Consumer Perceptions of Online Versus Store Shopping

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Introduction

Throughout modern history, few technical innovations have captured the interest and participation of the public like that of the Internet. A decade ago, almost no one would have predicted the spectacular growth of the Internet and World Wide Web, and if they had, most people would have called their predictions absurd. Both traditional store owners and existing and potential direct marketers were forced to take notice (Bannister, 1998; Herbig and Palumbo, 1998; McGovern, 1998). As computer ownership and online connectivity grew, so did the potential for online marketers. And so did the threat to traditional store outlets.

Early on, just how far and how fast the trend will grow was anybody's guess. Some skeptics predicted that online marketing would be limited to relatively small-ticket items that don't require direct inspection or trial -- a fairly narrow range of consumer goods (Essick, 1997). At the other extreme, some advocates claimed everything from cars and appliances to groceries and household goods could be marketed effectively and profitably online, and would be in the very near future (Greene, 1999; Spinale, 1999). Most predictions occupied the middle ground between these extremes (Lohse & Spiller, 1998; Mehta and Sivadas, 1995). But nobody denied that online marketing is here to stay. Virtually every serious observer recognized that both the range of consumer markets and the variety of consumer goods and services sold would continue to enlarge (Alba, et al, 1997; Peterson, 1997).

Both store and direct marketers were faced with two major decisions: Whether or not undertake online marketing, and if so, when to make the move. The degree of buyer acceptance of online marketing has been a key issue (Takacs & Freiden, 1998). Initiating an online marketing program prematurely could prove to be a very costly mistake for an over-eager marketer, even if consumers of the goods or services did ultimately adopt online shopping and buying.

Competitive Pressures

If the growth in online sales exceeds that of other modes of marketing, then these online sales to consumers must come, to some degree, at the expense of traditional store marketing and other direct marketing modes (Deighton, 1997). But the online marketing inroads into store marketing sales volume may be limited, at least in part, by the use of technology in traditional store retailing (Balasubramanian, 1998; Commers, Mehta, and Holmes, 1998). Retail store merchandisers have implemented a variety of tactics, such as creating an entertaining physical shopping environment. By doing so, they provide something that is difficult or impossible for online marketers to provide (Rasmusson, 1999; Thompson, 1998). Store merchandisers may also strive to match or even exceed the selection and economy offered online. The growth of outlets such as warehouse/membership clubs, big box retailers, category killers and superstores reflect these strategies (Liebmann, 1998; O'Conner, 1999).

Competition from online marketers may also be a major concern of catalogers and other direct marketers. Most consumer catalogers have already established their presence on the web (Miller, 1998). Others, such as television direct marketers, including QVC and Home Shopping Network, have substantial investments in their web sites and online marketing operations (Galenskas, 1997). Because of their extensive experience with direct, data based marketing, catalogers and other direct marketers are well positioned to move quickly and effectively to online consumer marketing. As such, they intensify the threat they already pose to traditional, store merchandisers.

Perceptions & Comparisons

The pictures in the mind's eye of consumers regarding online and store shopping and buying are likely to play and important role in encouraging or inhibiting adoption of online buying (Akaah, Korgaonkar and Lund, 1995; Castelluccio, 1998; Gehrt, Yale, and Lawson, 1996; McGaughey and Mason, 1998). To what degree is online or store shopping seen as easy? Risky? Confusing? Entertaining? Answers to such questions help identify the perceived benefits and obstacles to adoption and continued use of online or store shopping (Burke, 1997; Romano, 1998).

Comparisons of online shopping with store shopping highlight the perceived positive and negative features of the alternative shopping and buying methods. The comparisons may provide indications of the direction and intensity of competitive pressure between traditional store merchandisers and online marketers.

Gender Differences

Shopping and buying for the family remains almost exclusively the province of women (Barnette 1996; Webster 1997; Verdisco 1999). Women make most of the family purchases. Despite the heavy pressures on their time and energy imposed by employment outside the home plus the other domestic tasks that remain their responsibility, they buy the personal goods and services they need for themselves as well as many of the personal goods for the men in their households.

