

“To Analyze the Effect of Advertisement and Sales Promotion on Consumer Buying Behaviour Towards Online Grocery Shopping Platform at Pune”

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Research Abstract:

Fast moving consumer goods (FMCG) is the fourth largest segment in Indian economy and internet is playing a big role to reinforce that growth. The way of retailing groceries is changing from general brick and mortar to new e-retailing platforms. A buyer is not concerned about the timings or particular location of the stores; buyer can be active at essentially all the time and can buy anything from anywhere. A huge percentage of the population today is internet literate, with increase in online literacy the outlook of online marketing too is increasing. These platforms use various ways to promote their e-platforms to attract the potential customer, advertisement and promotional offers have big hand in it. This study tries to gauge the effect of these advertisement and sales promotion. Along with that, study also identifies which gender and income bracket mostly shop grocery online.

Keywords: E-retailing platforms, advertisement, sales promotion

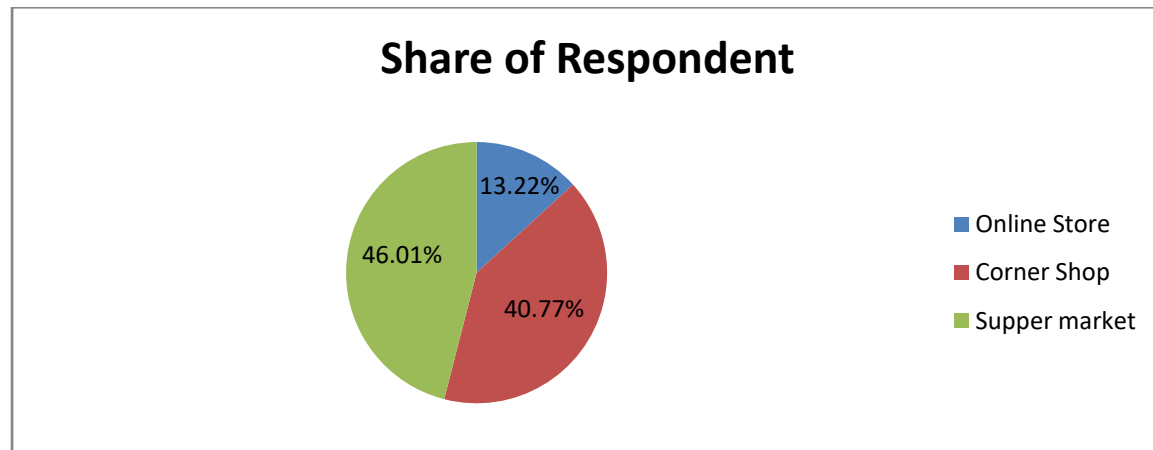
Introduction:

As of January 2020, more than 570 million individuals are dynamic web clients in India, second most noteworthy on the planet simply after China (Statista, 2020). Clients are presently more educated; they can look at brand cost, investigate data accessible from various sources, share data, post audits and read surveys posted by different purchasers on advanced and web-based media. Online data is assuming a crucial job in moulding the shopper purchasing choice. How the marketer offer the types of assistance presently is exceptionally essential, as they must be unique in relation to their rivals, they should give more esteem, must have edge over the contenders. Advertising and sales promotion can help the marketer to attract the customer to their platforms.

You know a sales promotion when you see it since it is generally communicated in numbers. For instance, “Buy 2, get 1 Free” or “Buy now, and get a 30% discount”. Sales promotion are incentives and discount advertisers use to accomplish close term or prompt outcomes, for example, a deal to help income execution toward the finish of a quarter or year. Sales Promotions are additionally used to

move stock, or at a more modern level, used to oversee demand itself. Advertising is a type of marketing correspondence coordinated towards a potential crowd created with the expectation of bringing issues to light or consideration towards an item, administration or cause for a business or association.

As shown in the graph, we can infer that there is lot of potential on the market of online grocery shopping. Only 13.22% of people shop online.



