



**ST. MARY'S UNIVERSITY**

**SCHOOL OF GRADUATE STUDIES**

**MASTERS OF BUSINESS ADMINISTRATION**

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**FACTOR AFFECTING CUSTOMER RETAIL OUTLETS SELECTION IN  
THE CASE OF QUEEN'S SUPERMARKET**

**A THESIS SUBMITTED TO THE SCHOOL OF GRADUATE STUDIES OF  
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**ADVISOR: YIBELTAL NIGUSSIE (ASST. PROFESSOR)**

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**ADDIS ABABA**

## **ENDORSEMENT**

This thesis is submitted to St. Mary's university, School of Graduate Studies for examination with my approval as university advisor.

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## **Declaration**

I, Rahel Alemu assert that this study entitled “Factor Affecting customer retail outlets selection in the case of queen’s supermarket” is my own original work that has not been presented for a Master study in any other University and that all sources of materials used for the study have been duly acknowledged.

Rahel Alemu

**ST.MARY'S UNIVERSITY**  
**SCHOOL OF GRADUATE STUDIES**  
**FACTORS AFFECTING CUSTOMERS ON RETAIL OUTLETS**  
**SELECTION IN THE CASE OF QUEEN'S SUPERMARKET**

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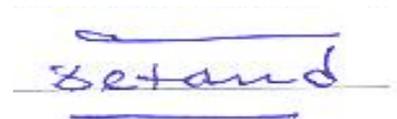
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## ***Abstract***

*This study aims to investigate to factors affecting customers on retail outlets selection in the case of queen's market. Retail outlets characteristics are being measured such as various sizes, customer service, and convenience of store, price merchandise, and promotion as per its importance in selection of retail outlets. This research also sought to investigate the importance of customer choice on supermarkets characteristics retail outlets on how consumers measure on the mentioned variables. Out of 384 distributed questionnaires 350 were collected 42 were not returned. During data editing, the collected questionnaires were checked for errors and 37incomplete questionnaires were identified and discard.therefor308questionnaire were found to be valid and used for the final analysis. Convenience sampling (n=308).data was analysed using descriptive statistics, (ANOVA) and (correlation and multiple linear regression).Result reveal that product quality, promotion store ambience exert influence on consumer decision and. respectively. The finding of the study also shows that there is significant difference in demographic structure (demographic structures are determined by; age, gender, occupation, income, and educational background). These findings contribute to the literature relating to retail marketing and have marketing implies for bringing traffic into supermarket and increase sales.. Finally, conclusion was drawn that retail outlets selection characteristics has an association with product quality in selection of supermarkets. **Key words: Product quality, retail outlets, and product assortment.***

## **LIST OF ACRONYMS**

**PQ** - Product Quality

**PA** – Product Assortment

**CS** – Customer Service

**SC** – Store Ambience

**P** – Promotion

**CO** – Convenience location

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# CHAPTER ONE

## INTRODUCTION

### 1. Background of the study

Retailing industry plays a major part of the world's developed economies (Hapadaos, Joivea & L'Ecuyer, 2014). In 2012, the retail sales were a total of 2.5 billion Euros in Sweden alone, and the numbers are expected to grow rapidly in the future (Statista, 2015). Moreover, retailing has become very complex and is changing as a result of new technology and changing demographics (PWC, 2015). Additionally, the competition is getting more intense due to globalisation and the introduction of modern retail practices around the world (Evenans, 2011). Thus, retailers need new ways of delivering value to their customers in this highly complex and competitive environment.

The Retail sector in Ethiopia is one of the key areas that are required to stay under state control for a long time to come. That implies the segment is limited for foreign direct investment. (A.T. Kearney, 2015) All participants are Ethiopians. The participants may incorporate Retailers, wholesalers, manufacturers, and importers. Since Proclamation no 686/2010 commercial Registration and business Licensing Proclamation

, a wholesaler or a manufacturer or an importer are considered to have been engaged in retailing business as they directly sell goods to consumer or end user.

This study focuses on modern retail outlets selection. In the history of modern retail outlet, QUEEN'S Super Market is Sister Company of **MIDROC** Investment Group to join Ethiopian retail business as a chain supermarket. It was established in 2002 E.C. It works in agricultural and other products on providing on different locations around Addis Ababa for customer's based on preferences.

Currently as indicated by Yibeltal's (2018) article; mini markets, supermarkets and very recently, hypermarkets have propagated in the country. Yibeltal (2018) also note that while there is no standards to certify the business, 843 supermarkets and 50 hypermarkets have registered and got license from Addis Ababa Trade and Industry Bureau.

As per Yibeltal (2018), World Bank classifies large stores covering more than 1000 sq. m as Hypermarket. But for Ethiopian case, Addis Ababa Trade and Industry Bureau are undertaking a study to set a standard for certifying and regulating the modern retail market.

It is also observed that most of supermarkets are also not fulfill the global standard. Since no standard is set to categorize modern retail formats in Ethiopia, it has seen retail outlets with a category of supermarkets that are not completed definition of supermarket.

Store choice is considered to be a function of attitude towards various attributes of the store. In order to study the store choice it is important to identify the attributes that consumers considered to select a supermarket. The researches made on different country argue that location is the most influential factor in consumer's store choice decisions. The finding of Jaravaza and Chitando's (2013) showed the importance of store location characteristics like traveling time, location convenience and nearness to complementary retailers. Others also listed attributes like price, quality, assortment, store personnel, promotion etc. In this study the attributes that are important for retail outlets stores selection. Since it is vital to understand that management cannot be effective unless it has some understanding of the manner in which retail consumers make decisions and act in respect to the consumption of retail products (Gilbert, 2003).

Retailers has unneglectable importance in the economy by stabilizing price over a period of time, avail variety of products (in terms of brand, product item and category). The basic aim of this research is to evaluate Queen's super market outlet selection.

### **1.1. Statement of the Problem**

The Ethiopian supermarkets have shown progress and becoming more competitive and challenging from time to time. This is due to the result of factors such as the expansion of supermarkets in number, size, and quality; the increase in demand of modern retail outlets following the increase in average income of the people. In addition, Woldu et al. (2013) write as the sector has got attention in the international literature and by policymakers for they mentioned three reasons. Food retail is quickly growing its importance as results of speedy urbanization all over the world; the unrest and instability of price change being government concern and takes a look at to intervene, and modern retail is rapidly rising in developing countries. Given the importance of the rise of supermarkets, it is vital to understand what really influences consumer's store choice with in this key retail sub sector and it attracts the researcher to determine consumer's choice of supermarkets in Ethiopia.

In Queen's supermarket is one of the largest retailer in Ethiopia. There are seven branches in different location in Addis Ababa and outside of Addis in Dessie .they supply many variety

product in size, colour and design on their store the study focus on retail selection on two branches .the researcher finds out some problems on the stores ,on each branch products which supply are not similar in size , there is a product quantity limitation on some items and price tag aren't attached and updated on counter that gives misunderstanding on customer's choice .finally location site is different size one from others.

A number of studies have been undertaken to analyze factors that affect customers' choice of retail outlets. Among these studies include Phoebe and Nyongesa (2015) who examined factors That Influence Consumer Preference for Retail Outlets in Kenya, Carpenter and Moore (2006) attempted to analyze the relationship between demography and store choice. Other studies are also undertaken in India (Prashar, A., 2013; Prasad, R.K. and Jha, M.K., 2014) and other countries on the issue of retail outlet selection criteria in line with customers' preference: why and how they select a particular supermarket to be served there. Although such studies have contributed substantially to the literature on supermarket selection, their findings may not be applicable to other countries like Ethiopia, due to differences in cultural, economic and government policy.

## **1.2 Research Questions**

- How does product assortment affect consumer's preference?
- To what extent convenience of stores locations affect consumer's choice?
- How does price of merchandise affect consumer's choice?
- To what extent promotion affect consumers' choice of supermarket?
- To what extent product Assortment affect consumers' choice of supermarkets?
- How does store ambience affect consumers' choice of supermarket?
- To what extent does customer service affect consumers' choice of supermarkets in

## **1.3 Objective Study**

### **1.3.1. General objective of study**

This study attempts to investigate the Assessment of retail outlets selection in the case of Queen's supermarket.

### **1.3.2. Specific objectives**

The primary objective of this investigation is to identify Assessment retail outlet selection in case of queen's supermarket. It also aims at prioritizing the identified determinant factors based on their importance. Based on the main objectives, the study has concentrated on the following specific objectives;

- To examine the effect of product quality on consumers choice of queen's supermarkets
- To find out the effect of convenience of stores locations on consumers choice of queen's supermarkets.
- To examine the effect of price of merchandise on consumers choice of queen's supermarkets
- To determine the effect of promotion on consumers choice of supermarkets
- To find out the effect of product assortment on consumers choice of supermarkets
- To investigate the effect of store ambience on consumers choice of supermarket
- To examine the effect of customer service on consumers choice of supermarkets

## **1.4. Significance of the Study**

For the retailers, the findings from this investigation can advise numerous explicit attributes that they will improve with the end goal to attract and retain customers. Then again, the investigation can likewise advise the independent retailers on the strategies connected therefore they are going to have the capability to position themselves well within the perfect competitive environment. Retail outlets marketing efforts are matched with the need of consumer intention. Therefore, this study will help supermarkets to design a better marketing strategy by identifying factors that are perceived to be very important in influencing consumer purchase behaviour.

## **1.5. Scope of the Study**

In factor affecting on retail outlet, the main variables used in this study includes; product quality, product assortment, promotion, price, convenience, store ambience, customer

service, and supermarket choice. The study centred on selected branches of queen's supermarkets in Addis Ababa around torhayeloch and sarebet queen's supermarket. This geographical limitation is set by believing that a considerable number of consumers found in these branches. The research focuses in assessing company data of 2019-2022G.C. this is because the supermarket changed its strategy starting Covid-19.

### **1.6. Limitations of the Study**

The study experience different shortcomings and limitations. This incorporates lack of cooperation from customers, employees and managers of the supermarket. To compensate the shortcoming that might happen the sample size is increased and company data will be used.

Since all the samples is only collected from respondents at around torhayeloch and sarbet, then it would not be good enough in generalizing to the whole population, hence it limits generalization of the research outcomes.

It should also be understood that the customers' perception on selection criteria might change from one geographic area to the next based on the demographic characteristics of the population being studied (Carpenter and Moore, 2006). Therefore, a finding of this study needs further verification. It is also recommended that research should be repeated in different areas of the country to identify similarities and difference across cultures.

### **1.7. Definition Term**

**Supermarkets:** A large, low-cost, low-margin, high-volume, self-service store that carries a wide variety of grocery and household ( Kotler and Armstrong ,2012)

**Store ambience:** Mohanty and Sikaria (2011) defined the store ambience as it is an environment that is created by visual communications, lighting, music, colors etc., to generate a stimulus among the customer's perceptions & emotions that will affect their purchasing behavior.

**Consumers:** Any individual who purchases products or services for his personal use and not for manufacturing or resale is called a consumer. A consumer is one who is the decision maker whether or not to buy an item at the store, or someone who is influenced by advertisement and marketing. (Consumerrights.org.in, 2019)

**Consumer buying Behavior:** Consumer buying Behavior refers to the buying behavior of the ultimate consumer. Several factors, specificities, and characteristics influence the individual in what he/she is and also the consumer in his/her decision-making process, looking habits, buying behavior, the brands he/she buys or the retailers he/she goes. ( Ramya et. al., 2017)

## **1.8. Organization of the study**

This thesis is categorized into five chapters. The first chapters concentrate on introductory parts of the paper that mainly pinpoints the statement of the problems and objective of the study. The second chapters provide related literature review with specific emphasis to theoretical, methodological and empirical aspects. The third chapter deals with research methodology and design. The fourth chapter includes data presentation and analysis of the descriptive and regression results. The fifth chapter is focus on summary, conclusion and recommendation on the basis of the research outcome.

## **CHAPTER TWO**

### **2 Literature review**

#### **2.1. Introduction**

The literature review divided into three parts. In the first two parts, the chapter provides an insight to readers about the theoretical view and empirical review of the topics under study. In line with objective of the study, the chapter covers topics related to consumer's retail outlets selection. Finally, the conceptual framework of the study developed from the literature.

##### **2.1.1. Theoretical review**

Retailing in its various guises can be traced back for centuries but because the elements of retailing and conditions of the marketplace have changed substantially there has been a requirement for a corresponding change in both techniques and approaches. Reid (1995) has described retailing as a once-Cinderella business which has now evolved as a leader in business innovation and the management of complexity. Retailing comprises all the activities involved in the marketing and distribution of goods and services. Therefore, marketing is a core area for any retail operation as the success or failure of retailers is based upon how well they understand and serve the needs of their customers.

#### **2.2. Retailing**

The definition of a retailer has now been developed, however it is a very broad definition and the shape of a retailer can be many. Examples of different retailers can be department stores, supermarkets, restaurants and web shops (Investopedia Staff, 2015). A very general way of dividing retailers is a physical store or non-store. A non-store retailer can be TVshopping and door-to-door but also online shopping and services retailers (Nel, Cant, Gerber-Nel & Stanford, 2005). In the past, most retailing has been through stores, however, the online shopping is becoming increasingly popular as technology is advancing and thus making shopping very convenient and simple for the customers (Nel et al. 2005). Online trading started to emerge in the mid-1990s when companies responded to the opportunity of the Internet, which offered companies more effective communication, global reach and cost reductions amongst many other things (Doherty & Ellis-Chadwick, 2010). Since then, online retailing has grown rapidly, by far exceeding the growth in the traditional channels (Doherty & Ellis-Chadwick, 2010). Online shopping also open up to global trading and remove some barriers as language, culture, legal and national boundaries (Wu & Hisa, 2004)

### **2.2.1. Retail Trends**

As mentioned earlier, retailing today is very complex and constantly changing and thus it is important for retailers to be up to date and keep track of what the customer wants and needs. One of the greater trends that are predicted for the year 2015 is a focus on shopping experience in the physical store (PWC, 2015). Being entertained and enjoying a shopping experience will be the key to bring the customers into the stores in the future. Both price and product quality is today tightly pressed down and thus the consumer seeks value in the shopping- or product experience (PWC, 2015). Retail stores will also be designed to entertain, educate, inspire and tell stories (Sands, Oppewal & Beverland, 2015). Additionally, the shoppers will demand more products and experiences that respond to their individual needs (PWC, 2015).

### **2.2.2. Retail Experience Marketing**

When visiting a physical store, customers are able to discover unique capabilities, such as service, promotion and elements of surprise that is structured in such a way that it provides moments of pleasure throughout the customer journey (Hammond, DeHerder & Blatt, 2013). The retailer's role is thereby to design the elements in such a way that it communicates entertainment, but most importantly, to generate sales (Hammond et al., 2013). Arnold et al. (2005) argues that customer satisfaction by itself no longer is sufficient for companies to attain but they rather need to generate higher levels of emotions by exposing customers to unexpected, pleasant experiences. Furthermore, Kerin, Jain and Howard (1992) states that customers' behavioural responses and attitudes could be affected by a store's physical surroundings, personnel, customer-related policies and practices. Moreover, it is suggested that retailers who wants to focus on offering an experience and entertain customers should implement experience marketing as an integrated long-term strategy in their stores. This refers to that there should be a consistency of experience marketing throughout the business idea, mission, values and offerings (Hammond et al., 2013). Experience marketing should therefore preferably not only be used on one-time occasions, but as a long-term strategy that is reflected in every part of the physical store.

The concept for retailers to practice experience marketing as a strategy has further been mentioned by Schmitt (2008), who argues that new trends in media, technology and society has changed consumers' expectations by no longer only focusing on the functional aspects of the products and services. By not only focusing on the functional features of products and

services, retailers' purpose is to provide the right environment and settings in order for the desired customer experience to emerge (Schmitt, 2008). Retailers thereby need to seek for innovative solutions to obtain competitive advantage by offering customers pleasure over functional benefits (Tynan & Mckechnie, 2009).

