



‘A study on Consumer Perception towards routine online grocery shopping in India’

BHAVANA BADERIYA, ²CHELSEA PEREIRA

¹MBA, ²MBA

¹MITWPU,

²MITWPU

Abstract

Internet and Information technology have made tremendous contributions for business transformation witnessed nowadays all over the world. This has given birth to E-commerce which encompasses several pre purchase and post purchase activities leading to exchange of products or services or information over electronic systems such as the internet and the other Telecommunications networks.

Analysing the competitive advantage of E-commerce, it is observed that E-commerce enables simpler, faster, and efficient business transactions. For a developing country like India, E-commerce offers considerable opportunity for growth.

Online retailing comprises about 15%. India has close to 10 million online shoppers and is growing at an estimated 40-45% per annum.

The Research was undertaken to determine whether online grocery shopping is beneficial to the user with respect to the questionnaire which will be analysed in two parts.

The Research will first study the attitude of customers towards online shopping, also determining the factors which influence the consumer to purchase goods and services.

The second half of the research will depict the attributes of online grocery shopping influencing the purchase decision by the respondent. It will also determine the issues or frequency regarding online grocery shopping.

Keywords:

Consumer Perception, online grocery shopping, online shopping.

Literature Review:

“India is among the fastest-growing markets and has been identified as one of the significant potential markets for the market.”

Murali KrishanB., country manager at eBay’s India explains that Indian consumers towards buying high margin products such as clothes and shoes as in the trend among eBay shoppers in the west rather than electronic gadgets and books, which are the most popular choices now but command lower profit margins and are less frequent purchases.

He depicted that India’s nascent e-commerce market, which tell recently was largely limited to people buying train, flights, and movie tickets, in the middle of a surge as a younger, tech-savvy middle class increasingly takes to shopping online in a country seeing rapid growth in Internet usage.

Consulting firm technopak predicts a \$70-billion annual market by 2020, up from \$600-million now, which is just 0.05% of global online shopping. eBay itself estimates India’s online market grows up to 100% by 2020.

“E-commerce: A boon for the current economic downturn”

First data corporation and ICIC Merchant Service has laid down some facts that e-commerce market in India has clocked close to Rs.50,000 crores by the end of 2011.

Even though there are less than 10 million internet users who are actually engaging in e-commerce activity, there are about 150 million internet users in India or around 75 million households that are ready for e-commerce.

Purpose of the study:

This paper seeks to understand the triggers which influence the adoption (and the discontinuation) of online grocery shopping. Specifically, the research aims to establish the role of situational factors in the process of adoption.

Objectives of the Study:

- To study attitude of customers towards online shopping
- To identify issues faced by the user while shopping online
- To determine the parameters for choosing the particular shopping centre for purchase of grocery items
- To determine whether online grocery shopping will be beneficial and on what factors
- To study Consumer Perception towards routine online grocery shopping

Research Design and Methodology:

Collection of Data:

The information contained in this report is based upon both primary and secondary data research.

1. Primary data

Primary data consists of original information gathered from a sample size 80 respondents residing in India. A detailed and structured questionnaire was formed to suit the objectives of the study and distributed to respondents online. Their responses were recorded and analysed.

2. Secondary data

Secondary data consists of information that already exists and that was collected in the past for some other purpose. Secondary data was collected through the internet. The websites are mentioned in the Webliography below.

Sample Design:

- **Size of Sample:** The sample size selected for the research is 80 respondents residing in India.
- **Parameters of Interests:** The major parameter of interest is the subgroup of people who are students, professional, retired personnel and web savvy having an experience in online shopping.

Sampling Plan:

Unit of Study: Residents of India

Sampling Method: Simple Random Sampling

Research Instrument: Structured Questionnaire

Sample size

- 80 respondents

Research Design

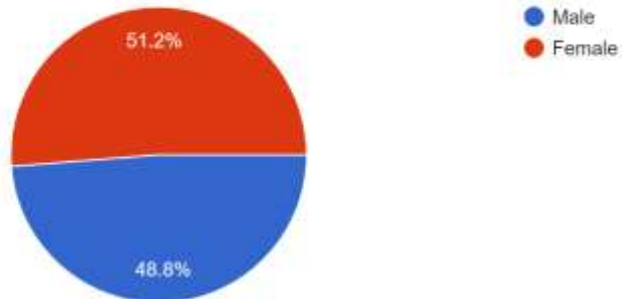
A study was carried out on Consumer Perception towards routine online grocery shopping in India. This research will try and identify study attitude of customers towards online shopping and identify issues faced by the user while shopping online. It will also help understand the perception of consumers towards online grocery shopping in India and determine whether online grocery shopping will be beneficial and on what factors.

The survey was conducted on an online platform where respondents were asked to fill a form containing a structured questionnaire with honest opinions.

Simple random sampling method was followed for the survey

Findings and Analysis

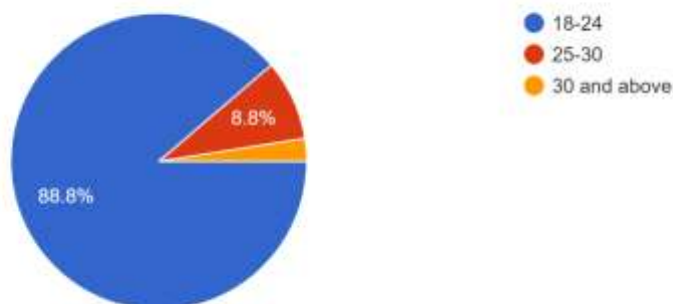
Gender
80 responses



Interpretation:

Of the respondents that took the survey, 51.2% (41) were female and 48.8% (39) were male.

