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## Advertisement Effect of OLX and Quikr for Used Product on Consumer of Northern India

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**Abstract**

The needs have multiplied but the income hasn't. For a largely floating community of young professionals in metropolitan cities unwilling to compromise on their lifestyle needs. The second-hand market offers a more convenient and financially viable means of shopping. The entire second hand market is slowly moving from a highly fragmented business to a more organised avatar. This study aims to find second hand products' advertising effect of OLX, and Quikr on Consumers. The focus will be to know consumer buying behavior of second hand products in northern India states comprising Punjab, Haryana and Chandigarh and will be conducted among 300 respondents. India's second-hand market (used good market) was worth about Rs. 60,000 crore in 2011, it went up to Rs. 69,000 crore in 2012 and to Rs. 80,000 crore in 2013 and is expected to touch whopping Rs. 1,15,000 crore by 2015 with the compound annual growth rate (CAGR) of about 15%. Growing aspirations of the middle class have fuelled second-hand products sale and spurred the growth of the second hand market.

**Keywords:** Second-Hand Market, Consumer Buying Behaviour, Advertising-Impact

**1. Introduction**

The needs have multiplied but the income hasn't. When it comes to consumer items, the rise in income may not be commensurate to the rise in aspirations and the insatiable aspirations are leading them to the second-hand market to fill the gap. For a largely floating community of young professionals in metropolitan cities unwilling to compromise on their lifestyle needs. The second-hand market offers a more convenient and financially viable means of shopping. Relocations are increasingly becoming a career and lifestyle necessity, be it city hopping to accommodate a career, or moving to greener pastures. And this leads to situations where families try to get rid of 'junk', which invariably finds a place on a shop shelf somewhere. According to Amarjeet Singh Batra, country manager, OLX India, a leading classifieds site, the estimated size of the second-hand market in India is about 50,000-60,000 crore. But he insists that it's a conservative figure based on the number of middle- and upper-class households and the value of items that are probably lying unused and taking up precious storage space. The value of the market is difficult to assess because a majority of it is unorganized — the 'grey' market. Also, the demand patterns are difficult to understand considering the demand for second-hand goods is mostly latent," says Batra. The other term for this can be aspirational demand. (Sunanda Poduwal & Mishita Mehra, 2011)

"Creativity without strategy is art. Creativity with strategy is advertising." Jef Richards

The key components of advertising are awareness, comprehension, conviction, and action.

**Awareness:** how do you get viewers' and listeners' attention? They have to remember a brand or product name.

**Comprehension:** what does the brand mean to them? do they understand the product benefits? Can they differentiate your product from the competition? What is the present position of your brand?

**Conviction:** It is the bridge between knowing and doing. When the prospects are aware of the product and perceive a benefit or at least a difference, what do you want them to do? Ideally, you would like them to have warm and fuzzy thoughts about your brands. You would like them to compare your product to the competition, look for it in the store, and send for information.

**Action:** Ultimately, this means sales-even it usually takes more than advertising to close the deal. But it can also involve several steps, such as test-drive for a car or a meeting with a sales

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representative. It depends on the type of product. Advertising can be very, effective, but it can only bring the potential customer to the seller. If the product does not meet the buyer's wants and needs or the salesperson blows the sale at the dealership, you can't blame it on the advertising. (Altstiel and Grow, 2006)

The entire second hand market is slowly moving from a highly fragmented business to a more organised avatar. The second-hand market in the country was primarily driven by local specialized second-hand zones like Chor Bazaar in Mumbai, Daryaganj in New Delhi etc. A report released by the Associated Chamber of Commerce and Industry of India pegged the market for second-hand and recycled products in India at Rs 80,000 crore (\$12,814), up from Rs 69,000 crore (\$1,1027m) in 2012. The report further estimated that the market would cross Rs 1, 15,000 crore (\$18,379m) by 2015. The market has recorded a growth of 15 percent per annum. It is not just cars, books and electronics people are buying used these days; we're also browsing through someone else's gadgets, clothes and jewellery. (ASSOCHAM, 2014). As of June 2014, there were 243 million claimed Internet users in India out of which 192 million are active Internet users who access Internet at least once a month. There has been a consistent growth in the number of Internet users over the past few years. (IAMAI).

