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MARKET COMPETITION AND CONSUMER BEHAVIOUR IN THE EUROPEAN GROCERY RETAIL MARKET

Executive summary

Introduction/Aim: The rising competition has caused to the retail sector and the way the behaviour of the consumers is changing with time. The level of management differs across organization and implemented as a part of their competitive strategy. Thus, the researcher aims to analyse and study the current market competition in the grocery retail sector of Europe and the impact it has on the change in consumer behaviour. The investigation inspects the competitive effect in the grocery retail market from a wider perspective by including all kinds of competitive actions taken by grocery firms and the way it is having a competitive effect on the behaviour of the consumers.

Literature Review: Competition determines the position of a company in the market and among its customers. Grocery retail sectors that has experienced drastic changes in their market competition. The rising competition has developed more challenges for the grocery retail firms to categorize pricing and map the competitive effect on their business. The rising competition in grocery sector has negatively impacted consumer behaviour because there have been huge fluctuations in the purchase decisions where the consumers shift their purchase behaviour and preferences easily from one grocery selling format to another.

Methodology: The current study utilized structured interview method to collect information from the managers of the grocery retail companies. The researcher made use of qualitative research design and inductive approach to collect information. moreover, a thematic analysis is utilized to analyze the information based on different themes.

Findings: Competition has brought new opportunities to the grocery retailers such as improvement in store image, expansion of online services, pricing strategies, and others. Most of them seemed to believe that competition brings huge need for being more attentive to deal with complexities

such as rearranging pricing strategy, changes in consumers preferences, adapting new technology and change in business models (Hyper market, E commerce etc). For example, in a competitive situation non-discounter find it difficult and hard to cope the competitive pressure exerted by discounters and need to rearrange their pricing strategies continuously according to the competitors. If the player do not act quickly there is a possibility of loosing their loyal customers.

Even though market competition has bought change in the consumer behaviour, it is also observed in our research that changes in the consumer behaviour has brought some changes in the retail players and in turn it affected the market competition. For example, consumers have become more adapted to technology and it has become part of their lifestyle, which made the key market players to adapt the technology faster and serve the customer.

Conclusion and Limitations: The research faced limitations in sample, time, budget and choice of participants.

Keywords: competition, grocery retail, retail, challenges, opportunities, benefits, performance, competitive strategies.

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Chapter 1- Introduction

Research Background

Retail market competition is increasing over the years and this has separated the overall market share acquired by each of the retail firms across the globe. The rising competition is enabling the retail firms to consider strategic improvement in various direction that can help them to become competitively stronger and different than its competitors (Albors-Garrigos, 2020). This has made the retailers to compete in number of processes and areas. Ahmadi et al., (2020) has stated that retail competition has impacted the consumers preferences on retail products, its prices and selling channels. This is because the rising competition has enabled the customers to separate into distinct purchasing groups where some prefers to purchase from physical retail stores, while others prefers online retail purchase. In case of developing countries, the retail competition is rising high with the growth of small and medium size retail enterprises and e-commerce channels. According to Mkansi, Eresia-Eke & Emmanuel-Ebikake (2018), e-commerce has become an indispensable part of the retail sector where the firms has gone into substantial transformation with the growth of internet. This has made retail competition more adverse and intense, as there is rising competition between physical and online retail stores. Janssens et al., (2020) has stated that, retail industry is undergoing dramatic changes to become competitively stronger and the emergence of various retail channels and forms. This has caused a shift in the behaviour of the consumers towards convenience, high quality, low cost and comfortable shopping experiences. Thus, learning such rise in competitive strategy and the impact it has on customer behaviour has become an important concern for the firms.

The research plans to identify the rising market competition and change in grocery retail sector in the recent years and the way it has rapidly shifted the purchase and choice behaviour of the

customers. According to the report of Singh, Hansen & Blattberg (2010), the future of grocery retail is changing drastically with rising competition and new strategies and business model implemented by firms to stay ahead of competition. With growth of diverse grocery retail channels and improvements made by firms in several other aspects such as price, quality, product range and others, the behavioural consideration of customers to purchase grocery has also widen. For example, in Europe the retail firms have seen a growth to supermarket and online channels and improvement in price, quality and range of products to effectively compete with each other. The companies that are moving to online channels are effectively competing with each other and physical retail stores on the basis of convenient delivery, easy pickup, wide range of products, increasing discounts and others. Such competitive behaviour among retail firms have increased during the Covid-19 pandemic and this caused a shift in consumer behaviour to give more importance to safety and convenient delivery rather than traveling to supermarket and wait in line to purchase groceries in an unsafe condition

European grocery retail Market key characteristics are:

Major players: Ahold Delhaize, Carrefour S.A., J Sainsbury, ICA Gruppen AB, Metro AG, Tesco PLC, and X5 Retail Group.

Major players in grocery retail market with more than \$50 B USD revenue

Retail Player	Apprx Revenue (USD)
Schwarz	\$126 B
Aldi	\$106 B
Tesco	\$81 B
Ahold Delhaize	\$74 B
Edeka Group	\$61 B
Rewe Group	\$55 B
Auchan Holding	\$51 B

Growth Forecast from 2020 – 2026: Expected to grow at 4% CAGR

Online vs Offline Sales:

Due to the current covid situation online grocery sales has experienced 55% growth over last year, growth rates in offline channels were significantly lower: 3 to 12 percent in the main offline channels—such as hypermarkets, supermarkets, and discounters. Currently Online sales market share has reached 12% but it is expected to reduce after the pandemic.

Different kinds of customers in European Grocery retail market considered in this study are:

- Brand Loyal Customers
- Discount Customers
- Impulse Buyers
- Need Based customers
- Convenient based Customers
- Emotional Customers

Thus, the research concisely researching into such competitive behaviour of the grocery retail firms in Europe and the way it is having an impact on the behaviour of the consumers. The research investigates impact of market competition on several areas of customer behaviour such online technological adoption like ecommerce, pricing strategies like low or high prices, new product development and others that has taken place rapidly within past 5 years.

Research Problem Statement

The current growth in market competition has made it sure for the retail firms to make continuous innovation as an integral part of their policy. One of the major changes or problem the rising competition has caused to the retail sector and the way the behaviour of the consumers is changing with time. There has been continuous and rapid innovation in relation to selling channels, products, processes and others and this is causing a drastic shift in the behaviour of the consumers. The intensity of competition that the growth of online retail has caused can be seen from the total e-commerce users in Europe that is 299.1 million active B2C e-commerce users (Statista, 2021a). Further, the below graph shows the growth in the online grocery users in selected countries of Europe from 2006 to 2019 and it is evident that number of consumers moving to online portal to shop groceries has increased with time (Statista, 2021). This shows the rising intensity of competition in retail sector, especially grocery retail in Europe that has been developed with the growth of online sales channel and easy purchase options. Such growth in online channels has led to an increase in the consumer involvement tools where consumers have gained a chance to interact with the sellers and use easy purchase and return options. Thus, the major problem that the research is investigating is the rising competitive pressure in grocery retail in Europe that is caused due to several complex factors and the way it is motivating and altering the behaviour of consumers.

