

Drivers of Superstore Shopping: A Case Study of Faisalabad City

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Abstract

The retail sector in Pakistan following western countries is also adopting new formats like modern superstores offering a large number of quality products in good ambiance under one roof. In this exploratory study, the drivers of superstore shopping in Faisalabad city have been singled out through intercept survey of shoppers in selected superstores. The customers/shoppers cited variety and quality of the products offered in these stores as the main reasons for shopping in addition to quantity, display and location of these stores. On overall basis, the shoppers were found satisfied on the above mentioned drivers. These stores can further attract the customers by adding fresh and frozen fruits and vegetables in their product categories.

Key words: Superstores, Retailing, Consumer behaviour, Drivers

Introduction

The rapid pace of globalization has modernized the retailing scenario worldwide. Modern super stores are large scale retailing institutions with very broad and deep product assortment. These stores are gradually replacing the traditional one man show small scale retail shops. The main focus in these stores is on the provision of a wide array of customer services instead of competing on the basis of price. The combination of distinctive, appealing merchandise and customer services are the main attributes that attract consumer towards superstores (Sinha and Banergee, 2004).

In the developing countries, these modern day superstores were considered to be the places where only the rich shop but in the recent past these have spread from the major cities to poorer areas and much smaller towns. This has happened in response to a number of forces like rising incomes, urbanization, increased female participation in the labour force and the urge to emulate western culture promoted largely by globalization through the onslaught of media and

advertising. Besides these, gradual shift in the developing countries towards liberalisation of trade and investment has brought the global supermarket chains onto the scene, together with economies of scale and focus on supply chain management skills (Codron, *et al*, 2004).

The super stores are becoming popular among the customers in the developing countries because of their prime locations and abundant customer services. (Sinha and Banergee, 2004). Recent research has drawn attention to the rapid growth of supermarkets and the resulting structural transformation in the agrifood systems of developing countries (for example, Reardon and Berdegué (2002) for Latin America, and Weatherspoon and Reardon (2003) for Africa, focusing mainly on South Africa).

The super stores are also gaining greater significance and popularity in the Pakistani market by sprouting throughout the country. These contain a wide range of stuff from kitchenware to doormats, from cosmetics to stationary, vegetables to meat under one roof (Awan, 2007). Although super store shopping is providing new experiences and options to shop for the consumer but both retailers and shoppers are currently in an evaluation phase with no clear verdict as to what may drive the choice of stores in the longer term. The newly established stores are able to attract shoppers into stores due to its ambience, but they are finding conversions into purchases to be lower than expected and hence lower profitability for retailers. The Pakistani retailing scenario seems to be driven more by euphoria. The trademark of Pakistani retailing, the small shop with a high level of personalized service, is making shoppers reluctant to depart from traditional ways of shopping. To a large section of customers the new formats are perceived to add insufficient additional value, except for novelty.

In this retrospect, the focus of this study was to identify distinct store features as perceived by the customers and the true drivers of super store shopping behaviour in the evolving retail business in Faisalabad.

Materials and Methods

Given the limited amount of information available on shopping behavior in Pakistan, it was decided to design an exploratory study to identify major preferences among shoppers in Pakistan. It involved a field survey conducted across different stores in Faisalabad. The respondents were approached at the shop after they had finished shopping and were leaving the store. It was felt that shop intercept (exit interviews) would capture the recency effect. It was felt that an interview away from the shop might bring only visualized perception and not the real experience. It would also focus the decision about the choice of store for a specific purchase incidence, since each purchase occasion may actually be a different decision.

The stores selected for data collection included E Mart, Family Mart, City Mega Mart and Bambino. A total of 50 respondents were interviewed almost equally from these stores. A convenience sample was drawn with the objective to capture shoppers buying different products. The data were collected on a questionnaire including questions on various aspects of consumer behaviour and many of these questions designed on likert scale format. The data were then analyzed with help of SPSS. Various statistical techniques like averages and percentages were used to gauge the response.

