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ABSTRACT

Many rural-based farm and food businesses are relatively small but successful companies. They face severe constraints in terms of finance, marketing and distribution. However, marketing food by mail order presents the opportunity for these firms to gain access to national or even international markets. The achievement of commercial success requires that these companies become marketing oriented. Thus, the critical issue for these firms is to identify the needs of existing or potential customers.

The objectives of the paper are to establish a profile of the characteristics, behaviour and attitudes of mail order customers.

INTRODUCTION

This paper presents results from empirical research concerned with consumers' attitudes to mail-order speciality food in association with rural businesses located in the north of England. The rural dimension is of particular interest because it provides firms who would otherwise have to rely on local markets access to national or even international markets. Consequently there are implications for the utilisation of rural resources and the development of rural areas.

Direct marketing has evolved from its initial forms such as catalogue selling into a diverse range of activities involving direct mail, direct response advertising, mail-order or catalogue sales, door-to-door sales, tele-marketing, vendor machines and vendor ordering computers. The most recent developments in the UK have been in the introduction of the first dedicated television home-shopping channel, QVC (Quality, Value, Convenience), in 1993, and in the introduction of marketing on Internet.

It was initially a seller-focused orientation but has evolved as a consumer-focused marketing discipline which employs marketing research and database marketing in order

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to achieve a comprehensive understanding of consumers' wants, needs, purchasing behaviours, social classes and lifestyles.

The reasons for the evolution of direct marketing in the UK may be attributed to the opportunities for market fragmentation, technological development, social and cultural factors (Giles, 1990), the opportunity to exploit the availability of consumer databases, the evolution of hybrid marketing systems (Smith, 1993), the adoption of cost-effective communications systems and the increasing opportunity to use credit and charge cards.

The structure of the paper is as follows. The section which follows presents a discussion of the issues which affect rural firms who conduct mail order business. Given that the emphasis of the paper is on consumers' attitudes, the following section examines some of the research issues arising from the perspective of the consumer. The following section provides a description of the research methodology and a discussion of the results with respect to a profile of speciality food shoppers, perceived risk, the perceptions of mail order benefits and finally, with the identification of mail order shopper segments on the basis of benefits sought. The final section presents some summary comments.

SUPPLIER-BASED ISSUES

In the 1970's Berkowitz, et. al. suggested that "changes occurring among consumers and among traditional food retailers are creating conditions more favourable to the acceptance of in-home food retailing" (Berkowitz, et al., 1979). Consumers, which includes an increasing number of working women, and those who need more time for work, leisure, interests, and other activities, require greater time-saving convenience in shopping (The Economist, 1994; Bellinger; Davidson, 1970; Berry & Wilson, 1977).

These changes in the food business environment have created new opportunities in the market for mail order speciality food. In this context the sections which follow discuss some of the issues which influence the ability of speciality food firms to exploit market opportunities. The material reported draws upon qualitative research in the form of in-depth discussions with managers or owners of speciality food firms in the north of England.

market expansion & diversification

Mail-order provides a means of diversification and market expansion. In some cases, mail-order has evolved from farm-based businesses in response to suggestions from customers. Apart from the capital requirements successful mail-order operation requires excellent managerial skills, innovation, and an understanding of market-oriented demand (Festing, 1994).

Mail-order may provide a basis for internationalisation of a business. Some companies have experience in dealing with overseas customers although the numbers of the customers are small. However potential barriers to internationalisation are established by legal mailing restrictions imposed on certain types of products in some countries.

product differentiation

Ray (1994) suggests that "there are three dominant trends in the food industry: concentration, product differentiation, and internationalisation". Strong product differentiation is a fundamental strength of speciality food firms. Their products have

strong unique selling propositions, for example, hand-made speciality cheese or premium quality hand-made chocolate. Thus, the products are clearly differentiated from mass marketed products and have a distinct identity. Consequently niche marketing is a key aspect of the business.

pricing

Speciality foods offer premium quality at premium prices. 'Value for money' is still the pricing strategy for most companies. Although prices of mail-order food products are very competitive in premium food markets, they may be increased significantly by packaging and postage costs. Although some companies attempt to absorb this cost, in most cases it is passed on to customers. Another problem is that of value added tax (VAT). Since customers are required to pay VAT on a price inclusive of postage and packaging charges, the end price to the customer may increase substantially.