OLX (OnLine eXchange) operates as a national online classifieds marketplace for used goods such as furniture, musical instruments, sporting goods, cars, kids and baby items, motorcycles, cameras, mobile phones, property and much more. It is accessible through the internet and through native apps on smart phones. OLX has a presence in over 106 countries with offices and local operations in Angola, Argentina, Brazil, Colombia, India, Indonesia, Portugal, Romania, Switzerland, South Africa, Kenya, Nigeria, Thailand, Philippines and others.

Founded in 2006, the company has grown to 1,200 employees and operates in 40 countries. With 11 billion page views, 25 million listings, and 8.5 million transactions per month, it is the largest marketplace in India, Poland, and, as of last year, Brazil. Funded by U.S. venture firms including Bessemer Ventures and General Catalyst Partners, OLX sold a majority stake to the African conglomerate Naspers in 2010. OLX is free to use and makes money selling promoted listings to users. (Wikipedia)

Quikr is India's online classifieds platform, a place where people can connect with each other to buy or sell goods and services. It was launched in 2008 with the vision for buyers and sellers to "meet online, transact offline". Today Quikr has over 4.2 million listings and has generated over 150 million replies. Headquartered in Mumbai, Quikr operates from 940 cities across India and is accessed by more than 30 million unique users and 26 million brand new customers per month. It has over 13 categories and 170 sub-categories, with the most popular being mobile phones and electronics, real estate, cars and bikes. Quikr was recognized as one of India's hottest internet companies for 2012 CNBC-TV18, India's No.1 business channel celebrates the success of emerging India's young entrepreneurs and companies through the premier Edition of the 'Young Turks Awards'. (www.quikr.com).

## 2. Literature Review

Venugopal et al (2014) studied the second hand market and its distinctiveness in the industry and analyzed the importance and priority given by urban, semi urban and rural students to different old products. They observed that Economic shifts, lifestyle up gradation and emotional buying behaviour are

some of the traits of the customers who prefer second hand products. They found that students as a whole concentrate on two major elements i.e. cost of the product and the workability during the tenure of usage. There would not be a fixed rate for second hand goods. Seller's need and buyer's necessity will play a vital role.

Shimpi (2014) explored the relationship between variables which affect consumer buying behaviour for used cars. There are a number of factors influencing the buying behaviour of used car owners in India. This includes the emotions, purchase intention, family income, mileage, colour of the car, fuel variants, and make of the car. It is also observed that the owners of the used cars carry similar emotions and attachment as good as the owners of new cars. Growing interest of customers and also of the used-car dealers, assures the shining future of used cars in Indian market.

Agwe et al (2014) examined the effect of advertising on consumer buying behaviour within the Nigerian context. The study focused on revealing the relationship either positively or negatively, between advertising and consumer buying behaviour. It equally postulates what effect continuous advertisement of product has on consumer buying behaviour. The findings indicate that advertisements that are properly packaged will surely persuade consumers to experiment the particular product, and that such advertisement should be executed long enough to generate such curiosity that will motivate consumers to buy. The study recommends a proper understanding of various segments of customers and their buying behaviors. And the organization as well as others, must Endeavour to understand the buying behaviour of its customers in order to identify the - what, why, where, when and how - they buy; otherwise, an unstructured advertising campaign will not yield positive results.

Bansal and Gupta (2014) analyzed the psychological impact of the newspaper advertisement on a consumer and thus his assessment of the effectiveness of the advertisement. The study also compared human perception of a newspaper advertisement versus the intended perception of that advertisement. Psychological impact and perception are important aspects found to affect consumer behavior. The advertisements used for the study ranged from products to services. The study revealed that 40% advertisements were informative whereas only 26% percent were perceived to be informative by the common consumer in the year 2013. This can be understood that commercials of different products employ different strategy to influence their customers and such a data can be helpful in obtaining its impact on the customers not only for newspaper advertisement but for all other forms of advertisements.

Rehman et al (2014) assessed the effects of Facebook advertisement and Facebook environment on buying behavior of young consumers, while moderating effects of gender. Results indicated that Facebook advertisement and Facebook environment have significant effects on buying behavior of young consumers, while gender has moderating effect on Facebook advertisement and no moderating effect on Facebook environment. The results show that Facebook advertisement can be used to influence buying behavior of young consumers.

