

CONSUMER'S PERCEPTION TOWARDS ONLINE SHOPPING OF FOOD PRODUCTS: AN EMPIRICAL RESEARCH

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ABSTRACT

Shopping on the Internet has been developing rapidly, covering most of the important spheres of marketing. Online food shopping has been noted of being a relatively young but promising area of electronic commerce. However, only a sparse number of studies have been focusing on consumers' perception to purchase food products online in the cultural context. The purpose of this study is to investigate the consumer perception of e-shopping of food in Varanasi district of Uttar Pradesh. The data were collected from 80 respondents located in Banaras Hindu University Campus, Varanasi through simple random sampling. Data were analyzed with the help of Likert scale technique. The results revealed that youngsters have the highest perception and would prefer online shopping of food products than the respondents of age group above 45 years. The most important reason that most of the shopping sites are offering products which appeals and lures the youngsters.

KEYWORDS: Consumers 'Perception, Awareness, E- Shopping, Food Product, Varanasi, Uttar Pradesh, India

INTRODUCTION

The concept of online shopping developed gradually, after the launch of the World Wide Web. In 1990 Tim Berners-Lee created the first World Wide Web server and browser. It opened for commercial use in 1991. In 1994 other advances took place, such as online banking and the opening of an online pizza shop by Pizza Hut. In 1995, Amazon launched its first online shopping site, and in 1996, e-Bay appeared. Internet is changing the way consumers shop and buy goods and services, and has rapidly evolved into a global phenomenon. Electronic Shopping is a recent phenomenon in the field of e-business and is definitely going to be the future of shopping in the world. Most of the companies are running their on-line portals to sell their products/services on-line. The potential growth of on-line shopping has triggered the idea of conducting a study on on-line shopping in India. Online shopping began in full swing since the year 1996. According to Kotler (2000) in the field of business, change is occurring at an accelerating rate.

Electronic shopping is defined as a computer activity/exchange performed by a consumer via a computer-based interface, where the consumer's computer is connected to, and can interact with a retailer's digital storefront to purchase the products or services over the internet. It is an electronic commerce application used for business-to business electronic commerce (B2B) or business-to consumer electronic commerce (B2C). Online shopping is popular mainly because of its speed and ease of use. In particular, the emergence and spread of electronic commerce (EC) have greatly influenced the behaviour of both retailers and consumers. A greater ease of placing and receiving orders 24 X 7 is the value proposition in online shopping. It is also significant to note that the Indian retail market has emerged as the fifth largest retail destination

globally. It is now ranked the 5th most lucrative market for investments in the retail sector, according to AT Kearney's eleventh annual Global Retail Development Index (Kearny,2012). As per the report published by the Research on International Economic Relations, the Indian retail business is estimated to grow at 11 per cent annually from US\$ 322 billion in 2006–07 to US\$ 740 billion in 2014–15. The organized retail in India, which constituted only by a mere four per cent of the total retail in 2006-07, is expected to grow at a rate of 40-45 percent annually, and reach a 15 per cent share of the total retail by the year 2014-15 (ICRIER, 2011). The Government of India has termed the retail sector as a sunrise sector, and the worth of the organized retail sector in India is likely to be around US \$ 75 billion by the year 2015.

The objectives of this paper is to measure the consumers' perception regarding online buying behaviour and the impact of socio-cultural factors on e-shopping of food products

METHODOLOGY

Study Area

The study was carried out in purposively selected one district i.e. Varanasi in UP. The district Varanasi is considered as a developed district. Varanasi or Benaras, (also known as Kashi) is one of the oldest living cities in the world. Varanasi experiences a humid subtropical climate with large variations between summer and winter temperatures. The dry summer starts in April and lasts until June, followed by the monsoon season from July to October. The temperature ranges between 22 and 46 °C (72 and 115 °F) in the summers. Winters in Varanasi see very large diurnal variations, with warm days and downright cold nights. Cold waves from the Himalayan region cause temperatures to dip across the city in the winter from

December to February and temperatures below 5 °C (41 °F) are not uncommon. The average annual rainfall is 1,110 mm per annum.

