Abstract

Shopping orientations are useful in the study of patronage behaviour including store loyalty, brand loyalty, in-home shopping, and out-shopping. This paper describes an empirical study that examined the relationship between shopping orientations, product types, and consumer intentions to use the Internet for shopping. Analyses of data collected from over 750 survey respondents reveal that home, economic, and local shopping orientations are related to online shopping intentions. Product types, based on cost and tangibility, do not have a moderating influence on the relationship between shopping orientations and intentions to shop using the Internet, but do have a direct effect on the latter. And, the incremental contribution of demographic indicators in predicting online shopping intentions is minimal. Implications of the findings and the association between shopping orientations and the more easily ascertainable demographic indicators are discussed.

Keywords: shopping orientations, product types, Internet shopping, B2C e-commerce

INTRODUCTION

Although the grandiose predictions for business-to-consumer Internet commerce are yet to be realized, the continued success of a few online merchants such as Amazon and eBay offer evidence of the virtual medium's potential as a retail channel. Therefore, in spite of the rapid decline in the fortunes of dot-com companies that has justifiably triggered deep scepticism about its future, dismissing the digital channel as a fad may be premature. Haste to stake a claim on the digital frontier may be largely to blame for the recent spate of failures among online commercial ventures. It is not surprising that ill-conceived business models that bypassed careful scrutiny from overly eager investors are proving to be unsustainable. However, rashness alone may not explain the rapid exit of many online businesses. Even companies that have proven their viability with respectable sales are discovering that there are some major roadblocks to harnessing the power of the Internet to serve as a channel for communications, transactions and distribution.

Managing the unpredictability of technological glitches, solving the logistical puzzle of order fulfilment and delivery, allaying consumer fears about security and privacy breaches, and building and nurturing trust are all major problems facing online retailers. Even more of a challenge is identifying, attracting and retaining consumers who would embrace the new medium as a shopping channel.

Research to address the above issues in electronic retailing is becoming increasingly sophisticated. Moving beyond demographics, researchers are building and testing more complex models to explain consumer intentions to use the Internet for shopping. These models incorporate characteristics of the consumer, product, merchant and medium for a better and more intricate understanding of consumer's acceptance or rejection of the new digital mode of retailing (Jahng et al. 2000; Vijayasarathy 2001).

In this study, shopping orientations, a consumer characteristic that has been used in the study of patronage behaviour, is examined within the context of online shopping. As a psychographic measure, shopping orientations intend to capture the motivations of shoppers and/or the desired experiences and goals they seek when completing their shopping activities (Stone 1954). For example, an in-home shopper may be motivated by convenience, while a personalizing shopper may value the interaction experience with a known sales clerk.
Researchers have tapped into shopper orientations to study patronage behaviour among elderly consumers, catalogue shoppers, out-shoppers and mall shoppers (Bloch et al. 1994; Evans et al. 1996; Gehrt and Shim 1998; Lumpkin 1985; Lumpkin et al. 1986; Korgaonkar 1984; Shim and Mahoney 1992). By extending this psychographic construct to online shopping, this study aims to contribute to the knowledge and understanding of consumer response to electronic modes of shopping.

According to Forrester Research, Inc., the combined online retail sales for North America and Europe for 2001 are estimated to be around US$65 billion (www.forrester.com), which is less than one per cent of total retail sales in these two continents. This figure is far below some of the overly optimistic predictions made during the early days of online commerce, which were characterized by the naïve ‘build and they will come’ exuberance. Today, the rapid decline of the dot.com phenomenon, has led to more muted expectations and a more pragmatic approach to electronic retailing.

It is becoming increasingly clear that in order to survive and, more importantly, to succeed, online merchants need to embrace and actively pursue the fundamental principles of good retailing that apply to any medium. One of these principles is knowledge about existing and potential customers and their preferences and behaviours. Shopping orientations have been shown to be reliable predictors of customer patronage behaviour in other retail formats such as catalogue and mall shopping (Bloch et al. 1994; Gehrt and Carter 1992; Gehrt et al. 1992). Therefore, it is expected that the study of shopping orientations can also help electronic retailers identify and understand those consumers who prefer to shop online and the reasons why. Further, shopping orientation could be used to segment customers and formulate different strategies based on each segment’s relative propensity to adopt and use online shopping.

**BACKGROUND AND RESEARCH QUESTIONS**

While demographic indicators such as age, gender, marital status, and income have been traditionally used in the study of consumer behaviour and market segmentation, psychographic measures such as shopping orientations have also emerged as reliable discriminators for classifying different types of shoppers based on their approach to shopping activities (Gehrt and Carter 1992; Lumpkin and Burnett 1991–92). Stone (1954) identified four types of shoppers – economic, personalizing, ethical and apathetic. Economic shoppers tend to weigh price, quality and the value of multiple alternatives prior to a purchase decision. Personalizing shoppers prefer to patronize stores where they are recognized by sales personnel, and can interact with them on a personal level. Shoppers who are loyal to local businesses for the purpose of retaining the monies within the community are ethical shoppers. Lastly, apathetic shoppers share an aversion for shopping and seek ways to lessen their effort in completing this task.

