A Study on Optimizing Omni Channel Grocery Shopping

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Abstract: **Using diffusion theory, this study examines which incentives or messaging (if any) inspire customers to begin online grocery shopping with independent grocery shops. Online grocery buying is significant to examine since it has not taken off as quickly as other online purchases; yet, industry executives, researchers, and grocers expect the practice to take off quickly. Independent grocery merchants require research since they compete in a crowded market with traditional and non-traditional grocers such as Amazon, Whole Foods Market, Walmart, and others; nonetheless, they are sometimes overlooked in studies. Independent grocery merchants are anticipated to remain profitable rather than becoming a relic if they develop an omnichannel retail strategy that includes internet shopping with clever messaging and incentives.**

Keywords: **Diffusion theory, omni channel, grocery shopping.**

1. Introduction

Strong digital advances are transforming markets and the way they effect firms and firm performance; thus, businesses may need to adopt a digital business strategy to keep up with these changes. New competitors have emerged because of the rise of e-commerce, mobile shopping, and, more recently, smart technology. The impact of specific combinations of online and physical channels on the customer experience, particularly on smart shopping perceptions and sensations, is examined in this study. The study focuses on how to create omnichannel supply chain networks in terms of facilities, inventory, transportation, and information to be both effective and responsive to customer needs. And investigating the future of the physical store within omnichannel retail and, more specifically, the prerequisites of the designed retail environment in optimising customer experience in the fashion industry. Uncertainty, swings in sales volume, and supply-demand mismatch make omnichannel commerce supply chain management difficult. Dealing with these issues necessitates the adoption of complex-systems-focused tactics that make proper use of new information and communication technology, as well as intelligent decision-making processes. Customers in the retail industry are increasingly "omnichannel" in their thinking and behaviour. They are comfortable with both online and offline retail platforms. Retailers of all types should re-examine their strategy for delivering information and products to customers in order to succeed in this new climate, but determining where and how to invest their money can be tough. Retailers and their supply-chain partners will need to rethink their competitive strategies as technology blurs the lines between physical and online selling.

2. Review of Literature

Rogers (1983) contends that communication is an important component of his theory and is viewed as "a two-way process of convergence" (p. 5). Essentially, Rogers describes diffusion as a specific type of communication that involves two important elements: the message carries a new idea.

McQuail (2010), The adoption of online grocery shopping can be studied through the diffusion of innovations theory, which examines the spread of new ideas, technology, or information over time. Everett Rogers is known for developing this theory and its four distinct phases: information, persuasion, decision or adoption, and finally confirmation.

Menayang (2017) reported that as many as one in three consumers would grocery shop online in 2017. New research from Nielsen and FMI predicts that 70% of consumers will grocery shop online within five to seven years

The Nielsen Company (2018). Therefore, independent grocery retailers are advised to integrate online grocery shopping into their retail strategies. They also should consider marketing the program quickly and effectively.

3. Objectives

- To understand current/recent consumer behavior trends and pattern in retail purchasing.
- To assess the benefits of adapting Omni Channel.
- To understand the methodology of transitioning to omni channel from conventional retail form.
- To list out different challenges in adapting Omni way

4. Research Methodology

A. Data Collection

The task of data collecting begins after a research problem has been defined and research design. There are two sources of data.
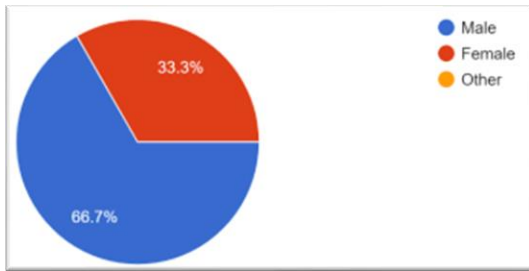
    1.   Primary data

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2. Secondary data

5. Data Analysis

1) Gender wise classification of respondents

Gender	No. of Respondents	Percentage
Male	16	66.7
Female	34	33.3
Total	50	100

2) Age wise classification of respondents
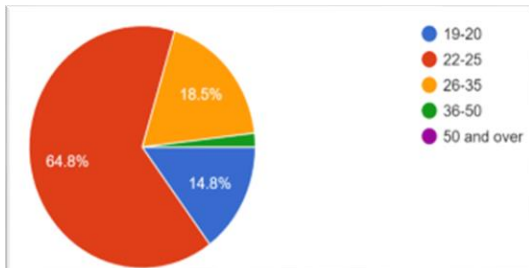
Age	No. of Respondents	Percentage
19-20	7	14.8
22-25	33	64.8
26-35	9	18.5
35-50	1	1.9
Total	50	100

