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Contents:

Editorial

The current issue of the International Journal of Sales, Retail and Marketing presents some outstanding research papers from all around the world. The journal focuses on challenging and complex area of retailing, sales and marketing in general. Due to the increased competition in those fields and changing patterns of consumption, this area is bound to receive a lot of scientific and scholar attention in the future. There is a lot of space for investigating and for offering implications and strategic decisions to retailers and to all those who are involved in this business.

Current issue of the journal is dedicated to seven research papers of high academic quality written by academics from U.S.A., India, Sweden, U.K., Australia and Germany.
The articles cover the core theories, empirical researches, essential research tools expanding the existing knowledge base about topics in retailing, sales and marketing and we hope that they will be read and cited in the future investigations and relieves dealing with this area

We wish to thank you for following the IJSRM and wish you a successful New Year 2014!

Dr.sc. Mirko Palić

Editor

BRAND BATTLES: ARE STORE BRANDS ACTING MORE LIKE NATIONAL BRANDS?

Ekaterina Salnikova, Neal Hooker & John L. Stanton

Abstract

The purpose of this research is to quantify the actual presence of FOP claims on PL, to compare the frequency of specific FOP claims to the NB over the same time period and to determine the dynamic, improvement of PL over the time period 2009 to 2011.

Methodology: Information for this study came from Mintel's Global New Product Database 2009, 2010 and 2011. There were 10,791 products launched in 2011 in the US database, 8,120 NB and 2,671 PL food and drink products. For 2010: 8,025 NB and 2,784 PL that totally gives 10,809 launched products. For 2009: 5,838 NB and 2118 PL that gives 7,956 food and beverages products launched in US. Two research questions along with two hypothesizes were investigated using descriptive and inferential (Z test) statistics. First is "Are PL companies increasing the number of attributes and benefits displayed on the FOP of the food and beverages products labels?" And the second research question is "Have PL companies reached the NB level of focusing more on attributes and benefits of the food and beverages products other than price?"

Findings: PL companies have increased the total number of FOP they make across all products in the three years from 76% of all food and beverage products with FOP claims in 2009 to 84% in 2011, while not every claim shows the same constant growth. About 80% of analyzed claims were found to be significantly different with the confidence level of 95% and P value<0.05 for the US data in 2011, that allows to claim that percentage of products labeled by nutritional, health or processed claims is not equal for both NB and PL products in US. So PL companies for the most part are including important consumer attribute and benefit information on the FOP of their products. However while making progress PL companies still lag behind NB in both of number and types of claims they make on the in front of their package.

Management implication: PL companies have evidence that just promoting low price may not be the sole benefit consumers are looking for in PL products. PL marketers must continue to focus on added benefits while not losing sight of their need to be a lower price choice. While NB must now see PL as a real competitor on all competitive positions and focus attention not just on other NB but have strategies to deal with the ever more sophisticated and desirable PL.

INTRODUCTION

According to the USDA one of the most striking changes in US food retailing over the past two decades has been the rise of PLs, also known as store brands. Retailers have expanded PL product offerings across the supermarket, and PLs have increased in popularity, as measured by both dollar sales and shares within product categories (Volpe, 2011). The market for PL products has been increasing and enjoying consistent sales growth. PL sales showed growth between 2004 with 16.5% share of market to 17.4% 2011, and forecasted PL food sales will

Dr. John L. Stanton, 5600 City Avenue, Philadelphia, PA 19131 Department of Food Marketing Saint Joseph's University (email: jstanton@sju.edu)
Ekaterina Salnikova Department of Food Marketing Saint Joseph's University
Neal Hooker John Glenn School of Public Policy,Ohio State University

continue to rise by 4-5%, reaching nearly $47 billion by 2016 (Mintel Oxygen Reports, 2011).

It can be shown that price and economy are the biggest attributes that PL has focused on in the past. On average, PLs are priced about 23 percent lower than NBs, both with and without promotions. This gap is smaller than that found in previous analyses using older data, suggesting that these items may have become more comparable in price and quality over time. PL companies are making effort to achieve the level of loyalty, recognition and quality that NB have and to identify themselves as brands according to various industry sources including the Private Label Manufacturers Association in industry meeting and reports (Volpe, 2011). To be recognised as having the same quality as NB, PL companies would be expected to improve the visibility of their products attributes and benefits that consumers are looking for.

Recent trends illustrate the evolution of PLs and their importance in food retailing. For example, the Food Institute Report (2009) notes that PL sales grew an average of 4.5 percent per year from 2003 through 2008.

Sales for packaged NBs fell during the same period. PLs have improved in quality relative to NBs (Consumer Reports, 2009).

They have also increased in total product offerings, as

most supermarkets today offer at least one PL option in nearly all product categories (The Food Institute, 2010).

It will be shown that PL firms used the FOP labels to make clear all the attributes and benefits the "new PL" is offering.

To date most of the academic research on PL has focused on the consumer and the various types of consumers who buy PL and the attributes that consumers may desire in PL such as personality type and PL choice (Herstein et al., 2012), perceived risk and PL choice (Beneke, 2012), shopping events and PL sales (Leischnig et al., 2011, Pepe et al., 2011) or customer loyalty and PL choice (Abdullah et al., 2012; Broyles, 2011). However little academic research has focused on the actual changes in PL packaging and specifically on the FOP claims made on the PL packaging.

It is hypnotized that in order to maintain PL sales and profit, the PL manufacturers and retailers must not only improve their physical products, but must also insure that consumers are aware of the added attributes and benefits the products contain or provide. Since it is documented that PL utilizes mass media far less than NB, they must rely more on the package to communicate the attributes and benefits. Therefore it will be specifically hypothesized that the number of types of FOP claims are increasing over time and that for many of the various types of claims there is no significant different between the presence of FOP claims for PL and NB.

Since FOP claims are the primary vehicles to communicate the PL brand attributes and benefits and a basis for comparison to the branded product equivalent. The purpose of this research is to quantify the actual presence of FOP claims and to determine if they have changed over the time period 2009 to 2011. Additionally the objective will be to compare the frequency of specific FOP claims to the NB over the same time period.

LITERATURE REVIEW

For several years, PL sales have increased. According to PMLA Industry Roundtable the economic crisis made consumers change their purchase habits by looking for cheaper products. Indeed 75% of consumers pay attention to the price of their purchase (Private Label Manufacturers Association, 2010).

However the situation has changed now, in this post-recession period, and this previous assertion is no longer totally relevant. According to Profile of store brands retailers introduce more and more innovation and upscale packaging in PL, which establish retailers more in brands than in pale copies of NB (Doyle, 2007). "Providing more than just cheap alternatives to NB, the newest PL foods woo

shoppers with premium ingredients, portability and health benefits" (Mintel Oxygen Reports, 2011). This change in marketing strategy may appear to be a logical progression of product development some have cautioned this could have a negative impact the image of PL (Halstead et al., 1995). However others have argued that advertising, as opposed to store promotions, can have a positive impact on premium PL sales (Levy et al., 2012).

Indeed the maturation of the PL market enable PL to find a more sophisticated positioning for their product: there is a proliferation of niche sub-brands, such as organic sub-brands, premium sub-brands, ethical sub-brands and others (Berg and Queck, 2010). PL companies explore now new fields in which NB are not.

According to the Mintel survey some PL companies have now products with health and wellness benefits: Safeway's Eating Right, launched in 2007, offers products with a color-code corresponding to specific dietary attributes such as high fiber, low sodium, and low fat (Mintel Oxygen Reports, 2011). Fresh & Easy Markets' Eatwell, launched at the beginning of 2011, is also positioned in healthier products: a list of the nutrients is on the top of the package, which give to the consumer some nutritional indications (Mintel Oxygen Reports, 2011).

A number of PL companies now offer their own line of natural and organic products: for instance O organics launched by Safeway in 2005, and more recently the launch of Simple Truth Organic by Kroger (Mintel Oxygen Reports, 2011).

In addition 35% of consumers say "they would buy more PL if they were locally produce" (Mintel Oxygen Reports, 2011). The area of local is a market where PL companies are about to breakthrough. According to the report The Brand of the Future, they underline the provenance of their products, increasing shopper confidence (Berg and Queck, 2010). Indeed Ms. Faron (senior analyst at Mintel) says, "We found that over half of local shoppers are trying to help their local economy, but they also buy local products for convenience, better taste and the environment. Companies should use these motivations to craft marketing messages that appeal to locally conscious consumers" (The Food Institute, 2009).

There are also more and more premium lines launched by retailers: Safeway Select, Kroger's Private Selection, Supervalu's Culinary Circle, A&P's Food Emporium Trading Company and Schnucks' Culinaria. All these launches demonstrate that PL companies are now ready to innovate and invest in R&D and marketing (Private Label Manufacturers Association, 2007). Moreover these labels are now using technologies to reach consumers: specific shopping platforms for mobile, websites. This goes with the rebirth of respect for supermarkets, based on media and person-to-person stories about cool stores and positive shopping experiences (Berg and Queck, 2010). But it remains no less true that, in the future, PL will have to commit themselves in sustainability with real ethical credentials to convince the consumer (Planet Retail, 2009).

NB still have a bigger power of innovation e.g. Nespresso, money for research and data e.g. Procter & Gambles from consumers, and the trust of the consumers because of their history, their fame and their quality.

But since the PL brands are normally owned by supermarkets, they have more power and they can choose how to advertise their products and use different kind of supports such as floor graphs, shelf-talks (Kumar and Steenkamp Jan-Benedict, 2007). Even the way the supermarket decided on the store atmospherics can influence the evaluation of PL brand (Richardson et al., 1996). The SKU rationalization is an analytical process used to determine the merits of adding, retaining or deleting items. It could lead to an upward of 20% fewer products. Retailers could use this to emphasize their own brands on the shelves (Private Label Manufacturers Association, 2010).

In summary as PL becomes more sophisticated and innovated it will develop its own brand

personality and retailers will be able to influence their store brand image to the advantage of profits, sales and loyalty (Beldiona, 2007)

METHODOLOGY

Data Collection

This study is one of the largest studies of its kind as approximately 28,000 FOP labels for NB and PL products over three years. Information for this study came from Mintel's Global New Product Database 2009, 2010 and 2011 (Mintel's Global New Product Database, 2009, 2010, 2011). GNPD collects and records innovations in the food and beverage industry with up to 62 data elements for each product. Database for current paper includes: product name, brand, company, country, product category and subcategory, positioning claims and mark whether the product is a private label or national brand.

There were 10,791 product labels launched in 2011 analyzed in the US database. It includes 8,120 National Brands and 2,671 Private Labels. For 2010: 8,025 NBs and 2,784 PLs that totally gives 10,809 launched products. For 2009: 5,838 NBs and 2118 PLs that gives 7,956 launched products.

The data includes the following supercategories Food, including Bakery, Sweet Spreads, Breakfast Cereals, Dairy, Chocolate Confectionery, Sugar and Gum Confectionery, Side Dishes, Fruit and Vegetables, Savory Spreads, Meals and Meal Centers, Processed Fish, Meat and Egg Products, Sauces and Seasonings, Desserts and Ice Cream, Snacks, Soup, Sweeteners and Sugar, and Drink, including Carbonated Soft Drinks, Hot Beverages, Juice Drinks, Sport and Energy Drinks, Water, RTDs and Other Beverages.

There were 72 FOP nutritional, health and processed claims identified, 24 claims were excluded from the further analysis, because presence of them was less than on 1% of all launched products. There were Convenient Packaging, Ease of Use, Microwaveable, On-the-go, Time/Speed, Children (5-12), Ethical (Environmentally Friendly Package, Environmentally Friendly Product, Animal, Human, Charity), Caffeine-Free, Antioxidant, Weight Control, Functional (Cardiovascular, Digestive, Immune System, Other), Hormone Free, Calorie Claims, Total Cholesterol claims, Total Fat Claim, Total Sodium Claims, Total Sugar claims, Total Transfat claims, Total Saturated Fat, All-Natural Product, GMO-Free, No Additives/Preservatives, Organic, Wholegrain, High/Added Fiber, High Protein, Vitamin/Mineral Fortified, Cobranded, Economy, Premium, Event/Merchandising, Limited Edition, Seasonal, Gluten-Free, Kosher, Total allergen claims, Total Lactose claims, No Animal Ingredients, Vegan, Vegetarian.

Hypothesis Statements

The current research has been developed in order to determine the extent to which PL products are increasing their usage of FOP claims and to quantify the level of usage of FOP claims by PL companies and level of identifying their products with attributes other that price.

Research question 1: Are PL companies increasing the number of attributes and benefits displayed on the FOP of the food and beverages products labels?

In order to investigate the first research question percentage of claims made on PL food and beverages products labels launched in 2009, 2010 and 2011 in US will be compared and determined for the dynamic.

Null hypothesis 1: PL companies are using more attributes and benefits expressed on the FOP claims from year to year.

$H_{01} : \overline{P}_{PLa}2009 < \overline{P}_{PLa}2010 < \overline{P}_{PLa}2011$,

where $\overline{P}$ = percentage of the product labeled with the same claim,

a = specific claim.

Research question 2: Have PL companies reached the NB level of focusing more on attributes and benefits of the food and beverages products other than price?

In order to investigate the second research question, the percentage of products labelled

with the same FOP claim will be compared for PL and NB.

Null hypothesis 2: Percentage of products with the same FOP claim is equal between NB and PL products.

$H_{02} : \overline{P}_{NBa} = \overline{P}_{PLa}$,

where $\overline{P}$ = percentage of the product labelled with the same claim,

a = specific claim.

Data Analysis

In order to investigate the first null hypothesis stating that PL companies are increasing the usage of FOP claims from 2009 through 2011 in US percentage of each of 48 FOP claim was compared in three periods as well as total amounts of products labelled by any claim in 2009, 2010 and 2011 were compared.

The second null hypothesis investigated is: "The NB and PL products are not significantly different with respect to the percentage of nutritional, health and processed claims made on FOP labels". Thus inferential statistics (Z tests) are used to explore the US NB and PL data. Two-tailed Z tests of the difference between frequencies of use of FOP nutrition claims are employed.

Results

Research question 1

In order to find out whether PL companies have increased the usage of FOP claims on food and beverages products in US from 2009 through 2011 total amount of products claimed by any FOP claim was compared as shown on Chart 1. One can see a constant growth of usage FOP claims from 76% in 2009 to 84% in 2011.

Chart 1: Total percentage of launched food and beverages PL products that have any FOP claims on their labels in 2009-2011
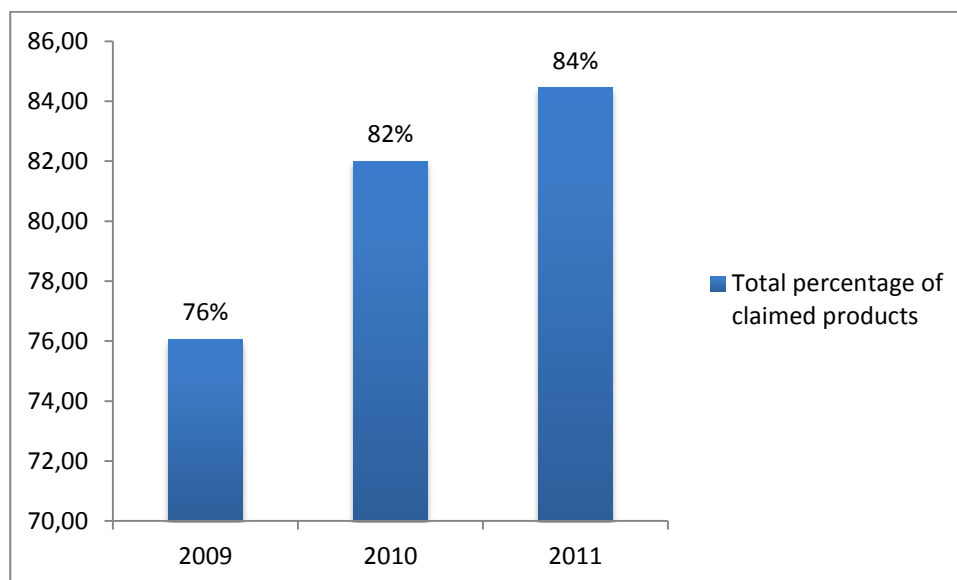
It's worthwhile noting that PL companies have increased the total number they make across all products in the three years of the study as Table 1 below shows. Not every category shows the same constant growth, but the total increasing trend stays the same.

Table 1: Percentage of food and beverages PL products that used FOP claim in 2009-2011

		% PL 2009	% PL 2010	% PL 2011
Convenience	Convenient Packaging	5.48	8.15	6.07
	Ease of Use	7.65	9.34	9.21
	Microwaveable	15.82	16.09	14.46

	On-the-go	1.37	0.93	1.57
	Time/Speed	4.49	6.39	5.39
Demographic	Children (5-12)	2.22	1.90	1.54
Ethical	Ethical - Environmentally Friendly Package	5.38	12.90	15.96
	Ethical - Environmentally Friendly Product	1.23	0.68	0.67
	Ethical - Animal	0.76	0.79	0.75
	Ethical - Human	0.42	0.43	0.67
	Ethical - Charity	0.52	0.61	0.75
Free from	Caffeine-Free	0.61	0.72	1.05
Functional	Antioxidant	1.51	0.97	1.42
	Weight Control	0.00	0.00	0.52
	Functional	1.46	1.40	1.50
	Functional – Cardiovascular	0.80	0.65	0.67
	Functional – Digestive	0.52	0.36	0.34
	Functional – Immune System	0.33	0.36	0.34
	Functional - Other	0.05	0.14	0.19
Minus	Hormone Free	0.66	1.29	1.84
	Calorie Claims	4.06	3.05	3.56
	Total Cholesterol claims	4.49	4.49	4.19
	Total Fat Claim	9.92	10.20	10.00
	Total Sodium Claims	3.40	3.74	3.26
	Total Sugar claims	2.79	2.26	2.70
	Total Trans fat claims	8.22	9.27	8.50
	Total Saturated Fat	0.99	1.08	1.01
Natural	All-Natural Product	6.66	9.55	10.49
	GMO-Free	0.28	0.22	0.49
	No Additives/Preservatives	11.00	12.68	13.67
	Organic	6.80	5.82	4.31
	Wholegrain	2.83	4.02	4.42
Plus	High/Added Fiber	0.52	0.79	3.00
	High Protein	0.57	0.72	0.60
	Vitamin/Mineral Fortified	2.31	3.16	3.18
Positioning	Cobranded	0.80	1.04	0.86
	Economy	8.31	8.84	12.32
	Premium	12.23	9.27	9.81
	Event/Merchandising	0.00	0.18	0.15
	Limited Edition	0.42	0.43	0.82
	Seasonal	4.82	3.41	4.68
Suitable for	Gluten-Free	4.77	5.53	8.61
	Kosher	29.13	35.13	34.16
	Total allergen claims	5.67	6.36	9.63
	Total Lactose claims	0.94	1.44	3.41
	No Animal Ingredients	0.94	1.26	1.69
	Vegan	1.23	1.33	1.76
	Vegetarian	1.65	1.54	1.42

Research question 2

38 out of 48 analyzed claims were found to be significantly different with the confidence level of 95% and P value<0.05 for the US data in 2011. Hence null hypothesis, saying that percentage of products labeled by nutritional, health or processed claims is equal for both NB and PL products in US can be rejected.

In about 85% of the cases the percentage of claims was found to be greater on NB products rather than on PL. Exceptions are Convenient Packaging, Ease of Use, Microwaveable, Time/Speed, Total Fat, Total Lactose, Vegetarian, Economy and Premium Claims. Almost of them are actually attributes and benefits where was no significant difference. Difference showed Total Lactose, Vegetarian, Economy and Premium claims.

It's interesting that among these claims Economy and Premium claims were found to be statistically different in NB and PL with the highest Z values. It means that Price is still the main attribute that PL companies are focusing on. As it revealed in the data PL brands appear to be making progress with some attributes and benefits represented on NB also. It's clear that a primary benefit of PL is and will continue to be the price. But it should also be pointed out that not only prevalence of Economy, but also of Premium claim is greater on PL product that means that PL companies have started to emphasize fact of improving their product and making them to be competitive to leading premium-quality NB.

However the positive tendency of PL usage of FOP claims in general can be noticed. One can see that group "Convenience" is widely represented on PL as well as NB. And in four out of five representatives of convenient group PL products show more percentage of convenient claims. "Minus" and "Suitable for" groups also shows pretty low Z values that means that PL are right behind NB products.

There occurs to be less PL products in this analysis labeled with Functional and Natural groups of claims. This is where the highest Z values can be traced.

Anecdotally consumers appear to be paying attention to health attributes of the food products as well as demonstrating and increasing popularity of healthy life-style and lots of launching healthy food programs and policies. So by increasing health advantage of the product and then prevalence of Functional claims on the FOP PL company might significantly reduce existing gap between them and NB and possibly attract much more new costumers.

The same situation appears to be with Natural group of FOP claims. The three most important and apparently currently in vogue with consumers are the processed claims of "All-Natural", "GMO-free" and "Organic" in this group show pretty high Z values that says about high statistically significant difference between usage of those on PL and NB products.

Table 2: Prevalence of FOP claims on National Brands and Private Labels, USA, 2009/2011

Group of the claim	FOP Claim	Prevalence on NB, %		Prevalence on PL, %		Z test			
						2009		2011	
		2009	2011	2009	2011	P value	Z value	P value	Z value
Convenience	Convenient Packaging	5.52	5.97	5.48	6.07	0.95	0.07	0.86	-0.17
	Ease of Use	6.44	8.57	7.65	9.21	1.93	-1.83	0.32	-1.00
	Microwaveable	11.65	11.31	15.82	14.45	0.00	-4.65**	0.00	-4.11**
	On-the-go	2.16	2.44	1.37	1.57	0.01	2.50*	0.00	2.93*
	Time/Speed	4.49	4.63	4.49	5.39	1.00	0.00	0.12	-1.54
Demographic	Children (5-12)	3.63	3.87	2.22	1.54	0.00	3.50*	0.00	7.29*
Ethical	Ethical - Environmentally Friendly Package	11.10	17.65	5.38	15.95	0.00	8.93*	0.04	2.06*
	Ethical - Environmentally Friendly Product	1.92	3.14	1.23	0.67	0.02	2.31*	0.00	9.86*
	Ethical - Animal	0.79	0.99	0.76	0.75	0.88	0.15	0.24	1.18
	Ethical - Human	2.00	2.00	0.42	0.67	0.00	6.82*	0.00	5.96*
	Ethical - Charity	2.77	3.20	0.52	0.75	0.00	8.49*	0.00	9.55*
Free from	Caffeine-Free	1.11	1.47	0.61	1.05	0.02	2.29*	0.08	1.75
Functional	Antioxidant	3.75	3.73	1.51	1.42	0.00	6.16*	0.00	7.42*
	Weight Control	0.00	1.63	0.00	0.52	-	-	0.00	5.56*
	Functional	4.61	5.33	1.46	1.50	0.00	8.30*	0.00	11.19*
	Functional – Cardiovascular	1.54	1.77	0.80	0.67	0.00	2.93*	0.00	5.10*
	Functional – Digestive	1.15	1.07	0.52	0.34	0.00	3.00*	0.00	4.59*
	Functional – Immune System	1.10	1.10	0.33	0.34	0.00	4.15*	0.00	4.71*
	Functional - Other	0.91	1.60	0.05	0.19	0.00	6.48*	0.00	8.70*
Minus	Hormone Free	1.16	2.22	0.66	1.83	0.03	2.24*	0.21	1.25
	Calorie	6.22	6.12	4.06	3.56	0.00	4.05*	0.00	5.74*
	Total Cholesterol	5.19	5.94	4.49	4.19	0.19	1.32	0.00	3.72*
	Total Fat	9.61	9.35	9.92	10.00	0.69	-0.40	0.33	-0.98
	Total Sodium	3.24	4.06	3.40	3.26	0.72	-0.35	0.05	1.98
	Total Sugar	5.89	6.00	2.79	2.70	0.00	6.58*	0.00	8.06*
	Total Transfat	10.55	9.98	8.22	8.50	0.00	3.25*	0.02	2.33*
	Total Saturated Fat	1.49	1.66	0.99	1.01	0.06	1.87	0.01	2.72*
Natural	All-Natural Product	15.69	18.20	6.66	10.48	0.00	12.53*	0.00	10.56*
	GMO-Free	2.24	3.76	0.28	0.49	0.00	8.69*	0.00	13.06*
	No Additives/Preservatives	15.42	17.56	11.00	13.67	0.00	5.33*	0.00	4.95*

	Organic	9.23	7.84	6.80	4.31	0.00	3.66*	0.00	7.18*
	Wholegrain	4.85	5.64	2.83	4.42	0.00	4.41*	0.01	2.59*
Plus	High/Added Fiber	0.92	4.08	0.52	3.00	0.04	2.03*	0.01	2.73*
	High Protein	2.19	2.22	0.57	0.60	0.00	6.46*	0.00	7.31*
	Vitamin/Mineral Fortified	3.94	3.31	2.31	3.18	0.00	3.93*	0.74	0.33
Positioning	Cobranded	2.06	1.64	0.80	0.86	0.00	4.67*	0.00	3.41*
	Economy	0.53	1.15	8.31	12.32	0.00	-12.81**	0.00	-17.27**
	Premium	7.73	6.98	12.23	9.81	0.00	-5.68**	0.00	-4.41**
	Event/Merchandising	0.91	1.34	0.00	0.15	0.00	7.31*	0.00	8.06*
	Limited Edition	1.90	2.08	0.42	0.82	0.00	6.48*	0.00	5.33*
	Seasonal	5.24	7.51	4.82	4.68	0.44	0.78	0.00	5.64*
Suitable for	Gluten-Free	8.96	13.37	4.77	8.61	0.00	7.04*	0.00	7.20*
	Kosher	30.80	36.53	29.13	34.14	0.15	1.44	0.02	2.24*
	Total Allergen	10.59	15.04	5.67	9.62	0.00	7.64*	0.00	7.79*
	Total Lactose	1.39	1.96	0.94	3.41	0.09	1.70	0.00	-3.78**
	No Animal Ingredients	2.02	3.04	0.94	1.68	0.00	3.85*	0.00	4.33*
	Vegan	2.48	3.15	1.23	1.76	0.00	4.00*	0.00	4.35*
	Vegetarian	1.92	1.90	1.65	1.42	0.42	0.81	0.08	1.73

* Statistically different Z value beyond α=0.05 where NB>PL

** Statistically different Z value beyond α=0.05 where PL>NB

Additionally Z test of the difference between frequencies of use of FOP nutrition claims has been done for the US data in 2009. The results are shown on the Table 2 as well.

It's interesting to note that there were 12 FOP claims that have shown no significant difference in 2009 versus 10 in 2011. That means that PLs show increasing difference from NBs. While the general tendency of presentation of FOP claims stays the same, some interesting changes can be traced.

For example, PLs have reached the same level of usage Caffeine-Free, Hormone-Free and Vitamin/Mineral Fortified claims as NBs have. But PLs appeared to become different from NBs in 2011 unlike in 2009 in Total Cholesterol, Total Saturated, Seasonal, Kosher and Total Lactose claims.

step for the PL industry because it's further evidence that PL brands are acting like a brand and not just a "cheap choice."

The second conclusion is that while making progress PL companies still lag behind NB in both of number and types of claims they make on the in front of their package.

There is the opinion of the authors that in order to not just grow unit sales but to increase margins PL companies must continue to match NB in terms of how they represent their brand on the front of the package.

This research can be advanced by an analysis at the product class level in order to determine whether significatly more progress has been made within some product groups which may be macked by group averages.

