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Prospects for Online Grocery Shopping in Pakistan

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ABSTRACT

Online grocery shopping is an emerging trend in Pakistan. With an increase in adoption of e-commerce technologies, grocery shopping is also experiencing new trends and opportunities. This study explores the prospects for online grocery shopping in Pakistan in the light of five key variables that according to literature are important factors that may affect online shopping trends. Prospects for online grocery shopping in Pakistan are being evaluated through the idea of perceived cost, perceived convenience, perceived risk, entertainment and law and order. For that matter, following a quantitative research approach, a questionnaire was adopted and put to reliability and validity tests. In order to collect data, convenient sampling strategy was opted for collecting data from 298 respondents. SPSS was used to analyze data using correlation and regression. The questionnaire was based on two scenarios, one was related to in-store grocery shopping and the other was related to online grocery shopping. On comparing the results of both scenarios, it was found that most people are doing in-store grocery shopping but are willing to do online grocery shopping, if certain factors such as cost of online shopping and risk of getting desired product are minimized. Moreover, entertainment has a negative relation with online grocery shopping while a positive relation with in-store grocery shopping. Lastly, perceived convenience also has a positive impact on online grocery shopping.

Keywords: *E-Commerce, Online Grocery Shopping, In-store shopping, Pakistan*

Introduction

With an increase in adoption of digital solutions in the online industry, online grocery system is advancing with great pace. It is an emerging option that intends to revolutionize the grocery market. Consumers have shown much interest to online shopping from past few decades. It is referred as the “act of purchasing single items of groceries just as one would in a physical store, however this is done online" (Blomqvist, Nyman, & Lennartsson, 2015).

According to a survey by Corral (1999), consumers feel grocery shopping is a hideous task following visiting a dentist. Amazon.com, e-Bayand Wal-Mart are some of the largest U.S based online retail stores which by the passage of time started delivering fresh food and other home products online (Dodoo, 2013). Many consumers in developed countries are using this facility to shop for their regular grocery items. Similarly, Nielsen (2015) finds that consumers in Asia-Pacific and Middle East are willing to use digital retailing options more than anywhere else. The similar trend has been observed in Pakistan too but most of the people are still unaware or reluctant to conduct transactions or purchases related to online grocery. There are some issues that need to be addressed in order to promote this trend in Pakistani market. According to researcher, consumers hesitate to buy online due to risk factor (Zaidi *et al*., 2014). Moreover, delivery charges (or perceived cost) and privacy and security are also the factors due to which consumers avoid or hesitate in shopping for grocery online. As per Huang and Oppewal (2006), market share of online shopping of grocery is much lower than that of online shopping of other products or items. Research shows that, security and privacy is not a reason for the people with hands on knowledge of online shopping of other products but do not do online grocery shopping (Forsythe & Shi, 2003).

Consumer demographics also effect the selection of shopping channel. Zeithaml (1985) conducted the field research and find out these five demographic variables (age, gender, income, female working position and marital status) which may have an effect on supermarket shopping. According to survey, one-quarter of online respondents around the world say that they order grocery online and 55% are willing to repeat the activity in future (Nielsen, 2015). Online trading is expanding worldwide and is popular amongst all age groups. Present generation which is growing with digital technology has an extraordinary passion and comfort with technology. For instance, 30% of Millennial and 28% of Generation Z respondents are of the view that they order groceries online, in comparison to "22% (Generation X), 17% (Baby Boomers) and 9% (Silent Generation) respondents". The most willing of all is the younger generation to utilize online alternatives in future (Nielsen, 2015).

With reference to time convenience involved in online shopping, the present generation believes that, the time consumers save from shopping online can be utilize in other important activities. Thus, perceived convenience may be a major factor in online grocery shopping (Omar, 2005). One aspect of online grocery shopping is consumer's ease and comfort. On the other side, it is important for retailers too. Most of the retailers will have opportunity to grow their business. Along the world, Pakistan is also moving towards digital technology and most of the businesses are now being operated online and earning more profit due to reduced fixed and operational costs. In today's competitive business environment, controlling costs are a key challenge for retailers in order to remain in the market (Yasin & Yavas, 2003).

