

CHAPTER - 2

Uncovering Consumer Psychology: A Study of Consumer Perception on E-grocery Shopping

*Preeti Mehra**

ABSTRACT

The recent emergence of the internet as a major new distribution channel has received a lot of attention, as online channels challenge the operation of traditional retail. Today, inculcation of technology to make online shopping more interactive and interesting has become imperative. The current study endeavors to identify the factors effecting the purchase decision of the customers with reference to online e-grocery shopping platforms. A pre-disguised structured questionnaire was administered to a sample of 450 respondents. Judgmental sampling was used to select respondents who have made online purchase using internet as a medium. The study concluded that E-grocery platforms must increase their budget on social media campaign and escalate awareness campaigns and promotional offers.

Keywords: *Transitions; E-grocery platforms; Digital; Grocery shopping.*

1.0 Introduction

The contemporary customer prefers an online mode of shopping. These days, the preference is clearly for the delivery of products to home directly. Online food ordering became very popular in the 1990s, in the United States, during the so-called dot-com boom. The admiration and recognition were short-lived, however, and a few

**Professor, Department of Management, Mittal School of Business, Lovely Professional University, Phagwara, Punjab, India
(E-mail: preeti.23746@lpu.co.in)*

online shopping services suffered an impediment. Over the next few years, some of them survived economic hardships in order to stay strong in the markets. However, in today's era there are many online grocery retailers. Market experts hold the opinion that online shopping is a lucrative business and has continued to grow in popularity especially due to COVID:19 pandemic which led to the popularity of touchless, contactless modes of shopping.

1.1 Major E-grocery players

As our study revolve around India the top e- groceries provider in India have been mentioned below:

Big Basket: Big Basket is India's foremost retailer of quality and fresh vegetables, fruits, beverages, personal care products, household items, meat and eggs, bread, groceries, and staples. They provide high quality products related to your food needs and if savings in shopping malls is high on your mind, basket is an online restaurant in India. In addition to quality and discounts, they also guarantee timely delivery, same day or delivery full service, and signature packaging.

Grofers: Grofers is a one of the most preferred platforms for online shopping markets. They are able to connect consumers with all local stores, selling food items. A much-needed store that provides vegetables, fruit, other food items, baked goods, electronics, cosmetics, flowers, baby care, and animal care products as needed by consumers. The customer has the freedom to shop at their favourite stores in your area, select and edit delivery spaces and get real-time updates on whatever they order.

Amazon Pantry: Amazon Prime Pantry is an Amazon.com service available only to Amazon Prime members who place daily (non-quantity) non-perishable food items in a single delivery box for a fee. When selecting items within the Prime Pantry system, each item calculates the percentage of space it will occupy within the delivery box. Email notifies customers of their delivery date. A full box can weigh up to 150 pounds [45 kg]. In India, Pantry was

acquired in three cities before being expanded to 10,000 PIN codes before the closure of the COVID-19 epidemic in India.

Flipkart Grocery: Flipkart Grocery provides flour, dairy, spices, dairy products, Flipkart Grocery can be your one stop place to meet all your daily needs.

The current situation is full of urgent demands for the modern future, which is technically becoming a necessary component of our daily lives. Online advertising is expanding tremendously in both size and scope. Businesses are investing more money than ever before in online advertising. It's important to comprehend the variables that affect how effective web advertisements are (Deshwal, 2016) in not only groceries but across all product categories available online.

Consumers are also more concerned about the quality of products among the various fear factors related to online grocery shopping. Social influence factors have least importance, albeit customer review has moderate weightage. The online store guarantees the highest quality of all available products (Kaur & Shukla, 2017)

The internet plays gradually a more crucial role to connect information and people, the pressure has continued to rise on markets which have already employed online services, and especially on markets to which selling products online is novel. The trend of the retailing store is changing as a growing number of retailers are shifting their focus from general brick and mortar retailing to new formats such as electronic retailing or e-tailing. The study depicts the expectation of a customer while buying groceries online and in physical market is totally different. The study reveals that the major reason for purchasing groceries online is saving time and effort and there are no time restrictions on shopping. (Kavitha, 2017)

2.0 Review of Literature

Hand *et al.*, (2008) in their research article, online grocery shopping: the influence of situational factors analyzed the role of

situational factors in the process of adoption of online grocery shopping. They used different measures to establish the importance of situational factors, such as having a child or inability to do physical shopping as triggers for starting buying groceries online. Many shoppers are found to discontinue online grocery shopping once the initial trigger has disappeared or they have experienced a problem with the service. content are all important aspects.