CONCLUSION

There are two conclusions that can be drawn from this research. The first is that PL companies for the most part are including important consumer attribute and benefit information on the FOP of their products. This is an important

Management implication

There is advice to both the PL and NB marketers. PL companies have evidence that just promoting low price may not be the sole benefit consumers NB must now see PL as a real competitor on all

competitive positions and focus attention not just on other NB but have strategies to deal with the ever more sophisticated and desirable PL. The battlegrounds have changed.

The second implication is that not all benefit areas are being attacked by PL products. Either because the PL company can't provide those benefits or a lack of desire to move into those brand positions. Therefore NB should focus on areas that remain less crowded with PL brand claims. Find the uncontested grounds and do

battle there. It suggests the NB innovation will be more important in the future if they are to maintain not just sales but especially profits.
 are looking for in PL products. They now appear to trust the retailers and their brands and are searching for less costly alternative which does not cause them to compromise to get a lower price. PL marketers must continue to focus on added benefits while not losing sight of their need to be a lower price choice.

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CHINESE DIRECT INVESTMENTS IN GERMANY – STATUS QUO, PERSPECTIVES, THREATS AND OPPORTUNITIES FOR CHINESE INVESTORS

Bernd Britzelmaier

Abstract

Through the change of the Chinese strategy not only focusing on foreign direct investments but considering outward direct investments, perspectives, threats and opportunities arise for Chinese investors. After illustrating various aims and strategies and crucial location factors for direct investments, the attractiveness of the German market is displayed and key success factors for Chinese investors are discussed based on existing obstacles.

Keywords: *foreign direct investment (FDI), outward direct investment (ODI), China, Germany*

INTRODUCTION

The People's Republic of China (PRC) is the most populous country and one of the biggest economies worldwide. With an average growth of the gross domestic product (GDP) of 10.3% during the period from 2003 till 2009, China shows a spectacular trade performance till today [1]. Valued at the purchasing power parity, China was ranked second in 2010 [5]. Among others, this growth is the result of the two main strategies in the Chinese openness policy which are known as "inviting in" and "going global". Both strategies are ways for the integration in the on-going economic globalization [2]. Within 30 years, China has moved its economy from the isolationist position to the center of trade network [3]. Based on the "going global" strategy, Chinese outward direct investments (ODI) are steadily increasing and reached in 2010 a volume of USD 68.81 billion, which is an increase by 21.7% compared to 2009 [4].

Prof. Dr. Bernd Britzelmaier, Pforzheim University, Pforzheim, Germany.
(email: bernd.britzelmaier@hs-pforzheim.de)

This paper outlines the development from foreign direct investments (FDI) in China to Chinese ODIs, discusses aims and underlying strategies as well as the question, why ODI in Germany are attractive for Chinese investors. Afterwards key success factors for Chinese investors will be demonstrated.

From FDI in China to Chinese ODI

In the past, China wanted to attract foreign investors for different reasons which are the creation of new jobs, the access to know-how and technology and the raise of the standard of living [6][10]. The policy changes concerning the FDI were incremental. Starting in 1978, the first step was the establishment of special economic zones, like the provinces of Guandong and Fujian or the cities of Shantou, Shenzhen, Zhuhai and Xiamen, which were opened for foreign investments. This first stage was followed by policy incentives, like the Provisions of the State Council of the People's Republic of China for the Encouragement of Foreign Investment, beneficial tax policies and financial support. In 2001, China joined the World Trade Organization (WTO) which is seen as a starting

point for an extensive liberalization of their economy [6][7].

Based on statistics of the Ministry of Commerce of the People's Republic of China, the realized FDI value increased from USD 0.92 billion in 1983 separated in 638 projects to USD 114.7 billion in 2010 divided in 27420 projects [7]. Although this shows a tremendous enlargement, astonishingly the value of USD 114.7 billion corresponds to only 2.8 per cent of the total investment in fixed assets [8].

Independent from that, FDIs are playing an essential part to overcome the economic domestic problems. The State Council published a circular letter to investment incentives for foreign investors ("Several Opinions of the State Council on Further Utilizing Foreign Capital"). Essential points among others are [9][10]:

- Support of foreign investments in high tech, renewable energy and other sectors
- Revision of the "Foreign Investment Industrial Guidance Catalogue"
- Investment incentives in the automotive sector, the logistics, information technology, petro chemistry, mechanical engineering and other sectors
- Preferential and improved supply of land for particularly promoted branches
- Tax and duty reliefs for the construction of regional head offices, research centres as well as developing, logistics and finance management centres

Legal basis for FDIs in China is the Catalogue for Guidance of Foreign Investment Industries which regulates industries which are promoted, permitted with or without regulations or forbidden to invest. Depending on the volume of the investment either centralized or local authorities are responsible for approval. In addition, corresponding regulations for FDIs in China among others are as follows [10]:

- I Investment Foreign of Guidance ndustries for atalogueC

- Catalogue for Import encouraged Technologies & Products
- The Law of Foreign Capital Enterprises
- The Law on Chinese-Foreign Equity Joint Ventures
- The Law on Chinese-Foreign Contractual Joint Ventures
- etc…

As part of the Chinese 10th Five-Year-Plan, the "Going Global" strategy (Chinese: Zouchuqu) is the official policy in order to encourage international competiveness and secure the supply of key resources [11][2]. Since beginning of the 2000s the ODIs of Chinese companies are steadily increasing, thus the year 2000 is named as the starting point of Chinese Investments abroad [2][4], although the first ODIs were made in late 1970s in Hong Kong which was at that time a British colony. Through the accession to the WTO, the necessity for Chinese ODIs got essential. China liberalized its domestic market which led to investment opportunities to domestic and foreign investors respectively. To avoid losing competitiveness, China had to provide international business know-how to the domestic management teams to maintain domestic market shares and to increase the influence abroad [2]. Chinese ODIs are also part of the national policy administrated by the National Development and Reform Commission, the Ministry of Commerce which is in charge of controlling and authoring the ODI projects as well as the Ministry of Finance which serves finance projects. Last-named implemented in 2007 the Chinese sovereign wealth funds (Chinese Investment Cooperation) with the aim of making long-term national and international investments [2].

The development of Chinese ODI and the allocation to different geographical regions is illustrated in table 1.

Table 1. China's Outward FDI flows by region and selected countries 2004-2010 (unit: USD millions).

Region	Year						
	2004	*2005*	*2006*	*2007*	*2008*	*2009*	*2010*
TOTAL	**5497.99**	**12261.17**	**17633.97**	**26506.09**	**55907.17**	**56528.99**	**68811.31**
Asia	**3031.99**	**4484.17**	**7663.25**	**16593.15**	**43547.50**	**40407.59**	**44890.46**
Hong Kong	2628.39	3419.70	6930.96	13732.35	38640.30	35600.57	38505.21
% of Asia	*86.69%*	*76.26%*	*90.44%*	*82.76%*	*88.73%*	*88.10%*	*85.78%*
Africa	**317.43**	**391.68**	**519.86**	**1574.31**	**5490.55**	**1438.87**	**2111.99**
Europe	**2046.77**	**2166.65**	**597.71**	**1540.43**	**875.79**	**3325.72**	**6760.19**
Germany	27.50	128.74	76.72	238.66	183.41	179.21	412.35
% of Europe	*1.34%*	*5.94%*	*12.84%*	*15.49%*	*20.94%*	*5.39%*	*6.10%*
Latin America	**1762.72**	**6466.16**	**8468.74**	**4902.41**	**3677.25**	**7237.90**	**10538.27**
North America	**126.49**	**320.84**	**258.05**	**1125.71**	**364.21**	**1521.93**	**2621.44**
Oceania	**120.15**	**202.83**	**126.36**	**770.08**	**1951.87**	**2479.98**	**1888.96**

a. Based on Statistical Bulletin of China's Outward Foreign Direct Investment [4]

In the recognised period, Chinese ODIs rose significantly from USD 5.5 billion to USD 68.8 billion which is equal to an increase by more than factor 12. Compared to other economies worldwide, China's ODI flows and stocks took global shares of 5.2% and 1.6% respectively, thus China plays up to now a rather minor role [4].

Aims and Strategies of Chinese Direct Investments

Reasons for Chinese ODI are multifarious and can basically be divided in two purposes. In the first case, Chinese Investors try to strengthen their competitive position in the Chinese market. The main aims be followed, is to transfer technology and know-how or to valorized Chinese products through well-established brands. In the second case, the focus for Chinese investors is to get access to the foreign market, the customer base and the management know-how. The intention therefore is to continue the business but to transfer essential parts of

purchasing and production to China due to the competitive advantageous in this field. The

target company is typically limited to the departments of research and development, production of key components, marketing and (after-) sales [12].

Based on a survey by KPMG, main objectives of Chinese outward investment strategies is to achieve geographic growth (59% of respondents), followed by the target to build up a global profile and reputation (41%) and a diversification strategy (33%) [15]. Another strategic aim is the access to natural resources. To supply the increasing demand, Chinese oil giants like China National Petroleum Corporation (CNPC), invested in the oil industry in different countries, including Angola, Iran, Kazakhstan, Sudan, Venezuela and Yemen [13][10]. Therefore China is investing in

geographically and political sensitive regions. As a result of this natural resources procurement, global economic and political balances can be disturbed [14].

In addition, China need to invest internationally to achieve an appropriate interest yield for the huge foreign currency reserves [10]. The Chinese Investment Corporation as China's sovereign wealth fund is financed by government bonds whose investors expect a hurdle rate of return [2].

The survey of KPMG was also focused on the way, how companies invest or plan to invest abroad. The majority of respondents prefer either joint ventures or direct M&A-activities (both 36% of respondents). In both cases, the intention of the Chinese Investor is to gain the majority of the company [15].

After discussing motives for Chinese outward investments, the question to discuss is to identify crucial factors for direct investments and why Germany is getting attractive for Chinese investors.

The European attractiveness survey created by Ernst & Young shows that especially in a fast changing business environment, international decision-makers are looking for investments which are protected by the rule of law, a location with a well-developed logistics and telecommunications infrastructure as well as potentials to increase the productivity of the company [18]. The results of the survey with 812 respondents are displayed in the following figure.

Chinese ODI in Germany

Figure 1. Crucial factors for decision on a location to establish operations [18]
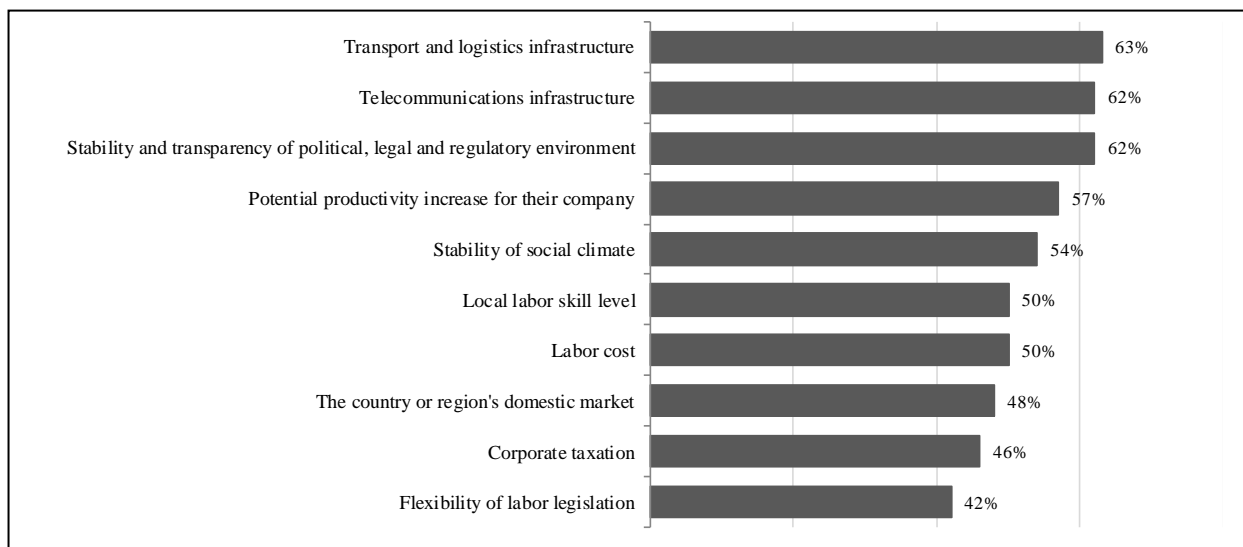
Another survey based on 814 international decision makers about the attractiveness of investments regions figured out, that Western Europe is the second most attractive region worldwide after China, followed by Middle-East Europe and North America. Looking at the development of attractiveness, Western Europe lost its top position successively. In 2006 68% of

respondents assessed Western Europe as the most attractive region in the world, whereas in 2010 this percentage declined to 38. The attractiveness estimation of Germany in this time slightly reduced from 18% in 2006 to 12% in 2010. Focusing on single countries Germany is ranked on the 5th place after the emerging countries China, India and Russia and the

economy of the USA. The attractiveness of a region in this case is determined by the factors image, trust of investors and the estimation that the region offers the most potential for the foreign investor [16].

Looking at the European countries foreign direct investments went in 2011, the United Kingdom maintained its position as leading FDI destination but fell by 7%. Germany ranked on 2nd position and therefore outpaced France.

Germany benefits from its position as leading economy in Europe, from strengths in manufacturing and exporting and a positive economic outlook [17]. Last named is also reflected by the expectation of decision makers, that Germany will profit by a high degree of the financial crisis [16]. Table 2 shows the Top 5 European countries for FDI in 2011 and the recent development.

TABLE 2. TOP 5 EUROPEAN COUNTRIES FOR FDI

Rank	Country	Number of projects					Number of jobs 2011
		FDI projects 2010	FDI projects 2011	Change 2010 vs. 2011	Change 2009 vs. 2010	Share of total FDI 2011	
1	United Kingdom	728	679	-7%	7%	17%	29,888
2	Germany	560	597	7%	34%	15%	17,276
3	France	562	540	-4%	6%	14%	13,164
4	Spain	169	273	62%	-2%	7%	9,205
5	Netherlands	115	170	48%	6%	4%	2,229
	Others	1,632	1,647	1%	N/A	43%	86,062
	Total	**3,757**	**3,906**	**4%**	**14%**	**100%**	**157,824**

b. Based on Ernst & Young [17][18]

More than one third of all FDI project can be allocated in the three main engines business services and software, automotive as well as innovation and technology. As requirements for these engines, investors expect a high educational level, high research and development expenditures and well-developed automotive industry [18].

The discussion shows, that especially the infrastructure, the qualification of the employees, the availability of research and development are crucial factors for the attractiveness of an investment region. The survey of Ernst & Young identified for the German economy a high assessment in the location factors logistic infrastructure (85% very appealing or fairly appealing), communications infrastructure (82%), qualification level of employees (82%) and in the availability and quality of R&D (78%). This estimation is also verified by a study of the American Chamber of Commerce in Germany [19] and is reflected by the development of Chinese ODIs in Germany which is displayed in Figure 2 [20].

Figure 2. Chinese ODI in Germany (unit: DM/EURO millions)
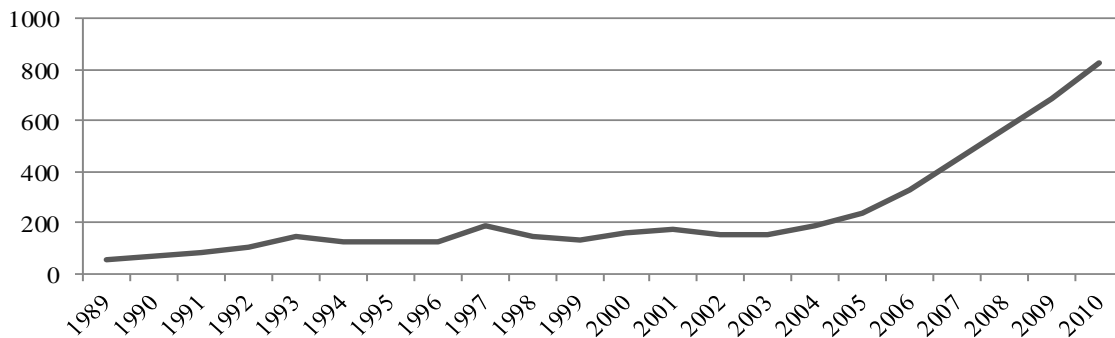
Recent M&A activities were for example the acquisitions of the AEG concern through Techtronic Industries in 2005, the purchase of the Parchim Airport through Link Global Logistics

Key success factors for Chinese investors

The following chapter gives an overview about obstacles, identifies mistakes and detects key success areas for successful M&A activities in Germany. The argumentation is based on the before-mentioned KPMG survey with 156 responses [15].

Based on this survey, Chinese investors which have already undertaken M&A activities described the post-deal integration quite different. While the assessment of 14% of respondents is "excellent", 35% describe the integration efforts as adequate and 22% as inadequate. This can be referred to the fact, that companies started planning the integration differently. While the majority started for post-deal integration at least three month before the deal was completed, about 43% started shortly before, at or after the deal was completed. Main difficulties which arise during the post-deal integration relate to the generating of synergies (49%), cultural issues (47%) as well as organizational designing and HR-related problems (both 43%) [15].

Apart from problems in the post-deal integration, most serious mistakes which are made refer to the missing of a clear strategy and

[21] or the acquisition of Medion through Lenovo with an investment volume of EUR 629.4 million [22].

objectives and to an inadequate due diligence. Table 3 displays serious mistakes that finally inhibit a value-adding [15].

Similar results show an analysis of failed Chinese investments in France. The reasons which can be identified are [23]**Pogreška! Izvor reference nije ronađen.**:

● Lack of experience
● Too ambitious targets and intercultural problems
● Lack management experience in an international environment and insufficient knowledge of the domestic market
● Insufficient know-how about laws and regulations of the local market

According to these potential obstacles five key success factors for Chinese investors can be identified when planning M&A activities in Germany to improve the likelihood for a successful investment[15]. These are [15]:

● A clear vision, a well-defined strategy as well as a clear deal structure
● A full understanding of targets, the own financial strength and a strong management to explain the vision to all stakeholders; in addition the recognition of regulatory and governmental issues as well as post-deal considerations
● A clear decision making process, knowledge

of competing bidder and the ability to react flexible on changing determining factors

● An identification of the own knowledge and the willingness to work with an advisory team

● A clear communication, a consideration and planning of post-deal phase in an early stage

CONCLUSION AND OUTLOOK

After illustrating the development from China's "inviting in" to the "going global" strategy and the recent expansion of outward direct investments of China, the paper discusses aims and strategies for ODIs. These relate mainly to the geographical growth, the wish to get access to raw materials or to acquire know-how, technology and brands. The paper also points out what factors are crucial for FDIs and demonstrate indicators for the attractiveness of the German market and the development of Chinese ODIs in Germany. In the last chapter

common obstacles based on a KPMG survey and key success areas are identified which could help Chinese investors to avoid that investments are fail. These areas are the vision and strategy, the target identification and capability, the negotiation and execution, the use of external support and the implementation and integration.

As a conclusion it can be stated that Chinese ODI are up to now quite small but have an enormous potential to grow. Chinese investors are facing several problems when considering and planning ODIs and therefore has to take care of the mentioned key success areas. Chinese investors can also learn from mismanagement of non-Chinese companies investing in China. Chinese ODIs are not only be beneficial for Chinese investors, but can also be an opportunity for German enterprises to improve their position internationally.

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A COMPARATIVE STUDY OF RETAIL SCENE OF TWO EMERGING MARKET INDIA AND SOUTH AFRICA - AN EXPLORATORY STUDY

R.K.Srivastava

Abstract

Purpose: *The purpose of this paper is to compare the retail operation of a two emerging markets – India and South Africa through exploratory study. It focuses with study on developing retail as a brand, consumer perception of private label, pricing policy, and security system in retail stores and legislative systems.*

Design/methodology/approach: *Data collection is in Mumbai, India and Port Elizabeth, South Africa using the store visit and interview method. Five managers from South Africa and 30 from India interviewed for this study. Fifty consumers each in South Africa and India participated in qualitative research.*

Findings: *Research indicates that Store related factors such as store location, appearance and hygiene, service quality, convenience of trading hours, and consistency in store layout predominantly influenced participants in their patronage of a specific store format. In India and South Africa, convenient stores patronizing is due to location. In application of technology in retail store South Africa is ahead of India. Malls have a good scope as their share to total retail segment is not more than ten percentage in these two emerging segment. Both the market is comparable but in South Africa application of technology is more in advance stage compared to India*

Originality/value *–This is for the first time in emerging markets such research carried out. This will be of great help to existing retail outlets and new comers planning to come to emerging markets.*

Key words: *Retail Store, Emerging market, Comparative study*

INTRODUCTION

The retail Sector is the most booming sector in many of the emerging economies. Some of the biggest players of the world are going to enter the industry soon. The retail industry is on the threshold of bringing the next big revolution after the IT sector in the emerging market. IT gave jobs to many educated people in emerging market. Similarly, organized sector is providing jobs too many educated people (HT, 2013).It

DR.R.K.Srivastava, Prof and HOD, Sydenham University of Mumbai-150 years of standing

expects that organized retail sector will improve their share in retail sectors. Although organized retail sector is not very strong in current scenario in these markets but expected to grow manifolds by the end of the current year in emerging economies. The government policies of opening the retail sectors for outsiders for growth will enable the organised sector to grow better when compared to present scenario. Emerging markets pass through windows of opportunities, which remain open for an average of 5 to 10 years. Modern retail can spur market economy by introducing significant

productivity improvements. For example, from 1995 to 2000, Brazil experienced a wave of market entry by modern retailers. Prior to 1995, productivity numbers for the country's retail market stagnated. Since then productivity has increased. Productivity improvements are even more impressive in China. While not retail specific, the inflow of FDI into China's brown and white goods sector in part contributed to their productivity growth of 39 % and 30%, respectively (A.T.Kearney report,2010). Retail sector is growth driver for emerging market as organized sector contribution is less compared to unorganized sectors (Srivastava,2008).Organized retail sector will generates jobs(HT,2013).Therefore, studying the development of organized retail sector in emerging market is the focus area of research. The knowledge on retail practices will help others to understand these two emerging market better.

Reasons for taking India and South Africa for study: Ten big emerging markets like Mexico, Brazil, Argentina, South Africa, Poland, Turkey, India, Indonesia, China, and South Korea, located in every part of the world, will change the face of global economics and politics. Across the Atlantic, South Africa, with a population of 41 million, represents over 45 percent of the GDP of its entire continent of Africa. Several African countries should be on the radar of international retailers as they seek growth opportunities in emerging markets, according to a new report from Deloitte and Planet Retail.(Planet -Deloitte report,2011), The other BRIC economies of Brazil, Russia and India led the way, along with rising stars such as Mexico,Indonesia,Nigeria and Turkey now called MINT . Robert Gregory, Global Research Director at Planet Retail, said: "Wal-Mart's entry into South Africa this year has thrown the spotlight on a region that has typically been overshadowed by Asia, Latin America, the Middle East and Eastern Europe when talking about future retail growth (Planet -Deloitte

report, 2011). Therefore, South Africa along with India selected for the study. South Africa along with India is part of BRIC countries, which are influencing the growth of the world economy.

Therefore, the aim of this paper is to compare the retail operation of a two emerging markets – India and South Africa through exploratory study. It focuses with study on developing retail as a brand, consumer perception of private label, pricing policy, and security system in retail stores and legislative systems. This is for the first time in emerging markets such research carried out. This will be of great help to existing retail outlets operators and new comers planning to come to emerging markets.

Retail Scene in India

Organized retailing, absent in most rural and small towns of India in 2010, refers to trading activities undertaken by licensed retailers, that is, those who are registered for sales tax, income tax, etc. These include the publicly traded supermarkets, corporate-backed hypermarkets and retail chains, and the privately owned large retail businesses. Unorganised retailing, on the other hand, refers to the traditional formats of low-cost retailing, for example, the local mom and pop store, owner manned general stores, paan/beedi (beetle-nut and cigarette)shops, convenience stores, hand cart and pavement vendors (ICRIER Report,2007, Editorial,2008.).Retailing is one of the pillars of the economy in India and accounts for 22% of GDP.The retail industry divided into organized and unorganised sectors. Over 14 million outlets operate in the country and only 4% of them being larger than 500 sq ft (46 m^2) in size (Srivastava, 2008). Indian shopping takes place in open markets and at millions of independent grocery shops also called kirana shops (pop and mom store). Small retailers have improved their services to cater to Indian consumers. Credit limits and home service are helping them to hold on to their customers. Recent study in India

reports that retailing focus is changing towards satisfying the different hierarchy of needs of customers. (Srivastava 2008, 2010, 2013)

The Indian retail sector in the organised sector is booming and mall growth is a clear indicator of economic prosperity in India. These shopping cum entertainment options improved including sporting multiplexes and food courts to woo shoppers. Dominant retail activity is visible in the top cities but tier II and III cities are also witnessing change. Food, groceries and apparel purchase by customers contributed to 52 percent. On an average 75 percent of customers, spend about 1-3 hours in the mall. (Srivastava 2008, 2010)Malls with multiplexes such as cinema theatres, food courts, and play-places for children are becoming the centre for family outings. Food, groceries and apparel purchase by customers contributed to 52 % of the total sales of these retail-outlets (Srivastava2008,2013). Small retailers have improved their service to cater to Indian consumers. Credit limits and home service are helping them to hold on to their customers. Retailing focus is changing towards satisfying the different hierarchy needs of customers. (India Report,2009) .Organised retail sector is predicted to grow at over 20 per cent annually and touch $23 billion by 2010 indicating that there is room for more players(Srivastava,2008). The galloping retail bandwagon is to have a significant impact on the employment scene in India .As for foreign retail majors, Wal-Mart's arrival has come even as they have been waiting for a clear-cut foreign direct investment (FDI) policy. At present 51 percent, FDI is in single brand retailing and retailers are hoping that it be extended to multi-brand outlets. The Rs 18,673 billion (US$ 401 billion) Indian retail market has only 6 % of itself as organised retail segment as of 2010, according to Booz and Co (India) Pvt Ltd.Remaining 94% are in unorganised sector. Hence, there is a great potential to explore by domestic and international players. The Business Monitor International's (BMI) India Retail Report for the fourth-quarter of 2011 forecasts that the

total retail sales will grow from US$ 411.28 billion in 2011 to US$ 804.06 billion by 2015(IBEF,2011)

The phenomenal growth of retail in India is in the rapid increase in number of supermarkets, departmental stores and hypermarkets in the country. However, this growth trend challenged by the shadow of the current economic slowdown, which has raised a fear of dip in consumption and slowdown of growth for Indian organized retailers (Ghosh et. al 2010)

Retail scene in South Africa

The South African retail industry is the largest in the sub-Saharan region and positioned as the 20th largest retail market in the world.South Africa is a developed retail market and the economic powerhouse of southern and sub-Saharan Africa. South Africa's GDP is expected to grow by 3-4% in the coming years and consumer spending – 61% of GDP – is likely to remain high for many years (S A Retail Marketing trends, 2010).BMI's Q110 South Africa Retail Report forecasts that the country's retail sales will grow from US$63.28bn in 2009 to US$101.52bn by 2014. Key factors behind this will be underlying economic growth, rising disposable income, falling unemployment, increasing urbanisation and the emergence of a black middle class. With the population, increasing from 49.2mn in 2009 to an estimated 51.7million by 2014, GDP per capita is to rise by 55% by the end of the forecast period, reaching US$9,103. (BMI Report, 2011) Consumer spending per capita will increase from US$4,260 in 2009 to US$6,133 by 2014 (Research and Market Report, 2011). Foreign visitors to South Africa boost consumer spending. In 2008, according to Statistics South Africa (SSA), there were 9.5million tourist's arrivals – 5.5% increase over the previous year. Spending by visitors rose more than 23%, to ZAR74.2bn (US$9.5bn). The FIFA World Cup in 2010 reversed the slowdown of 2009. It helped the South Africa economy.