The total market value of online grocery shopping in India by is over 100.7 billion INR (Statista 2019). Leading the market by 35.2% is Bigbasket, later on 31.5% is Grofers, then at 31.2% is Amazon and remaining 2.1% is held by other platforms.

Research Problem:

Groceries were traditionally bought from local shop or supermarket, but due to various advancement, there is a shift from conventional way to online grocery platform. These platforms use various methods to attract customer, but there is no measure to which extent this method actually work. Many researcheshavebeen done on website content and how should a website look but the effect of those content is seldom touched plus fewer studies are focused on Pune region. So, this paper tries to gauge the effect of advertisement and sales promotion used by these online grocery retailing platforms. Along with that, this study also tells us about which gender and income bracket online platforms should target.

Research Objectives:

To understand the impact of Advertisement during online grocery shopping

To understand the impact of Sales Promotion used by e-commerce platform for online grocery shopping

To analyse the effect of gender and income bracket on consumer buying behaviour during online grocery shopping

Hypothesis:

H01: There is no significant difference between the advertisements used by the e-commerce platform for grocery retail towards number of customers buying grocery from these platforms.

H11: There is significant difference between the advertisements used by the e-commerce platform for grocery retail towards number of customers buying grocery from these platforms.

H02: There is no significant difference between the sales promotions used by the e-commerce platform for grocery retail towards the number of customers buying grocery from these platforms.

H12: There is significant difference between the sales promotions used by the e-commerce platform for grocery retail towards the number of customers buying grocery from these platforms

H03: There is no significant relationship between the various demographic factors (Gender and annual income) and usage of online platform for purchasing grocery.

H13: There is significant relationship between the various demographic factors (Gender and annual income) and usage of online platform for purchasing grocery.

Review of Literature:

Numerous elements for online shopping have developed in the ongoing years, some of them are web composition, simple search, item extend accessibility, genuine products, availability, request following, different payment choices, dispatching cost lucidity, coupons and limits, COD, suggestion by email, bundle data, provider's data, ratings, surveys and proposals, merchandise exchange, value examination across different locales, protection, client assistance online talk, internet based life interface, speed, visitor checkout, user friendly site, pop up obstruction and authorization advertising (NinaKoiso-Kanttila, 2004), (Piercy, 2014)

An exploratory study of grocery shopping stressors research confirms grocery shopping to be stressful, but time pressure was mentioned as only one factor causing shopping stress; other factors included crowd density, staff attitude and training, store layout/relocation, impulse purchasing pressure, location, product assortment, music, and lighting. The article concludes by proposing a shopping stress curve for future examination. (Premaram, 2019)

The significant discoveries buyer recognition toward online supermarket of the examination are 29% of respondents cited the purpose behind picking the web based shopping is to buy exceptional and unique articles, and they need to locate the best cost of the item. The result of the examination paper additionally uncovered that the segment factors, for example, sex, age bunch do not have impact of the variables of consumer loyalty. (S.Sathiyaraj, 2015)

. Online Grocery Retail platform additionally uses paid media like print promotions on paper publicizing some deal on its application or interesting item contributions. These platforms revolve around giving on time great delivery benefits as it is integral to their image advancement. Organizations utilizes limits to advances itself just as Google AdSense to publicize on item pages. Advanced media stages like YouTube films are all around used by the organization to advance itself. Organization is likewise present via web-based networking media stages like Twitter and Facebook utilizes its page on these locales make buzz and obtaining higher review in client mind space. (team, 2020)

Research Methodology:

The area of this research is focused on Online Grocery Shopping Platforms, the advertisement and sales promotions used by the same. The sample size is of 160 respondents collected by the closed ended questionnaire, the convenience sampling method is used. SPSS is the software that is used in

the study. For testing hypothesis tools like One Way ANOVA, Crosstab and Chi-Square are used in SPSS.

Data Analysis:

RELIABILITY AND VALIDITY ANALYSIS:

Parameter	Cronbach's α	Composite Reliability	Average Variance Extracted (AVE)
Sales Promotion	0.716	0.8761	0.7796
Advertisement	0.703	0.8757	0.7788

INTERPRETATION:

As **Cronbach's Alpha** is more than 0.7 for both the constructs, which is good enough, and we can interpret that we are getting enough individual indicator reliability. Hence, the scale passes the reliability test.

