Online Grocery shopping in Sweden: Identifying key factors towards consumer’s inclination to buy food online

Lessons learned from Västerås

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Abstract

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Purpose: The purpose of this master thesis is to identify factors influencing consumer’s intention to use Internet when buying food online. The focal aspects of the study will be service and product quality in order to assess their influence on the consumer’s intention to buy food online.

Research question: what factors do consumers consider to be important when planning to buy food online?

Method: Quantitative method was used to collect primary data and a questionnaire was distributed to the selected respondents.

Conclusion: In general, the collected primary data allowed us to answer the research question addressed for this master thesis. Although product and service quality were considered to be very important for consumers who are planning to try online grocery channel, the ease of using the website was also a determinant factor.

Keywords: Internet grocery shopping, product quality, service quality, and consumer buying decision
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Emmanuel Cimana

Nakkarin Phoosangthong

To my dear mum, this work is the culmination of your efforts. I am proud of everything you’ve done for me. Rest in peace.

Emmanuel Cimana
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1. Introduction

Despite the ever increasing popularity of the web-based purchasing trends, concerns have been addressed as to whether Internet is a suitable purchasing tool for all kind of products. Worldwide, Internet grocery purchases are still low compared to the overall online sales (Huang and Oppewal, 2006). For the online grocery to develop, grocery retailers need to understand what factors are influencing consumers to adopt and use the online channel, but also the relationship between the online shopping experience and the adoption process (Hand et al. 2009). The low uptake of Internet grocery is related to, according to Huang and Oppewal (2006), the lack of consumers’ trust in the service and product quality provided by e-grocery retailers.

Studies have shown that uncertainty and embodies risk are high following the physical and temporal distance between buyer and seller in e-market place (Kim et al. 2001), and this becomes a particular issue for consumers when using the online grocery channel. While product quality remains the first and biggest concern for consumers buying food online, delivering purchased products on a time manner is a logistic nightmare for supermarkets, and is seen as the driving factor of success or failure of e-grocery business. Tanskanen et al. (2002) noted that the failure to conduct a properly delivery process was the main reason behind the failure of early online grocers like Home Grocer, Webvan, and others.

Today, e-commerce is a growing phenomenon and any company not investing into their products online takes away the opportunity of being proactive and force themselves into being reactive. Hence, companies are aware of the key role played by Internet technology in the business process and find increasingly important and necessary to adopt and use Internet to enhance their competitiveness (Ghauri, 2010). Available studies on Internet grocery have mostly focused on grocery retailers and problems they face when launching their business online, but limited empirical studies have been conducted into consumers’ intention to choose and use online grocery channels (Huang and Oppewal, 2006). While it is common in some countries (Great Britain for example) for customers to buy food online and get the products delivered to their homes or have them collected from a suitable store, online grocery shopping in Sweden is at its early stage.

As the emancipation of the Internet comes of age, it is important to identify the key factors affecting customer’s decision to buy food online. For the purpose of this thesis, online grocery shopping is an interesting topic for two main reasons. Firstly, from an operational perspective, forecasting, planning, and delivering purchased items are the big challenges for supermarkets operating in e-commerce. Secondly, competition in grocery market is rude following the fact that food is the most purchased item. Thus, developing and maintaining both the level of customer satisfaction and company’s profitability becomes a big issue (Rafiq and Fulford, 2005).
1.2 Background

1.2.1 Internet grocery

Internet grocery stores provide consumers with an opportunity to use an electronic ordering interface and retailers are in charge of picking and delivering the ordered items to the customers (Raijas and Tuunainen, 2001). This inversion of tasks between the consumer and the retailer implies significant “killer” costs for the grocer (Ring and Tigert, 2001). Buying food online and get the products delivered directly at home is becoming a growing trend and a realistic option for many families (Yrjölä, 2001). However, this fast growing trend of online grocery is a big challenge for online grocery retailers as they need to find a balance between the online and offline investment (Hand et al. 2009).

According to Rajama et al. (2005), available statistic data indicate that while online purchasing of services like travel, tourism, music, and financial services, entertainment services is growing, buying online basic products such as food has not performed. For example, the total volume of travel sales in 2009 was expected to grow and reach 33% of all travel services in terms of $91 billion (Werthner and Ricci, 2004). Hughes and Stone (2002) also identified that online commerce had had a big impact on financial services. Likewise, entertainment services like online gaming have also experienced explosive growth (Greenspan, 2004). Why do these services flourish in a virtual shopping whereas buying basic products like food do not?

According to Hand et al. (2009), buying food online involves a significant alteration of the consumer’s behavior patterns as consumer selects needed products from a list on a website instead of traveling to the physical store and selects the grocery items directly from the supermarket shelves. This is a crucial issue relative to the freshness of the produce like meat, fish, fruit, and vegetables.

A survey conducted in the US about online grocery shopping (Tanskanen et al. 2002) shows that over 70% of the respondents consider service convenience and saving time as the critical factors influencing their decision to buy food online. But, following the fact that Internet sales are seen as an electronic copy of the physical store, online sales are considered as a marginal business for the physical store. Accordingly, Tanskanen et al. (2002) noted that making profit has been difficult for online grocery retailers, hence the lower level of investment in developing service innovation. On the other hand, following the fact that the adoption of Internet in grocery business has made the competition very fierce, online grocery retailers tend to copy and follow what their competitors are doing and avoid taking risk to invest in innovative services that other can copy. A study conducted by Yrjölä (2001, p.746) highlights that “57% of the purchasing time is spent in cars and the rest in shops, picking goods and paying for them.” From a consumer point of view, this means that the buying operation process is expensive in terms of time and cost. To bypass this challenge, consumers may consider online grocery as a solution. The same study has shown that adopting and
using Internet channel is costly for grocery retailers as it “requires significant investments and involves huge risks.”

Internet adoption as a business channel has moved business operations from local to global and has blurred the small-scale level of these operations. In online grocery business, the reality is quite the opposite. The effectiveness of business operations is, according to Tanskanen et al. (2002), strongly related to the local customer density. When looking at the online grocery profitability, Yrjölä (2001) identified that sales per geographical area plays a big role. In Finland for example, “to reach the break-even point, an online grocer’s annual sales per square kilometer should exceed 170,000 Euros.

Logistic problems are other nightmares for supermarkets conducting their business online. Ring and Tigert (2001) noted that most of the time, retailers have to work through logistic problems. Very often, products are forgotten or the wrong size is picked up and delivered leading to a decrease of the satisfaction level of the consumer. Consequently, online grocers sent out gift certificates or perform other acts to buy forgiveness. In a study conducted by Anckar et al. (2002), bad quality of products being delivered is seen as the main barrier to online grocery shopping development. Based on an extended retailer model, these authors mentioned that it seems logical to imagine that when picking up ordered products, “collectors will try to minimize the potential storage losses by picking out the products on top instead of the freshest one”.

1.2.2 Internet grocery shopping in Västerås

Internet grocery has been used for almost five years in Västerås with ICA Ettan and Coop Extra as the two main big web-stores. According to information provided by the two stores, the customers buying from the store vary on a weekly basis and are individuals (families and single persons), companies and businesses within the municipal sector.

Both Coop Extra and ICA Ettan have designed their web-stores in way that helps the consumers to get access to the same range of products as those found in the physical store. For both cases, customers make their orders and the physical store’s staff picks up the ordered items from the store shelves, pack them and put them in the fridge before the delivery process. In order to maintain the freshness of the purchased products during the delivery process, these two stores use cars equipped with fridges. The delivery time is between 10 am to 10 pm.

The delivery service fee is different between ICA Ettan and COOP Extra. While ICA Ettan’s delivery service fee costs 129kr for both consumers (individuals and other public or private customers), COOP’s delivery service depends on the total cost of the order, but also on who is buying from the web-store. For individuals, the delivery fee costs 49kr if the order is less than 1500kr and is free if the total cost of the order is over 1500kr. For other customers (hospitals, schools) the delivery fee is fixed at 140kr (Coop online, 2011).
1.2.3 Selection of the topic

The decision of writing a master thesis on online shopping was taken already in the beginning of the International Marketing program when students were assigned the task of conducting a literature review. A group of four students tried to understand what barriers consumers face when entering Internet market. As the work was progressing, the group realized that online shopping is a growing phenomenon in Sweden, but that few studies have been conducted into the online grocery field. Looking at other studies conducted into e-grocery in other countries like Great Britain or United States of America, the group found the topic of online grocery shopping interesting for two main reasons:

- Online grocery shopping is, according to Rafiq and Fulford (2005), “more complex than other form of online retailing […] as it consists of both large number, and a wide variety of items”.

