

# CUSTOMERS OPINION ON E-GROCERY STORES

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## ABSTRACT

The study explores consumer perceptions of e-grocery stores in the context of online food purchases, particularly focusing on factors such as pricing, promotions, convenience, product quality, and overall shopping experience. E-commerce platforms like Big Basket utilize advanced technology and marketing tactics to attract and retain customers by offering competitive rates and diverse products, including Indian grocery items. Understanding consumer opinions in this domain is crucial due to the significant role groceries play in households and the potential impact of external variables on consumer behavior. The research aims to unravel the complexities of consumer perceptions to provide insights for practitioners and researchers in the e-commerce sector, informing marketing strategies, enhancing customer satisfaction, and fostering sustainable growth in the e-grocery market.

## OBJECTIVES

1. To research how consumers behave when purchasing online
2. To determine consumer preferences for the features of online shopping websites.
3. To recognize the difficulties the user encounters when shopping online.
4. To ascertain the criteria for selecting specific shopping stores for grocery shopping.
5. To identify the benefits of online food shopping and the contributing elements.

# CHAPTER-1

## INTRODUCTION

The process through which a customer chooses, arranges, and interprets information or stimulus inputs to generate a meaningful impression of a brand or a product is referred to as consumer perception. To convert unprocessed stimuli into informative data, a three stages method is used. Every person analyse stimuli according to their own specific background, requirements, and expectations. In similar terms, it is how a customer see a particular band with whatever he/she has been able to understand by watching the product, its promotions, feedback etc.

The Indian economy is slated to grow by upward of 6 % annually in the next few years which is among the highest rates of any big emerging economy. And a significant portion of this growth would come from domestic demand for products and services. Since, that organized retail is still not widely available throughout the country, with huge retail chains accounting for less than 10% of the market, ecommerce is proving to be a wonderful level. People in India's smallest towns are now able to access high-quality goods and services on par with those found in the country's larger cities thanks to e-commerce. By the end of this year, close to 60% of online shoppers are expected to originate from locations outside than the top eight major cities. The pool of potential customers has grown thanks to rising internet adoption. Indians are using mobile devices more and more for purchasing as well as for searching.

In India, the number of smartphone users is rising quickly, and as 4G services get ready to take off, more people should start using the internet. More importantly, 20% of users indicated intent to buy products through their mobile phones as against the current 4% and this number is expected to only increase in the next two to three years. By giving customers advantages not typically offered in a brick-and-mortar store, innovation is assisting e-commerce companies in breaking the inertia for online shopping. Business models include no-question-asked return policies ranging from 7 days to 30 days, free product deliveries and the industry dynamics changing the "cash on delivery" model. Due to the ability to order goods and pay after receiving them physically, the most recent invention has really helped realize the potential.

## INDUSTRY INTRODUCTION

The internet is altering how customers shop and purchase goods and services, and it has quickly become a global phenomenon. Several businesses have started using the Internet in an effort to reduce their marketing expenses and, as a result, lower the price of their goods and services in order to compete more successfully in highly competitive marketplaces. Companies also use the Internet to convey communicate and disseminate information, to sell the products, to take feedback and also to conduct satisfaction surveys with customers. Customers utilize the Internet not just to make online purchases, but also to research several stores' offers, features, and after-sale support services before deciding on one. With the tremendous potential of the E-commerce stores, the Internet provides a unique opportunity for companies to more efficiently reach existing and potential customers.

### E-Grocery Shopping

It's feasible that the little neighborhood grocery store may soon be digitalized and accessible on your computer, tablet, or smartphone, demonstrating that no segment of the retail industry is immune to the transformation brought about by internet purchasing. Imagine there will be no more protracted checkout queues, calculating how many items you have to purchase to determine if you qualify for the Fast Lane, leaving your grocery list at home, or dragging hefty bags up your front steps. The relationship between consumers and the food industry is being drastically altered by online grocery shopping, which has transformed a once-luxurious service into a regular convenience

### Advantages of E-Grocery Shopping

Convenience is the main perk of online grocery buying. By ordering online, one can quickly search for the products she needs and order them without having the physical walk through expansive aisles. Also, going to the grocery shop is time- and money-efficient. Given the accessibility of the Internet, food shopping can also be done from a distance or while completing other duties. One can, for instance, complete all of their food shopping while on their lunch hour at work by using an online grocery store. Given that the meal is delivered straight to their houses, it is also quite helpful for people without cars or who might find it difficult to move around physically. As more and more individuals get the Internet to make purchases, the use of online grocery stores is growing in popularity.

