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WILL INDIAN CONSUMERS ACCEPT CLICK AND COLLECT SERVICE FOR E-GROCERY SHOPPING?

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Abstract

Click and Collect Service is an effective alternative to home delivery through online shopping but it is still emerging and not widely adopted in India, especially for e-grocery purchase. This study aims to explore the potential of Click and Collect (CC) service as a delivery mode for e-grocery shopping and identify the factors influencing consumers' intention to use the CC service in Chennai City, India. An email survey, used to collect data from regular e-grocery shoppers, yielded 256 responses. The results showed that 64.1 per cent of the respondents would like to use the CC service, but not pay for it. Logistic regression estimation results revealed that consumer characteristics (age, gender, working nature, personal vehicle use), e-grocery shopping frequency, satisfaction with e-grocery delivery (quality of products delivered, delivery speed, returns policy, perception of delivery charges) and COVID pandemic fear, did have significant effect on the respondents' intention to use CC service. Based on the study findings, appropriate recommendations are suggested for effective CC design and implementation by retailers, to boost consumer awareness and adoption of the CC delivery service.

Keywords: *Click and Collect, E-grocery Shopping, Delivery Service, Consumer Acceptance*

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1. Introduction

Though click and collect (CC) services is an established and popular delivery mode for online shopping in many developed countries, it is comparatively new and emerging in India (Verma, 2018). It is also known as Buy Online and Pickup in Store (BOPIS), and this design involves shoppers placing orders online through a website/app and collect them from a store or pickup point (Weber and Maier, 2020). Besides convenience, efficiency and ease of online shopping, CC service offers an array of benefits to consumers such as full control over delivery, no delivery costs, immediate possession, checking products and easy returns (Verma, 2018; Lee et al., 2020). For retailers, it is a promising, cost-effective delivery solution, eliminating last-mile distribution which involves high logistics and personnel costs (Vyt et al., 2017; Jara et al., 2018).

Over the past two decades, though Indians have gradually eased into the concept of online shopping, they were never fond of buying groceries online (Vaishnavi and Justus, 2020; Sunitha and Priyadharshini, 2020). However, with the unprecedented occurrence of the COVID pandemic, people were forced to shift to online/e-grocery platforms to purchase groceries (McKinsey, 2020), which has its own set of product quality issues, delivery delays and payment failures, which trigger customer dissatisfaction, complaints and switching (Gupta et al., 2019; Berlianto et al., 2019). These issues are amplified with e-grocery shopping since it involves perishable food items and fresh produce. In these scenarios, CC service is a valuable alternative, allowing consumers to check their order during pick-up and return or exchange any product if dissatisfied. CC service has considerable potential for acceptance among

Indian consumers, given their fastidious and domineering nature when it comes to grocery purchase.

2. Literature Review

Past research on CC service has focused on exploring the various factors influencing customer perception, adoption and reuse. The success of CC depends on the number of stores or pickup stations, their location, accessibility and operational efficiency as well as population density and socio-demographic characteristics (Milioti et al., 2020). Based on the survey of customers, who used CC service in UK, Lockie (2014) argued that main reasons for choosing CC were convenience of collecting anytime, quicker than home delivery, ability to inspect first and no charges. Victor et al. (2018) investigated the acceptance of CC service among urban consumers in Malaysia, which revealed that consumers' online trust and perceived usefulness of CC affected their choice. In addition, CC service reduced product and financial risk perceived by consumers, which generally act as deterrents for adoption of online shopping. Jara et al. (2018) identified the key benefits or success factors of CC as customer perception of relations, website quality and pickup station accessibility and service promptness. Milioti et al. (2020) found that 71.4 per cent of the respondents expressed high intention to use CC service and identified consumers' perception of CC's environmental impact, consistency of delivery time, return policy, shopping frequency, car use, income and age as the significant factors influencing their intention to use CC service. The study of antecedents influencing BOPIS choice behaviour, by Kim et al. (2020) showed that performance expectancy, trust, compatibility with BOPIS shopping, hedonic motivation and social

influence affected consumers' intention to continue using BOPIS; while price saving and effort expectancy were not found to be significant factors. Lee et al. (2020) developed a scale for pickup service quality of BOPIS, comprising four dimensions i.e. service effectiveness, problem handling, ease of access and item quality, which were found to influence customer satisfaction and their intention to reuse BOPIS service. To summarize the insights from literature, the key benefits and factors encouraging consumers to use CC service include convenience of collection, easy returns or exchange in case of errors, lower or no delivery charges, environment friendly, online trust and pickup service quality, besides their socio-demographics.

