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# ADDITIONAL SUPERMARKET SERVICES--

## WHAT DO CONSUMERS PREFER

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The author concludes that the initial success of non-food related services in the areas of banking, insurance, etc. with consumers, suggests that management should investigate the implementation of other consumer services.

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Returns from about 750 residents were usable and reflected in this report. This represents about a 15 percent response rate which is above the normally expected 10 percent return rate for a survey structured in this manner.

Our thanks to those 750 who responded; without their time, this project would have failed.

### INTRODUCTION

Current trends in supermarkets are to continually add services which will increase traffic within the store. The earlier trends were to services that were food related, i.e., bakeries, delicatessens, cheese and wine shops. Recent additions have now expanded beyond this bound; pharmacies, electronic banking, photo development, etc. This trend of non-food continues as one Dallas chain is presently leasing space to an insurance agency.

In an attempt to judge the desires of the consuming public as to what services they would like to see in supermarkets, a questionnaire was sent to about 4,000 Dallas area residents. In addition to their opinions on this topic, information was also asked on their current use of the services now available. Various demographics relating to the respondents on age, income and size of family were also obtained.

### USE OF PRESENT SERVICE DEPARTMENTS

The respondents were asked to indicate which of the five services listed that they used on a regular basis. Table 1 compiles the responses. The bakery and deli were the most popular of the services listed, with positive responses from 55 and 54 percent of the respondents. Pharmacies were used by 34 percent, natural and health foods by 18 percent, and floral by 15 percent.

One interpretation could relate to the age of the service department and the experience that the operators have in meeting the needs of the customers. The most used departments correspond closely to the amount of time that these service departments have been in most supermarkets. The only possible exception would be the floral and health foods departments. The floral departments were generally introduced prior to the health food areas. A corresponding thought is

TABLE 1. SERVICE DEPARTMENTS USED  
REGULARLY

| Service                | Percent* |
|------------------------|----------|
| Pharmacy               | 34       |
| Bakery                 | 55       |
| Floral                 | 15       |
| Delicatessen           | 54       |
| Natural & Health Foods | 18       |

\*Percent of those responding who indicated they use this service on a regular basis.

that more of the population as a whole use the products of the bakery and deli. The pharmacy services are more in demand than are floral and health foods.

#### POTENTIAL SERVICES

The respondents were asked to review a list of 25 potential services and rank order from 1 to 10 (with 1 being the most desired) those services that they would use on a frequent basis. An open ended response was made available should the respondents wish to indicate a service not noted on the questionnaire.

Table 2 summarizes the responses, average ranking and percent of returns which had ranked that response. Full service banking received the lowest average score and was listed on 60 percent of all returned questionnaires. Dry cleaning and alterations had the second lowest ranking, but had 68 percent of the respondents mentioning this service. This response percentage was matched by the third most popular average, a remote ticket service. The next two variables, copy center and shoe repair, also had relatively high percentages of response. However, the response rate was down markedly for the next two services, a shopping service and barber shop. This suggests relative strong support for these, but the number wishing them are only about one-half of those indicating they would use the five services listed above them. The number mentioning appliance repair, the eighth

TABLE 2. POTENTIAL SERVICES

| Variable Response          | Ave. | %* |
|----------------------------|------|----|
| Full Service Banking       | 3.21 | 60 |
| Dry Cleaning & Alterations | 3.54 | 68 |
| Remote Ticket Service      | 4.16 | 68 |
| Copy Center                | 4.53 | 58 |
| Shoe Repair                | 5.03 | 64 |
| Shopping Service           | 5.05 | 34 |
| Barber Shop                | 5.39 | 33 |
| Appliance Repair           | 5.54 | 53 |
| Beauty Salon               | 5.88 | 31 |
| Catering                   | 6.06 | 38 |
| Travel Agent               | 6.49 | 37 |
| Insurance Agency           | 6.54 | 12 |
| Electronic Repair          | 6.55 | 34 |
| Home Decorating            | 6.71 | 30 |
| Financial Service          | 6.81 | 15 |
| Insurance Needs            | 7.12 | 12 |
| Employment Agency          | 7.52 | 7  |
| Apartment Locator Service  | 7.78 | 5  |
| Real Estate Services       | 8.01 | 8  |
| Auto Rental                | 8.03 | 12 |

\*Percent of returns which had mentioned this variable.

ranked service, was relatively high, 53 percent, but was a lower priority for most who returned the questionnaires.

On the opposite end of the scale, the services which seem to be less desired were auto rental, real estate services, an apartment locator service, employment agency, and insurance needs service booth.

Based on the responses, it certainly appears that there are additional service areas that consumers feel could be comfortably integrated into the current supermarket format. The most popular suggestion, full service banking, could possibly not be feasible due to Texas laws regulating banking institutions. Savings and Loan Associations are not covered to the same degree and allows "branches." However, the economics of staffing and operating a banking service could prevent such a service in most supermarkets.

The next few suggested services do seem practical and feasible. Most relate to a drop-off and pick-up operation, all of which could be handled in one area by no more than one person.

Finally, it appears that the specific needs and service areas which require trained specialists are not demanded by a large percentage of the consuming public and would not seem feasible at this point in time.

#### DEMOGRAPHICS

Tables 3 to 5 show the demographic characteristics of those returning the questionnaires. The age distribution, size family and family members under 18 are all similar to the population as a whole. The income level distribution is, however, heavily weighted to the upper income levels. This is primarily a function of the location of dwellings of those sampled. Most all areas were in the mid to upper income level and, thus the results of this variable are reflective of those sent questionnaires.

TABLE 3. AGE OF RESPONDENTS

| Age   | Percent* |
|-------|----------|
| 18-25 | 6        |
| 26-30 | 12       |
| 31-40 | 29       |
| 41-50 | 21       |
| 41-60 | 20       |
| 61+   | 13       |

\*Percent of those responding who indicated they were in this category.

TABLE 4. TOTAL NUMBER OF PEOPLE IN HOUSEHOLD AND NUMBER UNDER 18

| Number of People | Number under 18 |
|------------------|-----------------|
| 2.93             | .84             |

TABLE 5. HOUSEHOLD INCOME

| Income        | Percent* |
|---------------|----------|
| \$ 0 - 10,000 | 4        |
| 10 - 20,000   | 10       |
| 20 - 30,000   | 19       |
| 30 - 40,000   | 23       |
| 40 - 50,000   | 17       |
| \$50+         | 29       |

\*Percent of those responding who indicated they were in this category.

#### CONCLUSIONS

Additional services provided to retail supermarket consumers have increased as the size of supermarkets have grown, providing the needed space. These service outlets have increased revenues and provided an even greater impression of one-stop shopping. The initial success of the non-food related services in the areas of banking, insurance, etc., have suggested to management that they should investigate other potential services which consumers might utilize.

The results of this particular survey tend to support the contention that consumers would like to see additional services located in supermarkets. The most feasible services seem to be ones which would utilize the supermarket facilities for a drop-off and pick-up location. However, the crucial question yet to be answered is whether the consumers would economically utilize the services provided or would they just like to see them in supermarkets.