

## Factors That Influence Consumer Preference For Retail Outlets In Kenya (A Case of Supermarkets in Kisii Town)

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### Abstract

This study was about factors that influence the preference for retail outlets (supermarkets) by consumers in Kisii Town and the relative importance of such factors. The major objective of the study was to determine the factors that influence consumers' choice of the supermarket to patronize. Other specific objectives included, ranking the identified factors in order of their importance, to determine consumers' supermarket loyalty status and to find if demographic characteristics of consumers who patronized specific supermarkets was related to loyalty. To achieve this, a sample of 120 supermarket customers in all the eight supermarkets existing in Kisii town was selected using systematic sampling. The study utilized survey research and descriptive statistics was used to analyze the data collected. From the research the following were ranked as eight most important factors in influencing patronage: Adequate number of cashiers to reduce queuing, reasonable prices of products, employees' courtesy and warmth with customers, knowledgeable employees, display and arrangement of merchandise, convenient operating hours, availability of all types of merchandise and channel for customer complaints. It was also found out that consumers in Kisii town were loyal to specific supermarkets, however there was no evidence to prove that consumers' demographics influenced loyalty. In conclusion retailers should gear their marketing efforts towards satisfying consumers in order to influence their patronage decisions.

**KEY WORDS:** Patronage, consumer loyalty, super markets

### Background Information

In modern competitive retail markets, growth markets are increasingly scarce and consumers are sovereign in dictating what shape the market will take. Returns can only be made if the customer decides to purchase and purchase again, as a part of a relationship with the store and the brand (Gilbert, 2001).

Evans (1997) contends that, in today's low growth and highly competitive markets, retaining loyal customers is vital for survival. He says keeping customers is a more efficient strategy than attracting new customers. Keeping customers loyal has however been a hard task to achieve since modern consumers have become more confident and demanding. They simply want products and services that satisfy them and have no time for the ones, which do not. (Baker, 1992) says that today's customers are tougher and more informed and so sensitive to poor service that they often walk away and never come back. The average dissatisfied customer (Bearden, 1995) tells nine out of ten people.

The retailer should therefore devise strategies that will improve the image of his store in order to increase shopping activities, which will eventually lead to greater profitability. This can be achieved through trying to convert consumers into loyal customers by identifying their needs and wants and providing an offering that will satisfy the consumers and win their loyalty.

Therefore consumers' behaviour must be studied because their behaviour or expected actions affect certain decisions taken by firms. (Loudon and Bitta Delia, 2000) contend that consumers collectively influence economic and social conditions within an entire society. In market systems based on individual choice, consumers strongly influence what will be produced and what resources will be used to produce it. Furthermore, marketing when viewed in the broadest sense is about placing focus of any business venture on the consumer, where a consumer may be looked at as a potential purchaser of a firm's goods and services offered for sale. Effective business managers realize the importance of marketing to the success of their firm. A sound understanding of consumer behaviour is therefore essential to the long run success of any marketing program. It is seen as the cornerstone of any marketing effort.

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Consumers' behaviour is intricate, difficult to influence and often mystifying. However, since increased competition in markets, among businesses, products and brands is resulting into greater shift of market power and choice to consumers, it is important to understand consumer behaviour, what influences consumers' preferences on goods and services, not only as an important prerequisite to improved marketing practices but also as a way of avoiding business failure.

Li trying to find out what influences consumers choice on goods and services, (Kotler, 1997) contends that, a vast array of product and brand choices, prices and suppliers, affect consumer choice. So consumers estimate which offer will deliver the most value since they are value inaximisers. They form an expectation of value and act on it and whether or not the offer lives up to their expectations, affect both satisfaction and repurchase probability. So Kotler sees customer satisfaction as the major method businesses can use to influence consumer choice and ultimately retain them as loyal customers.

Thomas et al (2003) also agrees that, as a primary tool for managing customer retention, customer satisfaction has received unflinching attention in the marketing literature. Firms around the world have adopted customer satisfaction measures as a defacto standard for monitoring progress; motivated by the belief that customer retention probability will follow. While the role of satisfaction in retaining customers is now perceived as more complex than initially thought (Thomas et al 2003) abundant evidence supports the common sense expectation that satisfied customers are more likely to stay with their existing providers than are dissatisfied customers.

Satisfaction influences repeat purchase behavior (Szymanski and Henard 2001) but only explain a quarter of the variances in behavioral intentions and the relationship between satisfaction and loyalty are now recognized as more complex than originally proposed. Nevertheless, customer satisfaction is still widely used as a tool for customer retention.