direct marketing effort

The Response Rates Report published by the Direct Mail Information Service (1993) indicates that response rates to direct marketing promotions can vary between 1 per cent and 100 per cent with a mean rate of 8 per cent. All mail-order companies utilise postal materials which range from a basic price list to brochures or catalogues. However it is generally the case that the firms do not initiate direct marketing because they rarely have a precise picture of the appropriate customer profile, hence cannot identify the appropriate communication media so that the net return on promotional effort is too risky. 'Word-of-mouth' is considered the most effective way of promotion amongst all managers. Trade shows and exhibitions are the most popular ways of promotion to new customers. In terms of media usage, the BBC Good Food magazine and the quality weekend press are the most popular advertising media.

The use of joint-promotion initiatives offer better prospects for those companies that do not compete in the same market. Managers generally have a very positive attitude towards co-operation, which may take the form of joint brochures or sharing costs of stands in trade exhibitions. In this way the firms exploit advertising and promotion synergy

the customer database

The customer database should retain historical data, that is, transactional data which indicates the frequency of purchase responses to offers and purchase power, as well as personal data. An accurate customer database not only enables the firm to target customers effectively, but also to maintain a long-term relationship with customers. However most companies do not have the kind of database which is discussed in the academic literature but rather maintain customer lists. This result is consistent with the Dunn Humby Associates' survey (Marketing Business, 1993) that the majority of companies do not use a database.

customer relations

Managers, when discussing customer relationships, often use words like: 'personal', 'intimate' and 'trust'. Trust and credibility are important elements in encouraging customers' responses. If the customer is convinced that the quality of customer care is high then this perception is communicated to friends and acquaintances through 'word-of-

mouth' or through sharing the experience of the product. This process of diffusion thus carries strong elements of public relations and promotion.

order, delivery, & payment

Most customers' orders use mail. However, there is an increasing tendency towards the use of telephone and fax. The advantage over mailed orders is that it provides for improved communication, for instance, when a product is out of stock customers can elect a substitute.

Since there is an awareness of the need to reduce delivery times most companies aim to deliver the product within one week of receiving an order. Orders are usually despatched using conventional postal services. Payments are most often made by cheque although in rare cases a companies may take credit card orders.

innovation in technology

The advance of computer hardware and the increasing sophistication of computer software have contributed a great deal to mail-order operations with respect to data processing, targeting, and segmentation of markets. Small organisations are often some way behind larger firms with respect to the utilisation of technology. Communication technology has also improved the speed of the response and contact between suppliers and customers. Telephone and fax communication is increasingly taking the place of postal services while a more recent development is in the use of Internet (Buckley, 1995; Cross, 1994, Broadcasting, 1995; Ashley, 1995; Brooks, 1995).

CONSUMER RESEARCH ISSUES

Direct marketing is primarily an American creation springing from the growth of consumer demand and change of market structure in the United States (US) (Fairlie, 1979). It's introduction is commonly attributed to Aaron Montgomery Ward, who initiated catalogue and mail order selling in the sparsely populated areas of the mid-west in 1872.

By the early 1970s, direct marketing researchers in the US found that the in-home shopping market was becoming increasingly urban, and the urban population was growing (Gillett, 1970). Thus it was evident that the attraction of in-home shopping was no longer predominantly associated with isolated, rural populations and there was evidence that some kind of social, demographic and lifestyle change was taking place, leading to an increasing reliance on in-home shopping than was the case hitherto.

These changes underlined the need for, and significance of, marketing research. This has resulted in academic and commercial research on methodology, research on impact effect, response, and media, research on specific issues. such as privacy and, research into consumer behaviour. In the literature, consumers who shop through various direct marketing channels are generally, referred as 'in-home shoppers'. Accordingly research has focused on the characteristics, preferences, attitudes and behaviour of this group. with an emphasis on perceived risk, innovation, the 'lock-in' effect and consumers' personal and behavioural characteristics.

perceived risk

Bauer first introduced the proposition that consumer behaviour involved risk: "in the sense that any action of a consumer will produce consequences which he cannot anticipate with anything approximating certainty." (Bauer, 1967). It is suggested that the level of perceived risks are determined by the dimensions of uncertainty and the consequences of purchase (Foxall and Goldsmith, 1994). Jacoby and Kaplan (1972) identified five types of loss associated with the consequences of risk: financial; performance: social; physical; and, psychological. Subsequent studies have contributed additional ones concerned with time-loss (Roselious, 1971; Bettman, 1973; Ross, 1975) and opportunity (Zikmund and Scott, 1987; Mowen, 1987).

