

A STUDY ON CONSUMERS ATTITUDE TOWARDS ONLINE GROCERY SHOPPING IN COVID19 PANDEMIC

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ABSTRACT

The COVID19 pandemic has thrown challenges across the world, which were unprecedented. Sudden lockdowns forced people to stay indoors due to the spread of the virus. Customers were looking for innovative options to shop, staying in the comfort of their homes. OGS, through the e-commerce platforms, took advantage of this situation. This research paper attempts to bridge the gap to identify the critical factors influencing the purchase of groceries through online portals. The paper seeks to understand the triggers which influence the adoption of OGS. The findings of the study have implications for the Indian retail industry. Limitations and future research are also discussed. The research gap identified by the researchers was that no studies were conducted to gauge the impact of the pandemic on OGS. The authors tested the proposed framework by using regression analysis in SPSS 25 and collected a sample of 380 using convenience sampling.

Keywords: Online Grocery Shopping (OGS), Customer Awareness, E-commerce, Consumer Behavior and COVID19.

INTRODUCTION

E-commerce has radically altered the business perspective worldwide. In a developing country like India, its impact has been more evident due to the rise in internet users (Chatterjee, 2016). With 225 million online shoppers presently, it is predicted that by 2025, there will be 530 million people shopping online (Chandra, 2021). This underscores the idea that the E-commerce industry would strengthen its hold in the Indian economy. Factors contributing to this phenomenon are increasing consumer spending, rising urbanization and more disposable incomes of the working population of India (Choudhury, 2017).

Online grocery shopping (OGS) is the form of shopping where consumers can order their groceries online, while being at home (Adamides et al., 2006). The idea of online shopping gathered traction from various disciplines in the last few years (Pan et al., 2017). It is gaining momentum due to the convenience it provides to customers (Martin et al., 2019). It started with the western and southern parts of India and has now spread across the country. Online grocery stores have low set-up costs since no physical stores are required and vendors reduce their inventory costs by providing fast-moving goods (Sinha et al., 2015). To be successful in this industry, e-retailers must have efficient transport, distribution and inventory management (Turban et al., 2015). The major Indian e-grocery retailers are Big Basket, Amazon Fresh, Grofers, and JioMart.

Citation Information: Yelamanchili, R., Wukadada, B., Jain, A., & Pathak, P. (2021). A study on consumers attitude towards online grocery shopping in covid19 pandemic. *Academy of Marketing Studies Journal*, 25(S3), 1-10. Academy of Marketing Studies Journal Volume 25, Special Issue 3, 2021

The organized retail trade includes supermarkets, retail chains and other licensed retailers (Sinha, 2017). Coula & Lapoule, 2012 reported how OGS avoids physically going to the stores, waiting in checkout lanes and carrying heavy shopping bags. Therefore, reducing physical effort by a huge margin. Research suggests that online orders include larger portions of fresh products than offline orders (Munson et al., 2017). Factors influencing the growth of online sale of groceries are

1. No geographical boundaries
2. Time efficiency
3. Free delivery and discounts
4. Current Pandemic

However, the coronavirus has disrupted the global economy as we know it. Its impact can be seen in almost every industry, including the manufacturing and FMCG sectors. When the lockdown was announced in India, it led to the closing of all the offline retail stores. In such a scenario, retailers with omnichannel presence could cope with the situation, albeit facing different challenges. They found themselves temporarily overwhelmed. As the restrictions were lifted, the e-grocers slowly started picking up. Overall, the e-grocers expanded manifold because consumers started to order groceries, packaged food and other essential items online. Likewise, Amazon and Flipkart saw an increment in groceries and daily-need items.

The paper aims to study the main elements affecting the acceptance and the intention to continue purchasing online, which characteristic of the product or payment method can determine a higher frequency of OGS. Finally other studies examined the influence of the factors in the process of OGS. Existing literature is concentrated on impact on consumer behaviour in developing countries but very little is known about the acceptance, the purchasing decisions and diffusion in developing countries.

