

# Shopping behaviour in grocery food retailing in mauritius



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## **Introduction**

Over the years, both Europe and North America has seen an emergence of supermarkets as the dominant retail form. This is because consumer's behaviour has changed and shifted towards convenience, high quality produced, provision for customer care, flexible payment methods and sophisticated channels of distribution. To cope with customer demands, retailer are constantly shaping their business strategies and striving to offer the right products and services. Both USA and Europe have led to dramatic changes in consumer behaviour. This is particularly true and this has significant effect on middle class consumers.

Mauritius with the newly introduced 'so-called' supermarkets which are providing a complete new experience in term of sophisticated customer service, a wide and assorted variety of goods, pleasant ambiance while shopping, spacious layout, quality imported and branded products and provision for other western life style facilities. Therefore, it is of paramount importance for retailers in Mauritius to know the attributes that appeal to their customer in the 21st century in order to satisfy them.

Mauritius, a small island found in the Indian Ocean has a population density of 1, 284, 264 approximately with the goal in the near future to complete the dream of been a cyber island, 3 towers has already been built and there are few more in construction to complete the cyber city which will accommodate efficient IT work and office spaces. The city comprise of seven components:

The cyber Tower and the Multimedia Zone: This will include Multimedia conference and exhibition facilities.

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Business Zone: This enables big IT companies to set up their own office.

A knowledge centre: For providing training and education facilities.

A commercial city: This encloses a large hypermarket and provides commercial services.

Business class hotel: For gourmet dining and short stays.

An administrative block: For accommodating government offices.

Residential and recreational complex: For medium and long-term accommodation.

Mauritius is poised to be the major business hub in the Indian Ocean region. It has the attractive tax regime, reliable banking and financial services adding with a positive attitude to foreigners with the stable industrial relations. With all the technologies in place, 98% of the population is network covered. Its internet gateway to the rest of the world comes primarily in the form of fibre optic cables, which enable quick, reliable and efficient internet connection. Thus said the retail industry is dynamic and constantly changing which lead to dramatic changes in consumer behaviour. All this is due to the effects of globalisation, economic and trade liberalisation, changing patterns of consumers shopping behaviour, the Mauritian government liberal attitude towards foreign imported food products and growth of organised superstore and the sudden increase of middle class consumers.

In light of the rise in online shopping, the Mauritian shopping landscape is undergoing significant transformations and the attendant consequence is

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that traditional retailers are trying to adjust their strategies to take advantage of this transformation, which is relatively difficult. In fact, in the face of the Internet boom and the erratic bust, traditional retailers have no choice but to overhaul their trading strategy to stay competitive. All this is good but proves to be very difficult and challenging.

### **Background of the study/reason for the study**

One of the greatest unknowns...is whether e-commerce will become significant force in satisfying consumer markets and so make electronic retailing a serious competitor to fixed store retailing (Dawson, J, 2000).

E tailing broadly refers to the sourcing, purchase or selling of, and payment for goods and services between businesses and consumers. This interactive process mediated by information or digital technology at both locationally separate ends of the interchange. E tailing, has as a result, become a significant business genre, and as some observers have suggested, a part of the marketing mix (Jones, Clarke-Hill and Hillier, 2002). E tailing is a dynamic and volatile sector of the economy and the virtual retail landscape can change rapidly and dramatically and, therefore, any descriptions of the market structure are transitory (Jones, Clarke-Hill and Hillier, 2002).

