

# Online Grocery Shopping: Is It Really an “Experience”?

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## **Online Grocery Shopping: Is It Really an “Experience”?**

### **Abstract**

Over the last couple of decades, the experience construct has become important for both researchers and practitioners. Initially, this construct was relatively narrow and was reserved for highly memorable, personal, and positively charged consumption activities (such as going to Disneyland, river rafting, and participating in Burning Man). However, some researchers have come to use the experience construct in a much broader way to capture also very mundane activities that many consumers view as a chore. This study is an attempt to highlight the extent to which it is useful to include also mundane consumer activities in the experience construct. Empirically, we do so by examining if attributes of an offer reflecting both the narrow and the broad notion of experience are able to explain customer satisfaction in the context of online grocery shopping.

*Keywords: Online grocery shopping, online customer experience, customer satisfaction*

*Track: Retailing & Omni-Channel Management*

## **1. Introduction**

Online grocery retailing has overcome a grim start and is positioned for explosive growth (Melis et al., 2016). The key to the online grocery retailers' success, according to Kahn (2018) is effective delivery of pleasurable and frictionless customer experience. This view reflects both a narrow and a broad experience construct. It is narrow in the sense that many authors have developed an experience construct that appears to be useful mainly for capturing especially pleasurable and memorable consumption activities, which typically occur relatively infrequently (Brakus et al., 2009; Lemon & Verhoef, 2016; Pine & Gilmore, 1997; Verhoef et al., 2009). Other authors, however, use the experience construct much more broadly in such a way that they indicate that it is useful for basically every offer in the marketplace – including frequent and relatively unexciting consumer activities such as shopping for groceries. The great variation by which researchers use the experience construct calls for closer examinations, and the purpose of the present study is to assess the extent to which it is useful to include also mundane consumer activities in the experience construct. Empirically, we do so by examining if attributes of an offer reflecting both the narrow and the broad notion of experience are able to explain customer satisfaction in the context of online grocery shopping.

## **2. Conceptual Framework**

### *2.1 Customer Experience: the broad notion of experience*

In marketing literature, experience as a concept is used to define consumption, product/service and brand experiences (Verhoef et al., 2009). These various studies on experiences have stressed the importance of customer experience in enabling retailers to achieve a competitive advantage and overall success ( Verhoef et al., 2009). Due to this growing importance and popularity of customer experiences, we often find different typologies of customer experiences. Verhoef et al. (2009) defined customer experience as a construct that “is holistic in nature and involves the customer’s cognitive, affective, emotional, social and physical responses to the retailer” (p. 32). Their broad notion of total customer experience captures the multidimensional nature of experience that involves both factors that are within the retailer’s control (such as price, assortment, and atmosphere) and ones outside the retailer’s control (such as consumers’ shopping motives).

In online retailing as well, the importance of online customer experience (OCE) in retailers' success and its role as a strategic differentiator is well documented and is defined in many ways. Rose et al. (2012) defined it as "a psychological state, manifested as a subjective response to the e-retailer's website" (p. 309). Klaus (2013) characterized OCE as "customers' overall mental perception of their interaction with the online service provider" (p. 448). However, Wolfenbarger and Gilly (2003) pointed out that most of these researches on OCE have focused on the "consumer's interface with the website" (p.185). Customers' online shopping experience entails more than just this interface; it constitutes of their experiences with the receiving what was ordered, reliable transaction, timely delivery, reliable return & refund, effective customer service and experience with the website (Wolfenbarger and Gilly, 2003).

Online grocery shopping compared to other online shopping activities, is widely recognized in the extant literature as utilitarian, goal-driven and a chore (Melis et al., 2016). Online grocery shoppers' motivation to shop and their expectations from the online grocery shopping experience is embedded in their perception of quality. Customer experience for them consists of reliability (regarding the transaction, product received and delivery), customer service (responsive and willing to help) and website quality (website design) (Wolfenbarger and Gilly, 2003). Hence, we hypothesize:

**H1:** Customer experience created by factors (reliability of product quality and delivery of the right product within in the promised time frame, customer service, and website characteristics) are positively associated with customer satisfaction in an online grocery shopping context

## *2.2 Brand experience: the narrow notion of experience*

Childers et al. (2001) contended that although grocery shopping is not generally considered an intrinsically enjoyable activity, the hedonic orientation of online grocery shopping cannot be ignored. For online grocery shoppers, experiences occur directly when they shop for groceries online and indirectly when they are exposed to the various retailer stimuli such as the website, advertisements or other marketing communications. This narrow yet prevalent notion of experience cannot be ignored when examining various constructs of experiences for online grocery shoppers.