Women find shopping and buying more satisfying and pleasurable, and/or less dissatisfying or irritating than do men (Alreck and Settle, 2002). That accounts, in some measure, for their continuation in the role of family buyer. It also suggests they are likely to remain the principal purchasing agent for the household for the foreseeable future (Settle and Alreck 1987; Settle and Alreck 1989). Thus, it is important to examine gender differences, as well as overall comparisons between store and online shopping.

Online Shopping Impressions

Three focus groups were conducted among a convenience sample of adults, all of whom had at least some online shopping experience. Their discussions were focused on both the concerns they had and the problems they experienced, as well as the advantages and benefits of shopping online. Based on their comments, 15 statements of "problems or concerns" and 15 statements of "benefits or advantages" were composed. The actual statements are shown in Figures 1 and 2, respectively, although not in the random order in which they appeared in the questionnaire. For the list of concerns or problems, respondents were instructed as follows:

> *Some factors that may be seen as a concern or problem with online shopping are listed below. Please put a check mark in ONE box for each item to show how much of an online shopping problem or concern you feel that factor is.*

And for the benefit or advantage statements:

> *Some factors that may be seen as benefits or advantages of online shopping are listed below. Please put a check mark . . .*

The extremes of the scales were labeled "No Problem" or "No Benefit" and "Major Problem" or "Major Benefit."

Comparative Scales

To provide a direct comparison between the store shopping and the online shopping experience, a set of adjectives were selected, based the focus group participants' comments. Of the 15 items, listed in Figure 3, 8 were positive and 7 were negative. Respondents recorded their ratings on 7-point comparative scales (Alreck & Settle, 1995). They were instructed as follows:

> *Please check one box on each line below to show your opinion of online shopping, compared to shopping in a store. (If you think it's less so than at a store, check a box toward the left, if it's more, check a box toward the right, and if it's about the same, check a box in the middle range.)*

The extremes were labeled "Less Than a Store" and "More Than a Store" while the midpoint was labeled "Same as a Store."

Online Connection and Experience

Respondents indicated how they were connected to the Internet (MODEM, cable, DSL, or Satellite) as well as hours per week they spent on the computer at home and at work, hours on the Internet or Web, and hours spent on online shopping. Lastly, they indicated the number of online purchases in the past year and the total value of those purchases.

Demographic Status

Respondents were asked to indicate their sex, age, marital status, education level, employment category, occupational category, home ownership and family income. These data were used mainly to judge field worker adherence to quota specifications and to allow assessment of the degree of representation of the general population. Impression and comparison profiles for men and women were also compared to examine the potential existence of what has been termed a "gender gap" in acceptance and use of online shopping and purchasing.

Results

Sample Demographics

Relatively similar proportions of respondents in each sex and age categories reflected the sample quota specifications. Compared to the population from which the sample was obtained, the responding sample tended to be more educated, affluent, and engaged in more up-scale occupations.

Connection Facilities

Nearly 60 percent of respondents were without wideband connection, using a 56K telephone MODEM. More than 1 in 4 had Cable connection while only about 13 percent had DSL.

Time Spent Online

Respondents were asked to indicate the amount of time they spent during a typical week on the computer at home and at work, as well as time on the Web and *shopping* for goods or services on the Web. Nearly two thirds respondents reported spending an hour or less per week shopping online. Only about 12 percent spent 5 or more hours per week doing online shopping. There were, or course, significant correlations among these variables. As might be expected, the greater the time spent on the computer and on the Internet, the greater the time spent on shopping.

