



A STUDY ON IMPACT OF ONLINE GROCERY SHOPPING ON PHYSICAL STORE IN NORTH BENGALURU

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ABSTRACT

The effects of internet shopping's rising popularity in comparison to traditional brick and mortar retailers have been highlighted in this essay. These stores are entirely reliant on a particular, larger audience. However, the emergence of online businesses with their attractive financial and non-financial advantages and other wide selections has significantly harmed small stores and also stoked a fear of the unknown. Here, we largely concentrate on how shops have been impacted by the growth of internet shopping. The aim is to ascertain how the increasing acceptance of online shopping affects the financial performance of retailers.

KEY WORD: *physical stores, online, impact, strategy, grocery, Internet, challenges faced by physical store.*

INTRODUCTION

Retail is one of India's most lucrative industries. One of the busiest and fastest-growing industries in India is the retail industry, which is among the top five. More than 10% of the GDP and 8% of jobs are generated by this sector. The retail industry for foodstuffs, which contributes 16% of our GDP and has been expanding steadily, is currently seeing phenomenal expansion. The most recent eight years. Unorganised and organised retail markets are the two basic forms of retail marketplaces. A retailer is considered organised if they hold permits, are tax-registered, and accept both corporate-sponsored and offline sales.

India has had little shops and Kirana stores for a very long time, and they used to meet the needs of the local population. Since the government had previously provided assistance in the formation of rural retail companies, the Khadi and Village Industries Commission established a large number of franchises. The earliest businesses in India to develop retail chains were Bombay Dyeing (textile retail chain), Raymond's (textile retail chain), and Titan (watch showrooms). Then Food World and more modern supermarket and hypermarket chains appeared. With the development of technology, supermarket retail outlets have also gone online. A few examples of online grocery retail stores in India include Big Basket, Grofers, Amazon, Flipkart, Jio Mart, Zopnow, Nature Basket, Bazaar Cart, Aaram Shop, and others. This essay focuses on. The impact of online grocery stores on brick-and-mortar grocery stores is the main topic of this essay. It doesn't take the means of product distribution into account. The product selection, pricing, promotion, and presentation will all be constant in retail, on the other hand. Instead of market trends, what makes a retail model work for a particular shop is its budget, inventory, and community needs. A lucrative format helps a retailer thrive, build a name for themselves, and attract more customers.

NEED FOR THE STUDY

Understanding how consumer behaviour is evolving and how businesses may adjust requires research on how internet grocery buying affects physical stores. It can shed light on changes in consumer preferences, sales trends, and overarching corporate plans. Additionally, analysing the competitive environment and looking into prospective partnerships between online and physical retailers could provide insightful data for both industries. In the modern world, trade and commerce have been conducted through a variety of online shopping methods. The study of consumer purchasing behaviour aids marketers in comprehending consumer expectations.

OBJECTIVES OF THE STUDY

1. To find out the perceived benefits and drawbacks of internet shopping versus physical store shopping
2. To research how new online businesses are affecting the success of physical stores.
3. To research how merchants may keep customers by modifying their business practises.
4. To provide acceptable strategies for offline grocery retailers to enhance their performance.

HYPOTHESES

H0: there is no significant relationship between purchasing grocery in online and reasons for shopping grocery in online

H1: there is a significant relationship between purchasing grocery in online and reasons for shopping in online