Risk may be reduced to a tolerable level by improving the degree of certainty that a loss will not occur or by reducing the penalties associated with the consequences of decisions (Ross, 1975). (Popielarz, 1967; Jacoby and Kaplan, 1972; Kaplan et. al., 1974). Risk relievers are instruments employed by suppliers to promote the reduction of perceived risk and act as catalysts to facilitate purchase (Roselious, 1967). Studies have employed risk relievers such as endorsements, brand loyalty, brand image, store image, private and government testing, money back guarantees and salesperson's advice (Roselious, 1971; Derbaix, 1983). Consequently research effort in this area has addressed the relative importance of types of loss and the effectiveness of 'risk relievers' in the context of various types of loss for general or specific purchase decision modes and for general or specific products .

Compared to in-store shopping, consumers perceive higher levels of risk when they purchase products through direct marketing channels (Terblanche and Smit, 1995). Various studies have focused upon perceived risk in the context of telephone shopping (Cox and Rich, 1964) mail order shopping (Spence, et al., 1970) and in-home shopping (Sheth et. al., 1968; Schiffman et. al., 1976) One issue faced by mail order companies is to identify most effective risk relievers in terms of the trade-off between their respective costs and the benefits of sales revenue. Within direct marketing this approach has been explored by Akaah and Korgaonkar (1988) who employed conjoint analysis to identify an optimal set of alternative risk relievers.

innovation

According to Goldsmith (1987), consumer innovators are classified in terms of their degree of adaptability and flexibility in a changing environment. Most studies find that innovators are different from others in terms of their socialisation, income, occupational status, social class, and education (Robertson, 1971). Consumer innovators are reported to have greater exposure to mass-media, have more contact with change agencies, exhibit a greater degree of group participation and interpersonal communication, are opinion leaders, and are more cosmopolitan (Roger, 1983; Foxall & Goldsmith, 1994).

Innovative behaviour is associated with people who are 'venturesome' (Midgley, 1977; Robertson, 1971). They are usually 'risk-takers'. They see more advantage, greater compatibility, less complexity, more opportunities for experimentation with new products, services, ideas or practices than do non-innovators (Ostlund, 1974). Innovators are often found to be 'heavy' product users. (Danko & MacLachlan, 1983; Dickerson & Gentry, 1983; Robertson, 1971; Robertson and Gatignon, 1985; Taylor, 1977).

the 'lock-in' effect

Another feature of consumer research has been to explore what is termed the 'lock-in' effect. That is to research whether regular in-home shoppers exploit the convenience of in-home shopping because regular stores are not as accessible to them as they are for other shoppers. For example in-home shoppers may be confined to a home shopping environment because they may have younger children and less access to a car, have negative attitudes to local shopping facilities or the shopping environment. (Peters and Ford, 1972; Reynolds; 1974). However the study by Gillet (1970) found that in-home shoppers also enjoyed store shopping and shopped more frequently than the sample average.

consumers' characteristics

One of the issues which has been given some attention in some studies has been to establish differences between in-home shoppers and store shoppers on the basis of personality. Reynolds (1974) found that regular catalogue shoppers were younger, more venturesome and had greater self confidence compared to infrequent shoppers. This result was also established in a study by Cunningham and Cunningham (1973) which revealed that in-home shoppers were less conservative, were more positive about the use of credit and were more cosmopolitan than non in-home shoppers. However, the cosmetics study of Peters and Ford found that there were no significant differences in personality between in-home and store shoppers.

Berkowitz et al (1979) found that in-home shoppers had higher occupation status and higher education levels, a result also established by Gillet (1970). A study by Spence et al (1970), revealed that shoppers with higher education and occupational status shopped less by mail order.