Perceptions of Problems

The items identifying potential problems with online shoppiner are listed below, sorted from those rated highest to those with the lowest ratings on a 5-point scale

The companies may sell their mailing lists to others---------------------- 4.2
My credit card information might not be secure--------------------------- 4.0
I can't handle and inspect things like I can in a store --------------------- 3.9
There are too many banners or pop-up windows-------------------------- 3.9
I may get e-mail "spam" from companies I buy from--------------------- 3.8
Shipping charges add too much to the cost -------------------------------- 3.5
The sellers ask for too much information about me----------------------- 3.3
It takes too long for web pages to download------------------------------- 3.1
The descriptions of things are too sketchy --------------------------------- 3.0
It takes too much time and effort to find what I want online ------------ 2.8
Companies keep records of the things I buy ------------------------------- 2.7
The ordering process is too complex and takes too long ----------------- 2.6
It takes too long for the merchandise to be delivered --------------------- 2.6
Online shopping is more boring and less fun than store shopping ------ 2.5
Online shopping has to be done alone, not with friends or family ------ 2.2

The two "leading" items were related to *privacy* issues: sale of mailing lists and insecurity of credit card information. Other items rated relatively high included too many banners and pop-ups, inability to handle goods, and possibility of receiving unwanted "spam" e-mail solicitations as the result of purchase. Of least concern were factors such as inability to shop with friends and family, boredom with online shopping, complexity of the ordering process, and "wait" time for goods to be delivered.

Perceptions of Benefits

As with the items identifying problems, the items identifying benefits were sorted from the most to least serious in the eyes of respondents, rather than as listed in the questionnaire:

Online shopping can be done right from my home or office ------------ 4.3
I can do online shopping any time of the day or week ------------------- 4.2
Shopping online doesn't require any means of transportation ----------- 3.7
Online shopping is easier and takes a lot less energy and effort -------- 3.6
Online shopping is quicker than going to a store or mall ---------------- 3.6
I may be able to read customer comments and ratings online ----------- 3.6
It's easy to compare prices from one online seller to another------------ 3.5
I can shop online a little at a time rather than all in one trip ------------ 3.5
Web sites can provide more technical information about products ----- 3.4
Searching for a particular item or brand is easier online ----------------- 3.3
I can shop online without concern for my appearance-------------------- 3.3
Shopping online offers a greater selection than store shopping --------- 3.2
Online purchases are delivered so I don't have to carry them ----------- 3.2
I can shop online as long as I want without getting tired----------------- 3.2
Shopping online is more interesting and entertaining than stores------- 2.3

The two "leading" items stand out significantly from the rest. They are *convenience* factors: the ability to shop from home or office, any time of the day or week. The lowest rated item was markedly lower than the next lowest. It suggests respondents rarely found online shopping more interesting or entertaining than store shopping.

Ratings of Comparisons

The mean ratings of online shopping compared to store shopping are listed below:

Time-saving..............	1.3
Relaxing....................	1.1
Easy	0.4
Confusing	0.4
Boring.......................	0.3
Expensive	0.2
Frustrating	-0.1
Difficult	-0.1
Enjoyable..................	-0.4
Fun............................	-0.5
Stimulating	-0.6
Entertaining	-0.6
Exciting	-0.7
Demanding	-1.0
Tiring........................	-1.4

On average, online shopping was seen as substantially time-saving and relaxing in comparison with store shopping. In the eyes of the responding sample, online shopping was also considerably less tiring and demanding than store shopping. Store and online shopping were seen as almost equally difficult and frustrating. Online shopping was somewhat less exciting, stimulating, entertaining, fun and enjoyable. Store shopping was somewhat less confusing, easy, and boring.

Gender Effects

Analysis of the mean ratings of perceptions of problems or concerns with online shopping revealed that on average, over all items, men perceived slightly but not significantly fewer problems or concerns with online shopping than did women; however, this was not consistently the case. For example, men rated such items as seller information seeking and data retention as greater problems than women did. Men were also less content than women regarding the delay time until delivery.

The overall average ratings for men and women were almost identical and not significantly different from one another; however, the ratings for individual items were only occasionally nearly the same. For most items, there were significant differences between men's and women's ratings. For example, women were substantially more positive than men regarding the ability to shop online without concern for their appearance or the necessity to carry the goods home. On the other hand, men, more than women, appreciated the ability to compare prices online.

