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Factors of Successful E-tailing in China's Retail Industry: A Case Study

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Abstract

This paper aims to investigate the factors of successful e-tailing in China's retail industry. A single case study was undertaken in one of the top retailers in China. Both qualitative and quantitative data were collected, including in-depth interviews and focus group interviews with key personnel in the organisation, and questionnaire survey with randomly selected customers of the retailer. A comprehensive combined model of success factors of e-tailing was developed and is presented in detail. Some unique and interesting factors associated Chinese e-tailing have been identified; and some useful practicable suggestions are also provided for Chinese retailers or any businesses who are embarking on e-tailing in China or/and planning to enter the China's retail market.

Keywords

E-tailing; China retail industry; Success Factors; Case Study

Introduction

As one of the market trends, e-tailing has been widely used in retail industry (Samiee et al. 2004). More and more retailers are starting to realize the benefits of e-tailing (Agrawal 2001; Sullivan 2004), and believe that the knowledge about how to achieve successful e-tailing may be the key to survive the competition in the 21st century (Ogden 2005).

In the last decade, the internet had a great development in China. In 2006, the number of internet users in China had reached 123 million, rising from only 1.17 million in 1998 (CNNIC 1998, 2006). On the other hand the development of e-commerce in China has been slow. The market size of e-commerce in China is still small in terms of the transaction volume, especially business to consumer (B2C) e-commerce. For example, the transaction volume of B2C in China went up to RMB5.6 billion (US\$700 million) in 2005. However, compared to the global B2C e-commerce market, US\$700 million is a very small percentage and is not in proportion with China's large internet population. Moreover, as a result of its entry to the World Trade Organization (WTO), China's retail market is becoming more competitive than ever before. More and more foreign retailer are entering China to compete for its huge market (1.3 billion population and a booming middle class) and explore opportunities arising from its strong economic growth (Ernst & Young 2005; ONDA 2004). Besides the strategies of mergers and acquisitions, Chinese retailers are embracing e-commerce to enhance their competitiveness (ONDA 2004).

There is a silence in the literature on e-commerce development in China. Especially there is a lack of empirical studies of e-commerce in China. This research aims to address the gap by investigating success factors of e-tailing in China's Retail industry. As far as the authors are aware this research is the first comprehensive and empirical study focusing on e-tailing in China. This paper is organized as follows. Next section presents relevant background. Case study approach is then discussed followed by data analysis and results discussions. This paper concludes with future research directions and conclusion.

Background

E-tailing

E-tailing is “retailing conducted online, over the internet” (Turban et al. 2006, p. 83); it is also called B2C e-commerce which refers to retail transactions of products or services from businesses to individual customers. In this study e-tailing and B2C e-commerce are viewed as equivalent, and these two terms are used interchangeably. Even though the most common use of e-tailing is the sale of products or services online, but online retailing businesses do not only undertake simple sales, they also include other applications, as do physical retailing outlets. Some of those applications include:

1. Selling goods and testing new products: Many giant retailers use the internet as a tool to test new products and services. This strategy is useful to reduce risks in the early stages of new product marketing and sales (Mullaney 2004).
2. Market research: Retailers can use their online presence to gain valuable customer information for predication of future customer demand. In the offline environment, such data are difficult and expensive to collect and analyse (Rao 1999). Online market research has some powerful advantages, such as monitoring real-time buying decisions, more accurate and reliable data (Baker 2005)
3. Promotional tool: Following on from market research, valuable customer data can be used to conduct pricing and promotional experiments. A website can be used as a tool to conduct promotional experiments, due to the wide reach of the internet and its cost-effectiveness (Rao 1999).
4. Marketing tool: A website can also be an effective channel to communicate with customers (Peterson et al. 1997). The internet has made businesses dreams of interactivity, personalization, customization and 24/7 availability a reality.
5. Online customer service: Many new services (i.e., delivery status information and personalised products) can be available uninterrupted online, which is almost impossible or too expensive to have in the physical world.

