

# Decoding the Strategies Aspects of Online Grocery Retailing

**Dr. Ashish Khare**

Senior Assistant Professor, Jagran Lakecity University, Bhopal

**Nikhil Maheshwari**

Assistant Professor and Program Lead, Jagran Lakecity University, Bhopal

**Dr. C Shekhar Upadhyay**

Senior Assistant Professor, Jagran Lakecity University, Bhopal

---

## ABSTRACT

---

The E-commerce sector has become red hot in India over the last few years, with entrepreneurs and investors scrambling to set up new online ventures. In overall e-commerce, food and grocery retailing has very small share which is less than 1%. There are two main reasons for this. One is, much lower margins in grocery, and second, digital literacy is evolving at an initial phase. But sooner or later, they have to shift their focus from top line growth and valuations to profitability and sustainability to ensure their long term survival. The purpose of this paper is to understand, how a systematic & strategic imperatives in e-grocery retailing translates into effective sustainable business for e-retailers in online grocery retailing.

**Keywords :** Grocery, E-retailing, Consumer, Technology

---

## Introduction

Online retail is the process wherein customers purchase goods / services directing from a seller in real time over the internet. Also known as e-commerce (or electronic commerce), it is a very productive and profitable space. Online retail serves both retailers and consumers, satisfactorily, offering the convenience shopping 24x7 at any place, and saves retailers on the cost incurred on a physical state.

Now the freedom to acquire a product in a fraction of second is only a click away. It would not be wrong to say that the ease of shopping at a click of mouse is most exciting, time saving, convenient, extremely popular among youngsters and gaining momentum with each passing.

According to the Hari Menon (Wharton University press website - on Knowledge @ wharton) India is the sixth largest grocery market in the world and one of the fastest growing markets for online groceries. According to industry estimates, of the \$500 billion-plus retail market in the country, food and groceries account for the biggest chunk with around 70% market share. Of this, organized food and groceries is estimated to be around \$12 billion and growing at a compound annual growth rate of around 30%. Research firm IGD predicts that by 2016, the Indian grocery market would have overtaken Japan to become the third largest. Meanwhile, India's online grocery market, which is estimated to be less than \$100 million at present, is expected to be worth billions in the coming years. "We anticipate it to cross \$20 billion by 2020," says Menon.

Internet usage has increased in the last few years with active internet users expected to reach 500 million by the end of 2017. This rush has seen complimented with high reach, acceptance and usages in e – commerce as well. Today's e shoppers has become more comfortable in purchasing product and services on line with revenue from online shopping expected to exceed USD 21 billion by the end of 2015. The contribution of e- tailing to commerce has also seen year on year growth with this contribution expected to touch 28 percent up from 14 percent in 2011. The Indian e commerce industry grew to USD 16.4 billion in 2014 with CAGR being a high 34% since year 2009. According to a report by pwc, this industry is expected to reach US\$ 22 billion in 2015.

Convenience is not a new concept for customers in India who have been pampered by local kiranawallas with phone deliveries long before the 'click of a button' age arrived. But there is a rising dependency on online stores, as an increasing number of working couples, burdened by paucity of time, and access to 24x7 internet are seeking the easy and convenience of internet shopping. Food and grocery has potential to contribute significantly to the total e – tailing market in the next 10 years. However at an overall level this will still remain a very small (less than 1%) part of the total food and grocery market in India. Increasing non availability of retail space will drive established retailers to approach online channel more seriously, and have an online presence to complement physical presence.

Initially food and grocery is very difficult category to serve this channel, because there is a scarcity of standardization and brands while FMCG categories which are relatively more branded like personal care, baby care, home care etc will move online more easily.

Major players in India market- Indians are new to the concept of online grocery delivery, the idea got a new push and revitalized during and after

the COVID-19 pandemic. Suddenly the urge to find a solution which is easy and convenient was felt. Lately, India has seen entry and scale up of online grocery players. They were majorly based in big cities but now they are getting good response and acceptance in smaller cities and towns all across the India. Customers who were traditionally depended on the offline mode of grocery purchase have started thinking and using these platforms (websites and mobile applications). Currently, India has more than 30 major minor online platforms for grocery shopping. Few are in the pipeline and will be materialize soon as they are stuck at various stages ranging from ideation to funding. The wave of startup India has also helped the new entrants to get into the India market. Let us look at the some leading names in the online grocery market.