LITERATURE REVIEW

The retail industry has been through a massive transformation over the past few years. Goswami & Mathur, 2011 explained how this tremendous change took place in India's retail industry. With so many choices available to the consumers and their changing lifestyles, there has been a diversification in the consumer demographics. People who prefer speed and convenience usually opt for online shopping (Yu & Wu, 2007). The younger population is at the centre of online shopping and hence, remains the focal point of studying consumer behaviour. One key aspect is how long they have been internet users, as more technically sound people would be more ardent e-shoppers (VA Sumathi et al., 2016). IAMAI, 2019 reported that more than 50% of internet users belong to 20-40 years. This group belongs to the working class, which an essential factor for an e-grocery shopper. Even though the younger population is more likely to go for online shopping, in the current scenario, people from all age groups are indulging in it because of changing customer mindsets (Mitra, 2018). A young and educated female who works long hours and earns a stable income living in a small household would purchase food online (Dominici et al., 2021).

Brand preference of OGS

Different e-retailers are competing in this industry, although Big Basket, Grofers and Amazon Fresh are the most prominent players. The strength of Big Basket lies in offering

flexible delivery timings to the customers, but quality and prices should be maintained for its long-term growth (Upadhyay, 2019). It was reported that the number of Big Basket orders grew by three times since March 2020, as opposed to pre-Covid times, while customer

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retention has increased by 60% (Economic Times, 2021). This proves how this segment is growing exponentially and, in the future, will expand even more. People also prefer Amazon for online shopping due to its quick deliveries and highly convenient application, ultimately leading to a seamless shopping experience (Muralitharan et al., 2018).

Problems faced by Customers During OGS

Despite its advantages, OGS is not an optimal choice for the customers yet. Kaur & Shukla, 2017 outlined how they choose to purchase their groceries via online applications once or twice, but they do not prefer this medium when compared with their local stores and thus, their decision of OGS remains situation based. Goswami & Mathur, 2011 highlighted five main problems that customers face while shopping for groceries online: safety, product quality, no bargaining, and the need to touch and feel the item and delivery time. (Ramus & Nielsen, 2005)

Problems faced by Retailers in the OGS industry

The online grocery segment remains niche as it has many operational difficulties. Overall, the margins earned in the food and grocery segment have been low as retailers provide lower prices via discounts (Jhaveri & Anantharaman, 2016). It has slow sales growth compared to other sectors like electronics, consumer deliverables, cosmetics, etc. Meshram, 2020 analysed the impact of covid-19 on the online grocery retailers as they faced the out-of stock situation with no labour and transport during the lockdown. This effectively derailed their supply chain management.

Objective and Hypothesis of the study

This study focuses on the consumers in Mumbai region and studies their acceptance and inhibitions towards OGS. Consequently, the broad objective is to study the consumer behaviors during COVID19 towards online grocery shopping. However, the specific objectives are as follows:

1. To understand the demographics of people going for online grocery shopping in the COVID19 situation
2. To examine the association between different demographic factors and preference of grocery shopping through online
3. To investigate the factors that can influence consumer's intention to purchase grocery online
4. To find the problems faced by the customer during online grocery shopping
5. The study has following research hypothesis based on the above objective.

¹Hypothesis : The preference for OGS has been increased after COVID19.

²Hypothesis : There is an association between age group and preference for OGS..

³Hypothesis : Ease of navigation is important aspect for the customer for OGS. Data

The present study is based on primary data collected through google form in Mumbai. Convenience sampling was used for data collection. The questionnaire contained questions on demographic information of individuals, information on preference of grocery shopping,

different aspects for online grocery shopping, different brand preference for online grocery shopping and problems faced by customer during online shopping. Apart from these, questionnaire has questions on why people don't go for online grocery shopping.

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The total response for questionnaire were 380.

Statistical Analysis

Univariate analysis has been done to show percentage distribution of different demographic factor, preference of online shopping before lockdown, preference of online shopping after lockdown, frequency of buying, monthly expenditure on buying online grocery. Paired t- test has been done to show the significant change in preference of online grocery from before lockdown to after lockdown. Crosstabulation with chi-square is done to check association between demographic factors and preference of online grocery shopping. One sample t- test is used to check whether different aspects affect online grocery shopping. Different kinds of graphs are also used to get visual representation of results. The significance level is taken 5% for this study. All kind of analysis done with help of SPSS 25 and excel.

