Exploratory study of buying fish online: are Malaysians ready to adopt online grocery shopping?

Ezlika Ghazali*
Faculty of Business and Accountancy, Department of Marketing and Information System, University of Malaya, 50603 Kuala Lumpur, Malaysia
Fax: 603-7967-3810 E-mail: ezlika@um.edu.my

Dilip Mutum
Faculty of International Studies, Department of International Business Management, Universiti Utara Malaysia, Sintok, Kedah, Malaysia
Fax: 604-9286652 E-mail: adamm@uum.edu.my
E-mail: dsmutum@gmail.com

Nurul Azlinawatee Mahbob
Faculty of Business and Accountancy, University of Malaya, Malaysia
E-mail: azlinawatie@gmail.com

Abstract: This study is one of the first attempts to investigate consumer behaviour towards e-groceries shopping in the Malaysian context. It seeks to explore Malaysian consumers’ general attitude towards buying fish on the internet. Past studies show that online shopping has certain advantages as compared to physical shopping. However, this study found that consumers’ attitudes are unfavourable to the idea of purchasing fish online. Majority of the respondents agreed with statements used to identify the factors that impede online fish purchasing and disagreed with items measuring factors that influence or motivate online fish purchasing.

Keywords: online grocery shopping; Malaysia; consumer attitude; fish; perishables; online purchasing; e-groceries; consumer behaviour.

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Biographical notes: Ezlika Ghazali is a Lecturer at the Faculty of Business and Accountancy, University of Malaya, Kuala Lumpur, Malaysia. She received her Bachelor of Business Administration degree from the De Montfort University, Leicester, UK and Master of Business Administration degree from the University of Malaya, Malaysia. She teaches electronic marketing, marketing.
management, consumer behaviour, global marketing, integrated marketing communication and promotion management for the undergraduate program.

She has written several book chapters, journal papers, and conference proceedings. Amongst the journals she has published include International Journal of Entrepreneurship and Innovation Management, Asia-Pacific Management Review, Journal of International Studies and Asian Profile: An International Journal. She has also presented papers in various seminars and conferences, locally and overseas.

Dilip Mutum is a Lecturer at the Department of International Business, Faculty of International Studies, Universiti Utara Malaysia. He received his Bachelor of Science in Forestry and Master of Science in Forestry degrees from the Dr. Yashwant Singh Parmar University of Horticulture and Forestry, India. He received Master of Business Administration degree from the University of Malaya, Malaysia. He teaches international business, logistics management, multinational corporation and international business management seminar at the undergraduate and MBA program. He has published several manuscripts, book chapters, journal papers, and conference proceedings. He has also presented papers in various seminars and conferences, locally and overseas.

Nurul Azlinawatee Mahbob was an undergraduate student at the Faculty of Business and Accountancy, University of Malaya, Malaysia.

1 Introduction

In South East Asia, the internet has become the latest delivery channel to be adopted by grocers. In Singapore for example, FreshDirect.com and E-Mart.com sell fresh fruits online. In Malaysia, e-grocers such as PasarBorong.com, Foodsmart.biz, CGDeMART.com and Groceries.com.my have been using the internet to deliver perishable products such as vegetables, meat, poultries and fish. Even traditional grocery retailers are getting into the act. Malaysian examples of e-grocers include Citra Spice Mart (M) Sdn Bhd and SubangGrocer.com, which have an online presence besides operating physical stores.

Most of the research concerning e-groceries has been carried out in the west, mainly in the USA. Despite its growing importance, academic research in this area is particularly negligible in Malaysia. Fish is a part of the staple diet and is the main source of protein for most Malaysians. Based on the survey findings of Azlinawatie (2002), 66% of fish consumers in Malaysia purchase fish at least once a week. In view of the high demand for fish and the introduction of online groceries businesses in Malaysia, there is an inherent need to investigate the nature of consumers’ attitude towards online purchasing of fish. Additionally, this study would throw some light on the feasibility of selling perishables online in Malaysia. Towards this end, this study was carried out with the following objectives:

• to explore Malaysian consumers attitudes toward online fish purchasing
• to identify their willingness to adopt e-grocery shopping of fish in general.