E-tailing Success Factors

E-commerce system can be measured in four dimensions: system quality, content quality, trust and support & services (Molla & Licker 2001). Findings from researchers such as Chiger (1997), Nielsen (1998) and Lohse and Spiller (1998) point out that poor e-commerce system quality of websites will have a negative influence on the customers' online shopping experience and their satisfaction with the sites. Due to the nature of the virtual environment, customers cannot physically touch the products before purchasing from websites. The website is the only channel to understand a product. As a result the content on the site should be functional and attractive. Some researchers (i.e., Von Dran et al. 1999; Zhang et al. 2000) argue that content quality may be more important than system quality. As well as content quality and system quality, research findings have suggested that trust (including attributes of security, privacy, and product quality) has an important effect on the use of e-commerce and user satisfaction, due to the high uncertainty of the online environment (Gefen et al. 2003; Urban et al. 2000). Another important factor of website quality is support & services (including FAQs section on the website, online customer services facilities, search function within the site, online feedback & review facilities, online payment and delivery services, online customization tools, escrow & insurance services, etc) provided by a website. Service quality is increasingly recognised as an important aspect of e-commerce (Santos 2003). Past studies (i.e., Aberg & Shahmehri 2000; Chen et al. 2004; Genfen & Devin 2001; Madeja & Schoder 2003; Page & Lepkowska-White 2002; Parasuraman et al. 1988; Santos 2003) have suggested that service quality is positively related to the success of e-commerce. In the meantime, many previous research (e.g. Barnes et al. 2004; Gibbs 2002; Leonard et al. 2003; Sabherwal et al. 2004; Gibbs et al. 2002; Molla 2004) also has investigated the factors affecting the adoption of e-commerce from different perspectives, including senior management factor, organisational factor, e-commerce strategy, consumer factor, and external factor.

According to the discussion above, a theoretical framework (see Figure-1) was developed from the literature review, and served as theoretical foundation of the following empirical case study research. Six factors are included in the framework, namely, (1) organisational factor; (2) senior management factor; (3) e-commerce strategies; (4) external factor; (5) consumer factor; and (6) e-commerce system measurement.

Research Design

Case Study Method

Case study was examined and selected as the suitable method, due to the following reasons. Firstly, the case study method was widely used in the IS field (Markus 1989; Orlikowski & Robey 1991; Walsham 1993, 1995), and it is the most popular qualitative research method for research on information systems (Darke et al. 1998). Secondly, the case study method can be used to answer the questions 'how' and 'why'. This research intends to explore and build a new model of e-commerce success through answering the research question, 'How can successful e-tailing in China's retail industry be achieved?', and thus a survey or an examination of archival records is less likely to produce an answer to the question, whereas a history or case study is more likely to produce an answer to the research question. The third reason for using the case study is that this method focuses on contemporary, as opposed to historical, events (Yin 1989). E-commerce is a new area of commerce in China, especially e-tailing, and there are no widely-accepted theories or models to measure the success of e-tailing in the Chinese context. The purpose of this study is to investigate the current practices of e-commerce in China's retail industry and explore specific factors and models to measure the success of e-commerce in China's retail industry. Therefore, this is a contemporary, not an historical, event. Finally, the researcher has no control over the contemporary set of events. The case study is preferred in examining contemporary events, but only when the relevant behaviours cannot be manipulated. According to Bonoma (1985), the case study is best suited for research when the researcher is interested in understanding dynamic contemporary events in an environment over which the researcher has no control. Therefore, the case study method should be used when a 'how' or 'why' question is being asked about a contemporary set of events, over which the investigator has little or no control. This research intends to investigate the contemporary issues of e-tailing operations in China's retail industry, and this context is definitely not under the control of the researcher.