Since Stone’s (1954) seminal work, additional shopping orientations have been proposed. Recreational shoppers, for instance, view shopping as a social activity, and often combine shopping with socializing (Bellenger and Korgaonkar 1980). Other classifications are based on shoppers’ preferences for in-home shopping and mall shopping (Darden and Reynolds 1971; Hawes and Lumpkin 1984; Lumpkin et al. 1986), shopping proneness (Arora 1985), and the importance placed on convenience (Lumpkin and Hunt 1989).

These different orientations have been employed in the study of consumer behaviour in a variety of contexts including consumers’ choice of retail media. For example, Korgaonkar (1984) tested hypotheses related to consumers’ shopping orientations and their intentions to patronize non-store retailers, and found that convenience and price-oriented shoppers would be more likely to use non-store alternatives when compared to brand conscious shoppers. These results resonate with Gehrt and Carter’s (1992) findings that convenience and recreational orientations are related to catalogue shopping.

More recently, researchers have extended the shopping orientations construct to the examination of the increasingly popular non-store shopping alternative, namely online shopping. Analysing data collected from an online survey of US Internet users, Li et al. (1999) conclude that Web buyers were more convenience and less experientially oriented than non-Web buyers. However, they did not find any significant difference between the two groups on recreational and economic orientations. In a quasi-experimental study involving student subjects, Vijayasarathy and Jones (2000) found that in-home shopping and mall shopping orientations were significant discriminators between low- and high-intentions to shop online. On a normative level, Paden and Stell (2000) contend that the customization of web design and content based on a person’s shopping orientation would be crucial for attracting and retaining customers.

**Research questions**

This study aims to extend the application of shopping orientations to the context of online shopping by seeking answers to the following research questions that are illustrated in Figure 1:

- RQ1: Is there a relationship between shopping orientations and intention to shop use using the Internet?
RQ2: Is the relationship between shopping orientations and intention to shop using the Internet moderated by product type?

RQ3: What is the incremental contribution of demographic indicators in explaining intentions to shop using the Internet?

To examine the first research question, six shopping orientations, chosen for their relevance to the context of online shopping, are considered in this study. These include home, mall, economic, recreational, personalizing and ethical shopping orientations; each of which, as argued below, can have a positive or negative association with intent to use Internet shopping. Home shopping orientation is an indication of a shopper’s preference to shop from home in order to save time, minimize travel to shopping centres, or overcome the limitations of product variety, availability and price at local stores. A consumer who prefers to shop from home is likely to have had experience with in-home shopping modes such as mail-order catalogues and television shopping. The similarity or transferability of the home-shopping experience to online shopping can favourably motivate online purchase intention (Balabanis and Vassileiou 1999). Therefore, it is expected that home-shopping orientation will be positively related to intention to shop online. In contrast, mall oriented shoppers consider these shopping centres to be the best places to shop. They prefer to shop at physical stores and like the variety of stores that malls tend to offer. Based on their preference for shopping at brick-and-mortar stores, this type of shopper is expected to have low intention to shop using the Internet.

A recreational shopper tends to combine shopping with social activities. This type of shopper may use shopping as an occasion to meet with friends and/or an opportunity to dine out. While the adjective recreational can be used to qualify any activity, pastime or hobby that is mentally or physically refreshing, in this study, recreational is intended to describe social activities in the physical world. This distinction is necessary since virtual activities such as online browsing, chatting and messaging could very well be recreational. Since online shopping, in its present form, is typically not geared for socializing, the recreational shopper can be expected to have low intention to shop using the Internet. Personalizing and ethical shoppers are also expected to be less enthusiastic about online shopping. The impersonal nature of most online transactions may repel personalizing shoppers, who would prefer to interact with a “live” salesperson or clerk with whom they have built a relationship. Similarly, the prospect of shopping for products and services from vendors who
may not have any ties to the local community may be unacceptable for ethical shoppers.

In summary, it is expected that home and economic shopping orientations would be positively associated with intention to use online shopping, while, a negative association is anticipated between mall, recreational, personalizing and ethical shopping orientations.

**Product types**

In addition to examining the relationship between shopping orientations and intention to shop online, this study also aims to ascertain if product types moderate the relationship. Researchers have argued that the Internet’s capabilities as a communication, transaction and distribution channel are not uniform for all types of products and services (Alba et al. 1997; De Figueiredo 2000; Palmer 1997; Peterson et al. 1997; Rosen and Howard 2000). Peterson et al. (1997) offer a three dimensional scheme for classifying products and services. This scheme, which seeks to identify products and services that are suitable for electronic retailing, has the following dimensions: a) cost and frequency of purchase; b) value proposition; and c) degree of differentiation. The first dimension distinguishes between products that are inexpensive and purchased frequently (e.g., grocery items) and their counterparts, namely products that are expensive and purchased infrequently (e.g., automobiles). Value proposition is an indication of a product’s tangibility. Products such as clothing can be touched, while services such as insurance are non-physical in nature. Finally, the degree of differentiation contrasts between products that can be branded (e.g., wines) and those that are typically generic (e.g., eggs).

