

Chapter 82

Consumer E–Loyalty for E–Grocery Shopping in a Metro City of India: Role of Flow and TAM Antecedents

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ABSTRACT

This study focuses on the e-loyalty of the grocery consumers. Understanding online behavior in developing countries is an emerging issue in these days. The purpose of this research is to examine the effects of antecedents of flow on attitude and perceived ease of use in the context of online grocery purchase behavior in a developing country perspective. Further, the study also examines the role of attitude and perceived ease of use in building e-loyalty. The present study analyzes the data of 250 respondents collected through an online survey. The data were analyzed employing exploratory factor analysis (EFA), confirmatory factor analysis (CFA), and structural equation modeling (SEM). The results show that the flow variables (concentration and enjoyment) have a positive but differential effect on attitude towards online grocery purchase. However, both concentration and enjoyment were equally important in influencing the perceived ease of use. The study also found that attitude positively influences the e-loyalty, and perceived ease of use influences both attitude and e-loyalty.

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INTRODUCTION

Globally, the Information and Communication Technology (ICT) have provided various online shopping platforms that led to increasing up the number of online grocery shoppers (Van Droogenbroeck and Van Hove, 2017). Grocery is an essential daily need for all households. Conventionally, the grocery goods were bought from nearby Kirana stores (similar to mom-and-pop shops), shopping centers, convenience stores, and supermarkets. Since, the advent of internet enabled business, several grocery companies are selling their products online. However, much of their business has been restricted to few big cities primarily the metro cities. A majority of online grocery companies sell in to non-metro cities thus losing huge potential for e-grocery companies (Dattagupta, 2018). Indian consumers spent a significant proportion (~50%) of their income on groceries (Hindustan Times, 2018; Kureshi & Thomas, 2019). Retail grocery market could be around 60% of the India's overall retail market. Therefore, retail grocery has been the largest consumer segment (The Wharton School, 2018). The retail grocery market in India has been estimated between \$400 billion to \$600 billion (The Wharton School, 2018). Some sources stated it about \$428bn thus making India as world's third largest grocery market after China (~\$1400bn), and U.S.A. (~\$830bn) (Financial Times, 2017; RedSeer, 2019). It is also estimated that the grocery market in India could cross \$700 billion mark by 2022 (The Wharton School, 2018; Reportlinker, 2015).

It is worth mentioning that even though online shopping is gaining popularity in India the concept of buying grocery is still new. Among many motivating factors the rise in online payments, increasing penetration of Internet and rise in the usage of smart phones are some notable actors e-grocery shopping in India (Business Today, 2013). Indian has huge opportunity in e-grocery segment which is currently less than 1% (\$150 mn) of total grocery market (\$428bn) (Financial Times, 2017; Businesswire, 2019). Comparably the current e-grocery market share in India is much lower than many other countries such as U.K. (6.9%), China (4.2%), and U.S. (1.4%). Currently, the 'e-grocery market' in the country is projected to achieve growth of CAGR of 60% during 2019 – 2022 (RedSeer, 2019).

Rapid growth in internet and smart phone consumption is driving the growth in e-tailing in general and e-grocery shopping in particular. It is anticipated that number of internet users in India will grow from 480 million in 2019 to 660 million in 2023 (Diwanji, 2020). Thus, the size of internet user is likely to reach 55 percent in 2023 from 40 percent in 2019 thus adding more e-shopper base in India for e-grocery shopping. Generally, young adults shop groceries online because it is difficult for the parent to shop on smart phones or on internet in India (Hindustan Times, 2018). In India, majority of online buyers include 'tech-savvy' millennial (aged 18-35 years) who comprise about 34% of the total population (The Economic Times, 2018). While in the developed countries like U.S.A. and European countries, generation X (aged 36-51 years) made more purchases than the millennial (KPMG, 2017). In India, grocery retail is more than 60% of the country's total retail market ranging from \$400 billion to \$600 billion at present and has the potential to cross \$700 billion by 2022. Out of which, Online grocery is ranging from \$500 million to \$1 billion and expected to increase \$3 billion to \$5 billion by 2022. Groceries are an essential purchase for Indians, and they spend more than 50% of their income on groceries shopping (The Economics Times, 2018; Knowledge@Wharton, 2018, The Times of India, 2018).

It is quite difficult to understand the customer behaviour of attracting the new customer over the internet (Van Droogenbroeck & Van Hove, 2020). Focusing on existing consumers by retaining and understanding what makes them more loyal has become imperative for today's e-marketers. Thus, the loyalty of the customer has become one of the critical factors in determining the long-term success of the firm. There is a need to study for the antecedent variable of customer loyalty (Srinivasan, Anderson, &

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