Ivan-Damir Anić
*Rudolf Vouk**

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EXPLORING THE RELATIONSHIPS BETWEEN STORE PATRONAGE MOTIVES AND PURCHASING OUTCOMES FOR MAJOR SHOPPING TRIPS IN THE CROATIAN GROCERY RETAILING

Prediction of retail patronage has long been of interest to scholars and practitioners. For retailers, the importance of this theory is in gaining the ideas and knowledge of how to design the retailing strategy tailored to specific consumers' needs and wants. The present paper examines the importance of store patronage motives for major shopping trips and explores how they are associated with purchasing outcomes and retailers' performance. Questions addressed here were examined with data collected from a consumer and company questionnaires carried out in the Croatian grocery sector in 2004. Data was analysed using factor and cluster analysis, analysis of variance (ANOVA) and multiple regression as well. The analysis produced 6 store patronage motive factors, shopping convenience being the most important factor for generating store traffic, and prices for enhancing monthly sales level. Four shopper groups with significantly different shopping behaviour were identified. Since retailers' sales level is determined by store traffic and not by the average spending per shopper, the retailers should focus to increase store traffic by offering the best package of store attributes and loyalty programmes, targeting each shopper group differently.

Key words: Grocery retailing, major shopping trip, store patronage motives, strategy, consumers' and retailers' perceptions

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* I. D. Anić, dr. sc., znanstveni suradnik u Ekonomskom institutu, Zagreb; R. Vouk, dr. sc., izvanredni profesor na Ekonomskom fakultetu u Zagrebu. Rad primljen u uredništvo: 16. 9. 2005.

Introduction

Before the beginning of the 1990s, Croatian consumers had a limited choice of stores for their grocery shopping trips. Since then, we have witnessed fast expansion of supermarkets, hypermarkets, cash and carry stores and discounters. With the entry of multinational retailers, and the shifts in consumers' attitudes and behaviour, grocery retailers have felt ever stronger pressures to make their competitive strategies more effective, so that they can increase store traffic, enhance store loyalty and improve performance. Strategic positioning has become critical issue for gaining both a sustained long-term growth and a leadership position. The central problem addressed here is the identification of the factors that determine the store choice and have the greatest impact on performance.

Patronage behaviour has been a subject of research for the past few decades. The major focus of these studies was to explore the relative importance of store patronage motives (Arnold, Oum and Tigert, 1983; Woodside, 1973; Kelley and Stephenson, 1967; Stephenson, 1969; Bellenger, Robertson and Greenberg, 1977) and develop shopper taxonomy (Williams, Painter, Nicholas, 1978; Jin and Kim, 2003). There are also studies that have compared shopper perceptions with manager perceptions (Jolson and Spath, 1973). However, the results reported are often in conflict with each other, and no taxonomy has become dominant in the literature. Several store attributes have been proposed to be important for the store choice decision, including location, merchandise, and services offered, pricing, as well as the store environment. Only a small set of consistently significant food store parameters (prices and location being the most important) was identified to be the key determinants of store patronage across different markets and across time (Arnold, Oum and Tigert, 1983). The differences in relative rankings of these determinants might be explained by different retail settings addressed, differences in market structure, competitive strategies and the state of consumer preferences. Furthermore, empirical research has focused on retail markets in North America and Western Europe, with the result that little is known about the applicability of these models in the fragmented and emerging markets such as Croatia.

The purpose of the present paper is to examine the relationship between factors underlying consumers' store choice decisions and purchasing outcomes for major shopping trips in the Croatian grocery sector. Specifically, the study focuses on the following four questions: (1) Which store patronage motive factors determine store choice and purchasing outcomes?, (2) What is the link between different shoppers' subgroups and their purchasing behaviour expressed in terms of frequency of shopping trips undertaken, spending per shopping trip and monthly spending on major shopping trips?, (3) How are understanding and fulfilling gaps associated with purchasing outcomes?, (4) What is the best strategy for drawing consumers into the stores and increasing consumer spending?

The paper contributes to the research literature by:

(1) Developing shopper typology for major shopping trip based on store patronage motive factors. Most of existing studies have developed different shopper typologies based on store image dimensions, and have not taken the purpose of shopping trip into account. No taxonomy of major shopping trip motives exists. Since different shopping trips (major shopping trips and fill-in shopping trips) yield different retailing outcomes, the analysis of major shopping trips may produce different store patronage motive factors and different shopper groups as well. Major shopping trips have seen to be the greatest driving force behind consumer spendings (GFK, 2004) and therefore it is reasonable to focus our research on that type of shopping trip.

(2) Exploring the relationships between store patronage factors and purchasing outcomes. There is a lack of literature examining the links between store patronage motives and purchasing outcomes.

(3) Combining and applying the store patronage motive and gap theories to the fragmented, growing and emerging Croatian grocery market. Store patronage motives have been shown to be different accross high-developed markets (Arnold, Oum and Tigert, 1983). Due to different consumer preferences, less developed markets should be different from mature markets. As we test the theory, we may discover refinements in the theory of store patronage motives and major shopping trips in Croatia. Even if one makes the doubtful assumption that the theory of store patronage motives is universal, relevant in all economic environments, one should, at the very least, test these models in economies outside of North America and Western Europe.

Some managerial implications might be derived from this study. Information on store patronage motive factors and purchasing behaviour of different shopper groups should reveal areas that need more cautious approach in planning and implementing complementory-marketing programs. The identified understanding and fulfilling gaps should suggest the areas where management has paid too much or too less attention, and where changes in retailing strategy are necessary, if increased store traffic, enhanced store loyalty and improved store performance is to be achieved.

To address the issues described above, theory and empirical research is employed. This study builds on the major shopping trip, store patronage motives and on the gap literature. The consumer survey and company surveys were conducted in July-August 2004 to collect data for this study. Factor analysis was used to produce store patronage motive dimensions, while cluster analysis was performed to develop the shopper typology. Data was analysed using ANOVA and multiple regression techniques.

