

# Good literature review about a comparison between supermarkets and discounters in...

[Business](#), [Customers](#)



## **Definitions of Terms**

A supermarket is a big type of grocery store that offers self-services. It has diverse varieties of household and food items that are organized into walkways. The size is larger and wider than grocery store, but it is smaller and more restricted in the choice of commodities they sell than a hypermarket (Blythe, 2008). A discounter is a smaller type of supermarket that offers its services and products under a subsidized price as compared to the indicated process. The services however are like those initiated at the supermarket the only difference coming into play through prices. A customer under the supermarket and discounter business entities is also considered as the consumer. He is the person who receives the products or items upon purchasing them from the supermarket or discounter.

## **Customer- buying behavior**

Customer- buying behavior is the study of how customers behave through taking the steps in buying certain commodities in any retailer shop while consumer buying behavior refers to the purchasing pattern of an eventual customer to any business entity and in this case a supermarket or discounter (Zachary, Palmer, Beckham & Surkan, 2013). As per customer-buying behavior, a supermarket offers a variety of commodities options of products and services as per the different demands of consumers as compared to a discounter shop that specializes on specific goods and services in any given area that attracts more customers.

## **Crucial Facts/Figures/Data Related to Topic**

The Institute of Grocery and Distribution (IGD) estimated that grocery shopping made at home across discounters in the country will more than double in size over the period, of 2013-2018 from £6.5 billion to £14.6 billion, as customers shop for drinks and food over time. The Institute of Grocery and Distribution projected that those three dollars of the extra four dollars spent by consumers as a country on food for the next five years will be spent on the internet, discounters, or convenience stores. The sales on the growth at the nation's supermarkets will slow down to 8.2 % between the years 2013 and 2018. The IGD chief executive, Joanne Denney- Finch, is quoted, " The 'hot three' areas of online, convenience and food discounters the ones to watch. Such statistics bring about the differences that the two business entities go through in relation to the factors that influence customer behaviour (Yee & Rashad, 2014).

## **Advantages and Disadvantages Related to Topic Area**

Studying about the two business entities namely supermarkets and discounters brings about an understanding of the behavior of a customer towards selecting which area he or she chooses to shop. The area offers an interest towards the factors that influence what a customer selects to buy in any given place at any given time. The factors will give a hint as to why a discounter may get less or more customers as compared to a supermarket and vice-versa. Understanding the factors will also facilitate the understanding of the growth of one area as compared to the other as per the given analysis made relating to the double growth of discounters as

compared to supermarkets. Each outcome requires specific steps to be undertaken to ensure that proper business rules and regulations are made to protect the interests of a given entity. Understanding such data and analysis will also enable the given business entity to make the required changes to adapt to the changes expected as to facilitate customers needs and profits. The customer being an import party to a business is required to be respected and any concerns raised by him or her towards ensuring that the proper products and services are given to the public (Yee & Rashad, 2014). .

The disadvantage if making such studies also comes into play within the area of interest. When both business entities learn about the customer behaviors, they will all tend to shift towards a common area of business and therefore distorting the initial objective of establishing these two business entities. The studies will also increase business rivalry among discounters, supermarkets and the two businesses. Each party intends to make more profits than the other at the end of every financial year in order to expand and attract more customers. The competition will distort business relations at the different levels involved. Another disadvantage of engaging in such studies will also create biasness when it comes to companies that conduct the studies. Some studies will favor discounters while others will favor supermarkets. Such imbalances will create distort of real data in the field based on the two groups of business entities (Zachary, Palmer, Beckham & Surkan, 2013).

## **Factors Influencing and Affecting Area of Study**

Customer behavior has taken diverse steps over the past years. The manner through which a given consumer takes to shop either in a supermarket or discounter is taken into account based on several variables. The options taken by an individual will vary depending on the circumstances present at the time a customer is at the point of window-shopping or intending to buy specific commodities (Cummins, Flint & Matthews, 2014). The opportunities available will offer the strength to facilitate the different trades as both the customer and the given seller is willing to convenience the consumer to pick the given commodity. It is important to understand that the steps taken by the supermarket or discounter to advertise their commodities plays a major role towards enhancing products sells within a given individual transaction. The factors influencing customer-behavior in the United Kingdom between the supermarkets and discounters are social situations, time and perspective (Gustafson, Hankins & Jilcott, 2012).

## **Relationships between Associated Variables**

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### **Social Situation**

The social surrounding of a person will definitely affect his or her choice of shopping commodity in a given area. Those with progressive and stable financial social status will opt for a supermarket rather than a discounter shop. The same can be compared to an individual who is socially unstable in terms of finances to choose shopping in a discounter for its cheaper options as compared to a supermarket where there is no bargaining power. The

financial differences have affected the places where people go to do their shopping in the country. Discounters have taken such diverse capital differences to expand their products availability to ensure they attract more customers who view their products more cheaply as compared to supermarkets (Jain, 2011).