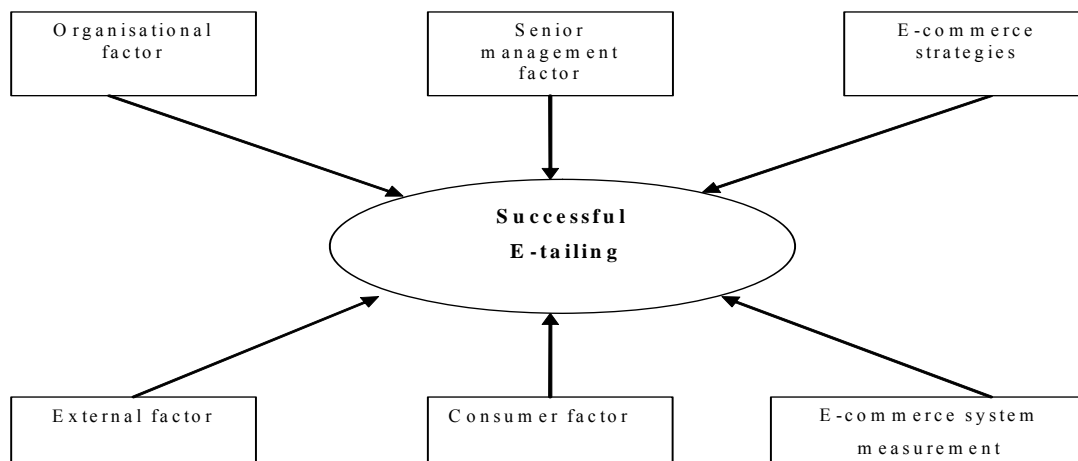


Figure 1: The Theoretical model
(Source: Developed for this research)

Selection of Case

To select the case(s) for this case study research, criteria were developed for case selection. Those criteria included: (1) multiple retail format; (2) state-owned enterprise; (3) have or have had an e-commerce system; (4) if there is only one case suitable for this research, then the case also needed to meet the single case requirements indicated by Yin (2002). A selection pool was established, based on the ranking of the top ten retailers in China. The appropriate case(s) were then selected, based on the criteria. At the end there is only one case meeting all the selection criteria. The chosen case organization is state-owned, has active e-commerce arms in its subsidiaries, and is the only retailer in the top ten to have a multiple retail format. Therefore, this retail group was the only one suitable for this case study, and is importantly a very unique and representative case in China's retail industry.

Data Collection

Due to the advantages provided by the combined method (Gable 1994; Jick 1979; Kaplan & Duchon 1988; Trend 1989), both qualitative and quantitative data were collected in this research. The qualitative data included in-depth interviews and focus interviews, and the quantitative data included survey questionnaires. Qualitative

methods were used to investigate the factors relating to the organisation, while survey questionnaires were distributed to randomly selected customers of the case retail group. Permission was gained from the Human Resources Department of the case organization to allow the researcher to personally select the employees for both the in-depth interviews and focus group studies. Table 1 shows how six factors arising from literature were addressed by the research methods. The in-depth interviews and focus group studies addressed all six factors, namely senior management factor, organisational factor, e-commerce factor, contextual factor, consumer factor, and e-commerce system measurement. The survey questionnaires were used to address the consumer factors and customers' views on e-commerce system. Both internal document and external publications were used as secondary sources to triangulate the results.

Table 1: Data collection by different methods

(Source: Developed for this research)

Factor	Data source
Senior management factor	Interview, Focus group
Organisational factor	Interview, Focus group
E-commerce strategy	Interview, Focus group
Contextual factor	Interview, Focus group
E-commerce system measurement	Interview, Focus group, Questionnaire
Consumer factor	Interview, Focus group, Questionnaire