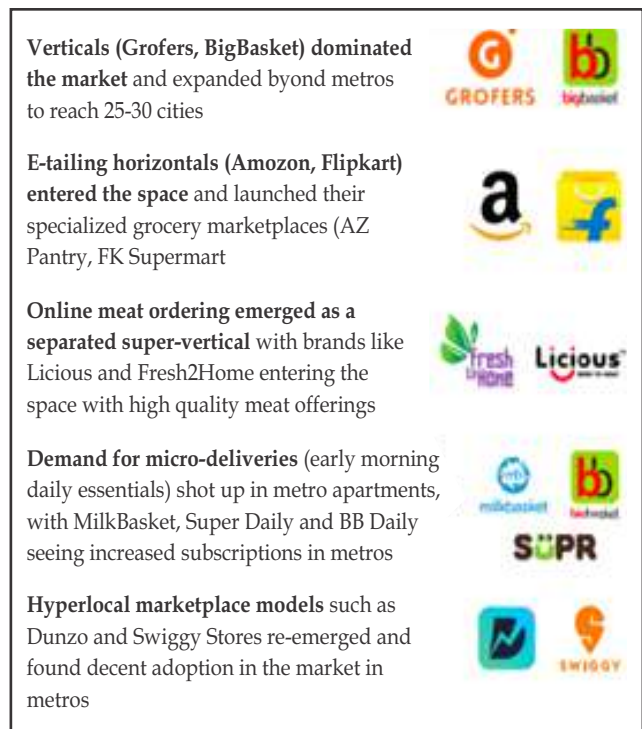


Fig. 1 : Snapshot of Indian online grocery market

## Indian Grocery E-commerce Market

**The Indian grocery e-commerce market is made up of five categories of players:**

- Grocery e-commerce specialists E-grocers such as BigBasket and Grofers command 70 to 80 percent of the market, offering a variety of products to a wide base of regular customers.
- Horizontals. E-commerce platforms such as Amazon, Flipkart, and Paytm are investing heavily in developing their grocery capabilities. They have a large base of loyal users and a strong focus on customer satisfaction.
- Daily essential players. Micro-delivery companies such as Milkbasket are focusing on daily essentials, such as dairy, eggs, and bread. They have narrow assortments and low-value but high-frequency orders.
- Omni channel players. Supermarkets such as DMart and SPAR are using their retail stores to fulfill orders in their vicinities. They have developed their own platforms or are listed on e-commerce marketplaces such as Amazon and Flipkart.
- Meat, F&G, and other specialists Some start-ups such as Licious and FreshToHome are focusing on select categories, offering a limited assortment to a loyal base of users who make high-value purchases.

### Top Online Grocery Stores and Apps in India in 2021

S.No	Name of player	USPs
1.	Spar	<ul style="list-style-type: none"> <li>• One-stop online destination to find groceries</li> <li>• You can find competitive prices</li> <li>• Also sells fashion and beauty products, electronics, &amp; home decor items</li> </ul>
2.	BigBasket	<ul style="list-style-type: none"> <li>• Bigbasket has tied up with the Karnataka government to promote agriculture and organic farming</li> <li>• It procure 500 metric tons of millets of Rs 2.50 crore</li> <li>• It is India's leading grocery &amp; fresh vegetables, fruits, beverages, personal care products, household items, meat and eggs, bread, grocery, etc selling company</li> </ul>
3.	Grofers	<ul style="list-style-type: none"> <li>• Their uniqueness is that they connect consumers with all local stores</li> <li>• It delivers veggies, fruits, grocery items, baked goodies, electronics, cosmetics, flowers, baby care, pet care products, etc.</li> <li>• Schedule delivery slots &amp; get real-time updates</li> </ul>
4.	Jiomart	<ul style="list-style-type: none"> <li>• It is a joint venture by Reliance Retail and Jio Platforms</li> <li>• It was founded in 2019</li> <li>• Works between nearby grocery stores &amp; customers</li> </ul>

5.	Amazon Pantry	<ul style="list-style-type: none"> <li>• They have a wide range of items of cooking essentials, beverages, household supplies, etc.</li> <li>• Get 5-15% cashback on your purchase of more than Rs 1000</li> <li>• Delivers products all across the country</li> </ul>
6.	StarQuik	<ul style="list-style-type: none"> <li>• Best place to shop for Alphonso mangoes of Ratnagiri</li> <li>• Also have 10000 grocery &amp; household items to shop from</li> <li>• They sell veg, non-veg, dairy, spices &amp; masala, frozen food, snacks</li> </ul>
7.	Flipkart Supermart	<ul style="list-style-type: none"> <li>• Buy flour, dal, spices, dairy products and much more</li> <li>• Provide amazing offers &amp; discounts</li> <li>• The company provides a 'buy now, pay later' option for the customers</li> </ul>
8.	Spencer's	<ul style="list-style-type: none"> <li>• It is currently available in Kolkata, &amp; NCR</li> <li>• Provide 3 hour delivery</li> <li>• 15000+ products available in categories like fresh fruits &amp; vegetables, frozen goods, dairy products, personal care, and house decor and household items, etc</li> </ul>
9.	Heritage	<ul style="list-style-type: none"> <li>• Wide variety of products available from edible oils to pulses, rice &amp; rice products, baked and frozen goods, flour, spices, salt, sugar, personal care, household items, etc.</li> <li>• Offers easy exchange &amp; on-time delivery</li> <li>• Available 8000 products, 90+ Heritage Fresh stores</li> </ul>
10.	FreshToHome	<ul style="list-style-type: none"> <li>• Delivers marine or freshwater fish, meat, &amp; poultry</li> <li>• Delivers in cities like Bangalore, Calicut, Chennai, Cochin, Delhi (NCR), Hyderabad, Mumbai, Pune, Thrissur, &amp; Trivandrum</li> <li>• Ensures that customers get the healthy meat, fish, &amp; poultry</li> </ul>
11.	Nature's Basket	<ul style="list-style-type: none"> <li>• This grocery company owned by Godrej group</li> <li>• Offers customers with premium options for online food ordering</li> <li>• They have categories like health, fruits, vegetables, beverages, bakery, eggs, meats, desserts, ready-to-eat food, and many more</li> </ul>
12.	Aaramshop	<ul style="list-style-type: none"> <li>• Buy health drinks, snacks, fresh vegetables, biscuits, cookies, edible oils, laundry supplies, and a wide range of other groceries</li> <li>• This online shop offers coupons to use during checkout</li> <li>• It connects users with nearby general &amp; ration shops</li> </ul>