Such research has been conducted in developed markets exploring prospects and challenges to online grocery shopping in specific, however, limited material was found in the context of Pakistan, where the local market was explored and local customers targeted in the light of future of this business idea.

Objectives of the study

In the light of above discussion, following research objectives have been formulated for this study: This research intends to investigate:

- the relation of perceived cost of buying online and in store grocery shopping.
- the impact of perceived convenience with online and in store grocery shopping.
- the effect of perceived risk on online and in store grocery shopping.
- the impact of entertainment on online and in store grocery shopping.
- the effect of law and order situation on online grocery shopping
- which of the factors contributes most towards the intention to buy online and in store grocery shopping.

Study Significance

Online grocery shopping is an important concept which needs to be explored as a potential opportunity for consumers. Comparing online grocery with in-store grocery, consumers can save a lot of time and cost. Cost of parking, fuel and time of travel to physical grocery store can be minimized up to greater extent. Furthermore, consumer can shop more conveniently as they have no time pressure, in case, they have another important job to be completed. In addition, risk associated with online grocery shopping cannot be overlooked but still there are online stores which give quality assurance to their customers.

This study aims to focus on online grocery shopping. It is an easy, reliable and quick way to do a hectic task of grocery. Some people prefer, to sit home and do grocery online rather than going out in tough environmental conditions, stuck in a traffic jam and roaming around the mall in search of a commodity. Online trend of shopping seems more suitable as compared to in-store shopping, as it makes shopping easy by enabling the people to shop at any time, from anywhere (Huang & Oppewal, 2006). Along with consumers, retailers can also benefit from this type of business strategy (Oinas, 2002).

By exploring and studying customers' perceptions and preferences regarding online shopping and in-store shopping for groceries, this study provides businesses with a ready feedback regarding prospects for opting for this business strategy parallel to the traditional modes of retail. As far as theoretical contribution is concerned, theory of planned behavior plays vital role in shaping up the certain behavior of the consumers both in-store and online. According to this theory, it is not easy to change the behavior of the consumers due to the specific attitude towards shopping (Hansen, 2008). This theory argues that one's behavior is shaped because of ones beliefs and attitudes towards a certain phenomenon (Azjen, 1991 as cited in Al-Jubari et al., 2018). This study also strengthens this theoretical view and suggests that there are number of consumers who still prefer to buy in-store.

Literature Review

As world has transformed into digital era, therefore, numerous studies have focused on gauging the effectiveness of use of online technology. Richards and Hamilton (2015) say that online grocery sales accumulated to approximately $13 billion of retail food industry in 2010, a sum which can grow to above $100 billion and rough approximate is almost 12 percent of accumulated grocery spending by end of 2019 (Cloud, 2014). Furthermore, Wal-Mart and Amazon begin to compete in "order and deliver" market, lot of the hindrances to growth such as "access to store, delivery and prices" may seize to exist from the online grocery segment in coming years (Richards & Hamilton, 2015). Butlers (as cited in Richards & Hamilton, 2015) in U.K., online grocery sales is reducing due to less income level, short baskets and frequent shopping trips, e-retailing food accounts for fully 6% of all the retail food sales, and e-grocers are anticipated to double the warehouse space in 2014. Richards and Hamilton (2015) conducted research on "Consumer's attitude towards online buying". According to him, online consumers faces more time constraint problem, have higher income level, purchases high number of items on each shopping trip, purchase brands more frequently and also willing to pay more for the convenience to avoid going to physical stores.

