

E-shopping: delivering the goods?

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Abstract

Many of the goods that at first glance appear attractive to sell to consumers online may present e-tailers with a range of problems. In some cases, like food, these problems relate to issues of delivery of goods. In other cases, like white goods, it may not be possible for e-tailers to substitute 'online' the tactic practices that surround the process of consumption. Furthermore, the jury is still out on whether e-shopping can live up to its promised of greater access, convenience and lower prices.

1. Introduction

***E-commerce:** the purchases of goods, services or other financial transactions in which the interactive process is mediated by information or digital technology at both, locationally separate, ends of the interchange.¹*

Electronic commerce is part of the broader world of e-business, a term which encompasses everything from web-based EDI to the offering of a kidney, marijuana or even an unborn baby on a consumer-to-consumer auction site;² from electronic procurement to e-banking and web-based customer servicing. The following pages will explore a subset of e-commerce, that of business-to-consumer e-commerce (B2C). The definition above views the process of e-commerce as made up of a sequence of stages. These stages can include (not necessarily in this order) the expression of an interest to purchase, exposure to information on the product or service, choosing of product or service, commitment to purchase, taking delivery, and payment.

The emergence of e-commerce as a new medium for the exchange of goods and services has been met with great excitement. The marketing and media hyperbole has heralded the advent of a transparent market offering greater choice, cheaper prices, better product information and greater convenience for the active consumer. Similarly, electronic retailers (*e-tailers*) are looking towards grasping increased efficiency, unprecedented customer information, reduced labour costs and effective methods of 'cherry picking' the most profitable of customers.³ However, there has been a substantial lack of analysis of the e-consumer and the everyday practices that

surround e-shopping. Similarly, there has been little attention paid to exploring whether the promised benefits of e-commerce for consumers will be fulfilled and what might be the benefits (if any) they experience.

A basic list of the proposed benefits of e-commerce for the general consumer can be fairly quickly drawn together and contrasted with potential barriers which might hinder e-commerce's adoption. Figure 1 provides an example of such potential barriers and benefits.

Figure 1. E-commerce: barriers and benefits for consumers

Barriers	Benefits
<ul style="list-style-type: none"> ➤ modes of delivery and the required scales of e-commerce use ➤ necessary IT skills and competencies ➤ cost of platforms and access ➤ existing social group values, attitudes and ways of life. ➤ lack of trust and concerns regarding the reliability of services ➤ loss of the experience of shopping ➤ ease of using e-commerce sites ➤ lack of service/product information and feedback (e.g. exactly how much is delivery and when can I expect it?) 	<ul style="list-style-type: none"> ➤ potentially cheaper retail prices ➤ greater product variety and information about that variety ➤ time saving and convenient ➤ provision of hard to find goods ➤ SMART intelligence (learning of individual preferences and consumption patterns and searching out best prices) ➤ new consumption practices (including the promised intelligent consumer durables which monitor our consumption and order items as they run out) ➤ Instant delivery of certain products (e.g. software, electronic documents, etc)

Importantly, these lists indicate that consumer e-commerce favours the professional middle classes as it is their lifestyles and resources that would appear to gain most from the list of potential 'benefits', and who are likely to be least constrained by the 'barriers'. This is borne out by recent demographics of technology access and e-commerce use. Not only do social classes A, B, & C1 have greater access to personal computers (see Figure 2) but make up 77% Internet users⁴ despite representing only 57% of the UK population.⁵ The issue of social differentiation and access to e-commerce is not merely one of provision of individual access to resources, not least to technological platforms, but also the skills required and the inclination to use these platforms.

