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Factors influencing consumers intention towards online food and grocery shopping in Navsari city of South Gujarat

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Abstract

In India retailing is one of the main contributors to the Gross Domestic Product (GDP) and also one of the biggest employers. The fast-growing trend of online shopping retail IOT- points out a rapid growth ahead for online grocery shopping. With more of Internet connectivity (rise of smartphone users), the growing popularity of mobile shopping and dealing in daily consumption commodities, grocery e-stores hold a potential in India. In this regard, this paper intends to study the factors influencing the intentions of consumers towards online food and grocery shopping in Navsari city. For the fulfilment of the objectives of the study 200 respondents were selected as sample size and data were collected through structured questionnaire. The major findings of the study were that consumers mostly use mobile application for online purchasing and debit/credit card mode was most preferred payment option for online shopping and most of them were ordering weekly. Regarding expectation of consumers the major factors were total cost of calculation, high quality of product, pricing/shipping information clarity etc. And the major constraints faced by the consumers while online shopping of food and grocery items were hidden charges on products/delivery were the major constraint, difficulty in returning products and lack of security in the process of online grocery purchase. So in order to prosper in online retailing of food and grocery the retailers need to overcome the constraints faced by consumers and should focus on meeting their expectations for increasing their market share.

Keywords: Online retailing, food and grocery, expectation, buying behaviour, constraints

Introduction

The word "Retail" comes from a French word "retailer" which means "to cut a piece off" or "to break bulk." Retail is the world's leading industry with worldwide retail sales of almost USD 8 trillion. Retailing is also one of the main contributors to the Gross Domestic Product (GDP) of most countries and also one of the biggest employers In India. Consumers spend huge time for purchasing grocery, traveling to stores and standing in queue. Relatively, online grocery shopping is increasing among the modern consumers. In India Online retailing is expanding at a fast pace not just in the larger metros but also in the Tier II and Tier III cities. This growth can be attributed to increasing internet penetration and smartphone revolution. Today, the number of tech-savvy consumers who explore multiple channels before making their crucial purchase decisions has grown manifold. Going forward, total number of online shoppers is estimated to grow 3.5 times to touch 175 million by 2020, from 50 million in 2015. Online shopping has become an integral part of consumers. Innovation of technology in the business world and its impact on consumers resulted in increase in the frequency of shopping online. Groceries sell irrespective of the state of the economy. The availability of options, convenience of payment facilities, offers and discounts are the indicating factors for online shopping. Delivery at doorsteps and convenience at many factors lead as important influencers. Groceries are bought at times according to consumers requirements. Online grocery shopping refers to the process where consumers shop grocery online through retailer's website or online grocery stores which results in delivery of grocery at the doorsteps of consumers (Choi, 2013) [4].

Today consumer goods in different categories including electronics, Fruits and vegetables, food, grocery and staples, personal care, beverages, apparels, home appliances are available online and the range of products is expected to grow further. E-retailers are constantly trying to adopt innovative strategies to cater unique need and preferences of customer. They have adopted the digital disruption to provide consumers more influential products and services, in order to strengthen the bond of trust.

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Objectives of the Study

The main objective of this study is to study factors influencing consumers’ intention towards online food and grocery shopping in Navsari city. With this overall objective the sub objectives of the study are as follows.

1. To study the socio-economic profile of consumers buying online grocery
2. To study the consumers buying behavior and expectation from online grocery
3. To study the factors influencing consumers intention towards online grocery shopping
4. To study the constraints faced by consumers in buying online grocery

Research Methodology

The nature of the present study was descriptive. The data were gathered from both the primary and secondary sources. The primary data were collected by conducting personal interview of consumers who purchase from online grocery retailers in the study area. The purposive sampling methodology was used for the selection of 200 respondents. The primary data were gathered by administering a structured questionnaire with 200 consumers of Navsari city of South Gujarat. The secondary data were collected through various sources like magazines, internet source, journals and other sources. The quantitative approach was used for the data analysis. Simple Statistical tools and tabular analysis was done for the fulfilment of the objectives.

Garret’s ranking technique

The Garret’s ranking technique has been used to analyse the problems perceived by the user while online shopping food and grocery items. To identify the constraints of consumers, a questionnaire was designed through pre-tested schedule covering the important aspects of cotton ginning.

Garrett’s ranking technique gives the change of orders of constraints into numerical scores. The major advantage of this technique as compared to simple frequency distribution is that here constraints are arranged based on their importance from the point of view of respondents.

Garrett’s formula for converting ranks into per cent is given by,

$$\text{Per cent position} = 100 * (R_{ij} - 0.5) / N_j$$

Where,

R_{ij} = Rank given for i^{th} factor (constraint) by j^{th} individual

N_j = Number of factors (constraints) ranked by j^{th} individual

The relative position of each rank obtained from above formula will converted into scores by referring to the table given by Garrett (transmutation of orders of merit into units of amount or scores) for each factor scores of all individuals have been added and then divided by the total number of respondents for the specific factor (constraint) attributes.

