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## **ASSESSING THE DIFFERENCES BETWEEN BUYERS AND NON-BUYERS OF ONLINE GROCERY SHOPPING**

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**Abstract.** *In the last decade online shopping has been a consumer behavior that has changed the usual patterns of buying behavior in the market. This paper aims to present a literature review on the differences between the consumer characteristics that tend to purchase online food products and those who are later innovators of this new form of shopping. In the countries of the European Union there is an increase of 17% of online purchases for food products with a doubled trend of these purchases for rural areas. In the US, online food sales are expected to keep up after the pandemic and it is expected to double by 2025. Nevertheless, more than a decade ago, there is still a large group of customers resisting this way of buying. On the contrary, some surveys show that situational factors, such as having a baby or developing health problems, are triggers for starting to buy groceries online and also once these situational factors are gone consumer discontinues this behavior. Consumers consider online grocery shopping as an innovation that is different from other shopping channels. Online grocery buyers differ from the non-buyers in perception of online grocery shopping characteristics. The combination of using offline and online as called multichannel shopping, might be an interesting solution.*

**Keywords:** *buyers, non-buyers, online grocery shopping, behavior.*

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### **Introduction**

Consumer reaction and buying behavior in the food sector differs from other purchases. They are characterized by a low level of engagement in purchasing and involvement in them. Online food sale businesses are offering options to more valuable customers such as assortments focused on value and service levels, fresh food packages and the concept of delivering farm-to-table products (Aull et. al., 2020). Online markets are adding foods to their offerings to support overall profitability by boosting product movements and engagement (Aull et. al., 2020).

Traditional retailers are rethinking the value propositions they bring to customers by expanding their online assortment, increasing private label penetration, doubling customer experience, and other methods (Aull et. al., 2020).

According to Chintagunta et al. (2012) and Jiang et al. (2013) online sales channels differ from traditional grocery stores or offline purchases mainly related to factors such as: convenience, transaction access, benefits and costs. The magnitude and significance of these benefits and costs depend on some general and specific consumer characteristics (Melis et. al., 2016). Comfort is an important factor especially for consumers with limited time and a well-defined focus (Degeratu, Rangaswamy and Wu 2000; Morganosky and Cude 2000). According to some authors the convenience of online shopping is valuable for large products (Campo and Breugelmans 2015; Chintagunta, Chu and Cebollada 2012).

Previous research shows that on the one hand when consumers have little time available to make their choices, and on the other hand are sensitive to the utilitarian function of their purchases they seek to use time efficiently aiming to spend short time in purchases (Babin, Darden and Griffin 1994; Baltas et al. 2010; Dellaert et al. 1998; Umesh, Pettit and Bozman 1989). This makes them consumers with an orientation towards solutions that can save time. One of the alternatives to this may be in online shopping (Melis et. al., 2016). Consumers can save money by not traveling to the shops but by paying for the home delivery service of products (Chintagunta, Chu and Cebollada 2012). This factor should be analyzed in the case of consumers who have the opportunity to provide products easily due to the wide range of retail shops close to their homes. If they live further away from an offline store, consumers experience relatively higher shipping costs, so they may be more likely to move to online shopping. (Melis et al, 2016).

### **Purchasing models for grocery products**

Purchases of food products are characterized by a common and routine decision-making in terms of the process and the steps followed in it. Therefore, the degree of expansion after the decision to look for online shopping alternatives depends on the willingness of consumers to change the shopping habits and practices developed before searching online. Resistance to change also depends on consumers' familiarity with the chain visited online, which is captured by the level of integration of the marketing mix into the chain's online and offline channel.

Research in the literature suggests consumer segmentation for food purchases. Thus according to Damir Anić et al. (2015) in the Croatian food market, consumers can be classified into three groups: Recreational consumers, Innovation-driven consumers and Economic consumers. This study showed that the identified groups are related to consumer characteristics. Consumers are either economical, functional, demanding low prices or savings, or more hedonistic oriented, or driven by innovative product range. According to Damir Anić et al. (2015) economic consumers have only one dominant dimension - price sensitivity. The other two groups contain several dimensions. They found that however one dimension represents dominance-hedonism in recreational consumers and innovation in innovation-driven consumers. This confirms that food purchases can also be driven by hedonism or innovation-driven motives. This is a signal that can drive the search for adaptation of food shopping innovation through a new distribution channel such as the Internet.

The previous literature has focused mainly on the context of non-food retail, since grocery shopping differs substantially from other shopping contexts with most consumers using multiple channels interchangeably by visiting both the online and offline store for buying groceries and visiting numerous chains (Melis et. al., 2015). Consumers tend to choose the online store within the same chain they prefer to visit in their offline purchases (Melis et. al., 2015). Consumers tend to be loyal to the purchase of food products. According to Zhang et al. (2014), it is shown that consumers over time change towards the usual behavior of online decisions, for example driven by personalized shopping lists or lists of previous orders available in the online shopping environment.