### **2.2.3. Merchandise planning and Assortment planning**

According to Kunz (2005), the general merchandise plan can be defined as a review of historical company data, fashion forecasts and the retailer's goals for future seasons. For many fashion retailers, merchandise planning has traditionally been a top priority and has long been considered to be more important than any other merchandising strategies (e.g., contracting to offshore suppliers, opening online channels, special promotion; Mazur, 1927). Merchandise plans involve financial plans, which include establishing budgets and allocating specific amounts of that budget to each category for the purchase of an assortment of each style selected (Clodfelter, 2008; Frings, 2005). Besides financial plans, merchandise planning consists of forecasting consumers' demands for colors, fabrications and other style features (Kincade & Gibson, 2010).

Assortment planning is a specific quantitative decision- making process for retail buying to meet customers' needs (Bahng & Kincade, 2014). The assortment a retailer carries has a great impact on sales and profits and is considered as a high priority for their retail business (Kok et al., 2006). The assortment plan is established and revised based on the classification system used by each retailer (Kincade et al., 2004). Most retailers build or organize assortment plans by segmenting the stock keeping units (SKU) they carry into groups, called categories (or classes; Kok et al., 2006). Within categories, subcategories (or subclasses) are defined. Some marketing researchers have assumed that the fundamental unit of analysis for choice marketing models is the brand (Fader & Hardie, 1996). However, Fader and Hardie (1996) reported that consumers, manufacturers, and retailers make decisions more at the level of the stock- keeping unit (SKU), which reflects style, color, size, and fabric, as compared with using the brand.

In general, successful assortment planning includes a balance among (a) how many categories (variety), (b) how many stock-keeping units (SKUs) in each category (depth), and (c) amount of inventory to allocate to SKU (Mantrala et al., 2009). In the fashion industry, the level of inventory for each SKU may directly influence a firm's financial performance because it generally takes a few weeks to a month to source materials, manufacture, and receive ordered products. For this reason, reordering is rarely possible to contribute to

current sales. Moreover, with demand at point of sale and replenishment time too long, substitutions for a stock-out does not commonly occur when consumers shop for clothing. Sales and profits from a specific SKU must be made only with the stock-on-hand as selected via the assortment plan.

#### **2.2.4. Success of Assortment Planning**

The ultimate goal of successful assortment planning is to provide products so that consumers can find and buy what they want (Mantrala et al., 2009). Successful assortment planning provides the right products at the right price and time to the right customers and does not lead to losses in current or potential sales (Arbuthnot, 1997). In addition, to meet the heterogeneous nature of customers' demands, many large retailers may differentiate their assortments to satisfy local demands (Choi, Kim, & Lee, 2011; Kang, Hwang, & Lee, 2014). Therefore, the success of assortment planning can be measured using the level of customer satisfaction with the retailers' product assortments and the buyer's evaluation of the quantitative decisions they made. Findings from these previous studies imply that the success of assortment planning is influenced by the use of related merchandising and other factors.

#### **2.2.5. Firms Performance**

In business, a firm's performance can be measured in a variety ways including the continuation of profit for the firm. In general, a firm's financial performance can be measured with variables such as new product sales, profit, capital used, and return on assets (ROA; Hsu, Lin, Lawler, & Wu, 2007). Firms also use measurements such as return on investment (ROI), earnings per share (EPS), and net income after tax (NIAT) (Grossman, 2000). In the operations management field, firm's performance is measured by evaluating the firm's market share, overall quality, competitive position, and customer service levels (Kannan & Tan, 2006).

The retail literature supports the proposition that buying decisions significantly impact the profitability of retailers (e.g.,

Kincade & Gibson, 2010). A few studies have been conducted to examine firm performance and assortment planning. For example, if a retail store fails to offer customers merchandise that they want, this failure may cause sales loss (Mantrala et al., 2009). Krishnan and Kothari (2009) indicated that, although saleable new products might be introduced by manufacturers,

their success can depend on how well the products are carried by retailers finding space in their stores. In addition, decisions retail buyers make about merchandise requirements and supplier selection ultimately contribute to the financial performance and success of the retail business (Fiorito, 1990). Findings from these previous research studies implies that the success of assortment planning impacts firm performance.

### **2.2.6. Retail Store Operations**

Besides the success of assortment planning, retail store operation variables (i.e., store management, sales personnel, promotion of merchandise) may affect firm performance. As retail buyers or merchandisers are also engaged in tasks for selling promoting merchandise, Kincade and Gibson (2010) indicated that merchandising tasks (e.g., promotions, personal selling) may also influence sales. According to Amirani and Gates (1993), store image is one of the most important determinants of a successful retail business. In addition, research studies (e.g., Berry, Seiders, & Grewal, 2002) show that store convenience influences consumers' repurchase likelihood. Sales managers and sales personnel have an almost immediate impact on customers and sales (Williams & Attaway, 1996), and customer satisfaction and retention is a critical determinant of retail success (Pettijohn, Pettijohn, & Taylor, 2007).<sup>5</sup>

### **2.2.7. Retail Buyers' Characteristics and Company Profile**

Da Silva et al. (2002) found linkages between retail buyer characteristics and the important criteria used in their decision-making processes. Davies (1994) reported that younger but better qualified buyers with less experience tend to consider net profit margin rather than potential sales volume when they make sourcing decisions. Davies (1994) also concluded that personal factors (e.g., age, experience) can define the retail buying of each buyer. Neu et al. (1988) indicated that a gender difference influenced negotiation performance and retail buying behavior, although the influence was weak. Other researchers (Francis & Brown, 1985; Hirschman, 1981; Stone, 1987) indicated that the important merchandise selection criteria, vendor selection criteria, and information sources differ depending on the company characteristics (e.g., store type, merchandise classification). Findings from these research studies imply that the retail buyers segments, characterized by buyer's demographics (i.e., age, gender, education, experience, employment) and firm's demographics (i.e., types of

products purchased and carried, type of store, size of the firm) can influence firm performance.

The influence of buyer's demographics and firm's characteristics on assortment planning is also supported in the literature (e.g., Bahng, 2018; Bahng & Kincade, 2014; Da Silva et al., 2002; Kang & Kincade, 2004; Kline & Wagner, 1994). Bahng and Kincade (2014) segmented retail buyers into four clusters on the basis of their use of assortment decision factors. In the study, the findings showed that younger buyers tend to consider assortment factors more important than older buyers. The study included the finding that most female retail buyers and small retail storeowners belonged to "most factor use cluster," which means that female retail buyers and small retail storeowners are more likely to consider assortment factors to be more important than their counter parts do (i.e., male retail buyers and retail buyers who work for large retailers). Silver et al. (2002) reported that clear correlations exist between buyer characteristics and use of criteria for buying decision making. In addition, Wagner et al. (1989) found that various uses of vendor selection criteria exist among divisions, within the same department store (e.g., ready-to-wear, home fashion, accessories). In addition, Bahng (2018) found that differences exist between the assortment criteria used by retail buyers who buy men's wear and buyers who purchase women's wear. In the study, the research also reported significant differences of assortment criteria use between male and female fashion retail buyers. The findings of these research studies imply that the buyer demographics and firm's characteristics influence the success of assortment planning and further firm performance.

## **2.3. EMPIRICAL REVIEW**

Survey of previous studies was selectively done to take account of several studies that have been conducted across countries and provide very rich setting for this study.

### **2.3.1. Consumers decision over store choice**

Store choice decision is made by the decider who has decision power over where the purchase. The deciders have their own motive to select retail outlet. Kelly and Stephenson in 1967 identified the following eight basic dimensions (Gilbert, 2003, p.50)

- General store characteristics (reputation, number of stores);
- Physical characteristics of the store (decor, cleanliness, checkout services);
- Convenience of reaching the store from the customer’s location (time, parking,
- Products offered (assortment, dependability, quality);
- Price of products in the store (value, special sales);
- Store staff (courteous, friendly, helpful);
- Promotion of the store (informative, believable, appealing); and,
- Reference groups’ perception of the store (well known, liked, recommended)

Even though, there is no significant development made on those eight basic dimensions in-store choice, the finding of various research made using different methodologies

And approaches in various parts of the world are summarized in the following table.

| <b>Author/s and Topic</b>   | <b>Methodology and Technique(s)</b>   | <b>Sample Size</b>  | <b>Main finding (s)</b>  |
|---|---|---|--|
| Anand and Sinha(2009)<br>“Store format choice in an evolving market: role of affect, cognition and involvement” | <ul style="list-style-type: none"> <li>• Self-administered questionnaire.</li> <li>• Descriptive and inferential statistical techniques(regression, ANOVA)</li> </ul> | 454 US grocery consumers  | Most important factors: <ul style="list-style-type: none"> <li>• price competitiveness,</li> <li>• product selection, and</li> <li>• atmosphere</li> </ul>   |
| Che Wel et.al,(2012)<br>”Important Determinant of Consumers” Retail Selection Decision in Malaysia”             | <ul style="list-style-type: none"> <li>• focus Group and depth interviews</li> <li>• Questionnaire</li> </ul>   | Two focus Groups(10 respondents in each group), 8 respondents for depth interview, and 151 households | Most important factors: <ul style="list-style-type: none"> <li>• store personnel and physical characteristics of the store ,</li> <li>• Advertizing by the store,</li> <li>• Store convenience &amp; Merchandise selection,</li> <li>• Convenience of Reaching the store,</li> <li>• Friends and store,</li> <li>• Product variety and Quality,</li> <li>• Service offered by store</li> </ul> |

|   |   |   |   |
|---|---|---|---|
| Phoebe and Nyongesa, (2015). “Factors That Influence Consumer Preference For Retail Outlets In Kenya”   | <ul style="list-style-type: none"> <li>• Questionnaire</li> <li>• Descriptive statistics</li> </ul>   | 120 supermarket customers   | <b>Most important factors:</b> <ul style="list-style-type: none"> <li>• Adequate number of cashiers to reduce queuing ,</li> <li>• Reasonable prices of products,</li> <li>• Employees’ courtesy and warmth with customers ,</li> <li>• Knowledgeable employees,</li> <li>• Display and arrangement of merchandise</li> <li>• Convenient operating hours,</li> <li>• Availability of all type of merchandise, and</li> <li>• Channel for customer complaints</li> </ul> |
| Prashar A. (2013). “Drivers of Store Choice in an Evolving Market: An empirical study”                  | <ul style="list-style-type: none"> <li>• structured questionnaire</li> <li>• Descriptive (mean and standard deviation) and inferential statistical tools (Factor analysis)</li> </ul> | 250 food and grocery retail customers from convenience stores, supermarkets and hypermarkets in tier-2 cities in Punjab in India. | <b>Most important factors:</b> <ul style="list-style-type: none"> <li>• Customers’ value availability and variety of products at store,</li> <li>• store ambience,</li> <li>• service and facilities, and</li> <li>• Value for money offered at store.</li> </ul>   |
| Singh, (2012). “Impact of Attributes of Store Format on the choice Behavior in Organized Retail Sector” | <ul style="list-style-type: none"> <li>• Structured questionnaire</li> <li>• Chi-square test</li> </ul>   | 153 respondents from 500 randomly selected adult female grocery shoppers from Delhi   | <b>Most important factors:</b> <ul style="list-style-type: none"> <li>• Store personnel,</li> <li>• Proximity convenience,</li> <li>• In store communication,</li> <li>• Price consciousness,</li> <li>• store service ,</li> <li>• Fast check out and</li> <li>• Store Reputation</li> </ul>   |

Table 1 Summary of Finding related

From those relevant researches and from other supporting works seven factors are identified for this study. They are product quality, product assortment, promotion, price of merchandise, convenience of store location and working hour, store ambience, and customer service

### **2.3.1.1. The product quality And Customers Retail Store Selection**

The product quality is also a major determinant factor, which influences the selection of an outlet. (Baker, Parasuraman, Grewal & Voss, 2002 as cited by Aldousari and El-Sayed, 2017). Freshness is an indicator of quality for fruits and vegetable category,

meat and dairy products. The consumers search for noticeable confirmation to get an impression of quality. It varies for every item and significantly customer's involvement. For manufactured or produced good, the brand speaks about quality.

H1: Product quality has a positive and significant effect on consumer's choice of super market

### **2.3.1.2. Product assortment And Customers Retail Store Selection**

Several studies have shown that assortment is an important factor in store choice (Carpenter, J.M. and Moore, M., 2006; Briesch and et al, 2009; Aldousari and El-Sayed, 2017). Briesch and et al (2009) characterize assortments based on the number of brands, number of stock keeping units (SKUs) per brand, number of sizes per brand, proportion of SKUs that are unique to the retailer (a proxy for private label) and availability of a household's favourite brands.

H2: Product Assortment has a positive and significant effect on consumer's choice of super market

### **2.3.1.3. Promotion And Customers Retail Store Selection**

Word of mouth or friends referrals may leads to prefer a specific supermarket. According to Phoebe and Nyongesa (2015) the goals of retail advertising include informing, persuading and reminding consumers. Therefore promotion is an important tool to create good image of a certain store in the consumer mind.

H3: Promotion has a positive and significant effect on consumer's choice of super market

### **2.3.1.4. Price of Merchandise And Customers Retail Store Selection**

From retail store attributes competitive Price is one of the factors that affect store choice decision (Chamhuri and Batt, 2013; Carpenter and Moore, 2006). Price

assumes a remarkable role especially when the product is a commodity category. When consumers search products they can get a different price for a similar product from a supermarket to supermarket. This indicates that it is a determinant factor in outlet selection. By considering this fact, retailers use price discount as a tool for attracting the consumer. In some cases, such discount is regularly offered through membership or loyalty card by large retailers. According to Chamhuri and Batt (2013) competition may force to offer lower prices. But offering more competitive prices for Modern retail outlets is possible for the reason they have the economies of scale in procurement. Furthermore, the price level has been found to be an influential factor in terms of retail format choice and determinant of different customer groups (Carpenter and Moore, 2006).

H4: Price of merchandise has a positive and significant effect on consumer's choice of super market

### **2.3.1.5. Convenience of store location and working hours**

When shopping from a modern retail outlet, convenience means something that saves or simplifies work and brings comfort to shoppers. Convenience can be communicated as found within the perfect place at the right time and conveying everything that a customer desires it is a matter of speed. Customers could search now, today around evening time, or may be tomorrow. And that they want this process to be simple and fast to take under consideration insignificant interruption in their day to day busy lives. According to Jaravaza and Chitando (2013), consumers are extremely relying on stores that supply convenience, shorter traveling distance furthermore as complementary services like public transport ranks so as to reduce fatigue of traveling after work. This is because customer store choice decisions are highly connected on store convenience so as to lack time for leisure activity.

Phoebe and Nyongesa (2015) suggested opening supermarkets for long hours in order to serve who work at odd hours. By reasoning traveling cost, put their view as store location has significant role in store choice (Carpenter and Moore, 2006).

