



Consumer Behavior:

Impact of Coronavirus on E-commerce in FMCG industry

Coke Summership 2020 – Bosnia and Herzegovina

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Our amazing team



Mirza



Emir



Lana



Amra

Our amazing mentors



Goran



Jasmin

Secondary research of Coronavirus outbreak

FMCG in world & Bosnia and Herzegovina – facts



HoReCa as a biggest loser in the corona times – **41% closed in B&H.**



Beside HoReCa, all outlets with a focus on impulsive shopping will be hit the hardest.



Shifted demand from out of home to **in home.**

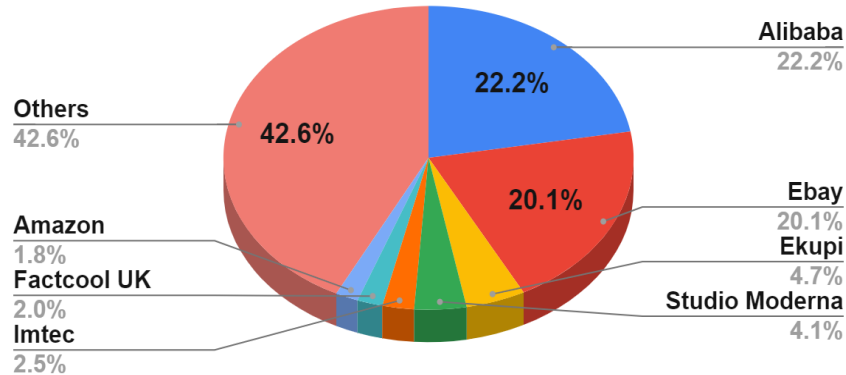


Despite being the one stop channel, **hypermarkets rather lose**, also local **super-markets particularly strong** due to convenient locations allowing proximity purchases.

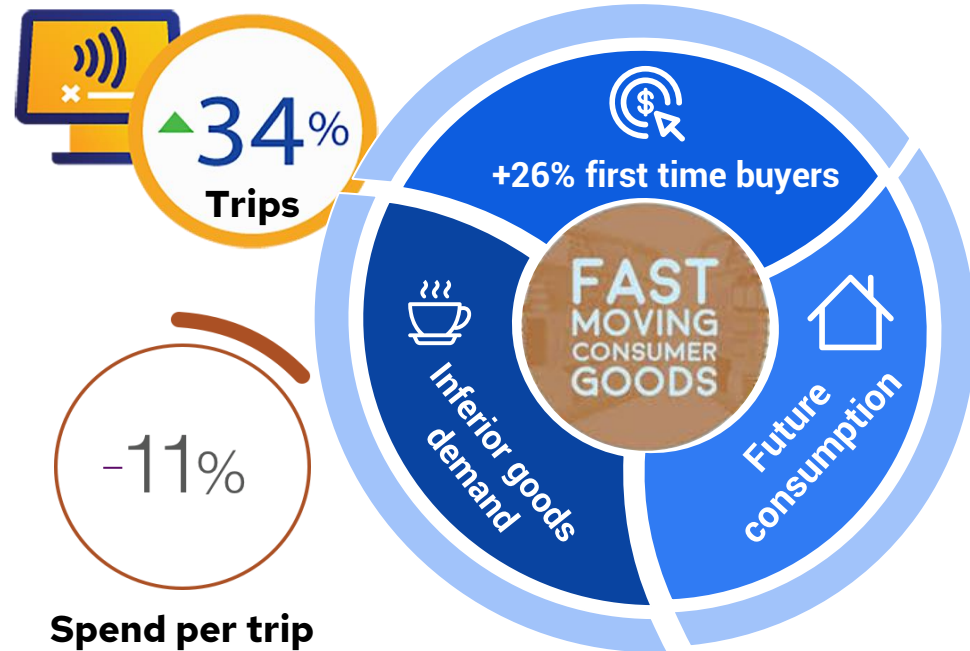
Secondary research of Coronavirus outbreak

FMCG in world & B&H - E-commerce is evident, but underdeveloped in B&H.

