STUDY ON CONSUMERS’ ATTITUDE TOWARDS ONLINE SHOPPING OF GROCERIES

Salome Antoine

Abstract

Online shopping is truly catching on in India and has been growing. India is the 2nd Largest E-commerce nation in Asia after China. The increasing number of people accessing the internet has also played its role in popularizing the trend of online shopping. Numerous online shopping portals have come up with variety of discounts & offers on various categories. The customer is ultimate benefiting here with multiple choices available to them. More people are gaining confidence about purchasing products online which is less time consuming and the customers can also sit within the comfort of their homes and shop online.

INTRODUCTION

Online shopping or e-shopping is a form of electronic commerce which allows consumers to directly buy goods or services from a seller over the internet using a web browser. Online shopping is growing like never before especially among the youth. Indian customers who were once hesitant to shop online are now willing to shop & pay online we are living in an era where almost anything can be bought & sold online with few clicks. More and more people are gaining confidence about purchasing products online, online shopping trends are improving and promise a bright future. Online shopping is an activity wherein the customer uses the internet to order a product or service. In many instances, the transaction may happen online also. Currently, only a limited number of merchants are doing business online due to various issues faced in regards to technology. The major hurdles faced are lesser amount of credit or debit card holders than compared to other countries, taxation rules. Also, quite a few internet users are yet reluctant to reveal their financial information online since it is necessary for shoppers to submit their financial details on the web too. Which then hampers the growth of the online business. Online shopping is truly growing at a fast pace on in India, traditional brick and mortar stores are also getting the hand of doing business online. The trends show that traditional stores will keep on doing sufficient business while the online stores increase their presence on the internet.
RESEARCH OBJECTIVE

To understand the Consumer Attitude towards online shopping of Groceries.

H1: The proportions of females that prefer online as the mode for grocery shopping is less than 20%

H2: The Proportions of Males that prefer organized retail such as Big Bazaar or D-mart for grocery shopping is more than 50%

H3: The average age of people who prefer grocery shopping at local retailers is less than 30 years

H4: The average income of people shopping at local retailers is less than 10 lakhs

H5: The preference of grocery shopping is not independent of educational qualification

H6: The preference of shopping for groceries at organized retail such as big bazar or D-mart is not independent on years of online shopping experience.

LITERATURE REVIEW

(Ch. J. S. Prasad and D. Raghunatha Reddy 2007), (Christian Seitz (2013) has been done on measuring the psychographic dynamics of the consumers where in to identify the psychological factors which are influencing the consumers to shop for food and groceries online. But there is a lack of study to be done in order to find out who are the online grocery shoppers with respect to demographic profile. There are studies (Emmanuel Cimana and Nakkarin Phoosangthong 2013), (Michelle A. Morganosky and Brenda J. Cude 2014), Jayendra Sinha and Jiyeon Kim (2012) with regard to identification of factors that influence consumers’ to go for online grocery shopping. With the help of these studies it has been found that, there is a need to identify which factor is influencing consumers’ to go for online grocery shopping.

Liebmann(1988, p.25) noticed that despite the fact that customers are regularly shopping at more outlets, these same consumers repeatedly tell us they are time-pressed and want more convenience-oriented and added value services that will save them timel. In reference with the above need for convenience and increasing penetration levels of internet, Huang and Opperwal, 2006 believe that consumers would welcome the benefits offered by online grocery shopping. Since the mid1990s, researchers have shown different opinions about the suitability of groceries for e-commerce. Some researchers gave their outlook of grocery shopping to emerge as a big business opportunity (Andersen Consulting, 1998). However, there are others who are negative about the success of online grocery shopping in the online environment (Ankar et al, 2002)

The study by Bell et al, (1998) shows that shopping costs comprise of both fixed and variable costs. The travelling distance from the customers ‘house to the supermarket, customers' loyalty and innate preference towards a store constitutes fixed cost of shopping. While, variable costs are dependent on the customers ‘shopping list. Transportation costs such as petrol and parking expenditure, and travel time discourage consumers to purchase from a supermarket and encourage them to purchase goods online (Forman, Ghose and Goldfarb,
2009; Chntagunta, Chu and Cebollada, 2012). However, majority of the consumers hate to pay premium in the form of delivery fee for everyday necessity products like groceries (Baker, 2000 Kacen, Hess and Chiang, 2003). A survey conducted by OMD snapshots revealed that about 20 percent of online groceries shoppers deterred to shop online due to the delivery charges. (Anonymous, 2001)