## **Disadvantages of E-Grocery Shopping**

The fact that ordering meals online requires additional fees and that it takes longer to receive the food you purchased are possibly the biggest drawbacks of doing business online. In the event that a person was preparing a particular recipe and realized he was missing an ingredient, it is unlikely that he could place an internet order for it in time to complete his dish. Similar to this, it forces a person to plan his food purchases ahead of time. For example, if delivery would take a day or two, a person needs to plan to have an additional day or two's worth of necessary goods on hand before he runs out.

## **CHAPTER – 2**

### **LITERATURE REVIEW**

To comprehend the influence of demographic factors on how consumers see online grocery shopping. The body of techniques used to do research is known as a research methodology. The response % to the survey's elements has been found and examined using a straightforward percentage analysis.

The study came to the conclusion that a select few significant elements influence the factors involved in making online purchases.

The younger population in India is using the internet more and more, which presents new opportunities for online shops. Their research's primary goal is to determine consumer preferences with regard to internet buying. The author collected the primary data using structured questionnaire by survey method from 120 respondents.

## **Positive Correlation Between Internet Usage and E-Grocery Adoption**

This suggests that as internet usage increases, so does the likelihood of consumers embracing e-grocery shopping. The internet serves as the primary platform for accessing online grocery stores, making it a crucial factor in determining adoption rates. Younger consumers, who are typically more tech-savvy and comfortable with digital transactions, are especially inclined towards e-grocery shopping due to their familiarity with online platforms.

## **Convenience and Time-saving Benefits**

Customers' use of e-grocery shopping is mostly motivated by convenience. Electronic grocery delivery services save consumers time and effort by enabling them to browse and buy groceries from the convenience of their homes or while on the go. Urban consumers, who frequently lead hectic lives and place a high value on efficiency when shopping, may find this feature very appealing.

## **Importance of Trust and Perceived Risk**

Consumer perceptions of risk and trust are important factors in determining how they feel about online grocery shopping. Customers must have faith in the product quality, transaction security, and dependability of the online retailer. Customers may be discouraged from embracing e-grocery shopping if they have concerns about obtaining defective or expired goods, running into hidden fees, or having trouble receiving returns and refunds. Thus, for e-grocery shops to cultivate favorable customer attitudes and promote recurring business, they must establish trust through open communication, consistent service quality, and dependable delivery methods.

The complex interplay of internet usage, convenience, perceived risk, trust, and other factors that influence customers' attitudes and acceptance of online grocery platforms when it comes to their e-grocery purchasing behavior.

## CHAPTER – 3

### RESEARCH METHODOLOGY

1. **Primary data:** Original information obtained from a sample size of 120 respondents makes up primary data.
2. **Secondary data:** Information that was previously gathered for a different reason and already exists is referred to as secondary data.

#### Sample design and dimension

The study has selected a sample size of 120 participants for its design.

#### Data collection and Coding procedures

The objective of our literature search was to find publications about grocery shopping online. A search using terms like "online grocery," "e-grocery," "internet grocery," and "online food retailing" was conducted to start the data collection process. For the purpose of this meta-analysis, pertinent research was screened using ABI/INFORM, Scopus, Proquest Central, Emerald, EBSCO Business Source Premier, Proquest Dissertation Database, and Google Scholar. A manual search was conducted through the journals and reference lists of the gathered studies. If there was any missing information, we asked the authors for it. To obtain unpublished studies, we also got in touch with the authors. Included were research that was both published and unpublished.

Regarding inclusion criteria, studies have to meet specific requirements in order to be included, including sample sizes, the information required to compute effect sizes, and actual quantitative findings. Research has to measure purchase intention and its variables, as well as take into account online grocery buying. Our dataset comprised 50 publications published between 2004 and 2021 after qualitative research, review papers, and studies lacking necessary data were eliminated.

The moderator's coding was determined by the time frame for gathering data. The writers were contacted if any of this information was missing. With an agreement rate more than 95%, the coding consistency was high enough.

