

Internet Shopping 24/7 Research Project Initial Summary

(currently <http://people.bu.edu/celtics>
and by Summer 2000 to become
<http://www.InternetShopping247.com>)

by

Bruce D. Weinberg

**Assistant Professor of Marketing and E-commerce
Boston University, Graduate School of Management
(as of September 1, 2000
Associate Professor of Marketing and E-commerce
[Bentley College](#))**

and

**E-commerce Shepherd
www.EcommerceAndMarketing.com**

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Introduction

Thank you for visiting my Internet Shopping 24/7 Research Project and for reading some of my diary entries. I have thoroughly enjoyed this research experience as it has been fun, stimulating, and extremely educational and I am excited to share with you this initial summary of my online shopping experiences.

As a researcher, this has been an entirely different type of experience for me. I was trained by my “academic parents” at [MIT](#) to be mathematical in my approach to research, and up until this project, mathematics was the primary basis for all of my research. The method of ethnography that I have been using in this research, however, has been highly qualitative; and I believe that it was the *best* method to use as I could not foresee learning as much as I have about online shopping using any other approach. I am convinced that my knowledge and understanding about ecommerce has grown tremendously over the last nine months. Granted, I was not starting from scratch. Nevertheless, it is difficult for me to imagine that any other methodology would have lead to any greater understanding in such a fast changing, unchartered, technological, human-computer, wild west phenomenon.

My ultimate objective in this line of research is to define business principles that will endure for a significant period of time and that will help advance the welfare of all in society. This particular project is helping me generate *hypotheses* about what may be lasting ecommerce principles. My next set of academic projects will focus on *testing* these hypotheses. In addition, I will test in the field (i.e., the “real” world) some theories and frameworks in cooperation with firms engaged in ecommerce.

About This Research Report

This initial summary report is not intended to be the be-all and end-all of online shopping, buying and retailing. First, I will continue to learn. Second, I am reporting on the elements that I found most enlightening and that *I*, for the most part, experienced. And, finally, I am sure that I will later realize other important elements of my experiences to share with you.

This report provides a “raw” initial summary of my online shopping experiences and observations. On September 15, 1999, I set out to do all of my retail shopping online and to not enter any traditional bricks-and-mortar retail establishments. Ideally, I will continue this behavior through September 2000 to make for a complete year of retail shopping exclusively online. It is possible, however, that I will cease shopping exclusively online in June, when Amy, my wife, is expecting to give birth to our third child and for some very practical reasons it may become necessary to enter stores on occasion (though I hope not).

Please understand that websites and their availability may change. It is conceivable that some of the links created in this document may be inactive. In addition, some of the sites that I now write about may differ in appearance and functionality in the future when you read this document.

Consumer Buying Decision Process

Through the Internet Shopping 24/7 Project experience, and processes related to organizing and teaching my Ecommerce and Marketing course, I have discovered that a long traditional framework in marketing is a worthwhile lens to look through when charting a path for success

(i.e., formulating strategy and tactics) in ecommerce. This framework is known as the consumer buying decision process and it encompasses all consumer behaviors related to buying.

It consists of five general stages. Consumers may not experience all of the stages for each buying decision.

- Need or problem recognition - the processes related to the realization that a problem needs to be solved (e.g., thirst and hunger).
- Information search - seeking and gathering information believed to be relevant and useful to solving a problem.
- Alternative Evaluation – analyzing products and merchants on their various strengths and weaknesses and applying choice decision rules (e.g., buy the one with the lowest price).
- Purchase – payment and acquisition of product (n.b., the product purchased is not always the one preferred by a consumer -- e.g., when Coca Cola is not available on an airplane, many people will drink Pepsi)..
- Postpurchase - behavior related to both the felt comfort and satisfaction levels with the purchase experience and decision; all product related activities that one does after purchasing a product (e.g., returning an item, using an item and being either satisfied or dissatisfied, spreading word-of-mouth)

I believe that this is a valuable framework for two reasons. First, this framework provides a *general* description of how consumers behave when engaged in the process of buying. It has been applied successfully to offline buying and selling phenomena and I see it being equally useful in application to understanding online consumer behavior. Second, I believe that the historical evolution of ecommerce retailing has followed, consciously or not, the precise sequence of the consumer buying decision process (see Table 1).

The primary focus of the ecommerce merchant pioneers was figuring out what consumers might buy online and what type of service to provide. Once “out there,” ecommerce merchants focused on website design in order to better satisfy surfers/consumers informational needs (and move them forward along the path toward purchasing online). In 1998, with some pressures from Wall Street and the venture capital community, online retailers focused on building significant traffic in order to 1) get into consumers’ consideration sets and 2) generate revenues through online sales. Traffic increased; unfortunately, servers were unable to handle the traffic adequately enough for consumers. In 1999, with the technical issues of server reliability resolved, for the most part, and the ability to handle high volumes of traffic in place, ecommerce merchants focused on generating sales; they were somewhat successful as online holiday season sales doubled in 1999, from about \$5 billion to about \$10 billion.

All was not perfect, however, in online retailer performance and customer satisfaction for 1999. Industry analysts highlighted a number of fulfillment and customer service lessons from the 1999 holiday shopping season; many of these were fulfillment and postpurchase related issues. Given

a buyer decision process perspective of ecommerce, it is clear to see that ecommerce merchants will focus significantly more on the postpurchase aspects of their performance in 2000.

Historical Time Markers	Major Focus Of Ecommerce Firms	Buyer Decision Process Stage
1995-1996	Identifying a problem to solve through an online service; generating awareness and building some traffic.	Problem Recognition
1997	Designing the site to present information in a reasonably useful form.	Information Search
1998	Driving traffic to the site and getting into the consumers consideration set.	Alternative Evaluation
1999	Systems to support high levels of traffic (without crashing) and stimulating high levels of purchase demand.	Purchase
2000*	Fulfillment and customer satisfaction.	Purchase/Postpurchase
2001**	Building comprehensive customer support networks and providing consumer advocates.	Postpurchase and Relationship Building*

(* My estimate.