3) Education wise classification of respondents
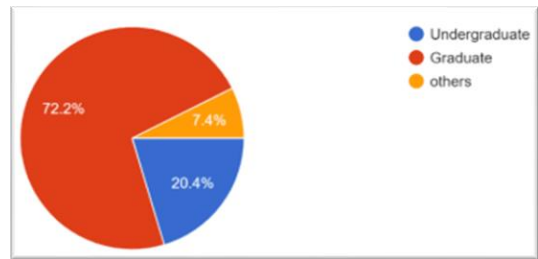
Education	No. of Respondents	Percentage
Undergraduate	36	72.2
Graduate	10	20.4
Others	4	7.4
Total	50	100
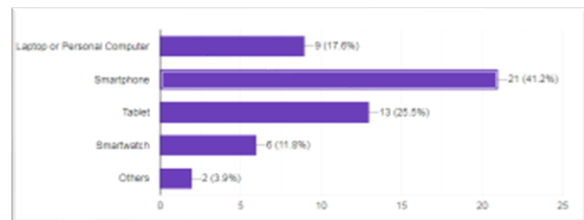
Device use	No. of Respondents	Percentage
Smartphone	21	41.2
Laptop or Personal Computer	8	17.6
Tablet	13	25.5
Smart watch	6	11.8
Other	2	3.9
Total	50	100

6. Hypothesis Test

Interpretation:

Since p value 0.091 is greater than 0.05 null hypothesis is accepted, alternative hypothesis is rejected. Hence, there is no significant difference between age of the respondents and grocery shopping of the respondents.

CHI SQUARE
Case Processing Summary

	Cases					
	Valid		Missing		Total	
	N	Percent	N	Percent	N	Percent
AGE OF THE RESPONDENTS * OMNI-CHANNEL GROCERY SHOPPING	50	100.0%	0	0.0%	50	100.0%

CHI SQUARE TEST:

Value		df	Significance
Chi-Square	6.421[a]	2	.091
Likelihood Ratio	8.008	2	.046
Linear-by-Linear Association	3.427	1	.060
N of Valid Cases	50		

a.   4 cells (50.0%) have expected count less than 5. The minimum expected count is .91.

ANOVA
ONEWAY ANOVA
Shopping motivations and satisfaction

		N	Mean	Std. Dev.	Std. Mean Error
To what extent buying online goods is risky?	Online buying	50	3.76	1.48	0.148
	Online NOT buying	50	2.76	1.42	0.118

Independent Sample Test

		Levene's Test for Equality of Variances		t-test for Equality Means					95% Confidence Interval of the Difference	
		f	sign	t	gl	sign	mean	Std. error	Lower	Upper
To what extend buying online goods is risky?	Equal variances assumed	0.001	0.98	3.73	255	0.0	0.699	0.187	1.06	0.330
	Equal variances not assumed			3.71	208	0.0	0.699	0.188	1.07	0.328

ANOVA

Source of Variation	SS	df	MS	F	P-value	F crit
Between Groups	0.101	2	0.050	28.4	0.96	3.09
Within Groups	134.06	94	1.42			
Total	134.161	96				

Interpretation:

Since p value is 0.044 less than 0.05 null hypotheses is rejected, alternative hypothesis is accepted. Hence, there is significant difference between investor's opinion/ experience of the respondents on investing in buying online goods.

7. Findings

- Trust has the highest influencing power on the dependent variable store choice. Hence, Trust is the most significant factor.
- Attractive User centered pages of E-websites make customers to enjoy a better experience in service.
- Integrated ordered fulfillment is negatively impacting on the dependent variable i.e., store choice. Therefore, integrated ordered fulfillment is not a significant factor.
- Customer retention is the most significant factor throughout the multichannel strategy development and implementation process.
- Integrated pricing strategy is perceived to be a crucial issue that affects customer purchasing decisions.
- Advanced technology and integrated promotion are also the most significant factor throughout the multichannel retailing.
- Innovation is necessary during time to time for offering seamless experience to customers.
- Automated customer information is not a significant consideration, the balance between customization and privacy and, ultimately, the supply chain transformation is more significant.
- Integrated customer service is positively impacting the store choice.
- Integrated order and delivery are positively impacting the store choice.

8. Conclusion

While respondents are typically responsive to technological processes, they are less interested in empowering their purchasing experience, while having all of the preconditions to embrace the opportunities of omnichannel marketing (technical skills, knowledge, and extensive access to technology). The present purchasing experience, both online and off, is largely positive. A responder, while occasionally purchasing online, nevertheless prefers to shop at a physical store. Because providing personal data is undesired for security concerns, a seamless customer experience is not as vital. Furthermore, a respondent is unconcerned about having device freedom. The average responder is demanding and less tolerant, proving the assertion about the demanding I-want-it-now generation customer: if the desired goods is out of stock, a responder will most likely buy from another supplier. Respondents are also less likely to use their smartphone during their shopping experience, particularly for payment.

References

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