Retailing occupies an important position in the economies of all modern societies. Newman and Cullen (2002) say that the retailer is part of the supply chain for any product that it sells. The retailer comes at the end of the supply chain and provides the final link between the producer and consumer. The retail sector where supermarkets fall is a very competitive one. Increasing prices, competition, falling gross margins and returns and closure of various outlets characterize it as the industry continues to rationalize itself and become more concentrated (Wambugu, 2002). As some supermarkets close down, new ones emerge. In Kisii town, the pace of development within the retailing industry appears to be accelerating. Several supermarkets have had to close down, for example the Nova in 1999, and the Uchumi branch - Kisii in 2005. However, despite these closures, other supermarkets such as, Mini supermarket, Kisii Matt (Nyamira road) and Nakumatt supermarket opened their doors. The market is therefore becoming more segmented with each supermarket focusing on the needs of particular consumer groups.

Retailing has become one of the most dynamic sectors of the economy. This can be seen from the emergence of new forms of retailing in response to consumers increasing demand for various goods and service (Wambugu, 2002). In Kisii town for instance, the traditional forms of independently owned small businesses have a significant market share in the retail market with traders sprawling the verandahs of almost all streets, some being just adjacent to supermarkets. This makes customer choice wider and retailer's competition stiffer. With this increased competitor activity, there is need for companies to improve the way they approach retail marketing. Retailers and especially those in supermarkets must look at their business through the eyes of the customer so as to be successful.

From the researcher's casual observation, the major source of competition in the retail sector in Kisii town is in the positioning of the supermarkets within the town. Kisii is a medium sized town with supermarkets located in an unplanned shopping area and at a relatively close distance to each other. Most of the supermarkets in town are located in high traffic areas and are thus accessible. There is no master plan to guide either the types or number of retail stores in the town. As several stores begin to attract customer traffic, others locate next to them (Soi, 2003). As a result of this closeness competition for customers is very stiff. Some supermarkets, (as witnessed by the researcher), have even adopted unorthodox means of ensuring consumer patronise their businesses by literally pulling customers into their stores. This has at times led to police intervention to ensure business runs as usual.

The implication for supermarkets therefore is that they have to cope with competition. This calls for differentiation and offer of better services than those of competitors. It is also important for supermarkets to be sensitive to the changing needs of the consumer. This sensitivity requires that supermarkets identify an appropriate retail offering that will be used to target, attract and retain loyal customers. A retail offering is a

bundle of benefits that the consumer purchases when entering the store. The offering consists of products and services, image and reputation of the store and other fringe benefits (Kotler, 1997). A retail business can increase the value of merchandise it sells by providing extra services as part of its overall retail offering. Customers have come to view the service element as an integral part of the retail offering. (Newman and Cullen, 2002) assert that the element of service has become an important feature that distinguishes one retailer from the next.

In retailing, consumers are the most important aspects of the business. Therefore, failure to determine who one's customers are or what they are likely to buy may lead to business failure. Businesses may also fail as a result of the rising expectations about retailing. These expectations have increased selectivity and reduced store loyalty. The tendency therefore is for consumers to switch stores or shop in multiple locations (Doyle and Broad bridge 1999).

Consumers have varied perceptions, attitudes, memories and view of stores and businesses, which they use as a mental guide when choosing in which store to shop (Loudon and Delia Bitta, 2000). That is, they compare store characteristics with their perceptions of stores characteristics when selecting which store to shop in. As a result of this process, stores will be categorized as either acceptable or unacceptable and will be patronized on that basis. If the resulting shopping experience is favorable, the consumer is reinforced in her learning experience and the matter of store choice will become largely routinised over a period of time.

Retailers need to be particularly vigilant and maintain high standards consistent with consumers' perceived image so as to continue providing an offer that will satisfy the consumer, gain their loyalty and ultimate patronage. There is therefore need to identify the factors that determine store preference among consumers especially in the supermarket area, which is very competitive.

### **Statement of the Problem**

With growing number of supermarket businesses in Kisii Town, increased competition for customers follows naturally. The researcher witnessed physical fighting for customers between owners and employees of some well-known supermarkets where police intervention had to be sought to restore law and order. Such scenarios could be avoided if supermarket owners have an understanding of consumers preference on goods and services, as an important prerequisite to satisfying them and hence, gaining their loyalty and ultimately their continued patronage. The question that arises therefore is whether owners of supermarkets in Kisii Town have knowledge of consumer expectations and whether consumers base their decisions on specific factors. To resolve the above dilemma, the following questions need to be answered.

- i. What factors contribute to liking of a store by consumers?
- ii. Which factors do consumers find most important in their patronage decision?
- iii. Do consumer characteristics like age, education level among others, affect their loyalty to specific supermarkets?

### **Objectives of the Study**

The objectives of the study are:

- i. To determine the factors that influence consumers' preference for a retail outlet,
- ii. To rank the identified factors in order of their preference,
- iii. To find out if consumers in Kisii Town are loyal to specific supermarkets,
- iv. To find the relationship between demographic characteristics of consumers and loyalty supermarkets.