According to BMI data (2010), retail sub-sectors that are to show strong growth over the forecast

period include consumer electronics, sales of which are expected to increase from US$6.24bn in 2009 to US$9.86bn by the end of the forecast period, a rise of more than 58%. Sales of over the counter (OTC) of pharmaceutical products are to increase by nearly 73%, from US$0.42billion in 2009 to US$0.72billion by 2014. Automotives sales are to rise by 59%, from US$7.97billion in 2009 to US$12.67billion in 2014. Retail sales for Middle East and Africa (MEA) countries in 2009 amounted to an estimated US$407.66billion, based on the varying national definitions. Total consumer spending for the region based on BMI's (2010) macro-economic database amounts to US$704.94billion.

In 2009, the UAE, Saudi Arabia, Egypt and South Africa together accounted for an estimated 78.4% of regional retail sales, and their combined share is to rise to 81.3% by 2014. For South Africa, the estimated 2009 market share of 15.5% is to rise to 15.9% by 2014. In 2005, the United Nation as economically active described 64.1% of the South African population, with 37.7% in the 20-44 age range, which is important for retail sales. By 2015, 64.3% of the population is to be economically active, while the proportion of those in the 20-44 age range is forecast to reach 38 %.(Research and Market report, 2010). Growing urbanisation is also contributing to a vibrant retail sector, with a 26% increase in the number of urban households between 1994 and 2005. In 2005, less than 58% of the population was classified by the United Nation as urban and this is likely to increase to more than 64% by 2015(Research and Market report, 2010).

Supermarkets dominate the retail sector with the under developed hypermarket model. While nationally grocery retailing is into modern stores for those with higher incomes, and a largely traditional, informal sector is patronised by the majority of people (Planet retail, 2010). However, South Africa's modern grocers have prioritised expansion into lower income levels as a priority over international expansion, which is likely to encourage the move away from traditional retailing, although such a shift is expected to take decades.The African retail scene, has had the spotlight shone up due to Walmart's acquisition of South African retailer Massmart. South African retail sales' growth unexpectedly accelerated to 8.3 percent in September 2011 as the Reserve Bank kept the benchmark lending rate at a 30-year low to support the economy as global growth weakens. The median estimate in a Bloomberg survey of 12 economists was for a 6.5 percent increase (Bloomberg,Nov.2011) Encouraging consumers to spend during the current economic down turn is currently the focus of retailers in South Africa. Judging from the content of their advertising, major retailers are adopting strategies that are similar to what the American retailing industry is using.

Wal-Mart's acquisition of Massmart, however, not only gives it a foothold in the key South African market but also a presence in 13 other African markets – ranging from Botswana to Zambia. With the world's largest retailer now active in the continent, it seems likely that other leading global retailers will investigate opportunities in the region for themselves9 Planet -Deloitte report,2011) Foreign retailers are likely to use South Africa as a springboard into other promising markets on the continent. Africa is home to over 1 billion people and whilst it is only beginning to attract the interest of global investors, those retailers that make the early moves will be best placed to capitalize on the opportunity when Africa becomes the next big global growth story, probably in the 2020s(Banjo, Shelly,2012).

Retail players in the two emerging market:

Archie's, Bata India Ltd, Big Bazaar, Crossword, Ebony Retail Holdings Ltd., Fabmall, Food Bazaar, Globus Stores Pvt. Ltd., Health and Glow, Liberty Shoes Ltd., MTR Foods Ltd., Music World Entertainment Ltd., Pantaloon Retail India Ltd., Shoppers Stop, Style SPA Furniture Ltd, Titan Industries, Lifestyle, etc are the leading players

in India. Globus has achieved customer delight by presenting value products and services through continuous improvement. It has a team of dedicated and passionate employees maintained by constant training. ITC Company has made a presence in the Retail sector through its exclusive specialty store - 'Wills Lifestyle'. It has developed itself as a fashion destination offering a range of apparels and accessories.Cross-word has established itself as a lifestyle bookstore, with bright interiors and enough space for movement, suitable for all kinds of people. The simple and intelligent modifications in the store such as electronic point of sales, proper classification, and a dedicated helpdesk helped to improve the service. Tata Group founded Trent Ltd. in 1998 through the acquisition of a London-based retail chain Littlewoods. Shoppers' Stop is famous for the expertise and acumen relating to the current practices of the industry. It provides quality services, products and the right kind of shopping environment. Pantaloon Retail is the flagship enterprise of the Future Group. Pantaloon Retail (India) Limited has spread across various businesses and cities in India. Pantaloon owns multiple retail formats and is able to cater to a large section of the society (Srivastava, 2009).

Considering the lack of globalisation, South African retail companies, particularly their food retailers, are large in comparison to other retailers around the world. Between the release of the Global Powers of Retailing 2010 report and the 2011 report mentions that , Shoprite Holdings rocketed from a global ranking of 130 into the 95th position. It is an impressive movement compared to country is other retailers, but such upward movement on the global retailing stage is truly impressive. Pic 'n Pay and Massmart Holdings experienced similar upward movement on the 2011, but SPAR group lost significantly in the global retail revenue ranks. Two new South African companies broke onto the Global Powers of Retailing list in 2011. One of the South African newcomers is Woolworths, which ranked as one of Australia's

largest retail chains. Woolworths Holdings Limited (JSE: WHL) is a South African chain of retail stores and one of the largest in the country, modelled on Marks & Spencer of the United Kingdom. This relationship with Britain's Marks and Spencer formed after the Second World War, which led to the retailer buying all of the UN -issued share capital of Woolworths in 1947.This cooperation has helped Woolworth to develop modern retail outlets.

Retail format in the two emerging market:
Indian scenario: Different types of retail formats are functioning in India and South Africa. Mom-and-pop stores (next door neighboring store) are generally family –owned business catering to small section of the society. They are small individually run and handled retail outlets in India. *These types of stores are common in both the countries*. Another type of stores, which are called category stores, are small in number but offer exclusive range of a category of products to consumers. They are coming up in India.They specialise in fields like electronics,sports,watches .Another form of retail outlets which are popular are departmental stores.They are general merchandise retailers offering various kind of quality products and service.They can be found every where in India.Smaller products such as beverages, snacks are some of the items that can be bought through vending machines. At present, it is not very common in India *unlike* in South Africa where such stores are common.

Many malls too have come in India. They are the largest retail formats .Malls provides an ideal shopping experience by providing products and services along with food and entertainment under one-roof.Indian examples are Sahara, TDI, Inorbit and DLF malls which are popular. This has increased the organized sector contribution to 9 percentage in India (HT,2011). Other store formats available in India are   specialty store, co-operative store run by group of people under low profit margin. Another format is Hyper city, which are large self service outlets offering a

variety of products with deep assortments.These stores contributes 30% of all food and grocery sales.Big bazar in India is a leading player in this segment. There is no warehouse club membership store in India.Pantaloon,big bazar,Shopperstop,infinity mall,inorbit mall,Oberoi mall are few examples of known retail brands in India. Emergence of modern retail in India is not just a result of increasing consumer-buying power – manufacturers and unorganized retailers also have an important role to play in this process at the macro-level. At the micro-level, the trigger came from diverse angles like entrepreneurial desire to provide better service to consumers, social desire to provide relief to the masses in the form of lower prices, desire to capitalize on emerging business opportunities being provided by the changing business environment, (Sengupta, 2008)

Retail formats in South Africa: Mom-and-pop stores or convenient stores are most common like India. The Pick n Pay Express store network is a partnership with BP and uses BP's existing forecourt infrastructure and fuel dealer network to operate the stores. At Present Pick n Pay express operates 12 stores nationally. A general supermarket retail store in South Africa is Checkers - major brand after Shoprite. They operate throughout South Africa and in Namibia. They focus more strongly on fresh produce and offer a wider range of choice food items to a more affluent clientele. The Shoprite chain is the biggest business unit. It is also the brand, which is outside the borders of South Africa and is spear heading the Group's growth into new markets under the same segment. Other format is hard discounter's retail stores in South Africa. Usave is a no-frills discounter initially focused on the lower income consumer but now increasingly becoming a preferred shopping destination in its own right. Not only is it an ideal vehicle for the Group's expansion into Africa but also allows far greater penetration on the lower end of the market within the borders of the country.There are stores whch takes care

based on segment approach like sports, electronic appliance, pharmacies etc.

Importance of retail format: The format of a retailer is important as the overall appearance and feels of the store format represents the store personality to consumer. The format, together with range, pricing and marketing, is one of the key determinants of a retailer's success. There is increased sophistication in the shopping pattern of customers, which has resulted to the emergence of big retail chains in most metros; mini metros and smaller towns being the next target. Customer taste and preferences are changing leading to radical transformation in life styles and spending patterns, which in turn is giving rise to new business opportunities in India. Considering the diversity in terms of taste and preferences prevailing in India, the retailers may go for experimentation to identify the winning format suited to different geographies and segments.

Some of the new formats are Fashion Station, fashion accessories; fashion apparel for plus-size individuals, home furnishings, books and music and Consumer electronics in India .There is an emergence of Wholesale Clubs in India. Landmark group also operates through multiple formats such as hypermarket (Max), departmental store (Lifestyle), Shoe mart and Funcity8. Such experimentation and identification of an appropriate format for the local conditions would separate winners from losers in India, possibly implying multiple formats could be the reality in the end. Pantaloon Retail India Ltd is an example of that in Indian scenario. Hypermarkets have emerged as the biggest crowd pullers because regular repeat purchases are a norm at such outlets.

Lifestyle changes have a very important impact on retail sales and shopping behaviour. New retail formats developed to cater for these changing needs. Lifestyle centres are developed mainly to offer the shopper a different shopping experience. This can include offices, residential units, hotels, theatres, conference facilities and

retail. Melrose Arch is the best example of a mixed-use development in South Africa and there are a number of these developments in the pipeline. The homeware sector of the retail market has grown exponentially over the last seven years. This resulted in the opening of more homeware stores including Mr Price Home, @ Home, Home Etc., the expansion of Boardmans, Wetherleys, Weylands, Woolworths Homeware Department, and others in South Africa.

Need for the study: The big emerging markets are the key swing factor in the future growth of world trade, global financial stability, and the transition to free market economies in Asia, Central Europe, and Latin America. South Africa is the most advanced, productive, and balanced economy in all of Africa, not to mention the most vibrant democracy and the most potent military force. It has a modern infrastructure, highly sophisticated industries in finance, communications, transport, and energy, as well as several home-grown multinational companies. It has one of the most advanced stock exchanges in the world. Its market absorbs products from all of Africa and its companies provide critically essential goods and services for all of its neighboring countries. (Word press report, 2011).

India, with a population of 1200 million, including a "middle class" of well over 100 million people, is vast by any standard. It has a diversified industrial base, with large-scale production of coal, steel, cement, chemicals, heavy machinery, and textiles. Its' highly trained and educated workforce has helped to make it one of the world's largest exporters of computer software.India has a sophisticated commercial and legal code. Like the others, it has placed economic progress at the heart of its national policies, and in just the last few years it has succeeded in opening its economy to the rest of the world. *The comparative study of these two emerging market in retail sector has not been studied in the past*

Therefore, the aim of the study was to study the retail sector of two emerging sectors-India and South Africa. The objective was also to compares different retail format and their functioning .It touches on consumer profiling and on branding of retail outlets. The other part of the study was to understand the security systems and problems faced by the retailers, importance of private labels, importance of pricing, rules and regulation in these two emerging market .

Literature Review: Retail industries are an important part of today's economy. They employ a large fraction of the labour force, play a key role in the adoption and diffusion of new information technologies, and are to the development and configuration of urban life. (Aguirregabiria et al 2007). In the United States, Canada, and parts of Western Europe, retail has reached domestic market saturation, while emerging markets remain relatively untapped (Srivastava, 2009). Developing economies offer tremendous potential for future growth and organizations appreciating these consumers' requirements stand to reap considerable returns.(Greenland, and Coshall, ,2006).It is important to realise that management can not be effective unless it has some understanding of the way in which retail consumer make decisions and act in relation to consumption of retail products. Growth in the retail sector over the years has been due to steady economic growth, an increase in disposable income and high consumer confidence (Srivastava, 2010).

Factors affecting consumers' choice in India and South Africa: Consumers' experience in the retail stores is a relational process, which explains as per their interaction with space, products and the other people. Many retailers believe that a majority of purchases are unplanned, so they spend heavily on in-store marketing to stimulate these types of purchases. At the same time, the effects of' pre-shopping factors on the shoppers' overall trip goals, store-

specific shopping objectives, and prior marketing exposures are largely unexplored. (Bell et al 2011). For marketing factors, the most important factor influencing the purchase is product quality and safety, followed by convenience of shopping, pricing, store service, store layout/displays and promotion (Petchdakul, 2010). Shoppers' age, gender, occupation, education, monthly household income, family size and distance travelled to store have significant association with retail format choice decisions (Cherukuri and Aryasri, 2011)

Consumers in emerging economies are more tolerant of ineffective customer service. Guthan and Erasmus(2008), instigated an investigation into controllable elements of the service offering in a specific context in South Africa, namely, appliances sales departments in retail stores.Store related factors such as store location, appearance and hygiene, service quality, convenience of trading hours, and consistency in store layout predominantly influenced participants in their patronage of a specific store format. Furthermore, product-related factors such as quality, price, product range and convenient packing enhanced consumers' store preference in South Africa (Jacobs et al 2010). *Similar research finding was also reported by srivastava (2010) for India* .Managing this particular retail format in Indian culture needs an understanding of India and customers' perception towards the discount store format. Shopping motives changes based on culture, retail format, economic and social environment (Mittal and Prashar, 2010).

 Many retail organisations initially found it difficult to cope with the needs of non-white customers and forced to make changes to the way in which they operated their businesses in South Africa. (Paul and Freathy, 2011) Changing consumer lifestyles have led to the relatively new trend in the South African retail market-- the emergence of convenience stores as a shopping destination. Wholesalers and retailers typically own these stores. With convenience

stores open for longer hours, South Africans have found this format to be a safer and more time-saving shopping experience(Thomas white report2011) South African economy is a consumer-driven economy, much like the United States where consumer spending accounts for two-thirds of the GDP. The retail sector has managed to overcome the worst of the recession thanks to the resilience of South African consumers and the improving spending power of the emerging middle class, albeit at a slow pace. The fact that interest rates have held steady at 5.5% and consumer inflation has eased to 3.5% towards the end of 2010 bode well for the economy (Thomas white report2011).

Branding of retail store: *Indian scenario*: Retail stores are using celebrity as endorser of brands as a form of promotion. Television Audience Measurement (TAM) Media Research found a 49-percentage growth in celebrity advertising. There are many studies conducted on celebrity endorsements, but there is no study, which has done exclusively to understand the perception of consumers about celebrity advertising for retail brands. Customers prefer film actors as well as sportspersons for retail advertising, but they prefer female celebrities to male celebrities. Among film actors, they preferred Amitabh Bachchan, Shahrukh Khan and Aamir Khan, and from sportspersons, they preferred Sachin Tendulkar, Mahendra Singh Dhoni and Yuvraj Singh (Jain, et al 2009). They would like to see celebrities mainly for sensory products like clothing, fashion and accessories and beauty products; whereas for cerebral products like books and healthcare products, they would not prefer celebrities (Jain, et al 2009) Hoarding and press advertising are also extensively used in India for brand promotion of retail stores.

South African scenario: Usage of celebrity in South Africa has not yet fully utilized. Branding activity done through more on hoarding, print advertisement.Sales promotion in South Africa is the key tool to promote the retail out lets similar to India

Not much comparative data are available on India and South Africa.Both the market are promising emerging markets.They are the growth drivers for the world economy.Therefore retail sector comparative study was undertaken

METHODOLOGY

A retail survey based on the observation study and consumer surveys is undertaken to compare the retail format of the two emerging market as *very little effort has been devoted to understand their approach towards consumers in south Africa and India.* A qualitative research approach is used and data were collected using semi-structured interviews with open-ended questions. The benefit of qualitative research is its ability to allow the investigator to gain depth and to address the 'how and why' questions (Yin, 2003). Researchers suggest that a qualitative approach may yield important insights.

Store managers and consumers purchasing in the retail store participated in the retail survey in India and South Africa. Store managers, who participated in the research, handle malls dealing in different types of products like cosmetics, apparel, food and groceries. The interview consists of questions based on steps taken to build retail as a brand, **c**onsumer perception of private label brands, **s**ecurity system on purchase & prevention of theft, pricing and packaging, legislation and regulation, **a**pplication of social marketing by retailers, merchandising in retail store and segmentation by retail stores. Questions are informal and open-ended and based on feedbacks of the respondents and observation of the interviewer. It is a qualitative research. This study was done to understand the difference in retail scene between two emerging market-South Africa and India in 2012.

Sample Design:

A visit to South Africa planned in collaboration with Nelson Mandella State University, Port Elizabeth is to do survey and prepare a comparative study on retail stores of two emerging countries. Over thirty retail outlets, each from India and South Africa surveyed for qualitative research. Five managers from South Africa and 30 from India interviewed for this study. Fifty consumers each in South Africa and India participated in qualitative research. As it was more of observation, research the focus is more on Managers than consumers. Consumer survey was more on finding their opinion on certain observations like perception of private label brands, **s**ecurity system. Volunteers from University in South Africa accompanied the author for the suvey.As it was a comparative study on retail out- lets the focus on consumer were less and it was more an observational study accompanied with photographs of the retail outlets. The Indian study conducted in Mumbai-Financial capital of India with same procedure. The questionnaire was more of an open-ended question than close ended.

Retailer's managers were selected based on their availabilty and willingness to participate in the study.The objective of the meeting the managers were to discuss the methodology of their retailing practices and also allow the authors to take picture in order to understand the operation of the ratail outlets in these two countries. *As it is more of the discussion and observation, the study was more of a qualitative nature*.

Data collection: It bases on the photograph and very informal questionnaire while interviewing the managers of the retail outlets and consumers. Therefore, there was no need to use statistical tool.This is a major weakness of this study. Many managers (n=7) were reluctant to give data and express their opinion. They were not considered. Consumers in South Africa are more conservative in giving their opinion compared to Indians.

Results and discussion:

The phenomenal growth in retail sectors in the emerging market has attracted the attention of many players and researcher alike. Retail scenario is changing with the golabalisation.Retail managers approach to

changing needs of the consumers are also changing .A comaparative study of two emerging market can give a understanding for those who are planning to enter in to the these two large emerging retail segment of the world. Taken together, the "BRIICS" (Brazil, Russia, China, India, Indonesia and South Africa) have been an important engine for world growth through this crisis, and they account for a growing share of global output (Economic reform policy, 2010).The study divided in different segments.

i. **Branding of retail stores:**

Brand image and brand positioning are two distinct but related constructs in international brand transfer. The contact point for most customers with the retail organization is through the store. Consequently, the perceptions that consumers have of store image are central to establishing the retailer as a brand. A positive store image identified as one of the important determinants of economic success in retailing (Steve and Alexis 2006).

The ShopRite holding, a retail group, has multinational operation with shoprite customers to low possible price seekers group similar to Big bazzar of India.However; it is observe that they have checkers for high end customers. This is not the case with big bazzar of India, which has only one-segment seekers of value for money. Big bazar in India has not thought of creating another brand based on demographic segment, which Shoprite has done well in south Africa.It, is quite possible as there are three distinct different types of culture in South Africa compared to India, which has multiple culture, based segments, which are equally large enough to attract. Middle class is the bigger segment in India. Therefore, one has to build certain image and reputation in order to position the retail store. Reputation, often conceptualized as an individual's perceptions regarding how relevant others view the object of interest (e.g.,organizations, brands, and people), is similar to constructs such as "perceived external prestige" or "construed external image"

(Ahearne et al 2005) Ultimately, a manufacturer's reputation is gauged on the basis of evaluations of past interactions and various other information sources.

Product mix.

Shoprite in 1998 started money market counter in South Africa besides routine product mix. Customer can buy cell phone any time, prepaid electricity at the designated counters besides money transfer and pay for postage stamps, water accounts, municipal rates and taxes, telephone account, flight booking, life insurance. The shoprite product mix in South Africa is an innovation form when compared to Indian operation.Retailers often use national brands to attract customers.

Ii.Consumer **perception of private label brands:**

Introduction of a store brand is likely to increase retailer's profits in a product category if the cross-price sensitivity among national brands is low and the cross-price sensitivity between the national brands and the store brand is high (Raju et al, 1995).Private label are also known as store brand. Private brands are taking the lead in the creation of responsible assortments as well as in the quality of the information provided to consumers (Isabel and Valor, 2012)

In South Africa Raymond Ackerman introduced this concept through pick n pay Store (Prichard D 2005). In India too due to rapid expansion, retailers seized the opportunity to gain a stranger foot- hold in the market through private label.

According to walker (2006) private label brands are often viewed as lower price brand. Internationally private brands constitute an average of 19% of the total retail market share with some exception in Switzerland and UK fast approaching to 50:50 split (Beneke 2010). South Africa private label brands presentation is 8 percentages compared to India with 10 percentage (Planet retail 2008). According to Paul martin, global sales manager, with the rapid change in retail format, it is likely to go to 13percentage India and11 percentage in South Africa (Walker 2006). Therefore, there is great

scope for Wal- mart, Carrefour, Tesco, Metro, and Target to expand their operation in emerging markets like India and South Africa.

In south Africa despite high retail concentration enjoyed by the major supermarkets chains private labels have not achieved success(Beneke,2010).Same hold true in India too(Srivastava,2009). As percentage is only marginally higher, it is possible as both in India and South Africa convenient stores are patromised due to location.Success of private label brand is dependent on country's retail structure (Jin and yang 2005,). As per study, deal seekers becomes regular user of private label brands (Kumar and Steenkemp, 2007).According to Beneke (2010) perception among South African towards the private label was negative (66%) in their attitude towards private brand on quality. Therefore, South African consumers seem his resistant to embrace private label brands to the full(Beneke2010).In India perception towards private label is also not very high (Srivastava2010)

With an estimated 7-8 percentage share in the $400-billion industry, organised retailing in India is still at a nascent stage. Private labels constitute roughly 10-12 percentage of the organized retail product mix, thereby accounting for a small share in the total retail market. (ET report, 2010). Private label is still an emerging concept in the Indian environment. The experience of mature markets shows that the success of private labels hinges on the strength of the retail brand. The success of any retailer determines by how they take a balanced mix approach of building a unique business model to cater to Indian consumers and plugging-in the demand gaps by offering selective private labels. Private label brands are very successful because they offer many advantages to the consumers. Consumers affected by many internal factors like demographic, personality and lifestyle and many other factors while purchasing apparel. Consumers are also affected by many external factors like brand image, price, design and

quality while buying private label apparel brand(Krishna, and Vilakshan2011).

Iii. **Security system on purchase & prevention of theft:** Most retailers have little to no protection at their main and side entrances. Lack of knowledge and equipment leads owners vulnerable to theft on a large scale. Retail managers and associates dedicated to making the store look visually appealing to the customer do not always factor in these problems. According to the 2006 National Retail Security Survey by Hollinger, retail operations suffered an average annual inventory shrinkage percentage of 1.57percentage in 2006. According to the survey, shrink is divided into 5 categories: (46.8%)employee theft, (31.6%) shoplifting,(14.4%)administrative error, (3.75%) vendor error, (2.86%) unknown error .Although most retailers experience a shrink percentage of less than 2%, some smaller retailers often experience monthly and annual average shrinkage percentages as high as 20%.. Businesses also feel the impact of shoplifting from a variety of thieves; everyone from the professional thief to the petty shoplifter. The outcome of either type of shoplifting is the same – loss of merchandise and profit for business. The amount of loss impact on profit can be significant.

South African stores are having a better system through application of electronic surveillance and recording of purchase. Due to linkage of the store through electronic system chances of theft is less when compared to India, India still has physical checks.Thus,new mall coming in India will have to consider this aspect. Inter connected stores in the mall allows the consumer to move from one store to other store without keeping the purchased products any where. Consumer and retailer have more confident due to this system in South Africa compared to Indian multi retail outlet format malls. Retailers in India are seeing about one-and-a-half to two times more theft compared to others. In India, apparel retail and confectionary suffers the most (India retailing,2011) Indian

retailers reported the highest loss of stocks to theft in the world for the fifth year in a row in 2011, with about half of the loss attributed to shoplifting by customers. India's shrink rate, or loss of stocks because of thefts by customer, employees and suppliers, as a percentage of sales was 2.38 percentage costing local retailers Rs3,470 crore, according to the fifth annual edition of the Global Retail Theft Barometer, an annual survey conducted by the Centre for Retail Research in Nottingham, UK(Mint report,2011),

iv. Pricing and packaging: As packaging's role in the marketing mix gains momentum, research into this arena becomes increasingly important, some argue that that packaging serves as a promotional tool rather than merely an extension of the product. Keller (1998) considers packaging to be an attribute. While the main use for packaging can be considered to protection of the goods inside, packaging also fulfils a key role in that it provides us with a recognisable logo, or packaging, so that we instantly know what the goods are inside. The packaging has to provide consumers with the right cues and clues – both at the point of purchase and during usage. The first decisive moment is about obtaining customers attention and communicating the benefits of the offer. The second moment of truth is about providing the tools the customer needs to experience the benefits when using the product (Löfgrun, 2005,) Packaging plays a particularly vital role in categories which have low involvement (e.g.impulse purchase categories like chocolates). In these categories, consumers tend to be driven by in-store factors and extrinsic cues, as they have neither the desire nor the need to comprehensively investigate and assess all the offerings available to them.

Packaging has gained importance in India as rising incomes have changed consumer preference, from loosely sold or not-attractively packaged products, to ones packaged well and have good pack quality at retail stores. (ET, 2011)

The rise of nuclear and double-income families has seen a major change in consumer preferences, with the result that the packaged food business is one of the fastest growing. Indian snacking has transformed as consumers seek convenient, healthy and novel snacking alternatives. Diminishing culinary skills and the increased demand for convenience is changing the perception of snacking products and the associated consumption occasions. Lifestyle changes and mealtime fragmentation have created demand for healthy 'hunger busters' or between-meal snacks. Religion, language, dialect, value system, food habit, economic buying power, tradition are all attributes that clearly demonstrate the complexity in India (Halepete et al., 2008) The majority of middle age segment consumers with qualification of graduation and post graduations prefer to buy packaged food(Sanjay and Bishnoi,2011)

In developing markets such as South Africa, the pack size can mean the difference between the success and failure of a brand in the informal sector. Smaller packages and portions priced at a lower absolute level – making the product more readily affordable to a greater proportion of the population. Some examples of success in this regard include smaller Sunlight and Omo packs servings – which have increased the penetration of these brands substantially. The popularity of single cigarettes and smaller packs for analgesics has proven that "good things really do come in small packages". Where smaller packages are not available, entrepreneurial individuals often buy the product and transfer it into smaller non-branded packaging for resale – which completely nullifies all the branding benefits of the original pack. (Alice and Kimberhttp 2011)

There is barcode system in South Africa. Indian packing norms ,which stipulates price to printed and visible on the pack along with, the bar code which is not mendatory.This was the diference observed on the pack .Consumer is more aware of pricing structure of a company while visiting a retail store in India compared to south African

market which do not print price on pack. Indian Prefer environmentally friendly products and attach high utility to products that represent this information pictorial on the packaging (.iimb.2010)

v. Legislation & Regulation: Both the emerging market has made changes that have permitted rapid expansion of pharmacy chain. This chain store appears to be lower price greater champion. However, in South Africa, this chain of pharmacy store is much more when compared to Indian scenarios. In India, individual owners manage majority of stores as per this study. Thus, there is great scope to start wellness clinic along with pharmacy store in India. This will give Indian consumer advantage, which they are not enjoying when compared to South Africa. Sales of prescribed drugs are strictly on prescriptions in South Africa compared to India as per study. Consolidation in South Africa has resulted from a recent legislative change, while India drives by refinement of existing legislation and changing markets forces. In these two countries, recent changes have permitted rapid expansion of pharmacy chains. The early effects of these chains appear to be lowered prices, greater competition and the closure of independent pharmacies (Richard and Dominic, 2009).