## Effect sizes

The effect sizes that we used were the Pearson correlation coefficients ( $r$ ). When a study only offered regression coefficients, the findings were converted to effect sizes using Peterson and Brown's (2005) methodology. The employed various statistical methods to analyze data from 50 samples comprising 47 articles and 20,538 respondents, yielding 283 effect sizes. Pearson correlation coefficients ( $r$ ) were utilized, with conversions from regression coefficients as necessary. When multiple correlations existed for the same construct within a sample, they were averaged to provide a single study result. To address reliability concerns, the Hunter and Schmidt (2004) methodology was followed, incorporating individual reliabilities to adjust correlations. Correcting for sampling error involved dividing reliability-adjusted correlations by sample size. Publication bias was evaluated using Rosenthal's technique from 1979, complemented by fail-safe  $N$  (FSN) calculations for each characteristic to assess result robustness. FSN values exceeding a threshold determined by the number of effect sizes indicated robustness.

## Structural equation modeling

The mediation effects were examined using structural equation modeling (SEM). To evaluate the mediation effects, structural equation modeling, or SEM, was employed. We employed IBM SPSS Amos 26 to process a correlation matrix that contained the harmonic mean of all sample sizes. Results obtained with harmonic means are more conservative than those obtained with arithmetic means (Viswesvaran and Ones, 1995). The study comprised effect sizes that showed a minimum of three correlations with all other variables. Using the reasoning of Iyer et al. (2020), error variances were set to 0 since the mean impact size calculation already took measurement error into account and only single indicators were employed.

## SCOPE OF THE RESEARCH

1. To determine the elements that motivate consumers to shop online.
2. To determine which website feature persuades a customer to buy the product from an online retailer and the advantages of online food shopping for users.
3. To find out what factors influence people to buy groceries online.

## LIMITATIONS

1. The first restriction resulting from the market research was identifying the savvy and online shopping respondents.
2. The second research limitations resulted from the endeavor to locate the female participants who engage in grocery shopping and their encounters with online shopping purchases.

## CHAPTER - 4

### Analysis of the Data

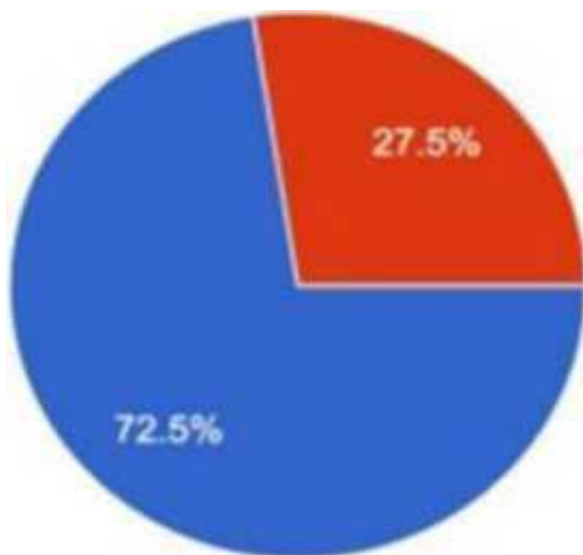
Over the last decade, the physical world has given way to the digital one, and we have gone from bricks to clicks. As a result, every industry has been impacted by technological advancements. The food industry was no different. The food business underwent a significant transformation. People are now buying food online in the form of meals, drinks, groceries, and other items.

Most people think that food delivery has been revolutionized and elevated to a whole new level by internet platforms. With a projected value of 2.9 billion dollars in 2022, the Indian online grocery business is only predicted to increase at a compound annual growth rate of 37.1%.

According to the survey, there are total 72.5% areas where online grocery stores are available and 27.5% where these stores are not available as it is shown in fig. 1.