RESEARCH METHODOLOGY

This research was Quantitative in nature and an initial exploratory search was carried out through internet based sources. An extensive literature review was also conducted. The primary data was collected through a survey in the city of Mumbai through E forms. Selection of the sample units is based on easy availability and accessibility, thus it is non-probabilistic convenience sampling. The research contains responses from different age groups, gender, occupation and locality totaling to 282 in number. Statistical tools were used for analysis of the primary data. The findings were tested through statistical tests such as Test of Proportion

- Test of Mean
- Chi Squared test

Chart for sample profile

Demographics
DATA ANALYSIS

Hypothesis 1: The test of proportions

Ha: The proportions of females that prefer online as the mode for grocery shopping is less than 20%

Ho: The proportions of females that prefer online as the mode for grocery shopping is more than 20%

Ho: p>20%
Ha: p<20%

Test of Proportion
Left tailed
Confidence-0.9
Alpha-0.1
Probability-0.9

Critical value = (1.28)

Calculating the observed-value
X =14
N =104
P'=0.13
P =20%
Q =80%
P'-P = -0.07

Z_{observed}=(4.17)

Observation: p value is less than alpha, we reject the null. So more than 20% of females prefer online as the mode of Grocery shopping

Insights: females that prefer online as a mode for grocery shopping is 13% these might be the young bunch of female population. Whereas 36% of females prefer shopping for groceries from local retailers and 51% of females prefer shopping at organized retails such as Big Bazaar or D-mart this might be due to the female population prefer handpicking their groceries rather than buying it online.
Hypothesis 1: The test of proportions

Ho: The proportion of Males that prefer organized retail such as Big Bazaar or D-mart for Grocery shopping is less than 50%

Ha: The proportion of Males that prefer organized retail such as Big Bazaar or D-mart for Grocery shopping is more than 50%

H_o : p> 50
H_a : p< 50
Test of proportion
Right-tailed test
Confidence=0.9
Alpha=0.1
Probability=0.9

Critical value= 1.28
Calculating observed value-
X = 73
N = 104
p' = 0.70
p = 50%
q = 50%
p' - p = 0.20

Sqrt((p*q)/n) = 0.08
Z observed value = 2.46
p-value = 0.99

Observation: p value is greater than alpha, We reject the null. so more than 50% of males prefer organized retail such as Big Bazaar or D-mart for grocery shopping

Insights: More than 50% of males refer shopping at organized retail stores this might be due to goods being sold at organized retail stores at subsidies rates than online or at local retailer
Hypothesis 2: Test of mean

Ho: The average age of people who prefer grocery shopping at local retailers is more than 30 years

Ha: The average age of people who prefer grocery shopping at local retailers is less than 30 years

**Critical value-1.29**
Calculating the observed-value

\[ X = 24.94 \]
\[ \mu = 30 \]
\[ x - \mu = -5.06 \]

\[ S = 5 \]
\[ N = 77 \]
\[ T_{ob} = -8.46 \]
\[ P = 0.00 \]

Observation: p value is less than alpha, we reject the null, so average age of people who prefer shopping at local retail stores is less than 30 years

Insights: Average age of people who prefer grocery shopping at local retailers is less than 30 years. This might be because they have been accustomed to shopping with the regular local retailers and do not like to switch to other modes of shopping for groceries.
Hypothesis 2: Test of mean

**Ho:** The average income of people shopping at local retailers is more than 10 lakhs

**Ha:** The average income of people shopping at local retailers is less than 10 lakhs

\[
\begin{align*}
H_0 & : \mu > 10 \\
H_1 & : \mu < 10 \\
\text{Test of proportion} & \\
\text{Left-tailed test} & \\
\text{Confidence} & = 0.9 \\
\text{Alpha} & = 0.1 \\
\text{Probability} & = 0.9 \\
\text{Critical value} & = 1.29 \\
\text{Calculating observed value} & \\
X' & = 77 \\
\mu & = 10 \\
x - \mu & = 67 \\
s & = 72 \\
n & = 77 \\
Tob & = 8.17 \\
P \text{value} & = 1 \\
\text{Alpha} & = 0.1
\end{align*}
\]

**Observation:** P value is greater than alpha; we fail to reject the null. Therefore, average income of people shopping at local retailers is less than 10 lakhs

**Insights:** As average income of people shopping at local retailers is less than 10 lakhs, it could be possible that they being regular customers to the local retailers might be getting discounts also possibility of them having more chance of receiving fresh products from the local retailers and hence they prefer local retailers for shopping for groceries.
Hypothesis 3: chi squared test

