

How COVID-19 affected the online grocery buying experiences-A study of select cities of Mumbai and Pune

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Abstract: COVID-19, one small virus has shaken the entire world. According to IMF, the global economy is expected to shrink by over 3 percent in 2020 – the steepest slowdown since the Great Depression of the 1930s. It has caused impact on personal lives and corporate world. India's first COVID -19 cases was registered on January 30, 2020. As on July 31, 2020 the number has skyrocketed to whopping 1.66 million. Indian Government imposed a nationwide lockdown from March 25, 2020. The lockdown caused panic buying among the customers. In metro cities people usually have a habit of buying their necessities including groceries online. Online retailers like Amazon, Flipkart, Grofers, Big Basket, etc. are the key players in online grocery market.

The lockdown has also largely affected online retail sectors. Due to shortage of stocks, lack of transport and lack of manpower the retailers were able to provide no service or limited service. The pandemic has disturbed the trust, loyalty and satisfaction level of retail customers. This paper aims to portray an overview of customer experiences related to the services of online retailers during the pandemic.

It is worthwhile to understand that retaining the existing customers indeed is a huge challenge for the retailers selling the groceries online during COVID-19, the retailers should remain in touch with their customers through their own sites, social media and other online platforms and express the concern and support in the dire pandemic situation. This shall help the customer have the sense of attachment. With COVID-19 becoming a new normal and the start of providing the services, the retailers should adapt and implement the guidelines issued by the government related to the safety hygiene and protection of their customers particularly related to the packing and delivery of the packages at the customers' doorsteps.

Key Words: online retail, online buying, groceries buyer experiences, Retailers, Pandemic, COVID-19.

I. INTRODUCTION

The entire world witnessed a dreadful manifestation of Covid-19. What started from one city in China quickly engulfed the whole world- 213 countries before they understand what is happening. Each country took precautionary and corrective measures in their fight against Covid-19. Some countries imposed partial lockdown (commonly called stay-at-home or shelter-in-place); some with no lockdown at all while some imposed complete

lockdown. India is the second most populous country in the entire world and the largest democracy. While the government undertook initial precautionary measures like banning international flights, setting up facilities for Covid-19 patients, creating awareness etc. On 24th March 2020 the Prime Minister of India, Mr. Narendra Modi announced a nationwide lockdown for 21 days.

An announcement so sudden caused people anxiety. While the situation worldwide was terrifying, the general public was aware that the lockdown could be extended further. With the growing consumerism, people are habitual of convenient shopping experiences, be that be groceries. There are some major chains of e-retailers who are specialized online grocery sellers, with their highly user friendly and customized mobile apps and websites. One does not have to spend hours shopping for monthly groceries while looking for their preferred brands and labels, spending hours standing in the queue for billing is another trouble. One needs only minutes to finalize the shopping cart and make online payments; the neatly packed groceries are delivered at the doorsteps. With these reasons, online shopping for groceries quickly picked up the market and became routine for many people in the metro cities.

While the entire country was under lockdown, government allowed shops supplying daily necessities and medicines, people started panic buying, and soon the local neighborhood stores were out of stocks. Because of non-availability of transport facilities online stores stopped taking orders and processing them. For the people who were habitual of buying groceries online at their convenience, this was a setback. They had no choice than buying whatever was available with limited choice from neighborhood stores. When the e-commerce finally resumed operations during the lockdown 4.0 i.e. 18 May 2020 onwards, they still had limited stocks and delivery restrictions to Red Zones (Highly affected Covid zones). The customers still affected by availability of products and delivery limitations, had another point to worry about-the safety of the products! Who is packing them, who are transporting them, who are delivering them? Are the safety norms laid by the government being strictly followed? What if any of the persons who are handling the order is infected,

would not that put customer's family at risk of getting infected too?