- Another interesting aspect of online grocery is that in most cases, Internet grocery is operated by established stores making it difficult for customers to know if the provided online grocery service can be compared to the service provided by the physical store. From a retailer perspective, shifting the physical store uptake to the web store is an important issue. This because when launching their business online, grocery retailers hope that customers currently buying from them will transfer their physical store loyalty to the online store channel (Rafiq and Fulford, 2005). Thus, a clear understanding of factors affecting the consumer’s online buying decision is important for grocery retailers.

After a preliminary search of what is known about Internet grocery and following a brainstorming session, a topic related to online grocery shopping in Sweden was selected.

1.3 Research problem

In today’s society where time management is a big problem, purchasing online has become a popular trend and a buying option for many. Many studies have been conducted into online shopping field, but few studies have been undertaken into e-grocery (Kurnia and Chen, 2003). Moreover, with the introduction of Internet, many grocery retailers have introduced their business online, but few have survived from the rude competition. Despite many benefits relative to online grocery shopping as a business and buying channel, no data have, however indicated that this new channel has been widely adopted (Schuster and Sporn, 1998). At the same time, while buying everyday goods online is common for many consumers, online shopping of specialty goods such food has not yet improved (Hand et al., 2009).

This reality illustrates the challenges for today’s grocery retailers aiming to build and develop loyalty with the net-savvy generation. The problem our master thesis aims to
investigate is to identify which factors are important for consumers when planning to buy food online.

1.4 Research question
Bryman and Bell (2007) explain that the chosen research problem must also lead to relevant research question. Our research question for this study is derived from the problem we are looking to address namely the identification of important factors affecting consumer’s inclination to online grocery channel adoption. As such, the research question addressed for this study reads as follow: **what factors do consumers consider to be important when planning to buy food online?**

1.5 Purpose of the thesis
The purpose of this master thesis is to identify factors influencing consumer’s intention to use Internet when buying food online. The focal aspects of the study will be service and product quality, in order to assess their influence on the consumer’s intention to buy food online.

1.6 Target audience
As few studies have been conducted into online grocery shopping in Sweden, this study could be useful for companies using or planning to use Internet as a business tool. This means that it will provide grocery professionals with insights into factors influencing customer behavior to buy food online. Accordingly, this study will serve as a guideline for grocery marketing practitioners aiming to understand this new generation of customer and try to adapt and take advantage of their characteristics.

Following the fact that buying food online is a growing trend in Sweden, Another target audience will be academic scholars interested in researching the online food buying behavior.
2. Theoretical Framework

The following section gives an overview of what has been previously researched related to the key topics of this study, namely consumer attitudes, product quality, service quality, and perceived benefits.

2.1 Product quality

As noted previously, the online grocery market is very fragmented due to the number of competitors. Compared to the traditional brick-and-mortar physical stores, online retailers mostly operate locally, but few are involved in national or international delivering of nonperishable products (Keh and Shieh, 2001). Product quality means, according to Ahn et al. (2004, p. 408), “actual functionality of the product, consistency between the quality specification of Internet shopping mall and real quality of the physical product.”

Research into the impact of the product quality on the adoption of online grocery product has shown that for some customers “looking at and smelling and touching food is a very basic part of their lives” (Dornbusch, 1997, p.45). In their second annual Internet shopping study, Ernst and Young (1999) identified that the lack of physical contact between the product and the consumer is one of the critical factors for consumers to not purchase food online. Similarly, buying food online may lead, as noted by Boyer and Hult (2005), to consumer misperception of the product quality. The main reason behind this is that when purchasing food online, the task of choosing the product is performed by the retailer instead of the consumer. However, several examinations of the online grocery shopping process have identified different positive factors influencing consumer’s perception of product quality. Boyer and Hult (2005) noted that consumer’s perception of product quality is positively affected by the buying experience level, but also, the service provided by the retailer from the physical store to the customer’s house. From Boyer and Hult (2005) point of view, “more experienced customers are likely to rate product quality higher if they become comfortable over numerous transactions that the retailer will deliver products that match their specifications.” In other words, the level of trust is enhanced by the way the retailer is performing up to customer’s expectations. The end result will be that the customer will feel confident and give up the control of the product selection process.

Drawing upon a study conducted by Rao and Ruekert (1994), it appears that the brand image plays a critical role on the consumer’s perception of product quality. If the claim associated with the brand is of high quality, consumers will then tend to trust the quality of the products provided by the brand. Ahn et al. (2004) have shown that the decision to adopt and use Internet is influenced by the consumers’ expectation about the product quality. From this perspective, studies (Kotler et al., 2008, Ahn et al., 2004, Keeny, 1999) have shown that online stores with high-quality products are mostly visited.
2.2 Consumer attitude towards online grocery adoption

Studies have shown that the inclination to buy food online is mostly dictated by the service quality customers get from online grocery retailers in terms of the available option for ordering items online and having them delivered at home. Furthermore, changes observed in family structure (dual-income households) result in the increased number of consumers experiencing time pressure (Verhoef and Langerak, 2001).

The increasing numbers of consumers who use Internet when buying food push marketers to know well the customers they are dealing with in order to perform their service. Here, identifying factors influencing the online channel adoption becomes crucial. Schiffman et al. (2012) identified that the consumer’s online channel adoption is affected by firm marketing effort, sociocultural environment, and psychological factors. These three factors all combined trigger the consumer’s need recognition. Accordingly, Teo and Yeong (2003) noted that need recognition is enhanced when the consumer is faced with an imbalance between the actual and the desired states of need.

Need identification is followed by the consumer willingness to search for information about available alternatives to satisfy the need. The result of searching information will generate the set of preferred alternatives. The consumers will use the information gained from the search process to develop a set of criteria. The criteria will help the consumers evaluate and compare alternative. Then the decision to adopt and use online channel is made within the chosen alternative.

Factors triggering the buying channel adoption may vary from consumer to consumer. Ahuja et al. (2003) have identified a number of factors which could affect consumers’ decision to adopt and use online grocery channel. These are service quality, selection, price, and services available online but not in the physical store. Further, the results from a research conducted by Tanskanen et al. (2002) have shown that convenience and saving time are two important factors leading to customer’s willingness to try online grocery channel. A survey they carried out in the US revealed that over 70% of the respondents (243) reported convenience and time saving as two main reasons leading to online grocery channel adoption.

At the same time, other studies identified other factors hindering the adoption and use of Internet. Kaufman-Scarborough and Lindquist (2002) have, for example, identified five crucial limiting factors for Internet grocery adoption namely slow load time, inability to locate items, incomplete information, lack of human interaction, and missed or late deliveries. The design of the website itself can be seen as a limiting factor. According to Elliot and Fowell (2002), the ease of use (difficulties with site navigation and complex procedures) and security are other hinders limiting Internet use in grocery shopping.

As the future success of online grocery is uncertain for many retailers, Hansen (2005) noted that there is a need for retailers to better understand how earlier adopters of Internet grocery perceive this new channel and what differentiate them from other consumers using brick-and-mortar channel. This will help, according to the same
source, online grocery retailers to set marketing strategies which will attract new adopters of online grocery.

2.3 Service quality
Available data on online shopping reveal that less than two percent of online searches result in buying decision (Bellman, 2001). Similarly, the same data indicate that consumers use Internet to search for information on a given product, but use the brick-and-mortar channel to fulfill their purchases (Porter, 2001, Bellman, 2001, Straub and Klein, 2001). In a study conducted by Bell and Zemke (1992), it appears that service quality is a crucial factor which influences companies’ profitability. According to them, companies with better service quality are able to create stronger loyalty among customers. Other studies (Bitner et al., 2000, Liljander et al., 2002) have also shown that “the dimensions used to evaluate service in interpersonal service encounters are the most important evaluation criteria for technology-encounters” like Internet shopping for example.