**Ho:** Preference of online grocery shopping is independent of educational qualification

**Ha:** Preference of online grocery shopping is not independent of educational qualification

<table>
<thead>
<tr>
<th>Row Labels (fo)</th>
<th>Online</th>
<th>offline</th>
<th>Total</th>
<th>Proportion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Graduate</td>
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<td>120</td>
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<td>48</td>
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<td>27</td>
<td>31</td>
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</tr>
<tr>
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<td>14%</td>
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<td>40</td>
<td>204</td>
<td>244</td>
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</table>

<table>
<thead>
<tr>
<th>Row Labels exp (fe)</th>
<th>Online</th>
<th>offline</th>
</tr>
</thead>
<tbody>
<tr>
<td>Graduate</td>
<td>19.67</td>
<td>100.33</td>
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<td>9.67</td>
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<tr>
<td>Professional</td>
<td>5.08</td>
<td>25.92</td>
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<tr>
<td>Under-graduate</td>
<td>5.57</td>
<td>28.43</td>
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<table>
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<tr>
<th>(fo-fe)^2/fe</th>
<th>Online</th>
<th>Offline</th>
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</thead>
<tbody>
<tr>
<td>Graduate</td>
<td>0.01</td>
<td>0.00</td>
</tr>
<tr>
<td>Post-Graduate</td>
<td>0.18</td>
<td>0.04</td>
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<tr>
<td>Professional</td>
<td>0.23</td>
<td>0.05</td>
</tr>
<tr>
<td>Under-graduate</td>
<td>0.06</td>
<td>0.01</td>
</tr>
</tbody>
</table>

| Alpha | 0.1 |
| Probability | 0.1 |
| Critical value | 6.25 |
| Observed Value | 0.57 |
| Pvalue | 0.90 |
| Alpha | 0.1 |
| Pvalue >alpha |     |
**Observation:** P value greater than alpha, we fail to reject the null. So Preference of online grocery shopping is independent of educational qualification

**Insight:** As Preference of online grocery shopping is independent of educational qualification People first check at which places do they receive maximum discounts on their products also along with checking the quality of the product sometimes there could be a possibility on seeing online shopping as less time consuming and then decide what is best according to then buy.
Hypothesis 3 - chi squared test

**Ho:** Preference of shopping for groceries at organized retail such as big bazaar or DMart is independent on years of online shopping experience.

**Ha:** Preference of shopping for groceries at organized retail such as big bazaar or DMart is not independent on years of online shopping experience.

<table>
<thead>
<tr>
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<th>Organized</th>
<th>Others</th>
<th>Total</th>
<th>Proportion</th>
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<td>2-5 years</td>
<td>66</td>
<td>60</td>
<td>126</td>
<td>52%</td>
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<tr>
<td>Less than 2 years</td>
<td>32</td>
<td>35</td>
<td>67</td>
<td>28%</td>
</tr>
<tr>
<td>More than 5 years</td>
<td>24</td>
<td>15</td>
<td>39</td>
<td>16%</td>
</tr>
<tr>
<td>None</td>
<td>4</td>
<td>7</td>
<td>11</td>
<td>5%</td>
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</table>

<table>
<thead>
<tr>
<th>Expected</th>
<th>Organized</th>
<th>Others</th>
</tr>
</thead>
<tbody>
<tr>
<td>2-5 years</td>
<td>65</td>
<td>61</td>
</tr>
<tr>
<td>Less than 2 years</td>
<td>35</td>
<td>32</td>
</tr>
<tr>
<td>More than 5 years</td>
<td>20</td>
<td>19</td>
</tr>
<tr>
<td>None</td>
<td>6</td>
<td>5</td>
</tr>
</tbody>
</table>

\[(fo-fe)^2/fe\]

<table>
<thead>
<tr>
<th></th>
<th>Organized</th>
<th>Others</th>
</tr>
</thead>
<tbody>
<tr>
<td>2-5 years</td>
<td>0.01</td>
<td>0.01</td>
</tr>
<tr>
<td>Less than 2 years</td>
<td>0.22</td>
<td>0.23</td>
</tr>
<tr>
<td>More than 5 years</td>
<td>0.71</td>
<td>0.76</td>
</tr>
<tr>
<td>None</td>
<td>0.51</td>
<td>0.55</td>
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</table>

<table>
<thead>
<tr>
<th>Chi squared test</th>
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<tbody>
<tr>
<td>Right tailed test</td>
</tr>
<tr>
<td>Alpha</td>
</tr>
<tr>
<td>Probability</td>
</tr>
<tr>
<td>Critical Value</td>
</tr>
<tr>
<td>Observed Value</td>
</tr>
<tr>
<td>Pvalue</td>
</tr>
<tr>
<td>Alpha=0.1 pvalue&gt;alpha</td>
</tr>
</tbody>
</table>

**Observed Value**

- 2-5 years: 2.99
- Less than 2 years: 32
- More than 5 years: 24
- None: 7

**Friedman Test**

- Local retailer: 39
- Online: 23
- Organized retail such as Big Bazaar or DMart: 8
- None: 4
**Observation:** we fail to reject the null, so preference of shopping at organized retail such as big bazaar and D-mart Is independent on years of shopping experience.

