description | Key Issues |
|---------------------|---|--|
| <i>Cost</i> | The money saving benefits gained by consumers that do not come from offline shopping retailers. | Deals, low prices, digital distribution, rent, stock costs, perception, investment, game quality, miscellaneous products (T-shirts) |
| <i>Convenience</i> | The time saving benefits, ease of use and usefulness of the internet as a retail channel. | Click and buy, physical presence, broadband speed, digital consumption, location, physical possession, technology, digital goods, life style, time |
| <i>Knowledge</i> | The rich source of information available about video games online. | Online reviews, online communities, in-store staff, audit history, game recommendations, time, game cases, social interaction, freedom, control |

| Permeated Themes | Description | Key Issues |
|-------------------------|---|---|
| <i>Variety</i> | Tangible benefits gained through a greater assortment of video games (software titles & features) and online. | Stock, capacity, choice, niche games, supply chain, second hand games, online auctions, electronic marketplace |
| <i>Trust</i> | Confidence in the credibility and safety of the internet as a retail channel. | Information quality, impartial information, freedom, game reviews, video tutorials, payment security, Major sites |

Cost

The cost advantages of purchasing video games online was a key pattern identified within the data in terms of why video game consumers preferred to primarily conduct their purchases online. Brown et

al (2003) found that the most likely consumer groups to purchase online were economic oriented shoppers. Similarly, Su and Huang (2011) suggested that price advantage was the main indicator of consumer behavioural preference to purchase online. These two arguments resonate with the data gathered from respondents for this research which indicated that the price of video games online was a primary motivation for consumers to purchase video games online. For example, one 23 year old student stated:

"I prefer purchasing video games on the internet because it is cheaper and because I have become disillusioned with shops, such as 'Game', because they charge extortionate prices and it's cheaper on places such as Amazon to get a game as there are better deals. Everything is cheaper online"

The higher prices charged by high street retailers along with the cheaper prices available online was enough to motivate this consumer to buy online as opposed to offline retailers. This finding complements the research of Close and Kukar-Kinney's (2010). The authors highlighted that consumers prefer online shopping as a result of securing price discounts. One 44 year old marketer said:

"I think that after consumers make the decision to buy it, they find the cheapest place to buy the game, I think the digital world is more efficient economically as games are less expensive, infrastructure means that online retailers do not have high rent in the same way that retailers do, and you don't have wastage. High street retailers need to have games constantly available and the cost of that is massive, it is impossible to be cost competitive when competing against the digital model. The digital model is always going to be competitive because of a lower price and consumers are happy with that"

It is clear from this response that the respondent feels that the cost savings afforded by the online distribution model permit video games to be sold at a lower price. The respondent expressed confidence in the ability of the online market to offer competitive prices and thus attract more consumer purchases. For example, a 23 year old student:

"I will never pre-order a game in-store because of the low price of doing it online. For example, when I purchase a new game which normally costs £35 online and £45 offline the £10 price difference means I will conduct my purchase on the internet. The threshold sounds low but if the game is say £35 online but its £45 in store a £10 difference doesn't seem like much, but if you think about it it's over 25% mark up so even though it doesn't seem like much I think that subconsciously it's the video games price. If a video game is over £40 it seems a lot more expensive than if it was under £30 as it doesn't seem like a high threshold subconsciously. Because games are now over £35 I will not buy it offline because I feel that this would be too expensive".

In this example, the marginal price difference between offline and online retailers is enough to motivate a preference for online shopping. This respondent believes that because they have previously assigned a pre-determined value of what a video game should be, the market which offers the price closest to that value is the correct price. Subsequently, any price which exceeds this threshold is enough to deter any future purchase. The main reason price is so important when purchasing video games is highlighted by a 24 year old banker:

"Because video games are an investment of not only money but an investment of your time, if you buy a bad t shirt for example it will not affect you as you have just wasted your money, but for a video game you have wasted your money and your time. If it's a bad game you end up spending money buying and playing a game title that is not worth your time. Conversely if it's a good video game you

think that you've made a good investment. In both instances I prefer to purchase video games online because I have made an emotional investment as well as a financial investment"

This example shows that because video games require a significant level of investment in comparison to other products there is a higher risk of the consumer feeling as though they have not gained a return on their investment. The low prices available online mitigates the risk of research shopping which is associated with high prices (Yao and Zhang, 2012).