3. Statement of the Problem

With COVID pandemic accelerating the online shopping phenomenon, it is essential for retailers in India to adopt the latest ecommerce technologies and practices, which offer greater customer choice and benefits. CC service is one such venture, which is novel and can prove to be beneficial for both businesses and consumers. However, given its lower adoption, Indian retailers seem hesitant to invest in the CC channel since they are unaware and uncertain about consumers' attitude and intention to use this service. Hence, this study was undertaken to explore the potential of CC service as a viable delivery mode in e-grocery shopping.

4. Need of the Study

The literature review revealed that there are no studies, to analyse Indian consumers' perception of CC service for e-grocery shopping. Besides, there are hardly any studies which have taken into account the COVID pandemic influence on consumers' adoption of CC service.

These research gaps inspired the undertaking of this study.

5. Objectives of the Study

This study explores the Indian consumers' perception of CC service as an alternative delivery channel for e-grocery shopping. The specific objectives are:

- To analyse the consumer acceptance of CC service for e-grocery shopping.
- To identify the factors influencing consumers' intention to use CC for e-grocery shopping.

6. Hypotheses of the Study

H₁: Consumer characteristics have significant effect on their intention to use CC service (H_{1.1}: gender; H_{1.2}: age; H_{1.3}: income; H_{1.4}: working nature; H_{1.5}: personal vehicle use; H_{1.6}: presence of adult non-working member at home)

H₂: Consumer e-grocery shopping behaviour has significant effect on their intention to use CC service (H_{2.1}: e-grocery purchase frequency; H_{2.2}: perceived time pressure)

H₃: Consumer satisfaction with e-grocery shopping have a significant effect on their intention to use CC service (H_{3.1}: quality of products delivered; H_{3.2}: consistency of delivery time; H_{3.3}: delivery speed; H_{3.4}: returns policy; H_{3.5}: perception of delivery charges)

H₄: Consumers' COVID pandemic fear has significant effect on their intention to use CC

7. Research Methodology

7.1 Sample Selection

This study was conducted in Chennai City, India. A two-stage sampling technique was

employed where the first stage involved selecting the supermarket and the second stage involved choosing customers of the selected supermarket.

Since the study focused on e-grocery shopping, the researchers selected SPAR hypermarket based on the criteria that it was a popular retail chain which offered click and collect service. In the second stage, the list of consumers who made purchases through the supermarkets' website and app using click and collect service, during Jan to Mar 2021, was acquired. The respondents were selected through systematic random sampling where every tenth customer in the list was reached through phone and requested to participate in the study. If the customer agreed, the questionnaire was mailed to him or her and a prompt follow-up was made to ensure filled the return of questionnaire. If not, the next tenth customer was selected. The systematic random sample helped reduce the selection bias. Overall, 256 valid responses were collected that were used for data analysis.

7.2 Source of Data

Primary data were used for conducting the study. A structured questionnaire was designed to capture the consumer characteristics, e-grocery shopping behaviour and satisfaction hypothesized as potential influencers of their intention to use CC service and it was adopted from **Milioti et al. (2020)** and suitably modified. The questionnaire was emailed to the interested participants and they were followed up to ensure better response rate. Overall, 256 valid responses were collected and used for data analysis.

7.3 Period of the Study

The data were collected in Chennai City for four months, from January to April 2021.

7.4 Tools Used in the Study

To achieve the research objectives, descriptive statistics and logistic regression were employed. The descriptive statistics involved analysing the frequency distribution of respondents, based on the variables, whereas logistic regression was used to identify the factors influencing consumers' intention to use CC service. The dependent variable was a binary response (yes/no), indicating the respondents' intention to use CC service while the rest were independent variables, measured by using binary responses, as shown in **Table 1**.

8. Data Analysis of Consumers Acceptance of Click and Collect Service for E-Grocery Shopping

8.1 Descriptive Statistics of E-grocery Shoppers

The frequency distribution of the respondents, based on all variables, is presented in **Table 1**. The results showed that majority of respondents (64.1 per cent) would like to use CC service but not pay for it (92.6 per cent). It was found that almost 50 per cent of the respondents were not satisfied with their e-grocery shopping delivery, with regard to the products' quality, delivery speed and returns policy. The delivery charges were perceived to be high by 61.3 per cent of the respondents. The results revealed considerable consumer dissatisfaction with the present e-grocery delivery efficiency, indicating substantial scope for CC service.

