

Changes of food purchasing habits

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Abstract

Nowadays it is not only macro economical factors, such as the economic crisis, that effect the changes in the food purchasing behavior in a settlement, but also micro economical factors, like the appearance of a new food retail chain in the same settlement or the opening of another food retail unit of a chain already having units in that settlement. My objective was the analysis of the changes in food purchasing habits of the last decade, from the point of view of supply, in all the settlements of the aggregation of Szolnok city and in settlements with a significant population, and provided with food retail chains, in the Szolnok agglomeration. As a method of my research, I chose deep interview. I have carried out more than fifty deep interviews with food retail shop managers/ deputy managers and with Szolnok being the headquarters of Coop Szolnok Zrt, with the Chairman and General Director of the company, with the Marketing Manager and with two store managers. In order to process the deep interviews, I used the word-clouds method. The questions of the deep interview included the characteristics of the changes in purchasing behavior (timing, length of shopping, basket value, frequency, content and number) in general and also in particular regarding the shop of those questioned. Customer segments were mentioned according to their different purchasing habits, out of which a proportion has lost its importance. It is a general observation – with respect to the exceptions – that due to the daily operative tasks, decision-makers know only the purchasing habits of their own customers, having less view over the changes in purchasing habits characteristic for the settlement as a whole. Regarding the satisfied and loyal customer, all of the respondents could much easier draw a distinction between features from the point of view of the store of his own and those in general. Regarding store choice,

I especially attached great importance to the factors influencing daily and big shopping at a different degree. To get to know the opinions of those questioned, I also enquired about the criteria influencing store choice, such as price, own-label products and Hungarian ownership. The deep interviews showed the grave effect of the „law of gravitation”, since not only the purchasing habits of those living in Szolnok, but also of those in the agglomeration changed as a result of the opening of a new or another hypermarket, supermarket or discount store. It is obvious that the development of the infrastructure has a greater effect than the natural changes in demand and complex premises have a better chance to win the competition in the area than scattered sites do. Negative attitudes towards chains are insisted on, but they are overwritten by convenience and a presumed lower price. The results of the organizational deep interviews served as a basis to compare them with the results of the representative customer questioning (with a questionnaire) and those of the deep interviews.

Introduction

Nowadays the question of the long-term profitable operation of domestic food retail businesses with joint purchasing activities has become a key issue in the competition dominated by multinational food retail businesses, which is why it is crucial to analyze and forecast the changes in food purchasing habits, as well as the implementation of due alterations in food retail stores. Because of retail business' bi-directional relationship network in the market, the changes in the domestic food retail have triggered a transformation in the consumer as well as in the organizational market. (Pénzes-Gyenge 2010) The changes and the scientific researches focusing on their effects, searched for the area of the consumer or that of the organizational market and the opinion of its participants undertook the research of the habits of food purchasers composing the consumer market, by disclosing the opinions of food retail market participants, directly or indirectly related to customers, in the settlements equipped with food retail chains in the Szolnok agglomeration.

Material and method

Customers decide on the following questions regarding shopping either consciously or non-consciously: what, how many, how much for, who, with whom, when, for how long, on what location, in which sort of store, in which shop specifically, what to take to the shop and with whom to shop. (Uncles 2010) This approach is the wide interpretation of the basic questions of consumer behavior (7 Os). (Hofmeister-Tóth – Törőcsik 1996, Jobber 1998, Kotler 2001, Hofmeister-Tóth 2003, Józsa et al. 2005, Hofmeister-Tóth 2008, Vágási 2007, Veres-Szilágyi 2007) The purchasing process includes all the activities from the creation of the purchasing intention to the actual purchasing of the product in an actual retail store. Sometimes, after the product choice, the brand choice takes place only in the selected store. (Lantos 2010, 142.) The purchasing decision process in retail follows abreast certain phases of the product and store choice. (Levy-Witz 2004, 111.). Certain attitudes and values toward a certain retail unit take shape in customers' thoughts, which make them decide if they like shopping in the given store or not. We can talk about complicated and routine store choice decision. (Mészáros 2007) Nowadays it is getting more and more frequent to make a decision on the spot, rather than premeditating, and they do not wish to visit another location just to obtain a branded product, they rather make a compromise.