The structure of e-commerce in Bosnia and Herzegovina
2019

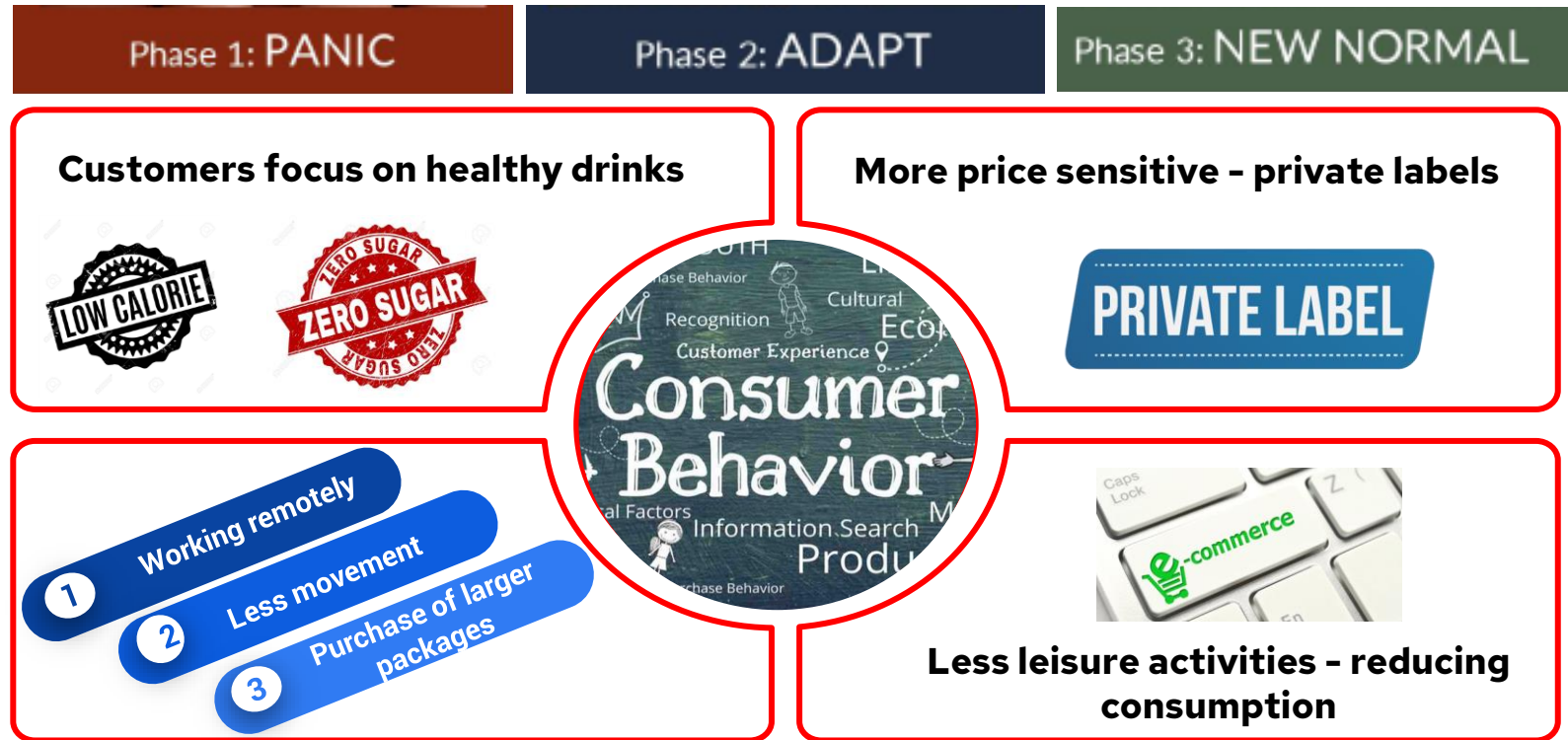


Source: www.euromonitor.com



Secondary research of Coronavirus outbreak

Consumer behaviour – people mostly buy inferior goods, hygiene products and accept e-commerce.