Results and Discussion

The super store choice is influenced by many factors. During the survey, the information was collected on various parameters and following dimensions of customer choice of super store shopping were found important and have been discussed as under.

Education and Profession

The modern day consumers have greater level of rationality acquired through rising awareness and analytical ability due to rising education level. Education plays major role in shaping the behaviour and attitude of consumers. On this aspect for the data collection purpose, the education level of the respondents was graded according to schooling years. The major part of respondents was graduate people (42 percent), followed by postgraduate and matriculates (26 & 24 percent) respectively. Intermediate and illiterate people constituted 8 percent of the total sample. Profession plays an important role in the shopping pattern of any individual. Among the respondents interviewed students and businessmen were seen the most among the store traffic who were 28 and 26 percent respectively. During the survey from these stores, 26 percent businessmen, 10 percent govt. employees, 22 percent private employees, 28 percent students whereas 7 percent housewives were found shopping from these stores (Table 1).

Table 1: Education Level and Profession of the respondents

Education			Profession		
Level	Frequency	Percent	Type	Frequency	Percent
Illiterate	1	2.0	Businessmen	13	26.0
Matriculate	12	24.0	Govt. employees	5	10.0
Intermediate	3	6.0	Private employees	11	22.0
Graduate	21	42.0	Students	14	28.0
Postgraduate	13	26.0	House wives	7	14.0
Total	50	100.0	Total	50	100.0

Family Size and Distance from the Super Store

The extent of shopping from superstore was also found related with the family size. The findings of study as depicted in Table 2 indicated that more than three fourth of the respondents i.e. almost 76 percent had family size in the range of 5 to 8 members. Only two percent customers with family size of 1-2 and 18 percent having family size 3-4 members were found shopping from the store. The larger sized families have greater requirements for their routine livelihood. Therefore, these shop more oftenly than the smaller families.

The customer residence distance from the super store is also an important factor worth consideration for shopping. Usually, people located near to the stores prefer shopping from these stores. Nonetheless, the importance of the distance is lowered if the customer has greater income, time, conveyance and preference for store buying. In the surveyed stores, the people located within 2 kilometers were 22 percent, from 2 to 5 kilometers 48 percent, 5 to 8 kilometers 22 percent and 8 percent used to come from more than 8 kilometers away from the superstores.

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Table 2: Family Size & Customer Distance from the Super Stores

Family Size			Distance From Store		
Size (No.)	Frequency	Percent	Distance (Km)	Frequency	Percent
1-2	01	02	0-1.99	11	22
3-4	09	18	2-4.99	24	48
5-6	26	52	5-7.99	11	22
7-8	12	24	8-10	02	4
9 and above	02	04	More than 10	02	4
Total	50	100	Total	50	100

Monthly Income and Shopping Expenditure

The monthly income of the respondents is chief determinant which directly affects the volume of shopping from a superstore. According to the findings of the study, 42 percent of respondents shopping from the superstores had a monthly income less than Rs. 20,000, in the range of Rs. 21,000-40,000 were 32 percent whereas 18 percent belonged to Rs. 41,000-60,000 income group. Only 8 percent of the respondents reported their income more than 60,000.

During the survey, the respondents were also asked about their shopping expenditure at super stores. As majority of the respondent did not have very high income level and the super stores shopping has not fully gained popularity, majority of customers (i.e. 54 percent) used to spend less than Rs. 3000 per month on shopping from superstores. The customers spending in the range of Rs. 3100-6000 per month were 36 percent, and just 10 percent were found spending more than Rs. 6000 (Table 3).

