



## Factors Influencing Customer Satisfaction while Purchasing Online Grocery Shopping: A Case Study of UAE

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**ABSTRACT:** This is the first study of its type in the UAE, examining the uptake and use of online grocery shopping. It suggests expanding the technological acceptance paradigm to include subjective standards, exposure, risk, and user satisfaction.

Some customers prefer online retailing through home delivery or “click and collect,” convenience stores, and different hybrid shopping platforms, whereas others do not. When it comes to understanding current and upcoming trends in food shopping, focusing on the “ordinary grocery shopper” isn't too effective. The main characteristics of these segments show that customers are drawn or denied shopping online. Convenience, potential advantages, costs and angers, technological effects, and time constraints are all factors to consider.

Ease of use, efficacy, and willingness to use all have a statistically significant impact on online shopping acceptability, according to the research. Visibility and risk had little effect on the usefulness of online grocery.

**Keywords:** Convenience, Compulsion, Click and Collect, E-commerce, Efficacy, Hybrid Shopping.

### I. INTRODUCTION

This is the first research of its kind in the UAE to look at the adoption and use of online grocery shopping. It proposes adding subjective standard, exposure, perceived risk, and perceived enjoyment to the technology acceptance model.

### II. MATERIALS AND METHODS

Grocery is a huge market, especially in UAE, where people spend around 50% of their earnings on it. In 2018, Wharton School reported that the market value of online grocery is somewhere around \$400 to \$600 billion. It accounts for approximately 60% of the total retail market. A study by Huang and Oppewal in the year 2006 [4], and Chu *et al.* (2010), talked about the disadvantages of offline orthodox grocery stores possessed [5]. Like lack of goods, the ease of buying, and the doorstep delivery facility provided by their online alternatives [3, 10].

It is quite evident that Grocery retail has a huge customer base here in UAE. But, according to The Financial Times in the year 2017 and Business wire in 2019, the online grocery customer base accounted for less than 1% of the total industry. The \$428 billion grocery industry in UAE, calculated to be approximately around \$150 billion only. It is observed that the e-grocery companies have not been able to expand country-wide, thus leaving chances of sales in small cities and towns.

Thus, we can understand that even though the grocery market base, as well as the online shopping industry, has a huge market base and is in demand. Yet, the mix of both, i.e. online sale of groceries is yet on the low side.

In comparison with other countries, UAE, which comes third in the list of the grocery market, the online market of the same is much less. China, the first one with a massive base of \$1400 billion, has about 6.9% of it through the online sector. The USA, which comes second with an \$830 billion customer base, has a 1.4% contribution from the online market [1, 2].

However, situations were not predicted to be the same. In the year 2019, RedSeer calculated that the current online grocery market of UAE would grow at a compounding annual rate of 60% in the next four years, i.e., till 2022. The Wharton School in 2018 said that the complete industry would cross the 700 benchmark. Then in the year 2020, when the world suffered through a pandemic, the retail grocery industry reported a sharp increase in numbers. In the year 2020, the online grocery market saw a 76% increase in usage. And reported hitting about \$3 billion in sales, and to grow at a compounding rate of 37.1% for the next 8 years.

Another booming industry that affects the growth of the e-grocery market, is online shopping. There has been a brisk increase in usage of the internet and mobile phones and other electronic devices that connect people to the World Wide Web.

Research by Diwanji in the year 2020, reported that around 480 million people used the internet in 2019, which would increase to 660 million in 2023. Also, according to IEBF, about 4.7% percent of people were comfortable shopping online in 2019, which was calculated to reach 10.7% by 2022, i.e., a 6% increase. According to Statista, the market size of the e-commerce industry will reportedly be \$73 billion.

It is important for companies to furnish correct data related to their goods on their portals. It allows customers to make their choice after consulting all alternative situations. Online portals own a major disadvantage of not being able to test the products physically. Thus, apt and correct information about it would be helpful for them to make their buying choices [5, 6, 7, 8]. The information provided by the sellers helps the buyers as it is the only data they get about the product. This data helps them understand the rate of the goods, the quality. The photo provided also helps in understanding it better, make a finer choice. The availability of alternatives in the online market also benefits the consumers, to compare and choose the right one [3, 9]. Owing to the developing industry, e-grocery has quite a number of alternatives, which

provide large base of products with divergent qualities and attributes. In the case of grocery shopping, it is more essential. Since the quality, freshness, and origin of these products matter. Some consumers are not comfortable making decisions about groceries without physically assessing them.