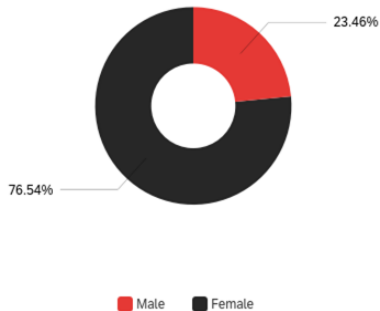
Primary research amidst Coronavirus outbreak

A primary research in form of questionnaire was conducted.

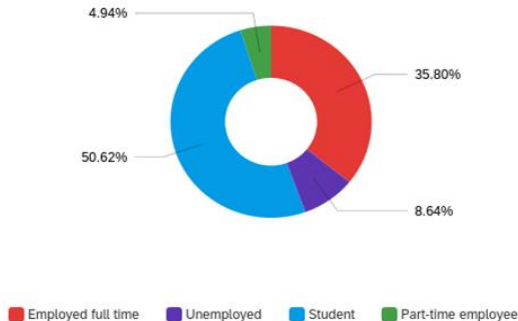
Questionnaire aimed to reveal respondents':

- Opinion about e-commerce
- Purchasing behavior
- Purchase locations
- eCommerce platforms usage frequency
- Categories purchased
- Average basket value when purchasing online

Gender structure



Employment



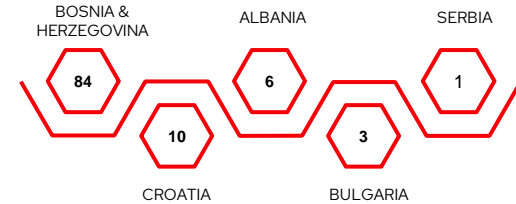
Respondents



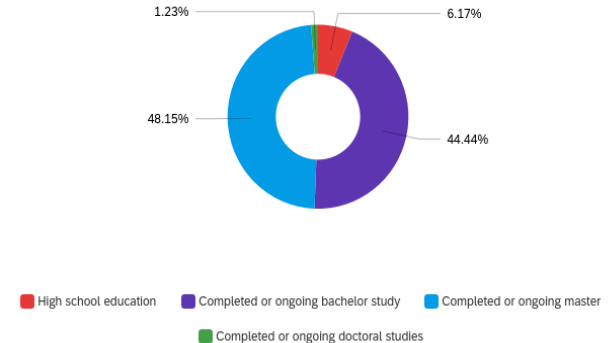
Average age



Countries (%)



Education



Primary research amidst Coronavirus outbreak

Buying clothes and shoes online, while hunting for special prices and free delivery, prevail on the market.



In the last 4 months, respondents predominantly purchased FMCG products in **physical stores (71%)**, while just a portion of them purchased it via e-commerce **(14%)**.



In the last 4 months on average, respondents purchased drinks in combination with **meat, snacks sweets, and pastries**. Additionally, they did not buy brands they had not bought before.



35.8% of respondents did not use e-commerce to purchase FMCG products in the last 4 months, while another **35.8%** used 1 or 2 times in the same time period.



The most popular category in the last 4 months on average in e-commerce are clothes and shoes, then food and finally cosmetics. **In 2019, food category was on the third place behind cosmetics.** The most popular platform in the last 4 months was **"Sport Vision"**.



Home delivery is certainly the most important reason why respondents used e-commerce in the last 4 months.

Primary research amidst Coronavirus outbreak

In general, e-Commerce is perceived positively, and interest for buying drinks online is very promising.