Sonkusare (2013) studied the different factors which influenced on buying behavior, their satisfaction with advertising strategies in FMCG products, their monthly expenditure etc. It has been concluded that T.V. advertising have great impact on buying behavior of women customers. Before purchasing any product customers/ consumers collect

information for their proper purchasing decision making activities, hence advertising is mostly adopted to get information about FMCG products. In this way Television advertising plays a vital role in buying behavior of women consumers in Chandrapur city.

Prasanna and Raju (2013) investigated the relationship between independent variables which are emotional response with attitudinal and behavioral aspect of consumer buying behavior, by tapping the responses of 110 respondents. The basic objective of this research is to assess the influence of advertising through attitudinal buying behavior of consumer (male & female) and analyze the influence of Advertising between male and female. Because buyers must act on the basis of incomplete information, they automatically and consciously incur a risk in every purchase and non-purchase decision. The size of the risk buyers perceive depends on the importance of the particular purchase and on the quantity of relevant information about the product category and the competing brands. Buyers are generally more responsive to different brand advertisements while they are seeking information on these brands.

Rawal (2013) observed that with an increase in global competition, technological advances, an important for businesses to make a powerful impact on target audiences and markets. An advertisement plays an imperative role in the marketing of products as it provides a buying power for various product operations by affecting the behaviour of consumers. The influence of media on consumer behaviour is profound where billions of dollars are spent in advertising each year indicate to the impact of media on consumer purchasing and buying preferences. Media use in advertising is purposely designed to elicit a change in consumer action, belief and perception and is a part of our daily lives that we don't even realize it's influencing us in many unabashedly woos us to purchase products we don't need and trust wholly with product claims that are exaggerated. Television advertising offers the advantage of reaching large numbers in a single exposure and even today has its relevance in consumer decision making.

Mohammed and Alkubise (2012) explored the factors that contribute to the effectiveness of online advertisements and affect consumer purchasing intention from the perspective of developing countries. Based on a five dimensions theoretical model, this study empirically analyzes the effect of online advertisement on purchasing intention. Results show that Income, Internet skills, Internet usage per day, advertisement content and advertisement location are significant factors that affect the effectiveness of online advertisement. However, two notable findings emerged: first was the key significant role of website language and secondly and maybe most importantly is the impact of other people opinions on the effectiveness of online advertisement.

Ravikumar (2012) attempted to study about impact of visual media advertisements on women consumers buying behaviour in Chennai city. The attitude towards advertising has been ever changing at a rapid pace with diversifications and dynamism. It is found that women consumers' attitude towards visual media advertisements and women consumers' buying behavior are directly related with each other. Advertising value is closely related with women consumers' attitude towards visual media advertisements.

### 3. Research methodology:

The study aimed to find second hand products' advertising effect of OLX, and Quikr on Consumers. The focus was to

know consumer buying behavior of second hand products in northern India states comprising Punjab, Haryana and Chandigarh. The means of collecting the required data was done through conducting both primary and secondary research. The instrument used for primary research was a well-designed questionnaire which had 11 questions in total. Convenience sampling method has been used for data collection. The study has been conducted using Sampling unit of 300 respondents between age group of 20-40. These comprise of private employees, government employees, and self employed, housewives, students etc. The study has been conducted in the states of from Punjab, Haryana and Chandigarh. The secondary data from project documents, evaluation reports, journals, magazines and surfing on the internet has also been used for purpose of study.

The data has been analyzed with simple percentage. For analysis, interpretation, and conclusion both primary and the secondary data are included.

### 3.1 Objectives

- Effect of advertisements of used products (OLX, QUIKR) on consumers' behavior
- Market of used products in India

### 4. Data Analysis & Interpretation

This study on the advertisement effect of second hand products on consumer behaviour was conducted among 300 respondents. These respondents were of various age groups starting from 20-25 to 36-40. Out of these sampling units 171 were male respondents and 129 female respondents.

In this part, findings and analysis of data collected from questionnaires has been depicted with the help of pie charts individually. The data has been analyzed with simple percentage. This section discusses Change of perception due to advertisement, Medium of advertisement influencing customers, Advertisements affecting consumer behavior and market of second hand products in India.