This research has adopted the criterion of 'information richness' as suggested by Patton (1990) to identify the number of research subjects. Data collection is finished with diminishing returns from the cases or interviews, or the researcher has enough cases and data to satisfactorily address the research question (Voss et al. 2002). An application letter for permission for the research to be conducted was sent to the Human Resources Department of the retail Group, prior to data collection. As soon as permission was attained from the company, the potential participants for the in-depth interviews and focus group studies were selected, based on the selection criteria and discussions with the Human Resource Department of the retail Group. An information letter and a consent letter were sent to the potential participants prior to the interviews, to provide them with information on this research. The in-depth interviews focused on the middle-to-high level managers in the subsidiaries of the retail Group, while the focus group interviews focused on the low-to-middle level employees in the subsidiaries of the Group. Each interview lasted around approximately one hour. In total, sixteen in-depth interviews with middle-to-high level managers and three focus group studies with low-to-middle level managers were conducted. Interview and focus group participants were selected from eight main sub-organizations of the retail group (see Table 2). All the interviews and focus group studies are tape-recorded with permission. The qualitative data collection process was completed when the data reached saturation level (Dick 2005).

Table 2: Information of Participants of In-depth Interviews and Focus Group Studies

(Source: developed for this study)

Name of Subsidiaries	Business of Sub-organizations	Number of Field Studies
Company 1	Department store	3 in-depth interviews and 1 focus group
Company 2	Department store	5 in-depth interviews and 1 focus group
Company 3	Department store	1 in-depth interviews
Company 4	Department store	1 in-depth interviews and 1 focus group
Company 5	Department store	1 in-depth interview
Company 6	Administration organisation	2 in-depth interview
Company 7	Supermarket	1 in-depth interview
Company 8	Supermarket	2 in-depth interview

Since e-tailing involves both retailing businesses and their customers. Studying customers of the case retail group is an essential part of this research. Furthermore data on customers could complement findings of qualitative studies and used for triangulation purposes. Taking into consideration of the size of the retail group's customers and the resources implications, questionnaire survey was used to collect customer data. Due to the lack of a customer database, the requirement of reasonable size for survey method (between 100 and 200) (Hoelter 1983), and average 15-20% survey response rates (Zikmund 2003), survey questionnaires were distributed to 1,000 randomly selected customers in the shopping areas of the retail group. 200 valid questionnaires were received.

Data Analysis

Following suggestions by Dube & Pare 2003; Eisenhardt 1989; Kaplan & Duchon 1988; Miles & Huberman 1994; Berg 2001; Kelliher 2005; Taylor-Powell & Renner 2003; and Voss et al. 2002, qualitative data collected from in-depth interviews and focus group studies were analysed as per the following steps:

1. Within-case analysis: Manually review the transcripts, line-by-line and sentence-by-sentence, to discover the key patterns/themes and produce key words/phrases.
2. Produce labels/categories of these key words/phrases. Identify high-level factors and corresponding variables. Match these factors and variables with those from the literature. Revise and update accordingly without sacrificing any factors and variables obtained from the interview.
3. Organize the data as per the factors and variables identified at step 2. As the data is being categorised, other themes that can serve as subcategories may be identified. Continue to categorise until all relevant themes have been identified and labelled.
4. Describe the meaning of categories including key characteristics, scope and limitations. Examples of text were coded into categories that illustrate meanings, associations and perspectives associated with the category.
5. Cross-case analysis: Identify the similarities and differences in the factors and variables under each factor.
6. Use the concept of 'union' in integrating the factors and variables, i.e. combine similar factors and variables and give them a common name. Retain the unique factors and variable(s).
7. Develop a final table including all the factors and variables identified through steps 1-6.
8. Develop the combined model of successful e-tailing in China's retail industry.

For data collected from questionnaire survey, frequency statistics were conducted for responses to e-commerce system measurement.