Above all, e-commerce is perceived **practical and simple**.



Average basket value of our respondents when shopping online is at **92.45 BAM**.



Interest for buying beverages of any sort via e-commerce exists. More than a half of respondents would be interested in it .



What usually attract our respondents to e-commerce the best are **special prices and free delivery**.



Respondents are using e-commerce **to shop for special occasions** significantly more than for regular (daily) purchases .

Business implications of our research

Based on the survey, a profile of the average FMCG customer that uses e-commerce was created.



The majority of the respondents were aged 18-30

There is great potential for e-commerce in the FMCG industry in Bosnia and Herzegovina, with **65%** of respondents using eCommerce to buy FMCG products at least once in 2019, and also **65%** during the past 4 months.

Based on the survey, the average FMCG customer that uses e-commerce **likes promotional pricing, is brand loyal, buys meat and snacks along with beverages and is more inclined to buy larger packages (>1L) due to the pandemic.**

Consumers describe e-commerce as **practical, simple and secure, but still not completely necessary.**

More than half of the respondents stated they **would be interested in buying beverages through e-commerce in the future.**

Business implications of our research

In order to attract e-commerce customers in the given target group, a digital marketing campaign should focus on advertising the following:

Promotional prices only on e-commerce platforms

Free delivery

Promotions for special occasions (celebration, BBQ)

Products in the health & wellness category, as they have been growing in popularity since the start of the pandemic

Promotional bundles which include food, snacks etc.

Availability of larger packs (>1L) and multi-packs



Business implications of our research

There is great market potential in Bosnia and Herzegovina as there is a large target group and a potentially high market penetration rate.

Short term

- Starting in Sarajevo and Banja Luka
- 4 orders per year
- Average order value: 4€
- Potential annual revenue:

570,000€

Medium term

- Still Sarajevo and Banja Luka
- 4 orders per year
- Average order value: 12€
- Potential annual revenue:

1,700,000€

Long term

- Expansion to Tuzla, Mostar, Zenica and Bijeljina
- 6 orders per year
- Average order value: 25€
- Potential annual revenue:

10,500,000€

Business implications of our research

Short term: focus on building awareness and attracting customers.

Long term: focus on retaining customers, increasing traffic and expanding geographical availability.

Short Term strategy



Focus on the target group and build awareness



Use promotions and sought-after products to attract customers



Pay attention and adapt quickly to customer demands

Long Term strategy



Retain customers with a secure eCommerce platform, and fast and free delivery options



Foster brand loyalty through special pricing and bundles grouped by brands and buying occasions



Continuously update the product portfolio and spread geographical availability

Our Coke Summership 2020 experience



Amra

Virtual Coke summership has shown me how much I can be productive and efficient, and how much knowledge I can acquire on a daily basis by listening to expert from various fields without leaving home.



Emir

Invaluable experience filled with a great atmosphere that enriched me as a person.



Mirza

Chance to work in new settings and in a big corporation is unique.



