



A STUDY ON SHIFT IN CUSTOMER PREFERENCE WITH REFERENCE TO ONLINE GROCERY SHOPPING DURING COVID-19 PANDEMIC

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Abstract

As the world was on a shutdown due to the COVID-19 Pandemic in the year 2020 people were concerned about meeting their basic necessities like groceries, cleaning supplies and various other household products. At the time of this adversity various online delivery applications took initiative to meet these basic requirements of people. A majority of the Mumbai residents were dependent on purchasing their groceries online which opened a new business opportunity to various non-grocery selling online retailers like amazon, flipkart, swiggy, zomato and many others. It was however difficult initially to meet the growing customer demand as the delivery teams were short-staffed and the entire work culture was shifted from offices to homes which also included the customer service representatives. In spite of limitations various offline giants too made their online debut during the pandemic.

With the help of this research let us highlight the customer response towards using online services for grocery and household shopping.

Keywords: *Customer preference, online shopping platform, COVID-19 pandemic*

Introduction:

Customer preference: Customer preference refers to the liking of the customer towards a certain product/s or service/s over certain another product/s or service/s of the same category. This liking of a specific product or service more than the others is known as the preferential product/s or service/s.

Online shopping platform: Online Shopping occurs when a customer buys through a digital platform. Online shopping is a part of E-Commerce.

COVID 19 Pandemic: The COVID-19 pandemic, also known as the coronavirus pandemic, is an ongoing pandemic of coronavirus disease 2019 (COVID-19) caused by severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2). It was first identified in December 2019 in Wuhan, A Study on Shift in Customer Preference w.r.t Online Grocery Shopping during COVID-19 Pandemic .China. The World Health Organization declared the outbreak a Public Health Emergency of International Concern in January 2020 & a pandemic in March 2020.

Summary

In the era of globalization customer expectations are rising each day and organizations are striving hard to make the impossible possible. Various unbelievable instances like buying groceries a click away is now possible due to the advancement of information technology and new more knowledgeable and refined entrepreneurs. All this has led to a push in the market for various goods and services being available through the internet; whether we speak of salon at home, home cleaning services or our daily milk and bread. As the things were developing at their individual pace the year 2020 made a huge impact in uplifting the entire e-commerce system and forcing organizations to come up with better more effective way to reach out the customers at home. The pandemic lead way for the people to purchase more from the e-tailers (electronic retailers). Not only were there huge purchase orders but also new leads were generated



in this pandemic thus widening the scope of the E-businesses.

Initially due to the shutdown of restaurants and all outside eateries and deliveries of non-essential products being restricted all shopping websites and applications moved their attention towards providing essential goods and services like groceries, household cleaning, sanitization requirements and organizing supplies and work from home devices. However, in this study we shall focus more on the customer preference for online shopping over offline shopping for household groceries in the Mumbai Metropolitan area.

Factors leading to Online shopping in the year 2020

Let us first determine the factors that entices a customer in preferring online shopping over physically going out.

1. **Convenience:** The meaning of online shopping itself means shop from any place of your choice, be it your couch or workplace, a bar or a restaurant. It brings out ease in shopping without restricting oneself from being present at a specific place at a particular time. Everything gets home delivered which proved ideal at the time of lockdown as people were afraid to step out even for groceries. You forgot to add basil in your previous shopping list, no worries you are just a click away from ordering it.
2. **Government restriction:** Due to the pandemic a lot of restrictions were imposed by the Government to ensure the safety and containment of virus. This included social distancing, not being out of your houses unnecessarily, night curfews, discouraging local unorganized vegetable and fruit vendors from setting their offerings, only essential services vehicles were permitted on roads, no unnecessary gathering, limitation on number of people in a particular area/ shop/ mall/ retail outlet, quarantining various affected zones, etc. All this led to people preferring staying home and ordering online instead of stepping out for their daily essentials.
3. **Safety and sanitization:** As the cause, cure and immunization from the virus was unknown people led a life of fear for a very long time. This caused people to take various safety precautions like cleaning outside items excessively, ordering products from reputed places, giving sanitization and hygiene utmost importance in the fear that the virus should not enter residences. Safety and sanitization became the chief defensive weapon against the virus.
4. **Professional approach:** As the online market is under an organized group of entity the value of customer is known having is a very professional approach in dealing with customers. The customers can order, cancel, reschedule as per their requirements. Products if turn out to be damaged or defective in any manner can be refunded without any hesitation whereas on the other hand in the unorganized market there is often a chaos and argument involved to prove that the products were defective. In order to avoid such arguments and speedy redressal customers are more likely to use online over offline shopping.
5. **Road to development:** Many educated consumers feel that online shopping over physical shopping does not only make the experience simpler and speedy but also is an indicator of how informed the customers are and that the country is progressing in the aspect of customer knowledge.
6. **Price comparison:** There are multiple online groceries delivering services for the MMR area. Customers can view and compare prices from those stores and order whichever is most comfortable for them.
7. **Brand label:** Due to the present scenario it is easier to trust a brand for the basic necessities as they have a name and goodwill to upkeep as compared to the unorganized offline markets who would sell whatever they receive from their wholesaler partners. Brands usually take various sanitization steps before delivering the groceries to the customer like spraying them, storing them at the most ideal temperature facility, contactless transit, hygiene packing