One of the major issues that is seen and felt by physical grocery retail stores is supply chain disruptions where products are unavailable for the consumers on shelves. Sharma et al., (2021) has pointed out that major disruptions in supply chain is recently caused due to covid-19 crisis situation where there were dreadful gaps between supply of stocks on shelves and demand from customers. Such disruptions in supply in physical stores has disrupted the market competition and caused a change in the perception of the consumer in the grocery retail market. Studies have shown that various strategies implemented by firms from time to time to manage supply disruptions such as stockpiling, diversification, collaborative strategies and flexibility. However, the level of management differs across organization and implemented as a part of their competitive strategy. According to the report of Van Nieuwenhuyzen, Niemann & Kotzé (2018), grocery retail has come up with different strategies and models to effectively compete in the industry and this is rapidly changing the overall behaviour of the consumers. For example, grocery retail sector has led to the advent of “click and collect” model as a part of their competitive strategy that allows the business to place their orders online and collect the order from the store. Such competitive action of grocery retailers has had positive impact on the behaviour of the customer and increased the sales of retail firms. However, the rising competition is fierce with discounters in the grocery retail market because it is hard for the non-discounters to gain ground and acquire a large market share in such a competitive environment. In order to elaborate and deal with such negative and positive impact of competition in the grocery retail market on the consumer behaviour, the present study aims at conducting a similar study in European countries.

Rationale of Research

Investigating the current market competition in the grocery retail industry and the impact it has on the behaviour of the consumers will give an opportunity to learn about the market properly. The

present research will help in understanding the dynamics in the market competition, changing behaviour of the customers and the factors that are responsible for such changes. The current research is an extension of the past researches on examining the perception of the customers in one type of retail format that is grocery retail. It aims at elaborating the existing studies on the competitive behaviour of the grocery retail market in Europe. The study is of great importance for the grocery retailers in Europe as well as global retail firms to learn the way customers are changing their preferences and demands for grocery purchase and the new strategies the medium and large-scale grocery retail firms are adopting to gain competitive advantage. The major reason to conduct a particular investigation is to benefit the small and medium size grocery retail firms by enabling them to adopt diverse market strategy and gain competitive advantage over large grocery retail brands (Mckinsey, 2021). The research is also important for learning the current innovation that is needed in the competitive environment of the grocery retail market to deal with the challenges and opportunities in various operational areas such as supply chain, logistics, product delivery, and others. The final research finding will be highly important for the grocery retail market in shaping and improving their market channel operations.

Although previous studies have contributed through the literature on the competitive strategies taken by grocery retailers, however, the focus has been majorly on one particular strategy such as loyalty program or market entry or retail pricing and others. The present study examines the competitive effect in the grocery retail market from a wider perspective by including all kinds of competitive actions taken by grocery firms and the way it is having a competitive effect on the behaviour of the consumers. Thus, the present study will benefit the grocery retailers by helping them map the opportunities and challenges brought about by market competition and determined their future actions.

Research Aim and Objectives

The purpose of this research paper is to analyse and study the current market competition in the grocery retail sector of Europe and the impact it has on the change in consumer behaviour. The aim of the research will be achieved through various objectives:

- To examine the major challenges brought about by the rising competition in the grocery retail market.
- To investigate the opportunities brought about by the rising competition in the grocery retail market.
- To examine the positive impact of rising competition in the grocery retail market on the behavioural changes of the consumers.
- To study the negative impact of rising competition in the grocery retail market on the behavioural changes of the consumers.
- To examine the type of competitive strategies developed by European grocery retail firms and the way it is changing the behaviour of the customers.

Research Questions

Primary Question

- What is the impact of rising market competition in the European grocery retail market on the behaviour of the consumers?

Secondary questions

- What are the current challenges and opportunities the grocery retailers are facing due to rising market competition?
- How grocery retail competition relates to consumer behaviour and their satisfaction level?

- How did increasing Ecommerce, online sales and technology adoption by major retailers impacted overall competition?

Structure of the Research Project

The structure of the paper are as follows.

Chapter 1 introduces the background of the present study, the problem to be examined, the importance of conducting the research, and the research aim, objectives, and questions. This section is an integral part to form the actual base of the research.

Chapter 2 is the second section that gives an overview of all important and relevant findings of past study of literature on consumer behaviour and the rising competitive pressure and strategies in the grocery retail market. This section also helps in identifying the gaps in the past researches and determine the streamlined focus of the present study.

Chapter 3 is the methodology section that states the methods the researcher is using to collect all relevant information relevant to the research topic and the way the collected data is examined to answer the research questions. This is the integral part of the research because it is based on the methods and information, the researcher is able to reach most accurate outcome for their study. The present research made use of primary and secondary research method to collect data from grocery retail companies of Europe.

Chapter 4 presents the result or findings of the study in relation to the stated research objectives and questions. This section also discusses the significance of the findings by aligning the outcome of the present research with the outcome of the past studies. The research aims to find that competition has brought new opportunities to the grocery retailers such as improvement in store image, expansion of online services, pricing strategies, and others.

Chapter 5 concludes the study with final remarks on contributions, findings, limitations, and opportunities for future study in this research area.

Chapter 2- Literature Review

Theoretical Framework

Market Competition

Competition based theory is yet another important factor of a business that helps in scaling the rising competitive pressure or rivalry in the market. Market competition refers to the level of rivalry that exists in the market or sector among the companies that are selling similar products or services to the customers (Listra, 2015). Competition in a market exists between different kinds of selling format and channels. Listra (2015) has pointed out that market competition helps in motivating the companies to improve their sales strategies and sales volume with the help of four components of marketing mix that allow them to gain competitive advantage over others. Further market competition determines the size and scope of the activities of a company in a large market environment. Competition also determines the position of a company in the market and among its customers. It helps in determining the place of a company in a marketplace whether the place is high or low based on several factors. The level of competition that a company faces in the market is measured with the help of the proportion of market share that the firm holds in an industry in comparison to other companies. On the contrary Paquet-Clouston, Décar-Hétu & Morselli (2018) has stated that competition in the market is referred to as the rivalry that exists between different segmentation of market or store formats that aims at offering different types of goods and services in return to different profit margins. Competition also depends on the differences in the consumers in various locations, information and willingness to search. However, competition of any type has an effect on the business strategies and in turn on the consumers.

Consumer Behaviour

Attitude is one of the most important factors that helps in showing the intention of the consumer to purchase certain product and this shows that there is a positive relation between attitude and intention of a person. The presence of any kind of attitude that alter the intention of the consumer is considered as consumer behaviour (Richards et al., 2018). According to Rana & Paul (2017), consumers behaviour is referred to as the interest that a consumer keeps for some products or services in the market with certain attributes. For example, some consumer has more interest towards safe and health food products, while others have interest towards low price products or services. This shows the behavioural attitude of a person towards a product that design their purchase intention. Taghikhah et al., (2021) further defines consumer behaviour based on three different components such as repurchase intention, satisfaction and word-of-mouth. The customer decides to repurchase a product or show high satisfaction or happiness and decides to deliver positive word of mouth based on their experience. Such action of the consumers shows their behaviour towards a product or service. According to the claim of Ismană-Ilisan (2017), customer behaviour is also linked with purchase behaviour by many scholars that refers to the inducement of positive feelings in the customers to purchase something or have the intention to acquire something that they like. The purchase behaviour directly shows the behaviour of consumers towards a product or service or attitudes they have towards a service or product characteristics. On the contrary, Meyer-Waarden & Benavent (2009) has defined consumer behaviour as a key component that shows the preferences of the consumer and their planned, impulsive or unplanned purchase decisions. Eryilmaz & Patria (2021) has clarified that consumer behaviour in business is referred to as consumer buying behaviour that shows the way customers behave when deciding to purchase a product that helps in satisfying their needs. It shows the overall actions of the consumers

that allow them to reach a decision for buying certain products. This shows that consumer behaviour take into consideration different aspects such as what the consumers purchase, why do they purchase, from where they purchase and when they purchase and the number of times, they purchase a product.

