



STAGE 3 PROJECT

MAY 2002

Online Grocery Shopping

Introduction

Over the last number of years, there has been increasing interest in the opportunities for customers to use the internet in order to shop on-line. There are some products that are particularly suitable to this channel and others that are more difficult.

Recently, the major supermarket groups have investigated the possibilities of on-line grocery shopping within Europe. Recent pan-European research suggests that the service will be bigger business in Europe than in the US, accounting for more than 15% of all grocery sales within 10 years. There are many reasons why Europeans may turn in greater numbers to this new channel. These reasons include greater pressure on time (especially among working women), higher population densities, and the fact that European shoppers are generally more dissatisfied with grocery retailers than their US counterparts.

There appear to be many key factors that affect both profits and operational efficiencies of on-line grocery shopping. These include :

- How to target and promote for market on-line uptake.
- Identification of target customers and their location
- Level of service e.g. range of products, delivery frequency
- Price of delivery / overall service
- Market coverage – regional, countrywide, Europewide etc.
- Order reception methods e.g. internet-only, phone etc.
- Fulfilment systems – their resourcing, staffing and operation
- Payment procedures.

Once the operational, marketing and culture hurdles of the on-line grocery business are cleared, the financial rewards of success could be high. Typically, grocery shoppers give only 35-40% of their household's total grocery spend to the outlet in which they do their weekly shop. But once they go on-line, that proportion can double.

The Project

- Provide an overview of the European on-line grocery shopping market. **25%**
- Discuss the buyer behaviour factors that need to be considered when selling groceries on-line (make sure to address the relevance of cultural, social, personal and psychological buyer behaviour factors). **25%**
- Advise on a promotional strategy that can be used to promote on-line grocery shopping (make sure to consider the many promotional options available, not just advertising). **25%**
- Comment on customer service strategy and how it applies to the on-line grocery shopping market. **25%**

You must integrate the theory you are studying with the practical situation outlined in the above scenario.

NOVEMBER 2001

STATEMENT
STAGE 3 PROJECT
MAY 2002

I hereby certify that:

- I have the read the rules.
- This project is my own work prepared as part of my marketing examination.
- I have fully acknowledged all my sources.
- I have not made this project available to another student.

Signature _____ **Date** _____

PLEASE READ THESE RULES CAREFULLY

1. This project is an exercise in investigative study. Because it is not being prepared under examination conditions, style and presentation will be taken into account as well as content.
2. The project must be typed on A4 paper. It should be presented in a folder or loose binder. Your name, student registration number and your project title must appear on the title page. The pages should be numbered and there should be a Table of Contents.
3. A one-page abstract forms part of the completed project. This abstract should be a brief description of the **objective** to be achieved by the project, the **methods** used and the **conclusions** reached.
4. We would envisage that you would not be able to do justice to the topic in less than 5,000 words. On the other hand you should not exceed 7,000 words.
5. You must acknowledge all your sources; not to do so is **plagiarism**. Acknowledgement involves naming your source (report, textbook, website) in brackets at the relevant point in the text, and appending a bibliography at the end of your text. This should be in alphabetical order and should include the author's name, the title, the publisher and the city and date of publication. Web references should be as detailed as possible, not just the home page. The quality of your bibliography is an important element in the overall assessment of your project.
6. This project will be assessed and marked like the other subjects in **Stage 3**. You will not have passed **Stage 3** until you have passed the project.
7. The project is due by **FEBRUARY 12, 2002**. As time management is a major feature of the discipline of report writing, projects submitted after the due date will not be accepted. ***Students should, therefore, start work on the project immediately as excuses relating to mishaps (poor health, computer failure, typing) in the final week will not be accepted.***
8. A two-part project form is enclosed with this notice. Please complete **BOTH** parts and staple on the outside of front cover. One part of the form will be returned to you as acknowledgement of receipt.
9. Since the project is treated as an examination subject, The Marketing Institute staff **cannot** assist you with the interpretation of the brief or sources of information.
10. The same sanction applies to copying and to plagiarism: all subjects in the sitting are deemed to have been failed and the candidate may not register as a student with the Institute thereafter. **Please sign the statement overleaf and incorporate it into your project after the bibliography.**