Managing service quality is according to Kotler at al. (2008), one of the most important factors for a company to get a competitive market advantage. Both product marketers and service providers have to constantly bear in mind that competitiveness is strongly interlinked to the way target consumers expect the quality of the provided service (Ahn et al. 2004). Given the importance consumers give to the quality of the service they receive when buying, it is then important to identify the perceived benefits related to online grocery channel.

2.4 Perceived benefits of online grocery

2.4.1 Shopping convenience
Following the recent introduction of Internet as a buying channel, convenience is at “the forefront of people’s minds when they think about this new way of procuring their daily groceries” (Rasmus and Nielsen, 2005). Yet, in the online shopping context the geographical location of the physical store becomes irrelevant (Underhill, 2009, Swaminathan et al., 1999). Convenience refers to different forms of costs (monetary, time, effort, and stress) related to a purchase (Aylott and Mitchell, 1998). Compared to the brick-and-mortar channel, online grocery has two main advantages. Not only, has it enables consumers with high level of convenience in terms of being able to buy from anywhere and reduced transportation cost, but also, it can help them to save time through less transportation and planning. Yet, from a geographical perspective, online grocery allows consumers to buy from a range of different stores.

2.4.2 Information seeking
Within the brick-and mortar retail structure, being able to seek and gather information about the product or service is for consumers a shopping motive (Bellenger and Korgaonkar, 1980). Online grocery structure provides consumer with an option to “search, compare, and access information much more easily and at a deeper levels than within the bricks-and-mortar retail structure” (Lynch and Ariely, 2000).
Hoffman and Novak (1996) point of view, online channel offers not only a wide range of information, but also, it enables retailers to deliver specific information adapted to the specific needs of the consumer.

2.4.3 Perceived ease of use

According to Davis (1989, p.82), the perceived ease of use refers to “the degree to which a person believes that using a particular system would be free of effort.” Thus, if a consumer perceives easy to use a system the probability of actually of adopting and using that system will positively increase (Henderson and Divett, 2003). A study conducted by Dean et al. (1998), indicated that perceived ease of use was considered to be a positive factor for consumer when planning to purchase their grocery online.

The perceived ease of use has a direct impact on consumer’s attitude towards online grocery channel adoption for many reasons. Not only, the ease of understanding a website functions, interface, and content affects positively the consumer’s intention to adopt online grocery channel, but also, the speed by which a consumer can find information about the needed products and their location is also important. Further, the time required and action needed the get the desired results are also considered to be important for consumer (Flavián et al., 2005).
3. Conceptual Framework

This chapter presents the conceptual framework elaborated in connection to marketing, socio-cultural, and psychological factors, but also to other factors such as product and service quality, and perceived benefits of online grocery channel.

![Diagram of Conceptual Framework]

The reason behind incorporating marketing and non-marketing factors into the conceptual framework is to emphasize the impact of these factors on consumer’s intention towards online channel adoption and use when buying food. These factors are to be carefully managed if grocery retailers want to get a competitive advantage in e-grocery market, increase the level of customer satisfaction, and enhance the profitability of their business.

Marketing activities are seen as company’s effort to reach, inform, and persuade consumers to buy and use its products or service while socio-cultural inputs are non-commercial influences like comments of a friend, information collected from newspapers or magazines, comments of a family member using the product or service, and so on (Schiffman et al. (2012). At the same time, Huang and Oppewal, 2006) noted that the psychological component is linked to how the consumer perceives the product or service concerned by the purchase. The intention to try online grocery channel is also enhanced within the ease of getting the available information about the product concerned with the purchase. The willingness to get available data related to a specific product or service is strongly related to the benefits obtained from the search process. Teo and Yeong (2003, p. 352) noted that “If an individual believes that greater benefits will accrue from search, he will be more inclined to search because the perceived benefits will outweigh the perceived cost.” Not only, can a positive pre-purchase search lead to formation of attitudes towards online grocery channel adoption, but also, to purchase intention.
The search process is driven by the consumer’s past buying experiences. According to Schiffman et al. (2012), from previous buying experiences, customers may know the value of alternatives and are aware of the consequences that will follow the buying decision. Additionally, a positive buying experience is seen as economically rational in terms of repeated purchases (Vijayasarathy, 2002).

With reference to previous studies (Huang and Oppewal, 2006, Rohm and Swaminathan, 2004), the factors product and service quality have been incorporated in the conceptual framework. Product and service quality are interrelated to consumer’s satisfaction level, and trigger consumer’s attitude towards online grocery channel adoption. From Keh and Shieh (2001) point of view, an online grocery retailer capable to provide consumer with good product and service quality during the whole buying process (from the store to the customer’s house) increases the consumer’s willingness to adopt and use online grocery channel and triggers future purchases if the decision to try this channel is made. Attitudes towards online grocery channel adoption are also enhanced within the consumer’s perception and evaluation of the uncertainty and negative consequences related to the use of a service. The uncertainty is linked to possible misuse of personal data given when performing a purchase and credit card information (Teo and Yeong, 2003).
4. Methodology

The methodology section gives a detailed overview of the research method and design combined with data collection through a survey questionnaire. This is followed by an assessment of the study validity, reliability, and limitation.

Following the interest of conducting a research within the field of online grocery shopping, this study was delimited to two factors namely product and service quality and their perceived importance relative to consumer’s intention to adopt the online grocery channel was assessed. Consumer’s resistance to online grocery shopping channel was an influencing factor for the chosen topic since the study recommendations offer insight into how online grocery retailers may improve their business into online grocery shopping, but also for further studies within online grocery in Sweden.

4.1 Research strategy and design

According to Fisher (2010), different techniques can be used to carry out and collect primary data of a master thesis. And from a scientific research method perspective, two different research strategies can be used namely quantitative and qualitative methods (Bryman and Bell, 2007). From Ghauri and Gronhaug (2010) point of view, a research design is a process undertaken by authors to implement empirical research within a research problem. The research design can thus operate as a guide for the study as it could enhance and streamline the study’s data collection and analysis. From a marketing concept perspective, Schiffman et al. (2011) noted that marketers with a clear understanding of factors influencing consumer’s inclination to a buying channel are likely to design products, establish prices, select distribution outlets and design promotional messages that will have a positive impact on consumer satisfaction, hence future purchase decisions.

From the fact that the identified research question includes a “what” dimension, this means that, according to Christensen et al. (2010) the study relates to an explorative design. Thus, a quantitative research strategy was used in order to identify important factors affecting consumer’s intention to adopt the online grocery channel in Västerås. The quantitative strategy was chosen because the aim was to conduct an analysis of collected data and answer the selected research problem.

4.2 Selection of literature

According to Fisher (2010), conducting a literature review when writing a master thesis is important because it helps the researcher to build the research process upon what has already been researched in the field in focus. Accordingly, conducting a literature review is a way to, not only save time, but also, to improve the researcher understanding of the research problem through the analysis of similar or related studies.

However, having identified available information about the topic in focus doesn’t mean that it is fit for use. Fisher (2010, p. 93) suggests the necessity “to subject the
key material to be used to a critical examination is needed to make sure they are strong enough to sustain their use [...] in the dissertation.” To be able to perform this task, the researcher needs to decide whether the book or article is of good quality to be used as source of information. This line was followed by the authors of this master thesis by checking the provenance of articles selected and used, the references used in these articles, the precision of their writing, and their research evidence.

The process of selecting relevant articles was undertaken following two main steps. In the first step, we defined general keywords related to online grocery shopping. But, following the facts that they were very broad, it was then decided to narrow them down in order to be more specific. Thus, the following keywords were selected: Internet grocery shopping, product quality, service quality, and consumer attitude, and perceived benefits.

In the second step, these keywords were combined using different search engines provided by Mälardalen University Library namely Emerald, Google scholar, and Diva and different scientific articles were then selected. Apart from selected scientific articles, different textbooks were also deemed to be relevant for this research. Some of them were used as course material for the International marketing program, and others were borrowed from the university or municipality library.