Nationwide lockdown		
Phase	Dates	Duration
Phase 1	25 March 2020 – 14 April 2020	21 days
Phase 2	15 April 2020 – 3 May 2020	19 days
Phase 3	4 May 2020 – 17 May 2020	14 days
Phase 4	18 May 2020 – 31 May 2020	14 days
Unlock		
Unlock 1.0	1 June 2020 – 30 June 2020	30 days
Unlock 2.0	1 July 2020 – 31 July 2020	31 days
Unlock 3.0	1 August 2020 – 31 August 2020	31 days
Unlock 4.0	1 September 2020 - 30 September 2020	30 days
Unlock 5.0	1 October 2020 - 31 October 2020	30 days

With all this, and the fact that covid-19 was a new normal now, people started buying online with little or no hesitation while some still buying from neighborhood stores because some or the other reason.

On the other hand, the online retailers are experiencing issues specific to product data because of the pandemic. The long, tedious processes of onboarding products are even harder now, due to budget constraints and their teams working remotely. The digital marketplace is facing problems handling the large endless inventory. Retailers now need to make more informed decisions while offering essential items for sale during the pandemic in order to meet the customer demands.

The coronavirus outbreak limited the number of “brick and mortar” grocery shopping people all over, turning more and more customers towards the ecommerce as a solution to get the items they need and want. Many ecommerce retailers are facing issues managing the inventory and supply chain. It has become difficult for them to offer same number of brands and variety as they did before the pandemic. The limited availability of transport and delivery personnel results into late guaranteed delivery dates or delayed deliveries. Good thing is that most of these e-retailers are being transparent and are communicating these delays and challenges to customers.

On 18th June, 2020, there were 82,42,999 confirmed cases with 4,45,535 deaths in the whole world and India reported 3,66,946 confirmed cases with 12,237 deaths. On 30th Oct, the number of cases rose to 8,088,851.

During the months of February and March, in most of the affected countries lockdown was imposed and the shopping malls were closed. The customers switched to small retailers for the day-to-day essentials. The corona virus affected

industries across the sectors as they experienced reducing demand resulting into low turnover

Both the online and the brick-and-mortar have experienced the setback of reduction in demand and apparently their business performances

The high cost of attracting new customers is a burden on the retailers in the COVID-19 time and retaining the existing customers should be the significant component of retailers' business strategy and buyer-supplier relationship

The customer loyalty is an attitude of customer to purchase from the same seller repeatedly. A positive trust contributes to the commitment of the customer and customer satisfaction which further leads to loyalty. Jiang, Jun, and Yang (2016) developed a framework for the impact of the perceived service quality of customers on the perceived value and loyalty. Their findings say that the perceived customer value works as mediator in the relationship between perceived service quality and loyalty

Meuter et. Al (2000) defined e-tailing as a virtual realm where products and services exist as digital information and are delivered through information technology based channels. The last two decades have shown a remarkable growth in the Online Retailing business globally. The information technology brought out an innovation in the field of retailing.

Transformation of retail From Conventional to modern

Retailing started with barter system where products were exchanged for mutual benefits between the parties. Over the period of centuries together, retailing had witnessed numerous transformations and evolutions. If we talk about India specifically, India has huge variety of organized and unorganized retails stores. Be the product be goods or services, retailing is one of the famous choices for the people who intend to start their own businesses. With the introduction of information technology in the field of retail, this sector witnessed another transformation. The big retailers like eBay and Amazon from all over the world entered the Indian market, Indian entrepreneurs and existing business stepped in too. The companies like Flipkart, Myntra, Jabong started their etailing operations. Over the last decade the etailing has emerged as preferred options for many of the Indian consumers. Today in India almost everything can be bought online including the services. With the tremendous growth in the information technology and the fact that internet is everybody, etailing spread its wings across the small cities too in just a matter of few years. For the households in major Indian cities, the working class usually prefers to buy their monthly supply of groceries online. The population explosion in the major cosmopolitan cities has resulted into crowded marketplaces and people end up spending hours at times for waiting for their items getting billed. Etailing thus, satisfies the individual objectives along with their organizational objectives by offering huge varieties at a better price than the

neighborhood stores. The advertisement is done heftily over various media including Television, Radios, Emails, Search engine optimization etc.

