Internet Use (and non use):
A Comparison of Internet and Alternative Channel Shopping
by Early Web Adopters

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Abstract

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The growth of the Internet has been said to be causing a dramatic business transformation (Walid 1998). Traditional channels of distribution are being challenged by the Internet’s ability to offer products to distant consumers, with resulting increased competition in both product range and price. However to date, use of the Internet for retail purchases lags far behind more traditional channels of distribution, and uptake has been much higher in the United States than in other countries. This study analyses patterns of web use by individuals who are early adopters of web technology: young, tertiary educated and computer literate consumers in three countries; Australia, Hong Kong and Singapore.

We analyse individuals’ use of the web compared with alternative non-store distribution channels such as direct mail and direct response. We examine whether consumers who use non-store channels are also more likely to use the Internet for purchases. Reasons for Internet use and non-use are discussed.

Keywords: Internet purchase, online shopping, catalogue shopping
Introduction

The potential of Internet shopping has received substantial attention in both academic literature and the popular press (Alba, Lynch et al. 1997). Statistics have shown growth in online sales, depending on the product, from 40% to 340% over one year (Sellers 1999). Exhortations such as ‘Catch the wave or drown’ are said to be the ‘advice of industry experts to retailers resisting the onslaught of the Internet’ (Chain Store Age, 1998). However despite its rapid growth over the past five years, online shopping has still to make a substantial impact on retail figures. Combining internet, other online services, television home shopping and catalogues, non-store retailing accounts for only 5% - 10% of total retail sales, with Internet sales in 1996 estimated at less than 1% of all non store shopping (Alba, Lynch et al. 1997). Some of the best known Internet names such as Amazon have yet to make a profit, perhaps in part due to their high customer acquisition costs (Sellers 1999). Established retailers might be expected to have lower acquisition costs, yet even experienced retailers like Barnes and Noble have made a loss on their Internet operations (Davidson 1999). In Australia, successful in-store retailers such as David Jones and Harvey Norman have abandoned on line retailing due to a lack of profitability (Sauer and Burton 1999). Does this lack of retail profitability suggest that the impact of the Internet on traditional retail outlets has been overstated, or does it only reflect the early stage of the medium and technology limitations? The answers have critical implications for business, yet there has been only limited research into the factors limiting the adoption of web shopping. If online sales have shown the growth levels recorded in the literature, without yet making a substantial impact on traditional stores, there may be groups of customers or particular product types which are primarily responsible for much of the growth in online sales. Research into the drivers of, and barriers to, online shopping is important to managers and researchers.

Clues to the ultimate potential of online shopping can perhaps be gained by contrasting it with other forms of in-home shopping, such as catalogue and direct response (or television) shopping. All these distribution channels share similar advantages and disadvantages and appear to appeal to similar demographics. Studies of what is important to online and catalogue shoppers have identified convenience and the ability for impulse purchases as key reasons for shoppers using both channels.
Common barriers have also been identified as reasons for not shopping by catalogue or online: a preference for seeing the product before purchase, a lack of trust in the medium, and a reluctance to wait for delivery (Pavitt 1997; Beaudry 1999). Both distribution methods have been said to experience significant problems in coping with returned goods, a problem compounded by international sales, where there may be difficulty reclaiming taxes (Foch 1997; Tedeschi 1999). Higher income groups have been shown to be over-represented among both groups (Gillett 1970; Lumpkin and Hawes 1985; Beaudry 1999; Donthu and Garcia 1999).

Much of the research into online shopping has been conducted in the US, with an implicit assumption that other countries will follow the pattern shown by the US, but there are reasons to suggest that the US market may be different from other countries, and that US projections may then not apply to other markets. The penetration of catalogue and direct response shopping has been much higher in the US than in other markets. In Europe, for example, catalogue sales have lagged behind the US, with leading mail order companies traditionally catering to the lower end of the market (Foch 1997). Even within the US, catalogue sales have been said to plummet when new retail stores are opened in strong catalogue regions (Stoneman 1997), so the lower penetration of catalogue shopping in other countries may be partly explained by higher levels of urbanisation, with consequent higher retail penetration.