4.3 Data collection
Collection of quantitative data and literature material was the basis of this study. According to Yin (2009), quantitative research method is used when the researcher wants to investigate and explain outcomes related to a given topic. What differentiate quantitative method from qualitative method is that the quantitative method is based on numbers and figures, and leads to the researcher need to generalize, replicate and outline correlations within the findings (Bryman & Bell, 2011). The process of collecting these data was performed following two steps. In the first step, books and scientific articles were used to get an overview of the available secondary data about online grocery shopping. In the second step, primary data was collected and enabled us to test the conceptual framework and answer the research question.

4.4 Primary data collection
When doing a research, primary data are needed to fill the gap of what is missing in secondary data (Fisher, 2010), but also to fully answer the identified research problem. From Ghauri and Grønhaug (2010, pp. 99-100) point of view, primary data “are more consistent with the research question and research objectives. [...] And if we want to know about people’s attitudes, intention and buying behavior for a particular product, only primary data can help [...]”

From this perspective, the survey method using a questionnaire was used to collect primary data. The elaboration of the questionnaire was performed in two parts. The first part focused on the current buying behavior and the 7O’s model was used. The intention behind using this model was to get insight into what do consumer buy (objects), why do they buy (objectives), who participates in buying (organization),
when do purchase occurs (occasion), how do consumer buys (operation), where do they buy (outlets), and who is in the market (occupants). After discussions, it was decided to only use four variables namely organizations, occasion, operation, and outlets. The three other variables (objects, objective, and occupants) were considered to be irrelevant for this study because we already know that they buy food because they need it. The occupant variable was not used because it refers to the retailer perspective which doesn’t match with the focus of the study.

In the second part, the questionnaire focuses mainly on factors influencing buying channel choice, but also, the identification of key factors leading to the selection of a suitable online store. Here, the simple S-O-R model was used as a guideline of questions elaboration. Finally, the third part explores the consumer’s personal information.

Additionally, possibilities of getting an interview with the online grocery shopping manager from ICA Ettan or COOP Extra was explored. But, after discussion and other practical reasons, we realized that the interview was not needed and it was then decided to only focus on the consumer perspective.

4.4 The Stimulus, Organism, Response (S-O-R) model

The S-O-R model was used in this study because it was deemed important to look at how consumers react to marketing and social signals in the market place. This model developed in 1974 (Donavan and Rossiter, 1982) suggests that physical and social stimuli have a direct impact on the consumer’ intention to make a purchase. The stimulus (S) element works in connection with sense modality variables such as color, sound, temperature, texture, etc. At the same time, the variation rate of the stimuli components is affected by information rate (or loads) in the environment in terms of degree of novelty and complexity (Menéndez and Jonsson, 2010).

The organism component (O) is related to the degree to which an individual reacts to a given sets of stimuli. It is characterized by psychological, personal, social, and cultural factors. These factors, all combined influence positively the organism behavior in a pleasant environment or can lead to the avoidance behavior if the stimulus is negatively perceived. The response element (R) of the model is made up by the organism response to a stimulus. The organism reaction is performed within the approach-avoidance concept (Donavan and Rossiter, 1982). If the stimulus perception is positive, the organism will move towards that stimulus. But, if the stimulus is perceived negatively, the organism will tend to avoid it.

Following the fact that new technologies have moved businesses from the brick-and-mortar traditional channel to the click and mortar or Internet retailer, consumers have performed their way of purchasing. In this perspective, it is important for this study to look at how the S-O-R model can be used in the context of online grocery shopping. Within the online buying channel, designing a website which can positively affect the consumer’s responses towards making a purchase is a key element of success for e-retailers (Daily, 2004).
In the area of online grocery shopping, past buying experience is related to the satisfaction level of the consumer with his or her shopping environment. At the same time, the way the website is designed in terms of information access and ease of use can be seen as stimuli which can positively or negatively affect the consumer’s attitude towards online grocery channel adoption. Quoting Schiffman et al. (2012, p.197) “stimuli serve to direct consumer drives when they are consistent with consumer expectations.” In the context of online grocery shopping, the consumer expectation is to be able to deal with time pressure, reduce logistic costs and risks relative to a purchase, but also get good product and service quality. In other words, all these factors are stimuli which can enhance the consumer attitude towards online grocery channel and help the consumer to fulfill his or her needs.

4.5 Questionnaire design
The questionnaire of this master thesis was designed with the conceptual framework in mind elaborated from existing literature about online grocery shopping, feedback provided by the seminar thesis group, but also, the selected research question. In addition, the design of the questionnaire was guided by what Fisher (2010) says about how to design a questionnaire. According to him, a number of general issues are to be considered. From Fisher point of view, a questionnaire has to be kept as short as possible, attractive, logical and sequential. To be able to answer the selected research question, it was decided to divide the questionnaire into three main parts.

The first part of the questionnaire enquires through the current buying situation of the consumer. This was judged relevant for this master thesis because understanding the customer’s current buying situation helps understand if whether or not the consumer will adopt and use Internet as an option for his/her grocery shopping. Questions about the current buying scheme and its related difficulties were asked. Further, distance, transportation, and time issues were addressed in this part of the questionnaire.

The second part of the questionnaire helps to gain insight into consumer intention to adopt and use online grocery channel. The questions asked are related to the time spent on Internet every day, Internet access possibility, and if Internet is used for information prior to a purchase. Additionally, asking for past online buying experience and the level of satisfaction when using online channel was deemed important for this work.

As Västerås is the research location for this thesis, it was important to ask if respondents know that the possibility of buying food online exists in Västerås. Safety issue was addressed in the questionnaire as well. In order to assess consumer’s attitude towards online grocery shopping adoption, respondents were asked to justify their buying channel choice by comparing the physical store to the online store.

Further, based on factors identified in the conceptual framework as the main drivers to need recognition, it was then important for this research to ask if online grocery channel can be seen as a buying channel option for respondents. In that light, asking
about factors which are important when planning to buy food online was judged relevant.

The third part of the questionnaire focuses on personal information of the respondent. Questions related to gender, age, and marital status were asked. Additionally, questions about the size of the household, buying trend, and buying responsibility were also addressed. This part of the questionnaire is important for the thesis because it helps to get insight into the social aspect, hence understand the buying behavior of the consumer. These questions were elaborated based on the conceptual framework as it is indicated in the table below.

<table>
<thead>
<tr>
<th>Questions</th>
<th>Concepts</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Part 1) 1-8</td>
<td>7’os model</td>
</tr>
<tr>
<td>(Part 2) 9-10</td>
<td>Information access</td>
</tr>
<tr>
<td>(Part 2) 11</td>
<td>Perceived ease of use</td>
</tr>
<tr>
<td>(Part 2) 12-13</td>
<td>Past experience</td>
</tr>
<tr>
<td>(Part 2) 14</td>
<td>Information access</td>
</tr>
<tr>
<td>(Part 2) 16</td>
<td>Perceived risk</td>
</tr>
<tr>
<td>(Part 2) 17</td>
<td>Attitude toward online grocery adoption</td>
</tr>
<tr>
<td>(Part 2) 18</td>
<td>Purchase intention</td>
</tr>
<tr>
<td>(Part 2) 19</td>
<td>Perceived product and service quality, Perceived ease of use</td>
</tr>
<tr>
<td>(Part 3) 20-23</td>
<td>Personal Information</td>
</tr>
<tr>
<td>(Part 3) 24-26</td>
<td>7’os model</td>
</tr>
</tbody>
</table>

*Table 1: Questionnaire elaboration based on the conceptual framework*

As the questionnaire is written in English, it was decided already in the beginning of the research process that different samples using English as the working language should be used. But, after discussion and based on other practical issues, it was then decided to focus only on one case, and the International English School of Västerås was chosen. The school was selected because English is the principal language used in teaching, but also, teachers working in the school have different grocery buying experience. From an income and working time perspective, the school was seen to be a suitable case for this research as any disparity was identified.

However, the size of the case was considered to be small as only 35 teachers work at the school. But, from a time saving perspective, taking a sample from one organization should be less costly. Additionally, the necessity of being able to control the case population characteristics was behind this choice.
4.6 Questionnaire distribution

The questionnaire was directly distributed to the respondents through the school principal and the answers were collected via the same channel. The reason of using this channel was to make sure that all the respondents got the questionnaire. Although there was a possibility to distribute the questionnaire using the World Wide Web, this option was not relevant for the research for the confidentiality purpose. According to Fisher (2010, p.210), the disadvantage of “using email to return completed questionnaires is that the email will come with the sender’s email address making more difficult to promise confidentiality convincingly.”