Challenges and Opportunities in grocery retail market from competition

The retail industry has faced various alterations in their operation, structure, processes, and functions, especially from the firms that are currently emerging. New formats and processes of sales are emerging with rising market competition such as discount stores, supermarkets, departmental stores, hyper markets, e-commerce, and others. According to Meyer-Waarden & Benavent (2009), the retail industry has become the most diverse sector with the entrance of small, medium, and large players both locally and globally. One of the retail sectors that has experienced drastic changes in their market competition is grocery retail. Such rising competition has brought challenges and opportunities for the retail firms in both macro and micro level. Norwood and Peel, (2021) has stated that with rising competition it has become highly important and challenging for grocery retail firm to adapt to continuous innovation and sustainability in their operational processes to have a value-added share in market competition. This is because competition in the grocery sector has made both medium and large-scale enterprises to take up new and powerful processes to reach significant number of customers and market share. Likewise, Kopalle et al., (2009) has stated that the rising competition in the grocery retail market has made it challenging for the grocery firms to consider several factors such as high product quality, customer care provisions, positive and comfortable shopping environment, high value for money, flexible payment method, and multiple channels of distribution. This is because with rising competition the grocery retail format has seen the development of various selling cultures. Thus, it has become

highly challenging for the small and medium size grocery firms to adopt to various competitive strategies. Shamsher (2016) has argued that competition has given way to grocery retailers several marketing opportunities to increase their customer loyalty through various personalised strategies that can stimulate consumer behaviour. Diverse strategies adopted by grocery firms across the world has helped the small and medium size grocery firms to learn about various methods that can help them to enhance the trust and commitment of the customers towards their products. For example, the rising competition in the grocery retail market has led to the introduction of various loyalty programs in several grocery firms as their marketing actions and this has given the opportunity to small and medium grocery enterprises to develop similar strategies and incentives that can appeal different customer segments.

According to the findings of Kopalle et al., (2009), competition has led to an increase in pricing challenges for grocery retail firms. Competitive forces play a major role in determining prices at various selling channels such as online stores, discount stores, convenient store, and departmental stores. The pricing strategy in any one kind of store format has an impact on the demand of another selling format. Thus, the rising competition has developed more challenges for the grocery retail firms to categorize pricing and map the competitive effect on their business. Such pricing effect caused by competition is a complex phenomenon for the retailers because it also takes into consideration other important factors such as location, delivery, ambience, and others. However, Vatamanescu, Nistoreanu & Mitan (2017) has argued that competitive market changes have led to the advancement of analytical workflows for effective retail management. This has empowered the grocery retail firms to understand their competitive environment efficiently and increase their modelling skills to create higher lifetime values for the consumers. With increasing retail analytics, the grocery firms are able to increase their sale performance, examine profitable consumer

segments, make better manufacturing policies, management decisions, and improve their customer loyalty. Likewise, Suresh & Ramanathan (2019) has identified that grocery retailers who has adopted marketing analytics, which is an outcome of competitive market change are able to capture better consumer insight that can be effectively deployed in their consumer service, marketing operations, multi-channel sales performance, and customer segmentation.

Filipe, Marques & de Fátima Salgueiro (2017) has stated that the competitive pressure has increased the challenge for grocery firms to consider various environmental dynamics of market to decide their overall operational performance. The firms today need to think about continuous strategy development to achieve sustainable competitive advantage over other firms. This has led to an increase in the operational cost of grocery firms across the world. For example, the grocery retail firms have to consider the importance of delivering right product in fresh form to the customer with the fear of losing in the competition. This has increased the use of VMI where the vendors are authorized to manage the supply at buyers' end. Moreover, with the need for offering quality and fresh product, the grocery firms have to keep close check at the time of filling the shelves in the retail stores. Such actions of forecasting demand and managing supply chain due to rise in competition has led to an increase in the overall cost of the firm. However, Ahmadi et al, (2020) has argued that the rising competition in the grocery retail sector is opening new avenues and channels for the grocery firms to reach the customers and some of the channels are highly cost effective and easy. With rising competition, it is seen that the grocery companies have got an opportunity to assess the shopping experience of the customers and adopt new strategies and ways to attract the customers (Pantano et al., 2020). One such opportunity that the firms have faced due to rising competition is the introduction of e-grocery retail where even the small and medium size enterprises are able to attract and reach customers and capture market share at low cost (Albors-

Garrigos, 2020). E-grocery has opened the avenue for businesses to promise better convenience to the customers by giving them the opportunity to purchase from home. However, Mkansi, Eresia-Eke & Emmanuel-Ebikak (2018) argued that e-grocery growth has also brought various challenges due to competition because it caused unexpected disconnect between the offline sales performance in relative to online sales. Moreover, the competitive action of selling grocery online has also increased the complexities and challenges in the online grocery business.

Positive and Negative impact of Grocery Market competition on Consumer behaviour

The rising competition in the grocery market has highly impacted the behaviour of the consumers because there have been various alterations in the overall functions, structure and operation processes of the firms. Ismană-IIisan (2017) has pointed out that the changing technologies, increased brand awareness, changes in store format, location and image caused due to rising competition has led to significant impact on the changing behaviour of the consumers including their purchase behaviour, product choice behaviour and others. With increased competition in the grocery market it is seen consumers are facing increased benefit because they are getting better quality grocery products, affordable prices, large variety of products and better quality of service. This is because the firms are making continuous improvements in their products, reducing prices and increasing product varieties with the aim of staying ahead of competition. Meyer-Waarden & Benavent (2009) has likewise pointed out that the changing dynamic and competitive pressure faced by business has made it important for the retailers to differentiate their products and improve their comprehensive knowledge of the market environment. This has enabled the consumers to change their purchase intention and store choice according to their preferences. However, Singh, Hansen & Blattberg (2010) has argued that the rising competition in grocery sector has negatively impacted consumer behaviour because there have been huge fluctuations in the purchase decisions

where the consumers shift their purchase behaviour and preferences easily from one grocery selling format to another. Likewise, Shamsher (2016) has claimed that the relation between competition and purchase decision making of consumers are negatively related because competition is increasing the awareness of consumer protection. This means that as competition is rising, businesses are taking new decisions such as moving to online channels for sales and this is increasing the need for the consumers to protect themselves and their information. Thus, such changing behaviour of the consumers is increasing the need for the firms to create right selling conditions where consumers can feel protected.

Mckinsey (2021) has advised that the level of market competition in the grocery sector has brought a drastic change in the store image of the firms and thus impacted the behaviour of the consumers. This means that with differentiating the image of their stores the grocery retailers are able to gain competitive advantage and positively impacted consumer behaviour by attracting their attention and stimulating their shopping feelings. This shows that competition in grocery market has positive relation with consumer behaviour because it is increasing the chances of the firms to attract customers easily. On the contrary, Suresh & Ramanathan (2019) has argued that competition has negatively impacts consumer behaviour in the grocery retail market by making energy customers to choose from large number of retail suppliers and thus increasing the elasticity of demand for grocery products. This means that the increase in grocery retail choices brought by competition has increase the magnitude of elasticity of demand, as customers are frequently switching from one retail to another retail providers. Thus, competition make it confusing for firms to evaluate the switching patterns for each customer segment separately and satisfy each customer classes.