13.	Morestore	<ul style="list-style-type: none"> <li>• This hypermarket is a part of Aditya Birla Group</li> <li>• They delivers across all major Indian cities</li> <li>• Offers products like fruits &amp; vegetables, home care, furnishing, fitness products, personal care, stationery, and many more</li> </ul>
14.	Paytm Mall	<ul style="list-style-type: none"> <li>• This grocery platform was launched by Paytm</li> <li>• Sells products such as kitchen appliances, snacks, mobile phones, apparel, fitness bands, accessories, other than groceries</li> <li>• They have over 65 million products online</li> </ul>
15.	Naturally Yours	<ul style="list-style-type: none"> <li>• It offers cheap and fresh groceries</li> <li>• They feature over 20000 curated products</li> <li>• They bring a wide range of organic cosmetics, organic supplements, organic clothing, organic food, &amp; organic Ayurveda</li> </ul>

Table 1. Major Online Grocery Players in India.

## Leading Consumer Trends Shaping Online Grocery Market -

Interestingly, post Covid 19 scenario has helped in the astronomical growth of online grocery segment. But we need to understand other forces that have helped this segment to grow. The size and sheer growth of the segment depends on the some unique consume trends which are now shaping the very segment of online grocery. In a way there are certain trends in the consumers which we need to understand to get the clear picture of future of online grocery. Some of the trends we will see are normal in nature and look very organic in appearance. But some of the trends have just got introduced and have taken the front seat in driving the segment ahead. These trends are logical force behind the unprecedented growth and acceptance of online grocery in India lately. Let's see some of the trends-

1. Increased online shopping has become the new normal these days and is not going to subside in near future. The way Indian has accepted the new normal in the form of

online shopping is unprecedented and has shocked the experts all across the world. Online grocery will keep on growing as the trend of online shopping is here to stay and grow. The very eco system is there to support this new way of consumption of Indians. One of the most interesting thing to see and understand is that consumer preferences have changed across the board right from how and what they will buy and their hunger for customer handling and pricing. The way product diversification and categorization has taken place is a clear indication that online shopping is the new normal.

2. Recently fresh and frozen category among the grocery has seen the most growth across the sector. Consumers can, with the help of different applications and websites order fresh food and eatable which are usually delivered within hours (in some metro cities). This ability to dominate and getting fresh eatables/groceries has increased the flow of consumer traffic towards online



grocery platforms. Some of the platforms/app/websites have positioned themselves in such a way that they can be trusted and called for fresh groceries very conveniently.

3. Enhanced user experience maintenance of quality till the very end has also enabled the online grocery platforms to perform the way they are performing. Previously, shopkeepers did not pay the required attention on quality, time, experience, feedback etc. All has changed with online grocery platforms and they have started giving rich experiences which consumer like very much.
4. Availability of goods/products has also ensured the inclination of consumers towards these platforms. The offline grocery shopper may experience the shortage or lack of certain products which he/she might be looking for. The online grocery platforms have ensured that the products are available in abundance and ready to deliver on order. This has pushed a lot new consumers towards online grocery in India lately. People who have less time and even less patience prefer these platforms for saving efforts and other resources. This trend is now more visible in small cities which was earlier was visible in metro cities alone.
5. Consumer these days do not mind paying a bit extra for the additional comfort they are enjoying while shopping online. This is a dominant trend among the other notable trends pushing for the faster adaptation of online grocery in India lately. When a consumer compares the difference between the benefits derived from online and offline grocery shopping, the difference is visible and in order to enjoy those benefits, the consumer is ready to pay a little more happily. This trend also indicates towards the high disposal income of India urban consumers.
6. Eying on extras in terms of price off and other promotional offers have helped in getting substantial grounds for the online grocery firms. After logging into these firms webpage or downloading their application, you will be greeted with offer of the day kind of stuff. These price off and discounts are successfully capturing the earlier uncaptured and untapped market for online grocery players.
7. The extent and ecosystem of online payment mechanism is the fundamental and corner stone trend which is driving the online shopping phenomenon in India. In last few years, this ecosystem of online payment has risen like anything and helped more and more consumers to opt of online shopping rather than offline shopping. Online grocery is not exceptional and also enjoys the benefits of this huge ecosystem of online payment mechanism which is safe and secure and available with no extra efforts as such.

## **Opportunities for Indian Online Grocery Market**

Following are the opportunities which are created by the online grocery market, which together make it most delicious and sought after segment of online shopping activity for both consumers and companies alike.