Lana

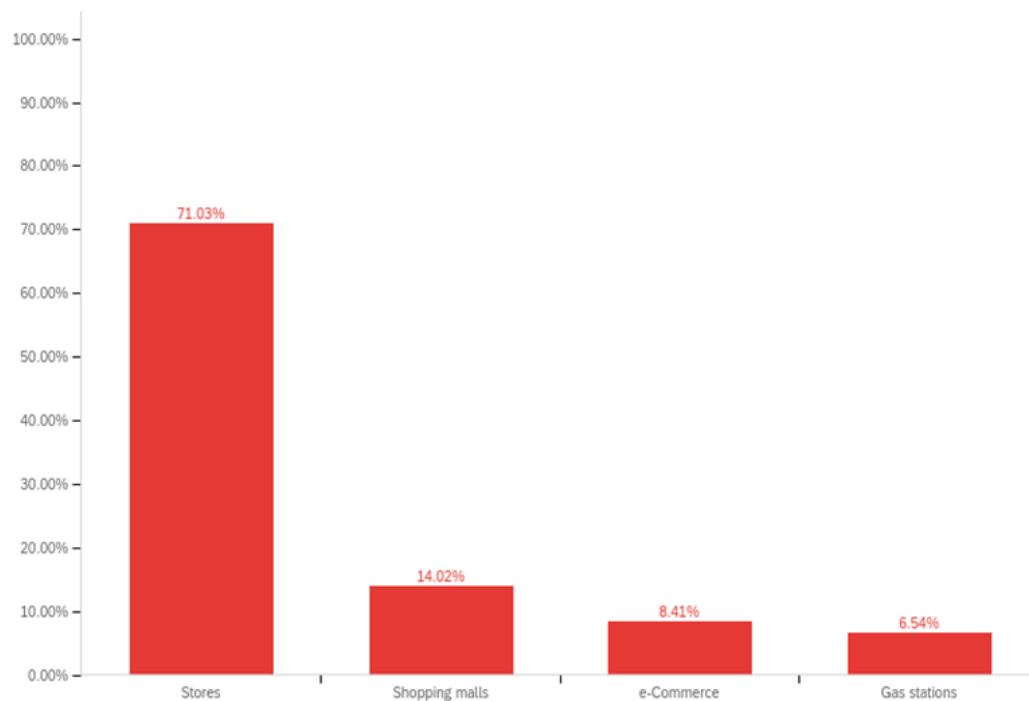
Happy I had the opportunity to work on an interesting research project like no other before.



Thank you for your time!
We are happy to answer your questions

Appendix

Q3 - Where did you purchase FMCG products in the past 4 months?
Multiple answers possible.



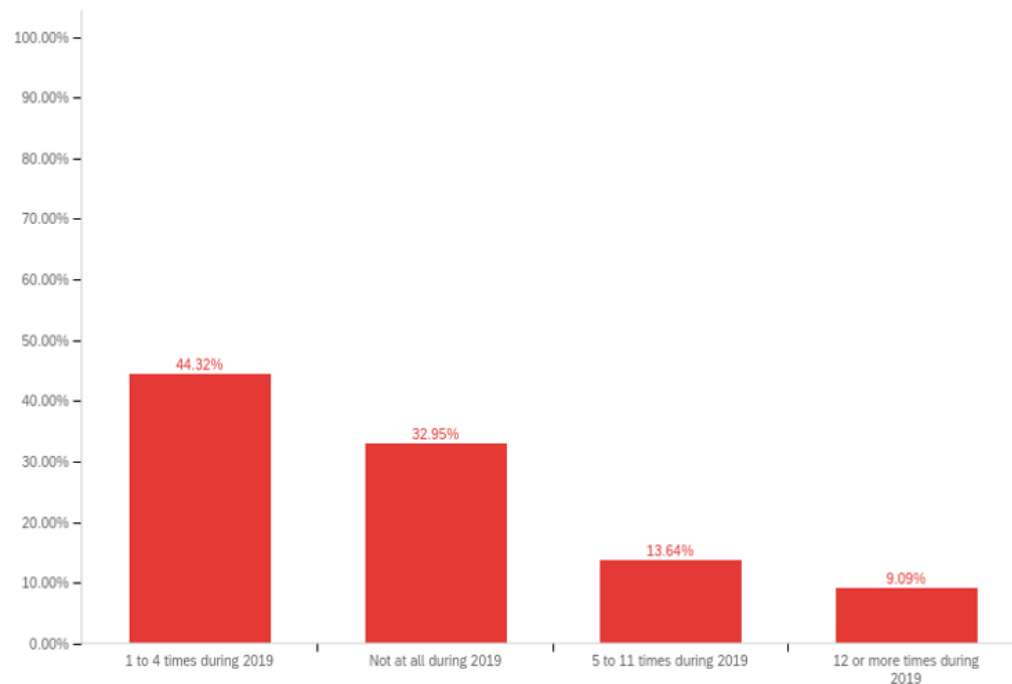
Q4 - In the last 4 months, more than usually I have been buying:

#	Field	Minimum	Maximum	Mean	Std Deviation	Variance	Count
1	More beverage packages of 1l or larger	1.00	5.00	2.86	1.20	1.45	81
2	More low calories or zero sugar beverages	1.00	5.00	2.60	1.27	1.62	81
3	Beverages at promotional prices	1.00	5.00	3.10	1.17	1.37	81
4	Beverage brands I haven't bought before	1.00	5.00	2.23	1.07	1.14	81
5	Beverages along with snacks	1.00	5.00	2.98	1.23	1.51	81
6	Beverages along with sweets	1.00	5.00	2.96	1.24	1.54	81
7	Beverages along with meat products	1.00	5.00	3.04	1.22	1.49	81
8	Beverages along with pastries	1.00	5.00	2.85	1.23	1.51	81

Q6 - How would you describe e-commerce?

#	Field	Minimum	Maximum	Mean	Std Deviation	Variance	Count
1	secure:insecure	1.00	5.00	2.22	1.05	1.11	81
2	reliable:unreliable	1.00	5.00	2.40	1.10	1.20	81
3	necessary:redundant	1.00	5.00	2.67	1.09	1.19	81
4	simple:complicated	1.00	5.00	2.11	1.14	1.31	81
5	practical:impractical	1.00	5.00	1.86	1.06	1.13	81

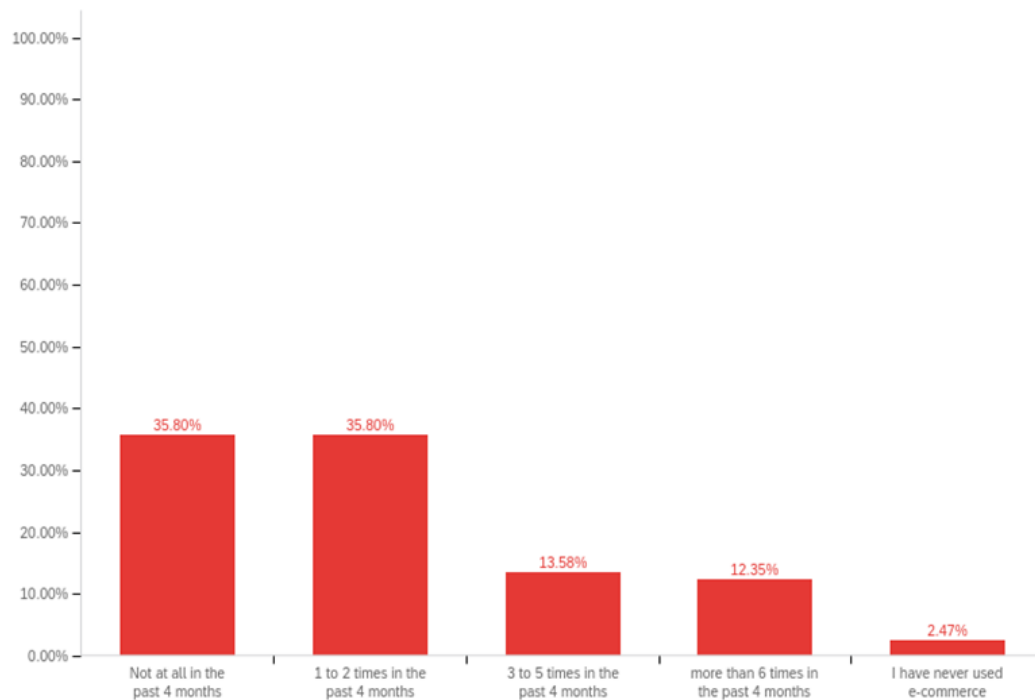
Q7 - How often did you use e-commerce platforms when shopping FMCG products during 2019?