Sampling Technique

The study was undertaken in **Varanasi**, UP. There are total of 8 blocks in district Varanasi (UP) namely Araziline, Baragaon, Chiraigaon, Cholapur, Harhua, Kashi Vidya Peeth, Pindra and Sewapuri. One block was selected through simple random method. The block selected for the study was Kashi Vidya Peeth block. The selection of Banaras Hindu University Campus in the study area was done after due consideration of predetermined criteria developed during initial visits and consultations with development officials. Based on relevant information collected from secondary sources, discussion with officials' development and personal observations. There are more than 10,000 students in Banaras Hindu University Campus.

Method of Data Collection

The data were collected from 80 respondents located in Banaras Hindu University Campus through simple random sampling. The primary data were collected by means of a personal discussion carried out with all the potential respondent in the campus. A structured interview schedule was prepared to make the discussion straightforward and to collect all the information required.

Analytical Techniques

The analysis of the data was carried out by using simple statistical methods like frequency, percentages, averages

and **Likert scale**. These will help us to understand the gross root level realities. **Likert scale** is the most widely used approach to scaling responses in survey research, such that the term (or more accurately the Likert-type scale) is often used interchangeably with rating scale. The scale is named after its inventor, psychologist Rensis Likert (1932). After the questionnaire is completed, each item may be analyzed separately or in some cases item responses may be summed to create a score for a group of items. Hence, Likert scales are often called summative scales. A Likert item is simply a statement that the respondent is asked to evaluate by giving it a quantitative value on any kind of subjective or objective dimension, with level of agreement/disagreement being the dimension most commonly used.

The Specification Five-Level Likert Item is as Follows

- Strongly agree
- Agree
- Neither agree nor disagree
- Disagree
- Strongly disagree

RESULTS AND DISCUSSIONS

Four age groups are considered in determining the awareness of online shopping of food products i.e. 15-25 years of age, 26-35 years, 36-45 years of age and more than 45 years. Out of the four age groups, the maximum respondents i.e. 86.7% of respondents lie between 15-25 years and 79.2% lies in the age group of 26-35 year. Majority 86.2% of the respondents are unmarried and would prefer online shopping of food products. The study revealed that 89.19% of post graduates and 80.77% of graduate respondents are more aware and would prefer online shopping of food products whereas only 52.94% respondents with school level education would prefer e-retailing of food products. 71% of respondents either strongly agreed or agreed that online shopping of food products is not a very popular concept in Varanasi whereas, 23% respondents either strongly disagreed or disagreed to this. 6% respondents weren't sure about it. Study reveals that 62% respondents either strongly agreed or agreed that the experience and opinion of their friends and family influence their decision for online shopping of food products. 79% of the total respondents were aware that food products (groceries) are sold over the internet. Only 17% of the total of 80 respondents who are aware about e-retailing of food products buy food products through online shopping

Respondents' Response on Preference of Shopping Websites for Food

Table 1

| Online Site | No. of Respondents |
|---------------------------------|--------------------|
| Amazon.com | 26 |
| Snapdeal.com | 19 |
| Smagkart.com | 17 |
| Smartbanya.com | 7 |
| Varanasibanya.com | 10 |
| Onlinesabjiwala.com | 1 |
| Gandhibagh.com | 0 |
| Total No. of Respondents | 80 |

The table 1 above shows that out of 80 respondents, 26 visited Amazon.com followed by 19 and 17 respondents for Snapdeal.com and Smagkart.com respectively for the food products. The least known e-sites are Onlinesabjiwala.com and Gandhibagh.com with only 1 and 0 respondents respectively. Study depicts that the most preferred food products which respondents are interested in buying through e-shopping is Imported and Gourmet and Branded foods with 27% and 24% response respectively. These include confectionary, baby foods, Ready To Eat, Ready To Cook, pastas, noodles, chips, snacks, canned foods, pickles, baking items, dessert items, frozen foods, sauces, dips, sweets, etc. The least i.e only 3%, 5% and 6% of respondents would buy Health and Nutrition, fruits and vegetables, Grocery and staples respectively. Study shows that 96% of respondents believed that online sites for food products need more advertisement in Varanasi because 21% of respondents are not aware that food products are sold online and out of the remaining 79% who are aware, only 17% actually buy the food products from these online sites which is a very low number of only 11 respondents out of sample size of 80 people in the BHU campus. 8 out of 11 respondents are positive towards the satisfaction gained from the experience of online shopping of food products. 73 % respondents either strongly agreed or agreed that they are satisfied with the decision to purchase food products through online shopping. Study reveals that 87 % respondents either strongly agree or agree that online shopping is adopted because it is available 24x7. Person can buy food products anytime anywhere.