Convenience

Another theme which emerged from the data was perceived accessibility when purchasing video games from the internet. Thematically, this was labelled 'convenience'. Devaraj et al (2002), Chiang & Dholakia (2003) and Kim et al (2012) argue that convenience is positively related to consumer satisfaction with a retail channel and this is a primary indicator of consumer repeat purchase behaviour. A 44 year old marketer claimed that:

"Overall I would say that online is easier, I do not have to spend the time to go down to the store and incur the inconvenience incurred when trying to park. I prefer to hit 'buy now' on amazon to get the game tomorrow"

This example highlights that both respondents prefer online shopping because it takes less time and the straightforwardness of online purchases. This intimates that video games are potentially 'impulse purchases' and Ling et al (2010) likens impulse purchasing to online purchase intentions. This counters assertions put forward by Alreck and Settle (2002) who claimed consumers did not purchase products online because of the perceived difficulty of online shopping. Another 27 year old child carer remarked that:

"I'd say that the biggest hindrance to online would have been poor internet connections. Its only comparatively recently that people have faster broadband speeds, so whilst going online has been possible for some time, its only really like in the last 7 to 8 years that internet speeds have been decent enough to surf the internet all day. The ability to download games straight to your console is absolutely fantastic as it brings a level of convenience that physical games can't. Over 5 years ago it would not have been feasible and people didn't have internet speeds and couldn't download games."

In this example, the respondent indicated that the convenience of online shopping has increased over the last 8 years as a result of technological innovation. The respondents' confidence in downloading games and the convenience of avoiding physical ownership was enough to motivate him to purchase video games online. This finding resonates with findings put forward by Davis et al (2013) who explored how consumers value online shopping as a beneficial interaction. Another example of 'physical ownership is evidenced in the answer of a 23 year old student:

"There was a time when it would definitely have said that I prefer physical game, but nowadays I would, 50% of time I download games now, and it's just because they are easier to get and you know that you can download the games, you do not have to take the disc with you and its incredibly easier to"

In this example, the respondent reflects that the accessibility and immediacy of online shopping is what makes this kind of interaction attractive. Similarly, the work of Davis et al (2013) suggests that the motivations behind video game purchases are directly related to the ease of use of this medium when buying online. Additionally, Born (2011) and Karanika & Hogg (2012) argue that online shopping is more convenient for video game consumers because the importance of physical ownership is

diminishing and digital consumption through the internet offers more 'functional' benefits. In relation to this, a 23 year old games developer stated that:

"I think the internet has made things easier. Technology has made it more convenient because you can order a product and suddenly it appears on your door a few days later, so technology has been a massive catalyst. Games are about technology and music for example isn't about technology. Game consumers are very much aware of changes like technology as they are both connected. Movie goers might not care whereas gamers are more aware of different forms, and as technology has improved different methods of distribution are commonplace"

This respondent equates online shopping with convenience as a measure of transaction speed. In addition, the respondent claims that video game consumers are more receptive to online shopping as they are more technologically literate and the games are synonymous with technology (Olson, 2010; PWC, 2011; Fikry and Bustami, 2012).

One 23 year old fitness instructor likened convenience with their lifestyle, and stated:

"I can pretty much say, that exclusively every single game that I've bought for the last few years I have bought online, I guess of the number of reasons, the main one would be convenience. I personally I live a pretty busy lifestyle and I do not have a lot of time to go out of my daily routines, Specifically I don't have enough time to go to the high street and spend 5 minutes looking at video games in general"

The respondent suggests that purchasing video games online compliments his lifestyle more effectively than offline methods. This consumer is reluctant to devote time to searching for games and so he prefers online to offline shopping. This finding directly contrasts with findings advanced by Bosnjak et al (2007) who suggested that intentions to shop online were the result of affective involvement not cognitive involvement. In addition, it complements the work of Bridges & Florsheim (2008) and Alba et al (1997) who claim that utilitarian motives (time) are positively related with purchasing video games online. The same 23 year old gym instructor also stated that:

"Another advantage is the ability to download the content of the game before it has been released. In that, you can buy the game straight away online and it will be pre-ordered so you've purchased it before it has been officially released. The second it hits one minute past midnight you have access to the game, and I think this is a great thing"

The online retail environment is valued by this respondent who prefers the convenience of the web for shopping. Particular emphasis is placed on the ability to purchase the game and obtain 'instant gratification', which is usually associated with offline shopping methods (Muther, 2013; Lunau, 2013).

