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Customer Repurchase Willingness of Fresh E-Commerce Products Based on Customer Perceived Value

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Abstract

Nowadays, with the rapid growth and increasingly mature of Internet and e-commerce, fresh food e-commerce has convert the “last blue sea” in the field of e-commerce. Major e-commerce giants, such as Amazon, Alibaba and Jingdong, have entered the field of fresh food e-commerce. Online shopping of fresh products has progressively been accepted by consumers. How to promote customers’ willingness to repurchase fresh e-commerce products has become a key issue. Different from the existing research on repurchase intention, this study creatively adopts the viewpoint of perceived value: customer perceived outcome value, perceived procedural value and perceived emotional value. The authors construct a conceptual model and propose some research hypotheses about customers repurchase willingness. The results show that: customers’ perceived value positively affect their satisfaction with and trust in fresh e-business web-vendors, which further positively influence their willingness to repurchase fresh e-business products online. However, customers’ perceived outcome value and perceived emotional value have no significant effect on their trust.

Keywords—*fresh food e-commerce; customer perceived value; customer trust; customer satisfaction; customer repurchase willingness*

INTRODUCTION

Global Fresh Food E-commerce Market Growth Trends and Forecasts 2015-2025 The ‘Fresh Food E-commerce Market’ study added by Reports web, exhibits a comprehensive analysis of the growth trends present in the global business scenario. The study further presents conclusive data referring to the commercialization aspects, industry size and profit estimation of the market. The trends affecting the Industry in emerging regional sectors have additionally been explained in this study. The current findings and recommendations the analysts suggest for the future growth of the market have also been evaluated in this Fresh Food E-commerce report.

Key Vendors are Involved in Industry: Farmigo, Tootoo, Ocado, Alibaba Group, JD Group, Amazon, Sfbest, Yihaodian, Benlai, Womai, MISSFRESH, Shanghai Yibaimi Network Technology Segmentation by product type: Integrated Platform E-Commerce Model Vertical Fresh E-Commerce Model Logistics Fresh E-Commerce Model Physical Supermarket Online Business Model Fresh Goods O2O Model Farm Direct E-Commerce Model Share Fridge Model Community Group Model. The following part of the report explains the detailed segmentation of the Fresh Food E-commerce Market. Valuable data and information related to the key segments have been established via this market research report. The revenue share coupled with insightful forecasts for the major segments and the other significant sub-segments have been detailed via this report. Due to increase in competition in this market, a number of companies are entering into strategic partnerships with software companies to increase the overall product benefit and sustain their Fresh Food E-commerce Market position. The Fresh Food E-commerce Market report focuses on the requirements of the clients from several global Market regions such as North America, Latin America, Asia-Pacific, Europe, and India.

The Indian market is characterized by rising incomes as well as high income inequality (top 20% of consumers receive 45% of income). There is explosive growth in digital penetration and usage (560 million internet subscribers, 354 million mobile users). Cities like Bangalore, Hyderabad and Chennai are rapidly urbanizing. At the same time, social structures and norms are changing, leading to a growing demand for services that make life easier, premium products, and shortcuts to simplify buying decisions. Consumers increasingly use online and neighborhood stores interchangeably. At the same time, fast-paced lives increase demand for nostalgia, ‘Made in India’ and simple choices. As consumers increasingly eat outside of their home (post-Covid), they are expected to pay more attention to healthy choices.

The impact of India's lockdown on fresh produce trade varies from city to city. India's largest ports are facing congestion as their container freight stations get clogged because importers and customs house agents are unable to take their consignment. Also, getting products from cold storage to end consumers can be challenging. India's apple market is slower than in previous years but is expected to improve in June/July as trade issues are resolved and the mango season ends. Demand is up for specific products such as citrus due to expected immune system benefits. In the long term strong growth is expected for the sector. The top 20 percent of India's population are mainly located in big cities, and are least impacted by the downturn. They are not expected to cut expenditures on food items by much.

