

# A Study on the Awareness and Acceptance of Online Grocery Apps among Working Community

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## Abstract

*The e-commerce adoption is constantly growing. The rapid growth of e-commerce can be derived from the new consumer need for convenience and comfort in their purchasing process (Seybert,2012). Within e-commerce, one of the markets that still experience this struggle is the online grocery market. Online shopping has become a highly profitable retail format, achieving high sales values across much of the developed world. Although yet far from reaching its full potential in several markets, the current percentage of online grocery sales is certainly something to follow closely. The objectives of the study are to analyse the level of awareness and acceptance of online grocery apps among working community, to identify the value drivers on convenience, price and quality of products (expectations/attitude), to understand the desire and willingness to use the online grocery apps and to estimate the preference of Mobile Apps.*

**Keywords :** Online grocery app, awareness, acceptance, value drivers and working community

## Introduction

The e-commerce adoption is constantly growing. The rapid growth of e-commerce can be derived from the new consumer need for convenience and comfort in their purchasing process (Seybert,2012). Within e-commerce, one of the markets that still experience this struggle is the online grocery market. There are two possible aspects of what is causing this. First, there could be a lack of willingness from the grocers, since the business model is not yet profitable enough to implement. The technical aspects within the business model that challenge the grocer is how to manage the stock of goods, present the groceries, how and at what times to deliver the goods and how to manage returns of goods. Secondly, it could be a problem within consumer attitudes, which directly influences consumer intentions and behaviour. It is however still believed that the market has great potential for growth, due to the traditional

grocery market's size.

## Review of Literature

Accordingly, Robinson, Riley, Reetie & Rolls-Willson (2007), supporting earlier findings by Morganosky & Cude (2000), noted that convenience seems particularly relevant when some situational constraints - such as ill health, changing homes or jobs, breaking a limb, having a baby, working late, children leaving home, working from home, aging, etc. – come into play. In addition, the authors argue that the disappearance of such situational constraints is also often the primary reason for stopping or diminishing the frequency of online grocery shopping.

In this sense, online grocery shopping has been found to be, by several studies, highly discretionary (Hand, Riley, Harris, Singh & Rettie, 2009; Robinson, Riley, Reetie & Rolls-Willson, 2007; Morganosky & Cude, 2000), as it may be forsaken when a specific trigger disappears or when, for some reason, consumers become unhappy with the level of service. This indicates that even the high demand for convenience that often drives the adoption of online grocery shopping may be highly contingent upon particular individual circumstances (Hand, Riley, Harris, Singh & Rettie, 2009).

This leads to the frequent re-evaluation of the decision to conduct grocery shopping in online formats. Consequently, post-adoption evaluations become particularly crucial to the decision of whether or not to continue using an online grocery store (Hand, Riley, Harris, Singh & Rettie, 2009).

Taken together, past findings suggest that online

grocery shopping is complementary to, rather than a substitute of, traditional grocery shopping (Hand, Riley, Harris, Singh & Rettie, 2009; Robinson, Riley, Reetie & Rolls-Willson, 2007; Morganosky & Cude, 2000). As evidence has been found that most consumers shop personally, at least, for perishables and/or special products (i.e., items shopped with an uncommon purpose, as for example a dinner party) (Robinson, Riley, Reetie & Rolls-Willson, 2007; Morganosky & Cude, 2000).

### Need for the Study

Online shopping has become a highly profitable retail format, achieving high sales values across much of the developed world. Although yet far from reaching its full potential in several markets, the current percentage of online grocery sales is certainly something to follow closely. As traditional and click-only grocery retailers begin to learn from past errors and learn to take better advantage of the technological innovations developed for the digital world, more companies are venturing into this segment with improved business models and service levels. They are becoming more value-conscious due to the current economic crisis, which together with the time

### Data Analysis

The demographics of the sample chosen for the study is as given below:

**Table 1 : Demographics of the Sample**

Gender	Percentage	Occupation	Percentage
Male	30.0%	Salaried	68.7%
Female	70.0%	Self Employed	12.0%
		Others	19.3%
Age	Percentage	Annual Income	Percentage
18-25 yrs	25.3%	<Rs. 5 lakhs	55.3%
25-30 yrs	27.3%	More than Rs. 5 lakhs	44.7%
30-40 Yrs	20.7%		
Above 40 Yrs	26.7%	Awareness	Percentage
Educational Qualification	Percentage	Yes	91.3%
Graduate	8.68%	No	8.7%
Post Graduate	18.0%	Use Online Grocery Apps	Percentage
Professional	58.6%	Yes	52.7%
Others	14.6%	No	47.3%

scarcity felt, leads to an increasing demand for lower search costs, higher shopping convenience, better price deals and more rewarding purchase experiences. Such trends are motivating a renewed interest in online grocery shopping in the coming years.

