Chapter 13

E-Tailing:
A Snapshot of Australia’s Top 25 Retailers

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ABSTRACT

E-tailing is gaining momentum in Australia as traditional retailers are moving towards the adoption
of a clicks and bricks strategy. Electronic retailing or E-tailing can be described as selling goods to
customers directly through electronic means. Although this Business-to-Consumer phenomenon is not
new, it is helping retailers to conduct business online with virtual storefronts and to reach local and
global customers who are disadvantaged by geographical and other distinct barriers. This chapter starts
by detailing the current state of e-tailing with supporting statistical figures from recent research with a
specific emphasis on Australia. Overall growth in Internet accessibility rates across Australia clearly
demonstrate e-tailing’s importance to online customers. Literature review once again proves the fact that
Internet not only creates opportunities for retailers but also poses many challenges. Further discussion
provides an understanding of the suitability of the retailing channel for different products and services.
This study then analyses the usability of Australia’s top twenty-five retailers’ websites focussing on
website usability factors, such as navigation, searchability, purchasing, layout and clarity, information
content, and web browser compatibility. Australia’s e-tailing initiatives might be lagging behind most
developed markets, however recent research indicates that there is a significant growth in this online
activity and it will continue to attract more and more online customers in the coming years as retailers
jump on the e-tailing bandwagon.

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INTRODUCTION

The shift from buying in brick and mortar stores to online stores is transforming the retailing experience, both for the buyer and the seller. The Internet has provided a forum for connectivity, allowing buyers and sellers to connect with each other on a global platform. E-commerce has been the emerging winner, fuelled by the explosion of Internet usage worldwide. Retailers, worldwide, have been quick to embrace electronic retailing (e-tailing) which has allowed them to capture new markets and gain competitive advantage. E-tailing offers economy of scale for retailers in the form of reduced supply chain costs and an enhanced market share. Customers can potentially benefit from an increased variety of products and services with varied information, convenience, price competition and a different shopping experience for customers who may like this medium owing to its “so-called” anonymity (Turban et al., 2000; Wang, Head & Archer, 2000). Progressively more businesses are recognising the commercial potential of the Internet and a number of researchers have noted that the Internet is becoming important to facilitate business in the networked world (Burt & Sparks, 2003; Sharma & Sheth, 2004). The benefits of setting up an Internet presence are cost reduction, new capability, competitive advantage, communications improvement, improved control and customer service (Bocij et al., 2006). As online retailing continues to grow, it has become important to identify quality factors that impact on it. There are various measures of the dimensions of quality for making online retailing successful. Cho and Park (2002) have identified ten important factors of electronic commerce user-consumer satisfaction: quality of product information, level of consumer services, satisfaction with purchase results and delivery; goodness of site design, satisfaction with purchasing process, quality of product merchandising and portfolio, satisfaction with delivery time and charge, convenience of payment methods, ease of use, and provision of additional information services. The focus on site design is crucial in providing customers a friendly navigational experience and enhance satisfaction.

Schneider (2009) suggests that in terms of dollar value and number of transactions, business-to-business (B2B) electronic commerce is much greater than business-to-consumer (B2C) electronic commerce whereas the business processes that support selling and purchasing activities is greater than the number of all B2B and B2C transactions together. This demonstrates the importance of electronic commerce in supporting selling and purchasing processes. E-tailing is considered as one of the rapidly expanding segments of the retail market. Hence businesses need to be able to find a way of providing their products and services online so that they do not miss out on a share of the market that demands and needs online purchasing.

So far, in the current literature, there is limited research on the state of e-tailing in Australia specifically with no focus on top retailers’ adoption of e-tailing. Therefore, the purpose of this chapter is to examine the extent of the utilisation of the Internet in providing an electronic retailing medium by the top twenty-five retailers in Australia. Shackel (1984) has defined usability as the ability of a system to be used easily and effectively by humans, allowing them to complete the specified tasks within a range of scenarios. It is important that online stores are easy to use with minimal distractions so that there is a positive perception of e-tailing in the minds of consumers. Retailers’ websites should facilitate the purchase process and also help in disseminating organisational information easily and effectively. Successful electronic retailing is dependent upon all aspects of the shopping experience, including the usability of the retailers’ website.

The remainder of this chapter is organised as follows. The following section provides a literature review that has been segregated into two subsections, outlining the state of electronic retailing and an overview of Internet adoption in Australia and