There are certainly similarities across countries in some aspects of online shopping. Not surprisingly, starting from a low base over the past five years, different countries show a similar pattern of increasing percentages online, and increasing levels of online shopping. US statistics show rapid increases in the number of people who have shopped on line, from 37% of AOL subscribers in June 1998 to 62% in September 1999 (Hansell 1999). While it is difficult to make exact comparisons between countries, in Australia, approximately 12% of adult Australians who had accessed the Internet in the twelve months to May 1999 had bought products online. With 40% of the adult population having accessed the Internet, this represented approximately 5% of the total adult population, compared to 3.1% in the previous 12 months. However over half of these individuals had bought on only one or two occasions (ABS 1999), suggesting that use of online shopping is still very limited. Not surprisingly, the statistics highlight that the Australian adoption rate lags behind the US. However in world terms, Australia might be expected to be among the closest followers of the US, since the country has one of the world’s highest rates of Internet servers per capita, following only Finland and the US (National Science Board 1998).
Does this lack of retail activity suggest that the threat of the Internet to traditional retail outlets has been overstated, or does it only reflect the early stage of the medium and technology limitations? In a variety of other fields, the behaviour of early adopters has been used to shed light on subsequent adoption patterns (see for example Lambkin and Day 1989; Herstatt and von Hippel 1992). This paper examines Internet purchase behaviour by early adopters of Internet technology in Australia, Hong Kong and Singapore, and compares the use of the Internet to the use of alternative non-store channels.

In attempting to understand the diffusion of an innovation such as online shopping, the behaviour of early adopters can be used to shed light on subsequent adoption patterns (Lambkin and Day 1989). Central to diffusion theory lies the notion that the adoption of technological innovations is a function of an individual's innovativeness or willingness to try new products. Reviews of the adoption literature highlight that demographics are related to new media adoption and usage patterns (Dutton, Rogers et al. 1987; Atkin and LaRose 1994). Studies have found that this is true of computer adopters (Dickerson and Gentry 1983; Lin 1998). So, if we consider the Internet as an innovation, the study of early adopters can perhaps suggest something about the long term potential of the channel.

Generally, early adopters tend to be upscale, better educated and younger than non-adopters (Atkin, Jeffres et al. 1998). Understanding the patterns of this group has important implications for the segmentation strategies and promotional messages that are used by marketers to increase Internet use. Furthermore, comparing the behaviour of early adopters and non users allows marketers to identify where prospects are on the internet adoption curve and develop appropriate strategies that appeal to the purchasing instincts of each group.

By examining the Internet shopping behaviour of early Internet adopters in different countries, one can also test for differences in frequency and non-store shopping behaviour between different cultures. It has been observed repeatedly that a more robust understanding of individual dispositions and behaviour requires the investigation of both micro-individual and macro-cultural antecedents (Erbring and Young 1979). The national culture to which consumers belong significantly affects their attitudes and behaviour (Triandis 1989). Cross-country comparison of Internet shopping thus presents an important area of investigation. This comparison allows an insight into country specific adoption patterns, helps to explain purchase and non-purchase
behaviour across regions, and provides great potential for the implementation of pan-regional marketing strategies (Yip 1995).

The study analyses the relationship between Internet use and the use of alternative non-store channels. If the features of shopping are variously seen as a cost or as a benefit by different consumers, then consumers who have chosen to use other non-store outlets in the past may be more likely to adopt the web as a way to avoid in-store shopping. Catalogue shopping has for many years provided a mechanism for non-store purchases for the consumer who is unable or unwilling to visit a store, and who is prepared to wait for delivery. This group of consumers might be expected to adopt Internet shopping with enthusiasm, since it presents a wider range of goods and faster ordering mechanisms.

Alternatively, some consumers may shop in-store for impulse and search goods where quality cannot be readily determined on the web, but may use the web for commodity type goods such as books and recordings. If the costs and benefits of shopping are vested in different products rather than in individual differences between consumers, then there should be no difference in shopping behaviour between individuals who have used other non-store outlets.

**Research Questions**

Five specific research questions are addressed in the study. The study compares individuals’ Internet use to other non-store modes of shopping as suggested by Peterson et al (1997). We investigate whether consumers who use non-store channels such as catalogue shopping are more likely to shop online. The Internet shopping behaviour of early Internet adopters in Australia, Hong Kong and Singapore is compared, to test for differences in frequency and non-store shopping behaviour across the three cultures. We examine the effect of increased access (i.e. access at home rather than at work only) to determine if this increases the frequency of online shopping. Lastly, the study explores the reasons for use and non-use of the Internet for shopping.