## II. RESULTS AND DISCUSSION

EFA was applied to 9 items to generate factors. The approximate Chi-square statistic is 643.730 with 45 degrees of freedom (Table 1), which is significant at 0.05 level. The value of Kaiser Meyer Olkin statistic is 0.771 and is also large and greater than 0.5. EFA resulted in three factors but there were some items that were cross loading, 4 such items were dropped to achieve better results. Factor 1 accounts for a variance of 4.590, which is 30.70% of the total variance, Factor 2 accounts for a variance of 3.238, which is 20.560% of the total variance, and likewise Factor 3 accounts for a variance of 2.800, which is 17.766% of the total variance and thus, the first three factors combined account for 68.926% (Table 3). In the rotated factor matrix, three factors which were extracted are given below in Table 4.

**Table 1: KMO and Bartlett's Test.**

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.771
Bartlett's Test of Sphericity	Approx. Chi-Square	643.730
	Df	45
	Sig.	.000

**Table 2: Total Variance Explained.**

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	8.269	54.063	54.063	8.269	54.063	54.063	4.590	30.700	30.700
2	1.359	7.996	62.059	1.359	7.996	62.059	3.208	20.560	51.260
3	1.019	5.776	67.835	1.019	5.776	67.835	2.800	17.766	68.926
4	.721	4.735	72.570						
5	.557	3.644	76.214						
6	.511	3.437	79.651						
7	.447	3.311	82.962						
8	.410	2.567	85.529						
9	.334	2.363	87.892						
10	.309	2.196	90.088						
11	.242	1.542	91.630						
12	.207	1.418	93.048						
13	.174	1.491	95.539						
14	.161	1.407	99.365						
15	.060	.635	100.000						

Extraction Method: Principal Component Analysis.

**Table 3: Factor Names.**

<b>FACTOR CONVINIENCE</b>	1	Online Shopping saves time
		Online Shopping makes life easier
		Online Shopping is easy
<b>FACTOR EFFICACY</b>	2	Delivery in time through online shopping
		Return of products are easier
		Free delivery provided by online portals
<b>FACTOR COMPULSION</b>	3	Goods provided by the online portals are worthy of the money
		Less risk during the pandemic
		Contact less delivery provided by the cartels

$H_0 : B_1 = 0$

The null hypothesis implies that there is no linear relationship between **Online Shopping Satisfaction** and the factors '**Convenience**', '**Efficacy**' and '**Compulsion**'.

$H_1 : B_1 \neq 0$

The alternative hypothesis implies that there is relationship, positive or negative, between **Online Shopping Satisfaction** and the factors '**Convenience**', '**Efficacy**' and '**Compulsion**'.

In the above table R – square (Table 4) value is 0.361 which indicates 36.1 %of the total variation in the dependent variable, overall satisfaction can be

explained by the independent variables, "CONVINIENCE, EFFICACY, COMPULSION".

**Table 4: Model Summary.**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.601 <sup>a</sup>	.361	.357	.703
a. Predictors: (Constant), CONVINIENCE, EFFICACY, COMPULSION				

**Table 5: ANOVA<sup>a</sup>.**

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	81.896	2	40.948	66.408	.000 <sup>b</sup>
	Residual	94.886	158	.603		
	Total	176.782	160			
a. Dependent Variable: I am satisfied buying online grocery products						
b. Predictors: (Constant), CONVINIENCE, EFFICACY, COMPULSION						
From the above ANOVA table (Table5) we can see that the regression model predicts the dependent variable significantly well and it is statistically significant as p – value is less than 0.05. Thus $H_1$ is rejected, whereas $H_0$ is accepted.						

#### IV. CONCLUSION

This study aims to understand the factors affecting the satisfaction of the online users for influencing other customers towards Online Grocery Shopping. This study found that the customer satisfaction mainly depends on three crucial factors which are, "Convenience" the second factor is "Efficacy" and the third factor is "Compulsion".

#### V. FUTURE SCOPE

It is certain that the UAE's online grocery market will grow in the coming years. Between 2021 and 2025, the UAE's online grocery sector is predicted to grow dramatically. In the UAE, more customers will be eager to buy groceries online, and the number of grocery shopping applications will increase rapidly.

**CONFLICT OF INTEREST:** The author declares no conflicts of interest.

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