and so on.

Why do people prefer offline grocery shopping over online shopping?

Every coin has two sides. As there are reasons in favor of online groceries there are also multiple reasons why people prefer not to shop perishables online. In a country like India where the literacy rate is 64.8% out of which only 6.7% are above graduates it is difficult to educate people about the importance of online buying specially in times of lockdown. India faced panic with respect to distribution of goods and services during the initial phase of lockdown, people started hoarding of basic necessities that created a shortage and uneven distribution among the masses. With the huge population government required private entities assistance to meet the needs of the citizens opening good opportunity for startups dealing in deliveries of essential services. Here are some of the reasons why people prefer offline buying over online.

1. Lack of distinction between organized and unorganized entities in market: People do not understand the meaning of organized entity and unorganized entity. An organized head has far more liability as compared to that of an unorganized vendor as an unorganized vendor in India has no permanent address or registration to sell particular products and services. Consumables in India are usually purchased by the unorganized market. Except for the local banyas having registered shops majority of the basic necessities are met by street vendors and other unauthorized sellers.
2. Support Local: The idea of supporting the local community and that privatization and commercialization is taking away the traditional roots of the country has instilled fears in the hearts of many. The #supportlocal on social media to promote the purchasing from the poor street vendors has boosted the morale of many educated population to engage in purchasing from the local vendors rather than buying online. Also, the fear that these local vendors will not loose their source of income during the pandemic and will not be able to provide to their families made the employed section support and encourage them more.
3. Traditional mindset: Many people doubt the authenticity of online groceries. With various fake news going viral on various platforms like WhatsApp people are skeptical about the quality, quantity and prices of online products. Moreover, there are certain extra charges that are added after selecting the product and quantity required like taxes and delivery charges which upsets many individuals who assume the final cost was only the cumulative of what was ordered. These charges are then considered as “hidden charges”. Some are of the belief that groceries are supposed to be seen and handpicked personally before purchasing while others want to keep a day-to-day interaction with their grocery supplier to maintain trust and dependency.
4. Payment and delivery issues: Often ordering groceries online requires online payment and the customer has to keep an account of whether the amount debited is equivalent to what is delivered. Many a times due to unavailability of certain products prepaid orders are undelivered and customers have to maintain records and follow up about the amount of such undelivered products. In case of perishable goods and goods that require cold storage transit, the longer the delivery time the more chances of the goods getting spoilt. For example: Milk once received may be refrigerated before use but still might get spoilt because of poor transit.

Research Methodology

Research Objectives:

1. To determine whether there is a shift from online to offline shopping of groceries during the pandemic.



2. To determine if people prefer online shopping due to reasons like safety and convenience.
3. To see if the literate population of MMR region believes in introducing a change in the approach of buying groceries or still prefer the traditional approach of buying offline.

Data Collection Technique: The survey was done through questionnaire (Google-forms).

Sample Size: 305

Sampling Technique: Non-Probability Sampling technique was used. The research required a good number of respondents who were engaged in online shopping throughout this lockdown hence Judgement Sampling was used.

Sample Characteristics:

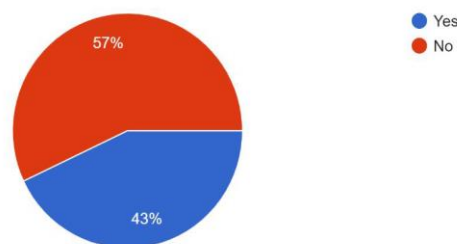
1. Literate population living in MMR region
2. People having the convenience of shopping online. (Wi-Fi or other internet facility and support devices)

Research Limitations:

1. There are no participants outside the MMR region thus the conclusion drawn from this research can only be considered in the MMR region or another identical metropolitan region.