Knowledge

In addition to the functional attributes of online shopping, another theme which emerged from the data was the abundance and quality of information about online video games which was thematically termed 'knowledge'. In the consumer decision purchasing decision process 'information search' constitutes a key stage in influencing the consumers' overall purchasing decision (Butler and Peppard, 1998). The work of Zhu and Zhang (2010) illustrates the importance of online reviews in stimulating video game sales. One 24 year old accountant said:

"Online provides more information because websites have user reviews on websites, and I can read reviews, see what people feel, and how they think it's important. This is important for any type of purchase be it any kind of tangible good as you want to know it works well. In stores you can speak to

sales assistants but you get the impression they are just there to do their job. They don't know a lot about video games generally and are not as knowledgeable as people online. You can get fake reviews online but you can get thoughts from people who really know about it and recommend it to you online. If any reason I like online shopping is that the recommendations are good, back in the day when I went to the software store, it was more recommending games, but now you can just see a whole list of games that are suitable based on your purchase made previously which is very handy"

It is clear from this extract that the respondent feels that online shopping offers a greater array of tools that convey in-depth information about video games, and that this compensates for the lack of tangibility of video games. The respondent also values online research tools over offline methods and acknowledges that the perceived limitations of online research tools are outweighed by the perceived strengths. The respondent also values the quality and extent of information. This compliments the work of Dellarocas et al (2007) who suggests that the ability to obtain pre-purchase information is a significant indicator of purchase intention. Furthermore, Racherla et al (2012) observe that information content is valued more by 'involved' consumers. A 23 year old marketing executive commented that:

"A video game is a commitment in your time and money. It's not like an item of clothing where you know you cannot sample it. For video games you need to do your research to make sure that it's worth buying. Everyone knows what they like out of a video game and they need to read up about what the video game entails. This is crucial as I have never been in the back of the shop, looked at the back of a video game and wanted to buy it. This is especially for video games that I have no idea about and never heard about as I have never picked up a random game looked at it and bought it. I've always tried to think about game I want, and researched online to see if I like it or want it. The research is vital to me"

This respondent reflects that the financial and personal investment required when purchasing a video game requires greater levels of research compared to the purchasing of other products (Lian and Yen, 2013). They suggest that video game consumers tend to be well researched and that online sources provide comparatively more advantages than offline methods. The respondent has again alerted the researcher to the fact that video games remain a tangible investment and as a result of the extensive research capabilities provided by the internet the respondent prefers online shopping (Mudambi and Schuff, 2010). Lal and Sarvary (1999) argue that this is because the digital attributes of video game product information are best communicated via the internet. When asked how knowledge provided on the internet influences purchase intention, a 23 year old advertiser remarked:

"It allows me to gain information about a game. I can find more about it and be more certain about a game if I'm sure if I want to buy it or not. What I think is good is that you can interact with fellow customers and this makes a big impact, rather than finding it in a shop and you don't have the freedom of information here, therefore I am more likely to make a purchase online"

The respondent suggests that the research capability of the internet positively influences consumers purchasing intentions and this can lead to 'channel lock in'. This result directly contrasts with Levin et al's (2003) research. The latter authors claimed that consumers who research experience goods on the internet are more likely to be 'research shoppers'. Furthermore, the ability to engage in multiple social interactions and share knowledge online provided the respondent with relevant information and motivates them to purchase video games online. This finding chimes with findings advanced by Werner (2004), Cheung & Lee (2012) and Hassanein & Head (2007) who assert that consumers online shopping behavioural intention is positively related to greater levels of social interaction. This suggests

consumers prefer online shopping because they can communicate with other consumers and exchange information.

Permeated themes refer to themes which cannot be categorised as major themes but which represent sub-themes (King and Horrocks, 2010). The permeated themes will be expanded on in the section below.