**Methodology**

Survey data recording the extent of Internet purchase behaviour, the extent of other non-store channel use, and reported reasons for use and non-use, was collected in 1998 from 229 managers enrolled in business school programs in Hong Kong, Singapore and Australia. Subjects were primarily drawn from demographic groups which have been shown to have a higher incidence of
Internet use (professional or managerial job, tertiary educated, males, aged 24-39 years) (ABS 1998). All subjects had Internet access, either at home, work or at university premises. Participation was voluntary and anonymous, with a response rate of over 90%. There were 228 responses; 100 from Australia, 109 from Hong Kong and 19 from Singapore. There were more responses from males (60.4%) reflecting the composition of the sampling frame. Since the number of respondents in Singapore was small, results from there should be interpreted with caution.

Results

Internet purchases

Over a quarter of the total sample (23.7%) had made purchases over the Internet, as shown in Table 1. There were significant differences in the frequency of Internet purchases across countries ($p=0.024$), with Australian managers being significantly more likely to have purchased over the Internet. This percentage is substantially higher than statistics on the general population (ABS 1999) and supports the belief that the group are more likely to be early adopters.

Table 1: Number of Internet purchases by country

<table>
<thead>
<tr>
<th>Country</th>
<th>None</th>
<th>1-5</th>
<th>6-10</th>
<th>11 or more</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia</td>
<td>68.5</td>
<td>24.7</td>
<td>1.9</td>
<td>5.6</td>
</tr>
<tr>
<td>Hong Kong</td>
<td>84.4</td>
<td>13.8</td>
<td>0</td>
<td>1.8</td>
</tr>
<tr>
<td>Singapore</td>
<td>69.2</td>
<td>16.9</td>
<td>6.2</td>
<td>7.7</td>
</tr>
<tr>
<td>Total</td>
<td>76.3</td>
<td>17.1</td>
<td>2.2</td>
<td>4.4</td>
</tr>
</tbody>
</table>

Chi-Square = 14.514, df = 6, $p = 0.024$

Catalogue purchases

Despite all the publicity surrounding online purchases, its penetration among the sample still appears to be lower than catalogue shopping. Respondents across all three countries were significantly more likely to have purchased by a catalogue than from the Internet ($t = -5.9$, $p < 0.001$). Singaporean and Australian managers were significantly more likely to have purchased from catalogues than Hong Kong managers, as shown in Table 2.
Table 2: Number of catalogue purchases by country

<table>
<thead>
<tr>
<th>Country</th>
<th>None</th>
<th>1-5</th>
<th>6-10</th>
<th>11 or more</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia</td>
<td>32.1</td>
<td>50.9</td>
<td>7.6</td>
<td>9.4</td>
</tr>
<tr>
<td>Hong Kong</td>
<td>52.3</td>
<td>39.3</td>
<td>3.7</td>
<td>4.7</td>
</tr>
<tr>
<td>Singapore</td>
<td>23.4</td>
<td>57.8</td>
<td>10.9</td>
<td>7.8</td>
</tr>
<tr>
<td>Total</td>
<td>32.3</td>
<td>47.3</td>
<td>6.7</td>
<td>6.7</td>
</tr>
</tbody>
</table>

Chi-Square = 17.081, df = 6, p = 0.009

Direct response purchases

The frequency of direct response (or television) shopping was much lower than catalogue shopping, yet was still almost as high as Internet shopping. Across the three countries, the same percentage (26.7%) had bought by direct response and by Internet. There was a small (non-significant) difference in the number of respondents who had bought 11 or more times, with fewer respondents having used direct response more than 10 times. There was no significant difference in the frequency of direct response purchases by country, as shown in Table 3.

Table 3: Number of direct response purchases by country

<table>
<thead>
<tr>
<th>Country</th>
<th>None</th>
<th>1-5</th>
<th>6 or more</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia</td>
<td>69.8</td>
<td>26.4</td>
<td>3.8</td>
</tr>
<tr>
<td>Hong Kong</td>
<td>78.5</td>
<td>19.6</td>
<td>1.9</td>
</tr>
<tr>
<td>Singapore</td>
<td>78.1</td>
<td>17.2</td>
<td>4.7</td>
</tr>
<tr>
<td>Total</td>
<td>76.3</td>
<td>20.5</td>
<td>3.1</td>
</tr>
</tbody>
</table>

Chi-Square = 2.784, df = 4, p = 0.595

The effect of home access to the Internet

Assumptions of large increases in online shopping are often driven by an assumption that as Internet access at home increases, online shopping will increase. This would seem reasonable if a major barrier to online shopping is that browsing and online shopping may be undesirable in the workplace. To test the effect of home access, rates of shopping were examined for those who had
access at home (and who might then be expected to have more time to browse) compared to those who did not have access at home. There was no difference in online shopping rates by those with home access ($p=0.356$) suggesting that increasing levels of home access may not be followed by increases in shopping.