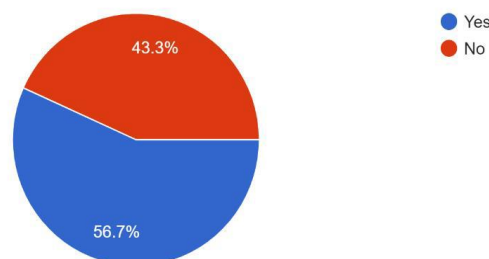
Primary Data Analysis and Interpretation

Have you shopped groceries online before the pandemic
305 responses



Interpretation: This highlights that majority of respondents were not reliable on online grocery shopping platforms before the pandemic was announced. However, the margin between the responses Yes and No is only 14%.

Have you shopped groceries online during the pandemic?
305 responses

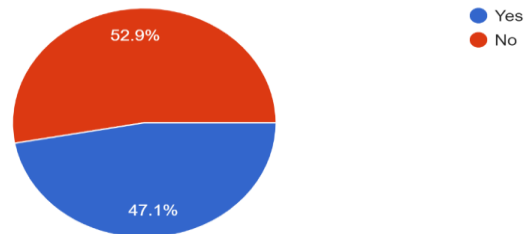


Interpretation: Again 57% of the respondents have shopped groceries through online shopping platforms during the pandemic that represents the majority of respondents. It is surprising though that 43% of respondents did not shop online even at the time of pandemic.



Was there a shift of grocery shopping from offline to online during the pandemic?

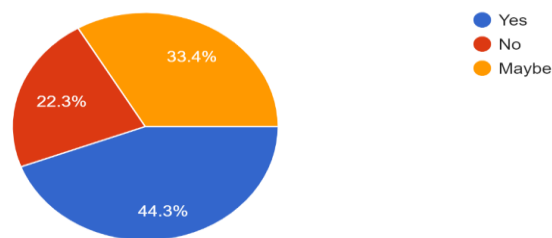
297 responses



Interpretation: A surprising 47% of responses said that there was a shift of trend from online to offline shopping during the pandemic. But, 53% responses deny any shift in their buying behavior in terms of buying groceries online which creates a majority.

Did you store groceries in more than regular quantities during pandemic?

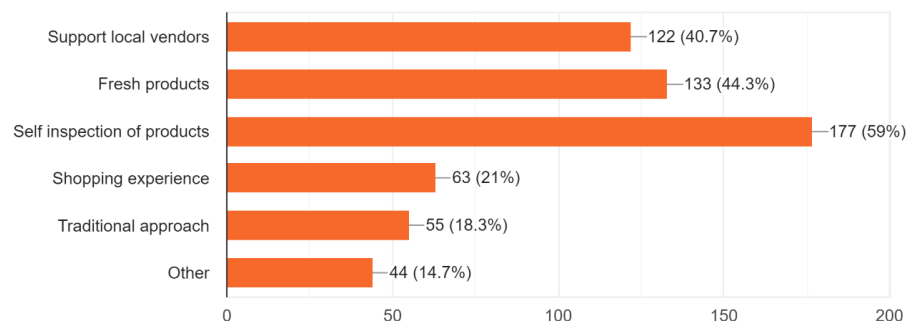
305 responses



Interpretation: There is a shift in the buying behavior at times of pandemic as majority of the respondents agree that they decided on buying more than usual quantities. Another major portion of responses are unsure about their shift in buying patterns not affirming a Yes or a No in this regard.

If you prefer offline shopping over online, what would be the reason?

300 responses

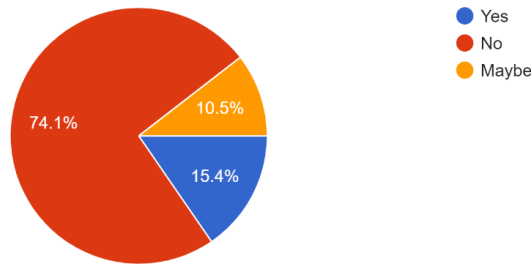


Interpretation: Hypothetically if the respondents prefer online shopping over offline shopping the major reason for it would be that they could self inspect the product before purchase which proves that the sense, sight and physically