### Objectives of the Study

The objectives of the study are as follows:

- To analyse the level of awareness and acceptance of online grocery apps among working community.
- To identify the value drivers such as convenience, price and quality of products (expectations/attitude)
- To understand the desire and willingness to use the online grocery apps.
- To estimate the preference of Mobile Apps over Websites.

### Methodology

The research design for this study is empirical in nature. The research tool used for the study is a structured questionnaire. The sample size was restricted to 150 people belong to the working community and who undertake online purchase of groceries. The sampling method was convenience sampling.

**Table 2 : Online Grocery App Used by Respondents**

App used	Number of Respondents	Percentage
Big basket.com	64	81%
Aaramshop.com	5	6.3%
Zopnow.com	0	0%
Maligakadai.com	10	12.7%
Total	79	100%

It is seen that the current market leader of online grocery, Bigbasket. Eventhough Aaramshop.com, Zopnow.com, Maligaikadai.com are popular, most of the people are using Bigbasket. The market share of Bigbasket is clearly proven here.

**Table 3 : Will Buy Grocery Online In Future**

Will buy grocery online	Number of Respondents	Percentage
Yes	58	81.7%
No	13	18.3%
Total	71	100%

This table includes only responses given by respondents who do not currently buy groceries online. It is clearly seen that there is a huge scope for purchase of online grocery in future.

**Table 4 : Preference for Type of App**

Preference for app	Number of Respondents	Percentage
SmartPhones	115	76.7%
Websites	35	23.3%
Total	150	100%

Various modecould be used for online purchase of grocery. The above shows that respondents prefer Smart Phones over Internet Websites. India being the Second largest user of Smart Phones after China, this would surely act as a catalystfor improving purchase of grocery online.

**Table 5 : Online grocery Apps are Beneficial to Users**

Is Beneficial	Number of Respondents	Percentage
Yes	143	95.33
No	7	4.67
Total	150	100

It is very clear that most of the respondents feel it to be beneficial for carrying on their day-to-day life. This gives and indication for the scope for purchase of online grocery by the working community.

**Table 6 : Reasons For Which Online Grocery App is Used/ Can be Used**

Reasons	Number of Respondents	Percentage
Easy to Order	57	39.9%
Variety	16	11.2%
Discount & Offers	6	4.20%
Saves time	32	22.4%
Avoid Long queues	19	13.3%
Others	13	9.0%
Total	143	100%

Various reasons make online grocery purchases beneficial to users. Majority of the respondents feelit helps them to to avoid long queues in super markets and local stores. India being the second most populous country buyers usually have to wait in queues for billing. The other reasons are saving on time, varieties on offer, discounts and ease of ordering. In addition to the above listed benefits, people are

considering Easy returns(Cash back in case of perishable goods), COD, Credit card purchase as other beneficial factors (13%).

**Table 7: Reasons Why Online Grocery Apps Are Not Beneficial**

Reasons	Number of Respondents	Percentage
Quality Issues	3	42.86
Shopping Hobby is getting affected	2	28.57
Not having Physical world touch	2	28.57
Others	0	0
Total	7	100

From the table it is very clear that respondents are worrying about quality, lack of physical world attachment and shopping hobby. These are the major non-beneficial stuffs that make a minor population to raise voice against Online grocery.

**Table 8 :Occasions which Warrant/May Warrant Online Purchase of Grocery**

Occasions	No. of Respondents	Percentage
When home delivery is required	52	34.67
When something special is required	23	15.33
When prices are to be compared	20	13.33
When there is shortage of time to compare quality	55	36.67
Other reasons	0	0
Total	150	100

The above table depicts the ultimate need of online grocery. From the table it is very clear that majority of the respondents prefer online grocery only when they do not have time to find different things in different places and when they need home delivery. The need to compare prices of products and ordering special items queues back in the need criterion.

**Table 9 : Rating of Factors Influencing OnlinePurchase Of Grocery**

Factors	Not at all Concerned	Moderately Concerned	Extremely Concerned	Total
Convenience	42	63	45	150
Price	63	44	43	150
Quality	8	24	118	150

The above table depicts the concerns of respondents on convenience, price and quality parameter. From the chart we can very well make out that people are extremely concerned about quality followed by convenience and price. At certain stage people are not concerned about price and convenience but there is no compromise on quality of the product.

**Table 10 : Factors Influencing Shopping Online**

Factors	No of Respondents	Percentage
Website User Friendly	2	1.33
COD	51	34
Credit/Debit card payments	22	14.67
Offers and Discount	75	50
Total	150	100

The above table depicts the attracting features while purchasing online. From the above table, it is very evident people are getting attracted more to Offers & Discounts, COD and

Credit/Debit card payment. The user friendliness of website is given not much when compared with that of other attractions.