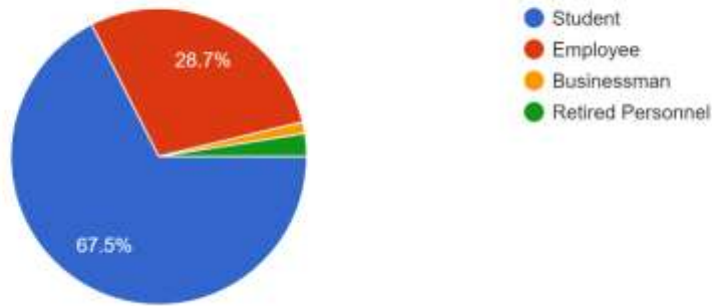
Age
80 responses



Interpretation:

Of the respondents that took the survey, 88.8% (71) said they belonged to the age group of 18- 24 years, 8.8% (7) belonged to the age group of 25 – 30 years and 2.5% (2) were from the age group of 30 years and above.

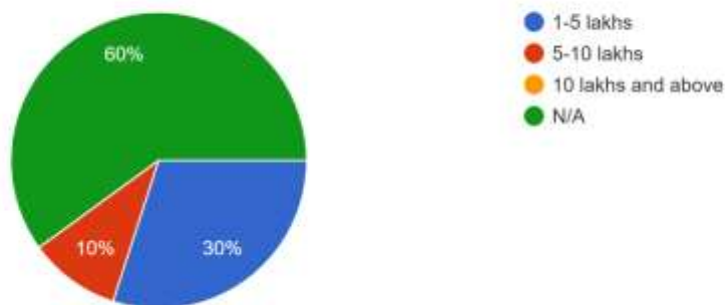
Profession
80 responses



Interpretation:

As depicted in the above pie chart, of the respondents that took the survey, 67.5% (54) were students, 28.7% (23) are employees working in some company, 2.5% (2) were retired personnel and 1.2% (1) were businessman.

Income Level (annual)
80 responses

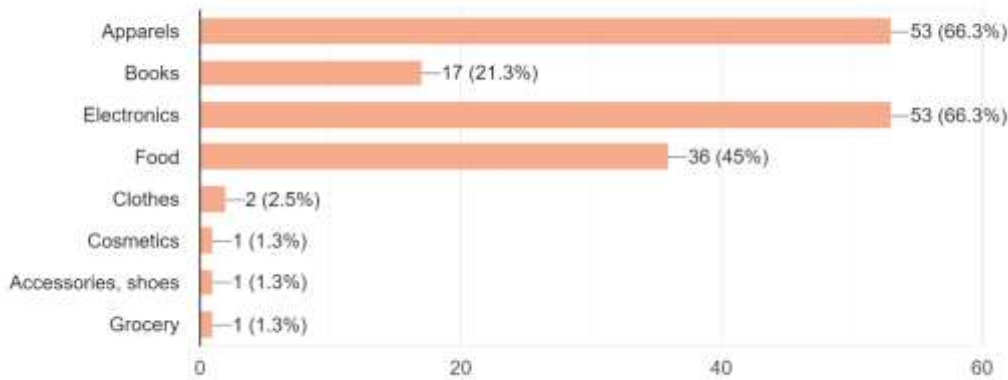


Interpretation:

From the above pie chart, of the respondents that took the survey, 60% (48) said they didn't have any source of income as they were students, 30% (24) said their income level was between 1 -5 lakhs, 10% (8) said 5 – 10 lakhs.

Which item do you usually shop online? (You may select more than one)

80 responses

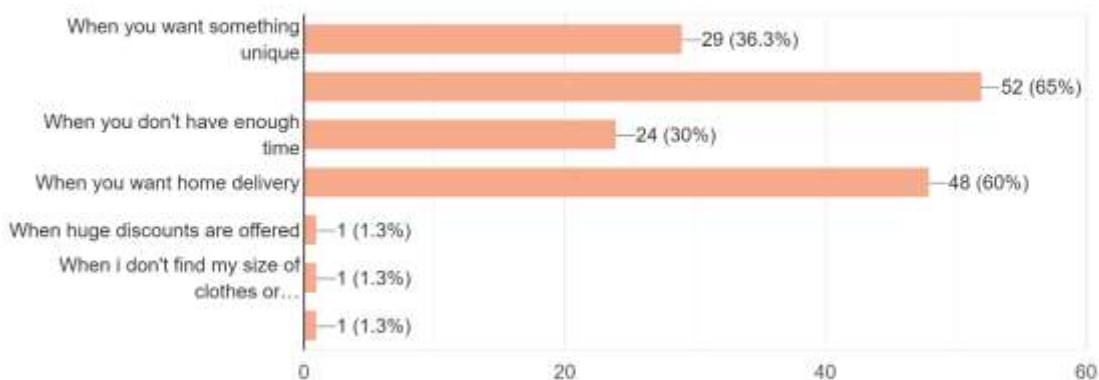


Interpretation:

From a total of 80 respondents, a majority of 66.3% (53) said that the item that they usually shop online is Apparels and Electronics. 45% (36) said that they shopped for food, 21.3% (17) said that they shop for books online and 1.3% (1) said cosmetics, accessories, shoes and grocery each.