4.7 Reliability and validity

Reliability refers, according to Ghauri and Grønhaug (2010, p.79) to “the stability of measures.” In other words, to be able to judge the reliability of measures, it is important to carefully look at the stability of the measures used. A research is reliable if the measures used are stable over time and if the study can be repeated and produces the same results at a later date. Consistency is, according to the same source, another factor to be taken into consideration when constructing reliability.

When conducting a research, constructing validity is very important to check if whether or not the identified research indicators accurately measure what they are supposed to measure (Ghauri and Grønhaug, 2010, Fisher, 2010). Fisher further explains that internal validity (identify cause and effect relationship) is an important element to be taken into consideration. It is concerned, according to him, “with whether the evidence presented justifies the claims of cause and effect” (Fisher, 2010, p. 273).

External validity or transferability is another factor under consideration. It relates to “what extent the findings can be generalized to particular persons, settings and times, as well as across types of persons, settings and times” (Ghauri and Grønhaug, 2010, p.84). However, Fisher (2010) pinpoints the fact that the size of the sample used plays a critical role for the conclusions to be drawn from it. According to him, if the sample is large enough, external validity is concerned with the representativeness of the sample studied. But, if small samples “are used to generate qualitative material rather than numbers, the question of whether findings are transferable can only be answered by judgment and not by calculation” (Fisher, 2010, p. 275).

From the above, there is thus a need to assess validity as part of this study relies on a questionnaire aiming to understand the influencing factors when consumers decide to relay on Internet as their grocery buying channel. For this purpose, the questionnaire will be linked to the conceptual framework elaborated from the existing literature. Another mean of constructing validity of this research is to use a diverse range of articles to increase the validity of the thesis.
4.8 Limitations

As only 36 questionnaires were distributed to potential adopters of online grocery channel in Västerås, it was difficult, within this smorgasbord of data collected, to replicate the research findings at a large population.

At the same time, collecting primary data using COOP Extra and ICA Ettan data base of consumers using already online grocery shopping could have been useful for this research. In other words, using data base of those having online grocery buying experience could have elicited better responses and improved the quality of our findings. However, nor COOP Extra; neither ICA Ettan was willing to allow the access to their online grocery data base.

Research limited time was the other limitation of this master thesis. In this light, the survey questionnaire didn’t assess a thorough examination of all factors affecting online grocery channel adoption and use. The study was only limited to two factors namely product and service quality and assessed their importance for customers when planning to buy food online. Additionally, the focus of this work was on consumer’s behavioral intention to adopt online grocery, but not on the whole market behavior.
5. Findings

5.1 Demographics

Out of 36 copies distributed, 30 were submitted. One was disqualified because we realized that the answers given by the respondent were unfair. Thus, 29 answers were considered and used to analyze the collected data. Looking at the gender aspect, (see table below), it appears that 19 respondents are females and 10 are males. In addition, looking at the age of the respondents, the age interval 20-35 is the most represented with 15 respondents (both male and female) followed by the age interval 36-45 with 12 respondents. The senior group (age interval 46-55) is represented by only two respondents.

<table>
<thead>
<tr>
<th>Age</th>
<th>Male</th>
<th>Female</th>
<th>Sum</th>
</tr>
</thead>
<tbody>
<tr>
<td>20 – 35</td>
<td>4</td>
<td>11</td>
<td>15</td>
</tr>
<tr>
<td>36 – 45</td>
<td>5</td>
<td>7</td>
<td>12</td>
</tr>
<tr>
<td>46 – 55</td>
<td>1</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>56 – 65</td>
<td>-</td>
<td>-</td>
<td>0</td>
</tr>
<tr>
<td>Sum</td>
<td>10</td>
<td>19</td>
<td>29</td>
</tr>
</tbody>
</table>

Table 2: Respondents demographic

Further, it was judged important for this work to assess the correlation between marital status and the size of the household. From the marital status “married”, the data collected show a clear correlation between married category and the size of the household since the biggest size of the household is found within this category with 4 people living in the same household. However, the same data show (table below) that the size of the household in “single” category accounts for two, three, and even four people. This can be explained by the fact that two people in a relationship choose to live together or it may be a single man or a woman living with a child, a friend or one member of his or her family. Three or four people in the same household in the category “single” may be explained by the fact that a single man or woman living alone, but in a relationship or not choose to get two or more children.

<table>
<thead>
<tr>
<th>Size of the household</th>
<th>Single</th>
<th>Married</th>
<th>Divorced</th>
<th>Sum</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 people</td>
<td>6</td>
<td>-</td>
<td>-</td>
<td>6</td>
</tr>
<tr>
<td>2 people</td>
<td>5</td>
<td>2</td>
<td>-</td>
<td>7</td>
</tr>
<tr>
<td>3 people</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>6</td>
</tr>
<tr>
<td>4 people</td>
<td>2</td>
<td>7</td>
<td>-</td>
<td>9</td>
</tr>
<tr>
<td>5 people</td>
<td>-</td>
<td>-</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>More than 5</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Sum</td>
<td>15</td>
<td>11</td>
<td>3</td>
<td>29</td>
</tr>
</tbody>
</table>

Table 3: Size of the household
5.2 The current buying situation of the respondents

This aspect was assessed because it was deemed important for this thesis to look at how the consumers’ current buying situation may influence online grocery adoption. Questions related to how they buy, from where they buy, transportation assets, and factors influencing the store choice were addressed.

The data collected show that all the respondents purchase food directly from the physical store. The same data also show that 5 respondents are facing problems related to their current buying situation. Lack of convenience, time pressure, and logistic cost were identified as the main problems.

As mentioned in the background section, ICA Ettan and COOP Extra are the two store already using online grocery service in Västerås. Thus, a question about from where the respondents usually purchase their food was important. This was an attempt to verify if the consumer’s trust in the physical store can be moved online. From the collected data, it appears that ICA is the most visited store with 28 respondents followed by COOP with 14 respondents.

![Preferred store](image)

*Figure 2: Preferred store*

In the same light, factors affecting the choice of the store were also identified. Product quality was seen as the main driving factor for the store choice with 20 respondents, followed by price with 18 respondents while proximity and product choice were considered to be less important for the store choice with 15 respondents each.
Distance from the preferred store was considered to not play a big role as most of the respondents use cars as transportation mean when they do their grocery shopping. However, few of them saw distance as a big issue as they walk, bike, or take bus when they plan to do their grocery shopping.

A question about the time spent on grocery shopping was also addressed. From the figure below, 15 respondents mentioned that they spend less than one hour on grocery shopping, 8 use two hours for their grocery shopping, while only 5 respondents spend three hours when purchasing food.
5.3 Internet use trend
The rate of using Internet not for the work purpose was considered to be high in the studied population. 15 respondents mentioned that they use Internet for more than 3 hours a day, 8 respondents use it more than 4 hours, and two use Internet less than two hours per day. Seen from a gender perspective, the data collected show that 18 women affirmed to use Internet not for the work purpose more than 2 hours a day.

![Internet use trend](image)

5.4 Internet Access
Internet access was another aspect explored by this work. As it can be viewed in the figure below, 25 respondents mentioned that they get Internet access at home, and the possibility to access to Internet at work using the school network and from anywhere (smart phone for example) were represented by 24 respondents each.

![Internet access](image)

Results show that Internet use trend and accessibility are strongly linked to the rate of using Internet for searching information prior to a purchase. 3 respondents noted that
very often they use Internet to search information leading to a purchase, and 9 respondents often search information on Internet before they decide to make a purchase. Additionally, 11 respondents mentioned that they sometime use Internet for information search before making a purchase while only 2 mentioned that they rarely use Internet for information search. Although all the respondents have ease to access to Internet, 4 respondents affirmed to never use it to search information prior to a purchase.

Figure 7: Information search prior to a purchase

5.5 Online grocery buying experience

By using the International English school case, our expectation was to find adopters of online grocery with past online grocery buying experience and test the level of their satisfaction. The data collected show that only 2 respondents have previously used online channel to buy food while 27 respondents have never used this channel to buy their food. Asked about the motivating factors of using Internet when buying food, the two respondents mentioned that good product and/or service quality, convenience, and ease to access to the needed information about the products were considered to be more important.