Perceived Convenience and Online Shopping

The literature of this study revolves around five variables that are perceived convenience, perceived cost, perceived risk, entertainment and law and order. Previously, a research has been conducted by Teller, Kotzab and Grant (2006) in which perceievd inconvenience is taken as an exogenous variable to test the impact on the readiness to pay for and use home delivery service. Naturally, online shopping has some inconvenience factors too like no internet connection, new to online system and problem in setting up accounts etc (ONS, 2002). A sample of 200 respondents was taken. Results have shown that inconvenience of grocery shopping, results in unwillingness to pay and have negative impact on home delivery service. The respondents of the

study neither have negative attitudes towards in-store grocery shopping nor the most repeatedly shopping practices affect the inclination to pay for home delivery or future use of home delivery. Despite the fact, that online shopping have inconveniences, researchers of this study expect that convenience of online grocery shopping will outweigh those inconvenience factors specially when the consumer is under time pressure and away from a physical grocery store. Past studies suggest that customers do online shopping to save time and increase convenience (Anesbury *et al*., 2015).

Convenience is defined as "a reduction of the opportunity costs of effort and time involved in shopping activities" (Berry, Seiders & Grewal, 2002). Another research was conducted in England at local store. Out of the sample of 152, 61.2 per cent were females and largest number of respondents were of 25-34 age group. They were asked to share their views on a "scale ranging 1 to 7 (1-definitely buy in-store, 7- definitely buy online)" to the level they would like to choose to buy in-store or online. The analysis confirm that travel time $(\beta = -0.297, \rho<0.01)$ considerably affects the difference in "perceived convenience" but not "time available for shopping" (Huang & Oppewal, 2006).

Perceived Risk and Online Shopping

Internet is a powerful technology to enable the development of online grocery shopping (Porter & Michael, 2001). UK is operating four leading supermarkets through online internet strategies, out of which Tesco was the most effective in implementing its e-strategy with Tesco.com accomplishing it's profits up-to £12 million and online sales of £577 million during the period of 2003/04 (New Media Age, 2004). Still most of the people do not feel comfortable buying goods (specially grocery items, fruits and vegetables) without touching or smelling them. The element of risk prevails in the mind of consumers. In this study, perceived risk is taken as independent variable to check its impact on online grocery shopping. It is defined as "consumer's perception of uncertainity and adverse consequences of buying a product or service" (Dowling & Staelin, 1994). Omar (2005) consider "perceived risk" as a reason of the uncertainity about the potential repercussions of an attitude and the likely inappropriateness of these effects. It signifies consumer uncertainity about gain or loss in a specific operation. According to a study, UK supermarkets retailers are able to overcome this obstacle of perceived risk that most of the non-online grocery buyer have, by initiating the brand through creative online procedures (IGD, 2004). This will gain the customer's trust with the retailers as in-store grocery buyers have trust with their retailers. This means UK has arose as one of the rapid emergent industries for online grocery retailing o global level (Dales, 2002;Delaney-Klinger, Boyer, & Frohlich, 2003; IGD, 2004). Refering to online grocery shopping, shoppers usually order perishable food items like meat, fruits, vegetables which are linked with eat/smell/taste. Consumers trust that e-retailers will select best product and give timely delivery. It is then argued, that customers who have good online transactional experience will develope higher level of trust (Mortimer *et al*., 2016). Lastly, in a recent study, Tham et al. (2019) concluded that there is a significant link between risk and online shopping behavior.