**Incidentally, the next trend that I see after this, is a focus on providing full service consumer advocacy along a comprehensive list of consumer needs. Relationship building is not theoretically recognized as a formal component of the buyer decision process. Nevertheless, if one thinks of the buyer decision process as one focused on generating a satisfying trial experience, then “relationship building” could be thought of as a set of activities focused on generating repeat purchase and loyalty.)

Research Observations

The Internet creates an information intensive environment where power and success is very much a function of high quality information and the ability to best understand and utilize it. Exchange (i.e., buying and selling) information is typically generated by either buyers or sellers, though certainly others can generate relevant exchange information -- for example, those who provide advice (e.g., e-pinions.com). Taken together, this highlights a very important lesson. Buyers and sellers need to listen very carefully to each other as it is their communication skills -- the ability to clearly transmit and interpret needs in the form of information -- which are going to dictate their success.

Observations For Sellers

I believe that the most important aspect of success in ecommerce for sellers is going to be creating the right type of buying *process* for consumers; this can be thought of, in large part, as customer service. Therefore, I highlight here, my top lessons for treating customers well and earning their trust and patronage online.

- **Make it easy to find desired products at the site.** The [Disney](#) site is very colorful and flashy. Unfortunately, it is neither designed nor organized in a manner that makes it easy for consumers to find what they are looking for. In November of 1999, I set out to buy the Disney video Aladdin (see [November 16](#) and [November 20](#) diary entries). The Disney site was, for the most part, useless.

Many sites have a search feature on their homepage or provide easy access to a search feature; these are great tools. For example, [Amazon.com](#) provides access to its search engine on every single webpage. In December, I read somewhere about the availability of Beatles action figure toys. At Amazon.com, I selected the “Toys & Video Games” tab and then entered “Beatles Figures” in the search engine to see if they were available. The Fab Four appeared and I made my first Beatles toy purchase (see [December 19, 1999](#)).

- **Consumers want to know quickly the purpose of a site; and they want to know who is involved in the venture -- i.e., know and get a feel for the people “behind the curtain” (an enduring human trait).** Ecommerce sites demonstrate a theme; each site has a focus and purpose. Consumers want to be aware of and understand this quickly. One way to do this is to have a well organized and clear homepage. The eye tends to focus on the top and center of a webpage. Located in these general areas of the homepage should be graphics or text that make it crystal clear as to what the site can do for consumers. For example, [Kozmo](#)’s homepage has very little text and states “videos, games, dvds, music, mags, books, food, basics & more...delivered in under an hour.” Need they say anything else? (Personally, I would use a larger font and make that text stand out even more quickly on the page; perhaps, even place it at the top center of the layout. On the other hand, their long term strategy may be placing a greater emphasis on *delivery* and therefore that could explain listing “where do you want your delivery” at the top of the homepage.).

In addition, do not underestimate the value of “About Us” information. Many consumers are still wary of the Internet and may know very little about your site, your firm and *you*. Neither computers nor the Internet are human; yet, perhaps ironically, both computers and

the Internet provide a greater opportunity for consumers to get to know more about a firm at a personal level; this can help build trust and reduce uncertainty. You can say as much or as little as you want about your management team, partners, the genesis of the idea for your site, etc. I almost always read the “about us” tab information. For example, before using [PayPal](#), I read about its executive team and partners. When I saw that top-tier people were involved, I did not hesitate in using the service (see [March 20](#)).

Finally, ease of access to information about where a company is located or doing business is helpful. It signals some roots, reality and presence and, again, makes a firm more of a known quantity. As a consumer, it is helpful to know where I can find a firm if necessary. In this same spirit, telephone number(s) should also be easy to access; this does not preclude you from setting bounds on calling. It does signal a presence and the potential ability for a consumer to locate and reach a firm.

- Respond quickly to consumer requests for information or assistance. Frequently, firms either do not respond at all, or take several days to get back to a consumer's online inquiry. As a consequence, firms lose credibility in the eyes of its customers, and an opportunity to create or strengthen a relationship. On [September 21](#), I sent an email inquiry to [The New York Times](#) Subscription Service; I never heard back from them and so I did not subscribe at that time.

On [January 22](#), I had a less than pleasing experience with [DrugEmporium.com](#) and I sent them an email about my displeasure. They did not [reply](#) until ten days later; I have not ordered from them since, even though I said that I would for research purposes. I will order from them again some time for scientific purposes; I still maintain, however, a less than pleasant attitude toward DrugEmporium.com.

- Provide useful and direct information when consumers request information or assistance online. Uninformative boilerplate responses to customer inquiries are common and infuriating. I suspect that many consumers on many occasions ask meaningful and important questions.

In more instances than desired, email replies to my questions were either indirect or totally worthless. For example, it took [CarsDirect](#) three emails to finally answer a simple question of mine (see [February 23](#)). On [November 16](#), [Buy.com](#) showed that it was not fully knowledgeable about all of the products it sells as it could not tell me the manufacturer of a particular video.

In many cases, I do not believe that it is difficult to formulate a direct and useful response to a question. Still, an example could not hurt. [Priceline.com](#)'s WebHouse is coming to Boston and I wanted to obtain some detailed information about its service. My email was explicit and its response was direct and extremely helpful -- the way it should be.

My question to WebHouse:

Suppose my Prepaid grocery list has 10 units of 64oz Tropicana Orange Juice and it will expire on March 31, 2000. Further, suppose that as of March 30, I have only purchased 5 units of 64oz Tropicana Orange Juice and I am not planning to buy any more before the deal expiration date. Could I submit for a refund on the unused 5 units of 64oz Tropicana Orange Juice or am I out of luck?

