



International Journal of Research Publication and Reviews

Journal homepage: www.ijrpr.com ISSN 2582-7421

CONSUMER PREFERENCE ON ONLINE GROCERY STORES: A STUDY ON SWIGGY INSTAMART AND BIG BASKET

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ABSTRACT

The increasing adoption of e-commerce has reshaped the grocery retail sector, with consumers rapidly embracing the convenience of online grocery platforms. This study explores consumer preferences toward online grocery shopping, focusing on Swiggy Instamart and Big Basket—two leading players in the Indian market. The research analyses various factors that influence consumer decisions, including product variety, pricing, delivery speed, ease of use, and promotional offers. Additionally, it examines consumer satisfaction, trust, and loyalty toward these platforms while identifying the challenges faced by users in the online grocery shopping experience. By understanding consumer behaviour and expectations, this study aims to provide valuable insights into improving service quality, enhancing customer satisfaction, and maintaining a competitive edge in the evolving online grocery landscape. The findings can assist these platforms in better aligning their services with consumer needs and preferences.

KEY WORDS

- Online Grocery Shopping
- Consumer Preferences
- Customer Satisfaction
- Delivery Speed
- Service Quality

INTRODUCTION

Online grocery shopping witnessed a significant transformation over the past decade, driven by technological advancements, changing consumer lifestyles, and the increased availability of e-commerce platforms. The rise of online grocery delivery services offers consumers the convenience of shopping for daily essentials from the comfort of their homes, with the added advantage of home delivery. According to industry reports, the online grocery market in India is expected to grow exponentially, driven by urbanization, increased smartphone penetration, and the growing popularity of digital payments. With more players entering the market, understanding consumer perceptions toward online grocery shopping is essential for companies to improve their services, build consumer trust, and differentiate themselves from competitors.

Internet is altering the way the consumers shop for goods and services. It swiftly progressed into a widespread occurrence. Considering the circumstance, that no section of retail market is safe from online shopping revolution, it is now possible for the conventional native grocery store to become digitized and available on one's Smartphone, tablet or computer. The concept of E-Grocery stores started emerging in the Indian market. This sudden acceptance of new phenomena is not only because of the augmented youth population in the country but also because of the new technologies and know-how that have entered the market. However, the perception of online grocery shopping is not explored to a large extent even in metropolitan cities and is restricted to only working, educated men and women who prefer to shop online rather than visiting the crowded shopping malls and marketplaces.

SCOPE OF THE STUDY:

The scope of this study is designed to explore the various factors influencing consumer behaviour and attitudes toward online grocery shopping. With the rapid rise of e-commerce and the increasing popularity of online grocery platforms, this study aims to assess how consumers perceive the convenience, quality, and overall experience of purchasing groceries online compared to traditional in-store shopping. The research will focus on key aspects such as the demographic profile of consumers (age, income, geographical location), as well as psychological factors that influence their online shopping decisions, such as convenience, time-saving, pricing, product quality, and the availability of delivery options.

OBJECTIVES

1. To determine the factors affecting the buying decisions of consumer.
2. To analyze the impact of their customers preferences on E-commerce platforms.

RESEARCH METHODOLOGY

This section outlines the approach and methods used to conduct the study on consumer perception of online grocery shopping.

Sample Method

A convenience sampling method will be used, where participants are selected based on their accessibility and willingness to participate. Respondents will be individuals who regularly engage in online grocery shopping. This method ensures efficient data collection while maintaining relevance to the study topic.

Primary Data

Primary data will be collected through surveys using structured questionnaires. These surveys will focus on gathering quantitative data regarding consumer perceptions, satisfaction levels, and overall experiences with online grocery shopping. The use of closed-ended questions, such as Likert scales, will allow for easy analysis of the data.

Secondary Data

Secondary data will be gathered from various existing sources, including:

Academic Journals: Studies on consumer behaviour and online shopping trends.

Market Research Reports: Published reports and statistics on the e-commerce and grocery sectors.

Company Websites: General information on online grocery shopping platforms and trends.

Government Publications: Reports on consumer behaviour in the online shopping space.

These secondary data sources will help contextualize the primary data and provide supporting insights into broader trends.

Sample Size

The sample size will be determined to ensure reliable and statistically significant results. A sample size of 100 respondents will be targeted to ensure diversity and representation of the broader population of online grocery shoppers. A minimum of 80-100 respondents will be surveyed to ensure the data can be accurately analysed.

Statistical Tools

The data collected will be analysed using both descriptive and inferential statistical techniques:

Descriptive Statistics: Tools like mean, median, and frequency distributions will summarize the data and identify trends.

Inferential Statistics: Techniques like the Chi-Square test and T-test will be used to explore relationships and differences in consumer perceptions across different groups.

Regression Analysis: This will help identify the key factors that influence consumer perceptions of online grocery shopping.

Software tools such as SPSS or Excel will be used to analyse the data.