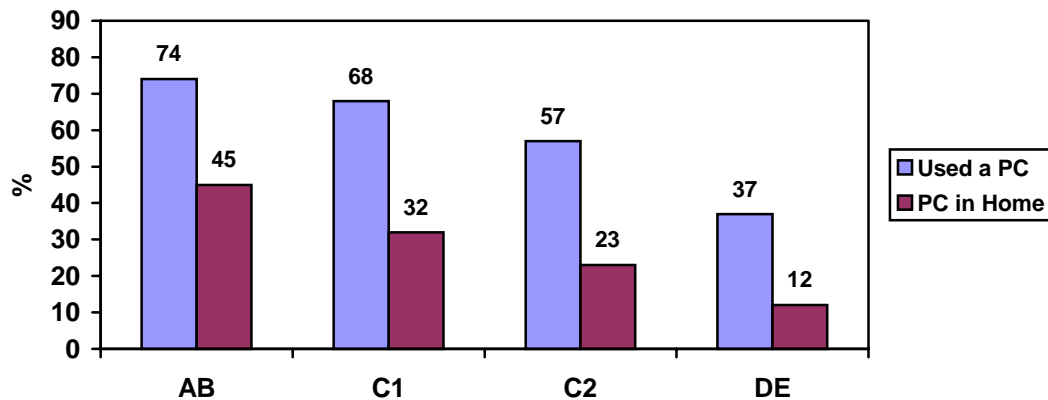


Figure 2: PC Use by Socio-Economic Group⁶

However, a full exploration of social exclusion and differentiation is outside the scope of this paper. Instead we have chosen to highlight three aspects of e-commerce of special relevance to consumers:

- modes of shopping
- methods of access
- manufacture of convenience

We do this by exploring the potential benefits of consumer e-commerce through a consideration of everyday practices and an appreciation that consumption is part of everyday life and its routines, constraints and conventions. To do this we use a distinction between ordinary and extra-ordinary consumption: Ordinary consumption refers to the routine, mundane and inconspicuous, whereas the extra-ordinary focuses attention on conspicuous forms of consumption which are not necessarily matters of routine or taken-for-granted practices.⁷

2. Shopping

Along with computer hard and software, books and CDs, the buying of tickets has witnessed a rapid adoption on the Internet (estimated at 29% of 1999 consumer e-commerce sales).⁸ This success can largely be explained through comparisons with conventional practices of buying such products. Buying tickets through automated telephone services is often cumbersome, particularly if comparing various ticket prices is an option. Air travel and services offered by companies such as eBookers allow consumers to compare various fares relatively easily. Much of this is because the type of information required (from and to where you are travelling, time of travel and prices) is straightforward. In addition, consumers do not need to see a picture of their ticket and the only re-assurance required is that tickets will be delivered on time or available for collection with minimum fuss.

This example would suggest that e-commerce is popular for consumers when dealing with products that are already established in the form of mail or phone order. The success of tickets, software and CDs is also because these goods are easily delivered to the consumer. However, these characteristics do not apply to many other products.

For example, food shopping through e-commerce should be attractive to the consumer because it is a form of ordinary consumption which is often seen as a chore. The major obstacle in the case of food e-commerce can be found in terms of delivery. Foods that rapidly perish are problematic as they must be delivered to homes where somebody is available to immediately place the food into cold storage. In this way, delivery of fresh and frozen foods on any large scale requires expensive cold storage vehicles, a workforce that can reliably deliver at a wide range of times and with a high degree of co-ordination between supplier and consumer.

Given the potential for food to spoil in transit, one option might be that people order bulk, non-perishable goods using e-commerce and then buy fresh and perishable foods in conventional ways. This then begs the question as to whether many people will actually use e-commerce to buy food given that they would still visit food shops on a regular basis for fresh foods. An alternative would be to collect pre-ordered goods from a supermarket, perhaps on the way home from work, and on collection browse the shelves to find that unusual pasta sauce not found when making the routine food order. This alternative would allow for regular receipt of perishable items, but would require a significant degree of time and space co-ordination in order to collect the goods. Such difficulties, which remain to be fully addressed despite Parcel Force's recent decision to offer evening deliveries, and various other innovative rapid delivery systems operating in London, perhaps go some way toward explaining why only 3% of consumers have ever used direct delivery systems for groceries.⁹