Q8 - What did you buy most often via e-commerce during 2019? Out of a total of 10 points, assign a certain number of points to the listed items so that the items you bought more have a higher number of points. The sum of the points of all items must be 10.

#	Field	Minimum	Maximum	Mean	Std Deviation	Variance	Count
5	Clothes and shoes	0.00	10.00	4.86	3.37	11.37	59
4	Cosmetics	0.00	10.00	1.90	2.75	7.55	59
1	Food	0.00	5.00	1.02	1.59	2.53	59
3	Personal hygiene	0.00	5.00	0.97	1.38	1.90	59
6	Add a category:	0.00	10.00	0.86	2.42	5.85	59
2	Drinks	0.00	3.00	0.39	0.74	0.54	59

Q9 - How often did you use e-commerce platforms when shopping FMCG products in the past 4 months?



Q10 - What did you buy most often via e-commerce in the past 4 months? Out of a total of 10 points, assign a certain number of points to the listed items so that the items you bought more have a higher number of points. The sum of the points of all items must be 10.

#	Field	Minimum	Maximum	Mean	Std Deviation	Variance	Count
1	Food	0.00	70.00	2.20	9.79	95.84	50
2	Drinks	0.00	20.00	0.88	2.92	8.55	50
3	Personal hygiene	0.00	5.00	0.86	1.51	2.28	50
4	Cosmetics	0.00	10.00	2.08	2.92	8.55	50
5	Clothes and shoes	0.00	100.00	6.80	13.79	190.16	50
6	Add a category:	0.00	10.00	0.78	2.28	5.21	50

Add a category: - Text

machines

Books

Technical equipment

Toys

Knjige

Q11 - Which of the following e-commerce platforms did you use in the past 4 months when purchasing these items? If you are not from Bosnia and Herzegovina, please skip this question.

#	Question	Food		Drinks		Personal hygiene		Clothes		Shoes		Cosmetics		Other		Nothing		Total
1	eKupi	0.00%	0	0.00%	0	6.25%	1	12.50%	2	0.00%	0	6.25%	1	37.50%	6	37.50%	6	16
2	OLX (pik.ba)	6.25%	1	0.00%	0	0.00%	0	12.50%	2	6.25%	1	6.25%	1	43.75%	7	25.00%	4	16
3	Konzum shop	45.45%	5	0.00%	0	0.00%	0	0.00%	0	0.00%	0	9.09%	1	0.00%	0	45.45%	5	11
4	Sport Vision	0.00%	0	0.00%	0	0.00%	0	38.46%	10	46.15%	12	0.00%	0	3.85%	1	11.54%	3	26
5	Ebay	0.00%	0	0.00%	0	5.88%	1	11.76%	2	17.65%	3	0.00%	0	29.41%	5	35.29%	6	17
6	Amazon	0.00%	0	0.00%	0	0.00%	0	40.00%	6	6.67%	1	6.67%	1	6.67%	1	40.00%	6	15

Q12 - What were your reasons for using e-commerce in the past 4 months? By moving the answers with your finger (mobile phone) or the cursor, please sort them in order of importance from the most important (in place 1) to the least important (in place 4).