Perceived Cost and Online Shopping

The other important variable of the study is perceived cost. Perceived cost can be defined as "the difference in monetary cost perceived by consumers when comparing online and in-store grocery shopping" (Huang & Oppewal, 2006). This cost includes both variable and fixed cost. Fixed cost is associated with traveling cost to store for grocery shopping and variable cost is the cost of consumer's shopping list (Bell, Ho & Tang, 1998). For online grocers, delivery charges and the cost of products ordered is main monetary cost. They can minimize their fixed cost. Most of the online buyers are reluctant to shop online due to delivery charges. Petrol and parking charges are mainly an expense for customers which they like to decline. Similarly, they will not be willing to pay extra cost such as delivery charges on their daily needs such as groceries (Baker, 2000). Teller *et al*. (2006) conducted a research in which they measure "consumer logistics willingness to pay" as one of their variable. According to the results of that study the most frequent answers they get were Euro 2.00 by the "new technologists" and Euro 5.00 by the "time starved" respondents. The calculations were considerably dissimilar between the groups under study whereas "new technologists" were keen to pay less than "time starved". The researchers could not recognize a significant relation between readiness to renumerate in both groups and household income. According to Kotzab & Madlberger (2001), e-retailers must ensure order delivery. This expensive service has become a challenge for e-retailers. Geuens, Brengman and Jegers (2003) identify the problem of fulfilment and need for relatively inexpensive delivery to make online shopping economical than in store shopping. In this context perceived cost is found to be a significant factor that affects online shopping decisions (Ofori & Nimo, 2019).

Entertainment and Online Shopping

As per few studies, grocery shopping is a burden (Geuens *et al*., 2003; Aylott & Mitchell, 1998). However, it is observed that many shoppers enjoy in going supermarkets to do grocery (Prus, 1991; Smith & Dickinson, 1994). Another important variable of this study is entertainment. Shopping enjoyment or entertainment can be explained as "the pleasure one obtains from the shopping process" (Beatty & Ferrell, 1998). Such entertainment can be effected due to time pressure. A person who is short of time will not enjoy shopping, which he often enjoy doing. Pressure of time can be measured “as the degree to which consumers consider themselves busy” (Srinivasan & Ratchford, 1991). While estimating the time spent in shopping, it is observed that supermarket average shop durations range from approimately 13-40 minutes in studies using the identification method of radio frequency and 14-31 minutes using observation (Anesbury *et al*., 2015). According to a study conducted by Huang and Oppewal (2006), there is a difference between shopping enjoyment in physical store i.e. “in-store shopping enjoyment and online shopping enjoyment”. These two are different things and also not related to each other. Convenience factor is negatively associated with in-store shopping enjoyment. Taking shopping enjoyment as a variable not enough study has been done yet. This study will discuss how time pressure effects shopping entertainment and its influence on online grocery shopping.

Online Shopping in Pakistan

Moreover, number of researches have been done in Asian context on online grocery shopping. As the trend of online grocery shopping is now moving towards Asia as well, so it is important to

get to know the response of Asians on this change. According to Lee and heng (as cited in Ahmed & Ghouri, 2016) in Asian countries, online shopping acceptance is significantly low as compared to western countries. According to Hofstede, the level of uncertainity avoidance of Pakistan scores 70 and thus has a high preference for avoiding uncertainity (Geert-hofstede.com, 2015). This shows Asians do not have higher acceptancy of latest technology or risk factor dominate them. The trend of virtual shopping has not been accepted mostly by interent users of Pakistan (Ramtohul, Khan, & Hosenally, 2014). According to Khan et al. (2019), the volume of online shopping is significantly increasing in Pakisan due to the advancement of technology.

A research by Ahmed and Ghouri (2016), conducted in Karachi, Pakistan, study aims to find out the effect and relationship between online experience of consumers, uncertainity avoidance on buyer perception and to determine the level of uncertainity avoidance whether it effect the consumers of different cultural background perception towards online shopping in Karachi, Pakistan. For this research, they collected data from 400 respondents which were students of three private universities. The nature of research was explanatory and quantitative. Questionnaires were design to collect data. Total of 384 useable survey questionnaires were found for analysis. Results show that online consumer experience and uncertainity avoidance (risk factor) is statistically significant on consumer perception. Online consumer experience and uncertainity avoidance has a positive impact; therefore the study stated that online consumer experience and uncertainity avoidance has a direct impact on consumer's perception.