H5: Convenience of store location and working hour has a positive and significant effect on consumer's choice of super market

### **2.3.1.6. Store Ambience And Customers Retail Store Selection**

The store atmosphere is to be considered to create easy purchase and conjointly to provide a comfortable feeling. (Mohanty and Sikaria 2011). It attracts customers and empowers them to make buying decision within the shortest possible time, and it enhances the selling process (Gowrishankkar, 2017). It is obvious that Attractive displays increase the number of consumers and turn the consumers towards the particular store. These attribute; Clear and clean environment, good music, relaxing colors on walls, attractive displays; search by consumers is expressed by store Ambience. It is the basic requirement for any store's success which gives the reputation and increased sales. The store ambience is to be designed to make shopping easy and also give a comfortable feeling. Therefore store ambience is considered a factor that affects consumers' store choice. (Gowrishankkar, 2017). Therefore

H6: Store ambience has a positive and significant effect on consumer's choice of super market

### **2.3.1.7. Customer service And Customers Retail Store Selection**

It is well-known that consumers make associate assessment before making a decision. The assessment of the service output relies on the consumer's own experiences with the assorted store formats. One amongst the numbers of various store values that the literature identifies as being probably important for the consumer's evaluation of stores is personnel. Personnel as a factor include information enquires, direction to the area of merchandise, cashiers efficiency, and so on. So, the relationship between consumer and store personnel affects customers' buying experience, and further influences on repeat visits (Theodoridis and Chatzipanagiotou, 2009). Since the staff of the store can pull in or repulse customers; they should be knowledgeable and helpful. Their friendliness and courteousness is also important (Phoebe and Nyongesa, 2015)

The identified strategy in reference to store personnel by Phoebe and Nyongesa (2015) is that supermarket owners should recruit enough cashiers; educated personnel and they ought to train them so as to extend efficiency and customers' satisfaction. Therefore,

H7: Customer service has a positive and significant effect on consumer's choice of super market.

### 2.3.2. Conceptual Framework

The study were discussed in the literature review, a dependent variable and seven independent variables are identified. Regardless, conceptual framework helps to visualize ideas and allow to clearly illustrating how things are related. For this study the figure below shows the proposed conceptual model and causal relationships between the dependant variable: supermarket choice and the independent variables: product quality, product assortment, promotion, price of merchandise, convenience of stores, store ambience and customer service.

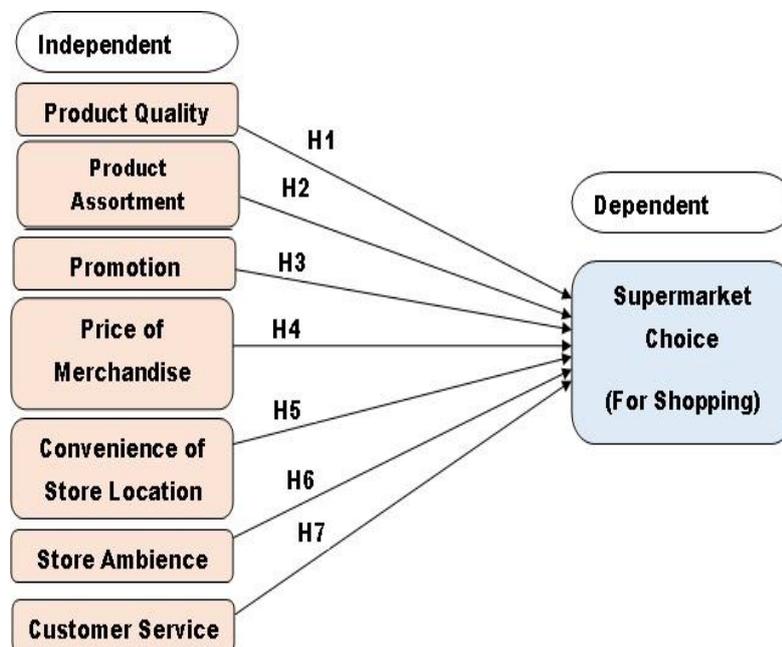


Figure 1 Conceptual frame work

Source: adopted from Zulqarnain et. al, (2015),p 1169

## CHAPTER THREE

### 3 RESEARCH METHEDODOLOGY AND DESIGN

#### 3.1. Introduction

This chapter presents a detail discussion about the type of research methodology and methods that are employed in this research. The first section highlights an outline of the study design. This is followed by the instruments development, survey administration procedures. The third section contains a description of the sample and the data collection procedures while the last section presents the statistical methods which are used to analyse the data.

#### 3.2. Research Approach

The researcher deployed mixed research approach (quantitative and qualitative). Mixed methods may be defined as ‘research in which the investigator collects and analyses data, integrates the findings and draws inferences using both qualitative and quantitative approaches or methods in a single study’ (Tashakkori & Creswell, 2007:4). A mixed methods study is one that includes a qualitative and quantitative dimension (Tashakkori and Creswell, 2007). Some interpretations view mixed methods as the collection and analysis of quantitative and qualitative data. More contemporary writings in this area had sought to develop an understanding of the importance of complete integration of the two approaches (Hanson,*et al.*, 2005; (Bryman *et al*, 2007). (Tashakkori &Creswell 2007) argue that as mixed methods research is still evolving, the discussion of what it actually is should be kept open. Similarly, Johnson, et al. 2007) suggests that the definition of mixed methods research will change over time as this research approach continues to grow. Therefore, this study followed both quantitative and qualitative research approach. Quantitative approach is predominantly used as a synonym for any data collection technique (such as a questionnaire) or data analysis procedure (such as graphs or statistics) that generates or uses numerical data. In contrast, qualitative is used predominantly as a synonym for any data collection technique (such as an interview) or data analysis procedure (such as categorizing data) that generates or uses non-numerical data (Saunders *et al.*, 2009). Since the aim of the study is to examine the factor affecting customer retail outlets selection in the organization, mixed approach was deployed.

### **3.3. Research design**

An explanatory research design was adopted in this study. As Saunders, Lewis & Thornhill (2009), explanatory research is about studying a situation or a problem in order to explain the relationship between variables. It attempts to clarify how and why there is a relationship between two or more aspects of a situation or phenomenon. Hence explanatory study design was deployed to determine and explain the relationship between the dependent variable- organizational performance and independent variables- inventory management, employee management, information system, organizational business value, decision making and internal process.

### **3.4. Target population**

Marczyk G, (2005) define target population as a group of people that the researcher wants to draw a conclusion about once the research study is finished. Population is a complete set of elements (person or objects) that poses some common characteristics defined by the sampling criteria established by the researcher. The major players in the retail industry Queen's supermarket with a total of seven stores are open across Addis Ababa. These major stores are supply a wide array of products which makes them to be the preferred place to satisfy the shopping demand for these consumer segments in return also making it a better place for this study.

The target population (unit of analysis) of this study comprises all individual consumers who were occasional and/or regularly buyers of goods and services in torhayloch and sarbet, these two are selected branches of queen's supermarkets. However, the total number of Queen's supermarket customer are not known.

### **3.5. Sampling Design**

Sampling involves any procedures that draws conclusion based on measurements of a portion of the entire population. According to Marczyk G, (2005) a sample is usually drawn because it is less costly and less time consuming to survey than the population, or it may be impossible to survey the entire population. Because of the large number of the sample unit, time and cost constraint, the sample was drawn from the targeted population by using convenience sampling techniques which is a non-probability sampling. As Stevens R.E, (2006) explain statistical methods of establishing sample size are only applied to probability samples. Convenience sampling is where the respondents are selected because they happen to be at the right place and at the right time. It is used to obtain a sample of element because it is impossible to estimate or calculate the probability of the selection for each element in

the population. The researcher just needs to contact the target element in Addis Ababa who are easily located and willing to participate. Convenient locations include specific places in which the researcher collected the data in these two branches.

### 3.6. Sampling techniques and sample size

Concerning customers selection, convenience, non-probability sampling approach was used for the reason that their exact number and list is not available; this helped to choose samples based on the student researcher's and customer's conveniences in terms of time and space. In addition to convenience sampling Judgmental sampling will also be used. Customers are selected based on the time of purchase they have made in that particular supermarket. This provides a good information about the retail store so as to come up with a better understanding of the retail operation.

While the sample size for infinite population was calculated as below shown, it was decided to make 384 for this study.

$$Ss = \frac{Z^2 * P * (1 - P)}{C^2}$$

Where Ss = Sample size

Z = Confidence level Z = 95% = 1.96 from Z table

C = Confidence interval P = 0.5

P = the largest possible proportion C = 5% = .05

$$3.8416 \times 0.5 \times (1 - 0.5)$$

$$Ss = \frac{\quad}{0.0025} \approx 384$$

### 3.7. Types and Sources of Data

The student researcher will collect both primary and secondary data. The primary data will be collected from final customers who enter to the supermarket to purchase products. The secondary data will be obtained from the documentations of the supermarket, relevant books, articles and journals. In this way the research can provide both previous works of others as a reference and direct response of the customers.

### 3.8. Data Collection Method

The data for this study is obtained from two sources, primary and secondary. The primary data is collected from the research participants (i.e supermarket consumers) through structured self-administered questionnaire which were adapted from Chaniotakis,

Lymperopoulos, and Soureli, (2010). Secondary data is extracted from journals, articles, magazines, newspapers and other relevant publications. The primary instrument for data collection in this research is adopted structured questionnaire. Questionnaires using 5-point Likert scale with anchor of (1) very important“ to (5) very unimportant“ can reduce variability in the results that may be differences and enhances reliability of the responses. Besides, it also simplifies coding, analysis and interpretation of data. In the first section, data regarding respondents“ age, gender, income, occupational status, marital status, education level and Purchase behaviour attribute (i.e. average monthly shopping expenditure) is obtained. The second part of the questionnaire requires respondents to rate their perception customer retail outlets selection toward based on their preference

### **3.9. Data Analysis**

For data analysis, Descriptive statistics and inferential statistics were used. Inferential statistics include; exploratory factor analysis, correlation and multiple-regression were the most important empirical analysis tools known for this study. Factor analysis seeks to resolve an outsized set of measured variables in terms of comparatively few classes, referred to as factors, (Kothari, 2004). The study was organized, summarized and analysed using the statistical Package for social science. SPSS is used for straightforward descriptive data to calculate the mean score of factors and to the advanced statistical producers of factor analysis, correlation, and multiple regressions. In order to run multiple regressions analysis, the assumptions of normality, linearity, homoscedasticity, and absence of multicollinearity will be checked. After doing such associate degree analysis, the findings are going to be presented using figures, tables, and percentages.

### **3.10. Ethical Consideration**

For ethical purposes the student researcher will explain the purpose of the research and assure the information they provide is strictly confidential and will be used for academic purposes in addition to solving the problems faced by the supermarket so as to make the respondents feel confident enough in providing the necessary information. After that the questionnaires will be distributed to the respondents through the supermarket clerks for respondents to fill it while they wait in line for payment this way they can save their valuable time.

### 3.11. Validity and Reliability

In order to test the internal consistency of variables in the research instrument Cronbach's Alpha coefficient was calculated Zikmund,(2010) state scales with coefficient alpha between 0.6and 0.7 indicates fair reliability. This research used the most popular test of Cronbach's alpha coefficient to test the inter-item consistency and to identify the validity of items used in survey.

#### Reliability Statistics

Table; **Item-total Statistics**

| Variable           | No of Item | Cronbach's Alpha |
|--------------------|------------|------------------|
| Product quality    | 7          | 0.939            |
| Product Assortment | 5          | 0.793            |
| Price mechanise    | 5          | 0.719            |
| Customer service   | 5          | 0.755            |
| Store ambience     | 3          | 0.818            |
| Promotion          | 2          | 0.701            |

Own survey 2022

## **CHAPTER FOUR**

### **4. FINDING AND DISCUSSION**

#### **4.1. Chapter over view introduction**

In this chapter, the collected data from the supermarket visitors are summarized and analysed in order to realize the ultimate objective of the study. This chapter tries to find out and discuss the data collected using the appropriate statistical techniques mentioned in chapter three. It addresses the research questions raised in the first chapter and tests the hypotheses postulated based on the literatures in chapter two. The first part of this chapter reports the demographic characteristics of the respondents. The second part is the main part of the chapter that analyses the data collected using the structured questions. Finally, the data collected using the questioner was analysed.

#### **4.2. Survey Response Rate and Reliability Test**

The 400 questionnaires were administered in the second and third weeks of the month of September 2022 and respondents were reached at the exit of the supermarket after buy and leave the store. However, an aggregate of 350 questionnaires were collected, of which 34 were incomplete. In this manner, 308 questionnaires were observed to be usable and prepared for analysis, which is 85.5 % response rate.

The first analysis conducted, after coding and entry of data into SPSS version 20 was to check the reliabilities of the scales used in the data collection instrument. According to Malhotra & Birks (2007), reliability is the extent to which a measurement reproduces consistent results if the process of measurement were to be repeated. The Cronbach alpha was used to measure internal reliability as it is a widely used measure of internal consistency. A Cronbach's Alpha above 0.7 is considered acceptable for most research objectives Allen & Bennett, (2012). Overall, the internal reliability coefficients for the entire constructs are very strong as all alpha coefficients are more than 0.70 Singh, (2007). The Cronbach - alpha coefficient of this study ranged from 0.65 to 0.88, indicating acceptable internal consistency and reliability for the four factors (Product Quality, Convenience, Store Ambience and Customer Service) and while the other factors (Product Assortment, Price of Merchandise and Promotion) fall

below 0.7 of alpha coefficient. As a result, the internal reliability test of Product Quality, Convenience, Store Ambience and Customer Service are in acceptable range for further analysis and the factor Product Assortment, Price of Merchandise and Promotion is taken out from analysis. Table summarizes the results.

**Table explanatory analysis**

Own survey 2022

**4.2.1 Descriptive analysis**

**4.2.2 Demographic Profile of the Respondent**

Since discussion on personal information of respondents such as demographic data is useful to make the analysis more meaningful, for readers .the sample of this study have been classified according to several background information collected during supplementary questionnaire survey .the purpose of demographic analysis in this research to describe the characteristics of the sample such as number of respondents, proportion of male and female in the sample ,range of age ,income, educational level ,marital status...is analysed on this table.

Table 2 Gender

Own survey 2022

|                | Frequency | Percent | Valid Percent | Cumulative Percent | mean   | Std. deviation |
|----------------|-----------|---------|---------------|--------------------|--------|----------------|
| Valid Male     | 118       | 20.1    | 38.4          | 38.4               | 1.6156 | .48724         |
| Valid Female   | 189       | 32.2    | 61.6          | 100.0              |        |                |
| Total          | 307       | 52.3    | 100.0         |                    |        |                |
| Missing System | 280       | 47.7    |               |                    |        |                |
| Total          | 587       | 100.0   |               |                    |        |                |

As indicated in Table below the female respondents constituted the largest share of the gender composition representing 61.6% of the total respondents while 38.4% were male.

Table 3 Age

Own survey 2022

|         |        | Frequency | Percent | Valid Percent | Cumulative Percent | mean | Std. deviation |
|---------|--------|-----------|---------|---------------|--------------------|------|----------------|
|         | <18    | 41        | 7.0     | 13.3          | 13.3               |      |                |
| Valid   | 18-30  | 267       | 45.5    | 86.7          | 100.0              | 1.87 | .340           |
|         | Total  | 308       | 52.5    | 100.0         |                    |      |                |
| Missing | System | 279       | 47.5    |               |                    |      |                |
| Total   |        | 587       | 100.0   |               |                    |      |                |

The age groups were distributed as it is shown in the table, 45.5% were from 18-30, 7.0% under 18% were, and the remaining 47.5 % were missing from age groups.

Table 4 marital status

Own survey 2022

|         |           | Frequency | Percent | Valid Percent | Cumulative Percent | mean   | Std. deviation |
|---------|-----------|-----------|---------|---------------|--------------------|--------|----------------|
|         | married   | 289       | 49.2    | 93.8          | 93.8               |        |                |
| Valid   | unmarried | 19        | 3.2     | 6.2           | 100.0              | 1.0617 | .24098.        |
|         | Total     | 308       | 52.5    | 100.0         |                    |        |                |
| Missing | System    | 279       | 47.5    |               |                    |        |                |
| Total   |           | 587       | 100.0   |               |                    |        |                |

Table 5 income of respondents

Own survey 2022

|         |             | Frequency | Percent | Valid Percent | Cumulative Percent | mean   | Std. deviation |
|---------|-------------|-----------|---------|---------------|--------------------|--------|----------------|
|         | <5000       | 16        | 2.7     | 5.2           | 5.2                |        |                |
| Valid   | 5001-10000  | 291       | 49.6    | 94.5          | 99.7               |        |                |
|         | 10001-15000 | 1         | .2      | .3            | 100.0              | 1.9513 | .23021         |
|         | Total       | 308       | 52.5    | 100.0         |                    |        |                |
| Missing | System      | 279       | 47.5    |               |                    |        |                |
| Total   |             | 587       | 100.0   |               |                    |        |                |

The table also shows 45.8% respondents were married and the rest are unmarried. In addition only 5.2% of the respondents earned less than 5,000 birr per month and 94.5% of the respondents earn between 5,000 and 10,000 per month and 0.3% of the respondents earned between 10,001 and 15,000. Majority of the respondents (94.5%) fall in the income group of birr 5000 and 10000 per month.