Although this study is limited by the methodology and samples used, it can serve as a basis for future exploration. It is hoped that this study would benefit perishable food
Exploratory study of buying fish online

2 Review of literature

2.1 Online groceries

Past literature on online grocery shopping and retailing was mostly related to the US market (Hansen, 2005a; Hean and Sheah, 2001; Heilig et al., 2001; Morganosky and Cude, 2000; Smaros and Holmsrom, 2000; McGovern, 1998; Park et al., 1998), Switzerland (Hansen, 2005b), Sweden and Denmark (Hansen et al., 2004), UK (Roberts et al., 2003), Singapore (Tan, 2001) and other developed nations.

Initially there was a lot of optimism about selling groceries online. According to Forrester analyst Steven Kafka, “High-volume, low-margin industries (such as food and logistics), will turn to the Net for cost savings from automation”. Machlis (1998) reported that online grocery stores are among the fastest growing online businesses. The sales in 1997 touched US$ 85 million with 10,000 of US households purchasing groceries online. Likewise, Andersen Consulting had estimated that the value of online groceries will reach as high as US$ 85 billion by the year 2007 with as many as 25% participating households (Dorgan, 1998).

However, the optimism was replaced by scepticism as the online groceries failed to live up to expectations. Cuneo (2000) questioned the future profitability of e-grocers and also mentioned that this category is notorious for low margins and intense competition. For example, after struggling financially for some time, Webvan (the pioneer of online grocery business based in USA) had finally decided to file for bankruptcy in July 2001.

Handling the selection and delivery of perishable products also proved to be a complex logistical problem. Similarly, Keh and Shieh (2001) highlighted some reasons for the fragmentation of the online grocery market, namely, relatively low entry barriers, high transportation costs, the perishability of grocery items, a non-tradable goods and services industry and the inability to specialise in geographic regions and reap the benefits of economies of scale.

Previous studies on shopping for fish were mostly focused on attitudes toward consumption of fish as part of the diet (see Ishak et al., 1986; Kreuzer, 1982), and factors determining fish consumption (see Leek et al., 2000; Callaghan, 1977). It is worth noting that one internet shopping study conducted by Cheah (2001) did focus on issues relating to e-shopping, such as ethnic comparison and profiling of consumers. However, her research was limited to studying online purchasing in general and did not focus exclusively on groceries or perishable food items.
2.2 Overview of Malaysian business-to-consumer e-commerce

Malaysian consumers are increasingly venturing online. According to the International Data Corporation (IDC), the country is expected to lead the growth of the internet in Asia (IDC, 2001). Increasing urbanisation and changing lifestyles of urban Malaysians have contributed to this phenomenon. There were about 8.6 million internet users in Malaysia at the end of 2003, representing almost 35% of the total population. In fact, as of May 2005, TMNet (Malaysia’s largest broadband service provider) had 333,000 broadband customers and received on an average of 20,000 applications for broadband, a week (Patrick, 2005). This figure is expected to grow exponentially in Malaysia with the further reduction in broadband pricing as is indicated by the national statistics. At present the number of broadband subscribers, as of June, 2004, stood at 170,000 (MATRADE, 2005). The number of WiFi hotspots (wireless internet access points) in the country is also growing with the total number of WiFi hotspots in Malaysia growing by about 50% from 803 to 1,212 in the 2nd quarter of 2005 as compared to the previous year (Khalid, 2005).

Internet shopping in Malaysia has increased in popularity from 24% of internet users in 2002 to 28% in 2003 and at least one-third of the internet users in Malaysia have purchased items online. An increasing number of consumers is expected to make purchases on the internet in the future, with a majority of them doing so from international web merchants (IDC, 2004, 2005). According to the latest figures released by MATRADE (2005), the percentage of consumers from the total internet population who shop online is 28.4%. Malaysian Business-to-Business (B2B) E-commerce is forecast at RM29.6 billion (US$ 1 = approx. RM3.77), while Business-to-Consumer (B2C) e-Commerce is forecast at RM5.7 billion. Business-to-consumer e-Commerce in Malaysia is expected to grow from US$ 1.1 billion to US$ 3.0 billion from the year 2005 to 2008 (IDC, 2004).

It should be noted that most of the online expenditure in Malaysia was on consumer goods such as books, CDs, clothing and flowers (45%), computing products (18%), and travel products (7%) (PricewaterhouseCoopers, 2005). Almost no academic research has been conducted on Malaysian e-grocery development in general, and on fish in particular.