When do you feel the need to shop online? (You may select more than one)

80 responses



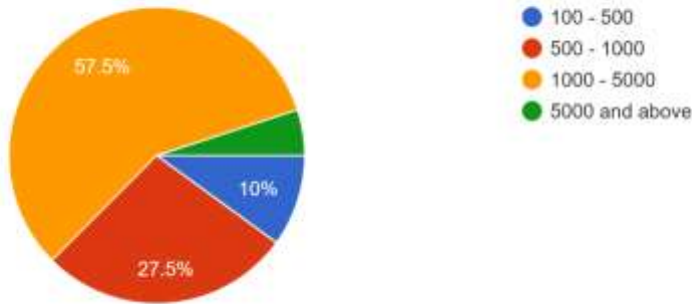
Interpretation:

From a total of 80 respondents, a majority of 65% (52) said that they feel the need to shop online when they want to compare prices, 60% (48) said when they want home delivery, 36% (29) said when they want something unique, 30% (24) said that they feel like shopping online when they don't have enough time and 1.3% (1)

respondent said when they are offered huge discounts, when they don't find their size of clothes and when they want a wide variety of options to choose from, each.

How much money do you spend shopping online? (monthly) (in rupees)

80 responses

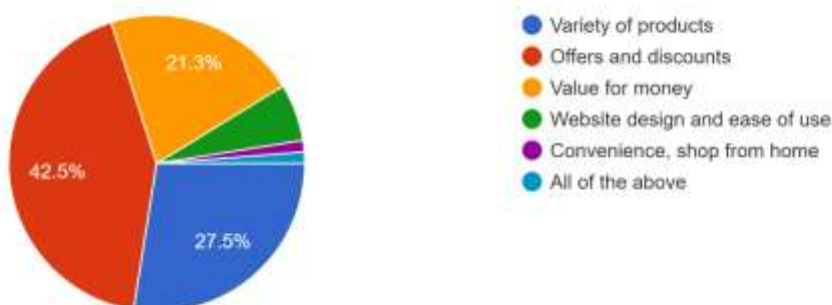


Interpretation:

When the respondents were asked how much money they spent shopping online monthly, 57.5% (46) said they spent between 1000 – 5000 rupees, 27.5% (22) said between 500 – 1000 rupees, 10% (8) said between 100 – 500 rupees and 5% (4) said above rupees 5000.

Which feature of online shopping attracts you?

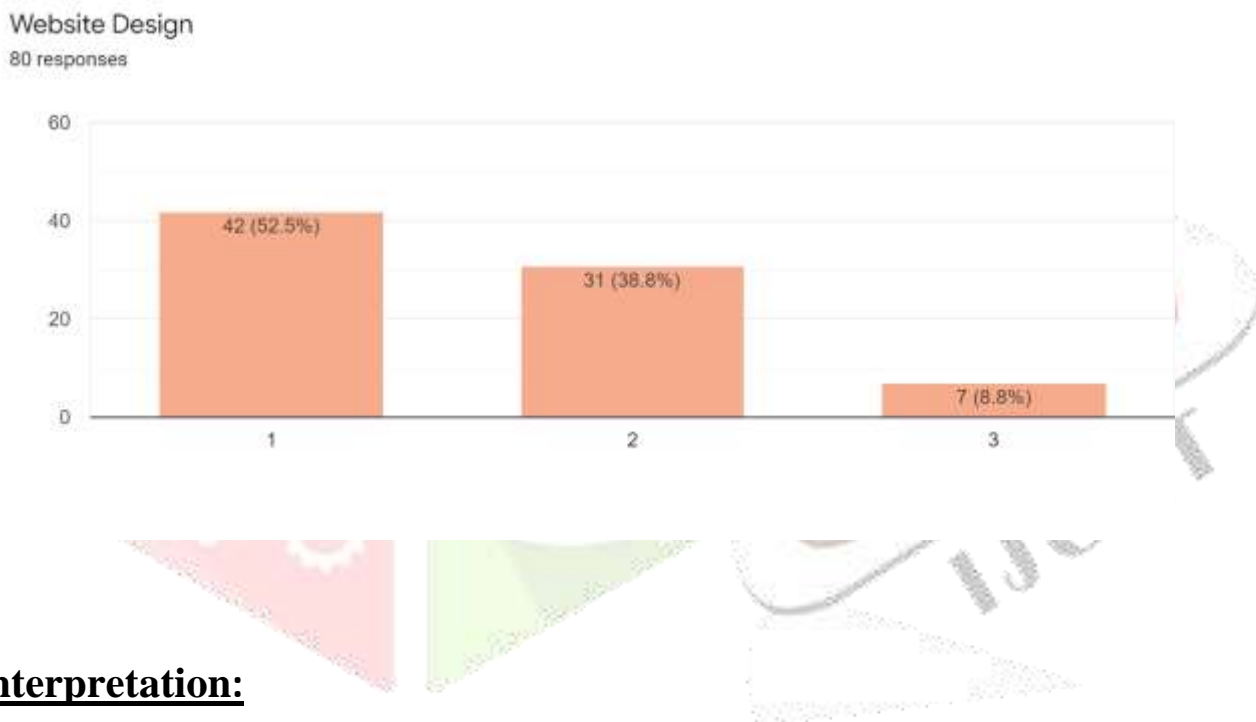
80 responses



Interpretation:

