

The nature of value created by UK online grocery retailers

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Abstract

The UK retail environment is extremely competitive, forcing retailers to constantly develop and enhance both their offerings and their formats. Probably the most significant changes taking place are coming from not the products being sold themselves, but rather when, how and where they are being sold. For example, new technologies such as the Internet, CD-Roms, electronic kiosks and digital television are opening up new opportunities for retailers through remote purchasing and delivery. While a number of large retailers have made heavy investments into electronic retailing, such as Arcadia, Marks & Spencer, Tesco and Sainsbury, it is uncertain how they are going to use this technology to gain competitive or market advantages. Given the media attention which technologies such as the Internet has attracted, there is the danger that businesses may adopt an unfocussed use. This report identifies and evaluates the ways in which major UK grocery retailers are using the Internet to create value for their users over and above that which is offered by bricks and mortar stores. Web sites of three grocery retailers were evaluated via preselected criteria in order to assess how they created value for their customers. Applying Holbrook's typology of consumer value, the findings of the research suggest that each of the retailers surveyed are similar in terms of the nature of the value they have created for consumers online, these being value-as-convenience and value-as excellence.

Keywords Retail, Internet, grocery.

Introduction

The attractiveness of the world-wide web (www) as a

commercial medium is as a result of its ability to facilitate the global sharing of information and resources and its potential to provide an efficient channel for advertising, marketing and selling of goods.¹ Much media debate has taken place with regard to the potential success of the Internet as a marketing and distribution channel, but perhaps it is too early to make any judgements. For while the Internet has become a familiar household name, it is the minority of UK households who have access to it from their homes and, while this continues to be the case, consumer spending via this medium will remain low.² However, a number of drivers exist that it is estimated will stimulate the growth of e-commerce. Firstly, companies such as Dixons and ToysRUs began offering free web access to Internet users in their homes during 1999. This in turn has helped to boost the numbers of Internet users within the UK.³ Further to this, the government wishes to see fast and cheaper access to the Internet. They aim to achieve this through stimulating competition, as they see the key barrier to the development of the Internet within people's homes as being the cost of Internet calls.

However, while these drivers exist to promote the use of the Internet, for it to be a successful medium for consumer spending, the technologies will need to match or exceed the utility provided by the traditional high street retail formats. Such utilities include immediate delivery, i.e. you can walk out of the shop with the goods; credit facilities and choice of method of payment; display; personal assistance in selecting goods; return services and warranties. In terms of online retailers delivering such utilities, there are those who remain sceptical. For example Shi and Salesky⁴ consider that the value created by retailers on the Internet is currently low. However, a good number of retailers are not deterred and see their presence on the web as an opportunity to achieve competitive advantage by further meeting the needs of consumers. Therefore, the aim of this report is to identify and evaluate the ways in which online retail-

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ers create value for their users that is superior to that offered by traditional bricks and mortar stores.

The nature of value

In order to position the theoretical context of the paper, it is important to consider the various concepts surrounding the term value and, in particular, consumer value. A simple definition of value is provided by Porter⁵ who defined it as 'what buyers are willing to pay'. By adopting either a cost leadership or a differentiation strategy, firms create value for their customers by either lowering their costs or offering something different from their competitors. Within pricing literature, value is defined as the trade-off between customers' perceptions of benefits received and sacrifices incurred.⁶ However, this literature also points out that consumers do not buy on price alone, rather past associations with the product or service can also affect price perceptions and, consequently, customers' value determination.⁷ Other, broader interpretations of value are available. For instance, Zeithaml⁸ offers four types of consumer definitions of value, these being low price, getting what is wanted, quality obtained from the price paid and total benefits obtained for the total sacrifice incurred. Within the consumer behaviour literature, value is defined in terms of customer needs and what is desirable. For example Rokeach⁹ considered that 'value is an enduring belief that a specific mode of conduct or end-state of existence is personally or socially preferable to an opposite or converse mode of conduct or end-state of existence.' Here, Rokeach⁹ determines that values are determinants of attitudes and behaviour, thus taking a psychographic oriented lifestyle approach in which values are presented as individual differences owing to personality, culture and education.¹⁰ Further to this, Bhat and Reddy¹¹ distinguish between functional value (that which satisfies consumers' practical needs) and symbolic value (which satisfies self-expression needs).