In this study, two of the above three dimensions—cost and tangibility—are examined for their moderating influence on the relationship between shopping orientations and intentions to shop using the Internet. The third dimension, degree of differentiation, was excluded for budgetary constraints, since its inclusion would have necessitated that data be collected for a minimum of eight different product types. By testing for differences in the relationship between shopping orientations and intentions to shop using the Internet across the four product types—low cost tangible, high cost tangible, low cost intangible, and high cost intangible—produced by the two dimensions of cost and tangibility, answers to the second research question are ascertained.

**Demographics**

Past research has shown that demographics play an important role in shopping behaviour (Kim et al. 1999; Piper and Capella 1993). This has been somewhat true in the context of online shopping (Bellman et al. 1999; Bhatnagar and Papatla 2001). Studies that have examined the relationship between demographics and Internet shopping have found that Internet shoppers are typically affluent (Holstein et al. 1998), male (Marsh et al. 2000; Tweney 1999), younger (Christ et al. 2001), and more educated (Case et al. 2001). However, some of these associations are neither conclusive nor expected to endure over time. For example, Fram and Grady (1997) have shown that gender does not play a role in predicting online shopping intentions, and Pastore (2001) suggests that the demographic profile of the online shopper has changed over the years.

Cognizant of the tenuous relationship between demographics and online shopping, our study seeks to find if there is an incremental benefit to including the former in addition to shopping orientations for explaining intentions to use the Internet for shopping. Further, since it is generally easier for Internet marketers to obtain demographic rather than psychographic profiles (i.e., shopping orientations), we examine the relationships between the two measures of customer segmentation.

**METHOD**

**Data collection procedures**

Data for this study were collected as part of a larger mail survey of consumer perceptions about Internet shopping. Participants in the study were adults residing in a US upper mid-western city with a population of about 80,000. A database of residential properties information from the city’s Assessment department was used to select the target subjects for the study. Of the 19,600 residential properties (single family, duplexes and condominiums) listed in the database, a proportional random sampling was done to identify 3,000 potential respondents. First, using the assessed values of the homes as surrogates for actual household incomes, the 19,600 properties were stratified into eight categories. Then, to arrive at the target sample of 3,000 respondents, a proportional number of households were randomly selected from each of the eight stratified levels. These proportions approximately reflected the percentages of US households by income levels published by the US Census Bureau (www.census.gov/prod/99pubs/p60-206.pdf). Further, the 3,000 respondents selected were evenly split between males and females. Finally, of the 3,000 respondents, only 2,200 were targeted for collecting the data relevant for this study. The other 800 respondents were sent a different survey instrument that was intended for studying other aspects of Internet shopping that are not discussed in this paper.
A four-page questionnaire was used as the research instrument. It was first pre-tested in an iterative manner among a convenience sample of colleagues, students and other consumers drawn from the general public. The 52 respondents in this sample were asked to provide comments on the relevance and wording of the questionnaire items, length of the survey and time taken to complete it. Based on the feedback received, some of the questionnaire items that were perceived to be redundant were dropped. Further, the questionnaire layout was modified, and the wording of some questions was changed to improve clarity.

In order to capture respondents’ intentions to use the Internet to shop for a specific type of product categorized by cost outlay (low and high), and tangibility (tangible and intangible), four versions of the questionnaire were developed. Table 1 provides a description of the product type for each version along with examples that were provided in the questionnaires. Each respondent received only one version of the questionnaire and was asked to identify a product (referred to as Product X in the questionnaire), that was representative of the version’s product type and answer questions pertaining to their intentions to shop for that specific product on the Internet. In addition, the instrument included measures for assessing respondents’ shopping orientations, level of Internet usage, and other relevant demographic indicators (questionnaire items used in this study are shown in Table 2 and in the Appendix).

As a pilot test to gauge response rate, an initial mailing was sent to 200 of the chosen sample of 2,200 respondents. Assessing the response rate was essential since the questionnaire included a number of demographic questions that could be perceived to be intrusive, thereby adversely impacting a potential respondent’s motivation to complete and return the questionnaire. The mailing, evenly split among the four versions, included a cover letter, questionnaire and pre-paid return envelope. A drawing to win one of ten US$25 gift certificates redeemable at any area restaurant or retail store was offered as an incentive to respond to the survey. As a reminder, a follow-up postcard was sent to all of the respondents, a week after the initial mailing. Fifty-nine completed questionnaires were returned for a fairly high response rate of 29.5% which obviated the need to remove or change any of the demographic questions.

