A Study of Factors Affecting Consumers' Attitude towards Online Grocery Shopping: An Exploratory Study

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Abstract

Online grocery shopping is growing significantly in India. Several players have entered in Indian grocery market to capitalize potential of this market. Young consumers are purchasing more on online market places as compared to the aged population (Paramasivan and Kumaresan, 2016). Rapid smart-phones and mobile internet adoption will facilitate to the growth of online grocery shopping in India. However, intensity of competition among online grocery store is likely to increase like never before. This research paper investigates various determinants of shopper's buying behaviour for online grocery shopping. In this study, researcher has taken eight predictor variables and one outcome variable and these factors were tested empirically. 400 questionnaires through online as well as offline medium were distributed among the respondents. On the basis of completeness, only 362 questionnaires were considered appropriate for the present study

Keywords: Online Grocery Shopping, Risk, Convenience, Value, Consumers' Satisfaction

INTRODUCTION

Online Grocery Shopping

Traditional shopping takes lot of time in examination of the products' quality and comparison of prices from the several shops but online platforms

made shopping a easier task (Menaka and Ganapathi, 2013). Indian online grocery market is in the early stage of development. Approximately 0.15% of Indian consumers used to buy grocery items from online stores (Paramasivan and Kumaresan, 2016). But the online grocery retailing market is expected to grow significantly. Fast adoption of mobile internet, smart-phones,

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increasing per capita and income awareness with the technology are the main drivers behind the fast growth of online grocery shopping (Redseer Report, 2019).

India has one of the largest workforces in the world (Redseer Report, 2019). These working class people do not have enough time to spend on shopping from physical stores. Therefore, online grocery stores are

witnessing the fastest growth in metro cities like Delhi, Mumbai and Bangalore. Mostly working class people are living in the metro cities as employment opportunities are available here. However, Indian market is still dominated by the physical stores. At every place in India, anyone can see the presence of offline grocery retail stores (Nayak and Debashish, 2017).

Figure 1: Global E-Commerce Share and Growth Outlook by Category 2019-2024

Source: Edge By Ascential (2019)

BigBasket, Grofers Spencer and Reliance Fresh Direct are the major players in Indian online grocery market. Due to the entry of these players, the intensity of competition is expected to rise. Several companies are partnering with the local companies

to better cater the growing demand of Indian consumers'. On the other hand, several companies have adopted the inventory based model to better meet the needs of Indian consumers.

Table 1: Online Grocery Retailers

S. No	Online grocery Retailers
1	Big Basket
2	Grofers India Pvt. Ltd.
3	Nature's Basket
4	Local Banya
5	ZopNow
6	Nature's Basket
7	Green Cart
8	Reliance Fresh Direct
9	Aaram Shop
10	Eemli
11	Day to Day Fresh
12	Naturally Yours
13	Dilli Grocery
14	Kiranawalla

LITERATURE REVIEW

1. Meaning of Consumers' Satisfaction

Consumers' satisfaction refers to the feelings of happiness after consuming a particular product. But consumers' satisfaction is very important measurement to practitioners as well for the academicians. Among the researchers, there is no unanimity about the definition of Consumers' satisfaction. However, there is famous approach to understand the Consumers' satisfaction (Kim, H.R, 2005). This approach is popularly known as transaction specific approach. Transaction specific theory emphasizes on the Consumers' satisfaction. Further, it postulates that Consumers' satisfaction can be measured on after consuming a particular good Oliver, S. (1997). This is also important to know to the practitioners that what causes consumers' satisfaction and dissatisfaction. Satisfied consumers are the brand ambassador for the organization. Numerous researchers have also favoured cumulative approach of measuring the Consumers'

satisfaction. This approach takes into account overall purchase and consumption experiences (Parker, C. and Mathews, B.P, 2001). Cumulative approach is more appropriate to measure Consumers' satisfaction and is highly used by the researchers and practitioner (Menaka and Ganapathi, 2013). Following factors affect the consumers' satisfaction to a great extent.

2. Perceived Convenience

Convenience is the main factor affecting consumer's choice of shopping medium. Consumers are looking convenience in the mode of payment, location, product return and accessing the services (Prasad, C. J., & Aryasri, A. R, 2011). Online shoppers are motivated to shop online because consumers can place the order at any point of time Cinatl, D. (2000).