### **Scope and Limitations of the Study**

The study covered eight supermarkets in operation within Kisii Town as at March 2005, namely: New Best nine, Old Best Nine, Kisii Mattress Megamatt, Kisii mattresses Kisumu road, A Jiwa Shamji, Mini supermarket, Wal-Mart and Soft price. The study was limited by inadequate funds that could not allow an extensive study with a large sample use. However this limitation will not adversely affect the results of the research.

## **LITERATURE REVIEW**

### **Patronage behavior**

Patronage behaviour (Burnett, 1996), deals with the process of identifying factors and attributes that consumer's use in selecting retail alternatives A number of researches have been carried out on consumer patronage behaviour.

Okwany (2003) investigated the influence of product assortment on the consumers' preference in store selection. In this research it was found that stores that stocked a variety of products had many customers. (Wambugu, 2002) sought to find out factors that determine store loyalty by consumers in Nairobi and he found out that product assortment and price played a major role in determining patronage. (Loudon and Delia Bitta, 2002) in explaining what influences consumers patronage of certain stores, contend that the consumers' motives for shopping in a particular place are a function of many variables; some which are within the consumer and others in the retail outlet environment. They concentrated on the factors in the retail outlet environment, which included:

- i. Store location: Here it's assumed that the closer the consumers are to a store the greater their likelihood to purchase from that store.
- ii. Store design and physical facilities: The argument here is that design characteristics of a store reflect its image and can dramatically influence patronage,
- iii. Merchandise is another factor that can influence patronage. The image element here has to do with the goods and services offered by the retail outlet. Attributes considered here are product variety and assortment, styling or fashion, guarantees and pricing,
- iv. Advertising and sales promotion also influences patronage. The goals of retail advertising include informing consumers such as for new store opening, persuading consumers that they should patronize a certain store, reminding customers of the store that they are appreciated. Therefore advertising can be highly influential in cultivating a store image in the consumers mind.
- v. Consumers desire to trade where stores personnel are knowledgeable, helpful, friendly and courteous. Therefore the type of personnel employed in a store can attract or repel customers.
- vi. Relationships merchandising or retailing focuses on converting customers into clients through providing better services to existing shoppers, thereby having them concentrate their purchases with the retailer. Some of the services include: Credit, product returns, and handling customer complaints among others. Customer service is therefore an important factor that can influence patronage,
- vii. Consumers tend to patronize those stores where persons similar to them are perceived to be shopping. Therefore, store image must reflect the consumers' self image.

### **The Concept of Loyalty**

Youjae et al (2003) defined loyalty as repeated purchase of particular products or services during a certain period of time. For this reason a particular brands purchase frequency and purchase possibility are often proposed as means to measure brand loyalty. Oliver (1997) defined loyalty as a deeply held commitment to re-buy or repatronize a preferred product or service consistently in the future, despite situational influences in the marketing efforts, having the potential to cause switching behaviour.

Aaker (1991) says that there are several approaches to measuring brand loyalty, but he also gives preference to behaviour measures which include: Repurchase rates, percentage of purchases as well as number of brands purchased. Other approaches based on loyalty constructs include increasing switch costs. Here it is assumed that if switch costs are higher, loyalty will be higher. Liking of the brand is another construct whereby it is assumed that a positive affect can result in the resistance of competitive entries. Here customers' feelings of warmth towards the brand are sought. Commitment, the third construct, is indicated through interactions and communication with the brand. Here extent to which the brand is important to a person in terms of his or her activities and personality really matter. Lastly, loyalty can be measured by measuring levels of satisfaction and or dissatisfaction.

These kind of behavioural definitions have been criticized for their limitations in predicting future behaviour that is their inability to distinguish between repeat purchase behaviour attributable to convenience versus commitment. Besides, they cannot explain multi brand loyalty. Researchers have thus proposed a two dimensional conceptualization of loyalty by adding the attitudinal dimension.

Youjae et al (2003) classified loyalty into four different categories based on repeated patronage and relative attitude. The categories are loyalty, spurious loyalty, latent loyalty, and no loyalty. (Youjae et al, 2003) also noted that that customer loyalty could be divided among a number of brands leading to polygamous loyalty.

As customers can have loyalty towards more than one alternative, it would be possible to distinguish between program loyalty and brand or retail loyalty, in the conceptualization of the of customer loyalty by examining whether customer repurchasing tendency is due to a product/service/ retailer or loyalty program.

Every company seeks to have a steady group of unwavering customers for its products (Loudon and Delia Bitta, 2002). Research shows that market share is related to improved brand loyalty. Some estimates also suggest that selling to existing customers can be five times more profitable than winning new customers (Wambugu, 2002). For any business Aaker (1991) it is expensive to gain new customers and relatively inexpensive to keep

existing ones, especially when existing ones are satisfied with the brand. He further argues that higher loyalty means greater trade leverages since customers expect the brand to be always available. (Wambugu, 2002) says that loyalty means that the brand has a repeat customer. A repeat customer is more valuable for a number of reasons such as multiple purchases from the same customer; the loyal customer is price insensitive and they provide the company with an opportunity to sell other products and services to them. Developing a high degree of loyalty is therefore an important goal of a marketing strategy. Therefore it pays to know and retain your customers particularly the loyal ones (Wambugu, 2002).