8.2 Logistic Regression of Consumer Intention to use CC Service

The logistic regression estimation results, presented in **Table 2**, show that out of 14 hypothesized independent variables, 10 variables

were found to be significant determinants of respondents' intention to use the CC service (Refer **Table 3** for hypothesis testing results). The consumer characteristics emerged as the most important predictors where age, working nature, personal vehicle use and gender significantly influenced the respondents' intention to use the CC service. The younger and middle-aged group (≤ 50 years) reported 8.3 times greater odds of using the CC service compared to the older group. Likewise, respondents going out and working full-time were 6.787 times more likely to use CC services and those using a personal vehicle reported 3.717 higher odds of using the CC service. Gender-wise, female respondents were more likely to use the CC service for grocery purchase, which implies that females are more concerned about delivery control, speed and personally checking the groceries before pickup.

The perception of delivery charges was found to be the next important predictor, where respondents who perceived that the delivery charges were currently higher, reported 3.242 times greater odds of using the CC service. The respondents, who were dissatisfied with the quality of products delivered, delivery speed and returns policy, reported greater likelihood of using the CC service. With regard to e-grocery shopping frequency, it was observed that the respondents, who purchased groceries online >2 times/month were less likely to use the CC service. Finally, the COVID pandemic fear was also found to be a significant predictor where respondents, who were scared to venture out and purchase groceries, reported lower probability of using the CC service.

9. Findings of the Study

This study revealed that majority of the respondents would use CC service if offered for

e-grocery shopping, but not pay for it. It also identified the key determinants of consumers' intention to use the CC service. The younger respondents' inclination to use CC was conceivable since they reported greater proclivity towards e-shopping and found it convenient to collect the order themselves. This view concurred with the past studies (**Liao et al., 2011; Jara et al., 2018**), who argued that CC was successful among young consumers since it met their requirement of avoiding the chore and hassle of physical store shopping as well as control the pickup time.

The findings also showed that people who worked, involving travel and use of personal vehicle, found it easy, and economical to place an order online and pickup at their convenient time. These results are substantiated by past studies in Malaysia and Greece, which claimed that busy working adults were more inclined to adopt the CC service (**Victor et al., 2018; Milioti et al., 2020**). Consumers' dissatisfaction with the present e-grocery shopping delivery charges and efficiency was found to drive their intention to use CC service. Consumers, who frequently used e-grocery shopping, did not intend to use CC, indicating that they trusted their retailers and satisfied with their delivery, making them resistant to change (**Milioti et al., 2020**).

10. Suggestions

Based on the study findings, it is recommended that grocery stores, supermarkets and e-grocery retailers can certainly invest in and establish the CC service, a competitive delivery scheme to home delivery and an effective omnichannel retailing strategy, to improve cross-selling opportunities, profitability, customer choice, experience and loyalty. Since individuals who work full-time and use a personal

vehicle are more likely to try CC. This service can be first launched by retailers in metro cities with high population density and then in tier II and III cities based on its metro success. The findings revealed that COVID pandemic fear persuaded consumers to find it a safer alternative to in-store shopping since almost half the consumers were dissatisfied with their current e-grocery delivery experience.

For the success of the CC service, it should be effectively designed and implemented by the retailers, depending on their nature, physical store network, locations, accessibility and online presence. At the outset, supermarket chains with good e-sales can easily test the CC service, by launching associated pickup stations since they have the required infrastructure and inventory at their stores. For e-retailers with no physical stores, their warehouses loaded with all essential inventory can be revamped to function as pickup stations. Once launched, it is imperative for retailers to use effective marketing policies and advertisements to increase awareness about this service. If consumers embrace and love the CC service, it can prove to be extremely beneficial for omnichannel businesses, in reducing their last-mile distribution costs.

11. Conclusion

This study investigated the potential of CC as an alternative delivery service and the factors determining its acceptance in an emerging e-commerce market like India. Based on the study findings, appropriate recommendations, related to implementation of CC service, were discussed. The underlying rationale was that consumers should be given a delivery choice besides home delivery for e-grocery shopping which can also boost the business profitability in the long run.

12. Limitations of the study

This study was conducted using a smaller sample in Chennai City, to analyse the potential of CC service in e-grocery shopping context. Hence, researchers and retailers must exercise caution before applying it to other contexts and regions.