3. Perceived Value

Perceived value refers to the benefits that the consumers have gained as compared to the

sacrifices. Value addition makes a consumer more satisfy and consumers will prefer to buy the products from this shopping channel continuously (Moliner et al., 2007). Perceived value indicates the total benefits that a consumer gains and how long will he be with the company (Hume, M. 2008). Numerous researchers have confirmed that perceived value impacts the Consumers' satisfaction positively and motivates the consumers to be loyal for a particular organization (Moliner et al., 2007).

4. Service Quality

Service quality reflects that services are offered by organizations for the consumers. Service quality shapes the consumers' attitude towards the organizations and imbibes a positive perception in the mind of consumers (Parasuraman, A., Zeithaml, V.A. & Berry, L.L, 1988). In the online grocery shopping, several dimensions of consumers' buying behavior are involved. Employees in the service based organizations must be polite and ready to assist the consumers any time (Cronin, J.J., Jr & Taylor, S.A, 1992). Service quality attracts the consumers towards online grocery shopping (Goel Pooja, 2019).

5. Perceived Product Assortment

Product variety is an important determinant of online grocery shopping. Consumers prefer that their grocer should provide wide variety of products to their consumers. This will help them to buy multiple products at one location.

6. Perceived Product Quality and Perceived Information Quality

Product quality and information quality are the important determinants of online grocery shopping. On the online platforms, consumers can easily collect the information and took the right decision within a short span of time (Park, C.H. and Kim, Y.C, 2003). Product quality adds value in the overall consumers' shopping experience. Information quality refers to

accuracy, completeness and timeliness of information (Goel Pooja, 2019).

7. Perceived Risk and Value for Time

Perceive risk is one of the most important factor affecting the consumers' choice either to purchase online or offline. Numerous research studies have confirmed that perceived risk affects the online shopping negatively. Further, offline shopping is perceived as having less risk as compare to the online grocery shopping (Dai, B., Forsythe, S., & Kwan, W, 2014). Consumers are apprehensive about the functions of the products that they purchase online (Pi, S. M., & Sangruang, J, 2011) Perceived risk is the main impediment in the growth of online shopping (Dai, B., Forsythe, S., & Kwan, W, 2014). Consumers save lot of time by shopping online.

Research Gap

There are very few studies available in Indian context on the topic consumers' satisfaction towards online grocery shopping; hence there is a need for such a study.

Objectives of the Study

1. To identify factors affecting consumers' online grocery buying behaviour
2. To suggest strategies to online grocery stores to make consumers' more satisfied.

RESEARCH METHODOLOGY

This research work intends to identify the key variables affecting the consumers' intention and satisfaction for shopping grocery products online. This work was conducted in the Delhi and NCR. Since internet penetration is quite high in Delhi. Therefore, any study related to online consumers' buying behaviour would be appropriate to be held in Delhi and NCR. 400 questionnaires through online as well as offline medium were distributed among the respondents who are above the age of 18 and

purchased the grocery items at least twice in the last 6 months. On the basis of correctness only 362 questionnaires were considered appropriate for the present study. Exploratory Factor Analysis was applied in this study to identify the factors.

DATA ANALYSIS AND DISCUSSION

1. Sample Characteristics

The following table shows that 70.2 % of total consumers' are male who are more likely to purchase the grocery products from the online stores as compared to female consumers'. Furthermore, 37% of the total consumers are graduates and prefer to buy grocery products from the online stores.

Table 2: Sample Characteristics

Characteristics		Percentage
AGE	18-30	35.0
	31-40	28.2
	41-50	28.2
	51-60	8.0
	61 and above	.6
Gender	Female	29.8
	Male	70.2
Educational Qualification	Under Graduate	13
	Graduate	37
	Post Graduate	36.2
	Doctorate	3
	Any Other	10.8
Annual Income	Less than1 lakh	35.9
	1-3 lakh	6.9
	3-5 lakh	24.9
	5-7 lakh	24
	More than7 lakh	8.3

2. Exploratory Factor Analysis

Exploratory analysis is useful in multivariate analysis technique used to find out constructs of a large set of variables. Exploratory analysis also intends to unearth the relationship between the measured variables. Table 3 describes the KMO and the Bartlett's statistics used to measure the adequacy

of sample data for the analysis. The KMO value must be between 0 to 1. KMO value must be greater than .7 to consider the data for the further analysis. For this study, KMO value is .856 which is more than .7. Bartlett's Test of Sphericity is also significant since its value is .000. Therefore, data is suitable and is considered for the further analysis.