When the respondents were asked which feature of online shopping attracted them, 42.5% (34) said the offers and discounts offered, 27.5% (22) said they were attracted by the variety of products offered, and 21.3% (17) said value for money, 6.3% (5) said the website design and ease of use, 1.2% (1) said convenience to shop from home and another 1.2% (1) said all of the above.

Please rate the following with respect to factors of importance while shopping online - from 1 (Very important) to 3 (Not important)

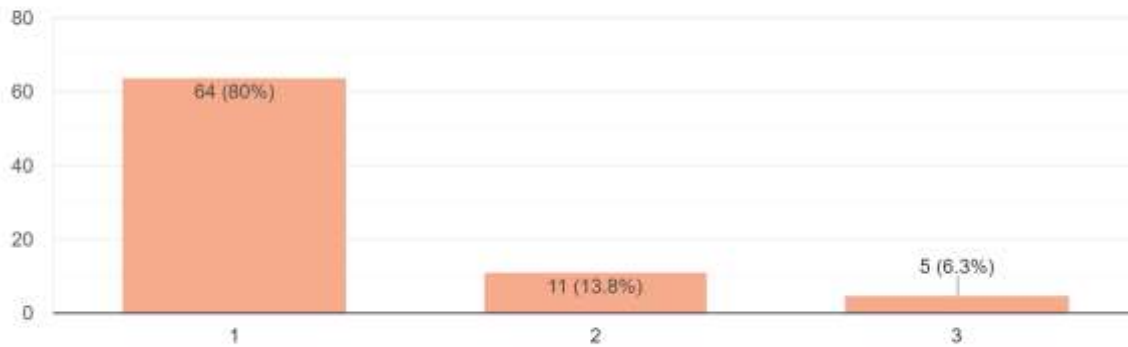


Interpretation:

Of the 80 respondents, when asked to rate 'Website design' as a factor of importance while shopping online –on a scale of 1 – 3, 1 being very important and 3 being not important, 52.5% (42) said that the website design is very important while shopping online, 38.8% (31) said it is important and 8.8% (7) said it is not important.

- The average rating is 1.56 which represents -Important.

Product variety
80 responses

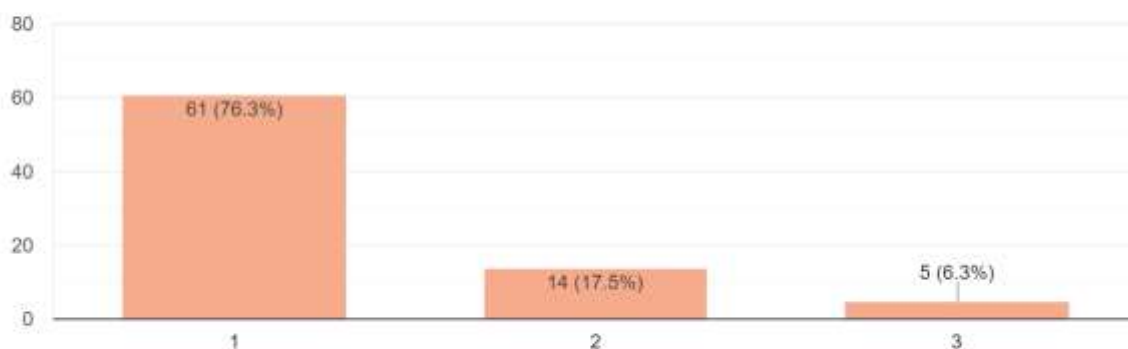


Interpretation:

Of the 80 respondents, when asked to rate 'Product variety' as a factor of importance while shopping online –on a scale of 1 – 3, 1 being very important and 3 being not important, 80% (64) said that the variety of products is very important while shopping online, 13.8% (11) said it is important and 6.3% (5) said it is not important.

- The average rating is 1.26 which represents - Very important.

User security
80 responses



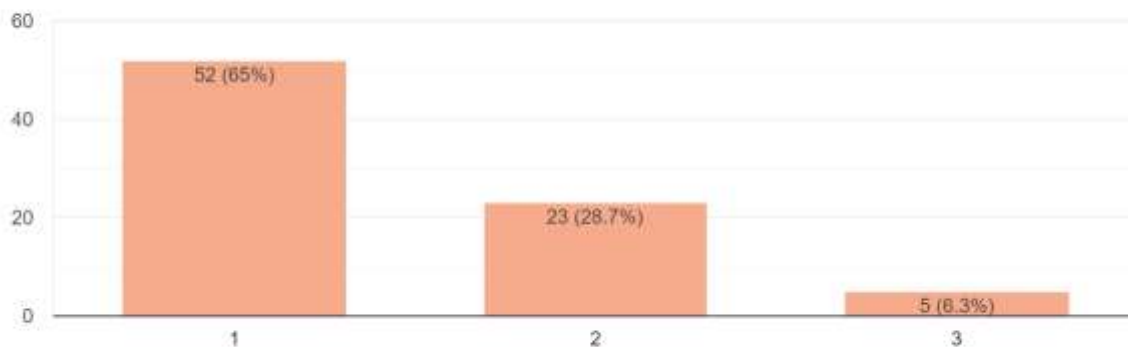
Interpretation:

Of the 80 respondents, when asked to rate 'User security' as a factor of importance while shopping online –on a scale of 1 – 3, 1 being very important and 3 being not important, 76.3% (61) said that the user security is very important while shopping online, 17.5% (14) said it is important and 6.3% (5) said it is not important.