**Gender Distribution:** Among 300 respondents, there are 171 male respondents and 129 female respondents. (Figure 1)

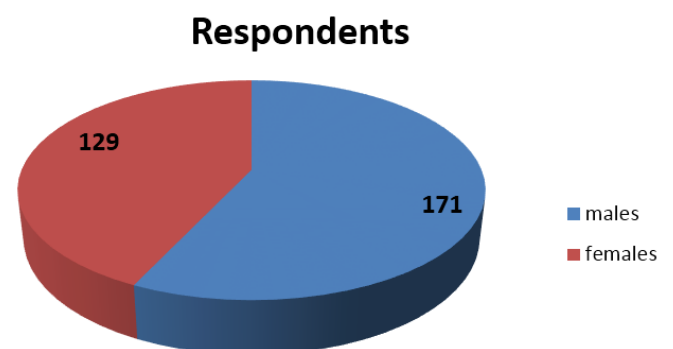


Fig 1

**Age Distribution:** The study shows that 90 of the total respondents are in the age group of 20-25, 129 are in the age group of 26-30, 57 are in the age group of 31-35, and 24 are in the age group of 36-40. The age distribution of respondents is represented in figure 2.

### Age Groups

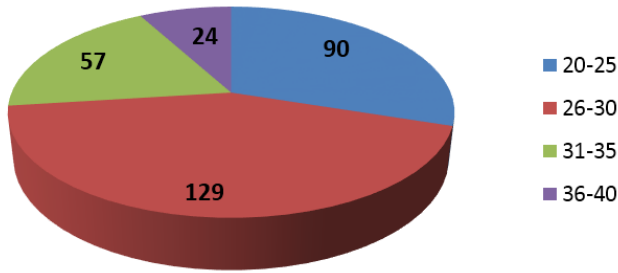


Fig 2

A. Change of perception due to advertisement:  
Analysis:

### Change in Perception towards second hand products due to Advertisements

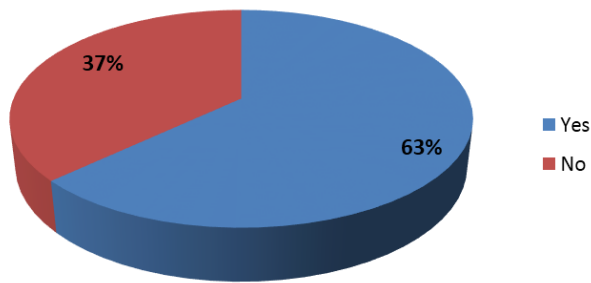


Fig 3

Interpretation: As per figure 3, it is depicted that 63% people feel that their perception towards second hand products has changed due to the advertisement of such products. While 37% feel the opposite.

B. Buying a second hand product because of the advertisement:  
Analysis

### Decision to buy second hand products due to advertisements

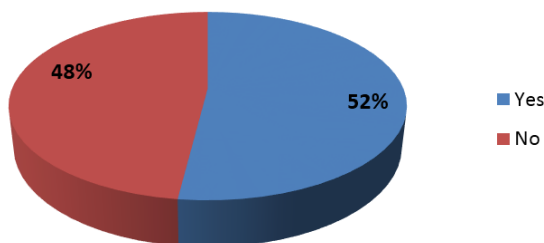


Fig 4

Interpretation: It is evident from figure 4 that 52% people made a decision to buy second hand products after watching their advertisements while 48% were not affected by the these advertisements.

C. Medium of advertisement influencing customers:  
Analysis:

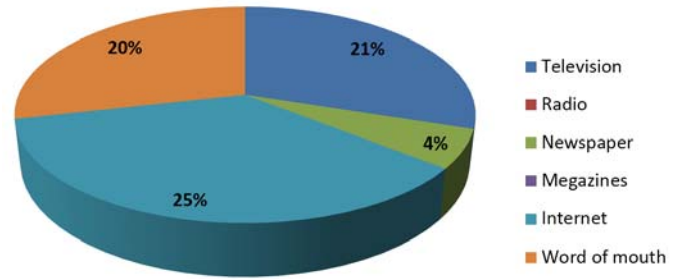


Fig 5

Interpretation: As shown in figure 5, 25% of people are influenced through advertisements over internet, 20% through word of mouth, 21% through television and 4% through newspapers.

