UK CONSUMERS’ ADOPTION OF THE INTERNET FOR GROCERY SHOPPING

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ABSTRACT

Internet shopping has become one of the fast-growing areas of UK retailing and most online shoppers use information gathered online to make grocery purchases. Many British shoppers also perceived shopping on-line as risky. Attitude theories relating to grocery shopping online have been used to evaluate the UK grocery shoppers’ use of the Internet for grocery purchases. The review shows that the future success of the Internet will mostly depend on the extent to which current shoppers accept and use the Internet as a medium for grocery purchasing. It is recommended that in designing their websites, retailers bear in mind that the Internet serves as a virtual retail environment where exchange between shoppers and retailers take place.

INTRODUCTION

Electronic retailing continues to grow in size and importance as increasing numbers of shoppers buy online (Goldsmith and McGregor, 2000). Despite the rapid growth of the Internet population in the past few years, there is still a dearth of data about shopper’s decision-making, perception and uses of this new medium. As a result, much uncertainty remains regarding the nature of retail marketing activities most appropriate on the Internet (Maigman and Lukas, 1997). The behaviour of shoppers in terms of the online retail trade (e-commerce) has therefore not yet been sufficiently researched (White and Daniel, 2004).

Research related to the Internet usage has focused heavily on the medium, with less attention given to the attributes and cognitive nature of the user (Bobbitt and Dabholkar, 2001) or the shopper’s complex online decision-making behaviour. From the nature of the complexity of shopper’s decision-making and the attempts of retailers to develop a better understanding of their target market, there is a need for studies and models that focus specifically on the cognitive and social contexts of consumer decision-making (Chen and Tan, 2003). It is important therefore to investigate the reaction of individual shoppers towards the Internet adoption as well as their interaction with the Internet.

The purpose of this paper is to explore the concepts that underpin aspects of theories relating to shopping behaviour in order to provide a deeper understanding of consumer motivation and behaviour relevant to grocery shopping on the Internet. The objective is to advance the theory related to the Internet shopping behaviour and to provide information, which is useful for retail marketing development. The paper is developed based on a conceptual framework that incorporates aspects of three well-known attitudinal theories (Theory of Reasoned Action, Theory of Planned Behaviour, and Theory of Trying) to provide a deeper understanding of the concept of Internet adoption for grocery shopping.

THEORETICAL REVIEW

The model (Figure 1) is an adaptation from Bobbitt and Dabholkar (2001) and used to explain the relationships between the three theories; and to make assumptions relating to technology-based grocery shopping behaviour in the UK.
Theoretically based empirical research on online shopping has focused primarily on factors associated with consumer behaviour regarding the use of the Internet (see for example, Davies et al., 1989). Davies et al., (1989) have found ease of use and fun to be important factor in evaluating the Internet service. Bobbitt and Dabholkar (2001) found control and waiting time to be important determinants for using technology based service. Thus UK grocery consumers are more likely to use the Internet if it offers them a sense of control, and if they do not have to queue to use it. Goldsmith and McGregor (2000) found that safety concerns do keep consumers away from using the Internet for grocery purchase. Also Meuter et al., (2000) suggest that if the Internet performs as expected, provides advantages over interpersonal service, and/or helps consumers in difficult situations; consumers are likely to evaluate the online purchase favourably. Table 1 is used as a base to explore some of the theories that underpin consumer acceptance and attitudes towards the Internet.

The Theory of Reasoned Action (TRA)

This theory proposed by Fishbein and Ajzen (1975) is used as a framework for evaluating attitudes towards grocery shopping on the Internet. Specifically, the focus here is on the link between attitude and intention and that between intention and behaviour. A major contribution of the TRA is the specificity of attitudes and intentions to match behaviour. But despite this knowledge, previous studies on electronic shopping (Eastlich and Lotz, 1999; Goldsmith and McGregor, 2000; and Doherty et al., 2003) have focused on attitude toward the channel rather than attitude toward using the channel. For instance, Maher et al. (1997) examined women’s attitudes toward shopping channels. Similarly, Eastlick (1993) and Korgaonkar and Moschis (1987) researched attitudes toward a videotex shopping system. These studies did not examine consumer attitudes toward using the Internet or other electronic channels for shopping purposes.
Table 1: Summary of Theoretical Dimensions