RESULTS

Sample Characteristics

Table 1 shows the sample characteristics according to demographics. Around 36% of respondents are less than age 25. The male respondents are more than female respondents. The proportion of married respondents are higher than single. 79% of respondents are working people. Only around 37% respondents have monthly income more than 50k. From Tables 2-4, one can say that the number of people preferencing online grocery shopping has been significantly increased after COVID19.

Table 1			
SAMPLE CHARACTERISTICS ACCORDING TO DEMOGRAPHICS			
Characteristics		Percent	Frequency
Age	< 25	36.6	139
	25-50	63.4	241
Gender	Male	56.3	214
	Female	43.7	166
Marital Status	Single	29.7	113
	Married	70.3	267
Occupation	Student	8.2	31
	Job	78.9	300
	Other	12.9	49
Monthly Income	< 50k	63.2	240

	51k and above	36.8	140
Total			380

Table 2 PREFERENCE OF PEOPLE BUYING GROCERY BEFORE LOCKDOWN		
Preference	Percent	Frequency
Online	20.3	77
Offline	79.7	303
Total	100	380

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Table 3 PREFERENCE OF PEOPLE BUYING GROCERY AFTER LOCKDOWN		
Preference	Percent	Frequency
Online	67.1	255
Offline	32.9	125
Total	100	380

Table 4 PAIRED T TEST TO SHOWING CHANGES IN PREFERENCE BEFORE AND AFTER LOCKDOWN				
	Mean Difference	Std. Deviation	Std. Error Mean	p-value
OGS before lockdown-after lockdown	-0.468	0.5	0.026	<0.001

Background Characteristics and Preference of Online Grocery Shopping

Tables 5-7 represents association with background characteristics with online grocery shopping preference. Around 85% of people of age group “25 plus year” prefer online grocery shopping Females are more likely to prefer for grocery shopping through online. Unmarried are less likely to go for online shopping than married. 32.3% of students prefer online shopping.

Table 5 ASSOCIATION OF DIFFERENT BACKGROUND CHARACTERISTICS WITH PREFERENCE OF ONLINE GROCERY SHOPPING				
Characteristics		Percent	Frequency	Chi-square (p-value)
Age	25 and less yr	36	139	<0.001

	25 plus yr	85.1	241	
Gender	Male	58.4	214	<0.001
	Female	78.3	166	
Marital Status	Single	44.2	113	<0.001
	Married	76.8	267	
Occupation	Student	32.3	31	<0.001
	Job	73.3	300	
	Other	51	49	
Monthly Income	< 50k	64.6	240	0.171
	51k and above	71.4	140	

Table 6 PERCENTAGE OF FREQUENCY OF BUYING GROCERY ONLINE		
Frequency of Shopping	Percent	Frequency
Daily	3.5	9
Thrice a week	8.2	21
Twice a week	27.5	70
Weekly	60.8	155
Total	100	255

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Table 7 PERCENTAGE DISTRIBUTION OF MONTHLY EXPENDITURE ON BUYING GROCERY THROUGH ONLINE		
Amount (INR)	Percent	Frequency
<500	3.1	8
500-1000	27.1	69
1001-1500	20.8	53
1501-2000	18.4	47
2000 and above	30.6	78
Total	100	255

Factors affecting Online Grocery Shopping

Table 8 shows descriptive of factors affecting online grocery shopping. Around 44% people believe that prices are most important factors, while 7% believe that it doesn't matter. 48% people say that Ease of navigation is important factor affecting online shopping and only 6.3% believe it doesn't matter. 52.2% people found social distancing most important factor affecting online shopping, whereas only 1.6 % feel that it doesn't matter. From Table 9, all factors are significantly affecting online shopping.