Nagra & Gopal (2013) in their research studied the factors affecting online shopping behavior amongst consumers. They emphasized that online shopping is greatly influenced by various demographic factors such as age, gender, marital status, family size and income. They stated that in the online shopping environment, companies must give priority to consumers fundamental and unequivocal requirements.

Ronan *et al.*, (2014) in their research article household pre-purchase practices and online grocery shopping have conceptualized the function of households' pre-purchase practices intermediated by information and communications whereby accumulative performance in purchase begins to influence new practices that may significantly influence industry-level strategies. This exploratory research used a series of semi-structured open-ended questions, via Skype interviews in a multi-wave strategy over a 12-month period and a sample of 31 Turkish individuals. Drawing on practice theory, the concept of "front-loading" was familiarized. The domestication of online grocery shopping and its effect on the dynamics of household decision making, information sharing, and responsibilities of tasks before the actual act of online shopping has been explored.

Ronan *et al.*, (2014) in their study examined how information and communications technologies (ICTs), notably online grocery shopping, mediate family pre-purchase practices. The notion of "front-loading" is presented, and the effects of ICTs on household food purchasing behaviour are conceived using practice theory. Emerging themes from 31 semi-structured Skype interviews with Turkish consumers who were asked to describe their experiences with online grocery shopping are presented. This paper makes two

contributions toward that objective. Before engaging in actual online shopping, it is important to have a basic awareness of how domesticating online grocery shopping has affected the dynamics of household decision-making, information sharing, and task obligations. Second, how these consumer pre-purchase behaviours serve as a catalyst for change at the consumer decision making level.

Afzal & Khan, (2015) endeavored to demonstrate how advertisements, both traditional and online, affect customer purchasing decisions for branded clothing. A market cannot continue to exist without advertising, which has acknowledged itself as an important selling medium. Structured equation modelling (SEM) is used to explore the direct and indirect relationships between independent variables in traditional and online advertising and the dependent variable, consumer purchasing behaviour. A questionnaire was utilised as a quantitative data collection instrument. Through two mediators—advertising characteristics and customer attitude—the indirect relationship between online and conventional advertising and consumer purchasing behaviour is assessed in order to identify key variables that significantly affect consumer purchasing behaviour. Results showed that brand loyalty, advertisement quality, design, content, customer purchasing history, and advertisement

Siddiqui & Tripathi (2016) in their study suggested that Online grocery shopping offers the promise of being accepted by Indian consumers as e-retailing makes a noticeable entry into the Indian retail landscape. This essay makes an effort to ascertain the market potential for online grocery retailing in India as well as consumers' attitudes regarding its various facets. The choice of mode for grocery shopping is said to be influenced by five underlying dimensions: convenience, value for money, variety, loyalty, and ambient influences. After that, Binary-Logistic Regression was used to examine how these five broad perceptual aspects affected people's decisions to accept or reject online grocery retailing. Value for money and convenience received the most attention from the responders. According to the survey, challenges include supplying products that suit client preferences and expectations.

Ferreira & Barbosa, (2017) in their study compare consumer attitudes about brand posts and adverts, a topic that has received little attention in the literature to date, in order to take a deeper look at how consumers feel about Facebook advertising. It also takes into account the connection between user ad avoidance and electronic word-of-mouth sharing. A standardised self-administered questionnaire was used to conduct an exploratory quantitative analysis. 385 people between the ages of 18 and 44 took part in the study. The findings show that respondents have a more positive opinion of brand posts than of Facebook advertisements. Additionally, people who spend more time on Facebook find ads to be more bothersome. These findings provide some hints for a more effective approach by illuminating how Facebook users react to brand posts and advertisements.