The reminder of the paper is organized as follows: (1) Literature review: the theory of major shopping trip, store patronage motives and gap models; (2) Hypotheses; (3) Methodology; (4) Results; (5) Conclusions with managerial implications and future research directions.

Theory of major shopping trip, store patronage motives and gap models

Theory posits consumers undertake different types of shopping trips. A shopping trip occurs when a consumer's requirements for particular goods justify his or her allocation of the necessary time, effort, and money to travel to the store to obtain required products and services (Westbrook and Black, 1985). Past research has identified two types of shopping trips: major and fill-in shopping trip (Walters and Jamil, 2003; Kahn and Scmittlein, 1992; Frisbie, 1980; Kollat and Willet 1967). Major shopping trip requires much time and effort because many items are to be purchased on such trip in order to fulfill short and long-term needs (Walters and Jamil, 2003). As opposed to major shopping trip, a fill-in-shopping trip is designed to satisfy more urgent needs to replenish perishables that are frequently consumed, such as milk, eggs, and bread, or to purchase items for upcoming use. It involves smaller effort and time commitments, fewer items purchased and less money spent. The results of major consumer surveys such as GFK Croatia (2004) indicate the importance of major shopping trips and justify the efforts to examine major shopping trips in this study. The GFK surveys showed the major changes Croatian consumers have beeing going through. The frequency of major shopping trips is increasing from 49.9 per cent once a month or more often in 2001 to 59.2 per cent in 2003, whilst daily fill-in shopping trips are declining, from 47 per cent in 2001 to 40.8 per cent in 2003. In 2003, 80.8 per cent of major shopping trips were conducted in large-scale stores with 87.4 per cent of shoppers spending up to 800 HRK per shopping trip. On the other hand, fill-in shopping trips were undertaken mostly in dwindling small traditional convenience stores (78.5 per cent of shoppers) spending only up to 60 HRK (72.3 per cent of shoppers).

Store patronage motives are reasons for patronazing the store, i.e. elements of a retailer's merchandising mix that are critical in customer' patronage decision. Past research has aimed to determine the relative importance of individual store patronage motives (Arnold, Oum and Tigert, 1983; Woodside, 1973), produce store patronage motive factors (Kelley and Stephenson 1967; Stephenson 1969; Bellenger, Robertson and Greenberg, 1977) and develop shopper typologies based on image dimensions (Williams, Painter and Nicholas, 1978). Several store attributes have been proposed to be important for store choice decision, including advertising, physical characteristics of the store, convenience factors, merchandise selection, friendly personnel, service quality and low prices. However, no taxonomy has become dominant in the literature. Only a small set of consistently significant food store parameters have been found to be consistent across different markets and across time, convenient location and low prices beeing the most important factors (Arnold, Oum and Tigert, 1983). There is a vacuum of literature on store patronage motives in transition economies, and Croatia is no exception. The present study aims to explore the relative importance of patronage motives as individual values and factors, and link them with purchasing outcomes. Although, the study of Jin and Kim (2003) developed shopper typology and explored the difference in discount shoppers' purchasing outcomes, this typology was based on shopping motives and not on store patronage motives.

Furthermore, the present study examines the relationship between consumers' and managers' view on store patronage motives. When designing the retailing strategy, management first decides which store image to project to selected market segment. Clearly, managers need information not only about the target market, but also on store attributes perceived by the market as important in store patronage decision (Osman, 1993). Several studies have examined the question of how managers understand consumer wants (understanding gap) and what is the difference between consumer's wants and retailer's delivery, i.e. fulfilling gap (Pathak, Crissy and Sweitzer, 1974/75; Nel 1993; Jolson and Spath 1973). Those gaps are rooted in the service quality GAP model theory (Parasuraman, Zeithaml and Berry, 1985). This theory rests on the thesis that consumer perception of service quality is influenced by a series of gaps that are occurring on the marketer's side associated with the design, marketing, and delivery of services. Little is known how understanding and fulfilling gaps are related to retailers' performance.

A series of hypotheses are now developed on linkages between store patronage motives, purchasing behaviour and retailers' perspective on store patronage motives.

Hypotheses

Store patronage motives and purchasing outcomes

The studies on store patronage motives conflict with each other. One group of studies have stressed the importance of prices and location convenience for store patronage. Arnold, Oum and Tigert (1983) identified location convenience and low prices to be top-ranked determinant attributes across most markets and cultures. According to GFK survey (2004), the most important store patronage motives for Croatian shoppers undertaking major shopping trips were prices (62.5 per cent of shoppers), followed by the depth of assortment (59.2 per cent of shoppers). Different means of payment (34.4 per cent of shoppers) and location convenience (30 per cent of shoppers) were ranked third and fourth, while other store attributes and services were found to be of lower importance. The major weakness of GFK survey (2004) is that there were not enough items included to measure shopping convenience. On the other hand, the second group of studies found different convenience factors to be of extreme importance for store patronage. Bellenger, Robertson and Greenberg (1977) found the quality of center and locational convenience to be the most important shopping center patronage motive factors. Similarly, service and shopping convenience factors were top-ranked dicount store patronage motive factors in Korea, and price factor was ranked weak fifth (Jin and Kim, 2003). The grocery shopping theory posits grocery shopping constitutes a routine type of consumer behavior and shoppers tend to optimize their time and money expenditures (Jacoby, Szybillo and Berning, 1976; Umesh, Pettit and Bozman, 1989). Accordingly, shoppers seek for efficient shopping, where convenience plays an important role. Furthermore, Croatian shoppers have lower income level and are going through the new shopping experience. With these facts and the above-described theories taken into consideration, we propose the following hypothesis to be tested:

H1: A set of store patronage motives determine store choice. Convenience factors associated with prices should be the most important store patronage motive dimension in terms of average importance.

