
Factors Influencing Consumers' Choice of Retail Stores For Fresh Meat In Malaysia

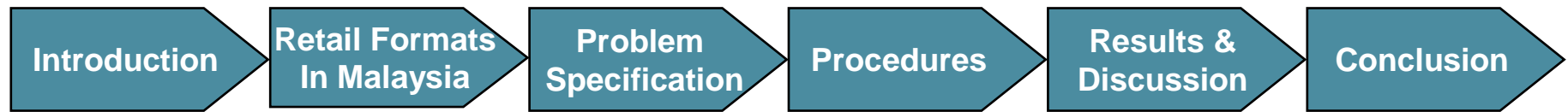
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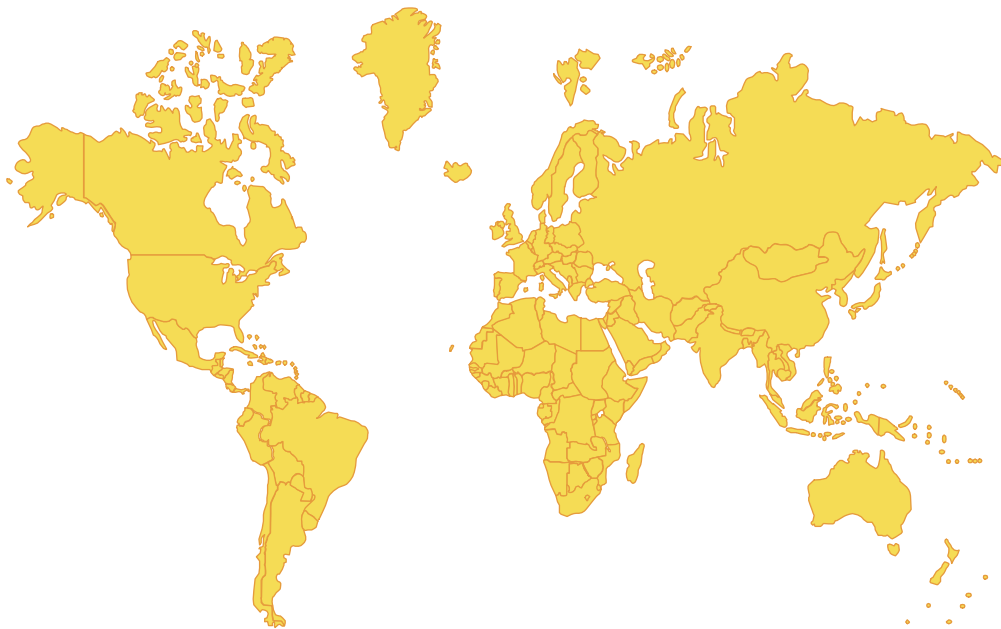


Agenda





Introduction



- Globalisation of the food retail system has impacted on the distribution and marketing of fresh food.
- Malaysia: In previous years, the only retail formats were the traditional markets and grocery stores (mini-markets).
- Since the 1990's, the food retailing industry in Malaysia has experienced tremendous growth.



Increase in personal disposable income



Urbanisation



Food safety & food quality issues



Changes in diet

Retail Formats in Malaysia

1. Traditional Retail Formats

Wet Market/ Fresh Market

- Operates in its own building.



Night Market/ Street Market

- Fresh food and non food items are available.



Farmer's Market

- Organised by FAMA.



Grocery Stores/ Mini Market

- Family own stores selling limited variety of products



Modern Retail Formats

- In Malaysia, supermarkets began to emerge in the early 1990's.
- Most supermarkets and hypermarkets are located in major urban centres.
- 2000: 392 supermarkets & 22 hypermarkets.
- 2005: 550 supermarkets & 81 hypermarkets.
- Foreign-owned retailers dominate the retail sector.

TESCO

Giant
Big Variety, Great Value

JUSCO
My kind of store

makro
Cash & Carry

Carrefour

MYDIN

ECONSAVE

The Store
The Store for Malaysia

PARKSON

BINTANG

Problem Specification

Modern retail outlets have impacted on both the traditional food retail environment & consumer behaviour in Malaysia. This research project sought to identify:

- Which factors were most influential in the consumers' choice of retail outlet when purchasing fresh meat.
- To explore why consumers continue to shop at traditional markets when they have the opportunity to purchase from modern retail outlets.

Procedures

- A total of 4 FGD were organised between Oct-Nov 2007 in KL.
 - This method is considered to be a useful means of data collection as little is known about the phenomenon of interest.
 - Participants were the primary food shopper for the household.
 - Each FGD followed an interview guide which consisted of a check list of questions on several subtopics.
 - Participants received a cash payment of RM75 (AUD25) and a souvenir bag for their participation.
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Results & Discussion

Factors attracting consumers	Modern Retail Outlets	Traditional Markets
1. Freshness	√	√
2. Halal guaranteed		√
3. Good relationship with retailers		√
4. Good quality		√
5. Competitive price	√	√
6. Convenience	√	√
7. Varieties	√	√
8. Good environment	√	

√ : represent responses mentioned from FGD

1. Freshness

Modern retail outlets

- Have the advantage of offering fresh meat in refrigerated display units.
- Fresh meat is pre-cut and pre-packaged.



Traditional markets

- Fresh meat products were slaughtered early in the morning at slaughterhouses.
- Fresh meat is displayed on counters or hung on hooks.



2. Halal guaranteed

Modern retail outlets

- Beef & chicken carries a halal logo from JAKIM.
- Imported beef from Australia carries ' Fresh Halal Aussie Beef' logo.



Traditional markets

- The issue of Halal and the relationship between butchers and customers is closely related.
- Buy fresh meat from the same butcher because they are confident on where the seller gets the beef from.



3. Good relationship with retailers

- Traditional markets is a place for meeting acquaintances.
 - Traditional markets are perceived as a place to foster social relationship.
 - Personal relationships built between retailers and consumers developed trust.
 - Trust → customer loyalty.
 - Customers are more loyal to a store which offers warm & friendly service.
 - The social environment in traditional markets provides a leisurely experience.
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4. Good quality

- Quality is an important criteria in selecting fresh meat.
- However, quality means many different things to different people.



5. Competitive price

Modern retail outlets

- Are capable of offering more competitive prices.



Traditional markets

- Participants who shop in the traditional markets are allowed to bargain.



6. Convenience

Modern retail outlets

- Convenience means anything that saves or simplifies work and brings comfort to consumers.



Traditional markets

- Participants who shopped in the traditional markets described convenience as those markets which were close to where they live.



7. Variety

Modern retail outlets

- Are capable of offering a wide variety of food and non-food items at the same time.



Traditional markets

- Variety means more choice.
- Traditional markets = fresh food supermarkets.



8. Good environment

Modern retail outlets

- Clean & comfortable.
- The store is air-conditioned, easier to buy goods with trolley provided & a suitable place to shop & bring the children.



Traditional markets

- Crowded, hot & stuffy.
- Dirty, slippery, smelly, unorganised & noisy.



Conclusion

- Traditional markets is still the preferred place to purchase fresh meat in Malaysia.
 - Older shoppers are more likely to continue to buy from the traditional markets.
 - Younger shoppers value more the convenience factor that supermarkets & hypermarkets have to offer.
 - There is a tendency for grocery shoppers to change their shopping habits & shift to modern retail outlets for meat products due to meat safety issues.
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