

# ONLINE GROCERY SHOPPING: WHAT MATTERS TO CONSUMERS IN BELARUS?

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This article aims to analyze online grocery shopping in Belarus and what exactly matters to consumers when deciding whether to buy online or not. We looked closer at the largest online grocery retail – E-dostavka. To understand what barriers it faces we conducted a survey among students of SB BSU. We found out that the reason why a lot of people still don't use online grocery delivery is not poor quality of the service or unfresh goods, there's simply not enough consumer awareness about it. Since, the Euroopt is a sustainable grocery business and it doesn't need to change the operational aspect there are few things to consider to make this online project more widely-spread. First of all, they should raise consumer awareness among young people as well as among the older generation. Secondly, they should increase consumer trust in product quality when purchasing online. Thirdly, it is necessary to raise the convenience of using an online website as a channel for buying groceries, creating a more user-friendly interface. In general, we can conclude that the Belarusian online market has a lot of perspectives and it should be developed further.

**Key words:** grocery shopping; online shopping; e-commerce; consumer awareness.

Since the end of the last century, the domestic retail market has embarked on the path of modernization. As in many countries, modern trading formats are being distributed in Belarus, management and logistics solutions are being optimized, and information technologies are being introduced. However, the process of replacing traditional formats with modern ones is not going as fast as expected.

Our research method consists in a theoretical analysis of the literature on the topic of research, the collection and systematization of materials, an empirical analysis, including a survey among students of the BSU School of Business by disseminating questionnaires created in Google forms, as well as a statistical interpretation of the data.

The Belarusian retail market is organized in such a way that it dominates all forms of trade, e.g. retail stores and shops selling across the counter, while the share of emerging technologies including self-service on the trading floor or buying by smartphone and internet distribution is not so large. According to the BCG research on the Belarusian grocery retail market in 2017, supermarkets are the most popular format (39 % of Modern Trade Sales), followed by Hypermarkets (34 %) and Convenience Stores (25 %) and modern format penetration is significantly below European levels [1].

In order to understand the most preferable way of purchasing goods among Belarusian residents, we have to identify what matters to the consumers most. The available data shows us that there are four key criteria:

- convenient location (23 %);
- wide assortment (15 %);
- low prices (11 %);
- quality of products and their freshness (11%) etc.[2].

As we have determined, nowadays the location being the top priority for consumers and the fact that visiting grocery stores on average takes place five times a week for Belarusian customers explain why many people choose online service [1]. Thus, Internet shopping relieved the need to go to the stores and you can simply order what you need by just signing up, choosing the products at any time and you still have perfectly packed goods. It is worth mentioning the features of the website which enable to sort products by those criteria that are the most valuable for you - from prices to producers. That is why the biggest driver in online grocery purchases is saving time and distribution incentives (no need to carry, no need to go anywhere, should be delivered to exact location) and both advantages will continue to be consolidated in relation to the customer.

Researchers often refer to the need to focus on barriers to promote their services. Plenty of potential customers who do not purchase food online would like to get a range of guarantees of quality and freshness. There is a large percentage of those who have not ordered on the online platform yet, but who may have noticed the high cost of delivery [2].

New retail formats (self-service shops and rising internet retailers) dominate the industry in most countries in Western Europe and the United States, while traditional retail formats (urban markets and over-the-counter shops) also play a major role in supplying grocery goods to the population in developing countries in the Third World countries. Business Insider Intelligence predicts that online grocery will start to rise in 2020 and we are going to see a significant increase in acceptance from all groups, including baby boomers, who have historically been reluctant to purchase online groceries [3].

Belarus is not an exception to this world tendency of online retailing. The online grocery market leader is Euroopt with a 98 % market share in Belarusian e-commerce [4]. Its two grocery online services e-dostavka.by and GIPERMALL.BY cover all the regions of Belarus. HyperMall has a significantly larger assortment of goods than E-Delivery, and it increases by 500 new items every day, and there are no perishable goods in the HyperMall assortment. All HyperMall groceries should be sold at the lowest prices in the country.

We would like to make a small overview of the e-dostavka. In 2018, it became the largest by the number of orders online grocery player and one of the most profitable online grocery projects in Eastern Europe. The company has 5000 vehicles, 740 couriers and its own IT-system that is developed and serviced by the in-house team. An online hypermarket E-dostavka is available seven days a week without weekends [4]. You may put an order on the website anytime but the delivery of the products takes place at your chosen period from 7:30 to 23:00. Their range of products includes more than 10,000 goods: groceries, goods for children and households. Selling of alcohol and tobacco products through the Internet is prohibited under the Republic of Belarus legislation [5]. According to the survey conducted by Civitta company, while there is going to be a decrease in demand for most categories of goods, 13 % of respondents are planning to increase their expenses on groceries and drinks (except for prepared food and alcohol). Besides, the same research shows an increase in consumer intentions to buy them online [6, p. 5].

We conducted a survey among students of the School of Business of the BSU. They were asked several questions. We got 108 responses in total. The first question was: "Did you begin to order online groceries delivery because of COVID-19?" 14 % of students answered positively. When asked if they have ever ordered groceries delivery online, almost half (46 %) said yes, a little less (42 %) said no and 12 % of the students are just planning to do it. The next question was aimed at finding out online groceries delivery barriers. First we conducted an interview with several students and asked them why they don't do this kind of online shopping. Then we grouped the responses into 5 categories. After that we offered google forms where they could choose their reason to refuse. Most people (33 %) said they are unsure about the quality, 29 % didn't want to pay for delivery, slightly less (22 %) think that the website is inconvenient, 14 % of students simply like the process of going to the shop, and only 2 % said that the delivery was inconvenient.

Interestingly, the top two barriers that we got from our survey don't exist in real life. Firstly, E-delivery makes sure that the quality of the goods is high, and if there's something wrong there's a possibility to return them, just like in normal shops. Secondly, this company offers free delivery starting from just 45 rubles.

So the problem that a lot of people still don't use online grocery delivery is not because of poor quality of the service or unfresh goods, there's simply not enough consumer awareness about it.

The reason for that is poor marketing strategies. The fight with coronavirus pushed Belarusians to buy more and more food online. As E-Delivery Marketing Director Yevgeny Shashkevich told TUT.BY, the number of orders in the online hypermarkets E-Delivery and HyperMall has risen 3 times. The

number of items in one order has increased as well. A large number of requests started to come from customers residing permanently abroad who placed orders for relatives living in Belarus online. There is a queue for internet services, so people need to wait for a few hours to place an order. The company is currently searching for new employees to cope with the increasing demand. So this situation has been a good marketing for the service, people really started to use it [7].

Based on that information we can conclude that Belarusian online market has a lot of perspectives and it should be developed further. In order to maintain online shopping and delivering products, grocery retailers need to pay for extra marketing, additional transportation, also it will result in increasing expense of technical support and own IT-system and additional costs for staff, that is why for an immature company it will be unprofitable. Since, the Euroopt is a sustainable grocery business and it doesn't need to change the operational aspect but there are few things to consider to make this online project more widely-spread. First of all, they should raise consumer awareness among young people as well as among older generation. Secondly, they should increase consumer trust in product quality when purchasing online. Thirdly, it is necessary to raise the convenience of using an online website as a channel for buying groceries, creating a better user-friendly interface.

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