Composite reliability (sometimes called *construct reliability*) is a measure of internal consistency in scale items and should be more than 0.6. The values for all the variables above are more than 0.6 and thus items are supporting the convergent validity.

The **Average Variance Extracted** is a strict measure of reliability and convergent validity and should be more than 0.5. The AVE is more than 0.5 for all the variables thus proving convergent validity.

Reliability Statistics			Reliability Statistics		
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items	Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.716	.725	2	.703	.722	2

Sales Promotion

Advertisement

DISCRIMINANT VALIDITY:

Value of Correlation between Sales Promotion and Advertisement is 0.701.

Therefore, the correlation square would be 0.491.

For Discriminant Validity: $AVE > (\text{Correlation})^2$.

We can see that there is discriminant validity between the constructs. Thus, these Constructs are not related to each other.

Data Analysis Hypothesis 1:

H01: There is no significant difference between the advertisements used by the e-commerce platform for grocery retail towards number of customers buying grocery from these platforms.

H11: There is significant difference between the advertisements used by the e-commerce platform for grocery retail towards number of customers buying grocery from these platforms.

For testing of first hypothesis, we used One Way ANOVA test:

For this hypothesis, we have used one independent variable that is *saw advertisement* and one dependent variable *visit after advertisement*. Here we try to gauge that after watching the advertisement how likely the respondent actually goes and make the purchase from online grocery platform.

ANOVA					
VisitAfterAd					
	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	66.019	2	33.010	40.798	.000
Within Groups	126.220	156	.809		
Total	192.239	158			

If the value of significance is below 0.05, we can say that there is significant difference between advertisements used by e-commerce platform for grocery retail towards number of customers buying grocery from these platforms.

Hence, alternate hypothesis is accepted.

Data Analysis Hypothesis 2:

H02: There is no significant difference between the sales promotions used by the e-commerce platform for grocery retail towards the number of customers buying grocery from these platforms.

H12: There is significant difference between the sales promotions used by the e-commerce platform for grocery retail towards the number of customers buying grocery from these platforms

For testing of second hypothesis, we used One Way ANOVA test:

For this hypothesis, we have used one independent variable that is *saw sales promotion* and two dependent variables *Buy1Get1* and *BuyDiscount*. Here we try to gauge that after watching the sales promotion how likely the respondent actually goes and make the purchase for offer like Buy 1 Get 1 and some percent of discount online grocery platform.

ANOVA

		Sum of Squares	df	Mean Square	F	Sig.
Buy1get1	Between Groups	148.343	2	74.171	88.802	.000
	Within Groups	130.299	156	.835		
	Total	278.642	158			
BuyDiscount	Between Groups	86.077	2	43.038	66.331	.000
	Within Groups	101.219	156	.649		
	Total	187.296	158			

If the value of significance is below 0.05, we can say that there is significant difference between sales promotions used by e-commerce platform for grocery retail

towards the number of customers buying grocery from these platforms.

Hence, alternate hypothesis is accepted.

Data Analysis Hypothesis 3:

H03: There is no significant relationship between the various demographic factors (Gender and annual income) and usage of online platform for purchasing grocery.

H13: There is significant relationship between the various demographic factors (Gender and annual income) and usage of online platform for purchasing grocery.

For testing of second hypothesis, we used Chi-Square Test:

First, we have tested that does *gender and usage of online platform* for purchasing grocery have any significant relationship.

Crosstab

Count

		Grocery Shopped			Total
		Online	Local Super market	Local corner grocery shop	
Gender	Male	22	47	19	88
	Female	16	40	15	71
Total		38	87	34	159

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	.165 ^a	2	.921
Likelihood Ratio	.166	2	.920
Linear-by-Linear Association	.035	1	.853
N of Valid Cases	159		

a. 0 cells (.0%) have expected count less than 5. The minimum expected count is 15.18.