There is also the concept of 'added value', which Jones¹² defines as the basis for distinguishing a brand from a product. Gronroos¹³ differentiates core value, which is the core solution, from added value, which is additional services. This is similar to what Levitt¹⁴ referred to as 'augmentation' and Naumann¹⁵ described as 'customer delight', whereby customers' basic expecta-

tions are exceeded. Zeithaml⁸ considers the term 'added value' relative rather than an absolute concept, i.e. relative to the competition. In support of this, Naumann¹⁵ sees the role of added value as a way of securing a competitive advantage and long-term success.

If one adheres to Kotler's¹⁶ view of marketing, which is a managerial process concerning the facilitation and consummation of exchanges, then there is no doubt that value plays an important role in the heart of all marketing activity. Here, Kotler¹⁶ defines the exchange of interest as a transaction between two parties in which each party gives up something of value in return for something of greater value. However, undoubtedly the term value has been considered as being 'one of the most overused and misused terms in marketing and pricing today'.⁶ This is supported by a study undertaken by de Chernatony *et al.*¹⁷ whereby they interviewed 20 senior marketing consultants with the purpose of determining their understanding of 'added value'. Their results indicated that 'added value' lacks 'an agreed definition and consequently means different things to different people.'

Perhaps one problem is that while consumer behaviourists concentrate on how values are formed through such things as an individual's lifestyle, they fail to address the actual meaning of the term. Holbrook¹⁰ attempts to redress this. Adhering to Hillard's¹⁸ concept, he defines value as 'an interactive relativistic preference experience'. He considers that issues concerning individual differences such as the effects of personality, education, culture and other consumer characteristics are indeed relevant but are not the nature of value. Rather, his definition refers to the interactivity between the consumer and the offering. The nature of the value is relativistic as the consumer makes comparisons among objects, it is personal in that the judgement of value varies between individuals and it is situational as it depends upon the context in which the evaluative judgement is made, for example, within a particular time-scale or location. The final term used in Holbrook's¹⁰ definition is preferential, as value embodies a preference judgement.

Holbrook¹⁰ presents a typology that identifies the key dimensions of consumer value. A brief explanation of each of the dimensions is shown in Table 1.

Using the dimensions outlined in Table 1, Holbrook¹⁰ developed a matrix in which each cell represents a

Table 1 Key dimensions of Holbrook's typology of consumer value

Key Dimensions	Explanation
Extrinsic	The offering is not valued in itself but rather for its ability or function to achieve something, e.g. the extrinsic value of money or value of a hammer which exists to function to drive in nails.
Intrinsic	Relates to the essential nature of the offering which is valued as an end in itself, e.g. a music concert.
Self oriented	The source of value derived from an offering is its capacity to contribute to an individual for his or her own sake, e.g. reading a book for pleasure.
Other oriented	Value derived from an offering is in terms of what or how the offering may affect or influence others. Others may be at micro level, e.g. family & friends; intermediate level, e.g. community, Country, the World; or at macro level, e.g. the Cosmos, Mother nature, Deity. One may include purchasing goods in order to impress others as being other oriented.
Active	Value is active when it involves a physical or mental manipulation of a tangible or intangible offering, e.g. value derived from using time-saving devices.
Reactive	Value is reactive when something is undertaken by the offering or with a consumer being part of the consumption experience, e.g. the experience of receiving a quality service.

Table 2 Holbrook's typology of consumer value

		Extrinsic	Intrinsic
Self oriented	Active	Efficiency Convenience	Play Enjoyment
	Reactive	Excellence Quality of product or service	Aesthetics Beauty of offering
Other oriented	Active	Status Success communicated to others via offering	Ethics Virtue communicated to others via offering
	Reactive	Esteem Reputation communicated to others via offering	Spirituality Faith embedded in offering

distinct type of consumer value. This is offered in Table 2.

Each of the above types of consumer value will now be considered.

