

A study of Consumer behavior towards E-purchase of Food

Vikas Saxena¹, Twinkle Kumar Sachchan²

1. Associate Professor, FBM&ED Department, NIFTEM University, Sonipat, Haryana
2. PhD Scholar, FBM&ED Department, NIFTEM University, Sonipat, Haryana

ABSTRACT

E-purchase of food products is a new movement for achieving significant growth in retail marketplace place. The inclination towards 'online' mode rather than physical marketplace due to value maximization. The main objective of this paper is to investigate consumer behavior on selling methods of food products, using e-shops in Delhi NCR, India. An empirical data collection method was used, in which 434 respondents were questioned from the different area of Delhi NCR. The finding shows general acceptance of consumer towards e-purchase of food products in which 29 percent are female respondents whereas remaining respondents are Male. The results also show, nearly half of the respondents did not support e-purchase of food products because they had the concerns regarding the quality and freshness of the food products. E-purchase of food products in India is still at a nascent stage.

Key Words: E-purchase, marketplace , food products

INTRODUCTION

The Online Shopping in India is one of the latest purchasing modes. In the past few years, it has be the most preferred way to purchase of lifestyle product due to its simplicity & easiness. Like lifestyle product internet has also growing as a delivery channel for grocers. In India for example, LocalBanya.com, BigBasket.com and Aaramshop.com have been using the internet to sell or deliver perishable products such as vegetables, Groceries, food product etc. Now days, so many companies have an online presence besides operating physical stores.

Most of the research concerning e-groceries has been carried out in the European countries or in developed countries west. Despite its growing importance, academic research in this E-grocery or online shopping for food or food ordering is negligible in India. The working couple or nuclear families are increasing day by day in metro and they don't have time to purchase food product or groceries from local kirana shop like old days. In view of the high demand for Food product and the introduction of online groceries businesses in India, there is an inherent need to investigate the Consumer behavior towards online purchase of grocery. Additionally, this study

would throw some light on the feasibility of selling perishables online in India. Although this study is limited by the methodology and samples used, it can serve as a basis for future exploration. It is hoped that this study would benefit perishable food product retailers, particularly e-grocers and those that are planning to project into this new retail format in future. Towards this end, this study was carried out with the objective of to analysis the Consumer behavior towards E- purchase of Food in India.

REVIEW OF LITERATURE

Services are basically firm's performance that one party offers to another and that is intangible and does not result in transferring ownership of anything. Its output may not be linked to physical, tangible product. Marketers and firms offering services have dilemma of finding differentiation with that of what is offered by competitors. The competitors try to evolve at almost similar pace than that of its peers thus throwing challenges to service quality (Ehrenberger, 1992). Quality is not only meeting customer's requirements and expectations but also compliance of customer's specifications and fitness for use. Quality is not only profit to the maker, values to the user rather it is satisfaction to the both. Quality creates win – win situation, erases the “We Vs They” adverse relationship that is often seen. The customer defines quality in two ways – one by ‘continuing the business relationship’ and the other ‘by taking his business elsewhere’. The aim of the firm has to be zero defects and nothing less. (Colins 1996). According to PWC India, In 2013, Asia-Pacific rose as the most grounded business-to-Consumer (B2C) ecommerce area in the world with offers of around 567.3 billion USD, a development of 45% more than 2012, positioning in front of Europe (482.3 billion USD) and North America (452.4 billion USD). Globally, B2C ecommerce sales increased by 24% over 2012. This reflects the huge untapped potential of ecommerce by retail companies, both in their country of origin and across borders. Since the ecommerce industry is fast rising, changes can be seen over a year. The sector in India has grown by 34% (CAGR) since 2009 to touch 16.4 billion USD in 2014. The sector is expected to be in the range of 22 billion USD in 2015 (Internet and Mobile Association of India (IAMAI), CRISIL, Gartner, PwC analysis and industry expert). Indian consumers are increasingly venturing online. The country is expected to lead the growth of the internet in Asia in next few years. Increasing in urbanization and changing lifestyles of urban Indian may have contributed to this phenomenon. There were about 243 million internet users in India at the end of 2014, representing almost 19% of the total population (According to Internet Live Stats). By 2020, e-Tailing in India is expected to account for 3% of total retail. Further, orders per million are expected to more than double from five million in 2013 to 12 million by 2016, which will mean more opportunities for both consumers and e-Tailing companies. It

