

## Understanding the Factors Driving Indian Youth Engagement with Online grocery shopping motivations: An Empirical Study

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### Abstract:

In the digital marketing environment, the concepts of consumer shopping have undergone remarkable transformations. Online grocery buying is the newest trend among young people in India. The contemporary market-oriented lifestyle has changed as a result of the culture of internet purchasing. Online marketers now have an even greater task in trying to understand how the new generation of customers is changing their lifestyles. In order to ensure customer retention, this helps internet marketers provide higher customer value together with enhanced service. With the use of a suggested model, this study investigates the relationship between functional attributes, emotional bonds, and economic values in the development of brand engagement in the online retail marketplace. Three Indian cities, Bangalore, Visakhapatnam, and Hyderabad were the sites of a sample survey of young online shoppers. The present study's findings will clarify the possibility of developing an efficient online grocery retail platform for young Indian consumers, one that would improve consumer value and increase their inclination to purchase online.

**Keywords:** Internet Grocery Marketing, Young Purchasing Patterns, Retail Buying Motivations, Economic Value, Social and Emotional Connections.

### Introduction:

According to KPMG (2020), Indian metropolises are seeing a continuous 25–30% increase in demand for online grocery retail, driven by harried urbanites who would rather be comfortable than wear kiranas. An intriguing \$6.5 trillion is predicted to be generated by the worldwide food and grocery e-commerce business by 2023, according to a Euromonitor analysis. The ongoing COVID-19 epidemic has increased previously unheard-of levels of uncertainty and complicated issues facing the retail sector. Surprisingly, COVID-19 has in certain instances increased demand for online grocery businesses. Online grocery shopping has grown significantly, and in the upcoming years, it is predicted to continue growing at an exponential rate.

Due to the perishable nature and consistency of the products, as well as the frequency of buying, online grocery shopping differs significantly from normal online shopping. 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.

The establishment of online grocery retailing is a significant alternative to traditional brick and mortar retailing. Concerns like satisfying customer demands and preferences are essential for delivering value for money, quick and simple purchasing, seamless distribution procedures, and lowering risk perceptions (Siddiqui & Tripathi (2016).

According to the 6Wresearch analysis, the online grocery market is still in its infancy and is mostly limited to tier one regions. It stated that while the grocery and staple segments provide a significant portion of revenue, headed by FMCG, customers are being courted by the alluring offers made by online grocery players.

Increasing customer loyalty and winning market share are currently more important to the success of e-groceries than financial profits (Saskia et al., 2016). Customers saw that ordering products online was simple, that there was a wide selection in one location, and that it saved them time. They also thought that smartphone apps were a safer and more practical option than websites and phone calls. Freshness and delivery time were prioritised over payment method and price when shopping online (Kumar & Kumar Timalisina, 2016).

Since there is a dearth of academic material in the public domain, this study offers a platform for future research in this area. There have been differences in how these linked difficulties are seen, including the inability to physically see the goods, the difficulty of returning things, the high cost and duration of delivery, and the absence of social connection with other consumers (Ghai & Tripathi, 2019). The newly published report "Customer Experience: The New Operational Excellence" by KPMG India demonstrates that in grocery retailing, comfort and promise fulfilment are key components of excellent customer service.

The youth population in India is one of the most promising segments for online purchases, according to a different KPMG report titled the 2017 Global Online Consumer Report. For this reason, the intention and behaviour of this population to make purchases online is becoming a very important and promising research topic in the modern era. The ecosystem of online retail in India is not like other online markets. There are good justifications for this statement. Research has investigated a number of aspects related to Indians' inclinations to make online purchases.