Neither are the results of existing studies consistent with respect to differences between shoppers on the basis of age. The study by Gillett (1970), and Young's (1992) study of mail-order catalogue shoppers (1992), found that there was no difference between in-home shoppers and store shoppers with respect to age. Reynolds (1974) and Berkowitz et al (1979) found the converse.

Attempts to establish whether there are income differences between in-home and store shoppers. reveal a spectrum of findings. In-home shoppers were found to have higher incomes by Gillet (1970) and Reynolds (1974). Berkowitz et al (1979) and Young (1992) found that there was no difference, whilst Peters and Ford (1972), Spence et al (1970) and James (1986) established that in-home shoppers had lower incomes.

The issue of expenditure was researched in the study by Gillett (1970) who found that there was no difference between the shopping expenditure of in-home and store shoppers. Studies by Gillett (1970) and Cunningham and Cunningham (1973) and Young (1992) found a strong association between that in-home shopping and credit card ownership and usage and on the emphasis of convenience.

One issue related to the concept of the lock-in shopper considers the association of in-home shopping with household size. The studies by Gillett (1970) and Berkowitz et al (1979) found that there was no difference in family size between in-home shoppers and store shoppers. However elsewhere researchers have established some differences on the basis of household composition with respect to the existence of young children in the household.

Gillett (1970) and Reynolds (1974) established that far from being reclusive, in-home shoppers were experienced store shoppers. Berkowitz et al (1979) revealed that in-home shoppers shopped less frequently than store shoppers.

The contradictions in the existing literature are not surprising given that the studies vary according to location and infrastructure, consumer and product characteristics. In the case of the UK there is a substantial variation in the nature of products which are available through direct media. Within the food sector for example, available products range from basic foods like eggs, to high quality, premium products like smoked salmon, hand-made chocolates, wine and malt whisky. One would anticipate that the consumers' characteristics, attitudes and behaviour are very different for particular sub-sectors of the speciality food sector.

RESEARCH METHODOLOGY AND EMPIRICAL RESULTS

The research methodology employed a mail survey to investigate mail order shoppers' characteristics, attitudes, preferences and shopping behaviour. The development of the questionnaire was established through a review of research issues found in the existing literature and from in-depth interviews with managing directors or proprietors of speciality food businesses located in Cumbria, Northumberland and the Scottish Border region, all of which offered a mail order facility.

The survey was implemented as a national survey of (3052) speciality food mail order customers, conducted from November 1995 to January 1996, in co-operation with five mail-order speciality food companies. The sample frame comprised lists of names and addresses compiled by the companies. The survey method employed a stratified sample based upon the relative sizes of the firms' customer databases. Subsequently the survey yielded a sample of 1,639 valid responses, representing a response rate of 54 per cent.

profile of mail order shoppers

Respondents are categorised as 'Active' in-home shoppers or 'Inactive' in-home shoppers according to the recency of their last order. The active group is comprised of 1,030 respondents who had shopped for food using mail-order within the previous 12 months. The inactive group is comprised of 609 respondents who had not purchased any food product through mail-order in last 12 months.

Differences between active and inactive in-home shoppers are investigated on the basis of a chi-square contingency test based on the null hypothesis that the profile variable is independent of shopper type. The tests were conducted at a 5 per cent significance level. The empirical results reveal a distinctive profile of the mail-order speciality food shoppers which is discussed below.

Over 80 per cent of mail-order speciality food shoppers spend more than the official figure published by Central Statistical Office in 1996 regarding household weekly expenditure of £30 per week on food shopping. Moreover, over one third of them spend more than £60 per week, which is twice as much as the official figure and 8.9 per cent higher in comparison with non-mail-order shoppers.

Active mail-order food shoppers have a higher level of education or professional qualifications in comparison with the inactive shoppers. More than 70 per cent of mail-

order shoppers have undertaken professional training, a degree, a postgraduate qualification, or equivalent. It would be reasonable to assume that this aspect would be a reasonable surrogate for income or lifestyle. This, combined with the characteristic of higher expenditure on food and the fact that 70 per cent of mail-order food shoppers' households are without children, suggests that socio-economic status of this group is above average.

Active shoppers have a greater degree of exposure to the media compared to inactive shoppers. Consequently this group may be better informed and more knowledgeable in general and/or more disposed to respond to direct promotion through the media. In this case, the higher the media exposure the more likely consumers are to be reached by marketing activities.