Private expenditure on medical health care in both the emerging market is higher. Therefore, there is growing demand for opening of retail chain store in India and South Africa. Dis-chem and click are the large-scale retail outlet in South Africa, which is in addition to selling pharmacy, is on health and home furnishing. This is not the case in India. Retailing in medicine in India is still single owner driven. Apollo and Forties have few retail chain stores in India. Thus, there could be a good hope to start wellness clinic with pharmacy store in India.The change in legislation has led to growth of retail chain store in medicine in India and South Africa (Lowe & Montegu2009).

vi. Application of social marketing by retailers: Social marketing is the systematic application of

marketing, along with other concepts and techniques, to achieve specific behavioral goals for a social cause. Many retailers in emerging market have done excellent work in building the brand through social marketing approach. Kool-Worth in South Africa did an excellent work by selling product of organic origin. This is similar to work done by Tata Star bazar retail outlet chain stores in India .They have created special image in the market.This has helped them to create its own brand equity achieving sustainable competitive advantage through social market by a major retailer in South Africa. Shoprite has involved community in developing products and selling the same. This has helped the under privilege people to sell their products in the market through them. South African organized retailers are ahead of Indian organized retailers on this parameter according to our survey. There are very few Retailers using this form of promoting their stores in these emerging markets.

vii. Merchandising in retail store: Merchandising is the methods, practices, and operations used to promote and sustain certain categories of commercial activity.In the broadest sense, merchandising is any practice that contributes to the sale of products to a retail consumer. Having the right merchandise in stores at the right time at the lowest cost is critical to success in today's increasingly competitive market place. At a retail in-store level, merchandising refers to the variety of products available for sale and the display of products in such a way that it stimulates interest and entices customers to make a purchase. In retail commerce, visual display merchandising means maximizing merchandise sales using product design, selection, packaging, pricing, and display that stimulate consumers to spend more. This includes disciplines in pricing and discounting, physical presentation of products and displays.Purchase frequency and displays, and customer characteristics, such as household size and gender, affect in-store decision-making. (Inman et al 2009)

This annual cycle of merchandising differs between countries and even within them, particularly relating to cultural customs like holidays, and seasonal issues like climate and local sporting and recreation. The study shows that learning and development are critical areas of operations for retail companies. Retailers who can provide consumers with products that simplify their lives will be winners. Today's consumers do not have time to decipher or even absorb all the marketing and advertising information. In these circumstances, retailers must do the job for them and provide them with solutions rather than too many options. Many retailers believe that a majority of purchases are unplanned, so they spend heavily on in-store marketing to stimulate these types of purchases. At the same time, the effects of 'pre-shopping' factors-the shoppers' overall trip goals, store-specific shopping objectives, and prior marketing exposures-are largely unexplored. Bell et.al, (2011) focused on these out-of-store drivers and, unlike prior research, use panel data to 'hold the shopper constant' while estimating unbiased trip-level effects.

Merchandising in South Africa is more open and visible from distance compared to Indian stores.Red, blue, green colours are widely used with red get more prominence in South Africans stores compared to Indian stores.where colour is subtle and not bold. Store related factor such as store location, appearance and hygiene, service quality, convenience of trading hours and consistency in store layout predominantly influenced consumer in South Africa (Sunelleet al, 2010).

Development of mega malls in India is adding new dimensions to the booming retail sector. While most of the Indian retailers have a well-staffed learning and development function, there is significant scope for improvement in areas like adopting newer learning technologies, infrastructure and vendor management. Indian consumer influenced by the same retail factors. However, unlike South Africa where there is consistency in store layout, Indian retailers do change them periodically to bring in the innovation in their approach (Sunelle etal2010). Quantity price, product range and convenient packaging affect store performance in India (Srivastava, 2008). Convenience, merchandise mix, store atmosphere and service are the three major factors which would meet the Indian shopper (Ghosh et al,2010) More than 60percentage consumers perceive product range, store layout, shopping convenient, promotional schemes, product pricing, customer service, employee behavior, store ambience as factors to visit the organized retail store in India (Dalwadi et al,2010).

viii) Segmentation by retail stores: The concept of market segmentation proposed as an alternative market development technique in competitive markets. Segmentation in business markets should reflect the relationship needs of the parties involved and based solely on the traditional consumer market approach. Many times shopping crowd can clearly segment based on income group. Shoprite in south Africa is mainly patromised by upper class of people.Pick and pay is yet another store which is attracting customers for low price in South Africa .In India Big-bazzar ,West side ,Shopper stop have differentiated themselves based on income group(Srivastava,2008).Sales promotion is a usful tool to segment and attract consumers. Discount coupons lead to a 35percentage greater increase in the promoted brand's sales than bonus buys offering the same level of discount (Dhar and Stephen 2009). Concept of "Trolley Shopper" bought most of their groceries in one weekly shopping trip to the supermarket. The "Basket Shopper" made smaller purchases on a more regular basis, are practiced both in India and South Africa.Younger crowd is more attracted to Shopper Stop in India due to their approach in providing trendier clothes compared to West side stores in India. Entry of big players like Wall mart, Metro, Ikea will creates competition. Recent study on impact of mall on small retailers says that it has benefited the consumers more than retailers in India

(Srivastava, 2013).Similarly; strong consumer sentiments will give government protection to small retail stores in South Africa (Banjo Shelly, 2012)

Table1. Summary of the comparative study

Point of Study	South Africa	India
Branding of retail stores	This concept actively followed in South Africa.	Retailers perceive it as a part of business.
Consumer perception of private label brands	Private label concept is new in South Africa. Only 11% are of private label	Private label is emerging methods to improve profitability. It has more acceptance compared to South Africa
Security system on purchase & prevention of theft	It is much better compared to India	It has to develop and is prime concern. Usage technology like South Africa will help to improve the same
Pricing and packaging	Bar coding, more prominently used but printed price visible on the pack not observed in South Africa. Smaller packs are more preferred.	As per law, printing of price is compulsory and consumers like it. Smaller packs are more preferred.
Legislation & Regulation	Pharmacy law is not well developed. Retail chain of pharmacy store in South Africa is more developed...	Pharmacy law is well developed but retail chain of pharmacy not fully developed compared to South Africa
Application of social marketing by retailers	Involvement of community in developing products and selling the same –South Africa is much ahead	Involvement of community in developing products and selling the same –India lacks behind
Merchandising in retail store	-South Africa where there is consistency in store layout. -Store location, appearance and hygiene, service quality, convenience of trading hours and consistency in store layout predominantly influenced consumer in South Africa	-Indian retailers do change them periodically to bring in the innovation in their approach more often. - Convenience, merchandise mix, store atmosphere and service are the three major factors which would meet the Indian shopper
Segmentation by retail stores	Income, age are widely used to segment the retail customers in South Africa. Trolley Shopper and Basket Shopper are frequent Shoppers	This is similar to South Africa. Basket Shopper are more frequent Shoppers in India

CONCLUSION

Brick countries have been an important engine for world growth in recession. Studying the different retail formats in two emerging markets is useful for international retail stores. Challenges do differ from country to country. Adopting a country specific culture will give the retail store a greater success. Consolidation in South Africa has resulted from recent legislative changes while India got the benefits earlier (Lowe et al ,2009). .In many areas both the countries differ in adaptation of newer techniques. Therefore, there is good opportunity for new entrant to differentiate its store outlets in India and South Africa, as both are emerging segments in retail market. Emerging markets dominated by young consumer has interest on new trends. Research indicates that Store related factors such as store location, appearance and hygiene, service quality, convenience of trading hours, and consistency in store layout predominantly influenced participants in their patronage of a specific store format. In India and South Africa, convenient stores patronization is due to location. In application of technology in retail store South Africa is ahead of India. Therefore, retail stores with niche approach can also

creates its' own market. M*alls have a good scope as their share to total retail segment is not more than ten percentage in these two emerging segment.* Both the market are comparable but in South Africa application of technology is more in advance stage compared to India. As study based on exploratory study, *further research, like a quantitative study to confirm the exploratory study is needed.*

Managerial implication and contribution of the study: Comparative study done for the first time in emerging market .This will be of great help to existing retail outlets and new comers planning to come to these emerging markets.

Limitation and scope for further study: The study covered only two important cities in Mumbai and Port Elizabeth in India and South Africa. However these cities, no doubt were having mix population, and may not represent the total scenario. It was more of the observational and informal interviews. There was no statistics involved in deriving any conclusion. Therefore, this study gives a direction to study the two emerging markets on the parameters discussed above for quantitative research.

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A CROSS-NATIONAL COMPARISON OF THE INFLUENCE GENDER HAS ON PERCEPTIONS OF SELLING

Fahri Karakaya & Charles Quigley

Abstract

This study is a cross-national investigated of the impact of gender on student perceptions of a selling and interest in pursuing a sales career. Selling is an important component of all economic systems. In developed economies, effective participation in buying and selling activities is central to both organizational performance and individual satisfaction. As gender roles continue to evolve, the ability to recruit women into the selling profession is critical to the success of an organization. Drawing from prior research into student perceptions, measures were developed and administered to 867 students in three nations. The original 51 items administered to subjects were factor analyzed and the resulting factor scores for males and females were compared across nations. Findings indicate that males and females have different perceptions of selling, of salespeople, and interest in a sales career. Nationality influences the perceptions each gender has of selling and their interest in a sales career. Implications for University education programs to better prepare students to engage as participants in selling activities, to prepare and motivate students to consider sales career opportunities, and for organizations that to recruit more women into the ranks of their sales force are provided.

Keywords: *student perceptions, gender perceptions, cross-national, sales careers, selling, salespeople*

INTRODUCTION

Until the early 1970's men dominated sales jobs. Over the last thirty years there has been a great deal of change in the employment of women in sales positions. Women are increasing their presence in selling positions throughout the United States and Canada for a variety of reason, including the perception that a sales career is one of the best ways into top management (Halvorsen 2012).

As early as 1978, Swan, Futrell, and Todd (1978) studied the differences between female and male salespeople in their job satisfaction, job related self-confidence, perception of the management control systems, and career goals. They found significant differences between the genders with females being less satisfied and males being more self-confident. Males and females were also found to have different perceptions of control systems and place different value on performance rewards. Research conducted by Busch and Bush, also published in 1978, however found no significant difference between male and female industrial salespeople in their job satisfaction, role ambiguity, propensity to leave the organization, or their job performance.

A more recent study by Sigawua and Honeycutt (1995) also examined gender related differences in job satisfaction, organizational commitment, role ambiguity, and performance and found that females have lower levels of role conflict, role

Charles Quigley, Bryant University, College of Business Department of Marketing, 1150 Douglas Pike, Smithfield, Rhode Island 02917. (email:cquigley@bryant.edu)
Fahri Karakaya, University of Massachusetts Dartmouth Charlton College of Business, Department of Marketing North Dartmouth, MA 02747-2300. (email::F1karakaya@Umassd.edu)

ambiguity, and higher levels of customer orientation compared to male salespeople. Another study, focused on ethical issues, found differences between female and male salespeople with females having greater ethical standards than males in relational situations (Dawson 1997). Studies conducted by Schul and Wren (1992), Russ and McNeilly (1995), and Moncrief et al (2000) found gender differences only in salespeople's intentions to leave their jobs. However, other studies found that gender affects role conflict, role of ambiguity and work-family conflict (Boles, Wood, & Johnson 2003; Futrell 1980). Another area of research has focused on potential sales-force recruits, primarily college students. This research examines differences and similarities among female and male student perceptions of the sales job, attributes of salespeople, their feelings about selling, and their intention to select sales as a career upon graduation. Dubinsky (1980) examined the image of a sales job and the perceptual differences between female and male students and found that a large percentage of students had a favorable image of a sales job with males having a more favorable attitude towards a sales job than females. Cook and Hartman (1986) found significant differences between male and female college students in their preferences for a sales career with females significantly less likely to prefer a sales career than males. Females also attributed high-pressure sales tactics and low pay to sales jobs while males did not. Muehling and Weeks' (1988) also found significant differences between female and male college students' perception of personal selling. However, they found females had a more favorable view of selling than males. Gender differences were also found in a study of motivating factors for a career in sales (Castleberry 1990). Castleberry found females were significantly more motivated to consider a sales position by the "job itself" and males were more motivated by pay. Conducting an experimental study with college students, Loe

and Weeks (2000) found females to have a higher level of moral reason than males. McKay and Tate (2001) studied student perceptions of how salespeople are evaluated and found both male and female students believe male salespeople are evaluated more harshly than female salespeople. In a cross-national study of student perceptions of ethical sales practices, Stevenson and Bodkin (1998) found U.S. females perceived prior defined sales scenarios as less ethical than U.S. males. No significant differences were found between Australian females and males.

Several studies have found no significant differences in perceptions between female and male students. Pinar, Hardin and Eser (2011) found both male and female students perceive gender to have an influence at different stages of the selling process. Amin, Hayajneh, and Nwakanma (1995) found no significant difference between female and male college students' intentions toward a sales career, with both genders not being enthusiastic. The lack of significant differences between female and male students and the low level of interest in a sales career was also found by Spillan, Totten and Ziemnowicz (2007) and Pettijohn and Pettijohn (2009).

Previous research focused on student perceptions of selling has produced mixed findings. Earlier research indicates female and male students have different perceptions of selling and sales careers. More recent studies suggest that gender perceptions may be changing with female and male students having similar perceptions. This trend in research evidence may reflect the growing presence of females in business organizations and specifically in sales positions. With more females occupying sales positions gender stereotyping of selling may be declining. However, there is still much evidence to suggest that both male and female students have negative views of selling and a sales career. The stereotypical role of the Willy Loman in *Death of a Salesman* may still exist for both female and

male students. The growth in student enrollment in business programs over the last two decades and the growing proportion of female students was expected to mitigate the negative views of selling.

Another issue that is not well addressed in previous research is the affect that nationality has on gender perceptions of selling. Although cross-national studies have compared student perceptions of selling and interests in sales careers, little research has examined the impact of nationality on gender perceptions (Lee, Sandfield, and Dhaliwal 2007, Honeycutt, et al 1999, Stevenson and Bodkin 1998, Friestad and Wright 1994, Wright 1986)

The goal of this study is to examine the affect that gender and nationality have on student perceptions of a selling and their interest in a sales career. Based on prior research findings and the previous discussion, we identified the following null hypotheses to guide this research:

H_1: A sales career is attractive to both females and males

H_2: There is no difference between females and males in their intentions to pursue a sales career

H_3: There is no difference between females and males perceptions of selling

H_4: Nationality does not affect gender perceptions of selling.

Research Method

Measures of student perceptions of selling and their intentions toward a sales career were selected from prior research studies (Karakaya, Quigley and Bingham 2011, Bristow, Gulati, Amyx, and Slack 2006, Lysonski and Durvasula 1998, Muehling and Weeks 1988, Churchill, Ford and Walker 1974, and Dubinsky 1980). Based on consistency, fifty-one items from these sources were selected and incorporated into a survey instrument. Several adjustments were made to the original items, including using a seven point Likert type scale for perceptual, affective, and behavioral intention items. After pretesting using undergraduate classes in two U.S. universities, the wording of several

questions was slightly revised and two new questions relating to student intentions to select sales as a career were added.

Data Collection

The questionnaire was distributed during regular class sessions at two universities located in the eastern U. S. (one private, the other public), one private university in Switzerland, and one public university in Turkey. Enrollment at these universities ranged from 3,500 to 11,000. The universities were selected based on their having a business program and the willingness of the instructors to provide access to their students. The contact instructor at each university was asked to select the "business cap-stone course" which would include students from all majors in business. If there were no "capstone" courses, they were asked to select a general business course that multiple majors were enrolled in and that included primarily seniors. The instructors administered the questionnaire at the beginning of class during the last two weeks of the fall semester. Respondents were told that the survey was part of an academic study intended to measure the attractiveness of sales as a career. Respondents were assured anonymity and participation was voluntary. No one refused to participate in the survey. The questionnaire took approximately 10 minutes to complete. All completed survey forms were returned to the researchers in the U.S.

Although the sample in this study was a convenience sample, the three countries and the four Universities used provided a diversity of subjects. Each nation is different in cultures, with Turkey being predominantly a Muslim country (99% of the population is Muslim), Switzerland being mainly a Christian country in the middle of Europe, and the U.S. being a cultural mosaic with multiple identifiable influential sub-cultures. Two of the universities were public and two were private institutions. Two of the schools were relatively small with total enrollments of less than 5000 students and

two of the institutions had enrolments in excess of 10,000 students. Base on the advice of the contact instructors at each university, the questionnaire was constructed in English since the language of instruction was English.

The number of usable surveys from all four institutions was 867, which included 496 from the two U.S. universities, 170 from Switzerland, and 201 from Turkey. Fifty-four percent of the students were male and 46% were female. The average age of students was 23. Eighty-two percent were seniors, with 32% majoring in marketing, 16% in finance, 15% in management, 12 % in management information systems, and 15% in general business.

Measurement

The original 51 items measuring perceptions of selling and intentions toward a sales career were factor analyzed using varimax rotation. Eight factors were produced from this analysis and are presented in Table 1. Table 1 also includes means and standard deviations for the individual items included in each factor. Interpreting the factors, based on item loadings greater than 0.5 produced the following descriptors: factor 1 – *job attractiveness*, factor 2 – *job requirements*, factor 3 – e*thical behavior*, factor 4 – *dignified behavior*, factor 5 – *competency*, factor 6 – *respectability,* factor 7 - *feelings about selling,* and factor 8 - *sales career intention*. Cronbach Alpha for the factors ranged from 0.71 to 0.88, meeting or exceeding the desired reliability coefficients. Factor means for each student were computed by averaging over the items that defined the factors. Average response on each factor for males and females for the total sample and for each nation are provided in Table 2. Table 2 also provides Cronbach's Alpha for each factor and identifies significant differences between male and female subjects for the total sample and for each nation based on a test of means.

Table 1: Descriptive Statistics and Factor Loadings of Subject Perceptions

Factors/Items	Mean	Standard Deviation	Factor Loading
1) Job Attractiveness:			
A sales job is fun	4.43	1.39	.751
A sales job is personally satisfying	4.47	1.31	.744
A sales job is valuable	4.83	1.12	.622
A sales job provides freedom to use your own judgment	4.70	1.23	.618
A sales job is a high status job	3.59	1.18	.602
A sales job is creative	4.87	1.21	.552
A sales job offers career growth opportunities	4.76	1.21	.533
A sales job provides substantial income	4.44	1.11	.509
2) Job Requirements:			
A sales job is not a job for a person with talent	3.09	1.42	.682
A sales job requires little intelligence	2.88	1.33	.630
A sales job offers no intellectual challenges	3.19	1.37	.606
A sales job offers very few chances for advancement	3.46	1.24	.605
Selling is a job - not a career	3.83	1.56	.566
3) Ethical behavior:			
Salespeople often inflate the benefits of the product they sell	4.97	1.05	.782
Salespeople often stretch the truth to make a sale	4.84	1.16	.733
Salespeople routinely take advantage of uneducated buyers	4.77	1.27	.727
Salespeople often make-up something rather than admit they do not know the answer to a buyer's question	4.37	1.27	.663

Salespeople commonly sell products that people do not need	4.19	1.33	.608
Salespeople often misrepresent guarantees or warranties of the products/services they sell	4.18	1.16	.575
4) Dignified Behavior:			
The personal relations involved in selling are disgusting	3.51	1.33	.756
Salespeople lead a undignified life because they must be pretending all the time	3.33	1.26	.727
Salespeople sell their values for money	3.88	1.34	.668
5) Competency:			
Salespeople are confident individuals	5.04	1.18	.773
Salespeople are intelligent	4.59	1.01	.700
Salespeople are exciting	4.19	1.06	.690
Salespeople recognize the importance of understanding customer needs	5.32	1.17	.617
6) Respectability:			
Salespeople are admired and respected by others	3.79	1.01	.868
Salespeople are perceived favorably by others	3.69	1.02	.818
7) Feelings about Selling:			
Selling is personally satisfying	4.44	1.28	.806
Selling is interesting	4.50	1.24	.790
Selling is exciting	4.37	1.35	.790
Selling is doing something worthwhile on the job	4.35	1.10	.741
Selling gives a sense of accomplishment	4.95	1.14	.732
Selling is a way to advance your career	4.34	1.25	.714
Selling provides financial security	4.08	1.21	.626
Selling is challenging	4.34	1.12	.593
Selling is unproductive (reverse coded)	4.80	1.16	.540
8) Sales Career Intention:			
I am very interested in pursuing a professional sales related career after obtaining my degree	3.24	1.54	.898
Obtaining a position in sales is a priority for me after graduation	2.96	1.46	.891
Obtaining a sales support position would interest me	3.44	1.49	.883
At some point during my career, I will probably hold a position in professional sales	3.75	1.58	.856
Going into selling would be a complete waste of a college education (reverse coded)	3.48	1.46	.579

Results

All Subjects

Factor 1 – *job attractiveness* is positively worded and factor means of both males and females for the total sample indicate that they slightly agree that a sales job is attractive (mean is between neither agree nor disagree and agree on the seven point Likert scale). Inspection of means for the individual items in this factor indicates that there is stronger agreement that selling is creative, valuable, and offers growth opportunities. However, they not perceive selling to be a high status job. Factor 2 – *job requirements* is negatively worded and the negative factor means of all subjects indicate they have a slightly positive perception of the

requirements needed for a sales job. Inspection of item means for this factor reveals they most strongly disagree that selling

requires little intelligence and is not for a person with talent. Factor 3 – *ethical behavior* and factor 4 – *dignified behavior* are composed of negatively worded items. The difference between these two factors is that factor 3 represents selling activities directly related to customers while factor 4 portrays characteristics of a salesperson. Subjects agree with factor 3, indicating they perceive salespeople to engage in unethical behavior. Subjects are most in agreement that salespeople inflate the benefits of the products they sell and that they stretch the truth to make a sale. Subjects slightly disagree with factor 4 indicating they do not perceive the behavior of salespeople to be undignified. However, they are nearly neutral in the perception that salespeople sell their values for money. Factor 5 – *competency* includes only positively worded items. All subjects perceive salespeople to be competent. Reviewing individual items in this factor

indicates that they are most strongly in agreement that salespeople understand the needs of their customers and they are confident individuals. Factor 6 – *respectability* includes two positively worded items. Mean responses on this factor indicates subjects slightly disagree that salespeople are admired or respect by their others. Factor 7 – *feelings about selling* includes eight positively worded items and one reverse coded negatively worded item. Factor means indicate subjects associate positive attributes with selling. Subjects most strongly agree that selling provides a sense of accomplishment and is productive. The item that they are least in agreement with is that selling provides financial security. Factor 8 – *career intention* includes four positively worded and one reverse coded negatively worded item. Mean responses indicate subjects have slightly negative intentions toward a sales career. Inspection of items in this factor indicates that they most disagree that a sales position is a priority after graduation and they least disagree that they will hold a sales position at sometime during their career.

Table 2: Factor Means: Total Sample and Individual Nations: Within Nation Comparisons

Factors/Cronbach α	Gender	Total	U.S.	Swiss	Turkey
	Males (n)	401	241	61	91
	Females (n)	466	255	109	102
Job Attractiveness	Female	4.46	4.58 [c]	4.10	4.40
α = .82	Male	4.55	4.72	4.21	4.51
Job Requirements	Female	3.47	3.41	3.54	3.60
α = .72	Male	3.46	3.26	3.68	3.65
Ethical Behavior	Female	4.52	4.50	*4.53*	4.57
α = .82	Male	4.58	4.47	4.73	4.67
Dignified Behavior	Female	3.39 [b]	3.26	3.87	3.41
α = .75	Male	3.56	3.33	4.00	3.65
Competency	Female	4.77	4.95	4.30	4.60
α = .72	Male	4.80	5.01	4.38	4.73
Respectability	Female	3.66 [b]	3.55 [c]	3.87	3.77
α = .71	Male	3.81	3.75	3.90	3.76
Feelings About Selling	Female	4.51 [c]	4.61	4.33	4.37
α = .87	Male	4.63	4.72	4.50	4.53
Sales Career Intention	Female	3.37 [a]	3.38 [a]	3.26	3.41 [c]
α = .88	Male	3.76	3.83	3.54	3.82

The mean response of all subjects to their intention to pursue sales as a career is 3.58 on a seven point Likert type scale. This is less than the neutral response of 4 on this type of scale. A t test for difference between the average response of all students on this factor and the neutral response indicates a significant difference from the neutral position (t = -18.61, p < 0.000). Base on this evidence we reject H_1 and conclude that students do not believe a sales career is an attractive option and have a little interest in pursuing a sales career.

Gender Comparisons

Examining differences between female and male subjects for the total sample (U.S., Switzerland, and Turkey) indicates that there are significant differences on four of the eight factors (Table 2). The most significant difference between females and males is on *sales career intention* (t = 4.63, p = 0.001). Males are more likely to be interested in sales as a career than are females (mean =3.76 versus mean = 3.37). Based on this comparison we reject H_2 and conclude that females and males have different intentions toward pursuing a sales career.

Other significant differences between male and female subjects for the total sample indicate males perceive salespeople's behavior to be less *dignified* than females (mean = 3.56 versus mean = 3.39 respectively; t = 2.58, p = 0.010). Males however are less negative in their perceptions of the lack of *respect* salespeople receive from others than are females (mean = 3.81 versus mean = 3.66; t = 2.48, p = 0.013). Males also are more positive in their *feelings about selling* than are females (mean = 4.63 versus mean = 4.51; t = 2.05, p = 0.040).

Although female and male subjects have significantly different perceptions on three of the remaining factors, there is no significant difference between genders on the other four

factors. This indicates there is no consistent difference across all perceptual dimensions represented by the seven factors (omitting the career intention factor). Therefore there is insufficient evidence to demonstrate a difference between females and males in their perceptions of sales and selling and we cannot reject H_3 and thus conclude that females and males students have similar perceptions.

Nationality and Gender

To evaluate the fourth hypothesis two approaches were used. The first approach focused on within country gender comparisons. Test of means was used to compare female and male responses for each of the factors for each nation. Table 2 identifies significant differences between female and male responses by nation. In the U.S. significant differences between female and male subjects were found for three of the eight factors. Again, the most significant difference was for *sales career intention*. Males are less negative in their intention to pursue a sales career than are U.S. females (mean = 3.83 versus mean = 3.38; t = 4.05, p = 0.001). U.S. males also perceive a sales job to be more *attractive* than U.S. females (mean = 4.72 versus mean = 4.58; t = 2.08, p = 0.040) and they perceive salespeople to be more respectable than U.S. females (mean = 3.75 versus mean =3.55; t = 2.52, p = 0.010).

The same analysis for Swiss subjects found no significant differences between males and females for any of the eight factors. For Turkish males and females, only one significant difference was found. Turkish males are more likely to pursue sales as a career than females (mean = 3.82 versus mean = 3.41 respectively; t = 2.21, p = 0.030).

The evidence based on this analysis is inconclusive. There are more significant differences between females and males in the U.S. than in Switzerland or Turkey and on four of the eight factors significant differences between genders were found in different nations. However, there are also three factors

where no gender differences were found for any of the three nations.

