



# Assisting Retail Trade Using Consumer Surveys

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With recent concern of the economic situation in Oklahoma, leaders have recognized the need for improved growth and development in rural Oklahoma. A current definition of "rural" includes towns with a population of 2,500 or less. Currently in Oklahoma there are over 342 communities that meet this classification of "rural." With such a large number of rural areas it is easy to see their economic importance to the state as a whole. In a recent news conference, the Governor stated, "The strength of Oklahoma depends on the strength of small communities in rural areas of our state."

There are many factors that attribute to the strength and success of a rural community. Among them is the need for a prosperous retail trade and service sector. A common problem that these rural communities are facing is the loss of business to larger communities. Often times these larger communities have a wider variety of products and services or more competitive prices. This fact sheet will discuss the use of a consumer opinion and shopping survey which is a method of trying to analyze this problem. However, it should be noted that although out-of-town shopping can sometimes be reduced by making adjustments within the community, it cannot be eliminated. We are a highly mobile society and this makes retailing very competitive. This consumer opinion survey analyzes local service and retail business activity. The survey identifies where consumers shop for various-types of merchandise or services, reveals reasons for shopping patterns and provides consumer opinions of changes desired of local merchants. The findings of the survey can provide local leaders with the information necessary to take steps for improvement.

The first section of this Fact Sheet reports the overall results of several previous surveys conducted for Oklahoma communities. Average percentages are presented for home shoppers and outshoppers across several store types. The following section presents an overview of the consumer survey steps including planning, informing the community, distribution and collection, compiling results, and reporting the results. Consumer panels are also briefly reviewed. The final section discusses an example survey instrument.

## Previous Survey Efforts

Eighteen towns or cities have participated in consumer opinion surveys as part of local economic development efforts over the past two years. These communities all are under

10,000 in population with most being less than 5,000 in population. Table 1 presents consumer purchase patterns across store type for all the communities. One column presents the average percent of the budget spent at home and the other column, labeled outshopper, lists the percent of the budget spent outside the hometown.

Results of the group responses show that "hometown" expenditures do vary by store type. Only drug stores, gasoline service stations, and beauty/barber establishments have local purchases greater than fifty percent. These represent goods and services that are frequently bought locally. Food and groceries and automotive repair fall in the 40 to 50 percent range. Hardware/appliances, restaurants, health services, and legal services fall in the 30 to 40 percent range and also have sizable expenditures locally. Discount stores are the only category in the 20 to 30 percent range. Expenditures from 10 to 20 percent locally fall to automotive dealer, specialty shops, amusement/recreation, furniture, and all the clothing category. Clothing is very difficult to stock in quantity sufficient to be competitive with the selection offered by malls in larger cities.

Results for individual communities will vary across categories depending upon local circumstances and distance to competitors (large or small). These results are similar to survey efforts reported by Kansas in the *Choices* publication cited in the resources section.

## Consumer Survey Steps

There are five steps in organizing and conducting a successful consumer opinion survey:

1. Planning;
2. Informing the community;
3. Distributing and collecting survey instruments;
4. Compiling results;
5. Reporting results;

### 1. Planning

The sponsor should set up and conduct a planning meeting. A local sponsor is very important to lend credibility to the effort. All persons that will be involved in organizing, conducting and reporting should attend this meeting. It is essential that all involved clearly agree on the purpose and

**TABLE 1. CONSUMER PURCHASES BY SHOPPING LOCATION FOR ALL COMMUNITIES**

(Average Percent Purchases)

Store Type	Hometown	Outshopping
Gasoline Service	59	41
Drug Stores	58	42
Beauty/Barber	55	45
Food and Grocery	47	53
Automotive Repair	46	54
Restaurants	34	66
Health Services	33	67
Legal Services	33	67
Hardware/Appliance	31	69
Discount Stores	29	71
Specialty Shops	19	81
Amusement/Recreation	18	82
Automotive Dealers	18	82
Clothing Children	18	82
Furniture	15	85
Shoes	15	85
Clothing Ladies	14	86
Clothing Men	13	87

scope of the consumer survey and formulate questions that will bring about the desired information.

Designing a time table with appropriate deadlines, and assigning tasks and making decisions about reporting are also an important part of the planning process, as well as choosing a method of reporting that will be the most effective for the intended audience.

## 2. Informing the Community

For the consumer opinion survey to be effective, the community must be informed of the survey effort. This includes informing the business community as well as the general public. This provides the opportunity to address any concerns about the survey.

Consumers can be informed of the survey effort in several ways. Perhaps the most effective way is through the media. Including information as to why the survey is being conducted, its importance and procedures in a series of news releases is a common way of informing the public. By acquainting the community early with the survey effort, there will be a better chance for participation.