Following the successful pilot test, the remaining 2,000 subjects were sent the questionnaire package. The initial mailing, which included 500 questionnaires for each version, was followed-up with a postcard encouraging participation in the study. A total of 746 responses were received for a response rate of 37.3%. Of these, 38 questionnaires were returned blank or incomplete. The predominant reasons cited for these incomplete questionnaires were the lack of a personal computer at home and/or an Internet connection, and insufficient knowledge or experience using the Internet for shopping purposes. Combining the remaining 708 questionnaires with the 59 from the pilot study yielded a total of 767 usable cases for an overall response rate of 34.9%.

To test for possible non-response bias, a t-test was conducted using the assessed value of the respondents’ homes. The result showed significant ($p < .000$) difference between the respondents (mean = $152,187$) and non-respondents (mean = $165,656$). Only 564 of the 767 valid responses included identification information such as the name of the respondent to be able to match them with their respective properties in the mailing database. Therefore, the means for the two comparison groups (respondents and non-respondents) and consequently the t-test result may not be accurate. Subject to this unavoidable limitation, the non-response bias analysis indicates that the respondents’ household income is lower than the non-respondents. Further, even though the target sample included equal number of males and females, the response rate among females (62.7%) was higher than those of male

### Table 1. Product type descriptions for each survey version

<table>
<thead>
<tr>
<th>Cost Outlay</th>
<th>Tangible</th>
<th>Intangible</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Low</strong></td>
<td>Physical products that are relatively inexpensive (less than $50). Examples: groceries, clothing, toys, health and beauty products, pet supplies, sporting goods and garden supplies.</td>
<td>Non physical items that cannot be touched and services that are relatively inexpensive (less than $50). Examples: computer software, music, movie/concert/theatre/sporting event tickets, online banking and online brokerage/trading services.</td>
</tr>
<tr>
<td><strong>High</strong></td>
<td>Physical products that are relatively expensive (greater than $300). Examples: computer hardware, household appliances, furniture and consumer electronics.</td>
<td>Non physical items that cannot be touched and services that are relatively expensive (greater than $300). Examples: mortgage or automobile financing, insurance for real estate/auto/life, vacation/travel planning, and airline tickets.</td>
</tr>
</tbody>
</table>
respondents (35.3%). Therefore, the results may be more descriptive of opinions held by females than males.

Respondent profile

The respondent pool comprised of 481 (63%) females and 271 (35%) males; 663 (86%) married and 101 (13%) single, divorced, separated or widowed individuals; and 479 (62%) with a bachelor’s or higher degree and 284 (37%) with less than a four-year degree. A majority of the respondents (63%) were between 35 and 54 years old, while approximately half (47%) indicated a household income of $75,000 or greater. Most of the respondents (87%) had used the Internet, 51% had two or more years of Internet experience. The average Internet usage time among respondents was 5.5 hours (median = 3.0 hours) per week. A sizable number (64%) of the respondents indicated that they had shopped on the Internet for an average of 18 (median = 6) times in the past 12 months and had spent an average of $1,206 (median = $300) on online purchases over the same time period.

Based on the above information, it appears that the majority of the respondents were well-educated, married, middle-aged, females who enjoyed a higher than average household-income. Further, most of the respondents had a fair amount of Internet and online shopping experience.

Data analysis and results

Thirteen items derived from prior literature (Bellenger and Korgaonkar 1980; Darden and Reynolds 1971; Hawes and Lumpkin 1984; Lumpkin 1985) were used to determine shopping orientations. Respondents were asked to indicate on a seven-point scale, the extent to which they agreed or disagreed with statements intended to assess their preference for certain shopping behaviours. The intention towards Internet shopping for product X was measured with four items adapted from Taylor and Todd (1995). The first three items

