



Consumer Perception Towards Online Grocery Stores

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ABSTRACT

The dawn of the Internet era opened up amazing new possibilities and e-commerce has emerged as a perfect amalgamation of technology and marketing acumen. E-grocers have set up systems to accept orders over the phone, which in itself can be an independent business model. One can buy Indian grocery items online from us at the most affordable prices. One can avail heavy discounts on your each purchase from us thereby saving big amounts. This study explore consumer perception towards online grocery stores.

KEYWORDS

Grocery shopping, COD, E-commerce etc.

Introduction

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 quite a lot of this growth would be on the back of domestic consumption of goods and services. E-commerce is emerging as a great level given that organized retail is still not ubiquitous across the length and breadth of the country with large retail chains making up less than 10% of the market. E-commerce is helping people in smaller towns in India access quality products and services similar to what people in the larger cities have access to. It's being forecast that close to 60% of online shoppers would come from beyond the top eight large cities by end of this year. Increasing internet penetration has helped to expand the potential customer pool. Internet penetration is only about 10% (or about 121 million users) as against about 81% in the US and 36% in China. However this number continues to rise at a consistent pace because of falling prices for broadband connections. Indians are also increasingly taking to mobile devices for not only search but shopping as well. The number of smart phone users is rapidly increasing in India and with 4G services about to take off it's expected to get even more people going online. There are currently about 900 million mobile subscribers and this number is expected to touch 1.2 billion by 2015. Of these about 27 million are estimated to be active mobile internet users. More importantly, 20% 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. Innovation is helping e-commerce companies break the inertia for online shopping by offering benefits to customers not traditionally available in a brick and mortar store. Business models include no question asked return policies ranging from 7 days to 30 days, free product deliveries and the industry dynamics changing "cash on delivery" model. The last innovation has really help unlock the potential as people can now order products and pay when they get physical delivery of the product.

Literature Review

Muralikrishnan B., country manager at eBay's India explains that Indian consumers toward buying high margin products such as clothes and shoes as is the trend among eBay shoppers in the West rather than electronic gadgets and books, which are the most popular choices now but command lower profit margins and are less frequent purchases. He depicted that India's nascent e-commerce market, which till recently was largely limited to people buying train, flight and movie tickets, is in the middle of a surge as a younger, tech-savvy middle class increasingly takes to shopping online in a country seeing rapid growth in Internet usage. Consulting firm Technopak predicts a \$70-billion annual market by 2020, up from \$600million now, which is just 0.05% of global online shopping. Ebay itself estimates India's online shopping market in 2012 will grow close to 100%.

Industry Introduction

Internet is changing the way consumers shop and buy goods and services, and has rapidly evolved into a global phenomenon. Many companies have started using the Internet with the aim of cutting marketing costs, thereby reducing the price of their products and services in order to stay ahead in highly competitive markets. Companies also use the Internet to convey communicate and disseminate information, to sell the product, to take feedback and also to conduct satisfaction surveys with customers. Customers use the Internet not only to buy the product online, but also to compare prices, product features and after sale service facilities the will receive if they purchase the product from a particular store. Many experts are optimistic about the prospect of online business. In addition to the tremendous potential of the E-commerce market, the Internet provides a unique opportunity for companies to more efficiently reach existing and potential customers.

Online Grocery Shopping

Proving that no sector of the retail market is safe from the online shopping revolution, it is now possible for the humble hometown grocery store to become digitized and available on your smartphone, tablet, or computer. Just think: no more long checkout lines, counting the number of items to see if you qualify for the Express Lane, forgetting your grocery list at home, or carrying heavy bags up your front steps. Online grocery shopping is dramatically changing the consumer's relationship with the food market and making a service that may have once felt luxurious into an everyday convenience.

Benefits of Online Grocery Shopping

The primary benefit of online grocery shopping is convenience. By ordering online, one can quickly search for the products she needs and order them without having to physically walk through expansive aisles. It also saves travel expenses and time going to the grocery store. Considering the wide availability of the Internet, it also means grocery shopping can be done from remote locations or in the middle of doing other tasks. For instance, using an online grocery store can allow a person to do all her grocery shopping during her lunch break at work. It is also very useful for those without a car or who may be physically unable to move around easily, since the food is delivered right to their doors. The use of online-based grocery stores is increasing in popularity as more and more people become comfortable with using the Internet to make purchases.