The second approach to evaluate H_4 compared the same gender across the three nations. Comparisons of male subjects in the three countries using one-way ANOVA show that six of the eight factors differ significantly (see Table 3). Significance differences were found between males on *job attractiveness*, *job requirements*, *ethical behavior*, *dignified behavior*, *competency,* and *feelings about selling* factors. On a country by country comparison, significant differences between U.S. and Swiss males were found on four factors; *job attractiveness*, *job requirements, dignified behavior* and *competency*. The U.S. male subjects perceive a sales job as more attractive and requiring more intelligence than Swiss male subjects. U.S. males perceive salespeople as more competent and dignified than Swiss males do. Comparison of U.S. males to Turkish males revealed significant differences on *job requirements*, *dignified behavior*, and *competency*. Turkish males perceive a sales job to require less intelligence and salespeople to be less competent and dignified than perceived by U.S. males.

Table 3: ANOVA: Male Subjects by Country

Factors	U.S. (1)	Swiss (2)	Turkish (3)	F-value	Sig.	Tukey's Post-hoc tests
Job Attractiveness	4.72	4.21	4.51	14.53	0.000	(1, 2)[a]
Job Requirements	3.26	3.69	3.65	12.41	0.000	(1,2)[a] (1,3)[a]
Ethical Behavior	4.47	4.73	4.67	4.55	0.010	N.S.
Dignified Behavior	3.33	4.01	3.66	18.81	0.000	(1,2)[a] (1,3)[b]
Competency	5.01	4.39	4.74	23.94	0.000	(1,2)[a] (1,3)[b] (2,3)[a]
Respectability	3.75	3.97	3.77	2.43	0.090	N.S.
Feelings About Selling	4.72	4.50	4.54	3.28	0.040	N.S.
Sales Career Intention	3.83	3.55	3.82	2.14	0.120	N.S.

[a] $p < 0.01$ and [b] $p < 0.05$ Tukey's HSD Post-hoc tests; N.S. = not significant

Table 4 presents the findings from an ANOVA comparing female subjects in the three countries. The table indicates that five of the eight factors differ significantly among the females; *job attractiveness*, *dignified behavior*, *competency*, *respectability*, and *feelings about selling*. A country-by-country comparison indicates U.S. females perceive a sales job as more attractive and salespeople as more competent and dignified than Swiss females. U.S. females also perceive salespeople to be more competent and dignified and have more positive feelings about selling than Turkish females. Turkish females perceive a sales job as more attractive and salespeople as more competent than Swiss females.

Table 4: ANOVA: Female Subjects by Country

Factors	U.S. (1)	Swiss (2)	Turkish (3)	F-value	Sig.	Tukey's Post-hoc test
Job Attractiveness	4.58	4.10	4.39	10.32	0.000	(1,2)[b] (2,3)[b]
Job Requirements	3.41	3.54	3.60	2.04	0.130	N.S.
Ethical Behavior	4.50	4.54	4.58	0.29	0.750	N.S.
Dignified Behavior	3.26	3.88	3.41	11.82	0.000	(1,2)[a] (1,3)[b]
Competency	4.95	4.30	4.61	20.60	0.000	(1,2)[a] (1,3)[a] (2,3)[b]
Respectability	3.55	3.88	3.78	4.66	0.010	(1,2)[b]
Feelings About Selling	4.61	4.34	4.37	4.41	0.010	(1,3)[b]
Sales Career Intention	3.38	3.27	3.42	0.29	0.750	N.S.

[a] $p < 0.01$ and [b] $p < 0.05$ Tukey's HSD Post-hoc tests; N.S. = not significant

Based on this analysis, significant differences were found between genders within different nation and between the same genders across nations on seven of the eight factors. Only on the *ethical behavior* factor were no significant differences found within or across nations. Based on this evidence, H_4 is rejected and we conclude that nationality does effect gender perceptions of sales and selling.

Discussion

The findings of this study demonstrate that perceptions of selling and intention to pursue a professional sales position differ between genders. Furthermore nationality was found to influence the perceptions that females and males have of selling and their intention to pursue a sales career. Although both genders have little interest in a sales career, females are significantly less interested in pursuing a sales career than are males. Comparing gender intentions across nations indicates that this pattern is consistent, with significant differences found between females and males in the U.S. and Turkey.

Assessing subjects' intention to pursue a sales career, the mean for all males is 3.76 on the seven-point Likert type scale. The highest mean is 3.83 for U.S. males and the lowest mean is 3.26 for Swiss females. Comparison of female and male intentions on a country-by-country basis found the most significant difference to be among U.S. subjects. Significant difference in career intentions was also found for Turkish subjects. Although no significant difference in career intentions was found for Swiss subjects, females showed less interest than males in pursuing a career in sales. When each gender was compared across nations, no significant differences were found, indicating that gender and not nationality influences intentions to purse a sales career. Reviewing responses to individual items in the career intention factor indicates that although a sales position isn't attractive to students following graduation, they do believe that they may hold a sales position sometime during their career.

The negative view of a sales career is consistent with recent research (Pettijohn and Pettijohn 2009, Ziemnowicz 2007, Amin, Hayajneh, and Nwakanma 1995). However significant differences between the genders found in this study were not found in these prior studies. The gender differences found in this study are consistent with earlier studies (Swan Futrell, and Todd 1978, Dubinski 1980). Findings also indicate that the lack of interest in a sales career is shared across the three nations in this study.

The influence of economic conditions offers a possible explanation for both the difference in attractiveness of a sales career for men and women and the pattern of increasing and

decreasing interest in professional selling. During the late 1970s and early 1980s the U.S. economy was in recession with unemployment rising. By 1995, the economy of the U.S. was robust with near full employment. This study was conducted in the fall of 2010 when the U.S. and global economy were in recession with high unemployment. During recessionary periods, downsizing of an organization's sales force is likely to occur, creating a perception of insecurity in sales positions. The late 1990s and 2003 through 2007 were periods of economic expansion with high employment accompanied by increased demand for college-educated individuals and increased employment in professional sales positions. An increase in interest among females may have been influenced by the growing acceptance of sales as a profession and the increased presence of women in sales positions. With a growing scarcity of quality recruits, employers seeking sales candidates may also have been more willing to provide additional incentives that would make a sales career more attractive, especially to women.

Although students, especially females, have a negative view of a sales career, their perceptions of selling and salespeople are mixed. Both females and males perceive salespeople to be competent, a sales job as providing attractive benefits, and requiring intelligent individuals. However, both females and males perceive salespeople to engage in ethically questionable behavior when dealing with customers. Females perceive salespeople as being significantly more dignified than males but are significantly less likely to believe salespeople have the respect of their peers than males. Females are also significantly less positive in their feelings about selling than males.

Both genders share the perception that selling offers opportunity and requires skill. However, selling is perceived to involve questionable activities that are not valued by students. Females seem to be more lenient when making judgments about personal characteristics of a salesperson and are more critical of the selling behavior they are perceive to engage in than are males. This may indicate that males perceive selling activities as an extension of normal business practices while female students perceive selling as being an abnormal and amoral component of business practice. Economic conditions may also offer an explanation of these perceptions. As organizations face declining demand for their goods and services, additional pressure may be applied to their salespeople to sell. Responding to the exhortations of their managers, salespeople may believe they have to engage in activities that may be considered unethical during periods of growing demand. The negative perception that females have of how other people view salespeople may also indicate a reemergence of the salesperson stereotype (Eweje and Brunton 2010; Franke, Crown, and Spake 1997).

The mixed perceptions subjects have of selling and salespeople may also reflect the conflict between the perceptions formed by their formal business education and the perceptions shaped by their exposure to recent headlines in national media. Most subjects in this study were business majors (97%). These students were required to take an introductory course in business. The majority of Introduction to Business texts includes selling, usually in the context of the marketing function. A review of Introduction to Business texts illustrates the importance of selling, the opportunities and demands associated with professional selling, and the personal characteristics required for successful salespeople. The importance of selling and the role of salespeople in organization and society may have been covered in more detail in other courses, depending on major. However, the recently highly publicized unethical, and in some cases illegal practices of sales people and organizations which included the mortgage scandal, the lapse of honesty and accountability

in financial brokerage epitomized by Bernie Madoff and the banking scandal may have created a contradictory picture of selling and salespeople.

Examining subject perceptions in each nation and comparing responses by gender across nations provides additional insights. Males in all three countries perceive a sales job to be more attractive than females. Among males, a sales job is most attractive to U.S. students and least attractive to Swiss students. Although a sales job is not as attractive to U.S. females as it is to U.S. males, it is more attractive to U.S. females than Turkish or Swiss females. A sales job is least attractive to Swiss females. Attractiveness is specified in terms of job benefits, income, creativity, growth, and freedom to use judgment. There is a similar pattern of perceptions of a sales job. Males and females in the U.S. perceive a sales job to require more intelligence, talent, and offer intellectual challenges than male and female subjects in Switzerland and Turkey.

The greater attractiveness of a sales job to U.S. subjects may reflect their education, prior exposure to sales, and their value systems. The importance of sales and the number of sales positions in the U.S. economy may provide U.S. students with more exposure to selling and salespeople. These responses may also indicate a difference in the value system of each nation, with individualism and materialism more important in the U.S. than in Switzerland.

Examining perceptions of the ethical behavior of sales people across the three nations illustrates that U.S. males are the least critical while Swiss males are most critical of the ethical behavior of salespeople. Among females, U.S. females are least critical and Turkish females are most critical of the ethical behavior of salespeople. Comparing responses to the other factors measuring salespersons' behavior reveals a similar pattern. U.S. males and females are most positive or least negative in their perceptions while Swiss males and females tend to be most negative or least positive in their perceptions. The same pattern occurs for student feelings about selling.

Implications

These findings suggest that formal education has provided students in all three nations with positive and perhaps accurate perceptions of the selling function and the requirements of a professional selling position. However the feelings students have toward selling indicates that their education has not been able to motivate them toward a sales career. Their perception of the behavior that salespeople engage in indicates many still hold the stereotypical image of a salesperson and do not wish to associate themselves with this image. The stereotype may be reinforced by their personal experiences with salespeople and the negative publicity they have been exposed to. The importance of ethical behavior, especially for female students, may be shaping the attractiveness of a sales career.

Business educators at colleges and universities must do more than describe the functions and activities that salespeople perform; they must motivate students to seriously consider professional selling as a valued and rewarding career. The cultural and social stereotypical perceptions of selling must be addressed and attention given to ethical situations a salesperson is often exposed to. Critical examination of recent ethical lapses should be included in a student's education. Exposure to role models, especially gender role models, early in a formal business education may help allay gender stereotypes and provide motivation toward selling and a potential career. Consideration to including a mandatory sales course as part of a business core should be given. Sales must also be tied more closely to all functional area education. Finance, accounting, and MIS students must understand the context and skills of sales and its relationship to their areas.

An interdisciplinary approach to professional selling would provide a more accurate depiction

of sales and an important knowledge base for improving the quality of students who initially or ultimately enter into a sales career. Ethical training should be a component of this type of a course. In cultures where selling is viewed more negatively, a mandatory interdisciplinary sales course may be especially critical in providing a larger cadre of capable candidates.

Future Research

This research measured student perceptions of sales job, salesperson attributes, feeling about selling, and student intention to select sales as a career. As indicated earlier, students are not very enthusiastic about selecting sales as a career. It is important to understand why students are not so positive about sales as a career. Future studies can expand the focus of this study and include non-business students. Further exploring the values of the countries examined to explain their effect on student perceptions is also indicated. Comparison of business to non-business students may provide additional insights to identify and address the causes of negative student perceptions and intentions. Many organizations have recruited their salespeople based on product knowledge and have considered students with technical training. Further investigation of the formal exposure to sales that students receive may be able to isolate specific educational tactics and pedagogy that affect perceptions. In addition, student expectations from sales jobs could be studied in order to restructure sales jobs.

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LOOKING FORWARD, LOOKING BACKWARD; DRAWING ON THE PAST TO SHAPE THE FUTURE OF RETAIL MARKETING

Hari Govind Mishra, Piyush Kumar Sinha, Sarabjot Singh & Surabhi Koul,

Abstract

Modern retail stores rapidly develop in smaller cities in INDIA. The current research is directed towards tier III city consumers (n=490).The study examines the consumer characteristics across consumers retail store information field, distance travelled for different shopping centres and the angular extent of shopping centres. It is determined that perceptual zones exhibit a pronounced sectoral bias and further, that they display consistent variations for different subsets of consumers. Most people in small cities are unfamiliar with the concept of modern retail stores and their exposure to the organized retail has been limited in the past. Modern retails stores bring functional and experimental benefits to them and affect their shopping behavior. The perceived benefits, however, may differ among consumer groups. Moreover, consumers have different spatial angular extent for different shopping centres in support of different product category across different retail store.

Keywords: modern store, product category, Consumer characteristics, traditional store.

INTRODUCTION

India has seen a rapid change in consumer buying behavior, due to sudden change in retail market after 1990. Traditionally, shopping pattern of men and women revolves around traditional stores. Zammer and Mukherjee (2011) studied consumer shopping pattern in the context of food and grocery retailing. They found that location advantage and the services such as home delivery are important factors for the customers in their decision to shop at a store. In addition, the 'psychological benefit' of bargaining and also the comfort of returning the goods at the kirana. The orientation of the Indian consumers is based on entertainment derived out of shopping and also the primary

Hari Govind Mishra, Shri Mata Vaishno Devi University, Jammu (J&K), India. (email:gvoindhari1976@gmail.com)
Piyush Kumar Sinha, Indian Institute of Management, Ahmedabad, India. (email: pksinha@iimahd.ernet.in)
Sarabjot Singh, Shri Mata Vaishno Devi University, Jammu (J&K), India. (email:singhsjot@yahoo.co.in)
Surabhi Koul, Shri Mata Vaishno Devi University, Jammu (J&K), India. (email: sur.koul@gmail.com)

reasons for choosing a store are convenience, merchandise, store ambiance and service (Sinha, 2003). The modern retail stores are preferred by consumers because of many reasons but few of them are low price, assortment and variety, latest styles and entertainment (Pater et al., 2010). The kirana stores have dominated the Indian retail market and they are similar to "Mom and Pop" shops of the west and are own managed. Discussions regarding FDI (Foreign Direct Investment) for multi brands retailing in India and its negative impact on the traditional retail are very much in focus. A government commissioned study by ICRIER found that kirana shops loss their business in initial years because of organized retail but this impact weaken over time (Joseph, Soundararajan, Gupta, and Sahu, 2008). In the present paper, focus is on the influence of the consumer characteristics on store choice, distance travelled, information field and angular field across traditional and modern retail stores. Following this, paper also evaluates the key attributes which play an

important role in the selection of retail stores and also analyze product perception of these retailing facilities. The current study is conducted in Jammu region (India) having an area of 3097 sq.km.

LITERATURE REVIEW

Social Class as a Variable:

Social class use a variable was first used suggested by Martineau (1958), and it has been used as a major variable by many writers. Subsequent research has cast doubt on the assumption that social class is a better predictor of consumer behavior than income (Jain et al., 2009). The reason social class may be losing its predictive power is that: ", .social class distinctions have been obscured by rising income and educational levels" .Since previous studies suggest that income and social class have different effects on consumer decision making, the two variables are treated as separate independent variables in this study. Social classes are defined for this study as: "relatively permanent and homogeneous divisions in society into which individuals or families can be categorized when being compared with other individuals or families in the society" (Jain et al., 2009).

Consumer information fields:

A landmark in this respect is the graph theoretical model of consumer space preferences derived by Huff (1960). Other theoretical models of general shopping behavior have been presented by parker (1976), and appear to owe to Huff's original formulation. Status variables such as social class, age, personality and car ownership will to large extent mold shopping patterns of different social groups and engage them differently in to spatial search process in order to determine the opportunities available to them (Hudson,1975). By this process, consumers will develop a latent preference or spatial information field.

Consumer topology:

When we evaluate the behavioral differences between men and women, men give more prominence to proximity and women tend to trade such factors off with merchandise offered by the store (Misra and Dash, 2008). In most households, women are mainly responsible for the shopping of FMCG, fruits and vegetables and both men and women are not only attached to Framework of the study:

loyalty (Misra and Dash, 2008). Sharma et al. (2008) conducted a study in Dehradun city (India) and Sinha et al. (2008) conducted a study in Agra to predict change in consumer shopping behavior and both studies find out that there is a change in consumer shopping preferences like they appreciated the availability of a variety of products/services and visual display at the organized retail. Besides that, they found impulsive buying behavior among consumers and end up purchasing more than they intended to. Moreover shopping malls also significantly influence consumer shopping preferences by providing eating points, entertainment, toilets, parking, number of stores in a single area and friendly behavior of staff which otherwise are not available at the local kirana shop consistently. Khare (2011), state that consumers' gender and age play an important role in determining consumers' attitude toward shopping in malls. Other researchers like Joshi et al., (2011) examined that elderly customers behave differently from younger ones in store selection criteria. It was also found that elders are lesser price conscious and proximity of residence to store is not an important factor. Elderly consumers take shopping as a recreational activity and choose a store that is perceived to be high on entertainment value.

Store choice:

Wide literature available on consumers store choice behavior. Many researchers analyze the store choice from various angles. Martineau (1958), the personality of the retail store determines the shopper behavior, which are subjective attributes that are part of the entire store image- atmosphere, status, personal, other consumers and don't depend on a particular store section. Dodge and summer (1969) found the consumers' store choice to be dependent on their socioeconomic level, their personality, and past purchase experience. The threshold value is also allotted on the basis of the image associated with that store. Dodge et al, (1969) predicted that store choice to be dependent on socioeconomic background of consumers, their personality and past purchase experience. Leszcyc, Sinha and Timmermans (1976) indicated that store choice is a dynamic and can be conceptualized as a problem of deciding when and where to shop.
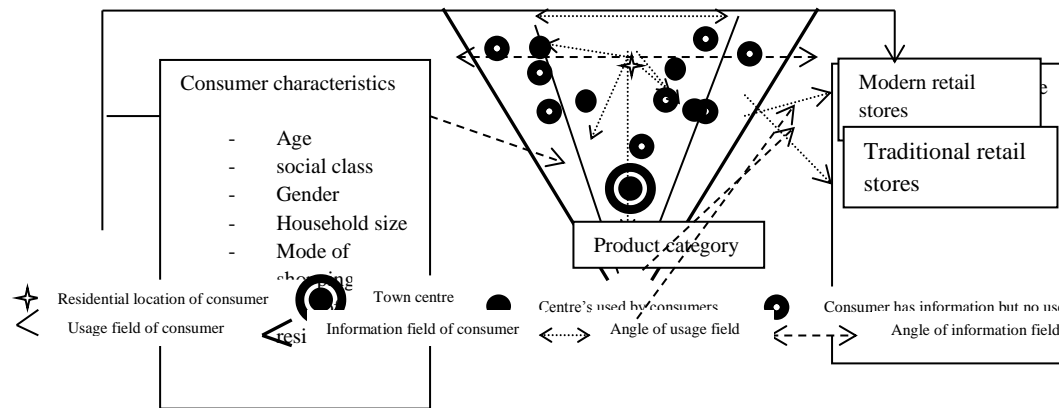
Fig.1. Measurement of social class, age and product category across information and usage field

Consumer characteristics will be of prime importance in determining patterns of consumer behavior and perception. So, in this paper firstly, we focus on variables such as social class, different age groups, household size, gender, mode of shopping and area of residence which to a large extent influence consumer usage information field, distance travelled for different shopping centres and angle of field formed across those centres. As a consequences space preference for shopping is utilized differently by combination of different consumer characteristics. Secondly, it analyzes the consumer product category selection across different retail formats and across information field, distance of centres and also through the angular extent of consumer information field. Thirdly, it focuses on the

shopping criteria of consumers across different retail stores in Jammu region. The usage field of consumer shopping area is defined as spatial zone which incorporates all the retail centers which consumer patronizes in the course of its shopping activities. Whereas, information field is defined as the zone which includes all of the shopping centres about which a consumer possesses knowledge, irrespective of whether they are used or not in the conduct of it's shopping. The information fields are synonymous with the latent preference field of the consumer. The present paper helps the marketers to understand how consumers behaves differently in their different characteristic combinations and how they choose different retail formats for different product categories and shopping criterias'.

Research Methodology

Instrument design

Based on the literature, a self-administered scheduled was developed for the consumers of Jammu region (INDIA) who are involved in this study. The city has a good composition of traditional and modern retail stores, which are accessible to consumers. To understand consumer shopping behavior more closely a collection of ten shopping centres are enlisted in the scheduled along with maps. (Potter, 1976a).The scheduled on spatial fields includes several difficulties involving spatial perceptions

of individuals which are successfully reviewed by Reiser (1972). In the first part of the scheduled, the respondents were asked to list all the places at which they usually shopped. In a latter section, a base map of Jammu region and its environments was reproduced. On the map, 23 wards of Jammu region were clearly marked. Within these wards, the main roads were shown and named. The respondents are supposed to mark all the shopping centres which they use while shopping for different product categories. From these data it is easier to understand graphical movement of

consumer in different shopping centres. In the second part questions were asked on product category and retail store selection and its criteria of selection. In the last part questions were asked on personal attributes of consumers like social class, age, gender, mode of shopping, area of residence and household size. Some of the questions were designed after analyzing the questionnaire of Potter (1976a). To analyze the relative residential placement of the respondents according to their social class a straight line distance of each consumer's place of residence from the town centre was marked and a mean distance of 1.99 km was analyzed for social class I and II, a mean distance of 2.15 for social class III was administered and for social class IV and V a mean distance of 2.05 was recorded. From the analyses, it was predicted that, there was little difference in the relative area of residence of respondents according to their respective social classes. The results are somehow similar to Potter (1978).

Participants and data collection

Participants in this study were comprised of government and private professional, skilled and semi skilled workers, government and private staff officers, students. All of the above stated participants include both men and women. The percentage of male participants was 47.5% and female was 52.4%. Different age categories and social groups enlisted in schedule were designed according to Sharma (2012). The study was administered at 23 wards of Jammu region as defined by local municipal authority. The study was based on stratified sampling. The scale used to analyze the personal characteristics of the consumer was nominal scale, and the scale used for retail store selection criteria was 5 point likert scale ranging from strongly disagree =1 to strongly agree=5 (Likert, 1932) and a total of 490 schedule having completed maps was finally analyzed out of 500 schedule because of outlier problem in rest of the 10 schedules. The data collected for the study were analyzed using statistical package for the social sciences (SPSS) 20.0. Frequency statistics were obtained for the consumer personal consumer characteristics are presented in Table 1.

Table.1. Analysis of consumer characteristics

Characteristics	Male	%	Female	%
Gender	233	47.5	257	52.4
Social class				
Upper (I)	62	26.6	38	14.8
Upper-middle (II)	51	22	60	23.3
Lower middle (III)	44	19	59	23
Upper-lower (IV)	40	17.2	67	26.1
Lower (v)	36	15.4	33	13
Age group				
16-24	25	42.3	34	57.6
25-34	59	58.4	42	42
35-44	42	41	61	59.2
45-54	40	41.2	57	59
55-64	36	44.4	45	55.6
65-75	31	63.3	18	36.7
Area of residence				
Urban city	87	49.1	90	50.8
Suburban	63	48.5	67	51.5
Med-size city	46	45.5	55	54.4
Rural town	38	46.3	44	

ANALYSIS AND DISCUSSION

Consumer characteristics

The profiling of consumer characteristics segregated social class in to five categories as defined by Sharma (2012). Upper middle (22.6%) and upper lower (21.8%) contain majority of the consumers and most of them were females. Age group is divided in to six strata and most of the consumers were belong from the age group 35-44 years (103 consumers) and in this age group females are in majority and in the second most age group

Mean information filed

The total number of shopping centres data taken from 490 respondents comprising of consumer information field ranged from one to ten (Table 4). The majority of the respondents (76.21%) recorded shopping centre information field between third and seventh centre. In (table 3A) variation in consumer information field was calculated across disaggregated consumer social class

25-34 (101 consumers) males are in majority. In case of area of residence most of the consumers dwelled in urban (36%) and suburban area (26.5%). So, from the analysis it was examined that most of the female consumers were in mid age groups and majority of them are from heart of the city and belongs from middle social classes (II, III and III). If we talk about males (47.5%) they had good presence in upper (I) social class (26.6) and Lower (V) social class (15.4) and mixed presence in all area of residence.

characteristics'. Mean information total shows a decline trend as it moves toward lower social class. But, social class I, II and III had higher mean value than total mean value (4.2). Whereas, social class IV and V had lower mean value than total mean value of all respondents Potter (1978). Analysis of mode of shopping predicts that mode of transport usage for shopping had positive relation with social class (Potter,1976a).

Table.2: Distribution of consumer by the knowledge of information field

Total number centres comprising	Total number of respondents	percentage of total respondents
1	21	4.28
2	41	8.37
3	55	11.22
4	70	14.28
5	73	15
6	84	17.14
7	91	18.57
8	25	5.10
9	19	3.87
10	11	2.24
x̄= 5.5	490	100.00

Table.3: Calculation of variation in consumer information fields

A) According to social class of consumers				B) According to use of mode of shopping			
Social Class	Mean information total	Mean distance of centres (km)	Mean angle of field (°)	Mode category	Mean information total	Mean distance of centres (km)	Mean angle of field (°)
I	5.68	1.67	119	Car	2.77	1.93	117
II	4.99	1.81	105	Two wheeler	5.89	1.52	109
III	3.47	1.45	93	Matador	4.18	1.38	99
IV	3.11	1.1	77	walk	3.55	1.25	85
V	2.22	.75	51	cycle	4.62	1.11	61
				Bus	2.07	1.01	53
All Respondents	3.86	1.37	88	All respondents	3.86	1.37	88

C) According to age group				D) According to Household size			
Age group	Mean information	Mean distance of	Mean angle of field (°)	Household (no. of	Mean information	Mean distance of	Mean angle

(years)	total	centres (km)		children)	total	centres (km)	of field (°)
16-24	4.56	1.67	89	0	3.91	1.39	89
25-34	4.98	1.58	110	1	4.35	1.45	109
35-44	4.51	1.39	108	2	4.45	1.65	115
45-54	3.56	1.27	91	3	4.81	1.71	93
55-64	2.69	1.21	69	4	3.15	1.12	71
65-74	2.78	1.11	58	≥5	2.69	1.01	48
All Respondents	3.86	1.37	88	All respondents	3.86	1.37	88

E) According to Area of residence

Area Of residence	Mean information total	Mean distance of centres (km)	Mean angle of field (°)
Urban city	4.97	1.61	111
Suburban city	4.38	1.42	93
Mid-size city	3.89	1.21	78
Rural town	2.57	1.09	69
All Respondents	3.88	1.37	88

F) According to Gender

Gender	Mean information total	Mean distance of centres (km)	Mean angle of field (°)
Male	4.23	1.41	98
Female	3.52	1.34	79
All respondents	3.88	1.37	88

Analysis of mode of shopping predicts that transport usage for shopping had positive relation with social class (Potter, 1976a). After the evaluation of the schedule it was found that most of the respondents use two-wheeler, matador or cycle for shopping across the mapped centres given in the schedule (Table 3B) and these respondents had high mean information value as compared to other mode of transports use by respondents. In case of age mean information total had high value for age group 25-34. It was seen that first three age groups had higher value than overall respondents mean value which support the examination that consumers ranged in age group of 16 to 44 years had high information of shopping centres and consumers ranged from 45 to 74 years had less information of shopping centres and it can checked from their mean information value as it was lower than the overall respondents mean information value (Table 3C). Whereas, Potter (1978) scrutinized that mean information total increases up to age group 50-59. But in our study it increases up to age group 25-34 because the Mean distance of shopping centres

On the basis of the cognitive maps obtained from the respondents, it was easy to analyze the nature of consumer information zones within the given tract. The data obtained from the maps helps to examined the residential respondents are habitual of their shopping environment and their needs are easily fulfilled without wasting any time on planning of choosing any shopping centres (it includes the centres in usage information filed and in non usage information field) and they don't want to change their shopping habitat.