- The average rating is 1.37 which represents - Veryimportant.

Different payment options

80 responses



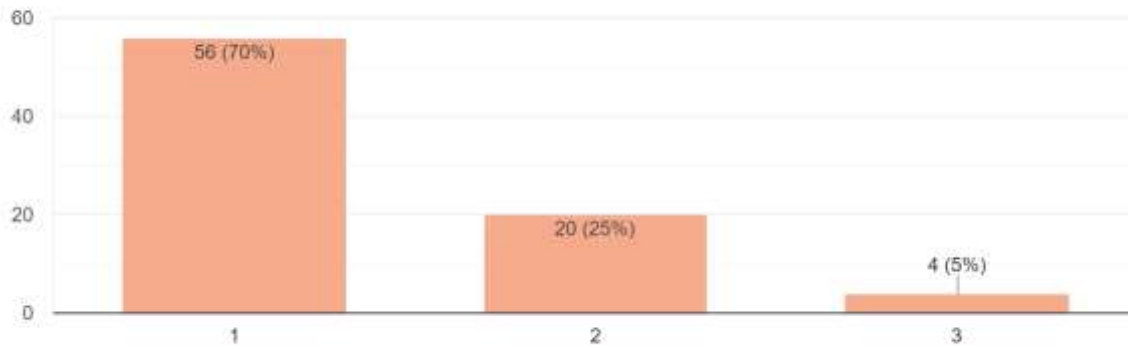
Interpretation:

Of the 80 respondents, when asked to rate 'Different payment options' as a factor of importance while shopping online –on a scale of 1 – 3, 1 being very important and 3 being not important, 65% (52) said that the different payment options offered are very important while shopping online, 28.7% (23) said it is important and 6.3% (5) said it is not important.

- The average rating is 1.41 which represents - Very important.

Delivery Options

80 responses



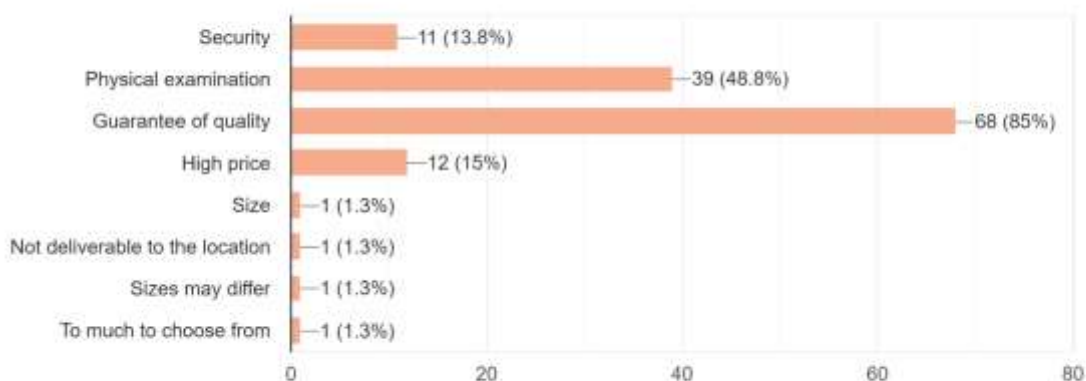
Interpretation:

Of the 80 respondents, when asked to rate 'Delivery options' as a factor of importance while shopping online –on a scale of 1 – 3, 1 being very important and 3 being not important, 70% (56) said that the delivery options offered are very important while shopping online, 25% (20) said it is important and 5% (4) said it is not important.

- The average rating is 1.35 which represents - Very important.

What issues do you face while shopping online? (You may select more than one)

80 responses

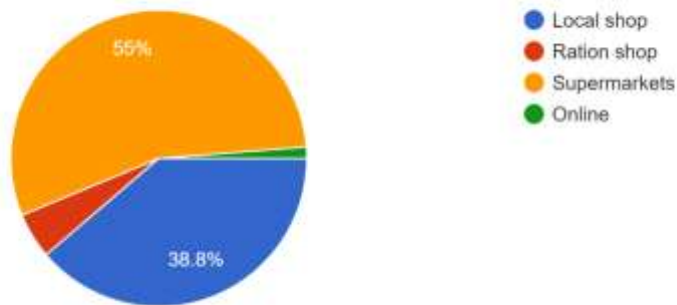


Interpretation:

When asked what issues they faced while shopping online, a majority of 85% (68) of the respondents said guarantee of quality, 48.8% (39) said physical examination of the product, 15% (12) said high price of products, 13.8% (11) said security, and 1.3% (1) said the product size, not deliverable to the desired location, the difference in size and the confusion to choose with the wide variety of products available.

