CHANGING SHOPPING HABITS OF RESIDENTS OF BUCHAREST AND THEIR ORIENTATION TOWARDS CONVENIENCE STORES

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ABSTRACT: The purpose of this article is to examine the changes in consumer shopping behavior as shoppers are turning their backs on the traditional weekly 'big shopping', and the average consumer now visits a supermarket or convenience store on average three times a week. In this context, we see supermarket and cash and carry - run convenience stores on Romanian market like Mega Image SHOP'nGO and „La doi Pasi" are on the rise. This local, smaller shops are faster to get to and easier to navigate and they are bringing about a significant change in shopper habits.

Keywords: Consumer behaviour; Convenience stores; Shopping habits.

JEL Codes: M310

Introduction

Convenience retailing has become an increasingly active sector in the retail industry of the developed countries in the last decades, as shown by statistics. Changing shopping habits, along with changing retailers, as more local, smaller stores are on the rise, become important topics for researchers and active players of the industry.

UK retail market best illustrates this trend, as Tesco, Sainsbury's and the Cooperative have been making major acquisitions of smaller convenience retailers, and other existing players have reconsidered their business according to the convenience store concept. Tesco, the market leader, after pursuing a strategy of rapid growth with great success, got to the point where its market share has stabilized, thus a new strategy was needed for further growth. The move into smaller convenience stores was the core of the new growth strategy, with opening new stores, reformatting the existing ones (Harrison, A., 2013: 22-23). Similar trends are reported for the US market, as convenience and service, as well as price and selection, become increasingly important, thus reflecting the changing consumer behavior on the retail market (Yee, A., 2013: 47).

Literature Review

Convenience stores are small, self-service stores which are open long hours and offer a row assortment of products, usually convenience items such as soft drinks and other beverages, tobacco, snacks, newspapers, and gasoline, as well as services such as automatic teller machines (Pride, W. and Ferrell, O. C., 2014: 526). Their primary competitive advantage and leverage on the retail market is convenience.

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We may assert that the shift towards convenience stores reflects changing shopping habits. There has been much research on this topic, as researchers have tried to investigate the new consumer profiles and shopping behavior. We would like to bring to attention an interesting, comprehensive classification of the convenience store shoppers, which takes into account the different motivations as well as the consequent shopping behavior (Peterson, B., 2010):

- "Mr. Jones" - brand loyal consumers, searching for the immediate satisfaction that comes from a certain key item, for whom the shopping experience is transactional and routine, but highly satisfying.
- "The Neighbor" - consumers with ritualistic behavior who make their regular purchases in a familiar environment.
- "The Last Minute Shopper" - consumers who are shopping for a last-minute and very specific item, this need being largely driven by the home front.
- "The Thrill seeker" - brand drifter consumers in search of an experience, looking for products that satisfy their need for emotion and excitement.

As the range of products needs to be geared to convenience shoppers, convenience retailing has acquired certain characteristics which includes changes like (Varley, R., 2014: 9):

- Focus on product range breadth rather that depth, in order to satisfy more customer needs;
- More depth added for the categories that pay off (like: soft and alcoholic drinks, snacks, tobacco, etc.);
- One size offer of the product items, for saving more space;
- Focus on well-known brands for a high quality offer, even if at higher prices;
- Increased consumer loyalty through add-on services (like: cash machines, lottery tickets, payment points and travel cards, etc.).

In Romania, the retail sector seems to follow the trend from the West European countries, as convenience stores like Mega Image SHOP'nGO or „La doi Pasi" are on the rise. This is a relatively new segment of the Romanian retail market, but increasingly visible, as the international chains with presence on the market are more and more oriented towards convenience stores. Generally, we may also assert that convenience stores currently have rather opportunistic than strategic geographic positioning, but convenience retailing is increasingly acquiring specific features, as mentioned above.

Research Design and Methodology

The research carried out among customers of some of the most well known convenience stores in Bucharest - Mega Image SHOP'nGO stores - aims to investigate the changes in Romanian consumers shopping behavior that motivate their orientation toward convenience stores. In this respect, we have investigated aspects including: first visit in a convenience store, visiting reasons, purchase intention vs. final purchase, customer satisfaction level, customer revisit/rebuy intention, customer location in relation to the store, context of visiting the store, regular as well as no purchase categories.

The research has been carried out as a sociological survey, by structured interviews conducted face to face by the interviewers, based on a printed questionnaire.

The community studied was composed of people who do their shopping in SHOP'nGO stores in Bucharest. Thus, both the observation unit and survey unit were represented by individuals.

The data collection was done on the spot, in 24 SHOP'nGO stores located in different areas of Bucharest, by intercepting the clients at exit, between 18-24 August 2014.

The sample size was determined using the following statistical formula:

$$n = \frac{t^2 * p * (1-p)}{\Delta\omega^2} \quad (1)$$

Where:
- "n" is the sample size or the total number of respondents;
- "t" is the coefficient associated to the guarantee probability of the research results;
- "p" is the weight of the sample components which have the researched feature;
- "Δω" is the margin of error.

For the present study, a guarantee probability of the research results of 95% was considered, resulting in a value of the associated t coefficient of 1.96. The value considered for p was 0.5, and for the margin of error ± 5%.

The sample size is thus:

$$n = \frac{1.96^2 * 0.5 * 0.5}{0.05^2} = 384.16 \approx 384 \text{ respondents}$$

Following the process of data collection, the number of responses received allowed for the increase of the sample used for the research to 400 respondents. The sample demographics are presented in the below table.

Table no. 1

Sample demographics

%	High frequency	Medium frequency	Low frequency	First time visitors
Gender				
Male	51.9	46.7	44.1	44.8
Female	48.1	53.3	55.9	55.2
Age				
15-17 years	0.6	1.0	1.4	0.9
18-21 years	9.6	10.9	12.0	13.7
22-24 years	13.5	12.3	12.1	14.8
25-29 years	17.0	18.9	19.4	15.3
30-34 years	14.0	14.8	14.7	12.6
35-39 years	10.0	10.0	11.6	10.6
40-44 years	9.8	9.6	10.4	10.0
45-49 years	5.3	4.5	5.6	5.6
50-54 years	5.9	5.7	5.3	5.6
55-59 years	5.8	6.0	3.6	4.9
60-64 years	5.1	3.9	2.4	3.3
More than 65 years	3.5	2.5	1.5	2.7
Education				
Primary school - not graduated	0.0	0.0	0.0	0.0
Primary school - graduated	0.8	0.8	1.2	1.3
Gymnasium	4.6	3.8	4.1	5.3
Professional school	7.2	5.3	5.5	7.5
Technical college	2.3	1.9	2.4	2.5
Highschool	40.1	33.0	36.9	39.4
University studies	37.4	44.2	39.9	37.5

