



Online Grocery Industry in India: Identifying Key Themes and Future Directions through a Literature Review

Pratiksha Annadate¹
Girish Mude²

Abstract

Indian online grocery retail industry has emerged as one of the most dynamic and fast-paced industries due to changing consumer preferences. This study focuses review of literature on factors that influence on online- grocery industry in India. The factors that motivate buyers to shop-online and their attitudes towards online- grocery are studied. Insights are provided into various themes with respect to online- grocery. A systematic searched was carried out on specialized database sources: Web of Science and EBSCOhost. Furthermore Google Scholar searches were performed. Search words and phrases included online grocery, e-commerce in India, online grocery stores, online retail, e-grocery, grocery retailing. The integrative approach is used to shape the analysis of literature. Five themes were finally identified based on extensive reviews of research articles. Finally, this study identifies several gaps and provides some orientation for future research.

Keywords: Online grocery; review; e-retailing; online grocery stores

Introduction

The demand for online grocery retail is rising at a steady 25-30 per cent in Indian metros, according to (KPMG, 2020) and is powered by urban residents who are in a rush and prefer comfort to kiranas. The global food and grocery ecommerce market is expected to hit a mouth-watering \$6.5 trillion by 2023 according to a study by Euromonitor. The current COVID-19 pandemic has heightened unprecedented uncertainty and complex challenges over retail industry. Remarkably in some cases, COVID-19 has accelerated demand of online grocery businesses. Online grocery shopping has experienced solid growth and this medium is expected to continue rising exponentially in the coming years.

Indeed, India has enormous growth potential for e-retail, with consumers increasingly moving to the online shopping channel due to increased internet, tablet, and device penetration (Satnalika, 2016). Indian Online Grocery market is projected to garner potential growth over the 2020-26F forecast period, according to 6Wresearch. With 3G and 4G wireless networking technologies introduced, e-commerce is the future of shopping, and the internet economy will continue to develop robustly. Online grocery shopping varies greatly from general online shopping due to the product's perishable nature and consistency, and frequency of shopping activity.

Establishing online grocery retailing is an important alternative to conventional brick and mortar retailing, and issues such as meeting consumer needs and desires are crucial in terms of providing value for money, fast and easy buying, smooth distribution processes, and reducing perceptions of risk (Siddiqui & Tripathi, 2016). The report, conducted by 6Wresearch, said the online grocery market is currently at a nascent stage and confined primarily to tier one region. It said attractive offers offered by online grocery players are wooing customers, while grocery and staple segment are contributing large share of revenue led by FMCG.

¹ Research Scholar, School of Management (PG), MIT World Peace University, Pune, India, Sr. No 123, MITWPU Campus, Paud Road, Kothrud, Pune, India, 411038 Email: pratikshaannadate06061995@gmail.com

² Assistant Professor, School of Management (PG), MIT World Peace University, Pune, India Sr. No 123, MITWPU Campus, Paud Road, Kothrud, Pune, India, 411038 Email: girishmude@gmail.com

At present, e-grocery growth is more about increasing consumer loyalty and gaining market share than about economic gains (Saskia et al., 2016). From the customer's point of view, big online shopping benefits were easy to order, choice at one shop and time savings, smartphone apps were perceived as a safer and more convenient alternative than websites and phone calls. During online shopping freshness and delivery timing were given more priority than payment system and pricing (Kumar & Kumar Timalisina, 2016).

Given the absence of public-domain scholarly literature, this research provides a forum for future studies in this field. This paper is a deliberate effort to identify online grocery retailers' core principles that are the key players in the grocery retail industry.

Differences in perception of related obstacles like inability to physically view the product, difficulty in returning items, high delivery charges and time, and lack of social interaction with other shoppers have been observed (Ghai & Tripathi, 2019). KPMG India's recently released study 'Customer Experience: The New Operational Excellence' shows that good customer service is about comfort and pledge fulfilment in grocery retailing.

This study focuses review of literature on factors that influence on online- grocery industry in India. The factors that motivate buyers to shop-online and their attitudes towards online- grocery are studied. Insights are provided into various themes with respect to online- grocery.

2. Review Methodology

A review of the literature was undertaken in July and August of 2020. We systematically searched the following specialized database sources: Web of Science and EBSCO host. Furthermore Google Scholar searches were performed. Search words and phrases included online grocery, e-commerce in India, online grocery stores, online retail, e-grocery, grocery retailing. The integrative approach is used to shape the analysis of literature. Additional papers were apprehended via the "snowball" method of using the most recent works to find related articles referenced in them. Since keywords in research papers are not based on standard lists, some of the literature is highly likely to have been overlooked.