Online Grocery Shopping

Where do usually shop for Grocery items
80 responses

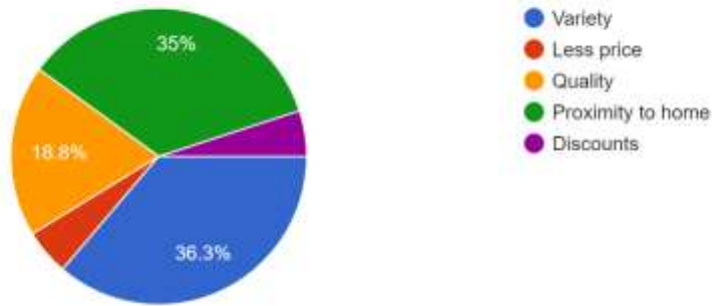


Interpretation:

From the pie chart above, it can be seen that when the respondents were asked where they usually shopped for grocery items, 55% (44) said supermarkets, 38.8% (31) said local shop, 5% (4) said ration shop and 1.2% (1) said they shop for groceries online.

Why do you shop here?

80 responses

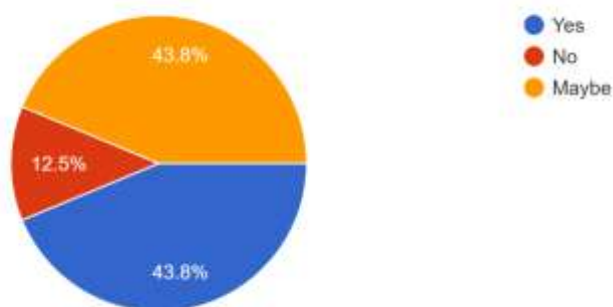


Interpretation:

As seen in the above pie chart, 36.3% (29) of the respondents chose variety of groceries available as the reason for shopping grocery at their above-mentioned place, 35% (28) of the respondents chose Proximity to home, 18.8% (15) chose quality of produce and 5% (4) chose less price and discounts offered.

If given an option to buy groceries online, would you opt for it?

80 responses

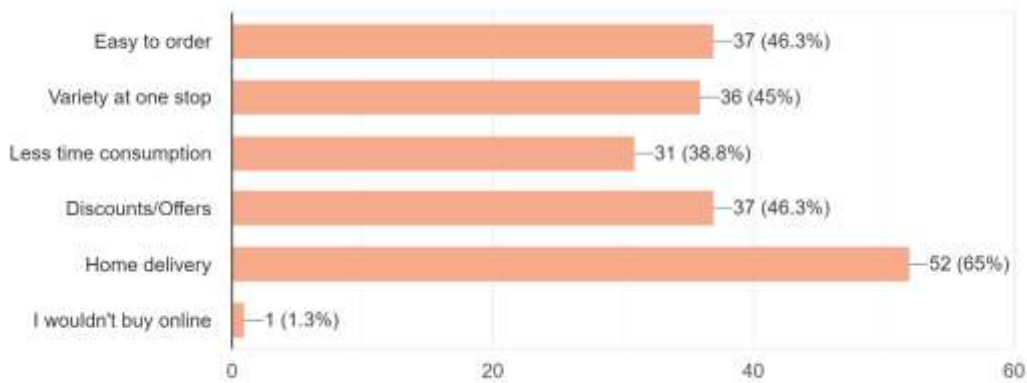


Interpretation:

When given an option to buy groceries online, 43.8% (35) of the respondents said - yes they would opt for it, another 43.8% (35) said maybe and a minority of 12.5% (10) said – no.

If yes, what is the reason for it? (You may select more than one)

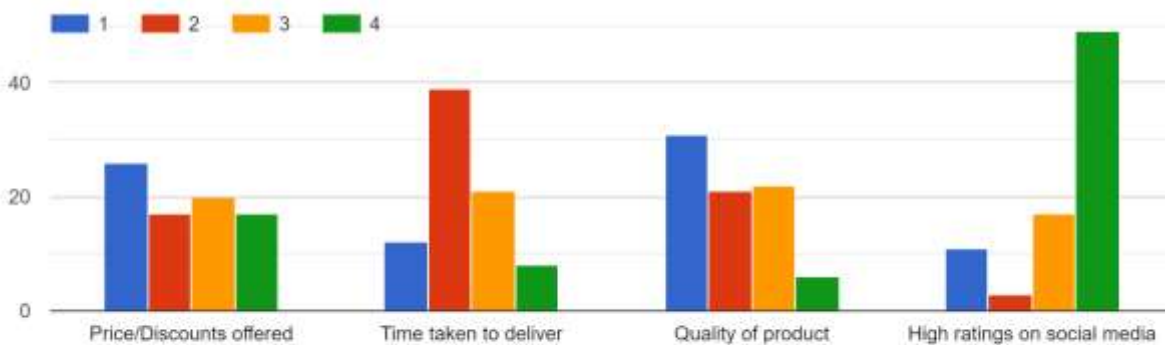
80 responses



Interpretation:

When asked to mention the reason for opting to shop for groceries online, 65% (52) of the respondents said because of home delivery, 46.3% (37) said because it was easy to order, another 46.3% (37) said because of the discounts offered, 45% (36) respondents said as it provided a variety at one stop and 38.8% (31) said as it consumed less amount of time.