Regarding the employment status of respondents, 61.1% were employed in a private company, 22.5% were business person and 12.6% were public employee.

Table 6 Type of Occupation

|                        | Frequency | Percent | Valid Percent | Cumulative Percent | mean   | Std. deviation |
|------------------------|-----------|---------|---------------|--------------------|--------|----------------|
| Valid private employee | 191       | 32.5    | 62.0          | 62.0               | 1.5617 | 1.00460        |
| public employee        | 98        | 16.7    | 31.8          | 93.8               |        |                |
| business person        | 7         | 1.2     | 2.3           | 96.1               |        |                |
| unemployed             | 6         | 1.0     | 1.9           | 98.1               |        |                |
| other                  | 6         | 1.0     | 1.9           | 100.0              |        |                |
| Total                  | 308       | 52.5    | 100.0         |                    |        |                |
| Missing System         | 279       | 47.5    |               |                    |        |                |
| Total                  | 587       | 100.0   |               |                    |        |                |

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Table 7 level of education

|                       | Frequency | Percent | Valid Percent | Cumulative Percent | mean   | Std. deviation |
|-----------------------|-----------|---------|---------------|--------------------|--------|----------------|
| Valid diploma or less | 69        | 11.8    | 22.5          | 22.5               | 1.8339 | .50658         |
| first degree          | 220       | 37.5    | 71.7          | 94.1               |        |                |
| second degree         | 18        | 3.1     | 5.9           | 100.0              |        |                |
| Total                 | 307       | 52.3    | 100.0         |                    |        |                |
| Missing System        | 280       | 47.7    |               |                    |        |                |
| Total                 | 587       | 100.0   |               |                    |        |                |

In terms of educational level, 37.5% of the respondents were first degree holders, 5.9 % were second degree holders and the remaining 22.5% is Diploma holder or less. The following table represents the demographic characteristics of the respondents.

### 4.2.3. Consumers response for proximity

The respondents were asked to respond how far they travel to the supermarket they preferred. According to the results of a survey, consumers may not be willing to buy from their neighbourhood retailers. In the survey, 39.4% of respondents said they typically travel less than 1 km.

Table 8 distance to travel

|         |          | distance travelled to store |         |               |                    | mean   | Std. deviation |
|---------|----------|-----------------------------|---------|---------------|--------------------|--------|----------------|
|         |          | Frequency                   | Percent | Valid Percent | Cumulative Percent |        |                |
| Valid   | <1km     | 121                         | 20.6    | 39.4          | 39.4               | 1.8143 | .75498         |
|         | 1 to 2km | 122                         | 20.8    | 39.7          | 79.2               |        |                |
|         | 2 to 3km | 64                          | 10.9    | 20.8          | 100.0              |        |                |
|         | Total    | 307                         | 52.3    | 100.0         |                    |        |                |
| Missing | System   | 280                         | 47.7    |               |                    |        |                |
| Total   |          | 587                         | 100.0   |               |                    |        |                |

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### 4.2.4. Respondents Satisfaction with the supermarket they selected

Consumers were inquired to give their feelings regarding their satisfaction and observed that about 87.4% of the respondents feel either very satisfied or just satisfied with the supermarket they selected. Nevertheless, about 12.6% of the respondents are not. Unsatisfied consumers were inquired a reason for their dissatisfaction and they forwarded product availability, price and poor customer service as a reasons.

Table 9 customer satisfaction

| Are you satisfied with this supermarket? |       |           |         |               |                    |
|--|-------|-----------|---------|---------------|--------------------|
|  |       | Frequency | Percent | Valid Percent | Cumulative Percent |
| Valid                                    | Yes   | 299       | 87.4    | 87.4          | 87.4               |
|  | No    | 43        | 12.6    | 12.6          | 100.0              |
|  | Total | 308       | 100.0   | 100.0         |                    |

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#### **4.2.5. Intention of Respondents to be loyal for the supermarket they selected**

Consumers were inquired if they have an intention to switch the selected supermarket and observed that about 87.4% of the respondents replied yes. Nevertheless, about 12.6% of the respondents were no. Those who replied yes were inquired a reason why they wanted to switch and they forwarded product availability, price and poor customer service as a reasons.

#### **4.3. Factor Analysis and Explanation of Supermarket Selection Factors**

As this factor analysis is exploratory, it is important to know how many factors to be extracted. However, the researcher has an idea of how many factors are expecting, SPSS is asked to produce specific number of factors. Seventeen questions relating to supermarket selection were factor analyzed using principal components

##### **4.3.1. Reliability Test**

According to Carmines and zeller (1979), reliability concerns the extent to which a measurement of a phenomenon provides stable and consist result. For a questionnaire to be valid, it must be reliable (Neuman, 2007).The most commonly used internal consistency measure is the Cronbach Alpha coefficient. It is viewed as the most appropriate measure of reliability when making use of Likert scales

(Whitley, 2002, Robinson, 2009). This study used the Cronbach’s alpha method to evaluate internal consistency.

The Cronbach's alpha coefficient was utilized to verify the present instrument's internal consistency. A questionnaire or measurement instrument with  $\alpha$  value of 0.7 Or higher is considered reliable.

Table 10 Cronbach's alpha

| variables    | No of item | Cronbach's Alpha |
|--------------|------------|------------------|
| All variable | 7          | 0.939            |

Source own survey, 2022

The reliability test revealed that with a score of above 0.70, the Cronbach's alpha of each independent and dependent variable was adequate. Besides, the overall reliability of all the 30 items was found to be 0.939 indicating a good level of internal consistency among the measurement items used in the study.

#### **4.4. Data Analysis using Descriptive Statistics**

As discussed on chapter one, one of the objectives of the study is to evaluate employees' attitude regarding the existing reward practices in the agency and to evaluate practical status of extrinsic reward system in the agency. The independent variables to represent the financial rewards are Product quality, Promotion, price merchandise, and customer service, product assortment. On the other side, the dependent variable supermarket choice is. The researcher distributed a Likert Scale questionnaire which has five dimensions for each question; i.e., (1) Strongly Disagree (2) Disagree (3) Neutral (4) Agree and (5) Strongly Agree; so as to evaluate the perception participants towards each variable of the study. Accordingly, the perceptions of participants were analysed by using SPSS Version 20 and summarized as follows based on the questionnaire collected from the target population.

According to Hussain (2012), descriptive statistics aim to provide information about the performance of a process. Statistical information that summarizes as a whole with quantitative data describes and presents the features of a collection of information. This study used descriptive statistics especially means and standard deviation to evaluate.

#### **4.4.1. Consumer response towards on product quality**

The researcher organized four questions concerning product quality. The questions were arranged on an effort of retail outlets selection on customer choice in supermarket selection. As it is evident from the survey, the numbers of respondents, who agree to company product consistent in terms of brand 3.6%, while 22.5% of them believed that they are not important at all, and the remaining (11.2%) were neutral about it. With regard to the company hold no expired product , who agree to (2.2%), while(18.9%) believed that it is not important at all ,and the remaining (17.2%) were neutral about it . regarding company holds product are healthy shows that (9.4%) agree on it and (11.8%) disagree on maintain products the rest (10.2%) were neutral. Regarding company provide fresh products (7.3%) who agree to, (10.7%) while disagree the rest are (15.7%) are neutral .other question remain company hold product undamaged (8.3%) who is agree on it and (13.1%) it is not important at all(13.3%)are neutral. As shown below on table 10, is 3.40. According to Akmaliah (2009), if the mean score is between 3.30 and 3.79, it will be considered as moderate. Therefore, product quality can affect moderately in the case of queen's supermarket. As result product quality has influence on consumer buying behaviour helps to make decision on selection of supermarkets based on their product preference and well-known brands that supply for the consumer's.

Table 11 product quality

|         | Frequency | Percent | Valid Percent | Cumulative<br>Percent | Mean  | St. derivation |
|---------|-----------|---------|---------------|-----------------------|-------|----------------|
| Valid   | 1.00      | 11      | 1.9           | 3.6                   | 3.6   |                |
|         | 1.20      | 21      | 3.6           | 6.8                   | 10.4  |                |
|         | 1.40      | 20      | 3.4           | 6.5                   | 16.9  |                |
|         | 1.60      | 20      | 3.4           | 6.5                   | 23.4  |                |
|         | 1.80      | 26      | 4.4           | 8.4                   | 31.8  |                |
|         | 2.00      | 25      | 4.3           | 8.1                   | 39.9  |                |
|         | 2.20      | 43      | 7.3           | 14.0                  | 53.9  |                |
|         | 2.40      | 26      | 4.4           | 8.4                   | 62.3  |                |
|         | 2.60      | 22      | 3.7           | 7.1                   | 69.5  |                |
|         | 2.80      | 30      | 5.1           | 9.7                   | 79.2  | 2.3341         |
|         | 3.00      | 10      | 1.7           | 3.2                   | 82.5  | .81515         |
|         | 3.20      | 8       | 1.4           | 2.6                   | 85.1  |                |
|         | 3.40      | 12      | 2.0           | 3.9                   | 89.0  |                |
|         | 3.50      | 1       | .2            | .3                    | 89.3  |                |
|         | 3.60      | 20      | 3.4           | 6.5                   | 95.8  |                |
|         | 3.80      | 4       | .7            | 1.3                   | 97.1  |                |
|         | 4.00      | 1       | .2            | .3                    | 97.4  |                |
|         | 4.20      | 3       | .5            | 1.0                   | 98.4  |                |
|         | 4.40      | 1       | .2            | .3                    | 98.7  |                |
|         | 4.60      | 1       | .2            | .3                    | 99.0  |                |
|         | 5.00      | 3       | .5            | 1.0                   | 100.0 |                |
|         | Total     | 308     | 52.5          | 100.0                 |       |                |
| Missing | System    | 279     | 47.5          |                       |       |                |
| Total   |           | 587     | 100.0         |                       |       |                |

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Table 12 The company product is consistent in terms of brand

|                            | Frequency | Percent | Valid Percent | Cumulative Percent | mean   | St .derivation |
|----------------------------|-----------|---------|---------------|--------------------|--------|----------------|
| Valid not important at all | 132       | 22.5    | 42.9          | 42.9               | 2.0000 | 1.07382        |
| less important             | 81        | 13.8    | 26.3          | 69.2               |        |                |
| neutral                    | 66        | 11.2    | 21.4          | 90.6               |        |                |
| important                  | 21        | 3.6     | 6.8           | 97.4               |        |                |
| very important             | 8         | 1.4     | 2.6           | 100.0              |        |                |
| Total                      | 308       | 52.5    | 100.0         |                    |        |                |
| Missing System             | 279       | 47.5    |               |                    |        |                |
| Total                      | 587       | 100.0   |               |                    |        |                |

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Table 13 The Company holds/maintains products that are not expired

|                            | Frequency | Percent | Valid Percent | Cumulative Percent | mean    | St. deviation |
|----------------------------|-----------|---------|---------------|--------------------|---------|---------------|
| Valid not important at all | 111       | 18.9    | 36.0          | 36.0               | 22.1396 | 1.050822      |
| less important             | 74        | 12.6    | 24.0          | 60.1               |         |               |
| neutral                    | 101       | 17.2    | 32.8          | 92.9               |         |               |
| important                  | 13        | 2.2     | 4.2           | 97.1               |         |               |
| very important             | 9         | 1.5     | 2.9           | 100.0              |         |               |
| Total                      | 308       | 52.5    | 100.0         |                    |         |               |
| Missing System             | 279       | 47.5    |               |                    |         |               |
| Total                      | 587       | 100.0   |               |                    |         |               |

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Table 14 The Company holds/maintains products that are healthy

|                            | Frequency | Percent | Valid Percent | Cumulative Percent | Mean   | St. derivation |
|----------------------------|-----------|---------|---------------|--------------------|--------|----------------|
| Valid not important at all | 69        | 11.8    | 22.4          | 22.4               | 2.4448 | 1.13583        |
| less important             | 112       | 19.1    | 36.4          | 58.8               |        |                |
| neutral                    | 60        | 10.2    | 19.5          | 78.2               |        |                |
| important                  | 55        | 9.4     | 17.9          | 96.1               |        |                |
| very important             | 12        | 2.0     | 3.9           | 100.0              |        |                |
| Total                      | 308       | 52.5    | 100.0         |                    |        |                |
| Missing System             | 279       | 47.5    |               |                    |        |                |
| Total                      | 587       | 100.0   |               |                    |        |                |

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Table 15 The Company provides fresh products

|                            | Frequency | Percent | Valid Percent | Cumulative Percent | mean   | St. derivation |
|----------------------------|-----------|---------|---------------|--------------------|--------|----------------|
| Valid not important at all | 63        | 10.7    | 20.5          | 20.5               | 2.5016 | 1.09477        |
| less important             | 96        | 16.4    | 31.3          | 51.8               |        |                |
| neutral                    | 92        | 15.7    | 30.0          | 81.8               |        |                |
| important                  | 43        | 7.3     | 14.0          | 95.8               |        |                |
| very important             | 13        | 2.2     | 4.2           | 100.0              |        |                |
| Total                      | 307       | 52.3    | 100.0         |                    |        |                |
| Missing System             | 280       | 47.7    |               |                    |        |                |
| Total                      | 587       | 100.0   |               |                    |        |                |

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#### 4.4.2. Customer response towards on Product Assortment

The researcher organized four questions concerning product Assortment. The questions were arranged on retail outlets selection on customer choice in supermarket choice.

As it is evident from the survey, the numbers of respondents, who agree to variety of products (6.6%), while (13.1%) of them believed that they are not important at all, and the remaining (13.3%) were neutral about it. With regard to products available, who agree to (8.5%), while(10.9%) believed that it is not important at all ,and the remaining (16.0%) were neutral about it . regarding company provide out stock product shows that (9.4%) agree on it and (11.6%) disagree on maintain products the rest (10.2%) were neutral. Regarding company provide stocks well-known brand (7.0%) who agree to, (11.2%) while disagree the rest are (15.5%) are neutral .other question remain customer choice products(10.4%) who is agree on it and (7.3%) it is not important at all(15.3%)are neutral. As result shows product Assortment has a least influence on providing variety product and products availability which is relatively full filled the consumer needs.