## 3. Distribution and Collection

The consumer surveys can be distributed by several methods, including mail, personal delivery, telephone and personal interview.

It is important to choose a method that will be the most effective for the particular community. If the community is relatively small, then personal delivery or personal interview may be appropriate. However, if the community is of larger scale then it will probably be more effective to distribute through mail or common areas such as banks or supermarkets. Many times local organizations such as service groups or high school classes can be involved. An overall (unbiased) population should be developed with the survey conducted in a random way. A survey of customers entering all retail stores is usu-

ally biased, for example. A survey based on voter roles or telephone listings is more representative.

Whichever distribution method is used, a time table needs to be created. This time table should allow adequate time for residents to complete the survey. A time and method of collection must also be established. Common methods of collection are mail-in responses and drop-off sites.

## 4. Compiling Results

Once the survey results are collected a detailed analysis of the survey results is the next step in the consumer survey process. Analysis of the survey includes the following steps:

- a. Check the survey responses for correctness.
- b. Identify areas of agreement.
- c. Enter responses into a computer data base or hand tabulate.
- d. Review results for readability.
- e. Utilize results in reporting efforts.

### *Checking for Correctness*

During this step the surveys are checked for readability and completeness. If the survey cannot be read or is not complete, more than likely it will be necessary to classify it as unusable and not include it in the analysis.

### *Identify Areas of Agreement*

There are four areas in which most consumer surveys are broken down and areas of agreement are focused on within each category. The publication by Stebbins and Whitehorn cited in the resources section presents a thorough discussion of these categories.

The first category is selection. The sponsor will be interested in knowing if there are enough services available and if the selection of services available meets the consumer's needs. Recommendations from the consumers are helpful and encouraged.

The second category is prices and quality. What the sponsors will want to know here is whether or not the consumer believes that the prices of goods and services in the community represents the quality. They will want to know if the businesses need to be more competitive with surrounding markets.

The third category is service. Is the quality of service within the community good enough to keep residents shopping there rather than going outside the market? Friendliness, knowledge of products, and standing behind a product are areas of consideration. If the businesses cannot meet the prices of larger markets, they may retain customers through their quality of service.

The fourth category is miscellaneous. This includes additional comments or suggestions that residents may have that do not fall into the above categories.

## 5. Reporting the Results

During the planning session a method of reporting should have been decided that will be the most effective for the intended audience. A complete report is vital to the success of the survey effort. Choices for reporting methods include a formal written report, oral report, slide presentation, press

release, or press conference.

The report will include the key highlights of the survey results. Charts and graphs may be helpful. Regardless of the method used, the goal of the report is to help solve the problems of awareness and communication gap between local leaders, businesses and consumers. Improving the quality of life in the community should be the ultimate goal and the information provided in the report should enable the community to make substantial progress toward building a healthy community economy.

## Consumer Panels

The above steps are focused on using a written survey instrument. An alternative method of conducting the survey is through the use of consumer panels. Four to seven panels are normally used, each consisting of approximately ten discussants. Potential panel members might include:

- newcomers to the community.
- long-term residents.
- residents from the surrounding rural area.
- farmers and ranchers.
- teenagers.
- ethnic and racial minorities.
- retired residents.

These panels provide a representation of the major social/ economic groups within the community. The advantage gained by this effort is more detailed and personalized responses. One disadvantage is the loss of random responses so care must be taken in selecting and recruiting the panels. Panel surveys are discussed in detail in the articles by Woods and Fisher cited in the resources section. More information on survey procedures is available from Extension Circular E895.

## Example Survey Instrument

A sample of the Consumer Opinion Survey is included in the appendix of this fact sheet. Potential users of this survey should note that this is only an "example" survey. Individual communities may want to modify the questions to suit specific needs. Thought should be given to who is being surveyed, and how the results will be tabulated and reported. The more effort made in planning, the greater the chances of success in the survey effort.

## Summary

This Fact Sheet has discussed the use of a consumer opinion survey in order to assist retail trade as part of an overall economic development effort. Previous survey efforts in Oklahoma communities are summarized comparing local shopping and outshoppers. Steps in conducting a survey effort are reviewed and finally, an example survey instrument is discussed. Readers who have further interest should contact the local County Extension Office or the authors.

## Resources

- News Release Jan. 21, 1992, "Governor Announces Rural Legislative Program."
- Stebbins, Don and Norman Whitehorn, "Developing Your Local Economy: Consumer Opinion Survey Using Consumer Panels," Texas Agriculture Extension Service, Publication L2257.
- Woods, Mike D. and Dennis U. Fisher, "Consumer Opinion Surveys and Sales Leakage Data: Effective Community Development Tools," Journal of the Community Development Society, Vol. 18, No. 2, 1987.
- Woods, Mike D. and Gerald Hall, "A Guide for Local Community Survey Efforts" Extension Circular E895, Cooperative Extension Service, Oklahoma State University.
- Darling, David and Jim Song Tan, "Retail Trade Patterns of Rural Kansas" Choices, American Agricultural Economics Association, Second Quarter 1990, pp. 34-35.