Please rank the following in order of their importance while shopping for groceries online on a scale of 1-6 (1 being the most important factor)



Interpretation:

- **Price/Discounts offered:** Out of 80, 26 respondents ranked price/discounts offered as the most important factor while shopping for groceries online, 17 respondents ranked it as second, 20 ranked it as third and 17 ranked it as fourth.
- **Time taken to deliver:** Out of 80, 12 respondents ranked time taken to deliver as the most important factor while shopping for groceries online, 39 respondents ranked it as second, 21 ranked it as third and 8 ranked it as fourth.
- **Quality of product:** Out of 80, 31 respondents ranked quality of product as the most important factor while shopping for groceries online, 21 respondents ranked it as second, 22 ranked it as third and 6 ranked it as fourth.
- **High ratings on social media:** Out of 80, 11 respondents ranked high ratings on social media as the most important factor while shopping for groceries online, 3 respondents ranked it as second, 17 ranked it as third and 49 ranked it as fourth.

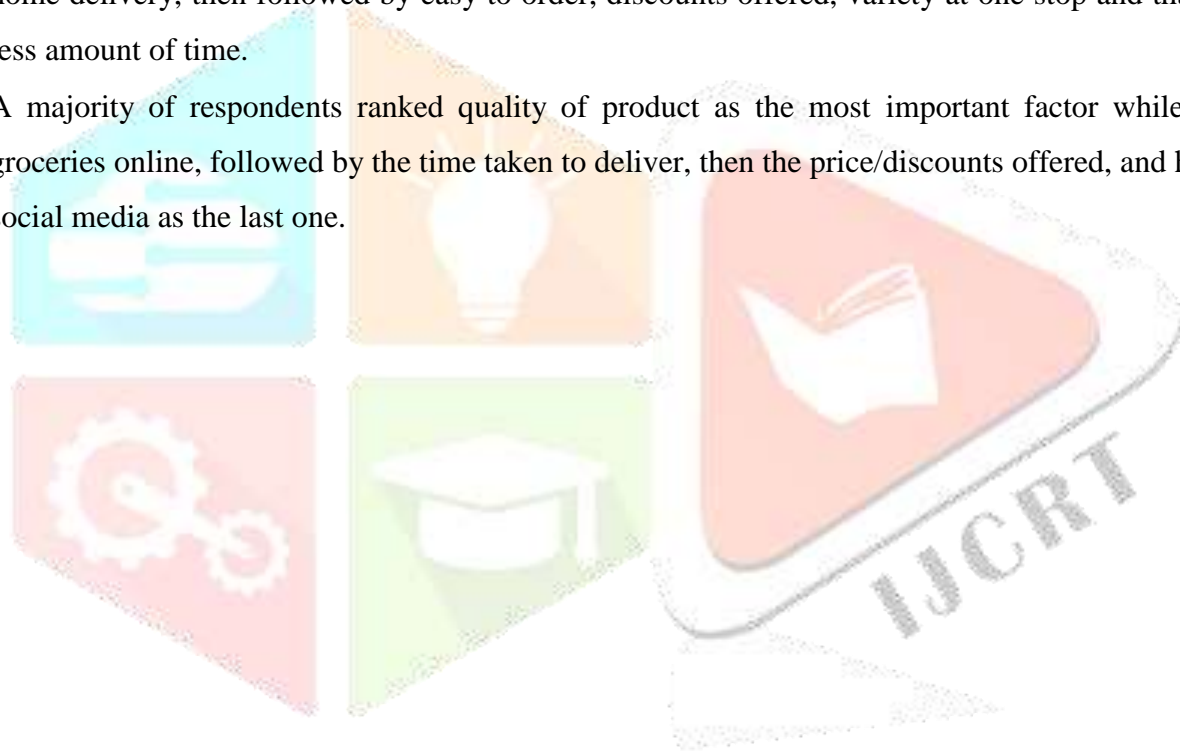
The findings of this study can be summed up as below:

- The majority of respondents were female, although not a huge difference.
- From the total respondents a huge majority belonged to the age group of 18 – 24 years, and a few from 25 – 30 years of age. This tells us that the people of these age groups are more tech savvy.
- A majority of them were students and some were employees. This could mean that now the students, particularly post graduates, use the internet for shopping online.
- A majority of the respondents said that the item that they usually shop online is Apparels and Electronics. Some said that they shopped for food and few said that they shop for books online.
- a majority of the respondents said that they feel the need to shop online when they want to compare prices, a little less than majority said when they want home delivery, some said when they want something unique and a few said that they feel like shopping online when they don't have enough time.
- Most of the respondents said they spent between 1000 – 5000 rupees, some said between 500 – 1000 rupees, few said between 100 – 500 rupees and still a few said above rupees 5000.
- The offers and discounts offered attracted majority of the respondents to shop online, the other feature that attracted the respondents is the variety of products offered, respondents were also attracted by features like value for money, website design and ease of use.
- When asked to rate with respect to factors of importance while shopping online
 - The average rating of website design is 1.56 which represents – Important
 - The average rating of product variety is 1.26 which represents – Very Important
 - The average rating of user security is 1.37 which represents – Very Important
 - The average rating of different payment options is 1.41 which represents – Very Important
 - The average rating of deliver options is 1.35 which represents – Very Important

- The major issue faced while shopping online is guarantee of quality, followed by physical examination of the product, high price of products, and security.