Shopper typology and purchasing outcomes

Past research has identified several shopper types with significantly different purchasing behaviour, including involved shoppers, price- and convenience-driven shoppers. According to Williams, Painter and Nicholas (1978), involved shoppers were highly involved with pricing and customer service practices. They wanted convenience, quality and advertising, and low prices as well. On the other hand, price-driven shoppers were heavy user of advertising materials, seeking the lowest prices. Convenience-driven shoppers were willing to trade increased convenience (parking and location) for high prices. On the contrary, Bellenger, Robertson and Greenberg (1977) found convenience shoppers required low prices as well as convenience. Considering the described facts, we propose the following research hypotheses to be tested:

H 2a: As compared with price-driven shoppers and involved shoppers, convenience-driven shoppers are more likely to have ranked first the convenience factors.

H 2b: As compared with convenience-driven shoppers and involved shoppers, price-driven shoppers are more likely to have ranked first prices.

H 2c: As compared with price- and convenience-driven shoppers, involved shoppers are more likely to have been the most demanding shoppers in terms of total importance score.

In terms of loyalty, involved shoppers were the least loyal, while convenience shoppers were the most loyal shoppers (Williams, Painter and Nicholas, 1978). Contrary to this finding, Walter and Jamil (2003) found price shoppers to be the least loyal. They visited several stores in search for low prices and store specials, bought the fewest items, mostly planned products, and spent the least amount of money. Factors positively related to store loyalty were found to be store accessibility, specific products offered, while the time of transport to store required and income level were identified to be negatively related to store loyalty. Theory posits stores with higher percentage of loyal shoppers should be the most profitable ones, suggesting loyal shoppers should spend more than less loyal shoppers. If convenience shoppers were more loyal than price-driven shoppers, they should spend more money than price-driven shoppers. The following hypotheses are proposed:

H 2d: Price-shoppers should be less loyal to one store than convenience-driven and involved shoppers.

H 2e: Price-shoppers should spent less money on major shopping trip than convenience and involved shoppers, while convenience-shoppers are expected to spend the highest amount of money.

Understanding and fulfilling gaps and performance

Past research has shown consumers' and management's perceptions of the store attributes important for major shopping trips are to a certain degree congruent, but not at all store attributes. Management enjoys a reasonably good understanding of customer wants, even though these do tend to be overestimated in general. While management had clear perceptions of what customers expect, the customer perceptions of service delivery fell short of their expectations (Nel, 1993). McClure and Ryans (1968) found retailers tend to be merchandising-oriented and the intangible facets of marketing programming were not properly appreciated. In general, retailers emphasised the importance of price, and underestimated the strengths with which consumers view the importance of intangible services. According to Thompson, Lumpkin and Hite (1991), service offerings lagged behind somewhat in responding to perceived consumer needs, suggesting retail store services were less important to retailers than the selling of goods. This perspective changed in the US during the 1990s, due to the increased competition, saturated retail markets, and lowered profit margins for many retailers. We assume that for store patronage in Croatia all attributes related to selling of goods are still more important than intangible services. This approach means less loyalty and worse performance for store. Companies providing high service quality as perceived by their customer tend to be the most profitable companies (Nel, 1993). Poor service is the main reason why customers switch to competitors. Considering the described facts, we propose the following research hypotheses to be tested:

H 3a: Perceptions between consumers and management of the store attributes important for major shopping trips should be a certain degree congruent, but not at all store attributes. While retailers steadily emphasise the importance of store attributes related to selling of goods, intangible services are considered to be of lower importance.

H 3b: The retailers focusing primarily on prices are not likely to be the best-performing retailer in terms of store traffic and sales volume.

Methodology

Questionnaire and sample profile

Data for this study was obtained from consumer and retailer questionnaires carried out in Croatia during the period June-August 2004. The consumer survey was conducted to collect data on store patronage motives and purchasing behaviour for major shopping trips. The questionnaire itself was structured to capture the following questions: (1) store patronage motives, (2) primary and secondary store, (3) frequency of shopping trip, (4) spending per trip in HRK, (5) loyalty to store and demographic variables. Major shopping trip was defined as a trip where consumers spend more than HRK 200 per trip. A sample of 253 consumers was obtained. Ten questionnaires were eliminated because shoppers did not include purchasing outcomes. Hence, 243 usable queastionnaires were obtained for the analysis. Summary statistics on consumer sample is presented in table 1.

Table 1

SUMMARY STATISTICS ON RETAIL GROCERY SHOPPERS: SAMPLE CHARACTERISTICS

Variable	Respondents, N=243
1. Respondent profile	
1.1. Residence (%)	100.00
1.1.1. In Zagreb (%)	68.72
1.1.2. In other counties	31.28
1.2. Gender (%)	100.00
1.2..1. Males (%)	51.44
1.2.2. Females (%)	48.56
1.3. Average Age (years)	29.64 (11.87)
1.4. Average monthly household income (HRK)	6,401.65 (1733.77)
2. Purchase behaviour of respondents	
2.1. Frequency of shopping (times in a month)	4.49 (4.60)
2.2. Average Spending per shopping trip (HRK)	448.97 (263.35)
2.3. Average monthly spending on major shopping trips (HRK)	1,685.19 (1514.35)

Respondents were 51 per cent males and 49 per cent females, with the majority of them (69 per cent) living in Zagreb. The consumers' age ranged from 19 to 70, with a mean of 30 years. The respondents reported a household's monthly income of HRK 6,402. Monthly spending on major shopping trips averaged HRK 1,685. On average, consumers undertook 5 major shopping trips in a month and spent HRK 449 on each trip. The majority of shoppers (57 per cent) indicated supermarket as a primary store where they shopped, 14 per cent being mostly a hypermarket shopper, 7 per cent discount store shopper, and 22 per cent cash & carry shopper. The present sample is consistent with GFK survey (2004)[1].

The second, company questionnaire consisted of 15 leading Croatian grocery retailers. Retailers were asked to indicate main store type they operate, the importance of store patronage motives for shoppers and to rate the performance of their chains as compared with major competitors along all store patronage attributes.

