



UNIVERSITY  
OF WOLLONGONG  
AUSTRALIA

University of Wollongong  
Research Online

---

Faculty of Commerce - Papers (Archive)

Faculty of Business

---

2003

# Utilitarian and hedonic value across fulfillment-product categories of Internet shopping

Julie E. Francis

*University of Wollongong*, [jfrancis@uow.edu.au](mailto:jfrancis@uow.edu.au)

Lesley White

*University of Wollongong*

---

## Publication Details

Francis, J. E. & White, L. (2003). Utilitarian and hedonic value across fulfillment-product categories of Internet shopping. AMA ServSIG Services Research Conference 2003 Chicago: American Marketing Association.

Research Online is the open access institutional repository for the University of Wollongong. For further information contact the UOW Library: [research-pubs@uow.edu.au](mailto:research-pubs@uow.edu.au)

---

# Utilitarian and hedonic value across fulfillment-product categories of Internet shopping

## **Abstract**

Extant Internet shopping literature identifies potential sources, and inhibitors, of utilitarian and hedonic value for consumers. However, Internet shopping is oftentimes treated as a relatively homogenous activity or the insights are accompanied by inexact qualifications such as 'in some situations' or 'for some types of products'. The present study enhances these insights in two ways. Firstly, the authors developed a Fulfillment-Product classification scheme that segments Internet shopping situations on the basis of shared marketing-relevant characteristics. Secondly, the study provides a more detailed analysis than has to date been performed by examining the sources and inhibitors of utilitarian and hedonic value relative to each category of Internet shopping that was identified in the classification scheme.

## **Keywords**

across, value, shopping, internet, categories, fulfillment, hedonic, utilitarian, product

## **Disciplines**

Business | Social and Behavioral Sciences

## **Publication Details**

Francis, J. E. & White, L. (2003). Utilitarian and hedonic value across fulfillment-product categories of Internet shopping. AMA ServSIG Services Research Conference 2003 Chicago: American Marketing Association.

## UTILITARIAN AND HEDONIC VALUE ACROSS FULFILLMENT-PRODUCT CATEGORIES OF INTERNET SHOPPING

Julie E. Francis and Lesley White  
Macquarie Graduate School of Business, Australia

Extant Internet shopping literature identifies potential sources, and inhibitors, of utilitarian and hedonic value for consumers. However, Internet shopping is oftentimes treated as a relatively homogenous activity or the insights are accompanied by inexact qualifications such as 'in some situations' or 'for some types of products'. The present study enhances these insights in two ways. Firstly, the authors developed a Fulfillment-Product classification scheme that segments Internet shopping situations on the basis of shared marketing-relevant characteristics. Secondly, the study provides a more detailed analysis than has to date been performed by examining the sources and inhibitors of utilitarian and hedonic value relative to each category of Internet shopping that was identified in the classification scheme.

### Background

Consumer behaviour researchers recognize two pervading shopping motives: utilitarian and hedonic (Childers, Carr, Peck & Carson, 2001). Utilitarian motives relate to goal-oriented shopping where value is obtained by acquiring products in an efficient manner whilst hedonic motives relate to experiential shopping where enjoying the process may be paramount (Babin, Darden & Griffin, 1994; Childers, *et al*, 2001; Schiffman *et al*, 2001; Wolfinbarger & Gilly, 2001). With regards to Internet shopping, convenience and control are key sources of utilitarian value (Wolfinbarger & Gilly, 2001). Convenient access to a multitude of sites reduces the time and effort involved in searching for and comparing products while the Self-Service Technology (SST) that mediates Internet shopping provides a high level of control over the purchase environment (Zeithaml, Parasuraman & Malhotra, 2000). Hedonic value may be provided when accessing special interest sites, 'bargain hunting' (Wolfinbarger & Gilly, 2001) or participating in online chats (Mohammed, Fisher, Jaworski & Cahill, 2002).

There are also situations where the value of Internet shopping diminishes. For instance, the vast selection of goods may be tedious to evaluate (Alba *et al*, 1997) and not being able to examine a product prior to purchase may be a deterrent (Zeithaml *et al*, 2000). The lack of sociality presents a challenge if sales assistance is required or when shopping to interact with others (Dholakia, 1999). Also, the delivery of goods may delay completion of utilitarian tasks or discourage hedonic impulse shopping (Wolfinbarger & Gilly, 2001) and the absence of offline stores may increase the time, effort and cost involved in returning or exchanging products (Seiders, Berry & Gresham, 2000).