All of these are the consequences of consumer behavioral trends, such as speed, convenience, pampering and entertainment. Store choice, retail infrastructure and retail unit are reevaluated. (Törőcsik 2009. 17-22.p) Apart from retail purchase power, food purchase also depends on settlement structure, provision of a car, a mobile phone, businesses and income, general development (industry, tourism, trade: base area/store), purchasing habits, mobility, media consumption and leaflet-spread. (Kui 2010) The only actual visible sign of customers' store choice – as well as product choice – is the frequency of visits of the given store type. (Lehota-Gyenge 2008) One area of the changes in purchasing habits is the sharp severance of small shopping and big shopping. (Gyenge 2009) Out of the factors influencing food purchase, I chose *the changes of purchasing habits* and regarding the frequency of store choice, I chose the rarer *big shopping* as the theme of this essay.

According to the starting position of purchasing, we speak of mass purchase, cumulative purchase and unique purchase. Mass purchase means the purchase of products covering everyday needs. The customer buys various types of products in perhaps larger quantities. „Big routine” means the infrequent purchases (weekly, twice a month, monthly), when reserves are also bought, in which situation both convenience and price are important factors. (Törőcsik 2006) In the case of big shopping (weekly and monthly), reserves are topped up for a longer time and the price-level and selection play a decisive role. In the case of big shopping one is likely to spend more time with shopping and willing to go a longer way, is likely to go with the family as well, and his/ her budget is more flexible. (Kenesei 2002) Consumer tracks have been restructured both in space and time, with a focus more and more on retail types with large base-areas (in space relatively concentrated), mobility has been revalued and combined purchase routes have grown. (Nagy-Nagy, 2008, 38-39.) Taking Bauer-Mitev Ariel’s (2008) expression multi-sales (hybrid screen) as a basis, I call big shopping a multi (hybrid) purchase, which is named as a combine purchase route by Nagy-Nagy (2008). In times of a crisis, the expedience and justification of big shoppings crop up more frequently, as customers save money by doing so. The most frequent scenes of big shoppings are the so-called shopping centres, giant department stores as well as markets. (Hernádi 2009, 62-63.)

Qualitative primary research

The objectives of my researches have been formulated on the basis of an overview of the bibliography and secondary research. My objective is the disclosure of the opinion of food retail, the supply side of the market, regarding food purchase and store choice in Szolnok, in the cases of the settlement aggregation of Szolnok city (Hungarian Central Statistical Office – HCSO – definition) and in settlements provided with food retail chains, in the Szolnok agglomeration.

The Circumstances and the Methodology of the Research

Out of the qualitative research methods, I chose the deep interview, since my research objective on the supply side was to reveal food purchase and store choice habits. Deep interview subjects were food retail shop managers/ deputy managers in Szolnok, according to the Szolnok city settlement aggregation (HCSO definition) (Rákóczifalva, Rákócziújfalva, Zagyvarékas, Tószeg, Szajol), in settlements provided with food retail chains, in the Szolnok agglomeration (Martfű, Újszász, Nagykörű), as well as the Chairman and General Director, the Marketing Manager and store managers of Coop Szolnok Zrt.

The Deep Interviews and Their Processing

The deep interviews took place between 12th March – 18th May 2010. After making an appointment by phone, I carried out fifty-two deep interviews in the offices of food retail shop managers and the head quarter of Coop Szolnok Zrt. The deep interviews were recorded by dictaphone, with the permission of the deep interview subjects. The shop manager of Privát Foods did not approve of the recording with a dictaphone, so I typed this deep interview later, from memory. I strove to make contact with the entire circle of deep interview subjects, but several multinational food retail chains (Penny Market and Cora Hungarian Hypermarket Kft. in Szolnok and Lidl Hungary in Martfű) did not permit deep interviews. It had no effect whatsoever that I actually had permission from the Headquarters of Tesco-Global Stores Zrt., the store manager of the Tesco supermarket in the Széchenyi district in Szolnok was not willing to „find time” for a deep interview in spite of the several phone calls. Despite the permission given by the Chairman and General Director of Coop Szolnok Zrt, one of their franchise partners in Szolnok (Bozsó Bakery) did not wish to provide me with any help. The distribution of deep interview subjects by settlements and store chains are shown in Table 1. In order to process the deep interviews, I used the word-clouds method, helped by the word-clouds software at <http://wordle.net>.