According to another research conducted in Pakistan, Zaidi *et al*. (2014), the researcher observe six variables i.e. "perceived usefulness, perceived ease of use, attitude towards online shopping, trust, online shopping intentions and perceived enjoyment". To conduct this research, researcher took a sample of 160 respondents. The research was conducted in Pakistan (2013) and the sample was comprised of internet users who do the online shopping in actual. Two main cluster were targeted, university students and professionals. The questionnaire was adopted from previous researches and modified carefully to reproduce the characteristics of online shopping. The results of the study suggest that, the variables i.e. "perceived usefulness, enjoyment and perceived ease of use" have a positive effect on online shopping. Findings also state a significant relationship between trust and online shopping intention.

The usage of internet is increasing day by day in Pakistan but the trend of online grocery shopping is yet at intial stage (Zaidi *et al*., 2014). Pakistanis have a restricted access to internet i.e. approximately 30 million users that is likely to enhace about 56 million users by the end of 2019. 28% of the country's population is likely to have an internet access in next 5 years(Ali *et al*., 2017). This study aims to compare the online grocery shopping with in-store grocery shopping in Pakistan. This study explores the prospects of online grocery shopping in Pakistan. The related variables will help to find out the effect on online grocery shopping.

With reference to literature reviewed, two categories of hypotheses have been developed. The set of hypotheses subscripted ***"a"*** are related to first scenario that addresses in-store grocery shopping, whereas the set of hypotheses subscripted ***"b"*** refer to second scenario i.e. online grocery shopping.

$H_{1(a)}$: *The perceived cost of buying in-store has significant relationship with online shopping*
$H_{1(b)}$: *The perceived cost of buying online has significant relationship with online shopping*
$H_{2(a)}$: *The perceived convenience of buying in-store significantly affects online shopping*

$H_{2(b)}$: *The perceived convenience of buying online significantly affects online shopping*
$H_{3(a)}$: *Entertainment in buying in-store significantly influences online shopping*
$H_{3(b)}$: *Entertainment in buying online significantly influences online shopping*
$H_{4(a)}$: *The perceived risk of buying in-store has significant impact on online shopping*
$H_{4(b)}$: *The perceived risk of buying online has significant impact on online shopping*
H_5: *Law and order has a significant relation with online shopping*

Research Methodology

The key objective of the study is to explore whether online grocery shopping will be an effective prospect in Pakistan as compared to "in-store grocery shopping". For the said purpose, from the literature reviewed, five variables have been identified (Perceived Cost, Perceived Risk, Perceived Convenience, Law and Order situation and Entertainment) relevant to the context of this study. A descriptive research is conducted; in order to determine and be able to describe the features of the variables selected (Sekaran, 2003).

In order to test the hypotheses, a quantitative research strategy has been followed. In line with the quantitative strategy, a cross sectional survey research design has been adopted in order to design this research.

As this study focuses on preferences and behaviors of individuals regarding online grocery shopping prospects in Pakistan, therefore, the unit of analysis for this research is the individual respondent itself. The population of the study is every individual in Pakistan, who does grocery shopping, irrespective of age and gender. "Population refers to the entire group of people, events, or things of interest that the researcher wishes to investigate" (Sekaran, 2003). Due to absence of a sampling frame, a convenient sampling technique has been followed, another rationale for this technique is the nature of the sample i.e. today, every internet user is aware of the possible options for shopping online and for obvious reasons everyone must have experienced grocery shopping in our society.

A sample of 325 respondents was selected by following this sampling scheme, however, the valid sample (N) was found to be 298. An instrument by Huang and Oppewal (2006) based on a 5 point Likert scale was adapted for this study, and administered to the respondents. A total of 17 items were used for scenario A (i.e. Buying In-Store) whereas 21 items were used for scenario B (i.e. Buying Online). Lastly, after complying the statistical requirements, correlation test and regression analysis were used in order to test the hypotheses and meet the research objectives for this research.