Online customer experience framework available today (such as Rose et al., 2012) has established OCE as the 'psychological state' in response to the online retailers' website that

captures these attributes. However, these experiential states created by the websites are just one aspect of consumers entire online grocery shopping buying experience. Marketers have used numerous venues to create experiences for the online shoppers beside website layouts such as online atmospherics, product and services, which captures the very essence of brand experience and hence we agree with Dennis et al. (2013) that “brand experience spans all contexts in which the concept of experience has been applied in marketing” (p.5). A brand can be product based or services based or both and incorporates any stimuli that evoke that ‘brand experience’ (Brakus et al., 2009). Thus, in an online grocery retailing context as well, consumers can have brand experiences that are “subjective, internal consumer responses (sensations, feelings, and cognitions) and behavioral responses evoked by brand-related stimuli that are part of the design and identity, communications, and retail environments’ (Brakus et al., 2009, p. 53).

These brand experiences are valuable to consumers and are positively associated with customer satisfaction. To examine if this is also true for the relatively mundane setting of online grocery shopping, we hypothesize the following:

**H2:** Brand experience created by factors (sensorial, behavioral, intellectual and affective) are positively associated with customer satisfaction in an online grocery shopping context

During an online grocery purchase journey, a shopper is exposed to multiple sources of experience touch points that are product/service driven, brand-driven, or customer driven (Lemon and Verhoef, 2016). Shoppers can interact with these different experience touch point during their course of online grocery shopping journey, both customer experience and brand experiences thus, contribute towards the overall online grocery shopping experience. Hence, we hypothesize:

**H3:** Both customer experience and brand experience will have a significant effect on the overall shopping experience which in turn will be positively associated with customer satisfaction

Wolfenbarger and Gilly (2003) asserted that online retailing literature still lacks studies that “examined consumers entire online grocery shopping experience” (p.185) and given the nascent nature of online grocery shopping, this gap is even more prevalently present. Moreover, we do not have many scholarly references that can shed more light on what is that online grocery shopping experience entails. Thus, to address the gap in online customer experience literature and create a deeper understanding of “if online grocery shopping is an experience?”, the present

study seeks to construct a more comprehensive customer experience framework (cf. Figure 1) in an online grocery context where web atmospherics (which draws a parallel with the store environment) provides the environment in which the online grocery shopping experience takes place.

In Figure 1, we summarize our conceptual framework in which we allow for two types of experience-related factors to co-exist: customer experience factors (Wolfenbarger & Gilly, 2003) and brand experience factors (Barkus et al., 2009). For the purpose of comparison of how relevant they are in an online grocery shopping context, we assume that both of them would be positively associated with customer satisfaction. Satisfaction is viewed here as “an overall evaluation based on the total purchase and consumption experience with a good or service over time” (Anderson et al., 1994; p. 54), and we also assume that customer satisfaction in this sense would be positively associated with both repurchase intention and word-of-mouth.