WebHouse's Response:

We're sorry, once a Prepaid Grocery List has been issued Priceline WebHouse Club is unable to cancel any requests. However, when the expiration date is approaching and you do not have immediate plans to purchase the items you can call our Customer Care Center at 1-800-741-3163 so that someone can assist you.

If we can be of any further assistance, please feel free to reply to this e-mail or call our toll-free number 1-800-741-3163 to speak with one of our Customer Care Representatives.

- Provide live or software-based agent assistance online as it helps consumers get closer to finalizing a purchase with confidence (e.g., [Lands' End](#) live or [Cozone's](#) notebook advisor "Jill" and digital camera advisor "Laura"). Many sites are beginning to offer this service to consumers (e.g., see [CarOrder.com](#), [Furniture.com](#)). In addition and in contrast to at times sterile and not-too-straight-forward FAQs and "service" links, the live online service chat brought the service component *alive*; and was refreshingly "human" (and mind you that I am a computer scientist who earned a PhD in management/marketing from MIT). Human to human interfacing with people who are helpful and courteous (unlike many who work in bricks-and-mortar retail) was a delight.

I thoroughly enjoyed the first live chat session that I had with Susan R. of Lands'End.com (see [October 5](#)); she answered a very important question about an order I was considering, and, in the end, placed. In fact, Susan R. and I have maintained contact since this online service chat. We have emailed back and forth about ecommerce courses and I have forwarded to her some of my comments about Lands' End. That we have kept in touch is fascinating to me, and is certainly of positive value to Lands' End, though it probably does not realize this.

- Enable comparison shopping as customers sometimes prefer to make a final choice from among a set of alternatives being considered. Very few merchant sites enable consumers to "hold up side by side" any two products, yet, in many instances this is a behavior that is naturally desired by consumers. Many retailers would be wise to allow side by side comparisons of items on any number of desired features Two firms going in the right direction on this, are [CarsDirect.com](#) and [GetConnected.com](#).

Shopping bots (see [botspots.com](#) for an extensive list of bots) simplify comparison shopping by merchant on price (e.g., see [Dealtime.com](#) or [bottomdollar.com](#)). Their value would increase tremendously if consumers could search for products based on or along a set of criteria. For example, imagine being able to search on "reliability" or on both "time to ship" (i.e., how long it takes to get an order packed and out the door) and "return

policy.” Shopping bots appear to assume that all consumers are primarily price shoppers and this is not the case (e.g., see details about my printer purchase on [November 4](#), [November 9](#), and [November 15](#) and [November 17](#)).

Rating sites like [Gomez.com](#) and [bizrate.com](#) do enable comparisons among online retailers along a variety of criteria. Firms should try to create comparison information that will be of value to consumers.

- **State upfront all order-related factors and the total cost of a transaction.** It is outrageous that, in many instances, consumers need to load up a cart and go through the entire checkout process, short of the "confirm order" step, in order to find out the in-stock status of a product, the cost of shipping or the shipping options.

[Superior Shelving](#), from whom I ordered some wire shelving did not have an advanced site and the only way to get a final quote including shipping details was through either email or telephone correspondence. They were quick to reply. Still, I would have preferred an online calculation of my final product prices and shipping charges which would have helped me make a quicker purchase decision. I intended to purchase the shelving in early February, yet the process dragged on over several weeks because of the site’s limited ability to provide key information quickly and enable a fast online transaction.

Optimally, shipping charges are easy to find at a site. For example, when you sign on to the [Kozmo.com](#) homepage, it is apparent that shipping is free (love it). [Amazon.com](#)’s page that [describes shipping charges](#) is very clear; it is not necessarily easy, however, to find this page (click on “How to Order” which is underneath the “Welcome” tab and then look to right for the link labeled “shipping” on the page that appears.) I would prefer to see a “shipping” link right on the homepage of every website I engage as this information is very important to me (not just for information about cost, but also for information about all shipping options).

Important shipping information includes:

- Cost
- When an order is expected to ship (products do not necessarily ship on the day of or even the day after an order has been placed)
- When a shipped product is expected to arrive
- Shipping service alternatives (e.g., ground, 2-day, next day)

I know that many merchants are confused as to why so many consumers place items in shopping carts and initiate a purchase, and yet do not finalize a purchase (i.e., abandon their shopping carts). One reason is the lack of order-related information (e.g., shipping alternatives and fees).

- **Maintain tight security when handling customers' credit card numbers.** [CD Universe.com](#) made front page news when "Maxim" held for ransom hundreds of thousands of its credit card files. This altered some consumers' trust for not only CD Universe, but also e-commerce sites in general.

Truth be told, I was nervous about entering my credit card number online the first time that I did it (see [September 19](#)). I forced myself to do this for research purposes. I had actually done a study about online credit card usage back in 1997 and I knew that it was safer to use a credit card online than through traditional means; using my credit card online should not have been an issue, yet, it was. As a consumer, I felt the uncertainty and concern surrounding this behavior.

There is a site, [Zoots](#) -- a drycleaner -- where I do not enter my credit card information online and I have the firm bill me at the end of the month (see my first experience with Zoots, [November 23](#)); I then pay with my credit card over the phone. The site does not exude confidence. When I signed up over the phone (one had to sign up this way in their infancy), the salesperson recommended that I select the option of getting billed and paying with my credit card over the phone or through the mail at the end of the month. I concurred.

- **Keep your customers apprised of fulfillment progress and enable order tracking.** I like to know what is happening with my order between the time when I click to confirm my order (i.e., purchase items) and when I receive my order. The best merchants would provide links to information that would keep me informed on the progress of my order. Important fulfillment processes to me were “an email confirming receipt of and the details of my order,” “products are being located,” “order is being packed,” “order is packed and ready to go,” “order has shipped,” “where the product is physically in the shipping phase and when it is expected to reach me,” “product delivered,” and “procedures for contacting the merchant during or after this process.

