
Factors influencing the consumer's choice of retail store

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Introduction

- **quality and price are the most dominant factors that impact upon the consumers decision to purchase fresh produce**
 - **quality is a multi-faceted variable**
 - **extrinsic**
 - **intrinsic**
 - **credence**
 - **service**
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Introduction (contd)

- **as personal disposable income increases, service quality becomes more important**
 - **low price is not important to everyone**
 - **consumers are prepared to pay for**
 - **superior quality**
 - **superior service**
 - **convenience**
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Aims and objectives

- **explore differences in offer quality between retail stores**
 - **product range and variants**
 - **convenience**
 - **customer support**
 - **in-store ambience**
 - **product presentation**
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Methodology

- **random intercept surveys of household buyers in the Perth metropolitan area**
 - **two qualifying questions:**
 - **are you the person in your household who ordinarily makes the decision to buy fresh produce?**
 - **do you have 15 minutes available to complete this questionnaire?**
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Methodology (contd)

- **the questionnaire explored such issues as**
 - **the frequency of purchase**
 - **the place of purchase**
 - **what proportion of their purchases respondents made from this store**
 - **why respondents chose to purchase fresh fruit and vegetables from this retail store**
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Results

- **474 households buyers**
 - **71% were female**
 - **83% lived with 1-3 other people**
 - **evenly distributed across five age categories**
 - **68% household income between AUD 30,000 – 150,000 per annum**
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Table 1: Frequency of purchasing fresh fruit and vegetables

	N	%
Daily	13	2.7
2-3 times per week	168	35.5
One time per week	247	52.2
One time every two weeks	45	9.5
	473	100.0

Table 2: Place of purchase

	N	%
Coles/Woolworths	209	44.2
Independent supermarkets	122	25.8
Green grocers	100	21.1
Other markets	31	6.6
Canning Vale	9	1.9
Internet	2	0.4
	473	100.0

Table 3: Variables respondents consider in choice of store

	Ranking					N	%
	1	2	3	4	5		
Competitive price	65	99	40	14	3	221	46.9
Good quality produce	65	70	30	10	1	176	37.3
Fresh	98	44	24	4	1	171	36.3
Convenience	88	28	14	6	1	137	29.1
Wide range of produce	18	28	28	5	1	80	17.0
Proximity to home	38	15	8	5		66	14.0
Location	32	17	5	4		58	12.3
Wide range	7	10	9	4	2	32	6.8
Local produce	8	6	7	1	1	23	4.9

**Table 4a: Importance of criteria respondents use
in their choice of retail store**

	Mean	SD
Good quality produce	5.68^a	0.66
Fresh produce	5.64^a	0.69
A wide range of fresh produce	5.48^a	0.80
Clean	5.35^a	0.92
Good value for money	5.30^a	0.94
Competitive price	5.11^a	1.00
All product is clearly priced	5.08^b	1.06
I can self select	4.98^c	1.19
Fast and efficient check-out	4.96^c	1.02
Close to my home	4.95^c	1.28
Easy to access	4.91^c	1.14
Customer service	4.79^d	1.20
Fresh produce is refrigerated	4.78^d	1.29

Table 4b: Importance of criteria respondents use in their choice of retail store

	Mean	SD
Good access to product on the shelf	4.70 ^e	1.16
A wide range of other food products	4.69 ^e	1.35
Price specials or discounts	4.63 ^e	1.31
Plentiful car parking	4.58 ^e	1.41
Trolleys and baskets easily accessible	4.56 ^e	1.29
One-stop shop – can purchase everything	4.51 ^f	1.50
Origin of the product is clearly displayed	4.43 ^g	1.38
Knowledgeable staff	4.39 ^h	1.31
Good lighting	4.30 ⁱ	1.25
Attractive presentation	4.24 ⁱ	1.33

Table 4c: Importance of criteria respondents use in their choice of retail store

	Mean	SD
Favourable prior purchase	4.15 ^j	1.39
Extended trading hours	3.97 ^k	1.76
Attractive décor and surroundings	3.95 ^k	1.34
Refund/return policy	3.81 ^l	1.72
Clear signage	3.67 ^m	1.49
Organic produce	3.31 ⁿ	1.56
Product information available in-store	3.31 ⁿ	1.46
In-store tastings	2.97 ^o	1.53
Loyalty programs	2.83 ^o	1.62
Advertising on radio/tv/newspapers	2.58 ^p	1.46
Offer home delivery	2.14 ^q	1.46

**Purchasing
fresh fruit and vegetables
is a low involvement decision**

	Factor		
	1	2	3
Loyalty program	0.799		
Advertising	0.799		
Tastings	0.687		
Home delivery	0.684		
Refunds	0.587		
Presentation		0.780	
Décor		0.727	
Lighting		0.626	
Signage		0.613	
Fresh			0.874
Good quality			0.868
Wide range			0.713
Eigenvalue	2.796	2.341	2.300
Percent variance	12.40	9.75	9.58
Cronbach's alpha	0.802	0.742	0.805
Factor mean	2.98	4.45	5.10

	Factor			
	4	5	6	7
Competitive price	0.868			
Good value	0.839			
Price discounts	0.696			
Good access		0.761		
Self select		0.702		
Trolleys		0.678		
Easy access			0.878	
Close to home			0.849	
Car parking			0.603	
Service				0.801
Knowledge				0.751
Check-out				0.516
Eigenvalue	2.259	2.101	2.099	1.862
Percent variance	9.41	8.75	8.75	7.76
Cronbach's alpha	0.660	0.719	0.714	0.709
Factor mean	4.61	5.02	4.97	4.32

Table 6: Importance of factors by preferred place of purchase

	Mean			
	SM	ISM	GG	Others
Sales promotion	3.25^a	3.14^a	2.40 ^b	2.63 ^b
Ambience	4.55 ^a	4.50 ^a	4.44 ^a	3.79^b
Product offer	4.86^c	5.03 ^{bc}	5.62 ^a	5.35 ^{ab}
Price	4.54 ^{ab}	4.47 ^b	4.82 ^{ab}	4.94^a
Shopping experience	5.06 ^a	5.09 ^a	5.07 ^a	4.83 ^a
Convenience	5.14 ^a	4.96 ^{ab}	4.80 ^{ab}	4.63^b
Staff service	4.03 ^b	4.56^a	4.75^a	4.01 ^b

Conclusions

- **product quality is the most important variable influencing the consumers' choice of retail store**
 - **prices must remain competitive**
 - **co-locate in major shopping precincts with the major retailers**
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