Gnanasambandam et.al. (2012) stated that there are about 120 million internet users in India. The research also states that India is likely to have the second largest user base in the world with this rate of growth. Bisen (2013) estimated that India will have around 330 million to 370 million internet users in 2015. This number is 696.77 million in 2020 which is over 54.40 percent of the total population of the country. It is predicted that this number will rise to 974.86 by the year 2025.

Advantages of Online Retailing

Baker (2005) gives the advantages of Online Retailing to the businesses:

1. **Global Reach:** Retailers are not restricted to a vicinity of their physical store. Consumers can shop online across the globe and the products are delivered to any part of the world with the advancement of transportation systems.
2. **Improved Customer Service:** The communication between the buyers and etailers is recorded and responded within a stipulated time frame. The enquiries and complaints are dealt in a better way. This results in better customer service.
3. **Lowered Capital Cost:** The online retailers need not maintain any showrooms, they also save on the salary of the sales people and they stock only the products that are frequently ordered products. This reduces the capital cost.
4. **Mass Customization:** since the etailers operate on relatively larger scale, they can customize their products the mass customization is more appealing and can be done in quick time.
5. **Effective Marketing:** using the search history of the consumer the right products are promoted to them, the loyal customers are also offered certain discounts and coupons to increase the sales.
6. **Specialized and Niche Marketing:** many etailers concentrate on certain product lines basis the demands of the specific type of consumers. This helps them create a niche and meet the needs of the consumer in a better way and improve the satisfaction.

Sharma (2011) stated the advantages of Online Retailing over the conventional brick and mortar retail stores.

1. **Convenience:** being easy to access and offering more options to compare with each other. Using the search engine the customer can check the price of the product from multiple website. All this is done at their place and time of comfort.

2. **Detailed Information:** Online Retailers provide detailed information in terms of features of the product and their demos. The customers can publish reviews after using the products which are used by the new customer intending to by that product.
3. **Competitive Pricing:** the Etailers offer prices that are lower than other sellers by eliminating the middlemen and saving onto the costs like salaries of sales people or rent and ambience of the showrooms.
4. **Customization of the products:** Some etailers also offer the ability to the customer to customize the product. Also, the search for the product is customized as per the features chosen by the customer.
5. **Wide Range of selection:** The Online shops offer a wide range of options to choose from. Using the search options the customer can browse for the products and the online store respond to him with the products based on price, discounts, deals, reviews etc.
6. **24*7 Shopping:** the shopping can be done anywhere and at any time as per the consumer's convenience. The products are delivered at the doorstep so the consumers don't have to go anywhere and don't have to burden themselves with the weight of products.

II. OBJECTIVES OF STUDY

The Research has been conducted with the following objectives

1. To study the preference for online shopping of groceries over the neighborhood grocery store.
2. To study the customer experiences of online grocery purchases during the lockdown.
3. To study the customer expectation vs service delivery
4. To study the effect of lockdown and customer fears onto the online buying of groceries.

III. METHODOLOGY OF STUDY

Typically the research methodology is comprised of the sampling techniques, sources of data, various methods adopted to collect the required data, analysis of the data, and data interpretation.

Sources of Data

For this study, the data have been collected from the primary sources. Primary data was collected from the customers using google forms

Universe of the Study

The universe consists of all people aging more than 15 years and who use internet frequently for shopping online in the cities of Mumbai and Pune.

Sample Size and Sample Unit

The questionnaire was prepared with google forms and link was circulated on social media. 103 people responded.

Sampling Techniques

For the present study, random sampling technique to avoid the bias was applied basis of suitability and the availability during this pandemic. Convenient sampling was also used.

Data Collection Techniques

The data for the study has been collected through primary sources i.e. respondents themselves filled in the survey forms.

Data Representation Tools

The collected data is classified, tabulated and represented through charts and bar diagrams.