Filipe, Marques & de Fátima Salgueiro (2017) has pointed out that there are various kinds of competition faced in the grocery retail markets such as in-channel competition, cross-store price

competition and cross-channel competition. Among all the types of competitions, the most relevant competition that is visible in the sector is pricing competition and this is negatively related to customer behaviour by causing demand uncertainty. With fluctuations and changes in price due to competitive strategies the consumers are seen to fluctuate their demand frequently by shifting their preferences to purchase grocery from high cost to low cost consumers. Moreover, the rising competitive is also having negative impact on consumer behaviour by making it complex for the consumers to understand and compare price across multiple sales channels. On the other hand, Ismană-IIisan (2017) has stated that rising market competition has positive relation with consumer behaviour because with increased competition the consumers are also becoming more aware. Competition is improving the attention of the customers towards the grocery firms that are offering fresh and high-quality products with better service provision. This means that competition acts as a main driver to improve experience of the customers because the grocery retailers are continuously working towards creating innovative shopping experiences to stay ahead of competition. However, Taghikhah et al., (2021) has argued that competition in grocery market is negatively related to customer behaviour because the behaviour of the customer to search for new products or accept different channels for purchase directly depends on the preference of the individual customers. This shows that it is still unsure whether the search expenses and behaviour of the customers is directly manipulated by the retail firms that distribute the grocery goods or take different kinds of selling decisions.

Rana & Paul (2017) has pointed out in the findings that competition in the grocery market is increasing the awareness of the customers to purchase fresh and good quality product and is positively related to customer behaviour. This is because most of the shoppers are seen to be disappointed by less fresh items in the store, may it be in discount stores, grocery stores,

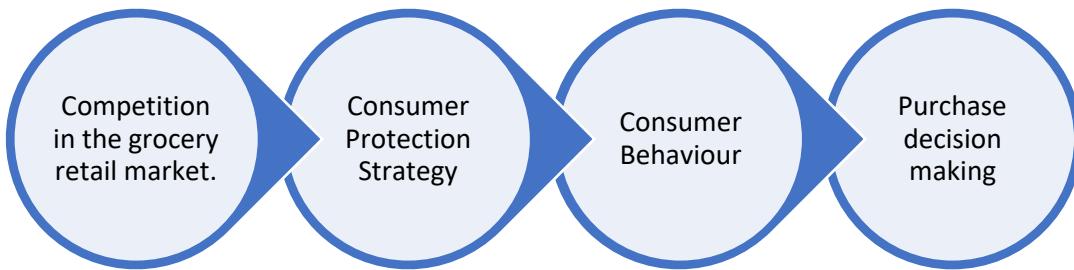
supermarkets or e-commerce. This is because competition is giving customers a higher chance and options to purchase from multiple channels for similar grocery products. However, Sharma et al., (2021) argued that competition has negatively impacted customer behaviour because rising competition does not necessarily impact the demand and preferences of the customers. This is because the findings have shown that competition has significantly impacted the expectation of the customers for quality and freshness, however, there is not such change in demand for best price and availability for grocery items among the customers. Thus, quality and freshness are the one important factor that grocery firms across the world cannot miss out when forming their new strategies. However, Van Nieuwenhuyzen et al., (2018) has argued that competition is the grocery sector is one such factor that directly and positively impacts shoppers' behaviour and alters their purchase decisions. This is because in such a competitive environment the grocery retailers that fail to deliver right quality, price and availability of goods are easily handing over their precious customers to the competitors. Thus, with rising market competition considering multiple factors plays a central role in determining the success of the grocery retailers.

One of the major changes seen in the grocery retail sector due to increasing competition is the introduction of e-grocery sales and this has impacted the consumer behaviour directly. Such changes have led major retail groups to introduce online platforms and extend their sales opportunities (Shamsher, 2016). Such changes in grocery retail outlook has changed the value for consumers, however, it varies from the e-retailers. This is because for online grocery retailers the changes have provided extended trading hours, better geographical reach, enhanced customer services and created faster transactions. On the other hand, such competitive changes in selling channels have provided better economic value to the consumers, better assortments of products, improved convenience, time savings and access. In contrast, Van Nieuwenhuyzen et al., (2018)

has argued that competition has not significantly impacted the customers largely or shifted their attention to online channels. This is because there are many customers that are still perceiving that the online customer orders are fulfilled with effective cooperation with in-store operations and purchasing grocery from physical stores are of better quality. This shows that newly developed competitive strategies are not necessarily having an impact on the behaviour of the customers.

Conceptual Framework

The below diagram shows the conceptual framework of the research where it draws on the underlined relationships between competition, strategies, consumer behaviour and purchase decision.



Gaps in Literature

From the analysis of past literature, it is seen that it has effectively discussed and researched on the type of competitive strategies adopted by grocery retail sectors over time and the way it is altering the behaviour of the customers. However, most of the researches have focused on one

particular kind of strategies that competition has caused in the grocery retail sector and discussed its impact on the customers, it has not discussed about multiple competitive strategies and impact on customers all at once. Moreover, there are also gaps in literature where it failed to show whether competition in grocery retail sector has direct impact on customers and their purchase behaviour or it impacts their behaviour indirectly. Thus, the present research work aims at fulfilling this gap where it will look into different kinds of changes that competition has brought among grocery firms and the way the behaviour of the customers is altered along with identifying whether competition actually impacts behaviour of the customers and their decisions to accept certain goods or certain store formats. Moreover, the literature also has gaps in examining the impact of competition on consumer behaviour in small and medium size grocery retail enterprise.

Chapter 3- Methodology

Research Design

Research design is referred to as the research methods or techniques that the researchers uses to collect required information and use it in the most effective way to reach the most accurate research outcome. There are four types of research designs used by the researchers in a research such as qualitative, quantitative, descriptive and experimental design. Two broad categories of research designs that is used commonly by researchers are qualitative and quantitative research design. Qualitative research design is defined as a market research method that focus on collecting non-numerical data through open-ended and conversational processes (Hennink, Hutter & Bailey, 2020). On the other hand, quantitative research design is a method that is used to collect numerical information from the potential participants through survey.

The present research will make use of qualitative research design that helps in establishing answers by answering the whys and how of the phenomenon in the question in great details. Qualitative research design is subjective in nature and findings are presented in a well written format unlike numerical findings or quantitative research. In the present study it is seen that it is important to learn and present the result about the type of competition that grocery retail markets are facing in Europe and the impact it is having on the consumer behaviour (Liamputtong, 2020). Qualitative research will help in presenting the findings in details and help the target audience understand about the relationship easily. Moreover, quantitative research design is not suitable for this research objective because the study needs more descriptive inferences rather than numerical results.

