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CONSUMERS' WILLINGNESS TO PAY DELIVERY FEES FOR ONLINE SHOPPING OF FOOD GROCERIES IN POLOKWANE LOCAL MUNICIPALITY, SOUTH AFRICA

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ABSTRACT

Online purchase of food groceries has experienced notable development in the past few years. However, the potentials of online purchase of food groceries have not been fully explored given retailers' charging of some delivery fees. This paper analyzed consumers' willingness to pay some specified delivery fees for online food groceries' shopping. Data were collected from 173 households using pre-tested structured questionnaire and analyzed with Logistic regression using the double bounded dichotomous choice approach. The results showed that majority of the respondents were from rural areas (71.0%), single (74.0%), had at least primary education (99.4%), had access to a computer or mobile phone connected to the internet (86.7%) and aware of online shopping of food groceries (57.2%). The results further revealed that that a high percentage of respondents (76.3%) was willing to pay R50 as delivery fee. The Logit regression results showed that age, location, level of education and perceived online risk had a statistically significant relationship ($p < 0.05$) with consumers' willingness to pay delivery fees. It was among others recommended in order to facilitate online shopping, adequate trainings on delivery modality and utilization of online platforms would increase consumers' knowledge and reduce their levels of perceived risks.

Keywords: Contingent valuation method; double bounded dichotomous choice; online delivery fees; willingness to pay.