Active mail-order food shoppers read a substantially higher number of newspapers, especially 'quality' news media, compared to inactive shoppers. Amongst this group the most popular news media are The Daily telegraph (33 per cent), The Times (22 per cent.) and The Sunday Times (27 per cent).

In addition, there are significant differences in magazine readership between the two groups of shoppers. In general active shoppers read more magazines of any type than inactive shoppers and read more magazines concerned with the arts, music and entertainment, news and world affairs, food and wine, home interests and TV guides.

Some interesting differences are revealed between active and inactive groups with respect to attitudes to in-store shopping in terms of social aspects of shopping. The active group do not conceive of shopping as 'fun' and neither are they enamoured of the opportunity to shop with friends or to meet people. They are not convinced of the social skills or expertise of shop personnel and tend to be sensitive to the opportunity cost of time devoted to shopping and consequently, appreciate the convenience aspect of in-home shopping.

perceived risk and risk relievers

The issue of perceived risk was examined by comparing consumers' evaluations of risk associated with mail order compared to store shopping with respect to product quality, product safety, delivery time, condition on delivery, product expectation, price, ordering procedure, and seller's credibility. Respondents expressed their perceptions of the relative risk associated with mail order compared to in-store shopping by scoring these aspects of risk on a five-point scale where higher scores indicated an increasing perceived risk.

The results are shown in Table 1. A one-sample chi-square test was employed as a basis for testing the distribution of responses across risk evaluation categories. The null hypothesis is that the distribution is uniform. The test was conducted at a 5 per cent significance level. Compared with in-store shopping, consumers perceive higher levels of risk when they purchase food product on mail-order. The highest levels of perceived risks are associated with 'product expectation,' 'product quality,' 'delivery time,' and 'condition on delivery'.

differences in perceived risk for regular and non-regular shoppers

The differences in perceived risks between active and inactive mail order shoppers was investigated using a median test based upon a null hypothesis that the median risk scores were equal. The results presented in Table 2 reveal that the inactive group perceive higher levels of risk on every aspect.

risk relievers

If mail-order shopping is associated with higher degrees of perceived risk compared to store shopping, how effective are potential risk relievers? Fifteen potential risk relievers were identified from preliminary research. Respondents evaluated the degree of importance of these as an incentive to use mail-order, where higher scores indicate lower importance. A chi-square test is employed to test whether the distribution of responses is significantly different from a uniform distribution at a 5 per cent significance level. For all variables the null hypothesis is rejected (Table 3). The results reveal that 'good quality,' 'money back guarantee,' 'reputable manufacturer,' 'past experience with the company,' and 'past experience with the product,' have relatively higher importance scores.

Moreover, the median test is used to analyse if active mail-order food shoppers value the importance of each of the risk relievers differently from the inactive mail-order food shoppers. The null hypothesis is that the median scores are equal.

The results of the median test indicate (Table 4) that there is no difference in the importance of risk relievers between active and inactive shoppers with respect to the risk relievers, 'good quality', 'reputable manufacturer', 'recommended by whom you know personally', 'presentation in brochure/catalogue', 'sample/trial', and 'recommended by a public figure'

On the other hand, there are significant differences between the groups with respect to 'money back guarantee', 'past experience with the product', 'past experience with the company', 'competitive price', 'official/certified quality standard', 'uniqueness/exclusiveness', 'well-known brand/product', 'only available by mail-order', and 'special offers'.

Inactive mail order shoppers place more importance on certain aspects of risk compared to active mail order shoppers. For example they place more emphasis on the existence of a 'money back guarantee' and 'competitive price'. They are also more sensitive to the existence of an 'official/certified quality standard' and with product qualities such as 'well-known brand/product' than mail-order food shoppers. On the other hand, active shoppers emphasise 'past experience with the product', 'past experience with the company', 'uniqueness/exclusiveness of products', 'only available by mail-order' and 'special offers', more so than shoppers.

consumers' perceptions of mail order benefits

Preliminary research, an examination of previous literature and in-depth discussion with industry experts led to a tentative hypothesis that consumers would be attracted to mail order for reasons of convenience, speciality or uniqueness or exclusivity of the products. Mail-order food shoppers were asked why they shop through mail-order using a series of agreement scales in association with certain attributes of mail order identified in the preliminary stages of the research. The distribution of responses across the agreement scales are summarised in Table 5.