Data Analysis and Findings

For analyzing data, the responses were processed using SPSS in order to test the reliability of the instrument followed by correlation and regression analysis for taking acceptance/rejection of the hypotheses developed in the study. Each test is shown below with its interpretation:

Reliability Analysis

Chronbach alpha is used to check the internal consistency of the variable or to check whether the instrument used is reliable or not. If the value is above 0.80 then the internal consistency is

considered higher, as is the case here as all of the predictors and endogenous latent constructs values were reported above threshold vale of 0.70.

Hypothesis Testing

i. Correlation Analysis

Table 1: Correlations for buying In Store (BIS)

	Perceived Cost of BIS	Perceived Risk of BIS	Perceived Convenience of BIS	Entertainment in BIS	Online Shopping Preference
Perceived Cost of BIS	1	0.215*	0.144*	0.0377	0.630*
Perceived Risk of BIS	0.215*	1	0.183*	0.021	0.481*
Perceived Convenience of BIS	0.144*	0.183*	1	0.041	0.009
Entertainment in BIS	0.0377	0.021	0.041	1	-0.034
Online Shopping Preference	0.630*	0.481*	0.009	-0.034	1

*Significant at 0.05

Pearson correlation is conducted to determine the relationship between independent and dependent variables. Significance value is taken as 0.01, if p-value is greater than 0.05 then null hypothesis shall be accepted, which means the variables do not significantly correlate.

With reference to table 1, the value of r is .630 which says that two variables i.e. perceived cost of buying in-store and online shopping preference have moderate yet positive relationship and the values are statistically significant as the value of P is less than 0.05. So, researcher may reject the null hypothesis *(r=.630, P=.003, N=298).*

Moreover, the value of r is .481 which says that variables i.e. perceived risk of buying in-store and online shopping preference have moderate yet positive relationship and they are statistically significant as the value of P is less than 0.05, hence, reject the null hypothesis *(r=.481, P=.015, N=298).*

Furthermore, the value of r is .009 which says that i.e. perceived risk of buying in-store and online shopping preference have weak yet positive relationship, which means customers feel it convenient to buy in-store as compared to online buying but to a very little extent, however, the weak relationship identified here is not statistically significant as the null hypothesis is accepted (p-value is greater than 0.05) *(r=.009, P=.439, N=297).*

Lastly, the value of r is -.034 between entertainment in buying in-store and online shopping preference which shows an insignificant weak negative relationship. People do not feel entertained in online shopping as compared to in-store shopping and the null hypothesis is accepted as the value of P is more than 0.05 *(r=-.034, P=.282, N=298).*

Now, the correlation test is being applied on second scenario i.e. Online shopping preference. In table 2, the results of correlation analysis between online shopping preference and other variables is shown:

Table 2: Correlations for Buying Online (BO)

	Perceived Cost of BO	Perceived Risk of BO	Perceived Convenience of BO	Entertainment in BO	Law and Order	Online Shopping Preference
Perceived Cost of BO	1	0.174*	0.115*	0.061	0.004	0.127*
Perceived Risk of BO	0.174*	1	0.071	0.015	0.274*	0.105*
Perceived Convenience of BO	0.115*	0.071	1	0.044	0.035	0.514*
Entertainment in BO	0.061	0.015	0.044	1	0.008	0.069
Law and Order	0.004	0.274*	0.035	0.008	1	0.261*
Online Shopping Preference	0.127*	0.105*	0.514*	0.069	0.261*	1

*Significant at 0.05

The value of r is .127 which says that two variables perceived cost of buying online and online shopping preference have weak, positive relationship and the values are statistically significant as the value of P is less than 0.05. So, we reject the null hypothesis *(r=.127, P=.014, N=296).*

In table 2, the value of r is .105 shows that two variables i.e. perceived risk of buying online and online shopping preference have weak, positive relationship and the values are statistically significant as the value of P is less than 0.05. So, we reject the null hypothesis *(r=.105, P=.036, N=297).*

Moreover, the value of r is .069 which means that these two variables i.e. entertainment in buying online and online shopping preference have weak positive relationship but the relationship is statistically insignificant as p-value exceeds 0.05 i.e. 0.120 *(r=.069, P=.120, N=297).*

Lastly, the value of r is .216 which means that variables i.e. law and order and online shopping preference have weak positive relationship, which means online shopping could increase if law and order situation gets improved. P-value is less than significance value i.e. 0.000 which means the relationship is statistically significant *(r=.261, P=.000, N=295).*

ii. Regression Analysis

After correlation, regression analysis test is applied. It can be defined as "a test which is used to know the value of a variable based on another variable" (Laerd statistics, 2018).