2.3 Overview of online groceries in Malaysia

The online groceries shopping concept was pioneered by Pasarborong Online in mid-2000. After the first year of its launch, the e-grocer offered more than 1,400 perishable and non-perishable items, including seafood items under the categories of frozen, salt water, fresh water and shellfish. It specialises in delivering the goods straight to the homes of customers within 24-hours of ordering. However, its delivery coverage was initially limited to various affluent residential areas in the Klang Valley (Manecksha, 2000), namely Sri Damansara, Bandar Utama, Taman Tun Dr. Ismail, Kelana Jaya and Damansara Heights. Due to increasing demand, it expanded its service to cover the whole of Kuala Lumpur, Gombak, Puchong and Sungei Buloh in 2001. Apart from that, the prices of its goods are competitive, about 10% lower than in traditional supermarkets (NAMNEWS, 2000). According to the e-grocer’s CEO, Dr. Nik Rushdi, the company expected sales to increase substantially to a targeted figure of
RM7 million to RM10 million during the second year of operations (NAMNEWS, 2000). Sixty percent of PasarBorong Online’s clients are middle class income group comprising 80% housewives.

Subanggrocer.com is another Malaysian online grocer that provides assortments of seafood produce, which serves customers in the Subang Jaya area of Selangor state. This area was selected based on the fact that it has the highest percentage of people connected to the internet and computer-savvy people in Malaysia (Singh, 2000). Subanggrocer’s website was claimed to be informative, straightforward and easy to navigate (Devasahayam, 2000). Customers can place their orders via e-mail or phone call, should they want to hear a real voice at the other end of the line. Initially, terms were strictly cash on delivery, and that worked fine for Malaysians as they were still a tad uncomfortable about buying over the internet but now the website incorporates online payments. In 2000, 40% of the home delivery orders came via e-mail and the remaining 60% were from phone calls. Subanggrocer offered over 2000 items ranging from beverages, biscuits, toiletries, vegetables and other groceries (Devasahayam, 2000). They are now trying to expand into other areas by incorporating other online facilities such as laundry services with pick up and delivery services included in the offering.

2.4 Factors motivating online purchasing

One of the most extensive reviews of literature related to consumers’ buying food over the internet is that of Grunert and Ramus (2005). They suggested that, to be successful, online sellers of food should focus on a combination of convenience and an emphasis on information intensive food products. Another study by Morganosky and Cude (2000) on consumer demand for online food retail channels found that a huge majority stated convenience and saving time as their primary reasons for buying groceries online, followed by physical or constraint issues that made it difficult for them to shop at traditional grocery stores. The study also reported certain demographic and online shopping variables that were significantly related to the primary reason for shopping online, such as willingness to buy all grocery items online, perception of time spent shopping online vs. in the store and experience with online grocery shopping.

One of the advantages of buying over the internet is the ease of comparing prices against other product/service offerings (Strauss and Frost, 1999). As compared to physical retail shopping, consumers could compare all prices for each product/service through the channel intermediaries that facilitate price and information comparison with just a click of the mouse (Peterson et al., 1997). This easy access to current and detailed information on products and services facilitates consumers in making more informed decisions. Furthermore, the internet users can receive more attractive sales promotional offers from e-retailers’ websites and also through individual e-mail accounts.

Another advantage of online shopping, as compared to physical shopping, is the ability of consumers to carry out transactions any time of the day (Cheah, 2001; Strauss and Frost, 1999). Online stores operate 24 hours a day and seven days a week. In fact, unlike the traditional shopping environment, consumers can enjoy window-shopping on the internet without the pressure to purchase. Another important factor is the hassle-free experience of shopping online. Consumers do not need to go
through the several processes that are unavoidable in physical shopping, such as dressing up, travelling, parking the car, waiting and carrying (Salste, 1996). By buying their regular weekly repeat items such as groceries from the internet, busy consumers will have more opportunity and time to shop for specialty items at the traditional supermarket (Dornbusch, 1997; Keh and Shieh, 2001). Despite those motivational factors, there are various transactional and non-transactional issues involved in online purchasing that act as barriers to online purchasing of groceries.