It is not only problems of product delivery that raise doubts about the benefits of e-commerce for everyday, routine forms of consumption. In the case of tickets and other 'intangible' goods, it appears that items already subject to the principles of mail order should logically lend themselves to consumer e-commerce. In these cases, favourable comparison with conventional practices overtly presented the benefits of e-commerce for consumers. However, conventional practices surrounding various forms of consumption are diverse and idiosyncratic. For example, if you extend the argument that established mail order products favour e-commerce, then clothes selling should be a huge success. In the case of clothes however, conventional shopping practices, whether mail order or shop based, would require considerable re-adjustment if e-commerce was to present clear benefits to consumers. For example, a significant obstacle to the presentation of clothes is the Internet's trade off between picture quality and download time that limits its ability to display clothes of a standard high enough to challenge those of catalogues. Further, the practice of searching sites, navigating them, waiting for requested pages and dropped connections might be frustrating when compared with the relatively leisurely experience of browsing back and forth between catalogue pages while watching television.

However, buying clothing for regular and everyday use, such as underpants, might be more favourable through e-commerce than buying ordinary clothing for a special occasion, largely because the practice of buying items often requires limited personal investment in the selection process. However, clothing that has much symbolic value attached, such as those for a special occasion, requires significant personal investment in the process of selection. They are also likely to be expensive, meaning that issues of trust in the timing of delivery, the quality of the good and after sales services will be very important. Taken together, the benefits for consumers of buying clothes via e-

commerce remain unclear. While the potential for greater choice would be welcomed in a practice that carries significant personal, or symbolic, investment, this potential is constrained by the practical frustrations of 'site searching' and item browsing. Such frustrations might act to maintain existing degrees of choice and mean that e-commerce is little more than an electronic version of existing shopping modes.

The final point to consider concerns the experience of shopping and whether it will be possible for e-tailors to adequately substitute the more tacit practices that surround the process of consumption. White goods provide a useful case study, largely because they are suitable for e-commerce because of their established tradition of home delivery. They are also relatively expensive and expected to last for many years, making the practice of purchase appear rational in that, given reliable information, the consumer should select a good according to calculations based on price and performance. This kind of rational exchange would appear to favour e-commerce and its capacity to provide diverse forms of product information. However, ethnographic research of freezers¹⁰ has demonstrated that the retailer plays an important role in facing a diverse range of consumer questions concerning the differences between these objects. Moreover, the types of questions asked by consumers were arbitrary and spontaneous, and the type of information required to answer such questions are difficult to predict for the purposes of a web site. For example, questions ranged from the meaning of eco-labels to whether certain brands of tomato sauce would fit comfortably inside a range of refrigerators. Transferring this process to e-commerce and its sprawling range of products and information is therefore a significant challenge. Many existing e-commerce retailers meet this challenge by offering the option to phone telesales staff to answer questions,¹¹ although, like with searching for information, phone queries also require that the consumer knows in advance the questions that they would like to ask.

3. Access

It is tempting to assume the total dominance of the PC in the e-commerce area, presupposing that e-commerce will continue to be primarily a web-based activity which will continue to grow exponentially. However, amongst people with Internet access ¾ have not bought a product or service of any kind online within the last twelve months and, of these most are men who are traditionally associated with the more extra-ordinary purchases within households.¹² If e-commerce is to witness the levels of growth hoped for, by both retailers and governments alike, it will have to encompass mundane as well as extra-ordinary types of consumption, and the act of e-consuming will also need to become a routine everyday event in itself. Indeed, even though the rate of computer adoption into the home has been approximately the same as that for satellite television, the computer is too young a technology for consumers to have the same relationship with it as they do the television. Indeed, according to MORI¹³ about half of workers find it difficult to keep up to date with IT developments and are worried that they are falling behind in skills and knowledge.

The television has undoubtedly become a trusted piece of family technology (even if the programming itself is disagreed with) and the object of both focused and unfocused interaction. This place that the television has within everyday household interaction has important implications for e-commerce. People tend to find the

improving of the facilities their TV offers an attractive prospect. Indeed, it would appear that offering consumers Internet access via their televisions could perform some kind of e-commerce cloaking. Fear of technology and issues of trust appear to be minimized by using e-commerce through the household television. In a survey commissioned by Motorola¹⁴ it was found that over a quarter of respondents claimed they would access the Internet more if it were delivered through the TV.

