

Online Grocery Shopping in India: Anticipating Trends Post-Pandemic.

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Abstract: The present pandemic has developed a sense of fear among the consumers of physically visiting the shops and stores as it leads to a greater chance of catching the deadly disease which has completely changed the way people operate in their day to day lives. With the increasing number of online options, and the current pandemic forcing people to stay indoors have shown a paradigm shift in the use of online portals and websites to order groceries like fruits, vegetables and other perishable & non-perishable items. While the use of online websites has increased almost two folds since the pandemic, it is worth analysing whether such trend will continue once the pandemic is over, or not. The present paper aims at doing a quantitative analysis based on primary data to anticipate the trends in the post-pandemic era.

Keywords: E-grocery, Online, Consumer, Shopping, Pandemic.

1. Introduction.

We all are currently in an ongoing state of pandemic. Many have lost their jobs and their livelihood, and some have also lost their loved ones. While many have lost their livelihood, some have also gained business and consumer base by the current state of affairs. With the current norms of social distancing and the fear of catching the infection, it has become next to impossible to physically shop for groceries and other items. Taking advantage of the present situation, many large brands who were already in the business of retail have started selling groceries online. India has witnessed a major shift from physical shopping to online shopping in every sphere. Through the present paper, we shall try to understand and analyse how the pandemic has affected physical shopping and made room for online shopping for the consumers. The paper aims at collecting data and analysing the factors that the consumers consider relevant while shopping online, and most importantly continue shopping online. After analysing the factors, we shall examine the areas which need improvement if the brands expect the consumers to continue shopping online even after the pandemic is over. Studies have shown that the number of consumers buying groceries online have increased two folds since lockdown owing to various factors. However, it is not certain whether such trend will continue post-pandemic or not. By the means of this paper, we aim at anticipating the trends in online shopping of groceries once the pandemic is over. Keeping an optimistic approach that the current situation of pandemic shall soon be over, we aim at judging how the online market shall be affected.

2. Organised and Unorganised Sectors in Retail Market.

The Indian population has several options to choose from when it comes to grocery shopping. From small Kirana shops in the streets, large shopping stores in the malls, to a great amount of online portals, the competition in the retail market is excessively high. The organised sector typically employs informal labour, and the owners of such stores hold unlimited and personal liability as it is either the family business, or run by a sole proprietor (Mehra 2014; 78). The retailer shops can be classified as formal or informal, and organised or unorganised (Kohli and Bhagwati 2011). All the small retailers like paan shops, fruits and vegetables stalls, pushover

carts, etc. form part of the unorganised sector. Shops like Kirana stores, small pharmacy shops, small bakeries, and appliance stores, although form a part of the organised sector, however still fall in the category of informal sector. The stores that fall under the category of both formal and organised sectors are the big retail stores operating as limited companies, trusts or corporations running super markets, hyper markets, etc. The unorganised sector discussed above accounts for more than 93% of the total grocery sale in the Indian market. The reason for a large amount of sale attributed to the unorganised sector is because of the legacy they hold as a result of long time span of experience and goodwill among the people of India. While the unorganised sector still holds more than 90% of the grocery retail market, the recent trends have shown that a substantial number of consumers have shifted to the online sale of groceries due to the convenience and efficiency it offers. With increasing working hours, and with women holding similar positions at the workplace as men, online shopping offers the flexibility and comfort that the consumer requires nowadays.

3. Factors Influencing the Growth of Online Sale of Groceries.

3.1.No geographical boundaries.

Online grocery shopping is the preferred choice these days as it offers delivery irrespective of the geographical boundaries. While serving a large geographical area requires a strong supply chain structure, however non requirement of a physical shop or store leaves the retailers a great deal of monetary reserves to finance a strong supply chain arrangement. Door step delivery with no hassle on the part of the consumers encourages the consumer to opt for online shopping over physical shopping.

3.2.Better Quality.

Better standards of quality of the products encourage a consumer to opt for online shopping. According to Rahman (2013), a consumer first opts for online shopping, and depending on the quality of the products, the consumer is expected to reorder from the same portal/website. Studies have shown that supreme quality of the products increases a consumer's willingness to repeatedly order from a given online website (Elliott, J.2002). Quality of a product is one of the greatest factors influencing the growth of the e-grocery market.