Figure 8: Online grocery buying experience
5.6 Awareness about online grocery option in Västerås

Awareness about the option of buying food online in Västerås was also assessed. 15 respondents noted that they know that the online grocery channel option exists in Västerås and 14 were not aware of the existence of this option.

![Figure 9: Online grocery option awareness](image)

From the figure below, friends or family was considered to be the main source of information with 9 respondents followed by websites with 7 respondents of the studied population.

![Figure 10: Sources of information](image)

5.7 Safety of online channel

20 respondents (both male and female) mentioned that they trust the online channel. However, 9 respondents considered online channel to not be safe for two main reasons. Not only, it is unsafe to conduct any payment online, but also, those who considered the online channel to not be safe were not sure about how the information collected about them should be used.

The correlation between the safety of online channel and gender was assessed as well. The data in the table below indicate that women respondents trust the online channel (with 15 respondents) than men (with only 5 respondents).
<table>
<thead>
<tr>
<th>Safety of online channel</th>
<th>Gender</th>
<th>Sum</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Male</td>
<td>Female</td>
</tr>
<tr>
<td>Yes</td>
<td>5</td>
<td>15</td>
</tr>
<tr>
<td>No</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>Sum</td>
<td>9</td>
<td>20</td>
</tr>
</tbody>
</table>

Table 4: Correlation between safety and gender

5.8 Factors motivating the buying channel choice

The 29 respondents were asked to specify and motivate the buying channel choice. Ten motivating factors were used to specify the choice namely price, information access, time pressure, logistic cost, human interaction, product selection, security, convenience, quality confidence, and price knowledge.

25 respondents noted any difference between the physical store and online store when it comes to price, but 15 mentioned that the physical store is better to access to the needed information about the products. However, online grocery channel was considered by 21 respondents to be a good way of dealing with handle time pressure.

Additionally, 15 respondents mentioned that online grocery can reduce the logistic costs related to grocery shopping. At the same time 27 respondents noted that the physical store is indicated for human interaction, and 16 respondents considered the physical store and online store to be the same in terms of product selection.

Security issue was another factor motivating the buying channel choice. As it appears in the figure below, 18 respondents mentioned that the physical store is more secured than online store while the online store was considered to be more convenient than the physical store in terms of 20 respondents. Finally, the physical store was preferred to the online store for confidence in product quality with 17 respondents and 23 respondents noted any difference between the two buying channel for price knowledge.
5.9 Willingness to try online grocery in Västerås

15 of respondents of the studied population stated that they know that the option of buying food online exists in Västerås, but none of them has already used this channel. However, 10 respondents mentioned that they are willing to use the channel to purchase their food. Further, 9 respondents noted that even though Internet grocery is not a buying option for the moment, it can be used as a buying channel in the future.

Although 19 respondents consider online grocery as a potential buying channel today or in the future, the rest of the studied population (ten respondents) mentioned that they would never use online channel for their grocery shopping.

<table>
<thead>
<tr>
<th>Willingness to try</th>
<th>Gender</th>
<th>Sum</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Male</td>
<td>Female</td>
</tr>
<tr>
<td>I will try</td>
<td>3</td>
<td>4</td>
</tr>
<tr>
<td>I will try in the</td>
<td>3</td>
<td>9</td>
</tr>
<tr>
<td>future</td>
<td></td>
<td></td>
</tr>
<tr>
<td>I will not try</td>
<td>3</td>
<td>7</td>
</tr>
<tr>
<td>Sum</td>
<td>9</td>
<td>20</td>
</tr>
</tbody>
</table>

Table 5: Correlation between willingness to try online grocery and gender

Bearing in mind that men and women experience differently the shopping experience, it was deemed important for this master thesis to assess the relationship between the willingness to try online grocery channel and the gender. Our expectation was that
men should be the ones who mostly are willing to try this new channel as they don’t like shopping. But, what the data show is totally different. The table above indicates that 13 women are willing to try the online grocery shopping channel now or in the future compared to only 6 men.

5.10 Important factors towards online grocery adoption

Respondents were also asked to rank in terms of their importance different factors towards online grocery adoption. The given factors were product quality, trust, service quality (delivery fee and delivery time), and the ease of using the website. The results collected show that product quality (21 respondents), service quality (16 respondents), and the ease of using the website (13 respondents) were considered to be the most important factors to look at when planning to buy food online. Another important factor mentioned to be important was trust as it was identified by 15 respondents of the studied population.

![Figure 12: Important factors for online grocery adoption](image-url)
6. Analysis

In this chapter, the analysis of the empirical data collected is based on the theoretical framework performed in chapter two, the conceptual framework, and the selected research question.

6.1 The impact of the current buying situation on online grocery adoption

From the empirical data collected, it appears that 15 respondents of the studied population spend less than one hour on grocery shopping. From this, we could assume that people really don’t enjoy the grocery shopping experience because it is more stressful. This is in line with Huang and Oppewal (2006) study which identified grocery shopping to be one of the most disliked household activity after cleaning.

Flexibility or the ease of ordering food from the workplace, home, or from anywhere using the cell phone makes online grocery shopping functional, practical, and convenient. Thus, this buying channel may be seen as less stressful than the brick-and-mortar channel, hence, a buying channel option for households in Västerås.

Logistic costs related to grocery may also explain the intention to adopt and use online grocery channel. Following the ever increasing fuel price, people may avoid these costs by adopting online grocery. Yet, the lack of mobility (not having a car) could be considered as another reason behind Internet grocery adoption.

In their study, Verhoef and Langerak (2001) found a link between online grocery adoption and the changes observed in the family structure. For the case used in this study, the results showed that the common observed size of the household is composed by 3 people or more. From the above, the intention of the respondents to adopt online grocery shopping may be linked to the intention to avoid the logistics of taking children to the supermarket whether married or single.

6.2 Familiarity with in-store: a reason of online grocery adoption

As mentioned in the findings section, ICA and COOP are the most visited physical stores. Based on this, it was then interesting for this master thesis to check if the consumer’s loyalty to these stores may be transferred to the online store. Drawing upon Rafiq and Fulford (2005) study, it appears that in most of the case, shoppers often choose the same online grocery retailer as the physical store they use. Accordingly, the same source highlighted the fact that consumers consider the physical and online store as one company offering a variety of services. From this perspective, we can assume that the 66% of the studied population who are willing to use Internet grocery now or in the future may use ICA Ettan or COOP Extra online service.
6.3 Attitude towards online grocery adoption

Based on the theoretical and the conceptual framework, many factors have been identified to play a crucial role in the process of adopting and using online channel. Studies about the reasons behind purchasing online identified the crucial key role played by the marketing, socio-cultural and psychological factors.

Drawing upon Ahuja et al. (2003), Schiffman et al. (2012), Huang and Oppewal (2006) body of research, convenience, time saving, and better prices have been identified to be the motivating factors for people to buy food online. This seems to be in the line of what the empirical findings of this research show. 21 respondents considered online grocery shopping to be a good way of dealing with time pressure while 15 respondents of the studied population found online grocery to be a good way of minimizing the logistic cost related to grocery shopping. At the same time, 20 respondents found online grocery to be more convenient as it allows ordering food from everywhere.

Time pressure is a reality for the 29 respondents selected for this study as all of them work full time. From this perspective, we can expect that when facing time pressure, their willingness of purchasing food online will increase. Additionally, the results collected show that all the respondents have ease to access to the Internet. This combined with time pressure may increase the perceived convenience and usefulness of online shopping compared to the physical store.

Huang and Oppewal (2006, p. 338) noted that logistic cost “are those concerning the difference in monetary cost perceived by consumers when comparing online and in-store grocery shopping.” These costs are related to fuel or parking charge which consumers will try to avoid. Logistic costs relative to grocery shopping is an issue for the population used in this research meaning that to avoid them, they will tend to switch to online grocery.