D. Entertaining advertising influences opinion:  
Analysis:

### Effect of Entertaining advertisement on opinion for second hand products

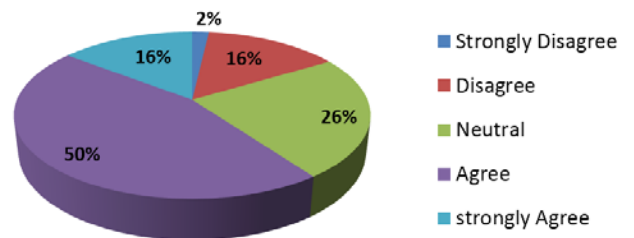


Fig 6

Interpretation: Figure 6 reveals that 50% people agree to the fact that the entertaining advertisements of second hand products influence their opinion about these products. 26% respondents are neutral about their opinion. There are 16% respondents who disagree with the fact that these entertaining advertisements are influencing their opinion.

E. Advertisements affecting consumer behavior:  
Analysis:

### Effect on Consumer Behaviour

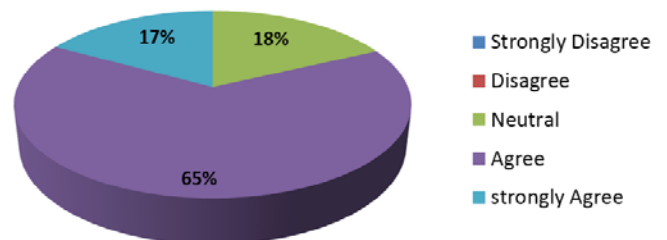


Fig 7

Interpretation: The analysis in figure 7 shows that 65% of people agree to the fact that advertisements of second hand products are affecting consumer behaviour. 17% respondents strongly agree that these advertisements have certain effect on consumer behavior.

F. Increase in sale because of frequent advertisement:  
Analysis:

### Effect of advertisement on sale of second hand products

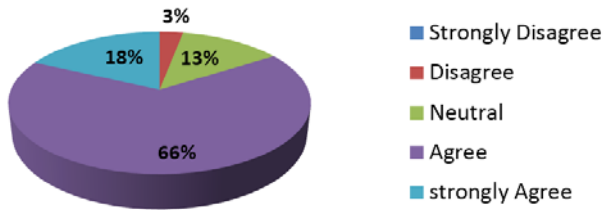


Fig 8

**Interpretation:** As per figure 8, it is observed that 66% people agree that these advertisements have an effect on the sale of second hand products. 18% strongly disagree that these advertisements have any impact on sale while 13% are neutral.

**G. A true picture of second hand products being marketed :  
Analysis:**

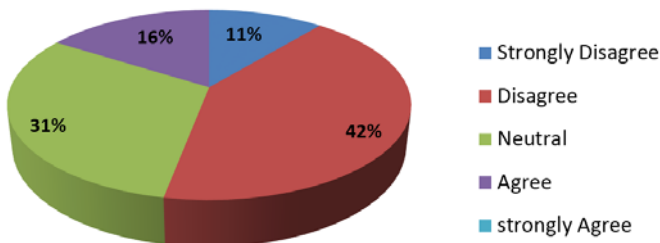


Fig 9

**Interpretation:** Although as per figure 9, 42% people disagree that these advertisements do not give a true picture of second hand products being marketed. 31% people are neutral. Only 16% respondents think that these advertisements give true picture of products.

**H. Purchase of the second hand products easier due to advertisements:**

**Analysis:**

### Advertisements of second hand products helpful in purchase

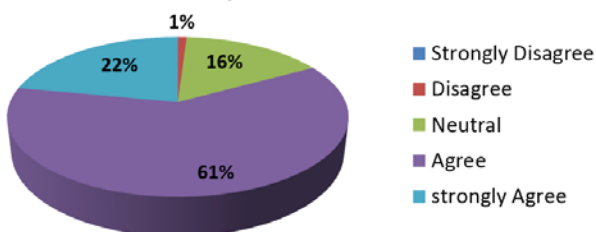


Fig 10

**Interpretation:** On the other hand, figure 10 indicates that 61% people agree and 22% strongly agree that these advertisements do make the purchase of second hand products easier for them. 16% respondents do not have any opinion.