REVIEW OF LITERATURE

In general, Offline shopping, sometimes known as "traditional" shopping, refers to the practice of consumers making actual trips to physical location, such as shops, malls and retail stores, in order to make purchases. Buying and selling of goods and services through the internet is referred to as "online shopping." The practice of making purchases of products or services online is referred to as "online shopping behaviour" or "buying behaviour." The approach consists of five stages, each of which is comparable to a stage that is frequently associated with buying behaviours. Online Shopping System helps in purchasing of goods, products and services online by choosing the listed products from website (E-commerce site). The system helps in building a website to purchase and sell products or goods using online mode with internet connection. Purchasing of goods online, user can choose different products-based categories, online payments, delivery, service and hence covering the disadvantages of the existing system and making the purchase easier and helping the vendors to reach wider market. The present literature on consumer online purchasing decisions has mainly concentrated on identifying the factors which affect the willingness of consumers to engage in online shopping. In the domain of consumer behaviours research, there are general models of buying behaviours that depict the process which consumers use in making a buying decision. These models are very important to marketers as they have the ability to explain and predict consumers' buying behaviours. **TOPIC: Effect of Online Reviews on Consumer Purchase Behaviour** [Zan Mo, Yan-Fei Li, Peng Fan] More than 400 Taobao shops' online reviews are gathered in order to comprehend the impact of online reviews on consumer purchasing behaviour. This paper examines the impact of online reviews of experience items on consumer buying behaviour using the S-O-R model (Stimulus Organism Response Model) from a fresh angle of consumer learning. The favourable reviews, detailed ratings, photo reviews, appending reviews, and cumulative evaluations all have an impact on consumer buying behaviour, according to statistical findings using SPSS 19.0 programme for data analysis and assumptions. **TOPIC: Consumer perceptions of privacy and security risks for online shopping** [Ana Fernandez and Anthony D. Miyazaki] Information security and privacy have been identified by government and industry organisations as important barriers to the growth of consumer-focused e-commerce. Both new and seasoned users of internet technology have been found to have problems with risk perceptions related to privacy and security on the internet. This study looks at how customers with different levels of Internet experience perceive risk and how it affects their online purchase behaviour. Results show correlations between customers' degrees of Internet experience, their use of alternative distant purchase channels (including phone and mail-order shopping), their perception of the hazards associated with online shopping, and their online purchasing behaviour. The implications for consumer welfare and internet commerce are examined. [Le, Carrel and Shah, 2021] Clients drawing in with both on the web and disconnected methods of shopping face specific difficulties. Items ascribable online don't permit the consumer to experience the nature of the item truly. The item's appearance is monotonous, and occasionally it is mistreated, which causes damage to it. Web-based purchasing also includes deceptive websites and marketplaces that severely disappoint customers' hopes for a web-based purchase. The transportation costs are apparent. Consumer examining every one of the elements that have a danger to their security bring about frustration among the buyers. [Jaywant Singh, Ruth Rettie *European Journal of Marketing*, 2020] This study investigates the key function of customer service and consumers' reactions to fulfilling grocery shopping in order to determine the elements influencing customers' online grocery shopping experiences. The PLS-based analysis supported the qualitative findings and established the importance of customer service, which together with other experience antecedents including the website, product, and delivery, accounted for 68% of the variance in the entire experience and 42% of the variance in customer satisfaction.

RESEARCH GAP

After doing the review of literature it is been observed that various studies have been conducted in making a comparison of buying behaviour between online and offline but so far researchers have not concentrated with a specific product category so the present study is undertaken to understand the impact of online grocery shopping on physical store in North Bengaluru.

SCOPE OF THE STUDY

The present study helps in investigating the impact of online grocery shopping on offline/physical store. This study will help to know about the problems faced by offline or physical store and an idea to overcome the problems. This study covers all the information about online and offline grocery shopping. This study helps to know the various problems faced by the store owners and how to overcome from crisis with different ways. Also, to know what are the main factor effecting the physical store/offline shop

STATEMENT OF THE PROBLEM

There are many reasons why people choose to purchase online rather than in physical stores, but despite the rise in popularity of online shopping, we still have to look at the deplorable circumstances in many physical retail establishments. Online shopping has had a negative impact on physical retail businesses in terms of customer happiness and the availability of services, as they suffer high costs for storing and referencing their products.

LIMITATIONS OF STUDY

1. The study is limited to only North Bangalore city.
2. Customer responses may not be accurate to do insufficient knowledge about the products and services.



3. few respondents were unwilling to provide accurate details

TYPE OF THE RESEARCH

The Research Methodology consists of sampling techniques and statistical tools for analysis, data interpretation etc. Descriptive Research is typically characterized as a sort of quantitative study. To guarantee that the results are genuine and dependable, the study design should be properly constructed. Here descriptive research is used because it enables researchers to properly examine the backdrop of research problem and the questions are prepared and sent to the respondent who resides in North Bengaluru their response is collected and calculated with sample random method

Population and sampling: Research and survey activities had been done for the population of North Bengaluru in order to know buying behaviour consumers towards online and offline grocery shopping in north Bangalore. **Population:** All the people who are using online and offline shopping

Sampling unit: Sampling units Research has been done for both male and female candidates who prefer to shop grocery from online and offline in north Bengaluru

Sample method: Here, simple random sampling is utilized, in which a random sample of the population is chosen and set-up questionnaires are given to them, and they are the respondents to the questions. However, practical considerations of quantity and expenditure almost always lead to a responder activity known as distribution techniques.

