

INVESTIGATING CONSUMER BEHAVIOUR IN SUPERMARKETS – CASE OF KOSOVA

Mr. Sc *Ariane* ELEZAJ Kaleziq, PhD candidate

Email: arianaelezaj@yahoo.com

MSc. (kandidate) Merita Begolli Dauti

merita_dauti@hotmail.com

Abstract

Understanding consumer behaviour is a dynamic field, critically important to the success of companies. It is especially important in the situation of intense competition, currently characteristic for the Kosova supermarket industry, where companies fight for every individual customer. The measurement of customer satisfaction provides important information for the companies and serves as a warning signal about future business developments. The best way for the companies to find out what their customers think about them is to conduct a customer satisfaction survey. Therefore, in this paper I have researched on the behaviour of the Kosovar consumers in order to identify and better understand how various factors influence the customer buying behaviour and satisfaction. The objective of the research is to identify possibilities for the increase in customer satisfaction and retention by different companies (such as supermarkets). The statistical analysis of the empirical data has helped me to identify and recognize several tendencies in consumer preferences. At the end of the paper I have presented some recommendations for the supermarkets on how to improve their attractiveness to the customers.

Keywords: Consumer behaviour, Kosova, supermarkets, survey, satisfaction, statistical analysis.

Introduction

Consumer behaviour determines a firm's profitability. Further, profitability is established in the long term by developing a loyal consumer base, that is, a group of consumers who are satisfied with the marketer's brand and continue to buy it over time. At the heart of all marketing strategies is the need to satisfy consumers so as to establish such a loyal consumer base. The central purpose of the business firm is to satisfy customer needs. Therefore, business managers must understand the nature of these needs as a foundation for strategy development³¹⁶. Understanding consumer behaviour is difficult enough for companies. Consumer buyer behavior refers to the buying behavior of final consumers-individuals and households who buy goods and services for personal consumption. Most large companies research consumer buying decisions in great detail to answer questions about what consumers buy, where they buy, how and how much they buy, when they buy, and why they buy³¹⁷. Creating customer value and satisfaction is at the very heart of modern marketing thinking and practice³¹⁸. The duty of any organization is to determine the needs, wants and interests of target markets and to deliver the desired satisfaction more effectively and efficiently than competitors³¹⁹. Therefore, it is important to understand consumer behaviour. Many studies have shown that customer satisfaction leads to repeat purchase, loyalty, positive word-of-mouth and increased company long-term profitability. Therefore, it is essential for the companies to measure customer satisfaction. The measurement of customer satisfaction provides significant information for the companies and serves as an advice about future business developments³²⁰. Customer satisfaction surveys are the best means for companies to find out what their customers think of them³²¹. Hence, it is interesting to study the factors that can determine customer satisfaction. Today, competition in Kosovo in the supermarket industry is intense. This

development will demand even more focus on customer satisfaction and customer loyalty in order to stay in business.

The objective

The objective of the research is to identify possibilities for the increase in customer satisfaction and retention by different companies (such as supermarkets). In this paper we are going to research the behaviour of the Kosova customers in order to identify and better understand how various factors influence the consumer buying behaviour and satisfaction. We want to identify what kind of buying behaviour will create what kind of opportunities, in order to find out how companies can achieve a better market positioning in Kosova.

Understanding consumer behaviour is especially important in the situation of intense competition, currently characteristic for the Kosova supermarket industry, where companies fight for every individual customer.

Consumer behaviour

As the competition in the world has been continuously growing, understanding customers has become extremely important for company's successful marketing strategy. Managers have become more aware that satisfying consumers is the best way to develop and maintain a successful company.³²² The American Marketing Association defines consumer behaviour as "the dynamic interaction of affect and cognition, behaviour and environmental events by which human beings conduct the exchange aspects of their lives".³²³ So, consumer behaviour involves the thoughts, feelings and actions of people during the consumption processes, as well as all the things in the environment that influence these thoughts, feelings and actions. Marketers need to understand what products and brands mean to consumers, what influences shopping, purchase and consumption.