#### **Growing Indian internet grocery market:**

Like the rest of the globe, Indian customers have become addicted to internet shopping and take advantage of all the advantages available. Web-stores are widespread across almost all industries, divisions. The industry's primary draw is the younger demographic, who have the potential to greatly boost online sales in India (Handa & Gupta, 2014). Internet shopping is a hugely popular emerging technology that, when utilised responsibly with guaranteed transaction safety and security, will thrive in a complicated and fiercely competitive environment. Online purchasing is expected to grow significantly in the future due to the growing number of young people (Verma et al., 2016). Time is a major issue when it comes to online grocery shopping. Successful time management can provide online grocery retailers a competitive edge. Customers' perception of the time-saving benefits of online grocery shopping is one of the main draws for online grocery shopping (Weber & Badenhorst-Weiss, 2016). The main benefit of shopping for groceries online is time and effort savings. When purchasing food in a physical market vs online, a customer's tastes are completely different (Vasic et al., 2019).

#### **Preferences for grocery buying via the internet:**

When it comes to the grocery business, consumers in the retail sector still prioritise price and testing over packaging taste and appearance. The majority of consumers are aware of the brands that are available in the market, but they do not show a desire to switch brands (Kothari et al., 2016). Male shoppers favour the store's brand image and advertisements, whereas female shoppers placed more value on product prices and sales promotions (Rao, 2018). Branded products are more favoured in modern retail than perishable ones. Surprisingly, the largest portion of income from modern grocery retail comes from the lower middle class, and this share is expected to expand as prices decline and shop density rises (Narayan et al., 2015).

#### **Consumer perception of grocery shopping online:**

Four aspects affect Indian customers' attitudes towards online grocery shopping: perceived cost, perceived convenience, perceived danger, and perceived enjoyment (Baheti & Kaushal, 2015). Customers' purchasing decisions on the internet marketplace are influenced by the ways that online retailers use techniques to increase client loyalty (Pratminingsih et al., 2013). Despite the fact that online grocery shopping has fewer social effect elements, consumers are more anxious about product quality among the many other anxiety factors associated with it (Kaur, 2016). Consumers' opinions on and experiences with online shopping are generally positive, although many remain wary of making electronic purchases or disclosing personal information (Hanus, 2016). Internet retail has a substantial 50% market share in all non-travel B2C e-commerce, and its development prospects are quite promising (Kalia et al., 2017).

#### **The way that consumers see internet food shopping:**

Consumers use several variables, including discounts and sales, a wide selection of products, free home delivery, website user-friendliness, and cash payment, to make purchases from online shopping websites. Customers want to see improvements made to the website's usability so that they will choose to purchase online for groceries rather than using traditional methods (Sathiyaraj et al., 2015). Even though buying groceries online can be convenient, easy, private, and time-saving, some housewives and working women still prefer to shop in physical stores for various reasons, including confidence, the ability to negotiate, the ease of credit, and the satisfaction that comes from physically inspecting the products before making a purchase. Due to time savings and ease of ordering, the majority of women selected online grocery shopping (Rao, 2018).

#### **Influence of various elements on online grocery buying:**

There is a definite positive correlation between the adoption of online grocery shopping and all of the following variables: eServer Qual, performance, method availability, fulfilment, and privacy. The adoption of online grocery shopping is positively correlated with the factors of situational reasons, antecedent conditions, temporal context, and lifestyle change.

However, the adoption of online grocery shopping is only marginally correlated with the states that came before it, and it is correlated with temporal states and lifestyle modifications only weakly (Muhammad et al., 2016).

Customers are concerned about the perceived value of negative outcomes when making online grocery product purchases because of a variety of needs, including the practical, financial, psychological, and physical benefits of online grocery shopping (Prasad & Raghu, 2018). From the perspective of all customer generations, the adoption of online grocery stores enhances the experience of emerging technologies (Bauerova, 2019).

### Research Gap:

In the context of youth customer engagement in food and grocery retailing, there are several unexplored areas regarding the impact of various independent variables such as price advantage, convenience, flexible payment options, word-of-mouth communication, online reviews and experience sharing, transparency and trustworthiness, and transactional safety. While price advantage is a significant factor in consumer decision-making, its specific impact on engaging youth customers in the food and grocery retail sector needs further exploration. The role of price sensitivity among youth and its influence on long-term engagement is not thoroughly understood (Grewal, Monroe, & Krishnan, 1998).