Sampling size: 200 respondents are chosen as sample size for the study. Due to time constraint, survey will be done only for 200 sample size.

Sources of data collection: Primary data: Primary data include, information received and original research discovered through firsthand investigation. Surveys and structured questionnaires are used to collect primary data. **Secondary data:** Secondary data is information gathered from, websites, articles, books, journals, and magazines.

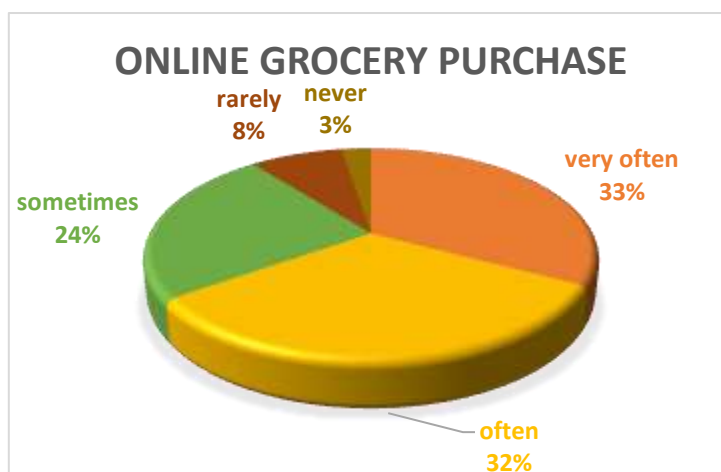
STATISTICAL TOOLS AND TECHNIQUES

In this study, for testing hypothesis SPSS Software was used to get the output. Certain statistical tool like Pie charts, Bar Diagrams, Correlation, ANOVA, and Chi-Square test, has been used for analysis of data and testing of hypotheses.

DATA ANALYSIS AND INTERPRETATION

1. Respondent's online grocery purchase

(Online purchase)	Respondents	Percentage
Very often	65	32.5
often	64	32
Sometimes	48	24
Rarely	16	8
Never	5	2.5
Total	200	100%





Interpretation: From above table it is analysed that 32.5% of respondents purchase grocery very often and 32% of respondents purchase often, 24% respondents purchase sometimes, 8% of respondents purchase rarely from online and only few respondents 2.5% never made purchase from online from online. By observing the pie chart, many of consumers very rottenly purchase grocery from online and only few consumers do not prefer to purchase grocery from online.

2. Respondent faced any problem in offline grocery shop

Particulars (problem)	Respondent	Percentage
Yes	90	45
No	110	55
Total	200	100%



Interpretation: From above table it is analysed that 45% of consumers have faced problem, while shopping groceries offline and 55% of respondents have not faced any problem while shopping groceries offline. Here we can observe that many of the repliers are not comfortable and have faced problem while shopping grocery from offline/physical store and few repliers have not faced problem while shopping groceries offline.

3. Respondent reasons for shopping grocery online

Particulars(reasons)	Respondent	Percentage
Easy payment	15	7.5
No hidden cost	17	8.5
Wide range of products	42	21
Saves time	84	42
Offers and discounts	42	21
total	200	100%



Interpretation: From above table it is analysed that 7.5% of respondents make purchase because of easy payment and 8.5% due to no hidden cost, 21% of respondents make purchase for wide range of products and 42% respondents says it saves time and 20 % shop because of offers and discount, only 1% for other reasons. here we can observe that majority of respondents shop online because it saves time and no need to visit the store, also online store provides more offers and discount and have huge verity of products, as well as easy payment with no hidden cost on product when it's compared to offline store.



