

# Shifting Towards Virtual Stores: Evidence from the Customers of Supermarkets in Pakistan

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## Abstract

Shopping behaviors of consumers have been greatly changed in Pakistan in last decade. The trend of buying from retail shops to supermarkets has been prominent attention of all stakeholders. This change does not stop with increasing supermarkets. People have also been very hectic with their schedules and their shopping preferences have also been diversified. They are not usually interested to spend their time for shopping at stores rather they prefer someone who does this work for them. The concept of virtual store is a result of this trend where people do not need to go superstores but they can do their shopping on the go. In order to understand whether Pakistan buyers are ready and interested to accept Virtual stores in their country, the research is carried out. The 101 respondents view were recorded via self administrated questionnaire,. The result reveals that people are pleased to have such stores in their countries where they do not need to physically go for shopping. The result also indicates that customers also prefer to have home delivery of their products which they order while they are at home or on the go.

**Keywords:** Virtual stores, supermarkets, shopping

## 1. Introduction

The technology has changed this world round the globe, Every sector in each industry make their process easier and faster by the utilization of this technology. The trend of retail sector has changed in Pakistan since the super markets has been introduced all over Pakistan. In the previous days people used to do grocery shopping by purchasing from different shops, they need to find different shops one has quality but their price was higher, other is near to home has low price of goods but quality was not fine, that becomes problematic for customers.

The rapid growth of supermarkets chains has been observed like Imtiaz, Naheed, Metro, and Hyperstar in Pakistan and the trend of shopping in big stores are increasing day by day. Super Stores in Pakistan so far have resolved the customer's worries by providing those goods that are of good quality and reasonable price. These super stores become a shopping solution for customers; by implementing Inventory management system softwares they maintained their stock and supply, however, issue remain still notable. These stores are time consuming, and they are becoming very congested as well, one big segment has been facing these problems, the working class people who don't have enough time to go for shop.

The world has been moved ahead. These super stores may become virtual shopping stores. The idea is not new in developed countries like UK, USA however, Pakistan where the technology is at its development stage, this new idea of introducing virtual model shopping center is relatively new and imperative. These superstores are introduced in many countries. These virtual stores provide customers smart phone friendly online shopping system, now people can shop on subways in Pakistan as well if these virtual stores will implement in Pakistan, goods will be provided to them at their door step. This research is conducted to add value in these super market chains and investigate about consumer's behavior towards virtual stores which gives them same product on their door step.

### 1.1 Background of The Study:

Virtual Stores are the new concept in Pakistan However it's implementing in other parts of the world and first introduced in South Korea by TESCO. We have chosen this topic as physical stores are not convenient and number of working people increasing in Pakistan, People are busy enough not have much time to go for shopping. Following are the problems highlighted in Physical superstores that lead to the implementation of virtual stores in Pakistan.

### *1.2 Problem Statement*

“Customer’s response towards virtual stores if it will implement in Pakistan”

Customer’s attitude and inclinations towards virtual stores for grocery shopping if they are introduced in Pakistan using smart phone technology.

### *1.3 Research Objectives*

- To identify customer’s response towards virtual stores.
- To identify the demand of virtual stores in Pakistan.
- To discover the smart phone market in Pakistan.
- To elucidate the difficulties faced by consumers in Pakistan in Physical super stores.

## **2. LITERATURE REVIEW**

According to the Webster International dictionary (1993), a Supermarket is a self-service store or independent retail market offering a wide variety of food and household merchandise, organized into departments. It is larger in size and has a wider selection than a traditional grocery store and it is smaller than a hypermarket or superstore.

According to the Webster dictionary (1993) a hyper market is a superstore which combines a supermarket and a department store (where usually are sold products like apparel, furniture, appliances, electronics, and additionally select other lines of products such as paint, hardware, toiletries, cosmetics, photographic equipment, jewellery, toys, and sporting goods), being the result a very large retail facility which carries an enormous range of products under one roof, including full lines of groceries and general merchandise.

According to Hasemark and Albinsson (2004) cited in Singh (2006) “satisfaction is an overall attitude towards a product provider or an emotional reaction to the difference between what customers expect and what they actually receive regarding the fulfillment of a need”.

Kotler (2000); Hoyer & MacInnis (2001) also define satisfaction as a person’s feelings of pleasure, excitement, delight or disappointment which results from comparing a product’s perceived performance to his or her expectations.

Ciavolino & Dahlgaard (2007) suggest that “customer satisfaction can be defined as the overall evaluation of the service performances or utilization.”