6.4 Pre-purchase information search

From the data collected, it appears that 27 respondents of the studied population have never used online grocery channel. Accordingly, more than 15 respondents affirmed to know that the option of buying food online exists in Västerås. From Schiffman et al. (2012, p. 68) point of view, “[…] the influence of family, neighbours […] are likely to affect what consumers purchase” and how they purchase it. Here, the socio-cultural inputs have been used as the main information exchange channel.

Information search prior to a purchase is also linked to the degree of perceived risk of the consumer. Studies conducted in the field of online shopping have shown that the likelihood of online shopping is strongly interconnected to the level of the risk relative to the purchased product or service (Bhatnagar et al, 2000). Defined by Teo and Yeong (2003, p. 352) “as the probability of any loss that can occur following a purchase”, the degree of perceived risk or the safety related to online grocery shopping was also assessed in this research. Although not having any past buying experience in online grocery shopping, 20 respondents considered online channel to be safe. This is
probably linked to their online past buying experience of other items than food. From this, we can expect that the willingness to adopt and use online grocery channel will be enhanced.

From Schiffman et al. (2012) point of view, information search prior to a purchase is also strongly linked to the newness of the product or service in focus. Without a past buying experience, it would be more difficult for the consumer to evaluate the usefulness of that product or service. In the same perspective, Bhatnagar et al (2000) noted that the sustainability of online shopping is enhanced within a strong consumer past buying experience.

In light of the above, the results collected show that a big majority of the respondents doesn’t have past experience in online grocery shopping. However, linked to the level of trust they have in the safety of online channel, and using their friends or family’s online grocery buying experience, they can assess the usefulness of this new buying channel.

However, it is important to keep in mind that very often; the lack of the needed information about the products may hinder the adoption of online grocery channel. This because information about the product name, its package size and price are not given a big importance before the purchase phase. The most important aspect for consumers is the verifiability of the product quality.

6.5 Past buying experience: a factor triggering online grocery channel adoption

As this study deals with consumer inclination towards online grocery shopping adoption, it is important to find out what factors explain the satisfaction level of the two respondents with online grocery past buying experience. Although it is challenging for online retailers to attract new adopters of online channel who are predisposed to adopt and use this channel (Rohm and Swaminathan, 2004), the data collected show that good product and service quality is a way of enhancing future consumer intention to use the online grocery channel. At the same time, convenience has also been mentioned to be a good way of dealing with stress and time pressure and hence trigger future intention. This is in light of what Huang and Oppewal say. According to them, shopping convenience is an opportunity to “reduce cost effort and time involved in shopping activities.” Compared to the physical store, online channel provides consumer with access to information about a wide range of stores and products worldwide (Rohm and Swaminathan, 2004).

Based on the data collected, the consumer’s positive perception of the usefulness of online grocery channel in terms of good provided service and product quality, convenience, and easy access to information has a positive influence on the degree of the consumer’s satisfaction and enhances the consumer’s level of trust in his or her relationship with the online grocery retailer. From the past buying experience perspective, we can assume that the two respondents with past online grocery experience are willing to try this buying channel because the level of their trust in
online grocery shopping is based on their wants and what the benefits they can obtain by using this channel.

6.6 Willingness to try online grocery
According to Underhill (2009, p.103), “men shop the way they drive.” In other words, they don’t like the shopping experience, hence, they move faster than women when they are in the store. This means that if they were provided with another buying option, they will easily move for it. However, the collected data show the opposite. Women (13) were the most who noted their intention to try online grocery channel now or in the future than men did (only 6). In our understanding, this situation is strongly related to the way the women in the studied population perceive the safety of online grocery channel. From the results collected, 15 women confirmed their trust in the channel. But also, seen from the trend use perspective, women (18) were the ones using Internet more than two hours a day out of the work purpose.

Further, Underhill (2009, p.125) goes on and highlights the fact that “women still like to shop with friends, egging each other on and rescuing each other from ill-advised purchases.” Underhill’s point of view linked the level of the willingness to try online grocery channel in the studied population clearly show that the intention to try online grocery channel will be enhanced based on friends or family advices or buying experience.

6.7 Perceived importance of product and service quality
Drawing upon a body of work conducted into online grocery, several dimensions related to product and service quality emerge. In most cases, consumers don’t understand how the whole online buying process works. Here, the uncertainty relative to online grocery shopping is mostly due to the delivery process in terms of cost, timings, and food quality. The research findings show that 13 respondents are willing to purchasing grocery online now or in the future. Thus, asking about what factors are important for them when planning to buy food online was deemed important for this thesis. The data collected show that trust in online grocery channel was mentioned by 15 respondents to be an important factor. In our point of view, this is linked to the inversion of the role between the consumer and the retailer. By asking the retailer to select the product, the consumer may be concerned with the quality of the product which will be selected and delivered by the physical store staff. In addition, substitution of the products which are not available could increase the lack of trust.

Further, product quality was mentioned to be a very important factor to consider when buying food online. From Dornbusch (1997) who states that “looking at, smelling, and touching food is a very basic part of the consumers’ lives”, this may also be the case for the studied population as it may be concerned by the problem of not being able to have a direct physical contact with the product or judge its size. Additionally, the freshness of the products delivered may also be another concern. Here, the way the ordered items are stored before and during the delivery process is very important for online grocery adopters.
Online grocery is a growing trend and a business option for many e-retailer grocers, but also, a field of rude competition. At the same time, the quality of the service they provide is a big concern for consumers using Internet as a buying channel (Keh and Shieh, 2001). In addition, the lack of human interaction characterizing online buying channel drives consumers to heighten the quality of the service they get from e-retailers (Janda et al., 2002). In the light of the findings of this work, service quality (delivery fee and delivery time) was considered to be a very important factor unique to the intention of trying online grocery purchasing channel in terms of 16 respondents. In our understanding, the uncertainty relative to daily schedules is the main reason. At the same time, the size of the household may also play a big role. In families with more than three people living in the same household, trying online grocery channel could be seen as a way of minimizing the logistic cost related to taking children to the supermarket. Finally, service quality is considered to be a prerequisite factor for online grocery channel adoption because the respondents who are willing to try online channel calculate the cost of the shopping basket based, not only on the cost of the purchased products, but also, on time spent in the physical store and transportation cost.

The impact of website design on the willingness to try online grocery channel was the last aspect assessed in this research. The findings show that 13 respondents considered website design (ease of use) to be a critical factor for online channel adoption. The reason behind this is that the satisfaction level of using a website is linked to the functionality of the website in terms of speed of processing, the ease of finding information about products, and their location. In other words, consumer’s feeling about the website they visit plays a key role. From Ahn and Han (2004) point of view, the positive attitude towards the website a consumer is visiting prior a purchase explains his/her future intention to revisit the website.
7. Conclusion

Revisiting the research question addressed in the beginning of this work gives an opportunity to check whether or not the analysis of collected data based mainly on the conceptual framework allows answering the selected research question which reads: what factors do consumers consider to be important when planning to buy food online?

Even though this study focused on a limited number of respondents, the data collected about online grocery shopping in Västerås make an intuitive sense for online grocery retailers. With the use of online channel as a mean of buying grocery, consumers may enjoy a wide range of options when selecting products or services. This makes harder for online retailers to get a competitive advantage in the market. The data collected were corroborated by existing studies in the field of online grocery and showed that the adoption process is affected by a number of factors. Considering that online grocery is a growing phenomenon worldwide, and considering the fact that grocery retailers mostly rely on existing infrastructures, the way consumers currently buy from the physical store and their familiarity with it play a determinant role in e-grocery adoption. Another conclusion to draw based on the analysis of the collected data is that potential adopters of online grocery who give a high value to their free time are those who are ready to try this new channel. Additionally, the results collected throughout this research indicate that online grocery channel is a tremendous opportunity for consumers to avoid logistic cost related to food purchasing.

As the main goal of this master thesis was to identify important factors influencing consumer’s intention to try online grocery channel, the analysis of the collected data indicated that product and service quality are two driving forces for online retailers to build and enhance consumer’s satisfaction. The findings of this study show that there is a positive relationship between these two factors and consumer’s intention to try online grocery channel in Västerås. However, apart from these two factors, the design of the website was considered to be an essential requirement for online grocery adopters. Our findings show that the studied population is sensitive to the way the website is designed in terms of finding information about products and their location. Seen from a retailer perspective, for an e-store to be competitive in the market, it has to build and develop consumer’s trust.

