CONSUMERS ON STORES PERFORMANCE

A study conducted by ISRA Center reveals the way various retail formats perform and the directions for services improvement

Traditional	Hyper/ supermarket	Discount

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In the previous number of Piata magazine, we presented the results of a study conducted by ISRA Center Marketing Research, a study whose main objective was to identify the

differences in perception regarding small stores (proximity) and large stores supermarket, hypermarket, cash & carry, discount).

We come back with a series of details on the way various retail formats perform, in consumer's perspective.

According to the study results, half of the respondents do their daily shopping in traditional stores. These are chosen by buyers out of practical reasons, especially due to their proximity to consumers' homes or work places (68% of respondents scored this criterion with a 9 or a 10). These trade units also perform on cleanliness and hygiene, but receive lower scores than modern stores.

However, for their buyers, these aspects are important – whereas modern retail clients no longer pay importance to this, being already accustomed to it -, so scores mean is 8.2, but only 48% of the respondents gave a score of 9 or 10.

Although not typical for them, one aspect perceived as lower for traditional stores is the diversity of product range. It is therefore an important aspect for consumers, so this could be one way for proximity stores to improve their performance.

Prices in traditional retail are among the performance criteria which receive the lowest scores (with a mean of 7.6 and 29% of respondents giving very high scores) but it is very well known that consumers do not come to these stores for the good prices.

As expected, the diversified product range and products presentation are the main strong points of super-markets, hypermarkets, discount stores. In addition to these, supermarkets and hypermarkets have several other strong points: products quality and freshness as well as the schedule.

"For Romanians, personnel politeness is a mush-have when they go shopping, regardless of the type of store they choose. This is the most important aspect for buyers but also one of the strong points all retailers capitalize on to a great extent."

Alice Mihai, Business Development Director, ISRA Center Marketing Research

PERFORMANCE – TRADITIONAL
Mean of scores given on a 1-to-10 scale

Criterion	Score
Range of products existent	7,7
Supply level	7,8
Prices	7,6
Open hours	8,1
Promotions/ competitions	6,6
Products presentation	7,7
Products quality	8,1
Products freshness	8,1
Atmosphere in the store	8,0
Personnel politeness	8,2
Personnel level of training	7,9
Waiting time for products payment	8,3
Cleanliness/ Hygiene	8,2
Proximity to home/ office	8,8

Source:

Base: 978 respondents who shop in traditional stores*

Promotions/ competitions, prices and products presentation or personnel level of training are aspects ignored or with low importance for the customers of traditional stores.
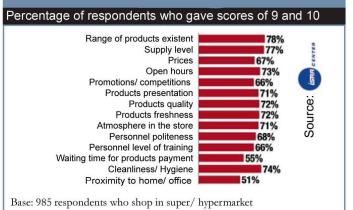
PERFORMANCE – TRADITIONAL
Percentage of respondents who gave scores of 9 and 10

Criterion	Percentage
Range of products existent	30%
Supply level	34%
Prices	29%
Open hours	42%
Promotions/ competitions	23%
Products presentation	33%
Products quality	41%
Products freshness	44%
Atmosphere in the store	42%
Personnel politeness	45%
Personnel level of training	39%
Waiting time for products payment	50%
Cleanliness/ Hygiene	48%
Proximity to home/ office	68%

Source:

Base: 978 respondents who shop in traditional stores*

Proximity to home or work place is a criterion appreciated especially by respondents in cities over 250k residents, the mean of scores they gave being 9.1 and 75% of them giving the highest scores.

PERFORMANCE–HYPER/ SUPERMARKET
Mean of scores given on a 1-to-10 scale

Criterion	Score
Range of products existent	9,1
Supply level	9,1
Prices	8,8
Open hours	8,9
Promotions/ competitions	8,7
Products presentation	9,0
Products quality	8,9
Products freshness	8,9
Atmosphere in the store	8,9
Personnel politeness	8,8
Personnel level of training	8,8
Waiting time for products payment	8,5
Cleanliness/ Hygiene	9,0
Proximity to home/ office	8,2

Source:

Base: 985 respondents who shop in super/ hypermarket

Bucharest respondents are satisfied with the existent product range (scores mean is 9.2) and demanding when it comes to the waiting time for products payment (8.1). They give the lowest score to the criterion of "proximity to home/ office" (the mean being 8).