Analysis of the corresponding ratings for men and women for the *comparative* scale items indicated that unlike the previous two sets of ratings, the *overall* ratings by men were significantly more positive than for women beyond the .01 level of probability. On the other hand, as with the perceptions of problems and benefits, men and women differed very substantially in their ratings of individual items. The most striking differences were among the "entertainment" category. Women found online shopping substantially less *enjoyable, stimulating, entertaining, fun,* and *exciting* than did men. For the men's part, they found online shopping as compared to store shopping less confusing or boring than did the women and they saw it as easier than store shopping, as well. While women saw online shopping as more expensive than store shopping, on average, men saw the two modes as almost equally expensive.

Conclusions

Privacy

This study suggests the issues and concerns regarding information privacy and online security have not abated recently and may, in fact, have become more pronounced. This study used a sample of consumers with home computers and online shopping experience; a sample that was more socio-economically up-scale than the general public. One would suppose they would be more sophisticated about privacy and security risks than the consuming public at large. If so, this inhibition to shop online may be even more serious than these data indicate.

On the macro level, online marketers should be especially eager to take whatever steps are necessary to make self-regulation and self-governance in the matter of privacy and security effective. When regulation or legislation is proposed or under consideration, it behooves online and database marketers to cooperate enthusiastically to avoid over-regulation overly binding requirements and prohibitions. There would also seem to be a role for public education programs to inform the public on how they benefit from the collection and use of enhanced data bases. As it is, they apparently see only a one-sided picture, with many vulnerabilities but no real advantages to them as consumers.

On the micro level, individual online marketers would benefit by adopting and promoting buyer-friendly online security and data collection and retention. Such features as obscure opt-out options and verbose, fine-print statements of privacy policies, written largely in legalese could and should be replaced by clear, open, easily understandable disclosure of the firm's or site's policies, practices, and security measures.

Convenience

The "any time, anywhere" capability of online shopping was clearly welcomed by the consumers. It seems very unlikely that consumers will find more free time for shopping in the future than they have today or had in the past. Rather, it is a near certainty that they will continue to experience more and more pressure on their time and demands on attention. As that happens, the convenience of online shopping (and online purchasing) will become an even more attractive feature to the buying public.

These consumers found store shopping more demanding on their time and energy than online shopping. Yet, for a wide variety of merchandise and increased consumer product complexity, many consumers will find it desirable, if not mandatory, to make a thorough search. Online shopping permits that—in fact, *encourages* it. Thus, we might expect more and more consumers, more and more often to make their *selection* online and their *purchase* at the store. That way, they can have the best of both worlds. They can explore the options and alternatives online, make a tentative choice, then handle the goods and validate their choice or make a final selection in the store.

Entertainment

For many consumers, shopping is a chore—a necessary evil. But for many others, their is an aspect of fun, excitement, entertainment, stimulation, and social companionship associated with a shopping trip. That kind of sensory stimulation and physical participation can be achieved only in small measure online. Yet the creative online possibilities are only just beginning to be explored. As technology advances, so, too, will the potential for more vivid and exciting online experiences. This study revealed very few differences in reactions to online shopping between those with wideband connection and the 56k MODEM majority. So, the limitations on page complexity may not be as severe as sometimes supposed.

Online & In Store

Early online marketers came largely from direct, database marketing backgrounds, rather than from traditional store marketing merchandisers. Online and store marketing are often seen as competitive. Sometimes so, sometimes not. The important point is that they need not always be, and can and perhaps should often be *complementary* to one another. Online shopping is quick, easy, and extremely convenient. It is not very demanding. Store marketing is more entertaining and stimulating. And shoppers can handle and examine the goods in person before purchase. Given these sets of characteristics, store marketers may wish to increase their devotion to their online facilities, while exclusively online marketers may consider affiliation with those who have a physical, rather than an electronic presence in the consumer marketplace.

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