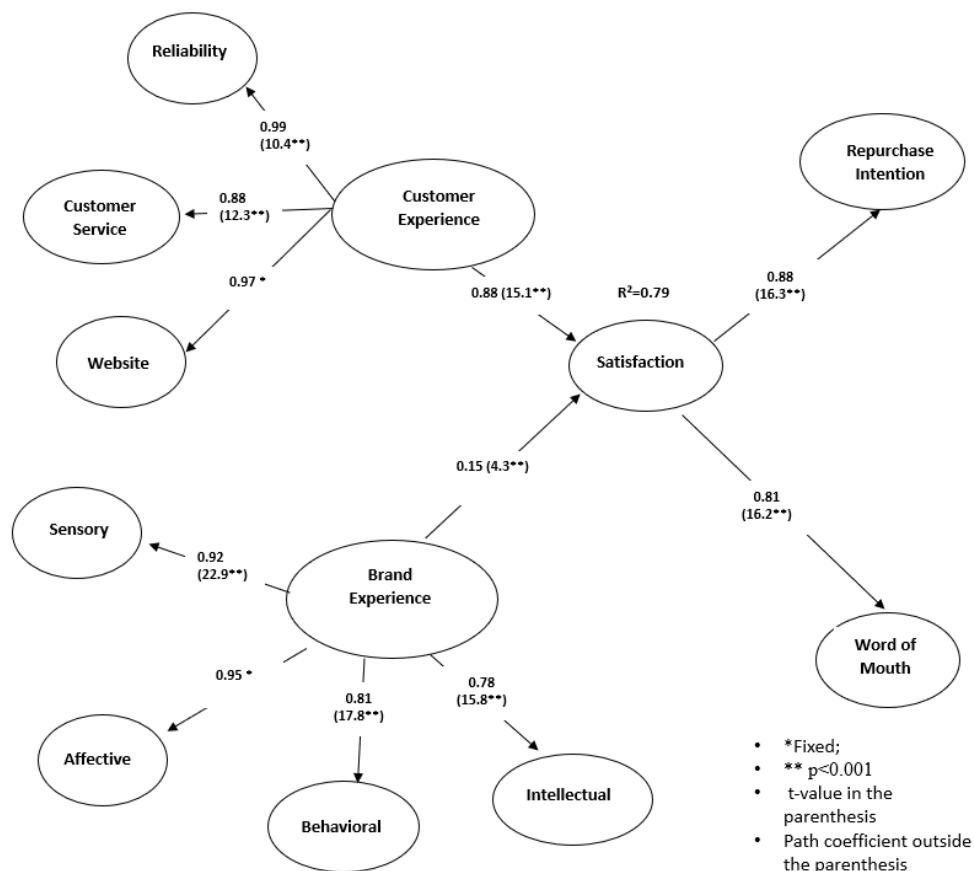
## **5. Research method**

An Amazon Mturk sample was used for the test of the hypotheses ( $n = 337$ ). The participants were asked to think about their overall (to date) online grocery shopping experience, and we assessed their reactions to this online grocery retailer concerning each of the four customer experience and each of the four brand experience factors. For these factors, we used items adapted from Wolfenbarger and Gilly (2003) and Barkus et al. (2009). Satisfaction was measured using the Fornell satisfaction barometers (1992). Repurchase intention was measured scales proposed by Rose et al. (2012) Word-of-mouth scales were adapted from Wangenheim and Bayón (2004). Scales ranging from 1-7 were used for all items. We also measured consumers' overall experience by asking if they found it memorable, personal and positively charged.

## **6. Result & Analysis**

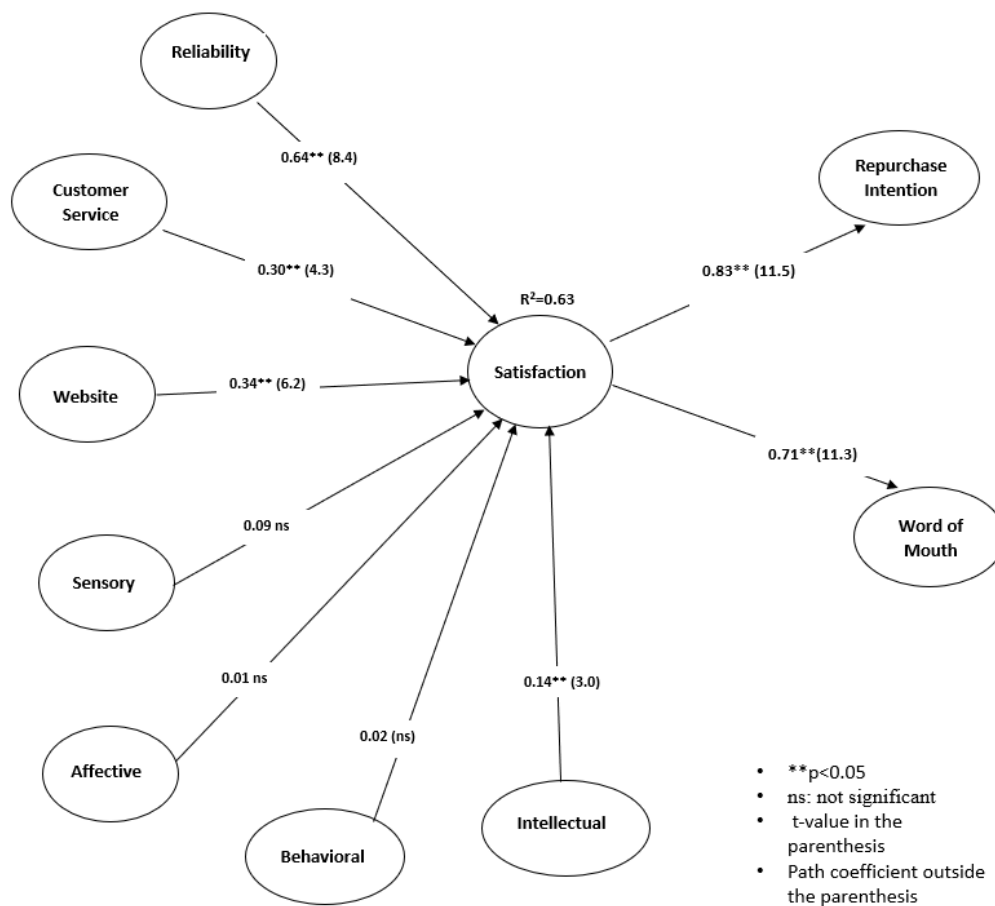
Scale reliability and exploratory factor analysis were conducted to examine the performance of the scales. All the items had reliability  $\alpha > 0.85$ . A confirmatory factor analysis using SPSS AMOS 25 with maximum likelihood estimation was also performed on all the scales. The proposed model, which was characterized by an acceptable level of fit (model  $\chi^2 = 1528.2$ ,  $p < .001$ ;  $df = 735$ ,  $\chi^2/df = 2.08$ , RMSEA = .057, CFI = .93, SRMR = 0.07) is depicted in