[1] According to GFK survey, 59.2 per cent of shoppers undertook major shopping trips at least once a month or more. 72 per cent of shoppers spent up to HRK 600 per shopping trip. 61 per cent of them shopped the most in supermarkets, and 19,5 per cent in cash and carry stores.

Measurement and data analysis

Store patronage motives. The selection of store patronage motives was based on literature review (Stephenson, 1967; Bellenger, Robertson and Greenberg, 1977; Tae, Oum, Tigert 1983) and judgements of practitioners. Store patronage motives were determined by 17 indicators all measured on a five-point semantic differential scale ranging from 5 = very important to 1 = not important. Store attributes on which consumer perceptions were measured were: prices, selection of products, branding, advertising, customer services, location, parking space provided, easy to get to the store, easy to find product in the store, the speed of check-out, opening hours, layout and displays, store atmosphere, personnel, the possibility to buy on credit, delivery to home, and easy to return merchandise.

Purchasing behaviour. Purchasing behaviour variables used in this study are the frequency of shopping trip undertaken, spending per shopping trip and monthly spending on major shopping trips. Store loyalty and the favorite store were ascertained by simply asking respondents to name the primary store where they shopped the most and to rate the likelyhood to return to primary store and their loyalty to region, measured on Likert scale ranging from 1 (do not agree) to 5 (agree).

Fulfilling and understanding gaps. Understanding gap was measured as the difference between consumer and manager perceptions of the importance of 17 store attributes for store selection, measured on a five-point scale ranging from important to not important. Fulfilling gap was determined as the difference between the retailers' delivery and importance attribute scores. A detailed observation of representative retailers' stores was also undertaken in an attempt to determine whether a particular grocery chain carried store attributes as stated by managers. Scores obtained from the store observation corrected retailers' ratings.

Data analysis. Data was analysed using different multivariate statistical techniques. The responses on the importance of store patronage motives were first subjected to factor analysis with varimax rotation to identify store patronage motive dimensions. Only the statements with an Eigenvalue of 1 or more were included in the factor. Factor scores were then employed in K-means cluster analysis to develop shopper typology. The statistical differences among shopper groups on purchasing behaviour variables were tested using analysis of variance method (ANOVA). Finally, gap analysis was employed to determine the differences between managers' and consumers' perceptions of store patronage motives.

Results

Store patronage motives, shopper typology and purchasing outcomes

Based on average (mean) importance, our sample of 243 Croatian consumers revealed that the most important individual store patronage motive was the desire for a broad assortment of food products (4.33). The other highly ranked motives were speed of checkout (4.22), store location (4.03), easy access to the store (4.16), and availability of parking (4.05). Consumers' interest in low prices was high, but sixth-ranked in importance (4.33). Above average or average importance score was attached to store services offered (3.74), in-store sales associates support (3.93), and store opening hours (3.25), while the availability of store brands (2.40), advertising (2.40), credit availability (2.73) and home delivery (2.11) were rated below average. The data suggests not individual scores, but a set of store patronage attracts shoppers into the store. Consumers are willing to trade off convenience and broader assortment for just a little bit higher prices. Although price level did not rank as high, our survey sample was consistent with GFK study (2004).

The individual responses were submitted to factor analysis. This procedure identified six factors of store patronage motives, explaining 62.52 per cent of the total variance (see table 2). Factors were labeled according to the dominant variables in the factor as follows: (1) Shopping convenience (shopping efficiency), (2) Convenient location, (3) Additional services offered by a store, (4) Promotion efforts, (5) In-store stimuli, (6) Prices charged. Based on mean importance, shopping and location convenience were the most important store patronage motive factors (4.00 and 4.03 respectively), followed by prices (3.97) and in-store stimuli (3.79), confirming the hypothesis H1. The data suggests the Croatian shoppers seek locational and shopping convenience, but also low prices when deciding where to shop. The availability of additional service (2.68) and promotion variables (2.65) was found to be below-average important factors.

Table 2

PATRONAGE MOTIVE FACTORS IN THE CROATIAN GROCERY MARKET, N = 243

Factors/Individual store patronage motives	Factor loadings	Mean (SD)	Variance explained, %
1. Shopping convenience		4.00 (0.71)*	22.47
1.1. Display and layout	0.74	4.05 (1,26)	
1.2. Easy to find product in the store	0.73	3.53 (1.09)	
1.3. Parking space provided	0.71	3.87 (1.01)	
1.4. Speed of checkout	0.44	4.21 (1.01)	
1.5. Broad assortment	0.42	4.33 (0.81)	
2. Convenient location	0.87	4.03 (1.12)	9.93
3. Additional services		2.68 (1.02)*	
3.1. Availability of credit	0.72	2.73 (1.44)	9.53
3.2. Home delivery	0.80	2.11 (1.26)	
3.3. Return policy	0.61	3.21 (1.37)	
4. Promotion		2.65 (0.84)	
4.1. Store brands	0.75	2.40 (1.19)	7.52
4.2. Advertising	0.67	2.40 (1.13)	
4.3. Brand names	0.57	2.39 (1.19)	
5. In-store stimuli		3.79 (0.87)*	
5.1. Services	0.70	3.74 (1.07)	6.84
5.2. Staff	0.83	3.93 (1.06)	
5.3. Atmosphere	0.69	3.68 (1.08)	
6. Prices	0.87	3.97 (1.05)	6.23

Notes: (a) Average of the scale items for each factor was used for further analysis and comparison purposes, except for location and price factors that were treated as individual mean values. *Cronbach alphas were as follows: convenience of shopping = 0.71, Additional services = 0.62, Promotion = 0.55, in-store stimuli = 0.74