Loudon and Delia Bitta (2002) define store loyalty as the consumers' inclination to patronize a given store during a specific period of time. Brand loyal consumers (Wambugu, 2003) exhibit the same characteristics as those who are store loyal. Customers are loyal to stores (Assael, 1998) just as they are loyal to brands. A shopper's loyalty to a supermarket may be stronger than his loyalty to any of the items of merchandise carried in the store. In some circumstances the choice of the store influences the brand bought. This is especially the case with store loyalty because the loyal customers will always shop there first for desired items. (Evans, 1997) says that there has been a retailing revolution with the increasing number of supermarkets and domination by chains which have diversified into everyday products. This has led to growing uniformity and concentration in the sector. The customers' choice is less restricted due to increased sameness of the stores hi the streets. The way out for supermarkets is enhancement of store loyalty.

Store loyalty is an important factor hi influencing company's profits since it is a result of consumer patronage, which usually results in increased revenue. Therefore, marketers should aim at identifying the loyal segment for company's increased profitability. (Aaker, 1996) notes that loyalties of existing customers represent a strategic asset which if properly managed and exploited has potential to provide value in a number of ways. These include: Reduced marketing costs, attracting new customers, trade leverage and giving the firm tune to adjust and respond to competitive threat (Newman and Cullen, 2002) also give some benefits of having loyal customers. They say that loyal customers are willing to pay more for the for product brands relative to cost. This price premium generates extra profits for the supplier.

To enjoy the above benefits, companies need knowledge of the factors that determine store liking by consumers, and target them with the appropriate offering to make them store loyal. Store loyalty will eventually enhance store patronage, which will eventually lead to increased revenue.

### **Theoretical Framework**

Managers of retail outlets cannot be effective unless they have some understanding of the way retail consumers make decisions and act in relation to the consumption of retail products and services. Retail management needs to understand different ways in which consumers choose and evaluate alternative retail service. To understand retail demand, there is need to identify and evaluate the broader theories of consumer behaviour linked to purchase behaviour (Gilbert, 2001). This study was based on the theories of consumer perception, motivation and attitude.

### **Motivation Theories**

Needs or motives may well determine whether or not a customer will shop in a store. There are two distinct types of motives; social motives which arise from interaction with the environment and psychological motives which arise from natural biological mechanisms. Social needs prove that rational and practical things do not always motivate consumers but often emotional and .irrational drives sometimes do.

Both personal and social motives influence consumers' shopping activities. The strength of the consumer's motive also appears to be an important positively related element in their pleasure and arousal in the market place and with satisfaction in terms of retail preference. Consumers shop for experiential and emotional reasons as well as for goods, services and information (Loudon and Delia Bitta, 2002).

The key motivational theories behind non-product related motivation in shopping behaviour lies in motivational theories - of stimulation (environmental attributes), affiliation (social interaction) and cognition (learning about new trends and innovations).

Several researchers have proposed that an individual is physiologically motivated to maintain a level of stimulation optimum to that individual. When the level becomes too high or too low, an individual will take action to correct

the level. (Loudon and Delia Bitta, 2002). Retail trading areas (Jarrat, 1996) may arouse or depress a person's activation level. When the retailing area depresses the level of stimulation, corrective action in terms of out shopping may result. This is commonly observed in brand switching behaviour where consumers just want change from their regular brand. When the environment stimulation which is determined by properties such as (novelty, ambiguity, complexity) is below optimum, an individual will attempt to increase stimulation, when it is above optimum, he or she will strive to reduce it. Individuals with a higher activation level engage in greater amounts of brand switching and reveal greater innovative tendencies. As some shopping behaviour may be attributed to variety seeking or exploratory behaviour, it is appropriate to consider the optimum stimulation level that may influence behaviour. It has been proposed that those with high optimum stimulation levels are more likely to explore new environments whereas those with lower optimum stimulation levels are more likely to feel comfortable with that which is familiar.

The theory of motivation proposed by Maslow can also be used to understand shoppers' behaviour. Maslow considered the factors, which led to an ultimate goal of achieving self-actualization or fulfillment. He argued that if some higher need in the hierarchy were not satisfied, then, lower needs would dominate behaviour. If a lower need or needs on the other hand were satisfied, however, they would no longer motivate and the next level in the hierarchy would motivate the individual. Individuals can satisfy needs at more than one level simultaneously. The hierarchy list is as follows: Self-actualization - self-fulfillment and realization, enriching experiences. Esteem - ego needs, success, status, recognition, and accomplishments. Belongingness - acceptance, affection, giving and receiving love. Safety - security, shelter, freedom from fear and anxiety. Physiological - hunger, thirst, sex, rest, sleep activity.