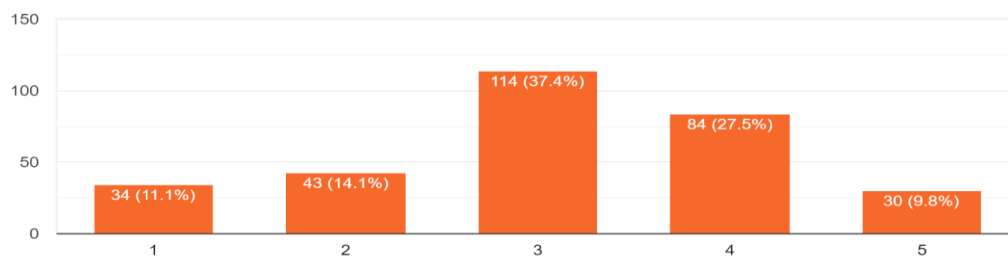
inspecting the product has more leverage than buying goods online. Another majority feels that buying offline will help them procure fresh products and another batch feels that this helps support the local vendors.

Have you taken membership of multiple online shopping platforms than you had before 2020?
305 responses



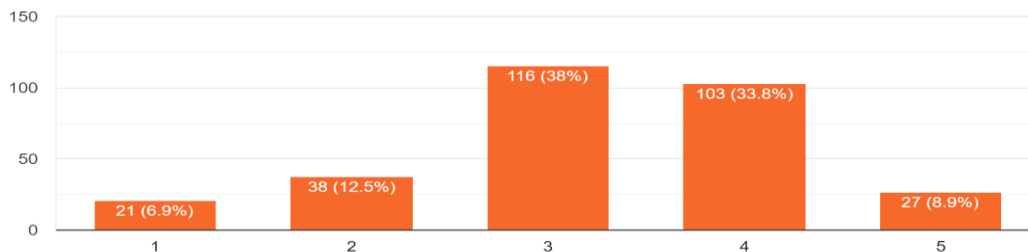
Interpretation: Majority did not purchase membership of multiple shopping platforms during this pandemic. This shows that the online grocers still have a long road to attract target market and retain them.

How convenient is online shopping for purchasing groceries?
305 responses



Interpretation: On a scale of 1 to 5, majority (114 responses) gave a mixed response by standing on the 3rd scale. Another major group of responses (84 responses) stand on the 4th scale. Thus, coming to a conclusion that majority responses believes there is more convenience in online shopping as compared to offline shopping.

Rate your user experience with respect to quality of grocery delivered online
305 responses

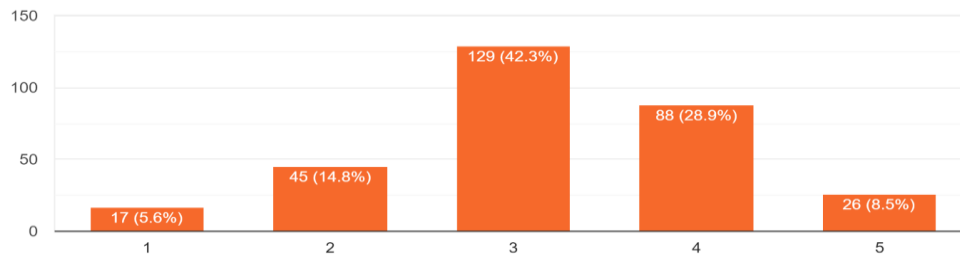


Interpretation: It is to be noted that 116 respondents stand on the 3rd point on the scale of 1 to 5, 1 being very poor and 5 being excellent in terms of quality but another majority group stand on the 4th point on the same scale thus coming



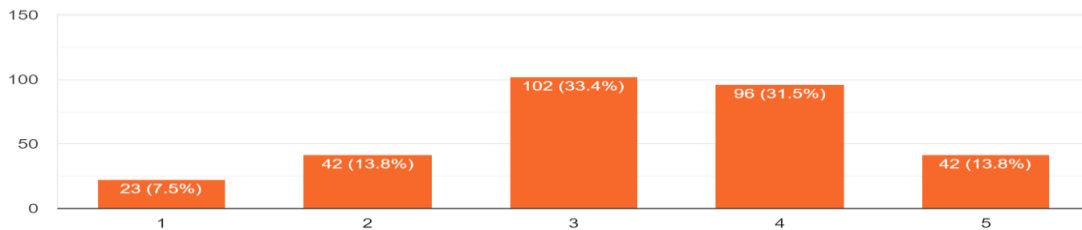
to a conclusion that majority respondents are highly satisfied with the quality of groceries delivered online. Thus, we can rule out the possibility that quality is the real issue of online groceries shopping.