1. Growing number of internet and Smartphone users in India in last decade has made it possible and full of profits for consumers as well companies to go online with their product and services. Online grocery which was unthinkable like few years ago has become the reality and need of the hour.
2. Online retail is a highly convenient, user-friendly and time saving option is one of the most important driver and ray of hope for growth and development of online grocery

market. The opposite of online grocery is time consuming process where consumer will go pillar to post to find the required product. This reluctance among consumer has posed one in a life time kind of opportunity to the sector of online grocery to grow.

3. Consumers prefer high-quality and hygienic foods and are ready to pay a bit extra for the desired good in proper packaging and presentation. The emergence of such consumer market has given a lot of hopes and window of growth to the companies involved in online grocery segment.
4. Online retail provide easy returns, cash discounts and cash backs with attractive discounts, along with several payment options and faceless deliveries to the target consumers. This has given new wings to the sector. The opportunity to get grocery without worrying about the usual hassle of offline grocery shopping has shaped the sector very positively.
5. Online grocery has proved to be a convenient option for consumers who have fast-paced and busy lifestyles with limited time available. The opportunity which is given to the consumer to choose from large verity of goods and services has attracted consumers in large numbers even from small urban areas which are currently fueling the growth of online grocery in India.
6. 100 percent FDI is allowed in B2B e-commerce and marketplace which is allowed by the government of India. Other sops and facilities are also has given new altitude to the sector.

### Challenges of Online Grocery Retailing

- Achieving standardization as a large part of grocery is still sold loose in India.

- Offering a large number of skus (Stock keeping units) to ensure comprehensive product range across categories.
- Developing a comprehensive and efficient delivery network across geographies since consumer may not want to wait 1-2 days to receive regular grocery deliveries and order value may be small.
- Fulfillment of logistics costs for a large number of small orders may make the online grocery retail an inefficient model. Also the high margin fresh category will take time for consumer acceptance given quality and fresh concerns.
- Inadequate IT infrastructure along with fragmented and long supply chain resulting in delays in delivery has emerged as a formidable challenge for the sector.
- Storage and transportation costs are still significantly high as compared to other sectors which are in online domain. This challenge is creating high price for the products as compared to offline grocery shopping.
- The challenge of psychological satisfaction which makes consumers, despite convenience and safety advantages, prefer to shop in person in a physical store. It is due to the satisfaction and joy they derive from physical shopping.
- Maintenance and operational costs for perishables are high and require significant investment in storage and infrastructure which is quite challenging in its own terms.

### Model of Online Grocery Drivers

Based on the three dimensional socio economic classifications of households that take into account income, education and the main occupation of the household, the consumer online grocery potential in India can be estimated under two main categories:

**Core potential:** this includes households with the potential for most products and services categories – middle to high income as well as a combination of more productive occupations and good education attainment.

**Early adopters:** Top income earning graduate households, engaged in business, salaried employment and profession

Most of the growth will be in the 'core potential' category, which will almost double from 71.4 million households in 2009 -10 to 141.8 million households in 2024-25 accounting for close to 50 percent of the total households in the country. More importantly the two segments at the top of the hierarchy – early adopters and primary market – will witness the highest growth among the segments in the category.

services as a medium for commerce has fueled interest in mobile payment system, including SMS/ USSD based payments, operator billing, mobile web payment gateways and contact –list NFC(Near field communication) technology. While these systems may become obsolete, the user of the mobile device as a payment instrument will grow as the need for e-commerce on mobile devices is on the rise.

**Social Media as a referral system:** Social networks already function as a large and highly effective means to build awareness and interest in brands and products. They operate as a digital word of mouth marketing and referral engines with an ecosystem of influencers and early adopters which business can not only track but also measure and reward. In the context of brand/ seller proliferation, the power of positive social media referral will only rise further.

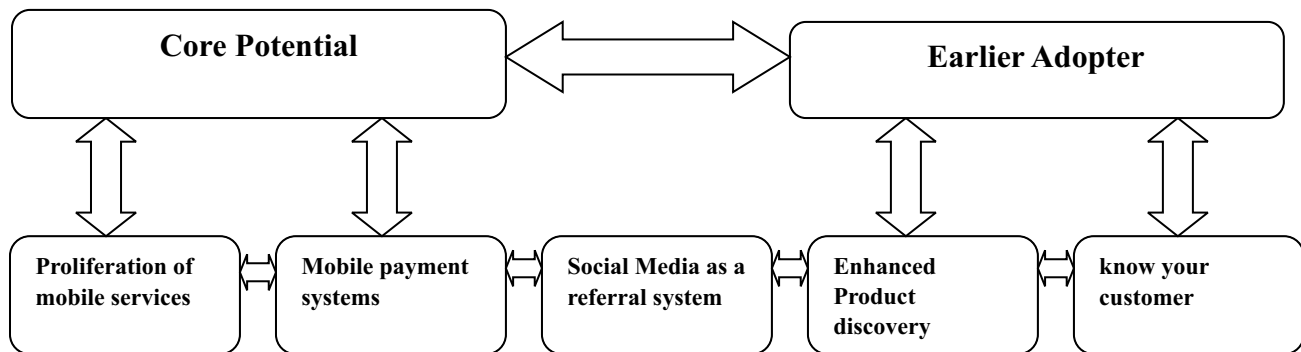


Fig. 2 : Model of Online Grocery Drivers.