**Predicting Internet purchases**

A multivariate model was constructed, modelling the effect of age, sex, country, catalogue and direct response shopping on Internet use. After allowing for the effects due to country and history of direct response purchases, neither sex ($p=0.955$) nor age ($p=0.553$) were significantly associated with the level of Internet purchases. The main effects for country, and previous history of catalogue and direct response shopping were all significant, as shown in Table 4. All two way interactions were also significant; with previous experience of both catalogue and direct response shopping, respondents were much more likely to have purchased over the Internet. The relationship between use of other channels and Internet purchases was higher for Australia and Singapore than in Hong Kong, where absolute levels of Internet shopping were lower.

Table 4: Prediction of Internet shopping

<table>
<thead>
<tr>
<th></th>
<th>$SS$</th>
<th>$df$</th>
<th>$MS$</th>
<th>$F$</th>
<th>$p$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corrected model</td>
<td>43.795</td>
<td>22</td>
<td>1.99</td>
<td>5.17</td>
<td>$&lt;0.001$</td>
</tr>
<tr>
<td>Intercept</td>
<td>89.297</td>
<td>1</td>
<td>89.30</td>
<td>232.07</td>
<td>$&lt;0.001$</td>
</tr>
<tr>
<td>Country</td>
<td>5.871</td>
<td>2</td>
<td>2.94</td>
<td>7.63</td>
<td>0.001</td>
</tr>
<tr>
<td>Catalogue</td>
<td>4.899</td>
<td>3</td>
<td>1.63</td>
<td>4.24</td>
<td>0.006</td>
</tr>
<tr>
<td>TV</td>
<td>11.792</td>
<td>3</td>
<td>3.93</td>
<td>10.22</td>
<td>$&lt;0.001$</td>
</tr>
<tr>
<td>Catalogue*TV</td>
<td>10.747</td>
<td>5</td>
<td>2.15</td>
<td>5.59</td>
<td>$&lt;0.001$</td>
</tr>
<tr>
<td>Country*catalogue</td>
<td>7.599</td>
<td>6</td>
<td>1.27</td>
<td>3.29</td>
<td>0.004</td>
</tr>
<tr>
<td>Country*TV</td>
<td>4.664</td>
<td>2</td>
<td>2.33</td>
<td>6.06</td>
<td>0.003</td>
</tr>
<tr>
<td>Error</td>
<td>77.343</td>
<td>201</td>
<td>0.39</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>531.000</td>
<td>224</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Corrected total</td>
<td>121.138</td>
<td>223</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

$R^2=0.362$: Adjusted $R^2 = 0.292$
What sells online?

Purchases by subjects were typically the same as in other larger scale studies (ABS 1999). The most frequently purchased consumer products were books, software and CDs. The Internet was used extensively for financial services such as banking, and 13% of the sample had bought shares online.

Reasons for use and non-use

Respondents were questioned as to reasons for purchasing, or for not purchasing online. Convenience, such as the ability to buy hard to obtain products was cited as the predominant reason for online purchases. Concern about security was the most frequently mentioned reason for non-purchase, even among those who had purchased online. Other frequent barriers were a desire to see goods before purchase, a reluctance to wait for delivery, and the enjoyment gained from shopping.

Discussion

The results show that despite differences in the adoption of online shopping across the three countries, there were consistent patterns in the factors which predicted the use of online shopping. Peterson et al (1997) argue that although analysts have made grandiose predictions for internet trade and commerce, the advantage of the Internet over more traditional alternative non-store distribution channels such as direct mail and direct response may vary depending on various factors. These results support that contention. The study showed that among early adopters, use of Internet shopping is lower for those who have previously made less use of non-store channels, and that this result was consistent across three countries. It is not inherently surprising to find that those who have used non-store channels in the past show higher levels of Internet shopping: presumably, for these people, the advantages of home shopping outweigh perceived costs such as the ability to see a product before purchase, or the need to wait for delivery. This finding does suggest, however, that the attraction of the Internet may be greatest in countries with an established tradition of non-store retailing.