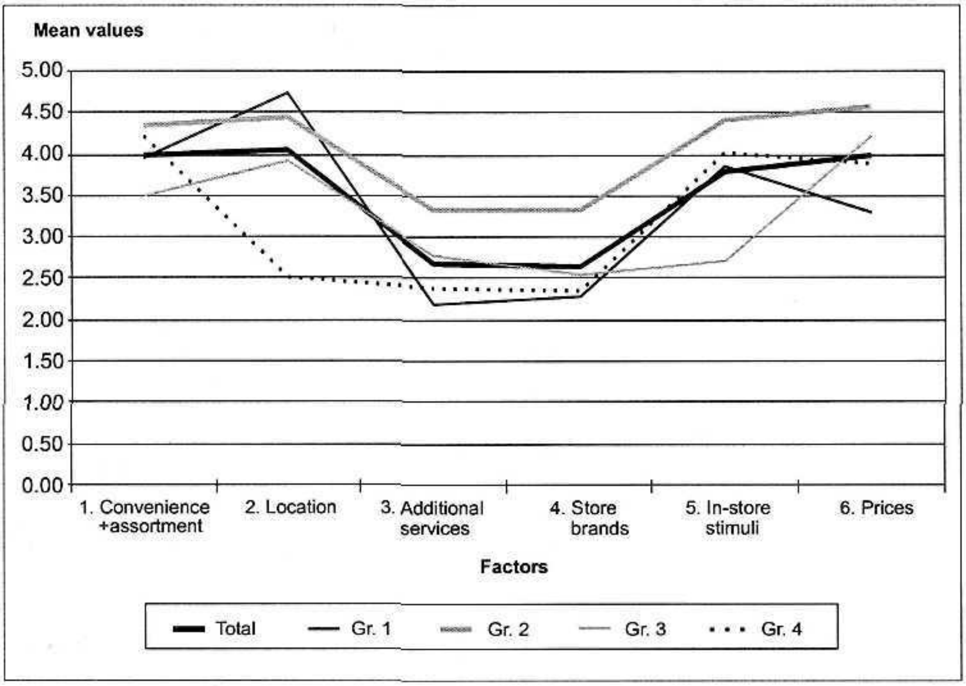
(b) Ratings were indicated on a five-point scale ranging from 5 = “the highest importance” to 1 = “the lowest importance.

Two multiple regression analysis were performed to identify the relationships between store patronage motive factors and purchasing outcomes. First, store patronage motive factors were regressed on spending per shopping trip (dependent variable), and then on monthly spending on major shopping trips (dependent variable). The first formula indicates that the positive significant relationship holds only for shopping convenience factor, while in the second formula the price factor were found to be the only factor significantly and positively related to the monthly spending in HRK. The regression results suggest the shopping convenience factor was the most important factor explaining the amount of money spent per each shopping trip, but it was prices that determine household's total montly spending. Spearman correlation coefficients revealed interesting relationships that exist between monthly spending, spending per shopping trip and frequency of shopping. Monthly spending for major shopping trips was significantly and positively related with frequency of shopping trips (0.69) and average spending per shoppping trip (0.25). Accordingly, the more trips a shopper undertakes in a month, the more he or she will spend on such trips. If a shopper undertakes more trips in a month, less amount of money will be spend on each shopping trip (-0.29). This is, however, only a composite view of all the shoppers in the sample. The question now is whether different market segments view the importance of store attributes differently and how their perceptions relate to purchasing outcomes.

Based on store patronage motives, cluster analysis was performed, producing four different types of shoppers. Clusters were labeled according to the dominant factor score as follows: Group 1: Location-driven shoppers, Group 2: Involved shoppers, Group 3: Price-driven shoppers, and Group 4: Shopping convenience-driven shoppers. The analysis of variance (ANOVA) was then employed to test the differences between groups and the relationships between groups on purchasing outcomes. Summary statistics on 4 shopper groups is given in figure 2 and table 3.

Figure 1

CLUSTER STATISTICS



As shown in table 3, significant differences between groups were found for income, frequency of shopping, average monthly spending, and loyalty to one store. Spending per shopping trip and loyalty to region were not found to be significantly different across four groups.

Table 3

SUMMARY STATISTICS ON FOUR SHOPPER TYPES, MEAN (SD)

Store patronage motive dimensions	**Total (N=243, 100 %)**	**Gr. 1 (N= 72, 29.63%)**	**Gr. 2 (N= 71, 29.22 %)**	**Gr. 3 (N= 53, 21.81 %)**	**Gr. 4 (N= 47, 19.34 %)**
1. Store patronage motive factors					
1. Shopping convenience*	4.00 (0.71)	3.94 (0.68)	4,34 (0.57)	3.48 (0.66)	4.19 (0.65)
2. Convenient location*	4.03 (1.12)	4.72 (0.51)	4,42 (0.82)	3.92 (0.78)	2.49 (1.02)
3. Additional services*	2.68 (1.02)	2.17 (0.85)	3,34 (0.99)	2.77 (0.86)	2.38 (0.95)
4. Store brands*	2.65 (0.84)	2.28 (0.73)	3,31 (0.80)	2.53 (0.62)	2.35 (0.69)
5. In-store stimuli*	3.78 (0.87)	3.83 (0.69)	4,38 (0.45)	2.72 (0.65)	4.01 (0.72)
6. Prices*	3.97 (1.05)	3.28 (1.06)	4,55 (0.69)	4.19 (0.76)	3.89 (1.15)
2. Average Income (HRK)*	6,401.65 (1733.77)	6,719.44 (1,686.95)	5949,30 (1764.63)	6,328.30 (1,857.66)	6,680,85 (1,490.64)
3. Purchasing behaviour					
3.1. Frequency of shopping*	4,.62 (1.28)	4.46 (1.26)	4.59 (1.28)	5.04 (1.36)	4.43 (1.14)
3.2. Spending per shopping trip, HRK	448.97 (263.07)	412.50 (270.60)	432,39 (257,34)	452.83 (245.429	525.53 (271.44)
3.3. Average monthly spending, HRK	1,685.19 (1,514.35)	1,819.44 (1742.16)	1540,85 (1320.34)	1,335,85 (1073.29)	2,091,49 (1,747.90)
3.3.1. Percent Low (up to 1999)*	66.67	66.67	67,61	77.36	53.19
3.3.2. Percent Medium (2000 – 3000)*	17.28	11.11	19,72	16.98	23.40
3.3.3. Percent High (3001 +)*	16.05	22.22	12,67	5.66	23.40
3.4. Loyal to a store coding* (percent)	30.86	36.11	39.43	18.87	23.40
3.5. Loyal to region coding percent	38.27	50.00	35.21	30.19	34.04
4. Primary chain patronage*					
4.1. Percent supermarkets	57.20	68.06	57.75	62.26	34.04
4.2. Percent hypermarket	13.58	16.67	8.45	5.66	25.53
4.3. Percent discount stores	7.00	5.56	8.45	3.77	10.64
4.4. Percent C&C	22.22	9.72	25.35	28.30	29.79