**I. Recalling any advertisement of OLX / QUIKR :**

**Analysis:**

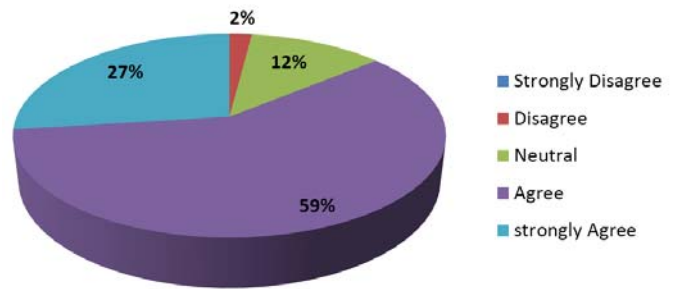


Fig 11

**Interpretation:** According to figure 11, 59% of people agree that they remember the famous OLX/QUIKR advertisements. 27% strongly agree that they can recall these ads. Only 12% are neutral.

**J. Aspect of advertisement remember the most:**

**Analysis:**

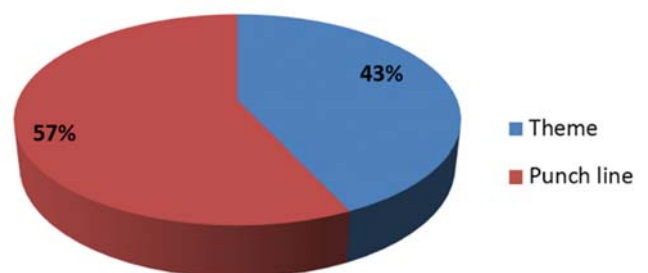


Fig 12

**Interpretation:** The figure 12 reveals that 57% of people remember the punch line of the advertisements, while 43% remember the theme.

### Second hand products market in India:

According to the Associated Chamber of Commerce and Industry of India (ASSOCHAM), the market for second-hand and recycled products in India at Rs 80,000 crore (\$12,814), is up from Rs 69,000 crore (\$1,1027m) in 2012. The report further estimated that the market would cross Rs 1, 15,000 crore (\$18,379m) by 2015. The market has recorded a growth of 15 percent per annum. It is not just cars, books and electronics people are buying used these days; we're also browsing through someone else's gadgets, clothes and jewellery. Women are more likely to buy second-hand books, luxury goods items, apparel while men are more likely to buy second-hand CDs, DVDs, used car, motorbikes etc., adds the paper. In making a choice between buying new or used, 18-24 year olds are the most likely to opt for second-hand DVDs and CDs as a first choice, while the over-55s prefer to buy these new.

As of June 2014, there were 243 million claimed Internet users in India out of which 192 million are active Internet users who access Internet at least once a month (IAMA report). All these users are potential candidates for second hand products shopping.

### 5. Conclusion

This study attempts to provide an in-depth analysis of consumer behavior. As per the analysis advertising has positive effects on consumers' purchasing behavior i.e they not only affect their perception for second hand products but

also make a mind to purchase second hand products. Consumers do give importance to advertisement be it through T.V as well as word of mouth praises. Advertisements on internet play a vital role in buying the products. Interestingly, on the one hand people believe that advertisements of second hand products increase their sale but on the other hand people feel that such advertisements do not give a true picture of the product marketed.

Another interesting fact is that people very well remember the leading second hand product marketers' (e.g OLX and QUIKR) advertisements maximum due to their punch lines. The needs of people have multiplied but the income is not increased with that pace. When it comes to consumer items, the rise in income may not be commensurate to the rise in desire and these unfulfilled desires are leading them to the second-hand market to fill the gap. For young professionals in metropolitan cities, who don't want to compromise their status, the second-hand market offers a more convenient and financially viable means of shopping to these consumers.

India's second-hand market (used good market) was worth about Rs. 60,000 crore in 2011, it went up to Rs. 69,000 crore in 2012 and to Rs. 80,000 crore in 2013 and is expected to touch whopping Rs. 1,15,000 crore by 2015 with the compound annual growth rate (CAGR) of about 15%. Growing aspirations of the middle class have fuelled second-hand products sale and spurred the growth of the second hand market.

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