Table 1

Distribution of Deep Interview Subjects By Settlement and Store Chain

Settlement/ Store Chain	Coop	CBA	Spar	Interspar	Tesco	Lidl	Match	Privat	Total
Szolnok	16 +4*	2	4	1	2	2	1	1	29 + 4*
Rakoczifalva	2								2
Rakocziujfalu	2								2
Szajol	2	1							3
Toszeg	1	1							2
Zagyvarékas	1								1
ujszasz	1	2							3
Martfu	4								4
Nagykoru	2								2
Total	31+4*	6	4	1	2	2	1	1	52

Source: Own composition of deep interview subjects according to their residence (settlement) and store chain (primary research)

*4 people: Chairman and General Director of Coop Szolnok Zrt; Marketing Director and two store managers

The Question Scheme of the Deep Interview

The deep interview consisted of thirty-four questions and six different topics. The distribution of the deep interview by topics and questions is shown in Table 2. The topics included variant number of questions, depending on the complexity of the topic.

Table 2

The Topics of the Deep Interview and the Number of the Questions

Topics	Number of Questions
Warming-up	2
Customers and purchasing habits	8
Store Choice in general	8
Stores in Szolnok	4
Customers of the shop they work for	6
The characteristics of a satisfied and loyal regular customer	6

Source: Own composition on the basis of the question register of the deep interview

Result and their evaluation

Due to its immensity, in this present essay of mine, I shall evaluate only the questions of the topic „Customers and purchasing habits” and shall construe the results of the answers given to the questions of the following topics: Store choice; customers of the shop they work for; the characteristics of a satisfied and loyal regular customer.

The changes of purchasing habits and their causes

Before the crisis, customers used to live in the bemusement of shopping for pleasure, and it used to be both a family and a recreational program to do the big shopping. As an impact of the crisis, customers became graver and now they do consider what to buy. Price has become very important and they look for favorable prices, sales prices and own label products. Purchasing habits vary by customer segments regarding not only age groups but also quality- and price oriented groups. The purchase of consumer goods has not decreased.

Regarding *the timing of the shopping*, purchasing habits have changed as follows. In the shops, visited to do daily shopping, people shop decisively until noon, from Monday to Friday. Big shopping's take place from Thursday till Sunday. Working customers shop mainly before and after work. If the shop is close to their workplace, customers also „pop in” in their lunch breaks, to buy some food for lunch. Shops near to primary and secondary schools are visited before and after school and in lunch break by students. Pensioners shop smaller units more than once a day.

According to almost all of those questioned, the monthly average *basket value* has dropped. The basket value most of all depends on the discretionary income. On pay-day and „giro-day”, as well as before holidays and long weekends, the daily basket value is bigger. In the heating season, however, the basket value is smaller and the extent of the decrease depends on the expense of the heating bill. Those questioned, not having experienced changes in the basket value, mentioned that because of the inflation, for the same value, people can only buy fewer goods. According to an almost irrelevant proportion of those questioned, the basket value has increased as a result of price rises.

According to most respondents, the number of customers has significantly decreased as a result of the shop opening activities of multinational competitors, and most of all, the location of Friday afternoon and weekend big shopping's has changed. According to the store managers of the hypermarkets (Tesco, Interspar), since the crisis, their number of customers has dropped. According to the store managers of Tesco Hypermarket and CBA in Szajol, due to the crisis, the purchasing power has decreased, which is why people shop locally in smaller shops. The rise in the number of customers has been noticed by store managers of the former Heliker, now Coop-stores, and those of the stores having no competitors of any big chains in the settlements given. According to almost a third of the respondents, their number of customers has remained the same.