Household size evaluated through schedule shown valuable information for the evaluation of mean information total for the respondents. As it was seen that mean information total increases with the increase in household size, up to a certain number of households (3 children) and after that it declines with the increase in household size (Table 3D). Mean information total was also calculated for area of residence and gender. From the analysis of the data it was examined that urban city and suburban city dwellers had more information of shopping centres than mid-size city and rural town respondents. In case of gender, males had higher mean information value than females, which supports the prediction that males were more aware of shopping centres than their counter parts.

locality of the consumer and thereby scrutinize the operation of a distance decay effect on spatial information. The total mean distance of centres for different social classes was 1.37 and it was less than the mean distance of centres of social class I,II and III and greater

than the social class IV and V (Potter, 1978). Hence, it was predicted that respondents of lower social strata did not move to distant shopping centres and vice versa (Table 3A). Mean information total for transport usage for reaching to shopping centres predicts that car owners and two-wheelers respondents move to distant shopping centres for shopping and that's why their mean value was higher than over all mean value of respondents. Whereas, other respondents had lower mean values than overall mean value of all respondents (Table 3B).

Distance of shopping centres was also measured for different age groups and for different household sizes. Young consumer and mid-aged consumer had more knowledge of shopping centres than over 50 year's consumer and their mean value is also greater than aged consumers i.e. over 50 years (Table 3C). Big household consumers had higher mean value than overall respondents' value, but this positive trend remains up to certain extent (household having 3 children). After that, shopping distance travelled for centres declines sharply (Table 3D).

Mean distances were also calculated for consumers area of residence and gender. Similar patterns were analyzed as it was in mean information total for area of residence and gender. The examination of data shown that urban city and suburban city consumer move to farther distance (Table 3E) and males as compared to females travel to distant shopping centres for shopping goods (Table 3F) and their mean values were also higher than their respective overall mean values.

Mean angular field of consumer information
Retail store selection criteria
In the present paper consumers were asked questions on two retail formats i.e. traditional and modern retail and the data gathered from the consumers was analyzed and found that consumers had different preferences for traditional and modern retail stores. The

Examination of filled cognitive maps by consumers made possible to analyze the sectoral information field of each customer. The overall mean angle field of each consumer was 88 degree. The mean angular field declines after social class III from their overall mean value which shows lower class consumer had gone to less father shopping centres (Table 3A). Consumers who went for shopping through car or two-wheeler had higher shopping field as compared to others one and their mean value is much higher than overall mean value (Table 3B). The angular extent of consumer with age group 25-34 had higher angular field (110) as compared to rest and from the total angular mean value. It shows negative trend as age of the consumer increases from 44 years. Whereas, Potter (1978) examined that consumers with age exceeds 60 had lower angular extent than the younger consumers and it continuously decreases as age increases (Table 3C).

Scrutinize of household size for angular extent of consumer from cognitive maps, identify that as the household increases angular field also increase (0, 1 and up to 2 children) and after the addition of second children it decreases continuously with the every increase of the member of the family (Table 4D). If we talk about the angular field as per consumer area of residence and gender the analysis shown that consumer who were lived in urban and suburban city travel larger angular fields as compared to those who lived in nearby areas (Table 3E). At lasts the analysis of gender shown that males move in large shopping filed as compared to their counterparts (Table 3F).

variables which had highest preference for the selection of the traditional retail store over modern store had a cut off of value 4.0. Among the list of variables home delivery, credit for the month and remembrance of the brand selection by that particular store manager were of highest priority.

Tabl 4: Analysis of retail store selection criteria across gender.

Reason for shopping at TR	Mean traditional retail		Mean modern retail	
	Male	**Female**	**Male**	**Female**
Can get credit for the month	**4.97**	**4.98**	1.01	1.03
Can buy smaller pack sizes	**4.22**	**4.37**	1.02	1.31
Trust (purchasing there from year)	**4.99**	**4.97**	3.12	3.45
Home delivery	**4.97**	**4.91**	1.98	1.41
Location convenience	**4.83**	**4.79**	2.13	1.32
Parking	1.01	1.17	**4.71**	**4.78**
Remembrance of our brand selection	**4.98**	**4.93**	1.17	2.98
Individual treatment by shop manager	**4.95**	**4.93**	1.12	1.07
Good relations(because of repeat purchase)	**4.96**	**4.95**	1.31	1.41
Telephone shopping from home	**4.41**	**4.89**	3.35	1.25
Ease of return merchandise	**4.57**	**4.69**	1.25	1.11
High Quality products	3.76	3.89	**4.35**	**4.41**
Huge opportunity to compare merchandise	2.13	2.57	**4.32**	**4.55**
All age group branded items under one roof	3.0	3.05	**4.87**	**4.96**
Ambiance	2.67	2.78	**4.57**	**4.59**
Latest in fashion products available	2.71	3.15	**4.86**	**4.74**
Good salesperson service	3.88	3.84	**4.88**	**4.32**
Low price	3.79	3.91	**4.27**	**4.67**
Variety of discounts	1.12	1.07	**4.65**	**4.79**
Eating point	1.01	1.02	**4.32**	**4.57**
Status	1.21	1.13	**4.77**	**4.89**

Table5 : Analysis of variance of mean retail store selection characteristics.

Retail formats	Variable	F statistics	sig.(p<.05)
Mean Traditional Retail store	social class	2.31	.06
	Age	3.12	.05
	Gender	4.09	.01
	Mode of Shopping	5.12	.05
	Area of Residence	5.77	.01
	Household Size	5.59	.01
Mean Modern Retail store	social class	5.49	.01
	Age	5.67	.01
	Gender	4.19	.05
	Mode of shopping	5.61	.01
	Area of residence	4.21	.05
	Household size	4.42	.05

Retail store selection criteria

In the present paper consumers were asked questions on two retail formats i.e. traditional and modern retail and the data gathered from the consumers was analyzed and found that consumers had different preferences for traditional and modern retail stores. The

variables which had highest preference for the selection of the traditional retail store over modern store had a cut off of value 4.0. Among the list of variables home delivery, credit for the month and remembrance of the brand selection by that particular store manager were of highest priority. Whereas, the major criteria for the selection of modern retail were; all age group branded items under one roof, latest in fashion products available, Status, parking and Variety of discounts. Females like modern retail more than males because of ease of shopping, price and discounts. Whereas, males still stick to traditional retail because of convinces of location, trust and relation. Dash and Madan (2011) supports the variable which consumers select for traditional store in this study. Zammer (2011) also support the results, and stated that location convenience, customized service, easy return/ exchange facilities drive a customer towards kirana stores while product choice, efficient store-management and value enhancing services attract customers towards modern retailers. In addition, Ong (2006) also supported the above stated results (Table 4). After examination of the consumers' responses about selection of the retail store, it was found that area of residence, mode of shopping and house hold size had large significance and social class had less significance (p>.05) in selection of traditional retail store. In case of modern retails store social class, age and mode of shopping had large significance than other variables (Table 5). Lumpkin et al. (1985) stated elderly consumers are less price conscious than younger ones and the area of residence for elderly consumers was not an important factor in selection of a store. But in our case age play a significant role in modern retail store selection and area of residence is a critical variable in traditional retail store selection. The results are somehow similar but it differs across two retail formats. Whereas, in case of modern retail stores selection variables like social class, mode of shopping and age plays an important role. Moreover, Sabnavis (2002) segregated Indian consumers in to three groups. At first, there were Traditional consumers of Pre-liberalization phase (1960-70s) who kept their family needs on the top and their own personal needs were subordinate to their family needs. Secondly,

there were mid-aged consumers of transient phase (1980-90s), these consumers had more capability to take risk. They had more exposure of multi-choices and they were more aware of societal changes than their parents. Economically, they had no fears or concerns. Thirdly, there were new millennium consumer (after 90s) who enjoyed life and had greater self-control, and in search for personal style and pleasure. They had exposures to variety of products and improvement of economic status had changed the attitudes of the upper middle – class consumers towards brands. Indian society being hierarchical in nature is therefore, status conscious and gives high value to brands (Sahay and Walsham, 1997). In India, a brand is a cue to quality because the quality of the unbranded products varies widely (Johansson,1997).

Table.6: Analysis of product category selection across Traditional store and Modern retail store.

Product category	Mean TR store			Mean MR store		
	Information field	Distance of centres	Angle of field (°)	Information field	Distance of centres	Angle of field (°)
Food and grocery (rice/atta/ wheat/ milk/ cooking oil/ ghee etc)	1.31	.28	21	1.51	.81	39
Packed food	1.35	.33	29	1.55	.87	41
Fast food	2.38	1.52	85	3.33	1.69	89
Toiletries (soap/shampoo/hair oil/ tooth paste /sanitary napkins)	1.69	.92	34	1.71	.98	41
House hold cleaning products (washing soap/ detergents/)	1.77	.88	37	1.75	.97	43
Health and beauty products	3.53	1.25	54	4.01	1.37	59
Fruit and vegetable	1.33	.85	40	1.56	.99	46
Clothing& fashion accessories	3.97	1.34	69	4.27	1.55	78
Laptop and computer	4.01	1.55	97	4.53	1.77	101
Pharmaceutical products	1.11	.54	39	1.91	.88	41
Jewellery	.99	1.32	99	2.69	1.59	109
Watches	1.42	.71	63	4.22	1.53	81
Shoes	2.36	1.21	71	4.37	1.66	85
Mobile	3.97	1.43	93	5.03	1.82	98
White goods (TV, Refrigrator., microwave, washing machine, Air conditioner)	4.11	1.73	98	5.27	1.91	110

India's population cross over 1 Billion (census 2011) and more than 40% of the population was young (18-24 years) and most of the residents come from nearby areas of metro city and had jobs of average salary of ` 8000 to ` 10,000. Majority of them spend 80% of their monthly salary on branded products of international and national brands and 65% of these consumers belong to social class III and their favorite mode of shopping was Matador (small form of bus) and two-wheeler (Economic survey of 2011-2012.

Product category

Consumers had different product category selection across traditional retail and modern retail store. For food items, toiletries, house hold cleaning products and Jewellery etc items consumer had less mean information field for traditional store, like to travel less and had less mean angular extent as compared to modern retail store. Such outcomes for traditional store preferences helps to support the predictions that consumers had trust in the stores which were established in the close vicinity to their homes or a little farther to their homes and had much more store loyalty than brand loyalty (Bridson et al., 2008). If we talk about modern retail stores consumers had large mean information about stores, and distance of centres and angular extent. From field observations it was found that modern retail stores advertise their products more than traditional retail stores and were established at a particular distances from each other and big ones were established at the boundaries of the city to reduce real estate cost and to provide open space and parking to consumers (Srenivasan, 2011). Modern stores had large collection of branded products in all above mentioned categories and different stores provide different offers which generate consumer interest to search each and every store to get more knowledge about offers. Jandhyala (2012) stated that consumers had different preferences for different product categories and had different shopping

perception toward retail stores, before and after usage (Table 6).

Implications and recommendations

Overall, this study has succeeded in predicting the relationship between consumer characteristics and information field, distance travelled for shopping centres and angular extent of the field and further across retail store selection. Study also describes the preference of product category across different retail stores. This research has implications for academia as well as retail industry. What follows are the implications this carries for educators and retailers, as well as possible recommendations.

EDUCATOR IMPLICATIONS AND RECOMMENDATIONS

Earlier research by ad use social class, car usage, age and family size across mean information field, mean distance of centres and mean angle of field (Potter, 1978). But in this study area of residence and gender is also analyzed across the above stated three mean values. The research showed that spatial extent of information exhibited different results across social classes. It also examined that consumers who are belonging to different; age groups, number of households and mode of shopping have different level of spatial knowledge. In the latter stages of consumer characteristic variables it is seen that spatial scale of consumer information decreases in a progressive manner for the member of successively lower social classes. These results are similar to Potter (1978) work. Thus from the analyses we can say that earlier stages of consumer variables have more spatial information (Orleans, 1973; and Goodchild, 1974). Potter (1977a) stated that relationships between the relative magnitude of usage fields and the mode of shopping have great significance in differentiation consumers. It also stated that out of town shopping centres were mostly accessed by consumers who have cars. But in the present study it is found that such shopping centres are also accessed by consumers who had two-wheelers and those who travelled by matador. If we talk about retail

store selection reasons, it is found that consumers have different reasons for the selection of the different retail stores. With the modernization of retailing stores consumers have seen different level of retailing facilities and develop different level of expectations which cannot be easily fulfilled in traditional retail stores. Jammu region in India is a tier III city where traditional retail stores have large influence but with modernization and with the allowance of FDI in India in multi brand and single brand retail stores and with the increase in the purchasing power of the consumers especially youngsters (Mukherjee, 2011) and acceptance of modern retail stores increased rapidly. But majority of the consumers in small cities like Jammu have less income level as compared to consumers of metropolitan cities. The local retailers not only stock products according to their preferences but also provide them with credit facilities, shopping assistance, location convenience and provide customized service. Modern retails stores have to face stiff competition from traditional retail stores. But consumers who are belonging to upper and social class, those who are in young and mid age groups and have handsome income prefer to purchase products from modern retail. Whereas, consumers from lower social strata and those are in above 50 age groups fell uncomfortable to purchase products from modern retail. But they feel comfortable in purchasing fruits and vegetables from modern retails, but not the above mentioned product category unless the same shopkeeper shifted from traditional to modern retail. Therefore, for this age group persons, it is concluded that they are shopkeeper loyal not brand loyal. Whereas, young consumers are found to be brand loyal but not shopkeeper loyal. Moreover, they prefer to buy goods from modern retail because of the ambiance, superior facilities, variety and quality which stores provided with reasonable prices.

Retailer implications and recommendations

Consumers with high social class and young age group have more information for retail stores.

So, it is suggested that modern retailers have to focus on this segment. Whereas, traditional stores main customers are above mid age group and those who have large house hold (more than 3 children) size. This segment is untapped by modern retail stores but they can become their future customers if retailers understand their need which is fulfilled by traditional retailers. To tap more customers modern retailers have to build the shopping centres where majority of the population may be served by improving existing high streets and neighborhood shopping centres within urban areas (Hillman et al., 1973). To attract above mid aged group consumers' different categories of products can be made available in the modern stores. So, that this segment of consumers feel comfort in shopping whether in terms of energy or time spend in looking for products. They have to encourage customers to shop at their stores by considering it a feasible options for variety of shopping products at least price.

Study limitations and suggestions for future research

The present research was conducted only on the consumers of one city. A future research may be undertaken to make a comparison between traditional and modern retail stores in tier II and tier III cities or tier I and tier II cities. Research can also be directed on different age group of consumers and one may also do comparison of the shopping preference for older and younger consumers with the support of gender. This would help the modern retails to offer services and assortment according to the consumer preferences. The research also be happened on consumer self efficacy and perceived control behavior which is not included in this paper.

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ORGANIZED RETAIL IN INDIA: PERSPECTIVES AND PROSPECTS

Deepika Jhamb & Ravi Kiran

Abstract:

Retailing today is not considered as a distribution function alone, rather it has emerged as an industry in itself. Through this study, a modest attempt has been made to highlight the emergence of organized retailing and contribution of retail revolution to the economic development of India. This study throws light on multiple success factors which retail is going to have on the Indian economy. The result of the present study clearly shows that the overall economic growth, growing consciousness of consumers, transformation in lifestyle, infrastructure development and employment generation are the important factors contributing to the growth of organized retail in India. Moreover, the factor analysis has been applied on the same and the results of the factor analysis has been categorizes the prospects of organized retail in three major factors, namely, policy factor, economic factor and relationship factor.

INTRODUCTION

During the past decade, retail industry has built strong lifestyle brands positioning itself to cater to the tastes and preferences of the consumers. Moreover, there is a massive change in the consumers' spending patterns. The first quarter of 2010 has witnessed a strong growth in the retail segment. The year 2010 marks the beginning of an important decade which will decide on how much India will develop in the next decade. It is expected that the country will accelerate its GDP growth like never before and will sustain a GDP growth of about 9.6% by 2020.

As a democratic country with high growth rates, consumer spending has risen sharply as the youth population (more than 33% of the country's population is below the age of

Dr. Deepika Jham is Project Associate at School of Behavioral Sciences and Business Studies**,** Thapar University, Patiala, India.
(email: deepikarai7@gmail.com)

Dr (Ms) Ravi Kiran is Professor and Head
of School of Behavioural Sciences and Business Studies,
Thapar University, Patiala, India
(email: rkiran@thapar.edu)

15) has seen a significant increase in its disposable income. Consumer spending rose by an impressive 75% in the past four years alone. Organized retail, which accounts for nearly 5% of the overall retail market, is likely to touch $31 billion by 2012. Retail consumption trends remained upbeat in both rural and urban households in the last quarter of 2009-10, (Talwar, 2010). Changing taste and preferences of consumers' are leading to radical transformation in lifestyles and spending patterns and this in turn is giving rise to spurt in new business opportunities. A change is being observed in the shopping pattern of customers, which has resulted in the emergence of big retail chains in most metros; mini metros and towns.

The Indian retail industry has strong linkages with the economic growth and development of the economy. Liberalization of the economy, rise in per capita income, improved infrastructure, growing consumerism, retail attributes and effective marketing strategies of the retailers are the significant factors for the development of organized retail in India,

(Aggarwal, 2008; Arshad and Hisam, 2008 and Mishra, 2008).

Organized retail provides a wide variety to customers and offers an ideal shopping experience with an amalgamation of product, entertainment and service, all under a single roof. Indian retail scenario, with the intervention of organized retail in the form of modern retail formats such as one-stop malls, speciality malls, hyper markets and big-box retailing, has witnessed a remarkable shift in the preferences of consumers. According to Hino (2010) the emergence and expansion of supermarkets has gradually decreased the market share of the traditional formats. Considering the above growth in mind, the present paper tries to find out the success factors for organized retail in India.

LITERATURE REVIEW

Tusharinani (2007) and Aggarwal (2007) highlight the emergence of organized retailing in India and view the catalytic effects of retail on the Indian Economy. Employment generation, growth of real estate, increase in disposable income and development of retail ancillary market are the various catalytic effects on Indian economy. Further the researchers noted that the transformation of traditional formats into new formats, viz., departmental stores, hypermarkets, supermarkets, speciality stores and malls taking the lead in attracting consumers in the metro and mini metros. Aggarwal (2007) and Bhardwaj *et al*. (2007) indicated that the organized retail industry will mean thousands of new jobs, increasing income level, improved standard of living, better products, better shopping experience etc. Consumers have multiple options to choose - ranging from the shopkeeper to the most sophisticated supermarkets, departmental stores, plazas and malls which provide the latest and better quality products. All this has made India the top spot among the favoured retail destination as observed by Gupta (2004), Jasola (2007), India Retail Report (2009), and

Hino (2010). The study by Dash *et al*. (2009), Kaur *et al*. (2008) and CII (2008) depict that the growing middle class, large number of earning youth customers, increase in spending, and improvement in infrastructure, and liberalization of the Indian economy offer tremendous opportunities for organized retailing in India.

Theoretical Framework

The theoretical framework of this study is based upon the literature of growth of organized retail sector in India. It emphasizes the major aspects of retailing, covering emerging retail formats, attributes of retailing, consumers' demography, and product-wise-choice of retail formats from the consumers' perspective. It also covers the retailers' perspective by identifying the important marketing strategies adopted by retailers of emerging retail formats. Thus the first phase of research focuses upon types of retail formats and prospects of organized retailing in India. Aggarwal (2007) and Tusharinani (2007) highlight the emergence of organized retailing in India and view the catalytic effects of retail on the Indian Economy. Employment generation, growth of real estate, increase in disposable income and development of retail ancillary market are the various catalytic effects on Indian economy. Further the researchers noted that the transformation of traditional formats into new formats, viz., departmental stores, hypermarkets, supermarkets, speciality stores and malls taking the lead in attracting consumers in the metro and mini metros. Aggarwal (2007) and Bhardwaj *et al*. (2007) indicated that the organized retail industry will mean thousands of new jobs, increasing income level, improved standard of living, better products, better shopping experience etc. Consumers have multiple options to choose - ranging from the shopkeeper to the most sophisticated supermarkets, departmental stores, plazas and malls which provide the latest and better quality products. All this has made India the

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Objective of the research

- The present study has been undertaken with a major objective to study the prospects of organized retail in India.
- To identify the important factors contributing to growth of organized retailing.

RESEARCH METHODOLOGY

Research Design: In order to satisfy the objectives of the research, the study employs both exploratory and descriptive research design. Exploratory research design has been used to generate basic knowledge on the trends and prospects of the organized retail sector and for analyzing the retailers' perspective, descriptive research design and factor analysis have been used.

Sample Size*:* The study selected 62 retailers for collecting data from the major cities of Punjab. The purpose of selecting Punjab as a sample is based on the assumption that Punjab

characterizes a rich state with the modern cities being equipped with all kinds of emerging retail formats. Moreover Punjab is a state where people are fond of spending. According to India Today (2011), a leading magazine in India, Punjab has been adjudged the best overall state since 2003 and it has been able to retain the top position till 2011. Punjab affords the best quality of life to its residents. The present Punjab is divided into three natural regions: Majha, Doaba and Malwa. Three major cities have been included from each region. The cities covered from each region are: Amritsar, Gurdaspur and Pathankot from Majha region; Jalandhar, Kapurthala and Hoshiarpur from Doaba region; and Ludhiana, Patiala and Mohali from the Malwa region. Hence the study covers all the regions and all the major cities of Punjab in these three regions.

RESULTS AND ANALYSIS Organized retail in India is going through a transformational stage, where it becomes very important to understand which factors are considered important considering the future prospects. In the present study 10 such factors were considered for analysis from retailers perspectives. View of different retail groups viz. malls, Speciality stores, hyper-supermarkets, discount stores were sought to get a shared view of retailers. The results of the same have been depicted through table1.

Table1: Retailers' Perception about Prospects of Organized Retailing in India

	Prospects of Organized Retail	Mean	Std. Dev.	Rank
i.	Employment generation	3.84	1.06	5
ii.	Increase in Foreign Direct Investment	3.69	0.78	7
iii.	Growth of real-estate	3.78	1.13	6
iv.	Increase in disposable income	3.64	0.82	8
v.	Development of retail ancillary market	3.42	0.90	10
vi.	Growing consciousness of consumer	4.10	0.95	2
vii.	Infrastructure development	3.88	1.00	4
viii.	Transformation in lifestyle	4.07	0.95	3
ix.	Beneficial for farmers	3.48	1.05	9
x.	Overall economic growth	4.12	1.14	1

The results as shown in (Table 1) highlight that overall economic growth (4.12), growing consciousness of consumers (4.10),

transformation in lifestyle (4.07) followed by infrastructure development and employment generation are perceived as the factors

contributing to the growth of organized retailing in India. However, it is surprising to see that increase in Foreign Direct Investment (FDI) scored the least rank despite it being an important factor for the growth of retail industry in India. On the other hand, factors like development of retail ancillary markets and beneficial for farmers have been rated relatively lower. These results have been depicted in Figure 1.
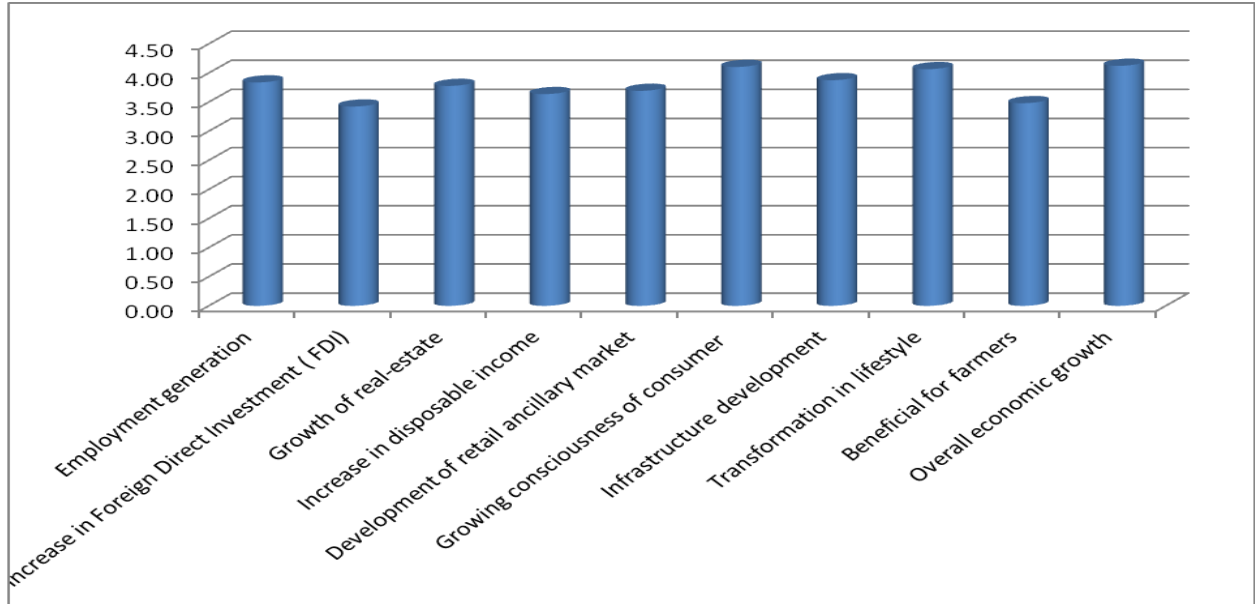
Figure 1: Retailers' Perception about Prospects of Organized Retailing in India

After knowing the prospects of organized retail in India, further factor analysis has been applied on these 10 factors to reduce the number of variables by clubbing them in major factors. The result of the factor analysis has been depicted through Table 2.

Table 2: Prospects of Organized Retail In India

Prospects of Organized Retail	Policy factor	Economic factor	Relationship factor
1. Infrastructure development	**.**914		
2. Transformation in lifestyle	.824		
3. Growth of real-estate	.653		
4. Increase in Foreign Direct Investment	.646		
Eigen Value	**2.603**		
% of variance	**26.032**		
Cumulative Variance	**26.032**		
5. Increase in disposable income 6.Employment generation		.799 .760	
7.Overall economic growth		.661	
8.Development of retail ancillary market		.616	
Eigen Value		**2.248**	
% of variance		**22.483**	
Cumulative Variance		**48.514**	
9. Beneficial for farmers			.892
10**.** Growing consciousness of consumer			.547
Eigen Value			**1.985**
% of variance			**19.851**

Cumulative Variance	68.366

- As is evident in Table 2, the results highlight that policy factor has emerged as more important factor contributing to prospects of organized retail and this accounts 26.032% of variance.
- Economic factor is the second factor explaining 22.483% variance. The items covered in these factors are increase in disposable income (.799), employment generation (.760), overall economic growth (.661) and development of retail ancillary market (.616).
- Relationship factor is emerged as the third factor with only 19.851 percent of variance. Beneficial for farmers and growing consciousness of consumers are the items included in this factor.

CONCLUSION

The present study is an attempt to highlight the major factors contributing to the growth of organized retail in India. As per results of the present study, overall economic growth, growing consciousness of consumers, transformation in lifestyle and infrastructure development are the important factors contributing to the growth of organized retail in India. Moreover employment generation and growth of real estate are other important factors towards the growth of retail sector in India. Further the results of the factor analysis categorize these prospects in three major factors, namely, policy factor, economic factor and relationship factor. Policy factor emerge as the most significant factor with having 26.032 percent of variance. Infrastructure development (.914) and transformation in lifestyle (.824) have higher loading value in factor analysis.