Customer satisfaction can be achieved by improving service quality. Ciavolino & Dahlgaard (2007) contend that service quality is the measure of service levels based on the attributes of the core product. Such attributes include; Facility layout- display of products, clean environment, clear labeling. Other attributes can be Location, Process - queue management, waiting time, express checkouts, supermarket operation hours, delivery time, additional services like parking, parent & baby facilities, and loyalty/membership cards, Product-variety of groceries, durability, merchandise quality and Merchandising.

Zairi (2000) says that many studies have viewed the impact of customer satisfaction on repeat purchase, loyalty and retention and they have all echoed concern that customers who are satisfied are most likely to share their experiences with other people with regards to about five to six people.

Additionally, this research is supported by La Barbera & Mazarsky (1983) who also imply that satisfaction influences repurchase intentions whereas dissatisfaction is seen as a primary reason for customer defection or discontinuation of purchase. Hoyer & MacInnis (2001) also say that dissatisfied customers can choose to discontinue purchasing the goods or services and engage in negative word of mouth.

According to Wikipedia, ‘A supermarket, a large form of the traditional grocery store, is a self-serviceshop offering a wide variety of food and household products, organized into aisles. It is larger in size and has a wider selection than a traditional grocery store, but is smaller and more limited in the range of merchandise than a hypermarket or big-box market’.

Developing countries are experiencing dramatic changes in the retailing industry over the decades, with the emergence of new retail format such as supermarket and convenience store. (Ting, 2003).

Supermarket nowadays becomes a necessity to consumers to shop and purchase basic goods. Grocery shopping has shifted its nature from necessity to a high level involvement occasion. This shift is not new for the developed countries but in Pakistan this changing scenario of retailing industry is a new trend. Pakistani retail industry - following its counterparts in the developed world - is also adopting new formats by offering a wide variety of quality products at a good price under one roof with an enjoyable ambience.

The purpose of this research is to find out the customer behavior about virtual stores that there are many peoples who shop weekly or twice in a month so the stores become rushes and time consuming, people not able to shop easily in Pakistan This study will identify that in the Pakistani market is customer are aware about the experience of virtual shopping or not? This study will also highlight the most important characteristics according to the customer satisfaction towards the super market.

### 3. RESEARCH METHODOLOGY

This research is descriptive by purpose. The research designs, which we use in this research is quantitative. The target population is the customers who actually are involved in shopping for their household. We have chosen 101 customers as a sample representing to our target population. For Research study, convenience sampling has been chosen because the research time limits to three months. The instrument that we have chosen for our research is the Questionnaire.

### 4. Analysis

#### 4.1 Respondents Profile

The data is gathered mostly from youngsters at the age of between 20 to 25, covering 45% of data. They all are aware of this technological era and can understand smart phone applications and supports the concept of Virtual shopping stores, If this idea will implement then these youngsters reached at the maturity stage become experienced and they will have their own family, that's why data is gathered mostly from the people at this age. In gender bracket females are covering 56% of data because in Pakistan grocery shopping mostly done by females, now in Pakistan specially in Metro cities females are becoming working professionals, they don't have more time to go for shopping and purchase all grocery by their own, they have to manage their professional work and their home side by side, this idea of Virtual shopping stores becomes helpful for them.

#### 4.2 Analysis

##### 4.2.1 How Often People Do Grocery Shopping

Table1: People Do Grocery Shopping

Gender	How often do you do grocery shopping					Total
	Many times a week	Once a week	Once every two weeks	Once a month	Other	
male	8	8	4	23	1	44
<b>female</b>	<b>2</b>	<b>7</b>	<b>10</b>	<b>35</b>	<b>3</b>	<b>57</b>

The above table and graph shows that most of the people do grocery shopping once a month whether male or female.

##### 4.2.2 Significant Factors While People Shop At Grocery Stores:

In order to find the significant factors which cause people to go for shopping stores, we ask the respondents the significant factors including brand, price, quality and place. The following result reveals the respondents views:

Table 2: Factors cause to shop at Grocery Stores

One-Sample Test						
	Test Value = 2					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
Brand	15.590	100	.000	1.208	1.05	1.36
Price	17.262	100	.000	1.337	1.18	1.49
quality	32.883	100	.000	1.703	1.60	1.81
Place	7.489	100	.000	.743	.55	.94

According to the result shown above, all the factors were significant when the people go for shopping, however, it was more important to understand which factor is the most important where the least important factor was necessary to know so as to imply some suggestions to investors for introducing virtual stores in Pakistan. We calculate the coefficient of mean on the above results, the below shows the results:

Table 3: Importance of Factors while do shopping

Factors	Coefficient of variance
Quality	71.1%
Price	42.9%
Brand	41.2%
Place	27.4%

##### 4.2.3 People Have Smart Phones:

Virtual stores are mainly depending on smart phones; therefore it was necessary to know that what percent of people in Pakistan have smart phones with them. The result shows that 75% of population has smart phones whether male or females.