3. Review Discussion

3.1. Rising online grocery industry in India:

Indian consumers have got addicted to online shopping and enjoy numerous online shopping features like the rest of the world does. Web-stores are massive in different areas and in virtually all the divisions. The younger population is the biggest attraction of this industry, and they can significantly contribute to the growth of online shopping in India (Handa & Gupta, 2014). Internet shopping is a vast rising technology which will flourish in a highly competitive and complex world if properly used with assured safety and security for transactions. Given the increasing youth population, online shopping is bound to expand in a big way in the future (Verma et al., 2016). Time is a significant problem in online grocery shopping and that online grocery retailers may gain a competitive advantage through successful time management and that one of the key reasons for customers to take part in online grocery shopping is the perceived time-saving aspect of online grocery transactions (Weber & Badenhorst-Weiss, 2016). The key reason to buy online grocery stores is to save time and effort. A customer's preferences are entirely different when shopping online and in the physical market groceries (Vasic et al., 2019).

3.2. Preferences towards online grocery shopping:

In the retail sector, as far as grocery trade is concerned, customers still give preference to price and testing, while packaging taste and appearance do not play a major role and even most customers are aware of the brands available in the markets, but do not display willingness to switch their brand (Kothari et al., 2016). Female shoppers gave credence to product prices; sales promotions, on the other hand, male shoppers prefer the brand image of the store and ads (Rao, 2018). Modern retail is preferred more for branded and less for perishable categories. Interestingly, the lower middle class share of modern grocery retail's revenues is largest, and this share is projected to grow as prices fall and store density increases (Narayan et al., 2015).

3.3. Consumer attitude towards online grocery shopping:

The attitude of consumers towards online grocery shopping in India is influenced by four factors: Perceived Cost, Perceived Convenience, Perceived Danger and Perceived Enjoyable (Baheti & Kaushal, 2015). The manner in which online stores apply strategies to improve customer loyalty influences consumers

buying decisions on the electronic marketplace (Pratminingsih et al., 2013). Consumers are also more concerned about product quality among the numerous fear factors related to online grocery shopping, though online grocery shopping has less social impact factors (Kaur, 2016). Customers are happy with their online shopping experiences and positive attitudes towards them, but there are still many customers who are apprehensive about electronic purchases and share their personal details (Hanus, 2016). Out of total non-travel B2C e-commerce, online retail holds significant fifty percent share and its prospects for future growth are extremely positive (Kalia et al., 2017).

3.4. Consumer perception towards online grocery shopping:

Consumer purchases products from the online shopping website on the basis of factors such as sales and discounts, product selection available, free home delivery, website user friendliness and cash payment choice. Customers expect enhancement of the website's user-friendliness in order to select online as a means of buying grocery items instead of shopping with the conventional approach (Sathiyaraj et al., 2015). Online grocery offers convenience, ease, privacy and time savings, but still some housewives and females employed prefer to buy the grocery from physical stores due to factors such as confidence, negotiating ability, credit facility and self-satisfaction of testing items tangibly before actual purchase. Female majority chose online grocery because of Time Saving and Ease of Order (Rao, 2018)

3.5. Influence of different factors on online grocery shopping:

All variables eServQual, performance, availability of the method, fulfilment and privacy have a clear positive relationship with the adoption of online grocery shopping. Both variables of situational causes, antecedent conditions, temporal context and change in lifestyle also have a positive relationship with the acceptance of online grocery shopping. However, the preceding states are related only moderately to the adoption of online grocery shopping, while temporal states and lifestyle changes are weakly linked to the adoption of online grocery shopping (Muhammad et al., 2016).

Online grocery shopping attitudes are affected by various needs including practical, financial, psychological and physical benefits of online grocery shopping, which means consumers are worried about the perceived value of negative consequences when purchasing grocery products online (Prasad & Raghu, 2018). Acceptance of online grocery stores positively affects the experience of emerging technology from the viewpoint of all consumer generations (Bauerova, 2019).

4. Future Research Agenda

Developing a profitable and sustainable online grocery retailing has become a top priority for many online grocery companies in today's highly competitive Indian grocery retailing, while online grocery shopping varies considerably from general online shopping due to the perishability and variability of the products.

The results of this study have contributed to the literature by being the distinctive one that offers a comprehensive framework to determine the value and impact of online grocery shopping. The review presented focus a broad perspective like online presence of retailing and factors that impact this business format but use of artificial intelligent, online and in-store price parity, automation innovation could be, in our opinion a future path or research. Furthermore, a lesser amount of articles were analysed. If someone would like to continue this work, they should search for new related words, like comparison on online and offline grocery. Thus, we believe a more significant number of studies will arise.

5. Conclusion:

Huge growth in internet penetration redefines online retail in emerging markets in general and India in particular. Given the absence of academic literature in the public domain, this study provides a platform for future studies in this area. This paper is a systematic attempt to uncover the underlying beliefs of online grocery retailers in terms of factors that influences perception and attitude of consumers.

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