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# Online Shopper Motivations, and e-Store Attributes: An Examination of Online Patronage Behavior and Shopper Typologies

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**Abstract**

e-Stores and online shopping have become important aspects of a retailer's strategy. Previous research suggests that online shoppers are fundamentally different from traditional offline shoppers. However, based on the Big Middle Theory (Levy et al. 2005), the authors believe that there are segments of online shoppers that are very similar to regular shopper groups. To determine this, online shopping motivations and e-store attribute importance measures are separately used as the basis to develop online shopper typologies. Results reveal that there are more similarities than differences among traditional and online store shoppers. However, there are a few unique shopper types present at online stores, attracted by the distinctive characteristics and attributes of the online retail environment. The findings offer interesting implications for online retail strategy.
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*Keywords:* Online shopping; e-Store; Shoppers

## Introduction

The development of shopper typologies is a well-established stream of research in retailing with over 40 studies investigating retail patronage behavior using a variety of bases, such as retail attribute importance, shopping motivations, attitude toward shopping, shopping frequency, and store loyalty. Most of these studies have concentrated on understanding consumer patronage behavior in traditional retail formats. However, more recently, research in online retailing has suggested that those who shop online behave in fundamentally different ways compared to traditional retail shoppers (e.g., Alba et al. 1997; Evanschitzky et al. 2004; Rohm and Swaminathan 2004; Shim et al. 2001; Srinivasan, Anderson, and Ponnavolu 2002; Wallace, Giese, and Johnson 2004; Winer et al. 1997; and Wolfinbarger and Gilly 2003).

According to past research, online shoppers are thought to be more concerned with convenience, are willing to pay extra to save time (Burke 1997; Li, Ko, and Russell 1999; Morganosky and Cude 2000; Syzmanski and Hise 2000), and may also dislike regular shopping (Burke 1997; Morganosky and Cude 2000). In addition, past research contends that online shoppers may demand more product information, more product variety, and more personalized or specialized products compared to regular shoppers (Burke 1997; Syzmanski and Hise 2000). Finally, it is believed that online shoppers are not strongly motivated to shop for fun or recreation (Li, Ko, and Russell 1999; Mathwick, Malhotra, and Rigdon 2001).

Although past research contends that online shoppers are very different from regular shoppers, based on the Big Middle Theory (Levy et al. 2005), we believe that many of today's online shoppers are in fact *quite similar* to regular shoppers in terms of their shopping motivations and store attribute importance. This is the basic premise that is postulated and tested in the current research. Further, the current study addresses some unanswered questions relating to how online shoppers compare with traditional retail shoppers in terms of the shopper's level of knowledge of the product sought, and on other interesting online variables such as flow and tele-presence.

In essence, the main objectives of this study are as follows:

(a) Test the Big Middle Theory in an online context by developing a typology of online shoppers based on shopping motivations and a typology based on e-store attribute importance.

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(b) To compare these online shopper typologies with those identified in traditional retail formats using similar measures (shopping motivations and store attribute importance).
(c) To profile these online shopper segments on patronage behavior.

The theoretical rationale behind using shopping motivations and store attribute importance is well documented in the literature (e.g., Bellenger, Robertson, and Greenberg 1977; Bellenger and Korgaonkar 1980; Ganesh, Reynolds, and Luckett 2007; Westbrook and Black 1985). The online shopper segments found here are compared to the shopper subgroups found in the literature dealing with traditional retail formats.

## Theoretical framework and research propositions

Based on the Big Middle Theory, we believe that an examination of online patronage behavior and a comparison of shopper typologies would reveal shopper segments that are similar to those found in traditional store formats. Levy et al. (2005) define the Big Middle as "the marketspace in which the largest retailers compete in the long run, because this is where the largest number of potential customers reside" (p. 85). Examples include mass-market discount stores such as Wal-Mart and Target. While short-term success can be found outside of the Big Middle, the authors argue that over the long-term most successful niche or segment player retailers will migrate toward the largest market segment by expanding their merchandising mix, lowering product margins, increasing inventory turnover rates, and eliminating certain customer service elements.

According to this theory, there are two ways that successful retailers can occupy the Big Middle position in the retail landscape—as either "Low-price" or "Innovative" players. Innovative players target quality-conscious consumers seeking high-end products while Low-price retailers target price-conscious shoppers. Over time, Innovative players move toward the Big Middle by expanding product lines, driving down margins, and increasing volume, while Low-price players upgrade product lines at slightly higher margins. Essentially, both types of retailers reinvent themselves by stretching their brand upward, in the case of Low-price players, or downward in the case of Innovators. Ultimately, both retailers hybridize themselves in order to appeal to the largest portion of the market (Levy et al. 2005).

Since Big Middle retailers excel at innovating, offering low prices, or often both, consumers from all parts of the retailing spectrum gravitate to them. In other words, consumer segments that traditionally patronized specific retail formats for their distinct core positioning appeal now move toward these successful Big Middle retailers since they get best of all worlds. This suggests that, irrespective of the retail format structure, successful Big Middle retailers are bound to see common shopper subgroups within the consumer base patronizing their stores.

In the current context, online stores have entered the retail arena as "Innovators." With increased consumer acceptance for online purchasing and continued advances in technology, some online retailers will seek to move toward the Big Middle marketspace. Amazon.com, Overstock.com, and Ebay Stores are among many good examples of this process in action. Having begun with relatively small, focused product assortments, these online retailers have moved to the Big Middle by expanding into numerous product lines, lowering margins, and expanding their concepts (i.e., online affiliate marketing programs, blogs, cross-selling push technology, diversification into higher priced offerings).

Since retailers are constantly adapting to an ever-changing retail consumer, the Big Middle theory suggests the existence of a core group of shoppers seeking a relatively consistent and more demanding bundle of retail attributes: broad and deep product mixes with consistently low prices. Recent research offers tentative support for the existence of Big Middle shoppers within traditional retail format settings (Ganesh, Reynolds, and Luckett 2007). However, no similar examination includes online retailers as a point of comparison. Given the growth of the online shopper segment, virtually every type of retail format has shifted toward attracting these shoppers, including department stores, discount stores, factory outlet malls, category killers, traditional malls, and arguably online retailers. Thus, based on the Big Middle Theory, we should expect common types across traditional and online formats.

Therefore, although previous research has shown that online shoppers are very different from regular shoppers, based on the Big Middle Theory, we believe that a majority of today's online shoppers are in fact *very similar* to regular shoppers. We thus propose the following research proposition:

RP: The similarities across retail formats and the competitive structure of the retail marketplace suggest the presence of common shopper subgroups across the customer bases of traditional and online retail formats.

## Research method

### *Instrument design and pre-tests*

An initial qualitative investigation was undertaken to identify online consumers' attitudes toward shopping on the internet, their shopping motivations, and e-store attribute importance issues relevant to shopping online. Results from the qualitative study, in combination with a review of the existing literature (i.e., Alba et al. 1997; Burke 1997; Lynch and Ariely 2000; Novak, Hoffman, and Yung 2000; Peterson, Balasubramanian, and Bronnenberg 1997; Syzmanski and Hise 2000), were pretested, ultimately resulting in the final instrument used in this study.

First, in order to gain a deeper understanding of the online shopping phenomenon from the customer's perspective, depth interviews were conducted with consumers who had actually shopped for and purchased items online. This phase of the instrument design process helped validate shopping motivations and attribute importance items suggested by previous research while also revealing new items unique to the online environment.

Respondents were recruited on a referral basis—undergraduate students were asked to provide names of