Table 2. Rotated factor-loading matrix

<table>
<thead>
<tr>
<th>Scale Items</th>
<th>Home</th>
<th>Economic</th>
<th>Mall</th>
<th>Recreational</th>
<th>Local</th>
<th>Intention to shop</th>
</tr>
</thead>
<tbody>
<tr>
<td>I like to shop from home (for example, using mail-order catalogues, the TV or the Internet).</td>
<td>0.839</td>
<td>-0.080</td>
<td>-0.108</td>
<td>-0.051</td>
<td>-0.106</td>
<td>0.277</td>
</tr>
<tr>
<td>I shop from home because I cannot find what I want in local stores.</td>
<td>0.784</td>
<td>0.029</td>
<td>0.073</td>
<td>-0.138</td>
<td>-0.083</td>
<td>0.086</td>
</tr>
<tr>
<td>Shopping from home is more convenient than going to the store.</td>
<td>0.774</td>
<td>-0.030</td>
<td>-0.174</td>
<td>0.001</td>
<td>-0.090</td>
<td>0.267</td>
</tr>
<tr>
<td>I make it a rule to shop at a number of stores before I buy.</td>
<td>-0.030</td>
<td>0.852</td>
<td>0.168</td>
<td>0.039</td>
<td>0.009</td>
<td>-0.010</td>
</tr>
<tr>
<td>I can save a lot of money by shopping around.</td>
<td>-0.053</td>
<td>0.832</td>
<td>0.024</td>
<td>0.156</td>
<td>-0.061</td>
<td>0.099</td>
</tr>
<tr>
<td>I like to have a great deal of information before I buy.</td>
<td>0.019</td>
<td>0.827</td>
<td>-0.055</td>
<td>-0.053</td>
<td>0.107</td>
<td>0.080</td>
</tr>
<tr>
<td>I enjoy going to big shopping malls.</td>
<td>-0.022</td>
<td>0.066</td>
<td>0.860</td>
<td>0.238</td>
<td>-0.042</td>
<td>0.028</td>
</tr>
<tr>
<td>Shopping malls are the best places to shop.</td>
<td>-0.108</td>
<td>0.040</td>
<td>0.865</td>
<td>0.091</td>
<td>0.117</td>
<td>-0.089</td>
</tr>
<tr>
<td>I like to go shopping with a friend.</td>
<td>-0.055</td>
<td>0.104</td>
<td>0.047</td>
<td>0.777</td>
<td>0.102</td>
<td>-0.017</td>
</tr>
<tr>
<td>I often combine shopping with lunch or dinner at a restaurant.</td>
<td>-0.032</td>
<td>-0.062</td>
<td>0.087</td>
<td>0.828</td>
<td>0.071</td>
<td>0.004</td>
</tr>
<tr>
<td>Shopping gives me a chance to get out and do something.</td>
<td>-0.124</td>
<td>0.118</td>
<td>0.372</td>
<td>0.631</td>
<td>-0.012</td>
<td>-0.034</td>
</tr>
<tr>
<td>I like to shop where people know me.</td>
<td>-0.103</td>
<td>0.068</td>
<td>0.014</td>
<td>0.101</td>
<td>0.825</td>
<td>-0.111</td>
</tr>
<tr>
<td>I owe it to my community to shop at local stores.</td>
<td>-0.117</td>
<td>-0.016</td>
<td>0.053</td>
<td>0.057</td>
<td>0.830</td>
<td>-0.085</td>
</tr>
<tr>
<td>I intend to use the Internet to shop for product X using the Internet.</td>
<td>0.194</td>
<td>0.003</td>
<td>-0.019</td>
<td>-0.054</td>
<td>-0.080</td>
<td>0.932</td>
</tr>
<tr>
<td>I plan to do more of my shopping for product X using the Internet.</td>
<td>0.196</td>
<td>0.022</td>
<td>-0.012</td>
<td>-0.042</td>
<td>-0.064</td>
<td>0.936</td>
</tr>
<tr>
<td>I intend to use the Internet to collect information about product X.</td>
<td>0.092</td>
<td>0.151</td>
<td>-0.047</td>
<td>0.076</td>
<td>-0.070</td>
<td>0.791</td>
</tr>
<tr>
<td>Probability that you will shop for product X using the Internet in the near future.</td>
<td>0.179</td>
<td>0.026</td>
<td>-0.011</td>
<td>-0.041</td>
<td>-0.064</td>
<td>0.912</td>
</tr>
</tbody>
</table>
used a seven-point scale anchored by 1 (strongly disagree) and 7 (strongly agree), while the last item was anchored by 1 (very improbable) and 7 (very probable).

Principal component analysis with varimax rotation was used to identify the underlying factors among the 17 items. A six-factor solution that cumulatively explained 74.61% of the variance emerged from the analysis. The item loadings for four factors representing home, economic, mall and social (recreational) shopping orientations were as expected. However, the items measuring ethical and personalizing orientations loaded on a single factor. To capture the essence of this common loading, the fifth factor was labelled local shopping orientation. Further, the four items used to measure intention to shop using the Internet also loaded on a common factor. Table 2 shows the rotated factor-loading matrix.

Summated scales for the five shopping orientations and intentions to shop using the Internet were calculated by averaging the items that loaded on each factor, and are presented in Table 3 along with descriptive statistics and Cronbach’s alpha scores.

Multiple regression analysis, using the hierarchical method (Hair et al. 1998) to enter the independent variables was used to seek answers to RQ1 and RQ2. For this analysis, which modelled intention to shop using the Internet as the dependent variable, two blocks of independent variables were entered in a hierarchy. The first block included the five shopping orientations and three dummy variables to represent the four product types, i.e., low cost tangible, high cost tangible, low cost intangible and high cost intangible. Indicator coding was used for the dummy variables with the high cost intangible group serving as the reference category. The second block consisted of 15 compound variables (calculated by multiplying the five shopping orientations and the three dummy variables) to represent the moderating effects of product type. The results presented in Table 4 indicate that: a) home, economic and local shopping orientations are significant predictors of Internet shopping intentions; b) in contrast to the other three groups, the referent high cost intangible group has a higher intention to use online shopping; and c) product type does not have a moderating effect as the change in R² for model 2 is insignificant.