Table 16 product assortment

|         | Frequency | Percent | Valid Percent | Cumulative | Mean   | St. derivation |
|---------|-----------|---------|---------------|------------|--------|----------------|
| Valid   | 10        | 1.7     | 3.2           | 3.2        | 2.5279 | .77443         |
|         | 2         | .3      | .6            | 3.9        |        |                |
|         | 8         | 1.4     | 2.6           | 6.5        |        |                |
|         | 21        | 3.6     | 6.8           | 13.3       |        |                |
|         | 38        | 6.5     | 12.3          | 25.6       |        |                |
|         | 28        | 4.8     | 9.1           | 34.7       |        |                |
|         | 9         | 1.5     | 2.9           | 37.7       |        |                |
|         | 31        | 5.3     | 10.1          | 47.7       |        |                |
|         | 43        | 7.3     | 14.0          | 61.7       |        |                |
|         | 36        | 6.1     | 11.7          | 73.4       |        |                |
|         | 13        | 2.2     | 4.2           | 77.6       |        |                |
|         | 10        | 1.7     | 3.2           | 80.8       |        |                |
|         | 23        | 3.9     | 7.5           | 88.3       |        |                |
|         | 4         | .7      | 1.3           | 89.6       |        |                |
|         | 21        | 3.6     | 6.8           | 96.4       |        |                |
|         | 2         | .3      | .6            | 97.1       |        |                |
|         | 6         | 1.0     | 1.9           | 99.0       |        |                |
|         | 1         | .2      | .3            | 99.4       |        |                |
|         | 2         | .3      | .6            | 100.0      |        |                |
| Total   | 308       | 52.5    | 100.0         |            |        |                |
| Missing | System    | 279     | 47.5          |            |        |                |
| Total   |           | 587     | 100.0         |            |        |                |

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Table 17 There are of wider choice / variety of products

|                            | Frequency | Percent | Valid Percent | Cumulative Percent | mean   | St. derivation |
|----------------------------|-----------|---------|---------------|--------------------|--------|----------------|
| Valid not important at all | 77        | 13.1    | 25.0          | 25.0               | 2.4805 | 1.20650        |
| less important             | 91        | 15.5    | 29.5          | 54.5               |        |                |
| neutral                    | 78        | 13.3    | 25.3          | 79.9               |        |                |
| important                  | 39        | 6.6     | 12.7          | 92.5               |        |                |
| very important             | 23        | 3.9     | 7.5           | 100.0              |        |                |
| Total                      | 308       | 52.5    | 100.0         |                    |        |                |
| Missing System             | 279       | 47.5    |               |                    |        |                |
| Total                      | 587       | 100.0   |               |                    |        |                |

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Table 18 Latest products are available

|                            | Frequency | Percent | Valid Percent | Cumulative Percent | mean   | St. derivation |
|----------------------------|-----------|---------|---------------|--------------------|--------|----------------|
| Valid not important at all | 64        | 10.9    | 20.8          | 20.8               | 2.5877 | 1..14805       |
| less important             | 83        | 14.1    | 26.9          | 47.7               |        |                |
| Neutral                    | 94        | 16.0    | 30.5          | 78.2               |        |                |
| Important                  | 50        | 8.5     | 16.2          | 94.5               |        |                |
| very important             | 17        | 2.9     | 5.5           | 100.0              |        |                |
| Total                      | 308       | 52.5    | 100.0         |                    |        |                |
| Missing System             | 279       | 47.5    |               |                    |        |                |
| Total                      | 587       | 100.0   |               |                    |        |                |

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Table 19 Provide customer choice products

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|                      | Frequency | Percent | Valid Percent | Cumulative Percent | mean   | St. derivation |
|----------------------|-----------|---------|---------------|--------------------|--------|----------------|
| Valid                |           |         |               |                    |        |                |
| not important at all | 43        | 7.3     | 14.0          | 14.0               |        |                |
| less important       | 105       | 17.9    | 34.1          | 48.1               |        |                |
| neutral              | 90        | 15.3    | 29.2          | 77.3               |        |                |
| important            | 61        | 10.4    | 19.8          | 97.1               | 2.6364 |                |
| very important       | 9         | 1.5     | 2.9           | 100.0              |        | 1.04191        |
| Total                | 308       | 52.5    | 100.0         |                    |        |                |
| Missing              |           |         |               |                    |        |                |
| System               | 279       | 47.5    |               |                    |        |                |
| Total                | 587       | 100.0   |               |                    |        |                |

#### 4.4.3. Customer response towards on Promotion

The researcher organized four questions concerning promotion. The questions were arranged on retail outlets selection on customer choice in supermarket choice.

As it is evident from the survey, the numbers of respondents, who agree to company instore sign are visible (3.7%), while (22.0%) of them believed that they are not important at all, and the remaining (11.1%) were neutral about it. With regard to instore signs are consistent , who agree to (7.8%), while(9.5%) believed that it is not important at all ,and the remaining (14.7%) were neutral about it . regarding company use visible store signs like banners shows that (10.7%) agree on it and (8.0%) disagree on maintain products the rest (14.8%) were neutral. Regarding company layout (5.3%) who agree to, (7.8%) while disagree the rest are (18.7%) are neutral .other question remain customer choice products(10.4%) who is agree on it and (7.3%) it is not important at all(15.3%)are neutral

Table 20 promotion

|                | Frequency | Percent | Valid Percent | Cumulative Percent | Mean   | St. derivation |
|----------------|-----------|---------|---------------|--------------------|--------|----------------|
| 1.00           | 10        | 1.7     | 3.2           | 3.2                |        |                |
| 1.25           | 20        | 3.4     | 6.5           | 9.7                |        |                |
| 1.50           | 8         | 1.4     | 2.6           | 12.3               |        |                |
| 1.75           | 39        | 6.6     | 12.7          | 25.0               |        |                |
| 2.00           | 43        | 7.3     | 14.0          | 39.0               |        |                |
| 2.25           | 16        | 2.7     | 5.2           | 44.2               |        |                |
| 2.50           | 37        | 6.3     | 12.0          | 56.2               |        |                |
| 2.75           | 42        | 7.2     | 13.6          | 69.8               | 2.4537 | .76896         |
| Valid 3.00     | 48        | 8.2     | 15.6          | 85.4               |        |                |
| 3.25           | 11        | 1.9     | 3.6           | 89.0               |        |                |
| 3.50           | 13        | 2.2     | 4.2           | 93.2               |        |                |
| 3.75           | 6         | 1.0     | 1.9           | 95.1               |        |                |
| 4.00           | 8         | 1.4     | 2.6           | 97.7               |        |                |
| 4.25           | 5         | .9      | 1.6           | 99.4               |        |                |
| 4.50           | 1         | .2      | .3            | 99.7               |        |                |
| 5.00           | 1         | .2      | .3            | 100.0              |        |                |
| Total          | 308       | 52.5    | 100.0         |                    |        |                |
| Missing System | 279       | 47.5    |               |                    |        |                |
| Total          | 587       | 100.0   |               |                    |        |                |

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Table 21: The company instore signs are visible

|                            | Frequency | Percent | Valid Percent | Cumulative Percent | mean   | St. derivation |
|----------------------------|-----------|---------|---------------|--------------------|--------|----------------|
| Valid not important at all | 129       | 22.0    | 41.9          | 41.9               | 2.1030 | 1.07374        |
| less important             | 84        | 14.3    | 27.3          | 69.2               |        |                |
| neutral                    | 65        | 11.1    | 21.1          | 90.3               |        |                |
| important                  | 22        | 3.7     | 7.1           | 97.4               |        |                |
| very important             | 8         | 1.4     | 2.6           | 100.0              |        |                |
| Total                      | 308       | 52.5    | 100.0         |                    |        |                |
| Missing System             | 279       | 47.5    |               |                    |        |                |
| Total                      | 587       | 100.0   |               |                    |        |                |

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Table 22 The company instore signs are consistent in terms of colour and size

|                            | Frequency | Percent | Valid Percent | Cumulative Percent | mean   | St. derivation |
|----------------------------|-----------|---------|---------------|--------------------|--------|----------------|
| Valid not important at all | 56        | 9.5     | 18.2          | 18.2               | 2.4935 | 1.05390        |
| less important             | 110       | 18.7    | 35.7          | 53.9               |        |                |
| neutral                    | 86        | 14.7    | 27.9          | 81.8               |        |                |
| important                  | 46        | 7.8     | 14.9          | 96.8               |        |                |
| very important             | 10        | 1.7     | 3.2           | 100.0              |        |                |
| Total                      | 308       | 52.5    | 100.0         |                    |        |                |
| Missing System             | 279       | 47.5    |               |                    |        |                |
| Total                      | 587       | 100.0   |               |                    |        |                |

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Table 23 The Company uses visible store signs like banners or lightbox

|                      | Frequency | Percent | Valid Percent | Cumulative Percent | mean   | St. derivation |
|----------------------|-----------|---------|---------------|--------------------|--------|----------------|
| Valid                |           |         |               |                    |        |                |
| not important at all | 47        | 8.0     | 15.3          | 15.3               |        |                |
| less important       | 97        | 16.5    | 31.5          | 46.8               |        |                |
| neutral              | 87        | 14.8    | 28.2          | 75.0               |        |                |
| important            | 63        | 10.7    | 20.5          | 95.5               | 2.6753 | 1.100009       |
| very important       | 14        | 2.4     | 4.5           | 100.0              |        |                |
| Total                | 308       | 52.5    | 100.0         |                    |        |                |
| Missing System       | 279       | 47.5    |               |                    |        |                |
| Total                | 587       | 100.0   |               |                    |        |                |

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#### 4.4.4. Customer response towards Price

The researcher organized four questions concerning price. The questions were arranged on retail outlets selection on customer choice in supermarket choice.

As it is evident from the survey, the numbers of respondents, who agree to company offer reasonable(8.3%), while (11.1%) of them believed that they are not important at all, and the remaining (14.0%) were neutral about it. With regard to redemption of gifts, who agree to (12.8%), while(12.8%) believed that it is not important at all ,and the remaining (13.8%) were neutral about it . regarding company offer special sale shows that (6.5%) agree on it and (11.9%) disagree on maintain products the rest (12.3%) were neutral. Regarding company loyalty program(4.9%) who agree to, (11.6%) while disagree the rest are (17.2%) are neutral .other question offers and repair(9.2%) who is agree on it and (18.1%) it is not important at all(10.4%)are neutral.

Table 24 Offers reasonable price

|                            | Frequency | Percent | Valid Percent | Cumulative Percent | mean   | St. derivation |
|----------------------------|-----------|---------|---------------|--------------------|--------|----------------|
| Valid not important at all | 65        | 11.1    | 21.1          | 21.1               | 2.5292 | .142511        |
| less important             | 96        | 16.4    | 31.2          | 52.3               |        |                |
| neutral                    | 82        | 14.0    | 26.6          | 78.9               |        |                |
| important                  | 49        | 8.3     | 15.9          | 94.8               |        |                |
| very important             | 16        | 2.7     | 5.2           | 100.0              |        |                |
| Total                      | 308       | 52.5    | 100.0         |                    |        |                |
| Missing System             | 279       | 47.5    |               |                    |        |                |
| Total                      | 587       | 100.0   |               |                    |        |                |

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Table 25 Redemption of gift Vouchers / discount coupons

|                            | Frequency | Percent | Valid Percent | Cumulative Percent | Mean   | St. derivation |
|----------------------------|-----------|---------|---------------|--------------------|--------|----------------|
| Valid not important at all | 75        | 12.8    | 24.4          | 24.4               | 2.5942 | 1.181111       |
| less important             | 68        | 11.6    | 22.1          | 46.4               |        |                |
| neutral                    | 81        | 13.8    | 26.3          | 72.7               |        |                |
| important                  | 75        | 12.8    | 24.4          | 97.1               |        |                |
| very important             | 9         | 1.5     | 2.9           | 100.0              |        |                |
| Total                      | 308       | 52.5    | 100.0         |                    |        |                |
| Missing System             | 279       | 47.5    |               |                    |        |                |
| Total                      | 587       | 100.0   |               |                    |        |                |

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Table 26 Offers special sale for promotion

|                      | Frequency | Percent | Valid Percent | Cumulative Percent | mean   | St. derivation |
|----------------------|-----------|---------|---------------|--------------------|--------|----------------|
| not important at all | 70        | 11.9    | 22.7          | 22.7               | 2.4870 | 1.26459        |
| less important       | 106       | 18.1    | 34.4          | 57.1               |        |                |
| Neutral              | 72        | 12.3    | 23.4          | 80.5               |        |                |
| Valid important      | 38        | 6.5     | 12.3          | 92.9               |        |                |
| very important       | 21        | 3.6     | 6.8           | 99.7               |        |                |
| 11.00                | 1         | .2      | .3            | 100.0              |        |                |
| Total                | 308       | 52.5    | 100.0         |                    |        |                |
| Missing System       | 279       | 47.5    |               |                    |        |                |
| Total                | 587       | 100.0   |               |                    |        |                |

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Table 27 Offers customer loyalty programs

|                      | Frequency | Percent | Valid Percent | Cumulative Percent | mean   | St. derivation |
|----------------------|-----------|---------|---------------|--------------------|--------|----------------|
| not important at all | 68        | 11.6    | 22.1          | 22.1               | 2.3701 | 1.00131        |
| less important       | 101       | 17.2    | 32.8          | 54.9               |        |                |
| Neutral              | 103       | 17.5    | 33.4          | 88.3               |        |                |
| Valid important      | 29        | 4.9     | 9.4           | 97.7               |        |                |
| very important       | 7         | 1.2     | 2.3           | 100.0              |        |                |
| Total                | 308       | 52.5    | 100.0         |                    |        |                |
| Missing System       | 279       | 47.5    |               |                    |        |                |
| Total                | 587       | 100.0   |               |                    |        |                |

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Table 28 Offers repair and replacement

|         | Frequency            | Percent | Valid Percent | Cumulative Percent | Mean  | St. derivation    |
|---------|----------------------|---------|---------------|--------------------|-------|-------------------|
| Valid   | not important at all | 106     | 18.1          | 34.4               | 34.4  | 2.2922<br>1.19404 |
|         | less important       | 78      | 13.3          | 25.3               | 59.7  |                   |
|         | neutral              | 61      | 10.4          | 19.8               | 79.5  |                   |
|         | important            | 54      | 9.2           | 17.5               | 97.1  |                   |
|         | very important       | 9       | 1.5           | 2.9                | 100.0 |                   |
|         | Total                | 308     | 52.5          | 100.0              |       |                   |
| Missing | System               | 279     | 47.5          |                    |       |                   |
| Total   |                      | 587     | 100.0         |                    |       |                   |

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#### 4.4.5. Customer response towards Convenience

The researcher organized five questions concerning Convenience. The questions were arranged on retail outlets selection on customer choice in supermarket choice.

As it is evident from the survey, the numbers of respondents, who agree to store good frontage (8.2%), while (10.9%) of them believed that they are not important at all, and the remaining (14.0%) were neutral about it. With regard to staff are efficient, who agree to (12.8%), while(12.8%) believed that it is not important at all ,and the remaining (14.1%) were neutral about it . regarding convenient shows that (9.5%) agree on it and (13.1%) disagree on maintain products the rest (9.5%) were neutral. Regarding better design and layout(4.8%) who agree to, (10.9%) while disagree the rest are (20.8%) are neutral .other near to home(4.4%) who is agree on it and (14.1%) it is not important at all(17.0%)are neutral.