Table 3: KMO and Bartlett's Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.856
Bartlett's Test of Sphericity	Approx. Chi-Square	14100.078
	df	946
	Sig.	.000

3. Exploratory Factor Analysis Interpretation

Table 5 contains the factor loadings of each item. Factor loading of more than .7 is considered suitable for the analysis. Average variance extracted is calculated to measure the discriminant validity of each construct. The calculated value of average variance extracted must be greater than .5. In this

study, all constructs have average variance extracted more than .5. This indicates that all constructs meet the discriminant validity criterion. Further, cronbach alpha measures the internal consistency of each items and cronbach alpha value more than .6 is considered good. This study meets this criterion and all constructs have cronbach alpha value more than .6.

Table 5: Exploratory Factor Analysis Interpretation

Construct	Items	Items Loadings	CR	AVE	Cronbach Alpha
Perceived Convenience	Shopping from my grocery store takes very less time	.776	.649	.649	0.885
	It takes little effort to shop from my grocery store	.895			
	Finding right product in my grocery store is easy	.818			
	Overall convenience of shopping in my grocery store	.727			
	My grocery store provides facility of home delivery	.803			
Perceived Value	My grocery store has good deals	.893	.823	.823	0.941
	I am happy with my grocery store's prices	.889			
	I feel I pay less at my grocery store	.909			
	A transparent pricing policy would be an additional value to me	.929			
	My grocery store has attractive in store price-promotions	.914			
Perceived Service Quality	My grocery store gives services to every customer	.744	.740	.740	0.914
	My grocery store gives prompt service	.909			
	Employees at my grocery store are very customer friendly	.856			
	I feel safe in my transactions at my grocery store	.900			
	Employees at my grocery store have knowledge to answer my questions	.882			

Perceived Product Assortment	My grocery store has everything I need	.671	.669	.669	0.889
	My grocery store has a good overall assortment of grocery items	.900			
	My grocery store carries a good variety of brands	.883			
	My favorite products are usually available at my grocery store	.853			
	My grocery store is well-stocked across its different department	.760			
Perceived Information Quality	My grocery store provides all the product information which I need	.655	.490	.500	0.794
	Information I find in my grocery store often guides my purchasing decision	.799			
	My grocery store provides comparative information between products	.817			
	My grocery store provides accurate and updated information	.580			
	My grocery store provides sufficient information	.615			
Perceived Product Quality	My grocery store offers products in clean package	.858	.775	.775	0.927
	My grocery store offers clean and fresh products	.905			
	My grocery store offers me a good price/quality ratio	.943			
	My grocery store offers environment friendly products	.903			
	The products offered at my grocery store are of good image	.784			
Perceived Risk	My grocery store gives product in environment friendly packaging	.815	.823	.823	0.952
	It is easy to return the purchased product	.873			
	My grocery store maintains accuracy and clarity in purchased bill	.937			
	I am confident that my grocery store will never overcharge me	.993			
	I am confident that the product will never fail to perform upto my expectations	.906			
Value for Time	My grocery store maintains zero waiting time	.927	.860	.860	0.95
	My grocery store is convenient to do one stop shopping	.954			
	My grocery store saves search time costs	.910			
	My grocery store saves travel time costs	.918			
Consumers' Satisfaction	I am satisfied with quality of products	.888	.743	.743	0.921
	I am satisfied with service quality	.896			
	I am satisfied with the prices	.808			
	I am satisfied with the quality of information	.849			
	I am satisfied with variety of products	.865			

CONCLUSION

Primary objective of this research paper was to explore the factors affecting consumers' buying behaviour while shopping grocery products online. The main objective of this study was to identify the satisfaction determinants for online grocery buyers. Eight predictor variables and one outcome variable were taken for the study after extensive literature review. All constructs meet the discriminant validity criterion and factor loading of all the items is satisfactory.

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