I preferred it when an online merchant would not only send an immediate email of an order confirmation (e.g., typically the summary webpage that indicated what was purchased, the amount paid, etc.), but also recommended that I save a copy of my order confirmation webpage. The best order confirmation webpages listed in detail each item that was ordered, item unit price, the number of units ordered, all total costs (e.g., for items, shipping, gift wrapping, tax, etc.), shipping option selected, expected ship date, expected arrival date, shipping address, billing address and method of payment, special adjustments (e.g., credit, discount), and whom to contact with any questions or modifications.

Many of the firms from whom I ordered provided some form of order tracking, though not necessarily in the detail I listed in the previous paragraph. MicronPC's system was very informative. I ordered a computer system on [August 27](#), and I knew when it was put together, undergoing testing, and where it was geographically during the shipping process. I felt reassured about the entire order process by having access to this information.

It is understood that parts of the process can go awry. I like to be informed by the merchant when it has a significant problem in performing any part of the process. For

example, on [November 28](#), I ordered a Batman video (Adam West version) from [Buy.com](#) that was expected to ship in 1-2 weeks. Buy.com contacted me when more than two weeks had passed and informed me that it was still locating the item, and that I could cancel the order if desired. I would have preferred that Buy.com had shipped the item as promised; I found, however, their action to be upright and honest. I did not cancel the order.

- Deliver on time and when promised. [ToysRus.com](#), though not alone in its failure to satisfy as promised, was the 1999 holiday shopping season torchbearer for "breaking childrens' hearts" and "poor fulfillment." They promised delivery before Christmas on holiday orders placed by December 10. A couple of days before Christmas, ToysRus.com informed some of its customers that they would not be able to deliver as promised and offered gift certificates as consolation ([article](#)). A number of consumers were less than satisfied for a variety of reasons and the media had a field day with this fulfillment event.

[DrugEmporium.com](#) really ticked me off one time (see [January 22](#) and [January 25](#)). I placed an order with next day shipping. First, it took them a few days to get the order out the door and then, the order was shipped using ground service. I have not even searched their site since this experience.

DrugEmporium is not alone when it comes to not getting orders out the door the next day -- even with next day service. [Buy.com](#) does not necessarily get items packed and shipped the next day after order. Buy.com informs consumers who order next day shipping, however, that next day means that the order will arrive the next day after it is shipped, not the next day after an order is placed (if you look hard enough, you can find the following information on the Buy.com site -- "We need a little time to process and assemble your order before we actually ship it. Please note that **shipping time is not the same as total delivery time**. Choosing next day air does not always mean your order will be delivered the day after you place your order online").

At the present time, it is possible that exceptional delivery can have tremendous value to a consumer. I was blown away by [OutPost.com](#) when they delivered next day an order that I had placed very late in the evening the day before (see [December 15](#) and [December 16](#)). I have become a loyal supporter of [Kozmo.com](#) because they bring me my online orders in under an hour, many times in under 30 minutes; in many cases, that would be faster than I could do it if I were going to stores.

- Simplify product returns and exchanges. Dear Barnes & Noble bricks-and-mortar, why can't a [BarnesAndNoble.com](#) customer return a book to you? The consumer perceives a single brand, not the reality of two separate operating enterprises. [Gap](#) sets a good example as they consider both online and offline customers to be Gap customers, period. (It is not hard to figure out why [Amazon.com](#) invested \$60-100 million in [Kozmo.com](#) - fast deliveries and fast exchanges/returns.)

I had a wonderful return experience with [MicronPC](#) (see [October 1](#)). My defective monitor was replaced the very next day and they sent [UPS](#) to collect the defective monitor from my house at my convenience (i.e., after I packed it up for return shipping). In addition, [Homeruns.com](#) return procedure is superior to that of [Peapod.com](#) with respect to

perishable items. I did not like a piece of pizza dough that I received from Homeruns.com; after I informed them about this, they credited my account (for double the price of the item as this is part of their quality pledge). Peapod, on the other hand, requires customers to fax in a receipt and detail which items were not good.

My sense is that I have been lucky in that all of my returns or “corrections” have been handled extremely well by the merchants with which I have had relationships. The smart merchants will remember that it is not only good when consumers elect to buy from them, but also when consumers are *happy* that they bought from them. The ease in which a merchant assists a customer with any problems after the “click” to buy (e.g., returning or exchanging an item) is a large part of what the customer will remember and share with friends.

- **Respect your customers' privacy.** It may not be wise to track, store, disseminate and use information about customers without their consent or knowledge. Recently, [DoubleClick has come under intense scrutiny](#) for violating consumer privacy and has been hit with a lawsuit for unlawfully obtaining and selling private personal information.

I've been willing to give out my personal information on each transaction. I am somewhat suspect about the privacy promises made by firms as I typically place a special code in my delivery address which enables me to track who, if anyone, is distributing my personal information to other firms. I typically include a second “street line” in my address as “Internet Shopping 24/7” followed by a two character code which indicates the merchant with whom I am placing an order. For example, an order that I placed with [HotCajun.com](#) included an address line that said “Internet Shopping 24/7 hc” where “hc” stands for HotCajun.com.

- **Akamaize thyself.** Web pages should be up and ready within at most 3-5 seconds. The number of fast sites is growing thanks to [Akamai Technologies](#), fiber optics, cable modems and DSL. At the present time, it is impressive when massive sites, like [Amazon.com](#) and [AltaVista.com](#), have most of their pages load quickly.

I'm not going to single out any sites as a number of variables contribute to the speed with which a page loads. It is critical that firms understand that the bar on loading time is rising. About two years ago, a loading time of 5-10 seconds was the goal of some of the Internet's top sites. Today, these very same sites target a maximum loading time in the 3-5 second range. Very soon, these firms will target loading times on the order of 0-2 seconds. On [February 27](#), I placed an order with [Peapod](#), rather than with my preferred [Homeruns](#) because the Homeruns site was intolerably slow. (In the end, this order was a disaster for Peapod -- see [February 28](#).)