Coming to Grocery Shopping

- When the respondents were asked where they usually shopped for grocery items, more than half of them said supermarkets, some said local shop, and a few said ration shop.
- When asked for the reason to shop at their chosen place, some said because of the variety of groceries available, some said because of the Proximity to home, few said because of the quality of produce and an even few of them said it was because of the less price and discounts offered.
- When given an option to buy groceries online, most of the respondents said - yes they would opt for it, an equal number of them said maybe and a minority of them said – no.
- When asked to mention the reason for opting to shop for groceries online, most of the respondents chose home delivery, then followed by easy to order, discounts offered, variety at one stop and that it consumed less amount of time.
- A majority of respondents ranked quality of product as the most important factor while shopping for groceries online, followed by the time taken to deliver, then the price/discounts offered, and high ratings on social media as the last one.



LIMITATIONS:

- The first limitation caused during the research was to find out the respondent who shop online and are web savvy.
- The study is restricted mostly to students and some working class. Hence it may not be possible to generalize the finding to the entire population of the country.
- Some of the respondents may not give accurate information, as they may not like to reveal their actual income, how much they spend on shopping, etc.
- There may be some positive and negative biases of the respondents.

Practical Implications

The findings of this research provide useful comprehensions for academics and practitioners about the perception of consumers toward online shopping and online grocery shopping.

Originality/Value

The study delivers an exclusive method to understand the consumer perception towards online shopping in general and routine online grocery shopping.

Conclusion

After analysing the study, out of the total 80 respondents, majority of the respondents said that the item that they usually shop online is Apparels and Electronics. Some said that they shopped for food and few said that they shop for books online. A majority of the respondents said that they feel the need to shop online when they want to compare prices, a little less than majority said when they want home delivery, some said when they want something unique and a few said that they feel like shopping online when they don't have enough time.

This shows that the respondents were web savvy and already used online shopping methods.

The major issue faced while shopping online is guarantee of quality, followed by physical examination of the product, high price of products, and security.

Coming to Grocery Shopping, When the respondents were asked where they usually shopped for grocery items, more than half of them said supermarkets, some said local shop, and a few said ration shop. This was because of various reasons like - variety of groceries available, Proximity to home, the quality of produce, less price and discounts offered.

When given an option to buy groceries online, most of the respondents said - yes, they would opt for it, an equal number of them said maybe and a minority of them said - no.

When asked to mention the reason for opting to shop for groceries online, most of the respondents chose home delivery, then followed by easy to order, discounts offered, variety at one stop and that it consumed less amount of time.

A majority of respondents ranked quality of product as the most important factor while shopping for groceries online, followed by the time taken to deliver, then the price/discounts offered, and high ratings on social media as the last one.

To conclude, A large number of studies have been conducted by various research scholars to study the factors that may affect online shopping perception of consumers. The present study was an attempt to know people's perception towards online grocery shopping. A majority of the respondents are willing to switch to online grocery shopping in India.

Appendix

Questionnaire

A study on consumer perception towards routine online grocery shopping in India

Gender

- Male
- Female

Age

- 18-24
- 25-30
- 30 and above

Profession

- Student
- Employee
- Businessman
- Retired Personnel

Income Level (annual)

- 1-5 Lakhs
- 5-10 Lakhs
- 10 Lakhs and above

1. Which item do you usually shop online? (You may select more than one)
 - Apparels
 - Books
 - Electronics
 - Food
 - Other

2. When do you feel the need to shop online? (You may select more than one)
 - When you want something unique
 - When you want to compare prices
 - When you don't have enough time
 - When you want home delivery
 - Other

3. How much money do you spend shopping online? (monthly) (in rupees)
 - 100 – 500
 - 500 – 1000
 - 1000 – 5000
 - 5000 and above

4. Which feature of online shopping attracts you?
 - Variety of products
 - Offers and discounts
 - Value for money
 - Website design and ease of use
 - Other

5. Please rate the following with respect to factors of importance while shopping online - from 1 (Very important) to 3 (Not important)
 - a. Website Design
 - b. Product variety
 - c. User security
 - d. Different payment options
 - e. Delivery options

6. What issues do you face while shopping online? (You may select more than one)
 - Security
 - Physical examination
 - Guarantee of quality

- High price
- Other

Online Grocery Shopping

7. Where do usually shop for Grocery items

- Local shop
- Ration shop
- Supermarkets
- Other

8. Why do you shop here?

- Variety
- Less price
- Quality
- Proximity to home
- Discounts

9. If given an option to buy groceries online, would you opt for it?

- Yes
- No
- Maybe

10. If yes, what is the reason for it? (You may select more than one)

- Easy to order
- Variety at one stop
- Less time consumption
- Discounts/Offer
- Home delivery
- Other

11. Please rank the following in order of their importance while shopping for groceries online on a scale of 1-4 (1 being the most important factor)

- Price/Discounts offered
- Time taken to deliver
- Quality of products
- High ratings on social media

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