Results and Implications

Factors and Variables of E-tailing Success

Tables 3, 4 and 5 provide the final list of factors and variables of e-tailing success, as obtained from the in-depth interviews, focus group studies and customer survey respectively. The three tables show the variables identified from different companies together with their frequencies (i.e. number or/and percentages of participants mentioning or/and supporting the variables). Altogether 6 factors and 64 variables were identified from in-depth interviews, focus group studies and questionnaire survey. The six factors are in line with the six factors identified in the literature review. Of the 64 variables, seven new variables were identified from the study which are not explicitly expressed in the literature of information systems and e-commerce success. They are (1) membership (i.e., currently e-commerce is mainly focused on VIP members who bring very impressive profits to the business); (2) organisational mission (i.e., state-owned-enterprises (SOEs) VS private firms); (3) profit objectives (i.e., as a result of being a SOE, need to balance both financial objectives and social responsibility); (4) e-commerce campaigns (i.e., successful e-commerce needs effective marketing and promotion targeting Chinese consumers); (5) business size (i.e., implementing in the whole group via centralization approach VS decentralizing implementation in each sub-organization); (6) first mover advantage (i.e., impress and attack customers before other retailers embark on e-tailing), and (7) credit system (i.e., the need for a credit system to take care of business and individual reputations). Where possible, the factors and variables have been labelled in line with the literature. However, the variables within each factor and their meanings are different from earlier studies and are more specific to e-tailing in China.

Other interesting results are also found. For example, out of 64 variables, only two variables (investment and return on investment) were mentioned by all 16 interview participants, and one variable (product categories and prices) was mentioned by fifteen interview participants. Sufficient investment in e-tailing (i.e., in information system/information technology expertise, information system infrastructure) was identified as critical determinant in e-tailing. In the same time, like any other business operations and projects, return on investment is an important benchmark for performance evaluation of e-tailing (Frank 2004; Gunasekaran et al. 2005). Most participants of the research do not have much confidence in the profitability of e-commerce as a result of the case organization's current emphasis on the tangible short-term financial gains. The variable of product categories and prices is one of the most significant variables affecting successful e-tailing. Literature, such as Smith 2000; Steinfield 2004; Turban et al. 2006, has suggested that suitable products and cheaper prices are

critical in the e-tailing success. This research also found that while customers believe all dimensions of e-commerce system performance (measuring by service quality, content quality, trust, support & service) is important for an e-commerce system, their view is not supported by the participants of in-depth interviews and focus group studies (see Tables 3-5). It indicates the retail group has no clear idea of how to meet its customers' expectations in the virtual environment and its lack of experience and knowledge of e-commerce system implementation.

Table 3: Factors and Variables of E-tailing Success Generating from In-depth Interviews

(Source: Develop for this study)

Code	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Total	%
E-commerce System Measurements																		
<i>EC/System Quality</i>																		
Website speed															√		1	6.2%
Navigation		√			√												2	12.5%
24-hour availability		√		√													2	12.5%
Ease-of-use					√			√	√								3	18.7%
Accessibility																	0	0%
<i>EC/Content Quality</i>																		
Accuracy		√							√						√		3	18.7%
Up-to-datedness		√		√						√					√		4	25%
Comprehensiveness				√	√						√						3	18.7%
Understandability		√			√												2	12.5%
Completeness					√												1	6.2%
New and special offers		√					√					√					3	18.7%
Contact information		√															1	6.2%
Multimedia presentation																	0	0%
Language options																	0	0%
<i>EC/Trust</i>																		
Security		√		√	√	√	√		√	√		√			√	√	10	62.5%
Privacy		√		√							√		√		√	√	6	37.5%
Product quality	√	√	√	√					√	√						√	7	43.7%
Escrow service																	0	0%
Insurance																	0	0%
<i>EC/Support & Service</i>																		
FAQs								√									1	6.2%
Search engines																	0	0%
Human assistance				√			√					√			√		4	25%
24-hour service	√				√												2	12.5%
Delivery	√			√	√		√	√	√			√	√		√	√	10	62.5%
After-sales service				√					√			√					3	18.7%
Customisation																	0	0%
Feedback systems				√													1	6.2%
Communities	√						√			√	√				√		5	31.2%
Senior Management Factor																		
Senior management commitment	√	√	√	√	√		√	√	√	√		√		√	√		12	75%
Investment	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	16	100%
Knowledge of e-commerce	√	√	√	√	√	√		√				√		√	√		10	62.5%
Relationship between managers																	0	0%
Organisational Factor																		
Information system infrastructure					√			√	√		√		√				5	31.2%
IT/IS expertise	√	√	√	√	√	√	√	√	√			√	√	√	√		13	81.2%
Centralised structure			√	√		√	√	√		√		√	√	√	√		10	62.5%
Brand name and reputation	√		√	√			√	√	√	√	√	√		√		√	11	68.7%
Strategic direction	√		√	√		√	√	√	√	√	√	√		√	√		11	68.7%
Organisational culture		√	√	√	√	√	√	√	√	√	√	√		√			12	75%
Business processes					√	√	√	√	√	√	√		√		√	√	9	56.2%
Task coordination																	0	0%
Profit objectives (new variable)			√		√				√	√	√						5	31.2%
Size (new variable)					√	√	√	√	√								5	31.2%
E-commerce Strategy																		
Integration	√	√	√	√				√			√	√				√	8	50%
Strategic alliances				√	√			√	√	√	√	√	√	√	√		9	56.2%
Return on investment	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√	16	100%
Cost considerations	√	√		√	√		√	√	√	√	√	√	√	√	√		9	56.2%
Product categories and prices	√	√	√	√	√	√	√	√	√	√	√	√	√	√	√		15	93.7%
E-commerce promotional campaigns (new variable)				√	√			√	√	√	√			√			7	43.7%
First mover advantage (new variable)														√			1	6.2%