Convenience is a crucial determinant of consumer behavior, yet there is limited research on how convenience factors, such as ease of access and quick service, specifically affect the engagement of youth customers in grocery retailing. Understanding the balance between convenience and other factors like quality and price for this demographic is essential (Seiders, Voss, Godfrey, & Grewal, 2007). Flexible payment options, such as digital wallets and installment plans, are increasingly popular, but their impact on youth customer engagement in food and grocery retailing remains underexplored. The extent to which flexible payment options influence purchasing decisions and loyalty among young consumers needs more empirical investigation (Karjaluto, Mattila, & Pento, 2002).

Word-of-mouth communication is known to influence consumer behavior significantly, but its specific effects on engaging youth customers in the food and grocery sector require more research. How peer recommendations and social media influence youth engagement and loyalty needs to be better understood (East, Hammond, & Lomax, 2008). Online reviews and experience sharing are crucial for building trust and engagement among consumers. However, their specific impact on youth customer engagement in food and grocery retailing is not well-documented. Research is needed to explore how online reviews influence the perceptions and engagement behaviors of young consumers (Chen & Xie, 2008). Transparency and trustworthiness are vital for customer loyalty, yet there is limited understanding of how these factors specifically impact youth engagement in the food and grocery retail sector. Investigating the role of transparency in marketing and operations in fostering trust among young consumers is essential (Rawlins, 2008).

Transactional safety, including data security and fraud prevention, is a critical concern for online shoppers. However, the specific impact of perceived transactional safety on youth customer engagement in food and grocery retailing needs further exploration. Understanding how safety concerns affect purchasing behavior and engagement among young consumers is crucial (Kim, Ferrin, & Rao, 2008). Addressing these research gaps can provide valuable insights into the factors influencing youth customer engagement in food and grocery retailing. By understanding the unique preferences and behaviors of young consumers regarding price advantage, convenience, flexible payment options, word-of-mouth communication, online reviews and experience sharing, transparency, and transactional safety, retailers can develop targeted strategies to enhance engagement and loyalty within this demographic.

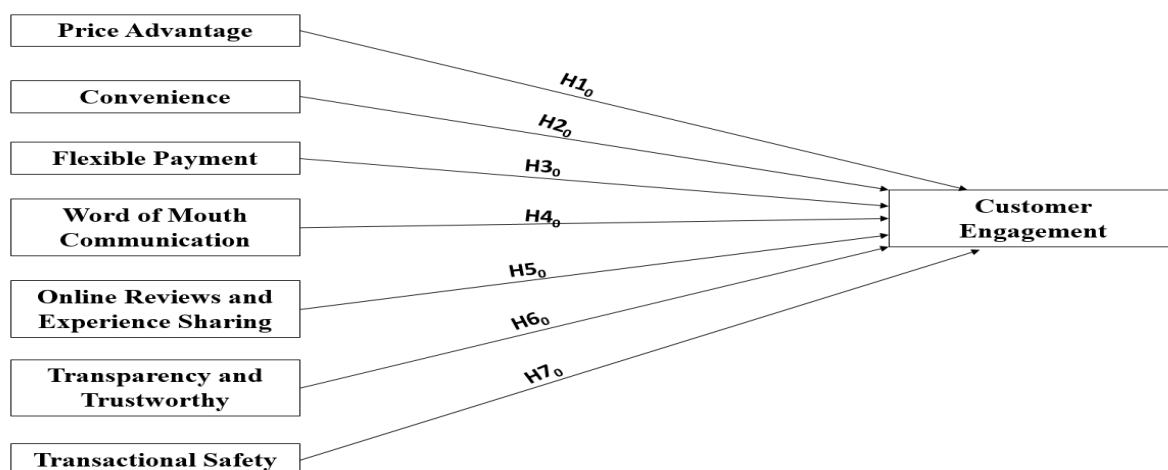


Fig -1: Conceptual Framework of the Study

**Research Methodology:**

The required samples are collected from three major cities in the southern India such as, Bangalore, Visakhapatnam and Hyderabad. The research is able to collect 1500 i.e 500 samples from each city by using mall intercept survey technique. In order to examine the hypothetical relationship among the independent and dependent variables, Simple Linear Regression Analysis (SLRA) technique is used and presented in the following sections.