Review of Literature

The literature review is a critical step in the research process. It helps to direct one’s thinking and moves one towards developing specific research questions. Primary objective of reviewing literature is to understand previous work that has been done in the subject and to chalk out a research endeavour with a focus on the unexplored aspects to the problem” (Kothari, 2004) [14]. As attention shifted from product to the consumer, new focus led researcher to picture

the consumer first and how the consumer would behave for any changes in product or for any choices offered (Gupta and Jain, 2014) [11]. The migrated consumers consider the following dimensions when shopping in the urban environment: they are shopping conscious, enjoy urban shopping environment, price and quality conscious and compare different shops when buying. They want shopping to be recreational, price worthy, perfect and buyer oriented. They are unhappy with poor shopping environment, if any. These dimensions describe the factors to which the migrant rural consumers give importance in the urban shopping environment (Devadas and Manohar, 2011) [6]. Another research investigated rural consumers’ online shopping for food and fibre products as a function of satisfaction with local retailing and out shopping. Innovation diffusion theory was used to guide the research. The findings revealed that dissatisfaction with local retailing in 2000 was a powerful driver of out shopping, beliefs about online shopping and online shopping (both in 2000 and in 2003). Out shopping was positively related to online shopping at both points in time, suggesting that variables found to affect out shopping in the literature may affect online shopping in a similar way (Lennon *et al.*, 2009) [15]. Bhatt (2014) [2] concluded that perceived information, perceived usefulness, perceived enjoyment; security and privacy are the five dominant factors which influence consumer perceptions on online purchasing. Shahzad and *et al.* (2015) [13] revealed that the design of the website is the major influencing factor for the consumers to shop online. The study also revealed that risk of performance; trust and security have a substantial influence on customer behaviour towards online shopping whereas financial risk and delivery risk does not affect consumers buying behaviour.

Results and Discussion

Table 1: Socio-Economic profile of the respondents

(n=200)

Demographic Variables	Parameters	Frequency	Percentage
Gender	Female	129	64.50
	Male	71	35.50
Age	Between 18-28	64	32.00
	Between 28-38	109	54.50
	Between 38-48	24	12.00
	Above 48	3	1.50
Marital Status	Married	145	72.50
	Unmarried	53	26.50
	Widow	2	1.00
Educational	Primary	48	24.00
	Undergraduate	72	36.00
	Graduate	45	22.50
	Post graduate	35	17.50
Occupation	Student	24	12.00
	Employee	95	47.50
	House wife	65	32.50
	Business	16	8.00
Working member in Family	1	95	47.50
	2	75	37.50
	3	30	15.00
Monthly Family Income	Less than 10,000	24	12.00
	Between 10,000-20,000	65	32.50
	Between 20,000-40,000	74	37.00
	More than 40,000	37	18.50

The Table 1 shows that among the consumers buying grocery from online retailers, 35.50per cent were male and 64.50per cent were female. From the total sample of 200 consumers, 54.50per cent were in age-group of 28-38 years followed by 32per cent were in age-group of between 18-28 years. From the study it was found that 72.50per cent were married, 26.50per cent were unmarried and 1.50per cent was widow. Regarding the educational qualification of the consumers it was found that 36per cent of the consumers were undergraduate followed by 24 per cent were educated upto primary, 22.50per cent who were graduate and rest 17.50per cent were post graduate. Among the consumers buying grocery from online retailer, 47.50per cent were employee; 32.50per cent were house wives; 12per cent were student and 8per cent were doing business. Regarding the number of working members in the family it was found that 47.50per cent of the consumers had only one working members followed by 37.50per cent consumers having two working member in the family and 15per cent consumers have three earning members in a family. About the monthly family income it was found that 37per cent had monthly family income between 20,000 to 40,000 followed by 32.50per cent consumers having monthly family income between 10,000 to 20,000.