Customer satisfaction

Even when the product or service is great, satisfying customers is not easy. To succeed or survive companies need a new philosophy. To win in today's market-place;

³¹⁶ Henry Assael, 2004

³¹⁷ Kotler, Armstrong, 2006

³¹⁸ Kotler, Armstrong, Wong, Saunders, 2008

³¹⁹ Kotler, 1994; Solomon, 1999

³²⁰ Kotler, Armstrong, Wong, Saunders, 2008

³²¹ Read & Brendan, 2003

³²² Peter & Olson, 1994

³²³ Peter & Olson, 2002

companies must be customer-oriented³²⁴. Customer satisfaction with a purchase depends upon the product's performance relative to a buyer's expectations. Therefore a customer might experience various degrees of satisfaction. If performance matches expectations, the customer is satisfied. If the performance exceeds expectation, the customer is highly satisfied or delighted. A satisfied customer is more valid than a good advertisement or ads.

Customer retention

Customer retention is defined as "the future tendency of a customer to stay with their service provider".³²⁵ A highly satisfied customer stays loyal longer, buys more, talks positively about the company and its products, pays less attention to competitors and is less price-sensitive.³²⁶

Trust and loyalty

Trust is defined as "confidence in reliability and integrity of the product/service provider" According to this definition; trust comes from the product/service provider's behaviour such as fulfilling expectations and maintaining quality offerings for customers.

Most companies do not want consumers to come to their stores once and never return. Usually, consumers go to a store shopping for a particular product or just to go shopping. Loyalty of customers is a function of satisfaction and loyal customers spend more on company's products and services, encourage others to buy from that company and believe that what they buy from that company is worth what they have paid for it. As a result, a company enjoys long-term profitability. The loyalty of the customer is best measured by seeing if he/she returns to use the service again.

Factors influencing consumer buying decision making

Buyer behaviour is based on the decision process, which involves the set of rules that the buyer employs to match his/her motives and his/her means of satisfying those motives. Different factors influence consumers in different ways, such as:

1. Quality

Quality is defined as the extent to which a product or service meets (or exceeds) the customers' expectations.³²⁷ Product quality represents those characteristics of a product that meet customer requirements and which most satisfy the aims of the consumers' needs. Quality in the same product can have different significance and weight for different customers.

2. Availability

Availability of the products is another significant motive for consumer buying decisions. It is influenced by family size and frequency of purchase. When the family size becomes bigger, the availability motive loses its importance as a buying criterion and motives other than availability are taken into consideration for consumers' buying decisions.

3. Price

Price is the amount of money charged for a product or service. A company must set a price for the first time when it develops a new product and introduces it into a distribution channel or geographical area. Price is a key element used to support a product's quality positioning, too. In the past, price has been the major factor affecting buyer choice. Yet, price remains one of the most important elements determining a firm's market share and profitability.

4. Country-of-origin of products

Modern consumers choose among products made in many countries.³²⁸ The country of origin (COO) may be an important signal that creates a first impression and provokes consumers to think more specifically about a product's attributes and the attraction of those attributes.³²⁹

In several cases, people think that a product made overseas is of better quality; while in other cases the knowledge that a product has been imported tends to lower perceptions of product quality.³³⁰ Therefore, a product's origin is often used as a signal of quality.

5. Changing food preferences

People are becoming more and more concerned about the safety of their food, particularly growth hormones, pesticide residue, bacterial contamination and genetic modification.³³¹ Customers are becoming more health aware and look more closely at product ingredients.

6. Branding

Brand is a name, term, sign, symbol, design or a combination of these, that identifies the goods or services of a seller and differentiates them from those of competitors. A brand can provide a guarantee of reliability and quality.³³² People often choose a product because they like its image or because they feel its 'personality' somehow corresponds to their own.

7. Cultural orientation

Cultural orientation determines whether a culture is traditional or modern. The marketer needs to understand the role played by the buyer's culture, subculture³³³ and social class. Culture is the most basic cause of a person's wants and behaviour. Thus, the culture can have a major impact on consumption patterns.³³⁴

8. Social class

Another factor that influences consumption patterns is social class³³⁵. Every society has some form of social class structure. Social classes are society's relatively permanent and ordered divisions whose members share similar values, interests and behaviours.³³⁶

³²⁴ A company that focuses on customer developments in designing its marketing strategies and on delivering superior value to its target customers.

³²⁵ Ranaweera & Prabhu, 2003

³²⁶ Kotler 2008

³²⁷ Fetz, 2004

³²⁸ Solomon, 1999

³²⁹ Chinen, 2000

³³⁰ Solomon, 1999

³³¹ American consumer survey, 2002

³³² Kotler, Armstrong, Wong, Suanders, 2008

³³³ Subculture include nationalities, religions and geographic regions.