## Appendix

### Instructions For Consumer Opinion Survey

The purpose of this survey is to provide information regarding local shopping patterns. Retailers and other local business owners can then determine the strengths and weaknesses of the retail goods and service package. If merchants know where consumers shop and why then opportunities for increased local sales may be identified. This causes additional income to be captured in the local economy and is part of an overall local economic development effort.

### INSTRUCTIONS:

- 1) Indicate number of people living in your household at the top of the next page.
- 2) Shopping patterns by business category are included in the survey.
- 3) Use codes at the bottom of the survey instrument to answer questions regarding shopping frequency and reason(s) for shopping location. List only one reason for shopping (or primary reasons first) at each city location.
- 4) List shopping location by city. Note that the cities listed are for example purposes. You are not limited to just these cities.
- 5) Percent of trade for each business category should total 100 percent.

There are several methods of conducting a survey including personal interviews, mail, or through use of the telephone. It is also important to collect a sample that represents the local shoppers. Survey sample size, random selection, and representation of particular consumer groups (such as elderly, youth, working women, etc.) are possible items for discussion. The degree of sophistication used in the survey procedure will vary depending upon the goals for the survey users and the available budget (time and money). This exercise is intended as an educational program for local business owner/managers.

# CONSUMER OPINION SURVEY

In order to better meet the shopping need of local residents, we would like to know where you do your shopping and the reasons for your choice of shopping locations. Please answer the following questions.

There are \_\_\_\_\_ people living in our household

Type of Business	Shopping Frequency	Location	Percent of Trade (must total 100% for each category)	List only one reason or primary reason first	Type of Business	Shopping Frequency	Location	Percent of Trade	Reason
	*Code for shopping frequency			**Reason					
<b>EXAMPLE</b>					8. Furniture			%	
1. Food and Grocery Stores		Town 1	20%	_____				%	_____
		Town 2	20%	_____				%	_____
		Town 3	20%	_____				%	_____
		Town 4	40%	_____				%	_____
1. Food and Grocery Stores		_____	_____ %	_____	9. Hardware and Household Appliance	_____	_____	%	_____
-Grocery Store,		_____	_____ %	_____				%	_____
Meat, Bakery		_____	_____ %	_____				%	_____
_____		_____	_____ %	_____				%	_____
2. Automotive Dealers		_____	_____ %	_____	10. Discount Stores	_____	_____	%	_____
-New and Used Dealer		_____	_____ %	_____				%	_____
_____		_____	_____ %	_____				%	_____
3. Gasoline Service Station		_____	_____ %	_____	11. Eating and Drinking Places-Restaurants	_____	_____	%	_____
-Gasoline, Tires, Batteries, Accessories		_____	_____ %	_____	Ice Cream, Caterers	_____	_____	%	_____
_____		_____	_____ %	_____				%	_____
4. Men's Clothing		_____	_____ %	_____	12. Drug Stores	_____	_____	%	_____
		_____	_____ %	_____				%	_____
		_____	_____ %	_____				%	_____
		_____	_____ %	_____				%	_____
5. Ladies Clothing		_____	_____ %	_____	13. Speciality Shops	_____	_____	%	_____
		_____	_____ %	_____	-Such as Gifts, Hobby Stores	_____	_____	%	_____
		_____	_____ %	_____	Jewelry Stores,	_____	_____	%	_____
		_____	_____ %	_____	Bridal Shops	_____	_____	%	_____
6. Children and Youth		_____	_____ %	_____	14. Hotels, Motels, Other Lodging	_____	_____	%	_____
		_____	_____ %	_____				%	_____
		_____	_____ %	_____				%	_____
		_____	_____ %	_____				%	_____
7. Shoes		_____	_____ %	_____	15. Automotive Repair, Service	_____	_____	%	_____
		_____	_____ %	_____				%	_____
		_____	_____ %	_____				%	_____
		_____	_____ %	_____				%	_____

\*Code for Shopping Frequency:    \*\*Reasons

- |                         |               |
|-------------------------|---------------|
| 1=More than once a week | 1=Price       |
| 2=Weekly                | 2=Convenience |
| 3=Every Two Weeks       | 3=Selection   |
| 4=Monthly               | 4=Service     |
| 5=Semi-annually         | 5=Quality     |
| 6=Annually              | 6=Loyalty     |
| 7=Less Frequently       |               |

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