should be noted that most of the online expenditure in India was on consumer goods such as online travel booking, books, CDs, clothing and flowers, computing products. Almost no academic research has been conducted on Indian e-grocery development.

In India, online groceries shopping started in late 2000s. In the initial years only few companies launch online grocery company only in the metros but in the 2015 large number of company's deals in grocery segment even in the group B cities. But development of e-grocery is in nascent stage with so advantage & disadvantage over traditional grocery shopping. According to Strauss & Frost, advantage of buying over the internet is the ease of comparing prices against other (Strauss & Frost, 1999). Another advantage of online shopping is to do shopping any time of the day & anywhere in the area. There are some disadvantages of online shopping like touch & feel factor, security concern etc. Keh & Shieh mentioned in his research that groceries are high touch products & consumers usually want to see, touch & smell products before purchase (Keh and Shieh, 2001). Some consumers had concerns about the security of online grocery transactions (Marganovsky and Cude, 2000). In India large population believe in traditional method of shopping but still some percentage ready to adapt new technology for online grocery shopping.

RESEARCH METHODOLOGY

This study was based on empirical data collection, through which an effort was made to analysis the trend of consumer purchase for E-grocery. The study may be broken down into several phases. In the first phase, literature review was explored and detailed discussions were done with participants of online retailing. Following that, a preliminary questionnaire was developed to analysis the trend.

Sample Size

Convenience sampling method was used for data collection. 500 respondents were questioned from different area of Delhi NCR. Out of which 434 were included. Due to contradictions in responses and incompleteness of answer 66 were excluded. The mall intercept technique of data collection was utilized for the study. The research was focus on Delhi, Gurgaon, Noida, Ghaziabad & Sonapat. These places were chosen because of good mix of major ethnic & levels of education & income distribution which could affect the attitude towards online grocery shopping.

Questionnaire design

The Questionnaire was designed with an 'easy to understand' format in English language. The Questionnaire was dividing into five parts. Only two part of the questionnaire is relevant for

this paper. It was designed to analysis the consumer perception toward online grocery shopping. It begins with a direct question to the respondents asking whether they purchase groceries online or not. Then they were extent their response with the reasons.

FINDINGS

Demographic characteristics of the respondents

Respondents were asked about their demographic profile which includes gender, age, occupation, and city while one of the objectives of this question was to understand the sample personality of E-shopping.

Gender

One major commonly accepted criterion of development is gender. Gender is a socio-economic variable connecting roles, accountability, constraints, chance and requirements of males and females in an economy. Out of 434 respondents the percentage of male respondents is 71% whereas the percentage of the female is 29%. It also concluded that majority of the male consumers are using online shopping for purchasing of food products and services both for self and their family as compared to female consumers.

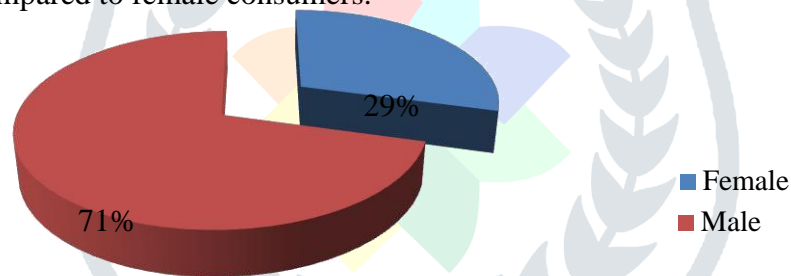


Figure- 1 Gender wise distribution of the respondents

Age

Age is a significant demographic variable not only determines an individual's physical and mental maturity but also depicts his or her life experiences. It determines whether one is economically active or dependent upon others. Out of 434 respondent 76.3 percent of the respondents are the age group of 21 to 30 years, 14.5 percent of the respondents belong to the age group of less than 20 years, 6.2 percent of the respondents belong to the age group of 31 to 40 years, 1.8 percent of the respondents are in the age group of 41 to 50 years and 1.2 percent of the respondents are in the age group of above 51 years.

