

Consumer Attitudes Towards Online Grocery Shopping in Kathmandu Valley

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Abstract

This paper has assessed some current issues and attitudes of customers towards online shopping of grocery items within Kathmandu vicinity. Through quantitative analysis of the responses of the multichoice questionnaire from customers' perspective it was found that majority respondents i.e. 86% were found to be aware about online shopping. From the customers' perspective major advantages of online shopping were easy to order, variety at one shop and time saving. Mobile application was viewed to be better and convenient option than websites and phone calls. Similarly, 89% of the respondents were positive about online shopping of grocery items whereas rest were negative. Result also depicts that 52% respondents were aware about existing online portals. The freshness and delivery timing were given more importance than payment system and pricing while shopping groceries online.

Keywords

Attitude – online shopping – online groceries – E-Commerce

1. Introduction

The internet has become an essential part of our daily life. Online shopping for grocery and everyday household products is an integral part of life. Although online grocery shopping continues to grow, there are problems why consumers hesitate to shop for them[1]. In context of US, Over 70 percent reported convenience and saving time as their primary reasons for buying groceries online but 15 percent cited physical or constraint issues that made it difficult for them to shop at grocery stores[2]. In Nepalese context, buying from a nearby kirana store (small retail store in the neighborhood), ordering products via phone call from the kirana store, picking up groceries from the supermarket are some of the methods adopted by consumers. With changing time, consumers have started becoming technology savvy, resulting in widespread use of Internet and mobile phones. The online grocery portal provides features such as comparative pricing, deals and coupons, home delivery options and such

others. Earlier research related to internet grocery shopping has concentrated on comparing online and offline purchase behavior in various ways like the importance of brand names, brand loyalty, shopping pattern, and consumers perceptions of the advantages and disadvantages of online grocery shopping[3].

Besides the traditional agriculture markets, there are few online markets for foods and groceries in Kathmandu valley named as MetroTarkari, Bhatbhateni, Muncha, Meroshopping and Kaymu which might be some solutions in agricultural market to deliver the fresh products with reasonable prices to the digital consumers but there is lacking on proper governing body to ensure about their reasonable product price, product quality and customer satisfaction. In these background, this study is carried out to assess about the interest of online shopping based on grocery items, problems on this platform, advantages of it, preferable tools or mode of it and the important issues to sustain this service or business in long term.

2. Literature review

A number of researchers have tried to study and investigate on the various aspects of consumer attitudes towards online grocery shopping. Some of such researches related to this study are reviewed in this section:

The analyzed empirical findings by Blomqvist (2015) presented overall positive attitudes, as well as a strong correlation between positive attitudes and intentions within online grocery shopping[4].

Wee(2014) indicated that intention to purchase organic food was significantly influenced by the consumer's perception of safety, health, environmental factors and animal welfare of the products[5]. Patnaik (2015) disclosed that consumers still preferred the experience they get from traditional stores like feeling the store's atmosphere, interacting with a salesperson, and seeking sensory stimulation. This might hinder the use of certain goods like grocery and apparel, as the touch factor is the main factor, which drives the shopping for these goods[6].

For marketing of farm and dairy products, Walmart at US has a section named as Walmart Grocery[7]. Walmart Pickup is the new service of Walmart Grocery. In pickup service, customers can simply shop their grocery lists online, choose a time to pick up their orders and then pull in to a designated parking area at their local stores, where associates will load the items into their cars. It's all the convenience of a specially trained personal shopper, plus the things customer has expected from Walmart; the same low prices every day in the local stores; no extra fees or charges; and the ability to place an order and pick it up the very same day. By focusing on local pickup over delivery, Walmart is able to save some serious cash that it can then pass down to the consumer. Unlike the delivery services from Target and Amazon, where delivery fees and subscription fees abound, Walmart's pickup option is being offered for free. And the reason it's free is because Walmart has no need for a middle man. It can simply designate a team of employees as "personal shoppers" to shop and load online orders as part of their daily assignment. For customers, they just shop their grocery lists online, choose a time to pickup their orders, and then pull into a designated parking area at their local Walmart store and an associate loads the

order into their car. There are challenges to bringing an entire grocery store full of products to an online market place. The vast disconnect between supplier and retailer is one of the reasons why online grocery has been so slow to take off[8].