Behavioral science tells us that it takes consumers an average of two months to form a new habit, which will only last if reinforced through routines and rewards. Demand for online food products has doubled in countries like Italy. In the UK, Tesco's online food business accounted for 16% of total domestic sales in the first quarter of 2020, from around 9%. 50% say they intend to continue shopping on their newly found site for at least part of their nutritional needs (Günday et. al., 2020). According to Günday et al. (2020), consumers have a mixed attitude when it comes

to online shopping for food products. Many of the consumers who have been satisfied with these purchases state that they will return to in-store purchases, with the sole exception of the British consumer. Shahrulliza Muhammad et al. (2015) states that online retail in Malaysia is expected to continue to face challenging conditions. This situation makes it of research interest to find the reasons for the cessation of this habit acquired as a result of situational factors. Online and offline shoppers can be distinguished in several directions.

### **Differences between online and non-online buyers**

The authors propose to see the differences between online and offline shoppers in terms of:

#### ***1. Transactions***

When participants made online purchases, they spent more on the transaction in general (food and non-food). On average, they spent more on online transactions than in the store. When shopping online, participants bought more transaction items and a wider variety of transaction products (more online UPC versus store) (Zatz et al., 2021).

#### ***2. Types and quantity of purchases***

Zatz et al. (2021) suggests that the environment where shopping takes place (online or in-store) is related to the quantity and types of foods purchased. Findings that shoppers spent more and bought more items when making online purchases are consistent with the few published studies on online food purchases. Food buyers may be less price sensitive in online shopping than in the store. Online shoppers may accept higher prices in exchange for convenience or pay less attention to prices due to time pressure or saved shopping lists. Consumers also buy fewer impulse products based on the idea that they can be broken down until they reach the consumer (Zatz et al., 2021).

#### ***3. Perception of the quality of electronic service***

Kalakota and Whinston (1997) defined e-commerce as a buying activity, transaction activity, or digital money transfer using the Internet (Hidayat, 2021). Variables, efficiency, system availability, compliance and privacy have strong

positive relationships with the approval of online food purchases. Among the five variables the availability of the system has the strongest impact on the adoption of online grocery shopping followed by privacy. Therefore, if the adoption of online grocery shopping is to increase, online grocery retailers need to find ways to improve the availability of their system and the privacy policy they currently offer. (Shahrulliza Muhammad et. al., 2015). In addition to the above factors, consumers who show less inclination to buy online are favored by the existence of retail outlets. Many factors can influence consumer purchasing decisions, such as buying interest, perceived value, price, and product confidence (Hidayat, 2021).

#### ***4. Location of retail units***

On the one hand, innovation-diffusion theory predicts that e-shopping is more likely to occur in urban areas, because new technology usually starts in innovation centers, where consumers who are more inclined to adopt innovations live. On the other hand, the efficiency hypothesis predicts that e-shopping is more likely to occur when people's access to stores is relatively low. Although the impact of spatial attributes (type of living environment and store access) varies for different stages of the e-shopping process and for product type, we found indications that geography really matters for e-shopping (Farag et. al., 2006)

Numerous studies have suggested that human food selection is influenced by many factors (e.g. cultural, socioeconomic status, education, biological, physiological, personal aspects, tradition, comfort, environment, taste, food, appearance, safety, price, etc.) (Bozkurt, 2010). In terms of e-shopping, some of the main factors influencing the consumer's choice not to shop online for groceries are delivery fees, time available for shopping, less satisfaction, lack of internet access, social barriers aspect and privacy and security issues (Huang & Oppewal, 2006). However, when compared to in-store shopping, online shopping offers greater convenience by enabling shopping from anywhere, anytime, at competitive prices, saving time, convenience, reducing miles of food, offering choices of wide and offers access to a wide range of products (Boyer and Hult, 2005).

Also, e-food service can actually be much cheaper compared to the actual costs of customers visiting the store using their car and leisure (Punakivi and Saranen,

2001). However, despite these factors, most consumers continue to make their purchases in stores (Tanskanen, Yrjola and Holmstrom, 2002). According to the Mindali and Salomon (2007), long distance, and lack of time are the main reasons for e-food shopping customers. Furthermore, Mindali and Salomon (2007), suggested that consumers with better education and higher incomes were more likely to make online purchases for both time-saving and convenience aspects.

### **Conclusions**

Online shopping is a trend that is accompanying new models of decision-making and consumer behavior. This is also encouraged by the presence of internet service everywhere and easily in the world. Considering the characteristics of online shopping and consumer behavior towards the purchase of food products, it is noticed that consumers have different behaviors regarding the tendency to buy online in the case of lower engagement purchases.

Consumers demand convenience in shopping. This also applies to purchases of food products. But it should be noted that the presence of retail units in consumer housing slows down the tendency of consumers to buy online. Consumer purchases are oriented towards a combination of online and offline channels creating a coexistence of them. Most grocery shoppers aim to maximize profits, thus combining the convenient advantages of online shopping with the advantages of self-service offline stores (Campo and Breugelmans, 2015).

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