Post-university studies	6.8	10.7	9.4	6.2
Civil status				
Married	48.3	45.5	48.3	45.4
Divorced	3.3	4.0	3.6	3.3
Widow /Widower	3.3	2.8	0.9	3.0
Not married	45.1	47.8	47.2	48.2
Number of children				
One	27.1	25.5	23.7	23.1
Two	15.7	15.2	17.0	16.1
Three	2.5	1.7	2.4	2.5
Four	1.3	0.6	0.3	0.9
Five	0.3	0.2	0.2	0.2
Six	0.1	0.0	0.1	0.0
Seven	0.1	0.0	0.1	0.0
No children	52.9	56.7	56.3	57.1
Household monthly income				
Less than 1000 RON	7.6	4.9	5.0	6.9
1000-1500 RON	13.2	10.2	9.8	9.9
1500-2000 RON	10.8	9.6	10.3	9.8
2000-2500 RON	13.5	14.9	12.9	15.7
2500-3000 RON	7.2	7.2	9.0	7.8
3000-3500 RON	11.8	11.7	10.8	10.6
3500-5000 RON	10.3	13.9	13.8	10.6
5000-9000 RON	8.7	9.7	7.7	7.0
More than 9000 RON	2.5	2.3	2.0	2.5
No answer	14.4	15.8	18.8	19.2
Household number of members				
One	15.0	14.9	12.5	13.9
Two	25.4	25.3	24.1	25.7
Three	29.9	33.7	35.7	31.2
Four	18.4	19.5	20.6	21.9
Five	6.4	3.4	4.9	4.5
Six	2.2	1.1	1.1	1.1
Seven	0.5	0.6	0.3	0.4
Eight	0.4	0.3	0.4	0.2

Results and Discussion

The data obtained from the conducted research has been analyzed considering a sample segmentation upon the frequency of visits to SHOP'nGO stores, which allowed for differentiating among the following segments: first time visitors on the one hand, and low, medium and high frequency visitors on the other.

This segmentation has been made considering the responses received to the following questions included in the questionnaire used: Is this the first time you come in a SHOP'nGO store?, and respectively: How often do you visit SHOP'nGO stores?. The results obtained to these specific questions are further presented in the below figures (Fig. no. 1-3).

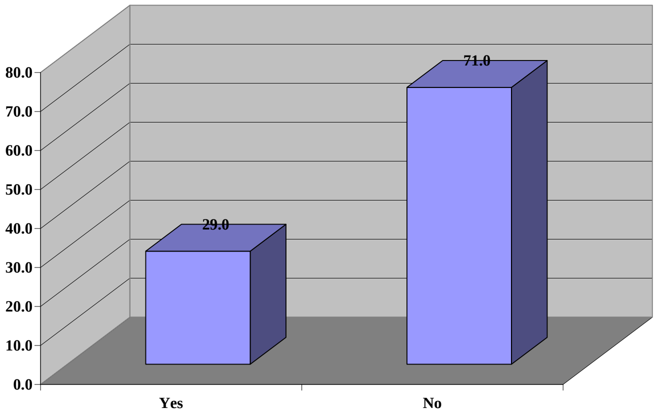

Fig. no. 1. First visit in a SHOP'nGO store

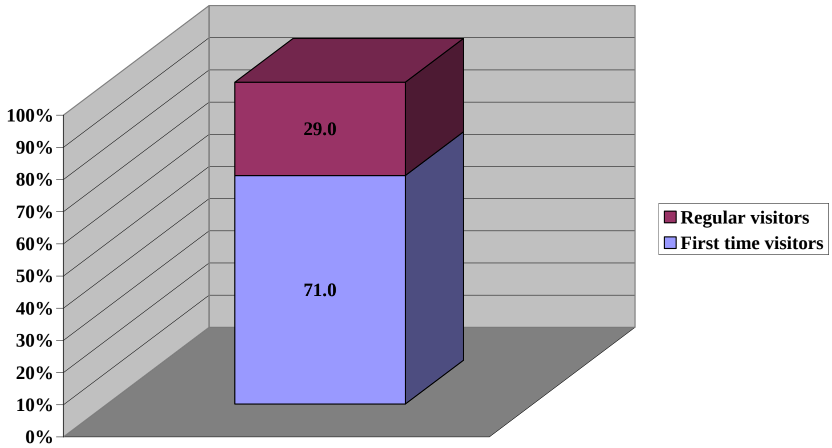

Fig. no. 2. Frequency of visits to SHOP'nGO stores: first time and regular visitors

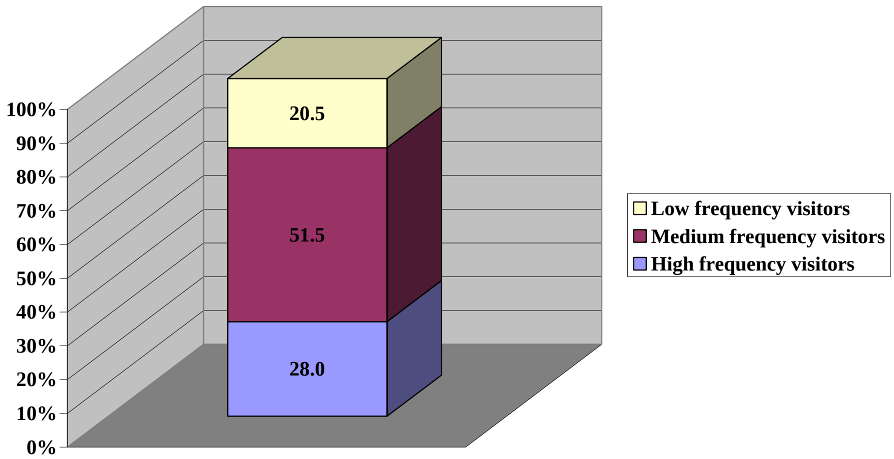

Fig. no. 3. Frequency of visits to SHOP'nGO stores: regular visitors

We may notice that for most of the respondents - 71%, this was not the first visit to a SHOP'nGO store, and among them, 28% may be characterized as high frequency visitors (who visit the stores several times per day, daily or every 2 days), more than half - 51.5% are medium frequency visitors (they visit the stores approximately once or 2-3 times per week), while 20.5% are low frequency visitors (with lower visit frequency).

We may further see that most of the regular visitors remember when they first visited a SHOP'nGO store, and the higher the frequency, the higher the number of positive responses to the specific question (Fig. no. 4).

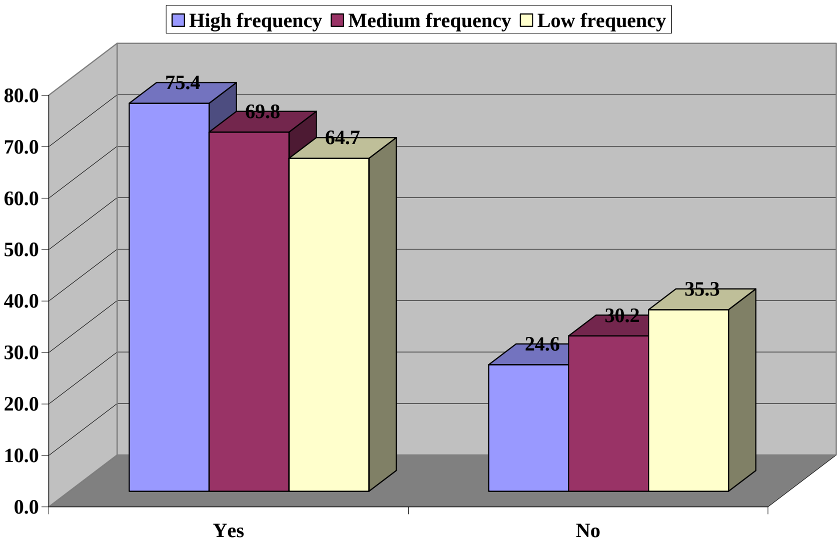

Fig. no. 4. First visit in a SHOP'nGO store

Regarding the period of time since the first visit in a SHOP'nGO store, the results obtained are rather diverse, as shown in the below figure (Fig. no 5).