Disadvantages of Online Grocery Shopping

Perhaps the largest disadvantages of shopping online are that it costs extra money, since food must be delivered, and that the food ordered is not obtained immediately. If someone were making a certain recipe and discovered he needed an additional ingredient, he would probably not be able to or-

der it online and get it quickly enough to finish his dish. In the same way, it forces a person to plan his food buying in advance of when he will need it--if delivery will take a day or two, a person needs to plan to have an extra day or two of essential foods available before he runs out.

Research Objectives

- To study attitude of customers towards online shopping.
- To find out the preferences of the consumer regarding the attributes of online shopping website.
- To identify the issues faced by the user while online shopping.
- To determine the parameters for choosing the particular shopping centre for purchase of grocery items.
- To determine whether online grocery shopping will be beneficial and on what factors.

Research Design and Methodology:

The sources of data used in this project report are both primary and secondary data.

1.Primary data: Primary data consists of original information gathered from sample size of 200respondents residing in Bikaner.

2.Secondary data: Secondary data consists of information that already exists and that was collected in the past for some other purposes.

Sample Design

Size of Sample:

The sample size selected for the study is 200 in the area of Bikaner

Parameters of Interests:

The major parameter of interest is the subgroup of people who are working professional and web savvy having an experience in online shopping. The two other subsidiary parameters of interest are:

- The respondent should also have an experience grocery shopping.
- And the female respondent who have an online shopping experience

Sampling Technique:

Quota Sampling was used in the study. Quota sampling is a method for selecting survey participants. In quota sampling, a population is first segmented into mutually exclusive sub-groups. Then judgment is used to select the subjects or units from each segment based on a specified proportion.

Data Collection

The data collection tool used for the research is "Questionnaires" to get the primary data for the empirical research on consumer preference on online grocery shopping.

Scope of the research:

- To determine which factor influences the consumer to go for online shopping.
- To find out which feature of the website attracts the user to purchase the product from the online shopping website.
- To find out the whether grocery online shopping is beneficial for the user.
- To analyze which factors influence the user to buy online grocery.

Limitations:

- The first limitation caused during the market research was to find out the respondent who shop online and are web savvy.
- The second limitation caused during the research was searching the women respondents who shop grocery products along with the experience of online shopping.

Findings of the study

1. From the data collected above we can observe that there is an increase in the number of respondent in online shopping as there is awareness about this concept in the market.
2. Certain parameters which motivates the user to shop online are:
 3. User friendliness of the website.
 4. Discounts and offers, offered by the website.
 5. Cash on delivery form an important gateway in online transaction.
 6. Free shipping is the most important factor which motivates the user to shop online.
 7. Physical examination is the important issues in the online shopping which determines the tangibility of the product.
 8. The data depicts that supermarket are the preferred shopping destination as it offers all the basic aspect of the online shopping which are price, quality variety, proximity to home, offers & discounts.
 9. From the above data collection we can determine most of respondent agree to buy grocery online if the option is give.
 - 10.The data also determines the factors which will be beneficial for the consumer to shop grocery online which are variety at one shop, saves times and avoid long queues.

Conclusion:

From the above data analysis it can be conclude that consumer buys goods from the online shopping website on the basis of factors like offers and discounts, variety of product available, free home delivery, website user friendliness and cash of delivery payment option. The hypothesis framed for the project Consumer Perception towards Online Grocery Shopping was "Online grocery shopping stores are beneficial for the consumer". From the above data analysis it can be determined that most of the respondent would agree to buy grocery online rather than shopping of grocery with the traditional method. Out of the agreed respondent to buy online grocery, most of the respondent would think that it would be beneficial to shop grocery online on the basis of factors like easy to order, variety, discounts/ offers, saves time and avoid long queues. With above analysis we can thus prove the hypothesis to be positive. The recommended business operation will not only beneficial for the consumer but also to the firm, as it allows the firm to maintain its low operating expenses and for the consumer.

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