According to the Hawkes and Ruddick, the discounter businesses in the country will grow much bigger over the same period as compared to supermarkets over the period of 2012-2013 to 2017-2018. The same was substantiated by The Institute of Grocery and Distribution (IGD) when it analyzed that the sector involving discounters will double in size as compared to supermarkets. Social beliefs have also come up as another influence on consumers as customers. Some customers always believe that supermarkets offer better products as compared to discounters. Such ideologies also influence how customers buy items between the two different business entities. Those brought up shopping in supermarkets will keep up the trend and belief to the extent of influencing others. The same is also observed to those whom have been used to do their shopping at a discounter (Elizabeth & Lynn, 2014).

People tend to do their purchases in places where their friends or relatives work to boost their business profit scales. This aspect has played a major role towards reference groups and membership influences. Some individuals buy commodities because a given group they are associated with has purchased the item or it has recommended as the best product on the market. The opinion buy such groups has determined whether a given customer will prefer taking a walk to a discounter or a supermarket as

recommended. Reference groups have taken over the need to advertise products in both businesses. The side that takes the necessary step to be endorsed by a given family or person will definitely take credit to expand its business market through acquiring more consumers of its products. The latest development in technology has also facilitated the social aspects of shopping in either a supermarket or discounter (Lynn & Pierre, 2012).

Different supermarkets have taken the steps of advertising their products and services through different social media sites. Facebook, Twitter, web and other online sites have been used as platforms to expand the markets available in the United Kingdom customer reach. The opportunity has favored most at the same time killing the prospects of others through cyber-crimes. The opportunities available have enhanced unique opportunities for most of the supermarkets and discounters to provide them with the opportunity to interact with their customers and any other potential customers in the future. The social aspect plays a great deal towards ensuring that both business entities maintain their clients and keep on making profits. The social aspects will also be advantageous and disadvantageous depending on the angle a given business stands before its customers at a larger scale within the country in general (Torres & Martins, 2009).

## **Time**

Time is another critical aspect that determines customer behavior to either shop in a discounter or supermarket in any location within the country. Time will vary depending on the needs of a customer. The time to process the

purchases is a major concern of a given customer. A customer will prefer a discounter or supermarket that takes the shortest time possible to be served or given priorities upon inquiring about the commodities he or she wants to buy for a specific event or function (Hamlett, 2008).

The customer care branch of either a supermarket or discount entity must work round the clock to ensure that the needs of a customer are adhered to encourage more purchases and customers in the future. The process will mean that a faster service delivery will attract more customers to a given area. The supermarkets were preferred mostly from the start because of their diverse items to consumers making it easy to save time during shopping. The same approach is now taken by discounters to ensure customer satisfactory. The arrangement of items for easy grab in case of an emergency shopping also influences shopping between these two businesses (Maguire, Burgoine & Monsivais, 2015).

Supermarkets and discounters have taken the liberty to research thoroughly on the demands of products by their customers in the area they are located to reduce the amount of time taken to shop for any given item. The time of weather and duration during the day has also offered another challenge to both the discounters and supermarkets in terms of customer behaviors. People tend to shop differently during the day, midday and night depending on what they need to use. The same can be observed through the different seasons of winter, summer, autumn and spring. The needs among such periods and weather changes vary and thus business entities that vary their commodities as per the changes benefit greatly as they keep up with the needs of the customer behaviors.



## **Perception**

Every individual has a unique way of interpreting what is presented before him or her in terms of products and services. Observation plays a key role towards deciding whether to be a customer in a discounter or supermarket business entity. The manner in which the products are presented offers a major boost towards making such decisions. Customers like to be appreciated in the steps they take to enter a given premise to shop. Such demands have forced different companies to take drastic steps towards ensuring that they employ more customer friendly service men and ladies at the disposal of customers to offer help in terms of consultation. Such approaches in businesses have attracted customers to shop in supermarkets as compared to discounter stores (Dave, 2013).

The employees offer more information and respond to any inquiry in a professional manner to satisfy the customers. Such services have ensured that business remain relevant on the market irrespective of their location and prices. In this case, supermarkets have more workers as compared to discounters hence attracting more customers in the region as compared to discounters. The manner through which products are packaged in any supermarket or discounter has also played a role towards perception. The factor has ensured that good materials are used to pack commodities to attract the customers to purchase them from the stalls in either the supermarket or discounters. In this essence both supermarkets and discounters have taken considerate steps to ensure the quality of their products. The supermarkets have over the past taken an upper hand due to

their resources to attract more customers through the manner of their quality packaged products (Fletcher & Kenway, 2007, May).

## **Challenges Relate to the Topic**

The topic offers a great challenge for both the two business groups in the country. The factors that influence customers are not permit as expected by different businesses in order to set out strategies. The perspective, time and social situation factors vary at any given time. An individual can be pressured with his or her current perspective to buy a given commodity from a specific discounter or supermarket (Odeh & As'ad, 2014). The same can change when he or she has used the product or experienced the services offered at the given entity. Countering such aspects might prove difficult to cure as the customer would have made up his mind not to go back and experience the new improved services or products no matter how hard they are advertised. The same approach can be seen through time and social situation aspects. The financial status might change to the better or worse depending on the conditions a person is going through. The social status through change of friends and finances will determine whether a person will pick up a tray and shop in a supermarket or discounter (Nakazawa, 2014).

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