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Is Being Big Better? Shoppers Compare Food Merchandisers

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Abstract

Sixty undergraduate students enrolled in AAEC-3100, Food and Fiber Marketing, developed a survey with IRB approval, gathered the information, and compiled the results from 3,018 food shoppers in North Georgia and the Atlanta Metro counties concerning the shoppers' opinions about their shopping experiences and store attributes. Although chain store names were identified, WalMart references, for instance, were not all Supercenters combining grocery and mass-merchandise and specialty departments, or all Neighborhood Market (grocery only) formats. Surprisingly, America's largest grocer, WalMart, did not fare the best responses for customer shopping experience. WalMart received subpar scores for checkout speed/open checkout lanes, employee courtesy and service, stockouts of advertised specials, and fresh meat and produce quality, although customers were drawn to these stores by the advertised low prices. Shoppers viewed many other regional grocery chains as having comparable prices with WalMart or Sam's Club – namely, Costco, Trader Joe's, Krogers, Ingles, Bells, Harris Teeter, BiLo, Piggly Wiggly, and Publix—all have prominent market share in the Southeast.

Food shoppers are promiscuous in their willingness to try many different grocers; grocery shoppers averaged an estimated eighty-three trips per year to purchase groceries with an estimated average annual household expenditure of $5,120. For the survey, stores known to have grocery formats were identified/grouped into several store type categories: regional chains (i.e., Publix, Harris Teeter, Piggly Wiggly, BiLo, Ingles, Bells, Earthfare), warehouse clubs (i.e., Costco, Sam's Club, BJ's), national chains (i.e., Trader Joe's, Whole Foods, Kroger (and affiliates)), neighborhood pharmacies (i.e., Walgreens, CVS, RiteAid), mass merchants or department stores (i.e., Target, WalMart), and convenience stores (i.e., 7-Eleven, Quick Trip). Customer experience maps were developed and plotted to reflect the customers' shopping experience across the variety of store formats. Customer satisfaction indices (CSI) were also calculated with respect to the customers' overall shopping experience, the service, the product variety and selection, quality, prices, cleanliness, and ease of shopping. For overall shopping experience, regional chains scored the highest CSI and convenience stores the lowest CSI.

To gain an understanding of customer retention and loyalty, net promoter scores were determined for each of the store formats. To compare prices, a common grocery list was "shopped" by the students at the various outlets, noting the store-brand price. Venues offering lowest prices for food products varied with the products being priced. The significance of the survey is for students to learn smarter shopping and understand how goods are priced and marketed.

Keywords: grocery stores, food merchandisers, loyalty, customer experiences, prices

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