**Proliferation of mobile services and shopping applications:** mobile devices have already overtaken desktops in India as access points to online content. Smart phones & tablets already have an average of 65 apps installed on each device, and their prominence in their digital users' lives is only going to grow. Mobile apps provide retailers with a new way to make their products and contents available to their customers, not only anywhere they are, but customized to their interest and preferences.

**Mobile payment systems :** the growth of mobile

**Enhanced Product discovery –** visual search / augmented reality – The advent of visual – search tool and augmented reality systems online such as google glass enables consumers to immediately identify products that interest them and tag them for purchase. Other fledging technologies allow users to interact with products such as clothes in a virtual environment and try them on before buying.

**Know your customer :** Generic e-mail marketing will be punished by the customers. E – Commerce provides retailer the ability to connect data and



learn a great deal about their customers and their purchase preferences and habits. Data will be “King” and become a hugely effective tool to provide customers with a more personalized and relevant shopping experience, improving customer loyalty and spend levels.

**The future looks careful-** Traditionally the Indians have shopped from down the corner kirana shops and other unorganized retail outlets which have provided all the required products to consumers as and when required. This trend continued for a very long time but as the generations of consumers have changed they required and look for something which is in tune to their nature and temperament. The most important luxury which the previous generation had was time and the current generation of consumers do not possess time hence the concept of E-grocery was coined and popularized. The lack of time was compensated by additional payment to the online grocery platform.

Currently the 95% of grocery market in India is offline/unorganized in nature. The consumers are looking for similar kind of treatment with the help of mobile application and website. The online grocery market segment sometimes referred as E grocery is the market which shall see the growth highest in terms of previous growth in the sector. The current market size of online grocery stands around USD 4.4 Billion which is expected to touch new and unprecedented marks in coming years. According to consulting firm Redseer the online grocery in the year 2022-23 is expected to touch over \$10 billion which is equal to the 1.2% of all retail sales, up from 0.2% in the year 2019. By 2028 the size of the market will be valued at 38.9 Billion USD. The figures are enough to tell someone the real growth which lies in the online grocery sector and also about the trends of India consumers. According to consultancy firm RedSeer the Online grocery market has grown 60 per cent from the calendar year 2020-21 and is expected to grow 41-49 per

cent by the first half of year 2021-22. This endorses the fact that Indians are more and more moving towards online shopping and preferring comfort over money and time over any other things. The growth rate of the online grocery is unbelievable in terms of CAGR as well which is estimated to be 37.1% for the period 2021-28 in way the coming seven to eight years are crucial for the growth and proliferation of online grocery segment in India. We are hopeful the sector of online grocery shall meet the estimation since we have already discussed the trends or forces pushing online grocery forward. As the demand for online grocery delivery is rising the competition has to pick up and it will be about time and time alone – those who are able to offer faster delivery with better/competitive prices are going to remain relevant and reap the benefits of this unprecedented growth saga.

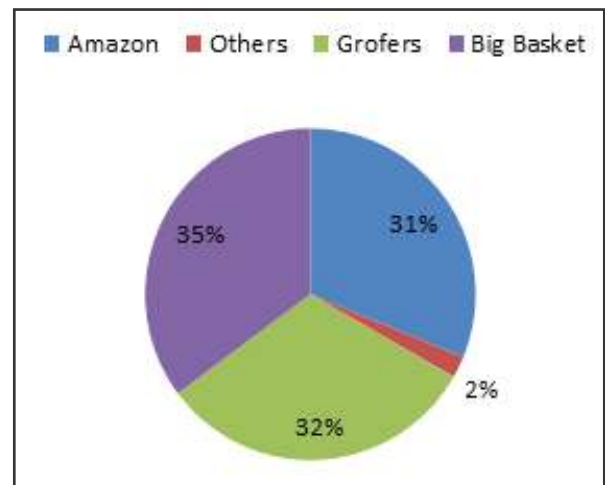


Fig 3 : The Market Share of Online Grocery

### The Strategy Myster

The most important and obvious aspect of any organization is its strategic layout which drives the particular organization ahead. It's imperative to have an ideal set of conditions for all the organizational organs, so that growth and future can be assured. Strategy does exactly that for the organizations. It is taken that failed and flowed

strategies will result in failure of the organization regardless of its size and area of working. The online grocery segment is not an exception it is also depend on cutting edge strategies which are steeped in present but looking at future. The overall contribution of strategy in the smooth running of online grocery is not hidden from anybody. Let us try to understand the strategic side of online grocery so that we can decode the present set of strategies which are being employed by the companies to sustain and grow in such a competitive market of online grocery. We will see the core of strategic framework of online grocery firms in totality and will try to see the latest trends/tilts in strategies observed in online grocery firms in India. Before we get into the detailed discussion of the above said dimensions of strategy, let us have a brief about the term strategy itself. The very core of any organization is termed as “strategy” nothing goes in the organization without strategic considerations.