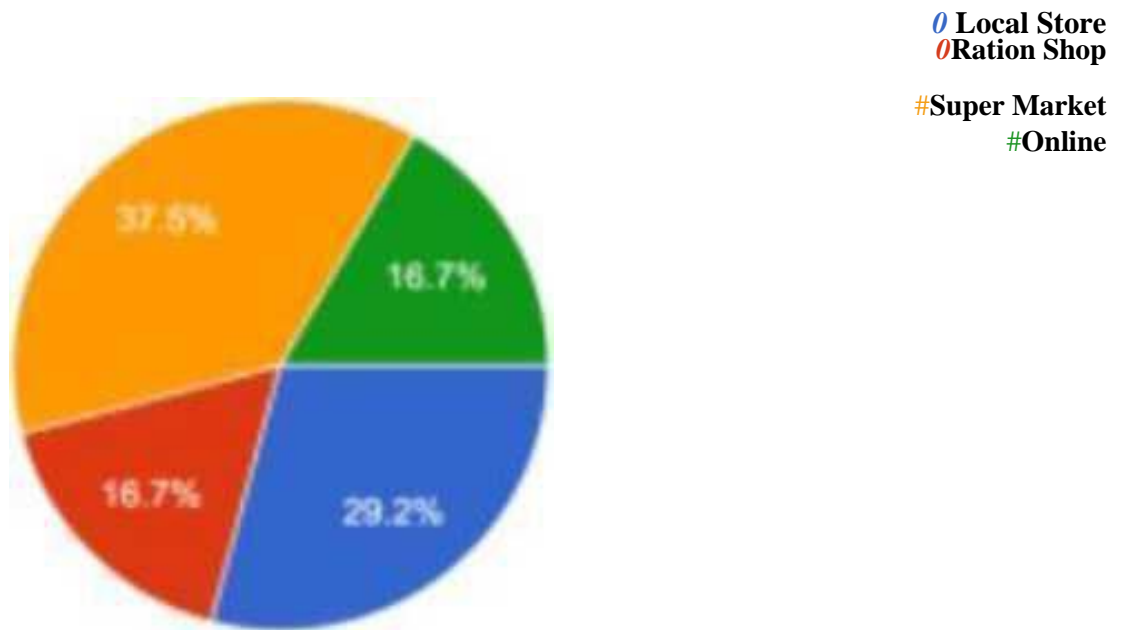
**FIGURE:1 Online grocery services available in your area?**  
120 responses

#	Yes
•	No





**FIGURE:2 Where do you shop for grocery items?**  
120 responses



### Where do you shop for grocery items?

Online grocery stores are quickly developing in India despite the fact that traditional grocery stores, such as supermarkets and neighborhood grocery stores, still control between 45% and 95% of the market. This is because to rising consumer awareness, greater internet access, and digital literacy. Consumer purchasing patterns have shifted in reaction to COVID 19, which has increased the online grocery market and altered the operations of neighborhood food businesses.

Many have adjusted to this shift and started providing additional services, such as accepting digital payments, modest items placed over the phone or over WhatsApp, and contactless delivery right to your door. According to the primary data source, 83.4% of the poll's audience regularly bought groceries from physical stores, while only 16.7% of consumers did so online.

## **How much do the aforementioned considerations affect your decision to buy for groceries online?**

To better understand the effort to gain more insight into the decision-making process of customers using online grocery delivery services, we asked them to rate many attributes according to how much of an impact they have on their choice to make an online purchase. Safety was the primary factor, and 57.5% of those surveyed thought it was extremely important, while 42.5% were either neutral or did not think it was significant. Of those who completed the study, 60% said that convenience was significant. While 30% expressed no opinion, 45% thought that buying food online saved time. About 30% of respondents had no opinion on the matter, indicating that they either thought the prices were comparable or had not given it any thought when making their choice. However, almost 53% of those surveyed said that cost was a key consideration in their choice. Consumers are drawn to variety, or the availability of a large selection of products; 60% of respondents cited this as a crucial component, therefore diversity can It has an impact on consumers' decisions to use online grocery delivery services.

The industry is expected to increase at a compound annual growth rate (CAGR) of 37.1% from 2021 to 2028. The market's major participants will undoubtedly engage in fierce competition as a result of its rapid expansion, trying to outbid one another with enticing offers like same-day delivery, rebates, reasonable delivery costs, and forgiving return policies.

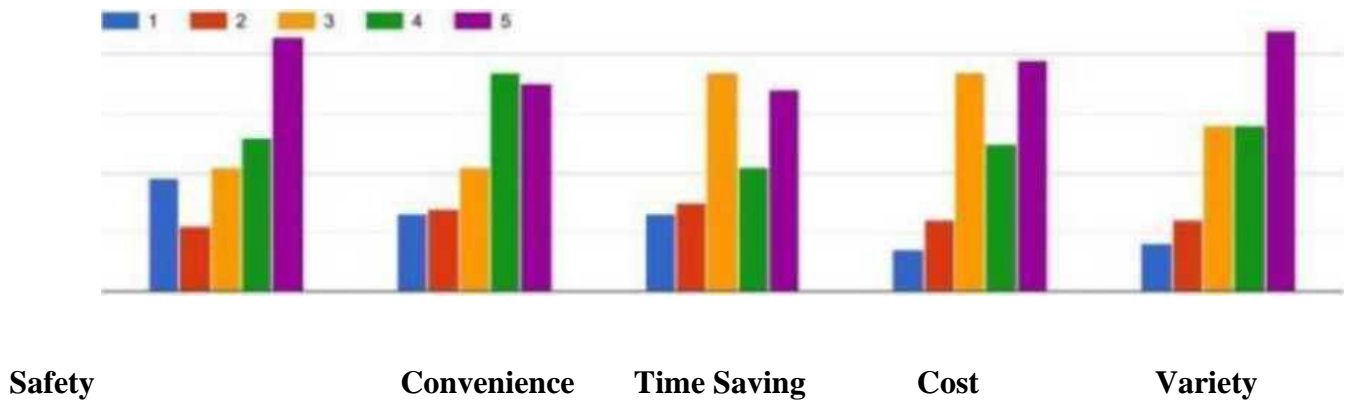
At the moment, it seems like the top two options for customers are Big Basket and Amazon Pantry. But in an attempt to dominate the market, more recent entrants like Jio are growing quickly. In the industry, the former telecom company will shortly take the place of "Reliance Smart," a sibling company.