REVIEW OF LITERATURE

N. Meena Rani (2019) "A Study on Consumer Perception Regarding Buying Fresh Produce in Organized Retail Stores in Bangalore, India: Do Demographics Matter?" "The present empirical research paper analyses the consumers' buying pattern of fresh produce at organized retail stores from demographic perspective. The Indian retail sector is predominantly unorganized. However, organized retail units are fast emerging and becoming the preferred choice of consumers, especially in urban areas. The present research involved ample literature review pertaining to organized retailing of fresh produce, consumer perception regarding factors such as product attributes, price, discounts, promotion, parking, accessibility, ambience and the like and the role of various demographic attributes on consumer perception. The framework of analysis is two-fold; one—the impact of demographic attributes such as age, gender, income, education and marital status on purchase value and preference to visit organized retail stores and two—the association between consumers' demographic attributes, and perception regarding organized retailing of fresh produce in 7 P's services marketing mix framework. Statistical tools such as Mean scores, Standard Deviation, Chi-square and Anova were used for data analyses. Significant difference has been found across the demographic attributes considered for study with respect to purchase value, preference to visit organized retail stores for buying fresh produce, and consumer perception regarding almost all the attributes of services marketing mix.

Massaglia et al. (2019) "Consumer Preference Heterogeneity Evaluation in Fruit and Vegetable Purchasing Decisions Using the Best–Worst Approach" studied Italian consumer preferences while buying fruit and vegetable considering the socio-demographic variables of individuals and found that consumers value the factors such as origin, seasonality and freshness while no importance was given to organic certification, variety and brand.

Customer Perceived Value

From the perspective of value trade-off, perceived value is defined by the trade-off between perceived gains and perceived losses. Zeithaml studies the relationship between quality, price, value and product service, and concludes that customer perceived value is the evaluation of the trade-off effect between gains and losses in the process of enjoying product value or service[1]. From multidimensional perspective, Sheth et al. divide customer perceived value into five dimensions: social, emotional, functional, situational and cognitive value[2]. On the basis of Sheth's research, Sweeney and Sout divide functional value into price and quality value. Therefore, they divide perceived value of consumer durables into four major values: quality, price, emotion and society value.

OBJECTIVE OF THE STUDY

- To study on *Customer Perceived Value and Customer Satisfaction in Fresh Food E-Commerce*.
- To study on *Customer Perceived Value and Customer repurchase willingness in Fresh Food E-Commerce*.

HYPOTHESIS OF THE STUDY

- H1: Customers' perceived outcome value will positively affect their satisfaction in fresh food e-commerce.
- H2: Customers' perceived procedural value will positively affect their satisfaction in fresh food e-commerce.
- H3: Customers' perceived emotional value will positively affect their satisfaction in fresh food e-commerce.
- H4: Customers' perceived outcome value will positively affect their repurchase willingness in fresh food e-commerce.
- H5: Customers' perceived procedural value will positively affect their repurchase willingness in fresh food e-commerce.
- H6: Customers' perceived emotional value will positively affect their repurchase willingness in fresh food e-commerce.

RESEARCH METHODOLOGY

The study is Analytical in nature. The area of the study refers to Coimbatore city. The study used both primary data and secondary data. The primary data was collected from 72 respondents by structural questionnaire method. As the total population size was unknown, purposive sampling method was adopted, the primary data had been collected from those who are purchasing fresh E-commerce product and the questionnaire was collected from public places. Required secondary data was collected from the sources like various websites, various publications, journals and Reports. For analysing the data, the researcher has used linear regression model and ANOVA

DATA ANALYSIS

Table 1
Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.735 ^a	.540	.520	17.754	.540	26.953	3	69	.000	1.040

a. Predictors: (Constant), Customer emotional value, Customer procedural value, Customer outcome value

b. Dependent Variable: Customer satisfaction

Table 2
ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	25486.984	3	8495.661	26.953	.000 ^b
	Residual	21749.344	69	315.208		
	Total	47236.329	72			

a. Dependent Variable: Customer satisfaction

b. Predictors: (Constant), Customer emotional value, Customer procedural value, Customer outcome value