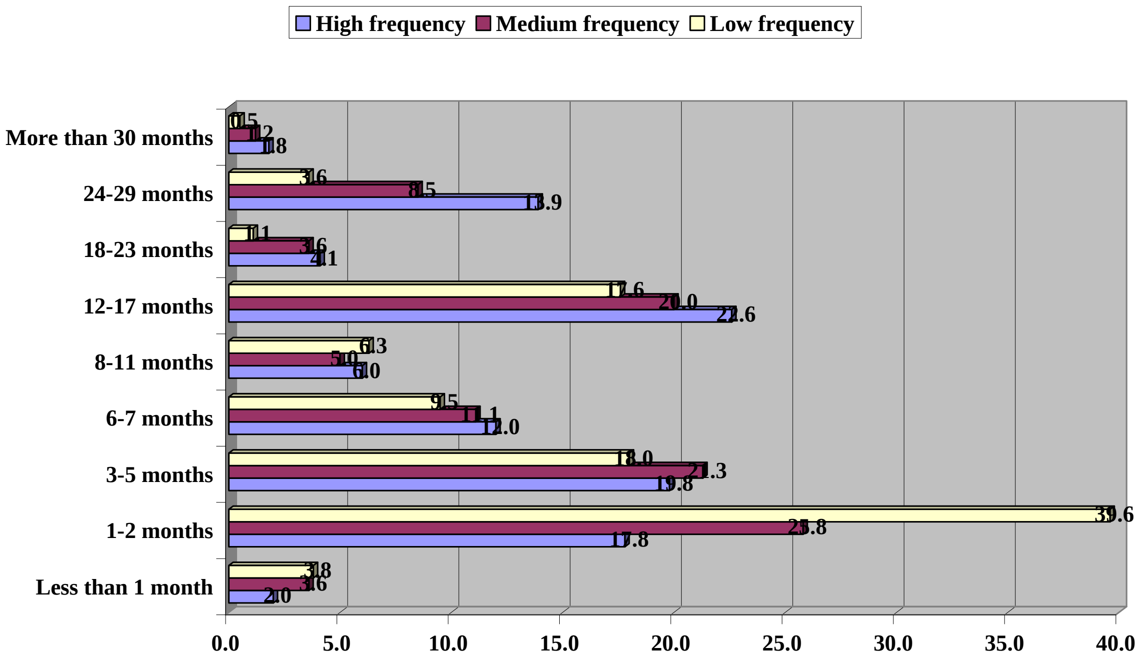

Fig. no. 5. First visit in a SHOP'nGO store (months ago)

An important objective of the research was to investigate the reasons of the first visit in a SHOP'nGO store, namely, what first attracted the customers and determined them to enter the store. We may see that most respondents, both first time and regular visitors, came into the store because they needed a specific product. Another quite important reason of the first visit, indicated by the respondents, was curiosity. The results are graphically presented in the below figure (Fig. no. 6).

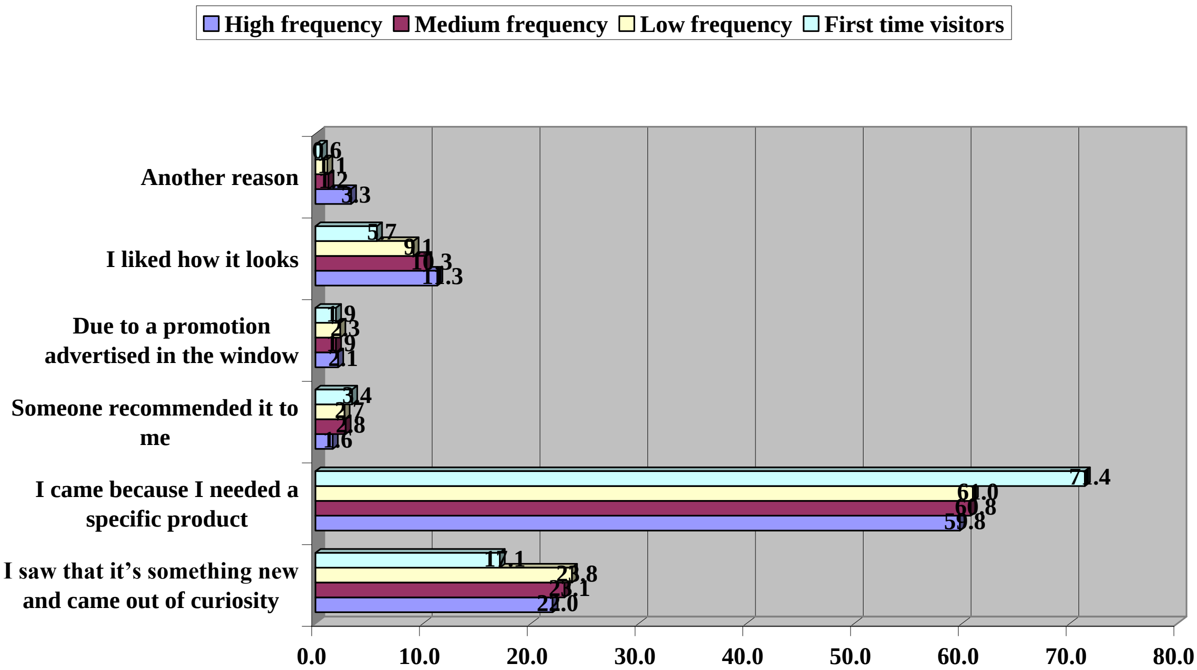

Fig. no. 6. Reason of the first visit in a SHOP'nGO store

Another important objective of the research, providing significant insights to the shopping behavior of SHOP'nGO customers, was the analysis of the purchase intension vs. the final purchase - respectively, the comparison between the categories that the customers planned to purchase when they entered the store and the categories that they bought in the end. The obtained results are presented below, considering the segmentation upon the frequency of visits (Fig. no. 7-10).