Rate your user experience with respect to availability of required groceries
305 responses



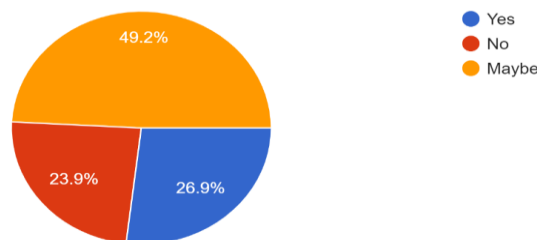
Interpretation: On a scale of 1 to 5, 1 being extremely poor and 5 being excellent majority of respondents (129) are having a mixed response towards availability of groceries on online platform. Another majority of respondents which totals up to 114 responses are positive about the availability of goods online

Rate your user experience with respect to delivery hours and punctuality
305 responses



Interpretation: On a scale of 1 to 5 majority of respondents are positive about the delivery experience in online shopping with respect to the punctuality and delivery hours. This means that online platforms have good logistical support in reaching customers on time and that satisfies the customers.

Are the rates of vegetables competitive enough compared to offline?
305 responses

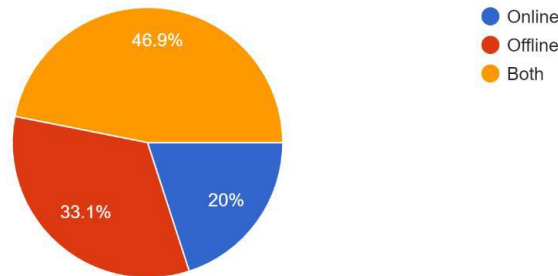


Interpretation: Majority of the respondents are unsure about the comparison of online rates and offline rates of groceries. 27% respondents feel that the rates are competitive enough and the rest negate the same.



Would you rather shop groceries online or offline during pandemic?

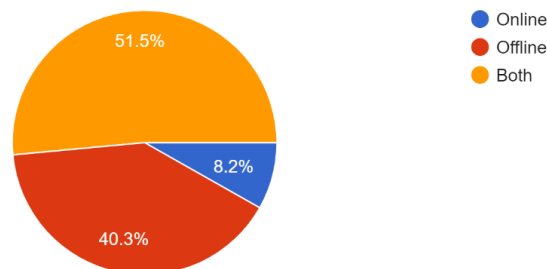
305 responses



Interpretation: It is to my surprise that in spite of the pandemic minimum number of people want to shop groceries online as only 20% of the respondents voted for online shopping while 33% of respondents voted for offline shopping during the pandemic. However, the majority that is the remaining 47% wants to shop both online and offline during pandemic which clearly indicates that people are not hesitant in stepping out of their houses for buying groceries even during the pandemic.

Would you rather shop groceries online or offline post immunization once the pandemic is over?

305 responses



Interpretation: Majority (51%) of the respondents prefer shopping groceries both online as well as offline post immunization from COVID-19. But another challenging 40% are sure about shopping offline only through traditional means post immunization. Another 8% of respondents will continue shopping online post immunization when it will be safe to walk out of the house.

Conclusion

SOCIAL ASPECT

It is noted that even in an area like Mumbai Metropolitan Region with good number of literacy and technological know-how people still prefer going offline to get their groceries rather than buying online. This means that people are more inclined towards stepping out and participating in the market environment rather than sitting at home in front of their screens and ordering whatever they want. It also means that people want to support the local vendors, which sounds economically good as far as distribution of income is concerned. People have their social need of meeting and



greeting people which often happens when they step out for purchasing their groceries.

ECONOMIC ASPECT

Problem that arises is in spite of the pandemic there was very minimal impact of online shopping benefits on the Indian buyers. The Indian buyers still wants to visit stores for purchasing groceries by personally inspecting the products, checking the weights, handpicking everything they buy for their home. This keeps a very small market for online shopping which gives many Indian start-ups a challenging job to survive and flourish.

Many of our E-Retailer giants, during this pandemic are investing in providing groceries. These are foreign investors who find it difficult to adapt to the likes and preferences of Indian consumers. Moreover, according to the survey majority of the respondents are inclined towards offline shopping over online shopping which clearly states that the market for online shoppers in groceries is minimal as compared to offline shopping and would result in investors withdrawing their investments from the Indian market or due to their major investment at their disposal, they might put the Indian start-ups out of business. Either way the loss is of the Indian economy.

To conclude, it is clear that the online grocery retailers have a long road to make the Indian masses dependent on their services...be it pandemic or otherwise.

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