2.5 Factors impeding online purchasing

The issues of online security and privacy are the most overwhelming barrier to purchase online (Kaur, 2005; Grunert and Ramus, 2005; Cheah, 2001; TNS Interactive-Global e-Commerce Report, 2001). Extensively publicised security problems on the internet have done little to improve consumer confidence. This includes several cases where hackers accessed private financial information, sent electronically, for malicious purposes, (Goodwin, 1991). In general, shoppers in Malaysia are very sensitive towards revealing their personal details to a computer (Cheah, 2001). They are more comfortable providing sensitive information when they can see the person they are dealing with and can revisit the physical location of the retailer if they need to.

The uncertainty of product quality is another factor discouraging consumers from buying groceries on the internet. Some offerings need to be consumed before the quality can be ascertained (Ward and Lee, 2000; Strauss and Frost, 1999). Dornbusch (1997) reported on the importance to customers, of looking, smelling and touching food. ‘High-touch’ items such as fish and vegetables are under this category of product and often customers prefer to see and examine them before buying. To touch and feel the product prior to purchase is also necessary in certain cultures. In countries such as Mexico, Egypt and Saudi Arabia, where it is necessary to touch merchandise before buying, internet shopping and non-store purchasing never took off. This problem is common with firms selling food products over the internet.

There is also great concern among consumers with regard to the delivery process of groceries purchased online. According to Keh and Shieh (2001), most consumers expect speedy delivery of groceries because they do not always plan their meals ahead. Besides that, the distribution costs of online food retailing are generally twice the distribution costs of traditional supermarkets, and most consumers may not be willing to pay the extra. Finally, in some countries such as Saudi Arabia, consumers view offline shopping as an enjoyable and sociable activity. As such, reduction in time to shop may not be that important in this case (Cheah, 2001).

3 Methodology

The study was carried out using the survey approach. This section provides a description of the design of the research instrument, the sampling procedure and data collection technique.
3.1 Sampling

A total of 480 questionnaires were distributed, out of which 368 were returned. Only a total of 300 responses were used for the final analysis. The others were discarded, mainly due to missing values or/and because the respondents did not have internet connections at home. A survey was carried out in the Klang Valley of Malaysia, which has a high concentration of urbanised Malaysians with internet connections. The mall intercept technique of data collection was utilised for the study. The research focused on four areas, namely, Section 14 in Petaling Jaya, One Utama shopping centre in Damansara, Carrefour Hyper market in Subang Jaya and Bangsar Baru in Bangsar. These places were chosen because of the good mix of major ethnic groups and levels of education and income distribution which could affect the attitude towards fish consumption and online purchasing.

Quota sampling was employed to ensure that certain characteristics of the Malaysian population sample were well represented (Zikmund, 1997). The sampling frame targeted an equal distribution of the sexes from the three major ethnic groups in the ratio of 50:40:10 (percentage of Malays: Chinese: Indian and other races).

3.2 Questionnaire design

The questionnaire was designed with an ‘easy to understand’ format using jargon free language. In order to reduce misinterpretations, the questionnaire was made bilingual, using Malay and English. The original English version was translated into Malay using the back-to-back translation method (Zikmund, 1997).

The questionnaire was divided into five parts. Only Part III of the questionnaire is relevant for this paper. It was designed to explore consumer’s perception towards buying fish online. It begins with a direct question to the respondents asking whether they would probably buy fish online. This question was intended to gauge respondents’ general attitude towards online fish purchasing. Three options were given: ‘Yes’, ‘No’ and ‘Maybe’. They were then required to rate the extent of their agreement or disagreement towards various statements on factors influencing and hindering the purchase of fish online on a 7-point Likert Scale ranging from 1 (‘strongly disagree’) to 7 (‘strongly agree’). Out of the 17 statements used, nine measured respondents’ perception towards factors influencing online fish purchasing (statements i–ix) while the rest (eight statements) were used to measure the respondents’ perception towards factors hindering internet buying (statements x–xvii). Most of the statements were adapted from Cheah (2001) and Strauss and Frost (1999). Other statements were derived from various sources. Please see Table 1.
Table 1  Statements and their sources