As a research gap it is found that most of the studies were concentrated at global level and very few studies were at Nepalese scenario which even couldn't explore about online grocery shopping.

3. Research Methodology

The study has been conducted in Kathmandu valley. The sample of the study was the agro-product customers, mainly from Kalimati vegetables and fruits market, Kalimati, Kathmandu (60), From local agro-markets at Lalitpur (18) and Bhaktapur (22)selected purposively. Among them 32% respondents were service persons, 25% respondents were business persons, 28% respondents were students and rest of 16% were housewife. This study used purposive non- random sampling procedure. The researcher used questionnaire as data collection tool to elicit required data.The data elicited through questionnaires were analyzed utilizing SPSS software.

4. Result and Discussion

This is the result from survey with various customers of especially grocery items in order to assess the interest and attitude about online shopping in those items. The quires were about the interest of online shopping, problems on this platform, advantages of it, preferable tools or mode of it and the important issues to sustain this service or business in long term. The result is presented in following sections:

4.1 Customers perspective on online shopping

This section of result consists of assessing the awareness about online shopping, benefits of online shopping and the preferable tools for online shopping.

4.1.1 Awareness on online shopping

To assess awareness about online shopping the respondents were given three choices(yes, no, not but

interested) on the question “Do you know about online shopping.” The pictorial representation in figure 1 shows that majority respondents were found to be aware about online shopping. Very few (7%) were unknown about it and same number of respondents were unknown about it but found interested towards it.

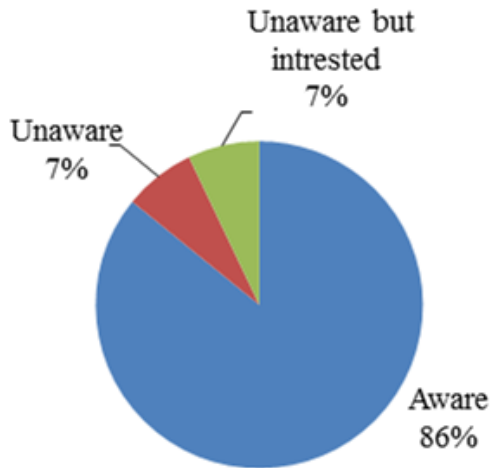


Figure 1: Awareness about online shopping

4.2 Benefits of online shopping

The chart in figure 2 shows that the major advantage of online shopping are easy to order, variety at one shop and time saving.

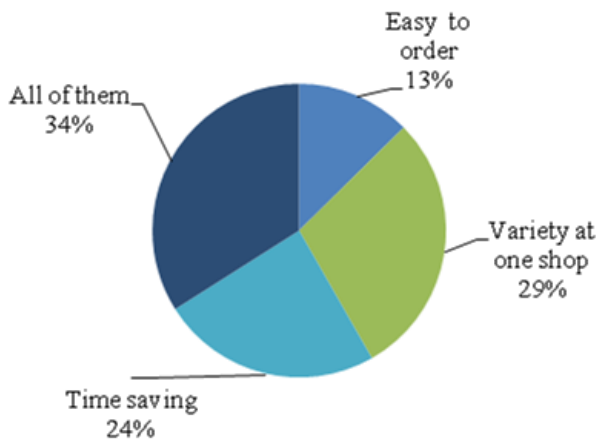


Figure 2: Benefits of online shopping

Thirty four percent respondents have chosen all of them because due to the facility of internet and smart phones, within a single touch the desired product can be ordered.

Similarly, another major benefit of online shopping is saving the time. Online shopping seems beneficial for traffic jams and parking problem in town. Also the product’s variety and discount /offers can facilitate and attracts the new consumers.

4.2.1 Preferable tool for online shopping

Among three major online modes for online shopping, phone call ordering is traditional way where using websites and mobile phone application are modern way of online shopping. Nineteen percent respondents preferred phone calls. Eleven percent respondents preferred websites and forty six percent respondents preferred mobile phone application.