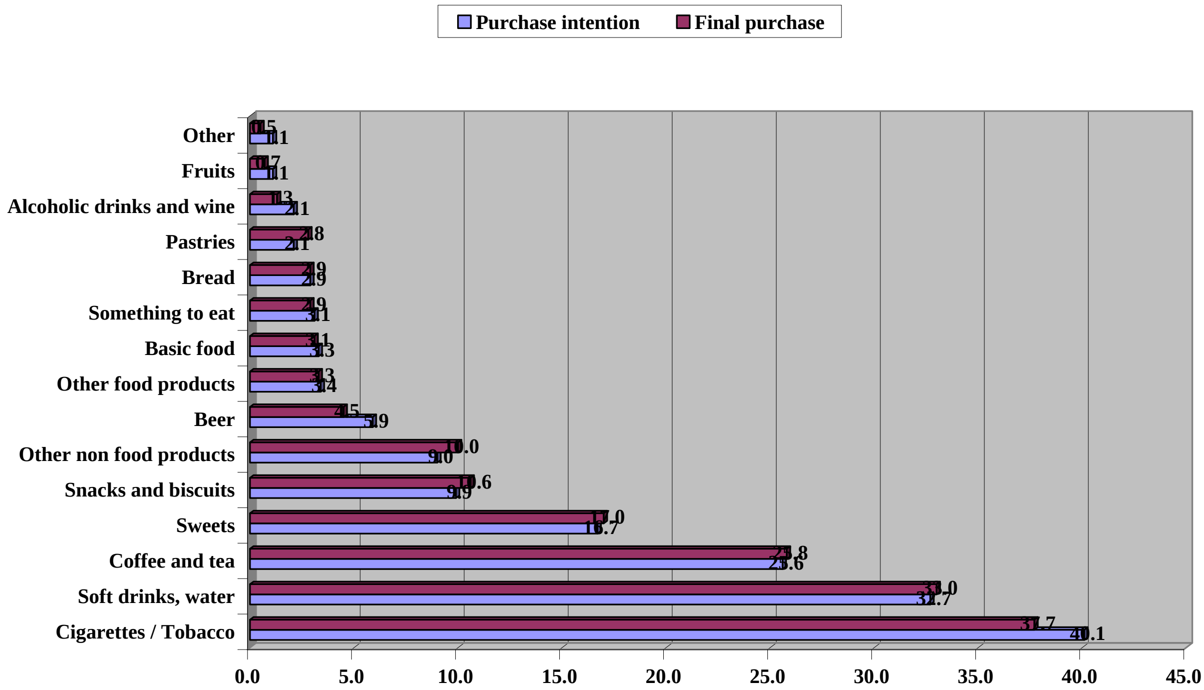

Fig. no. 7. Purchase intention vs. final purchase - High frequency visitors

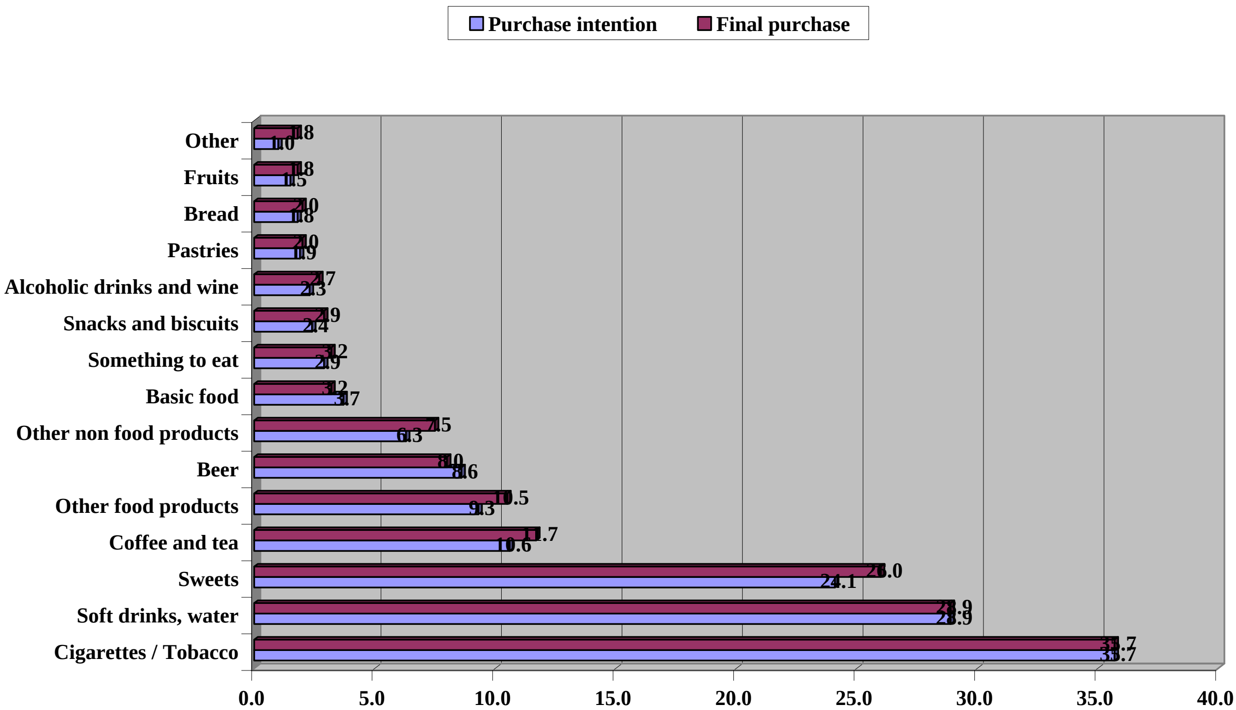

Fig. no. 8. Purchase intention vs. final purchase - Medium frequency visitors

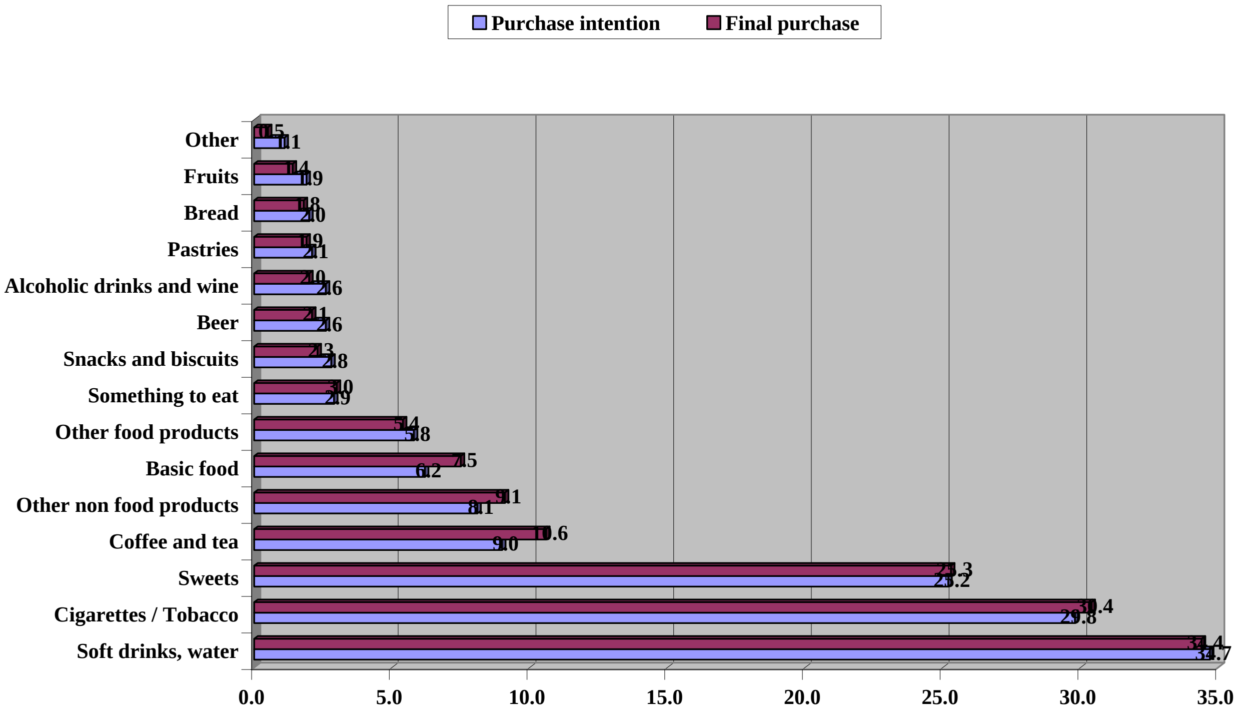

Fig. no. 9. Purchase intention vs. final purchase - Low frequency visitors

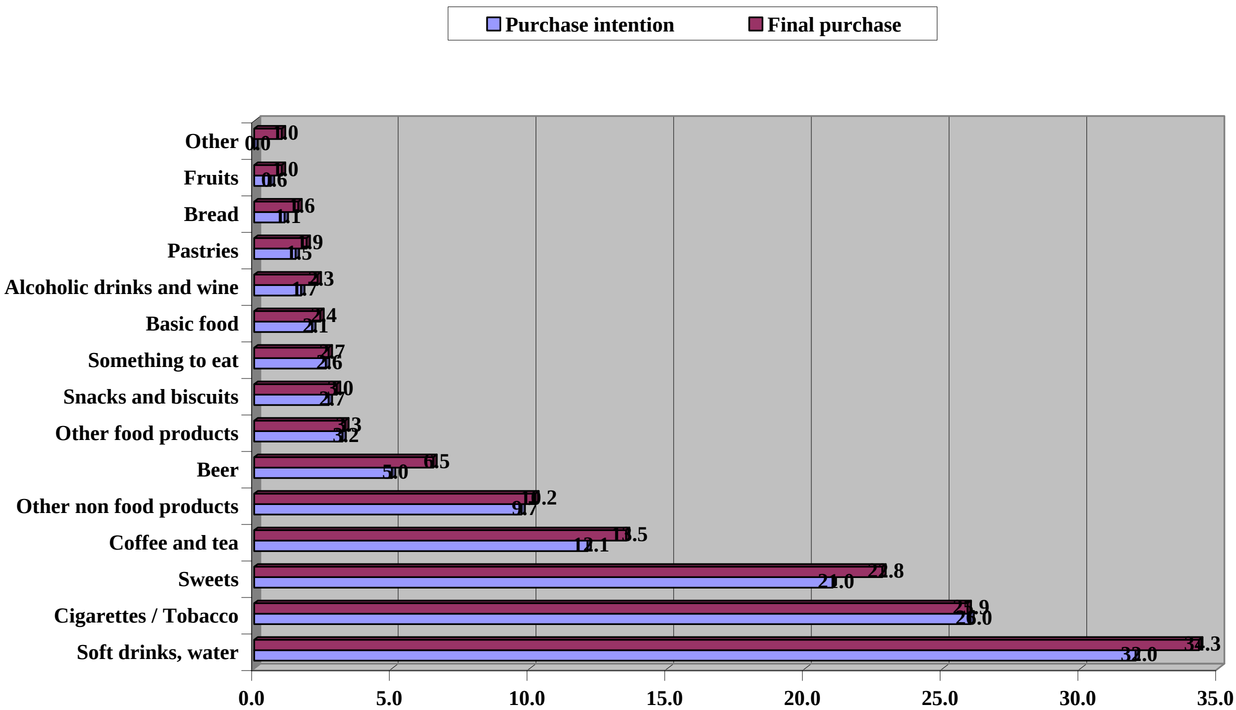

Fig. no. 10. Purchase intention vs. final purchase - First time visitors

The obtained results show a clear hierarchy of the products that the customer have planned to buy and bought in the end, almost similar for each segment considered. Products like cigarettes and tobacco products, soft drinks and water, sweets, coffee and tea, are on top of the customers' preferences, for both purchase intention and final purchase, and products like fruits, bread, pastries or alcoholic drinks and wine have acquired lower percentages. It is also interesting to note that, with some exceptions, the response percentages obtained for the purchase