**Insight:** As preference of shopping at organized retail such as big bazaar and D-mart is independent on years of shopping experience, people who have been shopping at organized retail such as big bazaar and D-mart have been habituated of shopping there and will continue to do so might be due to the discounts and subsidies rates on the products, it could also be possible that the consumers are not tech savvy or they online portal might not have been user friendly.

**Chi squared Test (bell curve)**
CONCLUSION

The main objective of this study is to Study on Consumer Attitude towards Online shopping of Groceries

As about 37.36% of females prefer shopping for groceries from local retailers and 53.51% of females prefer shopping at organized retails such as Big Bazaar or D-mart this might be due to the female population prefer handpicking their groceries rather than buying it online. They might want to get to touch the products they are buying to ensure they are of good quality. Also we see the percentage of woman buying groceries at organized retail stores more because stores like D-mart and Big-Bazaar also sell at a subsidies rate and hence they might go shopping once a month buy groceries for the month and store them as a lot of women are working and might not have the time to also go to the local retailer to buy groceries on a daily basis. Whereas females that prefer online as a mode for grocery shopping is 14.13% these might be the young bunch of female population that are tech savvy and can use these apps without any difficulty and also believe that maybe going to the local retailer or organized retail such as Big Bazaar or D-mart is more time consuming.

The proportion of Males that preferred organized retail such as Big Bazaar or D-mart for grocery shopping is more than 50% this might again be due the goods sold at a subsidies rate also with various offers provided.29% of males prefer visiting a local retailer and buying their groceries this could be due to years of being habituated of buying their groceries at the local retailer. Whereas 19% of males prefer visiting the online portal and buying the groceries require this might mostly be the youth who are tech savvy and find it easy to operate online portals.

Average age of people who prefer grocery shopping at local retailers is less than 30 years. This might be because they have been accustomed to shopping with the regular local retailers and do not like to switch to other modes of shopping for groceries also they might be getting much more discounts with the local retailers as they have been their regular customers.

As average income of people shopping at local retailers is less than 10lakhs, it could be possible that they being regular customers to the local retailers might be getting discounts also possibility of them having more chance of receiving fresh products from the local retailers and hence they prefer local retailers for shopping for their groceries rather than shopping online. It could also be possible that the online portals are not user friendly.

We also said that as Preference of online grocery shopping is independent of educational qualification People first check at which places do they receive maximum discounts on their products also along with checking the quality of the product sometimes. Also shopping at organized retail such as big bazaar and D-mart is independent on years of shopping experience, people who have been shopping at organized retail such as big bazaar and D-mart have been habituated of shopping there and will continue to do so might be due to the discounts and subsidies rates on the products, it could also be possible that the consumers are not tech savvy or they online portal might not have been user friendly.
LIMITATION OF RESEARCH

There were E forms were sent to people. Almost all section were compulsory where the respondent did not have a choice to leave it blank, For particular questions the answer has multiple choice option which restricted people to enter their respective choices. The research paper has quantitative research and demographics; we get to understand the consumer’s attitude towards online shopping and its various parameters that fall into it, age, gender, educational qualification, years of experience of shopping online, annual income and occupation are some of the factors. This research activity is based on complete assumptions. If we take a look at what we have performed here we see that research is borne to have certain limitations with it. Broadly classifying it as it may be possible that the respondent may lack time and perform wrong response may give vague reasons. Possibilities prevail that the respondent may not get the question right and he may give wrong answer. There is a possibility that due to technical issues he may not only get the questionnaire and then the response may not be received only. There is a possibility that people even in spite of getting the questionnaire they might not answer it. Therefore we have to keep in considerations all these factors while working on our questionnaire because we have to keep a aspect of assumption to a large extent. The Data was collected Between the age group of 20 to 50 years, where the majority of respondents were between the age group of 20-30. The research was on the study Consumer Attitude towards Online shopping of Groceries online data collection methods were done. The link of the questionnaire was sent online. 170 responded and within the responded questionnaires 145 were usable for my paper analysis.

REFERENCE

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