Variety

The greater variety and assortment of video games available online and the ability to cater to a wide variety of tastes were identified as key motivators of online shopping preference. This theme was labelled “Variety” (Lancaster, 1990; Berger et al, 2007). The work of Brynjolfsson et al (2003) shows that increased product variety was a key reason for enhanced consumer welfare. Similarly, Szymanski and Hise (2000) indicate that online consumer satisfaction is higher when stores offer a wider assortment of products. This theme is strictly related to the appreciation of a larger assortment of video games and the ability to access additional related game content online. For example, one 28 year old property manager said:

“When purchasing video games online you don’t have to worry about them being in stock because they have unlimited stock, and if they don’t you can always go to another website and buy it from there which has large stock as well. It’s the wealth of choice, more games are available on the internet than in store because the internet isn’t a physical space like retail and there isn’t a stock room so when it gets to the old classics, and for rarer games it is easier to buy them online”

The response underpins that consumers feel comfortable when shopping online because they have access to a range of available products. The respondent also suggests that the absence of spatial constraints means that there is more choice of video games online and more ‘niche’ products. In this respect, the respondent appeared to prefer online shopping because of the availability of niche titles which are not available in offline formats. This finding resonates with findings articulated by Williams (2002) and Alba et al (1997) who claim that a wider selection of online games makes web shopping more attractive for consumers and negates any negative post-purchase feelings. Another 26 year old editor claimed that:

“Take it this way, the persona series is a popular game but for a niche audience and it will not be in a place like Tesco or Sainsbury’s or in a place like Game or HMV. They will stock less of it compared to FIFA or Grand Theft Auto as the demand is smaller. And I know that if I order online I will have a successful chance of getting it. Buying on the high street you have to be aware of the situation with publishers before you buy them. In early 2012 GAME were having problems with CAPCOM and I pre-ordered street fighter cross Tekken from GAME but my order got cancelled as CAPCOM would not stock enough of it. This also happened to my friends and at that point I just decided that this would happen more and more often and you know that when you order online you are guaranteed to get it”

This respondent prefers online shopping because it caters to their niche tastes. For this respondent, the internet serves a larger consumer market than offline shopping channels because it reaches beyond the mainstream market. The respondent also suggests that offline shopping is at the mercy of supply chain issues and a negative experience of this was enough to motivate him towards online shopping. This point is consistent with the work of Liu et al (2008), Schaupp & Belanger (2005) and Guo et al (2012) who assert that product variety is a primary indicator of consumer satisfaction in the online shopping environment. Furthermore, the comment resonates with the work of Brynjolfsson et

al (2003) who assert that the functional benefits of searching and purchasing a wider variety of products online provides higher consumer value. This contrasts with the perceived prohibitive nature of offline shopping incurred through high search costs. In reference to game types, a 23 year old lawyer said:

“Generally what I do when it comes to second hand games is buy games which are pretty old. Sometimes when you have consoles that are two generations behind, back when I was eight, it was for the nostalgia factor but now it’s pretty hard to find those in retail. This would only happen if it’s a special second hand shop which specialises in that but I’d say that you would be lucky to come across that. The easiest place to come across that is would be eBay because you would find one on an auction somewhere. It’s not as if they are in circulation anymore, and if they are its very rare to find them. I would say in terms of practicality the first place to go would be online if I wanted second hand games”

This particular respondent found that shopping for second hand video games offline was too challenging and so they preferred to shop online because of the wider selection of products available on the internet. This contrasts with work by Iyengar and Lepper (2000) who claim that wider product variety is a primary cause of consumer frustration. In addition, this finding shows similarities with a research survey examining consumers reasons for buying online which highlighted that the variety of second hand ‘products’ was a key motivation to shop online (OFT, 2009). When examining the unique features of the internet, one 27 year old accounted noted:

“Online is fantastic. On Xbox live for example, once you have it plugged in you don’t need to pay extra for downloads, you can watch developer games, trailers or sneak peeks at things. Here you get everything you would get out of the game magazine and you get it for free. You can navigate from your house using a console and find out upcoming releases and by clicking on a widget you get a list of games”

In this example, the unique characteristics of online shopping were valued because they could access features of video games which cannot be provided in offline shopping formats. This complements the work of Borle et al (2005) and Kekre & Srinivasan (1990) who suggest that variety is important to consumers.