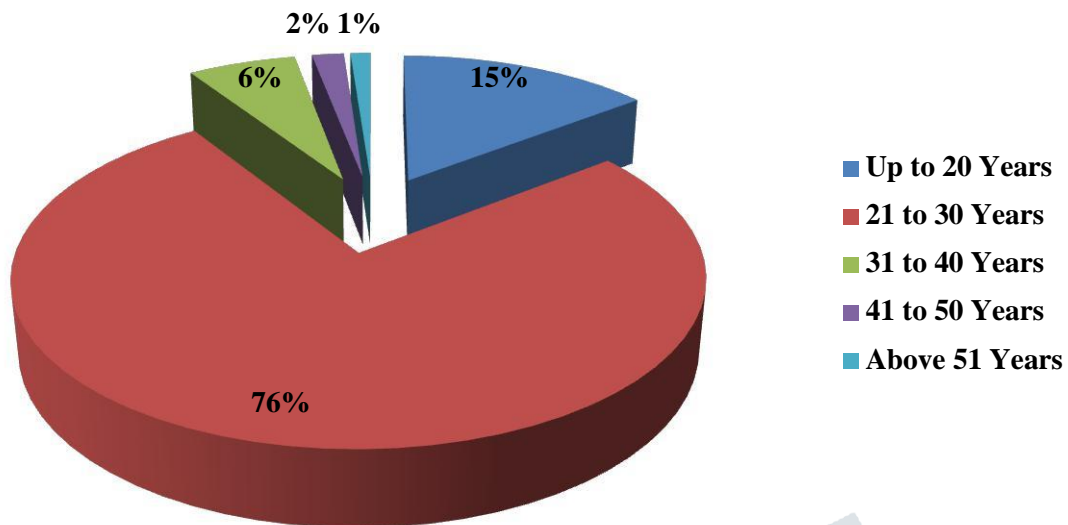


Figure 2: Age wise distribution of the respondents Occupational Level

Occupation determines the social status of a family. This is due to the fact the different occupations choose the different privileges and economic benefits. 67.7 percent of the respondents are students, 31.6 percent of the respondent are employee either in government sector or private sector, and less than 1 percent of the respondents are doing business.

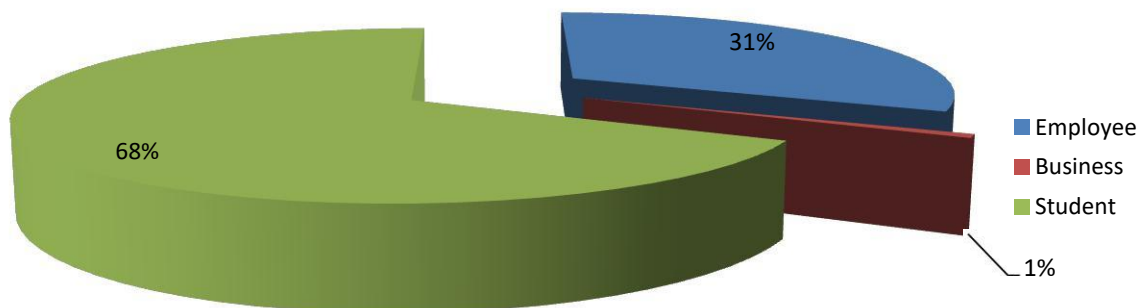


Figure 3: occupational status of the respondents

City

Out of the total respondents taken for the study, 24 percent of the respondents are from New Delhi region Delhi NCR, 20 percent of the respondents are from Gurgaon region of Delhi NCR, 18.9 percent of the respondents are from Noida region of Delhi NCR, 13.6 percent of the

respondents are from Sonipat region, 12.4 percent of the respondents are from Greater Noida region, and 11.1 percent of the respondents are from Ghaziabad region of Delhi NCR.