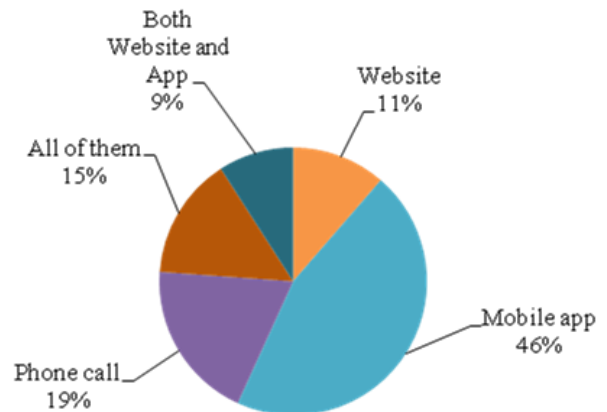


Figure 3: Preferable tool for online shopping

4.2.2 Attitude towards online shopping of grocery items

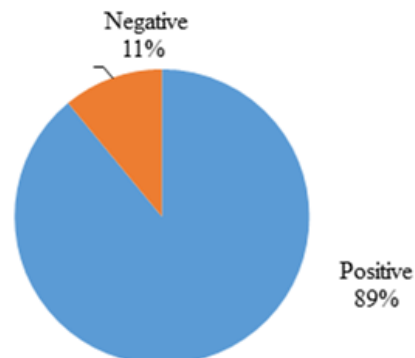


Figure 4: Attitude towards online shopping of grocery items

The chart in figure 4 shows that 89% of the respondents were positive about online shopping of grocery items whereas rest were negative.

From the perspective of customers, these are some major problems to operate the E-Commerce service for vegetables and fruit items:

- i. Difficulties on assuring the freshness of the items
- ii. Problem in customer satisfaction, quality and affordability of the products
- iii. Problem for farmers and lots of people due to lackness in education of computer and internet
- iv. Problem in accepting new technology and activities by public .

The following ways were suggested to operate the E-Commerce service for vegetables and fruit items:

- i. By creating database of farmer and consumers
- ii. By making good distribution channel
- iii. By making online portals-websites and mobile app
- iv. By online advertisement/social media
- v. By phone order and home delivery
- vi. By updating info of both seasonal and nonseasonal products
- vii. By delivering the products using dry ice in delivery box
- viii. By making the public aware about it
- ix. By making cheaper price than the local market
- x. By categorizing the products.

4.2.3 Awareness towards online portals for grocery items

The pie chart in figure 5 depicts that people are aware about existing online portals, but majority respondents (48%) didn't know about the existing online portals of Kathmandu valley which are marketing grocery items from vegetables, fruits to daily consumable products. 27% respondents knew about Munchha since it is one of the old business house who has been serving the grocery items- food, beverages online. Few were known about Metrotarkari that is marketing especially vegetables and fruit items online for four years to the customer around ring road of Kathmandu valley. 13% respondents were known about Agromart since it is marketing various agro seeds.

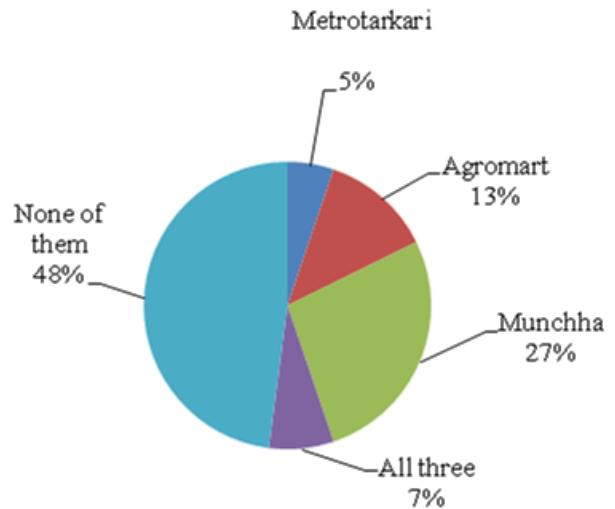


Figure 5: Awareness towards online portals for grocery items

4.2.4 Important issues for online shopping of grocery items

The pie chart in figure 6 illustrates that 30% people have chosen freshness only as an important issue while shopping vegetable items online whereas 16% focused delivery time. Online payment was prioritized by 5% which was similar to price. 44% viewed that all of the four issues were equally important.