**Table 11: Level of Importance Attached to Factors Of Satisfaction Relating To**

**Online Grocery Purchases**

Factors	Very Important	Somewhat Important	Not Important	Total No. of respondents
	No. of respondents	No. of respondents	No. of respondents	
Design of website	84	60	6	150
Discount offers	74	20	56	150
Advertisements	35	70	45	150
Value of Money	82	48	20	150
Adequate Search Options	79	42	29	150
Product Assortment	84	46	20	150
COD	100	30	20	150
Internet Banking	112	28	10	150
Credit/Debit card	106	35	9	150
Free shipping	120	23	7	150
ID & Password Confirmation	115	25	10	150
Order Confirmation Screen	124	16	10	150
Tracking of items	114	24	12	150

The above table depicts the various satisfaction factors and the people’s importance for the same. concerns of people on Convenience, Price and Quality parameter. From the chart it is very evident that people are considering Free shipping, Order Confirmation, Tracking of Items, ID & Password as very important aspect. Also they are considering aspects like COD, Internet banking and Adequate search options as moderately important ones. In addition the aspects like Advertising and Website design are not of much important.

**Table 12 : Issues Relating to Online Shopping**

Factor	Not an issue	Minor issue	Issue	Major issue	Total
No guarantee	18	33	77	22	150
Possibility of forgery	26	17	34	75	150
Highly priced product	40	32	15	63	150
Lack of Physical examination	39	13	19	79	150

the severity of various issues faced during Online grocery. Almost all the factors such as Lack of Physical examination, Highly Priced product and Possibility of forgery are considered as Major issues. Except for No guarantee almost all the issues are flagged as major issue.

**Chi-square test**

*Ho : There is no association between gender and awareness about online grocery*

**Table13 : Chi Square Test For Association Between Gender & Awareness About Online Grocery**

Gender	Aware of online grocery		Total	Chi-square Value	P value
	Yes	No			
Male	38	7	45	2.857(a)	0.000**
Female	99	6	105		
Total	137	13	150		

Since the chi square value is 2.857 with a P value more than 0.01, it can be hypothesised that the null hypothesis is accepted at 1 percent level of significance. This proves that there is association between gender and their awareness about online grocery.

**Findings of the Study**

- Current market leader of online grocery, Bigbasket. Eventhough Aaramshop.com, Zopnow.com, Maligaikadai.com are popular, most of the people are using Bigbasket.
- There is a huge scope for purchase of online grocery in future.
- Respondents prefer Smart Phones over Internet Websites.
- India being the second largest user of Smart Phones after China, this would surely act as a catalyst for improving purchase of grocery online..
- Most of the respondents feel it to be online purchase of groceries helps in making their day-to-day life more comfortable. This gives an indication for the scope for purchase of online grocery by the working community.
- Majority of the respondents feel online purchase of grocery helps them to avoid long queues in super markets and local stores. The other reasons are saving on time, varieties on offer, discounts and ease of ordering. In addition to the above listed benefits, people are considering ease of returns (Cash back in case of perishable

goods), COD, Credit card purchase as other beneficial factors (13%).

- Respondents are worrying about quality, lack of physical world attachment and shopping hobby. These are the major non-beneficial stuffs that make a minor population to raise voice against Online grocery.
- Majority of the respondents prefer online grocery only when they do not have time to find different things in different places and when they need home delivery. The need to compare prices of products and ordering special items queues back in the need criterion.
- Concerns of respondents on convenience, price and quality parameter. From the chart we can very well make out that people are extremely concerned about quality followed by convenience and price. At certain stage people are not concerned about price and convenience but there is no compromise on quality of the product.
- Attracting features while purchasing online. From the above table, it is very evident people are getting attracted more to Offers & Discounts, COD and Credit/Debit card payment. The user friendliness of website is given not much when compared with that of other attractions.

- This proves that there is association between gender and their awareness about online grocery.

### Suggestions

Positive attitudes are needed in order to get the consumer to try and adopt online grocery shopping. Since attitudes are by far the most influential factor within intentions of online grocery shopping one can with certainty say that the respondents are attitudinal in their reason to decide whether or not to purchase groceries online. To conclude and to answer the research question of this research it can be stated that positive attitudes does have a positive influence on intentions within online grocery shopping.

### Conclusion

The willingness to purchase or adapt a certain behaviour depends on what type of consumer you are. Therefore one could argue that the respondents that are currently purchasing their groceries online can be identified as innovators, early adopters or early majority of the market of online grocery shopping. Functional barriers such as risk is said to be an influencing factor towards attitudes within e-commerce (Ram et al., 1989). One can, based on the current behaviour and attitude relationship argue that the functional barrier of risk within the respondents are low. Furthermore trust, which also is a determining variable within attitudes, is presumed to be high since the attitudes are positive.

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**Level of Importance attached to each factor of satisfaction relating to online grocery purchases**

Factors	Very Important	Somewhat Important	Not Important	Total No. of respondents
	No. of respondents	No. of respondents	No. of respondents	
Design of website	84	60	6	150
Discount offers	74	20	56	150
Advertisements	35	70	45	150
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### Issues relating to online shopping

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### 16 factors influencing shopping online

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### Chi-square test

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**Table 4.17: Chi square test for association between gender and awareness about online grocery**

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