<table>
<thead>
<tr>
<th>Statements</th>
<th>Adapted from</th>
<th>Measuring</th>
</tr>
</thead>
<tbody>
<tr>
<td>i Buying fish online enables one to compare prices</td>
<td>Cheah (2001) and Strauss and Frost (1999)</td>
<td>Attitude towards factors motivating online purchasing</td>
</tr>
<tr>
<td>ii Buying fish online would enable one to obtain information easily</td>
<td>Cheah (2001) and Strauss and Frost (1999)</td>
<td></td>
</tr>
<tr>
<td>iii Information available online is vast compared to other means of shopping</td>
<td>Cheah (2001) and Strauss and Frost (1999)</td>
<td></td>
</tr>
<tr>
<td>iv One can shop for fish at any time of the day</td>
<td>Cheah (2001) and Strauss and Frost (1999)</td>
<td></td>
</tr>
<tr>
<td>v Buying fish online is convenient</td>
<td>Strauss and Frost (1999)</td>
<td></td>
</tr>
<tr>
<td>vi Buying fish online reduces the hassle of travelling physically to the retail outlet, finding parking space and queuing to make payment</td>
<td>Salste (1996)</td>
<td></td>
</tr>
<tr>
<td>vii Online shopping of fish offers better customer service</td>
<td>Cheah (2001) and Strauss and Frost (1999)</td>
<td></td>
</tr>
<tr>
<td>viii Fish purchased online gives one better value for money</td>
<td>Cheah (2001) and Strauss and Frost (1999)</td>
<td></td>
</tr>
<tr>
<td>ix I have no concern when buying fish online</td>
<td>Ward and Lee (2000)</td>
<td></td>
</tr>
<tr>
<td>x I do not feel secure when buying fish online</td>
<td>Rowley (1996)</td>
<td>Attitude towards factors hindering online purchasing of fish</td>
</tr>
<tr>
<td>xi I feel uncertain about the fish quality when purchasing online</td>
<td>Ghani et al. (2001)</td>
<td></td>
</tr>
<tr>
<td>xii I feel there is a lack of suitable online payment systems/methods</td>
<td>Rosario (2001)</td>
<td></td>
</tr>
<tr>
<td>xiii I have the fear of loss of privacy when buying fish online</td>
<td>Keh and Shieh (2001)</td>
<td></td>
</tr>
<tr>
<td>xiv When buying fish online, fish delivery takes too long</td>
<td>Burton (2000)</td>
<td></td>
</tr>
<tr>
<td>xv When buying fish online, one will face difficulty returning spoiled/defective fish</td>
<td>Bhatnagar et al. (2000)</td>
<td></td>
</tr>
<tr>
<td>xvi I dislike giving personal details when buying fish online</td>
<td>Salste (1996)</td>
<td></td>
</tr>
<tr>
<td>xvii When buying online, one is unable to try/feel, see/touch fish prior to purchase</td>
<td>Cox and Rich (1964)</td>
<td></td>
</tr>
</tbody>
</table>

4 Results and findings

4.1 Characteristics of the respondents

The sample met the targeted ratio in terms of gender and ethnic groups in Malaysia. In terms of religion, Muslims made up the majority of the respondents, representing 51% of the total. Buddhists, Hindu and Christian made up 21.7%, 8.3% and 16.7% respectively. Another 2.3% made up those having other religious practices or free thinkers. In terms of age, 49% of the respondents were 30 years and above, followed
by respondents in the age range of 20–29 years old (45.3%). The remaining 5.7% of respondents fell into the ‘less than 20 years’ group. Majority of the respondents were married making up 58.7%. This group included those who were married, with and without children. The divorced and widowed respondents were also classified as married. Another 41.3% were single. With relation to the highest education level, 40.4% held a university degree, 26.3% had a college diploma. Thirty two percent of the sample had an A-level, O-level certificates and lower educational levels. 1.3% of the sample did not provide the details and were invalid. In terms of respondents’ occupation, the largest proportion, making 46% of the sample, were those employed in the private sector. Government employees comprised the second largest group with 17.7% of the employees. Another 12% were entrepreneurs with their own business, followed by 11.3% students, 5.7% housewives, and 4.7% who were either retirees or unemployed.

For monthly personal income, most of the respondents earned about RM 1000–RM 2999 per month (53.4%). This was followed by 24% of the respondents earning less than RM 1000, while 18% fell under the ‘RM 3000 and above’ group. In terms of monthly household income, 30.3% of the respondents were categorised under the RM 1000–RM 2999 group. Those earning between RM 3000 and RM 4999 made up 27.3%. 13.3% earned less than RM 1000, while 13% earned between RM 5000 and RM 6999. These were followed by 12.7% of respondents who earned more than RM 7000.