Code	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Total	%
Mission (new variable)			√					√									2	12.5%
External Factor																		
Government policy and laws		√		√	√	√	√	√				√					7	43.7%
Competitive pressure		√	√	√										√		√	5	31.2%
Costs of internet and PC	√	√	√			√	√									√	6	37.5%
Payment facilities and banking services	√			√	√	√	√	√				√			√		8	50%
Advanced retail networks	√											√	√				3	18.7%
National culture					√	√		√	√								4	25%
Consumer Factor																		
Age	√	√	√		√	√	√	√	√	√		√	√	√	√	√	14	87.5%
Gender																	0	0%
Education	√	√		√	√	√	√	√	√		√	√		√		√	12	75%
Income	√			√		√	√	√				√		√		√	8	50%
Experience					√												1	6.2%
Innovativeness		√			√		√	√	√	√	√	√		√		√	10	62.5%
Work and lifestyle	√	√			√							√					4	25%
Physical shopping experience	√	√		√	√	√	√				√	√	√	√	√		11	68.7%
Membership (new variable)	√	√		√	√	√	√		√	√		√	√				10	62.5%

Table 4: Factors and Variables of E-tailing Success Generating from Focus-group Studies

(Source: Develop for this study)

Factors	Group A	Group B	Group C	Total
E-commerce System Measurements				
<i>EC/System Quality</i>				
Website speed				0
Navigation		√		1
24-hour availability				0
Ease-of-use		√	√	2
Accessibility				0
<i>EC/Content Quality</i>				
Accuracy	√	√	√	3
Up-to-dateness	√	√	√	3
Comprehensiveness	√	√	√	3
Understandability		√		1
Completeness	√		√	2
New and special offers				0
Contact information				0
Multimedia presentation	√			1
Language options				0
<i>EC/Trust</i>				
Security		√	√	2
Privacy				0
Product quality	√	√		2
Escrow service				0
Insurance				0
<i>EC/Support & Service</i>				
FAQs				0
Search engines	√		√	2
Human assistance		√	√	2
24-hour service			√	1
Delivery	√	√	√	3
After-sales service	√	√	√	3
Customisation				0
Feedback systems	√			1
Communities	√		√	2
Senior Management Factor				
Senior management commitment	√	√	√	3
Investment	√	√	√	3
E-commerce knowledge	√			1
Relationship between managers				0
Organisational Factor				
Information system infrastructure	√	√	√	3
IT/IS expertise	√	√	√	3
Centralised structure	√	√	√	3
Brand name and reputation	√	√	√	3
Strategic direction				0
Organisational culture	√		√	2
Business processes	√	√	√	3