Table 2: Monthly expenditure of Consumers on purchasing food and grocery

Monthly Expenditure (Rs.)	Frequency	Percentage
< 500	29	14.50
500-1000	49	24.50
1000-1500	5	2.50
1500-2000	5	2.50
>2000	112	56.00
Total	200	100

Table 5: Frequency of order of food and grocery from online shopping

Frequency of order	Frequency	Percentage
Twice in a week	34	17.00
Weekly	95	47.50
Monthly	27	13.50
Quarterly	17	8.50
Unplanned	27	13.50
Total	200	100

The Table 5 shows that among the consumers buying grocery from online retailer, 47.50per cent order weekly; 17per cent order twice in a week; 13.50per cent order once in month and

Table 6: Average time spent for online grocery purchasing

Time spent	Frequency	Percentage
Less than 10 minutes	10	5.00
10-20 minutes	55	27.50
20-30 minutes	117	58.50
More than 30 minutes	18	9.00
Total	200	100

The Table 6 shows that among the consumers buying grocery from online retailer, 58.50per cent consumers take 20-30 minutes for purchasing grocery; 27.50per cent consumers take

The Table 2 depicts that among the consumers buying grocery from online retailer, 56per cent consumers spent between Rs. 1000-1500; 24.50per cent consumers spent between Rs. 500-1000; 14.50per cent consumers spent less than Rs.500 and 5per cent consumers spent more than Rs. 1500 in purchasing grocery.

Table 3: Platform preferred for Online Purchasing of food and grocery

Platform	Frequency	Percentage
Mobile application	125	62.50
Website	75	37.50
Total	200	100

The Table 3 shows that among the consumers buying grocery from online retailer, 62.50per cent of consumers' preferred mobile application and rest 37.50per cent of consumers preferred website for their online food and grocery shopping.

Table 4: Preferred Mode of Payment for Online Purchasing of food and grocery

Mode of Payment	Frequency	Percentage
Debit / credit card	90	45.00
Net banking	23	11.50
Other cards	5	2.50
Cash on delivery	82	41.00
Total	200	100

The Table 4 shows that among the consumers buying grocery from online retailers, 45per cent of consumers preferred debit/credit card mode; 41per cent consumers preferred cash on delivery mode; 11.50per cent consumers' preferred Net banking mode and rest 2.50per cent preferred other modes for making payment for online purchasing.

order without prier planning, 8.50 per cent order once in quarter from online retailer.

10-20 minutes for purchasing grocery; 9per cent take more than 30 minutes for purchasing grocery and rest 5per cent take less than 10 minutes for purchasing grocery.

Table 7: Consumers Expectation from online food and grocery shopping

Sr. No.	Parameters	Not at all expected (1)	Somewhat unexpected (2)	Neutral (3)	Somewhat expected (4)	Extremely expected (5)	Cumulative Score	Mean	Rank
1	Total cost calculation (Shipping, tax, etc.)	0(0)	4(8)	12(36)	107(428)	77(385)	857	4.29	1
2	High quality product available	4(4)	4(8)	20(60)	80(320)	92(460)	852	4.26	2
3	Overall excellence in shopping experience	6(6)	8(16)	25(75)	117(468)	54(270)	835	4.18	3
4	Pricing/Shipping information clarity	0(0)	8(16)	12(36)	120(480)	60(300)	832	4.16	4
5	Search function availability	2(2)	5(10)	20(60)	111(444)	62(310)	826	4.13	5
6	Staff are friendly and trained	0(0)	15(30)	20(60)	102(408)	63(315)	813	4.07	6
7	Visual appeal of website	0(0)	9(18)	45(135)	90(360)	56(280)	793	3.97	7
8	Information provided online is credible and trustworthy	0(0)	4(8)	38(114)	120(480)	38(190)	792	3.96	8
9	Discounts, scheme and offers on products	0(0)	4(8)	55(165)	98(392)	43(215)	780	3.90	9
10	Onsite customer reviews/Testimonial	0(0)	8(16)	38(114)	125(500)	29(145)	775	3.88	10
11	Offers several brands to choose from in a category	0(0)	12(24)	45(135)	107(428)	36(180)	767	3.84	10
12	All products displayed on homepage	0(0)	18(36)	64(192)	58(232)	60(300)	760	3.80	11
13	Discount/offer alert message	4(4)	25(50)	55(165)	42(168)	74(370)	757	3.79	12
14	Wide selection of store private label	2(2)	14(28)	35(105)	131(524)	18(90)	749	3.75	13
15	Online customer service (live chat)	0(0)	18(36)	65(195)	85(340)	32(160)	731	3.66	14
16	Privacy statement	0(0)	6(12)	120(360)	61(244)	13(65)	681	3.41	15
17	Links to social network (Facebook, Twitter, etc.)	6(6)	45(90)	52(156)	65(260)	32(160)	672	3.36	16

Above Table 7 depicts that consumer expected factors like high value of total cost calculation should be available at time of purchasing followed by availability of high quality product; Overall excellence in shopping experience; Pricing/Shipping

information clearly stated; availability of proper search function; friendly and trained staff etc. while purchasing grocery from online retailer.