To provide a perspective to evaluate the responses the distributions were examined using a one sample chi-square test in which the null hypothesis is that the distributions are uniform. In every case, the null hypothesis is rejected at a 5 per cent significance level. Examination of the frequencies in Table 5 reveals that 'product quality,' 'uniqueness/exclusiveness of product,' 'convenience,' 'delivery service,' and 'only on mail-order,' are

considered as respectively the five most important attributes of mail order. Since 'product quality' is associated with 'uniqueness/exclusiveness of product', the reasons for using mail-order is certainly influenced by product factor. 'Delivery service' is possibly associated with 'convenience'. Nevertheless, 'only on mail-order' reflects "accessibility".

dimensions of consumers' perceptions

The attributes were further analysed to explore the existence of underlying dimensions of consumers' perceptions of the benefit of mail-order with the aid of factor analysis. The factor model assumes that the observable variables are generated by a set of common factors and unique factors (Hair et al, 1996). Furthermore, the variance covariance structure of the data is explained by the factor structure, with variances being explained less than perfectly and covariance being explained exactly.

The analysis was conducted using the procedure Factor within SPSS. The preliminary analysis employed all 12 attributes, and generated a solution based upon the derivation of factors according to the eigenvalue criteria. However the communalities for the attributes concerned with 'Convenience of payment/payment terms' and 'Competitive price/special offers,' were judged to quite low (<.50) indicating that the set of derived factors explained a low proportion of the variance of those attributes.. Consequently the two attributes were excluded from the subsequent analysis. The final solution was derived on the basis of varimax rotation which generated a solution in four factors (Table 6).

The four factors explain approximately 67 per cent of total variance. With respect to the communalities, ten variables in the final model all have a communality greater than .50 that indicates the model explains a reasonable proportion of the variance in each variable. For instance, more than 80 per cent of the variance in both variables, 'customer relations' and 'customer services', is accounted for by the four final factor solution.

A 'reliability test' using Cronbach's alpha is used to confirm the internal consistency of each of the factors. The first factor is tested with two variables of 'customer relation' and 'customer service', and showed an alpha value of .84 which indicates a very good fit. The second factor is tested with two variables of 'convenience' and 'delivery service', with an alpha value of .70. The third factor is tested with three variables of 'direct mail a gift', 'recall good memory' and 'company image', with an alpha value of .53. The fourth factor is tested with four variables of 'uniqueness/exclusiveness of product,' 'only on mail-order', and 'product quality', with an alpha value of .54. Thus, all four factors reach the reliability level, implying that there are four factors in the final solution.

Examination of the strength of the correlations between the factors and the mail order attributes provides further interpretation of the dimensions. Factor 1 is strongly correlated with the attributes concerned with 'customer relations' and 'customer service' and is named as a customer relations and service factor. Factor 2 is strongly associated with 'convenience' and 'delivery service', and is named 'convenience'. Factor 3 is strongly correlated with 'recall good memories', 'direct mail a gift', and 'company image', and is named as a nostalgia factor. Factor 4 is most strongly correlated with 'uniqueness/exclusiveness of product', 'only available on mail-order', and 'product quality', is named as an exclusivity factor

The result of factor analysis shows that the main dimensional reasons for using mail-order in food shopping are: first, 'customer relation & service'; second, 'convenience'; third, nostalgia, and fourth, exclusivity.

segmentation on the basis of benefits sought

In order to explore the existence of sub-groups of mail-order shoppers on the basis of benefits sought, the data is analysed by using cluster analysis of the factor scores generated by the factor model.

The aim of cluster techniques is to group entities, objects or people, on the basis of their measured characteristics, such that there is within group homogeneity and between group heterogeneity (Hair et. al., 1995). The procedure employed in the analysis was a non-hierarchical procedure in which entities are grouped into a pre-specified number or range of clusters relative to an optimising criterion.

The procedure involves two stages. The first of these establishes a number of specified cluster centres from the data and an initial grouping of the data based on the proximity of data values from cluster centres. In the second stage relocation occurs in the context of an objective, for example so as to minimise within group variability. The analysis clustered mail-order food shoppers into two groups on the basis of their four factor scores Table 7 presents a summary of the cluster centres and one-way tests for the difference between cluster centres. The results indicate that these four factors have significantly different patterns in differentiating between the groups.