Excellence and efficiency

Excellence as a consumer value may be acquired through the quality of produce or service received, which functions to bring excellence for the consumer's own benefit. Oliver¹⁹ offers three conceptual perspectives of quality, these being, attainment, implying the product or service offered has achieved a high level of technical accomplishment; next, desirability, referring to the consumer's need for attachment to the offering;

and usefulness, referring to the traditional utility-based definition of quality such as 'fit for purpose.' Efficiency as a value may be acquired through convenience which involves the consumer actively doing something for their own sake, which functions to bring efficiencies, for example, using time-saving products or services. Cost efficiencies are also seen as efficient in terms of consumer value, e.g. money saved through price promotions.

Status and esteem

In terms of the typology, Holbrook¹⁰ makes a considered distinction between status and esteem. He considers that status is derived from an individual actively

manipulating their behaviour as an end in itself to achieve a favourable response from others. Whereas he considers that esteem is an outcome as a result of an individual reacting to a response to others appreciation of that individual.

Ethics and spirituality

Holbrook¹⁰ argues that purchasing products or services which are environmentally friendly for ethical reasons is a form of intrinsic value and therefore such behaviour is valued for its own sake, what is referred to colloquially as 'virtue is its own reward' wherein value is accrued via the virtue one communicates to others by making such a purchase. Whereas Holbrook¹⁰ suggests that value derived from spirituality may be a sense of the communion one may feel within themselves and with humanity in reaction to, for example, a Christmas carol service.

Play and aesthetics

As with ethics and spirituality, value derived from play and aesthetics is also considered by Holbrook¹⁰ to be intrinsic in nature. Play being active, for example the individual enjoyment one may get from actively solving a puzzle, and aesthetics being reactive, for example an individual's reaction to the beauty of a piece of craftsmanship.

In all, we can see that, from the above given examples used to explain the typology, offerings are defined in the broadest sense from which an individual can derive value. Therefore, the model is flexible enough to be able to apply it to a variety of consumption experiences.

Creating consumer value through retail activities

With regard to retailing, Scott and Lamont²⁰ point out that identifying values are helpful in explaining consumer behaviour relating to choice, both while consumers are in a retail store and with regard to which store they choose to enter. In turn, if retailers can capture what it is that creates value for the consumer, then they are on the way to creating a competitive advantage. Ghosh²¹ identifies five ways in which retailers create value. These are through:

- Offering the right merchandise, achieved through the range depth and breadth of goods on offer;
- Creating a good atmosphere, appealing to consumers senses of sight, sound, scent, taste and touch;
- Decreasing any risks associated with shopping, for example payment security issues;
- Making shopping convenient, for example extending opening hours, home delivery services and providing crèche facilities;
- Controlling costs, for example price reductions.

Quelch²² offers a similar list to Ghosh in relation to factors by which consumers determine which store they choose to patronise. These are breadth and depth of product assortment; price of goods; service; convenience of experience; and ambience.

In terms of Internet retailing, Berman and Evans²³ suggest that online retailers can create consumer value by reaching those who are geographically dispersed and who therefore could not normally reach the retailer's bricks and mortar store. They also consider that consumer value may be created through customer service facilities offered through the Internet such as responding to individual customers requests via e-mail.

Here, a retailer's own brand within the context of consumer value and online retailing must be considered, given that the role of a brand serves to 'identify the promise of a particular retail offer or service and helps to distinguish it from competing offers'.²⁴ Ward and Lee²⁵ suggest that those who use the Internet for searching and making purchases will typically rely on brand names. To support this, Mintel²⁶ considers that shopping online is, for the most part, about trust. Thus, consumers may be attracted to web sites of well-established offline retailers, as value will have previously been generated from the company's brand name and own brand products. Hence, it is considered much easier for recognized retail brands to establish themselves in online environments. This indicates the importance of the role of brands in generating consumer confidence in online environments.