Table 3: Monthly Income & Super Store Shopping Expenditure of the respondents

Income			Super Store Shopping		
Income (Rs.)	Frequency	Percent	Expenditure (Rs.)	Frequency	Percent
Less than 20,000	21	42.0	Less than 3000	27	54.0
21,000-40,000	16	32.0	3100-6000	18	36.0
41,000-60,000	9	18.0	6100-9000	4	8.0
More than 60,000	4	8.0	9100-12000	1	2.0
Total	50	100.0	Total	50	100.0

Drivers of Super Store Shopping

Shoppers selected the store due to several reasons as indicated in Table 4. On an overall basis variety and quality were the main reasons. A vast majority i.e. 86 percent of the respondents strongly agreed while 14 percent were agreed that variety of items offered by the super store is the major reason for selection of the

store. Second important reason cited by the respondents was the quality of the products as 74 percent respondents were found strongly agreed, 22 percent agreed and 4 percent neutral. Besides variety and quality; quantity, display and location of the store were the other main reasons for store choice for shopping purposes.

Table 4: Reasons for the choice of super store

Reasons	Strongly Agree		Agree		Neither		Disagree		Strongly Disagree	
	N	%age	N	%age	N	%age	N	%age	N	%age
Variety	43	86	7	14	-	-	-	-	-	-
Quality	37	74	11	22	2	4	-	-	-	-
Quantity	28	56	19	38	3	6	-	-	-	-
Display	26	52	21	42	3	6	-	-	-	-
Location	25	50	12	24	9	18	3	6	1	2

Level of Satisfaction

Now a day’s business organizations focus their customer needs as to increase their profits in the long run. For this purpose, feed back from customers is of prime importance for the business organizations. This feed back helps them to add the attributes to their products which are wanted by majority of the customers.

The Table 5 exhibits the identified drivers of choice of stores as well as the important characteristics of the store that respondents remember after their visit. Across all categories of store, it can be broadly generalized that drivers of store choice seem to be

more basic in nature compared to the general impression about the significant features of the stores visited by the respondents. For instance, the major drivers for choosing a grocery store seem to be variety of products. For variety 80 percent of the respondents were highly satisfied and rest 20 percent were satisfied. The second main feature, which made the customers highly satisfied were the internal environment of the store. However, product variety and convenient timings seem to be the primary impressions about the stores that respondents carried away after visiting them.

Table 5: Level of satisfaction of the respondents after consuming the products

Drivers of Super Store Shopping	Highly Satisfied		Satisfied		Neither		Dissatisfied		Highly Dissatisfied	
	N	%age	N	%age	N	%age	N	%age	N	%age
Variety	40	80	10	20	-	-	-	-	-	-
Environment	34	78	14	28	2	4	-	-	-	-
Service	31	62	19	38	-	-	-	-	-	-
Packaging	30	60	18	36	1	2	1	2	-	-
Quality	26	52	23	46	1	2	-	-	-	-
Quantity	26	52	23	46	1	2	-	-	-	-
Prices	15	30	21	42	11	22	3	6	-	-

Conclusion and Recommendations

The study in hand was primarily an exploratory research on consumer’s behaviour towards superstores in Faisalabad city. The majority of the respondents found shopping in the sampled stores were graduates followed by postgraduates and matriculates respectively. Students and businessmen were seen the most amongst the store traffic. More than three fourth of the respondents had family size in the range of 5 to 8 members and vast majority of the respondents were located within a distance of around 5 kilometers. As majority of the respondent did not have very high income level and the super stores shopping has not fully gained popularity, majority of customers used to spend less than Rs. 3000 per month on shopping from superstores. The customers/shoppers cited variety and quality of the products offered in these stores as the main reasons for shopping in addition to quantity, display and location of these stores. On overall basis, the shoppers were found satisfied on the above mentioned drivers.

The superstore shopping culture in Pakistan is in the evolutionary phases particularly in the cities like Faisalabad. As such there is not any major retail chain operating throughout the major parts of the

countries. Furthermore, these stores usually do not offer fruits and vegetables both processed and fresh as their counterparts do in the western countries. These stores should include more number of products in their offerings particularly fresh and packed fruits and vegetables. It is a common myth among majority of the population in Pakistan that only rich people can shop in these stores and middle and low income group cannot afford shopping in these stores. The superstores should take steps to do away with this myth by incorporating more number of cheaper products in the product mix. Furthermore, these superstore should design their promotional programme in such a way that their message should reach to the customers effectively.

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