A profile of each of the two groups is established on the basis of the average factor scores for each group and from the identification of demographic and lifestyle variables which there are significant differences between groups on the basis of a chi-square contingency test at a 5 per cent level of significance.

Thus cluster 1 is comprised of 53 per cent of mail-order food shoppers who are attracted to mail-order because they have higher factor scores on Factor 3 ('nostalgia') and Factor 4 ('no substitute'). Therefore, this cluster represents a group of consumers who are product-oriented. They are generally younger and their lifestyle characteristic is that a higher proportion of households have children living at home.

Cluster 2 is comprised of 47 per cent of mail-order food shoppers. In turn, they are attracted to mail-order food because they tend to have higher scores on Factor 1 ('customer relations and services') and Factor 2 ('convenience'). As a result, this cluster represents a group of consumers who are attracted to the advantage of mail-ordering with respect to convenience and service aspects. This group of consumer is labelled as mail-order shopping-oriented.

They are characterised by their higher age and that a higher proportion of households do not have children living at home.

SUMMARY

The objectives of the study were to examine the nature of consumer attitudes to speciality mail order products on the basis of a survey of mail order shoppers. It provides a contribution to research which has not been addressed in the UK in the face of the evolution of a wide range of direct marketing media in the food sector.

The study reveals a detailed profile of the speciality food mail order customer. It identifies the risks perceived by those customers and how these might be reduced. It also provides some insight into the definition of the speciality food mail order product in the

widest sense of its core, expected and augmented benefits, through various product and service attributes. Furthermore, that the attributes reveal a hierarchy underlying dimensions from which to understand consumers' perceptions of the importance of product benefits and which for a basis for segmentation of the market.

This group of consumers are interested in food and indulge themselves in food. They tend to be older (40 - 65), live in households without children, have relatively high levels education level or qualifications. These basic demographic characteristics suggest that they are a group with relatively high socio-economic status and disposable income.

They are open to information, knowledge, and new development. They have a higher readership of print media which suggests that they are exposed to a greater degree to information, knowledge and new developments and are more exposed to promotion through print media. Active in-home shoppers are not necessarily alienated by the shopping environment but do not perceive shopping as an enjoyable social activity.

Both active and inactive in-home shoppers perceive higher levels of risk with mail-order shopping compared to in-store shopping with respect to their expectations of the product, product quality, delivery and with the condition of the product. The two groups differ in their risk perceptions. Inactive shoppers perceive higher levels of risk than active shoppers. In active shoppers would be more favourably disposed to use mail-order if part of the customer relations package on offer provides money back guarantees, competitive price, assured quality and established brands or products.

The study establishes the nature of the speciality food product. The 'product' is a set of attributes which emphasise expected and augmented benefits in addition to the core product. Consumers emphasise quality, uniqueness or exclusivity, delivery, convenience and accessibility. This emphasises that the mail order customer expects more from supplier than postal delivery of a food product. Underlying these attributes are four main dimensions of customer relations and service, convenience, nostalgia and uniqueness. Furthermore it is possible to identify two segments of active mail-order shoppers in terms of a product oriented group and a mail-order oriented group.

The study could not have taken place without the co-operation of speciality food firms in the north of England and the Scottish borders. Most of these firms are small, rural-based businesses with limited human, financial and technological resources. The authors would like to think that this study has contributed valuable information to speciality food company owners and managers in the analysis of consumer profiles, the identification of product attributes and their underlying dimensions.

However it should be emphasised that there are other important issues in addition to an understanding of the consumer which prospective mail order firms need to address. Specifically, these concern the adoption of technology, marketing geographical aspects of place and location, infrastructure and logistics and, business support and training.

Clearly, further research in this area would contribute further to a general understanding of the marketing of mail order foods. The obvious direction of consumer research would be to encompass a wider coverage of food products and to investigate in more detail product benefits, associated elements of perceived risk and optimal risk reliever offers.