Therefore if individuals are satisfying basic needs and seeking self fulfillment, then retailers have to understand the need to offer products which allow consumers the opportunity to fulfill their higher needs of self improvement, the attainment of individuality, provide status and give some deeper meaning in life. In essence, motivations are important clues to the purpose and type of shopping individuals will undertake. These helps retailers position their stores to appeal to different preferences based upon merchandise, price and quality.

Consumers targeted by a retail chain will have a predisposition towards the retailer. For an individual consumer, this liking or attitude towards a retail store is something that is learnt over time. Attitudes are generally enduring and built up over a period of time. They can change as a result of new opportunities such as better value elsewhere, or unfavorable experiences like poor customer service. For retailers, consumer attitudes hold the key to whether or not customers will enter and purchase goods in their stores. Therefore retail marketing efforts should be used to teach the consumer about the store and its products.

Perception on the other hand is the process by which an individual selects organizes and interprets stimuli in the environment into a coherent picture of the world. (Schiffman and Kanuk, 2001). How each individual recognizes, selects, organizes and interprets them is highly individual and based on nature of the stimulus, expectations, and motives.

So marketers should ensure that both positioning of offers and image of those offers are sound and logically linked. The retailer should place the business in a market position (image, price and quality), where it will be able to compete favorably with other similar retail outlets. The position should be perceived clearly by the consumer so that the retailer gains some advantage by being different from others in the mind of the consumer.

## **MATERIALS AND METHODS**

### **Research Design**

The study was a descriptive one. The purpose of this type of study is to describe phenomenon such as possible behaviour, attitudes, values and characteristics and was therefore relevant to the current study, which aimed at finding the factors that influence consumer preference for supermarkets in Kisii town.

### **The population of study**

The population of study consisted of all the customers who did their shopping in & any of the eight supermarkets in full operation in Kisii Town as at March 2005.

### **Sampling design and sample size**

The sampling was done at two levels. In the first level the eight supermarkets were divided into two groups of four supermarkets each according to their physical sizes. From the four large sized supermarkets, twenty respondents were selected from each supermarket giving a total of eighty respondents. From the remaining four small supermarkets, ten respondents were selected from each giving a total of forty respondents. The respondents who participated in the research were selected using the probabilistic sampling procedure of systematic sampling. Every fifth customer leaving the supermarket was interviewed until the required sample size

was attained in each supermarket. Consequently, a sample of one hundred and twenty respondents was selected.

### Research Instrument

An undisguised questionnaire was used to collect data. This questionnaire consisted of three parts. Part A consisted of close-ended questions gave the researcher information on supermarket consumers' personal and demographic characteristics. Part B consisted of information on shopping patterns of consumers. Part C gave the researcher factors that consumers considered important in order to shop in a given supermarket. The researcher used matrix questions and a 5-point Likert scale to find the degree of importance of factors that determined stoic patronage from the consumers' perspective.

### Data Collection Procedure

Primary data collection involved the use of self-administered questionnaire for literate respondents and researcher-administered questionnaire to cater for those who could not easily interpret the question due to their low literacy levels. The questionnaires were administered to the respondents as they left the supermarket. The questionnaires were filled as the researcher and research assistants waited in order to reduce non-response rates.

### Data Analysis

The data from the research was analyzed using descriptive statistics. Measures of distribution (percentages and frequencies) presented as tables were used to summarize responses from part A and B of the questionnaire. Likert scale was used to rank the factors identified in part C in order of their importance. The weighted mean of each factor was calculated and the factors ranked from one with the highest weighted mean to the lowest. Cross tabulation was used to identify relationships between given demographic characteristics and loyalty to supermarkets. Chi square analysis technique, using the model shown below was used to test the level of significance in the above relationships.

$$X^2 = \sum \frac{(F_o - F_e)^2}{F_e}$$

Where;

F<sub>o</sub> - Observed frequency

F<sub>e</sub> - Expected frequency =  $\frac{\text{Row total} \times \text{Column total}}{N}$

Where the calculated Chi-square value was found to be equal or greater than the critical value, at 95% level of confidence, the null hypothesis was rejected. However the calculated chi-square value was found to be smaller than the critical values the null hypothesis was not rejected.

## DISCUSSION OF THE FINDINGS

### Data Analysis and Interpretation

The preceding tables represent profiles of 120 respondents who filled questionnaires.

Table A1 shows that from the study majority of the respondents were female who constituted 54.2 % of the total. Males were only 45.8%. This observation was due to the fact, that culturally, in many, African communities, women are in charge of running house holds thus shop for household commodities more than men.

**Table A1: Gender of the respondents**

| Gender | Frequency | Percent | Cumulative Percent |
|--------|-----------|---------|--------------------|
| Male   | 55        | 45.8    | 45.8               |
| Female | 65        | 54.2    | 100.0              |
| Total  | 120       | 100.0   |                    |

From the study 84.2 of the respondent were aged below 39 years as shown in table A2. This shows that most shoppers were young. This could be attributed to the fact that this is the time most people are in their active stage in life both socially and career wise.

