



## NEW DIGITAL ADDICTION: MILLENNIAL CONSUMER PERCEPTION TOWARDS ONLINE GROCERY SHOPPING

**Akshay Kumar Annam\*** **Dr. Prasad H.K\*\*** **Mary Monica R\*\*\***

\*Assistant Professor, Jain College, Vasavi Campus, Bengaluru.

\*\*Associate Professor, Jain College, Vasavi Campus, Bengaluru.

\*\*\*Asst.Professor, Oxford Pre- University, Bengaluru.

### **Abstract**

Today's youth have widespread access to the Internet, leading to the rise of special web-based services: online grocery shopping. The growth of online grocery shopping has been slowly rising due to massive marketing campaigns, increasing competition, widespread internet usage, lack of time, ease of ordering, and the situations prevailing due to the pandemic. This paper gives an insight into the learning on online grocery shopping by collecting data from secondary sources and highlights the four factors- Awareness, Perception, Willingness, and Readiness inducing an attitude towards online grocery shopping and the relative positive and negative buying behaviour pattern. And provide strategies to the E-tailers to provide a better online grocery shopping experience to the Millennial parents.

**Keywords:** Millennials, Online Grocery shopping, Digital Addiction.

### **Introduction**

Millennial Consumers are pointing and clicking in almost all areas of daily life, which has prompted the Internet economy to develop services and sell products online. Even in the exclusive domain of traditional businesses, such as grocery stores and pharmacies, can be sold regardless of economic conditions. Living without necessities like toothpaste, soap, vegetables, and food is unimaginable. The companies that sell consumer goods via the Internet are e-retailers and grocery chains. More and more consumers buy products online because of the standard features such as better prices, more choices, convenience, and time-saving. Shopping is difficult for many reasons, such as physical disability, need to take care of young children, lack of adequate or comfortable transportation, and stressful lifestyle. Online grocery stores such as bigbasket.com, Amazon Pantry, and Grofer operate at a limited delivery point, convenient for consumers willing to buy groceries online.

Other factors that negatively affect consumer's decisions to purchase products or other products online include transportation costs, credit card security, the need or desire for immediate product delivery, and the social aspects of conducting business. The purchase of groceries and other edible products is very low, and a majority of the working Millennials go online and try to buy groceries in a time-saving and labour-saving way. Therefore, retailers should enter the field of grocery delivery to deliver groceries and provide quality customer service if offline channels wait longer to announce their online status. In the foreseeable future, they will be left behind. Due to online grocery, delivery will prevail in the next few years. In the past, consumers would be shocked if they forgot to bring a shopping list when they went to the supermarket; however, nowadays, there are smart consumers in the online grocery store and don't need a list. Weekly or monthly purchases are displayed with one click. Millennial Consumers have to add some extras. Also, it can fully control the expenses and provide extraordinary convenience. With the rapid growth of digital services, consumers have become accustomed to increasing their online demand. The consumer goods industry (FMCG) has evolved since the beginning, and digital transformation has changed the way consumers eat and shop. The retail industry has also become more competitive to keep running. Overall, this is a beautiful world for Millennial consumers because the quality of customer service is now significantly improving the way to buy groceries online. The subscription model can automatically receive products at a specific date and time each month. Another option is to buy groceries in a virtual supermarket, where they see posters full of groceries on the shelves; they can scan them with their mobile phones (QR codes) and deliver them home when they return. With models such as Amazon Go, Millennial consumers will only need to collect the goods and walk out of the store to avoid long lines at the supermarket



checkout counter. But, the technology detects when the product is off the shelf and automatically loads the consumer Amazon account for an authentic omnichannel experience. Although sales of grocery stores through online platforms account for only a tiny portion of total grocery retail sales, it is one of the fastest-growing sectors. This growing trend is a boon for time-strapped customers who don't want to travel or queue at the checkout. The online food and grocery industry will continue to grow. Physical supermarkets will not perish, but if they stop innovating and make significant changes, their sales may drop rapidly.