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Table 1. Perceived Risks of Mail Order Compared to In-store Shopping

Risk Type	Much Less	Less	Same	More	Much More	Total (%)
Product expectation	48	73	459	743	186	1509
	3,2	4,8	30,4	49,2	12,3	100
	Chi-Square = 1158.194		D.F. = 4		Significance = .000	
Quality	51	108	580	644	158	1541
	3,3	7	37,6	41,8	10,3	100
	Chi-Square = 1023.4555		D.F. = 4		Significance = .000	
Condition on delivery	46	105	595	639	101	1486
	3,1	7,1	40	43	6,8	100
	Chi-Square = 1157.634		D.F. = 4		Significance = .000	
Delivery time	59	176	508	603	136	1482
	4	11,9	34,3	40,7	9,2	100
	Chi-Square = 794.066		D.F. = 4		Significance = .000	
Seller's credibility	50	142	730	8	91	1421
	3,5	9,9	50,9	29,3	6,4	100
	Chi-Square = 1149.851		D.F. = 4		Significance = .000	
Product safety	29	70	940	368	57	1464
	2	4,8	64,2	25,1	3,9	100
	Chi-Square = 2046.977		D.F. = 4		Significance = .000	
Price	35	121	1000	255	40	1451
	2,4	8,3	68,9	17,6	2,8	100
	Chi-Square = 2279.155		D.F. = 4		Significance = .000	
Ordering	52	231	885	233	23	1424
	3,7	62,4	16,2	16,4	1,6	100
	Chi-Square = 1715.424		D.F. = 4		Significance = .000	

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Table 2. Differences in Perceived Risks for Active and Inactive Mail Order Shoppers

	Group		Median	Chi-square (X^2)	Significance
	1	2			
Risk in quality					
> median	50	106			
< median	923	456	4	71.98	0.0000
Risk in safety					
> median	203	218			
< median	729	309	3	61.95	0.0000
Risk in delivery time					
> median	395	341			
< median	541	200	3	58.68	0.0000
Risk in condition of delivery					
> median	407	329			
< median	538	207	3	45.15	0.0000
Risk in product expectation					
> median	65	119			
< median	893	427	4	71.58	0.0000
Risk in price					
> median	165	130			
< median	758	393	3	9.59	0.0020
Risk in ordering					
> median	123	130			
< median	787	379	3	31.4	0.0000
Risk in seller credibility					
> median	223	284			
< median	687	234	3	131.21	0.0000

Note:

Group 1 = Active mail order shoppers

Group 2 = Inactive mail order shoppers

Table 3. Importance of Risk Relievers

Risk	Very	Important	Not Sure	Unimportant	Not at all	Total
Reliever	Important				Important	(%)
Good quality	1059 67,4	484 30,8	22 1,4	5 0,3	2 0,1	1572 100
Money back guarantee	891 57,2	522 33,5	58 3,7	77 4,9	11 0,7	1559 100
Reputable manufacturer	524 34	814 52,9	117 7,6	75 4,9	10 0,6	1553 100
Past experience with the Co.	492 32,1	817 53,3	109 7,1	110 7,2	5 0,3	1533 100
Past experience with product	432 28,5	833 55	142 9,4	101 6,7	6 0,4	1514 100
Competitive price	411 26,8	816 53,3	116 7,6	171 11,2	17 1,1	1531 100
Official quality standard	402 27,2	585 39,6	229 15,5	192 13	68 4,6	1476 100
Uniqueness/exclusiveness	430 28,1	569 37,1	182 11,9	307 20	44 2,9	1532 100
Presentation in catalogue	157 10,3	798 52,3	243 15,9	258 16,9	71 4,6	1527 100
Well-known brand/product	207 13,5	623 40,6	246 16	412 26,9	45 2,9	1533 100
Only available by mail-order	294 19,2	415 27	285 18,6	449 29,3	92 6	1535 100
Recommended by someone you know personally	178 11,9	545 36,5	259 17,3	438 29,3	74 5	1494 100
Sample/Trial	111 7,5	520 35,2	343 23,2	429 29	76 5,1	1479 100
Special offers	74 4,9	274 18,1	210 13,9	721 47,6	237 15,6	1516 100
Recommended by a public figure	9 0,6	53 3,6	168 11,4	649 44,1	594 40,3	1473 100

Note:

One-Sample Chi-Square Test: All items significance = 0.000