**Table A2: Ages of the respondents**

| Age          | Frequency | Percent | Cumulative percent |
|--------------|-----------|---------|--------------------|
| Below 18     | 15        | 12.5    | 12.5               |
| 19-29        | 56        | 46.7    | 59.2               |
| 30-39        | 30        | 25.0    | 84.2               |
| 40-49        | 9         | 7.5     | 91.7               |
| 50 and above | 10        | 8.3     | 100.0              |
| Total        | 120       | 100.0   |                    |

Table A3 shows that 50% of the respondents' were married, while 45.8% were single. 4.2% were either widowed separated or divorced. Most singles were secondary or college students. This indicated that the family was an important social unit.

**Table A3: Marital status of the respondents**

| Marital status | Frequency | Percent | Cumulative percent |
|----------------|-----------|---------|--------------------|
| Single         | 55        | 45.8    | 45.8               |
| Married        | 60        | 50.0    | 95.8               |
| Widowed        | 2         | 1.7     | 97.5               |
| Divorced       | 2         | 1.7     | 99.2               |
| Separated      | 1         | 0.8     | 100.0              |
| Total          | 120       | 100.0   |                    |

Table A4 shows the data was biased towards large family sizes with 44.2% of the respondents having reported to have five children or more. This was expected considering the fact that Kisii District has a high population.

**Table A4: Family size of respondents including dependants**

| Family size   | Frequency | Percent | Cumulative percent |
|---------------|-----------|---------|--------------------|
| One           | 28        | 23.3    | 23.3               |
| Two           | 9         | 7.5     | 30.8               |
| Three or four | 30        | 25.0    | 55.8               |
| Five or more  | 53        | 44.2    | 100.0              |
| Total         | 120       | 100.0   |                    |



Table A6 shows that Majority of the respondents 53.3% were engaged in informal employment or were unemployed.

**Table A6: Employment status of the respondent**

| <b>Employment status</b> | <b>Frequency</b> | <b>Percent</b> | <b>Cumulative percent</b> |
|--------------------------|------------------|----------------|---------------------------|
| Government               | 27               | 22.5           | 22.5                      |
| Private sector           | 29               | 24.2           | 46.7                      |
| Self employed            | 39               | 32.5           | 79.2                      |
| Unemployed               | 25               | 20.8           | 100.0                     |
| <b>Total</b>             | <b>120</b>       | <b>100.0</b>   |                           |

Table A 8 shows that most respondents reported to be shopping at end months. This could be attributed to the fact that most people were engaged in other activities or had to wait for money at the end of the month.

**Table A8: Frequency of shopping in a supermarket by the respondent**

|              | <b>Frequency</b> | <b>Percent</b> | <b>Cumulative percent</b> |
|--------------|------------------|----------------|---------------------------|
| Everyday     | 15               | 12.5           | 12.5                      |
| Weekly       | 36               | 30.0           | 42.5                      |
| Monthly      | 56               | 46.7           | 89.2                      |
| When need be | 13               | 10.8           | 100.0                     |
| <b>Total</b> | <b>120</b>       | <b>100.0</b>   |                           |

**Table B2: Loyalty of respondents to supermarkets**

| <b>Loyalty</b> | <b>Frequency</b> | <b>Percent</b> | <b>Cumulative percent</b> |
|----------------|------------------|----------------|---------------------------|
| <b>Yes</b>     | <b>107</b>       | <b>89.2</b>    | <b>89.2</b>               |
| <b>No</b>      | <b>13</b>        | <b>10.8</b>    | <b>100.0</b>              |
| <b>Total</b>   | <b>120</b>       | <b>100.0</b>   |                           |

From Table B2, 89.2% of the respondents were loyal to one specific supermarket as compared to 10.8% who shopped anywhere. This was an indication of fact that most consumers were loyal to one supermarket.

**Table B3: Respondents favorite supermarkets**

| Supermarket                   | Frequency | Percent | Valid percent | Cumulative percent |
|-------------------------------|-----------|---------|---------------|--------------------|
| Kisii Matt (Ksm road)         | 15        | 12.5    | 14.0          | 14.0               |
| Kisii Matt (Sansora building) | 18        | 15.0    | 16.8          | 30.8               |
| Old best nine                 | 19        | 15.8    | 17.8          | 48.6               |
| New best nine                 | 18        | 15.0    | 16.8          | 65.4               |
| Wal-Mart                      | 10        | 8.3     | 9.3           | 74.8               |
| A. Jiwa Shamji                | 10        | 8.3     | 9.3           | 84.1               |
| Soft price                    | 7         | 5.8     | 6.5           | 90.7               |
| Mini supermarket              | 10        | 8.3     | 9.3           | 100.0              |
| Valid Total                   | 107       | 89.2    | 100.0         |                    |
| Missing system                | 13        | 10.8    |               |                    |