Tang & Chang (2017) analysed that from print media to online media, the interaction between advertising and audience on a product purchase through persuasion has been evolving. This research aims to examine how online advertising affects such a relationship cycle in light of the evolving media landscape and audience. Online adverts contain a lot of text, multimedia, photo, audio, and video information. The messages of this type of material format could have an effect on its audience and credibility.

Nizam *et al.*, (2018) emphasized that Customer complaint behaviour (CCB) is characterised as a behaviour linked to the assessment of the consumer's interaction with the product. Depending on the quality of the product and the needs of the user, the outcome of product consumption may be favourable or unfavourable. The purpose of the current study is to consider online consumer behaviour and how it relates to the online retail industry. It was discovered that by creating interactive platforms, customers could connect with the business directly and communicate their complaints and feedback. It will assist the business in better understanding consumer needs and desires so that it may adjust the product or service to satisfy those needs. Adopting various marketing tools, such as affiliate marketing, is also part of it.

The objectives of the study are to identify the factors effecting the purchase decision of the customers while buying through e-grocery platforms.

3.0 Research Methodology

The current study endeavors to identify the factors effecting the purchase decision of the customers through e-grocery platforms. A pre-disguised and structured questionnaire was administered to a sample of 450 respondents. Judgmental sampling was used to select respondents who have made online purchase using internet as a medium. Factor analysis was used to analyse the data.

3.1 Data for factor analysis

Table 1: List of Statements for Preferring Online Grocery Shopping

Labels	Statements
(S1)	I prefer to buy grocery online as the prices are cheaper
(S2)	I buy grocery online as comparing prices are easier
(S3)	By buying grocery online it's saves me lot of time
(S4)	I can buy grocery anytime I need
(S5)	I can get the grocery within hours
(S6)	I can avail discount if I buy in bulk
(S7)	The cashbacks attract me more towards online grocery shopping
(S8)	I prefer online grocery shopping as I get more option
(S9)	I go for online grocery shopping as I believe the products are more genuine
(S10)	By buying groceries online I don't have to worry about carrying the grocery to my own house
(S11)	I can easily navigate through the online grocery stores
(S12)	I prefer same day delivery of grocery
(S13)	They are multiple product categories options online rather than in offline stores
(S14)	I prefer paying online using cards rather than cash
(S15)	Buying groceries online saves time and I can spend time with my family

(S16)	I am more likely to buy grocery online after I use and feel the product
(S17)	I go to online Store more often when I know there are promotions in which I am interested.
(S18)	Cashbacks on the online store displaying the weekly and daily promotions affect what I buy.
(S19)	The online grocery store has new products every week
(S20)	I am more likely to purchase through online grocery if I can earn extra rewards points for my membership program
(S21)	I prefer to buy grocery online as it State the important information up front like expire date
(S22)	I prefer to buy grocery online as when the order has been placed, include an “order completed” page where all the key information is summarized, I prefer to buy grocery online as when the order has been placed, include an “order completed” page where all the key information is summarized
(S23)	I prefer to buy grocery online as a customer I will expect to receive an email, call, a link to track the shipment. It is very easy to find the bills and manage them and to maintain proper record of it.
(S24)	I prefer to buy grocery online as it Make it easy to navigate. (Like- enable customers to filter and sort items by price, brand, group, review scores, etc.)
(S25)	I prefer to buy grocery online as it Offer flexible delivery. (Like- Offer several delivery options and time slots, and be specific with your delivery times. The best practice is to offer precise delivery windows, and allow people pick the one that best fits their schedule).
(S26)	I prefer to buy grocery online as they Guarantee high quality. Offer delivery options that preserve product quality. Refrigerated lockers, one-hour delivery, and click and collect within a specific pick-up window are some of the options to ensure freshness while offering high flexibility.
(S27)	I prefer to buy grocery online as it provides multiple payments options like google pay, amazon pay, UPI
(S28)	I prefer to buy grocery online as it provides the customer support and easy return options.
(S29)	I prefer to buy grocery online as it can be approachable when in need and when we need to make complaints.

Source: Self Prepared

In order to test the appropriateness of data for factor analysis, the subsequent steps were completed: Respondents were asked to give their views, to a set of twenty-nine statements that were framed on the basis of discussion with experts. These statements reflected the

preference of online grocery shopping over traditional one. Each statement was measured on the scale of five-point Likert scale with 5 representing, “strongly agree” and 1 signifying, “strongly disagree”. After checking whether significant differences exist, Factor analysis was employed on the aggregate group of respondents. The list of statements is given in Table 1.