PERFORMANCE–HYPER/ SUPERMARKET
Percentage of respondents who gave scores of 9 and 10

Criterion	Percentage
Range of products existent	78%
Supply level	77%
Prices	67%
Open hours	73%
Promotions/ competitions	66%
Products presentation	71%
Products quality	72%
Products freshness	72%
Atmosphere in the store	71%
Personnel politeness	68%
Personnel level of training	66%
Waiting time for products payment	55%
Cleanliness/ Hygiene	74%
Proximity to home/ office	51%

Source:

Base: 985 respondents who shop in super/ hypermarket

Only 63% of Bucharest respondents gave the highest scores for personnel politeness, 56% for personnel level of training and 39% for waiting time at the cash register. In large cities, for the first two criteria the percentage increases to 72%, and for the third criteria – to 60%.

*) Note: 95 respondents were not included in the analysis due to the incorrect identification of the type of stores.

PERFORMANCE – DISCOUNT STORE
Mean of scores given on a 1-to-10 scale

Range of products existent	8,6
Supply level	8,7
Prices	8,6
Open hours	8,6
Promotions/ competitions	8,4
Products presentation	8,6
Products quality	8,6
Products freshness	8,7
Atmosphere in the store	8,5
Personnel politeness	8,5
Personnel level of training	8,5
Waiting time for products payment	8,3
Cleanliness/ Hygiene	8,7
Proximity to home/ office	8,0

Source: ISRA CENTER

Base: 694 respondents who do the shopping in discount type of stores*

Prices, products presentation and open hours are the strong points of discount stores, which entails increased importance paid by consumers, high performance from discounters, continuous development of these attributes from those who activate on this segment.

PERFORMANCE – DISCOUNT STORE
Percentage of respondents who gave scores of 9 and 10

Range of products existent	60%
Supply level	60%
Prices	61%
Open hours	61%
Promotions/ competitions	53%
Products presentation	59%
Products quality	59%
Products freshness	63%
Atmosphere in the store	57%
Personnel politeness	57%
Personnel level of training	56%
Waiting time for products payment	52%
Cleanliness/ Hygiene	63%
Proximity to home/ office	46%

Source: ISRA CENTER

Base: 694 respondents who do the shopping in discount type of stores*

Bucharest respondents declare themselves satisfied with the freshness of products in discount stores, 72% of Bucharest respondents giving this criterion scores of 9 and 10, compared to 63% - the percentage at national level. In Bucharest, scores mean for this aspect is 8.9, whereas in small cities with less than 100k residents, the mean drops to 8.5

*) Note: 95 respondents were not included in the analysis due to the incorrect identification of the type of stores

The main point of difference between modern retail stores is the prices, aspect due to which discounters are one step ahead. Promotions and competitions are part of stores' daily routine, therefore buyers do not pay much importance to them when evaluating any retailer as they got used to these actions being part of stores' usual offer. Nevertheless, there is room for improvement in all cases. Retailers in Romania have focused little on the emotional attributes of communication programs.

However, traditional as well as modern stores perform well when it comes to the atmosphere inside the unit.
This is not yet an important criterion for consumers, but it can be seen as an opportunity to exploit in the future.
The information summarized in the table bellow allows managers to see the performance and quality of the services provided as well as directions on how to improve them. ▪

ASPECTS THE STORE HAS HIGH PERFORMANCE ON vs. IMPORTANCE CONSUMER PAYS TO THESE ASPECTS

STORE TYPE	STRONG POINTS*	WEAK POINTS**	IGNORED ASPECTS***	OPPORTUNITIES****
Traditional store	personnel politeness, store cleanliness/ hygiene; proximity to home/ office	product range	promotions/ competitions; products presentation; prices; personnel level of training; supply	atmosphere in the store; products quality and freshness; open hours; waiting time for products payment
Supermarket and hypermarket	personnel politeness; product range; products presentation; products freshness	proximity to home/ office; prices	waiting time at the cash register; promotions/ competitions; personnel level of training	store cleanliness/ hygiene; open hours; atmosphere; supply; products quality
Discount store	personnel politeness; products presentation; open hours; product range; prices	—	proximity to home/ office; promotions/ competitions; personnel level of training	atmosphere in the store; products freshness; products quality; store cleanliness/ hygiene; supply

*) Strong points: consumer pays more importance to the respective aspects and retailer has higher performance; same direction has to be maintained.

**) Weak points: although consumer pays high importance, the respective store does not have high performance on those criteria, hence additional resources need to be allotted for solving the problem(s)

***) Ignored aspects: importance paid by consumer as well as store performance are low; improvement of these aspects is not a priority

****) Opportunities: consumer pays low importance to these aspects (because consumer got used to them or it's only natural for things to be like that, or these aspects do not matter), but we notice increased store performance. Retailer can take profit from the fact that it already has good performance on respective attributes, to highlight, promote them or to draw attention on their existence.