The word “strategy” is basically derived from a

The very heart of strategic framework of online grocery includes the above mentioned core factors. All the online grocery firms have included these factors in some way or the other. The future of their strategy also depends on the above elements as they have to integrate the elements mentioned in diagram 2 in some way or the other. If we dissect the strategic framework of any online grocery firm, we will see these elements in very obvious light. Let us understand these elements one by one so that we understand them individually as well collectively and learn their impact in the future strategic layout of online grocery firms.

**1. Assortment** - The primary aspect of any online grocery firm would be what is available and how much is available. Sometimes it is referred as offerings or products is the core of strategic framework of any firm. The idea is to provide the products and goods in such a way that it attracts and sustain the consumers for the firm. Since the consumer is going to come to you for the product, the product should be attractive and

1. Assortment	2 Fullfillment models	3. Pricing and Promotion	4. Delivery options	5. Quality and User Experience	6. Technology and Organizaiton set up
------------------	--------------------------	-----------------------------	------------------------	-----------------------------------	--

Fig. 4 : Core of Online Grocery Strategy

Greek word “Stratçgos” stratus which literally means army and “ago” stands for leading. Generally taken that strategy is an action which managers take to attain organization's goals. Strategy can also be defined as “A general set of direction for the company and its various components to achieve a desired state in the future by the company ultimately strategy leads to the detailed strategic planning process”.

contemporary both. Since we are referring to groceries, it is imperative that the products are fresh and meet all the standards which are there to observe.

**2. Fulfillment models-** The second most important element of strategic framework of the firm is the mode of delivery of way of reaching to the consumer. A company is usually depending on one of the mode of fulfillment. The mode is chosen after much deliberations and due

considerations. The mode of fulfillment is the USP of the firm as well. It also provides the cutting edge and competitive advantage over the competitors in the market. Any strategy which is to be adopted by the firm needs to understand and underline the way company fulfilling the needs of the consumers. It basically includes warehousing and storage facilities which enables faster fulfillment of demands. In time to come as the number of players shall increase in the market, the only factor of distinction shall be the mode and time taken in delivery to the consumer. Some of the online grocery firms have made it a point of delivering same day (Within few hours) their tag line. At times companies are brutally trolled for the flawed fulfillment mechanism.

**3. Pricing and promotion** - The heart of any strategy is the pricing and promotion given to the consumers. The most attractive factor after the assortment is pricing when it comes to Indian consumers. Promotion is the second part of the pricing strategy which focuses on giving some price off and cash discounts. The grocery which usually consumes a larger part of the income in a typical household will welcome such a measure where the pricing and promotion is with attractive enough. Companies should keep this in mind that pricing will make or break their prospect in the market in future. Any strategy formation should include this side of strategic element.

**4. Delivery options** - Probably the most visible and physical side of the online grocery is the way it is being delivered to its end user. There are many ways of delivery, the company must stick to the most easy and effective way/mode of delivery. We all know how critical this factor can be in making the brand lovable or prone to hate. The delivery mechanism should include number of factors including the strategic goals, cost and geographical constraints. 8 out of 10 consumers will prefer the company with faster, safe and reliable delivery options. The core of strategy is

very well settled in terms of mode of delivery.

**5. Quality and User Experience** - Online shopping is all about the experience a user goes through when he/she is using the website or application. The core area of strategy must focus on the seamless and smooth user experience. The sluggishness and shabby user interface crates dissatisfaction and demoralizes the user. The idea should be make the experience as smooth and painless as possible. Usage of latest technologies, high graphic driven approach can help companies out for providing the seamless experience which consumers deserve and look in online shopping. Consumers prefer online shopping for grocery would not mean that they will compromise with the quality of the products/goods being offered by the company. The notion of quality shall remain the same offline or online does not matter. The sentiment behind the effective strategy shall be deeply entrenched with proper maintenance of quality with other aspects like comfort; convenience etc. quality should not be compromised at any level under any circumstances.

**6. Technology and Organization set up** - The idea behind the online shopping is driven by the technological advancement and adaptation of technology by common people. If we take the technological part out from the equation, the very idea of online shopping shall collapse immediately. When the strategies are being discussed/framed in the organizations, the level of diffusion and adaptation of technology should be there in mind. Another element in the strategic framework is organization set up of the firm. The real task and burden of executing the strategy shall fall on the organization, so the strategy formulation should keep the organization setup in mind.

Decoding the strategies of online grocery firms- At present, all the major players in the online grocery market have started having a solid ground of strategies. Every action every reaction

is so totally steeped in strategy that it is impossible to survive without strategic base. Following discussion is based on the current forms/ways or direction of strategy which is being adopted by the online grocery firms in India. The firms have incorporated a perfect blend of present and future in their strategic outlines to maximum utilizes the opportunities in the market which has grown very competitive in recent times. As we dwell into the details of decoded strategies of online grocery firms, it is going to tell us how firms are going to move about in the market in coming times.

It is essential for firms to understand and realize the importance of all the factors influencing the strategies, so that proper and impactful rather result oriented strategies can be formulated. The decoding of strategies also gives consumers hints

them from the existing players in the market. For example the USP can include fresh products, organic products or directly from the farm etc. These catchy phrases can help to establish USP in the market. Now let us talk about the next element equally important, the User experience. It is given that enhanced user experience shall help to get more and more customers even among stiff competition. The strategies have changed and seen an overhaul when it comes to this magical word. How user/consumer feels while on the website/app, what is his experience after using the services/products offered by the company. This all shall include in the term user experience. The current focus of companies is on improved and positive user experience by offering them a feel good factor.