While it has long been established that store design can positively affect consumer behaviour,²⁷ in terms of electronic shopping, Lohse and Spliller²⁸ consider that the physical dimensions of a retailer's corporate identity, embedded within store design, can be translated

onto the retailer's web site through its design features and, therefore, also have a positive effect on online consumer behaviour. For instance, a study undertaken by Keeling *et al.*²⁹ indicated that the perceived atmosphere of a web site is consistent with the atmosphere of an online store. Szymanski and Hise³⁰ offer examples of features of web site design, such as the ambience of the web site, communicated through its design features such as the use of colour and imagery. Other features include speed and ease of navigation, and state of 'clutter' of the web site, plus security of the financial transaction. All of which contribute to the online retailer's corporate identity and, they suggest, have an impact on consumer satisfaction of a site, such as convenience achieved through ease of use, knowledge of undertaking secure transactions and pleasure generated through appropriate ambience.

Morganosky and Cude³¹ have undertaken work that has examined consumer responses to online shopping experiences. Their research results found that their sample of consumers shopped online for reasons of convenience; to overcome individual physical constraints (some members of the sample were physically disabled); and those with young children valued not having to travel to supermarkets in order to shop. Some also preferred to shop online because of their dislike of grocery outlets. Other aspects consumers value when online shopping included 'greater accuracy of billing, a more peaceful experience, easier comparison shopping, better ability to monitor total spending and facilitating planning and thus more meals prepared and eaten at home.'

Research aims and method

The aim of this study was to identify and evaluate ways in which online retailers create consumer value. While some insight may be gained from the literature, more may be learned from visiting the retailers own web sites in order to assess their offerings. Hence, a sample of current online retailers was surveyed in order to enable comparisons to be made and an insight gained regarding ways in which each of the selected retailers construct consumer value.

The UK supermarket retail sector was selected for this study owing to the fact that their high street retail

propositions are similar, i.e. offering the same branded goods, although with the exception of their own brand products. Therefore, comparisons can be easily made. The sample consisted of five of the UK major supermarket chains, these being Sainsburys, Tesco, Iceland, Somerfield and Waitrose. While these retailers are not the only retailers who sell groceries online within the UK, they are considered to have made the greatest advances in this area.³² However, only three of the five were used because, at the time of the study (April 2000), it was not possible for the researcher to access two of the shopping sites. The first being Sainsbury's online service, which was available to only a proportion of the population within the M25 and, second, Somerfield, which was only available to 60% of the population, again outwith the researcher's geographical area. With regard to Waitrose, their online service is only available via the extranet, for users employed within subscribing companies. Therefore, individuals are not able to access it directly from either their home or any other remote PC other than their place of work. However, Waitrose have set up a site that simulates its service and therefore the researcher was able to gather data this way.

In order to effectively assess how retailers create value for their users, a list of 20 criteria was identified through which each retailer's web site could be compared. The basis of this list was developed from Ghosh's²¹ four ways that retailers create value; Quelch's²² five factors that consumers use to determine which store to patronise; and Morganosky and Cude's³¹ research into the consumers response to online retailing. The list is as follows:

1. What is the size range?
2. How and when do you pay? How safe is it?
3. Are prices the same as in physical stores?
4. Are there delivery costs?
5. Speed and ease of use
6. Can you make selection preferences?
7. Is the online basket information easy to access and alter?
8. Can you alter or update your order?
9. Can you get product information or labelling details?
10. Are recipe details and ingredients available?
11. Are there products other than groceries on offer?

12. How are the products categorized?
13. Can you use loyalty cards and coupons?
14. Can you create a regular shopping list?
15. Is the availability of offers the same as in physical stores?
16. What is the availability of the service?
17. Delivery details and times.
18. What happens if there is a delivery mistake?
19. Are there any help mechanisms or ways of contacting the store for guidance?
20. Comments on the site or special services offered.

In order to evaluate the online services in terms of consumer value, a basket of items was produced containing products that can be described as commodity and those that are commonly available at most supermarkets, therefore serving a useful purpose for the survey. The products were as follows:

- Bread (Hovis medium sliced)
- Milk (semiskimmed 2 pints)
- Ice cream (1 litre of chocolate flavour)
- Cheese (500 g of medium cheddar)
- 4 large baking potatoes
- 1 multipack of Walkers crisps
- 5 bananas
- 2 tins of Arthurs cat food
- 4 cans of Stella lager
- 1 jar of cherry jam

Results

The 20 areas identified for criteria evaluation of consumer value were placed in Table 3 so that data collection was easy to capture and facilitated comparisons between the online stores.