3.3.Time-Efficiency.

The option of flexibility that a given online website offers in terms of time plays a great role in influencing a set of consumers to opt for online shopping. With the increasing busy lives and aspirations for a successful career life, consumers opt for options that provide flexibility and punctuality in terms of time (Srinivasan and Ratchford, 1991). The conventional Kirana stores have limited opening hours which doesn't provide convenience to consumers that lead a busy life. Online stores provides both convenience and flexibility as the shopping hours are not limited and the consumer is at liberty to shop at any odd hour as per her/his convenience (Chocarro 2013).

3.4.Free Delivery and Discounts.

Due to increasing competition and availability of a large number of shops in unorganised sectors, the online stores majorly adopt the policy of free delivery and offer substantial discounts. Timely and hassle less delivery attracts a large number of consumers (Downs 1961). Websites that charge a minimum delivery cost irrespective of the cost of product bought are generally less preferred over websites that provide free deliveries. In India, websites generally offer free delivery over a certain price of orders in order to attract more and more consumers.

3.5.Current Pandemic.

The current pandemic has attracted many consumers towards online shopping in order to avoid crowded places and human contact. A report by TOI studying the recent studies shows the trends in online shopping of groceries is likely to increase two folds in this year. This year has witnessed a 76% surge in online shopping for groceries. With the increasing consumer base for shopping online for groceries, many major retail brands like Zomato, JioMart and Swiggy have started selling groceries online. Other retail brands like Grofers, BigBasket, Amazon, etc. have also witnessed an increase of about 60% in the sale of groceries since the current pandemic.

4. Business Models in Online Grocery Shopping.

Based on the functions performed by a particular business model, the industries involved in online grocery shopping can be categorised into the following business models.

4.1.Inventory Models.

As the name suggests, the business models that serve as an inventory for storing the grocery materials like fruits, vegetables, and other perishable items are called the inventory based business models. Such business models may or may not perform the shipping services. Such business models enter into agreements with vendors and shippers to sell the groceries stored by them.

4.2.Multi-Vendor Marketplace.

Business models that provide a platform for other buyers and sellers to buy and sell groceries. These type of models only manage the websites or the apps where different sellers register themselves and the client base is provided by the vendor. Such models need not hold an inventory as their only job is to provide a platform, a website in this case for the sellers to display and sell their products.

4.3.Shipping Only Models.

The business models that only provide the shipping facilities to both the buyers and the sellers are called the shipping only models. Such models act as the intermediary between the sellers and the buyers and perform one of the most important functions i.e. delivery of goods.

4.4.Click And Collect Retail Model.

This type of model is yet not very renowned in India however, is substantially flourishing in the other parts of the world. Such kind of model offers a perfect blend of online and physical shopping. The consumer could select and pay for the products online and collect the same from the nearest store.

5. Literature Review.

Ramus and Neilson (2005), did a quantitative study on what consumers with different degrees of experience prefer, physical grocery shopping or online. Most of them liked the convenience and flexible aspect of online shopping, however were skeptical about the quality of the products. Sreeram and his team (2017) studied the various factors that influence a consumer's decision of whether or not he would prefer online shopping over physical shopping. Some of the factors that they studied were physical effort, time pressure, entertainment value, product assortment, economic values, website design aesthetics, etc. A study lead by *Accenture* showed how some behavioral changes in the customer's behavior shall stay back even after covid is over. One of such behaviors include online shopping (*Accenture* 2020). Another study showed similar results that the trends adopted by various consumers during this pandemic shall completely change the face of the retail market long after the pandemic is over (*Forbes* 2020). Lakshman and Karthik conducted a study on behavioral traits of people in a town on use of Flipkart for online grocery shopping (Lakshman and Karthik 2020). Another study analysing the approach of people towards online shopping during pandemic with special reference to Flipkart showed that around 72% of

people in India were using Flipkart for online grocery shopping, while since Pandemic the percentage has increased to 82.5% which is a substantial increase in a short span of 6-8 months. (Rachita, Sushree and Rahul 2020). There have been many studies on factors influencing the decision of the consumers to opt for online shopping. We aim at studying a shift in the behavioural patterns of the consumers towards online grocery shopping since lockdown and whether such patterns are likely to continue even after the end of the pandemic. The fear of being in a crowded market or the need to avoid human contact has made people belonging to different age groups in large numbers, to shift to online options. Let us see whether such shift is likely to stay back even after the end of the pandemic.