Table 4: People having Smart Phones

Smart phone	Frequency	Percent
yes	76	75.2
No	25	24.8
Total	101	100.0

#### 4.2.4 Customers Response Towards Virtual Shopping Stores:

Customers who go to grocery shopping stores, they must have some positive attitude towards introducing virtual shopping stores in Pakistan. We ask our respondents if they do shopping, Virtual stores are introduced in Pakistan. Respondent result is given below:

Table 5: Customer Response Toward Virtual Shopping Stores

One-Sample Test						
Do you shop through virtual stores if come to Pakistan	Test Value = 3					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
	2.370	100	.020	.277	.05	.51

The above table clearly indicates that ( $t= 2.37$ ), People will do shopping if virtual stores are introduced in Pakistan.

#### 4.2.5 Satisfied By Grocery Home Delivery

The main characteristic of virtual shopping store is that the delivery will come home. It was very necessary to know that if people feel satisfied, grocery is delivered at home or they like to visit stores themselves to buy grocery. This result was very important to answer our research objective:

One-Sample Test						
How much you satisfied if grocery delivered at home	Test Value = 3					
	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
	13.005	100	.000	1.149	.97	1.32

The result clearly indicates that people prefer to have delivery at their home which really helps to make suggestion for introducing virtual stores in Pakistan.

### 5. Discussion

Physical Super markets which exist in Pakistan are crowded with peoples day by day. The trend of grocery shopping increasing at fast pace from supermarkets exists in Pakistan. Imtiaz, Naheed, METRO and Hyperstar are the popular superstores in Karachi.

The trend of working professionals also increasing in Pakistan, the grocery shopping is time consuming as the people first have to go specially for shopping there, then they select products make slips and they have to stand in long queues for bill payments, then when they reach home they have to carry shopping bags to their house. This process added many difficulties for the customer's especially working professional as its time consuming and need efforts.

This is a technological era, mobile phones and internet has changed the entire world, communication becomes faster, and processes become easier by the implementation of technology.

The concept of virtual shopping stores make the grocery shopping easier and faster for customers, they just need to place an order through their smart phones with the help of subway stores, that they found on their way, then grocery will reached to their home through home delivery.

The concept of virtual shopping stores is implemented in the world like in South Korea, china and in other countries as well. This research is conducted to find how customers behaves if these virtual shopping stores will be implemented in Pakistan. The customers will accept this concept or not. This research is Quantitative and descriptive in nature, the target population includes all those people who shop from physical supermarkets exists in Karachi. The sample size is 101 respondents. Questionnaire is the instrument which is used in this research.

This research is the concept which can add an option in the customers mind that they can shop through subway stores as well they don't need to go specially for grocery shopping, solving the problems of those people who don't have time for grocery shopping.

If we discuss whole analysis done previously, we found that the concept of virtual shopping stores for grocery shopping will be successful in Pakistan, As we have found through our research that people shop mostly from virtual stores and most of the people have smart phones, this idea is most useful for working class males and

females because they are busy enough don't have time to for grocery shopping.

Through results we have found that mostly people go for grocery shopping once a month, the idea can only be successful if the virtual shopping stores create trust in the mind of customers, they have to gain mind share of customers by providing them quality goods and on time as well, and otherwise customers can lose trust on virtual shopping stores.

If we go through our research we have found that quality is most important factor for customers, then price is important, after that brand is important for people and place is least important factor in grocery shopping. By this analysis we have found that customers can compromise on quality, if virtual shopping stores provide quality goods then place is not matter for customers, they will give orders wherever the subway stores is places in city, that will be convenient for customers to shop through virtual shopping stores, all grocery goods will be provided them through home delivery, they don't need to stand in long queues for billing, carrying shopping bags to their homes, customers can save their time as well.

Overall we receive positive response from the customers, if the virtual shopping stores concept will implement in Pakistan, then people will surely shop from there, that save their time as well.

## 6. CONCLUSION

Retail Industry has developed in Pakistan, Supermarkets chain has increased all over Pakistan, and people are aware of online purchasing as well. Virtual Shopping Stores Brings the concept 'Let store come to people'. The result has shown people will support this concept and shop mostly from it if it will implement in Pakistan, especially all professional ladies and gents as well highly appreciate this idea, Overall the customers response are good regarding Virtual Shopping Stores using Smart phone technology and Bar code technology. This research can be used by all leading stores in Pakistan, this is the value addition in their services for a particular sector.

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