Figure 1. As indicated in Figure 1, all the path coefficients for the variables for both customer experience and brand experience were significant, thus providing support for Hypothesis 1& 2 and both collectively accounted for 79% variance in the satisfaction. However, the path from brand experience to satisfaction did not have a strong effect compared to that of customer experience. In an attempt to assess to what extent, the brand experience factors contributed in explaining customer satisfaction, we constrained the path from brand experience to satisfaction. This analysis showed that the constrained model was significantly different from the default model ( $p < 0.001$ ) and the  $\Delta df = 1$  and  $\Delta \chi^2 = 17.02$ . The model explained 78% variance in satisfaction. However, when we constrained the path from customer experience to satisfaction, the model explained  $> 1\%$  variance in satisfaction. In addition, Figure 1 indicates, as expected, that satisfaction was positively associated with both loyalty and word-of-mouth.



**Figure.1: Conceptual Framework: Online Grocery Customer Experience**

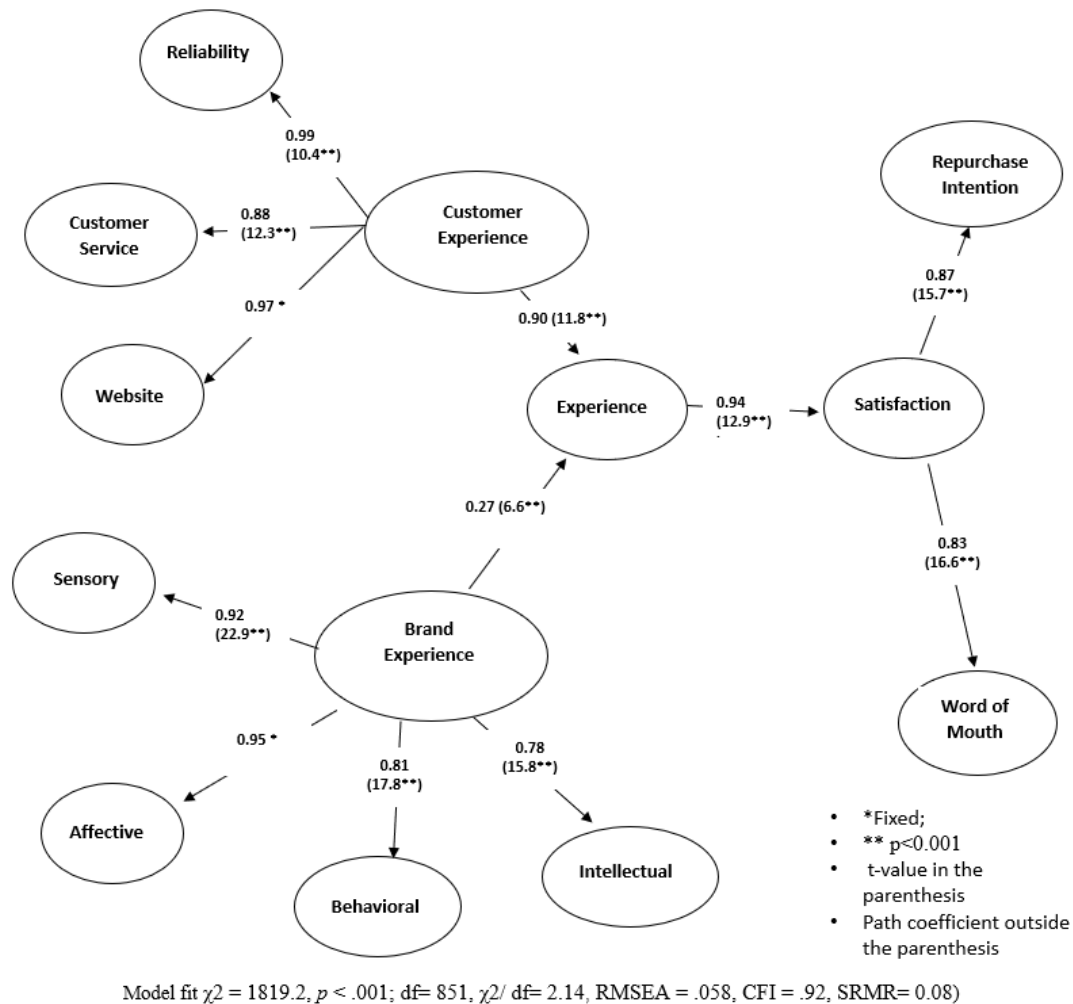
For comparison purpose, we also tested an independent, direct effect model to assess how much direct effect each of these factors has on satisfaction (Fig 2). The direct model accounted for 63% of variance in satisfaction, a loss of 16% of in the explained variance with acceptable level of fit (model  $\chi^2 = 1515.4$ ,  $p < .001$ ;  $df = 725$ ,  $\chi^2/df = 2.09$ ,  $RMSEA = .057$ ,  $CFI = .93$ ,  $SRMR = 0.075$ ). Moreover, only intellectual experience from the brand experience construct was significant. Retailers can use this valuable information to strategically apply what construct to focus on when taken individually. Depending on customers' individual online grocery shopping journey, the strength of these experience factors could vary (Lemon and Verhoef, 2016) but the direct effect does provide us an overview of what factors are important to the shoppers on an individual level. However, we cannot ignore the fact that at an aggregate level these constructs together create a significantly greater effect ( $p < 0.001$ ) on satisfaction.



**Figure 2: Comparison model: Independent Direct Effects**



We also tested if these brand and customer experience constructs have any impact on the overall experience consumers had during their online grocery shopping (Figure 3). The significant effect ( $p < 0.001$ ) of the customer experience and brand experience factors on the overall experience and hence on the satisfaction confirm Hypothesis 3. This finding establishes that for online grocery shopping both customer and brand experiences affects the overall experience needed to create satisfaction and hence intention to repurchase and positive word of mouth.