Characteristically, Internet shopping has been treated as an homogenous activity and it would be beneficial to link the sources and inhibitors of value with specific categories of Internet shopping. In the absence of an established categorization scheme, the authors have developed a useful framework that is based on two marketing-relevant attributes. The first attribute is 'fulfillment' with products being physically delivered offline (o-) or electronically delivered (e-). Secondly, the products that are purchased online include goods and services. Combining 'fulfillment' with 'product' identifies four categories of Internet shopping: o-goods, o-services, e-goods and e-services. This scheme may facilitate a more in-depth examination of value in Internet shopping than has to date been performed and will be used for the current analysis. The research objective is to examine the sources and inhibitors of utilitarian and

hedonic value relative to the four categories of Internet shopping. Implicit in the objective is the need to determine the merit of the classification scheme.

### Method

Conducting structured open-response interviews was considered to be the most appropriate data collection method. An interview guide was used to direct the discussions and record responses. The initial questions collected background information. A series of scenarios were described to prompt discussion of utilitarian and hedonic purchase incidents before collecting demographic details. Each interview was 30-60 minutes in duration. A convenience sample of 40 adults with Internet purchase experience was recruited. The sample included 25 males (62.5%) and 15 females (37.5%) aged between 25 and 53 years (mean = 34.7 years). Approximately 80% of the sample accessed the Internet 6 days per week and 40% made at least one Internet purchase per month.

### Results

An initial finding was that utilitarian shopping dominated the purchase incidents in this study. All participants recalled online utilitarian tasks while only 25% recalled an online hedonic incident. Subsequently, fewer hedonic than utilitarian incidents were discussed. It also emerged that the proposed Internet shopping categories provided a purposeful framework for the analysis and thus, the Fulfillment-Product Classification Scheme matrix (Figure 1) was used.

Product	Fulfillment Process	
	Offline (o-)	Electronic (e-)
<b>Goods</b>	<b>o-goods</b> <ul style="list-style-type: none"> <li>• Consumer orders and waits for goods to be delivered.</li> <li>• Firm dispatches goods via physical delivery channels.</li> </ul>	<b>e-goods</b> <ul style="list-style-type: none"> <li>• Consumer downloads &amp; prepares product for consumption.</li> <li>• Sustained reliance on, and interaction with, SST.</li> </ul>
<b>Services</b>	<b>o-services</b> <ul style="list-style-type: none"> <li>• Consumer books and pays (or secures booking) online.</li> <li>• Consumer travels to the firm's service delivery location.</li> </ul>	<b>e-services</b> <ul style="list-style-type: none"> <li>• Consumer produces &amp; consumes product over the Internet.</li> <li>• Sustained reliance on, and interaction with, SST.</li> </ul>

**Figure 1.** Fulfillment-Product Classification Scheme

#### *O-Goods*

The o-goods category involves ordering and paying for goods online then waiting while the items are delivered. Participants recalled incidents that involved a wide range of goods such as flowers, books, wine, beauty products, a motor bike and computer hardware. The first source of utilitarian value identified in this category was the access to unique goods that would be difficult to obtain offline. These included niche products and collectors items (e.g. vintage wine, fine china), imported CD's and DVD's, as well as special sized clothing. The offline purchase methods in these cases did not enable pre-purchase trial or immediate gratification and therefore, were not considered to be an option by the shoppers.

In numerous incidents, the physical delivery of ordered goods actually provided the source of utilitarian value. The incidents were precipitated by a desire to send gifts to family members or friends and Internet shopping was seen as an efficient means of purchasing and having the gift delivered to the recipient. For sending flowers, the Internet also provided an otherwise

unavailable opportunity to view a likeness of the product. Participants stressed the importance of on-time delivery and a desire to be notified of delivery by email.

The key source of hedonic value in the o-goods category related to obtaining unique or unusual goods. Unlike the utilitarian purchases of unique goods, the hedonic incidents resulted from browsing special interest Web sites or searching for gift ideas. The likelihood of browsing leading to an actual purchase appeared to be low. The key inhibitor of utilitarian and hedonic value was the delayed gratification. This largely related to standard goods that were available through local stores. The inability to examine goods prior to purchase was also a deterrent in both groups.

### ***O-Services***

The o-service category related to booking or reserving a service that would be consumed at a future time and usually at a second location. The incidents involved airline and event tickets as well as accommodation. While the core service that was purchased often provided enjoyment, the motive for booking online was utilitarian. Value was obtained from the ease and speed of the booking process, relative to telephone queues, visiting a booking agent or contacting a distant service provider. On-screen information enhanced the value by providing tangible cues and printable booking details. The utilitarian value diminished when the full range of services was not available online or a complex process was involved, such as purchasing multiple stage airline tickets.