Research Philosophy

Research philosophy refers to the kind of viewpoint or beliefs a researcher keeps when conducting the investigation process. There are four different types of philosophical views used by researchers such as pragmatism, positivism, realism and interpretivism. The present research make use of interpretivism research philosophy to collect and analyse the data in relation to research objective. Interpretivist philosophy is a naturalistic approach that is popular with qualitative primary research that help in gaining knowledge about the study area directly from the source (Ryan, 2018). It helps in analysing and observing the social world closely with real and first-hand data. In the current research it is important to learn about the actual behavioural changes of the customers and the way they are impacted by the competition closely so that they can interpret the result with accuracy. Positivism philosophy is not sufficient for this research because learning about the way market competition is impacting consumer behaviour is not enough only through observation or secondary information.

Research Approach

Research approach help define the overall method or ways that the researcher is adopting to collect information and use it to reach the final outcome. There are two types of research philosophy that researchers use in their investigation process such as inductive research and deductive research. In deductive inference the researcher deduces or make use of secondary information to answer the research question. On the other hand, inductive approach is a systematic procedure adopted by the researcher to analyse qualitative data that is guided by information directly collected from the source (Woiceshyn & Daellenbach, 2018). In the present research the researcher makes use of inductive approach wherein it approaches the investigation process by directly collecting information from the source that is the customers or grocery retail companies. This is the most

appropriate and effective approach to use for this research because it is important to collect original and up to date information about the competitive environment of the grocery retail sector and learn the changes in patterns in the customer behaviour due to rising competition. Moreover, deductive approach that involves deducing information from past observation is not sufficient for meeting research objectives.

Data Collection Method

Data collection method is referred to as a methodical process adopted in a research process to gather and analyse various kinds of information relevant to the questions and objectives. There are several methods of collecting both primary and secondary data for the research such as survey, interviews, focus group, observations, documents and records and others. The present research made use of primary data collection method to gather information about the impact of rising competition in grocery retail sector on customer behaviour (Liddy et al., 2011). To collect primary information the researcher made use of structured interview method through virtual means. The participants of the structured interview are managers of grocery firms of Europe because they are the best source to share the changes in behaviour of the customers that they are facing with changes in competitive environment (Pettersen & Durivage, 2008). Keeping in view the pandemic situation the interview was conducted through virtual framework with the help of video conferencing processes. The interview is conducted with the help of well planned and defined questionnaire consisting of ten different open-ended questions. The questionnaire is designed based on past work of literature on grocery retail market and competition. Based on the existing research papers on the retail grocery market and consumer behaviour, these questions were designed. The interview will be kept short so that information can be collected from all the participants within time.

Along with primary method, the researcher also made use of secondary method as an alternative method to collect information from past findings and compare it with primary information. For collecting secondary information, the researcher made use of findings of scholarly articles and journals.

Sampling Size and Method

The paper made use of total 10 marketing and sales executives of grocery retail companies as sample to collect information. The marketing and sales executives are the best people to collect information because they closely analyse the change behaviour of the customers with changed competitive environment in the grocery industry to form new marketing strategies. The sample participants will come from 10 different grocery retail companies of Europe because it will help represent all grocery firms of Europe and their experience on changed customer behaviours. The sample companies will consist of five large retail brands of Europe and five medium size enterprises. There are different types of sampling methods used by the researcher to collect information such as simple random sampling, systematic sampling, stratified sampling and others. The researcher made use of simple random sampling to select sample for the interview where every grocery firm had equal chance to be selected in the sample (Muneer et al., 2017). This method was appropriate in selecting the sample size because it effectively helped in including small, medium and large-scale grocery firms of Europe in the sample. It will help in learning the differences of experiences faced by SME and large enterprise in the grocery sector due to rising competition. Moreover, only one manager will be chosen from one grocery company so that the participants can be chosen from different companies and can share wide variety of information on the research objective.

Participant of this research study are from below grocery retail stores:

S.No	Grocery Retail Store	Size
1	Schwarz Group	Large
2	Carrefour	Large
3	Tesco	Large
4	Mercadona	Large
5	Colruyt	Large
6	Mace	Small
7	Cost cutter	Small
8	Londis	Small
9	Day Break	Small
10	Apple Green	Small

Gender split of respondents

Male	Female
8	2

Data Analysis

Data analysis refers to as a process of collecting, modelling and analysing the information to extract understandings that support decision-making and reach research outcome. There are several methods that is used by the researchers to perform analysis of the collected information and are largely based on two core areas such as quantitative methods and qualitative methods. The

research is making use of qualitative research method to analyse the collected information such as thematic analysis where the transcript of the interview will be analysed in an in-depth manner, in simple language and based on several themes. Thematic analysis method is most effectively applied to a set of texts such as interview transcripts and report patterns in the collected information to answer the research question (Guest et al., 2011). It is a method that describes data and involves an interpretation process that can effectively interpret the meaning from the collected information. The present research has defined themes based on its research objectives and interpreted the information collected from the interview in relation to these themes. Rather than simply summarising the data, a thematic analysis helps in interpreting the information to make it more meaningful and sensible.

Ethical Issues

Research ethics forms an integral part of the research that take into consideration the protection of the dignity of the subjects and using the information in relevance to the present research work. The major ethical issues that are faced by the researchers when collecting and analysing information are informed consent, beneficence, respect for anonymity and confidentiality and respect for privacy. Informed consent is a major ethical issue faced by the researcher when collecting data directly from the source because it is important that the chosen participants have answered the questions knowingly, voluntarily and intelligently and gives his/her consent to participate in the interview process (Dooly et al., 2017). This will also enable that the chosen participants independently answer all the interview questions without being influenced by others in the organization. This helps in collecting unbiased data and answer the research question in most accurate manner.

Moreover, in the present study the researcher will also face ethical issues related to confidentiality and anonymity because many participants may feel unsafe and unwilling to participate in the

interview with the fear of losing their job or sharing confidential information about their customers. Thus, the researcher aims at maintaining anonymity in the interview process by avoid asking personal information of the employees. This helps the participants the freedom to give and withhold as much information as they want when participating in the interview. The ethical principle of beneficence also applied in the interview research process where the researcher aims at preventing any kind of harm to the participants when collecting information or asking questions. Moreover, it is also important for the findings of the research to be beneficial for the target audience as expected and thus the researcher has designed the interview questions in a way that can directly answer the research objectives.

The last ethical issue that is faced when collecting primary information is privacy issue where it is important to give the participant the freedom of determining the time, extent and the situation under which they want to share private information on the given research question. In the present research it is seen that the research participants that is the managers of grocery firms are given the freedom to share the extent of information on a question. This will help in maintaining dignity and respect of the participants and make use of the information appropriately only for this particular study.

Research Bias and Solution

Research bias occurs when there is a systematic error in the sampling method or data collection process and aim at encouraging one kind of outcome over others. Biases can occur at any stage of the research process either in the introduction, methodology or analysing the research findings. Biases in the research leads to errors in the overall outcome of the study. In a research process biases takes place from number of sources such as observation bias, selection bias, confirmation bias, publishing bias and others. In the present study the researcher faced two kinds of research

bias such as selection bias and observation bias. In selection bias the researcher sometimes under-represents certain group of potential participants over others in the research samples. For example, in the present study the researcher had chances of representing managers from large grocery firms than from small and medium size organizations because information can be easily collected from large enterprises. The selection bias was managed and controlled by implementing simple random sampling method when choosing the sample participants where all types and size of grocery organizations had equal chances of being selected in the sample. Further, there were also observation bias where the information collected are observed and analysed from one perspective according to the preference of the researcher and avoiding other perspectives. This bias was managed by forming a well-planned questionnaire that is based on secondary information along with other perspectives so that the information is analysed from all areas. Moreover, the observation bias is also prevented and managed by analysing the collected information from the outcome of past researches.