The overall conclusion to draw is that this work established a link between what have been researched into online grocery field and the intention of trying this buying channel in Västerås. However, further studies into this field are needed to establish general trends of online grocery shopping in Sweden, but also, confirm the findings of this research.
8. Recommendations

As buying food online is a new and growing trend in Västerås (Sweden), this work can be used as basis for e-grocer retailers to replicate the findings on a large population, and improve their business within online grocery. Seen from a broad perspective, online grocery retailers should put emphasis on the quality of the product they deliver and the quality of the service they provide to their customers. What they have to bear in mind is that the online grocery service will survive if it is enhanced within the trust and loyalty to the physical store. In other words, they must understand that online grocery channel is completing the physical, but not competing with it. The online grocery channel is an opportunity for consumers loyal to the physical store, but who can’t visit it for different reasons.

From an academic perspective, a study based on large population is needed to be able to establish general trends relative to online grocery shopping in Västerås. The ideal basis for this study could be the database of those customers already using online grocery channel as a buying channel. Such a study into online grocery field could be a useful complement to the limited body of research conducted into this area. Further, our recommendation to the academic world is to even focus on those consumers who have been discouraged by their past online buying experience and those who will never try this new channel. This will probably bring to light that the physical and online stores are two competing entities. Additionally, focusing on the earlier adopters of online grocery shopping in Västerås would enrich this study.
List of References


Kim, H. W., Xu, Y., Gupta, S. (2001). Which is more important in Internet shopping, perceived price or trust? Electronic Commerce Research and Application, pp. 241-252


Underhill, P. (2009). Why we buy. The science of shopping. Updated and revised for the Internet, the global consumer and beyond.  


Appendix

Questionnaire

Consumer’s decision on buying food online

This questionnaire has been developed by students of Mälardalen University for Master Thesis course. Please take few minutes and complete this questionnaire. Be confident that all your answers will be used only for the educational purpose. The questionnaire is divided into 3 parts. The first part is about the current buying situation of the respondents, the second part focuses on online grocery, and the last part is about personal information.

Part 1: Current buying situation

To answer the question, please make a check mark (✓) in the spaces (☐) given below.

1. How do you usually buy food for your household?
   ☐ I buy directly from the supermarket
   ☐ I order via phone and pick up the products in the store
   ☐ Other (Please specify) __________________________________________

2. Do you have difficulty related to your buying situation?
   ☐ Yes ☐ No

   If yes, please specify the factors
   ☐ Logistic cost ☐ Time pressure
   ☐ Convenience ☐ Other, please specify __________________________

3. Where do you usually buy your food from? Please tick all that apply
   ☐ ICA
   ☐ COOP
   ☐ Hemköp
   ☐ City gross
   ☐ Netto
   ☐ Lidl
   ☐ Other (Please specify) __________________________________________

4. How far do you live from the selected supermarket?
   ☐ Less than 500 m. ☐ 500 – 900 m.
   ☐ 1 km. ☐ 2 km.
   ☐ 3 km. ☐ 4 km.
   ☐ 5 km. ☐ More than 5 km.
5. What kind of transportation do you normally use when buying food?
☐ Car       ☐ Bus
☐ Bike      ☐ Bicycle
☐ Walk      ☐ Other (Please specify)_______________________

6. Is it difficult to get there?
☐ Yes       ☐ No

7. How much time do you spend on grocery shopping?
☐ Less than one hour  ☐ Three hour
☐ Two hours          ☐ More than three hours

8. How do you choose where you will do your grocery shopping? Please tick all that apply
☐ Proximity       ☐ Price
☐ Product choice  ☐ Quality
Part 2: Online grocery shopping

To answer the question, please make a check mark (✓) in the spaces (☐) given below.

9. How often do you use Internet in your day life? (out of work)
   ☐ Less than one hour /day  ☐ 3-4 hours /day
   ☐ 1-2 hours /day  ☐ More than 4 hours /day
   ☐ 2-3 hours /day

10. Where do you get Internet access?
    ☐ Work place  ☐ Home
    ☐ Anywhere (Smart phone, Tablets, laptop)

11. How often do you use Internet for information prior to a purchase?
    ☐ Very often  ☐ Rarely
    ☐ Often  ☐ Never
    ☐ Sometimes

12. Have you ever used online grocery service?
    ☐ Yes  ☐ No

    Were you satisfied or not? Please tick all that apply
    ☐ Yes, because of…  ☐ No, because of…
    ☐ Good product/service quality  ☐ Bad product/service quality
    ☐ Convenience  ☐ Lack of information
    ☐ Easy access to information  ☐ Long load time

13. Do you know that the option of buying food online exist in Västerås?
    ☐ Yes  ☐ No

14. How did you know about it?
    ☐ Friends/ Family  ☐ Magazines  ☐ News papers
    ☐ Websites  ☐ Direct e-mails (brochures)
    ☐ Other (please specify)________________________________________

15. Have you ever use this buying channel?
    ☐ Yes  ☐ No

16. Do you think that online channel is safe?
    ☐ Yes  ☐ No

    If no, why?
    ☐ It is not safe to conduct any payment online
    ☐ I am not sure how information collected about me will be used
17. If you have to choose between the physical store and online store, where will you prefer to do your grocery shopping? Please justify your preference by making a check mark (✓)

<table>
<thead>
<tr>
<th>Factors</th>
<th>Physical stores</th>
<th>Online store</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Better</td>
<td>same</td>
</tr>
<tr>
<td>Price</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Information access</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Time pressure</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Logistic cost</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Consumer-retailer interaction</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Product selection</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Security</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Convenience</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Quality confident</td>
<td>☐</td>
<td>☐</td>
</tr>
<tr>
<td>Price knowledge</td>
<td>☐</td>
<td>☐</td>
</tr>
</tbody>
</table>

18. Do you think you will try online grocery in Västerås?

☐ I will probably try online grocery shopping
☐ I will probably not shop food online at this time, but I will probably try it in the future
☐ I will not try online grocery and I will not do this in the future as well

19. If you think that online store can be an option for your grocery shopping, how important are the following factors when buying food online? Please use a check mark (✓) in the space given in the table below.

<table>
<thead>
<tr>
<th>Factors</th>
<th>Less important / Important / Very important</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product quality</td>
<td>☐</td>
</tr>
<tr>
<td></td>
<td>☑</td>
</tr>
<tr>
<td></td>
<td>☐</td>
</tr>
<tr>
<td>Trust</td>
<td>☐</td>
</tr>
<tr>
<td></td>
<td>☑</td>
</tr>
<tr>
<td></td>
<td>☐</td>
</tr>
<tr>
<td>Delivery fee</td>
<td>☐</td>
</tr>
<tr>
<td></td>
<td>☑</td>
</tr>
<tr>
<td></td>
<td>☐</td>
</tr>
<tr>
<td>Delivery time</td>
<td>☐</td>
</tr>
<tr>
<td></td>
<td>☑</td>
</tr>
<tr>
<td></td>
<td>☐</td>
</tr>
<tr>
<td>Easy to use the website</td>
<td>☐</td>
</tr>
<tr>
<td></td>
<td>☑</td>
</tr>
<tr>
<td></td>
<td>☐</td>
</tr>
</tbody>
</table>
Part 3: Personal information

To answer the question, please make a check mark (✓) in the spaces (☐) given below.

20. What is your gender?
   ☐ Male       ☐ Female

21. How old are you?
   ☐ 20-35      ☐ 36-45
   ☐ 46-55      ☐ 56-65

22. What is your marital status?
   ☐ Single     ☐ Married
   ☐ Divorced

23. How many people live in your household?
   ☐ 1          ☐ 2
   ☐ 3          ☐ 4
   ☐ 5          ☐ More than 5

24. How often do you shop for grocery?
   ☐ Once a week ☐ Twice a week
   ☐ Once every two weeks

25. What is your professional situation?
   ☐ I work full time
   ☐ I work part time

26. Who is responsible of grocery shopping in your household?
   ☐ I do grocery shopping myself
   ☐ My husband is in charge of grocery shopping
   ☐ My wife is in charge of grocery shopping
   ☐ We do grocery shopping together

End of the questionnaire

Thank you very much for your cooperation

x