Factors	Most important	Important	Less important	Doesn't matter
Better Prices	112(43.9%)	107(42%)	18(7.1%)	18(7.1%)
Ease of Navigation	94(36.9%)	122(47.8%)	23(9%)	16(6.3%)
Product Variety	92(36.1%)	138(54.1%)	8(3.1%)	17(6.7%)
Peer Recommendation	26(10.2%)	82(32.2%)	69(27.1%)	78(30.6%)
Same Day Delivery	92(36.1%)	110(43.1%)	33(12.9%)	20(7.8%)
Social Distancing	133(52.2%)	105(41.2%)	13(5.1%)	4(1.6%)
Delivery Fee	69(27.1%)	107(42%)	51(20%)	28(11%)

Factors	t	df	p-value
Better Prices	39.3	254	<0.001
Ease of Navigation	37.5	254	<0.001
Product Variety	48.3	254	<0.001
Peer Recommendation	13.7	254	<0.001
Same Day Delivery	31.1	254	<0.001
Social Distancing	59.6	254	<0.001
Delivery Fee	23.8	254	<0.001

Brand Preference

Table 10 shows brands preference of customer for online grocery shopping. The Big Basket is most preferred brand for online shopping with 78.43%. Amazon fresh is second most preferred brand having choice of 75.29% of people. Nature's Basket is least preferred brand for grocery shopping with only 12.55%.

Table 10		
BRAND PREFERENCES OF CUSTOMER FOR ONLINE GROCERY SHOPPING		
Brands	Percent	Frequency
Big Basket	78.43	200
Grofers	62.75	160
Dmart Ready	40.78	104
JioMart	40.78	104
Amazon fresh	75.29	192
Nature's Basket	12.55	32
Flipkart Supermarket	15.69	40

Problems during Online Shopping

Table 11 reveals percentage of customer having different problems during online shopping. The most reported problem during online shopping is not availability of product. Delivery time is second most problem reported by customer with 43.9%. 3.1% customer faced problem during payment stage. 17.3% customers are not happy with customer services. Only 1.6% customer are not comfort with delivery charges.

Table 11		
PROBLEM'S CUSTOMER FACE DURING ONLINE GROCERY SHOPPING		
Problems	Percent	Frequency
Product not available	48.6	124
Product quality not as expected	40.8	104
Delivery time issues	43.9	112
Unable to return/exchange items once delivered	34.5	88
Payment issues	3.1	8
Poor customer service	17.3	44
App not working	6.3	16
Services not available at our location	3.1	8
High delivery charges	1.6	4

Findings, Discussions, and Implications

Our study suggests that the number of people purchasing their groceries online has increased since the pandemic and social distancing is a significant reason for their online buying decision, as evident in (Kashyap, 2020) and (Jain & Sayyed, 2020). This answers our first hypothesis that preference for online grocery shopping has been significantly increased after COVID19. All the demographic factor of this study is significantly affecting preference of grocery shopping online except income of person. This answer's our all hypothesis regarding demographic factors.

In regards with hypothesis of influencing factors, the study found that discounted prices, Ease of navigation, product variety, peer recommendation, delivery fee, social distancing and same-day delivery attract the customers. This result is in line with research conducted by (Sathiyaraj et al., 2015), (Sreeram et al., 2017), and (Kian et al., 2018).

Regarding customer apprehensions towards online grocery shopping (OGS) we deduced that product quality and high delivery cost are the common reasons. This supports the work of (Ramus & Nielsen, 2005), (Hanus, 2016) an (Mkansi et al., 2018).

The findings of this research have implications for the Indian retail industry, which includes e-commerce, government, researchers, and other stakeholders for increasing the adoption of OGS in the pandemic times regarding the Indian context. This study will offer insights to the grocery retail service providers in their day-to-day business and improve customer intention behavior using OGS.

Future Scope and Limitations of the Study

This study is conducted to acquire deeper insights into various antecedents of customers behavioral intention to adopt OGS.. There are limitations to this study that needs scholars to investigate the constructs in different geographical and consumer contexts which helps in generalizing the results.

The authors try to conceive a conceptual framework to understand the comprehensive insights on behavioral intentions of OGS users. Further, in this study, the moderating effect of demographic variables such as gender, age, income levels, and education were not tested which could be considered in the future studies concerning OGS adoption.

This study can be extended to other technical services such as mobile wallets, social media usage and more variety of products offered as services for developing markets like India. Future studies can also incorporate variables like social influence, status symbol, service quality and other facilitating conditions to get a broader perspective.

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