How online grocery shopping affects private label food choices

Eva Heeremans  
Ghent University  
Julie Verstraeten  
Ghent University  
Maggie Geuens  
Ghent University  
Iris Vermeir  
ghent university

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Abstract

In today’s marketplace private labels have become increasingly popular and their market shares have been growing steadily worldwide for many years. More recently, consumers started switching from brick-and-mortar stores to online shopping environments for their groceries. This paper addresses what this shift from offline brick-and-mortar stores to the online channel means for private label (vs. national brand) sales. In a database study and two laboratory experiments, we demonstrate that consumers buy relatively more private label food products online than offline. We show that this “shopping channel” effect arises because consumers rely less on the price-quality heuristic when they shop online (vs. offline). These findings have implications for retailers, manufacturers, and consumers.

Keywords: Shopping channel; Price-quality heuristic; Food choices

Track: Consumer Behaviour