Table 29 convenience

|                | Frequency | Percent | Valid Percent | Cumulative Percent | Mean   | St. derivation |
|----------------|-----------|---------|---------------|--------------------|--------|----------------|
| Valid 1.00     | 38        | 6.5     | 12.3          | 12.3               | 2.4771 | .88746         |
| 1.20           | 4         | .7      | 1.3           | 13.6               |        |                |
| 1.40           | 6         | 1.0     | 1.9           | 15.6               |        |                |
| 1.60           | 24        | 4.1     | 7.8           | 23.4               |        |                |
| 1.75           | 1         | .2      | .3            | 23.7               |        |                |
| 1.80           | 6         | 1.0     | 1.9           | 25.6               |        |                |
| 2.00           | 30        | 5.1     | 9.7           | 35.4               |        |                |
| 2.20           | 6         | 1.0     | 1.9           | 37.3               |        |                |
| 2.40           | 27        | 4.6     | 8.8           | 46.1               |        |                |
| 2.60           | 35        | 6.0     | 11.4          | 57.5               |        |                |
| 2.80           | 24        | 4.1     | 7.8           | 65.3               |        |                |
| 3.00           | 44        | 7.5     | 14.3          | 79.5               |        |                |
| 3.20           | 3         | .5      | 1.0           | 80.5               |        |                |
| 3.40           | 22        | 3.7     | 7.1           | 87.7               |        |                |
| 3.60           | 11        | 1.9     | 3.6           | 91.2               |        |                |
| 3.80           | 14        | 2.4     | 4.5           | 95.8               |        |                |
| 4.00           | 5         | .9      | 1.6           | 97.4               |        |                |
| 4.20           | 3         | .5      | 1.0           | 98.4               |        |                |
| 4.40           | 3         | .5      | 1.0           | 99.4               |        |                |
| 4.60           | 1         | .2      | .3            | 99.7               |        |                |
| 5.00           | 1         | .2      | .3            | 100.0              |        |                |
| Total          | 308       | 52.5    | 100.0         |                    |        |                |
| Missing System | 279       | 47.5    |               |                    |        |                |
| Total          | 587       | 100.0   |               |                    |        |                |

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Table 30 Store has good frontage

|                            | Frequency | Percent | Valid Percent | Cumulative | mean   | St. derivation |
|----------------------------|-----------|---------|---------------|------------|--------|----------------|
| Valid not important at all | 64        | 10.9    | 20.8          | 20.8       | 2.5260 | 1.136876       |
| less important             | 98        | 16.7    | 31.8          | 52.6       |        |                |
| neutral                    | 82        | 14.0    | 26.6          | 79.2       |        |                |
| important                  | 48        | 8.2     | 15.6          | 94.8       |        |                |
| very important             | 16        | 2.7     | 5.2           | 100.0      |        |                |
| Total                      | 308       | 52.5    | 100.0         |            |        |                |
| Missing System             | 279       | 47.5    |               |            |        |                |
| Total                      | 587       | 100.0   |               |            |        |                |

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Table 31 Staffs are efficient and trustworthy

|                      | Frequency | Percent | Valid Percent | Cumulative Percent | Mean   | St .derivation |
|----------------------|-----------|---------|---------------|--------------------|--------|----------------|
| not important at all | 75        | 12.8    | 24.4          | 24.4               | 2.5909 | 1.17306        |
| less important       | 67        | 11.4    | 21.8          | 46.1               |        |                |
| Valid neutral        | 83        | 14.1    | 26.9          | 73.1               |        |                |
| important            | 75        | 12.8    | 24.4          | 97.4               |        |                |
| very important       | 8         | 1.4     | 2.6           | 100.0              |        |                |
| Total                | 308       | 52.5    | 100.0         |                    |        |                |
| Missing System       | 279       | 47.5    |               |                    |        |                |
| Total                | 587       | 100.0   |               |                    |        |                |

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Table 32 Convenient for parking

|                      | Frequency | Percent | Valid Percent | Cumulative Percent | mean   | St .derivation |
|----------------------|-----------|---------|---------------|--------------------|--------|----------------|
| not important at all | 77        | 13.1    | 25.1          | 25.1               | 2.4332 | 1.17904        |
| less important       | 104       | 17.7    | 33.9          | 59.0               |        |                |
| Valid neutral        | 56        | 9.5     | 18.2          | 77.2               |        |                |
| important            | 56        | 9.5     | 18.2          | 95.4               |        |                |
| very important       | 14        | 2.4     | 4.6           | 100.0              |        |                |
| Total                | 307       | 52.3    | 100.0         |                    |        |                |
| Missing System       | 280       | 47.7    |               |                    |        |                |
| Total                | 587       | 100.0   |               |                    |        |                |

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Table 33 : Store has better design and layout

|                      | Frequency | Percent | Valid Percent | Cumulative Percent | Mean   | St. derivation |
|----------------------|-----------|---------|---------------|--------------------|--------|----------------|
| Valid                |           |         |               |                    |        |                |
| not important at all | 64        | 10.9    | 20.8          | 20.8               |        |                |
| less important       | 84        | 14.3    | 27.3          | 48.1               |        |                |
| neutral              | 122       | 20.8    | 39.6          | 87.7               |        |                |
| important            | 28        | 4.8     | 9.1           | 96.8               |        |                |
| very important       | 10        | 1.7     | 3.2           | 100.0              | 2.4675 | 1.02203        |
| Total                | 308       | 52.5    | 100.0         |                    |        |                |
| Missing System       | 279       | 47.5    |               |                    |        |                |
| Total                | 587       | 100.0   |               |                    |        |                |

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#### 4.4.6. Customer response towards Store ambiance

The researcher organized six questions concerning store ambiance. The questions were arranged on retail outlets selection on customer choice in supermarket choice.

As it is evident from the survey, the numbers of respondents, who agree to well ventilated (8.9%), while (15.7%) of them believed that they are not important at all, and the remaining (10.1%) were neutral about it. With regard to show direction who agree to (6.3%), while(17.9%) believed that it is not important at all ,and the remaining (10.9%) were neutral about it . regarding easy to navigate shows that (3.7%) agree on it and (22.3%) disagree on maintain products the rest (11.2%) were neutral. Regarding find product easily (2.2%) who agree to, (18.6%) while disagree the rest are (17.0%) are neutral .remaining colouring in the store (9.5%) who is agree on it and (11.9%) it is not important at all (10.2%)are neutral. other question furnishing in the store(7.3%)who agree to (10.7%) it is not important at all(15.5%)are shown neutral.

Table 34 store ambience

|                | Frequency | Percent | Valid Percent | Cumulative Percent | Mean   | St. derivation |
|----------------|-----------|---------|---------------|--------------------|--------|----------------|
| Valid          | 1.00      | 26      | 4.4           | 8.4                | 2.2078 | .84571         |
|                | 1.25      | 38      | 6.5           | 12.3               |        |                |
|                | 1.50      | 23      | 3.9           | 7.5                |        |                |
|                | 1.75      | 29      | 4.9           | 9.4                |        |                |
|                | 2.00      | 43      | 7.3           | 14.0               |        |                |
|                | 2.25      | 14      | 2.4           | 4.5                |        |                |
|                | 2.50      | 64      | 10.9          | 20.8               |        |                |
|                | 2.75      | 8       | 1.4           | 2.6                |        |                |
|                | 3.00      | 10      | 1.7           | 3.2                |        |                |
|                | 3.25      | 22      | 3.7           | 7.1                |        |                |
|                | 3.50      | 8       | 1.4           | 2.6                |        |                |
|                | 3.75      | 7       | 1.2           | 2.3                |        |                |
|                | 4.00      | 10      | 1.7           | 3.2                |        |                |
|                | 4.25      | 4       | .7            | 1.3                |        |                |
|                | 4.50      | 2       | .3            | .6                 |        |                |
| Total          | 308       | 52.5    | 100.0         |                    |        |                |
| Missing System | 279       | 47.5    |               |                    |        |                |
| Total          | 587       | 100.0   |               |                    |        |                |

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Table 35 : The store is well ventilated

|                | Frequency            | Percent | Valid Percent | Cumulative Percent | Mean   | St. derivation |
|----------------|----------------------|---------|---------------|--------------------|--------|----------------|
| Valid          | not important at all | 92      | 15.7          | 29.9               | 2.4253 | 1.11227        |
|                | less important       | 85      | 14.5          | 27.6               |        |                |
|                | neutral              | 59      | 10.1          | 19.2               |        |                |
|                | important            | 52      | 8.9           | 16.9               |        |                |
|                | very important       | 20      | 3.4           | 6.5                |        |                |
| Total          |                      | 308     | 52.5          | 100.0              |        |                |
| Missing System |                      | 279     | 47.5          |                    |        |                |
| Total          |                      | 587     | 100.0         |                    |        |                |

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Table 35 The store shows directions clearly

|                      | Frequency | Percent | Valid Percent | Cumulative Percent | Mean   | St. derivation |
|----------------------|-----------|---------|---------------|--------------------|--------|----------------|
| not important at all | 105       | 17.9    | 34.1          | 34.1               | 2.2532 | 1.18658        |
| less important       | 87        | 14.8    | 28.2          | 62.3               |        |                |
| Valid Neutral        | 64        | 10.9    | 20.8          | 83.1               |        |                |
| important            | 37        | 6.3     | 12.0          | 95.1               |        |                |
| very important       | 15        | 2.6     | 4.9           | 100.0              |        |                |
| Total                | 308       | 52.5    | 100.0         |                    |        |                |
| Missing System       | 279       | 47.5    |               |                    |        |                |
| Total                | 587       | 100.0   |               |                    |        |                |

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Table 36 the layout of the store is easy to navigate through

|                      | Frequency | Percent | Valid Percent | Cumulative Percent | Mean   | St. derivation |
|----------------------|-----------|---------|---------------|--------------------|--------|----------------|
| not important at all | 131       | 22.3    | 42.5          | 42.5               | 2.1429 | 1.07832        |
| less important       | 81        | 13.8    | 26.3          | 68.8               |        |                |
| Valid neutral        | 66        | 11.2    | 21.4          | 90.3               |        |                |
| important            | 22        | 3.7     | 7.1           | 97.4               |        |                |
| very important       | 8         | 1.4     | 2.6           | 100.0              |        |                |
| Total                | 308       | 52.5    | 100.0         |                    |        |                |
| Missing System       | 279       | 47.5    |               |                    |        |                |
| Total                | 587       | 100.0   |               |                    |        |                |

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Table 37 I can find the products easily

|                      | Frequency | Percent | Valid Percent | Cumulative Percent | Mean   | St. derivation |
|----------------------|-----------|---------|---------------|--------------------|--------|----------------|
| Valid                |           |         |               |                    |        |                |
| not important at all | 109       | 18.6    | 35.4          | 35.4               | 2.1429 | 1.04572        |
| less important       | 77        | 13.1    | 25.0          | 60.4               |        |                |
| neutral              | 100       | 17.0    | 32.5          | 92.9               |        |                |
| important            | 13        | 2.2     | 4.2           | 97.1               |        |                |
| very important       | 9         | 1.5     | 2.9           | 100.0              |        |                |
| Total                | 308       | 52.5    | 100.0         |                    |        |                |
| Missing System       | 279       | 47.5    |               |                    |        |                |
| Total                | 587       | 100.0   |               |                    |        |                |

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Table 38 The colouring in the store attractive

|                      | Frequency | Percent | Valid Percent | Cumulative Percent | Mean   | St. derivation |
|----------------------|-----------|---------|---------------|--------------------|--------|----------------|
| Valid                |           |         |               |                    |        |                |
| not important at all | 70        | 11.9    | 22.7          | 22.7               | 2.4481 | 1.14170        |
| less important       | 110       | 18.7    | 35.7          | 58.4               |        |                |
| Neutral              | 60        | 10.2    | 19.5          | 77.9               |        |                |
| important            | 56        | 9.5     | 18.2          | 96.1               |        |                |
| very important       | 12        | 2.0     | 3.9           | 100.0              |        |                |
| Total                | 308       | 52.5    | 100.0         |                    |        |                |
| Missing System       | 279       | 47.5    |               |                    |        |                |
| Total                | 587       | 100.0   |               |                    |        |                |

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Table 39 The furnishing in the store is attractive

|                      | Frequency | Percent | Valid Percent | Cumulative | Mean   | St.     |
|----------------------|-----------|---------|---------------|------------|--------|---------|
| Valid                |           |         |               |            |        |         |
| not important at all | 63        | 10.7    | 20.5          | 20.5       | 2.4984 | 1.09477 |
| less important       | 97        | 16.5    | 31.6          | 52.1       |        |         |
| neutral              | 91        | 15.5    | 29.6          | 81.8       |        |         |
| important            | 43        | 7.3     | 14.0          | 95.8       |        |         |
| very important       | 13        | 2.2     | 4.2           | 100.0      |        |         |
| Total                | 307       | 52.3    | 100.0         |            |        |         |
| Missing System       | 280       | 47.7    |               |            |        |         |
| Total                | 587       | 100.0   |               |            |        |         |

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#### 4.4.7. Customer response towards Customer Service

The researcher organized four questions concerning shows customer service. The questions were arranged on retail outlets selection on customer choice in supermarket choice.

As it is evident from the survey, the numbers of respondents, who agree to shows empathy (8.2%), while (11.1%) of them believed that they are not important at all, and the remaining (16.4%) were neutral about it. With regard to respond to quires immediate who agree to (6.3%), while(13.3%) believed that it is not important at all ,and the remaining (13.5%) were neutral about it . regarding employees dresses shows that (8.5%) agree on it and (11.1%) disagree on maintain products the rest (15.8%) were neutral. Regarding shorter lines(9.2%) who agree to, (12.1%) while disagree the rest are (10.2%) are neutral .remaining variety of products (3.7%) who is agree on it and (22.3%) it is not important at all (11.2%)are neutral. other tell to other about supermarket (2.2%)who agree to (18.6%) it is not important at all(17.0%)are shown neutral. Shown below on table.

Table 40 Customer service

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|                | Frequency | Percent | Valid Percent | Cumulative Percent | Mean   | St. derivation |
|----------------|-----------|---------|---------------|--------------------|--------|----------------|
| Valid 1.00     | 32        | 5.5     | 10.4          | 10.4               | 2.5322 | .92421         |
| 1.33           | 41        | 7.0     | 13.3          | 23.7               |        |                |
| 1.67           | 48        | 8.2     | 15.6          | 39.3               |        |                |
| 2.00           | 47        | 8.0     | 15.3          | 54.5               |        |                |
| 2.33           | 39        | 6.6     | 12.7          | 67.2               |        |                |
| 2.67           | 35        | 6.0     | 11.4          | 78.6               |        |                |
| 3.00           | 13        | 2.2     | 4.2           | 82.8               |        |                |
| 3.33           | 30        | 5.1     | 9.7           | 92.5               |        |                |
| 3.67           | 12        | 2.0     | 3.9           | 96.4               |        |                |
| 4.00           | 7         | 1.2     | 2.3           | 98.7               |        |                |
| 5.00           | 4         | .7      | 1.3           | 100.0              |        |                |
| Total          | 308       | 52.5    | 100.0         |                    |        |                |
| Missing System | 279       | 47.5    |               |                    |        |                |
| Total          | 587       | 100.0   |               |                    |        |                |

Table 41 Employees of the supermarket shows empathy

|         | Frequency            | Percent | Valid Percent | Cumulative Percent | Mean  | St. derivation |         |
|---------|----------------------|---------|---------------|--------------------|-------|----------------|---------|
| Valid   | not important at all | 65      | 11.1          | 21.1               | 21.1  | 2.4984         | 1.14592 |
|         | less important       | 82      | 14.0          | 26.6               | 47.7  |                |         |
|         | neutral              | 96      | 16.4          | 31.2               | 78.9  |                |         |
|         | important            | 48      | 8.2           | 15.6               | 94.5  |                |         |
|         | very important       | 17      | 2.9           | 5.5                | 100.0 |                |         |
|         | Total                | 308     | 52.5          | 100.0              |       |                |         |
| Missing | System               | 279     | 47.5          |                    |       |                |         |
| Total   |                      | 587     | 100.0         |                    |       |                |         |

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Table 42 Employees of the supermarket respond to the quires immediately

|         | Frequency            | Percent | Valid Percent | Cumulative Percent | Mean  | St. derivation |         |
|---------|----------------------|---------|---------------|--------------------|-------|----------------|---------|
| Valid   | not important at all | 78      | 13.3          | 25.3               | 25.3  | 2.4675         | 1.20352 |
|         | less important       | 91      | 15.5          | 29.5               | 54.9  |                |         |
|         | Neutral              | 79      | 13.5          | 25.6               | 80.5  |                |         |
|         | important            | 37      | 6.3           | 12.0               | 92.5  |                |         |
|         | very important       | 23      | 3.9           | 7.5                | 100.0 |                |         |
|         | Total                | 308     | 52.5          | 100.0              |       |                |         |
| Missing | System               | 279     | 47.5          |                    |       |                |         |
| Total   |                      | 587     | 100.0         |                    |       |                |         |