- **Online merchants should sell products.** It was extremely disappointing when either a merchant directed me to one of their bricks-and-mortar stores in order to buy (e.g., [Home Depot](#)) or sold a very limited set of their products (e.g., [Costco](#), though it is improving over time). I shop online because I want to buy products online. Implicit in this is: I shop when I want to shop; I place my order wherever I can; products are delivered to my house.

Some sites definitely lost my potential business because they were not ready to sell to me. When I had some home goods needs, my first instinct was to go to HomeDepot.com. When I saw that they could not satisfy me, I took my business elsewhere (see [December 5](#)); it is conceivable that I will not return to HomeDepot.com or their bricks-and-mortar again. Similarly, I was looking to buy a [Swatch](#) watch back in December (not in the diary); the Swatch site made a very poor impression on me and I could not see how to make a purchase at the site (I believe that a very small number of their models can now be purchased online at their site). In fact, the site left me annoyed with Swatch in general and I then (and now) have no desire to purchase a Swatch watch.

- Don't underestimate the intelligence, savvy, and voice of online consumers. For example, you never know when David Letterman may profile your dot-com in his top ten "things that online shoppers hate about shopping online."

Consumers are gaining online experience and along with it some savvy. Whether through [eBay](#), affiliation programs or an owned Web address, consumers understand more about online than offline selling and business processes. As tools for enabling the simple setup of a "lemonade stand" improve, more consumers will become engaged in selling activities. The selling experiences will likely provide them with meaningful insight into online retailing, which, in turn, will mean that retailers will have to become more sophisticated as they will be dealing with a more sophisticated consumer; merchants will need to treat the New Economy consumer differently and, perhaps, use different tactics. The "same-old-same-old" will not cut it.

When I was in the process of purchasing my printer, I noticed that some product listings for "identical" printers (less their model names) had different prices from the same merchant (see [November 15](#)). I interpreted this as being questionable. I ended up purchasing a printer from a vendor who did not list identical versions of the same product at different prices, even though it was not the low price seller.

- Trust is at the heart of success in ecommerce. Firms need to have faith that exposing themselves by sharing information that has never been shared before and working hard to truly satisfy consumers are worthwhile endeavors. Consumers are going to be drawn to those who best exemplify this and reward them with first their trust and then part of their purse. Successful firms will promise to try and understand consumer needs and then create processes that reflect this understanding and deliver customer satisfaction. Consumers will be looking to see the promise being made by a firm and then expecting it to keep its promise.

In all instances, I only bought products from vendors that I trusted. This partly means that:

- I understood exactly what I was buying and the important terms of the transaction;
- I knew "about" the merchant (e.g., from an "About Us" link);
- Merchants sold exactly what was represented on their website;
- Merchants were responsive to my inquiries;
- I received items in perfect condition and when promised;

- My credit card was charged the proper amount;
- All credits and discounts were applied properly;
- Any error or problem was resolved quickly and properly;
- My privacy was respected;
- I was treated fairly and getting good value;
- I was extremely important to them.

I came to *count* on merchants to fulfill my needs and to take *care* of me (e.g., [Streamline](#) and [Homeruns](#)). That is a lot of responsibility, both for me to delegate to someone, and for someone to assume. I had to trust them in order to do this. The best in this business realize this and they do everything in their power to maintain a strong relationship with me. Sellers need to create a shopping process that is desired by consumers and to steer clear of creating trustbusters. Online shoppers will ultimately best reward those firms that are trustworthy and make shopping convenient. Sellers need to learn to *truly* serve their customers well; welcome to the Internet era.

The Internet and the Web can help deliver convenience and value. Lowest price is not tantamount. The *process* is convenient if I can find easily a product that I want at a *fair* price; if it arrives when promised and in the condition promised; and if the organization will continue to support me after the sale is made (e.g., returns, defects, etc.). When a firm's website and fulfillment operations enable this on a consistent basis (just like Saul the butcher did for my parents), then I am likely to trust and maintain a relationship with that firm and return to them on a regular basis.

The websites that deliver on this the best for me are eBay, Kozmo.com, OutPost.com; I am beginning to feel this way about Amazon.com (and Amazon.com is not a low price merchant). I return to these websites time and again, even when I am *not* planning on making a purchase.

A Message To Buyers

Buyers can also take cues from the above lessons and use them to shop online wisely (e.g., if a site does not keep its promises, take your business elsewhere -- there are plenty of alternatives at the moment). There are other practices and philosophies that consumers might want to consider for satisfying online shopping.

- Remember that it takes time to learn how to do this. Shopping online is a new experience and it does take some time to gain familiarity and comfort with it. I have worked with computers for over twenty years and it took me some time to adjust and get comfortable with shopping online. My first online grocery experience took well over an hour (see [September 19](#)). There are start up costs (in terms of time) involved. You will become more proficient. Recently, I completed an extensive grocery order in less than five minutes (see [March 23](#)).

It may also take a long time to get comfortable with even making a purchase in some categories. For example, I searched for information about computer printers for quite some

time before I finally made my purchase (I started searching on or just before [October 3](#) and I placed my order on [November 15](#)).

- It's all out there somewhere and the experience can be fun. I believe that practically any desired product is available online through the Internet. Products may be available through either online manufacturers, merchants, auctions, classified advertisements, or good old fashioned networking with friends and associates. When my refrigerator lightbulb went dim and when my calculator batteries gave out, I knew I would find a place online to purchase them (see [December 5](#)). You can find both the mundane and the obscure with relatively little effort.

In addition, shopping online can be fascinating and fun (e.g., one time I did my grocery shopping while in New York, see [October 24](#)). It is a new and stimulating experience. Some aspects of the experience can be frustrating (e.g., see [January 22](#)). I believe, however, that the benefit and excitement of participating in the birth and raising of a new and useful medium far outweighs the occasionally trying elements associated with learning (I suspect that a similar statement can be made about raising children or pets).