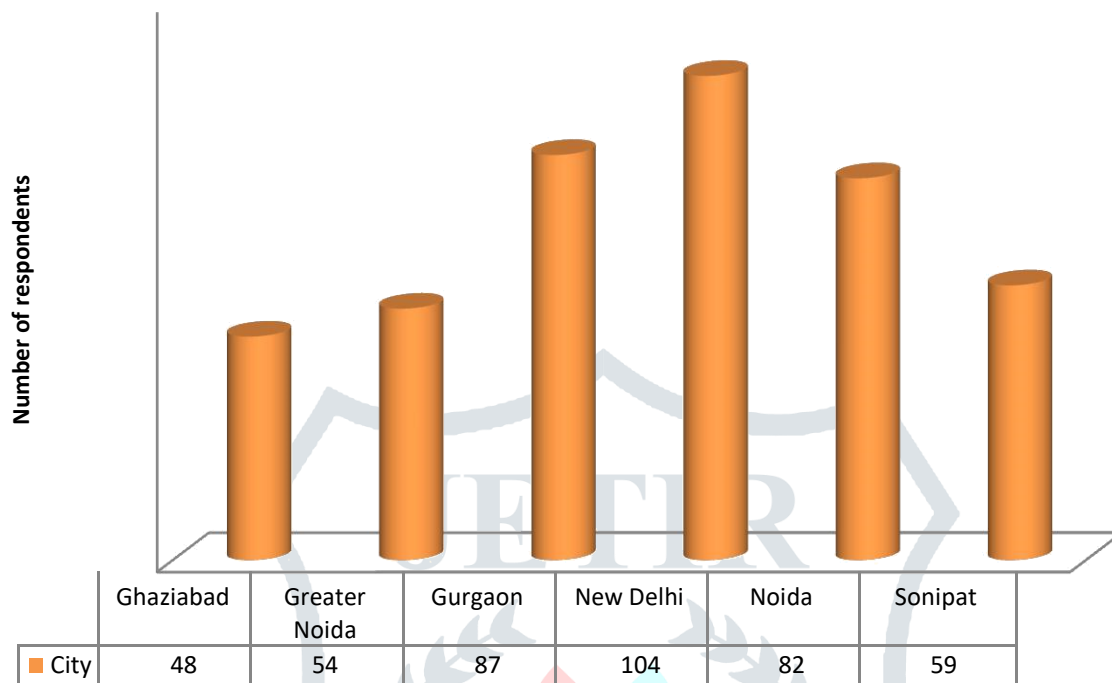


Figure 4: City distribution of the respondents

Online Shopping for food product

After Demographic questions, we asked respondents were they go for online purchasing or shopping for food product or not. In this section the results of percentage analysis for the consumer who goes for online shopping food products along with their demographic characteristic. The below table describes the respondent's intention for online food purchase. It is understood that out of the total respondents taken for study, 50.7 percent of the respondents are decided to purchase food product from online method whereas 49.3 percent of the respondents are still using conventional method to purchase food product.