6. Research Objective.

- a. To study the factors that influence a consumer's choice to continue shopping even after the pandemic.
- b. To study the areas that online shopping portals should work upon to enhance the number of consumers opting for online grocery shopping, with special reference to India.

7. Research Methodology.

The following research is conducted based on the quantitative analysis of the primary data. A questionnaire was prepared to know the choices and preferences of the costumers of online shopping to see the factors that have influenced their choice of online grocery shopping over physical shopping. Several other questions were added to collect data related with their satisfaction with different factors that would influence continuity of online shopping even after pandemic. Thereafter, a group of 60 people, actively involved in online grocery shopping from different parts of the country were chosen and handed over the questionnaire. The results and analysis of the aforementioned questionnaire and data are as follows.

8. Results.

The respondents were asked to select the factors that mattered to them the most while shopping online out of a list of factors that the previous researchers in the current fiend have considered relevant. Thereafter, the respondents were asked to tell whether they were satisfied with the following four factors:

- a. Timely delivery.
- b. Packaging
- c. Quality
- d. Willingness to continue shopping and recommend others.

Following are the results of the research conducted:



Fig. 1.

56% of the total respondents were satisfied with the quality of the online groceries received by them during this year. However, 44% were not satisfied, which is a great number. If brands selling groceries online want people to continue shopping online, they shall have to improve the quality of their products, otherwise, the consumers are likely to shift back to the unorganised sector after the end of the pandemic.

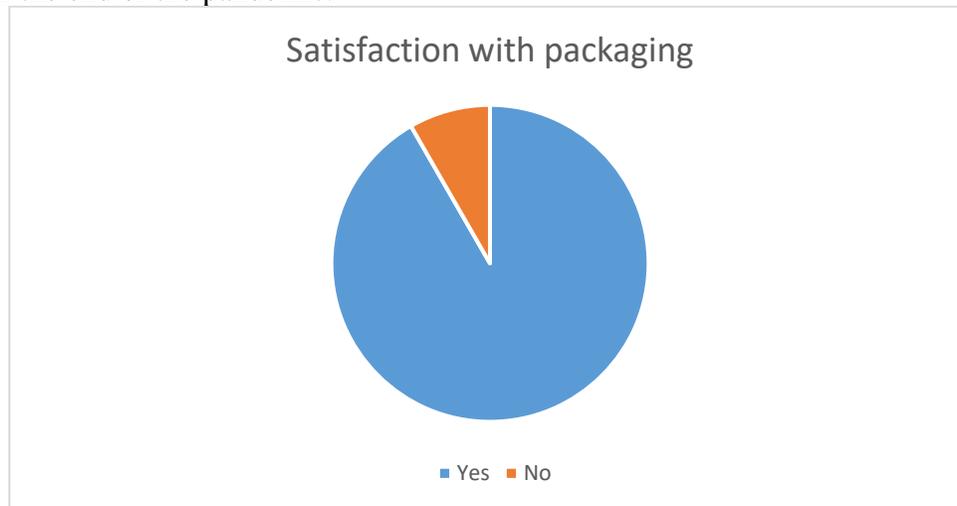


Fig. 2.

92% of the total respondents were happy and satisfied with the packaging of groceries sold online. The numbers in this sector are highly impressive as the results show that amidst a pandemic, the consumers are happy the way their groceries are packed and feel in the hands of the brands selling groceries online. This factor is likely to make consumers stick to online shopping even after the pandemic.



Fig. 3.

Only 58% of the total respondents were satisfied with the delivery of the products w.r.t. the time. As already discussed, time efficiency is one of the most important factors to be considered while shopping online. Untimely delivery of products is likely to make the consumers shift back to physical shopping of groceries.



Fig. 4.

The results of the current study have been awfully surprising. While various studies have shown that quality of the products and timely delivery are the two most dominating factors that influence a consumer's intention to continue with online shopping. However, despite almost half the respondents being unsatisfied with the quality and delivery of products, they have shown willingness in continuing shopping and recommending friends and family.

