



**DETERMINANTS OF CONSUMER PREFERENCE
TO PATRONIZE RETAIL OUTLETS
(SUPERMARKETS)**

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ABSTRACT

Purpose – This study was undertaken with the purpose of finding out the factors that influence shoppers of their supermarket preference, profile the characteristics of shopping behaviour and identify supermarket attributes that shoppers’ prefer when shopping at the outlets.

Design / Methodology – A descriptive research from was deployed. Convenience sampling under non-probability sampling techniques was applied. Primary data was collected via face to face interviews of structured questions where 281 responses were analyzed. In order to achieve the first objective, the study measured 10 determinants comprising of price, brands carried by the supermarket, product quality, product size, guarantee, advertising, supermarket reputation, shoppers’ experience, friends’ opinion and the products’ country of origin. For the second objective, the study profiled shopping behaviour with 12 possible influencing factors - the relationship of price to quality; importance of friends’ opinion; shopping for necessities; seeking product information; truthfulness of advertisements; sale bargains; occasions trying out new products; brand loyalty; dependence on others to try new products; preference for foreign-made products; loud music environment and store lay-out. For the final objective, the study examined shoppers’ preference of the stores’ attributes of price; employee efficiency; variety of products; availability of products in stock; location; parking facilities; in-store room space to move around; shelving efficiency; opening hours; delivery service; acceptance of credit; previous experience and in-house advertising.

CHAPTER 1

INTRODUCTION

1.1 Background

The retail environment in Malaysia had undergone a continuous change over the decades. Before the 1980s, general provision shops or grocery stores were predominant. Since the 1980s up to present times, new facilities ranging from supermarkets and superstores to retail warehouses and convenience stores have been added to the retail landscape.

A conventional supermarket is a self-service food store offering groceries, meat and produce with limited sales of non-food items, such as health and beauty aids and general merchandise (Levy & Weitz 2004 p.42). In Malaysia, the development of supermarkets have seen tremendous growth since the 1990s, encouraged by changing patterns in consumer preferences. The retail growth rate of supermarkets in Malaysia was at 8.8 per cent between the year 1990 to 1995 (Seventh Malaysia Plan, 1996). This positive growth rate had been maintained indicating that supermarkets would be more likely than not, a permanent and prominent feature of the Malaysia retail landscape. The Deputy Finance Minister, Dr Ng Yen Yen, 2006, projected that the retail and the wholesale sub-sector would increase from 6.3 per cent in 2006 to 8 per cent in 2007. A pull factor that could have driven the rise of supermarkets were among others, the increase in population as well as urbanization, thus creating market density (Levy & Weitz 2004 p.42). Convenience could also be another pull factor as consumers could now purchase merchandises in varieties and assortments under one roof at a