Through services such as those offered by Sky and Cable and Wireless the advent of interactive digital television (iDTV) in the UK had begun to offer the potential, for the first time, to instantly link the advertising and sale of products through one device. However, unlike use of the Internet, e-commerce access via iDTV is, in the short to medium term at least, through “walled gardens”. These gardens only offer access to a limited number of approved retailers who pay well for their place in the virtual mall. This may be attractive to the new user or those who want to exercise control over their children’s web-browsing activities. The selection of retailers will also involve high street brands recognised and trusted by users, but it also means that a limited number of retailers will be represented and the consumers’ benefit, particularly in relation to greater choice, price and information, may not be paramount.

Wireless Application Protocol (WAP) phones are the latest high publicity entrant into the e-commerce-enabled domestic technology market. Mobile phones have seen an explosive rate of adoption in the last few years as prices have come down and pay-as-you-go schemes have been introduced. It is now estimated that about 45% of the UK adult population has a mobile phone¹⁵ and, for the first time, social use of mobile phones exceed business use (34% v. 28%).¹⁶ The role mobile phones have rapidly come to play in people everyday social practices can be seen by responses the following question:

Why do people value their mobiles?

- 89%: peace of mind re: loved ones' safety
- 68%: organising their social lives
- 83%: own personal safety
- 39%: to be more productive at work¹⁷

Further, not only is the level of phone ownership relatively higher in the UK than USA but, perhaps as important, we use Short Message Service (SMS) to a much greater extent. SMS enables subscribed phone users to send small text messages to each other phones. The power of the service is fairly rudimentary but it has meant that a large number of potential consumers have already grown accustomed to laboriously typing in text into their phones using a normal, numbered keypad.

However, there are a number of difficulties with e-commerce migrating onto mobile phones. WAP phones are slow in comparison to PC Internet access, the graphics and amount of text that can be displayed is limited, and online costs (especially compared to the free ISP model) are expensive. Also, like the walled gardens of iDTV battle lines are already being drawn by WAP phone providers in an attempt to not only attract customers but retain their buying power on their own portals. More mundanely, what major advantage does a web-enabled mobile phone currently offer the ordinary consumer (especially given the imminence of 3rd Generation phones)? Would they really keypad in a log grocery list while on the move when it would perhaps be easier

just to pop into the shop on the way home or even call the shop beforehand? Perhaps they will be more likely to quickly check their bank balance while sat on the bus into work but although this is an undeniably lucrative market for commercial organisations, it is somewhat outside of our remit here. Consumers, therefore, will be unlikely to browse for long periods at a time and will possibly be unwilling to make complex purchases.

In sum, it is reasonable to suggest that if e-commerce is to be viewed as beneficial by a mass of consumers, modes of access will need to be user-friendly. For many, computers, and their 'work-place' image, and the Internet are not particularly user-friendly. iDTV and WAP phones are likely to be more user-friendly and have already been accepted within everyday practices. However, they are also limited by "walled gardens" which restrict the potential benefits of greater consumer choice and reduced consumer prices.

4. Convenience

If one of the major benefits offered by e-commerce is its 'convenience' for shopping, then what is on offer are motives surrounding the organisation of everyday time use. For example, having bulk shopping delivered saves time rather than money. In other words e-commerce is 'convenient', it saves time and reduces the labour associated with various forms of shopping. However, this assumption requires careful consideration in terms of what time related benefits e-commerce actually offers.

One of the main benefits of e-commerce is the potential speed at which shopping can be done. Referring to the example of food, if regular shopping lists are stored on your computer the process of selecting routine goods should become much faster. However, for other products which are not so ordinary or open to the same degree of routinisation, searching web sites may not actually increase the rate at which buying a particular item can take place. For example, allocating one afternoon for a visit to the shops in order to buy new clothes allows the consumer to buy several items at once, even if they only intended to buy one pair of shoes. The practice is not as simple using e-commerce where sites tend to be ordered around search tools or hierarchical categories rather than facilitating browser.