The frequency of purchasing also depends on the customer segment. Pensioners purchase every day, while students every week day buy something for their breakfast or lunch. Employees daily or every other day buy basic food. Once a week they buy the foods necessary for the weekend cooking. The purchase of

Source:

http://www.wordle.net/show/wrdl/3826007/F%C3%B6ldi_2._t%C3%A9mak%C3%B6r_1-2_100_szavas

Big Shopping

According to ninety percent of the deep interview subjects, there is a so-called big shopping, which is illustrated in Figure 2. Those disagreeing with the term „big shopping” say that there are only sales, weekly or monthly shopping. To my mind this is just their way of putting „big shopping”, using a different expression. Generally big shopping is when products at low prices, in big quantities and for a long term are bought. People indiscriminately buy all sorts of goods, purchasing various products that they actually do not really need. In the case of a big shopping, food purchase is linked with eating out, taking the whole process as an outing (an entertaining and recreational family day). Big shopping was characterized according to the timing of purchases, the basket value as well as the frequency, the content and the location of purchasing, According to its *timing*, customers do big shoppings on Friday or at the weekend, before holidays and during sales. The basket value is higher, although there was no common understanding as to what sort of spending range it has. One of the subjects reckoned that spending more than five to six thousand HUF should be in this category, while according to another respondent it has to be between fifteen-twenty thousand HUF and also some other respondent defined its range as between thirty to fifty thousand HUF. Big shoppings take place monthly or weekly. In the content of a big shopping, apart from basic foods, durable goods and household chemical goods are also found. As a location of a big shopping, in big towns the stores of multinational retail businesses, mainly hypermarkets are typical.



Figure 2: Big shopping: 50-word-wordcloud

Source:

http://www.wordle.net/show/wrdl/3831104/F%C3%B6ldi_2_t%C3%A9mak%C3%B6r_3_k%C3%A9rd%C3%A9s_50_szavas

Customer groups

Customer groups were identified according to several socio-demographic and behaviour segmentational criteria, which is shown in Figure 3. According to *age groups*, the customer groups are the following: children, young people, middle aged and elderly; according to *occupation*: students, workers, seasonal workers (breakfast, lunch), unemployed and pensioners. According to family lifecircle: single, family people, young mothers, young families (with children under 18). According to *sex*: men and women; according to *social classes*: lower, middle and upper class. According to *residence*: customers living or working nearby (they were identified as regular customers), through-traffic customers, customers pursuing a hobby nearby and foreign customers (tourists) (they can pay in EURO in Spar shops). According to *preferences*: quality oriented (premium and high standard products), price oriented and sales oriented customer groups. According to behavioral segmentation: task oriented and experience shopping (outing, recreation, amusement, hobby), comfort oriented and hasty as well as overspending and Hungarian product oriented.



Figure 3: Customer Groups: 50-word word cloud

Source:

http://www.wordle.net/show/wrdl/3831112/F%C3%B6ldi_2_k%C3%A9rd%C3%A9sk%C3%B6r_4._k%C3%A9rd%C3%A9s_50_szavas

Customer groups losing importance

Local wealthy people, owners of hobby gardens, quality-oriented and prudent customers, young people with pocket money and through-traffic customers have fallen into the background. Prudent customers purchase in multinational retail businesses. Young people's pocket money depends on the financial background of their families.

Customer groups losing and strengthening importance

Comfort-, task, health- and price-oriented, purposeful, those obtaining information from sales catalogues, Hungarian product oriented and those living on the dole have strengthened.

The reasons to change a favorite shop

According to most respondents, customers change to a different shop when in the case of one or two of the important store evaluation factors, customer expectations do not materialize. The reasons for leaving a favourite shop are shown in Figure 4. The reasons for going for a new favorite shop are listed in three groups. The first group consists of the general reasons for leaving a favorite