Previous reports have suggested that the use of online shopping is higher among males, and among younger people (e.g. Katz and Aspden 1997; Ernst & Young 1999). These results do not support those findings. Studies which have suggested that women and older people do not shop online as often may only reflect lower levels of Internet access by these groups (ABS 1999). These results suggest that once women and older people have Internet access, they are just as likely as younger males to shop online. This point is exemplified by the case of the department store which found that
many of its Internet shoppers were older males although these were not its traditional market (Sauer & Burton 1999). However since the study is based on early adopters only, the results need to be interpreted with caution, since the behaviour of early adopters may not be able to be generalised to a wider population.

The results also suggest that the impact of online shopping thus far has been limited, even among a group selected for Internet access, and coming from a demographic which represents the typical target for online shopping--time poor managers. Respondents had typically purchased more frequently from catalogues than online. However this result is likely to change with time; catalogue shopping has been available for much longer, and as Internet shopping becomes more widespread, it is likely that Internet shopping will overtake catalogue shopping. While online shopping will undoubtedly increase (and from such a low base, can indeed hardly do anything but increase) the results suggest that its ultimate penetration may be limited by the same cultural patterns which have limited the use of catalogue shopping in many countries outside the US. Even for consumers who represent the prime demographic for online shopping, the study suggests that there are strongly established patterns of in-store shopping which do not seem to be likely to be broken in the short term.

The results do suggest that the long term impact of online shopping outside the US, where there has not been widespread history of non-store shopping, may not be as great as has been predicted. Forecasts of the potential of Internet shopping have frequently emphasised the transactional basis of purchases, with the distribution channel seen as serving only to facilitate exchange. Under this view, search behaviour (driving to retail outlets, time spent comparing prices and quality) is seen as a cost borne by the consumer. On this basis, a large percentage of purchases might be expected to shift to the web, because the search costs are lower, and in addition, lower prices can sometimes be obtained by wider search. However there has been little investigation of search strategies online relative to physical search. While search is inherently easier online, wider search also becomes a possibility, and it is not clear at what stage online search will be exhausted. In addition, online search may result in increased uncertainty, because it may involve the use of distant and/or unknown providers with potential risk due to delayed or non-delivery.

While the model of shopping as a search cost may be true for some products and for some consumers, the paradigm of in-store shopping as a cost ignores the complex nature of many retail exchanges. The situational nature of many purchases has been demonstrated by a range of authors
(see for example Holbrook and Hirschman 1982; Donovan, Rossiter et al. 1994). There are a range of situational factors which will limit sales over the Net. Net consumers are not exposed to in-store triggers or to in-store personal selling techniques. Many items, such as fashion, need to be tried on (or made to measure) and are consequently generally less suitable to sell on the Web. (Catalogue clothing tends to be loose fitting and make extensive use of features such as elastic waists as a response to this problem.) Hardware constraints still make it difficult to compare certain product features, and the enforced delay in delivery for products ordered over the Net will be a disadvantage for consumers who want immediate use of a product.

Perhaps a greater limitation to the potential of the Web to effect retail sales is that for many consumers, the search process can be enjoyable in itself, whether or not a purchase is ultimately made, akin to Thaler’s concept of transaction utility (1985). While a purchase may provide acquisition utility for both web and in-store purchases (though delayed by the delivery lag for web purchases), shopping itself may provide transaction utility for groups of consumers. Consumers with stronger feminine identities have been shown to manifest greater involvement and enjoyment of shopping (Fischer and Arnold 1994). There has been little research into enjoyment of web shopping, but available data would suggest that shopping is rarely the main reason to use the Net. In one study only around 1% of respondents cited shopping as their main reason for using the Internet (Crowe 1997). Given the limited sensory exposure of the web, competing content and the technological constraints which limit rapid browsing, it is likely that online shopping has less potential to create impulse buying, which has been shown to be strongly associated with physical exposure to a product, often when no purchase was intended (Rook 1987).

How much will online shopping grow, and will it provide a significant threat to bricks and mortar retailers? There is no doubt that online shopping will grow, as online access becomes more common. However these results suggest that the medium itself may have limited attraction for many consumers. This is in line with other reports which have noted that despite the increasing numbers of women working and apparently increasing demands on people’s time, growth in catalogue shopping has been lower than inflation (Barrett 1998). Other studies of in-store shopping have also shown that consumers’ shopping patterns were not well explained by models of travel cost minimisation (Dellaert, Arentze et al. 1998). Studies of web usage have also shown that increased experience may not influence behaviour in a linear fashion, with moderate users often enjoying web use less than less experienced users (McWilliam, Hammond et al. 1996). It is often said that today’s teenagers will be much more likely to purchase online, but US statistics show very
low levels of online shopping by teenagers (Connelly 1999). The limited use of online shopping may be due to teenagers’ lack of access to credit, and it is then possible that today’s computer savvy teenagers may switch to online shopping when they have access to credit. However these same teenagers are developing shopping habits based on bricks and mortar stores, and socialising patterns which are often based around retail malls, just as their parents did, so their shopping patterns in adulthood may not differ significantly from their parents.