Notes: (a) * ANOVA results between groups significant, p-value<0.05

Price-driven shoppers perceived prices to be the most important store patronage motive factor. On the other hand, location-driven shoppers considered convenient store location to be the most important store choice factor, followed by shopping convenience and in-store stimuli, while prices were not the primary concern for this shopper segment. The orientation of involved shopper segment was expressed both in the desire for the lowest prices and very high level of convenience. They were the most demanding shoppers, rating 4 out of 6 factors with high above-average importance (rangig from 4.34 to 4.55). Convenience driven shoppers required shopping convenience the most, but also lower than average prices. Therefore hypotheses H 2a, H 2b and H2c are supported.

A further important finding of our study is that loyalty of the Croatian shoppers to any particular food retailer (31 per cent of loyal shoppers) or to the local area where they shop (38 per cent of loyal shoppers) is rated rather low across all 4 groups. Accordingly, any retailers, new or already established, regardless of location, can win the store loyalty as long as it provides better value for the price. Percentage of store loyal shoppers is found to be the highest for involved shoppers (39 per cent) and convenience shoppers (36 per cent) and the lowest for price-driven shoppers, confirming the hypothesis H2d. Four shopper groups frequent all store types regurarly, supermarkets being the major store type (57 per cent of shoppers). While the majority of convenience-, price-driven shoppers and involved shoppers (58 – 68 per cent) selected supermarkets as their primary store, location-driven shoppers divided their spending almost equally among supermarkets, hypermarkets and discount stores. The relationships between loyalty and monthly spending in HRK are presented in figure 3.

Figure 2

DESCRIPTION OF GROCERY SHOPPERS ACCORDING TO LOYALTY AND SPENDING

		Loyalty	
		Higher than average	Lower than average
Monthly Spending in HRK	Higher than average	*Quadrant 1* Convenience-oriented shoppers	*Quadrant 2* Location-driven shoppers
	Lower than average	*Quadrant 3* Involved shoppers	*Quadrant 4* Price-driven shoppers

Price-driven shoppers were the least loyal shoppers, spending the least amount of money, which confirms the hypothesis H 2e. Quadrant 1 and quadrant 2 represent the most valuable and promising shopper types in terms of loyalty and spending. Quadrant 4 and quadrant 3 are market segments that spent very little money, involved shoppers being very demanding shoppers and price-driven shoppers the least loyal shoppers.

Understanding, fulfilling gaps and retailers' performance

Second part of the analysis focused to determine the understanding and fulfilling gaps, as well as the relationships between the gaps and retailer's performance. The analysis was based on 4 retail chains operating different store types. They were selected as leading retailers (representing each store type) in terms of primary chain frequency reported by shoppers. Four retailers observed accounted for 64 per cent of the sample, and were labeled as follows: (1) supermarket retailer (81 shoppers), (2) hypermarket retailer (19 shoppers), (3) Discounter (16 shoppers), and (4) Cash and carry retailer (40 shoppers). The average importance score along each store patronage dimension for the customer and manager sample was calculated. The average importance score for the manager sample was substracted then from the average score for the customer sample to obtain the understanding gap score along each dimension. The same procedure was repeated to calculate the fulfilling gap. The more negative the score, the more serious the gap. The closer the scores are to zero, the more ideal they are. A positive score means that managers overestimate and are thus out of touch with consumer wants. Summary statistics on managers' and consumers' ratings is presented in table 4.

Table 4

SUMMARY STATISTICS ON UNDERSTANDING AND FULFILLING GAPS, MEAN (SD)