REVIEW OF LITERATURE

Banerjee. A and T. Banerjee (2016) conducted a study on “Web Content Analysis of Online Grocery Shopping Web Sites in India” In this paper the authors evaluate online grocery shopping web sites catering to customers primarily in India. The process of evaluation has been carried out in 3 parts; by comparing the web content on their homepages, analysing customer reviews and also analysing their business performance as summarized on public web sites that use search optimization tools and analytical processes. This paper aims to study attributes from structured and unstructured data that lead to success of online grocery business in India. The results of this study indicate that Happiness with the experience of using the online grocery web site is positively correlated to delivery of groceries. The correlation is stronger when the delivery of the grocery is done timely. The income per day in dollars made by the e-tailers of grocery online is strongly correlated to number of visitors on the website, number of page views and web sites’ worth in dollars. It is not affected by Alexa ranking, images on the website, the time taken by the pages to load and the traffic source via organic search engines.

Sathiyaraj S, et al (2015) conducted a study “Consumer Perception towards online grocery stores, Chennai”. The researcher in this study emphasizes that if online retailers know the factors affecting Indian consumers’ buying behaviour, and the associations between these factors and type of online

buyers, then they can further develop their marketing strategies to convert potential customers into active ones. The main objective of the study is to determine the customer perception towards online grocery shopping in Chennai. The sources of data used in this project report are both primary and secondary data. Descriptive research type is used for this research. Primary data consists of original information gathered from sample size of 200 respondents residing in Chennai, Tamil Nadu through Google forms, which is posted in social networking sites. Survey method is used to collect the primary data. The major findings of the study are 29% of respondents quoted the reason for choosing the online shopping is to purchase unique and special articles, and they want to find the best price of the product. The outcome of the research paper also revealed that the demographic variables, such as gender, age group don't have influence of the factors of customer satisfaction.

HYPOTHESIS

- There is no significant relationship between demographic variables and factors effecting buying decisions towards online grocery shopping.
- There is no significant relationship between demographic variables and consumer preference.

DATA ANALYSIS AND INTERPRETATION

OBJECTIVE WISE INTERPRETATION

BUYING DECISION- DEMOGRAPHIC ATTRIBUTES

H01: There is no significant relationship between demographic variables and factors effecting buying decisions towards online grocery shopping

COMBINATIONS	N	P VALUE	F VALUE	ACCEPT/REJECT
AGE	100	0.055408	4.518072	ACCEPT
GENDER		0.107732	3.304819	ACCEPT
OCCUPATION-		0.10221	3.142771	ACCEPT
MONTHLY INCOME		0.127238	2.85060	ACCEPT

SOURCE: Computation from Primary data

Interpretation

The analysis explored whether demographic factors such as age, gender, occupation, and monthly income have a significant impact on buying decisions related to online grocery shopping. The results show that all the p-values are greater than 0.05, indicating that these factors do not have a statistically significant relationship with purchasing decisions. Since the null hypothesis was accepted in all cases, this suggests that people's choices regarding online grocery shopping are not strongly influenced by these demographic variables. In simple terms, regardless of a person's age, gender, occupation, or income, their decisions about buying groceries online remain relatively unaffected by these factors.

CONSUMER PREFERENCE – DEMOGRAPHIC ATTRIBUTES

H:02 There is no significant relationship between demographic variables and consumer preference.

COMBINATIONS	N	P VALUE	F VALUE	ACCEPT/ REJECT
AGE	100	0.117282	4.722922	ACCEPT
GENDER		0.166577	3.4566	ACCEPT
OCCUPATION		0.177981	3.28526	ACCEPT
MONTHLY INCOME		0.196898	2.979849	ACCEPT

SOURCE: Computation from Primary data

Interpretation

The analysis examined whether age, gender, occupation, and monthly income influence consumer preferences when it comes to online grocery shopping. Similar to the previous analysis, all the p-values in this case are greater than 0.05, indicating that there is no statistically significant relationship between these demographic factors and consumer preferences. Since the null hypothesis was accepted in all instances, this suggests that consumer preferences are not significantly influenced by these variables.

In simpler terms, factors such as age, gender, occupation, and income do not play a major role in shaping what consumers prefer when shopping for groceries online. People's preferences seem to be consistent regardless of their demographic differences.

CONCLUSIONS

- Consumers make purchasing decisions based on a balance of price, quality, and convenience. Personalization, promotions, and recommendations from trusted sources further influence their choices. Businesses that address these factors effectively can build lasting customer loyalty.
- E-commerce platforms that prioritize customer preferences, such as personalized recommendations, secure payment options, and efficient delivery, enjoy higher customer satisfaction and retention. Adapting to evolving trends helps maintain a competitive edge.
- Brand reputation and reliability strongly influence consumer choices. E-commerce platforms with consistent service quality, reliable delivery, and positive customer experiences are more likely to retain and attract customers.
- The integration of advanced technologies, such as AI-powered recommendations and voice-assisted shopping, is reshaping consumer experiences. Platforms that adopt innovative solutions stay ahead of market trends and offer enhanced convenience, boosting customer engagement.
- Online reviews and ratings significantly shape consumer perceptions and buying decisions. Platforms that manage and respond to feedback transparently foster trust and credibility, ultimately influencing purchase behaviour.

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