The study also reveals that 79% respondents either strongly agreed or agreed that one can compare the product features and prices through online shopping easily. Presently, there is a wide range of food products in the market. Study reveals that 64% of the respondents either strongly agree or agree that internet shopping promotions is attractive to the people. Promotional activity like free gifts, discounts, schemes, cashbacks attract the consumers to do online shopping for food products. The study also reveals that, 81% of respondents either strongly agreed or agreed that e-sites of food products provide the latest information. Study reveals that, 71% respondents either strongly agreed or agreed that, online shopping sites provide varied choice and availability of food products. The analysis reveals that, 85% respondents either strongly agreed or agreed that, bargaining is not possible through online shopping. The Indian consumers are price sensitive, they like to do bargaining before they buy, which is not provided through online shopping. The study reveals that, 61% respondents either strongly agreed or agreed on the statement; through online shopping, it is difficult to return the faulty products which are bought through online shopping. As in traditional buying channels, one can exchange the faulty products but in online shopping, it is a time consuming process. Moreover some of the shopping sites are providing this facility whereas most of the sites are not giving this facility. Out of the respondents, 77.5% respondents give very much importance to see and touch the food products before buying the product. They feel that through online shopping, one may not receive the product which they opted for and seeing and touching gives them higher satisfaction level. The study reveals that 71% respondents either strongly agreed or agreed that delivery is a problem in online shopping of food products. Most people want food product at the time they have ordered so that is why most opt for traditional shopping.

CONCLUSIONS AND RECOMMENDATIONS

It is found that youngsters have the highest perception and would prefer online shopping of food products than the respondents of age group above 45 years. The reason being that the youngsters are computer savvy, more skilful in using online shopping. Young and single would prefer more online shopping of food products than married persons.

People who are more qualified, would prefer more online shopping of food products. More advertisement will

bring more awareness and more people will understand how convenient e-shopping for food items is. Due to better advertising of these e-sites, people might gain the confidence to give it a try once.

In online shopping, one cannot touch and inspect the products. Hence it is a great difficulty in returning the products once it is received. This really irritates some consumers which makes them not to do online shopping for food products. Delivery in online shopping requires patience and some online sites take a few days to deliver the food product, which also makes it a reason that people here don't go for the online medium to purchase the food item. There are certain attributes like convenience, ease of use, delivery system received through online shopping that make the respondents satisfied. Convenience includes the overall ease of finding a product, time spent on shopping, post purchase service, complete contact information, and minimization of overall shopping effort.

The findings of the study recommend that online marketers improve their current marketing strategy. Additionally, online food marketers may promote selling all the perishable products by explicitly stating that their store provides safe and reliable ways of transportation of these vulnerable goods. The results also suggested that for consumers specifically, subjective norm of friends played a considerably influential role in convincing friends to purchase both perishable and durable food goods online. This suggests that consumers, who perceive that their close friends approve using of e-shopping, would be more likely to intend on buying food online. Online marketers may take this into consideration and accentuate the importance of "word-of-mouth" promotions, so that consumers who have already bought food online, recommend doing the same to their friends. These e-sites of food products require comprehensive promotional strategies. Proper and regular advertisement is required via television, newspaper ads, pamphlets, telemarketing etc., so as to increase awareness and build trust among consumers for these e-sites of food products.

The organizations can prioritize the consumer's implicit and explicit requirements, in online shopping environment. The results can also be used by various organizations, to identify their target customer segments. So, companies should devise the policies and strategies, to attract more number of people in this segment, in future also. With the advances in technology, more business opportunities will be discovered by companies.

Online marketers should have more risk reduction activities as perceived risk could strongly influence consumers' online purchase decisions for food items. Specific types of perceived risk like online frauds should be taken care of in different scenarios. Hence, the shopping sites should sport a Certificate of Authenticity (a seal or small sticker designed to demonstrate that the item is genuine and risk free) and should have a security symbol in order to safe shopping. Further, some kind of legal framework should be setup in order to check online frauds. Moreover, the complaints related to online shopping should be heard by setting up some body.

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