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<tr>
<th>Theory</th>
<th>Usage</th>
<th>Contribution</th>
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<tr>
<td>1. Fishbein and Ajzen (1975) Theory of Reasoned Action (TRA)</td>
<td>Linkages between attitudes and intentions and between intentions and behaviour</td>
<td>Specificity of attitudes and intentions to match behaviour.</td>
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<td>2. Ajzen (1991) Theory of Planned Behaviour (TPB)</td>
<td>Extends the theory of reasoned action by adding perceived behavioural control as a factor influencing intentions and behaviour.</td>
<td>Perceived behavioural control refers to how easy or difficult it is to shop through the Internet</td>
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The problem with this approach is that consumers may believe that the Internet is beneficial for the advancement of society and, therefore, may have a favourable attitude toward it. This may not necessarily translate into grocery shopping behaviour by that consumer. Thus, drawing on the specificity approach of the theory of reasoned action, it is necessary to focus on attitudes toward using the Internet for grocery shopping rather than the Internet as a medium. Such specific attitude measures are likely to be better predictors of intentions and behaviour related to the Internet than traditional measures.

The Theory of Planned Behaviour (TPB)

As shown in Table 1, TPB extends TRA by adding perceived behavioural control as a factor that can influence intentions and behaviour (Ajzen, 1991). Ajzen, (1991) defined perceived behavioural control as the ‘perceived ease or difficulty of performing the behaviour of interest’. Davies et al. (1989) found ease of use to be an important factor in the decision to use computer software. In relation to Internet shopping, perceived behavioural control may refer to how easy or difficult it will be to shop online. It is therefore all about the consumer’s confidence in using the Internet for grocery shopping. Perceived behavioural control is obviously important in determining consumer usage of the Internet for online purchasing, but some effort on the part of consumers must underpin this concept.

Theory of trying

This theory is proposed by Bagozzi and Warshaw (1990) and provides insight into how the consequences of behaviour can influence attitudes toward trying to achieve a goal. It expands on the TPB (Ajzen, 1991) and the theory of goal pursuit (Warshaw et al., 1991). Theory of trying suggests that people form complex, multidimensional attitudes toward goals (for example learning to shop online) as opposed to forming unidimensional attitudes toward actions. This model takes into account that people may try to learn about something, and fail, and as a result fail to experience the outcomes. For instance, consumers may have favourable attitudes toward using the Internet and try to learn how to use the Internet for grocery shopping purposes. If consumers perceive that it is too difficult to learn or become frustrated with the learning process, they may give up on trying to learn.

Finally, it is important to note that the theory of trying focuses on goal situation and not just reasoned behaviour as in TRA. As Bagozzi and Warshaw (1991) observed, consumers generally engage in behaviour, such as using the Internet, for the benefits they hope to receive. There are some instances where
the behaviour may be viewed as a goal and achievement of that goal may allow the consumer to pursue other goals. Thus a goal for shopping online would be that the consumer uses the Internet because she/he believes this shopping method will save time over other shopping methods (Bobbitt and Dabholkar, 2001). They can use that time for activities that may be more important to them than shopping. Thus convenience may be a major factor in shopping online (Chen and Tan, 2003).

THE BENEFITS OF ONLINE SHOPPING

The Internet, shopping channel provides consumers with a number of benefits over traditional retail channels. Grocery shopping online basically entails five steps including: i) consumers log on to the online retailer's web page; ii) they shop for various goods and place them in a virtual shopping cart; iii) they check out by designating the method of payment; iv) they select a delivery location; and v) they select a delivery time. As Omar (1999) noted, while the process of grocery shopping online seem simple, there are still many grocery shoppers in the UK who prefer the traditional shopping method. As is the case with many other aspects of life, online shopping has its benefits and drawbacks to consumers and retailers as depicted in Table 2.

The Internet stores vast amount of information, serves as a transaction medium, and provides better perceptual experiences than catalogues (Maighan and Lukas, 1997). The Internet allows consumers to browse product/service extensively, collect data, locate information, download information, compare prices, buy products, place/change orders, and receive feedback without travelling to a shopping centre (Pavitt, 1997). Consumers can browse or shop online 24 hours a day, seven days a week, from office or at home (Lumpkin and Hawes, 1985; Doherty et al. 2003). Convenience has been reported as the primary reason for consumers to shop on the Internet (Vozza, 2001). Additional factors such as saving money and time, no transportation cost, more choice, no waiting lines and no pressure from the sales people were also reported to contribute to a more enjoyable shopping experience on the Internet (Vozza, 2001). Despite the apparent benefits of online shopping, many consumers are still reluctant to shop online. This reluctance may be due to the risks associated with online shopping.