Factors	Group A	Group B	Group C	Total
Task coordination				0
Profit objectives (new variable)	√	√	√	3
Size (new variable)	√	√	√	3
Mission (new variable)	√	√		2
E-commerce Strategy				
Integration	√	√	√	3
Strategic alliances	√	√	√	3
Return on investment			√	1
Cost considerations		√	√	2
Product categories and prices	√	√	√	3
E-commerce promotional campaigns (new variable)	√	√	√	3
First mover advantage (new variable)	√		√	2
External Factor				
Government policy and law	√	√	√	3
Competitive pressure				0
Costs of internet and PC				0
Payment facilities and banking service	√	√	√	3
Advanced retail networks				0
National culture		√		1
Credit system (new variable)			√	1
Consumer Factor				
Age	√	√	√	3
Gender		√	√	2
Education	√		√	2
Income	√		√	2
Experience				0
Innovativeness	√	√	√	3
Work and lifestyle			√	1
Physical shopping experience	√	√	√	3
Membership (new variable)			√	1

Table 5: Factors and Variables of E-tailing Success Generating from Focus-group Studies

(Source: Develop for this study)

Code	Variables	Percentage of respondents
System Quality		
SQ1	Easy to use	86%
SQ2	Loading speed	86.5%
SQ3	Availability	83%
SQ4	Accessibility	87%
SQ5	Navigation	83.5%
Content Quality		
CQ1	Accuracy	94.5%
CQ2	Up-to-dateness	89%
CQ3	Comprehensiveness	79%
CQ4	Understandability	93%
CQ5	Completeness	83.5
CQ6	New and special offers	91%
CQ7	Contact information	90.5%
CQ8	Multimedia presentation	88%
CQ9	Language options	83.5%
Trust		
TR1	Confidential customer information	96%
TR2	Secure transaction systems	91.5%
TR3	Product quality	88%
TR4	Escrow service	82.4%
TR5	Insurance	89%
Support and Service		
SS1	Online help system (FAQs)	88%
SS2	Human assistance	91.4
SS3	24 hour service	88.5%
SS4	Delivery	89%
SS5	After-sales service	91%
SS6	Feedback system	82%
SS7	Online community	80%
SS8	Search engine	90.5%
SS9	Customization	83%

