WHY CONSUMERS HESITATE TO SHOP ONLINE: AN EXPERIMENTAL CHOICE ANALYSIS OF BOOK SHOPPING AND THE ROLE OF DELIVERY FEES

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Abstract

Objective. This study was conducted to find out if and how delivery charge and three other situational factors affect consumers’ book shopping channel choice.

Method. A survey was conducted among a convenience sample of 200 book shoppers in all over Jakarta. Each respondent was presented with two hypothetical book shopping scenarios characterised by four situational factors. Respondents were asked to indicate their preference for shopping online or in-store in each described situation. They also provided information about their last grocery shopping trip. Data were then analyzed using frequency, multiple regression, and principal component analysis.

Results. The results show that all four situational factors affect consumers’ shopping channel preference. It was further established that, though of influence, delivery charges are not the most important factor. Fifteen minutes difference in travel time to the grocery store had a greater impact on the relative preference to shop online or in-store than a delivery fee of 20,000 IDR.

Conclusion. The sample found out that the perceived costs of online shopping will be lower, relative to the perceived costs of in-store shopping and the perceived convenience of online grocery shopping will be higher, relative to the perceived convenience of in-store shopping, with a longer travel time to the physical store also delivery charge significantly affect differences in perceived risk imply that companies that use internet for book shoppers should maintain delivery on time and lower delivery charge. On the other hand to attract more consumers, bookstore should improve their qualities in terms of being more convenient and enjoyment. A larger scale and on a sample size more representative of the national population of book shoppers should be for further research in this study.

Keywords. Internet shopping, Retailing, Delivery, Consumer behaviour, Book Shopping