Mauritius with a total area of 1, 860 square kilometres (781 square miles) and a coastline of 117 kilometres (110 miles) is relatively small compared to other island found in the Indian Ocean. Mauritian food retail sector is dominated by traditional shops , and traditional food distribution system ‘ open market or stalls’ which sell fruits, vegetables, meat and fish together with small food stores which sell dry foods. The traditional retailing is <https://assignbuster.com/shopping-behaviour-in-grocery-food-retailing-in-mauritius/>

establish for some centuries now. However, its expansion is keeping pace with rapid growth of economy, intense competition, population growth and changing consumption patterns. All this is leading to changes in the structure of food retailing sector. Thus modern superstores, supermarkets, convenient stores, one stop shop and multiple-store complexes developed to service the growing middle class with their demand for more sophisticated food stores and greater varieties of products, many of which are imported. This leads to the question ‘ why can’t Mauritian people shop online?’ and why they cannot get the same benefit that big five stars hotel, big supermarkets, chain stores and offshore offices get? If Mauritius is 98% network covered, the internet is quick there are other issues influencing online shopping behaviour of consumers in grocery food retailing. You can find foods and products from all over the world in Mauritian shops and stores, but the price is doubled the price if you buy it online. The benefit of buying online is cheaper if the food or products are coming directly from India, China and Africa.

It has become apparent how the Internet now influences one in five in-stores retail purchases. You might see an advertisement on TV and the next day it is on your shelf in one of the store, considering the price customer found it difficult to make a step and purchase the good. While going online, many consumers use websites to browse for ideas, research products and compare shop, which is why it has become impossible for retailers to ignore the power of the online shopping channel. So one strategy that Mauritian people found is that while someone is going abroad for business purposes, since tax is levied due to the duty free country, they give money to people to buys the

required products on their behalf. The journey from one island to the other is about 4 hours and the nearest continent is about 6 hours. You can feel the difference in the price range when dealing with shopping in a traditional shop and while purchasing in another country. It could have been simpler if the freight was levy on product or groceries purchased online.

Mauritius should introduce at least the system incorporated by Indian retailer companies to give the facilities to consumer to shop online, by allowing online purchase to be return to stores or permit customers to buy merchandise online and pick up at a retail location. Other retailers offer online kiosks in their stores so merchandise that might be out of stock in a particular area shipped to customer free of charge. As the internet continues to expand and grow, retailers will continue to challenge themselves to find ways to make the shopping experience seamless for shoppers. Mauritius has all the technology and systems in place, but is to offer the facility to the population. The emphasis in this research is helping to drive sales and purchase in the use of in-store kiosks, a practical multi channel tool that combines the in-store experience with the web, The main lure for customers is the ability to access deep information about a product and, in many cases, order the merchandise via kiosks and have it shipped home.

## **Literature for the research**

As the internet unfolded and the world of dot. com business began to emerge, it became clear that the race was on to acquire customers (Reibstein, 2002). In today's competitive environment to compete with competitors and sustain in business all organisation are investing in

resources to create customer loyalty by offering better product, better  
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services to increase customer repurchase intentions, as satisfied customer will always come back. As Alev M. Efendioglu et al (2005) pointed out that even though a developing country government may make the necessary investment in infrastructure, unless the e-commerce industry participants understand and address the cultural issues that are unique to that country and relate to off-site transactional process, the large-scale diffusion and success of such endeavours will be greatly impeded. In contrast, Mauritius might have all the infrastructure needed but is to inculcate and venture on the e-commerce landscape.

According to Burke (1997, 1998); and Maruca et al (1999) a number of factors determine consumer adoption and use of new technologies. The interactive shopping technologies can produce extensive products selections, powerful search and screening tools, and volume of information (Alba et al 1997). By lowering search costs, new technologies can improve the quality of purchase decisions (Hauser and Wenerfelf 1990; Ratchford 1982). On the contrary, the quality of the digital information may be poor, especially if consumers typically rely on social or physical interaction to evaluate product quality (Quelch and Takeuchi 1981). New technologies may be confusing, take time to learn, are

prone to failure, and can raise the prices of goods and services, discouraging consumer usage (Milk and Fournier 1998, Venkatesh 2000). Nonetheless, the research will be focusing on the E-Tail Readiness Index, which is defined as a composite index of seven individual parameters. These include:

Number of personal computer owners per 1000 people

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Number of internet users per 100 people