This study provides a useful insight into the buying patterns of early adopters in three countries, however there is a question as to the extent to which the results of this study can be generalised. The results represent a relatively small sample of managers, particularly in Singapore, and the patterns of this group may not be generalisable to the wider community. In addition, in such a rapidly changing area as the Internet, behaviour may rapidly adapt and the patterns revealed in this study may be evolving. However in a field characterised by excessive hype, and relatively little objective study of behaviour outside the US, the results provide some clues as to factors which may ultimately mean that the impact of online shopping will not be as great as has been predicted.

While accepting the need for cautious interpretation of our findings, it is important to recognise the implications for companies. First, the fact that so long as they have Internet access older people and women are as likely to purchase as younger people and men respectively suggests that as access expands, the constraints on market growth will be less than pessimists have predicted. Moreover it may bring non-traditional segments within a retailer’s reach for the first time as exemplified by the department store that reached older males who do not enjoy shopping (Sauer & Burton 1999). The challenge therefore is to increase access in these non-traditional segments.

The research also highlights the importance of security concerns as a barrier to limiting purchases online. While concerns about payment security can reasonably be predicted to be allayed by advances in secure technology, online sellers should investigate other ways of reducing concerns about security e.g. using an established reputation for established operators, or partnering with reputable guarantors for new operators.

The third important implication is that while currently the best sellers online are tangible goods such as books and CDs, most of the barriers to use found by our research relate to such goods because of concerns about delayed delivery and/or the wish to trial before purchase. For intangibles purchases, however, the ability to see goods before purchase does not distinguish Internet channels
from physical retail outlets. For example, banking services are as visible on the Internet as in a
branch. Travel services can be more visible on the Internet than in a travel agent’s office because of
the ability to access a range of visual images. In other words, there is little difference in trialability
of these services across channels. Similarly, delay in delivery is not a problem for financial services
or travel bookings delivered through the Internet compared with delivery through conventional
channels. It is also doubtful that concerns about enjoyment will significantly differentiate Internet
visits to the bank or travel agent from more conventional ways of obtaining these services. For
these reasons, therefore, goods and services that can be transacted and delivered via the Internet can
be expected to be more readily adopted than tangible goods and those goods and services that must
be delivered by different channels.

For purchases of tangible goods, the Internet offers other substantial advantages; the ability to
provide information on demand, to compare options and establish availability even if the final
decision is made in-store. The Internet can then be a powerful support tool for the bricks and mortar
retailer, providing detailed information to a level of detail that the in-store shop assistant can rarely
hope to match.

A potential limitation to the study is that due to their jobs and part-time study, the subjects are time
poor, and thus possibly more likely to use the Internet, hence the results may over-represent
Internet use. However time poor managers are a demographic which has frequently been cited as
the most likely target for online transactions, so the study can help to explain patterns in purchase
behaviour by time-poor managers.

The study suggests a number of research directions. Geographic differences in adoption online have
received little attention. It is possible that in countries where people are used to delays in obtaining
certain tangible goods, they may be more open to ordering on the Internet. The comparative use of
the Internet to purchase tangible and intangible goods is also an important area for research, to
establish which products will be most successful online. For some product categories, the Internet
will change physical products (such as a compact disc) to an intangible product, such as
downloadable music. Tangible products which require trial (such as fashion items) are likely to
have only limited success online, while tangible products which have been trialed (such as wine)
would be predicted to sell much better online.
Conclusion

Online shopping is undoubtedly here to stay, and will provide an alternative channel for retailers and consumers, particularly for those who are selling or who seek rare or unusual products. However the results of this study suggest that the ultimate impact on online shopping is likely to be greatest for other non-store channels such as catalogue shopping. Consumers who have shopped by catalogue before are shown to be more likely to adopt online shopping, so there may be a substantial shift in catalogue sales to online sales. Those whose previous behaviour suggests a preference for in-store shopping are significantly less likely to adopt online shopping.

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