From Table B3 Old Best Nine appeared to be the most popular and favorite supermarket as it attracted 17.8% of the loyal respondents. It was followed closely by New Best Nine and Kisii Matt (Sansora) which attracted 16.8% of the loyal respondents. Other supermarkets in order of popularity were Kisii Matt, (Kisumu road) A. Jiwa Shamji and Walmart, Mini supermarket and lastly Soft price. Soft price, despite being the second nearest supermarket from most respondents' homes or place of work as indicated in Table B6, was least popular. This indicates that proximity or location does not influence preference-

**Table B4: Duration of consistent shopping in respondents' favorite supermarket.**

| <b>Duration</b>        | <b>Frequency</b> | <b>Percent</b> |
|------------------------|------------------|----------------|
| Less than two months   | 18               | 15.0           |
| Two to six months      | 6                | 5.0            |
| Six months to one year | 8                | 6.7            |
| One year and above     | 75               | 62.5           |
| Valid Total            | 107              | 89.2           |
| Missing system         | 13               | 10.8           |
| Total                  | 120              | 100.0          |

Table B4 shows that 70.1% of the respondents had patronized their favorite supermarkets for more than a year, as compared to 29.9% who had patronized them for less than a year. This is an indication of loyalty and satisfaction with the service offered in these supermarkets.

**Table B9: Reasons for switching supermarkets**

| <b>Reason</b>                       | <b>Frequency</b> | <b>Percent</b> | <b>Cumulative percent</b> |
|-------------------------------------|------------------|----------------|---------------------------|
| Opening of a new Supermarket        | 5                | 4.5            | 4.2                       |
| Special promotions                  | 11               | 9.2            | 13.3                      |
| Special offers and discounts        | 42               | 35.0           | 48.3                      |
| Advertisement by other supermarkets | 16               | 13.3           | 61.7                      |
| Consistent out of stock situations  | 43               | 35.8           | 97.5                      |
| Poor service                        | 3                | 2.5            | 100.0                     |
| Total                               | 120              | 100.0          |                           |

Table B9 shows that among the factors given for switching supermarkets consistent out of stock situation was ranked highest and followed closely by special offers and discounts in other supermarkets. This shows that price and availability of all types merchandise influenced preference for a supermarket.

**Table C: Factors Influencing Consumers' Preference for Supermarkets In Kisii Town**

| Factors influencing preference for supermarkets    | Weights (W) |    |    |    |    | $\sum f$ | $\sum Wf$ | $\frac{\sum Wf}{\sum f}$ |
|--|-------------|----|----|----|----|----------|-----------|--------------------------|
|  | 5           | 4  | 3  | 2  | 1  |          |           |                          |
|  | VI          | I  | SI | NI |    |          |           |                          |
| Frequencies (f)                                    |             |    |    |    |    |          |           |                          |
| Adequate number of cashiers                        | 106         | 5  | 6  | 3  | 0  | .120     | 574       | 4.78                     |
| Reasonable prices                                  | 104         | 2  | 9  | 3  | 2  | 120      | 563       | 4.70                     |
| Employees courtesy                                 | 98          | 4  | 15 | 2  | 1  | 120      | 556       | 4.63                     |
| Employees knowledge of products and their location | 89          | 7  | 8  | 9  | 7  | 120      | 522       | 4.35                     |
| Display of merchandise                             | 68          | 21 | 27 | 3  | 1  | 120      | 512       | 4.27                     |
| Convenient operating hours                         | 77          | 7  | 25 | 8  | 3  | 120      | 507       | 4.23                     |
| Merchandise assortment                             | 79          | 10 | 10 | 11 | 10 | 120      | 497       | 4.14                     |
| $\sum$ Channel for complaints                      | 64          | 19 | 25 | 8  | 4  | 120      | 491       | 4.09                     |
| Supermarkets hygiene                               | 42          | 21 | 51 | 3  | 3  | 120      | 456       | 3.8                      |
| Merchandise return                                 | 45          | 23 | 35 | 10 | 7  | 120      | 449       | 3.74                     |
| Supermarket is spacious                            | 23          | 32 | 40 | 16 | 9  | 120      | 404       | 3.37                     |
| Gift wrapping                                      | 40          | 18 | 22 | 14 | 26 | 120      | 392       | 3.27                     |
| Promotion of different items                       | 26          | 27 | 25 | 34 | 8  | 120      | 389       | 3.24                     |
| Supermarket located in attractive surroundings.    | 18          | 22 | 16 | 42 | 22 | 120      | 387       | 3.23                     |
| [Use of in store music                             | 23          | 28 | 18 | 35 | 16 | 120      | 367       | 3.06                     |
| [Acceptance credit cards                           | 28          | 8  | 23 | 30 | 31 | 120      | 367       | 2.77                     |
| [Supermarket location                              | 21          | 35 | 32 | 14 | 18 | 120      | 321       | 2.77                     |
| Secure parking space                               | 18          | 16 | 23 | 36 | 27 | 120      | 316       | 2.68                     |
| Delivery of merchandise at parking                 | 19          | 12 | 22 | 40 | 27 | 120      | 143       | 2.63                     |
| Ownership of supermarket                           | 11          | 5  | 8  | 54 | 42 | 120      | 845       | 1.19                     |