PERCEIVED RISKS OF ONLINE SHOPPING

Since the 1960s, the theory of perceived risk has been used to explain consumers' behaviour. Considerable research has examined the impact of

<table>
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<th>Table 2: Advantages and Drawbacks of Online Shopping</th>
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<td><strong>Retailers</strong></td>
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<tr>
<td><strong>Advantages</strong></td>
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<tr>
<td>- Consumer convenience</td>
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<tr>
<td>- Less expensive land</td>
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<tr>
<td>- More economical structure (warehouse vs. supermarket)</td>
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<td>- One warehouse covering multiple trading areas</td>
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<td>- Open twenty four hours and seven day a week</td>
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<td><strong>Drawbacks</strong></td>
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<tr>
<td>- Fights convention</td>
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<tr>
<td>- Low margins</td>
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<tr>
<td>- Labour intensive</td>
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<tr>
<td>- Delivery problems</td>
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<tr>
<td>- Start-up costs</td>
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<td>- Limited repeat sales</td>
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risk on traditional consumer decision-making. Consumers are apprehensive when they cannot be sure that purchases will allow them to achieve their buying goals (Cox, 1967). Perceived risk thus can be considered a function of the uncertainty about the potential outcomes of a behaviour and the possible unpleasantness of these outcomes. It represents consumer uncertainty about loss or gain in a particular transaction. Cox (1967) defined perceived risk as “the nature and amount of risk perceived by a consumer in contemplating a particular purchase decision”. For the purpose of this paper, ‘perceived risk in grocery shopping via the Internet’ is defined as the subjectively determined expectation of loss by an Internet grocery shopper in contemplating a particular online purchase.

Perceived risk is associated not only with what is acquired but also how or where it is acquired. Consumers perceive risks in most store purchase, and higher risk in in-home shopping such as ordering by the telephone or mail. Cox (1967) found the most commonly stated reason for not shopping by telephone was “a fear of not getting what was wanted”. Burke (1996) found that in-home shopping was considered a high-risk strategy for the following reasons: (i) lack of opportunity to examine products prior to a purchase; (ii) difficulties in returning faulty merchandise; and (iii) frequent suspicion of business ethics of certain mail-order operations. Likewise, consumers perceive Internet shopping to have higher risk than in-store shopping (Tan, 1999; Donthu and Garcia, 1999), perhaps for many of the same reasons that have applied to other modes of in-home shopping. Currently, there is no evidence to suggest what types of risks Internet shoppers perceive or what the potential impact these risk perceptions have on grocery shopping on the Internet.

Types of perceived risk

Mitchell, (1999) identified several types of perceived risk, which may have influence on online grocery shopping behaviour to include: financial, product performance, social, psychological, physical, and time/convenience loss. For the purpose of this paper, the focus is on financial, product performance, psychological, and time/convenience loss that were identified by Mitchell (1999) as most prevalent among Internet shoppers.

Financial risk is defined as a net loss of money to a customer, and includes the possibility that one’s credit card information may be misused. Thus, consumers’ apparent sense of insecurity regarding online credit card usage stems primarily from a concern about financial risk. Consumers’ unwillingness to provide their credit card information over the Web has been cited as a major obstacle to online purchases (Maignan and Lukas, 1997). Many consumers believe that it is too easy to have a credit card stolen online (Burke, 1996).

Product performance risk is the loss incurred when a product does not perform as expected. Product performance risk may result from a poor product choice due to the shoppers’ inability to accurately judge the quality of the product online. The ability to judge product/service quality online may be limited by barriers to touching, feeling, and trying the product or service, inaccurate product colours and insufficient information on quality attributes relevant to the consumer resulting in increased product performance risk.

Psychological risk refers to disappointment, frustration, and shame experienced if one’s personal information is disclosed. The Internet is often perceived as likely to violate users’ privacy which is one of the major concerns of many Internet users (Maignan and Lukas, 1997). According to Chen and Tan, (2003) the feeling of lack of control over the access others may have to their personal information during the online navigation process is a psychological risk that prevents many consumers from providing information to Web providers in exchange for access to information offered onsite.