Number of telephone connections (mobile + fixed)per 100 people

Per- capita GDP

Business and Regulatory Environment Index

Consumer and Business Adoption Index

Supporting E-services Index

The first three parameters reflect the status of ICT (Information and Communication Technology) infrastructure in the country (data that will be taken from EIU database). The fourth parameter, the per-capita GDP of the country, is a proxy for the average buying power of the citizens in Mauritius. The Business and Regulatory Environment Index, is a measure of the general business climate of the country, along with the country's legal and regulatory framework from the perspective of Internet usage (EIU White Paper, 2005). The Consumer and Business Adoption Index will reflect the citizen's acceptance of Internet based service. The value for which will be obtain from the EIU main database if the proposal is approved. The supporting E-service Index is a measure of various ancillary services present to support Internet based businesses (EIU White Paper, 2005).

## **Research objectives and questions**

The objective of this research will be to:

Understand the role of e-tailing as a critical agent of market change



Understand the change occurrence in the Mauritian shopping scene

Understand why e-tailing is not popular in Mauritius and the reason behind the lack of information in this domain

By doing this research, it might help in identifying and understanding why Mauritius government does not want to promote and encourage online shopping. If e-tailing proliferate it might entail several consequences to the economy which will force retailers to change their strategy to remain market leaders.

Some of the research questions, which will be, develop to help retailers in Mauritius to understand consumer's behaviour towards online shopping will be:

What is the proportion of online shopping in terms of Mauritius retail trade?

What is the impact of household internet connection on e-tailing behaviour?

What is the impact of e-tailing on traditional street shopping?

What are the critical drivers influencing the spread of e-tailing in Mauritius?

## **Research design and methodology**

Generally, science research distinguishes between quantitative and qualitative methodology, in order to facilitate the explanation of social phenomena. Using deduction, principles are derived from a formal system of statement based on logical conclusion. Quantitative methodology means verification of theories (Conley, 2006). This mean causal relationship are

being deducted from a large number of acquired data pre-formulated are disproved or accepted during the research process. Quantitative research is most often criticised for having a view of the world and of mankind that is too rigid, too far removed from the actual social relationship in real life, and therefore too abstract and inscrutable (Creswell, 2003).

The most important point, for the methodology of this study as well, is that qualitative methods do not verify theories but form them; that means theories are not developed prior to but during the research process (Neuman, 1997). The practise make it possible that the theoretical framework can always be changed during the research process from these inductive conclusion, hypotheses can be developed which could be verified through a quantitative survey if that is desired.

Justification of a qualitative paradigm

Qualitative research and quantitative research is use for different purposes. Qualitative research is often used to improve the efficiency of quantitative research (Mc Daniel et al 1993; Bellenger, Bernhardt, & Goldtucker 1989; Wimmer & Dominick 1983; Zikmund 1984; Morgan 1988). The differences between the two research methodologies are summarised in table 1.

Table 1 Qualitative versus quantitative research

## **Comparison dimension**

### **Qualitative research**

### **Quantitative research**

Objective

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To gain a qualitative understanding of the underlying reasons and motivations

To quantify the data and generalise the results from the sample to the population of interest

Data collection

Unstructured

Structured

Orientation

Process-oriented

Outcome-oriented

Data analysis

No statistical

Statistical

Types of questions

Probing

Limited probing

Sample size

Small

Large

Information per respondent

Much

Varies

Administration

Requires interviewer with special skills

Fewer special skills required

Type of analysis

Subjective, interpretive

Statistical summarisation

Hardware

Tape recorders, projection devices, video, pictures, discussion guides

Questionnaires, computers, print-outs

Ability to replicate

Low

High

Type of research

Exploratory

Descriptive or casual

Type of data gathered

‘ Real’, ‘ rich’, and ‘ deep’

‘ Hard’ and ‘ replicable’

Source: Miyauchi (1995)