3.2 Data for factor analysis

In order to test the appropriateness of data for factor analysis, the subsequent steps were completed:

Correlation matrix was evaluated and it depicts that there were adequate correlations to conduct factor analysis.

Overall Measures of Sampling Adequacy (MSA) such as KMO value was located to be 0.881, which suggested that the sample was suitable enough for sampling (Table 2).

Bartlett’s Test of Sphericity (Bartlett, 1950) revealed statistically significant number of correlations among the variables

After all the overhead consideration, the data was found to be fit for factor analysis.

3.3 Extraction approach and number of factors extracted

The hypothesis suggests that the data is appropriate for factor analysis. In our study however, Principal Component Analysis (PCA) was applied for extraction of factors. The number of factors has been determined on the basis of latent root criterion. Thus, only the factors having Eigen values or latent roots greater than >1 have been considered substantial; all the factors with latent roots less than <1 have been overlooked. Only Five components were having Eigen values greater than unity. The analysis gave a five-factor solution. Total variance accounted for by these factors is 65.7 per cent and remaining variance is explained by other factors.

Table 3 shows the extracted factors. The last pier in the table shows communalities. Normally accepted values of communalities are within the range 0.40 to 0.70. In the current study, all communalities were within this range. Large communalities suggest

that a large amount of variance has been accounted for the factor solution. In the current study, all the communalities were above 0.51. For the study, principal factors have been orthogonally rotated by the implication of varimax rotation. This has resulted in the emergence of five major factors for defining the transition in the consumers preference for online grocery shopping. Extracted factors, factor labelling, factor loadings and communalities are given in Table no 3.

Table 2: KMO and Bartlett’s Test

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.881
Bartlett’s Test of Sphericity	Approx. Chi-Square	2203.189
	Df	406
	Sig.	0.000

Source: Self Prepared

Table 3: Principal Component Analysis with Varimax Rotation

Factors						
Label	F1	F2	F3	F4	F5	Communalities
	Economical	Accessible	Quicker	Convenient	Promotions	
S1	0.711					0.691
S2	0.674					0.773
S3	0.569					0.764
S4		0.771				0.775
S5			0.566			0.684
S6	0.789					0.799
S7					0.712	0.760
S8		0.542				0.625
S9	0.651					0.732
S10		0.562				0.722
S11		0.733				0.803
S12			0.802			0.762
S13		0.718				0.775
S14		0.589				0.720
S15					0.680	0.721
S16					0.635	0.573

S17					0.737	0.662
S18					0.719	0.707
S19					0.594	0.698
S20					0.533	0.650
S21				0.605		0.712
S22				0.623		0.664
S23				0.745		0.750
S24				0.620		0.722
S25			0.644			0.631
S26				0.685		0.726
S27				0.741		0.770
S28				0.679		0.743
S29				0.692		0.609
Eigen Value	3.394	3.915	2.012	5.39	4.61	
Explained Variance (%)	12.125	10.939	5.689	19.132	15.670	
Cumulative Variance (%)	12.125	23.064	28.753	47.885	65.7	

Source: Self Prepared

3.4 Naming of factors

All the establish factors have been given suitable names converse to the variables that have loaded on to each factor. The five factors described in Table 3 are probe below.

3.4.1 Factor 1 (F1): Economical

This is the first factor accounting for 18% of total variance. Five variables have been loaded positively into this factor. The factor includes statement S1(I prefer to buy grocery online as the prices are cheaper), S2(I buy grocery online as comparing prices are easier), S3(By buying grocery online it's saves me lot of time), S6(I can avail discount if I buy in bulk), S9(I go for online grocery shopping as I believe the products are more genuine). These statements emphasize that buyers are shifting to online grocery because the prices are cheaper and more genuine product can be purchased with discount and comparison can be done.