**Figure 3: Online Grocery Customer Experience Model**

## 7. Discussion & Contribution

In light of our findings, this study not only heightens our current understanding of online customer experience but also makes us question the notion of customer experience. Extant

literature on experience has been loosely using the term experience and has provided us with typologies for consumption experience, service experience or customer experience, but these typologies often look at the experience from one point of view and lack synergies. This article doesn't disregard the existing studies on online customer experience, but instead of examining the antecedents of experience or looking at only the retailer driven factors, the findings reveal that for online grocery shoppers experience not only constitute reliability, superior customer service, product and website related aspects but on an aggregate level, sensory, behavioral, affective and intellectual experiences are also an important part of their holistic experience. For online grocery shoppers, every touch point during their shopping journey adds on their overall experience and thus making this mundane task driven process experience in its way (Lemon and Verhoef, 2106). This extended view is thus, inclusive of the broad notion of the experience that is centered around product, service quality, which is the core of the customer experience and the narrow notion incorporating shoppers intellectual, sensory, affective and behavioral experiences.

Thus, with this study, we assert that for online grocery shopping, which is considered utilitarian and task-related, future researchers and managers cannot overlook attributes that are often associated with brand experience and not with the grocery shopping experience. Most importantly, the present study put forward that for online grocery shoppers, experience should be viewed as a dynamic phenomenon; shoppers want their online shopping experience to be closer to their real-life shopping experiences and not just routine task. Moreover, we want the future researcher to think about using the notion experience and question every time they measure experiential attributes; do their experiential constructs capture the essence of what experience is for the consumers and most importantly, is it truly holistic?

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