Store attributes	Consumer wants	Retailer perception of wants	R 1 (Supermarket retailer)		R 2 (Hypermarket retailer)		R 3 (Discounter)		R 4 (Cash and carry retailer)	
1. Factors			Perc.	Deliver	Perc.	Deliver	Perc.	Deliver	Perc.	Deliver
1.1. Shopping convenience	4.00 (0.71)	4.45 (0.41)	4.40	3.80	5.00	5.00	4.40	3.80	4.00	3.20
1.1.1. Display and layout	3.53 (1.09)	4.50 (0.58)	4.00	5.00	5.00	5.00	5.00	3.00	4.00	3.00
1.1.2. Easy to find product	3.87 (1.01)	4.25 (0.96)	5.00	4.00	5.00	5.00	4.00	3.00	3.00	3.00
1.1.3. Convenient parking	4.05 (1.26)	4.75 (0.50)	5.00	4.00	5.00	5.00	5.00	5.00	4.00	3.00
1.1.4. Speed of checkout	4.22 (1.01)	4.50 (0.58)	4.00	3.00	5.00	5.00	5.00	5.00	4.00	2.00
1.1.5. Broad assortment	4.33 (0.81)	4.25 (0.96)	4.00	3.00	5.00	5.00	3.00	3.00	5.00	5.00
1.2. Convenient location	4.03 (1.12)	4.50 (0.58)	5.00	5.00	5.00	3.00	4.00	5.00	4.00	4.00
1.3. Additional services	2.68 (1.02)	3.25 (0.69)	3.33	3.00	4.00	3.00	2.33	1.67	3.33	1.67
1.3.1. Availability of credit	2.73 (1.44)	3.25 (1.50)	4.00	5.00	4.00	5.00	1.00	1.00	4.00	1.00
1.3.2. Home delivery	2.11 (1.26)	2.50 (1.29)	2.00	1.00	4.00	1.00	1.00	1.00	3.00	1.00
1.3.3. Return policy	3.21 (1.37)	4.00 (0.82)	4.00	3.00	4.00	3.00	5.00	3.00	3.00	3.00
1.4. Promotion	2.65 (0.84)	3.83 (1.17)	4.67	4.67	5.00	4.33	2.67	3.33	3.00	4.67
1.4.1. Store brands	2.40 (1.18)	4.00 (1.15)	5.00	4.00	5.00	4.00	3.00	3.00	3.00	5.00
1.4.2. Advertising	2.40 (1.13)	3.50 (1.29)	4.00	5.00	5.00	4.00	2.00	2.00	3.00	4.00
1.4.3. Brand names	3.16 (1.17)	4.00 (1.15)	5.00	5.00	5.00	5.00	3.00	5.00	3.00	5.00
1.5. In-store stimuli	3.78 (0.87)	3.75 (1,10)	4.33	4.33	5.00	5.00	2.67	3.33	3.00	3.00
1.5.1. Services	3.75 (1.07)	3.50 (1.29)	4.00	5.00	5.00	5.00	2.00	3.00	3.00	3.00
1.5.2. Sales associates	3.93 (1.06)	4.00 (1.15)	5.00	4.00	5.00	5.00	3.00	4.00	3.00	3.00
1.5.3. Atmosphere	3.68 (1.09)	3.75 (0.96)	4.00	4.00	5.00	5.00	3.00	3.00	3.00	3.00
1.6. Prices	3.97 (1.05)	4.50 (0.58)	4.00	3.00	4.00	3.00	5.00	5.00	5.00	4.00
1.7. Total Factor scores	21.11	24.28	25.8	23.80	28.0	23.33	21.1	22.13	22.3	20.54
2. Understanding gap total	-	3.17	4.62	-	6.89	-	-0.04	-	1.22	-
2.1. Correlation with wants		0.72*	0.40	-	0.52	-	0.6*	-	0.5	-
3. Delivery gap total	-	-	-	2.69	-	2.22	-	1.02	-	- 0.57
3.1. Correlation with wants	-	-	-	0.08	-	0.68*	-	0.65*	-	0.12

Notes: (a) N consumers = 243, N retailers = 4
(b) Consumer wants refer to consumer perceptions of the importance of store patronage motives, while retailer perceptions include their perceptions of consumer wants; Perc. = retailer perceptions of consumer wants, Deliver = fulfillment of consumer wants, ranging from 1 = low level, 3 = medium level and 5 = high level.
(c) Total understanding and fulfilling gaps were calculated as the difference between store patronage factors.
(d) * Correlation coefficients significant at 0.05 level.

Understanding gap scores shows retailers understood consumers' wants pretty well (correlation coefficient was 0.72), although consumers' wants were overestimated in general (understanding gap score was 3.17). Discounter seems to understand the best consumers' wants (correlation coefficient was 0.6), while correlations between consumer and retailer perceptions of store patronage motive importance were not found to be significant for other 3 retailers. This is because they overestimated consumers' wants. Retailers highly rated the importance of price, shopping and location convenience, but rated below average the importance of in-store stimuli and additional services. The data suggests Croatian retailers are more merchandising- than service-oriented, confirming the hypothesis H 3a. As identified by Nel (1993), antecedents to understanding gap might be the following: insufficient marketing research, inadequate use of research results, a lack of interaction between management and customers at store level, inadequate upward communication between customer contact personnel and management, and too many levels of management separating contact personnel from top management.

In general, the retailers observed (except cash and carry retailer) delivered what they perceived what consumers' want (correlation coefficient were significant and ranged from 0.61 to 0.69). Only hypermarket retailer and discounter delivered what consumers want (correlation coefficient were 0.68 and 0.65 respectively). The results suggest that being consistent with consumers' want does not necessarily explain how to win a leadership position. Supermarket and cash and carry retailer were ranked first and second in terms of store traffic (the number of respondents) and sales level, but they were not so consistent in fulfilling what consumers' want (see table 5). It might be concluded it is the individual gaps along store patronage dimensions that determine the sales and not total fulfilling gaps.

Table 5

GAPS AND PERFORMANCE, MEAN (SD)

Variable	Supermarket retailer	Hypermarket retailer	Disounter	Cash&carry
1. Fulfilling gap	2.69	2.22	1.02	-0.57
1.1. Shopping convenience	-0.20	1.00	-0.20	-0.80
1.2. Location	0.97	-1.03	0.97	-0.03
1.3. Additional services	0.32	0.32	-1.01	-1.01
1.4. Promotion	2.02	1.68	0.68	2.02
1.5. In-store stimuli	0.55	1.22	-0.45	-0.78
1.6. Prices	-0.97	-0.97	1.03	0.03
2. Net Sales 2002 (mill. HRK)	4,043.80	876.76	466.76	1,907.09
3. No. of respondents (traffic)	81	19	16	40
3.1. Spending per shopping trip HRK*	386.42 (248.87)	484.21 (250.03)	450.00 (225.09)	545,00 (265,01)
3.2. Frequency of shopping**	4.37 (1.20)	4.79 (1.32)	4.56 (1.21)	5.03 (1.35)
3.3. Monthly spending HRK	1627.16 (1575.28)	1,578.95 (1,076.82)	1,656.25 (1,477.4)	1500.00 (1,190.6)
4. Percentage of shoppers				
4.1. Location driven	37.04	31.58	18.75	15.00
4.2. Involved shoppers	32.10	26.32	37.50	35.00
4.3. Price driven shoppers	20.99	10.53	12.50	30.00
4.4. Convenience shoppers	9.88	31.58	31.25	20.00
5. Percentage loyal shoppers	30.86	31.58	31.25	30.00

Notes: * ANOVA results significant at 0.05 level.