Further to the Table 3, other points need to be highlighted. In terms of their retail propositions, a number of similarities existed between the online and offline stores. These similarities included each store offering the same ranges and prices as their physical stores. However, none offered detailed product information that consumers can typically get from the high street store, for example, through reading product labels. While the methods differed, each store provided the facility for creating a regular shopping list, together with

the provision of online help service. Online promotions were the same as physical stores, however, Iceland limits the online consumer purchasing to six of each product on promotion. The speed of selecting goods and subsequent input of purchasing information ranged from between 14 and 18 min. This is clearly an area of superior value compared with a shopper travelling to a physical store, obtaining and subsequently queuing and paying for goods.

The main difference between sites can be seen through the variety of delivery charges incurred. Waitrose did not charge for orders made over £5, Iceland offered free delivery although orders had to be £40 or over and Tesco charged £5 delivery regardless of the total bill. Each store used different payment methods. For instance, Tesco and Iceland accepted credit and debit cards. However, while Tesco required online details, the transaction was completed on delivery, Iceland offered an encrypted service for card details that were then automatically debited. Waitrose on the other hand, insisted that consumers pay by John Lewis account cards, for which the details were collected prior to any shopping, and automatically added to the monthly statement.

All retailers categorized their products through similar means. However, perhaps Iceland's system of adopting a colour-coding scheme to identify product categories is the clearest and most helpful. All the web sites accepted loyalty card details. With regard to provision of recipe and ingredient information, Iceland did not offer either of these services whereas Tesco and Waitrose offered both. Iceland and Waitrose were similar by offering same-day delivery services, whereas Tesco were the only retailer who offered a returns facility. Finally, in terms of availability of service, Iceland were able to reach 97% of the population, whereas Tesco could only reach 30% and Waitrose was limited to subscribed workplaces.

Analysis of results and conclusion

While some differences exist, online retailers are similar in the ways that they create consumer value. Returning to Holbrook's¹⁰ typology, one can see that a high number of consumer values created fall into the category of extrinsic, self-oriented active leading to effi-

Table 3 Results of survey

Question	Tesco	Iceland	Waitrose
What is the size of the range?	17,000 lines	2,500 lines	11,000 lines
How and when do you pay?	Enter debit/ credit card details online.	Enter credit/ debit card details.	Use John Lewis Card.
How safe is it?	Only goes through when signed on delivery	Encrypted transfer of details.	Monthly bills are sent out.
Are the prices the same as in physical stores?	Yes	Yes	Yes
Are there delivery costs?	£5 delivery charge.	£40 minimum order. Free delivery.	Free delivery when spending over £5.
Speed and ease of use when buying the same items online.	18 minutes selection time. Easy to use but a bit slow occasionally.	14 minutes selection time. Very easy to use.	Unknown due to simulation.
Can you make selection preferences?	Can place notes next to products stating preferences.	Things we need to know service' 'but is very general.	Special request on goods, and substitute acceptance details.
Is the online basket information easy to access and alter?	Screen shows last 3 items. Whole basket & alterations available separately.	Screen shows last 5 items. Can display full basket if required.	All items shown after each purchase.
Can you alter or update your order?	Yes until 4pm on the day before delivery.	Yes, save and load order facilities available. Can ring to alter orders sent.	Not once sent to store.
Can you get product information or labelling details?	No detailed information.	Some on-screen labelling, e.g. healthy eating. No details.	No detailed information.
Are recipe details and ingredients available?	Yes, both recipe details and ingredients.	No	Yes, and can print or order recipe cards.
Are there products other than groceries on offer?	CD's, Videos and kids range, ordered separately from groceries.	No	Flower bouquets and wine boxes.
How are the products categorized?	Department, aisle, shelf details. Plus search facility.	Product categories are colour coded: frozen/blue; fresh/yellow, grocery/red. Plus search facility.	Bakery and patisserie, deli and dairy, fruit & veg, fish, meat & poultry, frozen and grocery.
Can you use loyalty cards and coupons?	Clubcard – yes.	Saving Stamps – yes	Must use John Lewis card. No coupons.
Can you create a regular shopping list?	Yes. Using Clubcard as a base.	Can access past orders and use again. Can also save the basket.	Yes.
Is the availability of offers the same as in physical stores?	Yes, and highlighted.	Yes, but customers are limited to 6 items of each. And highlighted.	Yes, and highlighted.
What is the availability of the service?	Depends on postcode details. Covers 30% UK population	97% UK population	Via extranet to the workplace only. Firms need to subscribe.
Delivery details and times.	Select a 2 hour slot from options.	Up to 4 days in advance. Same day if before 1pm.	Same day if ordered before 12pm next day otherwise.
What happens if there is a delivery mistake?	Drivers take it away or contact the company.	Ring to amend order.	Take back to the store.
Are there any help mechanisms or ways of contacting the store for guidance?	Email service, and help site online.	'Anything we need to know?' and help online.	Help online.
Any comments on the site or special services offered?	Recognises the user and provides a large range.	Fast and impressive site.	Quick delivery and selection details.