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CONSUMERS' SATISFACTION WITH GROCERY SHOPPING IN SUPERMARKETS AND CONVENIENCE STORES

Elin Nilsson, Tommy Gärling & Agneta Marell

Abstract

In this paper we ask whether there are differences in which attributes are important for satisfaction with grocery shopping in supermarkets compared to convenience stores. We also examine whether accessibility attributes and attractiveness attributes have different impacts on satisfaction depending on consumer characteristics and shopping behaviour in different store formats. The results show a higher overall satisfaction with supermarkets than convenience stores, and within these store formats a higher satisfaction with the chosen store format. This study has increased understanding of the differences between supermarkets and convenience stores with respect to how these store formats makes consumers satisfied depending on the way they do their shopping.

Key words – *Satisfaction, Grocery shopping, Store attributes, Store format*

INTRODUCTION

Previous research has shown that satisfaction is a necessary step for promoting customer loyalty (e.g. Mägi, 2003; Lewis and Soureli, 2006; Torres-Moraga, et. al, 2008; Yun and Good, 2007). Yet, the observed frequency of choice of grocery store does not necessarily for this reason imply that consumers are satisfied with shopping in the store (Shiv and Huber, 2000; Oliver, 2009). Even if repeated choices are made, this may be a consequence of lack of alternatives and hence not result in satisfaction. Moreover, new alternatives becoming available may never be evaluated if consumers fail to break a habit they have developed (e.g. Johnson *et al.,* 2003). In addition, it cannot be taken for granted that attributes that are important for choice of store are the same as those that are important for satisfaction with shopping in the

Elin Nilsson is professor at Umeå School of Business and Economics, Biblioteksgränd 6, 901 87 Umeå. (email:elin.nilsson@usbe.umu.se)
Tommy Gärling is professor at Gothenburg Universtiy
Agneta Marell is professor at Umeå School of Business and Economics

store. Consumers often make choices having different objectives. For example, previous research has shown that easy-to-compare attributes receive more weight in choice than in purchase-likelihood ratings (Nowlis and Simonson, 1997). Shiv and Huber (2002) showed that preferences may change when consumers focus on the anticipated satisfaction with a purchase rather than the choice. The present research investigates whether factors important for choice of grocery store also affects satisfaction − an issue that appears to have attracted less research interest than it deserves.

In many European countries, including Sweden where the present research is conducted, grocery retailing has undergone a structural change (e.g. Ghosh and McLafferty, 1991; Forsberg, 1998; Bergström, 2000; Pettersson et al., 2004; Wood et al., 2006). Today retailers compete with new store concepts and formats (Popkowski Leszczyz et al., 2000; Huddleston et al., 2009), which offers consumers more to choose from, such that instead of remaining loyal they may want to try out new store

formats that better serve their needs (Kim and Jin, 2001; Elms et al., 2010). In such a competitive environment, the understanding of and prediction of consumer satisfaction is becoming an important topic. It may therefore be asked what retailers can do to increase consumers' satisfaction with shopping in traditional stores (convenience stores and supermarkets). Also, since different store formats are explicitly designed to fit different consumers´ needs through customized assortments, opening hours, and atmospheres (e.g. Morganosky, 1997; Cummins et al., 2008; Findlay and Sparks, 2008), there is a need for knowledge of which store attributes that make different consumer segments satisfied with their grocery shopping in different store formats. The specific question we raise in the present study is whether consumers who differ in choice of traditional store formats (supermarket versus convenience store) and style of shopping (major versus fill-in shopping) are satisfied with shopping in the stores they chose and which store attributes that make them satisfied.

The paper proceeds with a review of previous research of store choice followed by a discussion of how satisfaction with shopping in a store is related to choice. We then report a survey measuring Swedish consumers' satisfaction with grocery shopping in supermarkets and convenience stores. The results of the survey are analysed in a way such that we can determine how overall satisfaction and satisfaction with different store attributes vary with the frequency of choice of supermarkets versus convenience stores and major versus fill-in shopping.

Choice of grocery store

Previous research has identified several in-store attributes contributing to a grocery stores' attractiveness and being essential for store choice. These include product range (Uusitalo, 2001; Carpenter and Moore, 2006; Briesch, et al., 2009), product quality (Reutterer and Teller, 2009; Wong and Dean, 2009), price level (Baltas

and Papastathopoulou, 2003; Mitchell and Harris, 2005), service quality (Carpenter and Moore, 2006; Ann and Koenraad, 2010), and storescape quality (Hsu et al., 2010). Store atmospheres have been shown to affect perceptions of value and probability to return to the store (Grewal et al., 2003).

In another line of research attributes related to accessibility (e.g. travel distance, location, parking facilities) have been shown to be important for choice of store (e.g. Falk and Julander, 1983; Bell, 1999;Severin et al., 2001; Reynolds and Wood, 2010). Sinha and Banerjee (2004) found that travel distance is the most important accessibility attribute affecting store choice. Reynolds and Wood (2010) and von Freymann (2002) likewise found that location is the most important attribute. Consequently, Coca-Stefaniak et al. (2010) as well as Reynolds and Wood (2010) argue that choice of location should be an important part of retailers´ marketing strategy.

Other research has investigated differences in desirability of attributes depending on store format (e.g., McGoldrick and Thompson, 1992; McGoldrick and Andre, 1997; Hanssen and Fosli, 1998; Reutterer and Teller, 2009). In a study by Carpenter and Moore (2006) it was found that accessibility attributes such as parking facilities are more important for supermarkets than for convenience stores. Studies of mall shopping have revealed that many consumers are prone to choose where to shop on the basis of their positive versus negative attitude towards the shopping environment (Finn and Louviere, 1996; Gentry and Burns, 1977). Reutterer and Teller (2009) showed that consumers doing major shopping prefer large store formats such as supermarkets, whereas consumers doing fill-in shopping prefer small store formats such as convenience stores. Thus, previous research has shown differences in what attribute that are important depending on where and how the consumers choose to purchase groceries.

Previous research has also shown that demographic factors influence choice of grocery

store format (Sinha and Banerjee, 2004; Carpenter and Moore, 2006) and store satisfaction (Helgesen and Nesset, 2010). Prasad and Aryasri (2011) found that consumers who are younger, educated, and have higher incomes have greater patronage of modern grocery store formats. They also found that large households prefer supermarkets and hypermarkets for major shopping trips. Helgesen and Nesset (2010) found that female shoppers were more satisfied than male shoppers.

Satisfaction versus choice

Satisfaction is an important explanatory construct in retail marketing research (Anselmsson, 2006). It is also one of the most widely researched topics. In this research satisfaction is defined and conceptualized in a number of ways (e.g. Oliver, 1980, 1999; Pappu & Quester, 2006). The most common conceptualization is that satisfaction is an affective response to the degree an expectation is fulfilled. In general terms, satisfaction measures whether the product meets the customers' needs and expectations (Oliver, 1980; Zeithmal & Bitner, 2000; Santos and Boote, 2006). The satisfaction of shopping trips has in previous research been conceived as an outcome of a consumer´s subjective comparison of expectations with experience (Davies et al., 2001). It has been posited that the larger the degree to which consumers experience satisfaction with a retailer, the higher the probability that they will return (LaBarbera and Mazursky, 1983; Wong and Sohal, 2003). In the same vein, satisfaction has been viewed as an antecedent of store loyalty (Bitner, 1990; Bloemer and De Ruyter, 1998; Caruana, 2002; Chang and Tu, 2005; Bridson et al., 2008; Torres-Moraga et al., 2008) and re-purchase intentions (Mägi, 2003; Yun and Good, 2007). However, Mägi (2003) found that satisfaction only explained a modest proportion of the variance in the frequency of visiting and money spent in primary stores for grocery shopping. It was also found that satisfaction was a more important determinant for consumers who were thinking economically while shopping.

Previous research have shown that consumers want different things from different shopping trips (Bell et al., 2011), and they are therefore likely to form different expectations depending on their motives for making a particular shopping trip. The decision to visit a store reflects their anticipation that store will make them satisfied and are therefore likely to become dissatisfied if the experience falls short of their expectations.

Only few studies have examined satisfaction with grocery stores and satisfaction with attributes of grocery stores. Theodoridis and Chatzipanagiotou (2009) found that pricing, staff, products (variety, quality and full shelves), and in-store convenience are significant determinants of satisfaction for some consumers but that only pricing and products are significant in all consumer segments. In examining the relationship between perceptions and satisfaction with conventional stores (supermarkets) and speciality stores (convenience stores), Huddleston et al. (2009) found that consumers are in general more satisfied with supermarkets than convenience stores because supermarkets are perceived to provide a larger product assortment, higher quality, and lower prices. The rank order of impact on satisfaction with supermarkets was product range, price, service quality, and product quality. For convenience stores the rank order was service quality, price, product range, and product quality.

Consumer segments

In order to develop more efficient marketing strategies and tactics, a crucial task is to identify different consumer segments (Gehrt and Yan, 2004). Previous studies of consumers´ grocery shopping have either focused on where consumers shop groceries (e.g. supermarkets versus convenience stores) or how they shop (major versus fill-in shopping). For instance, some previous studies have identified store

attributes that are important for consumers shopping in different store formats (e.g., McGoldrick and Thompson, 1992; McGoldrick and Andre, 1997; Hanssen and Fosli, 1998; Theodoridis and Chatzipanagiotou, 2009). Other research has identified store attributes that are important for consumers making major shopping trips compared to consumers making fill-in shopping trips (Kollat and Willett, 1967; Frisbie, 1980; Woodside and Trappey, 1992; Carpenter and Moore, 2006).

By integrating these two lines of research Authors (2013a) identified four mutually exclusive extreme groups of consumers differing jointly in how and where they predominantly do grocery shopping. These groups include consumers doing major shopping in supermarkets - "Planning Suburbans", consumers doing major shopping in convenience stores - "Pedestrians", consumers doing fill-in shopping in supermarkets - "Social Shoppers", and consumers doing fill-in shopping in convenience stores -"City Dwellers". A remaining fifth group of consumers - "Flexibles" - are doing equally much of major and fill-in shopping as well as visiting supermarkets and convenience stores equally often.

On the basis of socio-demographic information the consumer groups were characterized as follows (Authors, 2013a). Planning Suburbans does not live centrally, live far away from the grocery store in which they usually patronize, have a large household and usually shops together with the family. They have access to a car and make isolated trips to shop groceries. Pedestrians live centrally, are young, work part-time, earn little money, spend much money on groceries, and live close to the most frequently patronized store. They have frequently not access to a car. Social Shoppers are older than the other segments, shop frequently and alone, and live close to the store. City Dwellers live centrally, have a small household, and few have access to a car. They shop often and alone, live close to the most frequently patronized store, work full-time, and are buying groceries on the

way home from work or when doing other errands. The Flexibles are a mixed group not easily characterized.

Identifying the different consumer groups revealed new insights into how customers' needs and desires are related to shopping behaviour. Yet, a shortcoming of the previous study is that it did not investigate differences between the consumer groups with respect to what attributes make them satisfied with the different store formats.

The present study

Previous research has identified accessibility and attractiveness attributes that are important for consumers´ store choice. In the present study we ask whether there are differences in which attributes are important for choice of store and consumers actual satisfaction with grocery shopping in supermarkets compared to convenience stores. The surveyed consumers rate their satisfaction with accessibility and attractiveness attributes of convenience stores and supermarkets, respectively, as well as their overall satisfaction with grocery shopping in these two store formats.

An additional question addressed is whether accessibility and attractiveness attributes have different impacts on satisfaction depending on differences in shopping behaviour (major versus fill-in shopping) in the different store formats. We therefore compare the consumer groups described above with respect to how satisfied they are with shopping in chosen and non-chosen store formats and how they perceive and evaluate the attributes of these store formats.

METHOD

Sample

In April to May of 2009 e-mails were sent to 13,500 members of a panel of Swedish residents managed by a market-research firm, who by telephone or via Internet recruits panel members among people expressing an interest in participating in consumer surveys. The panel members were asked to access a web address and answer a questionnaire for which they were

awarded points later exchangeable for lottery tickets or cinema vouchers. Out of the total amount of members in the panel, 2,706 members viewed the web page with the questionnaire, before the survey was closed. Usable questionnaires were obtained from 1,575 participants representing a response rate of 58.2%. Sample descriptive are reported in Table 1. The participants' age varied from 18 to 81 years with an average of 44.8 years which is close to the national average of 41.0 years (Statistics Sweden, 2008). Many more women (71.8%) were included than the national average of close to 50% in the sampled age range. Almost half of the participants had an annual income between SEK 100,000 and SEK 300,000 (1 SEK or Swedish Crown is approximately equal to USD 0.20 or Euro 0.12). In 2007 the median income in Sweden was SEK 203,600. Almost two thirds of the participants had more than 12 years of education (having studied at the university level), which substantially exceeds the national average of 15.3%.

Table I. Descriptions of participant characteristics (n = 1,575).

Variable	Descriptive
Gender (number of women)	1130 (71.7%)
Age (years)	
18-30	184 (11.6%)
31-40	450 (28.4%)
41-50	410 (25.9%)
51-60	367 (23.1%)
61-70	160 (10.1%)
71-80	12 (0.4%)
Marital status (number of cohabiting)	1159 (73.6%)
Household size (number of persons)	
1	302 (19.2%)
2	563 (35.7%)
3	309 (19.6%)
>3	401 (25.5%)
Children in household	
None	823 (52.3 %)
Younger than 18 years	520 (33%)
Both younger and older than 18 years	96 (6.1%)
Older than 18 years	136 (8.6%)
Education (years)	
<9	65 (4.1%)
9-12	476 (30.2%)
>12	1034 (65.7%)
Employment	
Full-time worker	1025 (65.1%)
Part-time worker	197 (12.5%)
Student	67 (4.3%)
Senior citizen	144 (9.1%)
Other	142 (9.0%)
Annual net income (SEK)	
<100 000	101 (6.4%)
100 001-300 000	835 (53.0%)
300 001-500 000	534 (33.9%)
>500 000	105 (6.7%)
Access to car	1316 (83.6%)
Residential location	
Central	484 (30.7%)
Not centrally with public transport	840 (53.3%)
Not centrally with no public transport	251 (15.9%)

Procedure

The questionnaire consisted of four sections. In the fourth and final section questions were asked about socio-demographic variables, the answers to which were described above. In the first section questions were asked about how frequently the participants are doing major shopping compared to fill-in shopping (measured on a scale from 1 mostly major, to 5 mostly fill-in shopping), how frequently they buy groceries, how much in SEK they spend per month on groceries, how frequently they buy groceries in supermarkets and convenience stores, and how much in SEK they spend per month on buying groceries in supermarkets and convenience stores. A question was also asked about distance to the closest grocery store. Table 2 displays participants´ answers to these questions.

An extensive set of 35 different store attributes covering both accessibility and attractiveness attributes investigated in previous research were presented. In the second section, the participants rated these 35 attributes with respect to their importance. Authors (2013b) report a principal component analysis1 of the

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1 A Kaiser-Meyer-Oklin measure of .89 (>.70) and a significant (p<.001) Bartlett´s test of sphericity (Hair *et al.,* 2006) indicated that a principal component analysis was appropriate to perform. Extraction of ten factors accounted for 69.8% of the variance. After oblique rotation the loadings

importance ratings of the 35 attributes supporting that it would be feasible to construct reliable indexes of the following ten aggregated store attributes: supply quality, supply range, price level, service quality, servicescape quality, closeness to other facilities, child friendliness, availability, accessibility by car and accessibility by other travel modes.

Table 2. Descriptions of shopping behavior (n=1575).

Variable	Descriptive
Major vs. fill-in shopping	
Always fill-in	198
(12.6%)	
Most frequently fill-in	258
(16.4%)	
Equally frequently major as fill-in	404
(25.7%)	
Most frequently major	715
(45.3%)	
Frequency of grocery shopping	
<once a week	49
(3.1%)	
Once a week	267
(17.0%)	
2-4 times a week	933
(59.2%)	
>4 times a week	326
(20.7%)	
SEK spent per month on groceries	
<1500	239
(15.2%)	
1501-3500	680
(43.2%)	
3501-4000	243
(15.4%)	
4001-5000	239
(15.2%)	
>5000	174
(11.0%)	
Frequency of grocery shopping in supermarket	
Never	21
(1.3%)	
<once a month	174
(11.0%)	
1-2 times a month	264
(16.8%)	
2-3 times a month	179
(11.4%)	

Variable	Descriptive
Once a week	448
(28.4%)	
2-4 times a week	409
(26.0%)	
> 4 times a week	80
(5.1%)	
Frequency of grocery shopping in convenience store	
Never	180
(11.4%)	
<once a month	255
(16.2%)	
1-2 times a month	149
(9.5%)	
2-3 times a month	124
(7.9%)	
Once a week	259
(16.4%)	
2-4 times a week	498
(31.6%)	
> 4 times a week	110
(7.0%)	
SEK spent/month on groceries shopped in supermarket	
<1500	597
(37.9%)	
1501-3500	654
(41.5%)	
3501-4000	133
(8.4%)	
4001-5000	132
(8.4%)	
>5000	59
(3.7%)	
SEK spent/month on groceries shopped in convenience store	
<1500	1257
(79.8%)	
1501-3500	246
(15.6%)	
3501-4000	28
(1.8%)	
4001-5000	18
(1.1%)	
>5000	26
(1.7%)	
Distance to closest grocery store (km)	
<0.5	629
(39.9%)	
0.5-2	622
(39.6%)	
>2	311
(20.5%)	

were with a few exceptions consistent with the expected structure of the aggregated attributes. The principal component loadings are reproduced in Appendix. Averaging the ratings resulted in indexes of the aggregated attributes with Cronbach´s alphas ranging from .63 to .89.

In the third section participants first rated their overall satisfaction and then their satisfaction with the 35 attributes of the supermarket, where they most frequently buy groceries, and finally they made the same ratings of the convenience store, where they most frequently buy groceries. Supermarkets were described as larger stores outside city centre or a centrally

located mall. Convenience stores were described as smaller stores located close to home or work with food products as the main assortment. Several well-known Swedish chains of grocery stores were mentioned as examples of the different store formats.

The ratings of overall satisfaction were made on six seven-point numerical scales ranging from 1 to 7 with the end-points defined by the adjective pairs positive-negative, satisfactory-unsatisfactory, good-bad, content-discontent, like-dislike, and satisfied-dissatisfied. For each of the attributes, participants first indicated whether it is important to them, then if it applies to the store (e.g. whether or not the store is accessible by car), and finally the degree of satisfaction with the attribute rated on a seven-point numerical scale ranging from 1 to 7 with the end-points defined as "not at all satisfied" (1) and "very satisfied" (7). A 0 was assigned if the attribute was not important. If the attribute was important and applied, the rating was interpreted as reflecting satisfaction and was given a positive sign. If the attribute was important but did not apply, the rating was interpreted as reflecting dissatisfaction and was given a negative sign. The resulting scale thus ranged from -7 (very dissatisfied) to 7 (very satisfied) with 0 representing not important. As an example, if a participant indicated that the attribute is not important, a 0 was assigned. If indicating that the attribute is important and applies, the assigned score was the rated value (1 to 7). If indicating that the attribute is important but does not apply, the assigned score was the rated value with a negative sign (-1 to -7).

The survey questions were presented on a computer screen and answered by participants clicking on available response alternatives or typing in their responses. When a question had been answered, the next question appeared making it impossible to go back. The participants were able to quit whenever they wanted by clicking on an exit button.

RESULTS
Overall analyses
In preliminary analyses of the results, participants were excluded if they never purchased groceries in a supermarket or convenience store. In total 1,314 (83.4%) participants provided rating data for both the supermarket and the convenience store, 217 (13.8%) only for the supermarket, and 25 (1.6%) only for the convenience store.

Subsequent analyses with repeated-measure analysis of variance (ANOVA) made it necessary to delete participants who did not provide data for both the supermarket and the convenience store. Percentage zero scores, means and standard deviations of the ratings of the attributes before aggregation are given in Appendix. The table also reproduces the principal component loadings obtained in Authors (2013b).

Table 3 reports means, standard deviations, Cronbach's alphas, and intercorrelations of the aggregated attributes and overall satisfaction for the subsample that rated both stores. The ratings of the attributes were obtained for aggregated attributes by averaging. The Cronbach´s alphas were slightly lower for the satisfaction ratings than the importance ratings (see footnote 1), presumably because the satisfaction ratings were more restricted in range than the importance ratings were. Paired t-tests reported for the aggregated attributes in Table 3 yielded at p<0.05 several significant differences between supermarkets and convenience stores. Overall satisfaction was higher for supermarkets than convenience stores. Availability and accessibility with other travel modes were more satisfactory for convenience stores than for supermarkets, while all the remaining aggregated attributes were rated to be more satisfactory for supermarkets than for convenience stores.

In order to investigate the relationship between overall satisfaction and satisfaction with the different aggregated attributes, multiple linear regression analyses were performed separately

for the ratings of supermarkets and convenience stores. In addition to the ratings of satisfaction with the attributes, socio-demographic variables, and shopping-behaviour variables were included to control for these in assessing the average results for the total sample.

Table 3. Means (M), standard deviations (s), Cronbach´s αs, and inter-correlations between indexes of overall satisfaction and satisfaction with aggregated attributes of supermarkets and convenience stores.

				Supermarket									
	M	s	α	1	2	3	4	5	6	7	8	9	10
1. Overall satisfaction	5.7	1.0	.97										
2. Supply quality	3.7	2.1	.61	.42									
3. Supply range	4.3	2.4	.76	.38	.54								
4. Price level	2.7	2.8	.43	.36	.23	.25							
5. Service quality	3.3	2.2	.71	.42	.43	.36	.34						
6. Storescape quality	3.8	1.9	.71	.45	.40	.36	.37	.54					
7. Closeness to other facilities	1.9	2.6	.65	.17	.24	.19	.11	.30	.22				
8. Child-friendliness	0.6	2.0	.54	.12	.20	.14	.19	.34	.39	.29			
9. Availability	3.0	2.4	.41	.17	.19	.15	.11	.13	.16	.10	.07		
10. Accessibility by car	5.3	2.2	.85	.22	.26	.17	.35	.38	.16	.20	.05		
11. Accessibility by other modes	1.7	2.8	.75	.02	.17	.07	.11	.07	.08	.14	.12	.50	-.09

				Convenience store											
	M	s	α	1	2	3	4	5	6	7	8	9	10	t	p
1. Overall satisfaction	5.1	1.2	.99											19.38	<.001
2. Supply quality	2.0	2.5	.68	.52										23.2	<.001
3. Supply range	1.2	3.2	.78	.45	.61									30.2	<.001
4. Price level	0.7	2.7	.43	.37	.36	.40								22.2	<.001
5. Service quality	1.9	2.0	.61	.53	.52	.44	.41							20.3	<.001
6. Storescape quality	2.4	2.1	.76	.55	.50	.44	.39	.58						22.1	<.001
7. Closeness to other facilities	0.8	2.3	.71	.19	.27	.25	.19	.32	.25					11.7	<.001
8. Child-friendliness	-0.2	1.5	.72	.11	.13	.14	.18	.27	.25	.24				12.2	<.001
9. Availability	4.1	2.5	.53	.20	.18	.11	.10	.21	.20	.13	.07			-13.3	<.001
10. Accessibility by car	4.0	2.8	.84	.24	.22	.16	.19	.31	.33	.07	.08	.17		16.9	<.001
11. Accessibility by other modes	3.4	2.7	.77	.12	.16	.08	.04	.13	.13	.12	.04	.54	.11	-18.3	<.001

The regression analyses on the ratings of supermarkets were performed for the total sample (n = 1,531) and for the subsample (n = 1,314) that rated both supermarket and convenience store. The ratings of the convenience stores were analysed only for the subsample. Table 4 reports the results of the regression analyses on the ratings of overall satisfaction with the supermarkets and convenience stores, respectively. As may be seen, on the ratings of overall satisfaction with the supermarkets, the total sample does not differ from the subsample, thus indicating that there were no differences between the ratings by consumers who only visit the supermarket and those who visit both supermarkets and convenience stores. In both cases overall satisfaction is significantly related to satisfaction with supply quality, supply range, price level, service quality, storescape quality, child-friendliness, and availability. Accessibility by car is only significant in the subsample. It can furthermore be seen that there are significant effects of gender (women more satisfied than men) and having children (participants with children more satisfied than participants without children). Overall satisfaction with the convenience store is significantly related to supply quality, supply range (significantly less than for the supermarkets), price level (significantly less than for the supermarkets), service quality (significantly more than for the supermarkets), storescape quality, child-friendliness, and availability.

Table 4. Simple correlations (r), standardized regression coefficients (beta) with 95% confidence intervals (CI) and associated t and p values from regression analyses with ratings of overall satisfaction with supermarket for the total sample and ratings of satisfaction with supermarket and with convenience store for the sample making both ratings as dependent variables and age, sex, having children, car access, type of shopping (frequency/week; money spent/month, major vs. fill-in shopping) and ratings of satisfaction with aggregated store attributes as independent variables.

Independent variables	Supermarket (n = 1531)					Supermarket (n = 1314)					Convenience store (n = 1314)				
	r	beta	CI	t	p	r	beta	CI	t	p	r	beta	CI	t	p
Middle vs. young age (1 36-50 years, -1 18-35 years)	-.01	-0.03	±0.05	-1.13	.260	-.01	-0.04	±0.06	-1.38	.169	-.02	-0.01	±0.05	-0.40	.689
Old vs. young age (1 > 50 years, -1 18-35 years)	.01	0.01	±0.05	0.58	.564	.01	0.02	±0.05	0.61	.540	.01	-0.01	±0.05	-0.54	.586
Gender (1 man, -1 woman)	-.10	-0.05	±0.05	-2.35	.019	-.10	-0.06	±0.04	-2.68	.008	-.07	-0.05	±0.04	-2.51	.012
Children (1 yes, -1 none)	.02	-0.06	±0.05	-2.57	.010	.01	-0.07	±0.05	-2.84	.005	-.01	-0.01	±0.41	-0.33	.743
Closeness to store (1 ≤ 0.5 km, -1 > 0.5 km)	-.01	0.01	±0.04	0.31	.754	-.01	0.00	±0.05	0.01	.996	.05	-0.01	±0.05	-0.17	.868
Access to car (1 yes/-1 none)	.11	0.02	±0.05	0.79	.432	.13	0.03	±0.05	1.01	.313	.02	0.04	±0.05	1.74	.082
Frequency of shopping (1 ≥ weekly, -1 < weekly)	-.01	0.01	±0.05	0.63	.530	-.01	0.02	±0.04	0.87	.383	.01	0.01	±0.04	0.29	.774
Money spent/month (1 ≤ 3500 SEK, -1 > 3500 SEK)	-.08	-0.03	±0.05	-1.29	.197	-.08	-0.01	±0.05	-0.49	.625	-.01	-0.01	±0.05	-0.17	.865
Major vs. fill-in shopping [a]	.08	0.03	±0.04	1.10	.272	.10	0.03	±0.04	1.13	.259	-.04	-0.01	±0.05	-0.38	.703
Supply quality	.42	0.16	±0.05	5.87	<.001	.43	0.16	±0.05	5.66	<.001	.53	0.21	±0.05	7.07	<.001
Supply range	.39	0.13	±0.04	4.97	<.001	.41	0.15	±0.05	5.40	<.001	.45	0.09	±0.04	3.11	.002
Price level	.34	0.15	±0.05	6.43	<.001	.35	0.16	±0.07	6.68	<.001	.37	0.08	±0.05	3.34	.001
Service quality	.42	0.12	±0.06	4.51	<.001	.42	0.14	±0.04	4.78	<.001	.53	0.21	±0.06	7.19	<.001
Storescape quality	.45	0.23	±0.04	8.24	<.001	.45	0.22	±0.05	7.52	<.001	.55	0.27	±0.05	9.75	<.001
Closeness to other facilities	.17	0.03	±0.05	1.26	.207	.18	0.03	±0.05	1.36	.174	.19	-0.03	±0.05	-1.10	.271
Child-friendliness	.12	-0.10	±0.04	-4.30	<.001	.12	-0.11	±0.05	-4.31	<.001	.11	-0.07	±0.05	-2.91	.004
Availability	.17	0.07	±0.05	2.99	.003	.16	0.07	±0.05	2.61	.009	.19	0.05	±0.05	2.04	.042
Accessibility car	.27	0.05	±0.04	1.76	.079	.29	0.06	±0.05	2.16	.031	.24	0.00	±0.05	-0.01	.991
Accessibility other modes	.07	-0.03	±0.06	-1.29	.197	.06	-0.02	±0.05	-0.85	.398	.11	-0.02	±0.06	-0.71	.479

Adj R^2 = .34, $F(19, 1511)$ = 42.09, p<.001 AdjR^2 = .36, $F(19, 1294)$ = 40.39, p<.001 Adj R^2 = .43, $F(19, 1294)$ = 52.79, p<.001

[a] 1 mostly major shopping, -1 equally much or less major than fill-in shopping

Differences between consumer segments

Table 5 reports the results for the five consumer groups´ average ratings of the supermarkets. A total of 885 participants were classified as belonging to the different groups. A large number of participants thus fall between these groups. Some of these consumers were flexible in where they shop (supermarket or convenience store) but inflexible in how they shop (major or fill-in), whereas others were inflexible in how they shop and flexible in where they shop. Authors (2013a) conjectured that these consumers for some reasons are temporarily constrained in making their choices. Thirty-nine participants were also excluded because they never or almost never shopped in any of the store formats.