Time/convenience risk refers to the loss of time and inconvenience incurred due to difficulty of navigation and/or submitting an order, finding appropriate Web sites, or delays receiving products. Two leading causes of dissatisfying online experiences that may be thought of as a time/convenience risk include a confusing Web site and pages that are too slow to download. Additionally, potential delays or difficulties in receiving ordered groceries are a concern for some online shoppers (Vozza, 2001).

THE NATURE OF THE PRODUCT

The British grocery market is dynamic and highly competitive in terms of brand choice and preferences (Omar, et al, 2004). The nature of grocery product is such that some do perish very quickly and have short life cycle. Such groceries must therefore be purchased and consumed while in fresh state.

In the consumer adoption model of Vrechopoulos et al. (2001), consumers’ experience with and evaluation of the type of product, and in the
case of this paper, grocery, is an important aspect of the consumers’ decision to adopt the Internet for grocery purchasing. Furthermore, consumers’ personal involvement with the purchasing of grocery is directly linked to the different dimensions of food attributes including: taste, ingredients, value for money, price, quality, palatability, and additives (Omar et al., 2004). According to Omar (1999), consumers may use two aspects (taste and quality) of grocery to assess its quality. Consumers regard the perceived value such as the value for money, price and brand image to appraise its quality. Secondly, they make use of behavioural properties to determine the measure to which it will satisfy their requirements. Here it specifically pertains to the palatability and functional aspects of grocery brand. It can be further subdivided according to its formal, emotional and cognitive qualities. Formal aspects refer to the ‘need’ aspects i.e. the need to eat. Emotional and cognitive qualities relate more to the satisfaction of the emotional and cultural and/or religious demands, such as choice of food based on cultural or religious acceptance. The functional aspect of groceries is the elimination of hunger.

THE NATURE OF CONSUMERS

The nature of consumer is an important factor that affects the acceptance of online grocery shopping method. Burke (1996) is of the opinion that the success of e-commerce depends rather on the consumer’s acceptance of it than on the underlying properties of the technology as such. This means that online retailers must understand the nature of their customers and define their target market appropriately. Thus, for example, Tesco, a UK leading grocery retailer defined its online target market as: ‘a married woman in a dual earning family, with one or more children and a household income of at least £30,000 per annum’. The consumer would not have a lot of time to shop, yet would have a taste for specialty and gourmet foods, which electronic retailing provides.

Studies of consumer behaviour about experiences of Internet usage show that there is a marked difference in the social behaviour between risk takers and non-risk takers, particularly in terms of their socio-economic status and social affiliation (Teo, 2001). Teo maintains that aspects such as demographic, socio-economic and psychographic characteristics of consumers may play a part in the use and acceptance of the Internet.

In many cases, professional consumers are seen as early adaptors because they fit in well with the innovators’ profile. Innovators represent the relatively small group of consumers that are the first to accept a new innovation. They are regarded as the first 2.5 per cent of the social system that will accept an innovation and consist of risk takers that can absorb the financial and social costs associated with innovations. They make use of other innovators as a reference group rather than their own peer group. This is similar to Teo’s (2001) observation that the Internet users tend to be younger and socially more mobile, and are distinctive because of their high educational levels. This description fits in well with Burke’s (1996) evaluation of virtual shoppers.

Finally, consumers’ event schemata and previous experiences are internal characteristics of the innovators that affect the acceptance of innovations. Thus, according to Burke (1996) the perceptions of consumers regarding the use, pleasure and usefulness of the Internet play a part in their acceptance of the Internet. Additional psychological variables that have a direct influence on the acceptance of the Internet by consumers for purchasing include the perception of consumers of the nature of the innovation and more specific perceptions and expectations in terms of the perceived risks and relative benefits adhering to the acceptance of the Internet.

CONSIDERATIONS FOR THE FUTURE

This work has a number of limitations. One of these is the increasing adoption of the Internet as a grocery shopping medium and the acceptance of technology which is dealt with in detail in many other studies of Internet shopping. A second limitation is that this is a market review and there can always be other factors that influence consumer’s intentions to shop on the Internet that are not included in this review. The paper presents a market review of the relevant literature that is most relevant for online grocery shopping in the United Kingdom.

It is clear that attitude theories can be effectively reconciled with existing theories about the Internet as a new technology for the purchase of groceries. This proposed framework is at present being tested in a study that deals with the acceptance of the Internet by women as a purchasing instrument for grocery products. The opinion of the author is that the framework makes it possible to understand and predict better consumer decisions relating to using online grocery purchase by examining underlying consumer attitudes.
References