Another multiple regression analysis that employed the hierarchical method was used to ascertain the incremental contribution of demographics to the prediction of consumer online shopping intentions. The five shopping orientations were entered in the first block followed by the demographic variables of education, age, income and gender in the second block. As shown in the results (Table 5), the change in R², although small, was significant with the addition of demographic variables to the regression. Specifically, age, income and gender, emerged as significant predictors together with home, economic and local shopping orientations.

Since demographic information is easier to collect and more readily available compared with shopping orientations, correlational analysis was conducted to discern the relationship between the two market segmentation variables. These results are presented in Table 6.
DISCUSSION AND IMPLICATIONS

Home shopping orientation emerged as a significant predictor of intentions to use the Internet for shopping. This suggests that consumers' patronage intentions towards Internet retailers can be gauged by the extent to which they have an affinity for in-home shopping methods. Home shopping orientation encompasses the dimensions of convenience, enjoyment and/or necessity. Consumers may prefer in-home shopping modes on account of its convenience, or its recreational appeal, and/or the lack of local shopping alternatives.  

Table 4. Results of regression analysis for RQ1 and RQ2

Models summary

<table>
<thead>
<tr>
<th>Model</th>
<th>$R^2$</th>
<th>Adjusted $R^2$</th>
<th>Change in $R^2$</th>
<th>$F$</th>
<th>Sig. of $F$</th>
<th>Change in $F$</th>
<th>Sig. of Change in $F$</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>0.258</td>
<td>0.250</td>
<td>0.258</td>
<td>32.686</td>
<td>0.000</td>
<td>32.686</td>
<td>0.000</td>
</tr>
<tr>
<td>2</td>
<td>0.276</td>
<td>0.253</td>
<td>0.018</td>
<td>12.248</td>
<td>0.000</td>
<td>1.258</td>
<td>0.223</td>
</tr>
</tbody>
</table>

Variables and coefficients

<table>
<thead>
<tr>
<th>Model</th>
<th>Variable</th>
<th>$B$</th>
<th>Std. Error $B$</th>
<th>Beta</th>
<th>$t$</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>(Constant)</td>
<td>2.631</td>
<td>0.422</td>
<td>0.416</td>
<td>6.235</td>
<td>0.000</td>
</tr>
<tr>
<td></td>
<td>Home</td>
<td>0.522</td>
<td>0.041</td>
<td>0.132</td>
<td>12.619</td>
<td>0.000</td>
</tr>
<tr>
<td></td>
<td>Economic</td>
<td>0.197</td>
<td>0.048</td>
<td>0.018</td>
<td>4.148</td>
<td>0.000</td>
</tr>
<tr>
<td></td>
<td>Mall</td>
<td>-0.025</td>
<td>0.044</td>
<td>-0.020</td>
<td>-0.572</td>
<td>0.567</td>
</tr>
<tr>
<td></td>
<td>Recreational</td>
<td>0.025</td>
<td>0.049</td>
<td>0.018</td>
<td>0.518</td>
<td>0.605</td>
</tr>
<tr>
<td></td>
<td>Local</td>
<td>-0.159</td>
<td>0.048</td>
<td>-0.109</td>
<td>-3.305</td>
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<tr>
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<td>D1'</td>
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<td>0.170</td>
<td>-0.192</td>
<td>-4.952</td>
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<td>D3'</td>
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<td>0.176</td>
<td>-0.087</td>
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<td>0.137</td>
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1: Dummy variables created to capture the four product types.
In this study, the single items that captured each of the three dimensions loaded on a single factor. While finer levels of analysis and interpretation with respect to the specific dimensions of home shopping orientation and their relationship to Internet shopping could be done by future studies, results of this study strongly suggest that consumers’ home shopping orientation could be a reliable predicator of Internet shopping intentions. In addition to home shopping, economic and local shopping orientations also emerged as significant...
predictors of Internet shopping intentions. To an economic shopper saving money on purchases is an important objective. Therefore, he/she likes to gather product information, consider alternatives and perform comparison-shopping before making a purchase. Internet shopping offers the opportunity to collect extensive product information, and compare prices and other features using shopping aids such as mySimon.com. Further, the reduction and/or elimination of intermediaries found in traditional distribution channels, and the avoidance of sales taxes can translate to lower prices for products purchased online. Therefore, economic shoppers would be receptive to the use of the Internet as a shopping medium.