4.2 General acceptance of online fish purchasing

The majority of the respondents said ‘No’ to buying fish online as compared to those who said ‘Yes’ or ‘Maybe’. This group made up 69% of the respondents (208 out of the total 300 respondents). Please see Table 2.

<table>
<thead>
<tr>
<th>Would you buy fish online (internet)?</th>
<th>N</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yes</td>
<td>16</td>
<td>5</td>
</tr>
<tr>
<td>No</td>
<td>208</td>
<td>69</td>
</tr>
<tr>
<td>Maybe</td>
<td>76</td>
<td>26</td>
</tr>
<tr>
<td>Total</td>
<td>300</td>
<td>100</td>
</tr>
</tbody>
</table>

The number of people who said ‘Maybe’ shows that the respondents are more likely to buy fish online in the long term rather than in the short term (Table 2). This could be due to their ‘wait and see’ attitude. However, the overall intention to buy fish online is very low as most respondents indicated that they would not do so.

Mean scores analysis was utilised to ascertain consumer attitudes toward factors encouraging/influencing online fish purchasing (Table 3) and factors impeding/hindering online fish purchasing (Table 4).
Table 3  Mean scores of attitude towards factors encouraging online fish purchasing and ethnic group

<table>
<thead>
<tr>
<th>Attitude statements</th>
<th>Mean scores</th>
<th>Ranking</th>
</tr>
</thead>
<tbody>
<tr>
<td>a Buying fish online enables one to compare prices</td>
<td>3.65</td>
<td>5</td>
</tr>
<tr>
<td>b Buying fish online would enable one to obtain information easily</td>
<td>4.01</td>
<td>3</td>
</tr>
<tr>
<td>c Information on fish produce available online is vast compared to other means of shopping</td>
<td>4.00</td>
<td>4</td>
</tr>
<tr>
<td>d One can shop for fish at any time of the day</td>
<td>4.32</td>
<td>2</td>
</tr>
<tr>
<td>e Buying fish online is convenient</td>
<td>3.63</td>
<td>6</td>
</tr>
<tr>
<td>f Buying fish online reduces the hassle of travelling physically to the retail outlet, finding parking space and queuing to make payment</td>
<td>4.81</td>
<td>1</td>
</tr>
<tr>
<td>g Online shopping of fish offers better customer service</td>
<td>3.27</td>
<td>7</td>
</tr>
<tr>
<td>h Fish purchased online gives one better value for money</td>
<td>3.16</td>
<td>8</td>
</tr>
<tr>
<td>i I have no concerns when buying fish online</td>
<td>2.88</td>
<td>9</td>
</tr>
</tbody>
</table>

Mean scores are based on a scale of 1 (strongly disagree) to 7 (strongly agree), with both figures representing opposite extremes and four representing indifference.

Table 4  Mean scores of attitude toward factors impeding online fish purchasing

<table>
<thead>
<tr>
<th>Attitude statements</th>
<th>Mean</th>
<th>Ranking</th>
</tr>
</thead>
<tbody>
<tr>
<td>a I do not feel secure when buying fish online</td>
<td>5.29</td>
<td>3</td>
</tr>
<tr>
<td>b I feel uncertain about the fish quality when purchasing online</td>
<td>5.85</td>
<td>2</td>
</tr>
<tr>
<td>c I feel there is a lack of suitable online payment systems/methods</td>
<td>4.92</td>
<td>6</td>
</tr>
<tr>
<td>d I have the fear of loss of privacy when buying fish online</td>
<td>4.87</td>
<td>7</td>
</tr>
<tr>
<td>e When buying fish online, fish delivery will take too long</td>
<td>5.05</td>
<td>5</td>
</tr>
<tr>
<td>f When buying fish online, one will face difficulty returning spoiled/defective fish</td>
<td>6.32</td>
<td>1</td>
</tr>
<tr>
<td>g I dislike giving outside personal details when buying fish online</td>
<td>5.23</td>
<td>4</td>
</tr>
<tr>
<td>h When buying online, one is unable to try/feel, see/touch fish prior to purchase</td>
<td>6.32</td>
<td>1</td>
</tr>
</tbody>
</table>

Mean scores are based on a scale of 1 (strongly disagree) to 7 (strongly agree), with both figures representing opposite extremes and four representing indifference.