ciency. Efficiency in terms of convenience in which individuals do not have to physically go to the store, rather they can order goods in the comfort of their own home or, in the case of Waitrose, workplace. Convenience is also achieved through home deliveries or, again in the case of Waitrose, delivery to your workplace plus 24 hour access to the web site seven days a week. Efficiency is achieved as travel expenses or time taken to get to the store are not incurred, although this may be offset by Tesco's delivery charge depending on where one's nearest Tesco is geographically located. In terms of price offerings, it is clear that the online retailers are not creating value in this way, as in all the cases; the price offering remained the same both online and offline. In terms of the consumer value of recipe information, this may be viewed in two ways. One may consider to have such information as convenient, i.e. precludes the need to look in recipe books. Alternatively one may enjoy recipe information for its own sake and therefore is an intrinsic value actively enjoyed for its own sake, therefore is placed in the play cell. Product labelling information would improve quality of service and, if available, would therefore appear in the excellence cell. In terms of ethics, not using one's car but relying on delivery vans in the case of online shopping, is intrinsic in nature and therefore falls into the ethics cell. The above analysis is presented in Table 4.

In terms of the unfilled cells, a limitation of the study was that aesthetics or the 'look' of the web sites were

not examined and were therefore beyond the scope of this study. However, visual representations of products may create value. While this may be more appropriate for other types of goods such as fashion clothing, it still may have relevance for grocery products, e.g. celebration cakes. Both status and esteem are also unfilled cells. The reason being that the researchers could not identify any consumer values offered by the online grocery retailers which they considered would appropriately fit into either of these cells. The results of Morganosky and Cude's study³¹ also did not indicate that consumers attained any status or feeling of esteem from shopping online. Perhaps this is something for further study.

Finally, the spirituality cell is empty. One may consider, as Brown³³ does, that 'the spirituality of consumption is not pigeonholeable' as he considers that, in today's modern society, most individual's purchasing activities are not determined by deeply held religious convictions. However, he does, in his chapter, allude to descriptions of shopping activities as 'ecstatic emotionally charges experiences' which, he perhaps flippantly considers, may be defined as examples of shopping spirituality. While an individual may gain intrinsic value or faith embedded in a product or service offering, such debate is beyond the scope of this study.

As can be seen from Table 4, the findings of the study suggest that the bulk of consumer values derived from online grocery shopping can be described as either extrinsic self-oriented active or reactive. That is value

Table 4 The typology of consumer value gained from on-shopping (adapted from Holbrook)¹⁰

		Extrinsic	Intrinsic
Self oriented	Active	Efficiency Convenience: 24 hour shopping, 7 days a week. Same day delivery. Depth, breadth & range of product. Recipe information. Speed of shopping facilities. Facility to make selection preferences, create own shopping list.	Play Recipe information
	Reactive	Excellence Home delivery. Payment security. measures. Return policies. Ease of use of shopping facilities.	Aesthetics
Other oriented	Active	Status	Ethics Reliance on delivery vans reduces traffic congestions and number of cars on the road.
	Reactive	Esteem	Spirituality

derived from the efficiency and excellence of the offering. These findings are supported by Kinsey and Senaur³⁴ who consider that Internet retailers predominantly have the potential to create consumer value through convenience. Moganosky and Cude's³¹ survey also bears this out, as their research results found that their sample of consumers shopped online for reasons of convenience.