³³⁴ Kotler, Armstrong, Wong, Suanders, 2008

³³⁵ Ali Jakupi, 2008

³³⁶ Kotler, Armstrong, Wong, Suanders, 2008

9. Packaging

Packaging includes the activities of designing and producing the container or package for a product. For the developing of an effective package for a product the following factors are important: the functionality of a package (what the package should be or do for the particular product), the size, shape, materials, colour, text and brand.

It is also important that the companies consider carefully the information they print on a package. Such issues as expiration dates and product ingredients are essential. Consumers want to know what they are buying, how long it will last in the package, how the product will taste and how to prepare it.

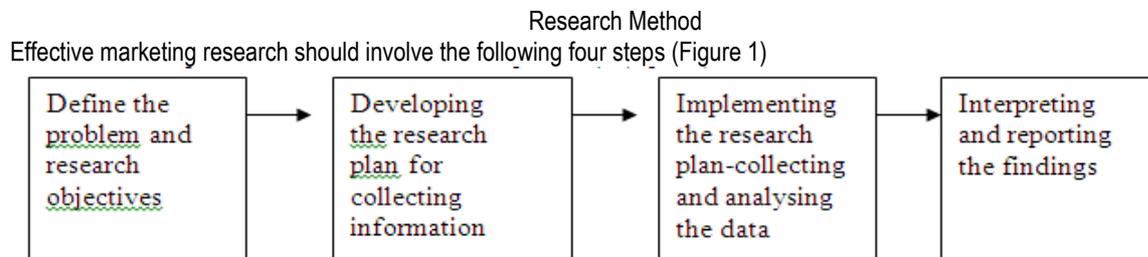


Figure 1: The Marketing Research Process

Step 1: Define the problem and research objectives

Is to investigate the buying behaviour of Kosova consumers shopping in the supermarkets.

Step 2: Develop the research plan for collecting the Information

Is to design a research plan, the decisions on the data sources³³⁷, research approaches, research instruments and contact methods.

Data sources

Primary data source has been used.

Research Approaches

There are four possible ways to collect primary data for a marketing research: observation, focus groups, surveys and experiments³³⁸. This research includes: focus group, interviews and survey.

Focus-group research

A **focus group** is an interview conducted for a few hours by a trained moderator in a non-structured and natural manner with a small group of respondents, usually six to ten people. The main purpose of focus groups is to gain insights by listening to a group of people from the appropriate target market talk about issues of interest to the researcher³³⁹.

In this case, a focus group has been used in order to gain insights into consumer preferences and behaviour when shopping at the supermarkets. We conducted a 3 hour interview with a group of 8 people (4 male and 4 female). The results of the focus group interview have helped me to define the research problem more precisely.

Survey research

Surveys are the most widely used method for primary data collection³⁴⁰. A company that wants to know and learn about people's knowledge, attitudes or beliefs, preferences or buying behaviour and satisfaction can find out by asking them directly³⁴¹.

In this research we have applied a direct survey approach.

Research Instruments

In collecting primary data are two main research instruments used by the researchers: questionnaires and mechanical devices. In this case we used the former research instrument – a **questionnaire**. This is a structured method for data collection that consists of a set of questions, written or verbal, presented to respondents for their answers³⁴².

Contact Methods

Information can be collected by mail, telephone or personal interview. In this research we have used personal interview with the respondents in the supermarkets and email.

Step 3: Implementing the research plan-collecting and analysing the data

The third step is to extract findings from the collected data. The data must be first put into the database and then various statistical techniques should be applied to analyse the results.

Step 4: Interpreting and reporting the findings

In the last step the market researcher must interpret the findings, conclusions and report them to management. In this sense we will present the identified patterns and tendencies and conclude on the possible improvements for supermarkets to increase customer satisfaction and retention.

Interpreting and reporting the findings

In our example female constituted 63% and male 37% of total respondents.

³³⁷ Assael, 2004; **Secondary data** are data that were collected for another purpose, already exist somewhere and are available from any source of published information, for example statistics, articles and reports, research journals and magazines, library database, Internet or previous academic research.

Primary data are data gathered by the researcher for a specific purpose of addressing the problem at hand or a specific research project.