Categories in which I made purchases were: auctions, credit card payment systems, dry cleaning, groceries, cooking items, books, toys, video, compact discs, tires, Presidential campaign items, drugstore goods, convenience store items, collectibles, flowers, greeting cards, adult and children clothing, shelving, computer hardware, software and peripherals, electronics, air travel, resort vacation, auto rental and Internet address names (see list of [merchants](#)).

- Search engines and quotations around the search text in the search field of a search engine can go a long way. Finding desired items need not be difficult. I frequently use search engines to find something new (e.g., [AltaVista](#), [Lycos](#)). When you enter text surrounded by quotes in a search field (e.g., "Batman's Villains Lineup"), you are likely to be making your search experience much easier. Personally, I prefer Alta Vista. When I wanted to find a particular Batman print, I simply typed the title of the print surrounded by quotes in the search field and *boom*, I find several sites selling it.
- Website newsletters can be your friend. Many of the newsletters that were sent out by merchants were very informative and useful; this can't be said as easily about junk mail that litters my home mailbox everyday. I was indeed exposed to products that were on sale or were being highlighted. More importantly, these newsletters were informative by including helpful items such as links to news articles about a particular topic or product and provided potential solutions to problems of which I was either aware or unaware (e.g., [Onvia.com](#)). Good newsletters are focused on helping consumers solve problems as opposed to selling a product quickly. The newsletters that I valued were not intended necessarily to stimulate immediate sales; they were able to build a relationship between the merchant and myself (i.e., the merchant was entered into my rolodex -- a lofty status that a nonfamily or nonfriend can achieve with me).

At one stage during the research, I was looking to buy a printer. On November 15, 1999, I purchased a [Hewlett Packard](#) 4050 laser printer; I became aware of this printer through a newsletter; I did not, however, purchase the printer from the merchant who supplied the newsletter. I am enjoying the printer and my thoughts about the firm which made me aware of this product are very positive; I have kept them in mind for future purchase situations (i.e., they are in my consideration set).

- **“Rating” sites can be your friend.** The reality is that ecommerce is still in its infancy. New dotcoms are popping up every day and most established ones still have much to learn and improve upon. You are not alone when trying to decide where to shop or what to buy. Many sites that provide a rating or evaluation about online shopping exist. For example, [Gomez.com](#) employs an objective methodology and [bizrate.com](#) provide ratings that are based on actual consumer experiences. Sites like [epinions.com](#) and the consumer reviews section in Alta Vista Shopping (known as [Shopping.com Reviews](#)) detail specific comments from other consumers about stores and products; in addition this sites provides information from “experts” and ratings. Rating sites are also very good at making you aware of other online stores.

I used Gomez extensively prior to purchasing my computer printer (e.g., see [November 9](#)). I used it to not only identify, but also to learn about online drugstores (see [December 26](#)). The information confirmed some of my own thoughts about each vendor and provided some new information that I took into consideration.

The only thing that users should be aware of for the rating sites mentioned here, is that consumer experiences and statistics are not necessarily broken down into a category of “people like you” (Gomez.com, however, makes a first stab at this). The statistics reported are for the “average” respondent, which may or may not be useful enough for everyone. I believe that these websites still provide good starting points when one is reasonably uninformed about a product category or a particular merchant.

- **Bots or sites that offer price comparisons are helpful.** Definitely consider sites like [dealtime.com](#), [bottomdollar.com](#), [Cnet.com](#) and [ZDnet.com](#). The first two are bots that survey the marketplace for pricing information about products of interest to you. Cnet and ZDNet are sites that provide product review information and marketplace pricing information (these sites happen to focus on technology). Go to [botspot.com](#) to find all types of bots.
- **Special promotions and deals are widely available.** Firms are competing fiercely for your business and many are using incentives and promotions to entice you to at least try their service (e.g., see [December 26](#)). The deals are easy to find; most of the time, each site will list deals somewhere. Sites dedicated to deals exist (e.g., [Deal-Finder.com](#) and see [March 22](#)). Discounts in the form of rebates or other deals are also available from sites like [bizrate](#) and [e-centives](#) (part of the [Lycos Network](#)). I am not suggesting that promotions should dominate your judgment; I’m indicating that they are likely to be their for the taking wherever you decide to shop.

Some of the incentives that I have used and observed are:

Shipping - free shipping on first order, free shipping when order exceeds a certain amount, free upgrade in shipping service, free ground shipping, free next day shipping, free *same day within one hour* shipping.

\$X off on purchase of \$Y or more - \$X off purchase of \$Y or more (e.g., \$10 off purchase of \$20 or more, \$10 off purchase of \$25 or more, \$10 off purchase of \$30 or more) \$50 off or 50% off whichever is less.

\$X off first purchase (no minimum \$ expenditure required) - \$5 off, \$15 off, \$20 off (each of these could also be considered a “give it away” -- see below).

% Off Discount - 15% off, 20% off, 25% off, 30% off, 40% off, 50% off, 75% off.

Rebates - get a rebate by linking to a merchant through a link provided by a particular organization (e.g., bizrate.com, Gomez.com, ebates.com).

Product With Purchase - free products with purchase (n.b., the free products are desired fine quality items).

Give it away - first two months free and \$75 off your first order (e.g., Streamline, a grocer+), free video rental because our website was down when you visited.

Referral bonus - \$20 for referring a new customer who places an order, \$50 gift certificate for referring a new customer who places an order.

Affiliation - commission (% varies) for a purchase by a customer (not you) who arrived at the merchant’s website through a link on your website (this is going to be very hot in a few months as many people are going to open their own “mom & pop” affiliate shops on their personal websites).