shop, a second one is about the factors triggering dissatisfaction with the former favorite shop and the third one includes the characteristics of the new favorite shop, seducing customers from the former favorite shop and keeping them there. The *general* reason to change a shop may be the customer's moving out of the area or if there is a new food retail shop opening nearby. The reason for the *dissatisfaction* of the former favorite shop may be the behavior of the shop assistants, the unfavorable price level or a problem with the quality of the goods. Low quality products, the uncleanliness of the shop and that of the dress of shop assistants, not keeping to opening hours as well as long queues at the cashiers can create dissatisfaction, disappointment or resentment. The customer may resent the impolite, unhelpful, rude, disagreeable or inappropriate behavior or attitude of shop assistants. If the favorite shop assistant changes the shop for another shop, it can also be a reason for the customer to turn away from that shop. Customers do not get the necessary politeness and attention. The service quality deteriorates and becomes imperfect, but the impersonality of the shop may also generate a negative feeling. It can also be a problem if the product wanted cannot be found in the shop, although the customer sticks to a product and /or a brand, so he/ she will not get the product and/ or brand asked for, one instance after the other. Products are advertised at a sales price without or only with a low actual stock-in-trade. It is an important issue for the customers, that they want to purchase the newly advertised product as soon as possible, but they cannot. The following characteristics of the new favorite shop can seduce customers from the former favorite one: low price-level, higher rate discounts extended to more products, wide selection, higher standard services, quality fresh products and a larger selling area. The convenience of reaching the shop (near to residence), more agreeable assistants (polite, helpful, kind, etc.), novelties and sales promotion (eg. sweepstakes) can also trigger going for another shop.



Figure 4: Reasons for leaving a shop: 50-word-word-clouds

Source:

http://www.wordle.net/show/wrdl/3831140/F%C3%B6ldi_3._k%C3%A9rd%C3%A9sk%C3%B6r_2._k%C3%A9rd%C3%A9s_50_szavas

Prospective changes in store choice factors

The majority of the respondents do not expect changes in the next one or two years regarding store choice factors. Those expecting a change, mentioned customer awareness first of all, and in their opinion, customers are going to be more prudent and deliberate (making more deliberate decisions), with the quality and the Hungarian origin of the product as well as shops in Hungarian ownership being more important. Furthermore, the service niveau, the surroundings of and selection in the shop, easier and quicker shopping and the own-label products are going to come to the fore. With the spreading of multinational retail shops, fewer and fewer customers are going to choose the independent retail food stores.

Prospective changes regarding present customers

Those questioned expect numerous changes in the next one or two years, which I sorted into two large groups: macro economical (the improvement in the financial situation, economic growth, the end of the crisis) and micro economical changes. I broke up the latter into three: agglomeration, settlement and store

level. In the agglomeration and settlement level, decreasing unemployment, increasing purchasing power and the appearance of a new competitor are expected. Regarding store level, in their opinion, regular customers will be kept, quality customers will return, the number of student customers will drop, purchase will reflect health-oriented nutrition, turnover, the number of customers and the basket value will rise as well as the number of price-oriented customers.

Prospective changes regarding regular customers

The majority of those questioned rely on the keeping as well as on the growth of regular customers. Some of them hope for the growth of regular customers from the young age group, while others fear the decrease of the number of child and juvenile customers. One store manager would like to increase the number of regulars with sales flyers forwarded to settlements in the agglomeration, while another one says that the only way to increase the number of regulars is if more people move to the neighborhood. Almost a third of the deep interview subjects do not expect changes and rely on the hope that they can keep regular customers. Others fear a decrease in the number of regulars because of the expansion of multinational retail chains. Lajos Csepeli, the Chairman and General Director of Coop Szolnok Zrt would like to increase the number of regulars also by sending out direct mails to actual addresses.

Conclusion

I have reached the objects of the research, disclosing the purchasing and store choice habits of food retail, from the supply side in Szolnok, in the settlement aggregation of Szolnok city and in settlements provided with food retail chains, in the Szolnok agglomeration. My qualitative retail research has established the my quantitative, customer representative questionnaire. The results of the qualitative research have revealed the fact that food purchase is not only the women's task and activity, which is why the questioning had to be representative not only from the point of view of age groups, but also of sex. Food retail store managers have to take extra notice on meeting the aspects and

expectations of customers, regarding store choice and becoming a regular, since leaving a favorite shop has almost no limits supply wise, due to the numerous competitors. In evermore keen competition, competitive advantage can only be gained by satisfying customer needs. The only way food retail shops can increase the number of their regular customers is to seduce regulars from competitors.

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