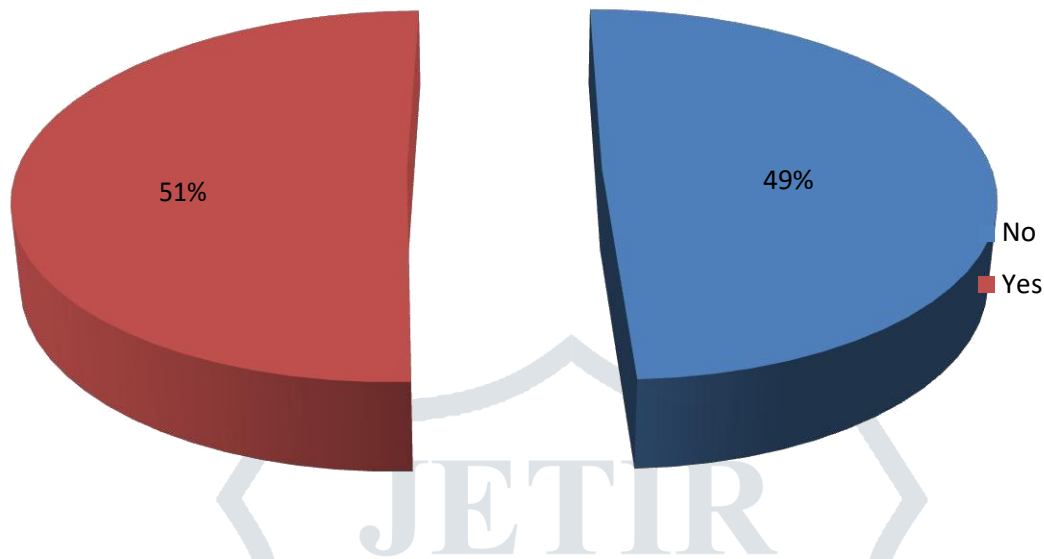


Figure 5: Online food shopping or not

Conclusion

The survey indicates that Indian have mix opinion about online grocery purchases. Study shows that majority of the male consumers are using online shopping for purchasing of food products and services both for self and their family as compared to female consumers. Outcome shows that majority of students are using online shopping for their purchase over the employed person of businessman. This study shows that majority of respondents go for online shopping due to heavy discounts and attractive offers they get through online grocery websites as compare to traditional market. The results also show, nearly half of the respondents did not support online grocery shopping because they had the concerns regarding quality & freshness of the food products. Online grocery shopping in India in India is still at initial stage & lot support should be provided to the startup companies to sustain profitable growth. E-grocers also demonstrate to the consumer that online grocery purchase is easy, safe, convenient & profitable.

References:

1. Ahn, Tony, Ryu S., and Han I. (2004). The impact of the online and offline features on the user acceptance of internet shopping malls. *Electronic Commerce Research and Applications*, 3 (4), 405-420.
2. American Marketing Association (1948). Report of the definitions committee. *Journal of Marketing*, 13 (2), 202-217.
3. Bakos, J.Y. (1991). A strategic analysis of electronic marketplaces. *MIS Quarterly*, 15(3), 295-310.
4. Belanger, France, HillerJ. S., and SmithW. J. (2002). Trustworthiness in electronic commerce: The role of privacy, security, and site attributes. *Journal of Strategic Information Systems*, 11, 245-270.
5. Bellman, Steven, Lohse G. L., and Johnson E. J. (2000). Predictors of online buying behavior. *Communications of the ACM*, 42 (12), 32-38.
6. Cho, Jinsook (2004). Likelihood to abort an online transaction: Influences from cognitive evaluations, attitudes, and behavioral variables. *Information & Management*, 41, 827-838.
7. Corbitt, Brian J., Thanasankit T., and Han Yi (2003). Trust and e-commerce: A study of consumer perceptions. *Electronic Commerce Research and Applications*, 2, 203-215.
8. Eastin, M.S., and LaRose, R. (2000). Internet self-efficacy and the psychology of the digital divide. *Journal of Computer-Mediated Communication*, 6(1).
9. Gerald H. and Trifts V. (1999). Consumer Decision Making in Online Shopping Environments: The Effects of Interactive Decision Aids. *Marketing Science*, 19(1), 4-21
10. Goldsmith, Ronald E. and Goldsmith E. B. (2002). Buying apparel over the internet. *The Journal of Product and Brand Management*, 11 (2/3), 89-100
11. Hoffman, D. (2000). The revolution will not be televised. *Marketing Science*, 19(1), 1-3.
12. Jahng, J., Jain, H., and Ramamurthy, K (2001). The impact of electronic commerce environment on user behavior. *E-service Journal* (1:1), 41-53.
13. Joines, J.L.; Scherer, C.W.; and Scheufele, D.A. (2003). Exploring motivations for consumer web use and their implications for E-Commerce. *Journal of Consumer Marketing*, 20(2), 90-108.
14. Keen, C.; Wetzels, M.; de Ruyter, K.; and Feinberg, R. (2002). E-tailers versus retailers: Which factors determine consumer preferences? Working Paper 2001-02, Maxx Working Paper Series.
15. Kim, E. B., Eom, S. B., and Yoo, S (2001). Effective user interface design for online stores in the Asia Pacific region: A survey study. *Proceedings of the 7th Americas Conference on Information Systems*, 867-872.
16. Koyuncu, Cuneyt and Bhattacharya G. (2004). The impacts of quickness, price, payment risk, and delivery issues on on-line shopping. *Journal of Socio-Economics*, 33, 241-251.
17. Lee, Pui-Mun (2002). Behavioral model of online purchasers in e-commerce environment. *Electronic Commerce Research*, 2, 75-85.
18. Liu, Chang, Marchewka T., Lu J., and Chun-sheng Yu (2004). Beyond concern: A privacy-trust-behavioral intention model of electronic commerce. *Information & Management*, 42, 127-142.
19. Lunn, Robert J. and SumanM. W. (2002). *Experience and trust in online shopping. In The Internet in Everyday Life*. (pp549-577). Oxford, UK: Blackwell Publishing.
20. Jain M., Raghuwanshi S., Hardia A. & Arora A. (2010). Factors Affecting Consumer preferences of shopping at organized retail stores in Indore.
21. McQuitty, S., and Peterson, R.T. (2000). Selling home entertainment on the internet: an overview of a dynamic marketplace. *Journal of Consumer Marketing*, 17(3), 233-48.
22. Meuter, M.L.; Ostrom, A.L.; Roundtree, R.I.; and Bitner, M.J. (2000). Self-service technologies: Understanding customer satisfaction with technology based service encounters. *Journal of Marketing*, 64, 50-64.
23. Elliott M. T. and Speck P.S. (2005). Factors that affect attitude toward a retail website. *Journal of Marketing theory and Practice*, 13(1) 2005, 40-51
24. Monsuwé, T; Dellaert, B.; and Ruyter, K. (2004). What drives consumers to shop online? A literature review. *International Journal of Service Industry Management*, 15(1), 102-21.
25. Na Li and Zhang P. (2002). Consumer online shopping attitudes and behavior: an assessment of research. *Eighth Americas Conference on Information Systems* 2001, 508-517.
26. Peterson, Robert A., Balasubramanian S., and Bronnenberg B.J. (1997). Exploring the implications of the internet for consumer marketing. *Journal of Academy of Marketing Science*, 25 (4), 329-346.
27. Pollack, B. (1999). The state of Internet marketing—1999. *Direct Marketing*. 61(9), 18-21.
28. Sahney S., (2008). Critical Success Factors in Online Retail – An Application of Quality Function Deployment and Interpretive Structural Modeling. *International Journal of business and information*, 3(1), 144-163

29. Sin, Leo and Tse A. (2002). Profiling internet shoppers in Hong Kong: Demographic, psychological, attitudinal and experiential factors. *Journal of International Consumer Marketing*, 15 (1).
30. Xing, X.; Tang, F.; and Yang, Z. (2004). Pricing dynamics in the online consumer electronics market. *Journal of Product & Brand Management*.13(6), 429–41.
31. Yuliharsi, Islam A. and Daud K.A.K.(2011). Factors that Influence Customers' Buying Intention on Shopping Online. *International Journal of marketing Studies*,3(1), 128-139