**Data Analysis:**

The hypothesized relationship between the factors driving Indian youth engagement with online grocery shopping motivations and customer engagement are tested using multiple linear regression analysis. The regression results shown in Table - 1 revealed that the predictor variables contribute significantly and had moderate impact on customer engagement ( $R^2 = 0.289$ ). The corresponding ANOVA value ( $F = 38.852$ ,  $p = 0.000$ ) for the regression models had indicated the validation with customer engagement.

**Table – 1: Regression Model Summaries for the factors on youth engagement driving factors**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	ANOVA Results			
					F-Value	df1	df2	Sig.
1	0.538 <sup>a</sup>	0.289	0.287	0.77686	38.852	1	299	0.000
a. Predictors: (Constant), Youth Engagement Driving Factors								

The coefficient summary shown in Table - 2 revealed that the independent variables of price advantage, convenience, word of mouth communication, online reviews and experience sharing and transparency and trustworthy are considered are found to be significant and flexible payment and transactional safety are found to be insignificant.

Here the following multiple linear regression model

$$\text{Customer Engagement (Y)} = 0.365 + 0.287 (\text{Price Advantage}) + 0.163 (\text{Convenience}) + 0.114 (\text{Word of Mouth}) + 0.012 (\text{Online Reviews}) + 0.239 (\text{Transparency and Trustworthy})$$

**Table -2: Predictor effects and Beta Estimates (Unstandardized) for Customer engagement with the Online grocery purchasing factors**

Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	0.365	0.368	--	0.993	0.322
	Price Advantage	0.287	0.062	0.261	4.624	0.000
	Convenience	0.163	0.069	0.135	2.354	0.019
	Flexible Payment	0.127	0.074	0.109	1.717	0.087
	Word of Mouth	0.114	0.071	0.096	1.611	0.008
	Online Reviews	0.012	0.074	0.010	0.156	0.006
	Transparency and Trustworthy	0.239	0.040	0.316	6.043	0.000
	Transactional Safety	0.000	0.042	0.000	-0.004	0.997
a. Dependent Variable: Customer Engagement						

**Findings & Suggestions:**

Based on the data analysis we conclude that the factors such as price advantage, convenience, word of mouth communication, online reviews and experience sharing and transparency and trustworthy and the other two variables such as, flexible payment and transactional safety are found to be insignificant. Hence, it is suggested the online platforms to improve the flexible payment systems rather the existing and to enhance the transactional safety too.

**Conclusion:**

In the dynamic landscape of food and grocery retailing, engaging youth customers requires a nuanced understanding of various influencing factors. This research identifies several gaps in the existing literature concerning the impact of price advantage, convenience, flexible payment options, word-of-mouth communication, online reviews and experience sharing, transparency and trustworthiness, and transactional safety on youth customer engagement. Firstly, while price advantage is a well-recognized driver of consumer behavior, its specific impact on youth engagement needs further exploration to understand how price sensitivity affects long-term loyalty among young consumers. Secondly, the role of convenience in engaging youth customers, considering their fast-paced lifestyles and demand for efficiency, remains underexplored.

The increasing popularity of flexible payment options among young consumers highlights a need for research into how these options influence purchasing decisions and engagement. Additionally, while word-of-mouth communication and online reviews are known to significantly impact consumer behavior, their specific effects on youth engagement in the food and grocery sector are not fully understood. Transparency and trustworthiness are crucial for building long-term relationships with customers, yet their impact on youth engagement in grocery retailing requires more empirical investigation. Finally, the importance of transactional safety in the digital age cannot be overstated, but its specific influence on the engagement behaviors of young consumers in this sector is not well-documented.

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