Separate parallel regression analyses were performed for each consumer group to determine the relationships between overall satisfaction and satisfaction with the attributes. As may be seen, the groups differ both in their mean ratings of overall satisfaction, satisfaction with the attributes, and the attribute weights that determine overall satisfaction.

One-way ANOVAs were performed in order to test for the differences in group means. A significant difference indicated that there were differences in how the consumer groups rated their overall satisfaction with the supermarket, F(4, 870) = 10.35, p <.001. The "Planning Suburbans" and "Social Shoppers" are overall most satisfied with the supermarket, whereas the "City Dwellers" has the lowest overall satisfaction.

No significant mean difference between the consumer groups were shown for quality, F(4,856) = 1.57, p =.179, and closeness to other facilities, F(4,856) <1, yet there was a significant difference in how important quality was for their satisfaction. The weight is higher for "Social Shoppers" and "Pedestrians" than for the other consumer groups.

For all other attributes the difference is significant between how the consumer groups rate their satisfaction with the supermarket, for range, F(4, 857) = 3.19, p =.013, for price, F(4, 856) = 11.09, p <.001, for service, F(4, 857) = 16.51, p <.001, for storescape, F(4, 857) = 10.04, p <.001, for child friendliness, F(4, 857) = 5.79, p <.001, for availability, F(4, 857) = 15.72, p <.001, for access by car, F(4, 856) = 9.41, p <.001, and for access by other modes, F(4, 856) = 6.67, p<.001. "Planning Suburbans" have a higher mean satisfaction with range, price, service and storescape, whereas "City Dwellers" have the lowest mean satisfaction with these attributes. Still, for "City Dwellers" range is more important for overall satisfaction, whereas for "Flexibles" price is more important. For "Pedestrians"

service is more important for their overall satisfaction than for the other consumer groups. For "Planning Suburbans" storescape is more important for their overall satisfaction. Child friendliness has slightly higher mean satisfaction ratings for the "Planning Suburbans" and "Pedestrians", yet for none of the consumer groups child friendliness is important for their overall satisfaction. On the availability attribute "Social Shoppers" have the highest mean satisfaction whereas "Pedestrians" have the lowest. This attribute is important only for "City Dwellers'" overall satisfaction. All consumer groups have a high mean for satisfaction with accessibility by car but it has a low importance for their overall satisfaction. "Planning Suburbans" show the highest mean satisfaction and "City Dwellers" the lowest. Regarding the accessibility by other travel modes, all consumer groups show a low mean satisfaction except for "Social Shoppers", and for all accessibility by other travel modes have little importance for their overall satisfaction.

Table 5. Means (M), standard deviations (SD), and standardized regression coefficients (beta) for five different consumer groups segmented based on shopping behaviour. The regression coefficients indicate the weights for overall satisfaction with supermarkets placed on satisfaction with the different attributes.

	Planning Suburbans (n=271)			Pedestrians (n=133)			Social Shoppers (n=134)			City Dwellers(n=212)			Flexibles (n=135)		
	M	SD	Beta	M	SD	Beta	M	SD	Beta	M	SD	Beta	M	SD	Beta
Quality	3.88	2.09	.145*	3.54	1.96	.292**	3.65	1.95	.358***	3.50	2.25	.119	3.92	1.91	.135
Range	4.62	2.31	.043	4.20	2.35	.152	4.30	2.22	.180**	3.84	2.61	.233**	4.09	2.56	.162
Price	3.32	2.68	.177**	2.70	2.71	.151	2.67	2.92	.186**	1.64	2.61	.113	2.44	2.85	.223**
Service	4.10	2.08	-.017	3.13	2.34	.267**	3.22	2.21	.109	2.50	2.14	.172*	3.39	2.09	.160
Storescape	4.36	1.82	.409***	3.92	1.83	.041	3.72	1.97	.049	3.28	1.85	.134	3.85	1.75	.157
Closeness	1.79	2.45	.032	1.83	2.65	-.021	1.82	2.74	-.042	1.83	2.60	.046	1.86	2.50	.083
Child friendly	0.94	2.34	-.068	0.94	2.28	-.181*	0.20	1.88	-.050	0.25	1.55	-.130*	0.47	1.75	-.065
Availability	3.07	2.44	.014	2.39	2.33	-.058	4.45	2.17	-.074	2.60	2.56	.143*	3.05	2.30	.024
Access car	5.80	1.73	.032	5.19	2.28	.113	5.12	2.61	.109	4.53	2.79	.113	5.48	1.96	.069
Access other	1.75	2.75	.022	1.57	2.62	-.053	3.03	2.91	-.021	1.84	2.78	-.045	1.62	2.63	-.138
Overall satisf.	5.96	0.91		5.74	0.94		5.92	1.01		5.41	1.17		5.72	0.99	

Adj. R² = .339, F(10,270)=14.83, p<.001   Adj. R²=.288, F(10,122)=5.94, p<.001   Adj. R²=.395, F(10,133)=9.67, p<.001   Adj. R²=.313, F(10,199)=10.05, p<.001   Adj. R²=.335, F(10,132)=7.66, p<.001

*p<.05 **p<.01 ***p< .001

Table 6 reports parallel results for the average ratings of satisfaction with the convenience stores. One-way ANOVAs yielded significant differences between the different consumer groups for overall satisfaction, F(4, 772) = 14.04, p <.001. The "Pedestrians", "City Dwellers" and "Flexibles" have the highest mean overall satisfaction with the convenience store. The mean differences were also significant for all attributes except child friendliness, F(4, 733) <1, for quality, F(4,733) = 11.99, p <.001, for range, F(4, 735) = 6.98, p <.001, for price, F(4, 734) = 3.66, p =.006, for service, F(4, 733) = 9.26, p <.001, for storescape, F(4, 733) = 5.36, p <.001, for closeness to other facilities, F(4, 734) = 7.18, p <.001, for availability, F(4, 736) = 13.72, p <.001, for access by car, F(4, 737) = 3.08, p =.016, and for access by other travel modes, F(4, 736) = 4.71, p =.001. "Pedestrians", "City Dwellers" and "Flexibles" have a higher mean satisfaction with quality, whereas "Planning Suburbans" and "Social Shoppers" have a lower mean satisfaction. Quality is still more important for their overall satisfaction. On range and price, "Pedestrians" have the highest mean satisfaction and "Planning Suburbans" and "Social Shoppers" the lowest. For "Social Shoppers" range is important for their overall satisfaction, whereas for "Social Shoppers" and "Pedestrians" price is important. "Pedestrians" and "City Dwellers" have the highest mean satisfaction with service, whereas the "Social Shoppers" has the lowest. For the "Pedestrians" and "Planning Suburbans" service is important

for their overall satisfaction. All consumer groups find storescape important for their overall satisfaction, but "Pedestrians", "City Dwellers" and "Flexibles" have a higher mean satisfaction whereas "Social Shoppers" has the lowest. Regarding closeness to other facilities and availability, for none of the consumer groups these attributes are important for their overall satisfaction. "City Dwellers" have the highest mean satisfaction with closeness to other facilities as well as availability and "Planning Suburbans" and "Social Shoppers" the

lowest. "Flexibles" and "Planning Suburbans" have the highest mean satisfaction with accessibility by car whereas "Social Shoppers" have the lowest. Still, for "City Dwellers" accessibility by car is more important for their overall satisfaction. As for the attribute accessibility by other travel modes, "Pedestrians" and "City Dwellers" have the highest mean satisfaction, whereas "Planning Suburbans" and "Flexibles" have the lowest. Accessibility by other travel modes is only important for "Pedestrians'" overall satisfaction.

Table 6. Means (M), standard deviations (SD), and standardized regression coefficients (beta) for five different consumer groups segmented based on shopping behaviour. The regression coefficients indicate the weights for overall satisfaction with convenience stores placed on satisfaction with the different attributes.

	Planning Suburbans (n=271)			Pedestrians (n=133)			Social Shoppers (n=134)			City Dwellers (n=212)			Flexibles (n=135)		
	M	SD	Beta	M	SD	Beta	M	SD	Beta	M	SD	Beta	M	SD	Beta
Quality	1.25	2.32	.210**	2.54	2.25	.175	1.21	2.27	.118	2.50	2.32	.190**	2.40	2.63	.327***
Range	0.49	3.01	-.036	2.16	3.21	.144	0.65	2.90	.208	1.63	3.24	.142*	1.08	3.36	-.038
Price	0.36	2.58	.180*	1.32	2.97	.155	0.20	2.52	-.001	0.92	2.46	.074	0.78	2.74	.143*
Service	1.45	2.10	.234*	2.35	1.89	.143	1.17	1.92	.158	2.24	1.69	.156*	1.97	1.98	.172*
Storescape	2.07	2.31	.321***	2.75	2.10	.270**	1.71	2.26	.311*	2.64	1.97	.291***	2.65	2.07	.325***
Closeness	0.36	2.04	.081	0.98	2.31	-.119	0.52	2.00	.022	1.50	2.40	-.022	0.69	2.44	.081
Child friendly	-0.08	1.66	-.152*	-0.28	1.75	-.122	-0.18	1.19	-.202*	-0.10	1.34	.051	-0.22	1.42	-.200**
Availability	3.43	2.56	.006	4.34	2.25	-.016	3.37	2.45	.071	4.98	2.28	.064	4.13	2.16	.060
Access car	4.19	2.69	-.157*	4.07	2.73	.002	3.20	2.67	-.016	3.69	3.04	.142**	4.26	2.73	-.105
Access other	2.95	2.79	-.008	3.63	2.34	.123	3.15	2.60	.027	3.89	2.74	-.063	2.85	2.85	-.087
Overall satisf.	4.71	1.31		5.27	1.21		4.45	1.11		5.30	1.32		5.20	1.20	

Adj. R^2 = .423, $F(10,183)$=14.44, p<.001   Adj. R^2=.355, $F(10,126)$=7.92, p<.001   Adj. R^2=.366, $F(10,86)$=5.96, p<.001   Adj. R^2=.467, $F(10,209)$=19.30, p<.001   Adj. R^2=.461, $F(10,129)$=12.05, p<.001

*p<.05 **p<.01 ***p< .001

DISCUSSION

In this paper we asked whether there are differences between choice and satisfaction, which attributes are important for satisfaction with grocery shopping in supermarkets compared to convenience stores, and whether accessibility attributes and attractiveness attributes have different impacts on satisfaction depending on consumer characteristics and shopping behaviour in different store formats. We discuss in turn the results in relation to these questions.

Differences between choice and satisfaction

All consumer groups were more satisfied with supermarkets than with convenience stores, which are consistent with their choice of store, except for two of the groups, City Dwellers and Pedestrians who predominantly shop in

convenience stores but are more satisfied with supermarkets. Consumers in these two groups were however more satisfied with the convenience stores than the consumers in the other groups were. These results suggest that consumers may be forced to choose an alternative even though they are not satisfied with it. Another possibility is that the consumers' choices are habitual implying that no deliberate choice is made. If consumers are limited in their choice, accessibility attributes become more important determinants of their choice of store. Only if consumers have the possibility to choose the store, attractiveness attributes would become important such that they differentiate the specific store from other stores.

Differences between store formats

In line with previous research (Huddleston et al., 2009) the present results show that consumers are overall less satisfied with grocery shopping in convenience stores than in supermarkets. Furthermore, consumers were with two exceptions less satisfied with attributes of convenience stores than attributes of supermarkets. The exceptions were availability (closeness to store and opening hours) and accessibility by other travel modes for which satisfaction was higher for convenience stores than supermarkets. In the study by Huddleston et al. (2009) consumers rated product range as having the highest impact on satisfaction for the supermarket and service for the convenience store. Yet, the study by Huddleston et al. (2009) only examined attractiveness attributes, leaving out accessibility attributes, which in the present study were shown to have the highest impact.

For supermarkets the consumers were most satisfied with accessibility by car, whereas for convenience stores they were most satisfied with availability (opening hours, closeness to home or work). When visiting supermarkets, it is common that consumers are doing major shopping, which is facilitated by driving a car to and from the store. Therefore, since consumers need the car when visiting supermarkets located outside the city centre, accessibility factors such as parking are more important for their satisfaction when visiting supermarkets. When the store is closer to home, as the convenience stores in most cases are, the accessibility with car becomes less important for the consumer to be satisfied than attributes such as accessibility by other travel modes and availability.

The present results also imply that the supply range and price level of groceries are less important for consumers´ satisfaction with convenience stores. If consumers purchase only a few items on their way home from work, they are likely to value their time more than the money they would save if choosing a less expensive supermarket. Furthermore, since they only purchase a few items, a large supply range is not essential for their satisfaction.

Having children increased overall satisfaction with supermarkets. Consumers with children may shop more groceries and are therefore more concerned with prices. In all supermarkets, shopping trolleys are available, which is not the case in all convenience stores, making it easier for consumers to shop with children and to do a major shopping trip. It may also be the case that supermarkets with parking facilities make it easier to bring the children when shopping. Some supermarkets also have playrooms with staff, leaving the consumers with children more freedom and time for shopping without distractions.

In summary, the results reveal that both accessibility and attractiveness attributes are affecting consumers' satisfaction. The results also show that attractiveness and accessibility attributes have different impacts on satisfaction in different store formats.

Differences between consumer groups

Our results demonstrate that the degree to which consumers are satisfied depend on different socio-demographic characteristics. The results also show differences in what the different consumer groups find important for satisfaction with the different store formats. In the following we discuss these results.

It was found that all consumer groups showed a higher mean overall satisfaction with supermarkets than convenience stores. At the same time "Planning Suburbans" and "Social Shoppers" are more satisfied with the supermarkets than "Pedestrians" and "City Dwellers" are, whereas the "Pedestrians" and "City Dwellers" are more satisfied than the "Planning Suburbans" and "Social Shoppers" with the convenience stores. This suggests that all consumers would prefer to shop in a supermarket. This may therefore imply that consumers would switch to a supermarket if this would be possible.

"Planning Suburbans" most frequently visit supermarkets, which are consistent with that they are more satisfied with that store format

and less satisfied with convenience store. Also the "Planning Suburbans" live outside the city centre and is therefore visiting the convenience stores by car, which explains why accessibility by car is significantly important for their satisfaction with the convenience store. Since "Planning Suburbans" are shopping together with the family, the significant negative weight for child-friendliness in the convenience store is possibly due to that low child-friendliness in the convenience store makes it difficult to bring children.

"Pedestrians" do not have access to a car, which makes it more difficult to travel to the supermarket. Still, "Pedestrians" are overall more satisfied with the supermarket than the convenience store. An explanation of why these consumers are visiting convenience stores instead of supermarkets is that they are limited in their access to cars. Being young families with small children, the "Pedestrians" do not have much time for shopping, making it easier to visit the convenience store instead of traveling to the supermarket.

"Social Shoppers" do fill-in shopping in supermarkets, which may account for that these consumers are more satisfied with the attributes of supermarkets than the attributes of convenience stores. The only attribute that is higher in satisfaction for the convenience store is accessibility by other travel modes. This could be the result of "Social Shoppers" being more satisfied with the different attributes in supermarkets than in convenience stores, which may be the reason for why these consumers are mostly doing their shopping in supermarkets.

For "City Dwellers" satisfaction with supermarkets was highest with accessibility by car and for convenience stores availability and accessibility by other travel modes. Since these consumers usually shop groceries in convenience stores, it is understandable that they are satisfied with a larger range of products in supermarkets when they take the time and have the possibility to visit supermarkets. The "City Dwellers" usually shop groceries on their

way home from work, which may be why they are satisfied with the availability of the convenience stores. They show a higher overall satisfaction with supermarkets than with convenience stores even though they usually shop in the latter. Their choice may be constrained by limited access to car or time.

The "Flexibles" are satisfied with supermarkets' product range, accessibility by car, and product quality, and with convenience stores' accessibility by car and availability. Still, for the "Flexibles" price in the supermarkets and product quality, service quality, price, and storescape in the convenience stores are important for their overall satisfaction. This seems consistent with that they visit both store formats equally frequently. When shopping in the supermarkets the price is important for their satisfaction but when they are visiting the convenience stores quality of service and storescape are most important for their overall satisfaction.

In summary, consumers' satisfaction with different store attributes varies between different consumer groups. If only purchasing a few missing items, a close distance, long open hours and a fast service are more important for satisfaction than price, supply quality, supply range, service quality, and storescape quality. In contrast, these latter attributes are more important for satisfaction in supermarkets where consumers spend more time and money. Since consumers are spending more money on each visit and more time in supermarkets, this may be why they overall are more satisfied with supermarkets than with convenience stores. When choosing supermarkets, consumers are in general making an active choice of traveling longer to do their shopping. They therefore invest more effort in choosing supermarkets than convenience stores, which may spill over to their satisfaction with the stores.

LIMITATIONS AND FUTURE RESEARCH
Since the study revealed what makes consumers satisfied with the stores they usually patronize,

one needs to exert caution in drawing general conclusions about what store attributes affect satisfaction if consumers have a free choice. Consumers may be restricted to shop in one specific store for some reasons and may therefore be more satisfied if they had had the possibility to shop in another store. Furthermore, the circumstances under which shopping is made (e.g. time pressure) are likely to importantly modify the results in ways that need to be investigated further. When under time pressure, attributes such as accessibility and availability may be more important than product quality or price. The present results also identify which attractiveness attributes are important for satisfaction with store formats depending on how the consumers shop (major or fill-in shopping). An issue to consider further in additional research is that these attributes are only important if the store is accessible such that it is chosen. In other words, if the store is not accessible to the consumer, it does not matter how good the store is on the attractiveness attributes and hence these attributes are not important for the choice.

6. Managerial implications

Different store formats have been developed for managerial reasons such as logistics, recognition, marketing, and efficiency. Many stores are currently designed assuming that all stores of the same format serve similar consumer segments. Convenience store formats are in general designed for small households with irregular working hours doing fill-in shopping, whereas supermarkets are in general designed for larger households doing major shopping. Authors (2013a) found that many consumers are doing fill-in shopping in supermarkets and major shopping in convenience stores. Depending on consumers' characteristics and shopping behaviour, different attributes of a store has shown to be important for choice of store (Authors, 2013b). This study reveals that also consumers' satisfaction is related to consumer characteristics and shopping behaviour, which suggests that the stores consumers are patronizing may not be ideal for them and therefore that there is a need for improvement. The results show that all consumers are more satisfied with supermarkets, yet some consumers choose to shop in convenience stores. In order to meet a potential competition it becomes important for retailers to know why. According to the present results, a more flexible store format fitted to customers´ characteristics and shopping behaviour would be needed. For retailers it is important to adjust attractiveness attributes in line with what is expressed by current customer groups in order to increase customers´ satisfaction with the store such that they continue to shop there. Making changes to the store format (e.g. increasing product quality and prices or the reverse) would at the same time increase the risk of losing customers who do not feel constrained by accessibility to the store.

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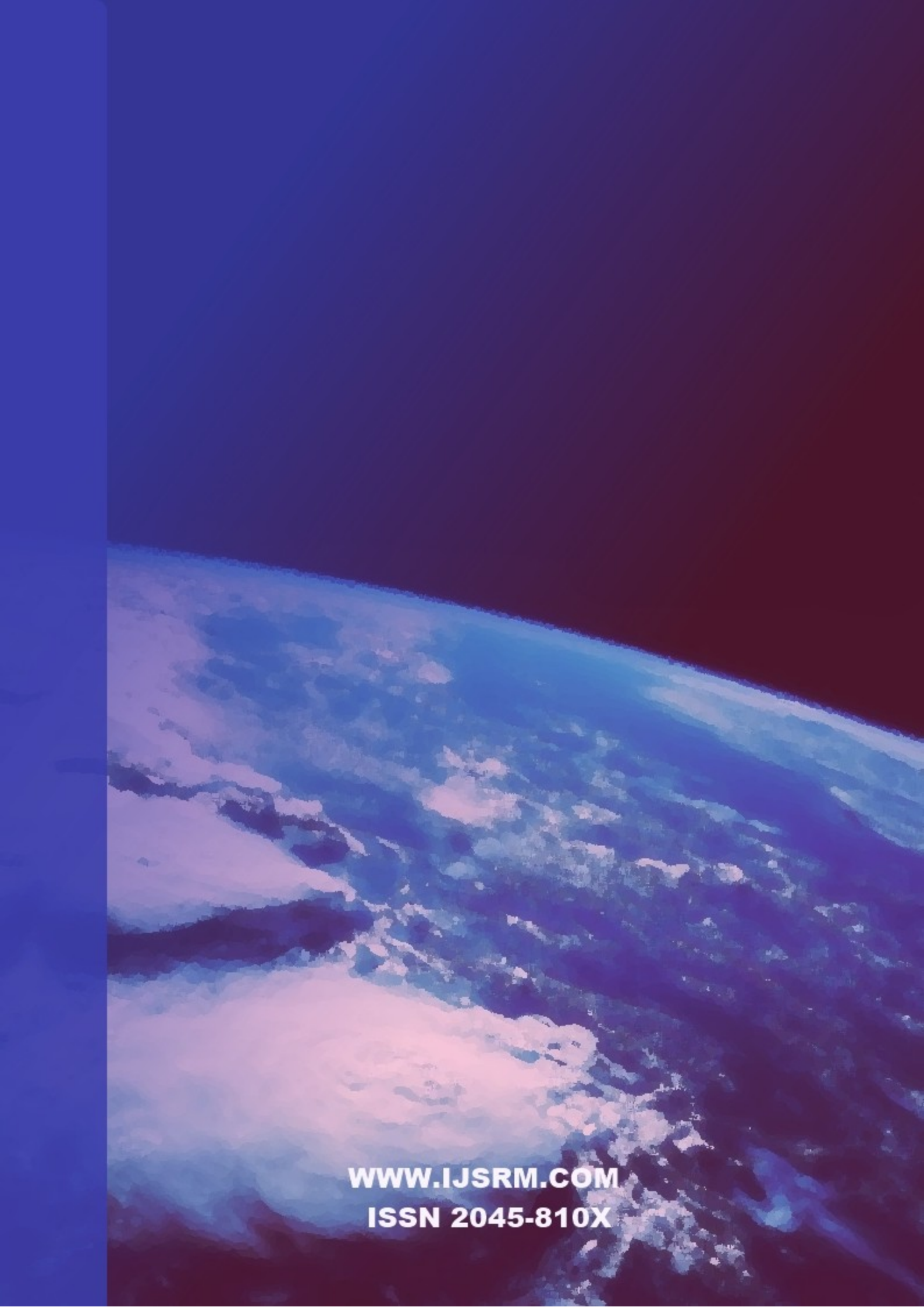
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Appendix

Means (M), standard deviations (s) and percentage not relevant (zero) of ratings of satisfaction with store attributes for the supermarket and convenience store most frequently chosen by 1,314 participants. Obliquely rotated loadings (r) from principal component analysis of importance ratings are reported for each attribute.

		Supermarket			Convenience store		
	r	%	M	s	%	M	s
Supply quality							
High quality of products	.520	7.4	4.4	2.6	15.3	2.5	3.4
Organic products	.447	19.6	3.8	2.6	29.7	2.4	2.9
Exotic products	.779	23.9	3.0	3.2	34.2	1.0	3.1
Supply range							
Different alternative products	.810	5.9	4.7	2.3	14.1	1.7	3.6
Alternatives of the same product	.834	11.0	3.9	3.0	20.1	0.6	3.5
Price level							
Low price level	.758	12.0	2.8	3.6	12.1	-0.1	3.4
Rebate coupons & discount offers	.733	26.6	2.7	3.3	32.9	1.5	3.3
Service quality							
Good service	.666	13.2	4.1	2.9	10.1	3.7	3.2
Information desk	.463	26.5	2.7	3.4	45.4	0.2	3.0
Members card	*.524*	21.9	3.8	3.2	30.6	3.1	3.1
Fast cashier service	.564	8.9	3.5	3.5	11.1	2.4	3.8
Self-scanning	.742	39.8	2.5	3.6	54.8	0.0	2.4
Storescape quality							
Cleanliness	.726	10.5	4.3	2.8	13.5	3.4	3.2
Good lighting	.848	8.0	4.7	2.4	11.7	3.9	2.8
Space between the shelves	.835	6.5	4.5	2.7	9.1	2.7	3.6
Easy to find in the store	.808	4.5	3.8	3.4	6.8	3.3	3.4
Closeness to other facilities							
Foodservice	.680	49.0	1.9	3.2	55.9	1.0	2.9
Other stores	.801	29.6	2.5	3.4	44.8	1.2	3.1
Liquor store	.763	45.1	1.2	3.4	53.9	0.3	2.7
Child-friendliness							
Playroom with staff for kids	.789	76.0	0.2	2.2	77.7	-0.3	1.6
Nursery room	.847	69.9	1.0	2.7	74.0	-0.1	1.8
Restrooms	.452	22.1	3.6	3.2	44.4	0.6	2.9
Handicap/child friendliness	.671	53.7	2.0	3.0	58.4	0.8	2.7
Availability							
Open evenings and weekends	.662	7.1	5.4	2.2	8.5	4.8	2.7
Closeness to home	.611	13.6	1.6	4.2	7.8	4.2	3.7
On the way to/from work	.781	23.8	1.9	3.9	18.1	3.4	3.8
Accessibility by car							
Easy to reach by motor vehicle	.805	10.7	5.1	2.6	17.8	4.3	3.2
Parking lots	.847	10.0	5.4	2.4	20.4	4.0	3.1
Free parking	.861	10.5	5.4	2.6	21.3	3.9	3.3
Accessibility by other modes							
Easy to reach with public transport	.638	51.2	1.7	3.1	46.0	2.2	3.2
Easy to reach with bike	.852	42.9	1.9	3.4	26.6	3.7	3.3
Easy to reach by foot	.836	38.4	1.7	3.6	18.2	4.2	3.3

Note. The loadings (r) are the highest or in one case the next highest (italized) for the attribut