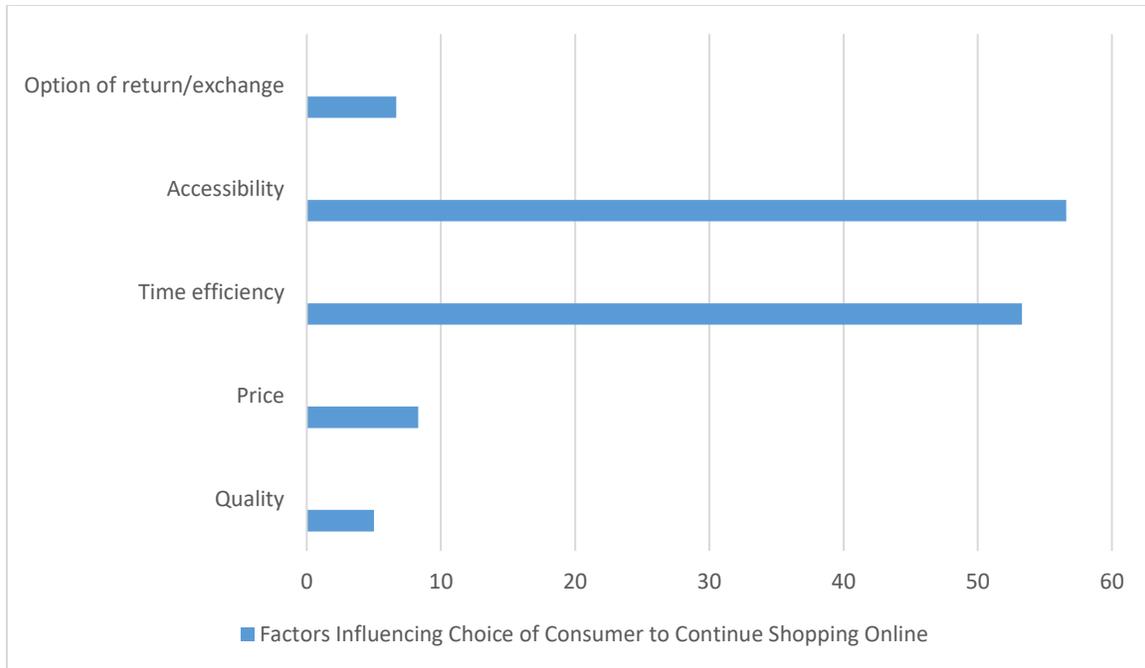


Fig. 5.

The above placed graph shows the magnitude of the relevance of the factors influencing the intention of the consumers to continue with online shopping. Surprisingly, the two most important factors for the respondents remained time efficiency, and accessibility, and not the price and quality, which most researchers have always given prime importance. In fact, the quality of the products, which since beginning we had considered one of the dominating factors, was only preferred by 6% of the total respondents as a relevant factor.

9. Analysis and Conclusion.

A thorough analysis of the above results shows that the two most important factors that are likely to make consumers stick with online grocery shopping even after the end of the pandemic are easy accessibility of products on online websites, and flexibility and efficiency of time, in comparison with physical shopping. The two factors that were expected to hold great importance have not been given much weightage by the respondents, i.e. the quality of the products and their price. While the respondents did not seem very happy with the quality of the groceries sold online, they also did not give this factor much weightage while deciding whether to continue shopping or not. One factor that was rated high on the relevance meter was time efficiency, however the respondents did not believe that their products were delivered on time, as only 58% of the respondents ticked yes for timely delivery.

Analysis of the above results shows that the one factor that the online websites selling groceries need to work upon is timely delivery. While the respondents are not happy with the quality either, however they do not seem to care much about the quality. We do not by any means wish to conclude that it is fine for the brands to sell products of inferior quality however, the trends show that even if the brands maintain the current quality, the consumers are not likely to shift back to physical shopping after the pandemic. In conclusion, the trends set after the pandemic are not likely to change even after the pandemic is over, as more than 95% of the Respondents ticked yes for willingness to continue with online shopping. Majority also confirmed that they shall love to recommend their family and friends to do the same, which shows that the said trend is likely to increase many folds.

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