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Table 43 Employees of the supermarket dresses neatly

|         | Frequency            | Percent | Valid Percent | Cumulative Percent | Mean  | St. derivation |         |
|---------|----------------------|---------|---------------|--------------------|-------|----------------|---------|
| Valid   | not important at all | 65      | 11.1          | 21.1               | 21.1  | 2.5812         | 1.15136 |
|         | less important       | 83      | 14.1          | 26.9               | 48.1  |                |         |
|         | neutral              | 93      | 15.8          | 30.2               | 78.2  |                |         |
|         | important            | 50      | 8.5           | 16.2               | 94.5  |                |         |
|         | very important       | 17      | 2.9           | 5.5                | 100.0 |                |         |
|         | Total                | 308     | 52.5          | 100.0              |       |                |         |
| Missing | System               | 279     | 47.5          |                    |       |                |         |
| Total   |                      | 587     | 100.0         |                    |       |                |         |

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Table 44 At checkout point there are shorter lines

|                            | Frequency | Percent | Valid Percent | Cumulative Percent | Mean   | St. derivation |
|----------------------------|-----------|---------|---------------|--------------------|--------|----------------|
| Valid not important at all | 71        | 12.1    | 23.1          | 23.1               | 2.4318 | 1.13799        |
| less important             | 111       | 18.9    | 36.0          | 59.1               |        |                |
| neutral                    | 60        | 10.2    | 19.5          | 78.6               |        |                |
| important                  | 54        | 9.2     | 17.5          | 96.1               |        |                |
| very important             | 12        | 2.0     | 3.9           | 100.0              |        |                |
| Total                      | 308       | 52.5    | 100.0         |                    |        |                |
| Missing System             | 279       | 47.5    |               |                    |        |                |
| Total                      | 587       | 100.0   |               |                    |        |                |

Own survey 2022

Table 45 I prefer the supermarket because it hold variety of products

|                            | Frequency | Percent | Valid Percent | Cumulative Percent | Mean   | St. derivation |
|----------------------------|-----------|---------|---------------|--------------------|--------|----------------|
| Valid not important at all | 131       | 22.3    | 42.5          | 42.5               | 2.0097 | 1.07832        |
| less important             | 81        | 13.8    | 26.3          | 68.8               |        |                |
| neutral                    | 66        | 11.2    | 21.4          | 90.3               |        |                |
| important                  | 22        | 3.7     | 7.1           | 97.4               |        |                |
| very important             | 8         | 1.4     | 2.6           | 100.0              |        |                |
| Total                      | 308       | 52.5    | 100.0         |                    |        |                |
| Missing System             | 279       | 47.5    |               |                    |        |                |
| Total                      | 587       | 100.0   |               |                    |        |                |

Own survey2022

Table 46 I tend to tell to others about the supermarket

|                        | Frequency | Percent | Valid Percent | Cumulative | Mean   | St. derivation |
|------------------------|-----------|---------|---------------|------------|--------|----------------|
| Valid not important at | 109       | 18.6    | 35.4          | 35.4       | 2.1429 | 1.04572        |
| less important         | 77        | 13.1    | 25.0          | 60.4       |        |                |
| Neutral                | 100       | 17.0    | 32.5          | 92.9       |        |                |
| important              | 13        | 2.2     | 4.2           | 97.1       |        |                |
| very important         | 9         | 1.5     | 2.9           | 100.0      |        |                |
| Total                  | 308       | 52.5    | 100.0         |            |        |                |
| Missing System         | 279       | 47.5    |               |            |        |                |
| Total                  | 587       | 100.0   |               |            |        |                |

Own survey 2022

Table 47 I'm loyal to the supermarket

|                      | Frequency | Percent | Valid Percent | Cumulative Percent | Mean   | St. derivation |
|----------------------|-----------|---------|---------------|--------------------|--------|----------------|
| Valid                |           |         |               |                    |        |                |
| not important at all | 70        | 11.9    | 22.7          | 22.7               |        |                |
| less important       | 110       | 18.7    | 35.7          | 58.4               |        |                |
| Neutral              | 60        | 10.2    | 19.5          | 77.9               |        |                |
| Important            | 56        | 9.5     | 18.2          | 96.1               |        |                |
| very important       | 12        | 2.0     | 3.9           | 100.0              | 2.4481 | 1.14170        |
| Total                | 308       | 52.5    | 100.0         |                    |        |                |
| Missing              |           |         |               |                    |        |                |
| System               | 279       | 47.5    |               |                    |        |                |
| Total                | 587       | 100.0   |               |                    |        |                |

Own survey2022

Factor 1 was labeled „Store Ambience“ because of the high loadings by the following items: Store has better design and layout, Store has sufficient lighting, Store cleanliness and Store offers good entertainment. This first factor explained 20.8 per cent of the variance after rotation. (See the table above) Within this factor, the most important attributes were sufficient lighting (mean = 4.09) and Store cleanliness (mean = 4.04).

Factor 2 contained items related to good frontage, Nearness to home or workplace, Convenient for parking, and convenient opening hours. Attributes falling within this factor accounts 9.4 percent of the total variance. Within this factor, good frontage is the most important determinant item (mean = 4.24) in consumers“ supermarket selection process. Additionally, the second most important items in this respect are proximity to home or workplace and extended opening hours with the mean value of 4.23 each.

Factor 3 comprises items related to customer service including „Staff is caring and helpful“,“ Staffs are efficient and trustworthy“,“ There are adequate number of cashiers“ and“ Offers repair and replacement. Attributes falling within this factor accounts 10.4 percent of the total variance. Availability of efficient and trust worthy staff (mean = 4.30) is the most significant attribute within this factor whereas availability of sufficient number of cashiers is the least important.

Factor 4 encompasses „availability of Good quality/ fresh merchandise“;“ availability of Latest products are available“ and “ avoiding expired or not fresh products from shelf“ and In which availability of quality product is the most important item with a mean score of 4.4. This factor is considered as product quality. Attributes falling within this factor accounts 8.4percent of the total variance.

However, it is worth mentioning that among the four factors reported above, the third and the forth factors are characterized by much higher mean importance ratings than the other characteristics, emphasizing the importance of Product Quality and convenience for supermarket selection decisions by consumers.

#### **4.5. Correlation Analysis**

This study employs the correlation analysis, which investigates the strength of relationships between the studied variables. Pearson correlation analysis was used to provide evidence of convergent validity. Correlations are perhaps the most basic and most useful measure of association between two or more variables (Marczyk, Dematteo and Festinger, 2005).

General guidelines correlations of .10 to .30 are considered small, correlations of .30 to .70 are considered moderate, correlations of .70 to .90 are considered large, and correlations of .90 to 1.00 are considered very large.

To determine the existence and level of association, the researcher used bivariate correlation. Pearson correlation coefficient falls between -1.0 and +1.0, indicates the strength and direction of association between the two variables (Field, 2005). The Pearson’s correlation coefficient (r) was used to conduct the correlation analysis to find the level and direction of the relationships between consumers’ oriented variables. The result indicates the four factors have positive and significantly relationship with supermarket choice. The result ranked them from most to least (Store Ambience, Customer Service, Convenience of Store Location, and Product Quality)

**Correlations**

\*\* . Correlation is significant at the 0.01 level (2-tailed).

|    |                     | PQ     | PA     | P      | CO     | SA     | CS     | SC     |
|----|---------------------|--------|--------|--------|--------|--------|--------|--------|
| PQ | Pearson Correlation | 1      | .883** | .665** | .561** | .677** | .839** | .899** |
|    | Sig. (2-tailed)     |        | .000   | .000   | .000   | .000   | .000   | .000   |
|    | N                   | 308    | 308    | 308    | 308    | 308    | 308    | 308    |
| PA | Pearson Correlation | .883** | 1      | .656** | .606** | .571** | .894** | .763** |
|    | Sig. (2-tailed)     | .000   |        | .000   | .000   | .000   | .000   | .000   |
|    | N                   | 308    | 308    | 308    | 308    | 308    | 308    | 308    |
| P  | Pearson Correlation | .665** | .656** | 1      | .717** | .671** | .623** | .655** |
|    | Sig. (2-tailed)     | .000   | .000   |        | .000   | .000   | .000   | .000   |
|    | N                   | 308    | 308    | 308    | 308    | 308    | 308    | 308    |
| CO | Pearson Correlation | .561** | .606** | .717** | 1      | .721** | .576** | .548** |
|    | Sig. (2-tailed)     | .000   | .000   | .000   |        | .000   | .000   | .000   |
|    | N                   | 308    | 308    | 308    | 308    | 308    | 308    | 308    |
| SA | Pearson Correlation | .677** | .571** | .671** | .721** | 1      | .538** | .773** |
|    | Sig. (2-tailed)     | .000   | .000   | .000   | .000   |        | .000   | .000   |
|    | N                   | 308    | 308    | 308    | 308    | 308    | 308    | 308    |
| CS | Pearson Correlation | .839** | .894** | .623** | .576** | .538** | 1      | .717** |
|    | Sig. (2-tailed)     | .000   | .000   | .000   | .000   | .000   |        | .000   |
|    | N                   | 308    | 308    | 308    | 308    | 308    | 308    | 308    |
| SC | Pearson Correlation | .899** | .763** | .655** | .548** | .773** | .717** | 1      |
|    | Sig. (2-tailed)     | .000   | .000   | .000   | .000   | .000   | .000   |        |
|    | N                   | 308    | 308    | 308    | 308    | 308    | 308    | 308    |

\*\* . Correlation is significant at the 0.01 level (2-tailed).

Table 48 Correlation Analysis

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## 4.6. Multiple Linear Regressions

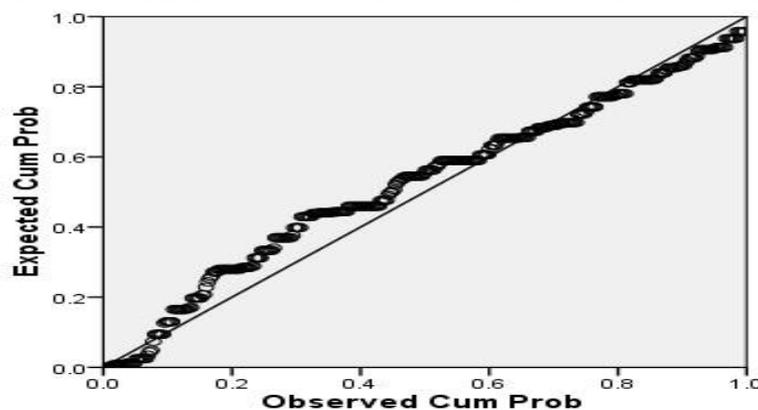
### Assumption of Multiple Linear Regressions

Most statistical tests rely upon a certain assumption about the variables used in the analysis. When these assumptions do not meet the result may not be trustworthy, resulting in a Type I or Type II error, or over or under estimation of significance or effect size. Prior to running the analysis, regression assumptions were checked Field, (2009).

## 4.7. Normality of Residuals

Normality of residuals can be checked with a normal p-p plot. The plot shows that the points generally follow the normal (diagonal) line with no strong deviation. This indicates that the residuals are normally distributed.

**Normal P-P Plot of Regression Standardized Residual  
Dependent Variable: Supermarket Choice (for Shopping)**



**Figure 2P-P Plot for Regression standardized residuals**

*Source: Own computation, 2022*

Another common test for normality is to run descriptive statistics to get skewness and kurtosis. According to (Hair, et al., 1998) skewness and kurtosis should be within the range of +2 to -2 when the data are normally distributed.

In small samples, values greater or lesser than 1.96 are sufficient to establish normality of the data. However, in large samples (200 or more) with small standard errors, this criterion should be changed to  $\pm 2.58$  and in very large samples no criterion should be applied that is, significance tests of skewness and kurtosis should not be used(Ghasemi, 2012).

### 4.7.1. Independent of Error (Auto-correlation)

It is a characteristics of data in which the correlation between values of the same variable is based on related objects. It violets the assumption of instance independence which underlies most conventional model

The Durbin Watson statistics 2.167 which is between two critical values of  $1.5 < d < 2.5$ . Therefore, we can assume that there is no first order auto-correlation in our multiple regression data.

| Model Summary <sup>b</sup> |               |
|----------------------------|---------------|
| Model                      | Durbin-Watson |
| 1                          | 2.167         |

- a. Predictors: (Constant), Customer Service, Product Quality, Store Ambience, Convenience of Store Location
- b. Dependent Variable: Supermarket Choice (for Shopping)

### 4.7.2. Homoscedasticity

The variance of the error term is constant across cases and independent of the variables in the model. An error term with non-constant variance is said to be heteroscedastic. Because the dots are scattered randomly without any pattern, it means the variance of the residuals are constant.

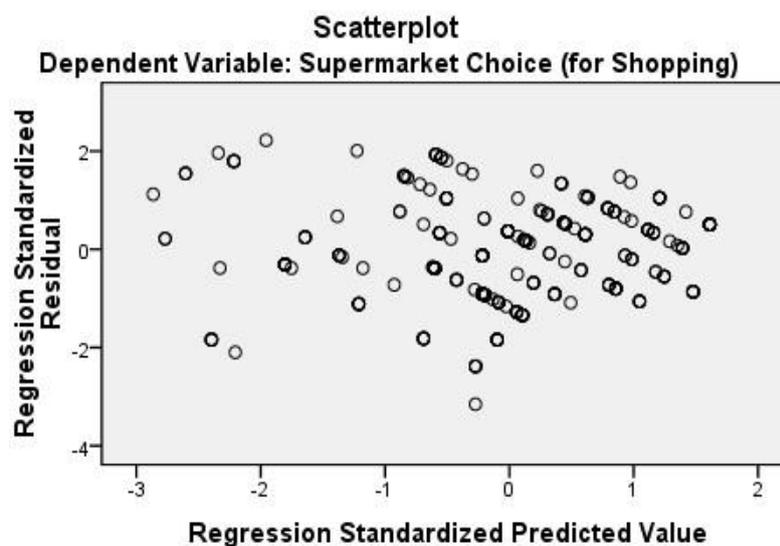


Figure 3 Scatter Plot standardized residuals vs predicted values

Source: Own computation, 2022

### 4.7.3. Multicollinearity

Multicollinearity is tested in this study using the variance inflation factor (VIF) which quantifies the severity of multicollinearity in regression analysis. The VIF factor should not exceed 10, and should ideally be close to one. The below table shows there is no multicollinearity exist. Tolerance is an indicator of how much of the variability of the specified independent variable is not explained by the other independent variables in the model. If this value is very small (less than 0.10), it indicates that the multiple correlation with other variables is high, suggesting the possibility of multicollinearity (Field, 2005).

**Variables Entered/Removed<sup>a</sup>**

| Model | Variables Entered                  | Variables Removed | Method |
|-------|------------------------------------|-------------------|--------|
| 1     | CS, SA, P, CO, PQ, PA <sup>b</sup> | .                 | Enter  |

a. Dependent Variable: SC

b. All requested variables entered.

### 4.7.4. Multiple Regression Analysis

After the study met the regression assumption next the researcher examined the effect of consumer oriented variables on their supermarket choice on shopping. The researcher tested the four hypothesis set out to be tested at the beginning based on the regression analysis. The researcher believes that supermarkets can use the result of the regression analysis for future decision making via identifying factors determining supermarket choice of consumers and which parameters got the highest effect on consumers' decision on supermarket selection. This will answer the research question of the effect of each variable on the dependent variable.

- a. Predictors: (Constant), Promotion, Product Quality, Store Ambience, Convenience of Store Location
- b. Dependent Variable: Supermarket Choice (for Shopping)

Table 49 Model Summary

| Model | R                 | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|-------------------|----------|-------------------|----------------------------|
| 1     | .931 <sup>a</sup> | .867     | .864              | .31730                     |

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The result of regression analysis indicates existence of positive and statistically significant effect on supermarket selection decision. The model summary table R-Square value also called coefficient of determination measures the proportion of the variation in a dependent variable that can be explained statistically by the independent variables and it takes on any value between 0 and 1. The R-square value of the model is 0.867 which means that 86.7 % of the consumers' supermarket selection decision was explained by the variation of the consumer oriented variables (Product Quality, Convenience of Store location, Store Ambience and Customer Service). And the other 13.3 % is due to other independent variables not included in the model and the random error.