Chapter 4- Findings and Discussion

The findings from the interview will be discussed with the help of thematic analysis in which several themes will be designed based on the pattern of information collected from the interview. The thematic analysis will be implemented through several steps such as familiarization, coding, generating themes, reviewing themes and defining and naming themes and write ups. These steps will help in formulating most useful themes across the data set and analyse the data effectively in relation to research objectives, aim and questions.

The study made use of thematic analysis to review the collected information and for the purpose it required transcription of the interview recordings, which was then followed by coding of the data. The first step of the analysis was followed by reading and re-reading of transcripts produced during the interview to identify potential themes. The second step analyses the generated thematical codes and reviewed the way it can help meet the research objectives well. Some of the thematic codes that was generated in the initial stage was challenges from competition, opportunities from competition, online shift of consumers, high conscious customers and negative relationship. At the third stage, the researcher analysed the quotes from the secondary information that were congruent to the overarching themes, as this helps in forming and finalizing the themes. The final stage was the analysis of the information based on the themes

Analysis of Results

Theme 1- Opportunities from Competition in Grocery Sector

About sixty percent of the participants reported that they are experiencing competition in the grocery sector with most of them being small and medium size grocery enterprise in the sample. Illustrative examples of the response are given below.

One of the participant managers stated that:

Manager: our organization is facing huge competitive pressure of capturing the market share in the grocery market with increasing in the number of both small and large organization, especially through online platform.

These are the same percentage of participants that pointed out that competition has opened the opportunity for their growth. They also stated that the reason for growth is the diverse kind of strategies that the grocery firms are adopting as a part of competitive and thus focusing on differentiating themselves from others.

Manager: our organization has implemented several new strategies in their environment to deal with competitive pressure and this has helped the company to grow positively. We have accepted competition as an opportunity rather than a threat.

Most of the participants highlighted that competition has opened the venue for their organization to plan and implement new strategies to deal with competition such as introducing online sales channel, plan new and unique variety of products, focus on quality management and others. These strategies have helped them to attain competitive advantage over others.

Manager: Being a small and medium size grocery enterprise my organization has got the chance to enter into online channel due to competitive pressure and this has helped in reducing our selling and marketing cost to a large scale.

Few of the small and medium scale organization believed that the competitive pressure is seen to be huge and more severe than the large-scale grocery firms because of differences in market share and the ability of attracting believes and trust of customers. They shared that with lack of recognition and brand image, gaining the confidence of the customers is difficult.

Manager: Yes, the competitive pressure that we experience due to our small size is more than the ones that large or high-end grocery brands faces.

On the contrary, there were some participants that believed that competition is severe for everyone, irrespective of size because the online channels has placed grocery firms of all size on similar grounds. They believe that irrespective of size, the grocery firms face competition and should learn the ways to deal with such pressure.

Manager: No, being a small and medium size grocery firm does not make competition more severe for us because with time there has been growth in many strategic areas that has helped small firms to reach customers easily.

Most of the participants shared that the organization has entered online selling platform as a part of their competitive strategy and such competitive pressure has thus given them the opportunity to reach their potential customers with improved processes. Most of the respondents that shared this view was both small and medium size and large size grocery organizations. The response of one of the participants is shared below.

Manager: Online selling platform is a new channel that has come up with competition, as more and more grocery firms are reaching out to the customers through online channels and this has led our organization to make use of this opportunity to gain competitive advantage.

Theme 2- Challenges from Competition in Grocery Sector

There were almost forty percent of the participants that shared that competition has raised challenges for their grocery business with increase in the need for continuous growth and implementation of new strategies. Further, they responded that competition has made the business environment more complex and challenging to understand and cope up with.

Illustration of one of the respondents is given below.

Manager: *Competition bring themselves challenges and difficulties along with opportunities due to fast changes in the processes and strategies adopted by companies across the industry.*

Various respondents highlighted that the competition has increased the responsibilities of introducing new and unique products and services with time and align it with other firms in the market. They shared that such action has increased their work and exerted pressure on their employees.

Manager: *For us, competition has increased our work and responsibilities to improve our operations, products and approach daily with the need of staying ahead of competition.*

Respondents also highlighted that competition has brought security challenges to the grocery firms that are moving online as a part of their competitive strategy. They shared that their cost to secure the information of the customers and managing expertise has increased their operational costs.

Manager: *we have faced security related complaints from customers that shop from our online platform and this has been the repercussion of rising competition that we are facing.*

Theme 3- Market Competition and Consumer Behaviour

There were many questions asked in the interview that clearly showed the way competition has impacted the behaviour of the consumers. The responses have clearly stated whether competition actually have a positive relation with consumer behaviour or it is negatively related with each other. All the participants had adequate knowledge and experience about their customers in their offline and online store.

Almost all the respondents highlighted that the value types of customers in the grocery retail sector has change with competition and advent of new selling formats. They stated that customer receive different values for their money when they shop grocery from different types of sales formats such as online, supermarket, convenience stores and others. This is because different formats hold different types of positioning in the minds of the customers. Response of one of the managers is given below.

Manager: some of the customers have shared their reviews that they find it more valuable to shop a product from online channels than from any offline store format because they get a chance to view much larger variety of products and prices on any online platform.

50% of the participants has stated that the major reason behind the changes in customer behaviour was the adoption of new strategies by their firms to gain competitive advantage in the grocery sector. They further elaborated that almost all types of grocery retail firms, irrespective of their sizes has implemented competitive strategies from time to time such as pricing, product varieties, loyalty programs and others. Such introduction of strategies has affected the buying behaviour of the consumers with the expectation of getting better values for their money.

Manager: Forming competitive strategies such as discounted pricing, unique product qualities and varieties, have been the major decision of the grocery retail firms and this is the cause behind the change in customer behaviour. The reason I think is that the customers now have better options and varieties to choose from for the value they pay for a product or service.

Most of the respondents supported that the highly competitive landscape in the grocery retail market is the most important reason behind the change in the purchase behaviour of the customers. Most of them were of the view that with competitive pressure the grocery retail organizations are

working hard to offer unique and best experience to the customers, and this is altering their behaviour or perceptions while making a purchase. This is because the customers are able to map their level of satisfaction and repurchase intention based on several strategic factors across various grocery brands such as price level, service quality, shopping channels, product range, and others.

Manager: Competition has increased the number of factors that contribute to customer satisfaction such as price level, service quality and product range, and these factors play a vital role in the decision made by customers during grocery shopping. Our organization believes that we need to change our strategies continuously with changes in customer preferences, as competition increases.

Most of the participants stated that e-grocery retailing has become a common choice among the customers than any other retail formats. They believe that such shift is brought by rise in competition, as most of the top companies in the industries as well as the start-ups are moving online to sell their products.

Manager: e-commerce is believed to be the most demanding avenue for businesses, as customers are shifting towards this channel of shopping. They believe that e-commerce promises most convenient shopping experience, as the customers can shop from the comfort of their homes or office and at any time. This has also been the case in the grocery market where large number of grocery firms has shifted online and targeting their customers with various unique strategies.