### **Review of Literature**

Heterogeneous customer demands are the biggest challenge for marketers. Many studies have illustrated India's emerging food consumption patterns and concluded that by using web-based apps, customers could also choose the best online food app in terms of service quality, discounts, etc. It provides a single-window for ordering from many hotels and restaurants and carries its exclusive fleet of delivery options to the customers (Hamid & Sood, 2020). A study explains 55% of the respondents opined that online shopping is not beneficial. In contrast, 45% of the respondents have opined it is beneficial. The general reasons for shopping groceries online were variety and time-saving (Kumar, 2015). Most consumers think it is beneficial to shop groceries online because of ease to order, variety, discounts/offers, saving time, and avoiding long queues (Sharma, 2015). But, delay in scheduled delivery, non-availability of products discourages customers from shopping for groceries online (Budhiraja & Mittal, 2016).

Meanwhile, social media marketing would boost consumers' online purchases in selected cities of India concerning fast-moving consumer goods-personal products (Rajesh, 2019). Online shopping is a common phenomenon for today's customers, even in smaller cities. However, some specific markets are still facing challenges for growth and opportunities to a large extent (Shukla, 2017). One such market is the online grocery shopping segment. The time slot option among product delivery factors and user-friendly website among website designing factors are the essential variables for the respondents (Shukla & Kaur, 2017). Also, tech-savvy youth prefer to shop groceries online because of 24\*7 availability and cash-less transactions and prefer to order non-perishable items once a month while buying online rather than buying food grains and veggies every week (Rajagopalan, 2018). Busy business professionals and restrictive budget customers highly welcome online grocery shopping. But, Consumers consider easy returns policy, quick delivery, visibility of manufacturing, and expiry dates as critical dimensions for online grocery shopping (R & Nareshkumar, 2018). And convenience is found to be highly influencing. It directly affects consumers' online grocery buying behaviour as customers leave their shopping halfway due to lengthy procedures or issues like money transfer or non-acceptance of money cards (Prasad & Raghu, 2022).

### **Research Methodology**

This paper gives an insight into the learning on online grocery shopping by collecting data from secondary sources such as: articles, websites, web pages, and other grey literature. The methodology completely highlights the four factors- Awareness, Perception, Willingness, and Readiness inducing an attitude towards online grocery shopping and the relative positive and negative buying behaviour pattern. With the help of systematic literature review system, the available secondary sources are themed into four factors to further contribute to the better online grocery shopping experience.

### **India's Scenario for Online Grocery Shopping**

The development of online grocery stores in India is still in its initial stage; however, buying groceries online is becoming as popular as buying electronic products online. There is no surprise that people can order anything online, including perishable goods. In the past two years, online food companies operating in India have invested heavily in digital marketing strategies to increase their visibility and consumer awareness. Online grocery stores sell products of various brands to buyers at very competitive prices. The user interface of the online grocery website is designed according to the user-friendly method, allowing easy access to online products by providing good discounts and coupons to attract consumers online. However, the fact is that soon, traditional grocery stores



should prepare for increased competition from online grocery stores. Companies can already use the reputation and goodwill of their customers to seek benefits for them. The need for physical enterprises to go online is inevitable and irreversible. The boom in the online grocery market has forced brands to work with online retailers to find easier ways. So that consumers can buy products online, millennial consumers can even automate the list of items to buy from online grocery stores. Also, local retailers should not blame online retailers for declining business and sales. Instead, they should have specific plans to take advantage of the massive potential of online media and implement new marketing strategies to help them grow in the online market. If email and instant messaging services affect postal services, we can also expect online grocery stores to replace ordinary grocery stores in the future. However, this is still a distant dream for people who cannot afford mobile devices to access the Internet. Online grocery stores paved the way for other local grocery stores to try the latest shopping trends. Provide free home delivery, discounts, and convenient payment methods. Consumers will undoubtedly find online shopping more convenient than going to ordinary grocery stores

