



Online Food Shopping

Charles R. Hall

Associate Professor & Extension Economist

Lance D. Pate

Extension Assistant - Horticultural Marketing

The largest portion of fruit and vegetable sales are conducted at the retail level. Traditionally, shoppers have gone to the grocery store and selected produce from their bins. Customers frequently have selected fruits and vegetables based on qualities like the sound that is made when the item is thumped, its smell, or firmness of the produce. The one thing that was paramount was that the consumer could actually hold the fruit or vegetable. Due to developments in home computers and with fairly easy access to the Internet, new doors are opening for how individuals can purchase groceries, including fruits and vegetables. There are a few companies that are offering online food purchasing capabilities. One main concern was if consumers would be able to overcome the fact that they will not be able to personally check the produce before it leaves the store. A study was conducted to find out what was being offered on the Internet and how familiar and willing consumers are to use online shopping.

The results revealed that, as to the familiarity of online shopping, those in the age group of 50 and above were the least likely to be familiar with the idea. Respondents that fell

within the 18-29 year old age group were the most likely to know something about online shopping. Income was a key factor in the level of knowledge about shopping on the Internet. It was found that families with a combined income below forty thousand dollars a year were less likely to be familiar with online food purchases than those above forty thousand dollars. It was found that men were most likely to be familiar with the concept, which is interesting because the study found that women were the main food shoppers for the family. And as expected, access to a computer and Internet services were significant factors effecting familiarity with food purchasing on the Internet. Race, education level, place of residence, and having children in the home were not found to be significant factors effect familiarity.

Willingness to use online food shopping is very similar to *familiarity* with respect to the age factor. Those above 50 are the least inclined to use these online services, while the 18-29 age group are most inclined. Of the consumers surveyed, the less educated respondents were less likely to use online shopping compared to well-educated

consumers. Individuals that stated they were already aware of online shopping were more likely to use it. Out of the individuals interviewed the ones that said convenience was the most important influence on their food shopping were more willing to try online purchases. An interesting finding was that access to a computer and Internet services did not have a significant effect on the willingness of consumers to buy produce via the Internet. Income, number of children in the home, and gender did not prove to be a significant effect either.

Another study was conducted on the availability of online produce shopping provided by retailers. Currently, around sixty two percent of all packaged goods producers have some sort of presence on the Internet. This has nearly doubled from a year ago. The study was conducted so that 297 out of 17,894 fruit and vegetable marketers listed in an electronic phone book were interviewed. Areas of interest were whether a site was found; whether the site was for that business only or for several marketers; if purchases could be made through the site; and if a 1-800 number or an E-mail address was present. The findings showed that four percent of these businesses had their own Web site, and approximately twenty percent were found on a central Web page with other firms. Although, sometimes these central pages were local Chambers of Commerce and others were the store chain's main Web site. Only around one percent of the businesses studied actually sold via the Internet, with an additional one percent provided a 1-800 number or E-mail address so consumers could contact the store for an order.

The findings in both of the studies mentioned above reveal that this unconventional

method of retailing is in use, and that there is rising interest. Although online shopping for fruits and vegetables is in a very premature stage, it does provide some insight into the way the produce industry is moving. It is becoming imperative that at all levels of the industry technology is not only understood, but adopted as well.

References

Hiser, Jennifer; Rodolfo M. Nayga, and Oral Capps, Jr. "An Exploratory Analysis of Familiarity and Willingness to Use Online Food Shopping Services in a Local Area of Texas." *Journal of Food Distribution Research*, March 1999. 78-90

Gray, Morgan; David Eastwood; and John Brooker. "Survey Update on Retail Marketing of Fruits and Vegetables Over the Internet." *Journal of Food Distribution Research*, March 1999. 171