In order to be a leader in the Croatian market, a retailer must offer the best value for money, or to be price leader. Supermarket retailer, ranked first in performance, delivered the highest delivery score, being particularly excellent in locations, offering almost as required high level of shopping convenience and average prices, supported by heavy promotion and in-store stimuli. Cash and carry chain was a price leader, but second ranked retailers in sales level. This simply means that being second in prices is not good enough to take the leadership position. Therefore, hypothesis H 3c is supported. Interestingly enough, the highest level of services was not associated with highest performance level.

Correlation coefficients show sales was significantly and very highly correlated with number of respondents (0.998), but there were not significant differences in monthly spending across 4 shopper types classified according to primary store patronage. The results suggest that it is the number of shoppers that determine the sales level, and not averge monthly spending per shopper. Store patronage motives play an important role in generating traffic.

Conclusions

This paper examined the relationship between factors underlying consumers' store choice decisions and purchasing outcomes for major shopping trips in the Croatian grocery sector. Specifically, the study focuses on the following four questions: (1) Which store patronage motive factors determine store choice and purchasing outcomes? (2) What is the link between different shoppers' subgroups and their purchasing behaviour? (3) How are understanding and fulfilling gaps associated with purchasing outcomes? (4) What is the best strategy for drawing consumers into the stores and increasing consumer spending?

Our research shows shopping convenience (efficiency) factor was the most important store patronage dimension in terms of mean importance, while prices explained the most variance in purchasing outcomes. Four groups of shoppers with significantly different wants and purhcasing behaviour were identified. Convenience- and location driven shoppers were willing to trade off convenience for higher prices, while price-driven shoppers rated low prices as the most important store patronage motive factors. Involved shoppers were the most demanding shoppers. The loyalty to store or region of all four shopper groups was proved to be rather low. Price-driven shoppers were the least loyal shoppers spending the least amount of money, while convenience-driven shoppers were the most interesting segment for generating sales. Gap analysis shows retailers understood consumers' wants pretty well, although consumers' wants were overestimated in general. Total fulfilling gaps do not determine the performance of observed retailers, but the individual gaps along store patronage dimensions.

Several managerial implications might be derived from the findings of this study. Since the number of shoppers determines the sales level and not average monthly spending per shopper, retailers should focus to increase store traffic by offering the best individual package of store patronage motives. Such package must contain shopping convenience and low prices as well, since those factors appeal to all shopper groups. In order to be a leader in the Croatian market, a retailer must offer the best value for money, or to be a price leader. Retailers should work hard to enhance store loyalty. In doing this, loyalty programmes and strategies aiming to enhance store image is of extreme importance. It is very difficult for retailers to please to all shopper segments, so that specific market-oriented initiatives are necessary. Price-driven shoppers and involved shoppers might be attracted by heavy promotion, and then while in store in-store stimuli might be used to enhance impulse purchases. On the other hand, convenience-driven shoppers will not nessasary respond to price strategies, but they will respond to marketing programs emphasising convenience, shopping efficiency and saving time.

Although this study produced some interesting and meaningful findings, there are some limitations as well. First, although the data employed in this research were better than previously available ones, more abundant and richer data would have enlarged the scope of analysis. For example, larger retailer sample would have permitted to compare leading retailers with low performing companies. Like most marketing research, this study took a "snapshot" of a sample of the industry at a single point in time. Several years of data and a complete census of the firms in this industry would have provided further information as to how consumer attitudes have been changing and influencing retailers' performance. Despite these limitations, the results of this study offer useful insight into the shopper behaviour and store patronage motives.

There are several areas in need for further research. Further research should investigate the link between consumer perceptions of retailers' performance, satisfaction, store loyalty, purchasing outcomes and store performance, as well as the link between in-store stimuli and purchasing behaviour in the Croatian grocery retailing. Research is also needed to examine more in detail internal gaps leading to fulfilling gap. More work is needed to compare consumer behaviour in Croatia and both developed and emerging-market countries.

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ISTRAŽIVANJE POVEZANOSTI IZMEĐU ČIMBENIKA IZBORA PRODAVAONICA I POTROŠNJE U VELIKIM KUPOVINAMA U HRVATSKOJ MALOPRODAJI HRANOM

Sažetak

Znanstvenici i menadžeri trgovačkih poduzeća već dugo nastoje identificirati ključne čimbenike kod izbora prodavaonice. Za maloprodavače ova teorija daje smjernice za razvoj strategije koja bi bila prilagođena potrebama i željama potrošača. Ovaj članak istražuje relativno značenje čimbenika kod izbora prodavaonice za velike kupovine, i analizira njihovu povezanost s potrošnjom potrošača i rezultatima poslovanja maloprodavača. Podaci za analizu prikupljeni su s anketnim upitnikom, provedenim u hrvatskoj maloprodaji u 2004. godini. Različite multivarijante statističke metode su korištene u obradi podataka, uključujući faktorsku i cluster analizu, ANOVA-u i višestruku regresiju. Rezultati istraživanja pokazuju da postoje 6 čimbenika izbora prodavaonica. Sa stajališta izbora prodavaonica "lakoća kupovanja" je najznačajniji čimbenik, dok je mjesečna potrošnja uvjetovana čimbenikom "cijena". U hrvatskoj maloprodaji postoje četiri grupe potrošača s potpuno različitim modelom ponašanja i različitom razinom potrošnje. Kako broj kupaca (a ne prosječna potrošnja po kupcu) uvjetuje ostvarenu mjesečnu prodaju, maloprodavači bi se trebali fokusirati na povećanje broja kupaca tako da ponude one "atribute prodavaonice" koji najbolje odgovaraju zatjevima pojedinih grupa potrošača, kao i da intenziviraju primjenu programa lojalnosti.

Ključne riječi: Maloprodaja hranom, velike kupovine, čimbenici kod izbora prodavaonice, strategija, percepcije potrošača i managera