- You’ll likely realize that Free shipping is great, though not necessary (nonetheless, please don’t tell just yet). I love Outpost.com’s free next day delivery policy; I experienced a definite *rush* when an order that I placed at 11:00 pm on one day, arrived about twelve hours later at 11:30 am the next day (see December 15 and December 16). Similarly, I love Kozmo.com’s free within one hour delivery service. The experience of getting an order in these time frames, given the status quo, is awesome and a reason for my purchasing products from them. These two companies and others like them (e.g., UrbanFetch.com) are playing an important role in nullifying the objection that “one can not get a product *now* when ordering over the Internet.” (It is definitely a high risk and sexy gambit on their part. This business, however, is about making something happen by doing it and then perfecting it later. I see it as an absolutely brilliant strategy and, all else being equal, they will develop a highly loyal and satisfied set of customers. With this loyal following -- a valuable resource -- they will then have the power to negotiate great deals with manufacturers, and in turn share this wealth with its customers.)

That being said, free is not necessary. The more experienced I become with online shopping and, as a result, appreciate more its convenience and value, the less salient becomes shipping costs. In the end, most merchants have almost the same shipping charges. It is not worth my while, in many instances, to hunt around to save less than a dollar for shipping.

I am still fascinated, however, by any merchant who offers free same day or next day delivery. I tend to make at least one purchase from merchants who offer this service and a product of interest because I am curious if they can really do it. Thus far, one merchant has failed significantly to *deliver* on its promise of next day delivery (see [January 22](#)). [DrugEmporium.com](#). “processed” one of my orders for nearly three days before shipping; and then, it shipped the order using ground service as opposed to my request for next day service. (Incidentally, I do not doubt that other firms have executed poorly their delivery on occasion, nor do I doubt that DrugEmporium.com has been able to perform next day delivery well. DrugEmporium.com’s delivery service, however, has been poor for both orders that I placed with them -- see also [December 28](#) and [December 29](#).)

- The Web shopping experience is empowering. Shopping on the Web is partly about control. Consumers have increased control over the processes related to the exchange of money for products. This in turn results in greater power. The voice of the consumer will increase in strength. In the near future, advocates will both help organize and represent groups of consumers (e.g., see [Mercata.com](#) and [accompany.com](#)). A consumer group’s collective power will be channeled in order to, partly, force manufacturers to place as much emphasis on developing products that satisfy the needs of consumers as on generating profits for the firm (in the end, the happiness of both buyer and seller will depend upon the happiness of the other).

Consumers first realize their increased power when they note the large number of shopping alternatives and the availability of relatively low product prices. I believe that these are merely symptoms of firms trying to better satisfy consumers. Many consumers will eventually place less emphasis on low price and turn their attention to convenience and fair pricing. As consumers shop more online and signal these preferences, firms will jump quickly to attention and change in accordance with consumer needs. The best dotcoms will be receptive and responsive to consumer comments, wants and needs of a reasonable nature.

Obtaining important information up through the decision to buy and understanding the details of what goes on after one clicks to buy until delivery can help reduce anxiety with ordering online, make it a more pleasant experience, and make one a more informed, savvy, and empowered online shopper (e.g., one knows what to look for and what key questions to ask of a vendor when assessing them). The processes that I sought to understand were:

- a) find desired items that would satisfy me, or use the website for its perceived purpose,
- b) learn about or inspect items,

- c) obtain useful information about a desired item (a long array of specific processes and information are part of this, e.g., interaction with customer support, net price, availability, date when product will arrive, etc.)
- d) learn about and be exposed to alternatives,
- e) purchasing,
- f) obtaining the product, and
- g) obtain support after I became the owner and user of a product.

The online shopping process is comprised of a number of stages. The best online merchants are aware of these stages and attempt to support well my passage through each of them.

- **Feel comfortable with and don't abuse your power.** The balance of power has shifted towards consumers thanks to the wide availability of information that was not heretofore available to consumers. Consumers have a lot of power and many dotcoms realize this. You should feel empowered and proactive in communicating and asserting your needs. The old days of being "taken" by "Corporate America" are over.

The balance can shift back in the direction of firms, however, if consumers abuse their power. The best economic results are likely to occur under conditions where both consumers and firms are reasonable and fair. Remember, just as consumers can only buy what they can afford, firms can only continue to sell as long as they turn a profit. If firms stop selling, consumers can not buy; this is not good if a firm produces a desirable bundle of benefits.

Trust me, the venture capital is going to dry up and many crazy deals are going to disappear. Firms will need to survive based on an outstanding value proposition and profits (yes, really). In the end, consumers may pay the same price as today for a product. The convenience and value, however, will likely be greater (e.g., having a computer delivered to your door rather than going to the store and hauling it home -- see [August 27](#) and [September 8](#)).

- **I don't know why I waited this long, it so convenient.** The convenience of online shopping can be incredible. I do not miss:
 - driving to a store, and driving home,
 - looking for a parking space,
 - getting parking tickets or dings on my car,
 - getting bumped around by other shoppers,
 - interacting with either clueless, disinterested or incompetent retail staff,
 - waiting in line,
 - carrying products to a checkout counter, to my car and into my house,
 - shopping (on average) between 9:00 am to 7:00 pm,
 - trying to fit large bulky items into my car,

- getting the interior of my car dirty from product spillage,
- driving around to comparison shop,
- etc.

I enjoy:

- targeted emails and newsletters that are helpful to me,
 - doing more of what I want to do,
 - being treated fairly,
 - getting great deals on a regular basis,
 - being informed,
 - expanding my network,
 - etc.
- **Get in the game.** Opening your own online business is very easy. The easiest way to sell products may be through auction sites like [eBay](#). Most online retailers have affiliation programs where you can earn commissions for directing customers their way; they are reasonably easy to setup (e.g., [Buy.com](#), [Outpost.com](#), see [December 3](#)). Some sites are even in the business of helping you create your own affiliate store (e.g., see [befree.com](#), [linkshare.com](#), [vstore.com](#), [addashop.com](#)). If you ever get to the point where you are comfortable enough to get your own domain name, design your own website and rent your own server space, then go for it as the costs are extremely reasonable. A domain name costs about \$35 or less (e.g., [Network Solutions](#), [Register.com](#), [RegisterFree.com](#)), software that makes it easy to develop sophisticated websites can be purchased for less than \$200 (e.g., [Microsoft FrontPage](#), [Macromedia Dreamweaver](#)), and server space can be obtained for as little as \$10/month (e.g., visit [tophosts.com](#)).