Trust

The final theme uncovered by the researcher relates to the perceived level of trust in being able to access unbiased information and conduct transactions safely online. Kim et al (2012) note that trust is as important to consumers conducting online shopping as cost and convenience. This resonates with views put forward by respondents for this research. For example, one 23 year old film editor said:

“The most important aspect for me for example is when I’m looking for a new game which is similar to the one I’ve previously played, is that I’m going to get the same experience or similar experience and enjoy it just as much. Even though it’s a different setting and story what infuriates me when going in-store to ask is that the response is not genuine and this has happened to me multiple times. It is a form of a scam and it makes me less inclined to purchase from these retail formats. When it’s online you can do your research and find out if you like the game or not and that to me is the most important thing to be allowed to do that”

The respondent clearly values the game itself and their primary motive is to replicate that same experience when buying a new game. The responded acknowledged that the quality of information online and the independence associated with online shopping was motivational in terms of having a presence for the online environment. This finding resonates with research by McKnight et al (2002)

who assert that the manifestation of trust caused by structural assurance helps to alleviate feelings of uncertainty towards online shopping. Bhatnagar and Ghose (2004) add that trust in the internet mitigates risk when buying products online. A 25 year old student highlighted that:

“When you buy things online you can look at star rating of games, watch tutorials and speak to other people who have bought the game. The research is much more in depth and you can buy games that you actually want”

This respondent feels that online shopping tools (such as product reviews and videos) can accurately convey information which is perceived to be more ‘trustworthy’ and which can facilitate greater levels of social interaction, which makes the buying process more interactive (Lackermair et al, 2013). Findings put forward by Mudambi and Schuff (2010) illustrate how the diagnosticity of websites elicits positive attitudes towards online shopping. In relation to ‘interpersonal trust’ one 23 year old teacher noted:

“The security aspect of major websites is good one, and you know that if you put your credit card details in nothing is going to happen to you. So that’s one reason why I generally stick to the main ones”

This respondent suggests that the security of websites gives him confidence in sharing confidential information and online shopping is perceived to be more ‘trustworthy’ specifically in terms of for websites with higher exposure (McKnight et al, 2002). This finding compares with research produced by Van Slyke et al (2004) who suggested that trust in web merchants leads to an increase in confidence in online shopping.

CONCLUDING COMMENT AND LIMITATIONS

The present research demonstrates the relationship between online shopping and video game purchases. Emphasis in existing research has been placed on examining online purchasing behaviour using predictions and the impact online shopping has had on subsequent purchasing patterns. Furthermore, the majority of literature on video games focuses on the relationship between software and hardware and attempts to relate video games to online shopping using generic examples within the experience goods category. The present paper examines the links between online shopping motivations and consumer purchasing decisions of video games by isolating software from hardware, particularly the features of online shopping valued by consumers in the context of their purchasing decisions for video games. *There are some research limitations that must be acknowledged. Firstly, the sample size was chosen purposefully whereby only fifteen male respondents were gathered from one online post-purchase review site, and thus the findings from these respondents only reflect the opinions of a small percentage of online video game consumers. In essence, these findings have some limits in terms of what they reveal about the collective consciousness of video game consumers (IBM, 2012). In addition they only explore western notions of consumption and so Japanese consumers and females are omitted (Nielsen, 2008; 2012). Secondly, the scope of the study is limited because of the sole focus on responses from ‘type 2’ video game consumers using a qualitative perspective. Extant literature on online shopping adopts a*

positivist perspective in understanding online shopping behaviours and represents a quantifiable method to accurately understand the complexity of online purchasing motivations (Su and Huang, 2011, Davis et al, 1986; Legris et al, 2003; Jonsen and Jehn, 2009; Pahnla and Warsta, 2010). Thirdly, the robustness of the constructed link between online shopping motivations and consumer purchasing decisions for video games was based on a purposive small sample of fifteen video game consumers. Considering the discrepancies over sample sizes required to meet 'theoretical saturation' the likelihood of reaching this threshold is reduced by using smaller sample sizes (Bertaux, 1981; Morse, 1995; Guest et al, 2012). Future research using more systematic methods and larger sample sizes might give a more objective account of the relationship between online shopping motivations and consumer purchasing decisions for video games.

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