About 30% of the respondents shared that they do not believe that the customers have shifted towards e-grocery retailing with rising competition in the grocery sector. They further elaborated that more than 50% of giant offline grocery retailers still do not appear in the top 10 online grocery

retailers. They believe that customers still prefer to purchase from offline grocery spaces because of the uniqueness, complexities, and challenges in the online grocery businesses.

Manager: According to me, the online grocery spaces have not taken over the offline format, as there are many customers that still prefers to purchase from our offline stores rather than purchasing it online. Even though there are number of benefits offered by online grocery retail formats, yet many customers still believe to touch the product with their hands before making a purchase.

Almost 70% of the participants accepted that their organization has implemented a change strategy as a part of their competitive effort. Some of the common competitive strategies shared by the respondents were introduction of online selling channel, responsible sourcing, delivering high quality products, and others. However, 20% out of the 70% total responses stated that they have not faced any shift in the purchase behaviour of the customers, while the rest 50% thinks that the competitive effort has improved their customers behaviour towards them.

Manager 1: Yes, our organization has adopted new strategies to be competitively strong in the grocery retail market such as opening a new online website and increase in product variety. This has helped us to attract large number of customers at low cost even after being a medium size grocery firm.

Manager 2: No, we have not introduced any new strategies as a part of our competitive performance, however, we believe in improving our existing strategies such as expansion in payment system, improvement in website quality and others. Our organization believe in attracting customers by strengthening our existing capabilities.

One of the most common competitive strategies that was evident among all the participants was the implementation of loyalty programs. Most of the participant managers believe that loyalty program is a popular marketing tool to increase the trust and loyalty of the customers and induce a feeling of pride of having won something without paying an extra penny. Some of the participants shared that loyalty program as a competitive strategy was responsible in driving heavy purchase behaviour among the customers.

Manager: *For us, loyalty program was a big success in such a competitive environment where it helped us in attracting large number of customers to purchase bulk amount of groceries with the intention of paying less. Customers are usually attracted towards things that help them derive extra benefits.*

The second most common competitive strategy shared by the grocery retailers is the factors of store attributes. Most of the participants were of the view that having a well formatted store structure, or a brand image increases the willingness of the customers to pay premium price for the same product then they might pay in other small grocery stores.

Manager: *Customers are becoming highly prize, image, and value conscious when they purchase a grocery product from a store. Our brand is promoting healthy eating by increasing affordability and advertisement of healthy foods. This has been the major factor for our organization to increase the willingness of the customers to pay more for healthier products.*

Discussion

From the above analysis it can be seen that competition in the grocery retail market has direct impact on the behaviour of the consumer and is positively related with it. From the responses of the managers it is evident that the rising competition in the grocery retail market of Europe has

increased the opportunity for the firms to improve themselves and reach out to the customers in a better way. Competition has brought new opportunities to the grocery retailers such as improvement in store image, expansion of online services, pricing strategies, and others. It is seen that such improvements have made the grocery retailers stronger and enable them to implement an integrated and long-term approach for growth. Similar claims were made by the findings of Ismană-IIisan (2017), that rising competition in the grocery retail market has made the competitors take up new strategies such as increase in product varieties, store image, improvement in convenient service, expansion of store location, movement in online service and others. Further, Janssens et al., (2020) has also stated from the findings that modern retailer of today highly focus on delighting the customers through maintaining fresh grocery items with the aim to compete effectively. Moreover, the grocery retailers are highly focused on implementing new business strategy to manage the experience of the customers.

Further, some of the participants also pointed out that competition has increased challenges for them to always stay conscious and the need to stay ahead of others. Most of them seemed to believe that competition brings huge need for being more attentive to deal with complexities such as rearranging pricing strategy, changes in consumers preferences and others. However, the participants failed to clearly state the kind of challenges they have faced with time with rising competition such as challenges from expansion to e-commerce platform, challenge to meet customer values and others. The primary data failed to state about the challenges from ecommerce clearly like the findings of Mkansi et al., (2018) that stated that the virtual market place of global grocery retailing has brought high challenges for the business with itself such as rising security problem, challenges in the management of supply of online groceries, delay in delivery and others. Moreover, the findings also show that competition in the grocery retail sector has increased the

responsibilities of the grocery firms to consider various operational aspects to be able to able to delivery good quality, low price product and on time. This is because from the findings it is seen that competition has increased the need for delivering high value to the customers because competition has introduced various store formats in the market and customers are seen to receive different value from different grocery retail stores. Likewise, Singh et al., (2010) has pointed out that different retail formats show differences in value types to the customers and thus in such a situations non-discounter find it difficult and hard to cope in the fierce competitive pressure exerted by discounters. This is because it makes it difficult for the non-discounters to capture large market share. In such a situation the customers constantly trade-off the benefits they receive from different grocery retailers and formats and decide where to buy that will help them deliver effective benefits. The findings from the interview clearly shows all kinds of benefits and challenges that competition has brought to the grocery retailers, however, some of the participants showed unwillingness to share the actual challenge they are facing. Further, maximum of the participants displayed that they face high level of competition in the grocery retail sector, whether in the small, medium or large size grocery retail firms. Moreover, same participants also stated that as a part of their competitive strategy the companies have entered into online selling or expanding to e-commerce platforms to sell their products along with other convenient shopping options. Similarly, Mkansi et al., (2018) has claimed that e-grocery option has been an effective option for the companies in the grocery sector because of the unlimited trading hours, extended geographical reach, better and faster transactions, shorter product cycles, enhance customer service and other benefits.

When it came to change in customers behaviour, the primary findings have clearly shown the differences seen in the purchase intention and pattern of customers with changes in the competitive

efforts by grocery retailers. Most of the primary participants shared that they have experienced a change in the behaviour of the customers with rising competition in the market where some faced positive behaviour, while other failed to attract customers. Similar findings were shared by McKinsey (2021) that food and grocery retail stores experienced a shift in the attitude of the customers in relation to different attribute such as affordability, prominence, promotion, product variety and price. Moreover, Meyer-Waarden & Benavent (2009) has stated that competition has also altered the willingness of the customers to purchase certain product or service in the grocery market and this was highly dependent on the extent to which the consumers purchase intention was affected by the measured and strategies taken by the organization.

Further, the findings from primary data aligned with that of the secondary information that the strategies of grocery stores both offline and online were helpful in increasing the loyalty of the customers and acted as a driver for growth in store loyalty. Shamsher (2016) has stated a similar finding that the role of store image has an impact on customer loyalty and some of the common store loyalty drivers that attract customers are store location, price, service quality and assortment. Further, the findings also pointed out other competitive strategies that the grocery retail companies have implemented that has affected customer behaviour such as ecommerce, customer value types, grocery retail loyalty program, pricing strategy and improvement in supply chain management. This finding aligns with the research outcomes of Suresh & Ramanathan (2019) that competition has increased the number of grocery retail choices and this enables the customers to choose from multiple grocery retail suppliers and this has made consumer behaviour more elastic. However, the present findings from primary data failed to find that competition has increased elasticity of demand and this acts as an important factor that indicates a move of grocery retail markets towards

a more competitive market. This is because customers get the opportunity to switch from one grocery firm and store format to another according to the benefits and convenience.