### **Increase in Online Grocery Shopping During Covid-19**

As our world has been consistently moving towards digitalization, the deadliest worldwide pandemic brought enormous effects on the speed and degree to which this shift occurred. Due to lockdown, a significant part of daily life changed and compelled Millennial consumers to adjust and survive. When everything was shutting down, even our most fundamental necessities such as food and water moved too on the web, and, accordingly, the online markets soared. Thus, significant changes in traditional and online markets, retailers, and brands are incidental. Traditional grocery businesses started paying attention to the digital and online side of their business. The e-retailers started building up an efficient inventory and supply chain network to decrease delivery timelines, soon leading to market expansion. Hence, the market players noticed an unexpected expansion in their quarterly income in FY2020 because of the closure of various physical stores due to the pandemic, regulations urging everyone to stay home. In a year, the online grocery market acquired clients and accomplished targets that would have taken longer to achieve during the ordinary course of business. The trend shows that this pattern will probably proceed even after the pandemic dies down. Amazon, particularly, has taken massive actions during the pandemic. It started acting rapidly to improve the grocery conveyance system. Between March 2020 and March 2021, Amazon expanded the limit by over 160% and changed store hours to consider more effective fulfilment of online orders. In April 2020, Big Basket in India announced 84% development in new clients compared to the pre-COVID-19 era, while the degree of consistency developed by 60%. Therefore, this means that the buyers have slowly moved and are still moving their inclination to e-supermarkets to buy virtual goods and services during the pandemic period.

### **Online Buying Decision Making Process**

For customers to visit the website and purchase, it is crucial to understand the online decision-making process. Because decision-making is not a logical problem-solving problem, not all customers have gone through all the steps or followed them in a specific order:

1. Internet decision-making starts with determining needs or wants. Buyers are guided by something and admit that they want to shop online.
2. The client will develop a solution to the problem, including the searching process. Sometimes, customers know little about various standards and need help at this stage.
3. Then the customer will search and make a decision. At this stage, the visitor checks the alternatives, evaluates them, and decides.
4. The visitor evaluates by analyzing the process he is going through and establishing a sense of trust and control.
5. The customer finally then purchases the groceries.

After these steps come to the post-purchase behaviour, this can include re-purchase, use of post-purchase services, spreading word of mouth, and so on.



## Conceptual Framework For Grocery Shoppers



**Figure 1: Conceptual Framework**

The conceptual framework examines the influence of predefined purchase behaviors on online shopping attitudes. Based on several factors, grocery shopping behavior and grocery shopping behavior are further analyzed.

The conceptual framework initially studies the generic buying behaviour towards buying groceries. The intention is to analyse whether the current buying behaviours of local consumers are deeply rooted or not. The factors and behaviours associated with buying groceries are immense in an actual market setting. However, to narrow the scope of our research, this research examines three main factors related to grocery shopping, namely:

- Frequency: Frequency refers to the number of visits to the grocery store over a while—for example, visits every day, every week, every two months, or every month.
- Avenue: Avenue refers to the context of a grocery store. With an intend to find out consumer's likes based on the size and location of the store. In the same line, understand the satisfaction level of the local consumers and their willingness to visit either small Kirana shops in the localities or prefer supermarkets having a wide range of products available in a single place.
- Content: Content refers to the products that make up a consumer's shopping list and often buy. The higher the frequency, the higher the acceptance of different product lines and the larger the shopping list. This makes it challenging to overcome deep-rooted shopping habits because consumers take them for granted.

The higher the frequency, is the higher the acceptance towards different grocery avenues and the higher the list of items purchased, which would translate into deeply rooted buying behaviours which are hard to overcome since they come naturally to consumers. The state of this shopping behavior and the established level of its intensity directly impact consumers' attitudes towards groceries on the Internet. This is the second part of our conceptual framework. Consumers' attitudes towards online groceries are as follows:

- Awareness: Do local consumers understand the concept of online shopping?
- Perception: How do local consumers view online food?
- Willingness: Are local consumers ready to try food online?
- Readiness: How willing are local consumers to buy groceries online?