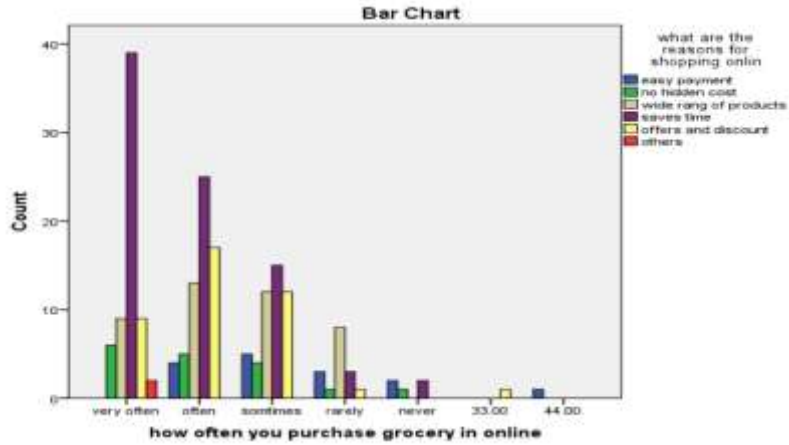
HYPOTHESIS TESTING

Hypothesis 1:

H0: there is no significant relationship between purchasing grocery in online and reasons for shopping in online

H1: there is a significant relationship between purchasing grocery in online and reasons for shopping in online

Chi-square



how often you purchase grocery in online * what are the reasons for shopping online Crosstabulation

		What Are The Reasons For Shopping Online						Total
		Easy Payment	No Hidden Cost	Wide Range Of Products	Saves Time	Offers And Discount	Others	
How Often You Purchase Grocery In Online	Very Often	0	6	9	39	9	2	65
	Often	4	5	13	25	17	0	64
	Sometimes	5	4	12	15	12	0	48
	Rarely	3	1	8	3	1	0	16
	Never	2	1	0	2	0	0	5
	33.00	0	0	0	0	1	0	1
	44.00	1	0	0	0	0	0	1
Total		15	17	42	84	40	2	200

	Value	df	Asymptotic Significance (2-sided)
Pearson Chi-Square	60.387 ^a	30	.001
Likelihood Ratio	54.051	30	.005
Linear-by-Linear Association	4.436	1	.035
N of Valid Cases	200		

a. 30 cells (71.4%) have expected count less than 5. The minimum expected count is .01.

Table showing the chi square of what are reasons to shop online and how often you purchase grocery in online

P value	0.001
Person chi square value	60.387
Level of significance	0.005



Interpretation: As level of significance is greater than P value, alternate hypothesis is accepted and null hypothesis is rejected. Therefore, there is a significant relationship between purchasing grocery in online and reasons for shopping grocery in online. As websites offers many discounts, deals, price-off, and home delivery option many consumers prefer to shop in online these days

FINDING

1. Nowadays, many physical establishments offer services aimed at enhancing consumer pleasure.
2. Although offline retailers are unable to maintain a large range in their inventory, they make an effort to hold the best of them in order to increase sales.
3. Customers are observed doing window shopping at a startlingly greater rate so they can physically inspect the items before making a discounted online purchase.
4. Physical establishments are now beginning to offer home delivery services for a variety of their products to consumers' doors
5. With convenience and product selection becoming comparatively more essential as a decision factor for online shopping, customers are becoming more at ease with the process.
6. Following the COVID-19 phase, customer foot traffic has significantly decreased.

CONCLUSION

There are numerous channels, each with its own objectives, expectations, and economics, that encompass retail establishments both online and offline. etc. To meet customer needs, both channels are necessary. For each of the two, there is only one channel. An important factor is ensuring customer satisfaction. Despite the fact that technology is developing, it is difficult to completely switch to online purchasing.

SUGGESTIONS

1. The merchants must invest significantly in acquiring specialised knowledge in order to create demand forecasting models that are more precise and scientific.
2. In their immediate vicinity, small and medium independent physical stores are being attentively inspected.
3. The next step should be to get brick-and-mortar retailers to invest in enhancing the interiors of their individual businesses so that customers will like shopping there.
4. The physical store needs to adopt a new mindset towards its clientele and the marketplace, making customer happiness their top priority.
5. By offering higher-quality goods at reasonable prices and accommodating post-purchase services, an offline business may win over customers.
6. A devoted customer lowers the retailer's expenses. Retailers should make every effort to increase client loyalty, which will result in stable sales and repeat business. Some strategies include bonus points, free insurance, preferred customer status, cash back programmes, and other special offerings that satisfy the customer
7. Retailers should accept digital payments at their physical stores. Offline retailers should create a website or an app
8. Online stores should diversify their product offerings and make their operating hours more flexible.

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