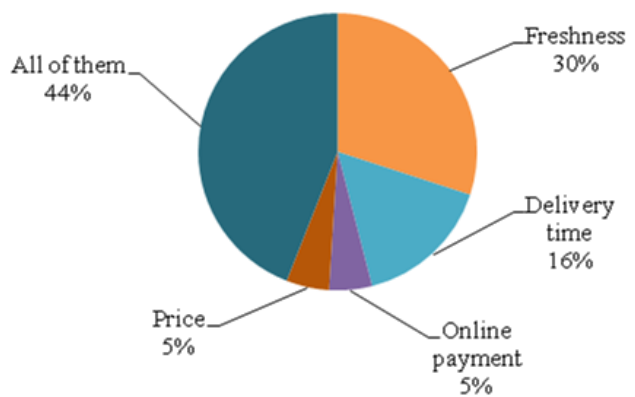


Figure 6: Important issues for online shopping of grocery items

Online payment system is one of the important features of online shopping. Payment method in which ordered goods are carried to the buyer's place but are handed over only upon full payment. Also called collect on delivery. Cash on Delivery (COD) is currently one of

the most popular mode of payments among Nepalese online stores. Result shows that almost all of the E-Commerce sites has COD option of payment. The major reason for its popularity is that the buyers do not have to pay anything before the goods are delivered to them. This helps in giving some confidence to new buyers as ecommerce is still a growing concept in Nepal which is fairly nascent at this stage. 62 % People have chosen for very important option while shopping online groceries.

Table 1: Importance of Cash on Delivery System

SN	Cash on Delivery(COD)	Percentage(%)
1	Very Important	62
2	Somewhat Important	30
3	Not Important	8
TotalTotal		100

Based on the reviews by one hundred nineteen customers of Metrotarkari.com- an online grocery at Kathmandu valley up to October 30, 2016, 65% customers were not only satisfied with the service of Metrotarkari but also found it as innovative and good. The main reason behind the good impression was the reasonable price. Few customers found the service as prompt where few liked the new concept. Around 22% customers felt that Metrotarkari needs improvement on its service. Only few customers (13%) complaints that the service was disappointing due to the wrong product delivering and over charging not often but sometimes.

The finding of present study is closer to the study by Singh (2012). In the context of Mumbai, he revealed that around 37% of respondents were willing to buy grocery online. This study was conducted with two hundred samples and generalized to the Mumbai. In his study, rest 63% of the respondents drawn physical examination (freshness issue) and security issues as the important factors while shopping groceries online. It also found that most of the respondents think that buying grocery is beneficial[9]. They found it is time saving and avoid long queues. The finding of the present study is different in the Latin American background where it is found closer in Indian background.As per the statista report, in Latin America the majority (65%) of online shoppers preferred to pay via credit card. A total of 36 % of shoppers opted for digital payment systems where 35% shoppers preferred cash on delivery option[10]. On

the same context, preferred payment method of online shoppers in India was to pay via cash on delivery. Only 30 % of shoppers opted for digital payment systems. The results by Hansen suggested that online grocery shopping adopters have higher household incomes than non-adopters[11].

5. Conclusion

From customers' perspective it was found that majority respondents i.e. 86% were found to be aware about online shopping. Advantage of online shopping were easy to order, variety at one shop and time saving. Mobile application was viewed to be better and convenient option than websites and phone calls. Similarly, 89% of the respondents were positive about online shopping of grocery items whereas rest were negative. Result also depicts that 52% respondents were aware about existing online portals. The freshness and delivery timing were given more importance than payment system and pricing while shopping vegetables and fruit items online. Since the majority customers were found to be aware and positive about online grocery shopping, the researchers concluded that if the issues identified by this research are addressed there is potentiality for optimistic future of online grocery.

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