Table 50 significance of the model

| Model |            | Sum of Squares | df  | Mean Square | F       | Sig.              |
|-------|------------|----------------|-----|-------------|---------|-------------------|
| 1     | Regression | 1040.638       | 4   | 260.159     | 326.219 | .000 <sup>a</sup> |
|       | Residual   | 268.757        | 337 | .797        |         |                   |
|       | Total      | 1309.395       | 341 |             |         |                   |

a. Predictors: (Constant), Customer Service, Product Quality, Store Ambience, Convenience of Store Location

b. Dependent Variable: Supermarket Choice (for Shopping)

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The ANOVA tells us whether the model, overall, results in a significantly good degree of prediction of the outcome variable (Field, 2005). Since the significance result on the ANOVA table is 0.000 which is  $p < 0.05$ , the regression analysis proved the presence of a good degree of prediction. The contribution of each consumer oriented variable can be seen from the results of multiple regressions in the coefficient table below.

## Coefficient

a. Dependent Variable: Supermarket Choice (for Shopping)

Table 51 Coefficient of relationship of consumers oriented variables on consumers' choice of supermarket

Source: Own computation, 2022

| Model      | Unstandardized Coefficients |            | Standardized Coefficients | t      | Sig. |
|------------|-----------------------------|------------|---------------------------|--------|------|
|            | B                           | Std. Error | Beta                      |        |      |
| (Constant) | -.130                       | .068       |                           | -1.901 | .058 |
| PQ         | .783                        | .057       | .741                      | 13.717 | .000 |
| PA         | -.004                       | .065       | -.004                     | -.066  | .947 |
| 1 P        | .051                        | .038       | .045                      | 1.318  | .188 |
| CO         | -.129                       | .035       | -.133                     | -3.650 | .000 |
| SA         | .372                        | .037       | .366                      | 9.936  | .000 |
| CS         | -.047                       | .046       | -.050                     | -1.030 | .304 |

## Regression Equation

Supermarket Choice = -130 + 0.783(Product Quality) + -0.004(product assortment) + 0.51(promotion) = -0.129(Convenience of store location (For Shopping) + 0.372(Store Ambience) + -0.47(Customer Service)

### 4.7.5. Hypothesis test results and discussions

The above correlation and regression coefficient tables explained that Product Quality, Convenience of Store Location and Promotion positively and significantly affect consumers' choice of supermarket. Unstandardized coefficient (Beta value) specifies the degree of importance of each consumer oriented variables towards their decision on supermarket selection; consequently, the variables can be ranked in the following manners on the basis of their significance.

1. Store Ambience ( $\beta = 0.372$ )
2. Customer Service ( $\beta = -0.047$ )
3. Convenience of Store Location ( $\beta = -0.129$ )

4. Product Quality (  $\beta= 0.783$ )
5. Promotion( $\beta= 0.51$ )
6. Product Assortment ( $\beta= -0.004$ )

The  $\beta$ - value on the coefficient table indicates level of effect each variable has on the dependent variable supermarket choice. The highest  $\beta$  level for Promotion is  $\beta=0.51$ . This means that the more gives attention for store promotion, the higher the consumers' choice of super market. It is because consumers prefer to buy from modern supermarket that give them refreshment and entertainment.

| Hypothesis   | Result                                    | Reason                 |
|--|---|------------------------|
| H <sub>1</sub> : Store ambience has a positive and significant effect on consumers' choice of super market<br>H; Product assortment has a negative significant on consumers effect of supermarket            | Ho: Rejected<br>H <sub>1</sub> : Accepted | $\beta= 0.372, P>0.05$ |
| H <sub>5</sub> : Product quality has a positive and significant effect on consumers' choice of super market<br>H; price of merchandise has a negative significant effect on consumer's choice of supermarket | Ho: Rejected<br>H <sub>5</sub> : Accepted | $\beta= 0.378, P>0.05$ |
| H <sub>6</sub> : promotion has a positive and significant effect on consumers' choice of super market<br>H; customer service has a negative significant effect on consumers of supermarket                   | Ho: Rejected<br>H <sub>6</sub> : Accepted | $\beta= 0.51, P.>0.05$ |

*Source: Own computation, 2022*

Presents test results of the research model. Hypothesis 1 proposed that Store Ambience quality has a positive and significant effect on consumers' choice of super market. The results revealed that consumers' choice of super market was significantly predicted by product Quality ( $\beta = 0.372, p>05$ ), supporting Hypothesis 1. The more offers Quality products, the higher the consumers' choice of super markets.

Hypothesis 2 and 3 predicted a positive and significant effect of Product quality, and promotion on consumers' choice of super markets again receives statistical support. However this variable is excluded from analysis due to the Chronbach's alpha value of the factor could not be greater than 0.70 and not valid for analysis and credible conclusion.

Therefore it is important to consider convenience, promotion order to get attention by consumers. (See the other multiple regression statistics tables and figures under annex C1)

## Chapter Five

### 5. SUMMARY, CONCLUSION AND RECOMMENDATION

This chapter presents summary conclusion of the results, recommendations forwarded based on the analysis and basic finding of determinants of consumer choice of supermarket; evidence from customers in Addis Ababa and lastly direction for future studies.

#### 5.1. Summary of Key Findings

The objective of this research is to identify factors that impact customer's choice of Supermarket. It also aims at prioritizing the identified determinant factors based on their importance. This study used both qualitative and quantitative research approach and explanatory research design was used. The target population of the study was all supermarket visitors for shopping in Addis Ababa. Based on the research objective, English version questionnaires were prepared. A total of 384 respondents from Addis Ababa city were sampled based on two stages judgmental sampling technique. The analysis was made based on the properly completed questionnaires of 308 out of 384 (80.0%). The entire questionnaires were reliable and acceptable with over all Cronbach's alpha result .80 (80%).

First factor analysis was made on the data collected using spss 20. The factor analysis revealed seven important factors which are responsible for consumers' supermarket selection decisions. These factors are listed in the order of importance Product Quality, Product assortment, store convenience, Price, Customer service, store ambience and promotion. Among the above listed factors, convenience plays an important role in the selection of supermarket. However factors like store ambience has least influence on supermarket selection decisions of consumers.

Based on correlation analysis, three factors had significance and positive relationship with supermarket selection. The finding also checked whether the variables are auto-correlated or not. So, Durbin- Watson test of the variables is 2.167. This implies according to Durbin- Watson value is between 1.5 and 2.5. Hence 2.167 is bounded between this boundary indicating assume that there is no first order auto-correlation.

The regression analysis reveals that the consumer oriented variables (Product Quality,

Promotion, Store Ambience and) have positive relationship and significant effect of supermarket selection decision. The finding also shows that

79.5% of supermarket selection decision is explained by all factors.

Finally Anova analysis was made to figure out the difference factors they perceived to be important and influencing their decision on supermarket selection. It indicates that all the three factors analyzed perceived differently by respondent. However, with the only product Quality is perceived the same since p-value greater than 0.05. While other variables perceived differently among respondent. Group the three factors product Quality, store Ambience and promotion are perceived the same while convenience perceived differently among respondent.

However the degree of significance and order of importance differ, the study found that store ambience and customer service as factors consistence with the findings of a number of previous studies appeared in the literature (Che Wel et.al,2012; Phoebe and Nyongesa, 2015; Prashar A. ,2013; Zulqarnain et. al, 2015). Factor convenience is consistence with the study of Che Wel et.al (2012) and Phoebe and Nyongesa (2015) and the other factor Product Quality is consistence with the study of Che Wel et.al (2012) and Zulqarnain et. al (2015)

## **5.2. Conclusion**

Following the change in economic policy of the country on the retail business is becoming highly competitive and dynamic from time to time. However, the competition is expressed by taking location or cites advantage. From this study, four factors are identified that requires attention of modern supermarket management. The most significant factor, Store Ambience should be considered to take competitive advantage since it is highly influence consumers decision on store selection. In addition, the other three, Product Quality, Customer service and convenience are concluded as they are important for decision making. Factor which are identified and measured .among the factors, the finding provide evidence that store selection is significantly influenced by factors such as product quality, promotion and store ambience have moderate influence on retail outlets section in supermarket.

### 5.3. Recommendation

Based on the above findings of the paper, the researcher forwards the following comments to retailers and new entrants to supermarket business.

- The results showed that the majority of consumers prefers to go out for shopping only one or when need arise to the modern supermarket during the month. This means that consumers prefer to visit a supermarket once a month and get all wanted merchandise from it. Therefore, Queen's supermarket has to hold more product lines and a more variety within each line in order to attract more consumers. However, assortment is excluded from analysis; Sales can be enhanced by paying more attention to the assortment of the products carried by the store.
- The results showed that almost 87.4% of consumers are not loyal to a given supermarket. Hence, Queen's store management should take into account the factors that make consumers loyal and develop a strategy to increase a percentage of loyal customers within the customers.
- The result showed that 91.8 % of consumers buy from supermarket due to them found it in convenient location. That means Queen's consumers select the supermarket they found without traveling more than one kilometer. Obviously, it is difficult to get more than one modern supermarket within 5 km radius In Addis Ababa. This indicates as there is potential market for new entrant.
- Today, although non-price factors are becoming increasingly important since consumers have more parameters to consider, the company focus on price remains significant and essential. The influence of price as a product cue is usually greater when little else is known about product ,and decreases when consumers have extensive information from which to base a decision .therefore, the more product information, the more likely consumers are willing to purchase because it could enhance purchase intention ,in spite of the price charged.
- Consumers place more emphasis on factors like convenience, product quality, customer service and store ambience. Therefore, such factors should be considered seriously by supermarket managers in designing their marketing strategies by widening their branches, selecting convenient location for targeted customers, offering quality, providing good customers services and give attention for store environment.

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## **Appendix A: Survey Questionnaire (English Version)**

**ST MARY'S UNIVERSITY**

**SCHOOL OF UNDERGRADUATES**

**DEPARTMENT OF BUSINESS ADMINISTRATION GRADUATE PROGRAM**

**Questionnaires to be filled by supermarket visitors of Addis Ababa City**

*Dear Respondents,*

The purpose of this questionnaire is to collect primary data for conducting a study on the topic “*ASSESEMENT REATIL OUTLETS INCASE OF QUEEN'S SUPERMARKET*” as a partial fulfillment to the completion of Masters of Art in business administration from ST. Mary's University School of undergraduates. This study is purely for academic purpose and the information you provided will only be used for the mentioned purpose and confidentiality will be strictly maintained. Hence your genuine and timely responses are very valuable in determining the success of the study. Therefore you are kindly requested to extend your cooperation honestly by providing relevant information and filling out the following questionnaires.

**Note:** You are not required to write your names.

**Contact Address:** If you have any query, please do not hesitate to contact me and I am available as per your convenience at (Cell phone: +251919351768 or e-mail: [reachaleO@gmail.com](mailto:reachaleO@gmail.com))

Thank you for your cooperation and timely response in advance!

## Part I: Personal Information

**N.B** Please put a "√" mark to all your responses in the space provided to each question (if necessary).

1. Gender of respondent: Male  Female
2. Age of respondent: Below 18 Years  18-30 Years   
 31- 45 Years   
46-60 Years  >60 Years
3. Monthly Income: less than 5,000  5,001-   
10,000   
10,001- 15,000  >15,001
4. Marital Status: Married  Unmarried
5. Occupation: Private Employee  Public Employee   
Pensioned   
Business Person  Unemployed  Other
6. Level of education: Diploma or Less  First degree   
Second degree   
or more
7. Distance travelled to store: < 1 Km  1 to 2 Km   
to 3 Km   
3 to 4 Km  >   
4 Km

## Part II: Consumer of Respondents

1. How frequent do you go out for shopping?

Everyday  Weekly  Monthly  When Need be

2. How frequent do you purchase from this supermarket?

Always  Usually  Occasionally  Rarely  Once

3. Are you satisfied with this supermarket? Yes  No

4. If your response for Q 3 is No, please specify your reason

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5. Do you have an intention to buy from other supermarkets? Yes

No

6. If your response for Q 5 is Yes, what factors makes you to switch supermarkets?

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### Part III: retail outlets Selection Factors

Indicate the rate of importance of the criteria you did consider in choosing a specific supermarket from the following listed factors. Please circle one number representing your rating for a particular factor by using the following scale.

**5= Very Important, 4= Important 3= Neutral, 2= Less Important and 1= not Important at all**

|  |  |           |           |           |           |           |
|--|--|-----------|-----------|-----------|-----------|-----------|
|  | <b>Product Quality</b>   |           |           |           |           |           |
|  | The company product is consistent in terms of brand                  |           |           |           |           |           |
|  | The company holds/maintains products that are not expired            |           |           |           |           |           |
|  | The company holds/maintains products that are healthy                |           |           |           |           |           |
|  | The company provides fresh products                                  |           |           |           |           |           |
|  | The company hold products undamaged                                  |           |           |           |           |           |
|  | <b>Product assortment</b>  | <b>1,</b> | <b>2,</b> | <b>3,</b> | <b>4,</b> | <b>5,</b> |
|  | There are of wider choice / variety of products                      |           |           |           |           |           |
|  | Latest products are available  |           |           |           |           |           |
|  | Provide out of stock products  |           |           |           |           |           |
|  | Stocks well known branded  |           |           |           |           |           |
|  | Provide customer choice products                                     |           |           |           |           |           |
|  | <b>Promotion</b>   |           |           |           |           |           |
|  | The company instore signs are visible                                |           |           |           |           |           |
|  | The company instore signs are consistent in terms of colour and size |           |           |           |           |           |

|  |   |  |  |  |  |  |
|--|---|--|--|--|--|--|
|  | The company uses visible store signs like banners or lightbox |  |  |  |  |  |
|  | The company layout is consistent throughout the store         |  |  |  |  |  |
|  | <b>Price</b>  |  |  |  |  |  |
|  | Offers reasonable price                                       |  |  |  |  |  |
|  | Redemption of gift Vouchers / discount coupons                |  |  |  |  |  |
|  | Offers special sale for promotion                             |  |  |  |  |  |
|  | Offers customer loyalty programs                              |  |  |  |  |  |
|  | Offers repair and replacement                                 |  |  |  |  |  |
|  | <b>Convenience</b>  |  |  |  |  |  |
|  | Store has good frontage                                       |  |  |  |  |  |
|  | Staffs are efficient and trustworthy                          |  |  |  |  |  |
|  | Convenient for parking  |  |  |  |  |  |
|  | Store has better design and layout                            |  |  |  |  |  |
|  | Near to home or workplace                                     |  |  |  |  |  |
|  | <b>Store ambiance</b>   |  |  |  |  |  |
|  | The store is well ventilated                                  |  |  |  |  |  |
|  | The store shows directions clearly                            |  |  |  |  |  |
|  | The layout of the store is easy to navigate through           |  |  |  |  |  |
|  | I can find the products easily                                |  |  |  |  |  |
|  | The colouring in the store attractive                         |  |  |  |  |  |

|  |  |  |  |  |  |  |
|--|--|--|--|--|--|--|
|  | The furnishing in the store is attractive                      |  |  |  |  |  |
|  | <b>Customer service</b>  |  |  |  |  |  |
|  | Employees of the supermarket shows empathy                     |  |  |  |  |  |
|  | Employees of the supermarket respond to the quires immediately |  |  |  |  |  |
|  | Employees of the supermarket dresses neatly                    |  |  |  |  |  |
|  | At checkout point there are shorter lines                      |  |  |  |  |  |
|  | <b>Supermarket choice</b>                                      |  |  |  |  |  |
|  | I prefer the supermarket because it hold variety of products   |  |  |  |  |  |
|  | I tend to tell to others about the supermarket                 |  |  |  |  |  |
|  | I'm loyal to the supermarket                                   |  |  |  |  |  |

If you have any comment you would like to add please use the space below

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**Thanks for your participation in this study.**