If you do rent server space, be sure you understand the meaning of every feature that you will be using. One key feature is the level of free “traffic” included in the subscription price and the charge for each specified amount of traffic over that level. This is similar to the pricing system associated with renting a moving van or truck; these types of rentals typically include some number of miles and then a charge for each mile driven beyond this amount (e.g., \$19.95 with 10 free miles plus \$1.25 for each mile driven in excess of 10 miles). I am currently assisting a student who did not understand this concept and rung up a surcharge bill for excess traffic to the tune of \$1700 in two months. He had MP3 files (music) available for downloading on his website; these tend to be large files which translates into heavy traffic.

- **At the present time, few sites are terrific.** Firms are learning more about what consumers’ need and how they want to buy; and consumers are learning more about carrying out shopping behaviors online. Keep this in mind as you shop. You may be down on a particular site one day and then realize that the alternatives may not be better. Few sites are going to be anywhere near 100% perfect all of the time; the same is true of offline selling venues. Dotcoms are, however, operating at breakneck speed to get there and this is extremely encouraging. It signals to me that they care about consumers’ needs and that they want to satisfy them.

I believe that a website is terrific if it is a preferred means of shopping to the status quo. "Terrific" is indeed in the eye of the beholder. Not to "cop out" on this, for most consumers, "convenience" and "value" is what will determine whether a website is perceived as being terrific; that is, in the end, the benefit of shopping on the Web exceeds the cost of shopping on the Web, and in at least some instances this spread is greater (i.e., the value) than that for the status quo. In general, my assessment of a website was based on how well I could perform all stages of the buying decision processes. In addition, my assessment of a site is partly based on my over all "gut" feel as to whether the merchant is truly interested in and able to satisfy my needs, and whether it is interested in an equitable relationship (e.g., I am turned off by merchants who attempt to gouge me).

My favorite websites/merchants are AltaVista.com, Amazon.com, bizrate.com, BottomDollar.com, Computershopper.com, Cnet.com, DealTime.com, eBay.com, Edmunds.com, Espn.com, Gomez.com, Homeruns.com, Kozmo.com and Outpost.com. These are sites to which I return time and time again, even when I am not necessarily planning to make a purchase; sometimes I just like to cruise them.

Reading

Learning about ecommerce is exciting and can feel, at times, overwhelming. Some elements of the ecommerce industry change so quickly and that is one of the reasons for my being engaged in this research; it keeps me current and involved in this industry so that I can actually see real time (and not fall behind) some of what is going on. In addition to "doing," I also find that "reading" about others perspectives and experiences is helpful in my learning.

Some books that I recommend:

- Net Gain by John Hagel III and Arthur Armstrong.
- Principles of Internet Marketing by Ward Hanson (watch for a new edition soon).
- Marketing Management: Millennium Edition by Philip Kotler.
- Code and Other Laws of Cyberspace by Lawrence Lessig.
- The Brand You 50 by Tom Peters.
- Information Rules by Carl Shapiro and Hal Varian.
- Advanced Marketing Strategy: Phenomena, Analysis, and Decisions by Glen Urban and Steven Star.

Some books that I am planning to read:

- Blown to Bits : How the New Economics of Information Transforms Strategy by Philip Evans and Thomas Wurster (Their Harvard Business Review article was very good, so I am curious as to their book's contents).
- Cluetrain Manifesto: the End of Business as Usual by Christopher Locke, Rick Levine, Doc Searls and David Weinberger (I've heard that some of the concepts are very good, but that they do pound home these points over and over again.)
- Now or Never : How Companies Must Change Today to Win the Battle for Internet Consumers by Mary Modahl.

- The Victorian Internet by Tom Standage (Many similarities are highlighted between the maturation process of the telegraph and the Internet).

Some publications that I read regularly:

Business 2.0
BusinessWeek
The Industry Standard
The Wall Street Journal

Some ecommerce/Internet sites that I find valuable:

E-commerce Times - <http://www.ecommercetimes.com/>
eMarketer - <http://www.emarketer.com/>
Internet.com - <http://www.internet.com/home-d.html>
ZDNet Inter@ctive Week - <http://www.zdnet.com/intweek/>
Northern Light Special on E-commerce - <http://special.northernlight.com/ecommerce/index.html>
eBoz! - <http://www.eboz.com/>

My Next Steps

I will definitely continue to do my retail shopping exclusively online until the beginning of June as this is when my wife is expected to deliver a baby. Ideally, I would like to continue this research through September 2000, which would make for a complete year of retail shopping exclusively online. I'll assess my ability to do this in June.

Items that I would like to purchase online before the conclusion of the Internet Shopping 24/7 Project are: an automobile (well, that sounds better than minivan), footwear, more clothing, yard project items (e.g., soil, mulch, plantings)

I plan to redesign the site a bit and add some features. After this, I plan on porting all the materials over to www.InternetShopping247.com and making a go of it on a different host server.

I am both planning and in the midst of performing focused studies on particular hypotheses that have been generated as a result of this research. In addition, I am engaged in preparing other papers that consider some new perspectives about online consumer behavior and future directions for ecommerce. For example, one working paper of mine discusses a new breed of consumer that I call an Internet Consumer-Entrepreneur (iCE); another working paper in the draft stage discusses a new executive position titled the Chief Consumer Officer (CCO). Finally, I will write a book about some aspects of ecommerce.