intention are somewhat higher than those corresponding to the final purchase - which is the reverse situation of the larger shops and hypermarkets, where greater variety of choice may determine the customers to also buy other products than they initially planned to. The obtained results can be explained through the characteristics of the convenience stores, as showed in the established literature, such as the narrower offer of convenience stores, through specific consumer brand preferences.

The level of the customer satisfaction in what concerns the SHOP'nGO stores is significantly high, as shown by the obtained results, as most of the investigated customers are very satisfied, or satisfied of their shopping experience (Fig. no. 11).

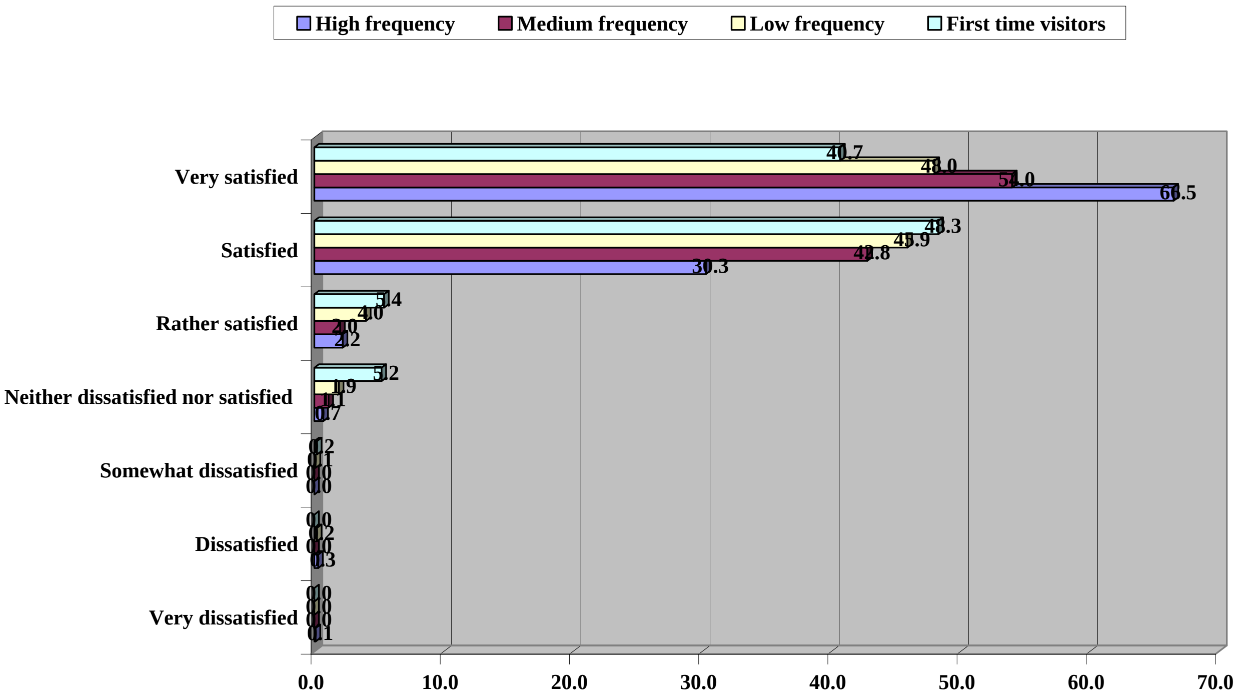

Fig. no. 11. Customer satisfaction level

Also, it is remarkable that the customer revisit/rebuy intention shows very positive results, as more than 95% of all the investigated segments plan to buy again in the future from SHOP'nGO stores (Fig. no. 12).