Reasons for adopting the qualitative research method for this research include its capacity to obtain ‘ rich’, ‘ real’, and ‘ deep’ information (table 1) (Deshpande 1983, p. 103). Additionally, qualitative research methods will allow the researcher to look at changing processes over time, to understand people’s meanings, and to contribute to the evolution of new theories (Easterby-Smith 1991). Therefore, the qualitative research method will enable the researcher to gain extensive information on market entry strategies and their change. Qualitative methods such as case studies address theory construction and theory building rather than theory testing and theory verification (Bonoma 1985; Lincoln & Guba 1985; Tsoukas 1989). In the early stages of theory development where phenomena are not well comprehended and the relations between phenomena are not known, a qualitative research is a more appropriate methodology than quantitative research methodologies (Parkhe 1993). Thus, the use of a qualitative research method is justified.

Appropriateness of the case study methodology

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Case studies are one of these qualitative research methods. The application of case studies as a qualitative research method is widely recognised by researchers (Dyer & Wilkins 1991; Eisenhardt 1989; 1991; Miles & Huberman 1984; Parkhe 1983; Perry & Coote 1994; Yin 1994). Case study research methodology was chosen after assessing the three conditions proposed by Yin (1989): the type of research question proposed, the extent of control an investigator has over actual behavioural events, and the degree of focus on contemporary as opposed to historical events. For this research, the research problem is a 'how' and 'why' problem that focuses on a 'contemporary phenomenon within some real-life context' which the investigator has little or no control (Patton 1990; Parkhe 1993; Eisenhardt 1989; Yin 1994 p. 1). Furthermore, the case study approach was chosen because it is well suited to new research areas or research areas where existing theory seems insufficient such as this research (Deshpande 1983; Bonoma 1985; Eisenhardt 1989; Yin 1994). Therefore, the case study is the most appropriate research methodology to explore at the practical level of this research.

### Interview and Questionnaires

Data will be collected using random sample of consumers. The data and information collected from users and non-users of online shopping from selected stores, shops and retailers will be use. Consumers who will have significant knowledge of the topic will be identify and selected at random for questioning. Interviews conducted will be face to face on exit from three selected stores to capture the attitude and experience of consumers who

had just purchased grocery items. The choice for face-to-face interview is in order to get high response rate and reduce the response bias.

A sample of 50 consumers in each store (3 x 50) making a total of 150 food shopping consumers from the three selected stores in Mauritius will be selected. It is logical that the larger the size of the sample, the greater will be the precision or reliability when the research is replicated (Saunders et al, 1997).

## **Resources**

In regards to the research where most of the data is to be collected in Mauritius, I will face problems in regards to the submission and compilation of data on time. I will be appointing a group of work force who will distribute and collect the questionnaires; I will be conducting the interviews. Cost will influence decision on sample size in this research. The more funds I can inject in the research the better will be the outcome. The factor to consider now is the cost of travelling to Mauritius, the time involved and the difference in time zone when contact need to be made to my supervisor.

Another constraint I might face is when dealing with data access such as the EIU main database, where you need to register and pay monthly fees to have access. Since my dad is in charge of one department of the ICT (Information and Communication Technology) in the Mauritius Telecommunication Sector, to get official approval for the access documents and data will be challenging but granted.

## **Access to study population**

As stated above for collection of raw data, I will be conducting interviews and questionnaires to be distributed. Three stores to be selected, of which 50 random customers per stores will fill the questionnaires and 20 customers per stores will have a face-to-face interview, of which the choice for face-to-face interview is in order to get high response rate and reduce the response bias. By doing so, I will obtain permission with the three stores to be able to set up base by placing some tables, chairs, notices and also having all the stationery at hand to avoid running here and there to get a pen to fill in the questionnaire. In addition, I have an interest in asking the store managers, since I will be conducting it in the parameters of the store, if they could offer me some let go products that I could give to the participant for their time and effort. In addition, by the time that the research will be carried out it will be winter in Mauritius so the expectation of rain and cyclones should be taken into account if I decide for the collection of data to be outside the stores.