Based on their loadings, items that captured ethical and personalizing orientations were classified as local shopping orientations. Shoppers who exhibited this orientation, preferred to shop at local stores either because they felt obliged to patronize their community retailers or they wanted to shop at a store where they were known. As expected, the results show that Internet shopping intentions are negatively related to local shopping orientation.

From the results of the regression analysis, it appears that although product type did have a significant independent effect on intentions to shop online, it did not have a moderating effect on the relationship between the latter and shopping orientations. Therefore, irrespective of product type, consumers with home and economic shopping orientations can be expected to use online shopping more than those with local orientations. The mean scores for intention to shop using the Internet by product type (Table 3) and the standardized regression coefficients for the dummy variables (Table 4) indicate that consumers would be more inclined to use the Internet to shop for intangible rather than tangible products. An obvious explanation for this discrepancy is that the Internet is better suited for the sampling and distribution of intangible products and services. Another possible reason could be the competitive prices offered by online providers of intangible products and services such as airline tickets, travel packages, insurance, financing and brokerage services. These providers can offer attractive prices and/or lower transaction costs and fees because they could eliminate or reduce the number of intermediaries in the distribution channel.

In contrast to shopping orientations, the incremental contribution of demographics in explaining intention to shop using the Internet is minimal. However, three of these traditional market segmentation variables had significant coefficients suggesting that age, gender and income have an influence on online shopping intentions. Specifically, it appears that younger males with a higher household income would be more likely to engage in Internet shopping. Although these results resonate with the findings of some previous studies (e.g. Christ et al. 2001; Holstein et al. 1998; Marsh et al. 2000), they have to be viewed with caution given the dynamic changes in the Internet user population.

An examination of the significant correlations between shopping orientations and demographic characteristics reveal that the direction of their association is congruent with the regressions results. Home shopping, which is a significant predictor of intentions to shop online, is positively associated with education and income and negatively related to age. This suggests that consumers who are younger, more educated and enjoy a higher household income are more likely to use the Internet for shopping purposes. Similarly, the positive association between local shopping orientation and age is also consistent with the profile of the online shopper as being younger. However, there is a contradiction with respect to economic shopping orientation, which is negatively related to income. While both home and economic shopping orientations have a positive influence on online shopping intentions, their relationships with income are inverted. This suggests that demographics such as income levels may not be reliable indicators of online shopping. Rather, psychological shopping orientations, even though they may be harder to collect in market research studies, may be superior in the identification of consumers who are likely to shop using the Internet.

**Implications for practice**

Results of this study can offer some guidelines to online retailers as they continue their quest to build market share by attracting and retaining customers. First, the emergence of home shopping orientation as a strong predictor of online shopping intentions, suggests that patrons of direct/catalogue sales could be persuaded to adopt online shopping. This consumer group has a preference for in-home shopping modes and has experience and a level of comfort with shopping using non-store alternatives. Therefore, even though some among this group may be averse to technology or may not have the required equipment or resources to engage in electronic shopping, online retailers hoping to build their customer base should actively pursue this consumer segment.

Second, the significant relationship between economic shopping orientation and intention to shop online suggest that shoppers who exhibit this orientation are attracted to the new retail medium. These shoppers like to gather and evaluate product information from multiple vendors before making a purchase decision. Online retailers should strive to achieve the economies of virtual commerce, i.e., reduction in coordination, communication, transaction and delivery costs. Besides passing on the savings from these reductions to their customers, online retailers should also offer adequate
information about their products and services. These two courses of action are essential to entice and keep shoppers who have an economic orientation.

Third, the results indicate that local shopping orientations are negatively related to online shopping. This orientation includes those consumers who feel obligated to patronize their local stores and/or prefer personal interactions while shopping. Online retailers who have the resources to engage in a multi-channel strategy that includes brick and mortar stores have the best chance for making in-roads into this consumer segment. Unless the consumer perceives the online retailer to have a complementary local presence, it may be very difficult to persuade the ethical shopper to give online retailing a try. Further, interactivity that offers customization and the capability to chat with “live” salespersons while shopping online would be necessary to capture the interest of a personalizing shopper.

Finally, online retailers should be cognizant of the fit between the characteristics of the Internet and those of the products/services they offer (Palmer and Griffith 1998). The results show that consumers have higher intentions to shop on the Internet for intangible goods. However, as suggested by Peterson et al. (1997), the digital medium’s communication, transactions and distribution capabilities could vary by product type. Therefore, even though the Internet may be ill-suited for the quick delivery of tangible products, multi-channel retailers can still use this medium to communicate their product offerings to existing and potential customers, while providing the option of completing the transaction and delivery at traditional stores. Another strategy would be to provide consumers with a discernable advantage (i.e., lower prices, better promotions and deals, reduced shopping effort) when shopping online as opposed to using another channel.