As we can see from the Chi-Square table, the value of significance is greater than 0.05 hence there is no relationship between the gender and online grocery shopping.

Later, we have tested that does *annual income and usage of online platform* for purchasing grocery have any significant relationship.

Crosstab

Count		Grocery Shopped			Total
		Online	Local Super market	Local corner grocery shop	
Annual Income	Dependent	20	48	21	89
	Upto 5 lakhs	10	19	4	33
	5 to 10 lakhs	4	16	7	27
	Above 10 lakhs	4	4	2	10
Total		38	87	34	159

Chi-Square Tests

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	5.013 ^a	6	.542
Likelihood Ratio	5.195	6	.519
Linear-by-Linear Association	.142	1	.707
N of Valid Cases	159		

a. 2 cells (16.7%) have expected count less than 5. The minimum expected count is 2.14.

As we can see from the Chi-Square table, the value of significance is greater than 0.05 hence there is no relationship between the annual income and online grocery shopping

After testing the variable gender and income level with online grocery shopping, we can say that, there is no significant relationship between the gender and annual income with the people shopping grocery online.

Hence, we fail to reject the null hypothesis

Findings and Suggestions:

The variable that we have tested are 'Advertisement', 'Discount', 'Buy 1 get 1', 'Gender and Annual Income' with the consumer buying grocery from online platform. The findings demonstrate the variables such as 'Advertisement', 'Discount' and 'Buy 1 get 1' have positive and significant impact on the consumer buying grocery. Furthermore, the Gender and Annual Income were tested and study does not show the significant relation.

Other than these, according to the responses, this study also helps to understand certain things, which are:

- Almost 50% of respondent buy grocery once in a week.
- Quality of product is the most important factor when respondent shop for grocery.
- People prefer online grocery shopping because they can buy grocery any time, it saves time, have fewer after sales problem.
- Question about the product cannot be answered soon and not able to check product before buying are some problems faced by respondent while shopping grocery online.
- Good are cheaper on online platform compared to local grocery shop and refund and return of goods is guaranteed on online platform, are the factors that could increase the likely hood of online grocery shopping.
- Wide range of product, doorstep delivery, various payment method, time saving and easy access are the most important element of online grocery shopping.
- Most important factor that makes respondent buy shop offline is that they would like to have goods in their possession as soon as they buy it.
- The touch and feel of good and the advice, which the respondent seeks from the shop assistant, are other two factors, which make respondent shop offline.

Limitation and Conclusion:

The research has some limitation that may lead to future research scope. This research had self – reported data from the respondents and had to depend on Google forms for collecting information from respondents due to COVID-19 pandemic situation. Even if the statistical findings and theories have been assembled in accordance with the chosen method, some interference of individual beliefs and values must be considered to have influenced the result of this research. It is observed that a mixed method of both quantitative and qualitative approach would have provided for deeper understanding of the issue presented and correlation that was found between the variables. However, this was not feasible due to the given period for this research.

After the testing of the data, the research shows that there is a significant difference between the advertisement and sales promotions used by the e-commerce platform for grocery retail towards the number of customers buying grocery from these platforms. Respondent who actually saw the advertisement are most likely to shop grocery from online grocery platform. Hence, the alternate hypothesis is accepted. Moreover, after testing the data study shows that there is significant impact of the sales promotion on the respondent. Which says, the respondent who saw the sales promotion of online grocery platforms, such as discounts and buy 1 get 1 offer are most likely to go and shop grocery from these platforms. Hence, the alternate hypothesis is accepted.

Further Research Direction

The Future Researcher who would do research in same domain would also study the impact of the brand ambassador on the consumer buying behaviour. They can also conduct in depth study on the factors, which makes respondent to buy grocery from offline platform rather than online platform, which will give a clearer idea to the companies that how should they approach these respondents. In addition, future respondent can enhance this study to other metropolitan cities such as Mumbai, Bangalore, Delhi, and obtain the valuable insight. Furthermore, they can compare how consumer buying behaviour changes with geographic location.

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