³³⁸ Kotler, Armstrong, Wong, Suanders, 2008

³³⁹ Malhotra, 2004

³⁴⁰ Henry Assael, 2004

³⁴¹ Kotler, Armstrong, Wong, Suanders, 2008

³⁴² Kotler 2008, Mahotra 2004

The biggest group of respondents age was 31 to 40 years old (33%), next one 41–50 (27%), followed by 20–30 (23%), under 20 years old (7%), next 51-60 (7%) and the smallest group was over 60 (3%).

Consider to occupation, 30% are students, 21% of the respondents are part time workers, 21% are full time workers, 14% are unemployed people and 14% are pupils. The monthly personal income is: 40% have 200 – 400 Euro per month, 23% under 200 Euro, 13% have 400 – 600 Euro monthly, 10% 600-800, 7% have 800-1000 and finally only 7% have over 1000 Euro monthly.

Regarding the number of people in the household, the largest group is 4 people in one household (26%), followed by 5 people (23%), 6 persons (17%), more than 8 (17%), 7 people (10%) and finally 8 people (7%).

Concerning the question who is responsible for the organization of the shopping list, the majority of Based on the analysis the result is this:

respondents answered: “mother”(30%), “me and wife”(20%), “parents” (17%), “myself”(13%), “father”(10%), “family”(10%).

Regarding who perform purchasing or shopping, the responsibility was: “myself” (29%), “mother” (27%), “parents”(17%), “father”(10%), “me and parents”(10%) and “family”(7%).

Results of shopping locations

In order to find out in which supermarkets they usually shop we made an assumption that the first answer that came to person’s mind was the supermarket where the respondent shopped most often. So, from the answers of the respondents who indicated or mentioned more than one supermarket, only the first named was included into the analysis.

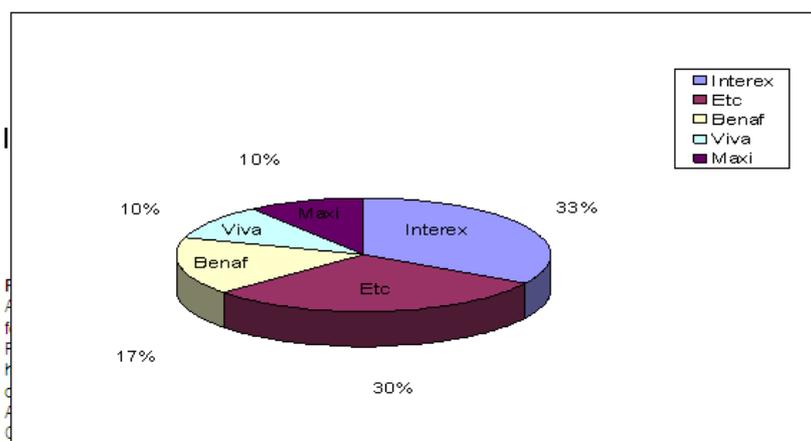


Figure 2: shopping locations (supermarkets).

As it can be seen in this figure 2, respondents from our sample most often mentioned INTEREX as their shopping destination; followed by ETC and BENAF.

Furthermore, it was interesting to know how often people shop in the supermarkets to see the store patronage level. Almost half of the respondents (47%) are shopping 1 to 3 times a week, 28% shop less than once a week, 19% shop every day and only 6% shop 4 to 6 times a week. As the results show, the majority of respondents shop relatively frequently. Customers want to feel good about the products they buy and stores in which they shop. Therefore, a company can influence customer patronage level by making the shopping process more enjoyable. Supermarkets can manipulate buyer purchase decisions through various factors, such as the creation of pleasant in-store atmosphere, attraction of consumer attention through advertising and sales promotions, friendly service level and other.

Results of importance factors

Findings of importance of different factors. The results have shown that, price level (66%), product assortment (57%), fresh products (63%), supermarket working hours (70%), home-delivery (70%), other services (63%), worker friendliness (63%) quality (43%), store space organisation (64%) and parking (70%) were ranked as important and very important by the majority of to the respondents.

Categories as the importance of availability of special offers, location, brands, product packaging, product ingredients, and country-of-origin of the products and availability of ecological food in the store have shown the more even spread of answers among not important, medium and important. *Regarding the importance of store space organisation, more than half of the respondents (64%) consider it important and very important; for 26% it is of medium importance and only 10% consider it not important. This implies that the supermarkets should pay considerable attention to the store space organisation so that the consumers are able to find the products easily and, thus, enjoy the process of shopping.*

Interesting results have been obtained on the importance of the possibility of home-delivery, for example, through the Internet order: 70% have given positive answers which means supermarket should thing to implement the platform for home-delivery in the future as a service for customer attractiveness and retention.