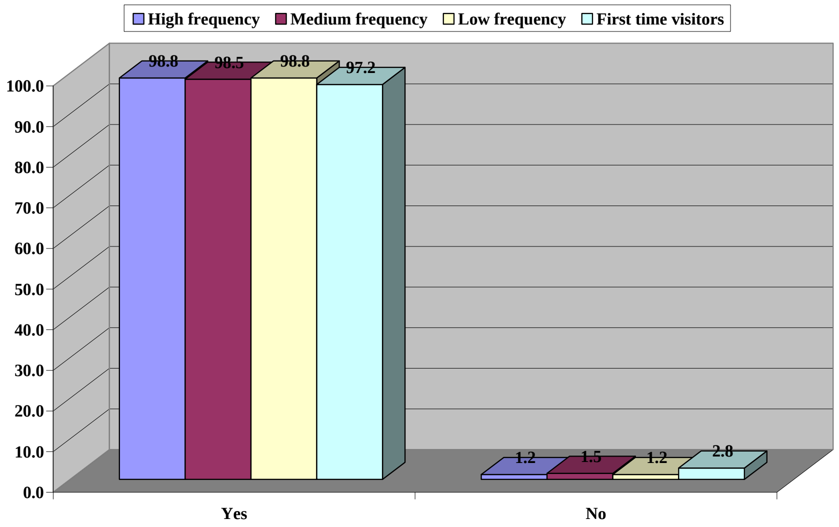

Fig. no. 12. Customer revisit/rebuy intention

The analysis of the customer location related to the store, relevant as location is one of the key aspects that define convenience, shows that first time visitors and lower frequency visitors mainly enter the store as they are passing through the area where the shop is located, while medium and higher frequency visitors mostly live or work in this area (Fig. no 13).

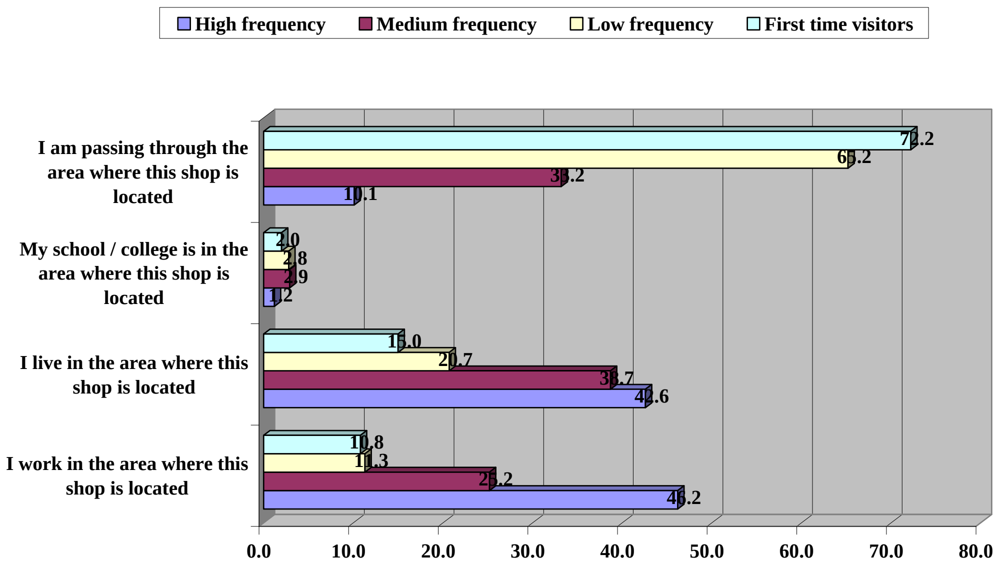

Fig. no. 13. Customer location in relation to the store

The analysis of the visiting context shows an interesting differentiation among the segments considered. We may see that most high frequency visitors attend the stores regularly, depending on their needs, while most low frequency visitors enter the stores totally random, when they need something. For all the considered segments, the percentages obtained for the variant of response: “I visit them regularly depending on my needs” are situated in the middle (Fig. no. 14).

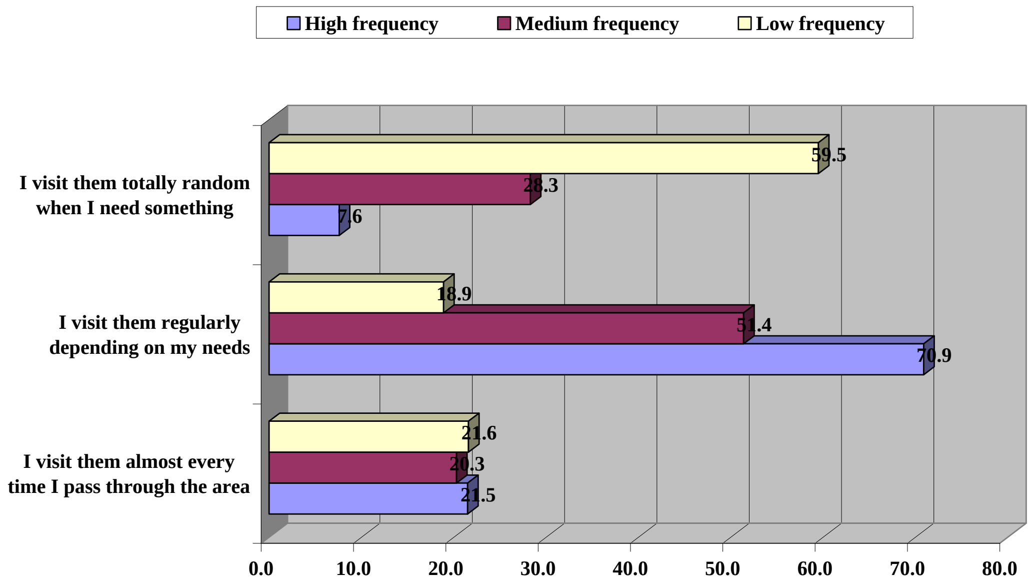

Fig. no. 14. Context of visiting the store

Another important objective of the research was the analysis of the regular purchase categories of products, compared to the no purchase ones, differentiated by the segments of regular customers (Fig. no. 15-20).