Factors that influence consumer's decision to patronize a given supermarket are numerous. Some of the factors found to influence patronage identified in this research included: Availability of all types of merchandise in the

supermarket, reasonable prices of products, personnel courtesy and their knowledge about location of products, display of merchandise, availability of a channel for customer complaints, supermarkets cleanliness, air conditioning and lighting, acceptance of merchandise returned, spaciousness of the supermarket, gift wrapping, promotion of different items, attractiveness of the building housing the supermarket, gift wrapping, promotion of different items, use of in store music, acceptance of credit cards, proximity of the supermarket to ones home or place of work, availability of secure parking space for vehicles, delivery of merchandise to the parking place and ownership of the supermarket.

These factors were placed on a five point likert scale and respondents were asked to rate them in terms of their importance in influencing them to prefer a given supermarket to another. Table C shows the responses from 120 respondents on the factors that influence patronage starting from the most important to the least important. From the results, the following factors were considered important in determining patronage: availability adequate number of cashiers to reduce queuing, reasonable prices of products, employees courtesy and friendliness, knowledge of employees about products and their location, display and arrangement of merchandise, convenient operating hours, availability of all types of merchandise and availability of a channel for customers complaints. These factors had weighted averages that were above four but below five. They were thus important. Supermarket owners and marketing managers should therefore devise strategies that will incorporate these factors to attract and retain customers. The element of service (as proposed by many researchers as being an important element in the retail sector) is also deemed important by consumers in Kisii town. This can be seen in the ranking of courtesy and knowledge about products and their locations as number three and four in importance.

Notably however is the fact that frequent promotions of different items did not impact so much on the consumer's yet this is a major way of boosting sales. Therefore Supermarket-marketing managers should device advertising strategies that will influence consumers to patronize their supermarkets. Ownership of the supermarket was also not considered important in determining patronage, therefore, investors who wish to venture into the supermarket business, can do so, as they are assured of getting customers.

## SUMMARY AND CONCLUSION

### Summary of the Findings

The major objective of the research was to determine and rank the factors that influenced consumer preference for supermarkets. From the results on the likert scale the following factors were found to have an influence on consumers' choice and preference for supermarkets. They were ranked in order from the most important to the least important as shown below.

1. Availability adequate number of cashiers to reduce queuing time
2. Reasonable prices of products.
3. Employees' courtesy and friendliness with customers.
4. Knowledge of employees about products and their location.
5. Display and arrangement of merchandise
6. Convenient operating hours.
7. Availability of all types of merchandise in the supermarket
8. Availability of a channel for customers\* complaints.
9. Supermarkets air conditioning lighting and cleanliness.
10. Acceptance of returned merchandise.
11. Spaciousness of the supermarket
12. Gift-wrapping.
13. Frequent promotions of different items.
14. Attractiveness of the building housing the supermarket.
15. Use of in store music.
16. Acceptance of credit cards.
17. Location of the supermarket (proximity to ones home or place of work),
18. Availability of secure parking space.
19. Delivery of merchandise brought to the parking.
20. Ownership of the supermarket.

The third objective of the research was to find out the loyalty status of consumer in Kisii Town. This was done by assessing the proportion of respondents who consistently frequented one supermarket and for how long- From figure 2 and 3 in chapter four the proportion of consumers who frequented one supermarket was larger than the proportion of those who did not. Similarly, a larger proportion of consumers had patronized their' favorite supermarket for more than a year. Therefore most consumers were loyal :

The Fourth objective was to find if there was any relationship between consumers' demographic characteristics their loyalty to supermarkets. Chi square tests carried out on the cross tabulations of the

demographic characteristics and loyalty show that there was no evidence to prove that the differences in loyalty levels among the various demographic segments were statistically significant.

### **Conclusions**

Supermarket owners should therefore pay attention to the factors mentioned above and gear their offers in such a way that it addresses the most influential factors that affect consumers so as to attract them to their supermarkets and gain their loyalty.

Supermarket owners should also focus on the loyal customers by continuing to give offers that satisfy them as well as identify strategies to attract the non-loyal customers.

The following strategies could be employed.

1. Price reduction through use of discounts
2. Recruiting more cashiers to reduce queuing thus increasing efficiency
3. Recruiting educated personnel and training them on public relations so as to improve their customer handling skills
4. Adjusting supermarket operating hours to incorporate consumers who work at odd hours.
5. introduction of customer care desks and suggestion boxes where customers can register their complaints and give suggestions on better service delivery\*

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