Suppose the above four factors are high/positive. In that case, the attitude towards online shopping is positive. For positive attitudes, local consumers will and should have an acceptable level of awareness, positive perception, and positive attitude at least to interest in online shopping. Since the concept of online grocery stores



is new to the local market, the retailers can adopt online grocery shopping only if the attitude towards the online grocery store is positive. But it does not negatively affect the pre-set grocery store behavior. Consumers accept.

### Conclusion

The study attempts to measure Millennial customers' perception of online grocery shopping and the factors affecting their preferences and buying decisions. Today's youth has widespread access to the Internet, leading to the rise of special web-based services: online grocery shopping. The growth of online grocery shopping has been slowly rising due to massive marketing campaigns, increasing competition, widespread internet usage, lack of time, ease of ordering, and the situations prevailing due to the pandemic. Still, some people are reluctant to try online grocery shopping, such as people who like to touch food grains to check the quality before buying or people who require on-the-spot deliveries of groceries. Usually, Millennial consumers tend to buy snacks, beverages, beauty or hygiene products, and cleaning or household products online as these have comparatively longer perishability than fruits, vegetables, etc. The cost factor also plays a role here as people are unwilling to buy groceries online if the delivery fee is comparatively high. However, the most influencing factors the customers consider are quality and convenience. Millennial consumers expect certain benefits like resource-saving and better variety but resist this due to risks like fake products and privacy concerns. People, who have had past experiences with online grocery shopping, are pretty satisfied by this service and are happy to make future purchases and spread the word about it. People who put convenience over price are more likely to purchase the memberships offered by these online grocery sellers.

### Suggestions and Recommendations

E-tailers can strategies and provide a better online grocery shopping experience to Millennial consumers. Rather than collecting delivery fees from Millennial consumers on any order, they should have different delivery fees based on the customer's purchase value. For example, they should provide free delivery above orders of Rs 2000. This way, they will avoid the negativity of levying delivery charges and increase their sales simultaneously. They should invest heavily in their marketing campaigns to spread awareness about their service and its benefits. This brand awareness will also give them a competitive edge over their competitors. A market campaign showing no associated risks could change the perception of target customers or non-users. The membership policies should frequently change to provide much higher benefits to loyal and repetitive users. Also, online grocery sellers should improve their user interface to ease the customer's interaction with their app or website by including artificial intelligence technology in the search bar. They should start a customer referral program to promote their brand through word of mouth by their existing users. Sellers could offer certain rewards against those referrals. It has been quite successful for many web-based services. Also, starting a reward-based feedback program on giving feedback on a recent order led to no delivery charge on the customer's next order. This will ensure customer satisfaction and induce Millennial customers to place a new order.

### References

1. Budhiraja, H., & Mittal, K. (2016). Consumer' S Purchase Intentions for E -Grocery Shopping in India. 48–53.
2. Hamid, S., & Sood, K. (2020). Consumer Behaviors in Ordering Foodstuff Online Using App Services: A Fundamental Study to Ascertain Procurement Psychology of Academic Diaspora Consumer Behaviors In Ordering Foodstuff Online Using App Services: A Fundamental Study To Ascertain Procurement Psychology Of Academic Diaspora In The Indian State Of Punjab. March.
3. Kumar, A. S. (2015). Consumer Perception Towards Online Grocery Stores, Chennai I. Introduction. 5(6), 24–34.
4. Prasad, C. J., & Raghu, Y. (2022). Determinant Attributes of Online Grocery Shopping in India - An Empirical Analysis. 20(2), 18–31. R, S. S., & Nareshkumar, S. (2018). A Descriptive Analysis of Consumer Perception On Online Grocery Shopping. V(Iii), 14–18.
5. Rajagopalan, K. (2018). A Study on Consumers Acuity Towards Online Grocery Shopping. May.
6. Rajesh, R. (2019). Online Grocery Shopping in Mumbai.
7. Sharma, C. (2015). Consumer Buying Behaviour Towards Online Shopping – A Review of Literature. April, 854–856. Shukla, R. K., & Kaur, H. (2017). Consumer' S Attitude for Acceptance of Online Grocery Shopping Research Article Consumer's Attitude for Acceptance of Online Grocery Shopping in India. May.