## **Which online grocery shopping services do you use?**

Due to the pandemic's forced online grocery shopping of a significant portion of the consumer base, the sector has experienced significant development and expansion. Customers were forced to choose between the following options due to lockdown restrictions, which only allowed the delivery of necessities:

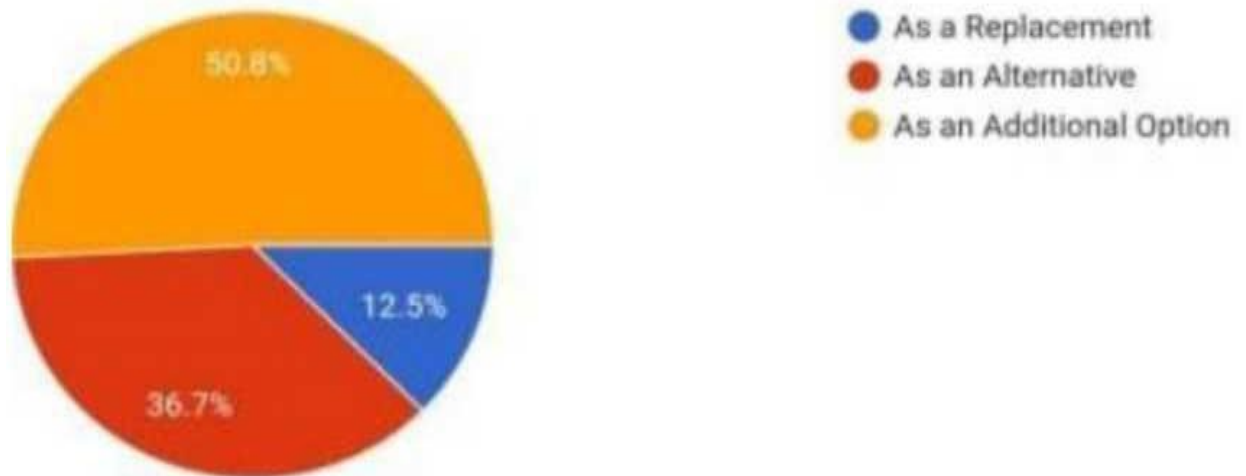
1. Streamlined online grocery delivery services
2. Disorganized delivery of Kirana locally

**How much do the following factors influence your decision of online grocery shopping?**



**FIGURE – 3** Showing an graph that how much factors influenced your decision of Online grocery stores or E – grocery stores.

**FIGURE – 4** Presenting how would people purchase things from online grocery stores.



### If given an option, how often would you buy groceries online?

Consumers who exclusively utilize internet service providers have increased by 500%. The raise produced a 20% conversion rate, which put the overall increase to almost 100% even though it was not sustainable. Even though these customers are only part-time users, they will have a significant positive influence on the industry's growth and profits because they have now experienced the convenience that comes with using these services. This is because their use as additional sources or alternatives will have a much bigger impact. Merely 12.5% of the population under study shop for groceries online instead than in shops in person.

As seen in **fig. 4**, a far larger portion of people, however, view it as a substitute or extra option. An increase in these customers is excellent for the industry's short-term performance as it will provide improved chances for survival and expansion.

## **What do you feel about online grocery shopping?**

There are several elements that influence a user's preference for one app over another. Several advantages include an extensive selection of products, prompt delivery, various payment methods, etc. Deals and discounts are among the factors that greatly influence a customer's choice. According to the graph, 20% of consumers do not really mind paying a greater price for an app, while nearly 60% of consumers look at discounts before deciding which one to buy. A robust customer care system has a big impact on customers. Customers are greatly influenced by having a strong customer support system.