A second critical factor determining the frequency of e-commerce use, again, returns to issues of delivery. The speed at which items are delivered following order will be important. Supermarkets will presumably need to deliver ordered items within 24 hours, otherwise the consumer may prefer to travel to their local store for immediate gratification. The same issues of delivery speed apply to all products, whether tickets, washing machines or CDs, although consumers may be prepared to wait longer for the delivery of purchases such as white goods and computers.

If e-commerce is to reduce the labour of routine shopping the time allocated to e-commerce should be relatively short by comparison with conventional modes of shopping. However, the ordinary and extra-ordinary product differentiation story is again important. This is because for many forms of extra-ordinary consumption consumers may not desire to reduce the duration of time allocated to that task as, for some things, shopping is an enjoyable and often sociable activity. A recent article in

The Mail on Sunday suggested that women enjoy browsing catalogues at a leisurely pace and claimed the majority of women that they spoke with would not use e-commerce even though they regularly used catalogues to buy clothes. This was largely because the enjoyment of buying clothes through catalogues was the comfort of browsing at home, and being able to flick back and forth between a selection of items. Crucially, using e-commerce, the experience of shopping is lost as the process becomes more like typing.¹⁸

Extra-ordinary forms of consumption are not subject to the same temporal dimensions as are ordinary and routine forms of consumption, making time saving and convenience a less important issue in selecting mediums for consumption. What is important is that e-commerce primarily offers time-related benefits for consuming ordinary and routine goods. One of our main scepticisms for future e-commerce accumulation therefore centres around issues of timing in terms of both 'delivery' and the processes of consumption that surround 'tangible' goods. If timing is so important and, which requires the conscious planning, allocation, sequencing and above all co-ordination of activities, then consumer e-commerce may act to generate senses of being harried. This is because routine everyday practices would be lifted out of their routines and placed within highly co-ordinated time frames with multiple deadlines and potentials for co-ordinations to go awry. Indeed, Shove et al¹⁹ suggest that it is such multiple deadlines and the number of potentials for co-ordinated arrangements to go wrong that are the sources of contemporary senses of a 'time squeeze'. This is ironic given 'convenience', as a benefit of e-commerce, is appealing precisely because it promises solutions to contemporary concerns regarding the 'time squeeze'.

5. Conclusions

We have here reflected on consumption practices as they stand today in order to reflect upon and question the potential benefits of e-commerce for consumers. Significantly, many goods that appear attractive to buy via e-commerce present a range of idiosyncratic characteristics and challenges for e-tailers that cannot be overcome via any standard models of e-provisioning. In some cases, issues of delivery are the key problem in others the type of platforms used to access e-commerce sites. Using computers to access the Internet might, in the short term at least, provide greater choice, but the process of searching and shopping may appear laborious and lose the enjoyable and social aspects of shopping for many users. This loss, along with little real gain in convenience, is made worse by the necessity for the users to adopt unfamiliar technologies that are not suitably familiar or embedded within everyday practices. Mobile phones and televisions are more suitable means of e-commerce access in terms of everyday use, but the technology is in rapid development with uncertain outcomes.

Perhaps the most galvanised benefit of e-commerce is that it will bring down the price of goods and services. The logic is persuasive: Because of the relatively low cost of producing a web site, many new players can enter the market place, increasing the range of products available and intensifying competition. More importantly, consumers are no longer constrained to the products available at their local shopping centre or in their catalogues, they can surf virtual retail stores and find the lowest

price. Not only will consumers be presented with greater choice but, because of the intensification of competition between retailers, the price of those products should be driven down.

However, although new forms of business with high emphasis on massive advertising and subsidised pricing and delivery models can be seen to be in major web-based e-commerce companies there is little evidence that these can be sustained. The spectacular collapse of the clothes e-tailer Boo.com, the drop in Amazon's share of 69% during the first half of 2000 and suggestions that it will run out of money before it begins to reach a profit suggest that e-commerce markets will be prone to many of the same constraints as traditional retail. We believe that, in the medium to long term, it is unlikely that e-commerce will drastically reduce product prices or increase choice. Indeed, as the cost of entry into e-commerce increases with the implementation of proprietary systems and users develop routines for shopping then the number of companies competing with any e-commerce sector may well fall leading to a more powerful position for the large retailers despite promises of empowered consumers.

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