Suggestions for future research

While the six shopping orientations included in this study were chosen specifically for their possible relevance to the online shopping environment, a number of other orientations such as price-oriented, time-oriented, psychosocializing and apathetic, which have been advanced in prior literature, may also be equally pertinent. Future studies can examine the relevance of these other shopping orientations in the context of online shopping. Further, the components of home shopping orientation including necessity, convenience and enjoyment can also be analysed individually for their influence on consumer intentions to shop using the Internet.

Since the goal of the study was to ascertain if there was a relationship between shopping orientations and intentions to shop online, tests of association between these two measures using regression analyses were adequate. In the future, both conceptual and empirical studies would be needed to create unique profiles based on shopping orientations. First, theoretical work would be necessary to propose distinct consumer segments based on different combinations of shopping orientations. Then, guided by theory, empirical research can use classifying techniques such as cluster analyses to create independent groups based on shopping orientations.

In this study, budgetary constraints limited the number of product types considered for their moderating effects on the relationship between shopping orientations and intention to shop online. Additional research can examine products classified by their degree of differentiation, the third dimension suggested by Peterson et al. (1997). Further, products classified on other dimensions including product evaluation (search vs. experiential goods) and perceived value (utilitarian vs. hedonistic) can also be studied for their moderating effects in future research.

LIMITATIONS AND CONCLUSION

Limitations to this study are in the areas of sampling, non-response bias, self-selection of product X, and the use of single-items to measure certain constructs. The sample was drawn from a highly homogenous group residing in a single city, probably lacking the diversity that can be expected from a comparable sample chosen from across the entire country. The stratified sampling procedure used in the study was intended to reflect the population based on income levels. However, since household income data for the target sample was not available, a surrogate measure (assessed home value) was used. Even though the correlation between income levels reported by the respondents and assessed home values was significant at the 0.01 level (Spearman’s rho: 0.656), the substitute measure is not a perfect indicator of household income.

Respondents were asked to indicate their intention to shop online for a product of their choosing. It was assumed that the products chosen by the respondents would be relevant to them and that they would be interested in purchasing these selected products. However, no data was collected to validate this assumption. Therefore, if a respondent had chosen a product that he/she had no intention of purchasing in the first place, his/her intention to purchase it online would be negatively biased.

To keep the questionnaire at a reasonable length and not evoke respondents’ ire by including items that may seem repetitive to them, we used single-item measures for the ethical and personalizing shopping orientations. Ideally, we should have used multiple-items to capture all six shopping orientations.

Dramatically lower than anticipated sales have dampened the unmitigated enthusiasm that characterized
business-to-consumer e-commerce just a few years ago. A number of online businesses, that could not attract and/or keep customers, have been forced into bankruptcy or have been acquired by deep-pocketed larger companies that could weather the uncertainty of a stalled economy. In spite of the current retrenchment in information technology investments, especially in online ventures, the Internet has established itself as a legitimate and promising retail channel. It may not be suitable for all types of products and services and it may not be attractive to all segments of consumers. But the success however moderate, enjoyed by electronic retailers of books, music, travel and computer-related products affirm the potential of this non-store shopping alternative.

Understanding who shops online and why are important and challenging questions facing both academics and practitioners. It is hoped that this study, by its examination of the influences of shopping orientations and product types on intentions to shop online has made a contribution to the above research agenda. Analyses of data collected from more than 750 survey respondents show that shopping orientations and product type influence intentions to shop online. The results could assist online businesses in designing and targeting marketing campaigns that are customized for differences in shopper orientation and product characteristics.

References


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Segmentations of the Elderly Consumer', *Journal of the Academy of Marketing Science* 13(Spring), 271–89.


**APPENDIX: SAMPLE QUESTIONNAIRE ELEMENTS**

**Internet usage questions**

1. Have you used the Internet? ___Yes ___No

2. How long have you been using the Internet?
   ___ Less than 6 months ___ 6 months to 1 year ___ 1 to 2 years
   ___ 2 to 4 years ___Over 4 years

3. On average, how many hours do you spend per week using the Internet? ______ Hours

4. In general, have you shopped for any products or services using the Internet?
   ___Yes ___No

5. Over the past 12 months, approximately how many times have you shopped for products or services using the Internet? ______

6. Over the past 12 months, approximately how much have you spent on purchases using the Internet? $_____

**Demographic questions**

1. What is the highest level of education you have completed?
   ___ High school ___Technical degree ___1–3 years of college
   ___Bachelor’s degree ___Graduate degree

2. Please indicate your marital status.
   ___Single ___Married ___Divorced
   ___Separated ___Widowed

3. Which of the following age groups are you in?
   ___Under 18 ___18-24 ___25–34
   ___35-44 ___45-54 ___55-64 ___65–74
   ___75 and older

4. Please indicate your gender.
   ___Female ___Male

5. Approximately, what is your total household income?
   ___Less than 30,000 ___$30,000 to 44,999 ___$45,000 to 59,999
   ___$60,000 to 74,999 ___$75,000 to 99,999 ___$100,000 or greater