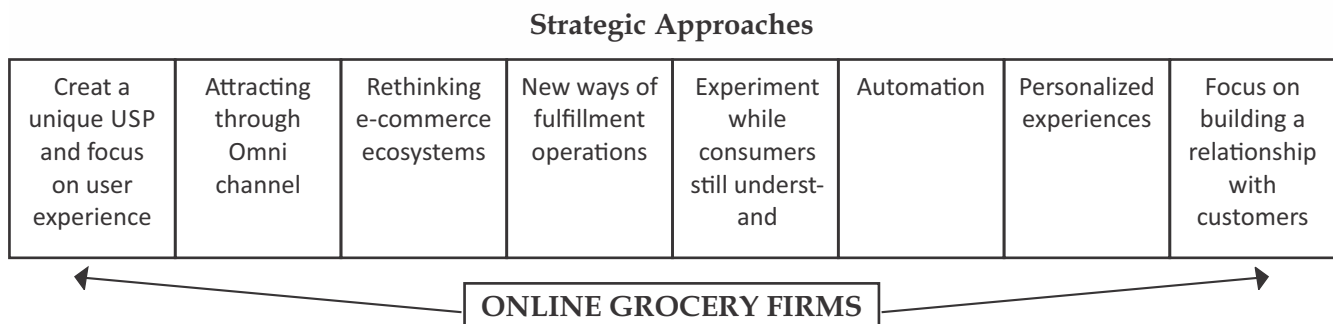


Fig. 5 : Strategies of Online Grocery Firms

about the very structural changes to be anticipated in future. How they will be served differently and effectively is decided by the strategy formulation by these firms. Let us take a deep dive into the realm of this utter important aspect of online grocery firms. The below discussion is going to help us also in revealing the strategic mood in which the firms are currently in.

**1. Create a unique USP and focus on user experience-** The sum total of successful online grocery platform in future to come shall depend on these two different by important element of strategic approach of firms. Currently, the firms are focused on creating a USP which shall distinct

**2. Attracting through Omni channel -** The old saying more the better is not futile at all. The



fulfillment operations. Fulfillment operation includes storage, assortment, dispatch, delivery etc. The induction of new techniques and interesting approaches can win you some more consumers. The entire centre or strategic approach has been to attract the large sums of consumers; this innovation at the very heart of supply chain can help.

**5. Experiment while consumers still understand** - It is important to understand that the strategic framework of company duly recognizes the role and essentiality of experiments. Firms need to come up new and exciting ways of attracting and approaching consumers. As per the strategic approach, the entire focus is one bringing and implementing new things every now and then. In a way that has become an important strategy of firms.

**6. Automation-** Nothing can beat the need and applications of automation in online shopping. More the automation less the hassle and more cost savings. The usage levels of automation can create a USP in the market which cannot be beaten that easily. The online grocery firms have started taking the automation very seriously and created faceless and contactless delivery mechanism. This strategy has helped firms during COVID-19 pandemic. Automation reduces time and lets consumers track the progress of their orders. Automation also reduces human interference which makes delivery faster and safer.

**7. Personalized experiences-** Think you as a consumer of online grocery firm and think about the ways which can be employed to reduce the stress and hesitation of consumers? The answer of this question will bring the easiness and hassle free shopping experience in consumers. The base of strategy of online grocery firms has become fixed at the key of word of personalized experience. With the help of artificial intelligence and other AI powered tools, personalization is possible to certain extent where you are able to

predict the next order from the consumers and also the content in advance.

**8. Build relationship with customers** - It is all about your terms good bad or ugly with the consumer which matters. The next levels of strategies are focused on building meaningful and mature relationships with consumers. It is always good to have consumers on your side and strategically that is possible. Through promotions and CRM initiatives the sound and fruitful terms with consumer can be maintained.

## Conclusion

Online grocery shopping is less time consuming than traditional shopping, but consumer decision making is highly complex in this section due to wide variety of merchandise. Online retailing will take some more time to be established but without a doubt, the online grocery market has shown a tremendous amount of resilience and growth in last few years. The online grocery which used to be considered as niche has become a mainstream shopping phenomenon. Government and other stake holders are even of the opinion that this sector should be encouraged to grow and developed so that the tidal wave of online shopping continues and keep on growing. As a result of this mindset and behavior, online grocery has increased and continues to grow in future as well. Though the challenges are enormous for online grocery firms from poor connectivity to traditional mind set towards grocery. The changing trends are supporting the growth of online grocery in India.