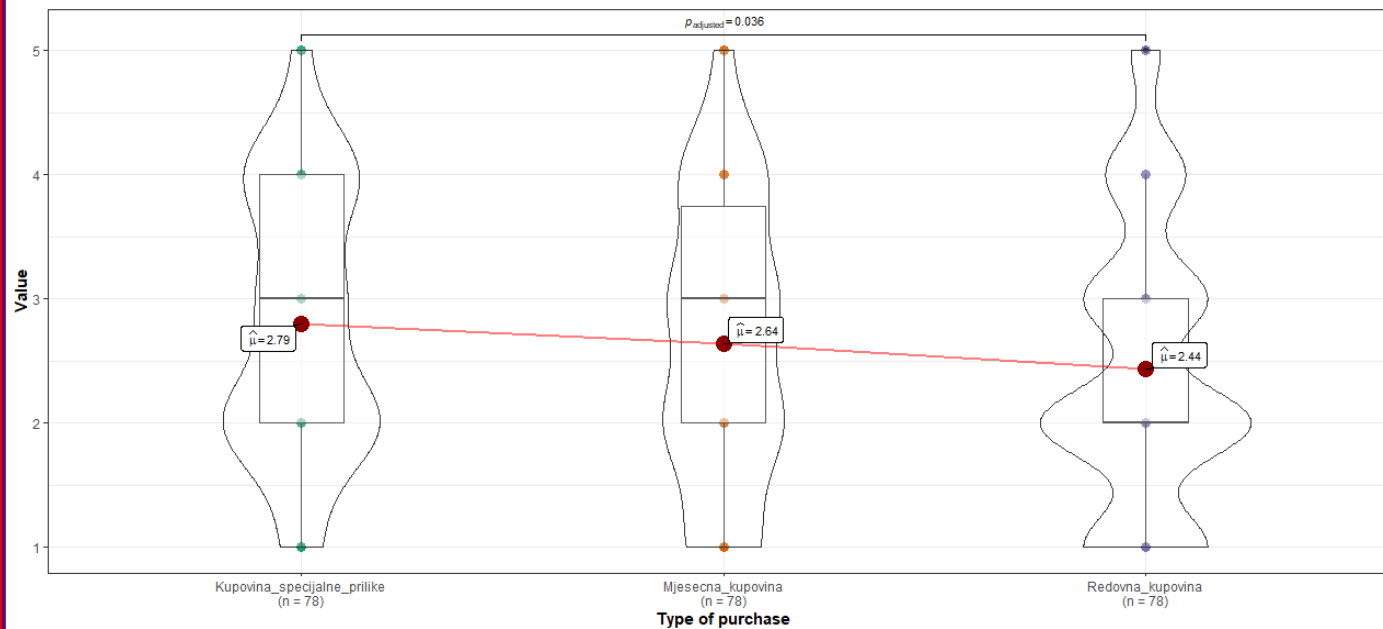
#	Field	Minimum	Maximum	Mean	Std Deviation	Variance	Count
1	More affordable prices than in stores	1.00	4.00	2.44	1.25	1.57	50
2	Home delivery	1.00	4.00	1.86	0.80	0.64	50
3	Possibility to purchase despite enforced lockdown	1.00	4.00	2.42	0.92	0.84	50
4	Broader product range available	1.00	4.00	3.28	0.96	0.92	50

Q13 - Which of the following would usually make you use e-commerce instead of traditional offline shopping? By moving the answers with your finger (mobile phone) or the cursor, please sort them by preference from the most important (in place 1) to the least important (in place 5).

#	Field	Minimum	Maximum	Mean	Std Deviation	Variance	Count
1	Special prices	1.00	4.00	1.89	0.90	0.81	79
2	Opportunity to participate in the prize game	1.00	5.00	4.13	1.11	1.22	79
3	Get a discount on your next purchase	1.00	5.00	3.23	0.93	0.86	79
4	Gifts (e.g., glasses, pottery, t-shirts or similar)	1.00	5.00	3.87	1.04	1.07	79
5	Free delivery	1.00	5.00	1.89	1.21	1.47	79

How much would you be interested in buying beverages via e-commerce in the future? 1: not at all-5: definitely

$\chi^2_{\text{Friedman}}(2) = 6.39$, $p = 0.041$, $W_{\text{Kendall}} = 0.59$, $CI_{95\%} [0.59, 1.00]$, $n_{\text{pairs}} = 78$



Pairwise comparisons: Durbin-Conover test; Adjustment (p-value): Holm