If the customer support system is improved, 60% of those who rely on it for assistance could consider switching. Customers also remain loyal to the business when their groceries are delivered on schedule. Over sixty-five percent of consumers check to see if the grocery delivery app they use actually delivers their items on schedule. maybe not too much, the business. That's one that doesn't really affect the customer's choice.

The wide range of options is one of the most crucial considerations when making a decision. Over 70% of consumers search for an app that can fulfill all of their needs at once. Additionally, people usually choose online grocery services over local stores because many things are available online but are frequently unavailable in local shops. The availability of easy-to-use payment methods is another factor. The company might potentially expand its customer base by providing a range of payment options. Sixty-two percent of people who purchase online choose flexible and easy ways to make payments.

## CHAPTER – 5

### FINDINGS

1. The data collected above indicates that the number of responders is rising as more individuals become aware of the advantages of online purchasing.
2. The website's ease of use.
3. Offers and discounts that the website provides.
4. Cash on delivery is a crucial part of online shopping.
5. Free shipping is the main factor that entices people to shop online.
6. Since it determines the product's tangibility, physical inspection is an important consideration while shopping online.
7. According to the data, supermarkets are the most popular locations for purchases since they provide every important aspect of online buying, such as price, selection, quality, and ease of access from home.
8. Based on the data collected above, we may deduce that most respondents are open to purchasing food online if given the choices.
9. The report also lists the benefits of grocery shopping online for customers, such as the ability to find a large variety in one place and the chance to skip long lineups.

## MAJOR FINDINGS

1. Even though online grocery delivery is available in most cities, it is not available in rural regions. This suggests that a substantial percentage of the market is still being missed by the industry. The new way that consumers are food shopping is starting to become accustomed to it.
2. Prior to the epidemic, the percentage of people who placed online grocery orders was incredibly low. The grocery delivery services offered online benefited from the pandemic. The survey indicates that even once the pandemic is over, many would want to continue doing their grocery shopping online because they seem happy with the services.
3. The things that encourage individuals to shop online the most are the abundance of products available, the time savings, and the discounts provided.
4. The lack of a physical inspection and the lack of a guarantee for the product's quality are two things that customers view as barriers when using online grocery shopping platforms.

## CHAPTER – 6

### CONCLUSION

1. In any sector, consumer behavior is an essential component. With every year that goes by, we observe that new business models are emerging in response to shifting consumer preferences, with internet business models being particularly popular. Our ever-changing daily routines are the cause of this.
2. Despite its challenges, which present a constant challenge for present players, the online grocery market in India appears to have a bright future and the potential for large profits. The F&G online industry offers an increasing number of possibilities and is constantly expanding. The closure has caused Indians to order more internet than they have in the past, which has had some effect nationwide.
3. Based on the data analysis previously mentioned, it can be deduced that consumers buy products from online shopping websites because of features like promotions and discounts, the range of products offered, free home delivery, an easy-to-use website, and the ability to pay with cash on delivery.
4. Online grocery stores are beneficial to customers, based on shopping research. The data analysis shown above indicates that most respondents agreed to purchase groceries online as opposed to through more traditional channels. The majority of respondents who gave their approval stated that ordering groceries online would be beneficial because of factors including convenience, variety, special deals and discounts, time savings, and the lack of long lineups.
5. It must be constructive. Thus, we can validate the hypothesis using the methodology above. The suggested course of business will benefit both the customer and the company, since it enables the latter to continue having minimal operating costs.
6. The big basket deal offered by the online food store attracts customers. The way that customers perceive online grocery shopping is influenced by a number of things.
7. Research on consumers' perceptions of grocery shops is recommended, as these perceptions will change in response to changing economic situations and other factors. In any home, groceries are a must.



## SUGGESTION

1. Encourage people to know about and use home delivery services properly.
2. Direct product marketing at women over the age of thirty.
3. Finding and ordering the necessary supplies is becoming more difficult for consumers. Therefore, it is suggested that the website provide a few more options for buying their products.
4. The main barrier to online shopping is the worry about security.
5. Businesses may focus more on providing 24/7 shopping facilities for customers who make sophisticated purchases.
6. It is recommended that consumers be able to conduct phone orders with Big Basket, an online grocery retailer.
7. The quality of the juice and beverage packaging needs to be improved by the online supermarket.
8. Some people believe that a wider selection of products ought to be provided.

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