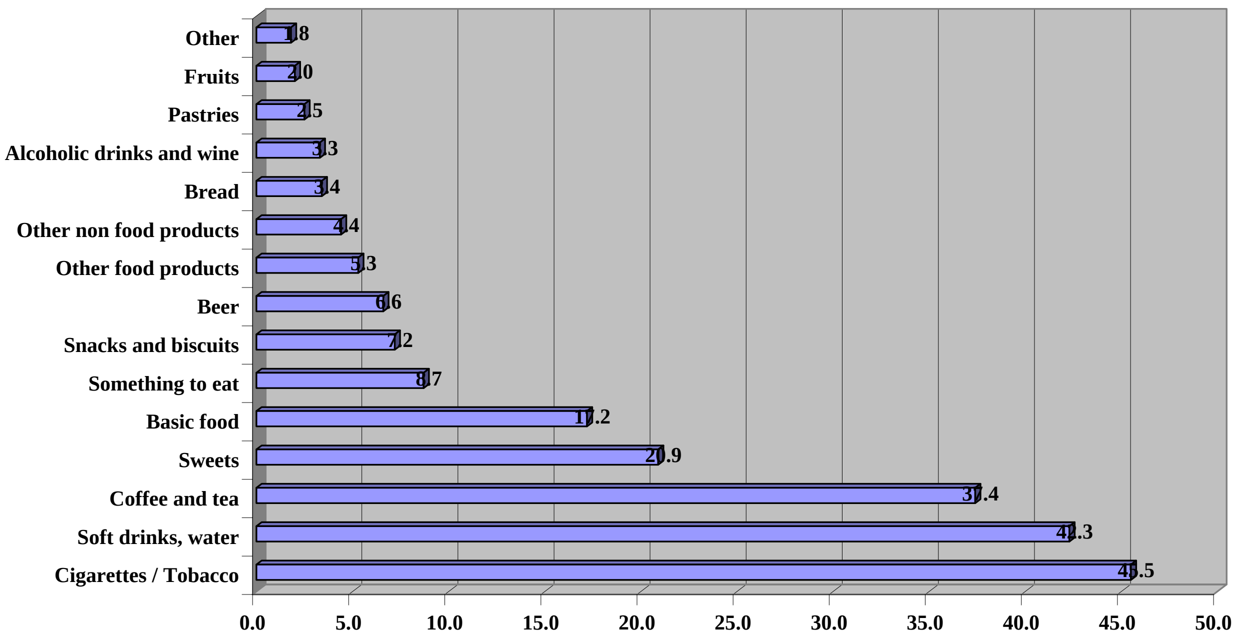

Fig. no. 15. Regular purchase categories - High frequency visitors

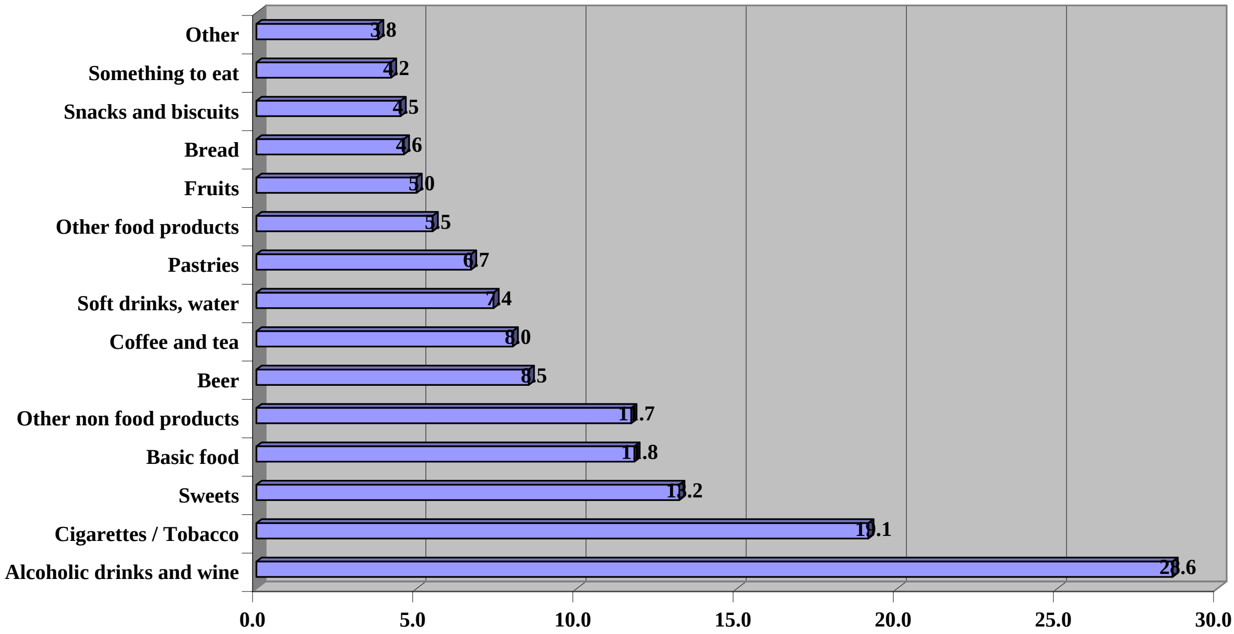

Fig. no. 16. No purchase categories - High frequency visitors

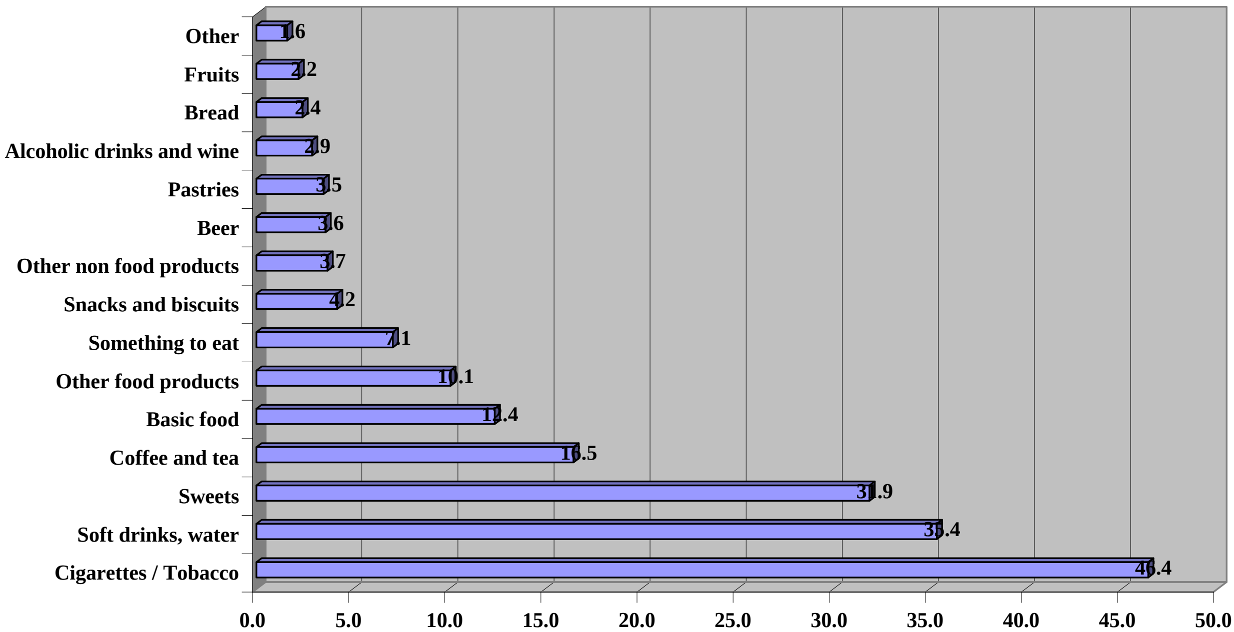

Fig. no. 17. Regular purchase categories - Medium frequency visitors

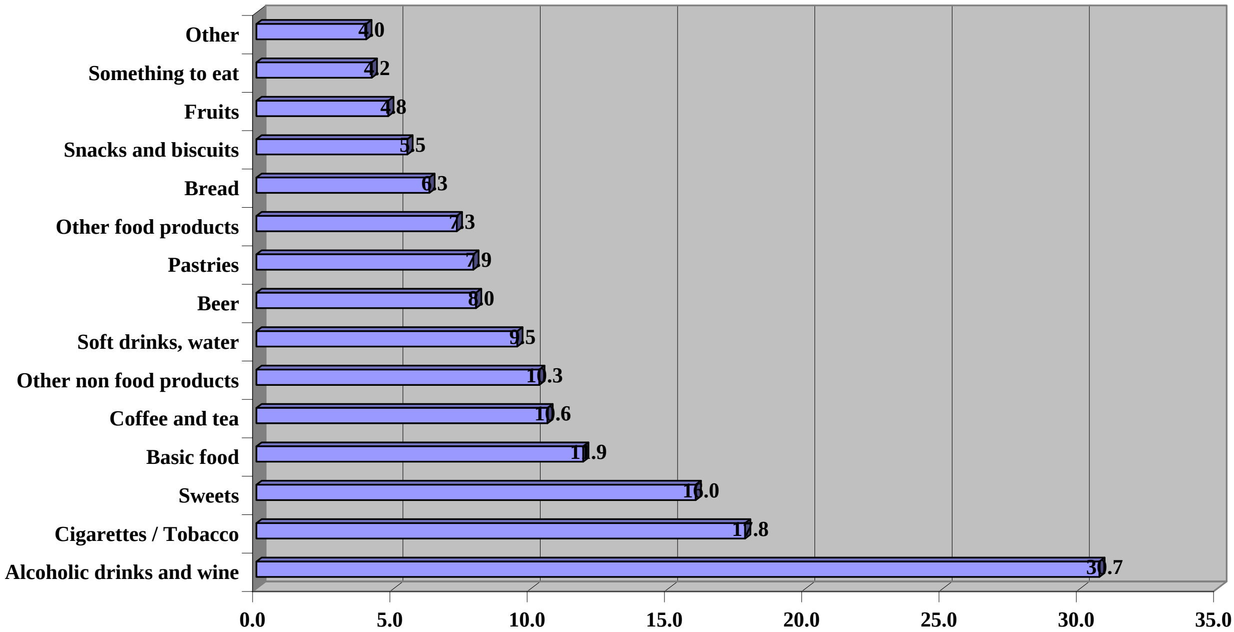

Fig. no. 18. No purchase categories - Medium frequency visitors

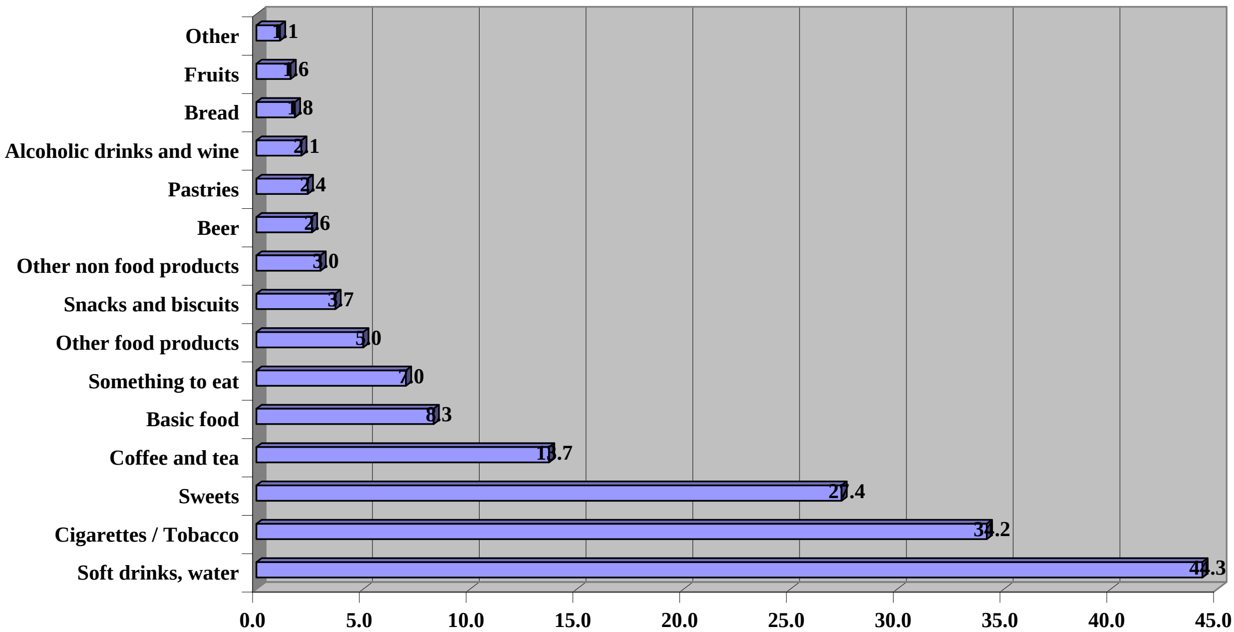

Fig. no. 19. Regular purchase categories - Low frequency visitors

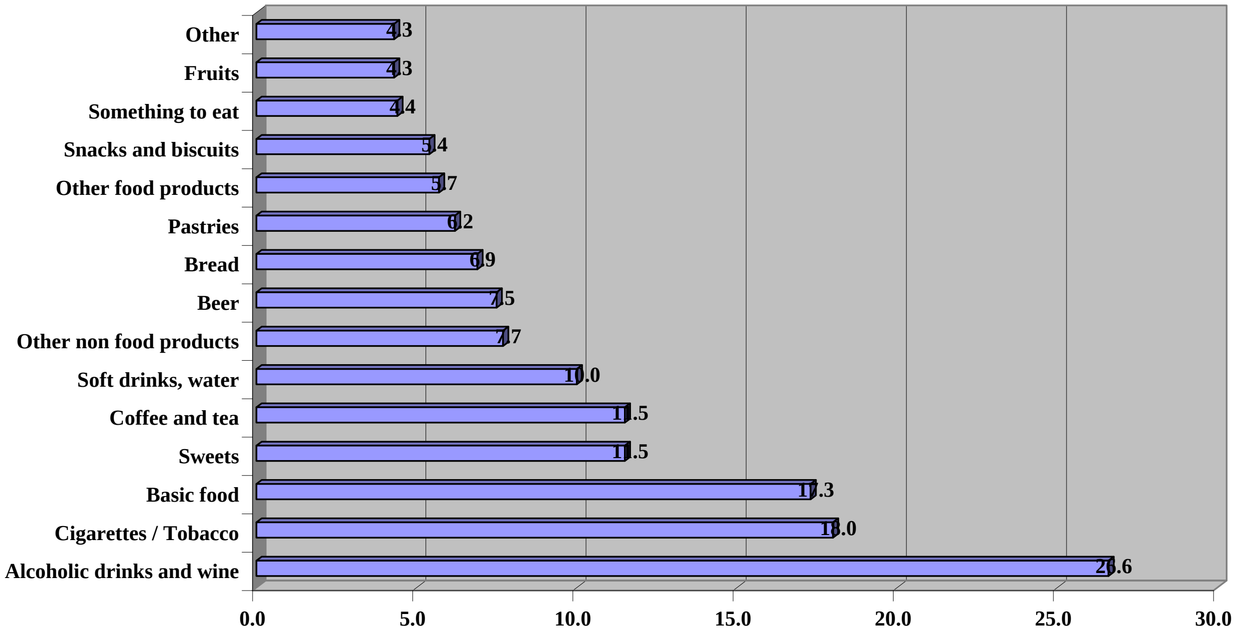

Fig. no. 20. No purchase categories - Low frequency visitors

It is interesting to note that for all segments, there are categories that acquired high response percentages for both cases - regular and no purchase, like for example, cigarettes and tobacco products, or sweets. This can be explained by considering further segmentation of the customers and building more specific profiles - for example, smokers will regularly buy cigarettes and tobacco products, while non-smokers won't. Except for such categories, linked to more specific customer profiles, we consider as an important finding the fact that the regular purchase categories, as well as no purchase ones, are generally similar for the considered segments. Therefore, the offer of the convenience stores should include standard convenience items, but at the same time, taking into account the specific profiles of the regular visitors would determine further increase in sales and profit.

Conclusions

The results of the conducted research allows us to assert that the shopping habits of the residents of Bucharest are changing, as we may speak of an increased orientation towards convenience stores, according to the trends reported in other developed countries. Also, the shopping behavior of the Romanian consumers attending convenience stores generally matches the main characteristics mentioned in the literature.

The research aimed to bring further insights into the Romanian consumer behavior on the retail market, and is among the first studies that focus on the changing shopping habits towards convenience retailing.

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