Next result has shown that other services as: ATM machine, gaming site for children, restaurant, pubs, etc. consider these important and very important (64% of the respondents) Thus, this should be taking in consideration by supermarkets management, in order

to keep customer satisfying with these services within the supermarket space.

Results of satisfaction factors

Based on our findings we find out that half of the respondents is satisfied with the price level, location, product assortment, product quality, packaging, parking place, store space organisation, product ingredients, country-of-origin of products, in the supermarket.

Another result of satisfaction factors is: fresh products is only 37% of respondents, special offers only 43%, worker friendliness 44%, other services as (ATM, restaurants, gaming place for children) 30% and only 26% of respondents are satisfied with ecological food in the supermarket. The positive side of this result is that half of the respondents is satisfied with the present situation. However, the negative side of the result is that there is still a significant number of people who were not able to give a satisfactory answer.

The fact based on this research is that 40% of the surveyed customers named "price" as the main reason for shopping in this supermarket. Thus, even if the customers were less than satisfied (medium or not satisfied) with the supermarket, they said that they would still continue to shop there because of price. Besides price, service, location and quality were mentioned as main reasons for buying in that supermarket.

As we can see, in this paper we have researched the behaviour of the Kosovar consumers in the supermarkets.

We wanted to characterize the behaviour and find out the levels of customer satisfaction with the surveyed supermarkets. Thus, we have found out that the price level, product assortment, fresh products, working hours, home-delivery, other services, worker friendliness, quality, store space organisation and parking were important for more than half of our respondents.

Recommendations

Based on our research findings and theory, we have several recommendations for the supermarkets. First of all, we recommend that supermarkets take into greater consideration two factors: making the buying process more enjoyable and organising the store space more efficiently so that the customers can easily come into visual contact with the products. Next, we recommend the supermarkets to increase the amount of fresh products and product assortment, and to introduce more of promotional campaigns on these products. Thirdly, we also recommend investing on other services within the supermarket space such as, restaurants, gaming place for children, ATM machine, pubs, etc. Fourthly, increase friendly service level through training and education of their employees in customer care and friendliness.

Finally, we recommend supermarkets to start developing a platform for home-delivery service. It will be interesting and important service in the future.

References :

- Henry Assael**, (2004). *Consumer Behaviour, A Strategic Approach*, pp 2-20, New York University
- Chinen, K., Jun, M., Hampton, G. M.** (2000). *Product Quality, Market Presence, and Buying Behavior: Aggregate Images of Foreign Products in the U.S.*, *Multinational Business Review*, Vol. 8, Issue 1, pp. 29-39, St. Louis University
- Fecikova, I.** (2004). *An index method for measurement of customer satisfaction*, *The TQM Magazine*, Volume 16 Number 1, pp. 57-66, MCB University Press
- Jakupi, A.** (2008), *Marketing*, pp 158-159, Prishtine, Kosova
- Kotler, P, Amstrong, G, Wong, V, Saunders, J.** (2008), *Principles of marketing, Fifth European Edition*, Prentice Hall, Pearson Education
- Kotler, P.** (2001). *A Framework for Marketing Management*, Prentice Hall, Inc., New Jersey, USA
- Lempert, P.** (2002). *Being the Shopper, Understanding the Buyer's Choice*, John Wiley & Sons, Inc., USA
- Naresh K. Malhotra.** (2004). *Marketing research, An Applied Orientation*, pp293-351, Prentice Hall, Inc
- Peter, J.P., Olson, J.C.** (1994). *Understanding Consumer Behaviour*, first edition, Richard D. Irwin, Inc., USA
- Peter, J.P., Olson, J.C.** (2002). *Consumer Behavior and Marketing Strategy*, sixth (International) edition, Irwin McGraw-Hill
- Ranaweera, C., Prabhu, J.** (2003). *The influence of satisfaction, trust and switching barriers on customer retention in a continuous purchasing setting*, *International Journal of Service Industry Management*, Volume 14, Number 4, pp. 374-395, MCB University Press
- Read, B. Brending.,** *Customer Satisfaction Survey Advice, Call Center Magazine*, p. 56, 2003, Journal paper, CMP Media LLC, EBSCO Publishing
- Solomon, M., Bamossy, G., Askegaard, S.** (1999). *Consumer Behaviour, A European perspective*, Prentice Hall Europe