4.3 General attitudes toward factors encouraging online fish purchasing

Referring to Table 3, the statements highlight the factors encouraging online fish purchase. The figures in italics indicate factors or statements which had mean scores lower than four (on the 7 point scale), implying factors that the respondent disagreed/slightly disagreed with on an average.

In general, respondents disagreed with the statement that “buying fish online enables them to compare prices and obtaining information”. This contradicts the findings of Ghani et al. (2001), which identified extensive product information as the second most important motivator to online shopping.
The respondents also disagreed with the statements that, buying fish online offers better customer service and provides better value for money.

It is interesting to note that the respondents also disagreed with the statement that buying fish online is more convenient, even though they agreed that buying online reduces the hassle of travelling physically to the retail outlet, finding parking space and queuing to make payment, with an overall mean of 4.81. This contradicts the findings of previous studies (Grunert and Ramus, 2005; Ghani et al., 2001; Keh and Shieh, 2001; GVU, 1998), whereby convenience was the most cited reason for internet shopping. Hooker et al. (2001) also gave convenience as the main reason for consumers to shop for groceries online, with uncertainty (e.g., on the quality concern part) and selection of products as the leading constraints.

4.4 General attitudes toward factors impeding online fish purchasing

Table 4 highlights the factors hindering the purchase of fish online. The figures in italics indicate items with overall mean responses that exceeded the 5-point, implying factors, which respondents slightly agreed/slightly agreed/strongly agreed with. Overall, the respondents are concerned about the security of online purchasing, the quality of fish purchased online, time frame of delivery, the difficulty in returning defective fish and inability to see, feel and touch fish prior to purchase. The findings also reveal respondents’ concern on having to give personal details when purchasing fish online (See Table 4 again).

The very high agreements on items f and h (both with means of 6.32) show that the need to examine, touch and smell the product is an important factor in the fish buying process among Malaysians. This is consistent with the view that groceries are usually ‘high-touch’ items, that is, customers often regard it as important to be able to see, touch and smell products before buying (Keh and Shieh, 2001; Dornbusch, 1997). Dornbusch states that for some shoppers “looking at and smelling and touching food is a very basic part of their lives”. As revealed in Ernst and Young’s second annual internet shopping study, preferring to see products prior to purchasing them was the second most popular reason for not buying online, after security issues (Sherr and Fred, 1999). According to Tan (2001) in a study carried out in Singapore on online fruit purchase, fruits are perishable and people feel more comfortable going down to the physical shop to feel, touch and smell them before buying them. He too added that the Singaporeans were more concerned about not getting what they saw on the sellers’ website and not being able to examine the fruits they are buying. In this case, buyers of fish have preferences over determining the freshness of the kembong (Chubb Mackerel), the colour of the selar (Yellowtail Scad), the redness of the merah (Red Snapper) themselves.

Statement b also showed a high level of agreement (mean = 5.85). Intuitively, this makes a lot of sense – food sales are highly focused on signalling aspects like freshness that often involve human senses.

High mean score with regard to the statement of not feeling secure when buying fish online is in line with the findings of Morganosky and Cude who found that many of their respondents also had concerns about the security of online grocery transactions (Morganosky and Cude, 2000, p.24).
5 Discussion and implications

The survey indicates that Malaysians are still very sceptical about purchasing fish online. Online purchasing of fish is not acceptable in the Malaysian context as yet, even though the last few years have seen the surge of online grocers in Malaysia such as PasarBorong.com, SubangGrocer.com, CGdeMArt.com and Citrasspicemart.com.

The majority of the respondents agreed with the statements used to identify factors impeding online fish purchase. They also did not support statements used to identify factors encouraging online fish purchase. This indicates that most of the respondents may not ready for such services and it would indeed take some effort and time to convince them otherwise.