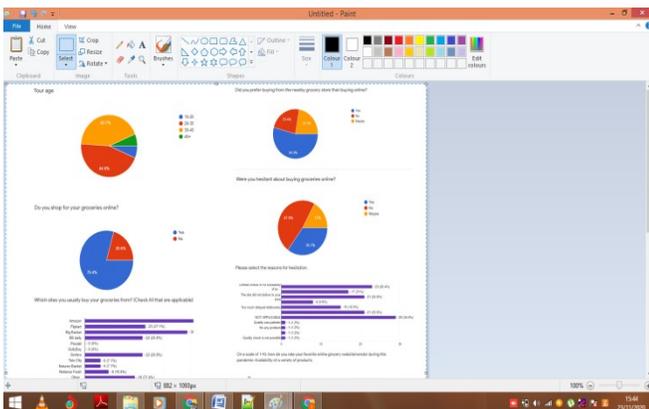
Importance of the Study

This study is of quite of importance in present times as with the suddenly imposed lockdown caused panic amongst the customers. Customers wanted to buy the groceries as there was uncertainty about the date of lockdown getting over. Online shopping was convenient option as no one wanted to go out and take risk of contracting virus. With more customers trying to buy online and the e-retailers already facing the difficulties related to lockdown restrictions, stock replenishment, transport and manpower, the customer satisfaction levels were affected.

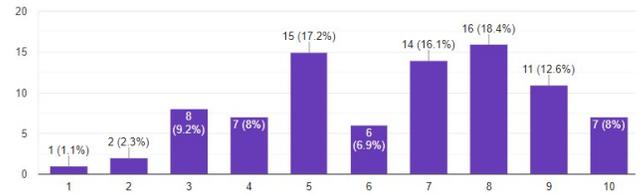
Limitations of the study

Since the respondents filled in the data by themselves, some questions were missed. This created issue related to aggregated.

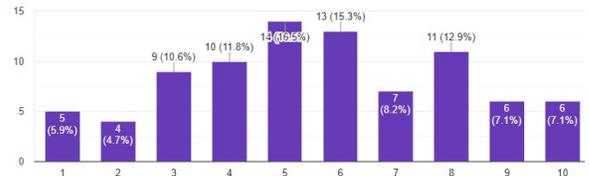
Data presentation



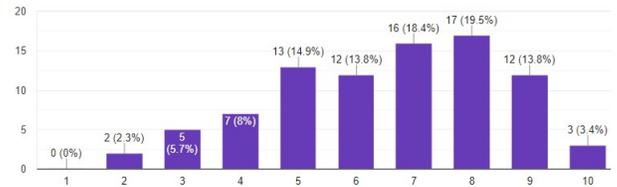
On a scale of 1-10, how do you rate your favorite online grocery website/vendor during this pandemic- Delivery on the promised time



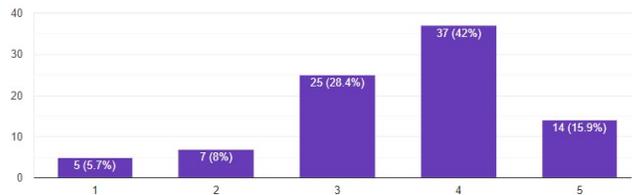
On a scale of 1-10, how do you rate your favorite online grocery website/vendor during this pandemic- Discounts offered on products



On a scale of 1-10, how do you rate your favorite online grocery website/vendor during this pandemic- Precautions and safety measures taken by the store in packing and delivering the product



On a scale of 5, how do you rate the overall service offered by your favourite online grocery store during the pandemic?



IV. CONCLUSION

According to the study, it was found that today's customers prefer buying online, be it the fashion and electronics or their monthly groceries. The pandemic affected the businesses of online retailers to a great extent. During the lockdown nothing was operational and post lockdown with the lack of resources like limited availability, inventory, transportation and delivery people they still faced challenged in meeting the customer expectations. On the customers' end, the services were not operational during the lockdown and with the start of unlockdown there were limitations in terms of variety and restricted deliveries. The people were still terrified with the risk of Covid and the safety measures taken by the etailers in packing and delivering the products. The fact cannot be denied that the consumers as well as the etailers all faced

setbacks in some or the other way. However with these many months Covid-19 is becoming a new normal and people no more hesitating buying their groceries from their favorite etailers.

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