The above table shows the *Customer Perceived Value and Customer Satisfaction in Fresh Food E-Commerce*. Model 1 R square value is 54% in which Customer emotional value, Customer procedural value and Customer outcome value are considered as independent variable and Customer satisfaction is considered as dependent variable. The relationship between *Customer Perceived Value and Customer Satisfaction in Fresh Food E-Commerce* was significant. Therefore, H1, H2 and H3 were accepted. These results indicated that a Customers' perceived value will positively affect their satisfaction in fresh food e-commerce.

Table 3
Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
		B	Std. Error				Beta	Lower Bound
1	(Constant)	5.422	5.218		1.039	.302	-4.989	15.832
	Customer outcome value	-.052	.106	-.041	-.487	.627	-.263	.160
	Customer procedural value	-.064	.203	-.026	-.314	.754	-.469	.341
	Customer emotional value	.661	.074	.730	8.909	.000	.513	.809

a. Dependent Variable: Customer satisfaction

Customer satisfaction = 5.422-.052 Customer outcome value -.064 Customer procedural value +.661 Customer emotional value

Table 4
Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig. F Change	
1	.349 ^a	.122	.084	30.076	.122	3.197	3	69	.029	1.692

a. Predictors: (Constant), Customer emotional value, Customer outcome value, Customer procedural value

b. Dependent Variable: Customers repurchase

Table 5
ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	8675.953	3	2891.984	3.197	.029 ^b
	Residual	62413.061	69	904.537		
	Total	71089.014	72			

a. Dependent Variable: Customers repurchase

b. Predictors: (Constant), Customer emotional value, Customer outcome value, Customer procedural value

The above table shows the *Customer Perceived Value and Customers repurchase in Fresh Food E-Commerce*. Model 2 R square values is 12% in which Customer emotional value, Customer procedural value and Customer outcome value are considered as independent variable and Customers repurchase is considered as dependent variable. The relationship between *Customer Perceived Value and Customers repurchase in Fresh Food E-Commerce* was significant. Therefore, H4, H5 and H6 were accepted. These results indicated that a Customers' perceived value will positively affect their repurchase willingness in fresh food e-commerce.

Table 6
Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
		B	Std. Error	Beta			Lower Bound	Upper Bound
1	(Constant)	35.856	6.187		5.795	.000	23.513	48.199
	Customer outcome value	.234	.138	.194	1.693	.095	-.042	.509
	Customer procedural value	-.198	.210	-.157	-.945	.348	-.617	.220
	Customer emotional value	-.215	.185	-.194	-1.162	.249	-.584	.154

a. Dependent Variable: Customers repurchase

Customer satisfaction = 35.856+.234 Customer outcome value -.198 Customer procedural value -.215 Customer emotional value

CONCLUSION

For fresh food e-commerce initiatives, how to encourage customers' willingness to repurchase fresh e-commerce products has become a key concern. Different from the remaining research on repurchase willingness, this study resourcefully adopts the perception of perceived value: customer's perceived outcome value, perceived procedural value and perceived emotional value. The authors construct a conceptual model and propose some research hypotheses about customers repurchase willingness. In addition, two facilitating variables: customer satisfaction is introduced into the model. The research results show that: customers' perceived outcome value, perceived procedural value and perceived emotional value, positively affect their satisfaction with and trust in fresh food e-business web-vendors, which further positively influence their willingness to repurchase fresh e-business products online. However, customers' perceived outcome value and perceived emotional value have no significant effect on their repurchase willingness. Researcher also find that, among the three dimensions of customer perceived value, perceived procedural value has the greatest impact on customer satisfaction. It can be seen that, if we want to improve consumers' satisfaction, sponsoring consumers' perception of procedural value, is definitely of vital importance.

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