Table 8: Factors influencing consumers towards purchasing online food and grocery shopping

Sr. No.	Parameters	Always (5)	Mostly (4)	Often (3)	Rarely (2)	Never (1)	Cumulative Score	Mean	Rank
1	Easy return policy	114(570)	67(268)	15(45)	4(8)	0(0)	891	4.46	1
2	Quality of product available	113(565)	62(248)	25(75)	0(0)	0(0)	888	4.44	2
3	Affordable price	92(460)	86(344)	22(66)	0(0)	0(0)	870	4.35	3
4	On time delivery	99(495)	70(280)	25(75)	6(12)	0(0)	862	4.31	4
5	Convenient Payment options	90(450)	78(312)	27(81)	5(10)	0(0)	853	4.27	5
6	Every time availability of product	62(310)	105(420)	30(90)	3(6)	0(0)	826	4.13	6
7	Brand choice	58(290)	108(432)	34(102)	0(0)	0(0)	824	4.12	7
8	Display and clarity of product and price on site	83(415)	64(256)	41(123)	12(24)	0(0)	818	4.09	8
9	Delivery slot time	71(355)	82(328)	42(126)	3(6)	2(2)	817	4.09	9
10	Discounts, scheme and offers	63(315)	92(368)	42(126)	3(6)	0(0)	815	4.08	10
11	Login facility available	46(230)	122(488)	24(72)	4(8)	4(4)	802	4.01	11
12	Wide range of product available	57(285)	92(368)	40(120)	11(22)	0(0)	795	3.98	12
13	Product of same group displayed together	57(285)	83(332)	43(129)	15(30)	2(2)	778	3.89	13
14	Packaging of product	41(205)	67(268)	53(159)	35(70)	4(4)	706	3.53	14
15	Discount on payment by (voucher, varies card, etc.)	38(190)	66(264)	62(186)	22(44)	12(12)	696	3.48	15
16	On availability of referral offers	38(190)	36(144)	65(195)	42(84)	19(19)	632	3.16	16

The Table 8 depicts the consumer buying behaviour towards purchasing grocery from online retailers in this regard the consumers first consider Easy return policy of the products followed by availability of the quality products; price

affordability; on time delivery of the products; Convenient Payment options; all time availability of product; availability of choice of brand etc. while purchasing from online retailer.

Table 9: Major constraints faced by the consumers while online shopping of food and grocery items

Sr. No.	Constraints	Total score	Garrett's score	Rank
1	Lack of security in the process of online grocery purchase	12276	61.38	3
2	High priced product	6080	30.40	13
3	Lack of adequate product information	9172	45.86	8
4	Delay in Delivery	9696	48.48	7
5	Absence of local brands	7196	35.98	12
6	No discount and offers	7288	36.44	11
7	Lack of support/guidance in choosing product	8180	40.90	9
8	Not getting the ordered product	7508	37.54	10

9	Difficulty in payment and payment failure	10788	53.94	5
10	Absence on personal quality check (Intangibility)	10544	52.72	6
11	Hidden Charges on Products/Delivery	14608	73.04	1
12	Difficulty in returning products	14128	70.64	2
13	Complicated Purchase Process	12040	60.20	4

The Table 9 depicts major issues faced by the consumers while online shopping food and grocery items in Navsari city. A perusal of above table clearly revealed that hidden charges on products/delivery were the major constraint with a mean score of 73.04. The second major constraint was difficulty in returning products with mean score of 70.64, followed by lack of security in the process of online grocery purchase (61.38), complicated purchase process (60.20), difficulty in payment and payment failure (53.94), absence on personal quality check (Intangibility) (52.72), delay in delivery (48.48) etc.

In nutshell, the major constraints faced by the consumers while online shopping food and grocery items in Navsari city were hidden charges on products/delivery were the major constraint, difficulty in returning products and lack of security in the process of online grocery purchase.

Conclusion

Online grocery industry is one of the growing industries in India. The study reveals that in the study area 64.50 per cent of consumers were female, 54.50 per cent of consumers were in age group between 28-38, 72.50 per cent of consumers were married, 47.50 per cent of consumers were employees, 47.50 per cent of consumers had one working member in family, 37.00 per cent of consumers had family income between 20,000-40,000. The study further reveals that 56.00 per cent of consumers spent more than Rs. 2000 monthly on purchasing food and grocery. The other findings were that consumers mostly preferred mobile application for online purchasing and debit/credit card mode of payment for online shopping. Regarding expectation of consumers the major factors considered by consumers were total cost of calculation, high quality of product, pricing/shipping information clarity etc. Also it was found that while buying grocery online the consumers consider factors like quality of products followed by the return policy of online retailer then on time delivery of order; price affordability etc. And the major constraints faced by the consumers while online shopping of food and grocery items were hidden charges on products/delivery were the major constraint, difficulty in returning products and lack of security in the process of online grocery purchase. So in order to prosper in online retailing of food and grocery the retailers need to overcome the constraints faced by consumers and should focus on meeting their expectations.

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