13. Scope for Further Research

Future research can focus on evaluating consumer acceptance of CC service across major Indian cities and can further compare the determinants. The success of CC service can be examined in apparel chains such as Max & Lifestyle that have been recently launched in India.

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Table-1: Frequency Distribution of Respondents based on all Variables

Variables		Number of Respondents	Percentage
Intention to use CC service	Yes	164	64.1
	No	92	35.9
Intention to pay for CC service	Yes	19	7.4
	No	237	92.6
Consumer Characteristics			
Gender	Male	124	48.4
	Female	132	51.6
Age	<= 50 years	203	79.3
	> 50 years	53	20.7
Income	<= Rs. 50,000	158	61.7
	> Rs. 50,000	98	38.3
Do you go out and work full-time?	Yes	140	54.7
	No	116	45.3
Do you use a personal vehicle regularly?	Yes	138	53.9
	No	118	46.1
Presence of adult non-working member at home	Yes	125	48.8
	No	131	51.2
E-Grocery Shopping Behaviour			
E-grocery shopping frequency	<=2 times/month	141	55.1
	> 2 times/month	115	44.9
Do you have enough time for grocery shopping?	Yes	124	48.4
	No	132	51.6
Satisfaction with E-Grocery Shopping			
Satisfied with quality of products delivered	Yes	128	50
	No	128	50
Satisfied with consistency of delivery time	Yes	126	49.2
	No	130	50.8
Satisfied with speed of delivery	Yes	112	43.8
	No	144	56.3
Satisfied with returns policy	Yes	120	46.9
	No	136	53.1
Perception of delivery charges	High	157	61.3
	Low	99	38.7
COVID Pandemic Fear			
Are you scared to visit stores to purchase groceries due to COVID pandemic?	Yes	118	46.1
	No	138	53.9

Source : Primary data and computed using SPSS (2021)

Table-2: Logistic Regression Results – Estimated Coefficients (β), Odds Ratio (e) and p-value of Significant Independent Variables

Variables	Estimated Coefficients (β)	Odds Ratio (e)	Statistical Significance (p value)
Gender	-2.973	0.510	0.000
Age	2.116	8.300	0.000
Working individual or not	1.915	6.787	0.007
Personal vehicle use	1.313	3.717	0.006
COVID pandemic fear	-1.015	0.363	0.006
Satisfied with quality of products delivered	-1.012	0.364	0.005
Satisfied with delivery speed	-0.862	0.422	0.018
Satisfied with returns policy	-1.121	0.326	0.002
Perception of delivery charges	1.176	3.242	0.001
E-Grocery shopping frequency	-0.724	0.485	0.038
Constant	0.546	1.726	0.330
Goodness of fit measures			
% of correct classification	79.3		
Nagelkerke R Square	0.502		

Note: Dependent variable – Intention to use CC service

Source: Primary data and computed using SPSS (2021)

Table-3: Hypotheses Testing Results and Effect of Variables on Consumer Intention to use CC Service based on Logistic Regression Analysis

Hypothesis	Variables	Result	Effect on Intention to use CC Service
H ₁ : Consumer Characteristics	H _{1.1} Gender	Validated	Female (+)
	H _{1.2} Age	Validated	<=50 years (+)
	H _{1.3} Income	Rejected	No effect
	H _{1.4} Working nature	Validated	Working individuals (+)
	H _{1.5} Personal vehicle use	Validated	Use of personal vehicle (+)
	H _{1.6} Presence of adult non-working member at home	Rejected	No effect
H ₂ : E-Grocery Shopping Behaviour	H _{2.1} E-grocery purchase frequency	Validated	Frequent buyers (-)
	H _{2.2} Perceived time pressure	Rejected	No effect
H ₃ : Satisfaction with E-Grocery Shopping	H _{3.1} Quality of products delivered	Validated	Dissatisfaction (+)
	H _{3.2} Consistency of delivery time	Rejected	No effect
	H _{3.3} Delivery speed	Validated	Dissatisfaction (+)
	H _{3.4} Returns policy	Validated	Dissatisfaction (+)
	H _{3.5} Perception of delivery charges	Validated	Higher charges (+)
H ₄ : COVID Pandemic Fear	H ₄ COVID pandemic fear	Validated	Over-responders/ High fear (-)

Note: (+) indicates increase in likelihood of using CC; (-) indicates decrease in likelihood of using CC

Source: Primary data and computed using SPSS (2021)