Perhaps this finding is not too surprising as supermarkets have a long history of creating value in terms of efficiency and excellence. For example Burke³⁵ points to the shopping trolley introduced in 1936, which serves to making the shopping experience more convenient as it allows shoppers to buy more. Likewise, the development of the shopping mall in the early 1950s grouping large stores together, which continues to be a popular form of retail development, is built around convenience. Further to this, a number of technologies can be cited that have been developed with the sole purpose of facilitating the convenience of grocery shopping and provide excellence. These include, for instance, the universal-product-code scanner making checking out more faster, thus improving the quality of service.

To conclude, the nature of consumer value derived from shopping online focuses on the active extrinsic self-oriented value-as-convenience and the reactive version of this same combination, value-as-excellence, the same as offered by the bricks and mortar stores. One may question then whether online retailers are offering superior value for the consumer than in their offline equivalents? As indicated above, the nature of the value is the same but one may consider that online retailers, through the facility of offering remote purchasing and delivery, are indeed offering superior value. While these superior values may be well received by some consumers, for example those who are time poor, others may value more the social interactivity that the traditional shopping experience offers. Hence, the term superior is questionable.

Further study may include identification of consumer value for various lifestyle segments and/or household types which may be created through online grocery retailing in order that, through the technology, online retailers may target niche lifestyle segments more effectively. Online retailer differentiation achieved through matching specific household/lifestyle groups with their

most desired consumer values will enable them to gain a competitive advantage. To date, currently online UK grocery retailers are failing to do this.

Comment on Holbrook's typology

The frequent use of the term value in marketing literature and elsewhere is problematic in the context of definition. As Oliver³⁶ points out, 'value has come to mean just about anything marketers and consumers wish with reference to offerings in the marketplace.' Holbrook's theory, which has been presented in full in this paper, offers an axiology. It is clear that his work adds to the depth of our understanding of the basic nature of value, offering a clear and efficient model for researchers to work with, one that is both systematic and easily comprehensible. However, there are those who have reservations with the typology and it is worth pointing these out here. For instance, some things which one may value as being aesthetic, such as an attractive web site, Holbrook identifies as being intrinsic, however, Wagner³⁷ argues that aesthetic value is not derived from attractiveness alone. Rather, she suggests that it may also be derived from extrinsic values such as quality and status, therefore involving both extrinsic and intrinsic value.

Further to this, while Holbrook considers ethical values to be intrinsic, Smith³⁸ notes that some forms of behaviour deemed ethical may entail extrinsic other-oriented motivations, such as an individual striving for some form of status through giving money to a charity. While Holbrook¹⁰ agrees with Smith by stating that, while charitable donations may be ethical, they may also serve to enhance one's prestige or standing in a community to produce value that is extrinsic and other oriented in nature. However, he defends his matrix by suggesting that Smith's view does not demonstrate that ethical values involve status.

What the above does show, however, is that the same product or service can impart different types of value to different perceivers and it is therefore from the perspective of the perceiver that one can truly understand the value that has been created for their benefit. Holbrook¹⁰ indeed concludes by suggesting that 'any given consumption experience can and generally does entail many or even all of the different types of con-

sumer value identified by our typology.' Just as each individual may evaluate a painting from different perspectives, each taking some value from the work of art, e.g. beauty, quality, fun or spiritual value, likewise this can be applied to the shopping experience. This is evidenced by the fact that some individuals enjoy the shopping experience, while others simply do not like it. This, in turn, is dependent upon the individual's personal make-up. Therefore, it is important for researchers to not only understand the nature of value but also consumer characteristics.

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