### ***E-Goods***

The e-goods category relates to digitized goods that are downloaded over the Internet. Shoppers use SST to control the delivery, install software and/or print information. This category involves a complex and sustained level of customer-SST interaction. Participants purchased and downloaded journals, periodicals, industry reports, software and electronic art (e.g. GIF's). All of the incidents were utilitarian and speed of acquisition provided the key source of value for information files. For software, participants valued obtaining specialized programs that were not available offline. Concerns in this category related to slow or interrupted downloads, unclear instructions and compatibility problems.

### ***E-Services***

In e-services, a service was simultaneously produced and consumed by the Internet shopper through the use of SST. The utilitarian incidents involved buying and selling shares, online banking and participating in seminars. Regarding shares, control was the source of value as participants obtained direct access to the market and could trade without a stockbroker. With online banking and seminars, not having to travel to an offline service delivery location provided utilitarian value. The hedonic incidents involved chat sites, buying/selling at online auctions and astrological readings. The value was obtained through the novelty or excitement of the experience then, at times, their value diminished when the service became familiar.

### ***Price***

The issue of price was relatively uniform across each shopping category, utilitarian and hedonic incidents, as well as a wide range of products. One participant tried on a Gortex jacket in an offline store then purchased the item from an online competitor to obtain a 10% price saving. Notably, a large portion of participants believed that Internet shopping did not offer good value for money. Dissatisfied comments included "There's no [price] incentive to buy online." and "Things are usually more expensive [online] than in normal stores."

### Discussion

This analysis contributes to Internet marketing theory and practice in two ways. Firstly, rather than treating Internet shopping as homogenous, a Fulfillment-Product classification scheme was developed to segment shopping situations on the basis of shared marketing-relevant characteristics. The scheme provided a purposeful framework for the current analysis and may have additional applications such as providing a basis for classifying Internet retailers. Secondly, the analysis expanded on previous insights by linking the sources and inhibitors of utilitarian and hedonic value with specific categories of Internet shopping. For example, where it was previously established that delayed gratification diminished utilitarian value in 'some' situations, the current study specified in which situations it inhibited value and identified a situation in which the physical delivery of goods was actually a source of value.

The investigation was nonetheless exploratory and qualitative in nature and the results should be considered in the context of the limitations associated with such studies. At the same time, this situation provides opportunities for further research. For example, it may be insightful to develop objective measures of the sources and inhibitors of value and, through a quantitative study, the classification scheme and the relevance of the value issues could be statistically assessed. Furthermore, the quantitative study could be extended to include a cross cultural examination of Internet shopping motives.

### References

- Alba, J., Lynch, J., Weitz, B., Janiszewski, C., Lutz, R., Sawyer, A. & Wood, S. (1997). Interactive home shopping: Consumer, retailer and manufacturer incentives to participate in electronic marketplaces. *Journal of Marketing*, *V61(July)*, p.38-53.
- Babin, B. J., Darden, W. R. & Griffin, M. (1994). Work and/or fun: measuring hedonic and utilitarian shopping value. *Journal of Consumer Research*, *V20(4)*, p644-57.
- Childers, T. L., Carr, C. L., Peck, J. & Carson, S. (2001). Hedonic and utilitarian motivations for online retail shopping behavior. *Journal of Retailing*, *V77(2001)*, p.511-535.
- Dholakia, R. R. (1999). Going shopping: Key determinants of shopping behaviors and motivations. *International Journal of Retail Distribution Management*, *V27(4)*,
- Mohammed, R. A., Fisher, R. J., Jaworski, B. J. & Cahill, A. M. (2002). *Internet Marketing: Building Advantage in a Networked Economy*. McGraw Hill: Boston.
- Schiffman, L., Bendall, D., Cowley, E., O'Cass, A., Watson, J. & Kanuk, L. (2001). *Consumer Behaviour (2nd Edition)*. Prentice Hall: Sydney.
- Wolfenbarger, M. & Gilly, M. C. (2001). Shopping online for freedom, control, and fun. *California Management Review*, *V43(2)*, p. 34-55.
- Zeithaml, V. A., Parasuraman, A. & Malhorta, A. (2000). A Conceptual Framework for Understanding e-Service Quality: Implications for Future Research and Managerial Practice. *Marketing Science Institute Working Paper Series, Report number 00.115*.