Prior to regression analysis, the data was tested for normality and multicollinearity. According to Shapiro-wilk test and VIF values (1.47 to 2.33), the data was found to be statistically appropriate to conduct regression analysis. To begin with, regression is applied on in-store shopping variable. Taking in-store shopping as dependent variable and entertainment, perceived cost, perceived risk and perceived convenience as independent variables.

Table 3: Model Summary

Model	R	R Square	Std. Error of the Estimate
1	.446	.198	.49280

This table of Model Summary provides the value of R and R^2. The R value represents the simple correlation value (R=.446) which represents moderate degree of correlation. In the next column, the value of R^2 indicates that "how much of the total variation in the dependent variable (in-store shopping) can be explained by the independent variables" (Entertainment, Perceived Cost , Perceived Risk, Perceived Convenience). In this scenario, 19.8% can be seen, which is low.

The coefficient table provide with the necessary information to predict dependent variable (Online shopping preference) from independent variables (Perceived risk of buying, convenience and entertainment in buying in-store), as well as to determine whether independent variables are statistically significantly to the model or not.

Table 4: Coefficients

	Unstandardized Coefficients		**Standardized Coefficients**		
Model 1	B	Std. Error	Beta	T	Sig.
(Constant)	3.280	.132		24.7	.000
Perceived Cost of Buying In-store	.026	.024	.061	1.05	.003
Perceived Risk of Buying In-store	.048	.031	.113	1.55	.011
Perceived Convenience in Buying In-store	-.025	.034	-.058	-.73	.464
Entertainment in Buying In-store	.004	.034	.009	.11	.909

As shown in the table of Model Summary, R^2 value of the Full Model Regression is 0.198 which means that independent variables are predicting the dependent variables up-to 19.8%. The equation that is developed by using the full model is shown as:

Full Model: $Y=3.280+0.026X_1+0.048X_2$

Now, the regression test is applied on second scenario of online shopping preference by considering online shopping as dependent variable and entertainment, perceived cost, perceived risk and perceived convenience as independent variables. Below are the tables shown for analysis:

Table 5: Model Summary

Model	R	R Square	Std. Error of the Estimate
1	.650[a]	.422	.47953

Table 5 of Model Summary provides the value of R and R^2. The R value represents the simple correlation value (R=.250) which shows low degree of correlation. In the next column, the value of R^2 indicates the "total variation in the dependent variable (online shopping) which can be explained by the independent variables" (Entertainment, Perceived Cost, Perceived Risk, Perceived Convenience). In this scenario, 6.32% can be seen, which is quite low.

Table 6: Coefficients

	Unstandardized Coefficients		**Standardized Coefficients**		
Model 1	B	Std. Error	Beta	T	Sig.
(Constant)	3.067	.108		28.449	.000
Perceived Cost of Buying Online	.052	.023	.128	2.249	.025
Perceived Risk of Buying Online	.005	.027	.013	.201	.001
Perceived Convenience in Buying Online	.090	.027	.232	3.360	.001
Entertainment in Buying Online	-.024	.026	-.063	-.932	.352

As shown in the table 6, R^2 value of the Full Model Regression is 0.063 which means that independent variables are predicting the dependent variables up-to 6.2%. The equation that is developed by using the full model is shown as:

Full Model: $Y=3.067+0.052X_1+0.005X_2+0.090X_3$

Discussion

The study is conducted to analyze the prospects for online grocery shopping in Pakistan. For this purpose, a quantitative study is conducted in which a questionnaire comprising of two scenarios i.e. online shopping scenario and in-store shopping scenario is given to respondents.