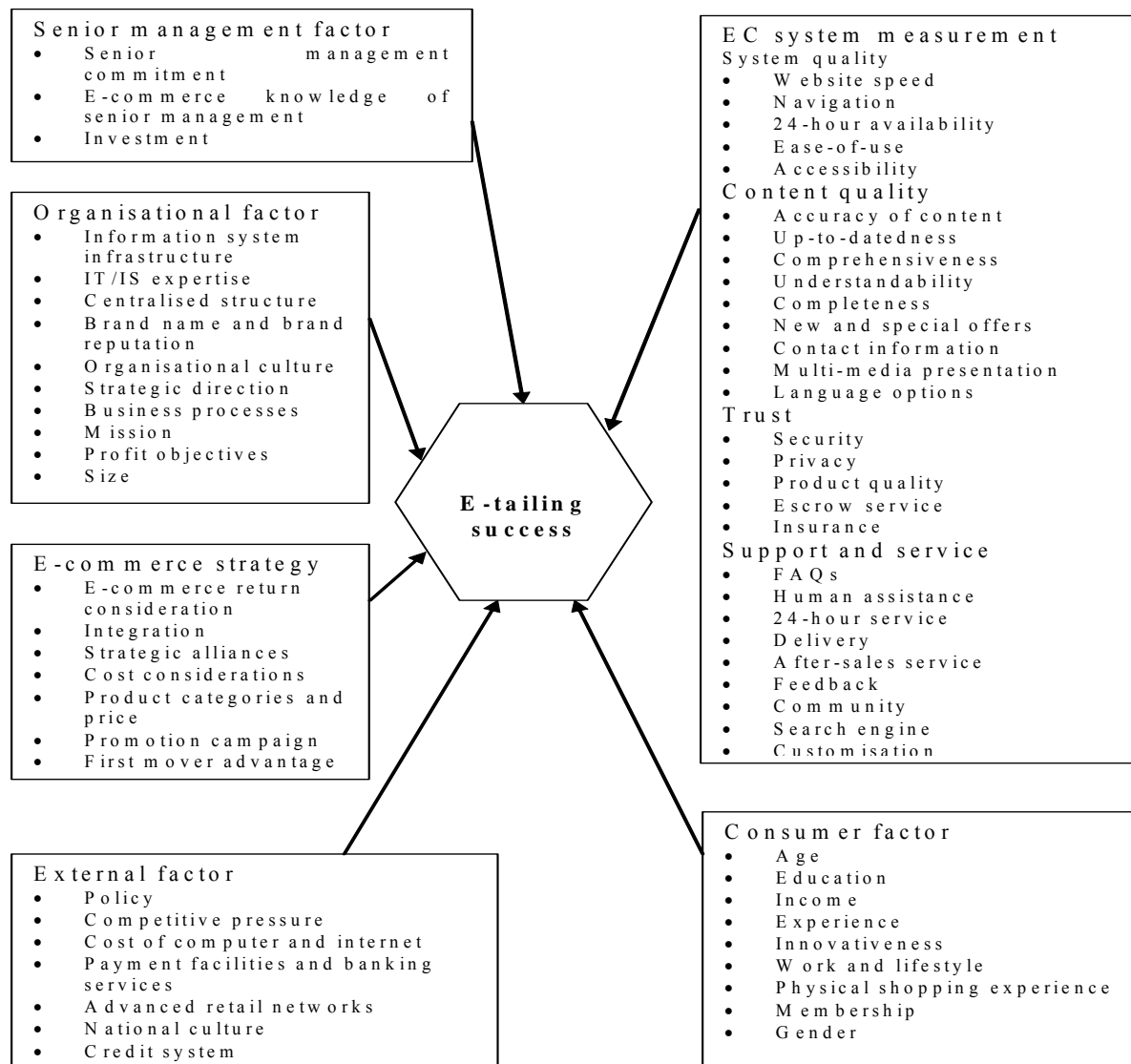


Figure 2: Final combined model

(Source: Developed for this study)

Final Combined Model

Figure 2 presents a combined model of e-tailing success. This is a comprehensive model which includes all the factors and variables identified in both interviews (16 in-depth interviews and 3 focus group interviews) and 200 surveyed questionnaires. In total, six components and 64 sub-factors were found to have an impact on the success of e-tailing. Among these 64 variables, 57 factors were confirmed by the literature, and 7 new variables were extended for e-tailing success in China. This model can be used in further investigations to test the model in new contexts.

Conclusions and Future Studies

By using the approach of case study, this study produces a comprehensive model to examine the factors and variables of e-tailing success in the chosen retail group which is a good representative of China's retail industry. Eight subsidiaries took part in the study. Sixteen in-depth interviews and three focus group studies with key and relevant person(s) in the companies were conducted. Moreover, 200 survey questionnaires were collected from randomly selected customers of the retail group. The data analysis resulted in six factors and sixty four variables. This study contributes to the e-commerce literature by developing a comprehensive model of e-tailing success in China via a combined qualitative and quantitative method. This research was exploratory in nature. The combined model can be used to undertake further research (i.e., testing the model in different contexts). And it also can provide practical suggestions to companies that are embarking on e-tailing or any businesses who are

embarking on e-tailing in China or/and planning to enter the Chinese retail market. The next step is to study the combined model using a structural equation modelling approach. This part of the research will use a quantitative approach, which will test a number of hypotheses and the model itself. The immediate action needed is to develop a questionnaire and do the pilot-test before the large-scale national survey. The primary limitation of this research may be the use of a single case approach. The proposed quantitative approach will also be used for exam the external validity of the comprehensive model of e-tailing success.

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