Lastly, the findings of the primary data showed that competition in the grocery retail market of Europe has made customers to shift towards e-grocery retailing because most of the company have moved towards online selling and experienced large number of online sales than from offline sales. This aligns with the findings of Filipe et al., (2017) that e-commerce is believed to be the most demanded avenue for doing business, as it promises improved convenience to the customers. The customers find it comfortable to purchase grocery online from their home and at any time they want, without having to think much about crowd and long lines. Similarly, primary data aligned with secondary findings that online expansion increased the desire of the customers to acquire products and services more conveniently and easily without much challenges. From the overall findings from both primary and secondary data it is seen that the rising competition in the grocery retail market has impacted the companies and the customer behaviour both positively and negatively because it has brought both opportunities to grow effectively as well as challenges to effectively implement complex strategy development.

Chapter 5- Conclusion and Recommendations

Conclusion

Therefore, the overall research gives the insight into the competition level in the grocery retail sector of Europe and the way it alters the value perception and purchase behaviour of the customers. the information from both primary and secondary sources shows that competition has led to the introduction of various kinds of retail formats and strategies that has influenced the behaviour of the customers accordingly. The overall information of the research has led to the outcome of three kinds of consumer behaviour such as satisfaction, repurchase intention and online purchase. Further, competition has also increased the demand for fresh food and products in the grocery retail sector and this has increased the complex challenge for the grocery firms such as sourcing, handling, visual merchandising and distribution. Moreover, such competitive changes in the grocery firms has changed the behaviour of the customers that demand high value from the products. Competitors in the grocery retail gave the customers large number of options to choose from including product varieties, quality, product value, delivery options, payment options and others. Thus, the research was successful in meeting the research objectives that to examine the opportunities and challenges brought by competition to the grocery retail sector and the positive and negative relationship with customer behaviour.

The current research has effectively contributed to the existing literature on rising competitive processes and development of new strategies in the grocery retail markets and the way it is influencing the behaviour of the customers. It has successfully identified rising challenges in the e-grocery sector to the retailers as well as the customers. Changing dynamic and competitive pressure faced by business has made it important for the retailers to differentiate their products and improve their comprehensive knowledge of the market environment. This has enabled the

consumers to change their purchase intention and store choice according to their preferences. Thus, it can be stated that competition in the grocery sector is one such factor that directly and positively impacts shoppers' behaviour and alters their purchase decisions. This is because in such a competitive environment the grocery retailers that fail to deliver right quality, price and availability of goods are easily handing over their precious customers to the competitors. Thus, the overall outcome of the research is that the competition of grocery retail market has caused several impacts on the behaviour of the consumers that altered their buying decisions today because businesses are employing unique and differentiation strategies.

Managerial Implications

The findings of the research have managerial implications for the grocery retail companies that they will be able to deal with competitive pressure better in the coming days. The study explored the challenges faced by the wide range of grocery retailers in Europe and thus the outcome will help the grocery marketers to identify these challenges and come up with mitigating strategies on a timely basis that can help them gain competitive advantage and profit. The result is of highly important for e-grocers also by helping them to move to new markets in an informed way or inform the existing grocery retailers in the market to move to e-grocery operations with better decisions and strategies.

The result of the study is highly helpful for the grocery retail managers to take better decisions in future that can help them improve the loyalty of the customers towards their products and services in relation to other existing big and small players. The findings show that it is not reasonable to consider that forming better customer relationship can automatically drive demand because there are many other factors to be considered when making decisions that can stimulate greater store loyalty and positive buying behaviour among the customers. The research outcome is highly

helpful in making the small and medium size grocery players to gain effective market share and customer number even in such a competitive environment.

The direct managerial implication of this study is that the managers that lack behind in adopting and modifying strategies usually lag behind in the competition. The more the grocery retailers will advance to new strategies and advanced processes, the more they will be able to attract more loyal customers. Moreover, the findings imply that the competition is related to customer behaviour and thus the more the managers are able to adopt to this competition, the more they will be able to achieve profitability and derive loyalty in the market effectively. The study has also helped in revealing various kinds of strategies for the grocery retail marketers and encouraged them to incur more spending in different strategies to be competitively strong. Retailers can now determine whether a particular product or service qualifies the competitive environment and can deliver more valuable outcome to the customers. In contrast, the study has also given the chance to grocery firms, especially small and medium size enterprises to identify and deal with challenges in the e-grocery processes and variance in customer behaviour.

Finally, the study enables the managers to learn that different strategies have different impacts on customers and their purchase willingness such as loyalty program can attract some customers, while it can have no impact on other customers. Similarly, some customers may value a store format more than others and thus mapping the valuable store format is a challenge for the grocery retailers.

Research Limitations and Recommendations

The research also faced several limitations in the study that can be improved and overcome in future investigation in similar study area. The first limitation of the study was related to the sample where the sample size seemed to be very limited that is only ten managers. Thus, it is recommended

that the research could have employed a larger sample consisting of equal number of small and medium and large size grocery firms. This would have helped in gaining better understanding of the entire population of grocery retailers and customers.

The second limitation of the study was the choice of participants for the study where the researcher only chose grocery retail companies for the interview and avoided the use of customers. Customers are the best source to learn the impact of competitive pressure on their behaviours. Thus, it is recommended that the researcher should include customers as well in the participant list so that their notion and opinions about the changed competitive environment of the grocery sector can be collected directly.

Moreover, the effectiveness of the competitive pressure and change in consumer behaviours is related to only grocery retail areas and does not generalizes to other sectors. Thus, the outcome of the results cannot be applied to other retail units or managers and the competitive structure of other retail forms such as manufacturing, clothing, shoes, health or others. Thus, it is recommended that the researcher can implement research in other retail areas as well to test the effectiveness of various strategies and the ways it has impacted on consumer behaviour.

Future Research Scope

In relation to the findings, it can be stated that their research still has scope for future investigation area such as learning the change in consumer behaviour with rising competition in grocery retail sector from the viewpoint of the customers. It will be effective and give a better picture from the customers end and allow the managers to form better strategies in future. For this purpose, the researcher can expand the investigation into wider retail areas such as grocery as well as convenience stores, department stores and others. Moreover, the researcher can make use of survey method to collect data from the customers and learn more about the impact of competition on retail

from customers' viewpoint. This can validate and contribute to this research area effectively and accurately.

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Appendix

Appendix 1: Interview Questionnaire

1. Is your organization a small and medium size enterprise or a large enterprise?
2. Has the organization entered online selling market recently or long back? Why?
3. What do you think the level of competition you face in the grocery sector?
4. Do you think the value types of customers in the grocery retail market has changed with introduction of new retail formats?
5. Has there been introduction of new competitive strategies that has altered customer behaviour? Share your viewpoint.
6. Do you think the changes in competitive landscape of grocery retail has influenced the buying behaviour of the consumers?
7. What are the challenges according to you, that competition has brought to the grocery market?
8. Has there been a shift of customers towards e-grocery retailing and other store formats with rising competitive strategies?
9. Have your organization adopted any such changes in strategies as a part of competition and faced such shift?
10. What according to you are the opportunities that your organization has come across with rising competition?
11. How do you think competition has increased the challenges and responsibilities for your organization?
12. Do you think the competitive pressure on the small and medium scale enterprises are more than the large-scale organizations?

Appendix 2: Consent Form**Research Informed Consent****TITLE OF STUDY****PRIMARY RESEARCHER**

Name - _____

Department - _____

Address - _____ City _____ State _____

Phone - _____

Email - _____

PURPOSE OF STUDY

PROCEDURES

RISKS

BENEFITS

Participant's Initials: _____