Most of the respondents are of 20-24 years of age group and are at graduate level. Approximately, 85% of respondents are using internet from 3 years and above and approximately 65% of participants use internet for at least 3 hours per day. It has been estimated that around 60% of the respondents have the experience of online shopping but the same percentage of respondents are not interested in online grocery shopping while 40% of respondents are willing to experience online grocery shopping. The results shows that 90% of respondents did not even consider using internet to do grocery shopping, which demonstrates that the concept of online grocery shopping is not much popular in Pakistan yet, maybe it got popularity in near future while 98% of the respondents go to store for grocery shopping.

Perceived cost, perceived risk, perceived convenience, law and order, and entertainment are considered as main elements in this study which influence shopping decision of most of the customers or potential customers. The study identifies that perceived cost and perceived risk have moderate positive relationship with in-store shopping and weak positive with online shopping (Geuens, Brengman and Jegers, 2003; IGD, 2004). This implies that if the cost and risk increases in in-store shopping, then people tend to shift towards online shopping and if cost and risk of online shopping increases, then there is a very minute chance that people will continue online shopping as it have a weak positive relationship.

Comparing the variable perceived convenience in-store and online shopping, it is observed that people feel less convenient in shopping from stores as compared to online shopping (Anesbury et al., 2015). The results are supporting the hypotheses as well. Hypotheses say that perceived convenience have positive relationship with in-store and online shopping. During data collection some respondents says that they often get different products delivered from what they ordered which stops them to buy online, this show that there is a risk and quality factor which also makes online shopping inconvenient.

Discussing the idea of entertainment, the results show that entertainment has weak negative relation with in-store shopping and weak positive with online shopping. According to hypotheses developed by the researchers, entertainment have positive relationship with in-store and online shopping but results shows that people feel less entertained in online shopping as compared to in-store shopping, where time pressure plays a critical role in defining entertainment (Srinivasan & Ratchford, 1991). Law and order also have influence on shopping behavior. Theft and terrorism prevailing in the country influence in-store and online shopping equally. People feel reluctant to provide their home addresses and getting home deliveries from the online store due to safety and security issues. People will shift towards online shopping if law and order situation prevails in the economy.

In regression analysis, it is observed that all independent variables got 1.3% influenced by the dependent variable i.e. in-store shopping and 6.2% got influence in case of online shopping. This shows that these variables does not influence shopping behavior of people to a greater extent but

have some influence. Furthermore, people feel hesitant to do online shopping due to certain factors, which if addressed, may have positive impact on people and their shopping behavior.

Conclusion

In line of analysis of the data, it is concluded that perceived cost, perceived risk and perceived convenience have positive effect on in-store and online shopping while entertainment has negative impact on online shopping while positive on in-store shopping. The research is conducted to analyze the prospects for online grocery shopping. From the above research, it is concluded that people are willing to do online shopping but some factors such as risk and some law and order issues are the main causes which hinders customers or potential customers to do online grocery shopping in Pakistan. It is likely that if these issues are addressed then probably a large population will shift to online grocery shopping which in turn will be a start of new businesses. As regression analysis result shows that these factors have 1.3% influence on in-store and 6.2% influence on online shopping so there might be other factors also present which will influence online grocery to greater extent.

Limitations and Managerial Implications

First of all, the research is restricted to sample within one city, which may not represent the whole trend of the country. Further research can be conducted in other sample pockets within the country as demographic and social economic indications vary geographically. According to the results of the study, managers of the grocery businesses are suggested that, if they want to enter the digital market and expand their businesses, they need to come up with such strategies and provide customers with a positive environment through technology which they can opt for this convenient shopping option. Moreover, improved and secure online platforms can enable customers to opt for this shopping option.

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