## References

- B. Kidwel, and R. Jewel, "An examination of perceived behavioral control: internal and external influences on intention." *Journal of Psychology and Marketing*, vol. 20 no. 7, 2003, pp 625-640.
- Brymen and E. Bell, *Business Research Method* 2nd Edition, Oxford University Press,



2007

- Choudhary sanjay, “ E-commerce: The new gold rush”, Images retail, Volume 11 number 12, December 2012.
- Hiser, Jennifer, Rodolfo M. Nayga, and Oral Capps. 1999. "An Exploratory Analysis of Familiarity and Willingness to Use Online Food Shopping Services in a Local Area of Texas." *Journal of Food Distribution Research*. 30(March):78-90.
- [https:// www.linkedin.com/ pulse/ top-21-online- grocery- shopping - sites - india - bispendra -singh](https://www.linkedin.com/pulse/top-21-online-grocery-shopping-sites-india-bispendra-singh)
- <http://www.mckinsey.com/industries/retail/our-insights/how-to-win-in-online-grocery-advice-from-a-pioneer>
- [http:// knowledge. wharton. upenn. edu/ article/ online- groceries- in- india- will-consumers-bite/](http://knowledge.wharton.upenn.edu/article/online-groceries-in-india-will-consumers-bite/)
- [https:// www. linkedin. com/ pulse/ 20140921081917- 106048412- marketing - strategy-online-food-grocery-store](https://www.linkedin.com/pulse/20140921081917-106048412-marketing-strategy-online-food-grocery-store)
- [https:// www. mckinsey .com/ industries/ consumer- packaged- goods/ our-insights/ making- online- grocery- a- winning-proposition](https://www.mckinsey.com/industries/consumer-packaged-goods/our-insights/making-online-grocery-a-winning-proposition)
- <https://www.consultancy.in/news/3561/indian-e-grocery-market-to-touch-24-billion-by-2025>
- [https:// www. ibef. org/ blogs/ online-grocery-market-in-india-on-a-roll#:~:text=Ravi%20Capoor%20Former%20CEO%20IBEF&text=The%20online%20sales%20are%20expected,players%20operating%20in%20the%20industry.](https://www.ibef.org/blogs/online-grocery-market-in-india-on-a-roll#:~:text=Ravi%20Capoor%20Former%20CEO%20IBEF&text=The%20online%20sales%20are%20expected,players%20operating%20in%20the%20industry.)
- IAMAI, “the state of consumer, e-commerce in India” Images retail ,Volume 11 number 12 , December 2012.
- Ingram, Bob. 1999. "Boston Bears Watching." *Supermarket Business*. March:41-45.
- J. Strauss, and R. Frost, *E-Marketing*, 2nd ed., Prentice-Hall, Upper Saddle River, New Jersey, 1999
- J.K. Binkley, “The effect of demographic, economic and nutrition factors on the frequency of food away from home”, *Journal of Consumer Affairs*, vol. 40, no. 2, 2006, pp. 372-392.
- Kahn, Barbara E. and Leigh McAlister. 1997. *Grocery Revolution*. Reading, MA: Addison-Wesley.
- Kinsey, J and Senauer B (1996). “Consumer Trends and Changing Food Retailing Formats.” *American Journal of Agricultural Economics*, vol. 78, no. 5, pp. 1187-91.
- Kirsner, Scott. 1999. "Express Lane." *Wired*. May: 112-114, 116, 118-120, 122.
- Kurnia, S and Johnston, R B (1999). *The Mutuality of ECR Benefits, Costs and Risks in Supply Chain Reform. The third Collaborative Electronic Commerce Technology and Research*, Wellington, New Zealand (CD ROM).
- Kutz, K (1998). *Online Grocery Shopping on Track for Rapid Growth*, Andersen Consulting News Release (online). [http://www.shoplink.com.](http://www.shoplink.com), last accessed March 2001.
- Lardner, James. 1998. "Please Don't Squeeze the Tomatoes Online." *USNews & World Report*. 9 November:51-52.
- Lehmann, Donald R. and Yigang Pan. 1994. "Context Effects, New Brand Entry, and Consideration Sets." *Journal of Marketing Research*. 21(August):364-374.
- Marketing whitebook (2015-16), Business world.

- Mathews, Ryan. 1999. "10 Predictions for 2010." Grocery Headquarters. December:21-29.
- Nedugade, Prakash. 1990. "Recall and Consumer Consideration Sets: Influencing Choice Without Altering Brand Evaluations." Journal of Consumer Research. 17(December): 263-276.
- P. V. Kenhove, and K. D. Wulf, "Income and time pressure: a person-situation grocery retail typology", International Review of Retail, Distribution and Consumer Research, vol. 10 no. 2, 2000, pp. 149-166.
- P.L. Alreck and R.B. Settle, "The hurried consumer: Time-saving perceptions of Internet and catalogue shopping," Journal of Database Marketing; vol. 10, no. 1, 2002, pp. 25-35
- R. Krejcie and D. Morgan, "Determining sample size for research activities," Educational and Psychological Measurement, 30, 1970, pp. 607-610.
- R. Shannon, and R. Mandhachitara,, "Casual path modeling of grocery shopping in hypermarkets", Journal of Product and Brand Management, vol.17 no.5, 2008, pp 327-340.
- S. Bellman, G.L. Lohse, and E.J. Johnson, "Predictor of Online Buying Behavior," Communications of the ACM, vol. 42, no. 12, 1999, pp. 32-38.
- Singh pragya, " E-way to grocery", Progressive grocer, Volume 6 No 12, November 2012.
- W.G.Zikmund, Business research methods, 7th Ed. Ohio: South-Western, 2003