Of all the factors hindering online fish buying, the inability to touch, feel and see fish prior to purchase recorded the highest mean indicated that Malaysians are still bound to the ‘touch and feel’ culture. Groceries like fish fall into the category of convenience goods. Which.net (2001) reported that convenience goods like groceries would be the least likely to be purchased online. According to Li and Gery (2002) the significant or advantages of online buying for convenience goods are no longer important as most of convenience products will be purchased only when immediate needs arise. As such, it is very unlikely that consumers would log on to the web to place an order and wait for delivery. In addition, buying of convenience goods requires little brand comparisons, planning or information search, as the goods are mostly low-priced, low risk and can be considered as homogenous in nature (Cheah, 2001).

Another important factor is delivery time. Fish, as a perishable product, must be delivered to homes quickly (where a person is available) to be immediately placed in a refrigerator. Difficulty in returning spoiled fish and also the inability to see and touch fish prior to purchase may be major reasons impeding online fish purchase. Consumers expect speedy delivery because they do not always plan their meals ahead of time. Daily schedules are hard to predict, especially for time-starved families or households with children. As much, managers of e-grocers in Malaysia should therefore pay attention to the promptness of delivery and ensure that offline logistics problems are well handled.

As noted earlier, groceries are commodity-type of goods, so grocers, generally, must rely on service for differentiation. Quality assurance and guarantees to take back spoiled products can help in decreasing the negative perceptions. Utilising technology to ensure superior service and offering value-added information may go a long way in gaining the acceptance of the consumers. For instance, to induce shoppers to buy groceries on the Net, a website must provide more information than physical store personnel can provide, that shoppers will find valuable. Examples include offering recipes, cooking tips, nutritional data and table-setting tips. Information can be tailored to different customers as well, for example, allergy information will prove useful to specific customers. Information can also focus on special products, such as the low fat or sugar free assortments. It is crucial not to lose sight of responsiveness while focusing on technology. Successful online relationships must incorporate the functional and the emotional, and establishing strong relationships with online customers is the key to long-term success (Keh and Shieh, 2001). The study also found that differentiation in the online grocery business lies mainly in superior service, the value proposition, and responsiveness to customers. Besides this, others include enhancing the quality of the products delivered, creating superior efficiency and coming up with innovative ideas to meet consumers’ unique needs.
In Malaysia, food retailing has always been a very competitive business, and in recent years traditional supermarkets are constantly improving the value provided to consumers. Very competitive ‘Brick and Mortar’ retailers with ‘Every Day Bargain Prices’, high service levels and late at night opening hours (such as Giant, Carrefour, Tesco, Jaya Jusco and Makro) are aggressively fighting for customer loyalty by improving their marketing mix and increasing their efficiency. As such, the average consumer in Malaysia may not have a good reason to go for grocery shopping, online. On top of that, the supermarkets are also gaining market share and are making the food business a war zone for new entrants, even on the internet. However, by offering customers superior responsiveness and service, e-grocery retailers can build brand equity, generating repeat business and this will result in market penetration in this industry.

Another way to gain consumer acceptance is by going into partnerships or alliances with the traditional supermarkets. This would lead to mutual benefit with reduced risks. Peapod, for example, started out by forming arrangements with Safeway supermarkets to fill the orders it received on the internet in the San Francisco market. Peapod had its workers pick up the customer orders directly from the supermarket for delivery. HomeGrocer.com formed an alliance with Amazon.com in 1999. Amazon’s 35% stake in the HomeGrocer was meant to include shared delivery services to their combined customer database.

It should be noted that a statistical analysis of the statements for reliability was not carried out. However, the authors would like to point out that this is one of the first studies of this kind in Malaysia and this paper presents the initial findings.

E-grocery retailing in Malaysia is still at the infancy stage and the volume of internet groceries buying leaves much to be desired for e-grocers in Malaysia to sustain profitable growth in the long run. The thought of purchasing perishable products including fish over the internet provokes some scepticism among most customers as the reliability and accountability of the service comes into question. What is clear is that e-grocers must not only demonstrate that online grocery shopping is convenient, safe, easy and fun, they must also offer other incentives and motivations to persuade consumers. They must build consumer confidence and offer more rewarding shopping experience than that which is presently available.

References


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Note

1 Li and Gery (2000) identified convenience goods as products and services that consumers buy frequently, immediately and with less or minimum effort. Such products are like stales (for example food and sodas), impulsive purchase items (for instance candy bar and magazines) and emergency items (for example, umbrella during rainy day or thunderstorm).

Bibliography