3.4.2 Factor 2 (F2): Accessible

The second factor have been loaded with 6 statements including S4 (I can buy grocery anytime I need), S8(I prefer online grocery shopping as I get more option), S10(By buying groceries online I don't have to worry about carrying the grocery to my own house), S11(I can easily navigate through the online grocery stores), S13(They are multiple product categories options online rather than in offline stores). S14(I prefer paying online using cards rather than cash) These statements emphasize that buyers need the accessibility of buying grocery as per their convenience.

3.4.3 Factor 3 (F3): Quicker

The 3rd factor account for the lowest statement count only three statements were loaded i.e., S5 (I can get the grocery within hours), S12(I prefer same day delivery of grocery), S25(I prefer to buy grocery online as it Offer flexible delivery. (Like- Offer several delivery options and time slots, and be specific with your delivery times. The best practice is to offer precise delivery windows, and allow people pick the one that best fits their schedule)). Getting grocery quicker shift the preference of consumer towards online grocery shopping.

3.4.4 Factor 4 (F4): Convenient

The 4th factor is the most important factor having 8 statements S21(I prefer to buy grocery online as it states the important information up front like expiry date), S22(I prefer to buy grocery online as when the order has been placed, include an “order completed” page where all the key information is summarized, I prefer to buy grocery online as when the order has been placed, include an “order completed” page where all the key information is summarized), S23(I prefer to buy grocery online as a customer I will expect to receive an email, call, a link to track the shipment. It is very easy to find the bills and manage them and to maintain proper record of it.), S24(I prefer to buy grocery online as it Make it easy to navigate. (Like-enable customers to filter and sort items by price, brand, group, review scores, etc.)), S26(I prefer to buy grocery online

as they guarantee high quality. Offer delivery options that preserve product quality. Refrigerated lockers, one-hour delivery, and click and collect within a specific pick-up window are some of the options to ensure freshness while offering high flexibility.), S27(I prefer to buy grocery online as it provides multiple payments options like google pay, amazon pay, UPI), S28(I prefer to buy grocery online as it provides the customer support and easy return options.), S29(I prefer to buy grocery online as it can be approachable when in need and when we need to make complaints) This factor establish that the consumer shift their preference more towards online shopping because of the convenience for return and refund, payment method, getting the detail of the product and every step from purchase to receiving the grocery and this factor influence most of the consumer.

3.4.5 Factor 5 (F5): Promotions

This is the second most important factor having 7 statement S7(The cashbacks attract me more towards online grocery shopping), S15(Buying groceries online saves time and I can spend time with my family), S16(I am more likely to buy grocery online after I use and feel the product), S17(I go to online Store more often when I know there are promotions in which I am interested.), S18(Cashbacks on the online store displaying the weekly and daily promotions affect what I buy), S19(The online grocery store has new products every week), S20(I am more likely to purchase through online grocery if I can earn extra rewards points for my membership program) The factor clearly state that promotional cashback and discount attract more consumer so this can be used as a strategy by the online platform to capture more market.

4.0 Conclusion

E-grocery shopping is evolving. Shoppers like to buy grocery online. There are many factors that account for this preference. Economy was the most influential factor. Respondents believe that they are able to buy grocery at relatively lower prices. They also hold this belief that buying grocery online is convenient as they are able to

compare prices and there is a possibility of availing discount if bought in bulk. Accessibility was the next major factor. They believed that they could buy grocery anytime they need, more options were available, they did not have to worry about carrying the grocery to their own house and could also navigate through various online grocery stores in a click.

Quicker was the next major factor. Flexible delivery options and time slots, that allows people pick the one that best fits their schedule, has also shifted the preference of consumer towards online grocery shopping. Convenience was the next factor. Providing key information in a summarized form with every order links to track the shipment, assists customers in finding the bills and maintaining proper record. Finally, promotions, cashbacks on a weekly and daily basis, earning extra rewards points for their membership program also is a huge factor contributing to preference towards online shopping.

These statements emphasize that buyers are shifting to online grocery because the prices are comparable and competitive. Genuine product can be purchased with brilliant offers, cash back and discounts after making a very comfortable comparison across all platforms. E-grocery platforms must increase their budget on social media campaign and escalate awareness campaigns and promotional offers. If trust is to be built among consumers an effective system comprising of feedbacks and reviews must be encouraged. Online shopping applications must be made more user friendly and technology should be used to make these platforms more interactive and interesting.

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